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CLASS III - FOMC

June 26, 1992

SUPPLEMENT  
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the  
Federal Open Market Committee

By the Staff  
Board of Governors  
of the Federal Reserve System

TABLE OF CONTENTS

	Page
THE DOMESTIC NONFINANCIAL ECONOMY	
Real GDP in 1992:Q1. . . . .	1
Income and consumption . . . . .	1
Housing. . . . .	2
Labor markets. . . . .	2
<u>Tables</u>	
The market for existing homes. . . . .	2
Real gross domestic product and related items. . . . .	3
Personal income. . . . .	4
Real personal consumption expenditures . . . . .	4
<u>Charts</u>	
Personal consumption expenditures . . . . .	5
Unemployment insurance . . . . .	6
THE FINANCIAL ECONOMY	
<u>Tables</u>	
Monetary aggregates . . . . .	7
Commercial bank credit and short- and intermediate-term business credit. . . . .	8
Selected financial market quotations . . . . .	9
THE INTERNATIONAL ECONOMY	
Prices of exports and non-oil imports. . . . .	10
<u>Table</u>	
Import and export price measures . . . . .	11

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SUPPLEMENTAL NOTES

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THE DOMESTIC NONFINANCIAL ECONOMY

Real GDP in 1992:Q1

In its final estimate for the first quarter, the Bureau of Economic Analysis revised up slightly its estimate of real GDP growth from 2.4 percent to 2.7 percent (at an annual rate). There was a small downward adjustment to personal consumption expenditures, but it was more than offset by upward revisions to most other major components of GDP. In addition, corporate profits (with inventory valuation and capital consumption adjustments) are now estimated to have risen \$40 billion in the first quarter, an upward revision of about \$8 billion from the preliminary estimate.

Income and Consumption

Nominal personal income rose \$14 billion at an annual rate in May, following a slow \$3.6 billion increase in April. A rebound in wages and salaries accounted for most of the gain in May. Increases in other labor income, transfer payments, nonfarm proprietors' income, and dividends more than offset declines in interest income and farm proprietors' income. After accounting for taxes and inflation, real disposable personal income edged up 0.1 percent in May, after falling 0.2 percent in April.

Real personal consumption expenditures rose 0.3 percent in May, lifted mainly by higher outlays on motor vehicles. As suggested by the May retail sales report, spending for goods other than motor vehicles in April and May was slightly below the first-quarter average. Outlays for services rose slowly for a second month in May.

Housing

Sales of existing homes edged down 1.7 percent in May. At 3.43 million units (annual rate), sales in May remained near the three-year high recorded in the March-April period. The change in sales volume was small in all regions.

Prices of existing homes sold in May were down slightly from a year earlier: The average sales price was off 1.8 percent, and the median sales price declined 0.4 percent. These are the first year-over-year price declines since early 1991. In May, as in April, prices were particularly weak in the West.

THE MARKET FOR EXISTING HOMES

	1991	1991	1992	1992			
	1991	Q4	Q1	Mar.	Apr. <sup>P</sup>	Apr. <sup>F</sup>	May <sup>P</sup>
<b>Sales volume</b>							
Thousands of units, SAAR	3,220	3,230	3,407	3,510	3,500	3,490	3,430
(Percent change from previous period)	.3	1.3	5.5	.6	-.3	-.6	-1.7
<b>Sales price</b>							
Average (\$1,000, NSA)	128.4	126.2	129.8	130.2	129.9	130.6	128.5
(Percent change from year earlier) <sup>1</sup>	n.a.	n.a.	5.4	4.1	.7	1.2	-1.8
Median (\$1,000, NSA)	100.3	99.1	103.1	104.0	102.7	103.3	100.9
(Percent change from year earlier)	5.0	7.5	6.7	5.4	2.2	2.8	-.4

1. Because of a change in survey design, average sales prices beginning in January 1991 are not strictly comparable with previous periods. Median prices are not affected by this change.

Labor Markets

Initial claims for unemployment insurance totaled 429,000 for the week ended June 13, after holding in the range of 410,000 to 415,000 over the previous five weeks. The level of insured unemployment under all regular programs fell about 120,000 to 3.35 million in the week ended June 6.

## REAL GROSS DOMESTIC PRODUCT AND RELATED ITEMS

(Percent change from previous period at compound annual rates;  
based on seasonally adjusted data, measured in 1987 dollars)

	1990-Q4 to 1991-Q4	1991-Q4 Final	1992-Q1 Preliminary	1992-Q1 Final
1. Gross domestic product	.3	.4	2.4	2.7
2. Final sales	-5	-2	4.6	4.8
3. Consumer spending	.6	.0	5.4	5.0
4. Excluding motor vehicles	1.0	.1	4.6	4.4
5. Business fixed investment	-7.1	-3.4	1.7	3.1
6. Producers' durable equipment	-3.7	-1.6	3.7	3.5
7. Nonresidential structures	-14.7	-7.8	-3.0	2.5
8. Residential investment	-9	12.3	8.4	11.7
9. Government purchases	-1.6	-5.4	3.1	2.9
10. Exports of goods and services	6.8	9.7	-9	2.5
11. Imports of goods and services	4.6	2.1	-2	1.5
-----				
<i>ADDENDA:</i>				
12. Nonfarm inventory investment <sup>1</sup>	-13.9 <sup>2</sup>	9.2	-18.1	-16.3
13. Retail autos <sup>1</sup>	-7.7 <sup>2</sup>	-8.1	-8.9	-6.0
14. Excluding retail autos <sup>1</sup>	-6.2 <sup>2</sup>	17.3	-9.2	-10.3
15. Net exports of goods and services <sup>1</sup>	-20.9 <sup>2</sup>	-21.3	-22.3	-20.1
16. Nominal GDP	3.3	2.2	5.5	5.8
17. GDP fixed-weight price index	3.4	2.1	3.4	3.3
18. GDP implicit price deflator	3.0	1.7	3.1	3.1
19. Corporate profits <sup>3</sup>	306.8	315.6	347.0	355.4
20. Profit share (percent) <sup>4</sup>	5.4 <sup>2</sup>	5.5	5.9	6.1
21. Personal saving rate	5.2 <sup>2</sup>	5.2	4.9	5.0

1. Level, billions of 1987 dollars.

2. Annual average.

3. With inventory valuation and capital consumption adjustments; level, billions of dollars.

4. Economic profit as a share of nominal GNP.

PERSONAL INCOME  
(Average monthly change at an annual rate; billions of dollars)

	1991	1991	1992	1992		
		Q4	Q1	Mar.	Apr.	May
Total personal income	11.3	17.6	21.7	22.3	3.6	14.0
Wages and salaries	4.7	5.6	9.6	10.9	-1.7	11.5
Private	3.1	3.9	7.0	10.0	-2.5	10.6
Other labor income	1.4	1.4	1.4	1.3	1.4	1.4
Proprietors' income	2.1	3.7	6.2	10.7	2.2	-7.0
Farm	-.5	2.0	2.2	8.6	-.1	-8.3
Rent	.1	2.3	-.2	.4	-1.5	1.9
Dividend	.1	.1	.1	.3	1.1	1.2
Interest	-3.1	-4.9	-5.7	-4.7	-4.0	-3.5
Transfer payments	7.1	9.9	12.0	4.0	6.1	9.3
Less: Personal contributions for social insurance	1.0	.4	1.7	.8	-.1	.8
Less: Personal tax and nontax payments	-.8	.5	-7.2	-22.3	4.0	1.2
Equals: Disposable personal income	12.2	17.1	28.9	44.5	-.4	12.9
Memo: Real disposable income	1.7	7.1	12.3	20.1	-7.7	3.3

