In its January 2012 report *The Budget and Economic Outlook: Fiscal Years 2012–2022, http://www.cbo.gov/doc.cfm?index=120699* , CBO presents the key assumptions underlying its projection of potential GDP in Table 2-3. That table is reproduced here.

Table 2-3.
Key Assumptions in CBO's Projection of Potential GDP
(By calendar year, in percent)

	Average Annual Growth						Projected Average Annual Growth		
	1950-1973	1974-1981	1982-1990	1991-2001	2002-2011	Total, 1950-2011	2012-2017	2018-2022	Total, 2012-2022
				Overall Economy					
Potential GDP	3.9	3.2	3.1	3.2	2.3	3.3	2.2	2.5	2.3
Potential Labor Force	1.6	2.5	1.6	1.2	0.8	1.5	0.7	0.7	0.7
Potential Labor Productivity[a]	2.3	0.7	1.5	1.9	1.4	1.8	1.5	1.8	1.7
				Nonfarm Business Sector					
Potential GDP	4.0	3.5	3.2	3.5	2.5	3.5	2.7	2.9	2.8
Potential Hours Worked	1.4	2.3	1.6	1.2	0.5	1.3	0.6	0.7	0.7
Capital Services	3.8	4.3	4.1	4.7	2.4	3.9	3.4	3.8	3.6
Potential TFP	1.9	0.7	0.8	1.3	1.4	1.4	1.2	1.3	1.2
Potential TFP excluding adjustme	1.9	0.7	0.8	1.3	1.3	1.4	1.3	1.3	1.3
Total adjustments	0	0	0	*	0.2	*	-0.1	0	**
Effects of the recession[b]	0	0	0	0	**	**	-0.1	0	**
Temporary adjustment[c]	0	0	0	*	0.2	*	0	0	0
Contributions to the Growth of Potential GDP (Percentage points)									
Potential hours worked	0.9	1.6	1.2	0.8	0.3	0.9	0.4	0.5	0.5
Capital input	1.2	1.3	1.2	1.4	0.7	1.2	1.0	1.1	1.1
Potential TFP	1.9	0.7	0.8	1.3	1.4	1.4	1.2	1.3	1.2
Total Contributions	4.0	3.5	3.2	3.5	2.5	3.5	2.7	2.9	2.8
Potential Labor Productivity[d]	2.6	1.3	1.6	2.3	2.0	2.2	2.1	2.2	2.1

Source: Congressional Budget Office.

GDP = gross domestic product; TFP = total factor productivity; * = between zero and 0.05 percentage points; ** = between -0.05 percentage points and zero.

a. The ratio of potential GDP to the potential labor force.
b. An adjustment to reflect the effects of the recession on potential GDP beyond its impact on capital accumulation and labor supply.
c. An adjustment for the unusually rapid growth of TFP between 2001 and 2003.
d. The estimated trend in the ratio of potential GDP to potential hours worked in the nonfarm business sector.

In its January 2012 report The Budget and Economic Outlook: Fiscal Years 2012–2022, http://www.cbo.gov/doc.cfı

m?index=12699, CBO presents the key assumptions underlying its projection of potential GDP in Table 2-3. That ta

ıble is reproduced here.

For details about the construction of the potential series, see CBO's *Method for Estimating Potential Output: An Update* (August 2001). http://www.cbo.gov/doc.cfm?index=3020

