

Table 2-1.**CBO's Economic Projections for Calendar Years 2009 to 2019**

	Forecast			Projected Annual Average	
	2009	2010	2011	2012-2013	2014-2019
Year to Year (Percentage change)					
Nominal GDP (Billions of dollars)	14,163	14,570	15,146	16,799 ^a	21,320 ^b
Nominal GDP	-0.7	2.9	4.0	5.3	4.1
Real GDP	-2.5	1.7	3.5	4.7	2.5
GDP Price Index	1.8	1.1	0.4	0.6	1.5
PCE Price Index	0.4	1.5	0.8	0.7	1.6
Core PCE Price Index ^c	1.7	1.1	0.6	0.7	1.5
Consumer Price Index ^d	-0.5	1.7	1.3	1.1	1.9
Core Consumer Price Index ^c	1.7	1.3	1.0	1.1	1.9
Calendar Year Average (Percent)					
Unemployment Rate	9.3	10.2	9.1	6.4	4.8
Three-Month Treasury Bill Rate	0.2	0.6	1.7	3.6	4.7
Ten-Year Treasury Note Rate	3.3	4.1	4.4	4.8	5.5
Tax Bases (Billions of dollars)					
Economic profits	1,336	1,443	1,584	1,852 ^a	2,387 ^b
Wages and salaries	6,465	6,614	6,792	7,672 ^a	9,773 ^b
Tax Bases (Percentage of GDP)					
Economic profits	9.4	9.9	10.5	10.9	11.1
Wages and salaries	45.6	45.4	44.8	45.5	45.9
Fourth Quarter to Fourth Quarter (Percentage change)					
Nominal GDP	0.6	3.7	4.1	5.2	4.0
Real GDP	-1.0	2.8	3.8	4.5	2.4
GDP Price Index	1.6	0.9	0.3	0.7	1.6
PCE Price Index	1.2	1.1	0.8	0.8	1.6
Core PCE Price Index ^c	1.7	0.8	0.5	0.7	1.6
Consumer Price Index ^d	0.8	1.5	1.2	1.1	1.9
Core Consumer Price Index ^c	1.6	1.1	1.0	1.2	1.9

Sources: Congressional Budget Office.

Notes: GDP = gross domestic product; PCE = personal consumption expenditure.

The dollar values for nominal GDP and the tax bases are derived from data from the national income and product accounts that were available at the end of June 2009 and do not reflect the July revisions. Economic projections for each year from 2009 to 2019 are available at www.cbo.gov/spreadsheets.shtml.

- a. Level in 2013.
- b. Level in 2019.
- c. Excludes prices for food and energy.
- d. The consumer price index for all urban consumers.

Table 2-2.**Key Assumptions in CBO's Projection of Potential Output**

(By calendar year, in percent)

	Average Annual Growth						Projections		
	1950- 1973	1974- 1981	1982- 1990	1991- 2001	2002- 2008	1950- 2008	2009- 2013	2014- 2019	2009- 2019
Overall Economy									
Potential Output	3.9	3.2	3.2	2.9	2.8	3.4	2.0	2.4	2.2
Potential Labor Force	1.6	2.5	1.6	1.1	1.1	1.6	0.8	0.5	0.6
Potential Labor Force Productivity ^a	2.3	0.7	1.5	1.7	1.7	1.8	1.2	1.9	1.6
Nonfarm Business Sector									
Potential Output	4.0	3.5	3.4	3.3	3.1	3.6	2.3	2.9	2.6
Potential hours worked	1.3	2.2	1.7	1.1	0.9	1.4	0.7	0.5	0.6
Capital services	3.8	4.3	4.2	4.7	2.6	3.9	1.6	3.9	2.9
Potential TFP	1.9	0.7	0.9	1.1	1.7	1.4	1.4	1.4	1.4
Potential TFP excluding adjustments	1.9	0.7	0.9	1.0	1.2	1.3	1.2	1.2	1.2
TFP adjustments	0	0	0	0.1	0.4	0.1	0.1	0.1	0.1
Price measurement ^b	0	0	0	0.1	0.1	0	0.1	0.1	0.1
Temporary adjustment ^c	0	0	0	0	0.3	0	0	0	0
Contributions to Growth of Potential GDP in the Nonfarm Business Sector ^d (Percentage points)									
Potential hours worked	0.9	1.6	1.2	0.8	0.6	1.0	0.5	0.3	0.4
Capital services	1.1	1.3	1.3	1.4	0.8	1.2	0.5	1.2	0.9
Potential TFP	1.9	0.7	0.9	1.1	1.7	1.4	1.4	1.4	1.4
Total Contributions	4.0	3.5	3.4	3.3	3.1	3.6	2.3	2.9	2.6
Memorandum:									
Potential Labor Productivity ^e	2.6	1.3	1.7	2.2	2.2	2.2	1.7	2.4	2.1