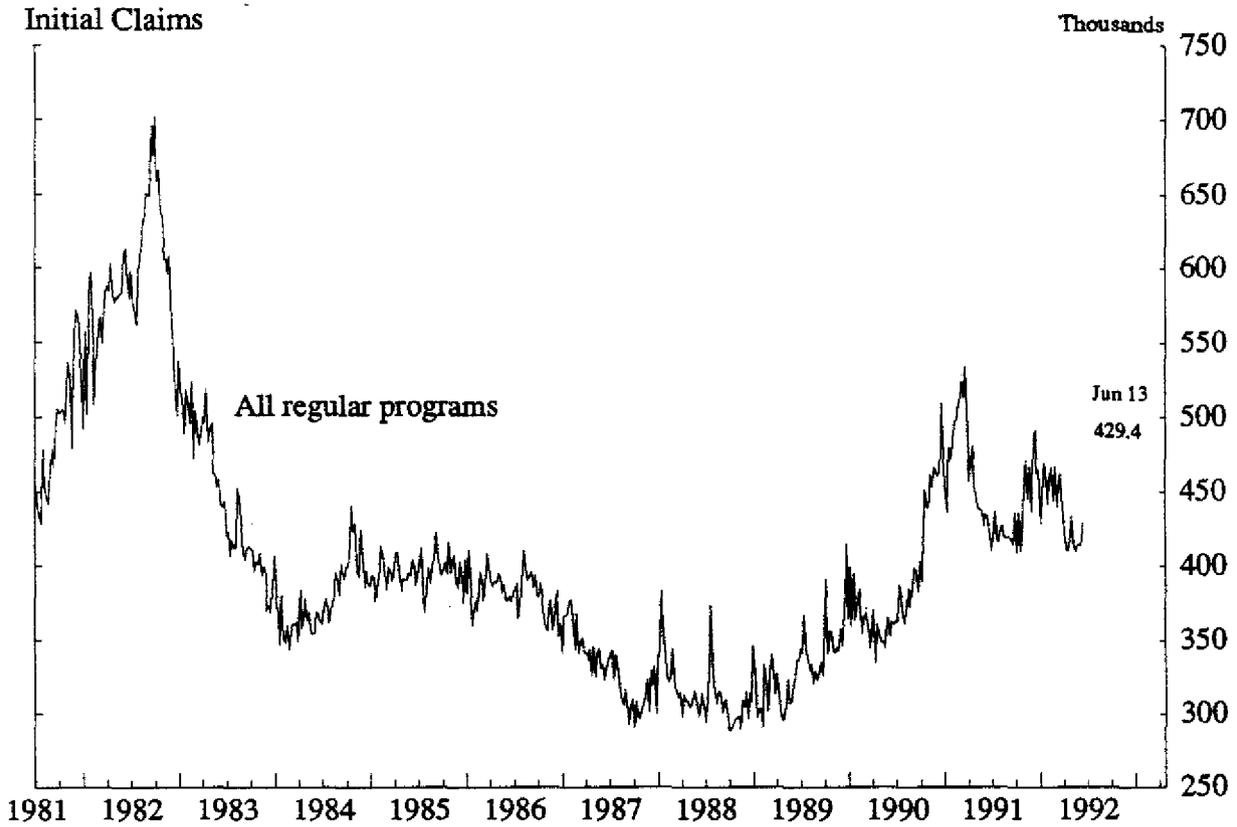
REAL PERSONAL CONSUMPTION EXPENDITURES  
(Percent change from the preceding period)

	1991	1991	1992	1992		
		Q4	Q1	Mar.	Apr.	May
		-Annual rate-		----Monthly rate----		
Personal consumption expenditures	.6	.0	5.0	-.6	.2	.3
Durable goods	-2.8	-5.7	15.9	-2.9	.1	1.6
Excluding motor vehicles	-.7	-7.7	15.0	-1.0	.4	.2
Nondurable goods	-.9	-3.9	5.3	-1.3	.5	.0
Excluding gasoline	-.9	-4.2	6.3	-1.7	.5	-.2
Services	2.2	3.7	2.5	.4	.1	.1
Excluding energy	2.2	3.4	3.8	.1	.1	.0
Memo: Personal saving rate (percent)	5.2	5.2	5.0	5.8	5.4	5.3



# Unemployment Insurance

(Weekly data; seasonally adjusted, BLS basis <1>)



<1> Only the state program components of these series are seasonally adjusted.

MONETARY AGGREGATES  
(based on seasonally adjusted data unless otherwise noted)

	1991 <sup>1</sup>	1992 Q1	1992 Q2pe	1992 Apr	1992 May	1992 Jun pe	Growth Q4 91- Jun 92pe
-----Percent change at annual rates-----							
1. M1	8.0	16.5	10	5.0	14.8	-2	12½
2. M2	2.8	4.3	0	-2.1	0.6	-3	1½
3. M3	1.2	2.2	-1½	-3.9	-0.4	-3	0
-----Percent change at annual rates-----							
							Levels bil. \$ May 92
<u>Selected components</u>							
4. M1-A	5.6	14.9	9½	6.9	10.1	-4	597.9
5. Currency	8.4	7.4	6	7.9	4.8	7	274.7
6. Demand deposits	3.4	22.2	12½	6.2	15.0	-15	315.2
7. Other checkable deposits	12.4	19.2	11½	1.7	22.6	4	356.6
8. M2 minus M1 <sup>2</sup>	1.1	0.0	-3½	-4.7	-4.8	-4	2515.1
9. Overnight RPs and Eurodollars, NSA	-7.9	15.4	-36½	-41.0	-61.2	14	67.0
10. General purpose and broker/dealer money market mutual fund shares	3.9	1.0	-7½	-13.1	3.0	-5	355.0
11. Commercial banks	7.1	0.9	½	4.5	-3.3	-3	1265.7
12. Savings deposits (including MMDAs)	13.3	19.2	12½	13.8	7.8	6	707.9
13. Small time deposits	1.1	-18.9	-13½	-7.0	-17.2	-16	557.8
14. Thrift institutions	-6.9	-3.6	-6½	-12.6	-2.9	-5	825.6
15. Savings deposits (including MMDAs)	9.3	22.4	19½	15.8	19.4	8	414.6
16. Small time deposits	-16.8	-24.2	-29	-39.3	-24.3	-17	411.0
17. M3 minus M2 <sup>3</sup>	-5.6	-7.2	-9	-13.0	-5.1	-5	706.6
18. Large time deposits	-11.7	-20.4	-18½	-20.9	-13.3	-14	401.2
19. At commercial banks, net <sup>4</sup>	-5.1	-18.2	-14	-17.5	-7.2	-10	329.9
20. At thrift institutions	-31.7	-29.6	-37½	-36.3	-42.3	-30	71.2
21. Institution-only money market mutual fund shares	33.4	27.0	20½	25.3	35.5	33	194.8
22. Term RPs, NSA	-21.7	-6.0	-3½	-22.8	-10.0	-13	71.7
23. Term Eurodollars, NSA	-10.6	-25.7	-7	-32.7	-31.5	-15	55.6
-----Average monthly change in billions of dollars-----							
<u>MEMORANDA:<sup>5</sup></u>							
24. Managed liabilities at commercial banks (25+26)	-0.6	-2.8	-3½	-4.7	-2.4	-3	689.1
25. Large time deposits, gross	-0.2	-5.7	-4½	-7.1	-3.2	-3	396.6
26. Nondeposit funds	-0.5	2.8	1	2.4	0.8	0	292.5
27. Net due to related foreign institutions	0.4	2.0	3½	4.5	5.3	2	55.1
28. Other <sup>6</sup>	-0.9	0.8	-2½	-2.1	-4.5	-2	237.4
29. U.S. government deposits at commercial banks <sup>7</sup>	0.2	-1.5	1½	-1.9	-2.9	8	17.0

1. Amounts shown are from fourth quarter to fourth quarter.

2. Nontransactions M2 is seasonally adjusted as a whole.

3. The non-M2 component of M3 is seasonally adjusted as a whole.

4. Net of large denomination time deposits held by money market mutual funds and thrift institutions.

5. Dollar amounts shown under memoranda are calculated on an end-month-of-quarter basis.

6. Consists of borrowing from other than commercial banks in the form of federal funds purchased, securities sold under agreements to repurchase, and other liabilities for borrowed money (including borrowing from the Federal Reserve and unaffiliated foreign banks, loan RPs and other minor items). Data are partially estimated.