	Overall Economy			Nonfarm Business Sector						
							Potential Total Factor Productivity Index: 2000 = 100		Total Factor Productivity Adju Index: 2000 = 100	
Calendar Year	Potential GDP (Billions of chained 2005 dollars)	Potential Labor Force (Millions of people)	Potential Labor Force Productivity (Ratio of potential GDP to the potential labor force)	Potential GDP (Billions of chained 2005 dollars)	Potential Hours Worked (Billions of hours)	Index of Capital Services (Index: 2005 = 100), Lagged One Year	Including Adjustments	Excluding Adjustments	Total Effect	Recession Effect
1949	1893.8	61.6	30.8	1273.6	86.3	10.7	49.4	49.4	100.0	100.0
1950	1981.9	61.8	32.1	1330.2	87.7	10.9	50.7	50.7	100.0	100.0
1951	2083.9	61.9	33.6	1393.5	88.8	11.4	52.0	52.0	100.0	100.0
1952	2192.2	62.1	35.3	1457.9	89.8	11.9	53.2	53.2	100.0	100.0
1953	2285.1	62.6	36.5	1514.3	90.9	12.3	54.3	54.3	100.0	100.0
1954	2356.7	63.8	37.0	1562.9	92.3	12.7	54.9	54.9	100.0	100.0
1955	2421.6	64.9	37.3	1609.1	93.7	12.9	55.5	55.5	100.0	100.0
1956	2494.8	66.1	37.8	1661.5	95.0	13.5	56.2	56.2	100.0	100.0
1957	2576.9	67.1	38.4	1720.5	96.1	14.1	57.1	57.1	100.0	100.0
1958	2663.9	67.7	39.4	1782.4	96.3	14.5	58.5	58.5	100.0	100.0
1959	2751.6	68.2	40.3	1842.9	96.2	14.7	60.0	60.0	100.0	100.0
1960	2853.4	68.9	41.4	1911.9	96.9	15.2	61.5	61.5	100.0	100.0
1961	2969.8	70.1	42.4	1990.7	98.7	15.6	62.8	62.8	100.0	100.0
1962	3092.1	71.2	43.4	2073.2	100.6	16.0	64.0	64.0	100.0	100.0
1963	3220.9	72.4	44.5	2160.4	102.3	16.5	65.3	65.3	100.0	100.0
1964	3356.1	73.5	45.6	2252.3	104.0	17.1	66.6	66.6	100.0	100.0
1965	3500.7	74.7	46.8	2351.7	105.6	17.8	67.9	67.9	100.0	100.0
1966	3660.5	75.9	48.2	2464.2	107.2	18.8	69.2	69.2	100.0	100.0
1967	3832.4	77.2	49.7	2586.9	108.7	20.2	70.6	70.6	100.0	100.0
1968	4002.0	78.4	51.0	2706.9	110.3	21.2	72.0	72.0	100.0	100.0
1969	4166.1	79.8	52.2	2824.9	111.8	22.2	73.3	73.3	100.0	100.0
1970	4316.6	81.9	52.7	2940.5	113.6	23.4	74.4	74.4	100.0	100.0
1971	4452.4	84.3	52.8	3049.1	115.4	24.3	75.4	75.4	100.0	100.0
1972	4588.2	86.8	52.9	3157.2	117.2	25.2	76.4	76.4	100.0	100.0
1973	4739.8	89.3	53.1	3277.6	119.0	26.3	77.4	77.4	100.0	100.0
1974	4914.2	91.8	53.6	3417.1	121.7	27.8	78.2	78.2	100.0	100.0
1975	5090.2	94.3	54.0	3558.1	124.6	29.1	79.1	79.1	100.0	100.0
1976	5253.5	96.8	54.3	3687.2	127.6	29.8	79.9	79.9	100.0	100.0
1977	5424.1	99.4	54.5	3820.9	130.6	30.7	80.8	80.8	100.0	100.0
1978	5615.9	102.1	55.0	3971.2	133.7	31.8	81.7	81.7	100.0	100.0
1979	5814.2	104.9	55.4	4124.9	137.0	33.3	82.3	82.3	100.0	100.0
1980	5968.3	107.0	55.8	4235.6	139.7	35.1	82.1	82.1	100.0	100.0
1981	6102.9	108.8	56.1	4328.2	142.2	36.7	81.7	81.7	100.0	100.0
1982	6277.9	110.5	56.8	4459.2	144.7	38.5	82.1	82.1	100.0	100.0
1983	6463.8	112.3	57.6	4600.0	147.1	39.8	82.8	82.8	100.0	100.0
1984	6659.7	114.1	58.4	4746.8	149.6	41.1	83.5	83.5	100.0	100.0
1985	6881.6	116.0	59.3	4914.8	152.1	43.4	84.2	84.2	100.0	100.0
1986	7108.8	117.8	60.3	5086.2	154.6	45.5	85.0	85.0	100.0	100.0
1987	7331.3	119.7	61.2	5251.5	157.1	47.3	85.7	85.7	100.0	100.0
1988	7555.5	121.7	62.1	5417.3	159.6	49.0	86.5	86.5	100.0	100.0
1989	7785.1	123.6	63.0	5587.9	162.2	50.9	87.2	87.2	100.0	100.0
1990	8019.4	125.5	63.9	5765.6	164.7	52.8	88.1	88.1	100.0	100.0
1991	8247.3	127.1	64.9	5944.5	166.9	54.5	89.2	89.2	100.0	100.0
1992	8468.3	128.7	65.8	6120.3	169.1	55.7	90.3	90.3	100.0	100.0
1993	8700.1	130.3	66.7	6305.7	171.3	57.2	91.5	91.5	100.0	100.0
1994	8951.9	132.0	67.8	6508.4	173.6	59.1	92.6	92.6	100.0	100.0
1995	9222.9	133.6	69.0	6728.1	175.8	61.4	93.8	93.8	100.0	100.0
1996	9513.3	135.3	70.3	6965.6	177.9	64.3	95.0	95.0	100.0	100.0
1997	9825.4	137.0	71.7	7222.3	180.0	67.5	96.2	96.2	100.0	100.0
1998	10165.2	138.7	73.3	7504.4	182.1	71.7	97.5	97.5	100.0	100.0
1999	10530.0	140.4	75.0	7809.2	184.1	76.5	98.7	98.7	100.0	100.0
2000	10913.0	142.2	76.7	8132.5	186.0	81.9	100.0	100.0	100.0	100.0
2001	11289.7	143.6	78.6	8455.5	187.3	87.3	101.7	101.3	100.4	100.0
2002	11626.2	144.8	80.3	8743.9	188.1	90.5	103.6	102.5	101.0	100.0
2003	11934.4	146.1	81.7	9004.4	189.0	92.7	105.5	103.8	101.6	100.0
2004	12230.5	147.3	83.0	9249.2	189.8	94.7	107.3	105.1	102.1	100.0
2005	12515.8	148.6	84.3	9480.3	190.7	97.2	108.8	106.5	102.1	100.0
2006	12808.6	149.8	85.5	9717.6	191.6	100.0	110.2	107.9	102.1	100.0
2007	13118.8	151.1	86.8	9973.0	192.5	103.5	111.6	109.3	102.1	100.0
2008	13423.6	152.4	88.1	10229.6	193.4	107.0	113.0	110.7	102.1	100.0
2009	13681.9	153.7	89.0	10447.3	194.1	109.4	114.5	112.1	102.1	100.0
2010	13889.3	155.0	89.6	10623.8	194.7	109.3	115.9	113.5	102.1	99.9
2011	14114.6	156.3	90.3	10833.1	196.0	110.9	117.2	115.0	102.0	99.9
2012	14365.9	157.2	91.4	11071.9	196.9	113.4	118.6	116.4	101.9	99.8
2013	14635.5	157.9	92.7	11329.5	197.6	116.7	120.0	117.9	101.8	99.7
2014	14942.1	159.0	94.0	11619.9	198.9	120.3	121.5	119.4	101.7	99.6
2015	15290.2	160.2	95.5	11947.4	200.3	124.6	123.0	121.0	101.7	99.5
2016	15676.9	161.3	97.2	12309.7	201.7	129.9	124.5	122.5	101.7	99.5
2017	16090.7	162.5	99.0	12696.6	203.2	135.8	126.1	124.1	101.7	99.5
2018	16514.7	163.6	101.0	13091.9	204.6	141.9	127.7	125.6	101.7	99.5
2019	16944.9	164.7	102.9	13488.2	206.0	147.9	129.4	127.3	101.7	99.5
2020	17371.8	165.8	104.8	13881.7	207.5	153.4	131.0	128.9	101.7	99.5

