ECONOMIC OUTLOOK
REGIONS
August 2026

GDP Growth: Running Faster To Stay In The Same Place?

The initial estimate from the Bureau of Economic Analysis (BEA) shows real GDP grew at an annual rate of 1.5 percent in Q2, easily below what we and the consensus anticipated. There is, however, more to Q2 growth than meets the eye. A wider trade deficit than that seen in Q1 knocked a full percentage point off top-line real GDP growth, while a much larger drawdown in nonfarm business inventories than that seen in Q1 knocked another seven-tenths of a percentage point off top-line growth. At the same time, real private domestic demand – combined business fixed investment, residential fixed investment, and consumer spending – grew at an annual rate of 3.9 percent in Q2 after adjusting for price changes, the fastest quarterly growth rate since Q1 2023. This suggests a far more robust pace of economic activity than implied by the headline real GDP growth print.

We routinely point to changes in real private domestic demand as a far more useful guide to the health of the U.S. economy than is top-line real GDP growth. Real consumer spending grew at an annual rate of 3.2 percent, a nice bounce back from the tepid 0.5 percent pace logged in Q1. Real spending on consumer durable goods such as motor vehicles, recreational goods and vehicles, and household furnishings accelerated smartly in Q2, with an annual growth rate of 5.2 percent. At the same time, services spending, including discretionary services, was much stronger in Q2 than was the case in Q1.

Of more relevance, at least to us, is that real business fixed investment grew at an annual rate of 8.4 percent in Q2 after having grown at a 10.6 percent rate in Q1. Real business outlays on equipment and machinery grew at a 15.2 percent rate after having grown at a 15.8 percent rate in Q1. AI related investment remains a powerful catalyst for growth in business investment, including spending on computers, communications equipment, and electricity transmission equipment. AI is not, however, the sole source of growth in business investment, with growth having broadened out as the run of growth in capital spending seen over the past several quarters has endured. Additionally, real spending on intellectual property products, the vast majority of which consists of computer software and R&D outlays, grew at an annual rate of 8.8 percent in Q2, slower than the 13.8 percent growth logged in Q1 but nonetheless easily above the longer-term trend pace. We see spending on intellectual property products as an early indicator of trends in labor productivity growth, and much of the spending on equipment and machinery is also setting the stage for faster productivity growth down the road.

There are, however, ongoing soft spots on real private domestic demand. For instance, outside of construction related to energy exploration/production, data centers, and power production, there are few signs of life in nonresidential construction. To that point, real business spending on structures contracted at an annual rate of 5.0 percent in Q2. This marks a tenth consecutive quarterly contraction, and our baseline forecast anticipates this run to continue over the next several quarters. While real residential fixed investment grew at a 1.5 percent rate in Q2, ending a string of five quarters of contraction, that growth was more than accounted for by a faster pace of single family construction. Given the extent to which demand for home sales is weighed down by affordability constraints as builders contend with elevated inventories of spec homes for sale, we expect starts of single family homes intended for sale to be somewhat soft over the back half of 2026, though construction of single family homes intended for rent will act as a partial offset.

At the same time, we'd argue that even what were interpreted as drags on Q2 real GDP growth are to some degree setting the stage for faster growth over coming quarters. As we've often noted, imports of goods and services into the U.S. are treated as drags on GDP growth. This masks what we think to be an important characteristic of imports of goods, which is that a sizable share of goods imports are either raw materials or intermediate goods used in the production of final consumer or capital goods. Historically, that share has hovered around fifty percent, but over the past two quarters that share was fifty-nine percent, which to some extent reflects imports of capital goods tied to AI investment. Though treated as drags on current quarter GDP growth upon reaching the U.S., these imports are actually contributing to growth down the road, particularly to the extent that imported capital goods ultimately contribute to faster labor productivity growth.

Additionally, though to some extent simply reversing the spike seen in early 2025 in response to sweeping changes in U.S. trade policy, the steady drawdown in nonfarm business inventories can also be sending a signal about underlying economic growth. We think this is particularly the case in the manufacturing sector, with a steady and sizable drawdown in inventories coinciding with strengthening business investment spending and the improvement in conditions in the manufacturing sector. With manufacturers seeing steady growth in new orders and rising backlogs of unfilled orders, it is reasonable to expect growth in employment and output in the manufacturing sector in the months ahead.

