

MBA Economic Forecast

December 15, 2014

| | 2014 | | | | 2015 | | | | 2016 | | | | 2013 | 2014 | 2015 | 2016 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | | |
| Percent Change, SAAR | | | | | | | | | | | | | | | | |
| Real Gross Domestic Product | -2.1 | 4.6 | 3.9 | 2.5 | 2.8 | 2.9 | 2.8 | 2.6 | 2.5 | 2.4 | 2.4 | 2.5 | 3.1 | 2.2 | 2.8 | 2.5 |
| Personal Consumption Expenditures | 1.2 | 2.5 | 2.2 | 3.1 | 3.0 | 3.3 | 3.5 | 3.0 | 2.9 | 2.8 | 2.6 | 2.4 | 2.8 | 2.3 | 3.2 | 2.7 |
| Business Fixed Investment | 1.6 | 9.7 | 7.1 | 2.9 | 4.9 | 6.1 | 5.1 | 5.0 | 4.1 | 4.2 | 3.9 | 4.0 | 4.7 | 5.3 | 5.3 | 4.1 |
| Residential Investment | -5.3 | 8.8 | 2.7 | 8.3 | 4.8 | 3.9 | 7.3 | 7.7 | 10.6 | 10.4 | 12.9 | 12.6 | 6.9 | 3.5 | 5.9 | 11.6 |
| Govt. Consumption & Investment | -0.8 | 1.7 | 4.2 | -1.0 | -0.5 | 0.0 | 0.1 | 0.4 | 0.2 | 0.5 | 0.5 | 0.5 | -1.9 | 1.0 | 0.0 | 0.5 |
| Net Exports (Bil. Chain 2005\$) | -401.0 | -412.9 | -385.1 | -390.3 | -390.9 | -383.5 | -389.3 | -395.3 | -397.6 | -406.0 | -416.2 | -421.4 | -375.9 | -397.3 | -389.7 | -410.3 |
| Inventory Investment (Bil. Chain 2005\$) | 32.4 | 78.1 | 72.9 | 78.3 | 79.8 | 64.7 | 52.4 | 44.2 | 31.0 | 20.6 | 15.2 | 13.6 | 58.5 | 65.5 | 60.3 | 20.1 |
| Consumer Prices (YOY) | 1.4 | 2.1 | 1.8 | 1.6 | 1.5 | 1.7 | 1.9 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 1.4 | 1.7 | 1.8 | 2.3 |
| Percent | | | | | | | | | | | | | | | | |
| Unemployment Rate | 6.7 | 6.2 | 6.1 | 5.8 | 5.7 | 5.6 | 5.5 | 5.4 | 5.4 | 5.4 | 5.3 | 5.2 | 7.4 | 6.2 | 5.6 | 5.3 |
| Federal Funds Rate | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 | 0.9 | 1.3 | 1.6 | 2.0 | 2.4 | 2.8 | 0.1 | 0.1 | 0.6 | 2.2 |
| 10-Year Treasury Yield | 2.8 | 2.6 | 2.5 | 2.3 | 2.6 | 2.8 | 3.1 | 3.2 | 3.3 | 3.4 | 3.6 | 3.9 | 2.4 | 2.5 | 2.9 | 3.5 |

Notes:

All data except interest rates are seasonally adjusted.

Forecast produced with the assistance of the Macroeconomic Advisers' model.

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