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COLLEGE OF BUSINESS
Ball State University

The U.S. Economy

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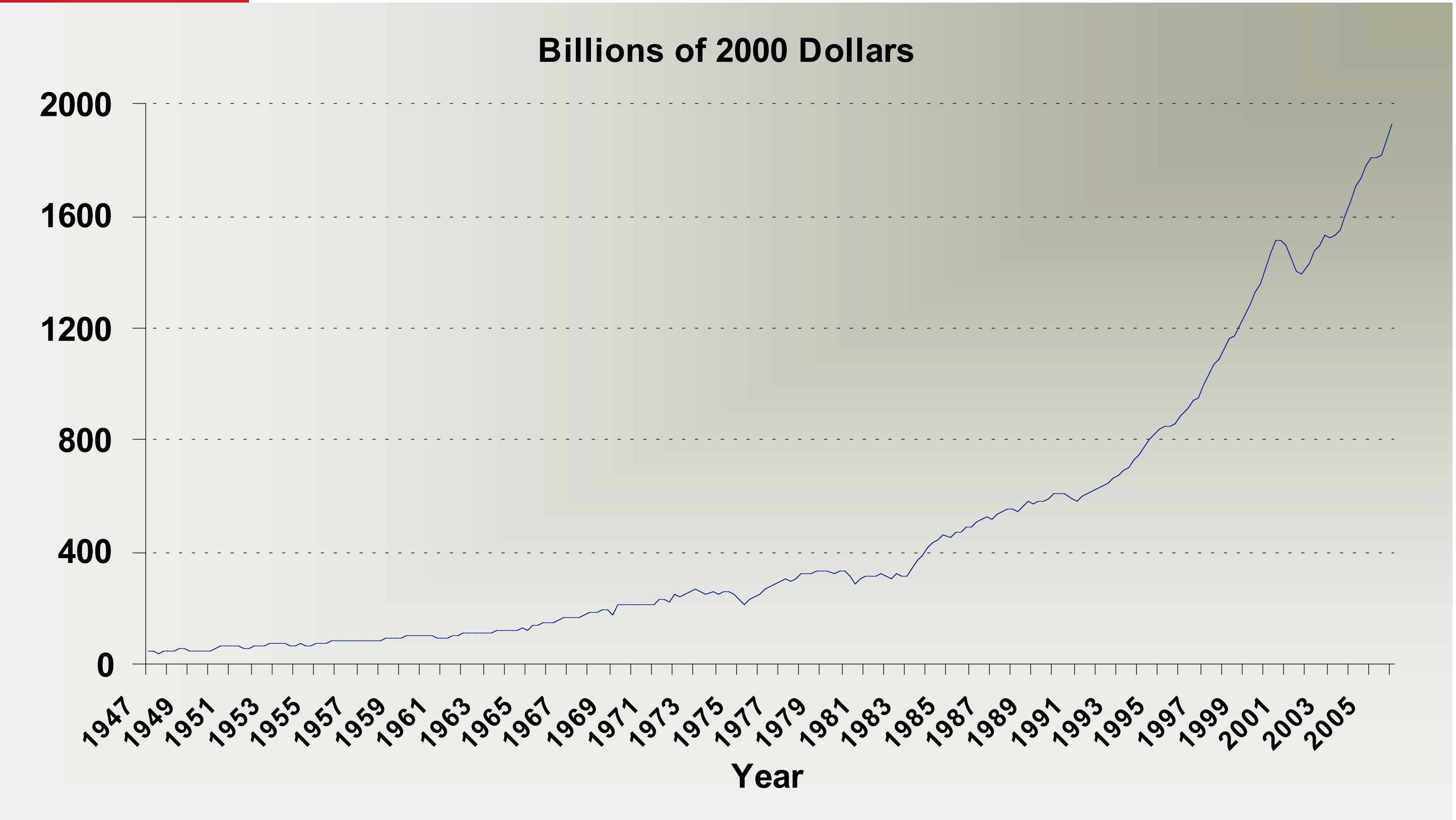
June 26, 2008

