

# The Economy at Midyear

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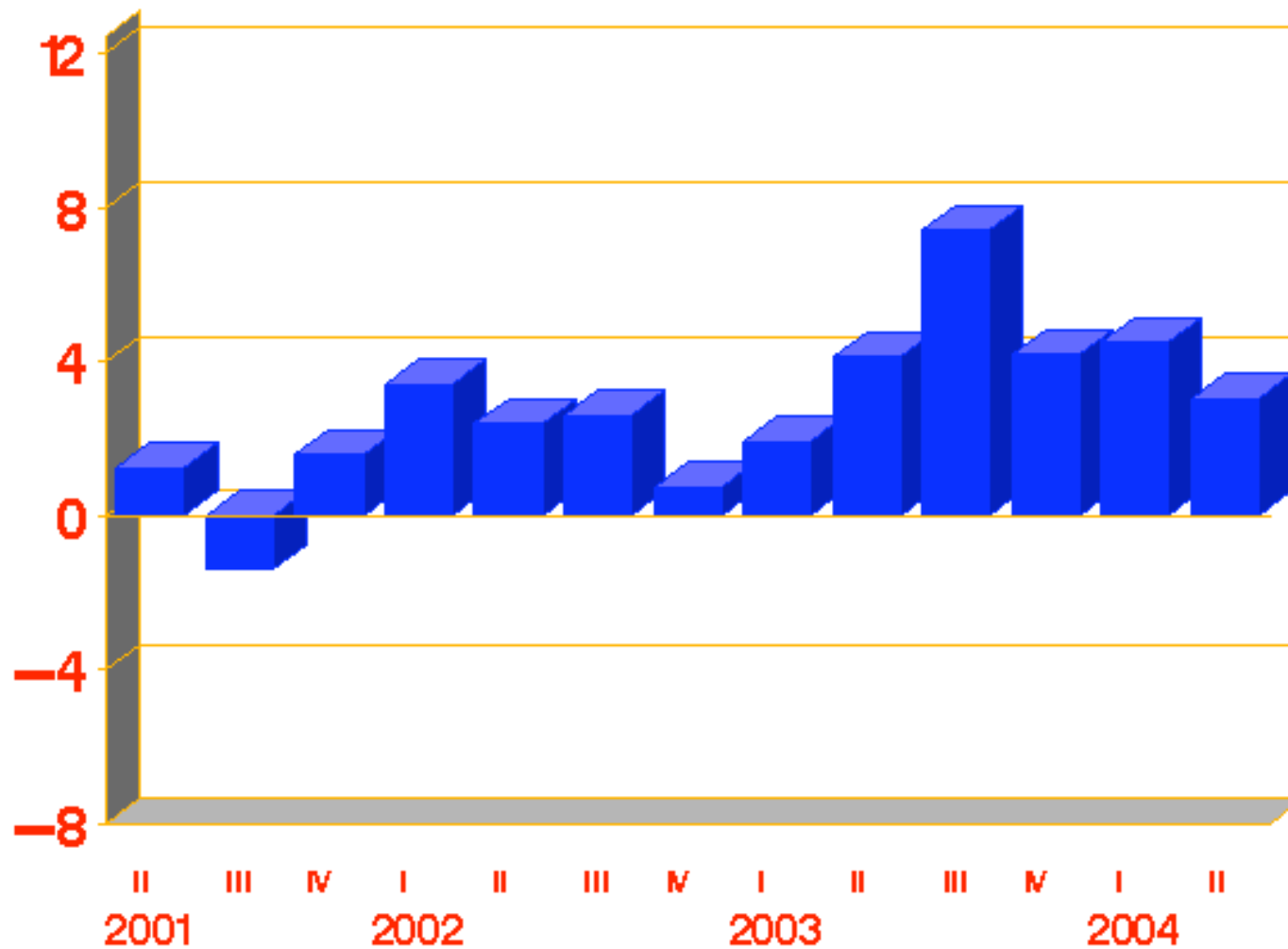
Ball State University

# U.S. Economy Still Breathing

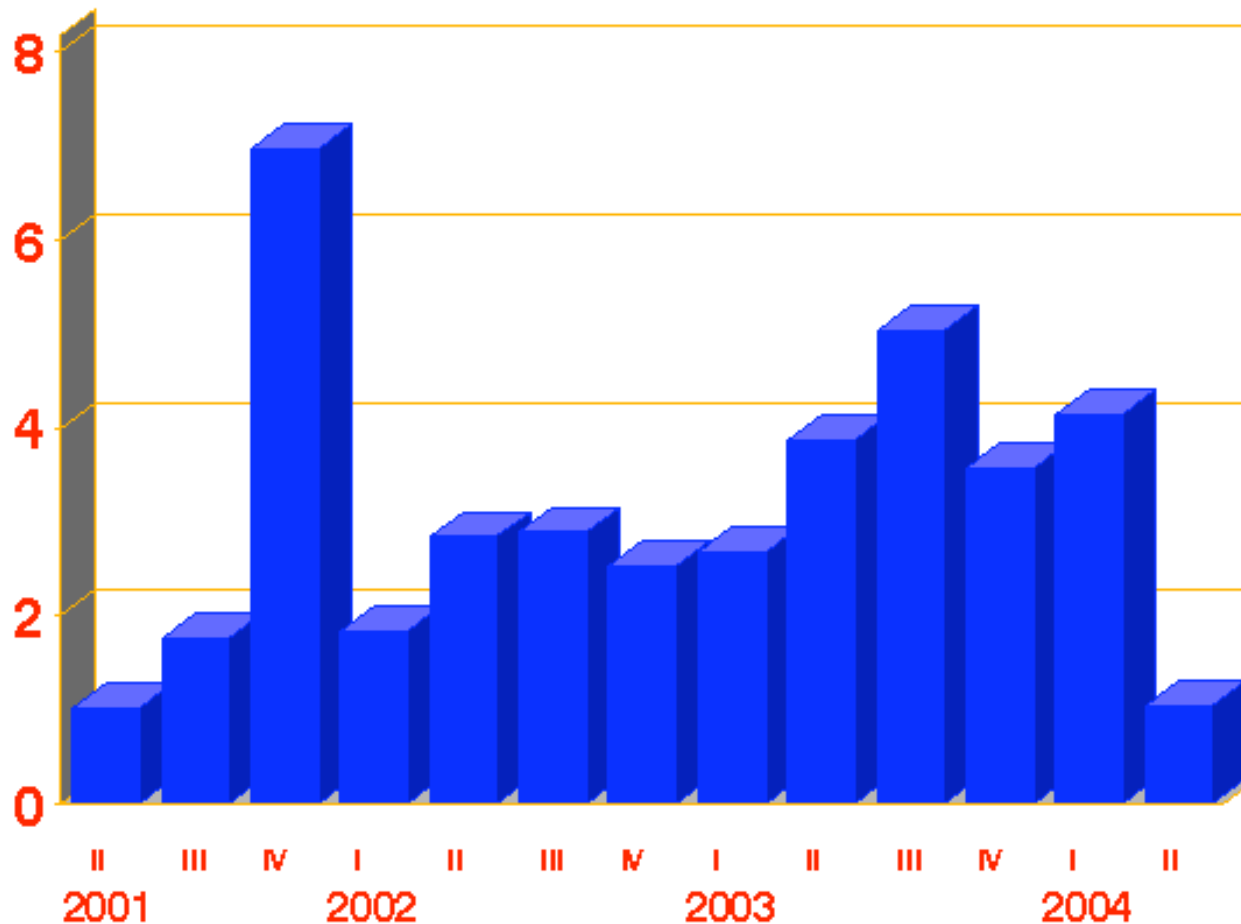
- Second quarter growth fueled by business spending and exports
- Consumer spending slows dramatically
- Industrial economy roars ahead
- Federal Reserve begins raising interest rates
- Inflation, energy prices and deficits are concerns

