ECONOMIC OUTLOOK
REGIONS
November 2022

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2022 Holiday Sales Forecast: Not So Much Cheer For Retailers?

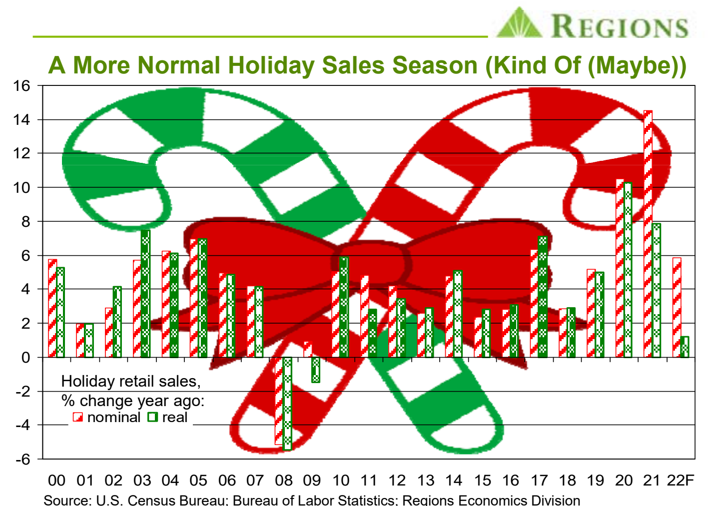
It's the most wonderful time of the year. Unless, of course, it's not. Either way, it is time for the November *Monthly Economic Outlook*, which means it is also the time of the year when we take the pulse of the U.S. consumer, conduct extensive research, perform highly sophisticated statistical analysis, apply the collective force of our years of professional experience, and then basically guess how much consumers will spend over the holiday shopping season. At least that's how we remember it, having dispensed with our usual holiday sales forecast in each of the past two Novembers. We've often noted that little, if anything, has been normal about the U.S. economy since the onset of the pandemic. With patterns in consumer spending and financial flows to U.S. households being where some of the most pronounced distortions have resided since the onset of the pandemic, it just wasn't clear to us what holiday sales would even be measuring. It was even less clear how they would be comparable to holiday sales in a "normal" (pre-pandemic) year, hence us foregoing our holiday sales forecasts.

To be sure, it isn't as though things have magically returned to normal. Instead, it seems more like we've settled into a new normal in which the only thing normal is that nothing is normal. If nothing else, we now have a couple of not so normal holiday sales seasons to serve as a basis of comparison for this year's not so normal holiday sales season, so at least there's that. For anyone who has been in hiding or who either does not, or does not want to, remember, in addition to the pandemic itself, typical consumer spending patterns over the past two holiday seasons have been disrupted by distorted financial flows, global supply chain and logistics bottlenecks, much of the services sector being either shut down or operating at limited capacity, spending having been pulled forward earlier in the year, and higher food and energy prices weighing on discretionary spending (which we wrote about in last November's *Outlook*). If we had to pick the most telling sign of how not normal the past two holiday sales seasons have been, it would be that in each of the past two years, many of the largest retail chains have been . . . closed on Thanksgiving Day.

As it is shaping up, the 2022 holiday shopping season will not be without its own challenges, for both consumers and retailers. Ahead of the prime holiday shopping season, many retailers find themselves scrambling to unload bloated inventories, with many resorting to aggressive discounting in order to do so. While there has been some easing of global supply chain and logistics bottlenecks, global supply chains are nowhere near being back to normal, while at the same time ongoing labor supply issues are adding to the uncertainty around product availability and delivery schedules. All of which is taking place against a backdrop of shifting spending patterns, with consumers placing less emphasis on spending on goods and more emphasis on services spending. Between discounting and diminished demand, many retailers are heading into the 2022 holiday shopping season with considerably less pricing power than they enjoyed over the prior two years.

At the same time, while households continue to sit on significantly above-normal balances in deposit accounts, their willingness to deploy these balances for discretionary spending is being tested by persistently elevated inflation, particularly for food, energy, and shelter. Meaningfully higher interest rates have acted as a drag on spending on consumer durable goods and, with the housing market being battered by higher mortgage interest rates, housing-related spending is suffering. Even without the added weight of these factors, the extent to which spending on consumer durable goods had been propped up over the prior two years would have raised valid questions over just how much untapped demand there was heading into the 2022 holiday shopping season.

