

Value Line Forecast for the U.S. Economy

	ACTUAL					Estimated				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GROSS DOMESTIC PRODUCT & ITS COMPONENTS (2009 CHAIN WEIGHTED \$) BILLIONS OF DOLLARS										
Final Sales	14979	15292	15511	15882	16345	16879	17394	17881	18328	18768
Total Consumption	10264	10413	10590	10876	11212	11547	11917	12299	12668	13035
Nonresidential Fixed Investment	1803	1964	2024	2148	2210	2276	2389	2508	2633	2739
Structures	375	423	430	465	457	453	465	483	507	528
Equipment & Software	848	939	970	1026	1058	1106	1173	1237	1299	1351
Residential Fixed Investment	385	437	478	486	529	572	628	666	699	727
Exports	1898	1963	2018	2086	2109	2143	2248	2383	2514	2640
Imports	2358	2410	2436	2529	2654	2736	2906	3065	3219	3380
Federal Government	1236	1214	1144	1116	1113	1130	1133	1127	1127	1133
State & Local Governments	1761	1728	1710	1721	1744	1759	1778	1803	1825	1843
Gross Domestic Product	15518	16155	16664	17348	17939	18599	19485	20471	21486	22551
Real GDP (2009 Chain Weighted \$)	15021	15355	15583	15962	16345	16720	17206	17722	18219	18711
PRICES & WAGES-ANNUAL RATES OF CHANGE										
GDP Deflator	2.0	1.8	1.6	1.6	1.1	1.5	1.9	2.0	2.1	2.2
CPI-All Urban Consumers	3.1	2.1	1.5	1.6	0.4	1.3	2.3	2.5	2.7	2.7
PPI-Finished Goods	6.0	1.9	1.2	1.9	-3.3	0.9	2.8	2.8	2.7	2.6
Employment Cost Index—Total Comp.	2.1	1.9	1.9	2.1	1.9	2.5	3.0	3.0	3.1	3.2
Productivity	0.5	0.9	0.0	0.7	0.4	1.7	1.6	1.8	1.8	1.7
PRODUCTION & OTHER KEY MEASURES										
Industrial Prod. (% Change)	3.3	2.8	1.9	3.7	-0.8	1.5	3.1	3.1	3.0	2.8
Factory Operating Rate (%)	73.9	74.5	74.1	75.3	76.1	75.7	75.3	75.0	74.8	74.5
Nonfarm Inven. Change (2009 Chain Weighted \$)	39.7	72.7	54.3	65.0	90.5	38.8	42.5	55.0	50.0	50.0
Housing Starts (Mill. Units)	0.61	0.78	0.93	1.00	1.11	1.22	1.41	1.50	1.55	1.60
Existing House Sales (Mill. Units)	4.28	4.66	5.07	4.92	5.23	5.29	5.37	5.35	5.33	5.30
Total Light Vehicle Sales (Mill. Units)	12.7	14.4	15.5	16.4	17.4	17.8	18.2	18.0	17.8	17.5
National Unemployment Rate (%)	8.9	8.1	7.4	6.2	5.3	4.9	4.8	4.8	4.8	4.8
Federal Budget Surplus (Unified, FY, \$Bill)	-1297	-1089	-680	-483	-479	-550	-550	-500	-580	-600
Price of Oil (\$Bbl., U.S. Refiners' Cost)	101.75	101.00	100.47	92.23	48.46	40.25	46.50	44.00	53.00	63.00
MONEY & INTEREST RATES										
3-Month Treasury Bill Rate (%)	0.1	0.1	0.1	0.1	0.1	0.5	1.4	2.3	2.6	2.8
Federal Funds Rate (%)	0.1	0.1	0.1	0.1	0.1	0.6	1.4	2.5	3.0	3.0
10-Year Treasury Note Rate (%)	2.8	1.8	2.4	2.5	2.2	2.2	2.6	3.0	3.5	3.7
Long-Term Treasury Bond Rate (%)	3.9	2.9	3.5	3.3	2.9	3.2	4.1	4.2	4.5	4.8
AAA Corporate Bond Rate (%)	4.6	3.7	4.2	4.2	3.9	4.4	5.1	5.5	5.6	5.7
Prime Rate (%)	3.3	3.3	3.3	3.3	3.3	3.9	4.9	5.8	6.2	6.5
INCOMES										
Personal Income (% Change)	6.1	5.0	1.1	4.4	4.4	4.0	5.0	5.0	5.0	4.8
Real Disp. Inc. (% Change)	2.4	3.1	-1.4	2.7	3.4	3.3	3.1	3.2	2.8	2.4
Personal Savings Rate (%)	5.7	7.6	4.8	4.8	5.2	5.5	5.6	6.0	6.2	6.4
After-Tax Profits (\$Bill)	1473	1683	1693	1694	1770	1857	1982	2061	2164	2315
Yr-to-Yr % Change	0.6	17.9	0.6	0.1	4.5	4.9	6.7	4.0	5.0	7.0
COMPOSITION OF REAL GDP-ANNUAL RATES OF CHANGE										
Gross Domestic Product	1.6	2.2	1.5	2.4	2.4	2.3	2.9	3.0	2.8	2.7
Final Sales	1.7	2.1	0.1	2.4	2.9	3.3	3.0	2.8	2.5	2.4
Total Consumption	2.3	1.5	1.7	2.7	3.1	3.0	3.2	3.2	3.0	2.9
Nonresidential Fixed Investment	7.7	9.0	3.0	6.2	2.9	3.0	4.9	5.0	5.0	4.0
Structures	2.3	12.9	1.6	8.1	-1.7	-0.9	2.5	4.0	5.0	4.0
Equipment & Software	13.6	10.8	3.2	5.8	3.1	4.5	6.1	5.5	5.0	4.0
Residential Fixed Investment	0.5	13.5	9.5	1.8	8.8	8.3	9.7	6.0	5.0	4.0
Exports	6.9	3.4	2.8	3.4	1.1	1.6	4.9	6.0	5.5	5.0
Imports	5.5	2.2	1.1	3.8	4.9	3.1	6.2	5.5	5.0	5.0
Federal Government	-2.7	-1.9	-5.7	-2.4	-0.3	1.5	0.3	-0.5	0.0	0.5
State & Local Governments	-3.3	-1.9	-1.0	0.6	1.3	0.9	1.1	1.4	1.2	1.0

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