So, while the top-line growth print was not all that inspiring, the details of the Q2 GDP data paint a picture of a more vigorous pace of economic activity. This is, however, a good spot for our usual caveat, which is that the initial estimate of GDP in any quarter is based on highly incomplete source data and, as such, prone to potentially sizable revision. One component of the data in which this is particularly the case is consumer spending on services. For instance, the initial estimate of Q1 growth in real services spending showed annualized growth of 2.4 percent, which was reduced to 1.8 percent in the BEA's second estimate and was chopped all the

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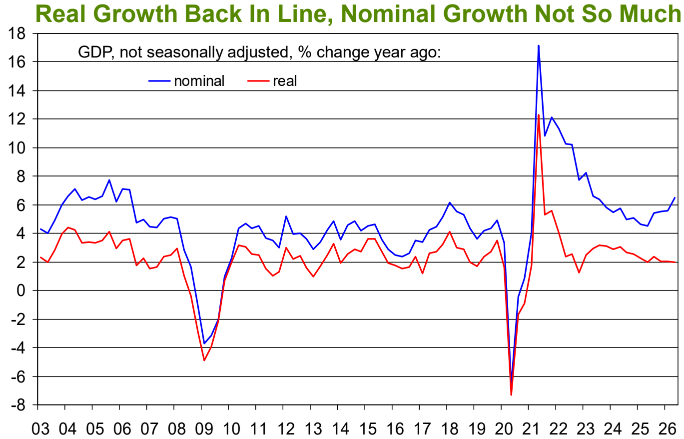
way down to 0.5 percent in their third estimate, which led to similarly large downward revisions to estimates of growth in total consumer spending. In any given quarter, the BEA does not have a primary input to its estimates of services spending – the Census Bureau's *Quarterly Services Survey* – until after it has published the initial estimate of GDP, with the advance estimates of the QSS data available for the second estimate of GDP and the final QSS data available for the third. With services spending accounting for roughly two-thirds of all consumer spending, as the QSS data are released and refined there can be, and often are, sizable changes in the BEA's estimates of services spending in the GDP data. Of more importance, at least to us, is that the revisions to estimates of business investment do not tend to be as large, and the higher frequency source data on business investment in equipment and machinery are consistent with the estimates in the GDP data. As such, we'd be surprised to see meaningful downward revisions of the BEA's initial estimates of Q2 business fixed investment.

One element of the Q2 GDP data which has not gotten much attention is what remains a wide gap between growth in real, i.e., adjusted for price changes, and nominal, i.e., measured in current prices, GDP. In one sense, this seems like old news as it is simply another way to illustrate the extent to which faster inflation has been impacting the economy. Whether to consumers paying higher prices for final goods and services or to businesses paying higher prices for inputs and services, this has for some time been a source of considerable frustration. That said, there are nonetheless other implications, particularly in terms of the pace of growth in business revenue.