ustments	Potential Labor Productivity (Ratio of potential GDP to potential hours worked)
Temporarily Faster Growth	
100.0	14.8
100.0	15.2
100.0	15.7
100.0	16.2
100.0	16.7
100.0	16.9
100.0	17.2
100.0	17.5
100.0	17.9
100.0	18.5
100.0	19.1
100.0	19.7
100.0	20.2
100.0	20.6
100.0	21.1
100.0	21.7
100.0	22.3
100.0	23.0
100.0	23.8
100.0	24.5
100.0	25.3
100.0	25.9
100.0	26.4
100.0	26.9
100.0	27.5
100.0	28.1
100.0	28.6
100.0	28.9
100.0	29.3
100.0	29.7
100.0	30.1
100.0	30.3
100.0	30.4
100.0	30.8
100.0	31.3
100.0	31.7
100.0	32.3
100.0	32.9
100.0	33.4
100.0	33.9
100.0	34.5
100.0	35.0
100.0	35.6
100.0	36.2
100.0	36.8
100.0	37.5
100.0	38.3
100.0	39.2
100.0	40.1
100.0	41.2
100.0	42.4
100.0	43.7
100.4	45.1
101.0	46.5
101.6	47.6
102.1	48.7
102.1	49.7
102.1	50.7
102.1	51.8
102.1	52.9
102.1	53.8
102.1	54.6
102.1	55.3
102.1	56.2
102.1	57.3
102.1	58.4
102.1	59.7
102.1	61.0
102.1	62.5
102.1	64.0
102.1	65.5
102.1	66.9