7. Consists of Treasury demand deposits and note balances at commercial banks.

pe - preliminary estimate

COMMERCIAL BANK CREDIT AND SHORT- AND INTERMEDIATE-TERM BUSINESS CREDIT<sup>1</sup>  
 (Percentage change at annual rate, based on seasonally adjusted data)

Category	Dec. 1990 to Dec. 1991	1991 Q4	1992 Q1	1992 Mar.	1992 Apr.	1992 May.	Levels bil.\$ 1992 May.
-----							
Commercial bank credit							
1. Total loans and securities at banks	3.9	7.0	2.1	2.7	5.2	-0.8	2,863.5
2. Securities	17.6	24.4	6.6	8.5	20.1	11.8	773.4
3. U.S. government	23.8	30.3	11.1	16.6	24.7	15.8	598.9
4. Other	1.4	6.6	-7.9	-18.3	6.2	-2.7	174.5
5. Loans	-0.2	1.1	0.5	0.6	-0.2	-5.4	2,090.1
6. Business	-2.9	-2.1	-6.3	-4.7	-5.9	-7.3	602.2
7. Real estate	2.9	2.5	2.4	1.5	1.6	1.4	881.1
8. Consumer	-3.9	-4.1	-0.8	-4.6	-3.0	-5.0	359.7
9. Security	21.9	36.0	44.0	71.5	89.3	-59.1	61.8
10. Other	-3.0	6.3	4.3	1.9	-13.3	-12.8	185.3
Short- and intermediate-term business credit							
11. Business loans net of bankers acceptances	-2.5	-2.3	-6.4	-4.6	-5.6	-7.8	595.6
12. Loans at foreign branches <sup>2</sup>	-1.6	34.2	-40.9	-30.8	0.0	-5.3	22.7
13. Sum of lines 11 and 12	-2.4	-0.9	-7.8	-5.5	-5.4	-7.7	618.3
14. Commercial paper issued by nonfinancial firms	-10.4	-6.3	14.9	18.9	-5.1	-12.7	139.7
15. Sum of lines 13 and 14	-3.9	-1.9	-3.8	-1.3	-5.2	-8.6	758.0
16. Bankers acceptances, U.S. trade-related <sup>3</sup>	-16.2	-4.2	-22.9	-31.0	-18.2	-27.7	25.4
17. Finance company loans to business <sup>4</sup>	1.4	-4.2	-1.9	-9.5	-9.6	n.a.	297.5 <sup>5</sup>
18. Total (sum of lines 15, 16, and 17)	-2.9	-2.6	-3.7	-4.3	-6.8	n.a.	1,087.0 <sup>5</sup>

1. Average of Wednesdays. Data are adjusted for breaks caused by reclassifications.

2. Loans at foreign branches are loans made to U.S. firms by foreign branches of domestically chartered banks.

3. Consists of acceptances that finance U.S. imports, U.S. exports, and domestic shipment and storage of goods. Based on average of data for current and preceding ends of month.

4. Based on average of data for current and preceding ends of month.

5. April 1992 data.

p--Preliminary.

n.a.--Not available.

SELECTED FINANCIAL MARKET QUOTATIONS<sup>1</sup>  
(percent)

	1989	1992	1992		Change from:		
	March highs	FOMC May 19	Dec-Jan Lows	Jun 25	Mar 89 highs	Dec-Jan Lows	FOMC May 19
<b>Short-term rates</b>							
Federal funds <sup>2</sup>	9.85	3.80	3.94	3.72	-6.13	-0.22	-0.08
Treasury bills <sup>3</sup>							
3-month	9.10	3.54	3.72	3.62	-5.48	-0.10	0.08
6-month	9.11	3.62	3.76	3.70	-5.41	-0.06	0.08
1-year	9.05	3.81	3.81	3.88	-5.17	0.07	0.07
Commercial paper							
1-month	10.05	3.81	4.01	3.87	-6.18	-0.14	0.06
3-month	10.15	3.82	3.94	3.88	-6.27	-0.06	0.06
Large negotiable CDs <sup>3</sup>							
1-month	10.07	3.74	3.95	3.81	-6.26	-0.14	0.07
3-month	10.32	3.75	3.89	3.83	-6.49	-0.06	0.08
6-month	10.08	3.85	3.89	3.90	-6.18	0.01	0.05
Eurodollar deposits <sup>4</sup>							
1-month	10.19	3.75	3.94	3.75	-6.44	-0.19	0.00
3-month	10.50	3.81	3.88	3.81	-6.69	-0.07	0.00
Bank prime rate	11.50	6.50	6.50	6.50	-5.00	0.00	0.00
<b>Intermediate- and long-term rates</b>							
U.S. Treasury (constant maturity)							
3-year	9.88	5.59	5.05	5.41	-4.47	0.36	-0.18
10-year	9.53	7.20	6.71	7.14	-2.39	0.43	-0.06
30-year	9.31	7.77	7.39	7.78	-1.53	0.39	0.01
Municipal revenue <sup>5</sup> (Bond Buyer)	7.95	6.70	6.53	6.58	-1.37	0.05	-0.12
Corporate--A utility recently offered	10.47	8.60	8.46	8.64	-1.83	0.18	0.04
Home mortgage rates <sup>6</sup>							
FHLMC 30-yr. FRM	11.22	8.64	8.23	8.48	-2.74	0.25	-0.16
FHLMC 1-yr. ARM	9.31	5.97	5.79	5.86	-3.45	0.07	-0.11
			1989	1992	Percent change from:		
	Record highs	Date	Lows Jan 3	FOMC May 19 Jun 25	Record highs	1989 lows	FOMC May 19
<b>Stock prices</b>							
Dow-Jones Industrial	3413.21	6/1/92	2144.64	3397.99 3284.01	-3.79	53.13	-3.35
NYSE Composite	231.85	1/15/92	154.00	229.32 221.53	-4.45	43.85	-3.40
AMEX Composite	418.99	2/12/92	305.24	392.37 374.15	-10.70	22.58	-4.64
NASDAQ (OTC)	644.92	2/12/92	378.56	578.05 548.20	-15.00	44.81	-5.16
Wilshire	4121.28	1/15/92	2718.59	4025.84 3873.33	-6.02	42.48	-3.79

1/ One-day quotes except as noted.  
2/ Average for two-week reserve maintenance period closest to date shown. Last observation is average for maintenance period ending June 24, 1992.