Real Growth Back In Line, Nominal Growth Not So Much

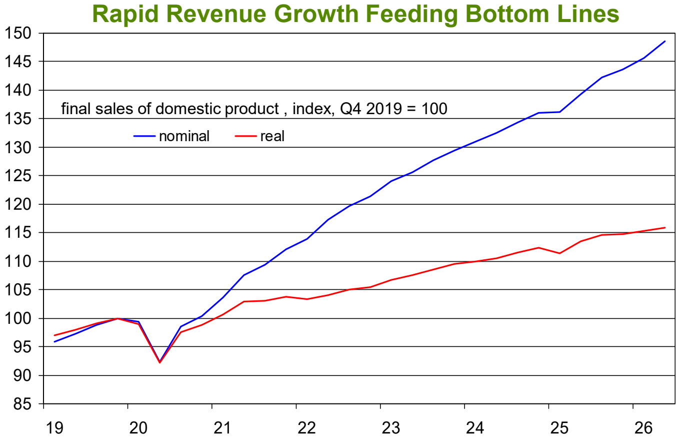


Source: Bureau of Economic Analysis; Regions Economics Division

The chart above shows the year-on-year percentage changes in nominal and real GDP growth using the not seasonally adjusted GDP data which, as a side point, is the only way in which year-on-year percentage changes make sense in the context of the GDP data. One way to think about this chart is that the gap between the blue line (nominal) and the red line (real) reflects the pace at which prices are rising. As can be seen, the gap between blue and red has gotten significantly wider since the pandemic (not intended as broader social commentary, but . . .), which coincides with the rapid acceleration in inflation measured here by the GDP Price Index. Over the fifteen years prior to the pandemic, the average spread between growth in nominal and real GDP was 1.89 percent, never smaller than 0.11 percent, never larger than 3.61 percent. Since 2021, however, the average spread is 4.25 percent, with a minimum of 2.31 percent and a maximum of 7.91 percent; in the initial estimate of Q2 GDP, the gap was 4.51 percent. On the more familiar annualized percentage change basis on which the GDP data are reported, while real GDP grew at an annual rate of 1.5 percent in Q2, nominal GDP grew at a 7.9 percent rate.

One can argue that the wider spread – 4.51 percent – seen in Q2 2026 largely reflected the effects of fiscal stimulus in the form of meaningfully higher income tax refunds and the effects of the spike seen in energy prices, with energy demand being highly inelastic in the short run. Even so, the broader point is that the gap between nominal and real growth has been considerably wider than historical norms for some time now, hardly consistent with the notion of "price stability" envisioned in the FOMC's 2.0 percent inflation target. Rapid growth in nominal GDP is, however, more consistent with what we've seen in corporate profits and corporate profit margins, to the extent that growth in nominal GDP is a proxy for growth in business revenue.

Rapid Revenue Growth Feeding Bottom Lines



Source: Bureau of Economic Analysis; Regions Economics Division

That GDP, whether nominal or real, includes inventories makes it a less than ideal proxy for total revenue, but stripping inventories out of GDP yields the measure known as final sales of domestic product (or, final sales), which reflects actual expenditures on final goods and services in any given period. The above chart, similar to one we've used to show consumer spending, is another way to see the significantly wider gap between growth in nominal and real measures in the years since the pandemic, with nominal and real final sales indexed to their levels as of Q4 2019. The BEA's initial estimate shows that nominal final sales grew at an annual rate of 8.7 percent in Q2 while real final sales grew at a 2.2 percent rate.

As of Q2, real final sales were just over fifteen percent higher than in Q4 2019 while nominal final sales were just shy of fifty percent higher. Think of the growing gap between nominal and real final sales as the cumulative increase in prices over recent years. Still, while final sales illustrate rapid growth in total revenue, that is only half the story when it comes to growth in profits, and just as consumers have faced rapidly rising prices over recent years, businesses have contended with rapidly rising input prices, with the absorption of tariffs and higher energy prices adding fuel to an already burning fire. The data on corporate profits, however, show

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that even in the face of rapidly rising input prices, corporate profits have continued to grow at a notably rapid pace. Growth in both before-tax and after-tax profits, as measured in the GDP data, accelerated sharply over the back half of 2025, and each grew at a double-digit pace in Q1 2026 (the BEA's initial estimate of Q2 profits will not be released until later this month).

Note that the measure of profits in the GDP data covers a much wider universe of firms than the more commonly followed S&P 500 measure of profits. Though obviously the rate of growth varies across industry groups, profit growth has nonetheless been broadly based, with food and beverage producers and wholesale trade two notable outliers that have seen a string of contracting profits. Broadly based profit growth has been reflected in equity valuations, but keep in mind that the flip side of inflation moving back to, or at least closer to, the FOMC's 2.0 percent target rate is slower revenue growth. To that point, in the fifteen years prior to the pandemic average annual growth in (nominal) final sales of domestic product was 3.9 percent, compared with average annual growth of 7.5 percent from 2021 through 2025, with growth set to top that pace in 2026.

