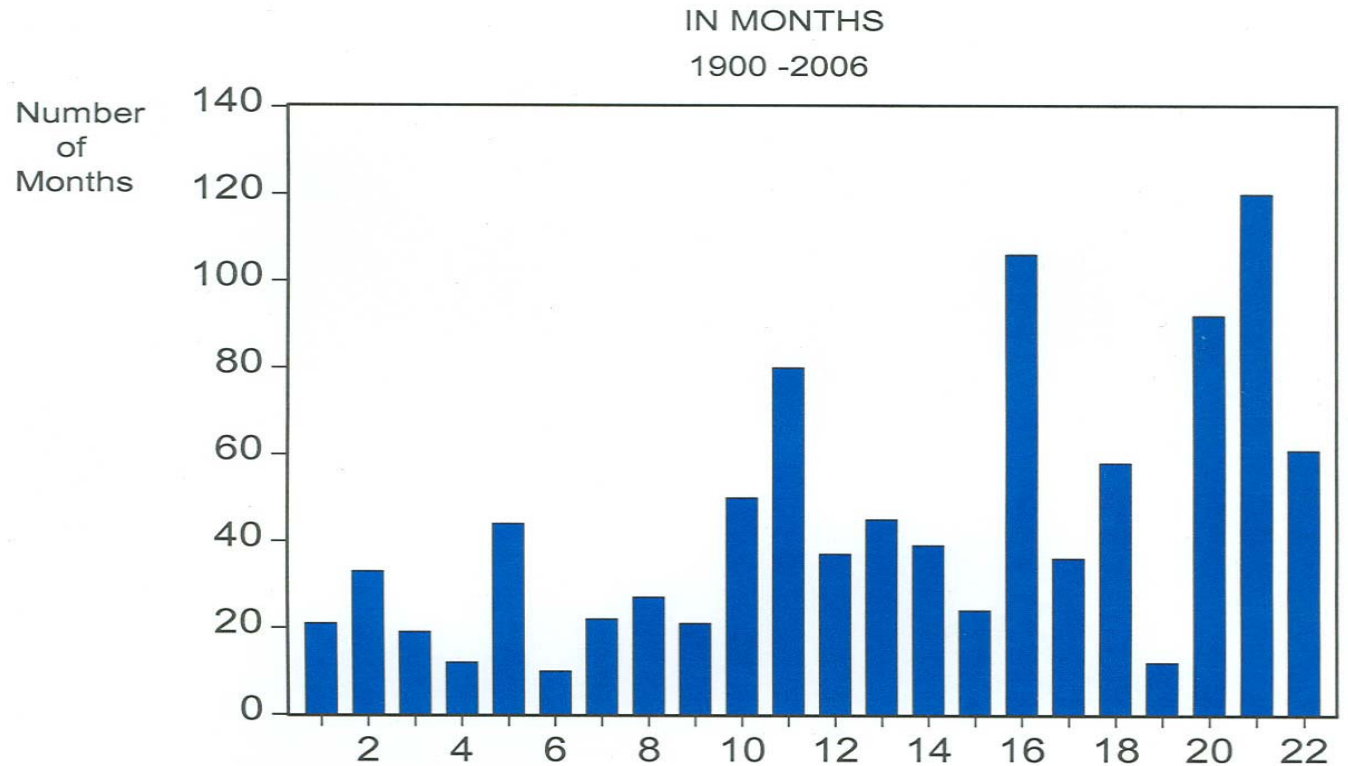


Indiana Forecast 2007

Gary J. Santoni

Ball State University

Duration of U.S. Economic Expansions