# U.S. Economy Decelerates

## GDP Growth, Percent

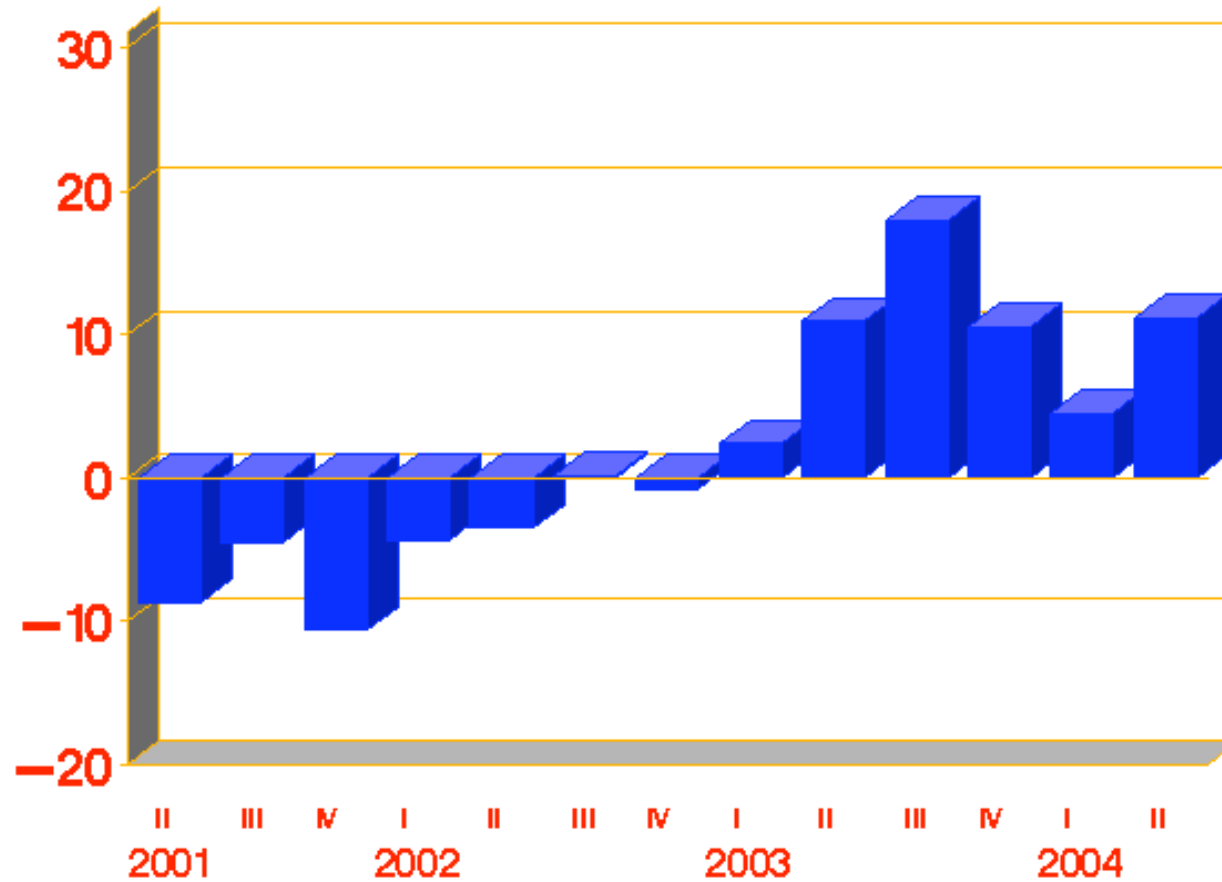


# Slower Consumer Spending Growth is Why



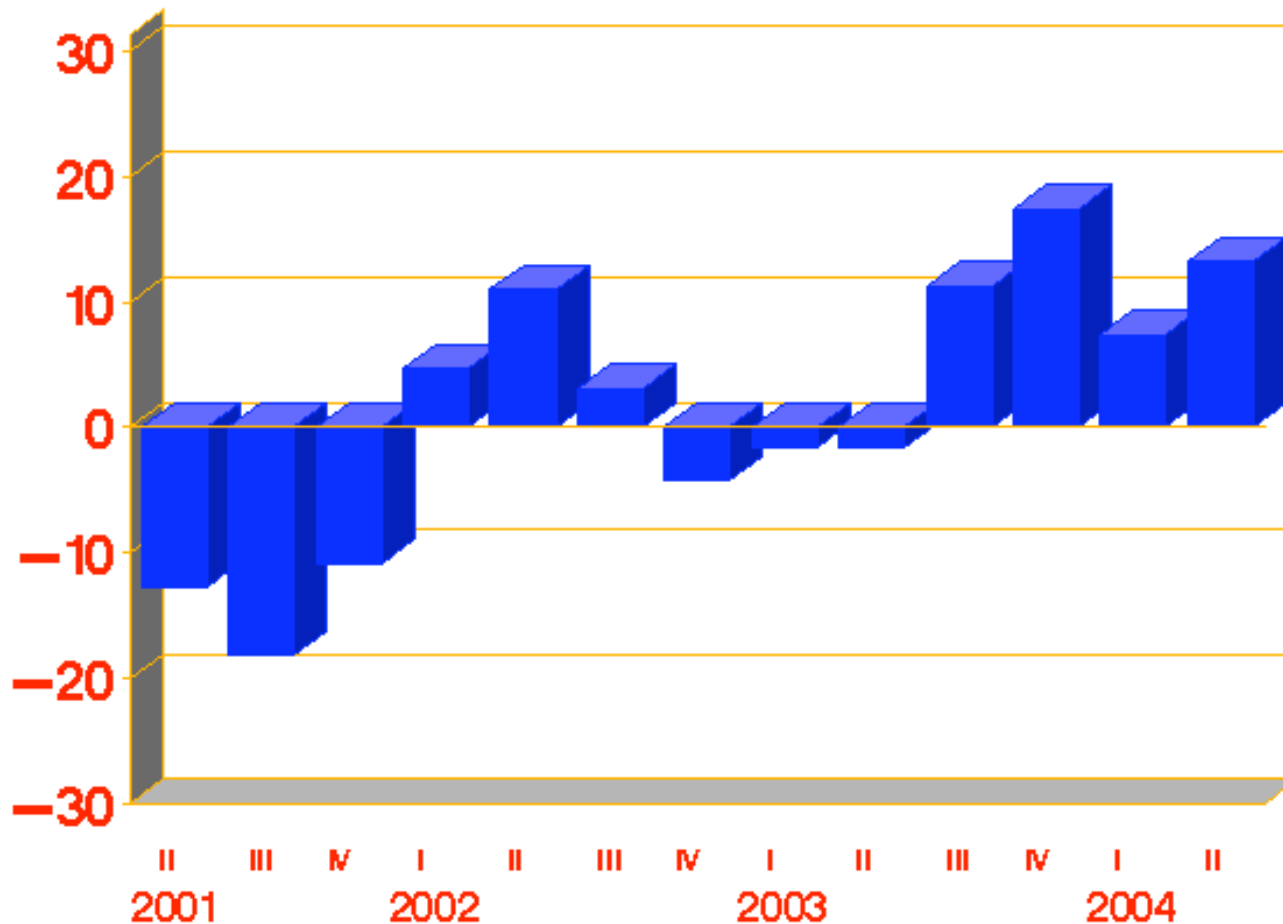
U.S. Personal Consumption Expenditures, Percent Growth