One reason investors are so focused on corporate guidance on revenue and costs is that almost no one sees recent rates of revenue growth as being sustainable for much longer, making cost control a more critical driver of profit growth. Still, even with effective cost controls profit growth is likely to be slower, perhaps meaningfully so, going forward than has been the case over recent years. To be sure, whether, to what extent, and how inflation slows – consumers no longer being able/willing to accept further price increases, a downturn in the broader economy, significant efficiency gains brought about by AI and faster labor productivity growth – will be a key determinant of how profits fare. To follow up on an earlier point, the only way that more rapid growth in nominal GDP, or nominal final sales, is consistent with the FOMC's 2.0 percent inflation target is if there is a meaningful and sustained increase in the trend rate of real growth, which still seems trapped at around a two percent pace. This is the promise offered by AI and faster labor productivity growth, but we're not there yet, and at this point no one knows how close we'll get and when we'll get there. Barring that, however, the rapid growth in top-line revenue seen over recent years will at some point give way to more measured growth.

Wake Us Up When The Greater Market Volatility Gets Here . . .

Well, the second time clearly was not a charm. We're referring to Fed Chair Kevin Warsh's press conference after the July FOMC meeting, his second time meeting the press since taking the helm at the Fed. Recall that in his initial press conference which followed the June FOMC meeting, Mr. Warsh made it clear that he intends on offering little, if any, forward guidance on the possible path of monetary policy and announced what effectively amounts to a comprehensive review of virtually every aspect of how the FOMC conducts and communicates monetary policy. The collective response amongst the gathered media and amongst analysts and market participants watching Mr. Warsh's initial press conference was along the lines of "what just happened here?" Many market participants, however, at least took comfort from Mr. Warsh's tough talk on inflation and his insistence that the FOMC "will deliver price stability."

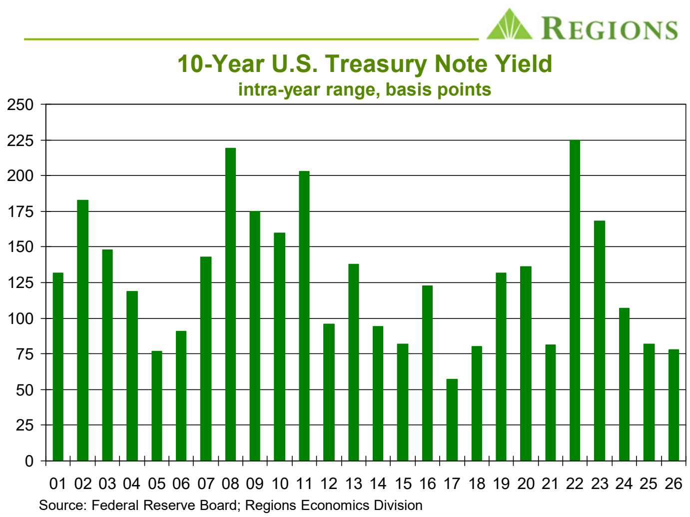
The reaction amongst many analysts and market participants to Mr. Warsh's July press conference was decidedly different, as anyone watching equity prices drop and fixed income yields rise as Mr. Warsh spoke saw in real time. So, what changed? Right off the bat, while the Committee voted to keep the Fed funds rate unchanged at the July meeting, as they did at the June meeting, the vote in June was unanimous whereas at the July meeting there were three votes in favor of raising the funds rate by twenty-five basis points. Many market participants and more than a few FOMC members seemed on edge over the outlook for inflation, in no small measure due to energy prices reversing course once again, turning higher amid renewed hostilities between the U.S. and Iran. That said, while the decision to hold the funds rate steady was, at least to us, reasonable and defendable, many found the manner in which Mr. Warsh explained that decision and his unwillingness to discuss what it might take to get him to see a rate hike as being warranted left much to be desired.

We can, up to a point, sympathize with such reactions. While we have no issues with Mr. Warsh's intent to do away with forward guidance, where it seems like he lost much of the audience was in refusing to go into any detail on two questions – what he sees as the most reliable gauge of inflation pressures, and whether there is a point where he would decide it would no longer be appropriate for the FOMC to look past the series of supply-side factors that are at present mostly responsible for sustaining inflation pressures. We'd hardly equate discussing those topics with offering forward guidance on the path of monetary policy. Still, it seems to us that, short of a pledge to raise the funds rate by a certain amount on a certain date, anything Mr. Warsh would have said would have elicited a reaction not too different from what he actually got.

