

# Outlook for the U.S. Economy, Inflation, and Interest Rates

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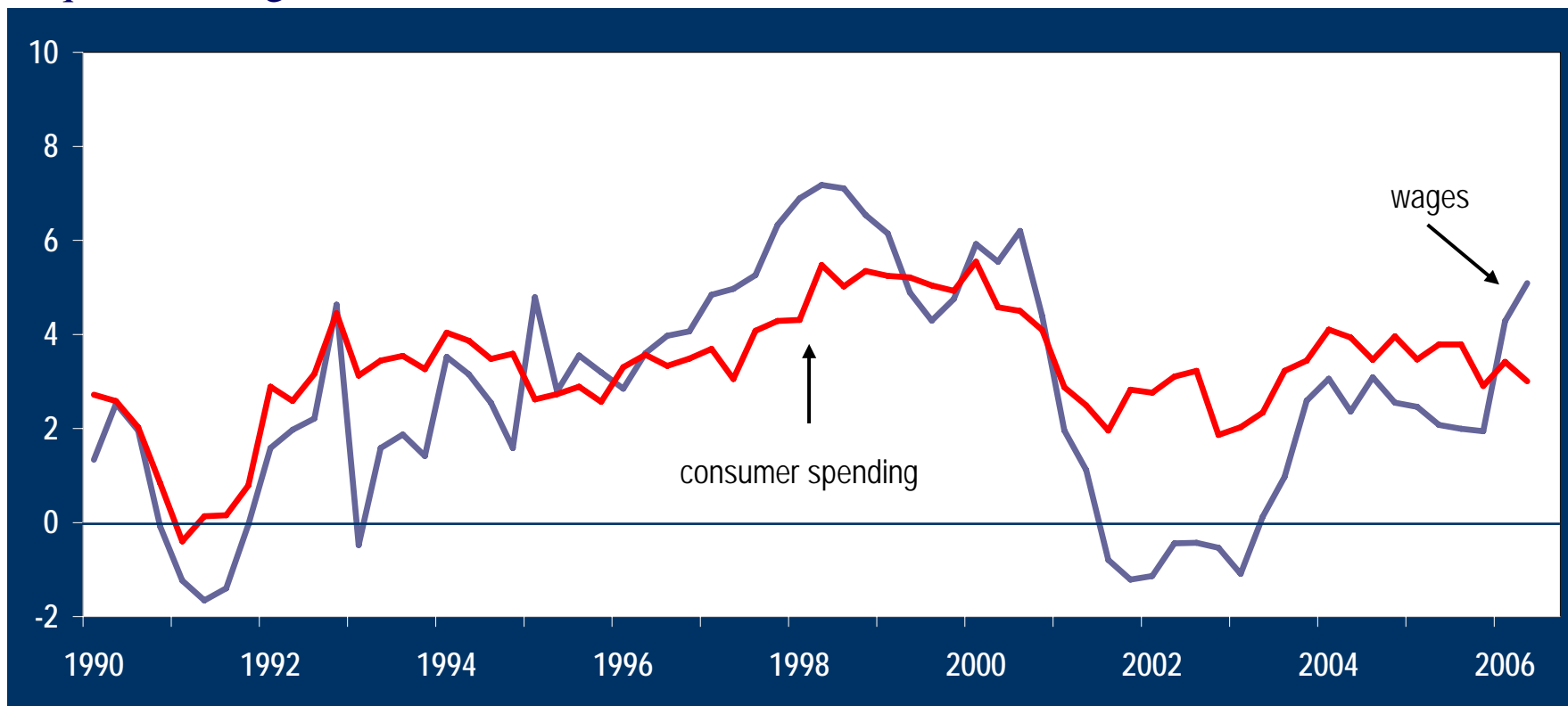
*New York, New York 10179*

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# Real Wages and Real Consumer Spending