# Business Spending Hasn't Lost a Step



U.S. Business Fixed Investment, Percent Growth

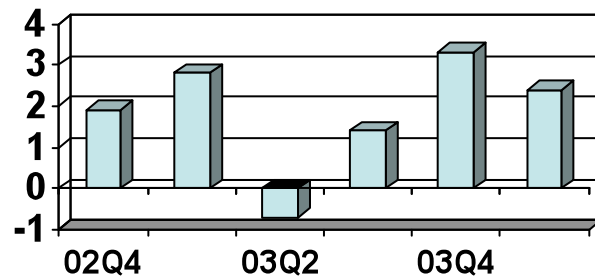
# Export Growth Continues to be Strong



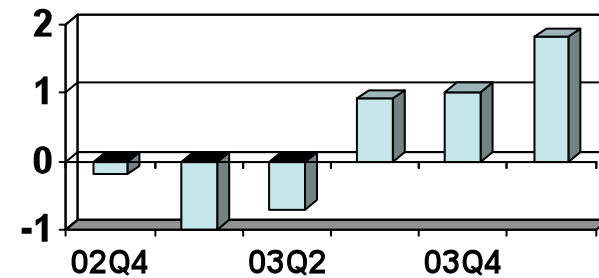
U.S. Exports, Percent Growth

# World Economy is Recovering

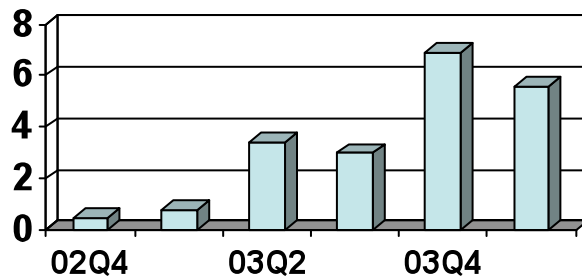
**Canada**



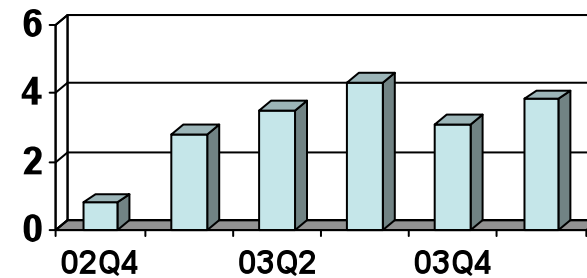
**Germany**



**Japan**

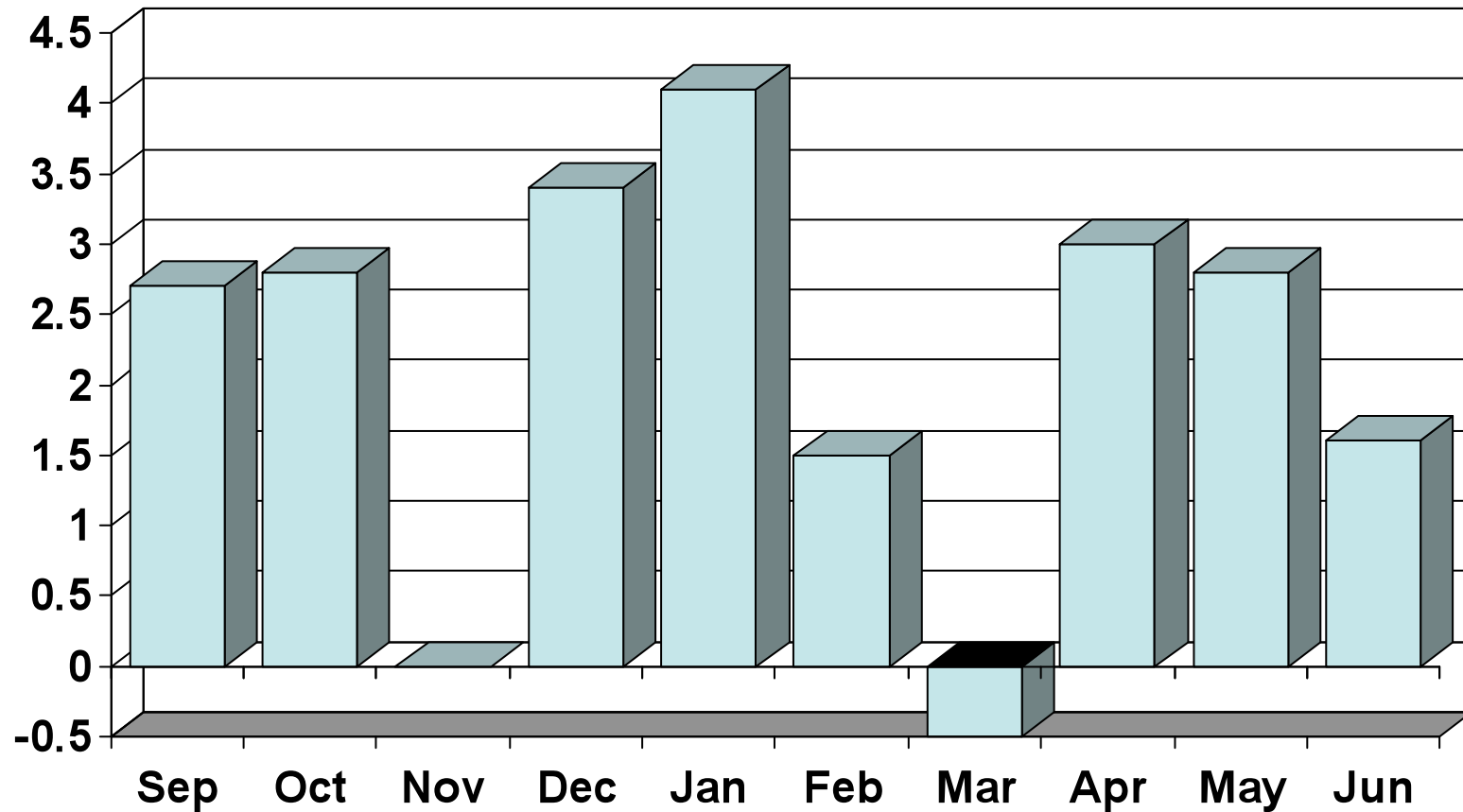