So, in other words, the 2022 holiday shopping season is shaping up to be yet another not so normal one. Our tradition has been to use the November edition of the *Outlook* to not only present our holiday sales forecast but to also take a deeper look at the state of U.S. consumers. We did so each of the past two years despite not offering a holiday sales forecast, and we'll do the same this year. And, as we do each in each November's *Outlook*, we'll offer some comments on how we see holiday season hiring in retail trade and warehousing/delivery shaping up.



First and foremost, however, is our forecast of 2022 holiday sales. On a nominal basis (not adjusted for price changes), we look for holiday season sales to be up 5.8 percent in 2022, a much smaller increase than those seen in the past two years but one which would more than hold its own with increases seen in more normal i.e., pre-pandemic, times. Well, kind of. After accounting for our

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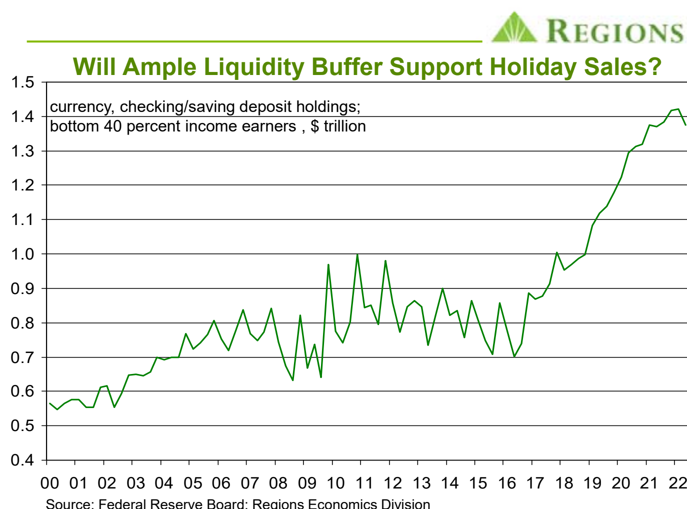
expectations for goods prices over the remainder of 2022, we look for real holiday sales to be just 1.2 percent higher than 2021 sales. As seen in the prior chart, that would be the worst performance for real holiday sales since 2009, which seems somewhat jarring given the health of the labor market and of household balance sheets. Keep in mind, however, that looks can be deceiving.

We'll elaborate on that later, but first, a pair of housekeeping items. First, our measure of holiday sales consists of combined November and December retail sales excluding drug store, grocery store, motor vehicle, gasoline, and building materials sales, categories we've always excluded on the grounds that items sold by such retailers aren't typically given as holiday gifts. Though, in all fairness, who hasn't found themselves in a drug store late at night on Christmas Eve, not because they forgot to buy a gift for their significant other but rather because they were still searching for THE perfect gift to give them. That was our story, anyway, it has never changed, and it never will.

In any event, we'll also note that we've made a change in the series we use to deflate nominal holiday sales to arrive at our estimate of real holiday sales. In the past, we've used the measure of core goods prices (consumer goods excluding food and energy) contained in the Consumer Price Index (CPI). One obvious issue in doing so is that the CPI measure of core goods prices includes prices of new and used motor vehicles while our measure of holiday sales excludes motor vehicles. Prices for used motor vehicles shot higher after the onset of the pandemic, propelled by rising demand coupled with significant supply constraints. This has had an undue influence on core goods prices, and to offset this we've taken to using the measure of core goods prices excluding used motor vehicles published by the Bureau of Labor Statistics. In most years, there is little difference in real holiday sales regardless of which price series we use to estimate them, but that has changed drastically over the past two years. For instance, using the CPI series on core goods prices yielded a roughly four percent increase in real holiday sales in 2021, while the alternative series excluding used motor vehicle prices yielded an increase of just under eight percent; used motor vehicle prices exaggerated the increase in core goods prices in 2021, hence the smaller increase in real holiday sales for the same change in nominal sales.