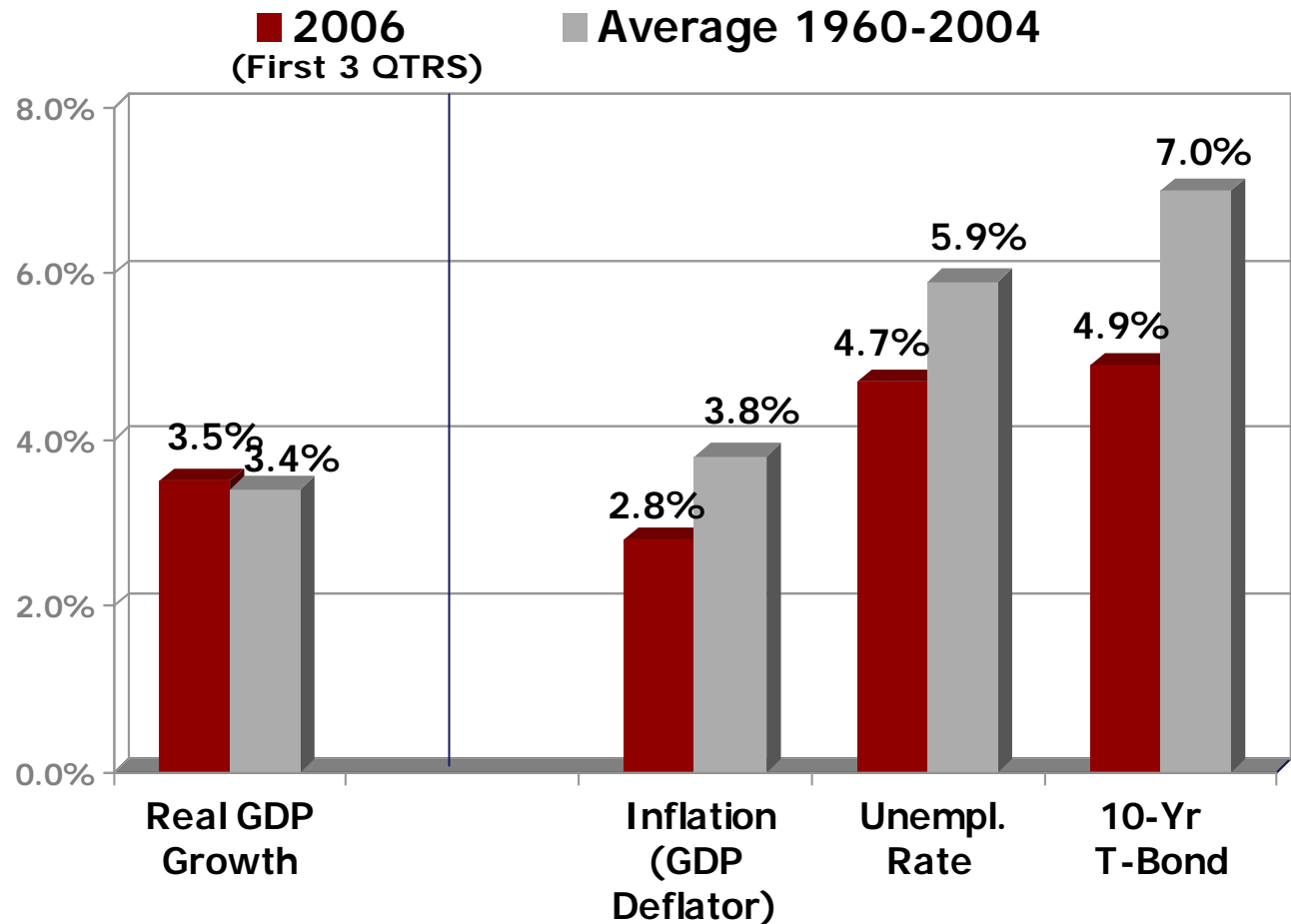


	Months
Average Duration	44.0
Standard Deviation	30.9
Typical Range of Variation	13.1 – 74.9

