

Value Line Forecast for the U.S. Economy

	ACTUAL					ESTIMATED				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GROSS DOMESTIC PRODUCT AND ITS COMPONENTS (2005 CHAIN WEIGHTED \$) BILLIONS OF DOLLARS										
Final Sales	13201	12853	13029	13282	13589	13779	14146	14598	15051	15503
Total Consumption	9212	9038	9221	9421	9605	9789	10038	10299	10577	10841
Nonresidential Fixed Investment	1538	1263	1319	1436	1484	1588	1701	1820	1929	2026
Structures	466	367	309	323	350	345	371	401	431	461
Equipment & Software	1059	890	1019	1126	1144	1253	1338	1432	1503	1578
Residential Fixed Investment	444	346	331	326	367	415	491	579	637	694
Exports	1649	1494	1663	1774	1834	1874	1971	2076	2190	2321
Imports	2144	1853	2085	2188	2240	2266	2384	2491	2579	2656
Federal Government	971	1030	1076	1055	1024	1009	984	965	955	945
State & Local Governments	1528	1514	1487	1454	1463	1420	1407	1414	1424	1435
Gross Domestic Product	14292	13939	14527	15088	15676	16132	16864	17734	18686	19688
Real GDP (2005 Chain Weighted \$)	13162	12703	13088	13315	13589	13810	14181	14635	15132	15632
PRICES AND WAGES-ANNUAL RATES OF CHANGE										
GDP Deflator	2.2	1.1	1.2	2.1	1.8	1.5	1.9	1.8	1.9	2.0
CPI-All Urban Consumers	3.8	-0.3	1.6	3.1	2.1	1.3	1.9	2.0	2.1	2.2
PPI-Finished Goods	6.4	-2.5	4.2	6.0	1.9	1.3	1.1	1.5	1.7	1.8
Employment Cost Index—Total Comp.	2.9	1.4	1.9	2.2	1.9	2.0	2.4	2.5	2.7	2.8
Productivity	0.6	2.3	4.1	0.6	1.1	1.0	1.1	1.2	1.3	1.5
PRODUCTION AND OTHER KEY MEASURES										
Industrial Prod. (% Change)	-3.7	-11.2	5.3	4.1	3.7	3.1	2.8	3.2	3.1	3.0
Factory Operating Rate (%)	74.9	66.2	71.7	75.0	77.2	77.9	78.9	79.5	79.8	80.0
Nonfarm Inven. Change (2005 Chain Weighted \$)	-37.6	-143.8	60.7	44.3	61.8	41.3	50.0	50.0	45.0	40.0
Housing Starts (Mill. Units)	0.90	0.55	0.59	0.61	0.78	0.98	1.28	1.50	1.55	1.60
Existing House Sales (Mill. Units)	4.89	5.15	4.92	4.28	4.67	5.05	5.54	5.70	5.75	5.80
Total Light Vehicle Sales (Mill. Units)	13.2	10.4	11.6	12.7	14.4	15.1	15.7	16.0	16.3	16.5
National Unemployment Rate (%)	5.8	9.3	9.6	9.0	8.1	7.7	7.3	6.7	6.3	6.0
Federal Budget Surplus (Unified, FY, \$Bill)	-455.0	-1416	-1294	-1297	-1089	-900	-700	-650	-600	-670
Price of Oil (\$Bbl., U.S. Refiners' Cost)	95.29	59.20	76.70	101.80	100.95	102.50	105.00	107.50	110.00	115.00
MONEY AND INTEREST RATES										
3-Month Treasury Bill Rate (%)	1.4	0.2	0.1	0.1	0.1	0.1	0.2	0.5	2.0	3.0
Federal Funds Rate (%)	1.9	0.2	0.2	0.1	0.1	0.2	0.2	0.5	1.5	3.0
10-Year Treasury Note Rate (%)	3.7	3.3	3.2	2.8	1.8	2.1	2.7	3.0	3.5	4.2
Long-Term Treasury Bond Rate (%)	4.3	4.1	4.3	3.9	2.9	3.5	4.6	5.0	5.2	5.3
AAA Corporate Bond Rate (%)	5.6	5.3	4.9	4.6	3.7	4.2	5.0	5.5	5.6	5.8
Prime Rate (%)	5.1	3.3	3.3	3.3	3.3	3.3	4.4	6.0	6.5	7.0
INCOMES										
Personal Income (% Change)	4.6	-4.3	3.7	5.1	3.5	3.0	4.8	5.0	5.0	5.0
Real Disp. Inc. (% Change)	2.4	-2.3	1.8	1.3	1.5	0.6	3.2	3.3	3.2	3.2
Personal Savings Rate (%)	5.4	5.2	5.3	4.7	3.9	2.6	3.7	4.5	4.7	4.8
After-Tax Profits (\$Bill)	1051	1183	1408	1480	1698	1758	1903	1998	2118	2266
Yr-to-Yr % Change	-18.7	12.6	19.0	5.1	15.1	3.5	8.2	5.0	6.0	7.0
COMPOSITION OF REAL GDP-ANNUAL RATES OF CHANGE										
Gross Domestic Product	-0.3	-3.5	3.0	1.7	2.2	1.6	2.7	3.2	3.4	3.3
Final Sales	0.2	-2.6	1.4	2.0	2.0	1.4	2.7	3.2	3.1	3.0
Total Consumption	-0.6	-1.9	2.0	2.2	1.9	1.9	2.5	2.6	2.7	2.5
Nonresidential Fixed Investment	-0.8	-17.9	4.4	8.8	7.7	7.0	7.1	7.0	6.0	5.0
Structures	6.4	-21.2	-15.8	4.6	9.6	-1.3	7.5	8.0	7.5	7.0
Equipment & Software	-4.3	-16.0	14.6	10.4	6.9	9.5	6.8	7.0	5.0	5.0
Residential Fixed Investment	-23.9	-22.2	-4.3	-1.3	11.9	13.3	18.1	18.0	10.0	9.0
Exports	6.1	-9.4	11.3	6.7	3.2	2.2	5.2	5.3	5.5	6.0
Imports	-2.7	-13.6	12.5	4.9	2.5	1.2	5.2	4.5	3.5	3.0
Federal Government	7.2	6.0	4.5	-1.9	-2.2	-1.5	-2.5	-2.0	-1.0	-1.0
State & Local Governments	0.0	-0.9	-1.8	-2.2	-1.3	-2.9	-0.9	0.5	0.7	0.8

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