It is hard to know what motivated the harsh reaction to Mr. Warsh's July press conference. It could have been genuine concern that the FOMC is badly behind the inflation curve, with many putting very little weight on data showing a drop in headline inflation and notably soft core inflation in June. To be sure, the drop in headline inflation was a function of sharply lower energy prices in June that had reversed, strongly so, by the time of the July FOMC meeting, while the soft June prints on core inflation were largely attributed to one-off softness in services prices. That is certainly a fair point, but at the same time there is little in the data to suggest a sustained reacceleration in inflation and even if, as seems more likely, inflation will stay more or less steady but at a rate above the FOMC's target, it is reasonable to ask what one or more Fed funds rate hikes would accomplish given what have been meaningful increases in market interest rates and some, albeit on net modest, tightening in overall financial conditions.

An alternative explanation for the reaction to Mr. Warsh's July press conference is that people are pushing back on the potentially sweeping changes in how the FOMC conducts and communicates monetary policy, including the elimination of forward guidance. While we have no way to know whether, or to what extent, that played a role, we continue to hear a steady stream of complaints about the manner in which Mr. Warsh thinks the Fed should conduct and communicate monetary policy. There are also some who see Mr. Warsh's by now (in)famous task forces as a means of him buying time, waiting for inflation pressures to subside without having to raise the Fed funds rate. Aside from the fact that it takes a majority of the voting FOMC members to make changes in the funds rate, those who lob that complaint at Mr. Warsh seem entirely unfamiliar with his prior history as a member of the Fed Board of Governors and his commentary on monetary policy subsequent to him leaving the Fed. Moreover, it's still early on in Mr. Warsh's tenure and, aside from slashing forward guidance, nothing has really changed thus far.

It is the forward guidance piece that seems to be the source of much, if not most, of the ire directed at Mr. Warsh. In his initial press conference, Mr. Warsh made it clear that he sees forward guidance as having become excessive, resulting in market participants assessing each and every data point not in terms of what it means for the economy but instead in terms of what it means for the FOMC, while at the same time having at times effectively locked the Fed into a policy path that may no longer have been appropriate in order to avoid surprising the markets. While it is reasonable to discuss and debate whether, or to what extent, that has been the case and, if so, what can be done to rectify it, many seem to not want to have any such discussions.



We think the above chart to be a useful counter to concerns about the absence of forward guidance being the catalyst for greater volatility in asset prices and market interest rates. The chart shows the intra-year range within which yields on 10-year U.S. Treasury notes have moved. Thus far, the range in 2026 – seventy-eight basis points – has been narrower than in all but two years since 2001. To be sure, we're just over halfway through the year and there's plenty of time for yields to spike much higher than what is to date the high point in 2026 – 4.75 percent on July 31. For that matter, we suppose, there's still plenty of time for yields to fall through the floor should something go horribly wrong with the U.S. economy. Either way, 10-year yields have backed off that July 31 high and as of this writing are about where they were in the days prior to the July FOMC meeting.

Yes, longer-term yields have moved higher, in turn taking many market interest rates with them, but that upward drift began well before Mr. Warsh took the helm at the Fed. And, to the point of the chart, the upward move has still left 10-year yields within a fairly narrow range. We can point to a host of factors that could be and likely are playing a role behind the upward drift in longer-term interest rates. Yields on government debt have risen across much of the globe, including in Europe and Japan, meaning that U.S. Treasury securities are facing greater competition amongst global investors, particularly those preferring to keep capital at home rather than sending it abroad; that they have so willingly done so over the past several years has been a function of interest rate differentials and anticipated changes in exchange rates. At the same time, many tech companies have taken to issuing debt as a means of funding AI investments, and even with what in many cases are still narrow yield spreads, this debt is proving attractive to investors, thus posing further competition for U.S. Treasuries. Many also point to concerns over the fiscal path the U.S. is on as a factor if not pushing yields higher then at least keeping them from moving lower, though it isn't clear the extent to which these long-voiced concerns are now actually moving rates.