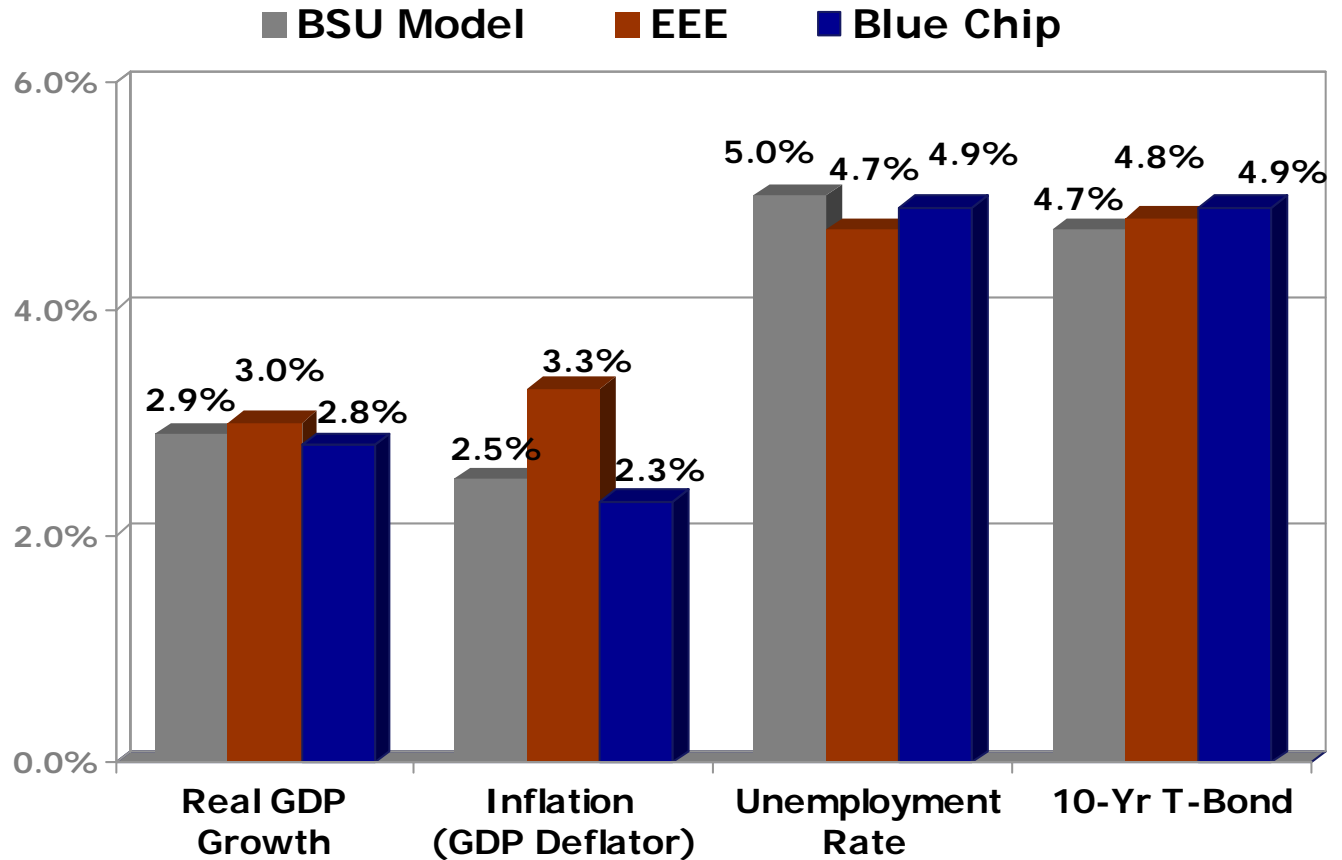
Measures of Economic Performance

- Rate of Growth in Real Gross Domestic Product
- Rate of Inflation in the Gross Domestic Product Price Deflator
- The Civilian Unemployment Rate
- The Yield on 10-Year Treasury Bonds