**United Kingdom**



Real Gross Domestic Product Growth, Percent

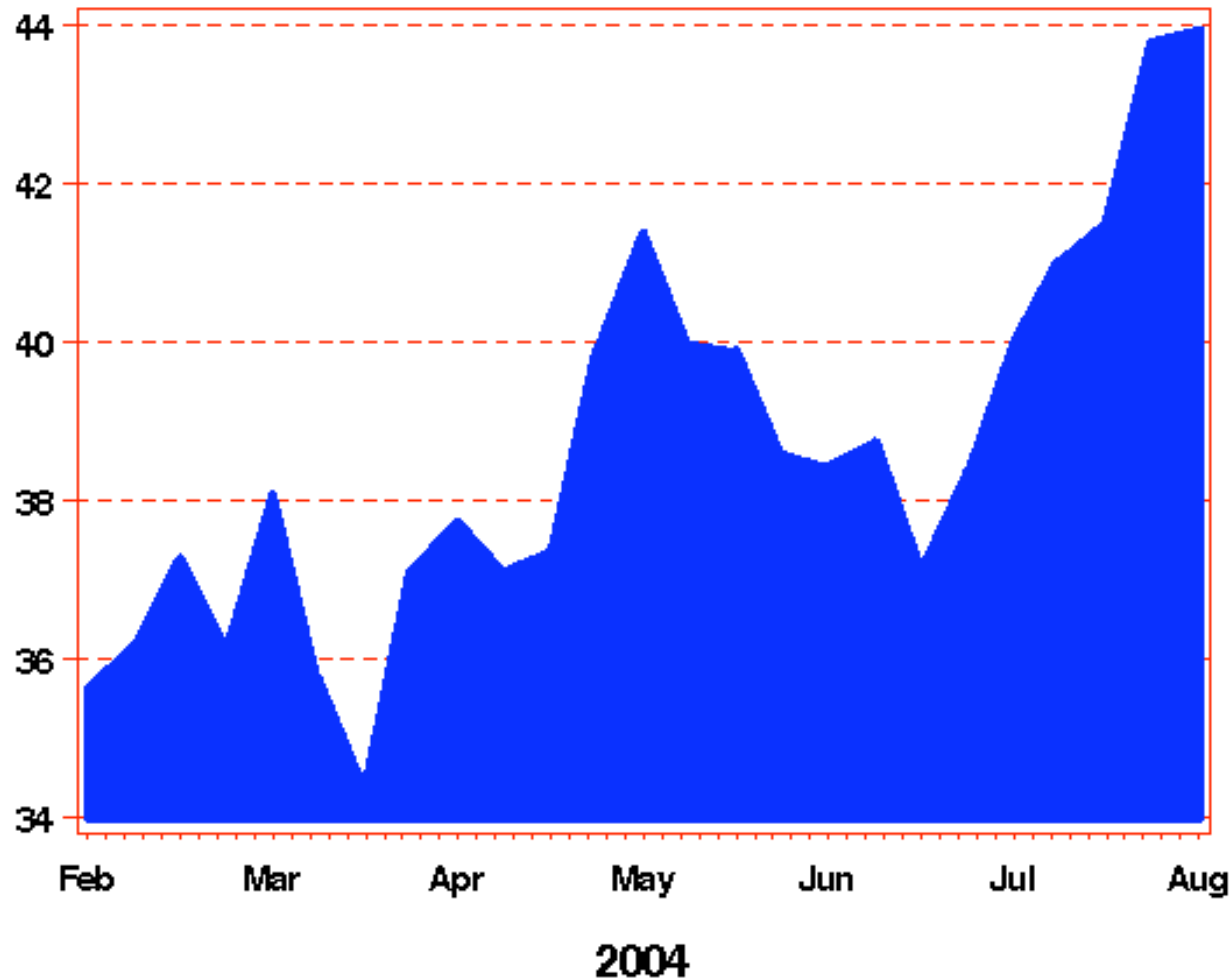
# Raw Material Prices Heading Up



U.S. Producer Price Index for Crude Materials, Percent Growth

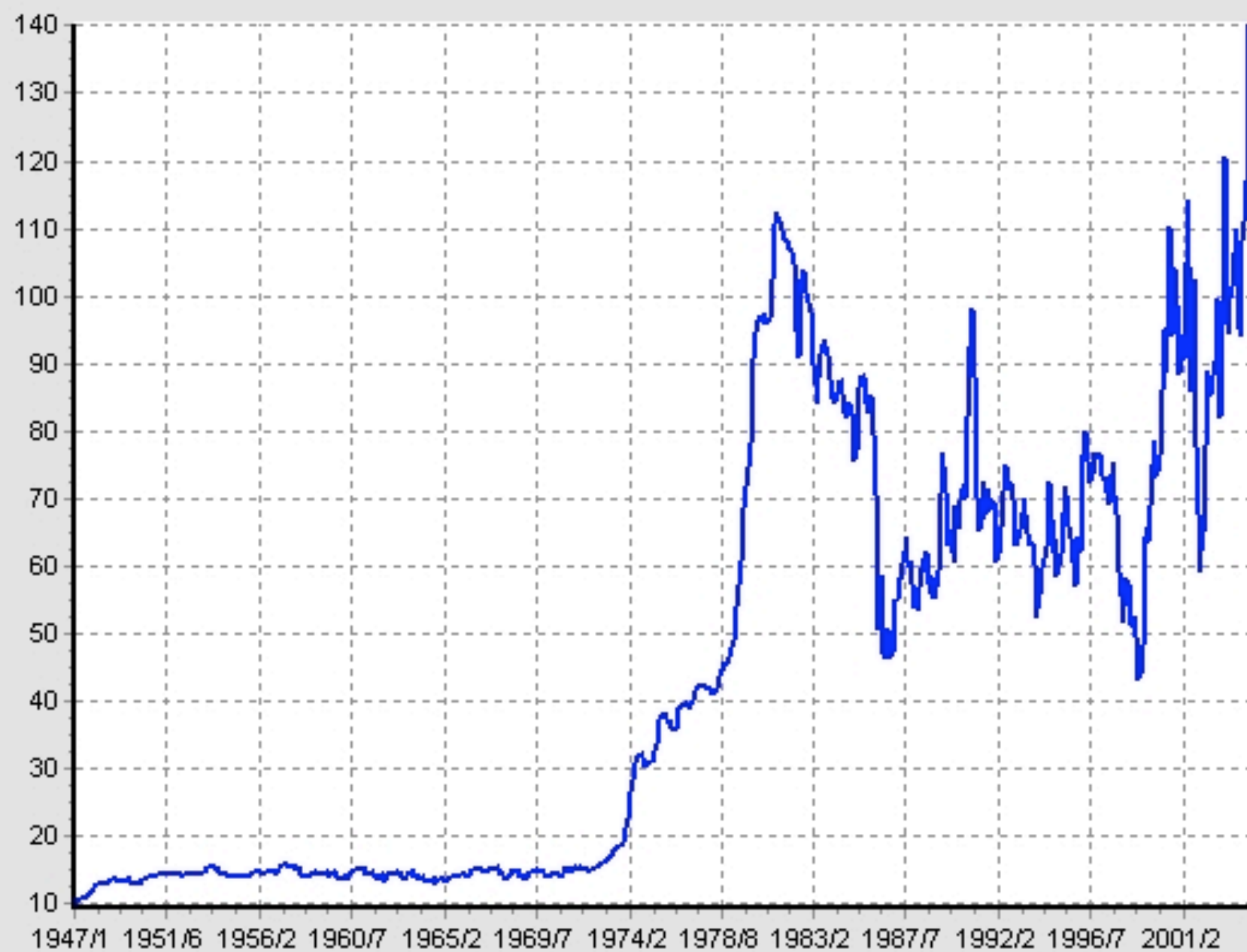


# Oil Prices Aren't Helping

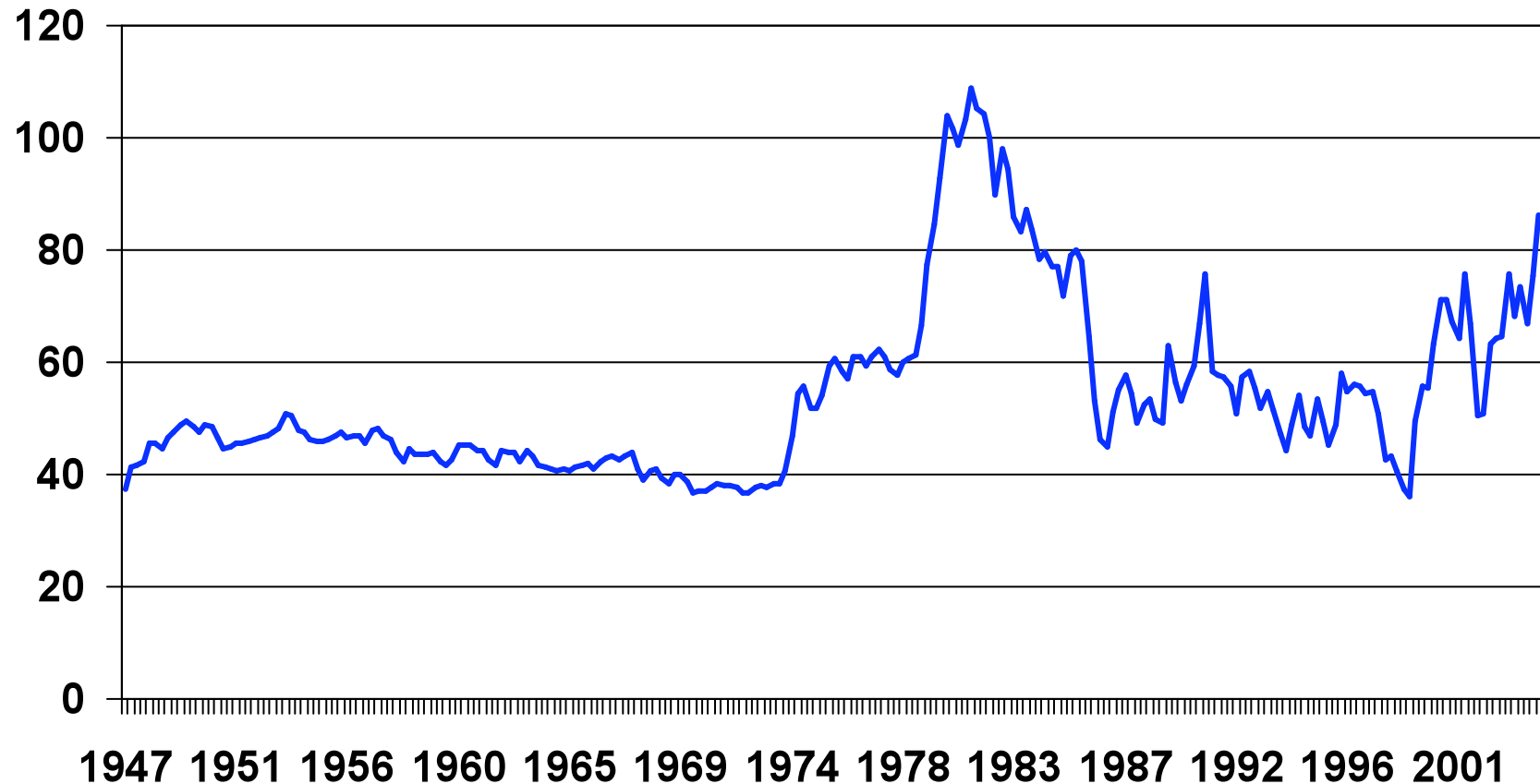


Dollars per bbl., West Texas Intermediate

PW571 - PRODUCER PRICE INDEX: GASOLINE (82=100,NSA)

