

U.S. Economic Outlook

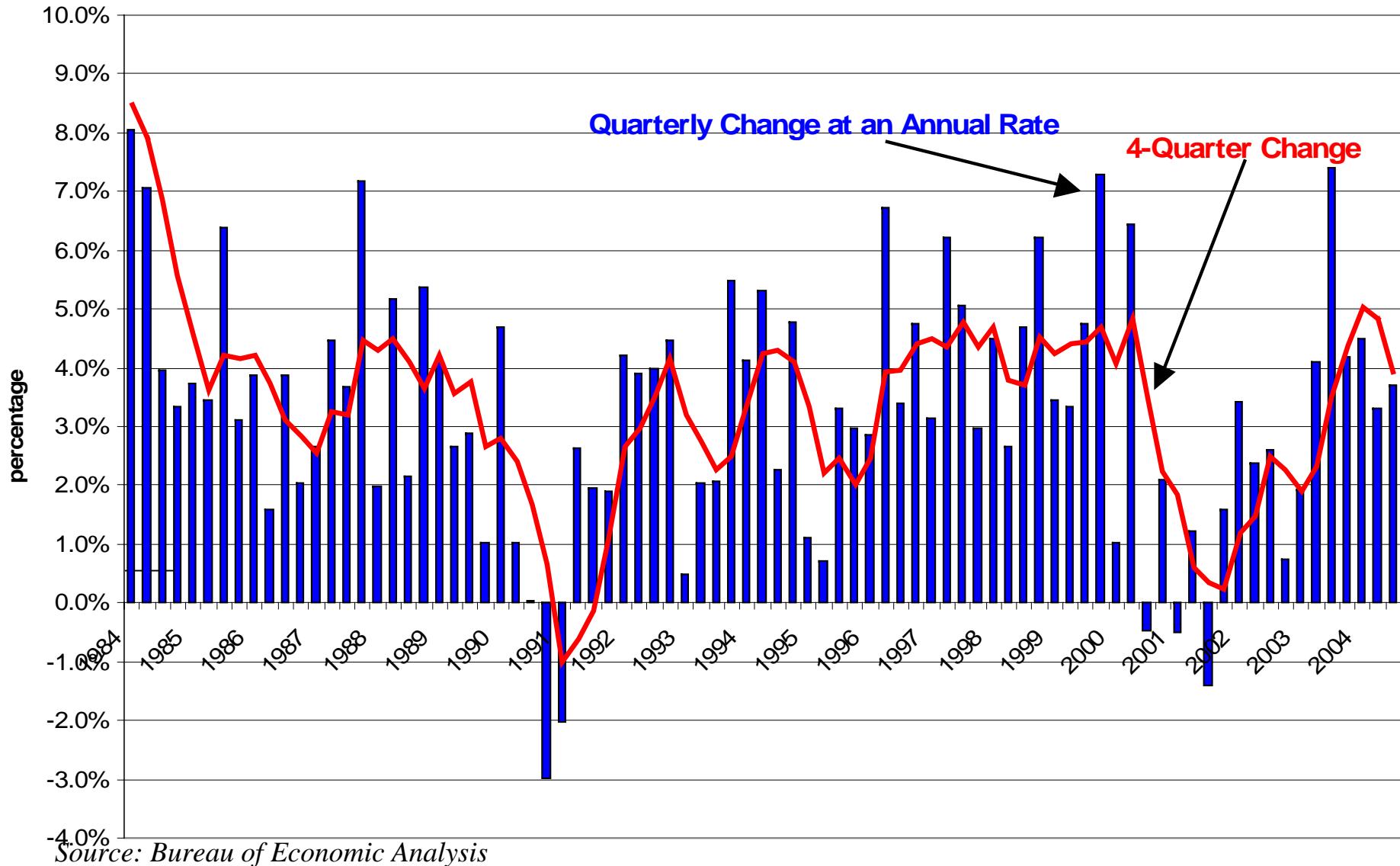
Keith Hall, Chief Economist
U.S. Department of Commerce

