

Welcome to the

**Indiana Economic Outlook
2008**

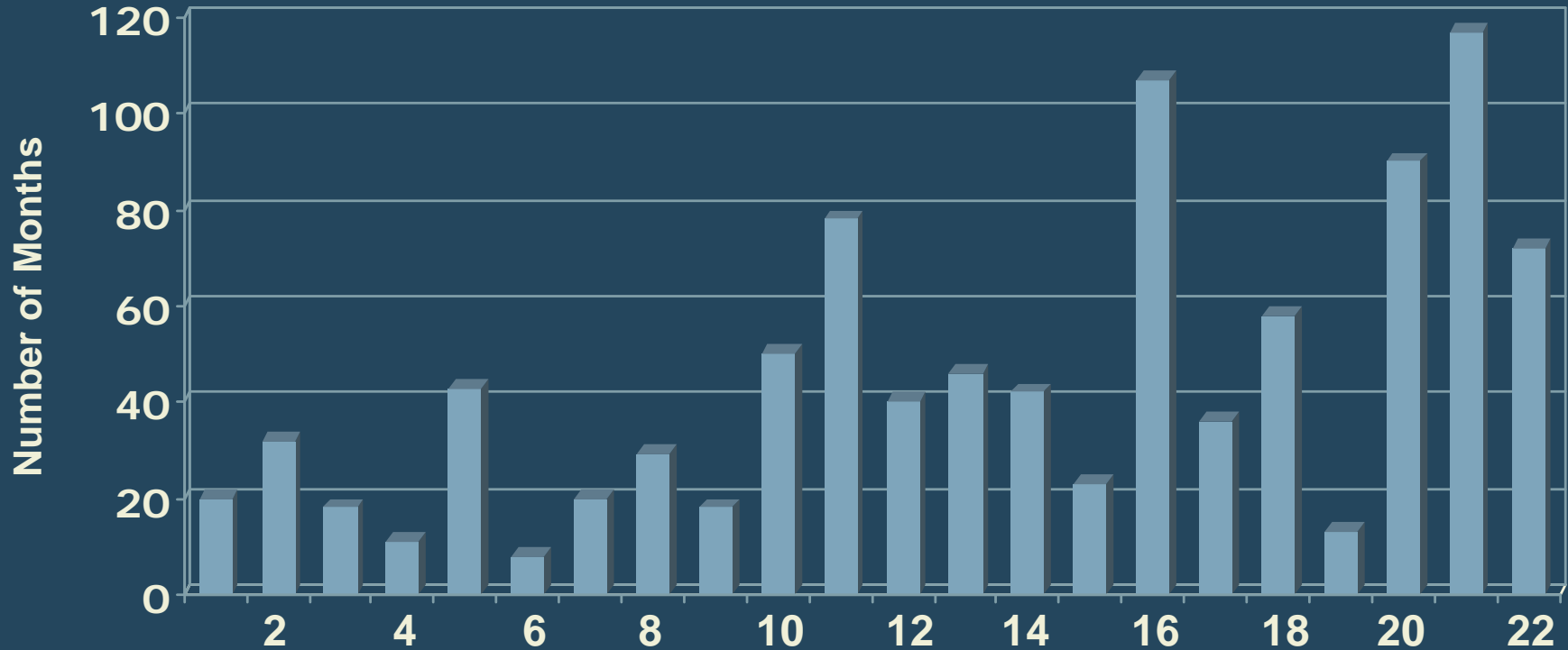
Indiana Economic Outlook: 2008

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Duration of U.S. Economic Expansions