3/ Secondary market.  
4/ Bid rates for Eurodollar deposits at 11 a.m. London time.  
5/ Based on one-day Thursday quotes and futures market index changes  
6/ Quotes for week ending Friday previous to date shown.

THE INTERNATIONAL ECONOMY

Prices of Exports and Non-oil Imports

In May, prices of non-oil imports fell for the third consecutive month, the result of declines in prices of imports of foods, feeds, and beverages, automotive products, and capital goods. The three consecutive months of declining prices of non-oil imports follow six consecutive months of increase and likely reflect a lagged adjustment to the rise in the exchange value of the dollar in the first quarter.

Prices of exports increased 0.3 percent in May, with prices of nonagricultural exports rising 0.5 percent. Prices of exports of industrial supplies and consumer goods posted the largest increases in May. Prices of exports of industrial supplies have risen for four consecutive months, paced by increases in prices of exports of building materials.

IMPORT AND EXPORT PRICE MEASURES  
(percent change from previous period, annual rate)

	Year		Quarters			Months	
	1992-Q1	1991-Q1	1991		1992		
			Q3	Q4	Q1	Apr	May
	(Quarterly Average, AR)			(Monthly Rates)			
-----BLS Prices-----							
<u>Imports, Total</u>	-1.9	-3.5	5.2	-1.5	-0.2	0.3	
Foods, Feeds, Bev.	3.2	-3.5	3.7	10.1	-3.4	-2.5	
Industrial Supplies	-10.0	-6.7	3.1	-15.7	1.1	1.9	
Ind Supp Ex Oil*	-2.9	-7.3	-4.3	4.8	0.0	0.0	
Capital Goods	0.2	-4.4	6.5	4.6	-0.7	-0.1	
Automotive Products	2.0	-1.0	7.4	0.7	-0.6	-0.3	
Consumer Goods	1.5	-0.6	5.1	6.2	-0.4	0.3	
Memo:							
Oil	-22.8	-5.9	19.5	-46.5	4.1	6.2	
Non-oil	0.6	-3.2	3.9	4.5	-0.7	-0.2	
<u>Exports, Total</u>	-0.6	-2.5	2.5	-1.3	-0.2	0.3	
Foods, Feeds, Bev.	4.3	-5.8	17.6	-1.2	-2.2	-0.1	
Industrial Supplies	-7.4	-8.0	-3.0	-6.4	0.5	0.9	
Capital Goods	2.0	1.6	2.2	0.6	-0.1	0.1	
Automotive Products	2.2	2.1	3.0	1.6	0.1	0.1	
Consumer Goods	3.0	-2.3	2.5	5.9	0.3	0.6	
Memo:							
Agricultural	1.1	-8.5	10.8	-3.3	-1.8	0.2	
Nonagricultural	-1.1	-1.8	1.2	-1.1	0.2	0.5	
-----Prices in the NIPA Accounts-----							
<u>Fixed-Weight</u>							
Imports, Total	-1.8	-1.4	4.0	-0.4	--	--	
Oil	-24.7	-1.2	22.0	-49.4	--	--	
Non-oil	1.0	-1.4	2.5	6.2	--	--	
Exports, Total	-0.2	-3.6	2.6	1.8	--	--	
Ag	1.3	-9.1	11.6	-5.1	--	--	
Nonag	-0.4	-2.9	1.9	2.6	--	--	
<u>Deflators</u>							
Imports, Total	-3.4	-2.9	4.0	-3.2	--	--	
Oil	-24.8	-1.5	21.7	-49.4	--	--	
Non-oil	-0.9	-3.2	1.9	2.9	--	--	
Exports, Total	-1.5	-3.9	0.7	-0.0	--	--	
Ag	-1.7	-6.3	6.3	-6.1	--	--	
Nonag	-1.5	-3.9	0.3	0.5	--	--	

\* / Months not for publication.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF RESEARCH AND STATISTICS

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**Date:** June 26, 1992  
**To:** The Federal Open Market Committee  
**From:** Michael Prell  
**Subject:** Greensheets

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Attached are revised Greensheets that incorporate the revised NIPA data and show projections in which the levels have been adjusted for the differences between the preliminary and final first-quarter estimates.

Interval	Nominal GDP		Real GDP		GDP fixed-weight price index		Consumer price index <sup>1</sup>		Unemployment rate (level except as noted)	
	5/14/92	6/26/92	5/14/92	6/26/92	5/14/92	6/26/92	5/14/92	6/26/92	5/14/92	6/26/92
<b>ANNUAL</b>										
1989 <sup>2</sup>	7.0	7.0	2.5	2.5	4.3	4.3	4.8	4.8	5.3	5.3
1990 <sup>2</sup>	5.1	5.1	1.0	1.0	4.3	4.3	5.4	5.4	5.5	5.5
1991 <sup>2</sup>	2.9	2.9	-.7	-.7	4.0	4.0	4.2	4.2	6.7	6.7
1992	4.5	4.5	1.9	1.9	2.8	2.8	3.3	3.3	7.1	7.2
1993	5.7	5.6	2.9	2.8	3.0	2.9	3.3	3.3	6.8	6.9
<b>QUARTERLY</b>										
1990 Q1 <sup>2</sup>	6.3	6.3	1.7	1.7	5.0	5.0	7.2	7.2	5.2	5.2
Q2 <sup>2</sup>	6.2	6.2	1.6	1.6	4.6	4.6	4.1	4.1	5.3	5.3
Q3 <sup>2</sup>	4.9	4.9	.2	.2	4.8	4.8	7.0	7.0	5.6	5.6
Q4 <sup>2</sup>	-.9	-.9	-3.9	-3.9	3.2	3.2	6.9	6.9	6.0	6.0
1991 Q1 <sup>2</sup>	2.3	2.3	-2.5	-2.5	5.4	5.4	3.3	3.3	6.5	6.5
Q2 <sup>2</sup>	4.6	4.6	1.4	1.4	3.3	3.3	2.4	2.4	6.7	6.7
Q3 <sup>2</sup>	4.1	4.1	1.8	1.8	2.6	2.6	2.7	2.7	6.8	6.8
Q4 <sup>2</sup>	2.2	2.2	.4	.4	2.1	2.1	3.6	3.6	6.9	6.9
1992 Q1 <sup>2</sup>	4.9	5.8	2.0	2.7	3.1	3.3	2.9	2.9	7.2	7.2
Q2	4.9	4.9	2.0	2.0	2.9	2.7	3.8	3.6	7.2	7.3
Q3	6.0	4.9	3.1	2.3	3.0	2.8	3.7	4.1	7.1	7.3
Q4	5.9	5.6	3.1	2.7	3.0	2.9	3.4	3.4	7.0	7.2
1993 Q1	6.0	6.1	2.9	2.8	3.4	3.4	3.3	3.0	6.9	7.1
Q2	5.5	5.6	2.9	2.9	2.8	2.7	3.2	3.1	6.8	6.9
Q3	5.3	5.7	2.8	3.1	2.7	2.7	3.1	3.1	6.7	6.8
Q4	5.2	5.7	2.8	3.2	2.7	2.6	3.1	3.1	6.6	6.7
<b>TWO-QUARTER<sup>3</sup></b>										
1990 Q2 <sup>2</sup>	6.2	6.2	1.7	1.7	4.8	4.8	5.6	5.6	-.1	-.1
Q4 <sup>2</sup>	1.9	1.9	-1.8	-1.8	3.9	3.9	7.0	7.0	.7	.7
1991 Q2 <sup>2</sup>	3.5	3.5	-.6	-.6	4.4	4.4	2.9	2.9	.7	.7
Q4 <sup>2</sup>	3.1	3.1	1.1	1.1	2.4	2.4	3.1	3.1	.2	.2
1992 Q2	4.9	5.3	2.0	2.4	3.0	2.9	3.3	3.2	.3	.4
Q4	6.0	5.2	3.1	2.5	3.0	2.9	3.6	3.7	-.2	-.1
1993 Q2	5.7	5.8	2.9	2.9	3.1	3.1	3.2	3.1	-.2	-.3
Q4	5.2	5.7	3.2	3.2	2.7	2.7	3.1	3.1	-.2	-.2
<b>FOUR-QUARTER<sup>4</sup></b>										
1989 Q4 <sup>2</sup>	5.9	5.9	1.7	1.7	4.2	4.2	4.6	4.6	.1	.1
1990 Q4 <sup>2</sup>	4.1	4.1	-.1	-.1	4.4	4.4	6.3	6.3	.6	.6
1991 Q4 <sup>2</sup>	3.3	3.3	.3	.3	3.4	3.4	3.0	3.0	.9	.9
1992 Q4	5.4	5.3	2.6	2.5	3.0	2.9	3.4	3.5	.1	.3
1993 Q4	5.5	5.8	2.8	3.0	2.9	2.9	3.2	3.1	-.4	-.5