8th Annual

Army Small Business Conference

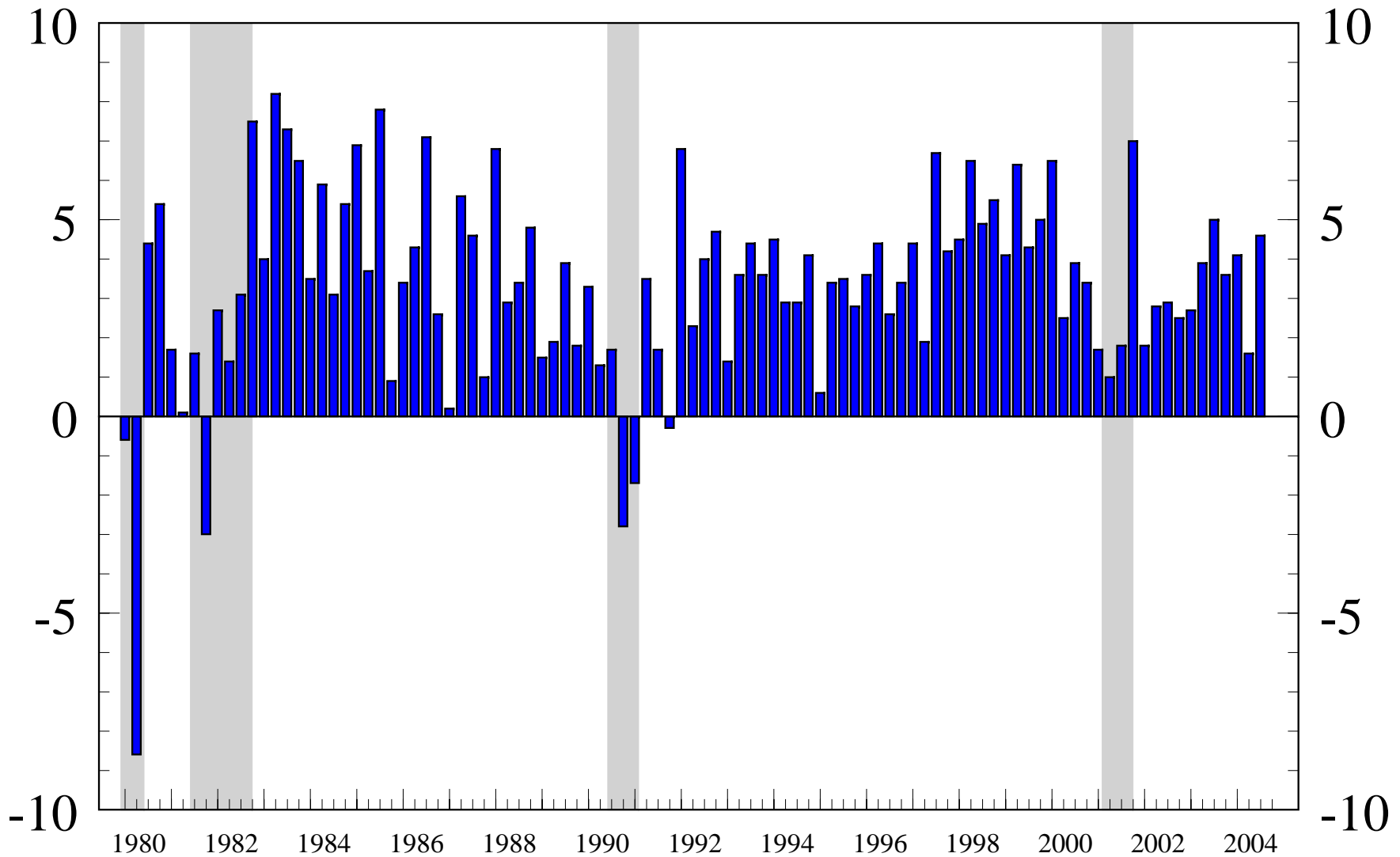
November 17, 2004

U.S. Recovery is Underway -- Real GDP Growth



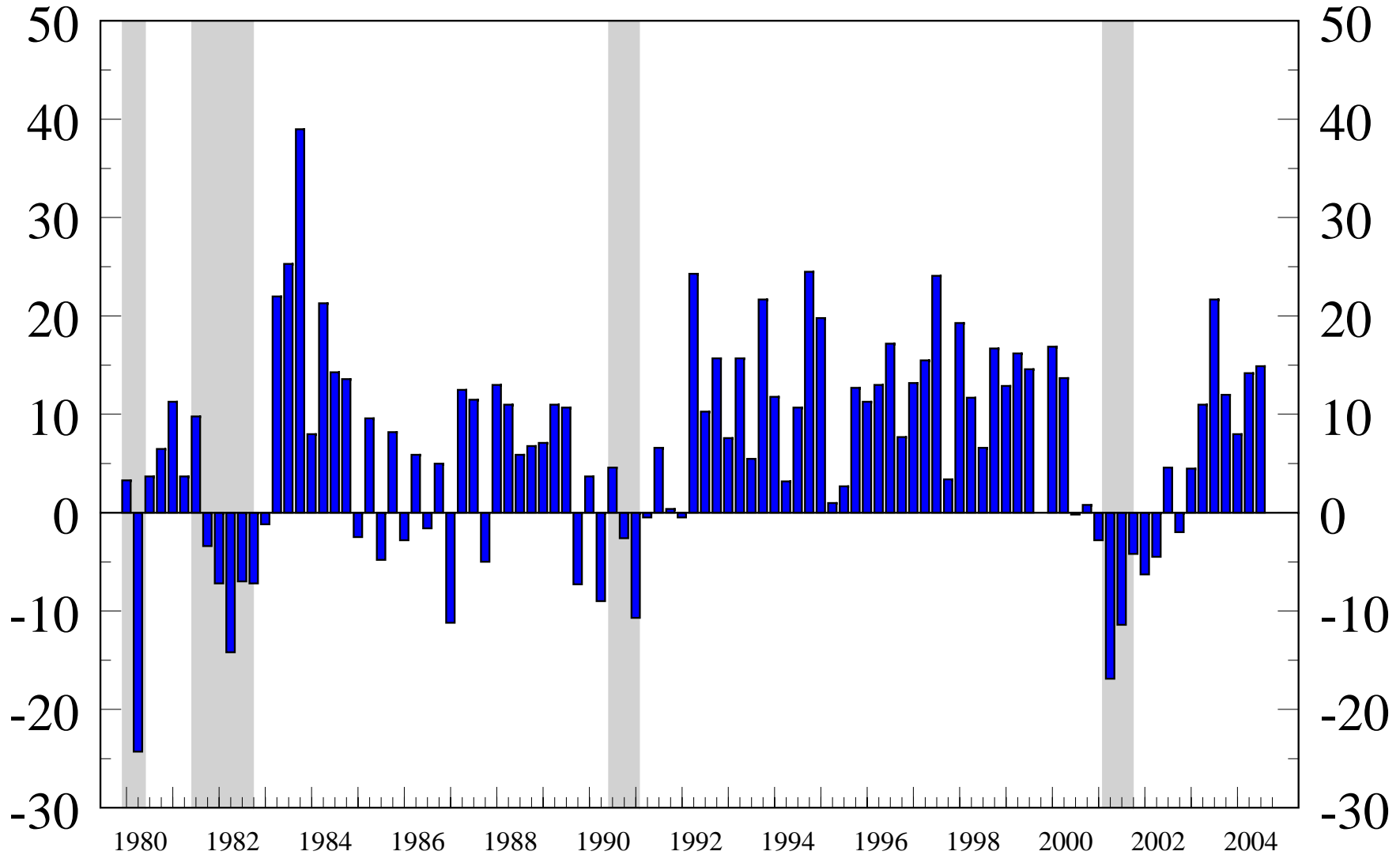