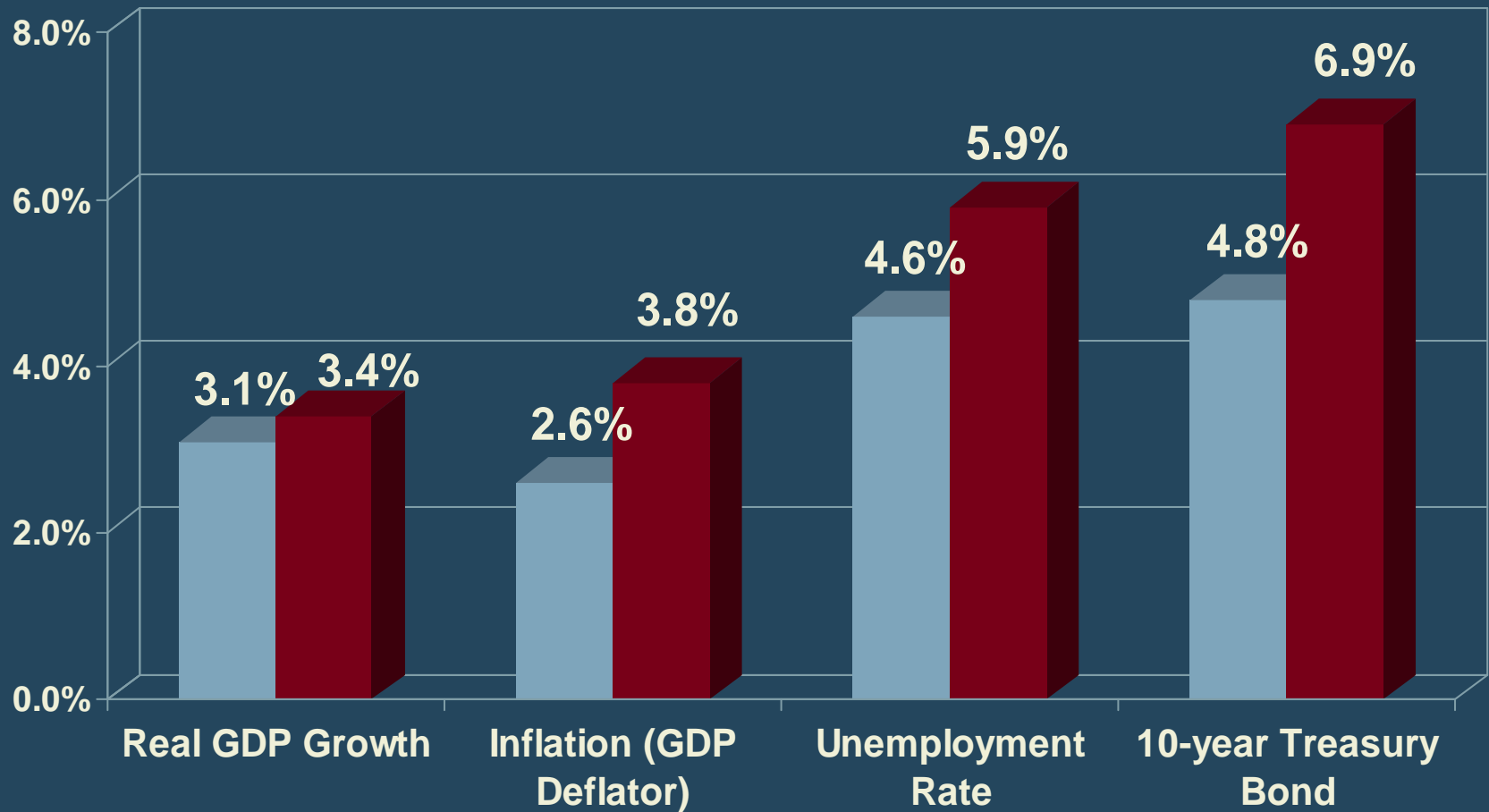
In Months 1900 - 2007



	Months
Average Duration	44.6
Standard Deviation	31.3
Typical Range of Variation	13.3 – 75.9