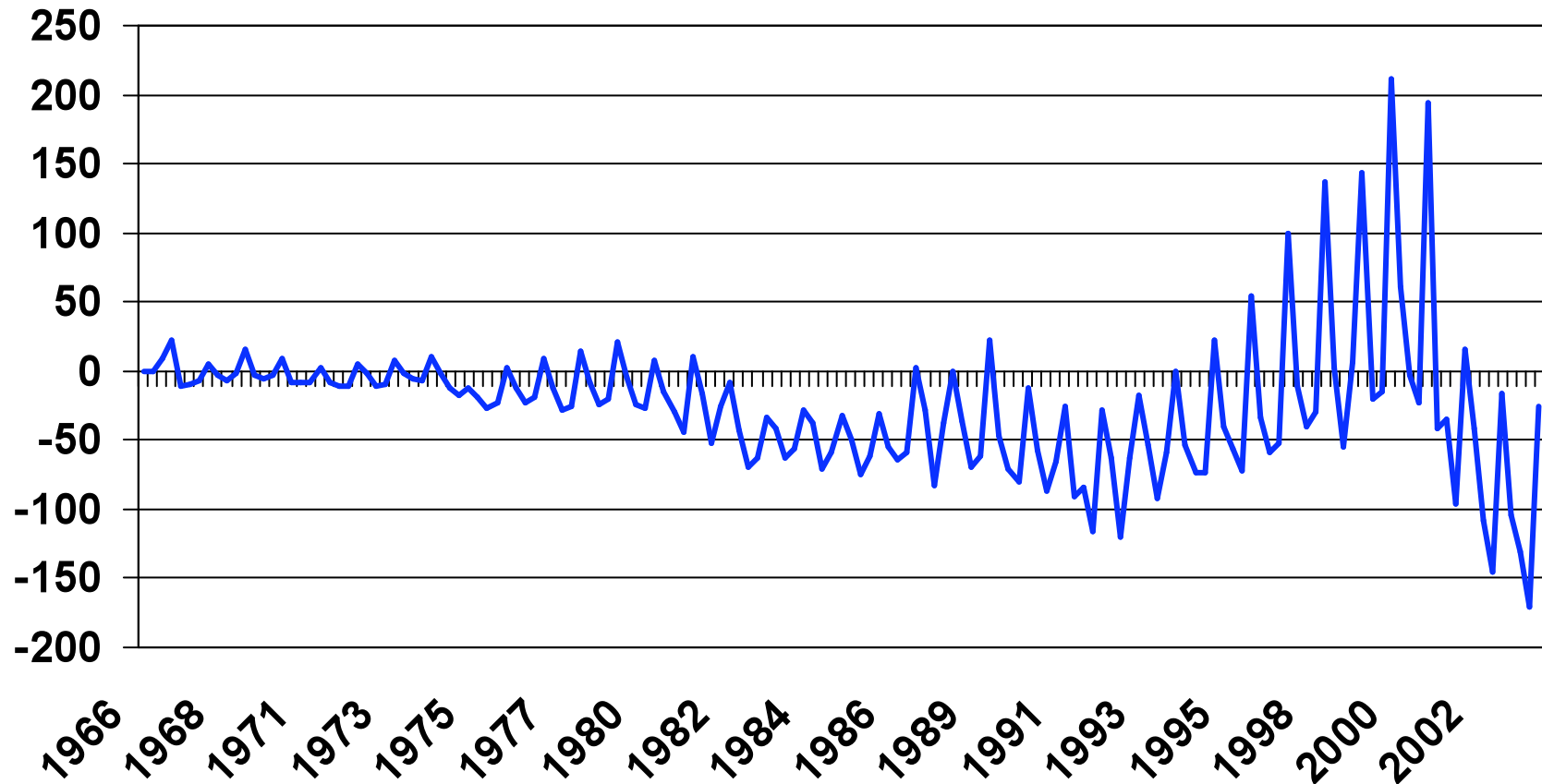


# Gas Prices Still Not as High as 1982 in Real Terms



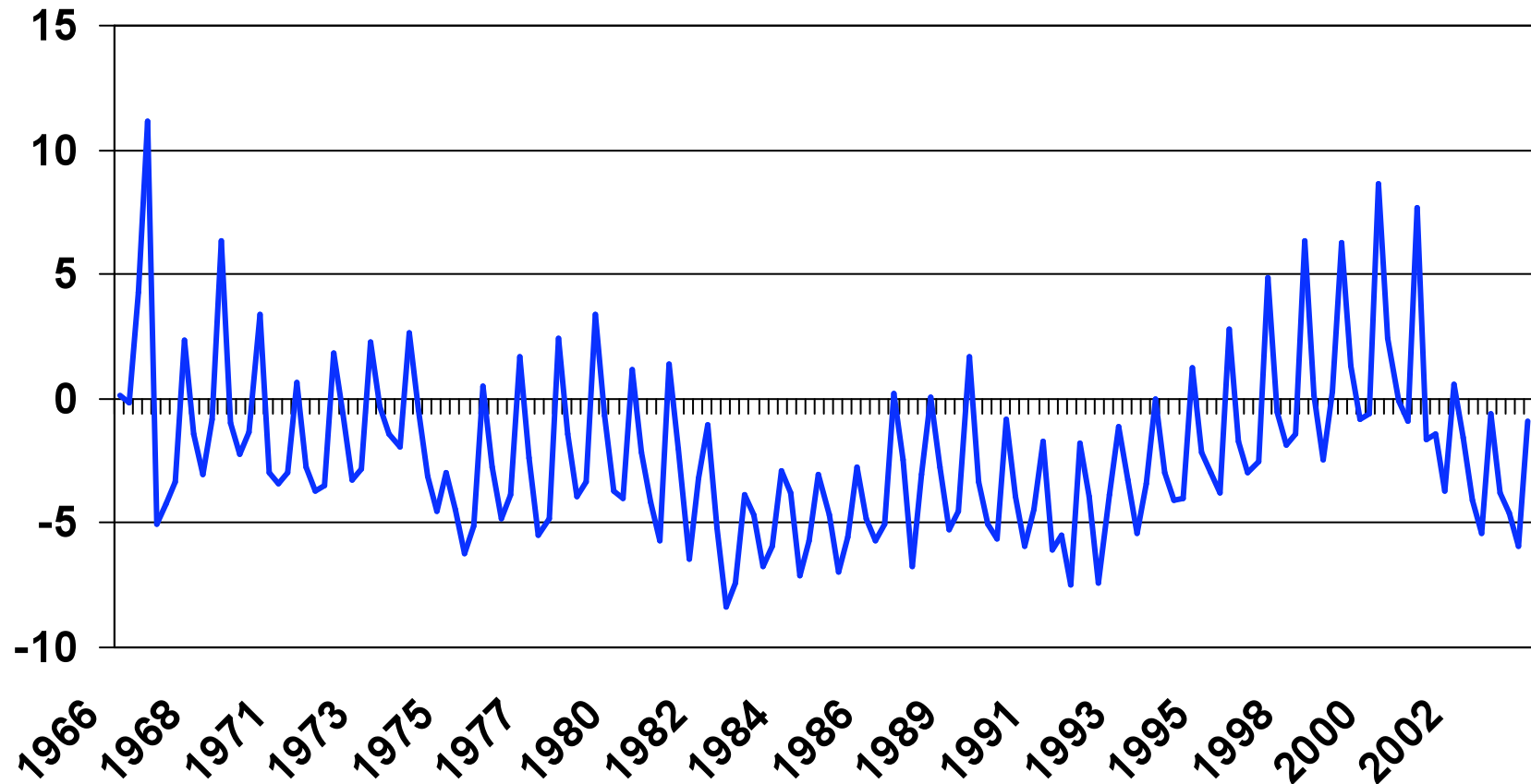
Producer Price Index for Gas / Producer Price Index Total, 1982=100