Real Personal Consumption Expenditures

Percent change from prior quarter, annual rate



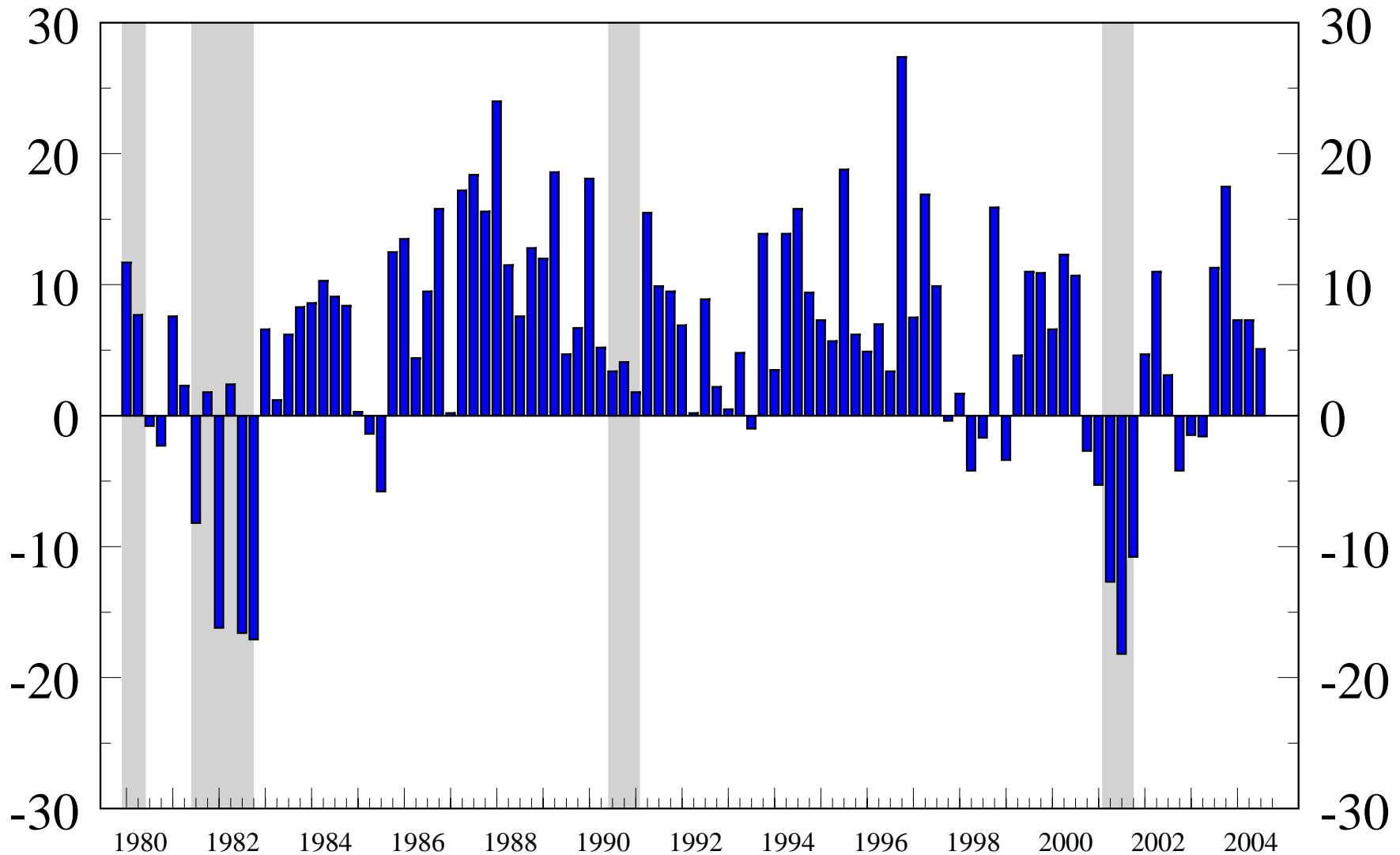
Real Equipment and Software

Percent change from prior quarter, annual rate