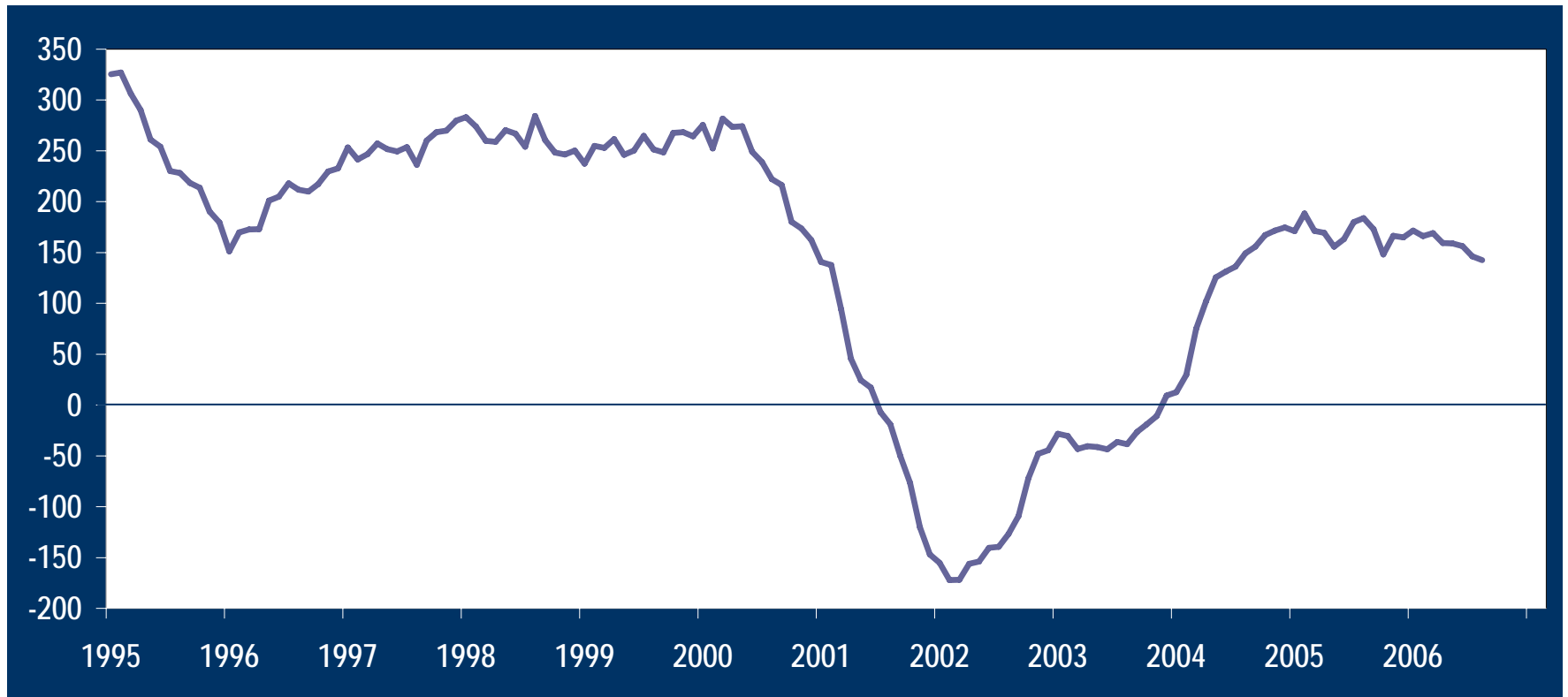
4-quarter change; %



Source: Commerce Department

# Nonfarm Payroll Employment

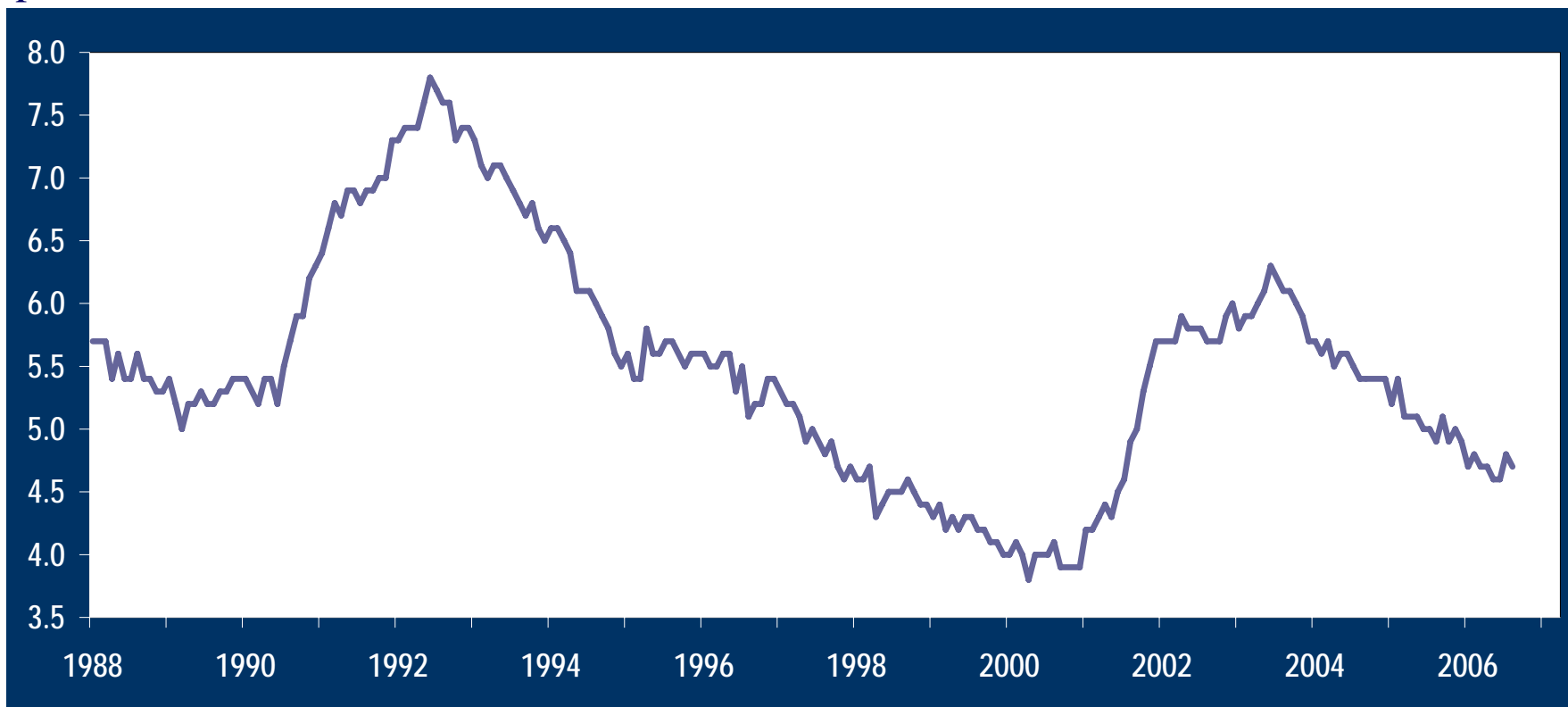
avg. 12-month change; 000s



Source: Labor Department