Business Forecasting Roundtable
Ball State University

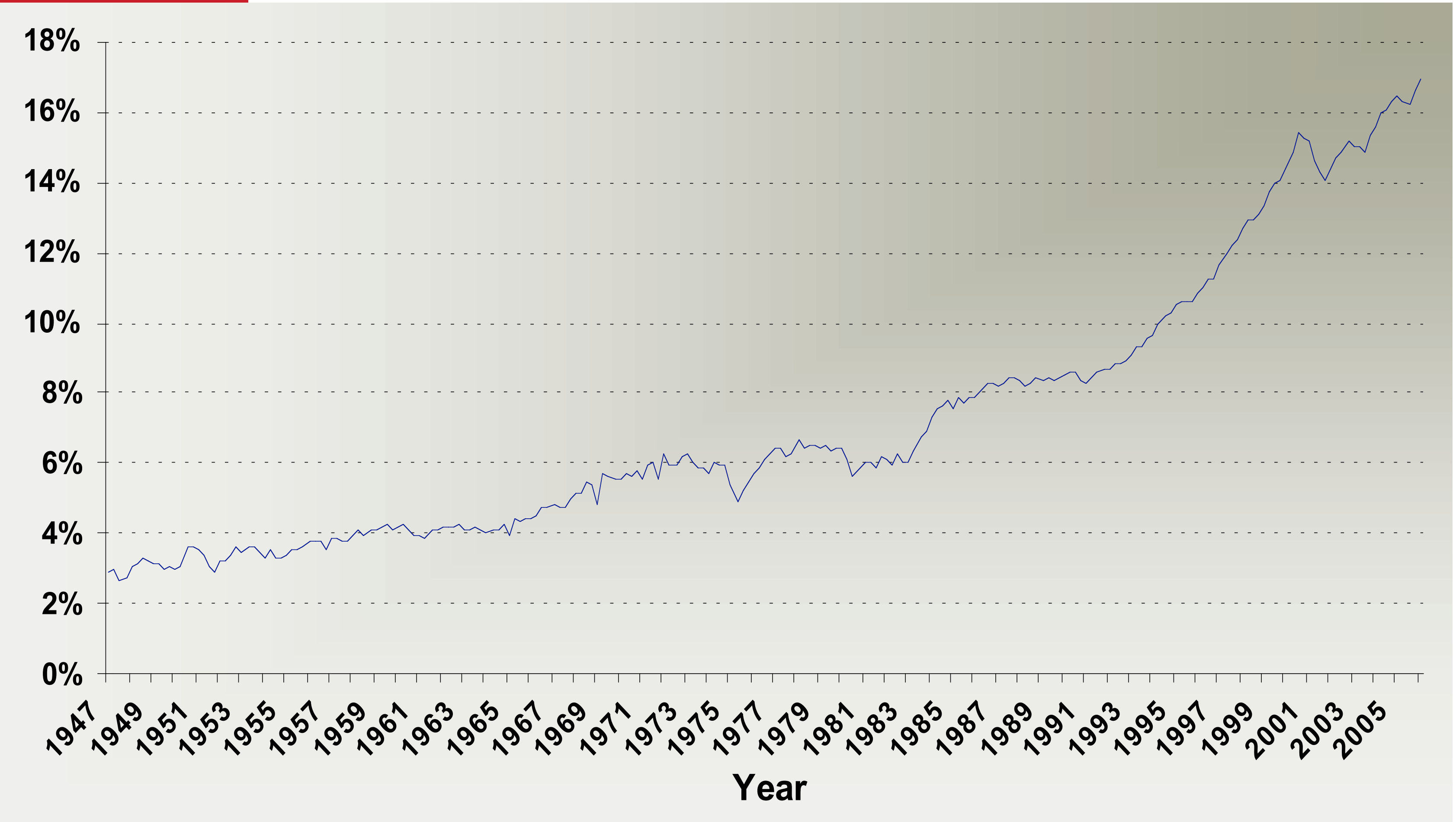
U.S. Economy in 2006

VARIABLE	AVG. 2005	TIME SERIES FORECAST 2006 Qtr 1	2006 Qtr 2	2006 Qtr 3	2006 Qtr 4	Avg. 2006	CONSENSUS Round-table	Blue Chip
Real GDP Growth	3.1	3.1 4.7	3.9 (4.3)	5.0 (5.4)	3.9 (3.4)	3.9 (4.5)	3.6	3.3
Inflation	3.0	3.2 3.2	3.2 (2.8)	3.4 (3.2)	3.4 (3.4)	3.3 (3.2)	3.0	2.5
Unempl. Rate	5.1	5.0 4.7	5.0 (4.5)	5.1 (4.4)	5.1 (4.3)	5.1 (4.5)	5.2	5.0
10-Year T-Bond	4.3	4.3 4.6	4.3 (4.6)	4.4 (4.6)	4.3 (4.6)	4.3 (4.6)	4.6	5.0