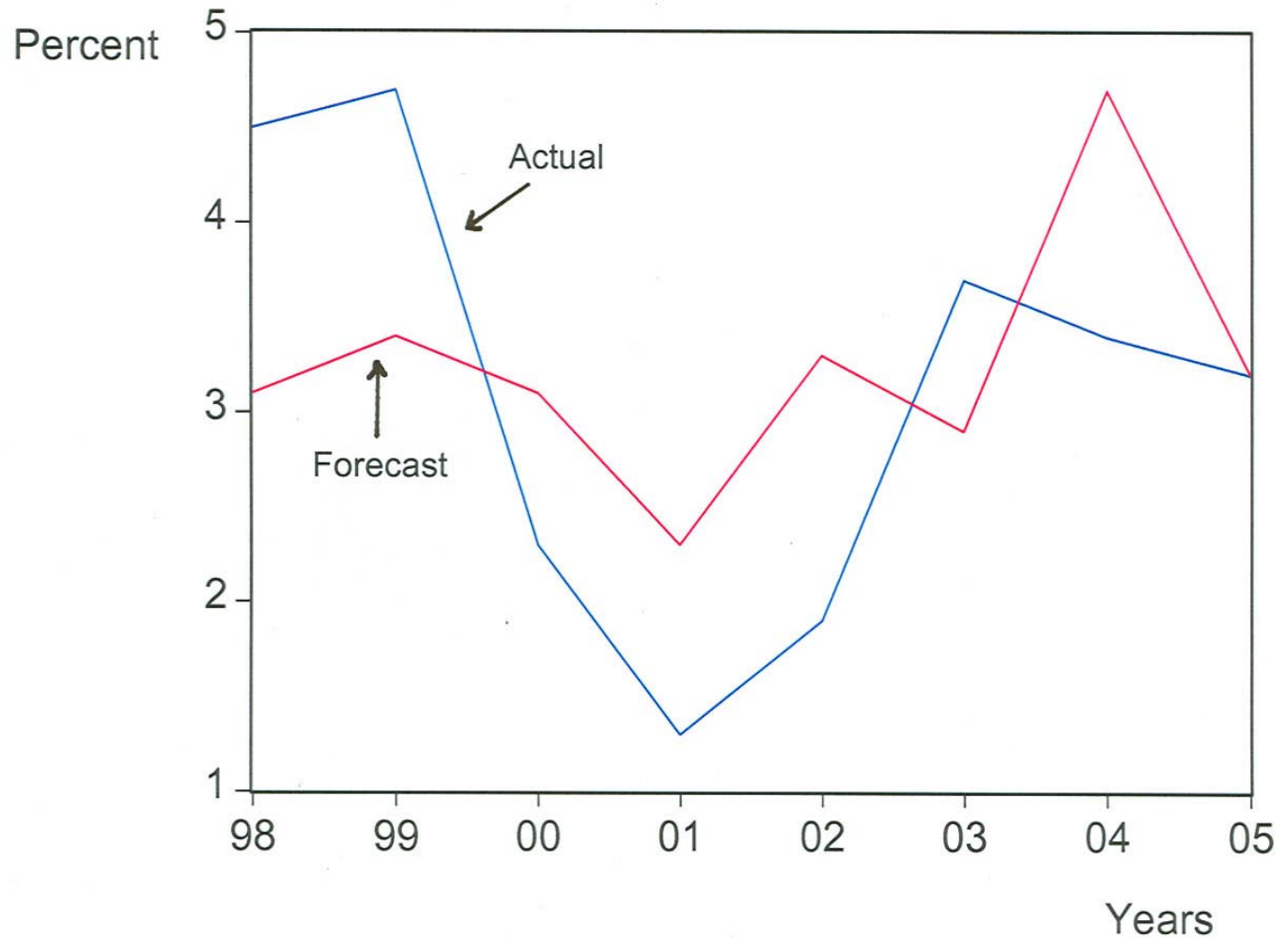
The Economy in 2006



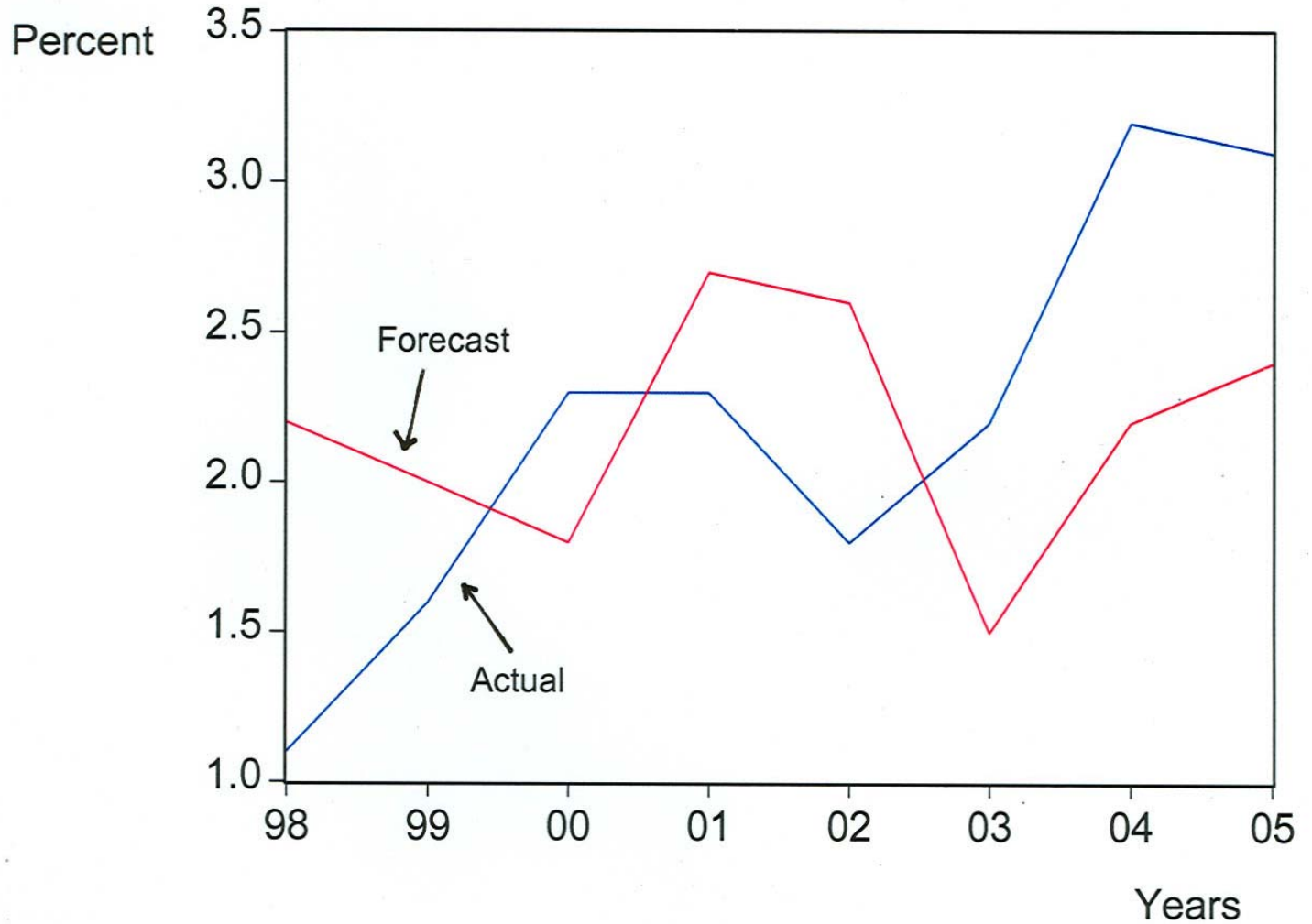
The Forecast for 2006