# Unemployment Rate

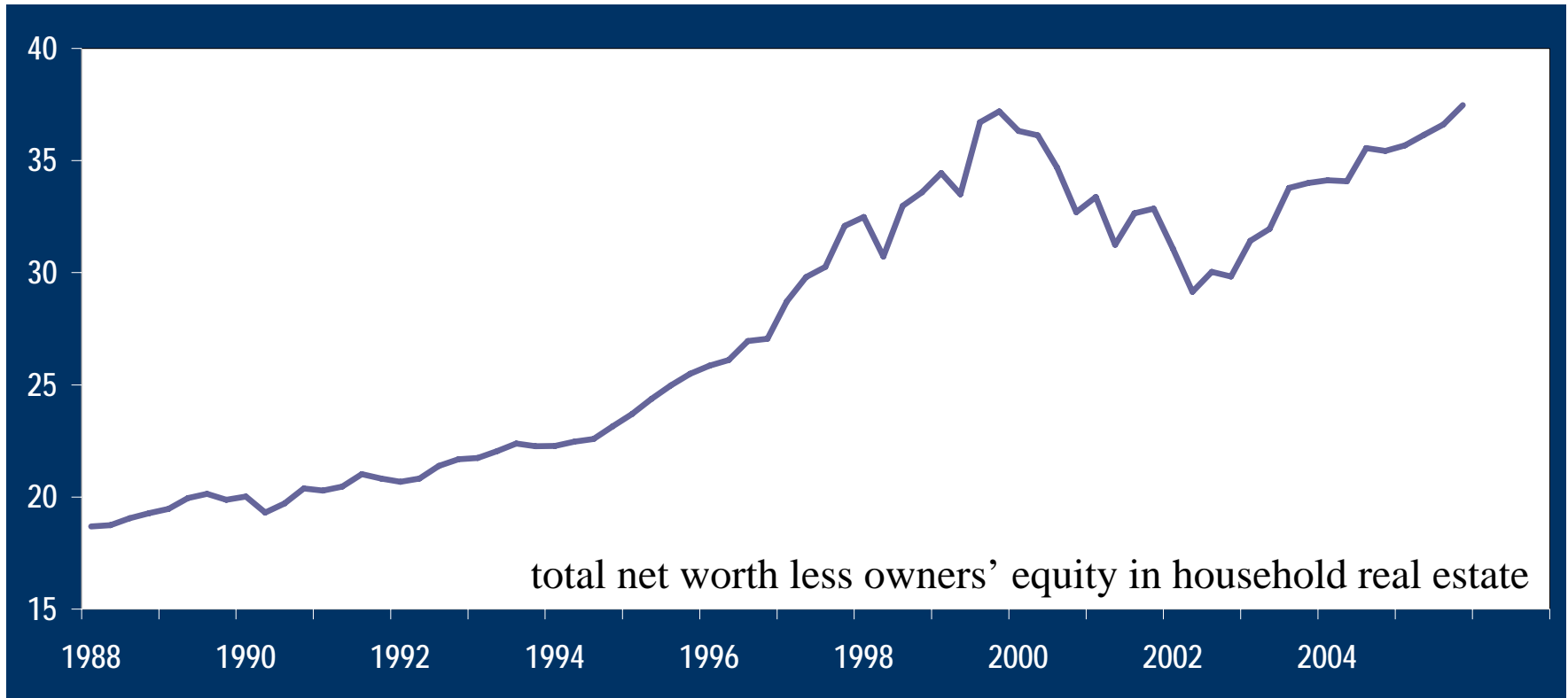
percent



Source: Labor Department

# Real Household Net Worth Less Housing

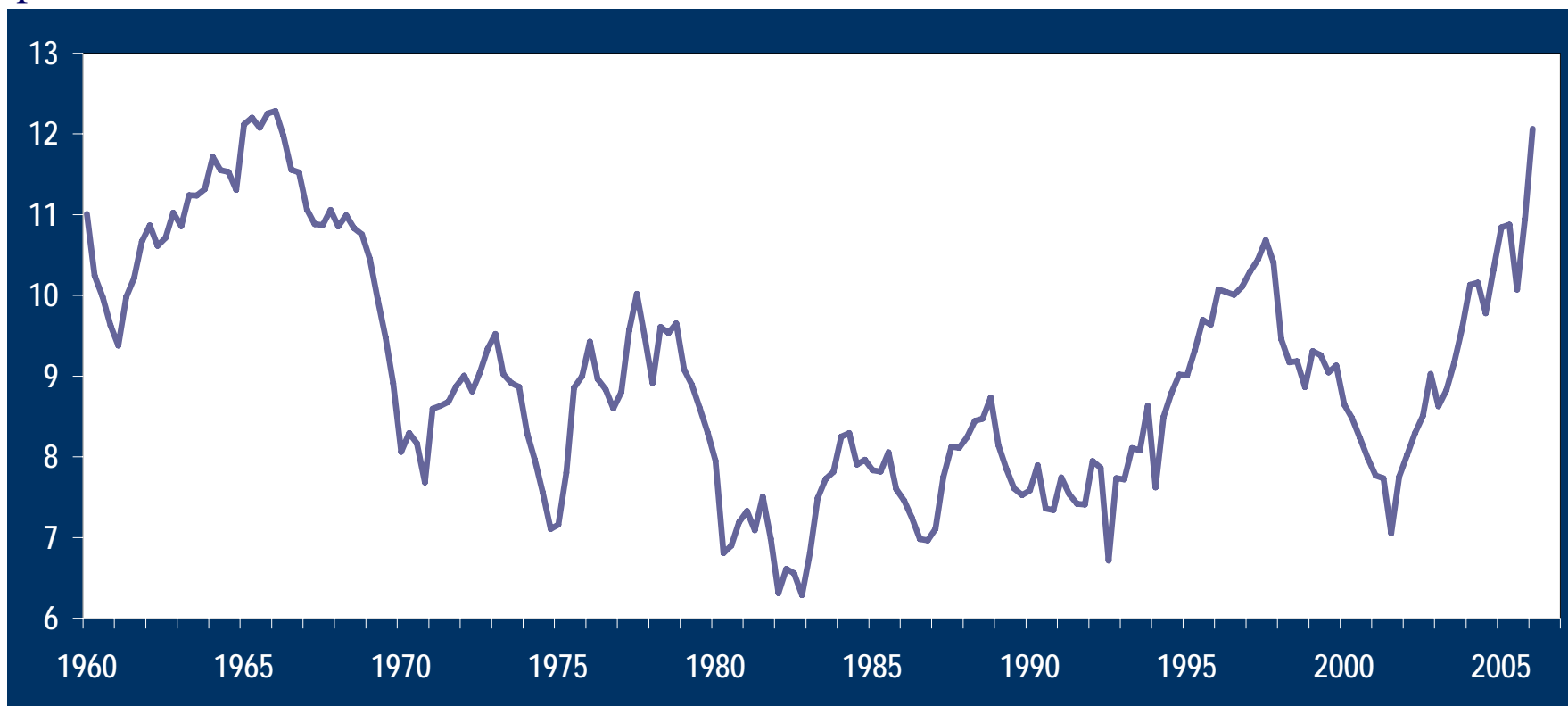
trillions of 2000\$



