Macroeconomic Data Project

After completing this project, you will have an understanding of what data is used to monitor the economy, and where it is found. These are the three key measures of GDP, Unemployment, and Inflation. This is the economic data you often hear reported in the news and that is mentioned in the text. You may just submit the answers to the following questions, or paste the assignment into your word processor and fill in the answers and submit the whole document. Be sure to ask if you have questions.

PART 1: Go to the **Bureau of Economic Analysis/National Income Accounts** site http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm. The first thing you will see is the News Release that is reported each month.

Look to the right side of the page for the Full Release & Tables. The PDF file is good if you want to print a copy; the Full Text file is easier to work with online. Scroll down from the News Release to find the tables. Take a moment to look at all the tables and the variety of information available.

Using **Table 3: "Gross Domestic Product and Related Measures"** answer questions 1 through 8. *Show your calculations*. Use the **Current Dollars** section on the left. You'll note that the annual total is given in the left column, with quarterly breakdowns to the right. You'll have to scroll down for the second part of the table. (To find the % that any value is of GDP divide that value by GDP and multiply by 100. For instance, if PCE is 8,000 and GDP is 10,000, than PCE is 8/10 x100 or 80% of GDP. Be sure to ask if you have questions about these calculations)

1. What is the release date of the report you are using?
2. What was the current dollar value of GDP for last year?
3. What was the current dollar value of personal consumption last year?
4. What percentage of GDP was Personal Consumption Expenditure (PCE) last year?
5. What percentage of GDP was Gross Private Domestic Investment last year?
6. What percentage of GDP was government spending (Government Consumption Expenditures and Gross Investment) last year?
7. What percentage of GDP was Net Exports last year?
8. What is the sum of these percentages? Do you think that is correct? Why? Do any of these percentages surprise you? Which ones?

PART 2: Go to the ***Bureau of Labor Statistics*** web site. http://www.bls.gov

A. Unemployment

Look around the site and see what is there. Use the "Latest Numbers" window (right side of home page) and "Unemployment Rate' link to go to the*'Employment Situation Summary' and Table A-1*. Read at least the first paragraph of the Summary. The links on the right side of 'Latest Numbers' page will take you to historical data (ie. National Unemployment Rate --

dinosaur icons for historical data). For State, use "State/Local Unemployment" link on right side of page.

1. What is the *current national unemployment rate* and reporting date? How has that *changed* over the past 10 years?
2. Look at Table A-1 (table links at bottom of Economic Situation Summary), and find your age and gender group. What is the *current unemployment rate*(not seasonally adjusted) for your group? How has it changed over the past year?
3. What is the *State of Washington current unemployment rate*? How has it changed over the past 10 years?

B. Inflation: Us**e** the 'CPI' link on the 'Latest Numbers' page to go to the Table of Contents. Click on the 'Consumer Price Index Summary'. Read the summary, then scroll down to Table A. The Summary will explain much about the table and numbers you are using. Table A summarizes the percent change data from Table 1 (Table of Contents). You'll also find this data there along with more detail.

1. What is the release date on your report?
2. What is the *current annual inflation rate (all items)*? Check the summary and the Table A for 'Unadjusted % Change 12-months ended….' .
3. What is the *current annual inflation rate for Energy* ('Unadjusted % Change 12-months ended….')?
4. Which item ('Unadjusted % Change 12-months ended….') shows the *greatest inflation*? How much? What factors do you think cause this one to be the greatest?
5. What is the value of the unadjusted CPI for the most recent month listed? Use Table 1: CPI-U for this. It is listed in the links at the bottom of the page.
6. What is the base year for the CPI?
7. Explain the difference between the CPI and inflation?