

National Consensus Forecast of Labor Employment, Compensation and Productivity

Source:	FORECAST 2000			FORECAST 2001		
	Total Nonagricultural Employment (seasonally adjusted) In Thousands	Employment Cost Index Private Industry Total Compensation	Nonfarm Business Productivity Output per Hour of All Persons	Total Nonagricultural Employment (seasonally adjusted) In Thousands	Employment Cost Index Private Industry Total Compensation	Nonfarm Business Productivity Output per Hour of All Persons
AUS Consultants	131,180	3.7	3.4	133,673	3.9	4.0
Arizona Department of Economic Security	131,200	3.7	3.2	133,000	3.7	3.0
Bell Atlantic	130,666	3.3	2.4	132,103	3.0	1.8
DeWolf Associates	131,035	3.0 L	3.5	134,340	2.8 L	3.6
Dupont Company	130,600	3.8	2.8	132,200	3.6	2.4
Econosystems	130,537	3.7	2.9	132,887	2.9	2.2
Eggert Economic Enterprises	131,210	3.8	3.2	133,720	4.0	3.1
Elliott D. Pollack & Co.	131,800	4.2 H	2.5	133,200	4.0	2.3
General Motors	131,180	4.0	2.8	133,150	4.1	1.9
Georgia State University	130,813	3.6	3.2	131,978	4.1	1.8
Gregory Wysniak	131,437	3.5	2.7	134,066	3.3	2.6
Minnesota Department of Economic Security	131,308	3.6	2.8	133,934	3.5	2.6
Mortgage Bankers Association of America	131,300	3.7	4.0	133,600	3.9	2.7
National Federation of Independent Business	130,000	3.7	4.0	131,500	3.8	3.0
Nevada Dept. of Employ., Training & Rehab.	131,213	3.6	2.5	133,602	3.8	2.0
North Dakota Job Service	131,500	3.8	3.3	135,200	3.9	3.1
Problem-Solving Research Inc.	131,213	3.6	2.5	133,602	3.8	2.0
RGD Economics	131,100	4.1	3.0	132,500	4.4 H	1.9
South Carolina Employ. Security Commission	131,307	3.6	4.1	134,342	3.5	3.9
Tennessee Dept. of Labor & Workforce Dev.	132,460 H	3.5	2.8	135,240 H	3.4	2.7
UCLA Anderson Forecast	130,680	4.0	2.7	132,400	3.8	2.0
U of A Eller College	131,013	3.6	3.8	133,296	3.8	2.6
U.S. Chamber of Commerce	131,500	3.6	3.0	132,500	4.0	5.2 H
Walter E. Hoadley	131,000	3.7	5.0 H	132,250	4.0	5.2 H
Wayne Hummer Investments LLC	131,258	3.9	3.2	132,898	4.1	2.7
William DeWald	129,894 L	3.9	1.8 L	131,193 L	4.3	1.7 L
Consensus – This Quarter	131,106	3.7	3.1	133,168	3.7	2.7
Consensus – Last Quarter	—	—	—	—	—	—

ANALYSIS

Analysts optimistic about jobs and productivity but wary of labor cost increases

With this issue we introduce a new feature to appear quarterly in *Blue Chip Job Growth Update* — forecasts of three key national economic variables influencing economic growth. The three measures are total nonagricultural employment, the employment cost index of total compensation within private industry, and nonfarm business productivity as tracked by output per hour of all persons. The source for all three indicators is the U. S. Bureau of Labor Statistics.

A forecast panel of national analysts was assembled by Executive Editor Robert J.

Eggert, who popularized the consensus approach to forecasting. Eggert is well known for his accuracy as a prognosticator in his own right and will be one of the 25 regular contributors to the outlook consensus.

The national economy created more than 11 million jobs between 1995 and 1999, an annual average of 2.9 million over four years. The consensus forecast for 2000 is for growth of an additional 2.5 million, to 131.1 million total nonfarm employment. The annualized growth rate is projected at 1.9 percent, compared to 2.2 percent in 1999. For 2001, the consensus growth rate slips to 1.6 percent, with 2 million new jobs.

Economy-watchers expect the employment cost index to rise by 3.7 percent in 2000,

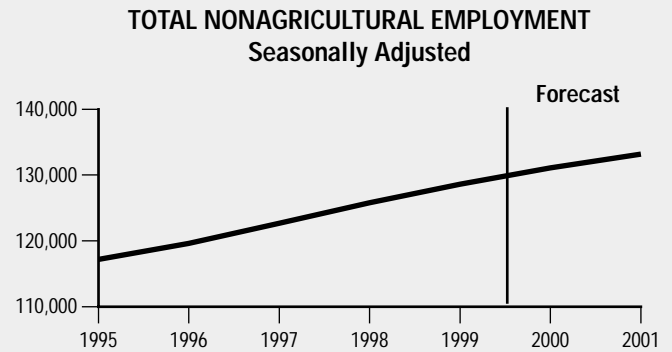
the fifth consecutive year of increases greater than 3 percent. The outlook for 2001 is also a 3.7 percent increase.

Productivity is the brightest element of the current forecast, with the panel anticipating a continuation of the surge that began with 1998 figures. The consensus gain for 2000 is 3.1 percent. But the forecasters are also more widely divided on the outlook for productivity, compared to other indicators. At the high end, Walter Hoadley forecasts a 5 percent rise in productivity. This optimism is bracketed at the low end by William Dewald's figure of 1.8 percent.

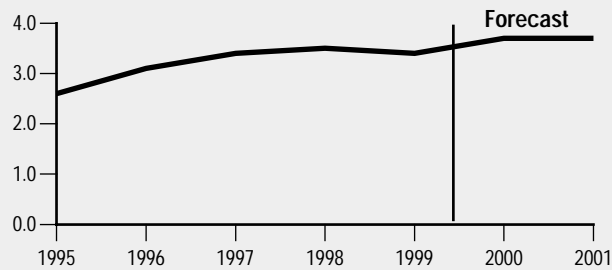
—Lee McPheters
Contributing Editor

National Consensus Forecast of Labor Employment, Compensation and Productivity, continued

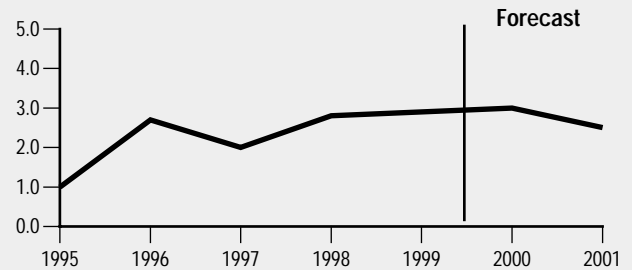
HISTORICAL DATA			
	Total Nonagricultural Employment (seasonally adjusted)	Employment Cost Index Private Industry Total Compensation	Nonfarm Business Productivity Output per Hour of all Persons
1995	117,189	2.6%	1.0%
1996	119,594	3.1	2.7
1997	122,673	3.4	2.0
1998	125,803	3.5	2.8
1999	128,608	3.4	2.9



EMPLOYMENT COST INDEX,
Private Industry, Total Compensation, Percent Change



NONFARM BUSINESS PRODUCTIVITY,
Output per Hour of all Persons, Percent Change



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