Source: Federal Reserve

# Corporate Profits as a Share of Nominal GDP

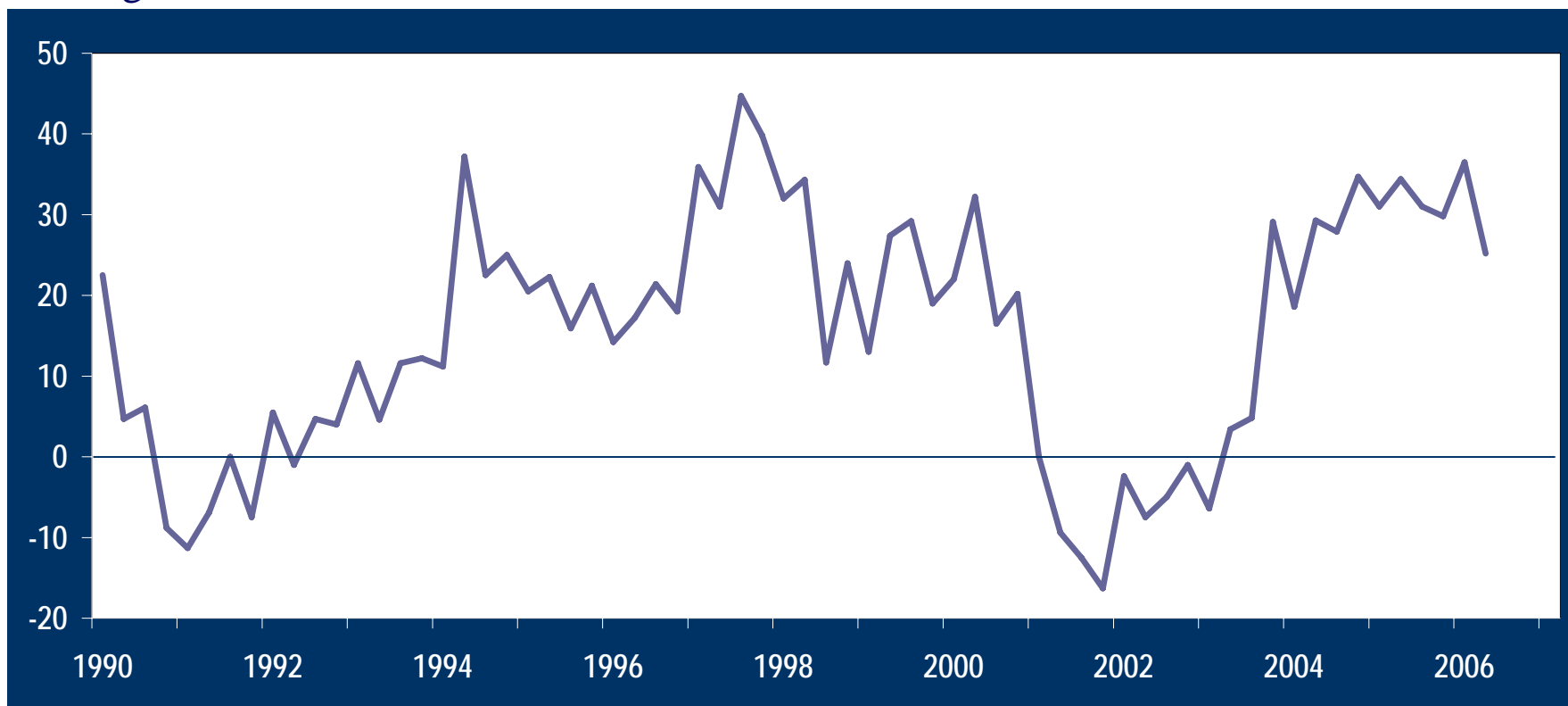
percent



Source: Commerce Department

# NABE Net Rising Capital Spending

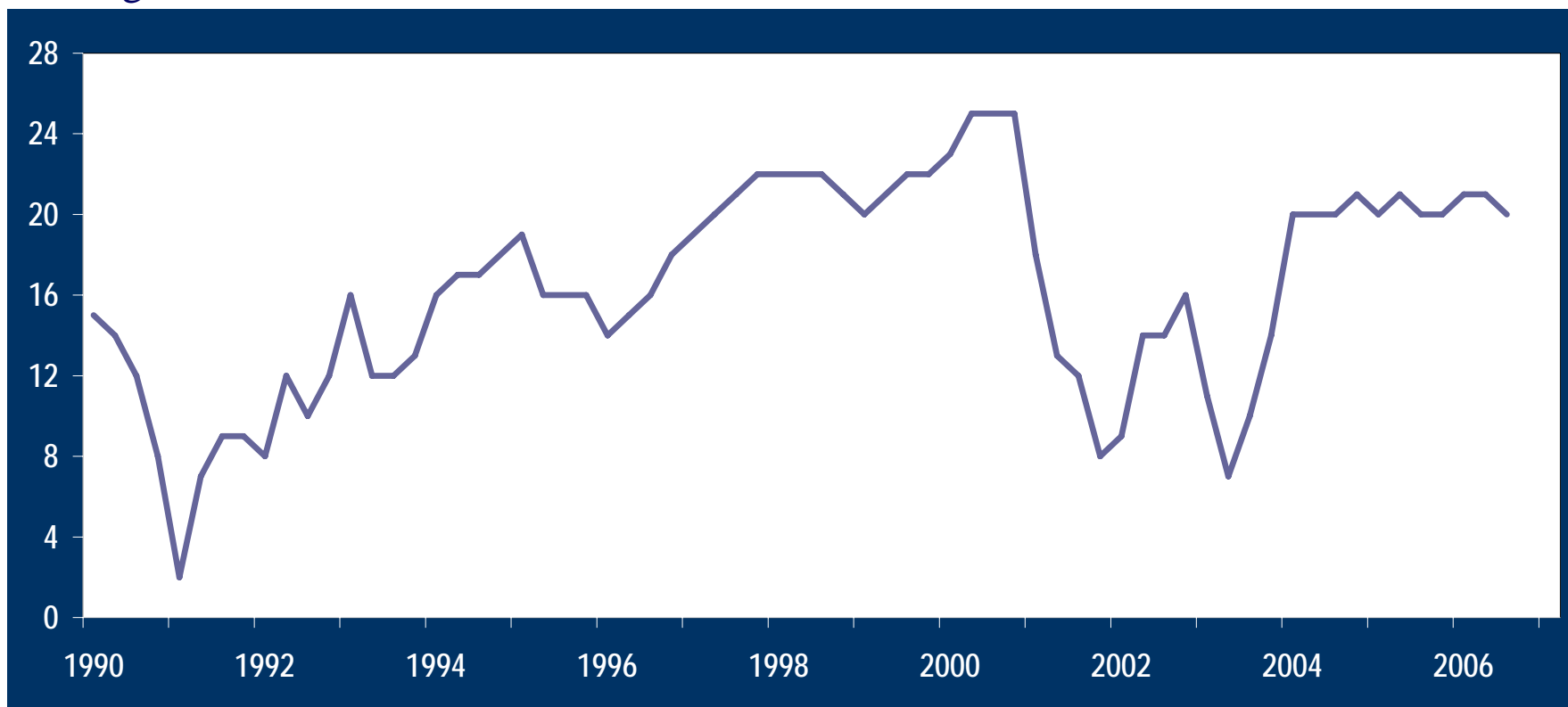