Source: Congressional Budget Office.

Note: Total factor productivity (TFP) is average real output per unit of combined labor and capital services. The growth of TFP is defined as the growth of real output that is not explained by the growth of labor and capital.

- The ratio of potential output to the potential labor force.
- An adjustment for a conceptual change in the official measure of the gross domestic product chained price index.
- An adjustment for the unusually rapid growth of TFP between 2001 and 2003.
- The contribution of each factor input equals its growth rate times its coefficient in the production function used to calculate potential output. Those coefficients are 0.7 for potential hours worked, 0.3 for the capital services index, and 1.0 for potential TFP. For more details, see Congressional Budget Office, *CBO's Method for Estimating Potential Output: An Update* (August 2001).
- The estimated trend in the ratio of output to hours worked in the nonfarm business sector.

Table 2-3.**CBO's Current and Previous Economic Projections for Calendar Years 2009 to 2019**

	Forecast			Projected Annual Average	
	2009	2010	2011	2012-2013	2014-2019
Nominal GDP (Billions of dollars)					
August 2009	14,163	14,570	15,146	16,799 ^a	21,320 ^b
March 2009	14,047	14,576	15,233	16,684 ^a	21,164 ^b
Nominal GDP (Percentage change)					
August 2009	-0.7	2.9	4.0	5.3	4.1
March 2009	-1.5	3.8	4.5	4.7	4.0
Real GDP (Percentage change)					
August 2009	-2.5	1.7	3.5	4.7	2.5
March 2009	-3.0	2.9	4.0	4.0	2.6
GDP Price Index (Percentage change)					
August 2009	1.8	1.1	0.4	0.6	1.5
March 2009	1.5	0.8	0.5	0.6	1.4
Consumer Price Index ^c (Percentage change)					
August 2009	-0.5	1.7	1.3	1.1	1.9
March 2009	-0.7	1.4	1.2	1.0	1.7
Unemployment Rate (Percent)					
August 2009	9.3	10.2	9.1	6.4	4.8
March 2009	8.8	9.0	7.7	6.1	4.9
Three-Month Treasury Bill Rate (Percent)					
August 2009	0.2	0.6	1.7	3.6	4.7
March 2009	0.3	0.9	1.8	3.4	4.7
Ten-Year Treasury Note Rate (Percent)					
August 2009	3.3	4.1	4.4	4.8	5.5
March 2009	2.9	3.4	4.0	4.8	5.5
Tax Bases (Billions of dollars)					
Economic profits					
August 2009	1,336	1,443	1,584	1,852 ^a	2,387 ^b
March 2009	1,269	1,386	1,547	1,764 ^a	1,940 ^b
Wages and salaries					
August 2009	6,465	6,614	6,792	7,672 ^a	9,773 ^b
March 2009	6,496	6,743	6,953	7,662 ^a	9,709 ^b
Tax Bases (Percentage of GDP)					
Economic profits					
August 2009	9.4	9.9	10.5	10.9	11.1
March 2009	9.0	9.5	10.2	10.5	9.7
Wages and salaries					
August 2009	45.6	45.4	44.8	45.5	45.9
March 2009	46.2	46.3	45.6	46.0	45.9
Memorandum:					
Real Potential GDP (Percentage change)					
August 2009	2.2	1.7	1.7	2.3	2.4
March 2009	2.3	1.8	1.7	2.3	2.4

Sources: Congressional Budget Office.