As noted above, though wilting in comparison to the past two years, the 5.8 percent increase we look for in holiday sales this year would more than hold its own against most other years. Still, however impressive the increases in nominal holiday sales over the past two years – up 10.5 percent in 2020, up 14.5 percent in 2021 – may look, the reality is that those gains say far more about the strength of spending earlier in each year than about holiday season spending. In both 2020 and 2021, our measure of holiday sales fell in both November and December – the last such occurrence of that happening was 2008, the depths of the 2007-09 recession. But, spending earlier in each year was so strong, fueled by generous financial transfers to the household sector after the onset of the pandemic, that even with monthly declines in November and December the level of holiday sales in 2020 and 2021 was significantly higher than the year before.

While the actual payouts associated with those financial transfers have long since ended, the proceeds remain a key story in the health of household balance sheets, which is true across all cuts of income and net worth. While some portion of those transfers was spent, households used some to pay down debt and used some to build up savings. Though having been pared down over recent months, the level of household deposit balances (checking and saving combined) remains significantly above pre-pandemic levels, which speaks to the ability of consumers to spend during the 2022 holiday sales season.



Using data from the *Distributional Financial Accounts* published by the Federal Reserve, the above chart shows combined holdings of currency and checking/saving deposit balances amongst the lowest forty percent of income earners. The most recent data point is Q2 2022, and the modest decline seen in that quarter has no doubt gotten larger in subsequent months, but that would still leave lower-income households with significantly more liquidity than would have been the norm prior to the pandemic. Also, the Federal Reserve Board of Governors recently published an analysis of excess savings (the gap between actual savings and the level of savings that likely would have prevailed in the absence of the pandemic) across income levels. The authors estimate that those households in the bottom half of the income distribution had, on average, roughly $5,500 of excess saving as of Q2 2022.

Again, that buffer will have thinned out some over the past few months, and averages are obviously not representative of each individual. Still, on the whole, the household sector still has access to a significant liquidity buffer, including lower income households. At the same time, aggregate wage and salary earnings, the largest component of personal income, continue to grow at a rate in excess of inflation, and it has for some time been the case that the fastest wage growth has come in the lowest-wage industry groups. We make these points to help account for what to some has been surprisingly resilient consumer spending in the face of elevated inflation and higher interest rates. While this isn't to say that higher prices, particularly for food, shelter, and energy, have not had an impact on discretionary consumer spending, it could be that households who have thus far held the line on discretionary spending could make an exception for the holiday sales season.

Between what has for some time been robust growth in labor earnings and sizable liquidity buffers, the data suggest finances won't be as binding of a constraint on holiday season spending as may be implied by elevated inflation and higher interest rates, and

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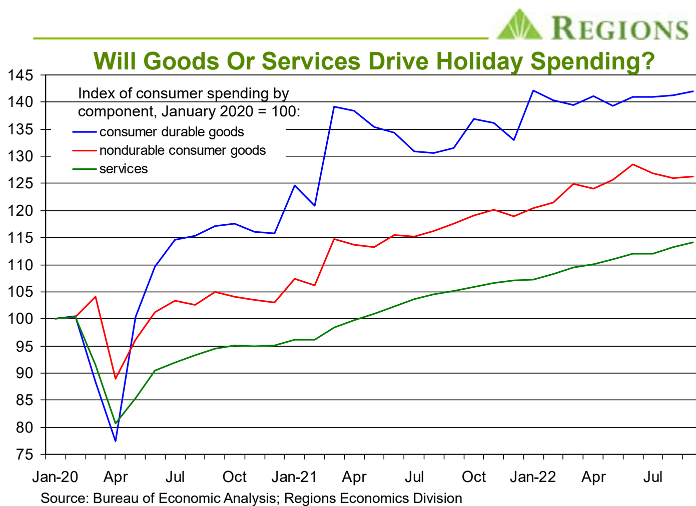
that is the case for households across all income levels. Some are pointing to sharp declines in equity prices as likely dampening holiday season spending via the wealth effect. To the extent this does prove to be the case, it will be seen amongst higher income households, not lower income households. Data from the Federal Reserve's *Distributional Financial Accounts* show that for those households in the lower half of the income distribution, equities account for only a miniscule share of net worth, in stark contrast to households on the upper ends of the income distribution. It is the case that real estate accounts for the bulk of net worth for those households in the lower half of the income distribution, meaning that recent declines in house prices, or even concerns over larger declines to come, may trigger their own form of wealth effect that would hold down spending amongst these households.