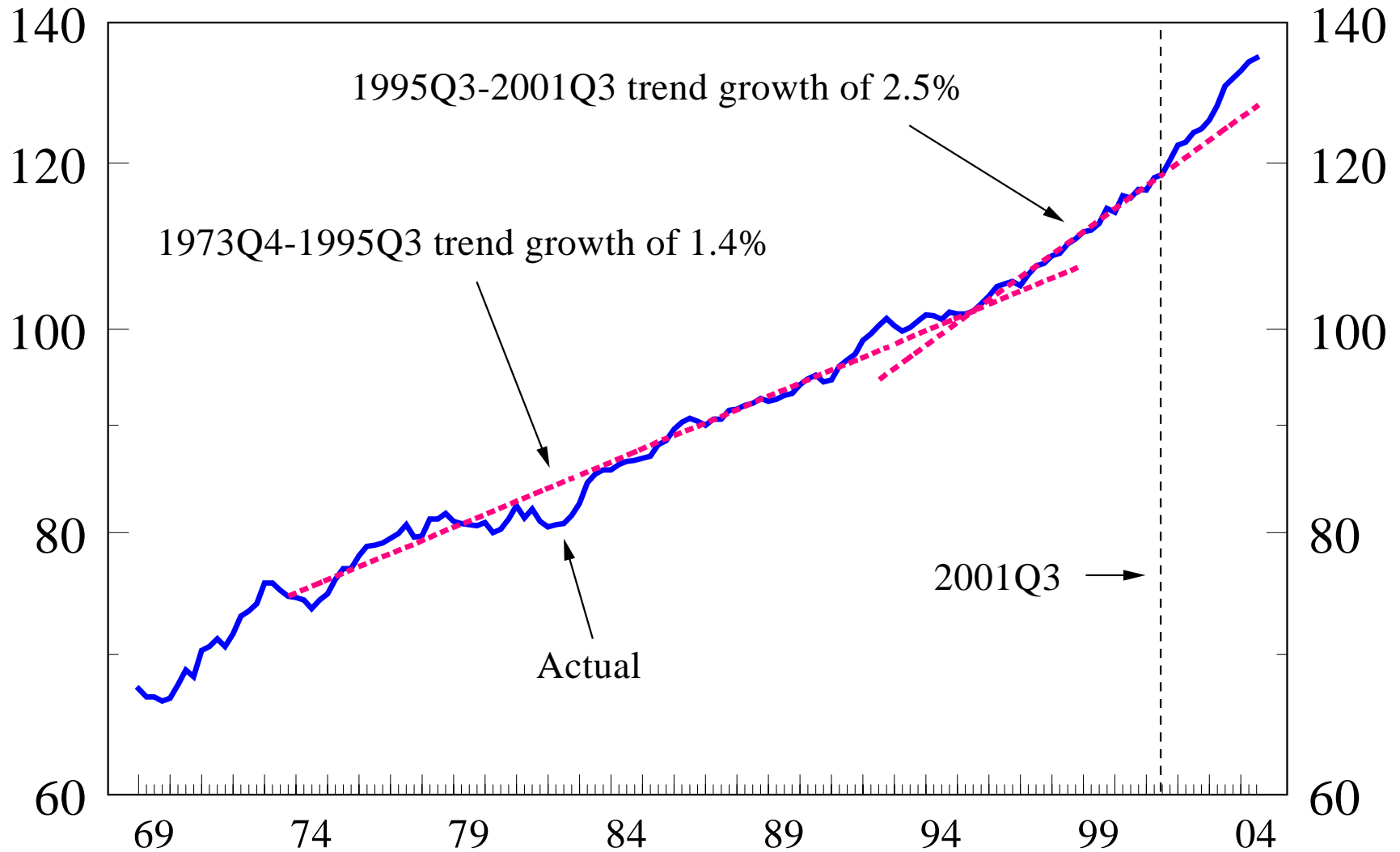
Real Exports of Goods & Services

Percent change from prior quarter, annual rate

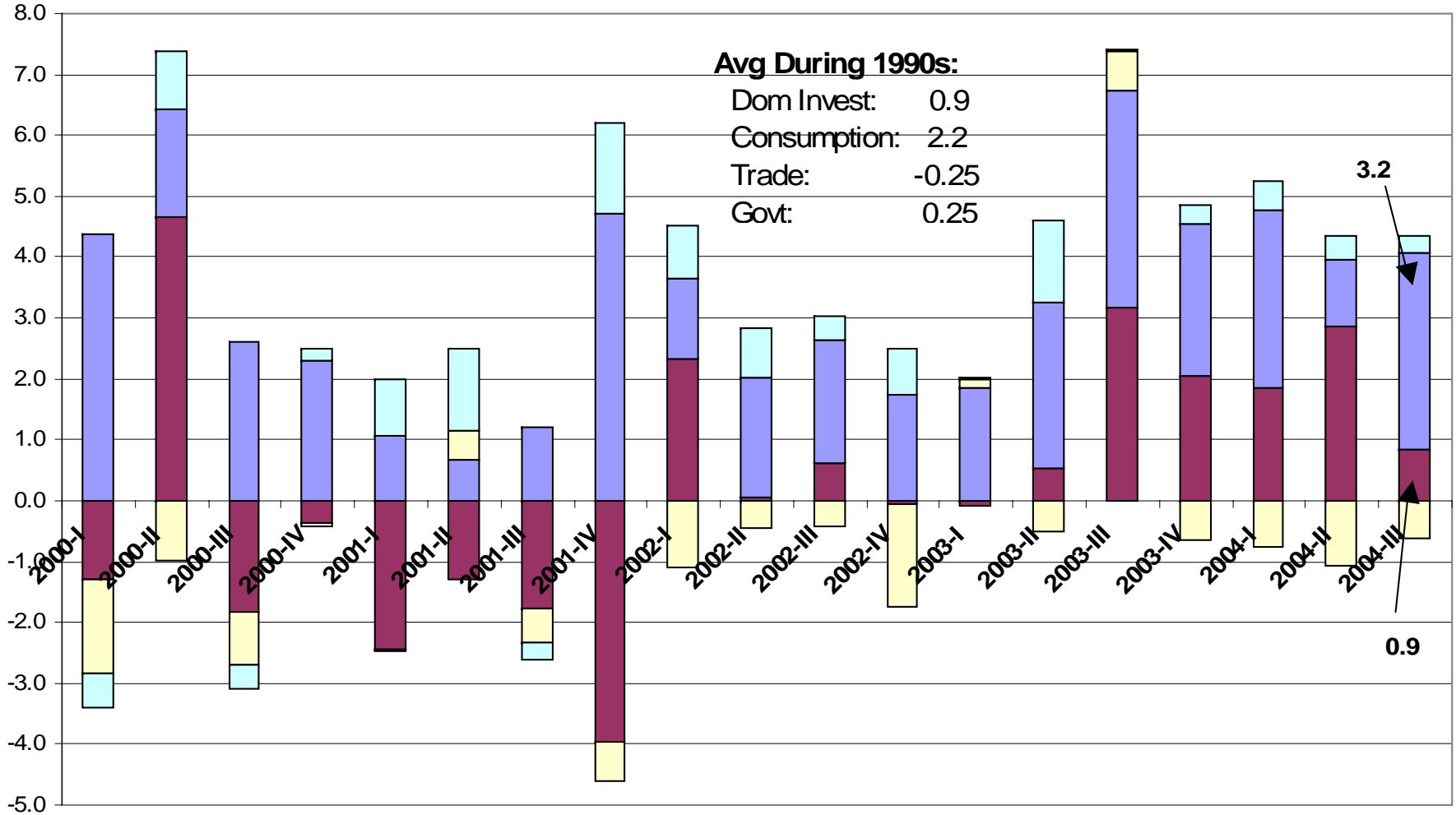


Productivity in the Nonfarm Business Sector