1. For all urban consumers.

2. Actual.

3. Percent change from two quarters earlier, for unemployment rate, change in percentage points.

4. Percent change from four quarters earlier, for unemployment rate, change in percentage points.

Item	Unit <sup>1</sup>	1985	1986	1987	1988	1989	1990	1991	Projected	
									1992	1993
<b>EXPENDITURES</b>										
Nominal GDP	Bill. \$	4038.7	4268.6	4539.9	4900.4	5244.0	5513.8	5672.6	5928.4	6259.9
Real GDP	Bill. 87\$	4279.8	4404.5	4540.0	4718.6	4836.9	4884.9	4848.8	4942.0	5079.5
Real GDP	% change	3.3	2.2	4.5	3.3	1.7	-1	.3	2.5	3.0
Gross domestic purchases		3.8	2.1	3.9	2.5	1.0	-1.9	.1	2.7	3.1
Final sales		3.8	3.3	2.7	4.2	1.5	1.2	-1.5	2.3	2.6
Private dom. final purch.		3.9	3.0	1.9	4.2	.6	-1.3	-1.5	3.3	3.5
Personal cons. expend.		4.0	4.0	2.1	4.2	1.2	.3	.6	2.8	2.8
Durables		6.3	12.5	-2.6	8.5	-1.8	-2.7	-2.8	6.2	5.8
Nondurables		2.7	3.3	1.4	3.2	.8	-1.0	-1.9	1.8	2.0
Services		4.2	2.5	3.7	3.7	2.0	1.9	2.2	2.5	2.6
Business fixed invest.		3.1	-5.7	3.0	5.5	.5	.6	-7.1	5.2	5.6
Producers' dur. equip.		2.2	-1.7	2.4	9.1	-1	3.1	-3.7	8.1	7.7
Nonres. structures		4.6	-14.1	4.4	-1.2	1.7	-4.6	-14.7	-1.8	-1
Res. structures		4.3	11.1	-3.1	.9	-7.7	-11.8	-1.9	7.0	8.6
Exports		-1.3	9.9	12.6	13.5	10.9	7.6	6.8	4.0	6.7
Imports		5.2	6.7	4.7	3.6	2.7	-1.4	4.6	5.8	6.8
Government purchases		5.9	4.1	3.3	.2	1.6	3.2	-1.6	-1.4	-1.8
Federal		6.4	3.8	3.7	-3.4	-1.2	2.3	-3.1	-1.5	-4.1
Defense		7.0	3.7	4.5	-3.2	-2.0	.8	-4.7	-4.5	-6.9
State and local		5.4	4.4	2.9	2.9	3.6	3.8	-1.5	.3	1.4
Change in bus. invent.	Bill. 87\$	22.1	8.6	26.3	19.9	32.6	.2	-13.9	1.6	27.3
Nonfarm		19.8	10.6	32.7	26.9	33.3	-1.5	-13.9	1.0	25.4
Net exports		-145.3	-155.1	-143.0	-104.0	-75.7	-51.4	-20.9	-28.6	-34.9
Nominal GDP	% change	7.0	4.7	8.0	7.7	5.9	4.1	3.3	5.3	5.8
<b>EMPLOYMENT AND PRODUCTION</b>										
Nonfarm payroll employ.	Millions	97.5	99.5	102.2	105.5	108.3	109.8	108.3	108.6	110.4
Unemployment rate	%	7.2	7.0	6.2	5.5	5.3	5.5	6.7	7.2	6.9
Industrial prod. index	% change	1.9	1.4	6.5	4.5	1.1	.3	-1.5	3.0	4.0
Capacity util. rate-mfg.	%	79.5	79.0	81.4	83.9	83.9	82.3	78.2	78.2	79.5
Housing starts	Millions	1.74	1.81	1.62	1.49	1.38	1.19	1.01	1.22	1.34
Auto sales in U.S.		11.04	11.45	10.24	10.63	9.91	9.51	8.39	8.49	9.16
North American produced		8.20	8.22	7.07	7.54	7.09	6.90	6.14	6.31	6.93
Other		2.84	3.24	3.18	3.09	2.83	2.60	2.25	2.19	2.24
<b>INCOME AND SAVING</b>										
Nominal GNP	Bill. \$	4053.6	4277.8	4544.5	4908.2	5248.2	5524.6	5685.8	5948.4	6283.1
Nominal GNP	% change	6.8	4.4	8.1	7.8	5.9	4.3	3.0	5.4	5.8
Nominal personal income		6.6	5.5	7.4	7.1	6.7	6.5	2.7	5.0	6.4
Real disposable income		1.9	2.8	2.1	3.2	1.4	1.0	.5	2.3	3.1
Personal saving rate	%	6.5	6.0	4.3	4.4	4.4	5.1	5.2	5.0	5.1
Corp. profits, IVA&CCAdj	% change	9.0	-7.1	29.7	10.2	-11.5	-11.5	6.6	24.3	7.7
Profit share of GNP	%	6.9	6.4	7.0	7.4	6.7	5.8	5.4	6.3	6.5
Federal surpl./def.	Bill. \$	-181.4	-201.1	-151.8	-136.6	-124.2	-165.3	-201.6	-282.2	-257.7
State/local surpl./def.		56.1	54.3	40.1	38.4	41.1	25.7	30.0	47.1	60.9
Ex. social ins. funds		9.2	1.5	-14.7	-18.4	-19.2	-38.1	-35.3	-18.7	-6.6
<b>PRICES AND COSTS</b>										
GDP implicit deflator	% change	3.6	2.6	3.3	4.2	4.2	4.2	3.0	2.8	2.6
GDP fixed-wt. price index		3.6	2.5	3.4	4.2	4.2	4.4	3.4	2.9	2.9
Gross domestic purchases										
fixed-wt. price index		3.5	2.3	3.9	4.1	4.2	5.1	2.6	3.0	2.8
CPI		3.5	1.3	4.5	4.3	4.6	6.3	3.0	3.5	3.1
Ex. food and energy		4.3	3.9	4.3	4.5	4.4	5.3	4.5	3.7	3.2
ECI, hourly compensation <sup>2</sup>		3.9	3.2	3.3	4.6	4.8	4.6	4.4	3.8	3.5
Nonfarm business sector										
Output per hour		.7	1.2	1.8	.5	-1.5	.4	1.3	1.8	1.5
Compensation per hour		4.7	4.6	3.8	3.8	3.0	6.5	3.3	3.4	3.7
Unit labor cost		3.9	3.4	1.9	3.3	4.6	6.0	2.1	1.6	2.2