# Reversal from Surplus to Deficits in Federal Government is Dramatic



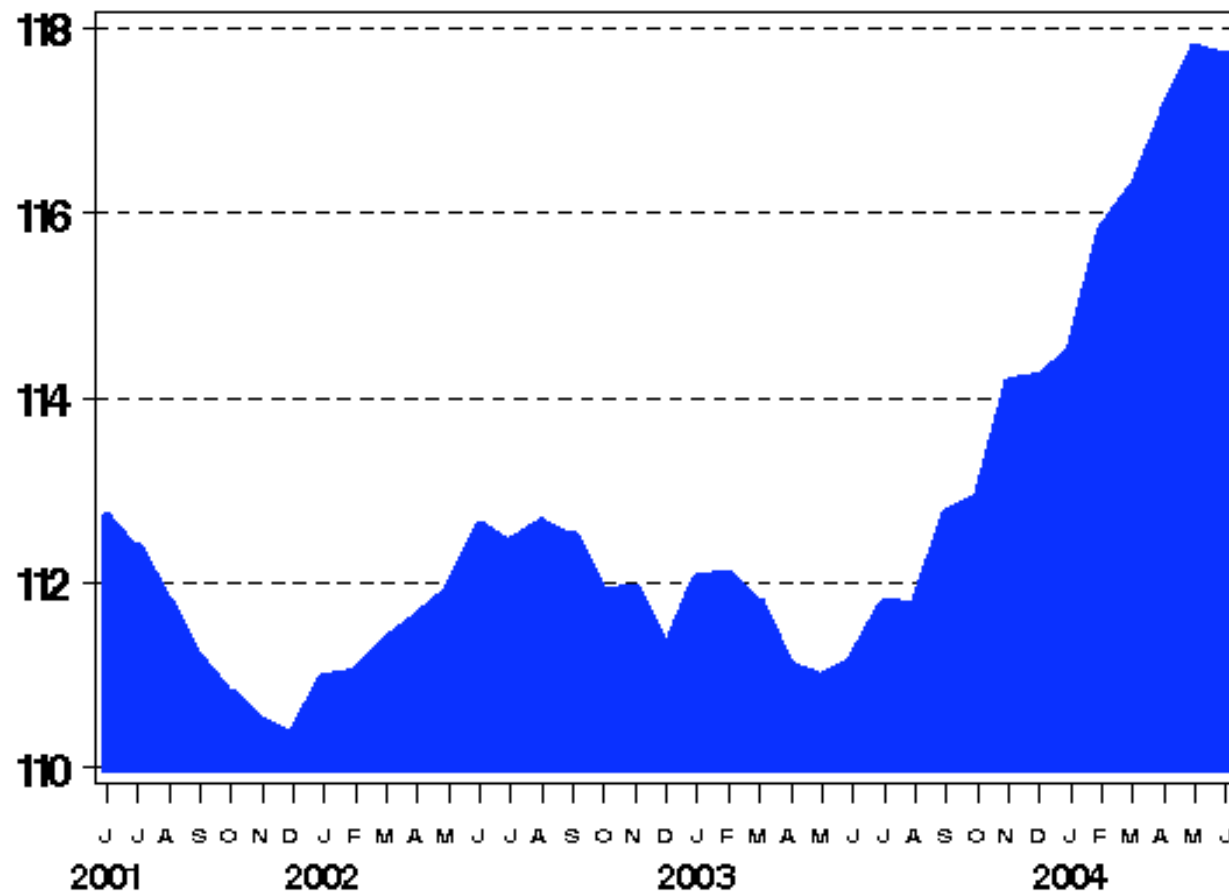
Federal Budget Surplus, Billions of dollars