We do not, however, expect this to be a meaningful constraint on spending over the upcoming holiday season. Indeed, "will they?" not "can they?" is perhaps the more relevant question about consumers heading into the 2022 holiday shopping season. And, to the extent that they will spend, the question becomes what they will spend on. As we've often discussed, consumer spending patterns shifted sharply after the onset of the pandemic. Flush with funds from pandemic-related transfer payments at a time when a significant portion of the services sector was either shut down or operating at only limited capacity, consumers diverted more and more spending to goods, particularly consumer durable goods, as indicated in the above chart. It is worth noting that the above chart is based on nominal spending, so that higher prices account for a significant portion of the divergence from pre-pandemic levels of spending. Even after accounting for price changes, however, the patterns are the same as shown in the above chart, with real spending on consumer durables much further above the pre-pandemic level than is the case with spending on nondurable consumer goods or on services.

With so much spending on consumer durable goods such as home furnishings, appliances, electronics (televisions, home audio), home office equipment and furnishings, recreational equipment, and motor vehicles (even though we don't include those in our measure of holiday sales), it's fair to ask how much untapped demand there is for such items now. And, to the extent there is still unfulfilled demand that would lead to holiday season spending on such items, these are in many cases the kind of items retailers have found themselves overstocked with. As such, there has in many cases already been aggressive discounting on these items, to the point that even if unit sales perk up again during the holiday shopping season, discounting will weigh on total sales revenue.

Consumer spending on services has been growing more strongly than has consumer spending on goods over the past several months. To some extent, consumers have been making up for lost time by spending on things such as travel, tourism, dining out, recreation, and entertainment. Though we had expected such spending to soften with the end of the summer, it has thus far held up better than we'd expected, which remains the case as we head into the holiday shopping season. Keep in mind, however, that services spending is not captured in our measure of holiday sales, nor in any of the other estimates that are out there. In that sense, if holiday season sales end up underperforming forecasts, that won't necessarily be a sign of weakness amongst U.S. consumers but instead could simply reflect continued strength in services spending. This is, however, one more potential obstacle confronting retailers in this year's holiday shopping season.

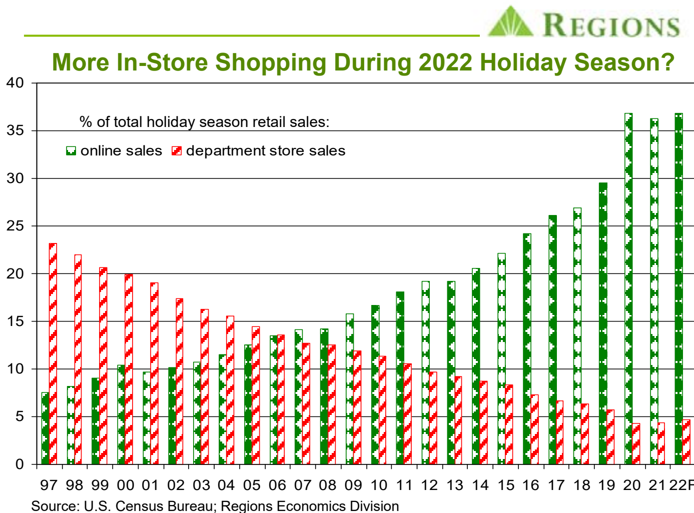
To the extent that retailers have to resort to discounting to turn consumers' attention back to goods, that will weigh on total sales revenue. It would not surprise us to see prices for core goods excluding used motor vehicles post modest monthly declines over the remainder of 2022. Even should that be the case, however, it would leave the level of core goods prices excluding motor vehicles well above the levels of last November and December – 4.5 percent by our forecast. This is the same point we made earlier about the level of holiday season sales – strength seen earlier in the year more than offset sequential declines in November and December in both 2020 and 2021, yielding lofty gains in holiday season sales (prices) as commonly measured.