1. Percent changes are from fourth quarter to fourth quarter.

2. Private-industry workers.

Item	Unit	1989				1990				1991	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>EXPENDITURES</b>											
Nominal GDP	Bill. \$	5139.9	5218.5	5277.3	5340.4	5422.4	5504.7	5570.5	5557.5	5589.0	5652.6
Real GDP	Bill. 87\$	4809.8	4832.4	4845.6	4859.7	4880.8	4900.3	4903.3	4855.1	4824.0	4840.7
Real GDP	% change	2.5	1.9	1.1	1.2	1.7	1.6	.2	-3.9	-2.5	1.4
Gross domestic purchases		.7	1.1	1.7	.3	.6	1.3	1.3	-6.5	-3.5	.9
Final sales		.8	2.1	2.7	.4	4.6	-.5	.9	-.3	-2.4	1.2
Private dom. final purch.		-.4	.4	3.1	-.7	2.7	-1.5	2.5	-4.7	-4.8	.8
Personal cons. expend.		-.2	1.0	4.1	.1	2.1	.0	2.8	-3.5	-1.3	1.4
Durables		-5.0	5.9	13.8	-15.5	16.7	-11.8	1.5	-14.0	-11.9	-1.8
Nondurables		.1	-1.4	3.1	1.5	-.3	-1.5	1.3	-3.4	-.3	.9
Services		.8	1.2	2.3	3.6	.3	4.1	4.1	-.9	.7	2.5
Business fixed invest.		.9	2.7	.8	-2.5	7.1	-4.6	8.5	-7.7	-17.4	-3.3
Producers' dur. equip.		-1.0	7.3	-2.5	-3.9	6.4	-3.2	11.5	-1.6	-18.1	.0
Nonres. structures		4.9	-6.2	8.0	.4	8.5	-7.3	2.5	-19.7	-15.7	-10.3
Res. structures		-5.9	-11.9	-5.6	-7.3	.6	-15.7	-16.2	-15.0	-24.8	3.1
Exports		12.4	17.2	.9	13.7	8.8	4.8	-.4	17.7	-7.4	19.4
Imports		-6.1	6.9	6.8	4.0	-2.5	1.7	9.6	-9.3	-15.4	13.3
Government purchases		-3.4	5.2	4.1	.7	6.4	2.2	-.3	4.6	2.8	-.1
Federal		-9.5	7.9	5.1	-7.2	5.9	4.3	-5.0	4.5	9.9	1.0
Defense		-12.8	5.6	10.1	-9.2	2.3	3.3	-7.9	5.9	10.9	-3.3
State and local		1.3	3.4	3.3	6.6	6.7	.8	3.2	4.6	-1.9	-.7
Change in bus. invent.	Bill. 87\$	41.2	38.9	20.2	30.0	-4.0	22.1	13.9	-31.2	-32.8	-30.4
Nonfarm		35.8	33.4	25.9	38.1	-5.5	15.5	9.9	-25.7	-31.1	-30.8
Net exports		-81.2	-71.9	-79.8	-70.0	-56.0	-52.5	-65.7	-31.2	-18.6	-12.3
Nominal GDP	% change	7.8	6.3	4.6	4.9	6.3	6.2	4.9	-.9	2.3	4.6
<b>EMPLOYMENT AND PRODUCTION</b>											
Nonfarm payroll employ.	Millions	107.7	108.2	108.5	109.0	109.8	110.2	109.9	109.3	108.6	108.2
Unemployment rate <sup>1</sup>	%	5.2	5.2	5.3	5.4	5.2	5.3	5.6	6.0	6.5	6.7
Industrial prod. index	% change	2.7	2.8	-1.2	.2	.6	4.2	3.9	-7.0	-9.7	2.6
Capacity util. rate-mfg. <sup>1</sup>	%	84.7	84.5	83.7	82.9	82.7	82.8	82.9	80.8	78.0	77.9
Housing starts	Millions	1.49	1.36	1.35	1.34	1.46	1.20	1.13	1.03	.92	1.00
Auto sales in U.S.		10.03	10.26	10.20	9.09	9.92	9.53	9.60	9.00	8.33	8.43
North American produced		7.08	7.26	7.36	6.56	7.12	6.82	7.08	6.60	6.09	6.11
Other		2.95	3.00	2.84	2.53	2.80	2.71	2.51	2.39	2.25	2.32
<b>INCOME AND SAVING</b>											
Nominal GNP	Bill. \$	5144.3	5217.7	5279.8	5350.9	5432.7	5505.5	5576.8	5583.2	5611.7	5660.6
Nominal GNP	% change	7.3	5.8	4.8	5.5	6.3	5.5	5.3	.5	2.1	3.5
Nominal personal income		10.8	4.5	3.7	7.8	9.8	6.6	5.7	3.9	.3	4.5
Real disposable income		3.6	-2.6	1.9	3.0	4.5	1.6	.2	-2.0	-1.7	2.6
Personal saving rate <sup>1</sup>	%	5.2	4.3	3.7	4.4	4.9	5.4	4.8	5.2	5.1	5.4
Corp. profits, IVA&CCAdj	% change	-12.2	-5.6	-16.6	-11.4	6.7	-.5	-39.4	-4.8	8.4	1.9
Profit share of GNP <sup>1</sup>	%	7.1	6.9	6.5	6.3	6.3	6.2	5.4	5.3	5.4	5.4
Federal govt. surpl./def.	Bill. \$	-114.5	-110.5	-128.4	-143.3	-160.8	-156.9	-149.7	-193.6	-146.4	-206.7
State/local surpl./def.		42.4	45.1	42.6	34.4	30.3	28.5	26.1	18.0	20.4	27.6
Ex. social ins. funds		-16.4	-14.8	-18.3	-27.4	-32.2	-34.9	-38.2	-46.9	-44.7	-38.0
<b>PRICES AND COSTS</b>											
GDP implicit deflator	% change	5.4	4.2	3.4	3.7	4.4	4.4	4.7	3.2	5.0	3.1
GDP fixed-wt. price index		4.8	4.5	3.5	3.7	5.0	4.6	4.8	3.2	5.4	3.3
Gross domestic purchases fixed-wt. price index		5.3	4.6	2.8	4.0	6.1	3.5	5.0	5.8	3.2	2.4
CPI		4.7	6.4	3.3	3.9	7.2	4.1	7.0	6.9	3.3	2.4
Ex. food and energy		4.9	4.2	3.8	4.7	5.6	5.5	5.8	4.2	6.5	3.8
ECI, hourly compensation <sup>2</sup>		4.6	4.1	5.3	4.8	5.6	4.7	4.7	3.8	4.9	4.5
Nonfarm business sector											
Output per hour		-3.3	-2.0	-.2	-.5	.1	2.7	-1.2	.2	.0	2.0
Compensation per hour		2.9	1.3	3.6	4.1	5.1	8.9	7.1	4.8	2.9	4.9
Unit labor cost		6.5	3.3	3.8	4.6	5.0	6.1	8.4	4.6	2.8	2.8

