TABLE 2.—GROSS NATIONAL PRODUCT 1965–68 AND THE UCLA FORECAST FOR 1969

[In billions of current dollars]

Line	Actual 1965	1966	1967	1968	Forecast, 1969
1 Personal consumption expenditures	432.8	465.5	492.2	533.7	569.8
2 Autos and parts	30.3	30.4	30.4	36.5	37.0
3 Other durable goods	36.0	40.1	42.2	46.0	49.5
4 Nondurable goods	191.1	206.7	215.8	230.2	245.0
5 Services	175.5	188.3	203.8	221.0	238.3
6 Gross private domestic investment	108.1	120.8	114.3	127.5	136.0
7 Residential construction	27.2	24.8	24.6	30.0	34.0
8 Other construction	25.5	28.5	27.9	29.2	31.0
9 Producers' durable equipment	45.8	52.8	55.7	60.8	65.0
10 Change in inventories	9.6	14.7	6.1	7.6	6.0
11 Net exports of goods and services	6.9	5.1	4.8	2.4	2.0
12 Government purchase of goods and services	137.0	156.2	178.4	197.1	213.2
13 Federal	66.9	77.4	90.6	100.0	106.8
14 (National defense)	(50.1)	(60.6)	(72.4)	(78.9)	(82.8)
15 (Other, including NASA)	(16.8)	(16.8)	(18.2)	(21.1)	(24.0)
16 State and local	70.1	78.8	87.8	97.1	106.4
17 Gross national product	684.9	747.6	789.7	860.7	921.0
18 Amount of increase	52.5	62.7	42.1	71.0	60.3
19 Percent increase	8.3	9.2	5.6	9.0	7.0
20 Percent "real" increase	6.3	6.4	2.4	5.0	3.4
21 Percent price increase	1.9	2.6	3.1	3.8	3.5

[Dollar amounts in billions]

	1968	1969	Percent increase
Personal income	$685.8	$730.0	6.4
Disposable personal income	589.0	626.0	6.3
Personal saving	40.8	41.2	1.0
Personal saving as a percent of disposable personal income	6.9	6.6	

Included in our forecast are the following changes in personal income and related variables.

As stated above, we expect a growth in real GNP of 3.4 percent in 1969. On the supply side, this assumes the following changes from 1968:

	Percent change
Productivity per man hour	[1] 2.2
Average hours worked per year	−0.45
Employment rate	−0.3
Labor force participation rate	0.05
Population 16 years of age and over	1.9

[1] This is down from 2.9 percent in 1968.

Table 3 shows the quarterly profile of GNP and its components for 1968 and 1969. Data through 1968, of course, are from published data now available. We forecast that GNP will increase by $11.2 billion in the first quarter of 1969, substantially less than in any quarter in 1968. GNP is expected to increase by $12.5 billion in the second quarter and by $17.5 billion and $15.5 billion in the third and fourth quarters, respectively.