Index 1992 = 100, log scale



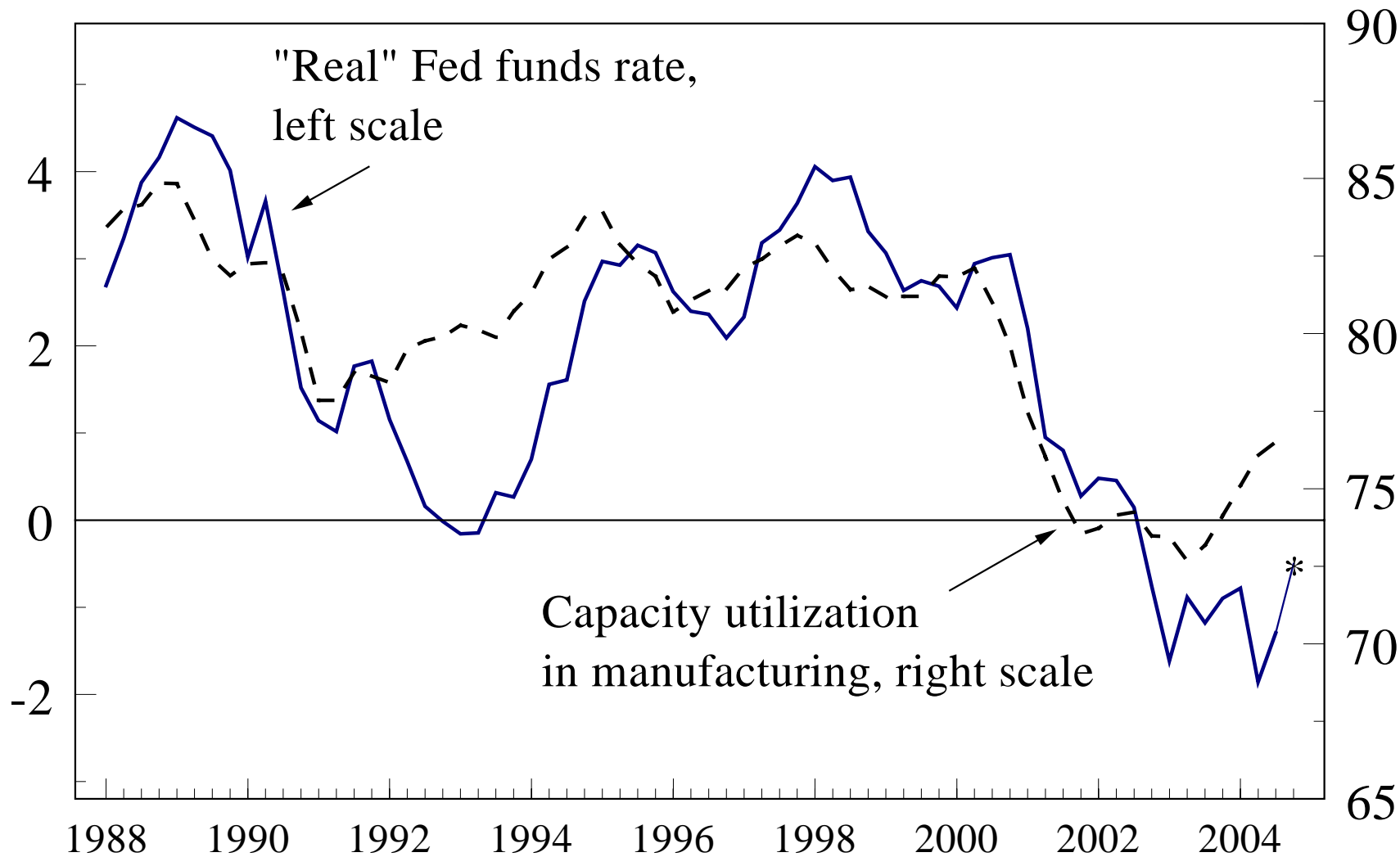
Contributions to GDP Growth



Domestic Investment
 Consumption
 Foreign Trade
 Government

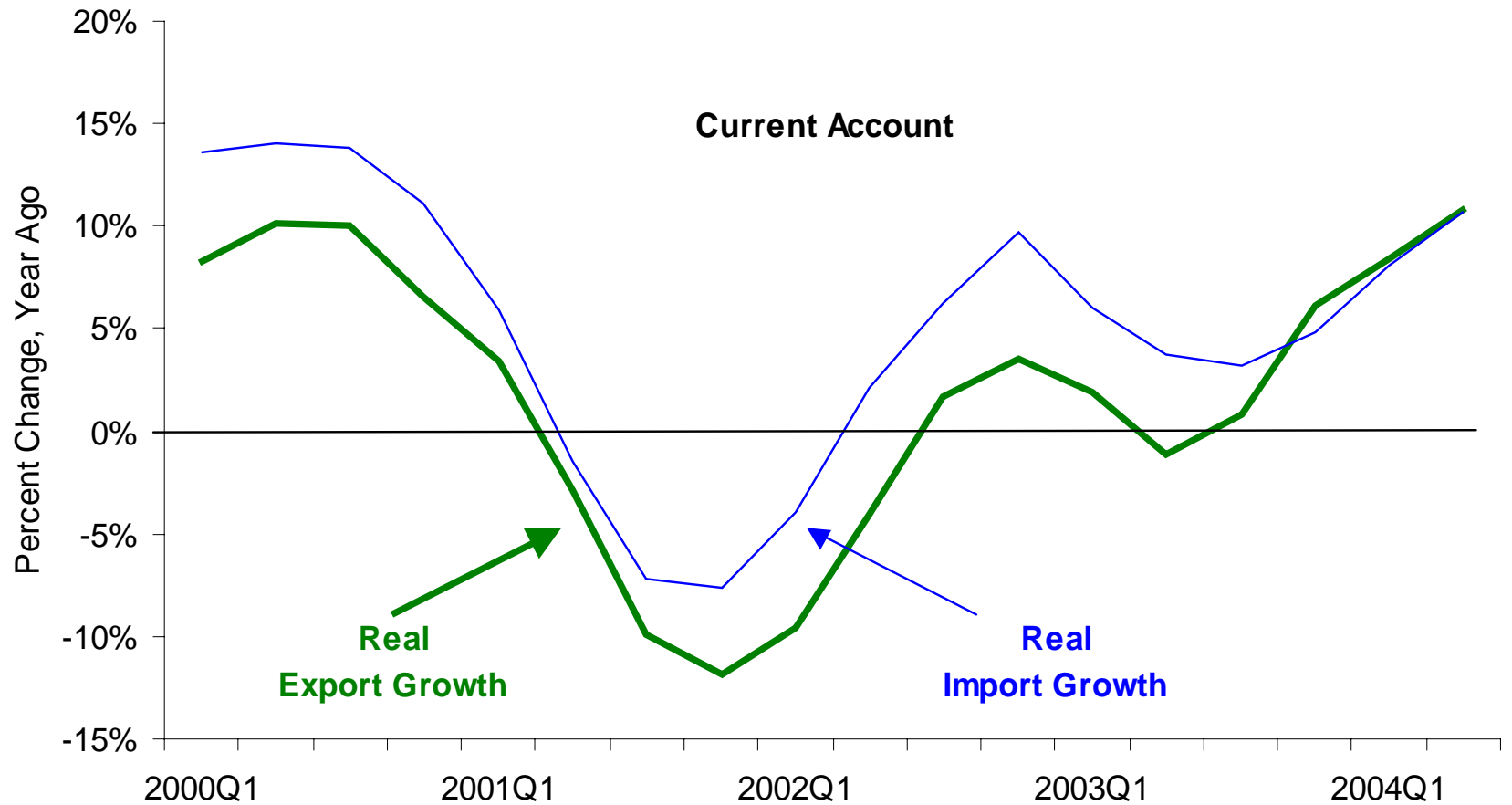