We can't rule out a repeat of that pattern in 2022, for both nominal sales and prices, particularly with October retail sales likely propped up by aggressive promotions, including a second round of *Amazon Prime Day(s)* and similar promotions from other retailers, while others began offering early "Black Friday" deals. In other words, as was the case in each of the past two years, whatever gains we see in holiday season sales in 2022 may say much more about spending earlier in the year than about spending in the actual holiday shopping season. As such, even if our holiday sales forecast is on or near the mark, the actual holiday shopping season may not feel all that festive for many retailers. It would mark a welcome return to normal if a year from now we're not having this same discussion again.

2022 Holiday Season Hiring: Not So Normal Either?

As we do each year in our when discussing our outlook for holiday season sales, we also offer some thoughts on holiday season hiring. There are distinct and well-established patterns in hiring around the holiday season in sectors such as retail trade and warehousing and delivery services which are tied to expectations of holiday season spending. As patterns in consumer spending have evolved, patterns in holiday season hiring have done the same. For instance, back in the technological dark ages when

shopping was done in physical stores (*Google* it), an initial jump in retail trade payrolls in October would be followed by a much larger increase in November before retailers topped off staffing with a smaller December increase. While those broad patterns remain intact, what has changed over time is the level of holiday season hiring in retail trade. As online shopping has become increasingly prevalent, some of that holiday season hiring has shifted into warehousing and delivery services, where we've seen the same sorts of patterns over the final three months of the year. In both sectors, however, holiday season hiring is followed by substantial declines in payrolls in January of the following year.

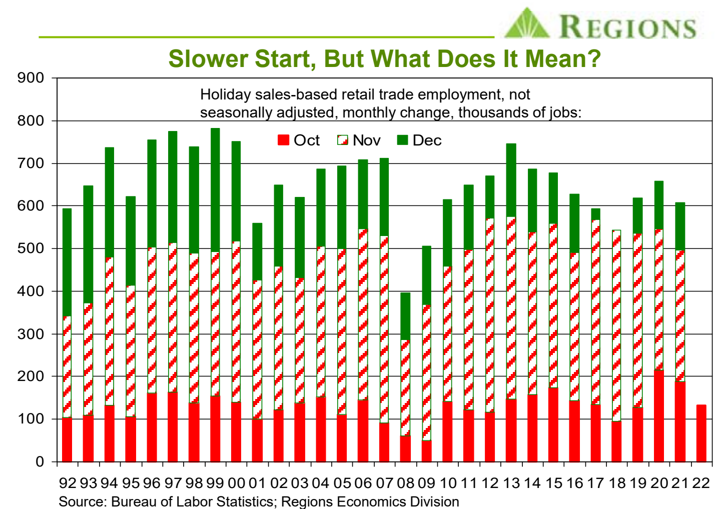


We like to use the chart above to illustrate how spending and, in turn, hiring patterns have shifted over time. Over the past two-plus decades, online sales have accounted for an increasing share of consumer spending. And while department stores by no means account for all in-store shopping, the broader point remains the same, i.e., the steady decline in in-store shopping. We'll also note that while the above chart is confined to holiday season sales, a chart showing monthly data on online sales as a share of control retail sales would look the same. The chart above helps illustrate an often overlooked point that applies to many aspects of the economy, which is that while the pandemic may have accelerated a given trend, that trend was in place long before the onset of the pandemic. In this case, while the pandemic clearly accelerated the pace at which it is happening, the shift toward online shopping was firmly in place prior to the onset of the pandemic.

Either way, there has been a pronounced shift in holiday season hiring patterns, with hiring shifting away from retail trade and toward warehousing and delivery services over time. For instance, in the ten years prior to the pandemic, the average holiday season (October-December) increase in retail payrolls was considerably smaller than the average increase in the ten years leading up to the 2007-09 recession. In contrast, in the ten years prior to the pandemic the average holiday season increase in payrolls in warehousing and delivery services was more than three times larger than that in the ten years leading up to the 2007-09 recession, though some of this simply reflects the low base.