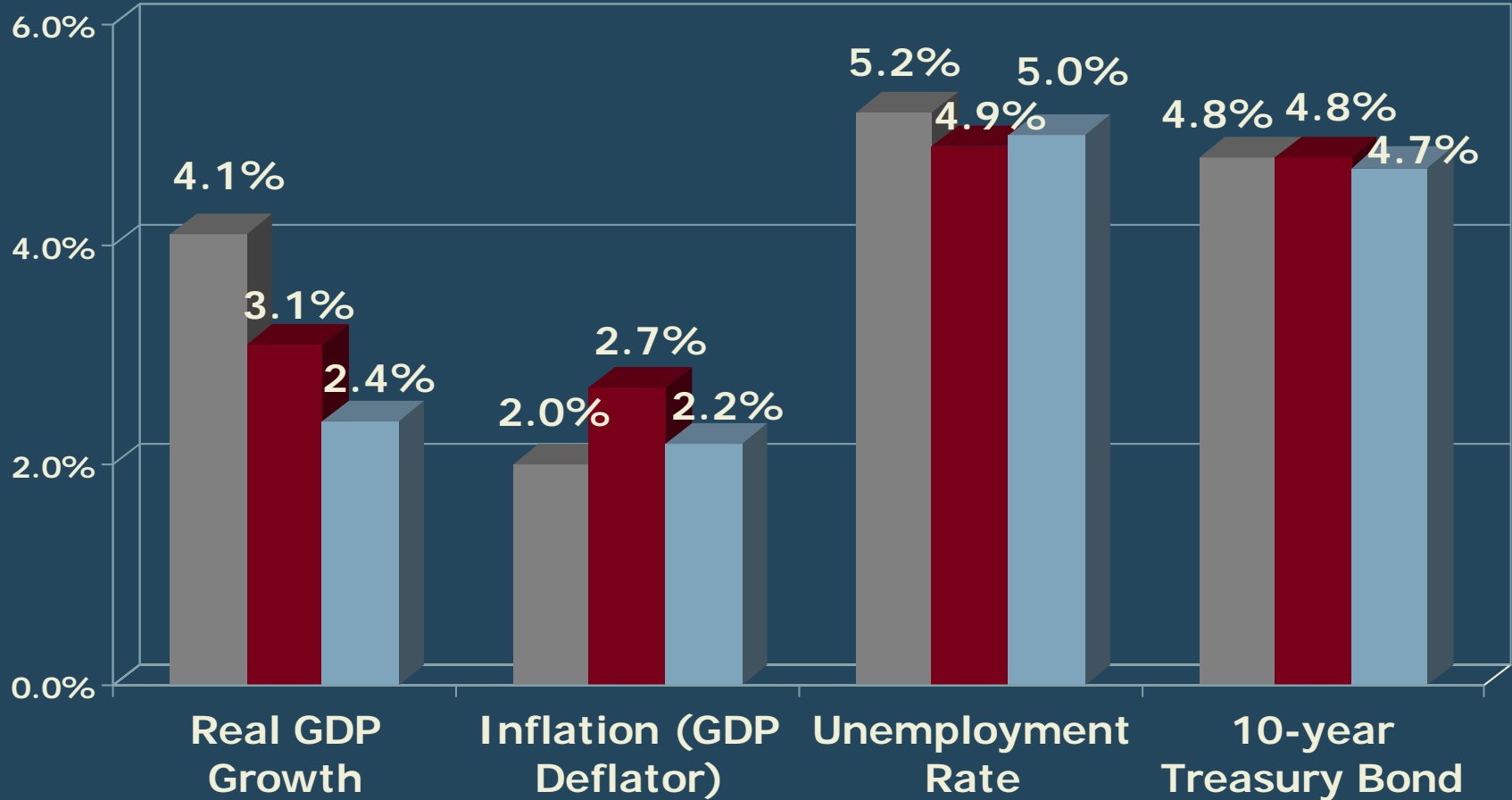
The Economy in 2007

■ 2007 ■ Average 1960-2006