Source: Bureau of Economic Analysis

Real Federal Funds Rate and Capacity Utilization

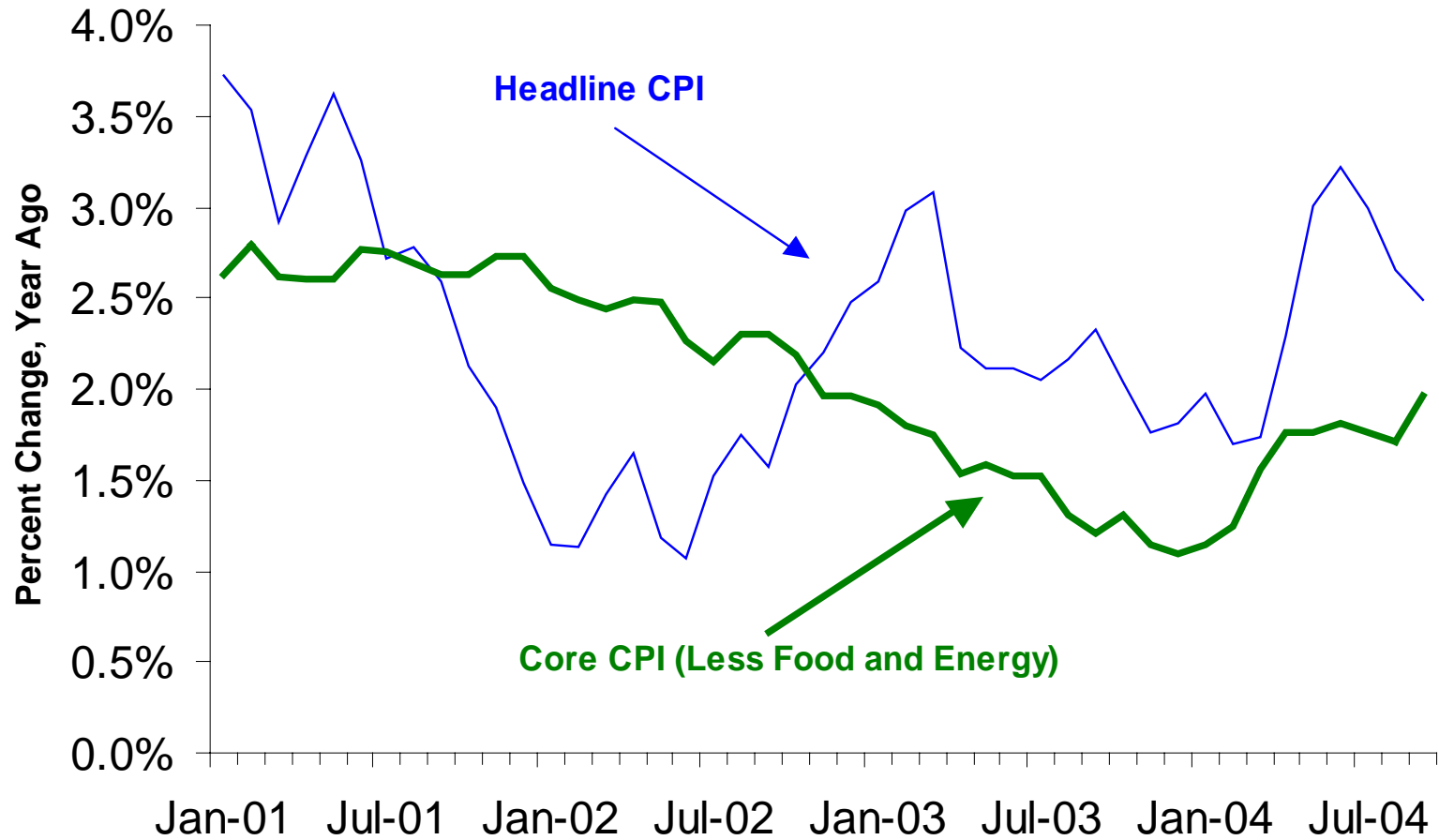


* Fed funds rate of 2% less latest 12-month change in CPI of 2.5%.

