

The U. S. Economy

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U.S. Economy in 2008

Forecasts vs. Actual

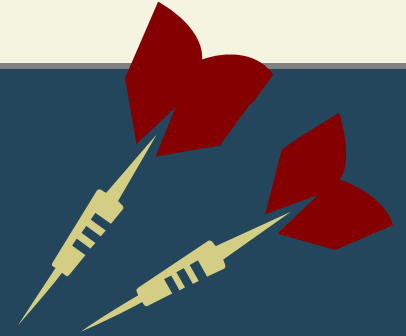
| VARIABLE | 2007 AVG | TIME SERIES FORECAST 2008 | | | | | CONSENSUS | |
|--------------------|-------------|---------------------------|---------------------|---------------------|---------------------|---------------------|-----------|--------------|
| | | QTR 1 | QTR 2 | QTR 3 | QTR 4 | 2008 AVG | EEE | BLUE CHIP |
| REAL GDP GROWTH | 2.5 | 2.8 (2.2) | 5.1 (4.4) | 4.8 (4.8) | 3.6 (3.6) | 4.1 (3.8) | | 2.4 |
| INFLATION | 2.6 | 2.4 (3.2) | 1.8 (2.4) | 1.5 (2.3) | 2.2 (3.0) | 2.0 (2.7) | | 2.2 |
| UNEMPL. RATE | 4.6 | 5.1 (5.0) | 5.2 (5.0) | 5.2 (5.0) | 5.3 (5.1) | 5.2 (5.0) | | 5.0 |
| 10-YEAR T- BOND | 4.6 | 4.8 (4.1) | 4.8 (4.1) | 4.8 (4.1) | 4.8 (4.1) | 4.8 (4.1) | | 4.7 |

The Score Card (RMSE) *

| YEAR | MODEL | EEE | BLUE CHIP |
|------|-------|------|-----------|
| 2006 | 0.59 | 0.47 | 0.23 |
| 2007 | 0.29 | 0.42 | 0.30 |

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

Golden Dart Award Winner



Rick Boyles

Most accurate economic prediction

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