Notes: **The quarterly estimates of potential GDP are**

The natural rate of unemployment (NAIRU) is
demand. Estimates of potential GDP are base
natural rate for structural factors before the r
temporarily boosting the natural rate beginni
projected slack in labor markets, which is a k

	Potential GDP (Billions of dollars)		Natural Rate of U (Perc
	Real	Nominal	Long-Term
1949Q1	1863	273	5.3
1949Q2	1883	274	5.3
1949Q3	1904	275	5.3
1949Q4	1925	278	5.3
1950Q1	1947	280	5.3
1950Q2	1970	284	5.3
1950Q3	1993	294	5.3
1950Q4	2018	302	5.3
1951Q1	2043	317	5.3
1951Q2	2070	323	5.3
1951Q3	2097	328	5.3
1951Q4	2125	336	5.3
1952Q1	2152	341	5.4
1952Q2	2179	347	5.4
1952Q3	2206	354	5.4
1952Q4	2231	359	5.4
1953Q1	2254	363	5.4
1953Q2	2276	367	5.4
1953Q3	2296	372	5.4
1953Q4	2315	376	5.4
1954Q1	2333	381	5.4
1954Q2	2349	384	5.4
1954Q3	2365	386	5.4
1954Q4	2380	389	5.4
1955Q1	2396	394	5.4
1955Q2	2413	398	5.4
1955Q3	2430	404	5.4
1955Q4	2447	410	5.4
1956Q1	2466	417	5.4
1956Q2	2485	424	5.4
1956Q3	2504	432	5.4
1956Q4	2524	438	5.4
1957Q1	2545	447	5.4
1957Q2	2566	454	5.4
1957Q3	2588	461	5.4
1957Q4	2609	468	5.4
1958Q1	2632	476	5.4
1958Q2	2653	482	5.4
1958Q3	2675	487	5.4

1958Q4	2696	491	5.4
1959Q1	2718	497	5.4
1959Q2	2740	502	5.4
1959Q3	2763	508	5.4
1959Q4	2786	514	5.4
1960Q1	2812	520	5.5
1960Q2	2839	527	5.5
1960Q3	2867	535	5.5
1960Q4	2896	543	5.5
1961Q1	2925	549	5.5
1961Q2	2955	556	5.5
1961Q3	2985	563	5.5
1961Q4	3015	570	5.5
1962Q1	3045	579	5.5
1962Q2	3076	586	5.5
1962Q3	3108	594	5.5
1962Q4	3139	602	5.5
1963Q1	3172	610	5.5
1963Q2	3204	617	5.5
1963Q3	3237	624	5.6
1963Q4	3271	634	5.6
1964Q1	3304	643	5.6
1964Q2	3338	652	5.6
1964Q3	3373	662	5.6
1964Q4	3408	672	5.6
1965Q1	3444	682	5.6
1965Q2	3481	693	5.7
1965Q3	3519	703	5.7
1965Q4	3558	715	5.7
1966Q1	3598	728	5.7
1966Q2	3639	743	5.8
1966Q3	3681	759	5.8
1966Q4	3724	774	5.8
1967Q1	3768	787	5.8
1967Q2	3811	801	5.8
1967Q3	3854	818	5.8
1967Q4	3897	836	5.8
1968Q1	3939	854	5.8
1968Q2	3981	873	5.8
1968Q3	4023	890	5.8
1968Q4	4065	912	5.8
1969Q1	4106	931	5.8
1969Q2	4147	952	5.8
1969Q3	4187	975	5.9
1969Q4	4226	997	5.9
1970Q1	4263	1020	5.9
1970Q2	4299	1043	5.9
1970Q3	4335	1060	5.9
1970Q4	4369	1082	5.9
1971Q1	4403	1107	5.9
1971Q2	4436	1130	5.9
1971Q3	4469	1150	5.9