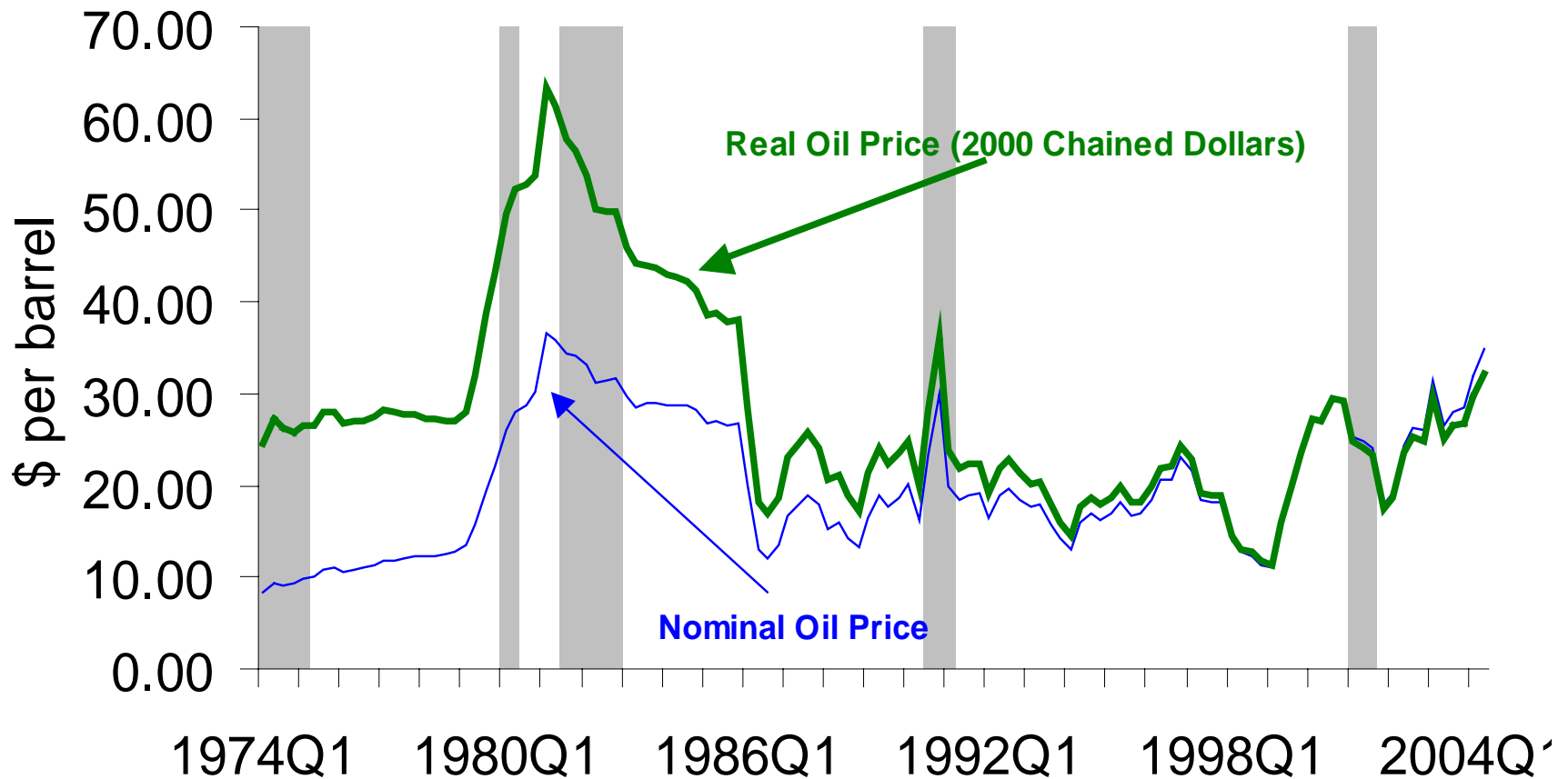
Exports Starting to Catch Up



Inflation and Oil Prices

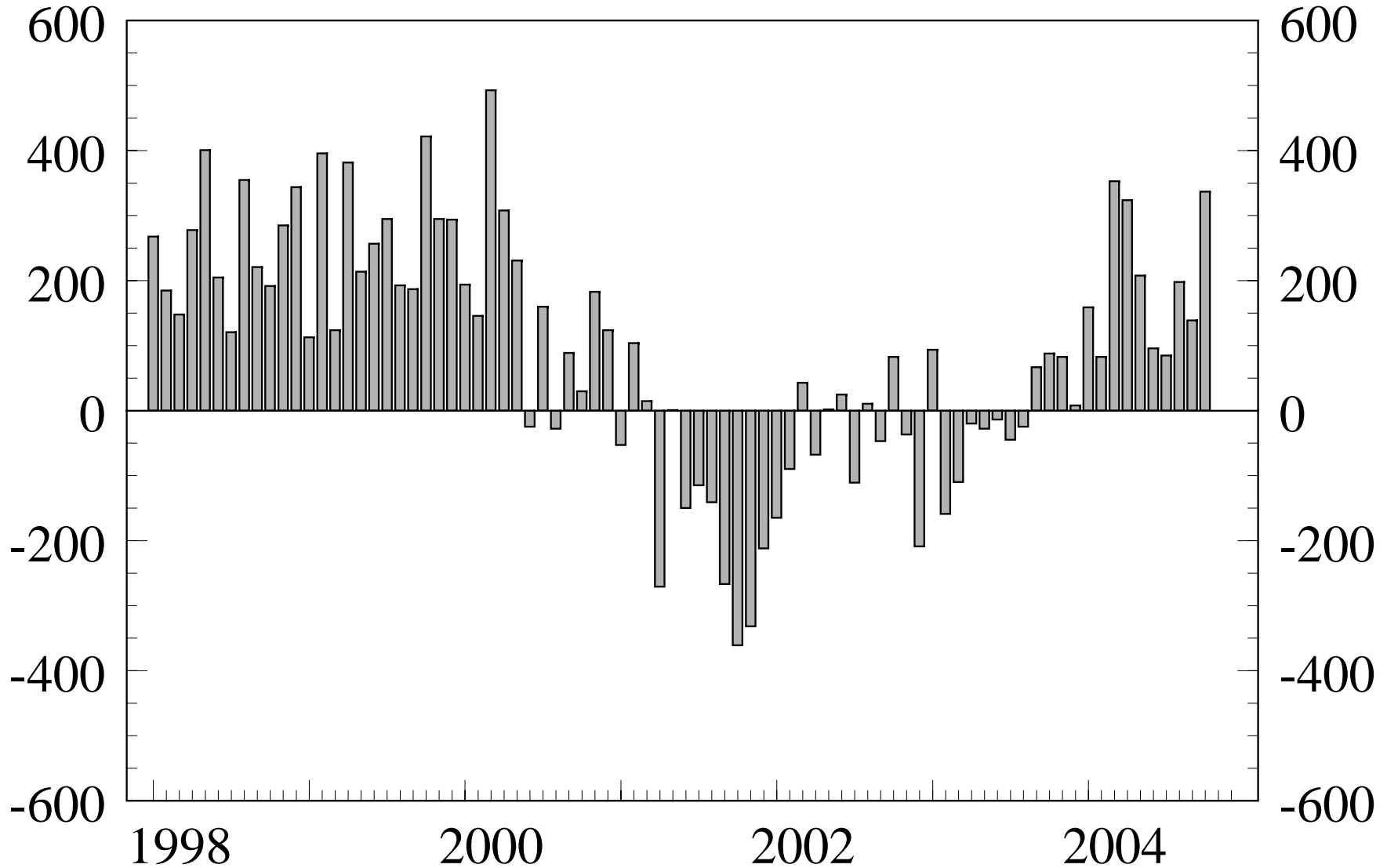


-- Oil Prices Not Quite as Bad as They Look



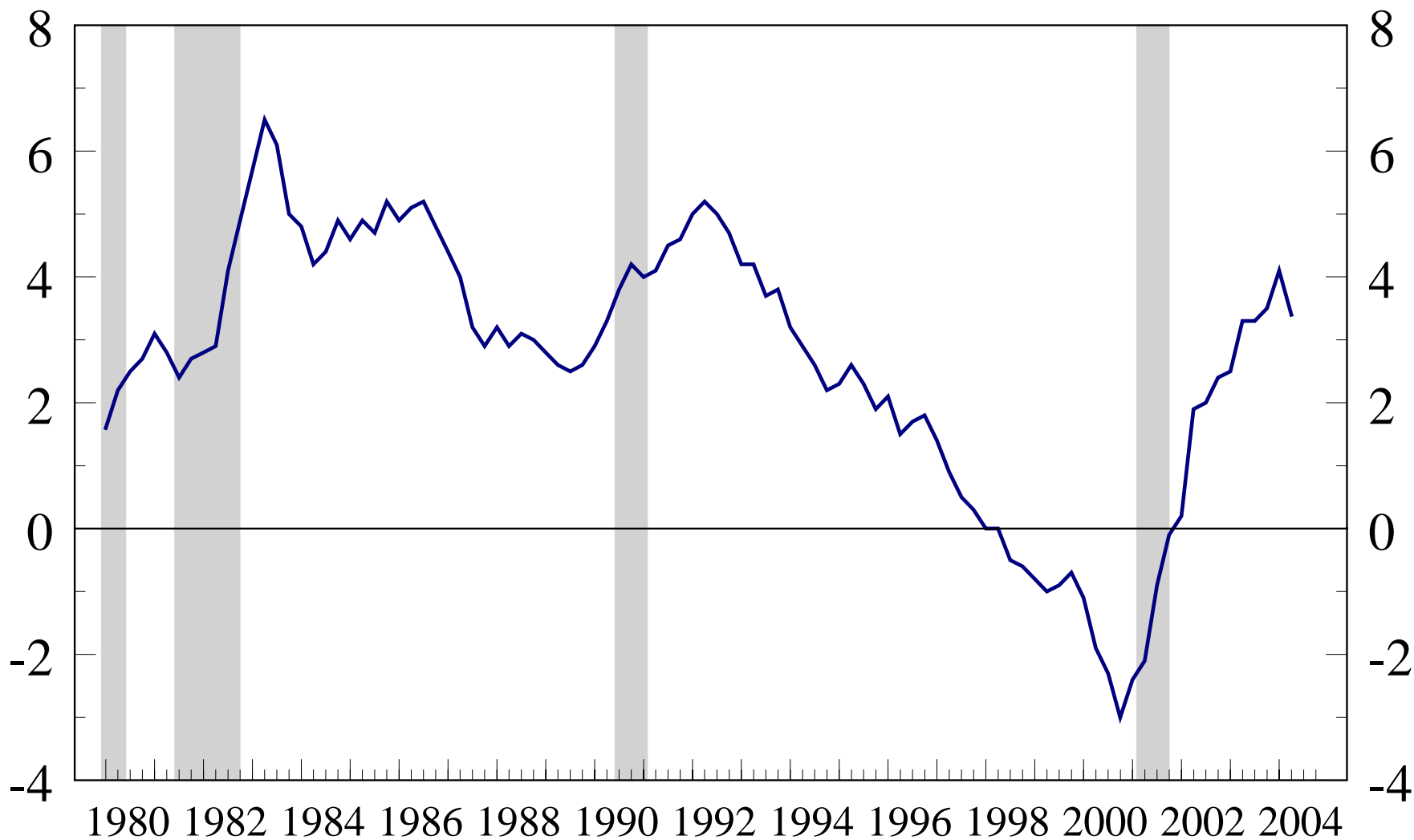
Nonfarm Payroll Employment

Change from prior month, 000s



Federal Government Borrowing

(Four-quarter change in debt as a percent of GDP)



Household and Corporate Borrowing

(Four-quarter changes in debt as a percent of GDP)