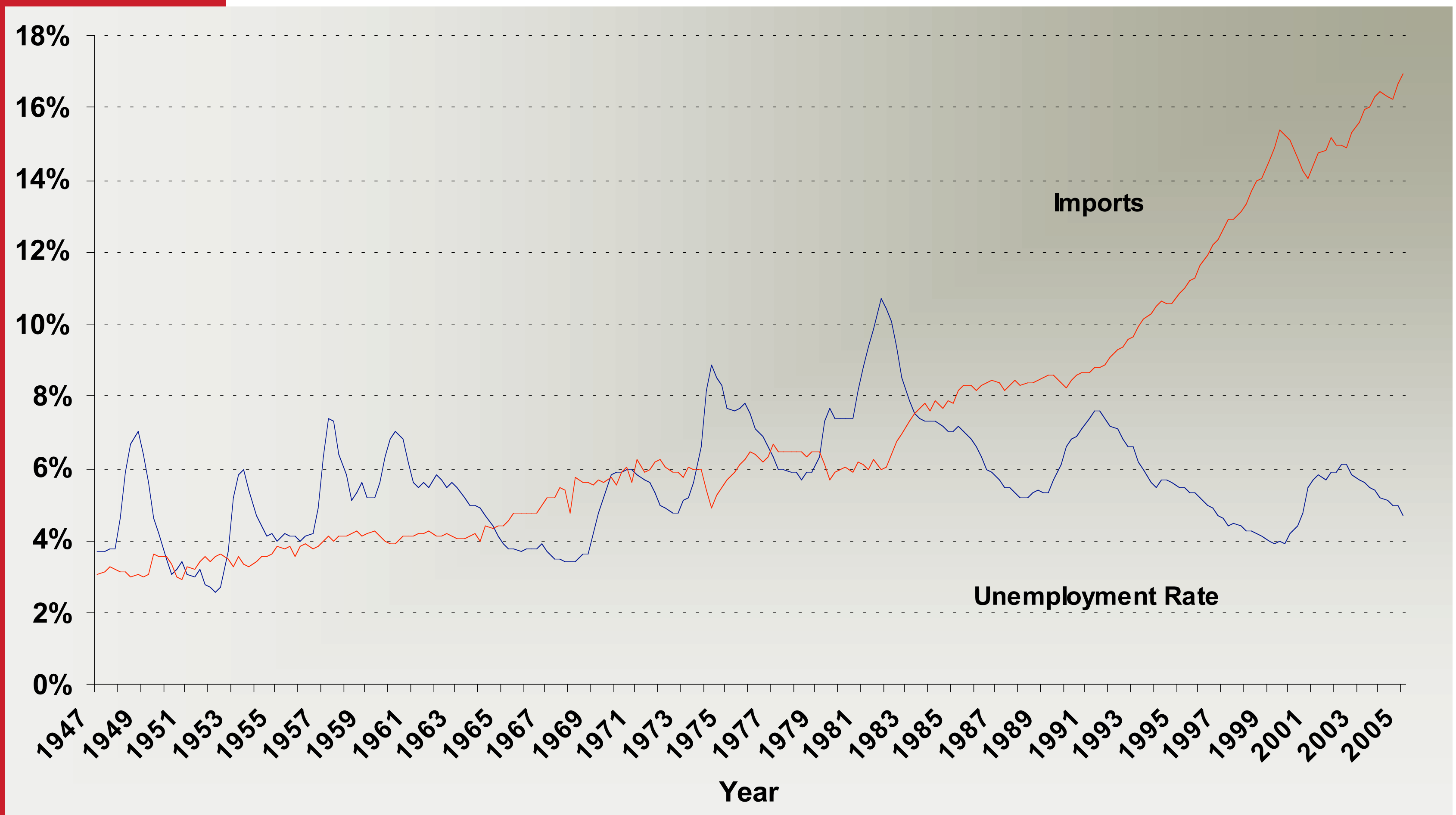
Imports of Goods and Services



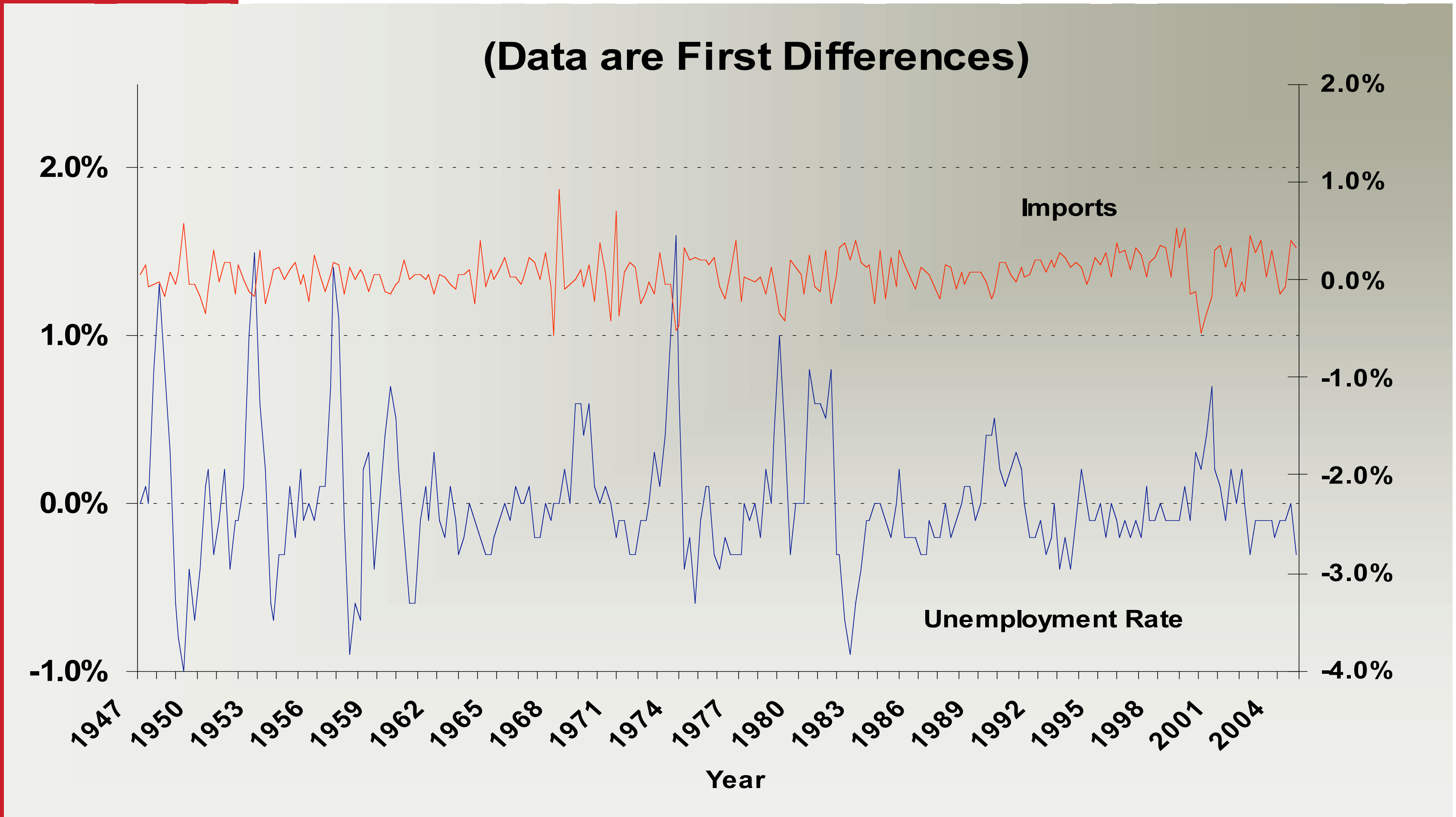
Imports as % of GDP



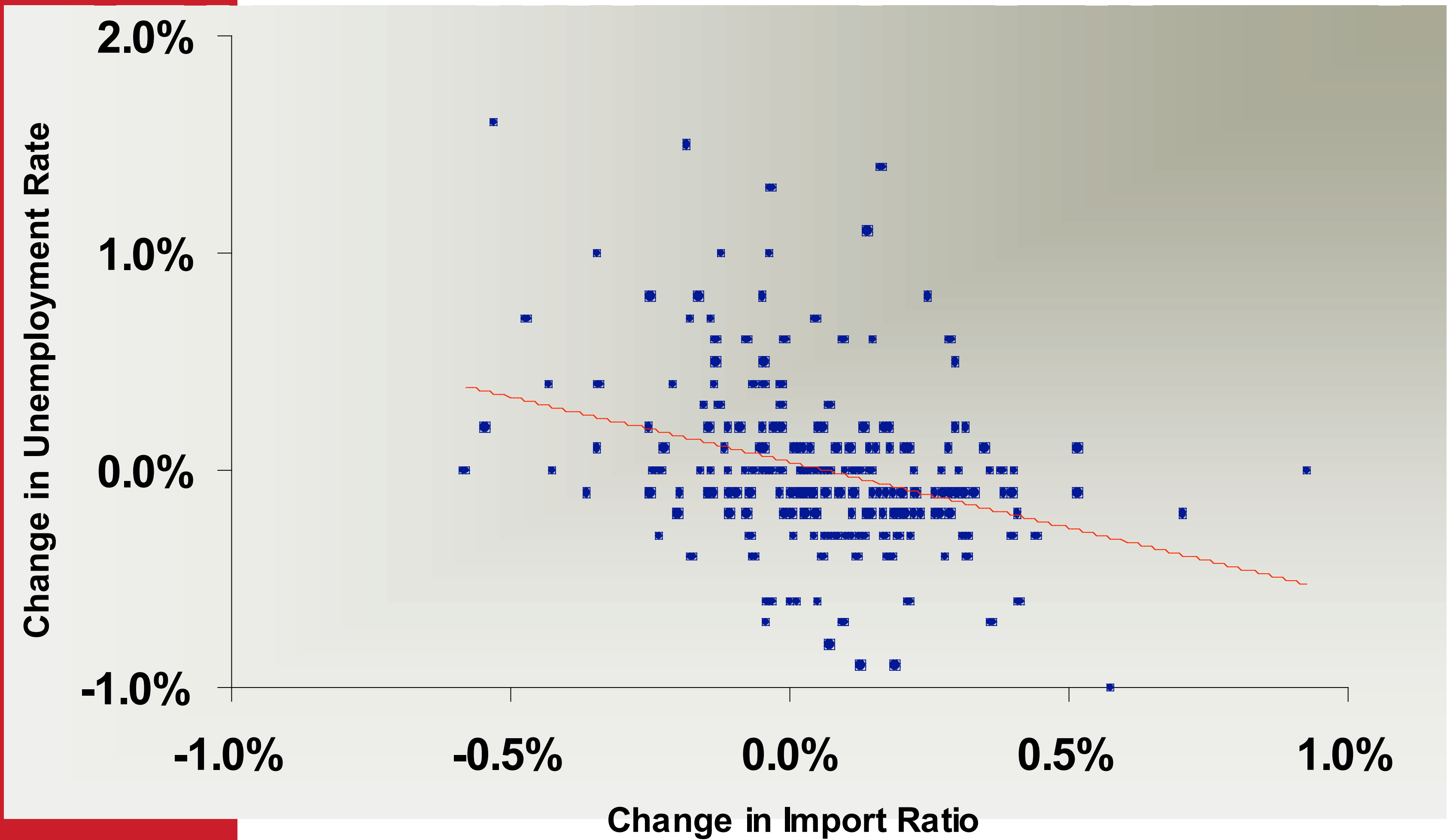
Imports as % of GDP vs. Unemployment Rate



Imports vs. Unemployment Detrended



Changes in Imports vs. Changes in Unemployment



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Regression Estimate

Dependent Variable	DU
Sample (adjusted)	1948:3 2003:3

VARIABLE	Coefficient	T-Statistic
C	0.366	13.277
DRATIO	-0.258	-3.875
DLY	-0.051	-13.535
DLY(-1)	-0.030	-7.753
DLY(-2)	-0.017	-4.630
AR(1)	0.220	3.277

R-squared	0.710
Durbin-Watson Stat	1.934

DRATIO = The Change in the ratio as imports to GDP