1. Not at an annual rate.

2. Private-industry workers.

Item	Units	Projected									
		1991		1992				1993			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>EXPENDITURES</b>											
Nominal GDP	Bill. \$	5709.2	5739.7	5820.6	5890.2	5960.7	6042.1	6132.3	6215.8	6301.8	6389.8
Real GDP	Bill. 87\$	4862.7	4868.0	4900.9	4925.6	4953.9	4987.6	5022.5	5059.0	5097.9	5138.6
Real GDP	% change	1.8	.4	2.7	2.0	2.3	2.7	2.8	2.9	3.1	3.2
Gross domestic purchases		3.4	-.4	2.6	2.8	2.6	2.7	2.9	3.0	3.2	3.1
Final sales		-.7	-.2	4.8	.5	1.8	2.3	2.3	2.5	2.8	3.1
Private dom. final purch.		1.9	.1	5.1	1.9	2.7	3.4	3.3	3.4	3.6	3.6
Personal cons. expend.		2.3	.0	5.0	1.0	2.3	2.8	2.8	2.8	2.8	2.9
Durables		9.5	-5.7	15.9	-1.0	4.2	6.5	5.9	5.9	5.5	5.9
Nondurables		.0	-3.9	5.3	-.8	1.1	1.7	1.9	2.0	2.0	2.0
Services		2.2	3.7	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6
Business fixed invest.		-3.7	-3.4	3.1	6.4	5.9	5.4	5.4	5.3	5.9	5.9
Producers' dur. equip.		6.7	-1.6	3.5	10.6	9.6	8.6	8.3	7.7	7.5	7.4
Nonres. structures		-23.9	-7.8	2.5	-3.6	-3.1	-2.8	-2.1	-1.2	1.4	1.8
Res. structures		10.9	12.3	11.7	5.9	1.6	9.2	6.4	7.2	11.4	9.4
Exports		7.3	9.7	2.5	3.0	4.8	5.7	6.3	6.7	6.9	7.0
Imports		22.3	2.1	1.5	9.5	6.9	5.4	6.6	7.1	7.5	5.8
Government purchases		-3.4	-5.4	2.9	-1.4	-.9	-2.3	-1.9	-1.0	-.3	.1
Federal		-8.1	-13.6	1.1	-.6	-.9	-5.4	-5.1	-4.4	-3.8	-3.0
Defense		-8.9	-15.7	-3.4	-3.7	-2.4	-8.6	-8.3	-7.3	-6.5	-5.3
State and local		-.1	.8	4.1	-1.8	-1.0	-.1	.4	1.3	1.9	2.1
Change in bus. invent.	Bill. 87\$	.1	7.6	-16.6	1.4	8.2	13.2	20.3	26.0	30.3	32.6
Nonfarm		-2.8	9.2	-16.3	.8	7.3	12.0	18.7	24.3	28.3	30.4
Net exports		-31.1	-21.3	-20.1	-29.3	-32.6	-32.6	-33.5	-34.7	-36.3	-35.0
Nominal GDP	% change	4.1	2.2	5.8	4.9	4.9	5.6	6.1	5.6	5.7	5.7
<b>EMPLOYMENT AND PRODUCTION</b>											
Nonfarm payroll employ.	Millions	108.3	108.2	108.1	108.5	108.8	109.2	109.6	110.1	110.6	111.2
Unemployment rate <sup>1</sup>	%	6.8	6.9	7.2	7.3	7.3	7.2	7.1	6.9	6.8	6.7
Industrial prod. index	% change	6.6	-.7	-2.8	5.8	4.2	5.0	4.7	4.2	3.7	3.5
Capacity util. rate-mfg <sup>1</sup>	%	78.7	78.2	77.3	78.1	78.4	78.9	79.3	79.4	79.6	79.8
Housing starts	Millions	1.04	1.10	1.26	1.17	1.22	1.26	1.29	1.32	1.36	1.39
Auto sales in U.S.		8.60	8.19	8.28	8.41	8.55	8.73	8.90	9.07	9.25	9.43
North American produced		6.31	6.06	6.03	6.25	6.40	6.55	6.70	6.85	7.00	7.15
Other		2.29	2.13	2.25	2.16	2.15	2.18	2.20	2.22	2.25	2.28
<b>INCOME AND SAVING</b>											
Nominal GNP	Bill. \$	5720.1	5750.7	5840.7	5908.6	5982.4	6061.7	6155.8	6238.5	6326.8	6411.2
Nominal GNP	% change	4.3	2.2	6.4	4.7	5.1	5.4	6.4	5.5	5.8	5.4
Nominal personal income		2.7	3.5	5.3	4.4	4.4	6.1	7.4	5.9	5.9	6.4
Real disposable income		.3	.9	3.8	2.1	.6	2.7	3.8	2.7	2.6	3.1
Personal saving rate <sup>1</sup>	%	5.0	5.2	5.0	5.3	4.9	4.9	5.1	5.1	5.0	5.1
Corp. profits, IVA&CCAdj	% change	3.5	13.0	60.8	14.9	8.8	18.8	7.3	8.6	3.4	11.6
Profit share of GNP <sup>1</sup>	%	5.4	5.5	6.1	6.2	6.3	6.5	6.5	6.5	6.5	6.6
Federal govt. surpl./def.	Bill. \$	-210.2	-243.1	-284.4	-292.2	-278.9	-273.3	-272.8	-263.6	-249.8	-244.8
State/local surpl./def.		31.8	40.3	38.9	44.5	51.2	53.8	58.1	59.0	63.0	63.5
Ex. social ins. funds		-33.8	-24.8	-26.2	-21.1	-14.8	-12.6	-8.7	-8.2	-4.7	-4.8
<b>PRICES AND COSTS</b>											
GDP implicit deflator	% change	2.1	1.7	3.1	2.7	2.5	2.8	3.2	2.5	2.5	2.4
GDP fixed-wt. price index		2.6	2.1	3.3	2.7	2.8	2.9	3.4	2.7	2.7	2.6
Gross domestic purchases											
fixed-wt. price index		2.5	2.2	3.0	3.0	3.3	2.9	3.1	2.7	2.7	2.6
CPI		2.7	3.6	2.9	3.6	4.1	3.4	3.0	3.1	3.1	3.1
Ex. food and energy		4.0	3.7	3.9	4.0	3.5	3.4	3.3	3.2	3.1	3.1
ECI, hourly compensation <sup>2</sup>		4.1	4.0	4.0	3.8	3.7	3.7	3.6	3.5	3.5	3.4
Nonfarm business sector											
Output per hour		1.7	1.3	2.7	1.4	1.3	1.7	1.4	1.5	1.5	1.6
Compensation per hour		3.5	2.2	2.2	4.1	3.7	3.7	4.0	3.7	3.6	3.6
Unit labor cost		1.7	.9	-.5	2.7	2.4	2.0	2.6	2.2	2.1	2.0

1. Not at an annual rate.

2. Private-industry workers.

Strictly Confidential (FR)  
Class II FOMC

NET CHANGES IN REAL GROSS DOMESTIC PRODUCT AND RELATED ITEMS<sup>1</sup>  
(Billions of 1987 dollars)