It could, of course, be that higher yields reflect pessimism over the outlook for inflation and the Fed's ability/willingness to push inflation back to their 2.0 percent target rate. Those concerns, however, seem at odds with market-based measures of expected inflation, which remain little changed despite the reaction to Mr. Warsh's July press conference. Would longer-term yields be lower had the FOMC raised the funds rate at their July meeting or if Mr. Warsh had continued to ply the markets with forward guidance? Perhaps, but it's hard to imagine there being less volatility in yields than we've seen thus far this year. It could be that what we're seeing is market participants learning, or re-learning, how to price risk without signals from the Fed. Granted, the lack of forward guidance might contribute to greater uncertainty over the future paths of the funds rate and market interest rates, but what many seem to miss is that years of somewhat less than effective forward guidance didn't exactly buy anyone any degree of certainty.

After all, there are only two things we can be certain of – that the sun will rise tomorrow morning and that the Pittsburgh Pirates will lose tomorrow night, though admittedly we're far more certain of the latter than the former. The reality is that in a dynamic and rapidly changing economy prone to internal and external shocks, forward guidance given at any particular point in time has a very limited shelf life. Where we think Mr. Warsh wants to steer the markets is back to market-based pricing of risk as opposed to pricing of risk being based on signals being sent by the Fed. That is, after all, how it used to be done, and it could be that after a transition period, even if a potentially uncomfortable transition period, market participants will look back to the summer of 2026 and wonder what all the fuss was about.

Another Month, Another Jumbled Mess Of An Employment Report

"We're hoping for a soft employment report, because that will mean the Fed doesn't have to raise rates." That quote, from a bond trader ahead of the release of the July employment report, shows just how hard it will be for Fed Chair Warsh's wish that market participants interpret the economic data releases in terms of what they might mean for the economy rather than in terms of what they might mean for the Fed to come to pass. For now, though, it would appear that this bond trader and those harboring similar hopes for the July employment report got their wish. Total nonfarm payrolls are reported to have fallen by 23,000 jobs in July, with private sector payrolls up by 30,000 jobs and public sector payrolls down by 53,000 jobs. At the same time, prior estimates of job growth in May and June were revised down by a net 103,000 jobs for the two-month period, with the downward revision split almost equally between private and public sector payrolls. Average hourly earnings rose by just 0.1 percent in July, but only with the help of rounding as the unrounded increase was 0.053 percent, leaving them up 3.2 percent year-on-year, the smallest such increase since May 2021. And, while the unemployment rate falling to 4.1 percent (4.074 percent unrounded) may seem at odds with a "soft" employment report, that decline came about due to a further decline in labor force participation.

The July job growth print, however, is not as soft as it may seem, though one has to go into the details of the data to see this. For instance, payrolls in the education segment of local government are reported to have fallen by 49,600 jobs in July, more than fully accounting for the reported decline in total nonfarm payrolls. Our first inclination was to attribute this to a later end to the school year which kept teachers and support staff on the payrolls through the June establishment survey period (which ended early in the month), only for them to have dropped off in July. In other words, a simple quirk of the calendar that says nothing about underlying labor market conditions.

As it turns out, we were half right. Where we were wrong was in thinking the not seasonally adjusted data would show a much larger decline in payrolls in local government education than was the case last July. Instead, the unadjusted data show a decline of 1.038 million jobs this July, only trivially larger than the decline of 1.022 million jobs last July. Despite this small difference in the unadjusted data, the seasonally adjusted data show a decline of 49,600 jobs in local government education this July compared to an increase of 4,600 jobs last July. So, where we were right was in thinking this says nothing about underlying labor market conditions, as it is clearly an issue with seasonal adjustment.

Sure, seasonal adjustment issues in the establishment survey data may seem to fall under the heading of "stop us if you've heard this one before," particularly when it comes to estimates of payrolls in leisure and hospitality services. We're not so sure, though, that this is the case with BLS reporting that seasonally adjusted payrolls in this industry group fell by 40,000 jobs in July. While many are rationalizing this as hiring amongst restaurants, bars, hotels, and retailers tied to the World Cup being reversed, our problem with this premise is that there is no evidence of any such bump in hiring, as readily seen in the not seasonally adjusted data.