# Compared to the Size of the Economy They Are Less So



Fed Budget Surplus as Percent of Gross Domestic Product

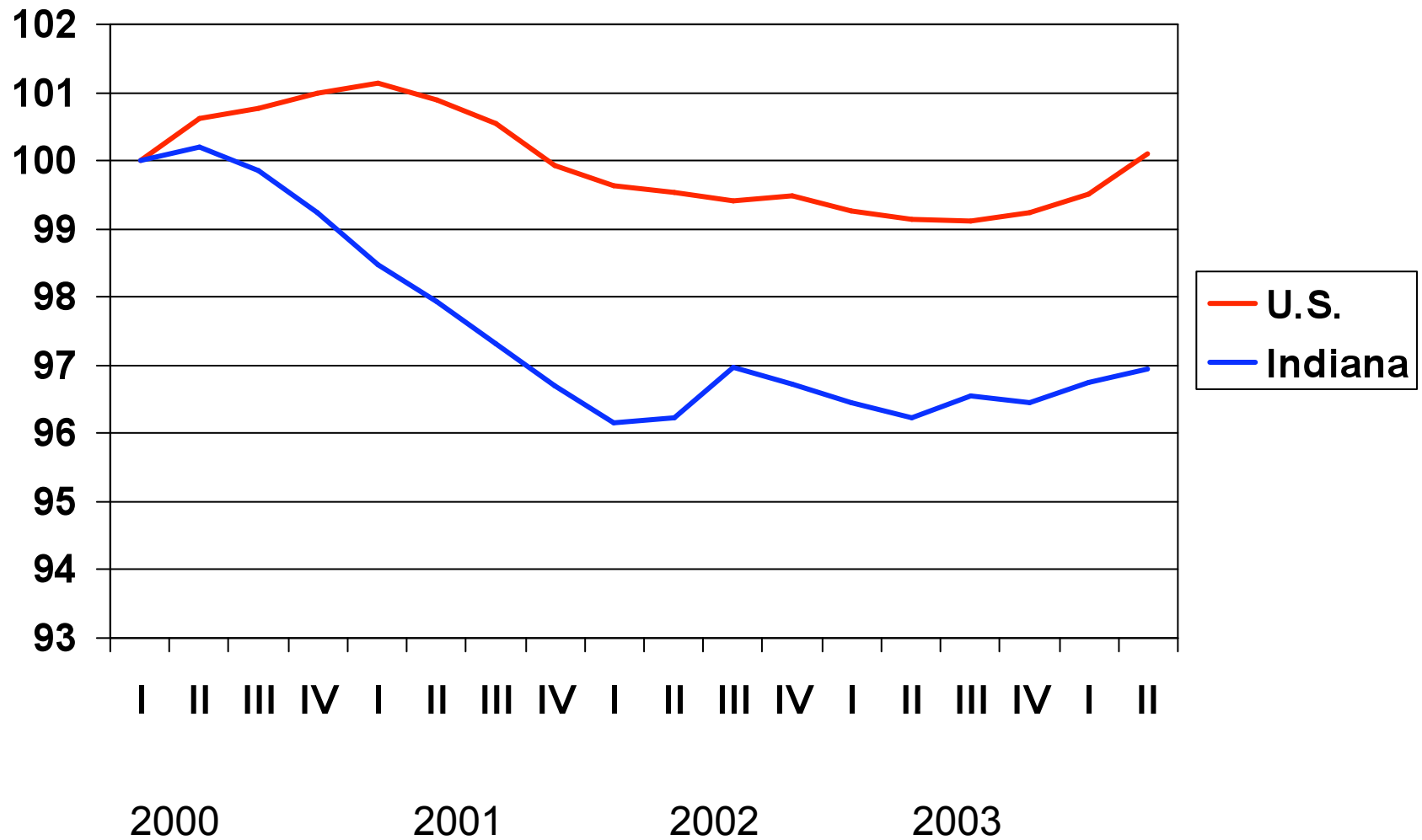
# U.S. Manufacturing Output Surging



Index of Industrial Production, Manufacturing, 1997=100