Net higher; %



Source: National Association for Business Economics

# Manpower Net Hiring Strength

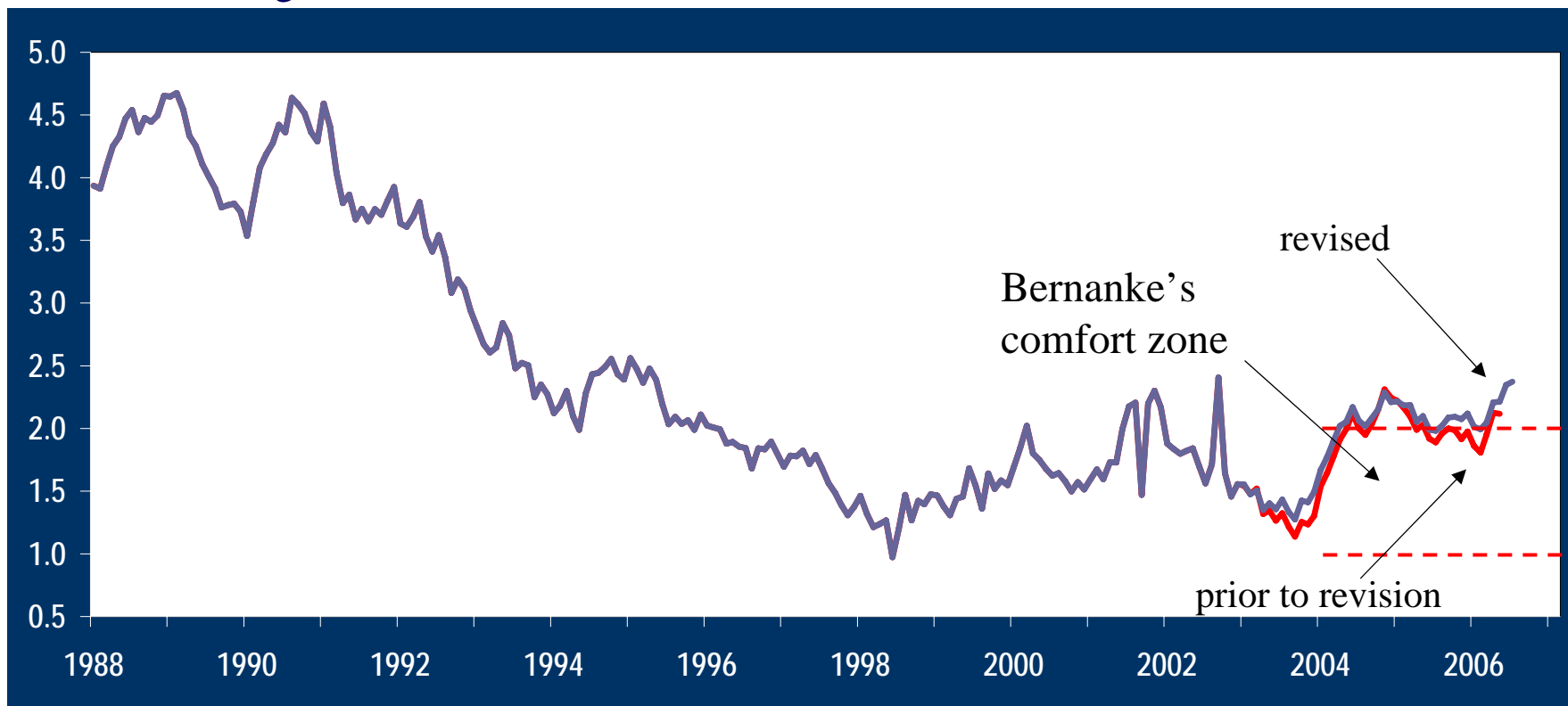
Net higher; %



Source: Manpower Inc.