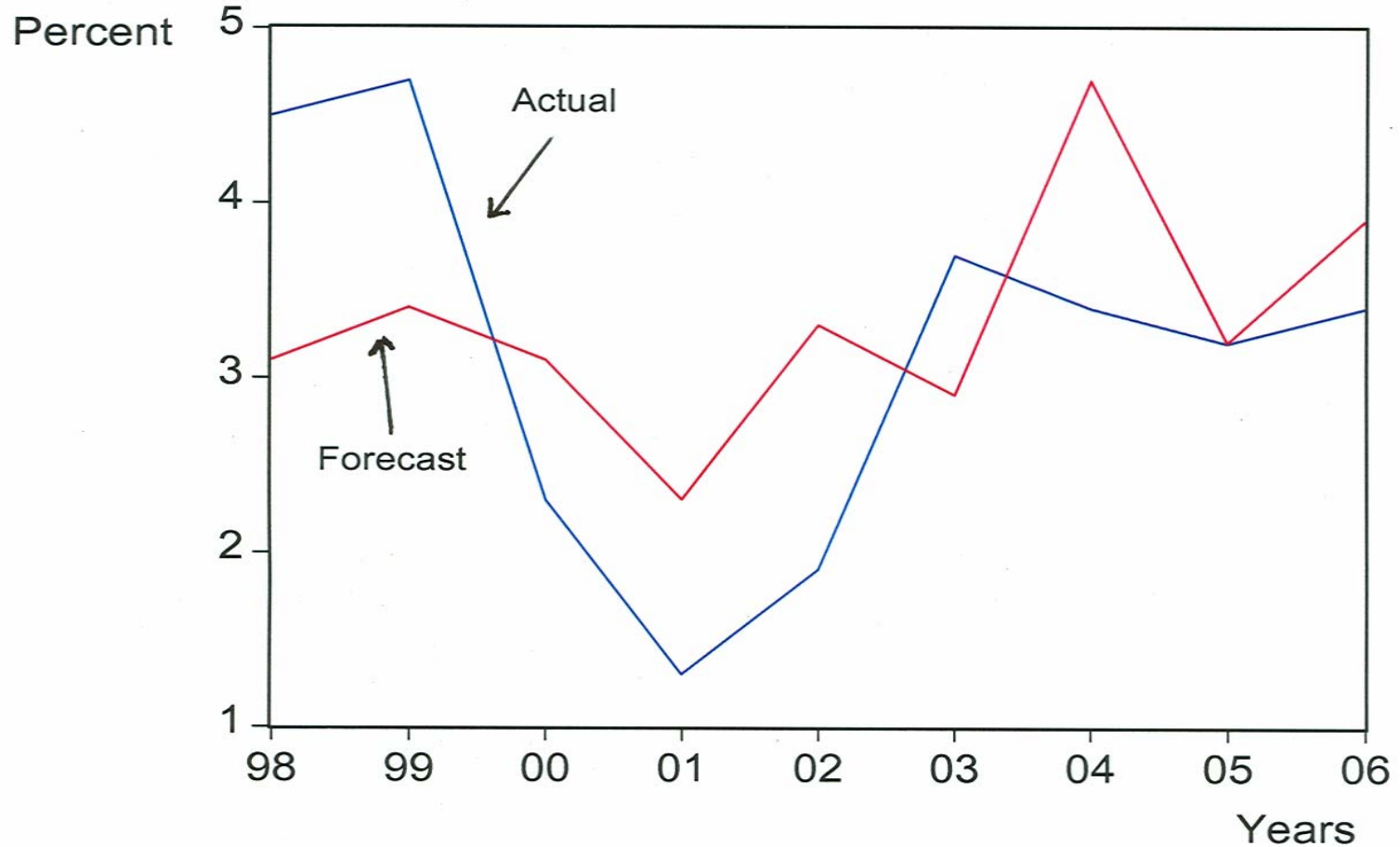


The Forecast for 2008

