

The U. S. Economy

Gary J. Santoni

Professor Emeritus, Ball State University

U.S. Economy in 2007

Forecasts versus Actual

VARIABLE	2006 AVG	TIME SERIES FORECAST 2007					CONSENSUS	
		QTR 1	QTR 2	QTR 3	QTR 4	2007 AVG	ROUND TABLE	BLUE CHIP
REAL GDP GROWTH	2.6	1.3 0.6	2.3 3.8	5.1 3.9	2.9 (3.6)	2.9 (3.0)	3.0	2.8
INFLATION	2.8	2.4 4.2	2.7 2.6	2.4 0.8	2.4 (1.7)	2.5 (2.3)	3.0	2.3
UNEMPL. RATE	4.6	4.9 4.5	5.0 4.5	5.0 4.7	5.0 (4.9)	5.0 (4.7)	4.9	4.9
10-YEAR T- BOND	4.8	4.7 4.7	4.7 4.9	4.7 4.7	4.6 (4.8)	4.7 (4.8)	4.9	4.9

U.S. Economy in 2008

Forecasts versus Actual

VARIABLE	2007 AVG	TIME SERIES FORECAST 2008					CONSENSUS	
		QTR 1	QTR 2	QTR 3	QTR 4	2008 AVG	ROUND TABLE	BLUE CHIP
REAL GDP GROWTH	2.8	2.8	5.1	4.8	3.6	4.1		2.4
INFLATION	2.5	2.4	1.8	1.5	2.2	2.0		2.2
UNEMPL. RATE	4.6	5.1	5.2	5.2	5.3	5.2		5.0
10-YEAR T- BOND	4.8	4.8	4.8	4.8	4.8	4.8		4.7

Period	REAL GDP GROWTH	INFLATION	UNEMPLOYMENT	10-YR T-BOND
2002.1	2.744	1.682	5.700	5.077
2002.2	2.195	1.519	5.833	5.100
2002.3	2.377	1.560	5.733	4.260
2002.4	0.202	2.238	5.867	4.007
2003.1	1.202	3.147	5.833	3.920
2003.2	3.469	1.269	6.133	3.620
2003.3	7.486	2.052	6.133	4.233
2003.4	6.699	2.244	5.867	4.286
2004.1	3.849	3.730	5.667	4.020
2004.2	4.042	3.680	5.567	4.600
2004.3	3.102	2.112	5.500	4.303
2004.4	2.614	3.194	5.433	4.173
2005.1	3.402	3.473	5.300	4.300
2005.2	3.264	2.428	5.100	4.160
2005.3	4.183	3.283	5.000	4.210
2005.4	1.764	3.253	5.000	4.490
2006.1	5.581	3.262	4.700	4.570
2006.2	2.559	3.204	4.700	5.060
2006.3	1.583	1.828	4.700	4.900
2006.4	2.091	1.710	4.467	4.630
2007.1	0.602	4.228	4.500	4.680
2007.2	3.821	2.643	4.500	4.850
2007.3	3.900	0.769	4.700	4.730
AVERAGE	2.800	2.600	5.300	4.400
STD. DEV.	1.600	1.300	0.600	0.400
RANGE	0.2, 7.5	0.8, 6.5	4.5, 6.1	3.6, 5.1
2008 FORECAST				

Name_____