1971Q4	4502	1167	6.0
1972Q1	4536	1196	6.0
1972Q2	4570	1211	6.0
1972Q3	4605	1232	6.0
1972Q4	4641	1256	6.1
1973Q1	4679	1283	6.1
1973Q2	4719	1315	6.1
1973Q3	4760	1352	6.1
1973Q4	4802	1387	6.1
1974Q1	4846	1429	6.2
1974Q2	4891	1475	6.2
1974Q3	4937	1535	6.2
1974Q4	4983	1597	6.2
1975Q1	5027	1648	6.2
1975Q2	5070	1686	6.2
1975Q3	5112	1732	6.2
1975Q4	5153	1777	6.2
1976Q1	5193	1811	6.2
1976Q2	5233	1844	6.2
1976Q3	5274	1883	6.2
1976Q4	5314	1930	6.2
1977Q1	5357	1979	6.2
1977Q2	5401	2027	6.2
1977Q3	5446	2072	6.2
1977Q4	5492	2125	6.2
1978Q1	5539	2178	6.3
1978Q2	5590	2241	6.3
1978Q3	5641	2300	6.3
1978Q4	5693	2369	6.3
1979Q1	5744	2434	6.3
1979Q2	5792	2514	6.3
1979Q3	5839	2586	6.2
1979Q4	5882	2657	6.2
1980Q1	5921	2733	6.2
1980Q2	5953	2810	6.2
1980Q3	5984	2889	6.2
1980Q4	6015	2985	6.2
1981Q1	6047	3080	6.2
1981Q2	6083	3154	6.2
1981Q3	6121	3232	6.2
1981Q4	6161	3310	6.1
1982Q1	6207	3381	6.1
1982Q2	6254	3449	6.1
1982Q3	6301	3524	6.1
1982Q4	6350	3588	6.1
1983Q1	6395	3645	6.1
1983Q2	6441	3698	6.1
1983Q3	6486	3762	6.1
1983Q4	6533	3816	6.1
1984Q1	6581	3892	6.1
1984Q2	6633	3958	6.0
1984Q3	6685	4022	6.0

1984Q4	6739	4078	6.0
1985Q1	6795	4159	6.0
1985Q2	6853	4216	6.0
1985Q3	6910	4272	6.0
1985Q4	6968	4334	6.0
1986Q1	7025	4391	6.0
1986Q2	7081	4448	6.0
1986Q3	7137	4512	6.0
1986Q4	7193	4580	6.0
1987Q1	7248	4652	6.0
1987Q2	7303	4713	6.0
1987Q3	7359	4787	6.0
1987Q4	7415	4857	6.0
1988Q1	7471	4934	5.9
1988Q2	7527	5019	5.9
1988Q3	7584	5116	5.9
1988Q4	7641	5196	5.9
1989Q1	7698	5290	5.9
1989Q2	7756	5383	5.9
1989Q3	7814	5460	5.9
1989Q4	7873	5536	5.9
1990Q1	7932	5645	5.9
1990Q2	7990	5753	5.9
1990Q3	8049	5849	5.9
1990Q4	8107	5940	5.8
1991Q1	8164	6045	5.8
1991Q2	8220	6129	5.8
1991Q3	8275	6217	5.8
1991Q4	8330	6294	5.7
1992Q1	8385	6371	5.7
1992Q2	8440	6451	5.7
1992Q3	8496	6523	5.6
1992Q4	8552	6603	5.6
1993Q1	8610	6689	5.6
1993Q2	8669	6771	5.5
1993Q3	8730	6851	5.5
1993Q4	8791	6935	5.5
1994Q1	8854	7023	5.4
1994Q2	8919	7108	5.4
1994Q3	8984	7201	5.4
1994Q4	9051	7292	5.4
1995Q1	9118	7391	5.3
1995Q2	9187	7480	5.3
1995Q3	9257	7569	5.3
1995Q4	9329	7666	5.3
1996Q1	9402	7768	5.2
1996Q2	9475	7858	5.2
1996Q3	9550	7959	5.2
1996Q4	9627	8059	5.2
1997Q1	9704	8166	5.1
1997Q2	9784	8270	5.1
1997Q3	9865	8362	5.1