In keeping with our general theme, if nothing else is normal, including holiday season shopping, then there is no reason to think 2022 holiday season hiring amongst retailers and warehousing and delivery services will be normal either. Right off the bat, the same labor supply constraints that have bedeviled firms for some time now will likely weigh on holiday season hiring. We touched on this last year in our holiday season outlook, noting at the time that with 1.2 open jobs for each unemployed person, seasonal hiring could prove to be more difficult than had been the case in the past. That seems almost comical now with, as of September, 1.9 open jobs for each unemployed person. Moreover, with elevated inflation and higher interest rates weighing on discretionary spending at a time when consumers have been more focused on services spending, retailers and warehousing and delivery service providers will have scaled down their seasonal hiring plans, as evidenced by several firms either announcing smaller incremental hiring than they did last year or simply not revealing holiday hiring plans.

While many are expecting increased foot traffic in physical stores in the 2022 holiday shopping season than seen in the past two years, that does not necessarily mean retailers will be ramping up holiday season hiring. Indeed, after being caught off guard by the shift toward services spending, recent months have seen many retailers scaling down staff after having hired more aggressively when goods spending was more robust. To that point, while the total number of job openings across the U.S. economy is roughly fifty percent higher than was the case prior the pandemic, in retail trade that differential is down to 6.7 percent, having fallen sharply over recent months as the number of open jobs in retail trade fell by 37.1 percent from March to September.



It is therefore not surprising that holiday season hiring in retail trade got off to a slow start, as seen in the above chart. Note that in order for it to be consistent with our measure of holiday season sales, our measure of retail trade employment excludes payrolls in the same categories we exclude from sales. On either basis – total retail trade or our holiday sales adjusted measure – October hiring was notably weaker this year. Indeed, the increase seen this October would be somewhat middling in comparison to the several years prior to the pandemic with the exception of 2018, when the holiday season was a dud all the way around (sales/hiring).

We will note that the October establishment survey period, the basis of the BLS's estimates of nonfarm employment, ended fairly early in the month, which could mean some hiring that actually took place in October may not be reflected until the November

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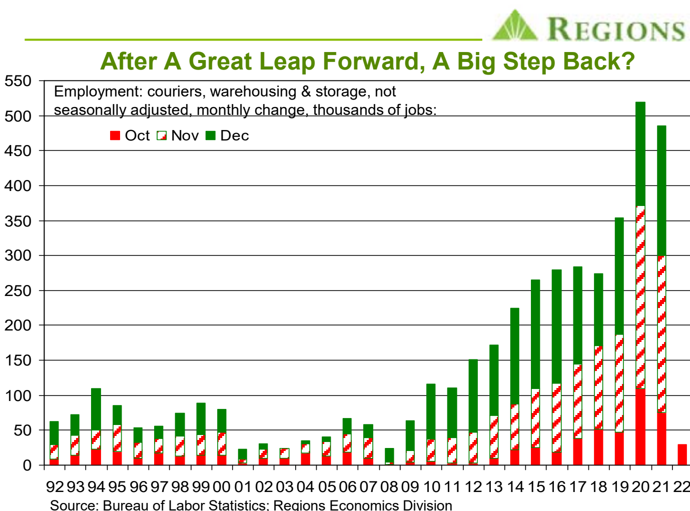
data. That will be easy enough to tell, as we can simply compare this November's increase with what we typically see in the month. Our sense, however, is that when all is said and done, this year will prove to be a weak one for holiday season hiring in retail trade.

The bigger question, however, is what that would mean. Would it be a statement the financial health of consumers, a statement on holiday season spending, a statement on the composition of spending (goods versus services) during the holiday season, a statement on hiring amongst retailers in prior months holding down seasonal hiring, or a combination of all of these factors. That we expect holiday season hiring in retail trade to be on the weak side this year is much more a reflection of the latter two factors cited above than it is a reflection of our take on the state of consumer finances and psyches.



While a bit weak, October hiring in retail trade was not weak to the point that it makes you wonder if the universe had suddenly come unhinged. One look at the chart above, however, might make that question seem reasonable. While we never expected holiday season hiring amongst warehousing and delivery services to match the lofty heights seen in each of the past two years, we thought 2019 hiring might be a more reasonable comparison. If so, there's a lot of catching up to do, as this October's increase in payrolls amongst warehousing and delivery services is the smallest October increase since 2016. Indeed, on a not seasonally adjusted basis (the basis on which we compare holiday season hiring from year-to-year), the increase in payrolls amongst such firms was so small that in the seasonally adjusted data it translated into a net decline of 13,500 jobs.