Note: GDP = gross domestic product; percentage changes are measured from one year to the next.

The dollar values for nominal GDP and the tax bases are derived from data from the national income and product accounts that were available at the end of June 2009 and do not reflect the July revisions. Economic projections for each year from 2009 to 2019 are available at www.cbo.gov/spreadsheets.shtml.

a. Level in 2013.

b. Level in 2019.

c. The consumer price index for all urban consumers.

Table 2-4.**Comparison of Economic Projections by CBO and the *Blue Chip* for Calendar Years 2009 to 2019**

	Forecast			Projected Annual Average	
	2009	2010	2011	2012-2013	2014-2019
Nominal GDP (Billions of dollars)					
CBO	14,163	14,570	15,146	16,799 ^a	21,320 ^b
<i>Blue Chip</i>	14,093	14,615	n.a.	n.a.	n.a.
Nominal GDP (Percentage change)					
CBO	-0.7	2.9	4.0	5.3	4.1
<i>Blue Chip</i>	-1.2	3.7	n.a.	n.a.	4.9 ^c
Real GDP (Percentage change)					
CBO	-2.5	1.7	3.5	4.7	2.5
<i>Blue Chip</i>	-2.6	2.3	n.a.	n.a.	2.6 ^c
GDP Price Index (Percentage change)					
CBO	1.8	1.1	0.4	0.6	1.5
<i>Blue Chip</i>	1.4	1.4	n.a.	n.a.	2.3 ^c
Consumer Price Index ^d (Percentage change)					
CBO	-0.5	1.7	1.3	1.1	1.9
<i>Blue Chip</i>	-0.5	1.9	n.a.	n.a.	2.5 ^c
Unemployment Rate (Percent)					
CBO	9.3	10.2	9.1	6.4	4.8
<i>Blue Chip</i>	9.3	9.9	n.a.	n.a.	5.5 ^c
Three-Month Treasury Bill Rate (Percent)					
CBO	0.2	0.6	1.7	3.6	4.7
<i>Blue Chip</i>	0.2	0.7	n.a.	n.a.	4.2 ^c
Ten-Year Treasury Note Rate (Percent)					
CBO	3.3	4.1	4.4	4.8	5.5
<i>Blue Chip</i>	3.4	4.1	n.a.	n.a.	5.4 ^c

Sources: Congressional Budget Office; Aspen Publishers, Inc., *Blue Chip Economic Indicators* (August 10, 2009).

Note: GDP = gross domestic product; n.a. = not available.

Percentage changes are measured from one year to the next.

The dollar values for nominal GDP are based on data from the national income and product accounts that were available at the end of June 2009 and do not reflect the July revisions. Economic projections for each year from 2009 to 2019 are available at www.cbo.gov/spreadsheets.shtml.

a. Level in 2013.

b. Level in 2019.

c. Projected annual average growth for 2016 to 2020, from Aspen Publishers, Inc., *Blue Chip Economic Indicators* (March 10, 2009).

d. The consumer price index for all urban consumers.