Unadjusted payrolls in leisure and hospitality services rose by combined 827,000 jobs in May and June, almost identical to the net gain for the same two months in 2025, but if there had been a World Cup related boost this year's increase should have been larger than last year's. Moreover, aggregate hours worked in leisure and hospitality services fell in June and July, at odds with the premise of stepped-up labor demand tied to World Cup traffic. It is, however, the case that this July's increase in unadjusted payrolls in leisure and hospitality services, at 0.05 percent, is the smallest July increase since 1997, so in that case it makes sense that the seasonally adjusted estimate would show a sizable decline in payrolls, as was indeed the case. Still, it is fair to ask what, if anything, this says about underlying labor market conditions. It could be that changes in immigration policy that went into effect in June weighed on July hiring in leisure and hospitality services, an industry heavily reliant on foreign born labor.

Either way, we think it important to repeat a point we made in last month's *Outlook*. While we can flag repeat instances in which seasonal adjustment noise impacts the reported monthly changes in employment in individual industry groups, and in turn changes in total nonfarm payrolls, it has also been the case that over rolling twelve-month periods most of any such seasonal adjustment noise washes out of the data. This is true of the twelve months ending with July, a period over which private sector payrolls rose by 635,000 jobs on a not seasonally adjusted basis and by 631,000 jobs on a seasonally adjusted basis. Where there remains a gaping difference is in estimates of public sector payrolls, where it appears seasonal adjustment has overstated the net decline in payrolls.

The problem, of course, is that far too many analysts and market participants only seem to react to the reported monthly changes and, on that basis, spin narratives around what these changes mean, whether for the broader economy or the Fed, narratives which can, and often do, change significantly from one month to the next. Our view, however, is that aside from seismic shocks such as global pandemics or financial market collapses, the $32.5 trillion U.S. economy does not turn on a dime, and the underlying narrative of the economy doesn't change with each and every data release. Instead, our focus has always been, and remains, on the longer-term trends in the data. This goes a long way in explaining why we so often respond to data releases by saying they mean nothing for the FOMC or that our view of the economy hasn't really changed. Sure, this is at times interpreted by some as us just being out of tune with the world because we're not doing what many, or at times most, others are doing. Then again, there's a reason why the last time we had a recession as our base case was back in 2007. Compare that to how many others have made recession calls between then and now and how many times they've done so.

In any event, between consistently low response rates to the BLS's monthly establishment surveys and the month-to-month results being consistently skewed by seasonal adjustment issues, the monthly employment reports have become increasingly less reliable guides to labor market conditions. While seasonal adjustment issues are fairly easy to spot and address, that survey response rates remain notably low – not only the first-month response rates, but the second and third month response rates as well – means that even tracking the longer-term trends in the data may lead one to faulty conclusions. Be that as it may, our view of the labor market has, as you may have guessed, not really changed all that much for some time now.

The combination of a marked drop-off in the rate at which firms are hiring workers and a layoff rate still a bit below pre-pandemic norms leaves the "low hire-low fire" labor market narrative intact. Though having slowed sharply, the trend rate of monthly job growth is nonetheless sufficient to keep the unemployment rate in check given ongoing erosion in labor force participation, of which an ongoing decline in foreign born labor is a primary factor. There is, at present, little reason to think any of this will change any time soon, which may be a useful point to keep in mind as there is also little reason to think the monthly employment reports will suddenly become less noisy than they have for some time been.