To be sure, the same point made above about the timing of the October establishment survey applies here as well. That would not, however, account for the puny increase in hiring in these sectors. Instead, it is more a function of how strong hiring in warehousing and delivery services has been since the onset of the pandemic. For instance, as of October the level of total nonfarm employment was 0.53 percent higher than the pre-pandemic peak, while in the broad transportation and utilities sector, which encompasses both warehousing and delivery, the level of employment is 11.5 percent above the pre-pandemic peak, far and away the largest differential amongst the thirteen broad industry groups. At the same time, as of September the number of open jobs across transportation and utilities was 80.1 percent above the pre-pandemic level, a sign that labor supply constraints have kept the increase in hiring from being even larger than has been the case thus far. That, however, would have been the case all along rather than only turning up as an issue in October. Either way, with expectations of consumer spending on goods having been scaled down, when all is said and done 2022 holiday season hiring amongst warehousing and delivery firms may be closer to the 2018 level than the 2019 level.

October Employment Report

While holiday hiring got off to a weak start in October, overall job growth surprised to the upside, with total nonfarm payrolls rising by 261,000 jobs. Job growth remained notably broad based across private sector industry groups, led by hiring in health care, leisure and hospitality services, business services, and manufacturing. Average hourly earnings were up by 0.4 percent in October, which translates into a year-on-year increase of 4.6 percent, the smallest such increase since August 2021. Aggregate private sector wage earnings, the largest component of personal income, were up by 0.6 percent, leaving them up 8.0 percent year-on-year.

Despite a reported decline in the size of the labor force, the unemployment rate rose to 3.7 percent from 3.5 percent in September due to a sharp decline in the level of household employment. Our sense is that the reported increase in the unemployment rate is more noise than signal, in keeping with the inherent volatility in the data from the household survey. For instance, the decline in the labor force is more than accounted for by a decline in participation amongst females in all but two of the broad age cohorts, which seems highly implausible.

In many ways, the October employment report can be considered to be a "yes, but" report. Yes, the unemployment rate rose, but nonfarm job growth topped expectations. Yes, the pace of job growth has slowed, but job growth remains more than sufficient to absorb growth in the labor force. Yes, the pace of wage growth has slowed, but wage growth remains considerably faster than was the case prior to the pandemic. Yes, we could go on, but we think we've made our point.

Even with the pace of job growth having slowed, keep in mind that as of September there were 10.717 million open jobs across the U.S. economy, equivalent to 1.9 open jobs for each unemployed person. While there have been some high profile announcements of job cuts, most notably amongst tech firms, and announcements of hiring freezes, the level of layoffs as measured by initial claims for unemployment insurance remains notably low. That continuing claims also remain low is a sign that those who do lose their jobs are finding new jobs in fairly short order. As such, it seems clear to us that labor supply still remains no match for labor demand, and we expect that to remain the case for some time to come.

There has, of course, been no shortage of "what does this mean for the FOMC" takes on the October employment report. Our take is virtually nothing. With inflation remaining elevated and the FOMC clinging to the premise of a Phillips Curve, they clearly have further to go, and remain intent on pushing down the demand for labor as a means of alleviating wage pressure, even if that means rising unemployment. What seems to go unnoticed, or just go unacknowledged, is that firms either hiring fewer workers or laying off workers means less capacity for producing goods and services, which seems a curious way to attack inflation.