Table 2-5.**Comparison of Economic Forecasts by the Federal Reserve and CBO for Calendar Years 2009, 2010, and 2011**

	Federal Reserve ^a		CBO
	Range	Central Tendency	
2009			
<i>Fourth Quarter to Fourth Quarter (Percentage change)</i>			
Real GDP	-1.6 to -0.6	-1.5 to -1.0	-1.0
PCE Price Index	1.0 to 1.8	1.0 to 1.4	1.2
Core PCE Price Index ^b	1.2 to 2.0	1.3 to 1.6	1.7
<i>Average Level, Fourth Quarter (Percent)</i>			
Civilian Unemployment Rate	9.7 to 10.5	9.8 to 10.1	10.1
2010			
<i>Fourth Quarter to Fourth Quarter (Percentage change)</i>			
Real GDP	0.8 to 4.0	2.1 to 3.3	2.8
PCE Price Index	0.9 to 2.0	1.2 to 1.8	1.1
Core PCE Price Index ^b	0.5 to 2.0	1.0 to 1.5	0.8
<i>Average Level, Fourth Quarter (Percent)</i>			
Civilian Unemployment Rate	8.5 to 10.6	9.5 to 9.8	9.9
2011			
<i>Fourth Quarter to Fourth Quarter (Percentage change)</i>			
Real GDP	2.3 to 5.0	3.8 to 4.6	3.8
PCE Price Index	0.5 to 2.5	1.1 to 2.0	0.8
Core PCE Price Index ^b	0.2 to 2.5	0.9 to 1.7	0.5
<i>Average Level, Fourth Quarter (Percent)</i>			
Civilian Unemployment Rate	6.8 to 9.2	8.4 to 8.8	8.5

Sources: Congressional Budget Office; Federal Reserve Board, "Summary of Economic Projections for the Meeting of June 23–24, 2009" (July 15, 2009).

Note: GDP = gross domestic product; PCE = personal consumption expenditure.

- a. The range of estimates from the Federal Reserve reflects all views of the members of the Federal Open Market Committee. The central tendency reflects the most common views of the committee's members.
- b. Excludes prices for food and energy.

Supplemental Table 2-6.**CBO's Year-by-Year Forecast and Projections for Calendar Years 2009 to 2019**

	Forecast			Projected							
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (Billions of dollars)	14,163	14,570	15,146	15,965	16,799	17,488	18,201	18,949	19,718	20,507	21,320
Nominal GDP (Percentage change)	-0.7	2.9	4.0	5.4	5.2	4.1	4.1	4.1	4.1	4.0	4.0
Real GDP (Percentage change)	-2.5	1.7	3.5	5.0	4.5	3.0	2.7	2.5	2.3	2.2	2.2
GDP Price Index (Percentage change)	1.8	1.1	0.4	0.4	0.7	1.1	1.4	1.6	1.7	1.7	1.7
PCE Price Index ^a (Percentage change)	0.4	1.5	0.8	0.7	0.8	1.1	1.5	1.7	1.7	1.7	1.7
Core PCE Price Index ^b (Percentage change)	1.7	1.1	0.6	0.6	0.8	1.1	1.5	1.6	1.7	1.7	1.7
Consumer Price Index ^c (Percentage change)	-0.5	1.7	1.3	1.0	1.1	1.5	1.8	2.0	2.0	2.0	2.0
Core Consumer Price Index ^d (Percentage change)	1.7	1.3	1.0	1.0	1.2	1.5	1.8	2.0	2.0	2.0	2.0
Unemployment Rate (Percent)	9.3	10.2	9.1	7.2	5.6	4.9	4.8	4.8	4.8	4.8	4.8
Three-Month Treasury Bill Rate (Percent)	0.2	0.6	1.7	3.1	4.1	4.5	4.6	4.7	4.8	4.8	4.8
Ten-Year Treasury Note Rate (Percent)	3.3	4.1	4.4	4.7	5.0	5.3	5.4	5.5	5.6	5.7	5.7
Tax Bases (Billions of dollars)											
Economic profits	1,336	1,443	1,584	1,709	1,852	1,938	2,022	2,099	2,190	2,291	2,387
Wages and salaries	6,465	6,614	6,792	7,246	7,672	8,008	8,344	8,696	9,048	9,405	9,773
Tax Bases (Percentage of GDP)											
Economic profits	9.4	9.9	10.5	10.7	11.0	11.1	11.1	11.1	11.1	11.2	11.2
Wages and salaries	45.6	45.4	44.8	45.4	45.7	45.8	45.8	45.9	45.9	45.9	45.8

Source: Congressional Budget Office.