June 26, 1992

Item	1989				1990				1991		1988	1989	1990	1991
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
Real GDP	30.1	22.6	13.2	14.1	21.1	19.5	3.0	-48.2	-31.1	16.7	154.2	80.0	-4.6	12.9
Gross domestic purchases	8.6	13.3	21.1	4.3	7.1	16.0	16.2	-82.7	-43.7	10.4	120.9	47.3	-43.4	3.0
Final sales	9.8	25.0	31.9	4.3	55.1	-6.7	11.3	-3.1	-29.5	14.4	193.1	71.0	56.6	-26.0
Private dom. final purch.	-4.1	4.3	30.7	-7.0	27.0	-15.3	25.1	-48.0	-48.7	8.3	158.3	23.9	-11.2	-21.3
Personal cons. expend.	-2.0	7.7	32.5	.5	17.2	-.2	22.6	-29.4	-10.7	11.3	128.2	38.7	10.2	19.3
Durables	-5.6	6.3	14.4	-18.7	17.1	-14.0	1.6	-16.3	-13.2	-1.9	34.5	-3.6	-11.6	-11.8
Nondurables	.3	-3.8	8.1	3.9	-.9	-4.1	3.4	-9.0	-.8	2.3	32.2	8.5	-10.6	-8.9
Services	3.4	5.1	10.0	15.3	1.1	17.8	17.7	-4.2	3.2	10.9	61.4	33.8	32.4	40.0
Business fixed invest.	1.2	3.6	1.1	-3.4	9.4	-6.4	11.2	-11.0	-25.4	-4.3	28.2	2.5	3.2	-38.9
Producers' dur. equip.	-.9	6.4	-2.3	-3.6	5.7	-3.0	10.1	-1.5	-18.2	.0	30.4	-.4	11.3	-13.9
Nonres. structures	2.1	-2.8	3.4	.2	3.7	-3.4	1.1	-9.6	-7.1	-4.4	-2.2	2.9	-8.2	-25.0
Res. structures	-3.4	-6.9	-3.1	-4.0	.3	-8.7	-8.6	-7.6	-12.6	1.3	2.0	-17.4	-24.6	-1.6
Change in bus. invent.	20.3	-2.3	-18.7	9.8	-34.0	26.1	-8.2	-45.1	-1.6	2.4	-39.0	9.1	-61.2	38.8
Nonfarm	5.3	-2.4	-7.5	12.2	-43.6	21.0	-5.6	-35.6	-5.4	.3	-31.6	7.6	-63.8	34.9
Farm	15.1	.0	-11.2	-2.4	9.6	5.2	-2.7	-9.5	3.8	2.1	-7.4	1.5	2.6	3.9
Net exports	21.5	9.3	-7.9	9.8	14.0	3.5	-13.2	34.5	12.6	6.3	33.3	32.7	38.8	9.9
Exports	13.0	18.3	1.0	15.3	10.4	5.9	-.5	20.9	-10.0	23.2	52.1	47.6	36.7	35.5
Imports	-8.5	8.9	9.0	5.4	-3.5	2.3	12.9	-13.7	-22.6	16.9	18.8	14.8	-2.0	25.6
Government purchases	-7.6	11.4	9.1	1.5	14.1	5.1	-.6	10.4	6.6	-.2	1.5	14.4	29.0	-14.6
Federal	-9.3	7.1	4.7	-7.0	5.4	4.0	-4.9	4.2	9.1	1.0	-13.2	-4.5	8.7	-11.9
Defense	-9.6	3.8	6.8	-6.8	1.6	2.3	-5.8	4.0	7.4	-2.4	-9.3	-5.8	2.1	-13.3
Nondefense	.3	3.3	-2.1	-.2	3.7	1.8	.9	.2	1.7	3.4	-3.9	1.3	6.6	1.4
State and local	1.7	4.3	4.3	8.5	8.8	1.1	4.3	6.2	-2.6	-1.0	14.7	18.8	20.4	-2.6

1. Annual changes are from Q4 to Q4.

Strictly Confidential (FR)  
Class II FOMC

NET CHANGES IN REAL GROSS DOMESTIC PRODUCT AND RELATED ITEMS<sup>1</sup>  
(Billions of 1987 dollars)

June 26, 1992

Item	Projected										Projected				
	1991		1992				1993				1990	1991	1992		1993
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Real GDP	22.0	5.3	32.9	24.7	28.4	33.7	34.9	36.6	38.9	40.7	-4.6	12.9	119.6	151.0	
Gross domestic purchases	40.8	-4.5	31.7	33.9	31.7	33.6	35.8	37.7	40.5	39.5	-43.4	3.0	130.9	153.5	
Final sales	-8.6	-2.3	57.2	6.7	21.6	28.7	27.8	30.9	34.6	38.4	56.6	-26.0	114.1	131.6	
Private dom. final purch.	18.4	.7	49.3	19.0	27.1	33.9	33.0	34.2	36.9	37.0	-11.2	-21.3	129.3	141.1	
Personal cons. expend.	18.8	-.1	40.2	8.4	18.8	22.8	22.9	23.8	23.6	24.2	10.2	19.3	90.1	94.4	
Durables	9.4	-6.1	15.5	-1.1	4.4	6.8	6.3	6.4	6.1	6.6	-11.6	-11.8	25.7	25.4	
Nondurables	-.1	-10.3	13.4	-2.1	2.9	4.4	5.0	5.3	5.3	5.3	-10.6	-8.9	18.6	20.8	
Services	9.6	16.3	11.3	11.5	11.4	11.5	11.6	12.1	12.2	12.3	32.4	40.0	45.8	48.1	
Business fixed invest.	-4.8	-4.4	3.9	8.0	7.5	6.9	7.1	7.0	7.9	8.1	3.2	-38.9	26.3	30.0	
Producers' dur. equip.	5.8	-1.5	3.1	9.3	8.7	7.9	7.8	7.4	7.4	7.4	11.3	-13.9	29.0	30.1	
Nonres. structures	-10.5	-3.0	.9	-1.3	-1.1	-1.0	-.8	-.4	.5	.6	-8.2	-25.0	-2.6	-.1	
Res. structures	4.5	5.2	5.1	2.7	.8	4.2	3.1	3.5	5.5	4.7	-24.6	-1.6	12.8	16.7	
Change in bus. invent.	30.5	7.5	-24.2	18.0	6.8	5.0	7.1	5.7	4.3	2.3	-61.2	38.8	5.6	19.4	
Nonfarm	28.0	12.0	-25.5	17.1	6.5	4.7	6.7	5.6	4.0	2.1	-63.8	34.9	2.8	18.4	
Farm	2.5	-4.5	1.3	.9	.3	.3	.4	.1	.3	.2	2.6	3.9	2.8	1.0	
Net exports	-18.8	9.8	1.2	-9.2	-3.3	.0	-.9	-1.2	-1.6	1.2	38.8	9.9	-11.3	-2.5	
Exports	9.5	12.8	3.4	4.1	6.6	8.0	8.9	9.6	10.0	10.3	36.7	35.5	22.1	38.9	
Imports	28.3	3.0	2.2	13.3	9.9	8.0	9.9	10.8	11.6	9.1	-2.0	25.6	33.4	41.4	
Government purchases	-8.2	-12.8	6.7	-3.2	-2.2	-5.3	-4.3	-2.2	-.8	.2	29.0	-14.6	-4.0	-7.1	
Federal	-8.2	-13.8	1.0	-.6	-.8	-5.1	-4.8	-4.0	-3.4	-2.7	8.7	-11.9	-5.5	-14.9	
Defense	-6.6	-11.7	-2.3	-2.5	-1.6	-5.8	-5.5	-4.7	-4.1	-3.3	2.1	-13.3	-12.2	-17.6	
Nondefense	-1.6	-2.1	3.3	1.9	.8	.7	.7	.7	.7	.6	6.6	1.4	6.7	2.7	
State and local	-.1	1.1	5.6	-2.6	-1.4	-.2	.5	1.8	2.6	2.9	20.4	-2.6	1.4	7.8	

1. Annual changes are from Q4 to Q4.