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ECONOMIC OUTLOOK

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August 2026

Q1 '26 (a)	Q2 '26 (p)	Q3 '26 (f)	Q4 '26 (f)	Q1 '27 (f)	Q2 '27 (f)	Q3 '27 (f)	Q4 '27 (f)		2023 (a)	2024 (a)	2025 (a)	2026 (f)	2027 (f)
2.1	1.5	2.3	2.2	2.1	2.6	2.5	2.4	Real GDP[1]	2.9	2.8	2.1	2.1	2.3
0.5	3.2	1.6	1.9	1.7	2.6	2.6	2.4	Real Personal Consumption[1]	2.6	2.9	2.6	2.0	2.2
10.6	8.4	6.1	5.1	4.4	4.4	4.3	4.4	Real Business Fixed Investment[1]	7.3	2.9	4.1	6.6	5.0
15.8	15.2	8.9	6.7	5.2	4.8	4.5	4.5	Equipment[1]	2.9	3.5	8.3	10.2	6.3
13.8	8.8	6.9	6.5	6.1	6.1	5.7	5.5	Intellectual Property and Software[1]	6.2	3.5	5.6	8.9	6.4
-4.7	-5.0	-3.2	-3.2	-2.4	-1.8	-0.4	0.7	Structures[1]	16.7	1.1	-5.3	-5.0	-2.3
-7.8	1.5	1.4	-1.0	-0.7	0.8	1.6	2.0	Real Residential Fixed Investment[1]	-7.8	3.2	-2.2	-3.2	0.4
4.4	-0.8	2.7	1.6	0.2	0.4	0.6	0.7	Real Government Expenditures[1]	3.5	3.8	1.1	0.5	0.8
-1,001.8	-1,074.7	-1,134.6	-1,157.6	-1,175.2	-1,183.4	-1,194.7	-1,203.9	Real Net Exports[2]	-925.2	-1,032.6	-1,090.7	-1,092.2	-1,189.3
945	902	895	899	907	915	922	926	Single Family Housing Starts, ths. of units[3]	947	1,015	941	910	917
473	445	433	436	438	435	436	435	Multi-Family Housing Starts, ths. of units[3]	474	355	415	447	436
0.7	1.2	1.2	1.2	1.5	1.4	1.6	1.9	CoreLogic House Price Index[5]	4.0	4.3	1.8	1.0	1.6
15.5	16.4	16.2	16.2	16.3	16.3	16.4	16.4	Vehicle Sales, millions of units[3]	15.5	15.9	16.2	16.1	16.3
4.3	4.3	4.2	4.2	4.2	4.1	4.1	4.1	Unemployment Rate, %[4]	3.6	4.0	4.3	4.2	4.1
0.2	0.2	0.3	0.5	0.6	0.5	0.6	0.6	Non-Farm Employment[5]	2.2	1.2	0.5	0.3	0.6
0.9	-1.5	1.6	1.9	3.4	2.1	2.1	2.2	Real Disposable Personal Income[1]	5.7	2.9	1.7	0.3	2.1
3.3	4.3	4.0	3.5	3.1	2.1	2.1	2.1	GDP Price Deflator[5]	3.7	2.5	2.8	3.8	2.3
3.1	3.8	3.6	3.5	2.8	2.1	2.2	2.1	PCE Deflator[5]	3.8	2.6	2.6	3.5	2.3
2.7	3.8	3.3	3.2	3.0	2.1	2.3	2.3	Consumer Price Index[5]	4.1	3.0	2.7	3.3	2.4
3.1	3.3	3.2	3.2	2.7	2.4	2.4	2.3	Core PCE Deflator[5]	4.2	2.9	2.8	3.2	2.4
2.5	2.7	2.4	2.6	2.8	2.7	2.8	2.6	Core Consumer Price Index[5]	4.8	3.4	2.9	2.6	2.7
3.63	3.63	3.63	3.56	3.38	3.38	3.38	3.38	Fed Funds Target Rate Range Mid-Point, %[4]	5.07	5.19	4.25	3.61	3.38
4.20	4.42	4.56	4.46	4.40	4.43	4.48	4.54	10-Year Treasury Note Yield, %[4]	3.96	4.21	4.29	4.41	4.46
6.11	6.41	6.55	6.44	6.37	6.39	6.43	6.48	30-Year Fixed Mortgage, %[4]	6.81	6.72	6.60	6.38	6.41
-2.8	-3.0	-3.1	-3.1	-3.2	-3.1	-3.2	-3.2	Current Account, % of GDP	-3.3	-4.1	-3.8	-3.0	-3.2

a = actual; f = forecast; p = preliminary

Notes: 1 - annualized percentage change 2 - chained 2017 $ billions 3 - annualized rate 4 - quarterly average 5 - year-over-year percentage change

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