Notes: GDP = gross domestic product; PCE = personal consumption expenditure.

Percentage changes are measured from one year to the next. The dollar values for nominal GDP and the tax bases are derived from data from the national income and product accounts that were available at the end of June 2009 and do not reflect the July revisions. Economic projections for each year from 2009 to 2019 are available at www.cbo.gov/spreadsheets.shtml.

- The PCE chained price index.
- The PCE chained price index excluding prices for food and energy.
- The consumer price index for all urban consumers.
- The consumer price index for all urban consumers excluding prices for food and energy.

Supplemental Table 2-7.**CBO's Year-by-Year Forecast and Projections for Fiscal Years 2009 to 2019**

	Forecast			Projected							
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal GDP (Billions of dollars)	14,140	14,439	14,993	15,754	16,598	17,319	18,019	18,760	19,524	20,308	21,114
Nominal GDP (Percentage change)	-0.6	2.1	3.8	5.1	5.4	4.3	4.0	4.1	4.1	4.0	4.0
Real GDP (Percentage change)	-2.4	0.8	3.3	4.7	4.7	3.3	2.7	2.5	2.4	2.3	2.2
GDP Price Index (Percentage change)	1.9	1.3	0.6	0.4	0.6	1.0	1.3	1.5	1.7	1.7	1.7
PCE Price Index ^a (Percentage change)	0.6	1.5	0.9	0.7	0.7	1.0	1.4	1.6	1.7	1.7	1.7
Core PCE Price Index ^b (Percentage change)	1.8	1.3	0.6	0.6	0.7	1.0	1.4	1.6	1.7	1.7	1.7
Consumer Price Index ^c (Percentage change)	-0.3	1.6	1.3	1.1	1.1	1.4	1.8	1.9	2.0	2.0	2.0
Core Consumer Price Index ^d (Percentage change)	1.8	1.4	1.0	1.0	1.1	1.4	1.8	1.9	2.0	2.0	2.0
Unemployment Rate (Percent)	8.5	10.3	9.4	7.7	5.9	5.0	4.8	4.8	4.8	4.8	4.8
Three-Month Treasury Bill Rate (Percent)	0.2	0.4	1.3	2.8	3.9	4.4	4.6	4.7	4.8	4.8	4.8
Ten-Year Treasury Note Rate (Percent)	3.2	3.9	4.4	4.6	4.9	5.2	5.4	5.5	5.6	5.7	5.7
Tax Bases (Billions of dollars)											
Economic profits	1,307	1,412	1,556	1,676	1,816	1,920	2,001	2,079	2,165	2,266	2,363
Wages and salaries	6,485	6,530	6,754	7,135	7,573	7,927	8,259	8,607	8,961	9,315	9,680
Tax Bases (Percentage of GDP)											
Economic profits	9.2	9.8	10.4	10.6	10.9	11.1	11.1	11.1	11.1	11.2	11.2
Wages and salaries	45.9	45.2	45.0	45.3	45.6	45.8	45.8	45.9	45.9	45.9	45.8

Sources: Congressional Budget Office; Statistics; Federal Reserve Board.

Notes: GDP = gross domestic product; PCE = personal consumption expenditure.

Percentage changes are measured from one year to the next. The dollar values for nominal GDP and the tax bases are derived from data from the national income and product accounts that were available at the end of June 2009 and do not reflect the July revisions.

Economic projections for each year from 2009 to 2019 are available at www.cbo.gov/spreadsheets.shtml.

- a. The PCE chained price index.
- b. The PCE chained price index excluding prices for food and energy.
- c. The consumer price index for all urban consumers.
- d. The consumer price index for all urban consumers excluding prices for food and energy.