ECONOMIC OUTLOOK

November 2022

Q2 '22 (a)	Q3 '22 (p)	Q4 '22 (f)	Q1 '23 (f)	Q2 '23 (f)	Q3 '23 (f)	Q4 '23 (f)	Q1 '24 (f)		2020 (a)	2021 (a)	2022 (f)	2023 (f)	2024 (f)
-0.6	2.6	0.4	0.2	0.3	0.7	1.1	1.6	Real GDP[1]	-2.8	5.9	1.8	0.6	1.5
2.0	1.4	1.1	-0.2	0.6	1.0	1.3	1.6	Real Personal Consumption[1]	-3.0	8.3	2.6	0.8	1.6
0.1	3.7	5.3	4.3	2.7	2.6	2.6	3.0	Real Business Fixed Investment[1]	-4.9	6.4	3.6	3.5	3.1
-2.0	10.8	3.9	2.6	-0.1	-0.2	0.4	1.2	Equipment[1]	-10.5	10.3	4.8	2.5	1.4
8.9	6.9	6.1	5.2	4.9	4.7	4.6	4.5	Intellectual Property and Software[1]	4.8	9.7	8.8	5.7	4.6
-12.7	-15.3	6.5	6.2	4.8	4.4	3.2	3.7	Structures[1]	-10.1	-6.4	-8.5	1.3	3.4
-17.8	-26.4	-16.1	-4.1	-1.4	1.4	0.7	2.2	Real Residential Fixed Investment[1]	7.2	10.7	-9.9	-9.2	2.5
-1.6	2.4	-0.2	0.1	1.0	0.9	1.0	1.4	Real Government Expenditures[1]	2.6	0.6	-1.0	0.6	1.1
-1,430.5	-1,274.0	-1,330.4	-1,347.3	-1,364.6	-1,377.6	-1,392.4	-1,404.6	Real Net Exports[2]	-922.6	-1,233.4	-1,380.9	-1,370.5	-1,424.8
1,086	909	863	851	843	845	864	888	Single Family Housing Starts, ths. of units[3]	1,002	1,131	1,011	851	923
561	551	539	521	509	486	477	471	Multi-Family Housing Starts, ths. of units[3]	393	474	546	498	465
17.4	11.6	4.9	-1.8	-5.5	-5.0	-2.6	-0.2	CoreLogic House Price Index[5]	6.7	15.7	13.1	-3.7	1.7
13.3	13.4	14.4	15.1	15.3	15.5	15.6	15.8	Vehicle Sales, millions of units[3]	14.5	14.9	13.8	15.4	16.1
3.6	3.6	3.7	3.7	3.9	4.1	4.3	4.3	Unemployment Rate, %[4]	8.1	5.4	3.7	4.0	4.4
4.4	4.0	3.2	2.3	1.6	0.9	0.5	0.3	Non-Farm Employment[5]	-5.8	2.8	4.1	1.3	0.4
-1.5	1.7	-0.5	4.1	1.6	3.4	3.9	5.7	Real Disposable Personal Income[1]	6.2	1.9	-6.4	2.0	4.1
7.6	7.1	6.6	5.7	4.1	3.8	3.0	2.3	GDP Price Deflator[5]	1.3	4.5	7.1	4.1	2.0
6.6	6.3	6.2	5.6	4.4	4.1	3.2	2.4	PCE Deflator[5]	1.1	4.0	6.4	4.3	2.0
8.6	8.3	7.9	6.9	5.2	4.5	3.4	2.6	Consumer Price Index[5]	1.2	4.7	8.2	5.0	2.1
5.0	4.9	5.0	4.7	4.2	3.8	3.0	2.4	Core PCE Deflator[5]	1.3	3.5	5.1	3.9	2.2
6.0	6.3	6.3	5.7	4.9	4.0	3.2	2.7	Core Consumer Price Index[5]	1.7	3.6	6.2	4.4	2.5
0.81	2.24	3.71	4.54	4.63	4.63	4.63	4.42	Fed Funds Target Rate Range Mid-Point, %[4]	0.42	0.13	1.73	4.60	3.40
2.93	3.11	4.09	4.18	4.02	3.91	3.76	3.60	10-Year Treasury Note Yield, %[4]	0.89	1.44	3.02	3.97	3.51
5.27	5.62	6.99	7.02	6.79	6.62	6.40	6.13	30-Year Fixed Mortgage, %[4]	3.12	2.96	5.43	6.71	5.90
-4.0	-3.3	-3.5	-3.7	-3.6	-3.6	-3.5	-3.4	Current Account, % of GDP	-2.9	-3.6	-3.7	-3.6	-3.4

a = actual; f = forecast; p = preliminary

Notes: 1 - annualized percentage change 2 - chained 2012 $ billions 3 - annualized rate 4 - quarterly average 5 - year-over-year percentage change

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