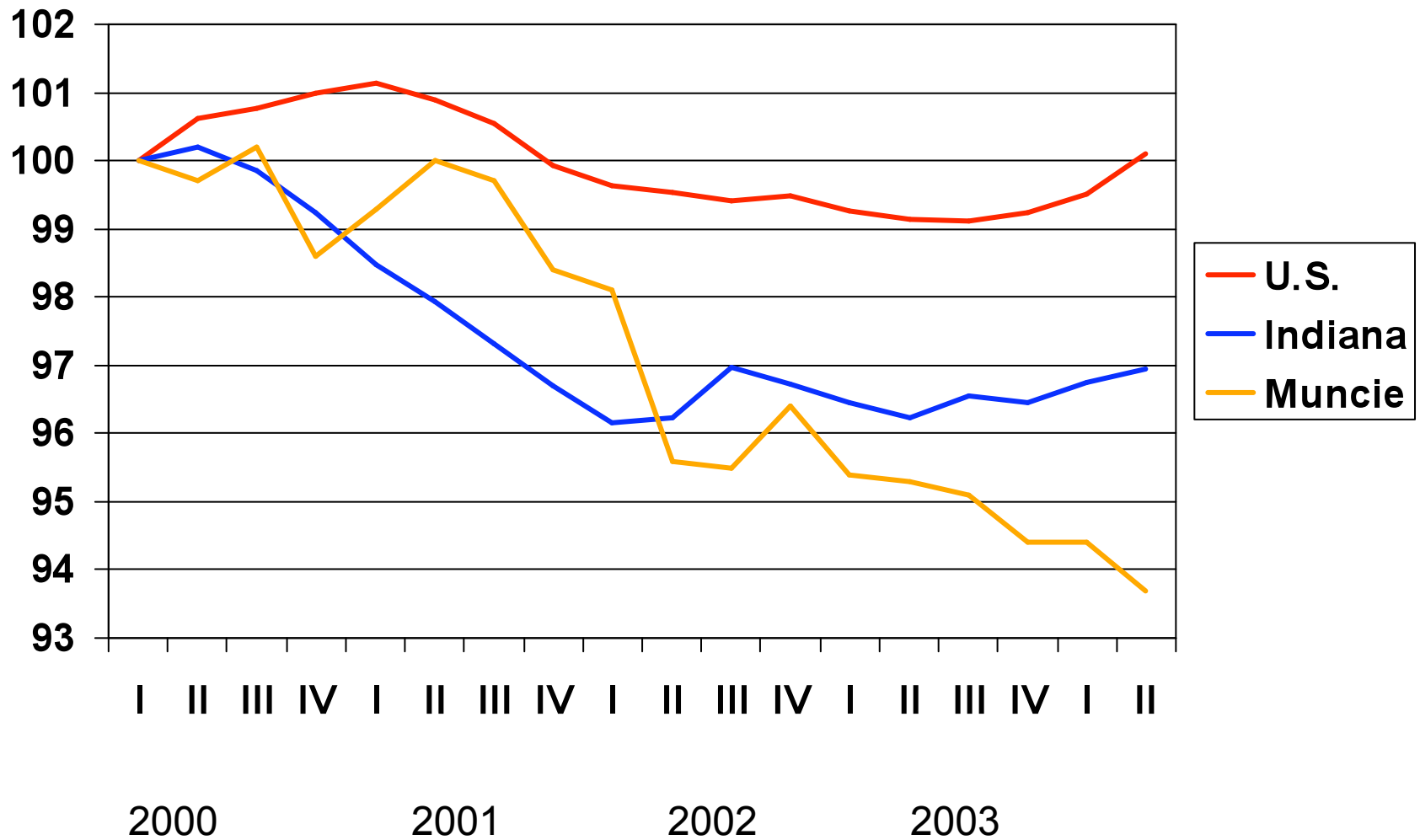
# Payroll Employment,

2000 Qtr 1 = 100



# Payroll Employment,

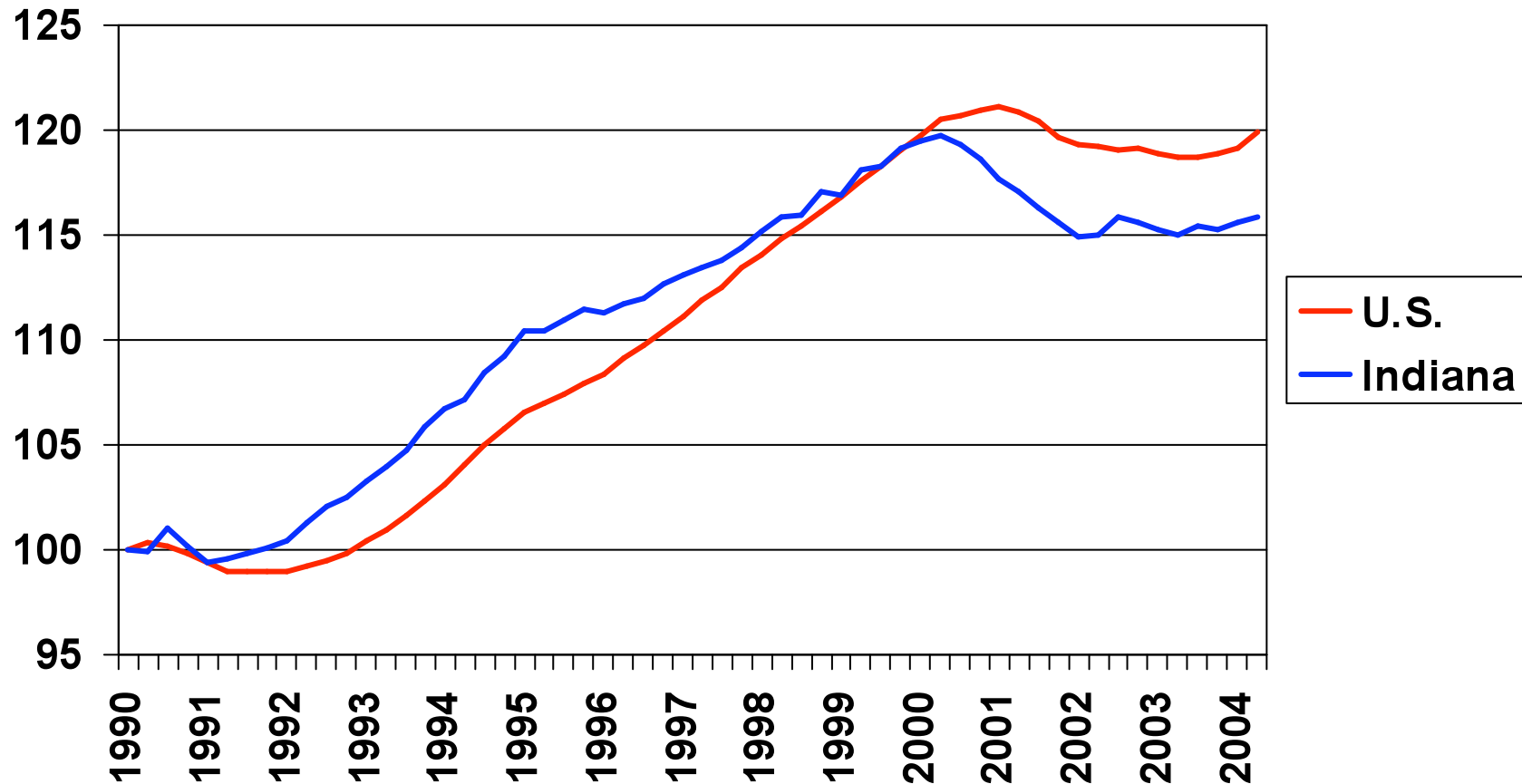
2000 Qtr 1 = 100





# Payroll Employment,

1990 Qtr 1 = 100



# Payroll Employment,

1990 Qtr 1 = 100