# Core PCE Inflation

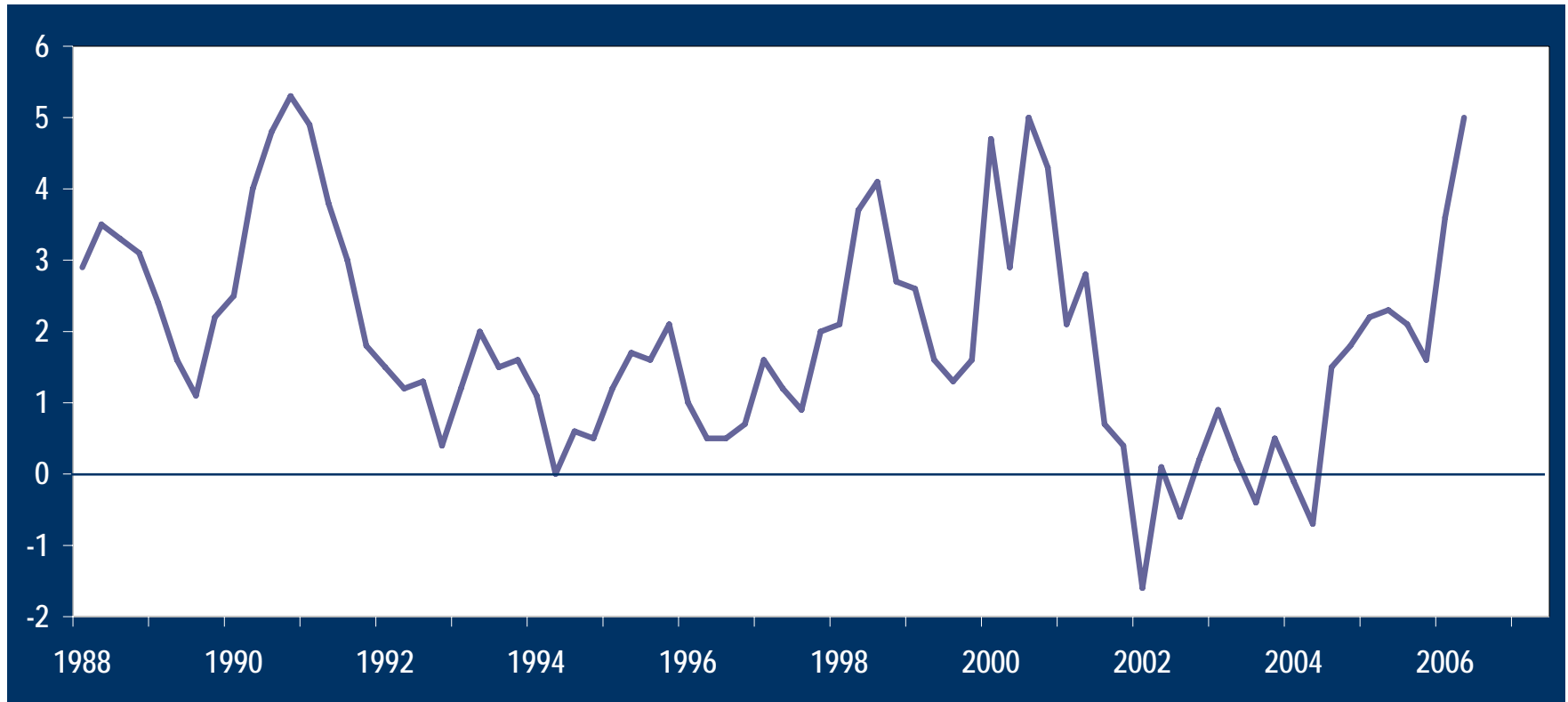
12-month change; %



Source: Commerce Department

# Nonfarm Business Unit Labor Costs

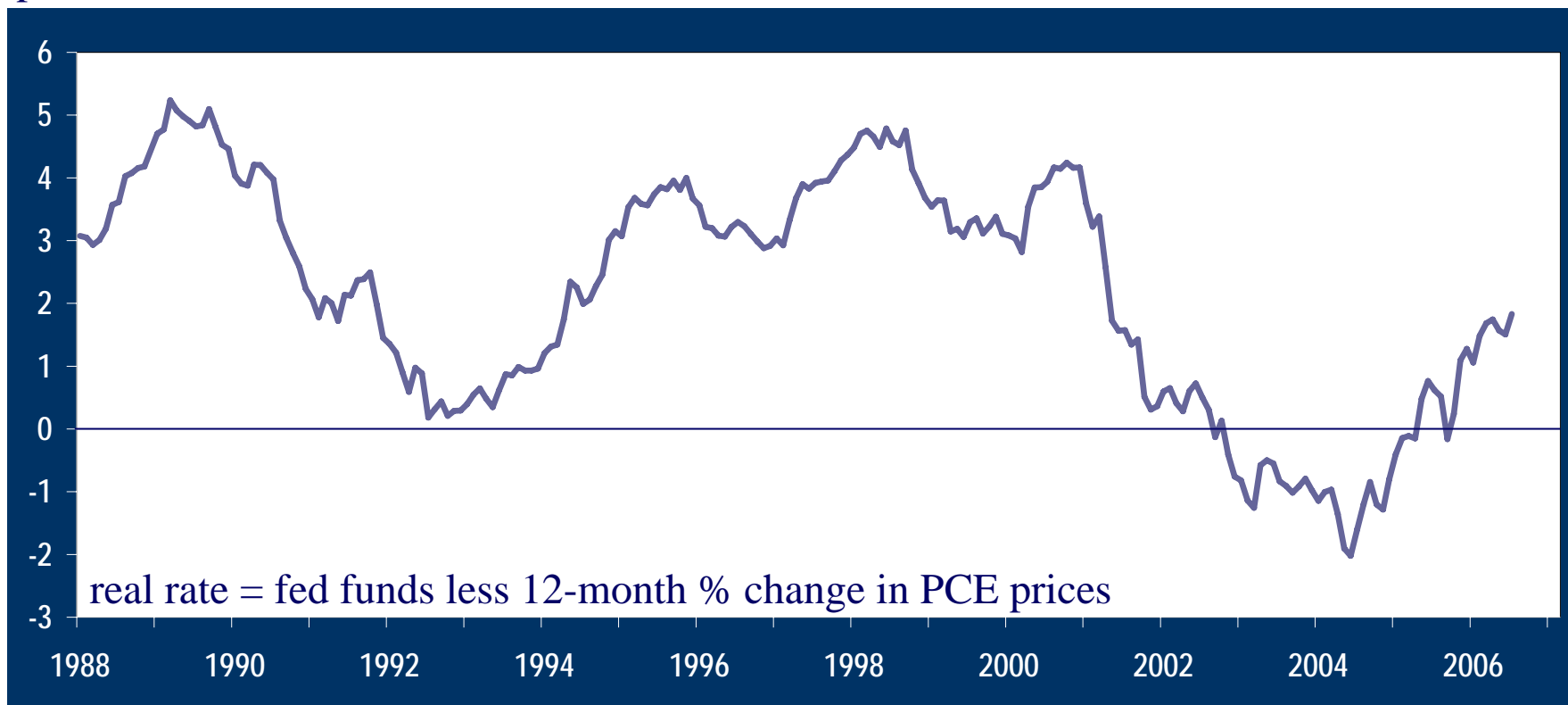
4-quarter change; %



Source: Labor Department

# Real Fed Funds Rate

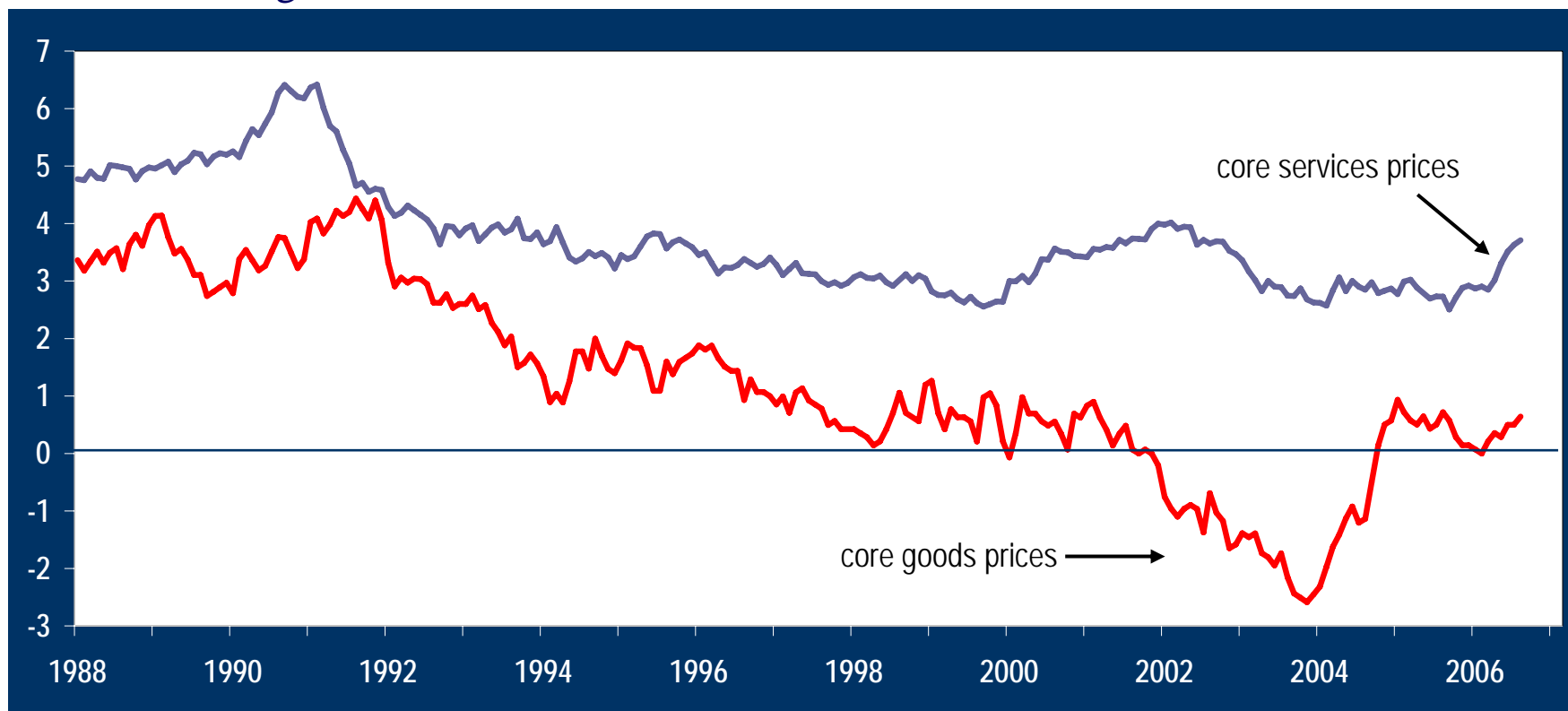
percent



