

# The U. S. Economy

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# U.S. Economy in 2008

## Forecasts vs. 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	2.5	2.8 (2.2)	5.1 (4.4)	4.8 (4.8)	3.6 (3.6)	4.1 (3.8)	3.1	2.4
INFLATION	2.6	2.4 (3.2)	1.8 (2.4)	1.5 (2.3)	2.2 (3.0)	2.0 (2.7)	2.7	2.2
UNEMPL. RATE	4.6	5.1 (5.0)	5.2 (5.0)	5.2 (5.0)	5.3 (5.1)	5.2 (5.0)	4.9	5.0
10-YEAR T- BOND	4.6	4.8 (4.1)	4.8 (4.1)	4.8 (4.1)	4.8 (4.1)	4.8 (4.1)	4.7	4.7

# The Score Card (RMSE)\*

YEAR	MODEL	ROUNDTABLE	BLUE CHIP
1998	0.96		1.16
1999	0.76		1.25
2000	0.50	0.33	0.66
2001	0.90	1.11	1.33
2002	1.00	0.65	0.67
2003	0.49	0.48	0.34
2004	0.36	0.53	0.72
2005	0.34	0.38	0.64
2006	0.59	0.40	0.23
2007	0.29	0.38	0.30
<b>AVERAGE</b>	<b>0.62</b>	<b>0.53</b>	<b>0.73</b>

$$* \text{ RMSE} = \sqrt{\sum_i (F_i - A_i)^2 / N}$$

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