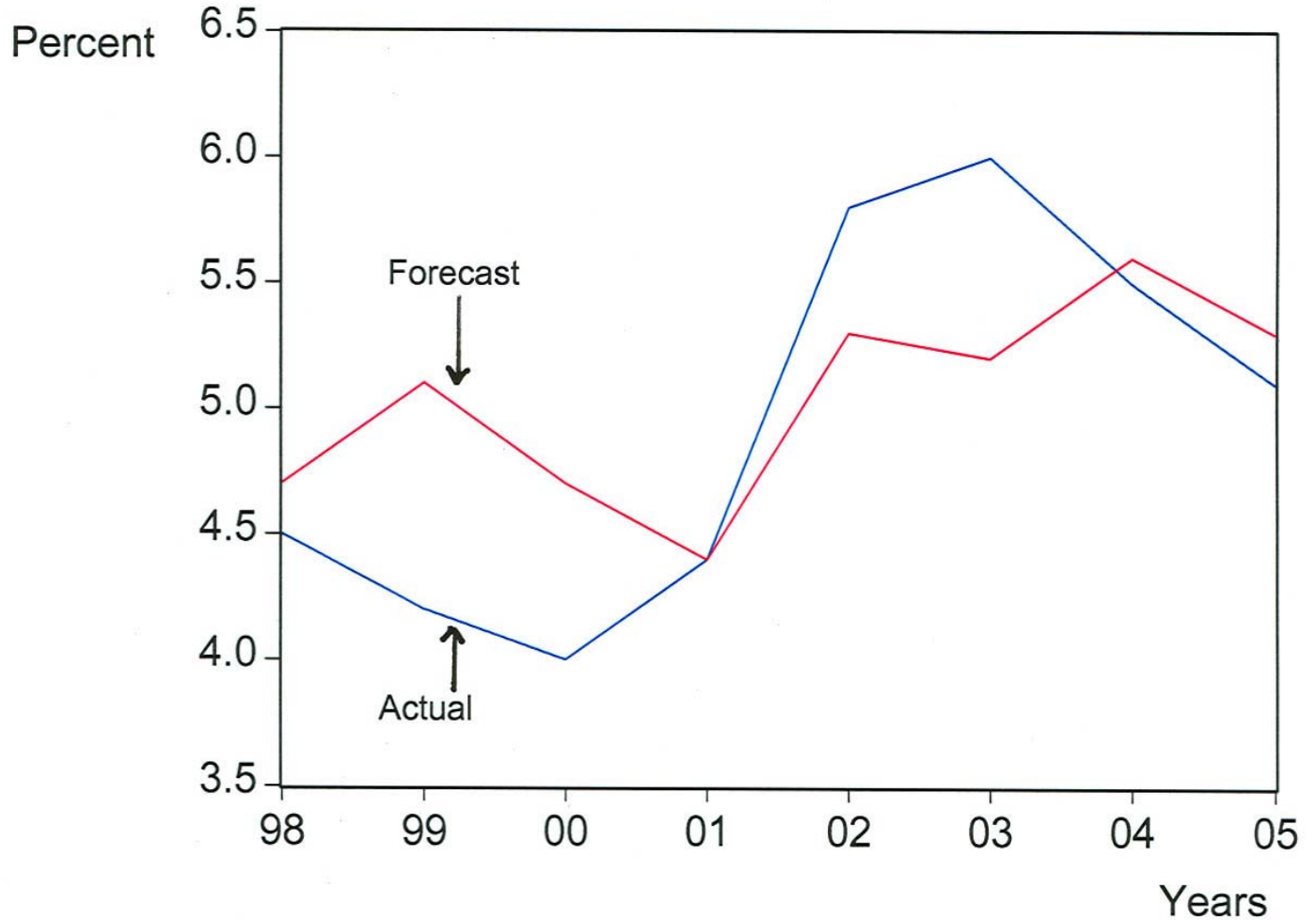
Growth in Real GDP



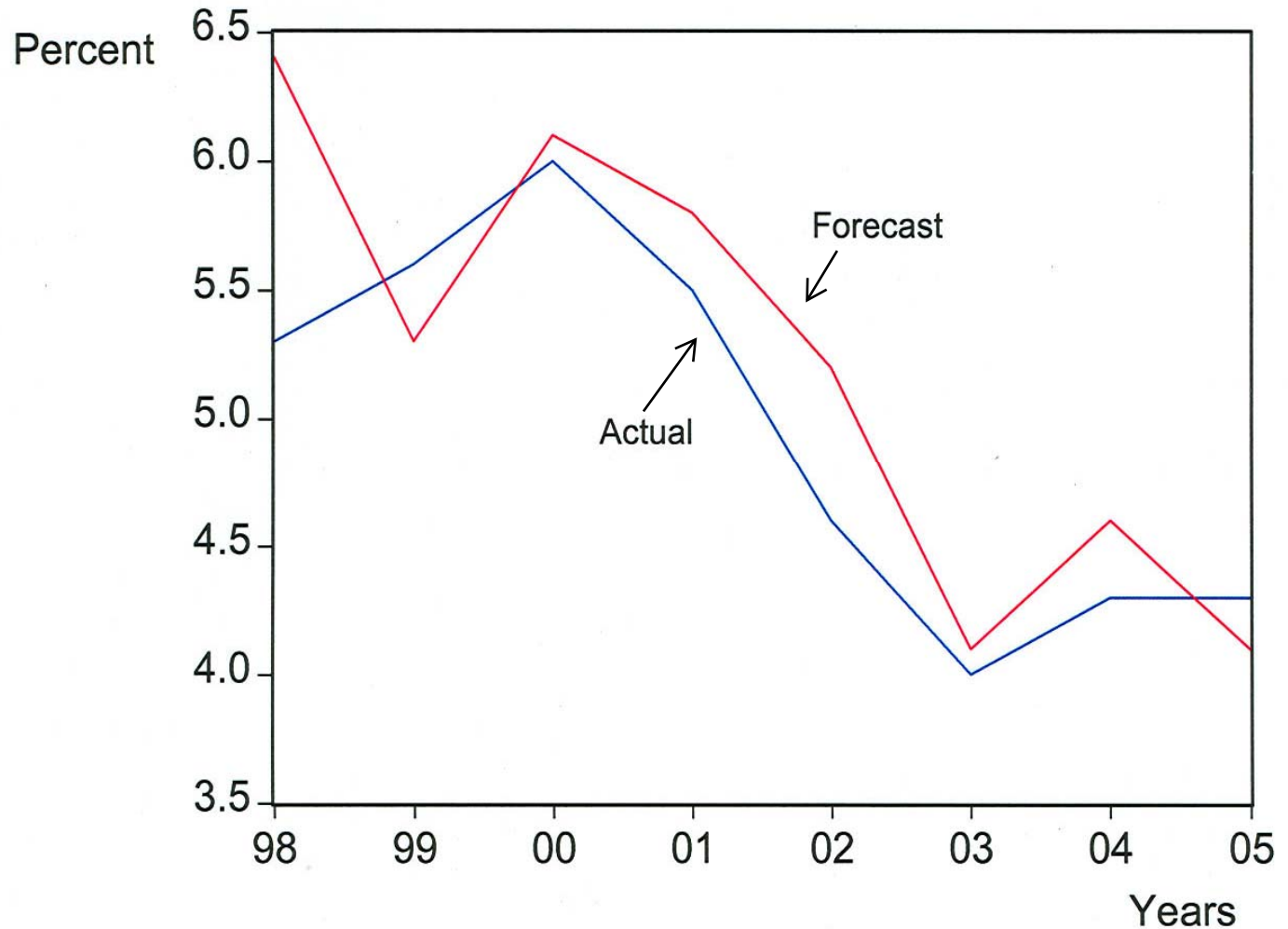
Inflation (GDP Deflator)



Unemployment Rate



10-Year T-Bond Yield



The Score Card (RMSE*)

Year	Model	Blue Chip
1998	0.96	1.16
1999	0.76	1.25
2000	0.50	0.66
2001	0.90	1.33
2002	1.00	0.67
2003	0.49	0.34
2004	0.36	0.72
2005	0.34	0.64
Average	0.66	0.85

$$* \text{RMSE} = \sqrt{\sum_i (F_i - A_i)^2 / N}$$