Source: Federal Reserve Board; Commerce Department

# Core CPI Goods and Services Prices

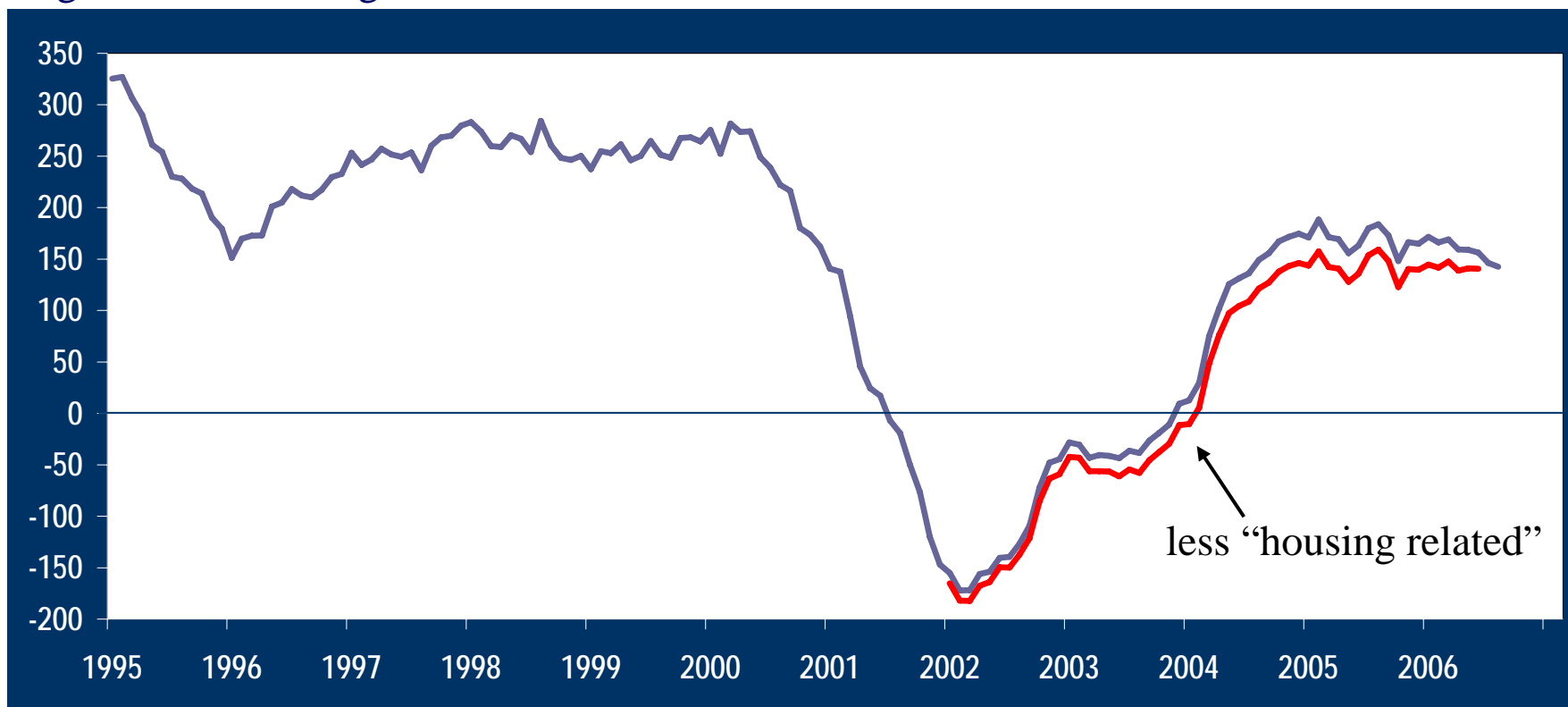
12-month change; %



Source: Labor Department

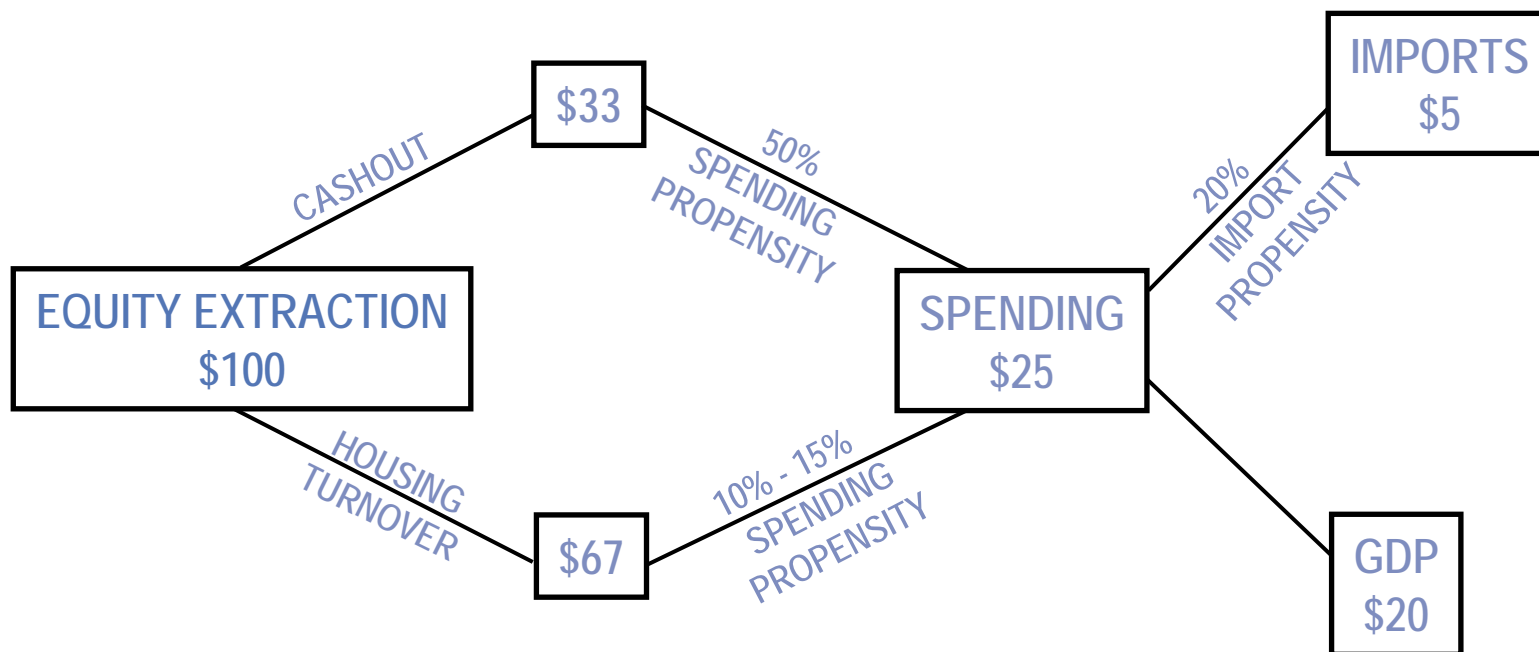
# Nonfarm Payroll Employment

avg. 12-month change, 000s



Source: Labor Department

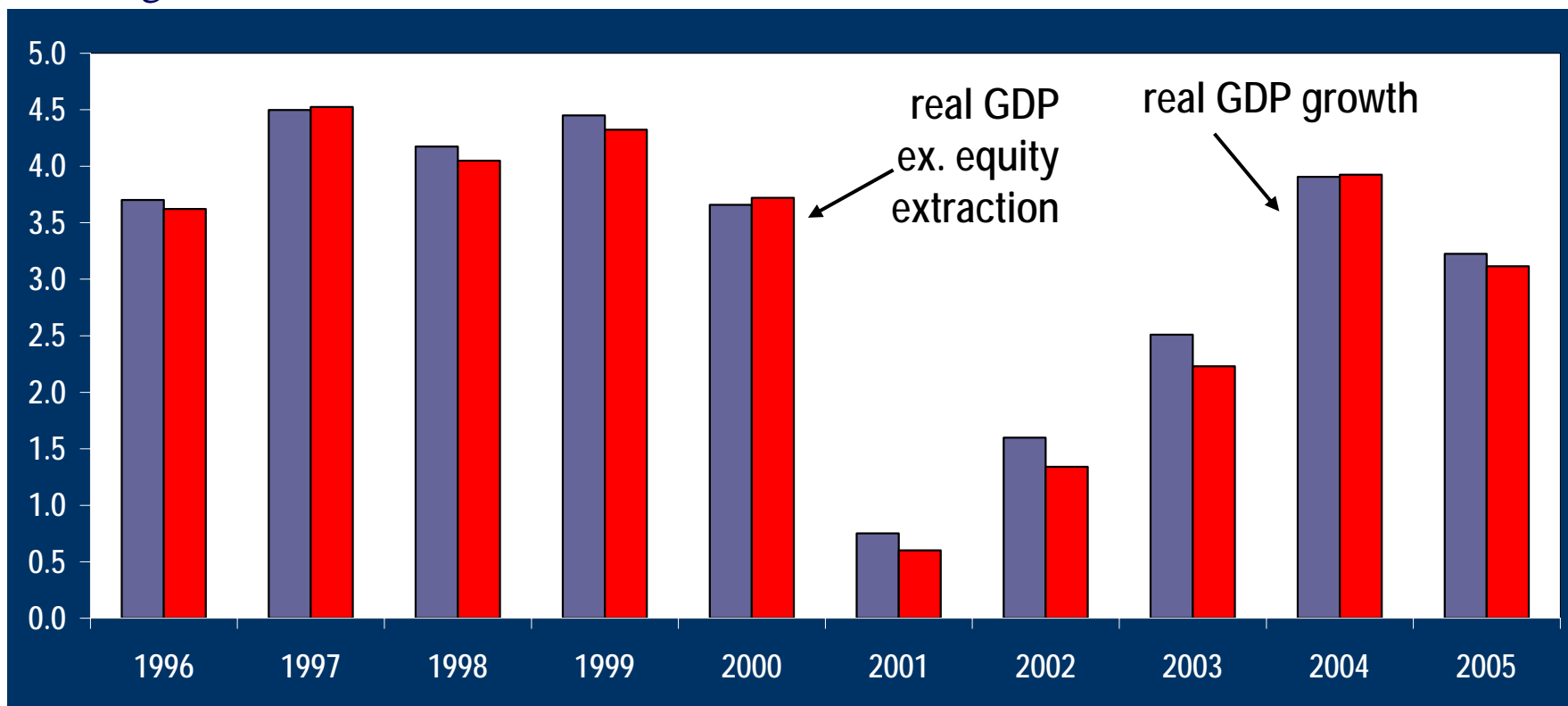
# Illustration of Flow of Equity Extraction to GDP



Source: Freddie Mac; Federal Reserve; Bear, Stearns & Co. Inc

# Effect of Equity Extraction on Real GDP

annual growth; %



Source: Freddie Mac; Commerce Department; Federal Reserve; Bear, Stearns & Co. Inc.

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