

Value Line Forecast for the U.S. Economy

	ACTUAL					ESTIMATED				
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GROSS DOMESTIC PRODUCT AND ITS COMPONENTS (2009 CHAIN WEIGHTED \$) BILLIONS OF DOLLARS										
Final Sales	14566	14718	14979	15304	15637	15951	16453	16996	17540	18066
Total Consumption	9843	10036	10264	10448	10700	10955	11274	11635	12019	12380
Nonresidential Fixed Investment	1633	1674	1803	1932	1991	2101	2240	2375	2517	2643
Structures	438	366	375	424	422	452	476	514	565	610
Equipment & Software	644	747	848	906	947	1004	1087	1163	1233	1307
Residential Fixed Investment	392	382	385	437	488	506	588	659	692	712
Exports	1584	1765	1898	1960	2020	2084	2204	2314	2441	2588
Imports	1976	2228	2358	2413	2440	2512	2638	2783	2922	3054
Federal Government	1218	1271	1236	1214	1145	1117	1112	1100	1095	1089
State & Local Governments	1871	1821	1761	1740	1748	1766	1788	1806	1829	1856
Gross Domestic Product	14418	14958	15518	16163	16768	17405	18299	19262	20256	21281
Real GDP (2009 Chain Weighted \$)	14418	14779	15021	15389	15710	16046	16568	17131	17680	18210
PRICES AND WAGES-ANNUAL RATES OF CHANGE										
GDP Deflator	0.8	1.2	2.0	1.7	1.4	1.8	1.7	1.8	1.9	2.0
CPI-All Urban Consumers	-0.3	1.6	3.1	2.1	1.5	2.3	1.8	1.8	2.0	2.3
PPI-Finished Goods	-2.5	4.2	6.0	1.9	1.2	3.3	1.8	2.0	2.2	2.4
Employment Cost Index—Total Comp.	1.5	1.9	2.1	2.0	1.9	1.9	2.6	2.9	3.1	3.3
Productivity	3.2	3.2	0.5	1.5	0.5	0.3	1.3	1.5	1.7	1.8
PRODUCTION AND OTHER KEY MEASURES										
Industrial Prod. (% Change)	-11.3	5.7	3.3	3.8	2.9	3.1	3.2	3.5	3.3	3.0
Factory Operating Rate (%)	65.7	71.3	73.9	75.5	76.1	76.9	77.6	78.0	78.0	78.0
Nonfarm Inven. Change (2009 Chain Weighted \$)	-146.0	65.9	39.7	68.7	58.3	59.2	50.0	50.0	45.0	40.0
Housing Starts (Mill. Units)	0.55	0.59	0.61	0.78	0.93	1.05	1.36	1.55	1.60	1.50
Existing House Sales (Mill. Units)	4.33	4.18	4.28	4.66	5.07	4.95	5.61	5.70	5.60	5.50
Total Light Vehicle Sales (Mill. Units)	10.4	11.6	12.7	14.4	15.5	16.1	16.4	16.7	16.6	16.5
National Unemployment Rate (%)	9.3	9.6	8.9	8.1	7.4	6.4	6.1	5.8	5.6	5.4
Federal Budget Surplus (Unified, FY, \$Bill)	-1416	-1294	-1297	-1089	-680	-521	-520	-500	-500	-550
Price of Oil (\$Bbl., U.S. Refiners' Cost)	59.20	76.70	101.75	101.00	100.47	98.90	99.25	95.00	97.00	100.00
MONEY AND INTEREST RATES										
3-Month Treasury Bill Rate (%)	0.2	0.1	0.1	0.1	0.1	0.1	0.4	2.0	3.0	3.5
Federal Funds Rate (%)	0.2	0.2	0.1	0.1	0.1	0.1	0.4	2.0	3.5	4.0
10-Year Treasury Note Rate (%)	3.3	3.2	2.8	1.8	2.4	2.7	3.2	3.7	4.3	4.5
Long-Term Treasury Bond Rate (%)	4.1	4.3	3.9	2.9	3.5	3.5	3.9	4.4	4.8	5.0
AAA Corporate Bond Rate (%)	5.3	4.9	4.6	3.7	4.2	4.3	4.5	5.0	5.5	5.8
Prime Rate (%)	3.3	3.3	3.3	3.3	3.3	3.5	5.3	6.0	6.3	6.5
INCOMES										
Personal Income (% Change)	-2.8	2.9	6.1	4.2	2.8	3.5	4.5	5.3	5.5	5.3
Real Disp. Inc. (% Change)	-0.5	1.1	2.4	2.0	0.7	1.9	3.5	3.8	4.2	4.0
Personal Savings Rate (%)	6.1	5.6	5.7	5.6	4.5	4.2	4.5	5.0	5.5	6.0
After-Tax Profits (\$Bill)	1199	1464	1473	1755	1845	1977	2071	2175	2306	2467
Yr-to-Yr % Change	11.7	22.2	0.6	19.2	5.1	7.2	4.8	5.0	6.0	7.0
COMPOSITION OF REAL GDP-ANNUAL RATES OF CHANGE										
Gross Domestic Product	-2.8	2.5	1.6	2.3	2.2	2.1	3.3	3.4	3.2	3.0
Final Sales	-2.0	1.0	1.7	2.2	2.2	2.0	3.1	3.3	3.2	3.0
Total Consumption	-1.6	2.0	2.3	1.8	2.4	2.4	2.9	3.2	3.3	3.0
Nonresidential Fixed Investment	-15.6	2.5	7.7	7.2	3.0	5.5	6.7	6.0	6.0	5.0
Structures	-18.9	-16.4	2.3	13.1	-0.5	7.0	5.3	8.0	10.0	8.0
Equipment & Software	-22.9	15.9	13.6	6.8	4.6	6.0	8.2	7.0	6.0	6.0
Residential Fixed Investment	-21.2	-2.5	0.5	13.5	11.9	3.8	16.1	12.0	5.0	3.0
Exports	-9.1	11.5	6.9	3.3	3.0	3.1	5.8	5.0	5.5	6.0
Imports	-13.7	12.8	5.5	2.3	1.1	2.9	5.0	5.5	5.0	4.5
Federal Government	5.7	4.3	-2.7	-1.8	-5.7	-2.4	-0.5	-1.0	-0.5	-0.5
State & Local Governments	1.6	-2.7	-3.3	-1.2	0.5	1.0	1.3	1.0	1.3	1.5