1997Q4	9948	8464	5.1
1998Q1	10033	8549	5.1
1998Q2	10120	8644	5.1
1998Q3	10209	8753	5.1
1998Q4	10299	8853	5.1
1999Q1	10390	8969	5.0
1999Q2	10483	9087	5.0
1999Q3	10576	9201	5.0
1999Q4	10671	9321	5.0
2000Q1	10767	9477	5.0
2000Q2	10864	9611	5.0
2000Q3	10962	9754	5.0
2000Q4	11059	9890	5.0
2001Q1	11154	10044	5.0
2001Q2	11246	10198	5.0
2001Q3	11336	10312	5.0
2001Q4	11423	10421	5.0
2002Q1	11507	10535	5.0
2002Q2	11588	10656	5.0
2002Q3	11666	10775	5.0
2002Q4	11744	10909	5.0
2003Q1	11821	11058	5.0
2003Q2	11897	11162	5.0
2003Q3	11973	11295	5.0
2003Q4	12047	11425	5.0
2004Q1	12122	11593	5.0
2004Q2	12195	11762	5.0
2004Q3	12267	11919	5.0
2004Q4	12339	12077	5.0
2005Q1	12410	12259	5.0
2005Q2	12480	12411	5.0
2005Q3	12551	12610	5.0
2005Q4	12622	12787	5.0
2006Q1	12695	12956	5.0
2006Q2	12770	13148	5.0
2006Q3	12846	13325	5.0
2006Q4	12923	13466	5.0
2007Q1	13001	13702	5.0
2007Q2	13080	13880	5.0
2007Q3	13158	14008	5.0
2007Q4	13237	14157	5.0
2008Q1	13313	14328	5.0
2008Q2	13388	14497	5.1
2008Q3	13462	14688	5.1
2008Q4	13532	14783	5.1
2009Q1	13597	14918	5.2
2009Q2	13656	14965	5.2
2009Q3	13711	15036	5.3
2009Q4	13763	15136	5.3
2010Q1	13813	15246	5.4
2010Q2	13864	15357	5.4
2010Q3	13914	15467	5.5

2010Q4	13966	15600	5.5
2011Q1	14024	15761	5.5
2011Q2	14083	15927	5.5
2011Q3	14144	16096	5.5
2011Q4	14207	16204	5.5
2012Q1	14270	16315	5.5
2012Q2	14333	16425	5.5
2012Q3	14397	16558	5.5
2012Q4	14463	16691	5.5
2013Q1	14530	16838	5.5
2013Q2	14599	16976	5.5
2013Q3	14670	17110	5.5
2013Q4	14743	17259	5.5
2014Q1	14820	17419	5.5
2014Q2	14900	17563	5.5
2014Q3	14982	17717	5.5
2014Q4	15066	17875	5.5
2015Q1	15153	18060	5.5
2015Q2	15243	18231	5.5
2015Q3	15335	18409	5.5
2015Q4	15429	18595	5.5
2016Q1	15526	18800	5.5
2016Q2	15625	18995	5.5
2016Q3	15727	19200	5.5
2016Q4	15829	19410	5.5
2017Q1	15933	19644	5.5
2017Q2	16038	19861	5.5
2017Q3	16143	20081	5.5
2017Q4	16249	20306	5.5
2018Q1	16354	20550	5.5
2018Q2	16461	20780	5.5
2018Q3	16568	21012	5.5
2018Q4	16675	21246	5.5
2019Q1	16783	21501	5.5
2019Q2	16891	21739	5.5
2019Q3	16999	21979	5.5
2019Q4	17107	22220	5.5
2020Q1	17213	22485	5.4
2020Q2	17319	22730	5.4
2020Q3	17425	22976	5.4
2020Q4	17530	23223	5.4