

VISUAL 18.1

ECONOMIC INDICATORS: THE VITAL SIGNS OF THE U.S. ECONOMY

Economic Indicator:

A statistic that describes the current performance of the U.S. economy.

Three Main Economic Indicators:

1. Real Gross Domestic Product (GDP)

This indicator measures the output of the final goods and services produced in the U.S. economy in a given time period (typically, one year).

2. The Inflation Rate

This indicator measures how rapidly the overall price level is changing in the U.S. economy.

3. The Unemployment Rate

This indicator measures the percentage of the U.S. labor force that wishes to work, but are currently without jobs.

VISUAL 18.2

LETTER FROM A CLIENT

From the Desk Of:
J. Q. Public,
CEO
Acme Industries, Inc.

November 19, 2008

The Economic Forecasters, Inc.

123 Any Street

Muncie, Indiana

To Whom It May Concern:

I am the CEO of a successful business. My firm manufactures and distributes many consumer products. I would like to have the company open another factory, but our Board of Directors is concerned that the U. S. economy is too weak to support its expansion. Recent economic reports—especially in the popular media—paint a mixed picture.

Therefore, I would like to hire your firm to produce a report that describes the current state of the U.S. economy and forecasts the performance of the economy over the next 12 months.

I would appreciate a complete report, so please include several charts or graphs that will help me see the trends in the economy. I will then share these results with the Board of Directors.

I look forward to receiving your report.

Sincerely,

Jocelyn Q. Public

Chief Executive Officer

Acme Industries, Inc.