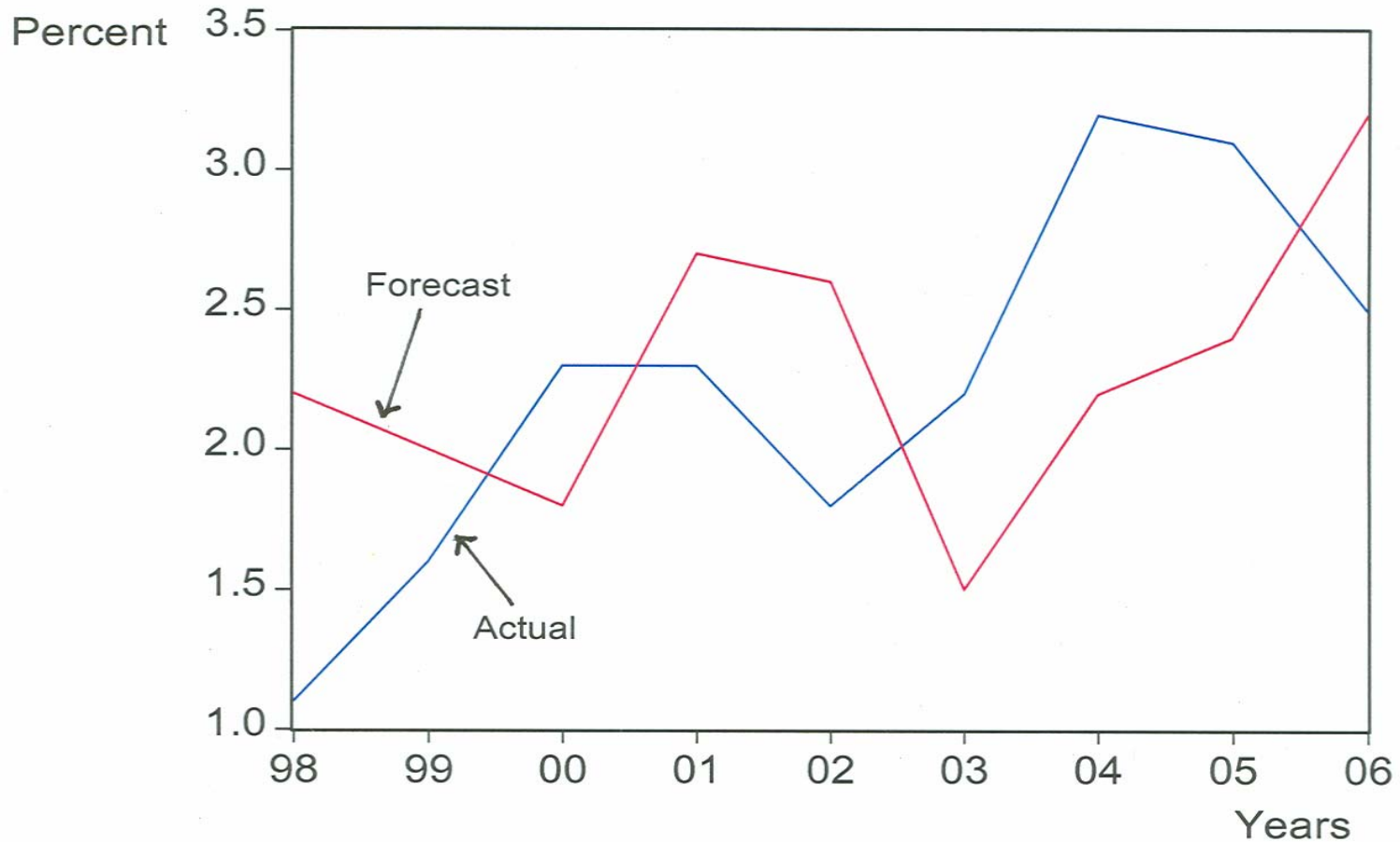
■ BSU Model ■ Roundtable ■ Blue Chip



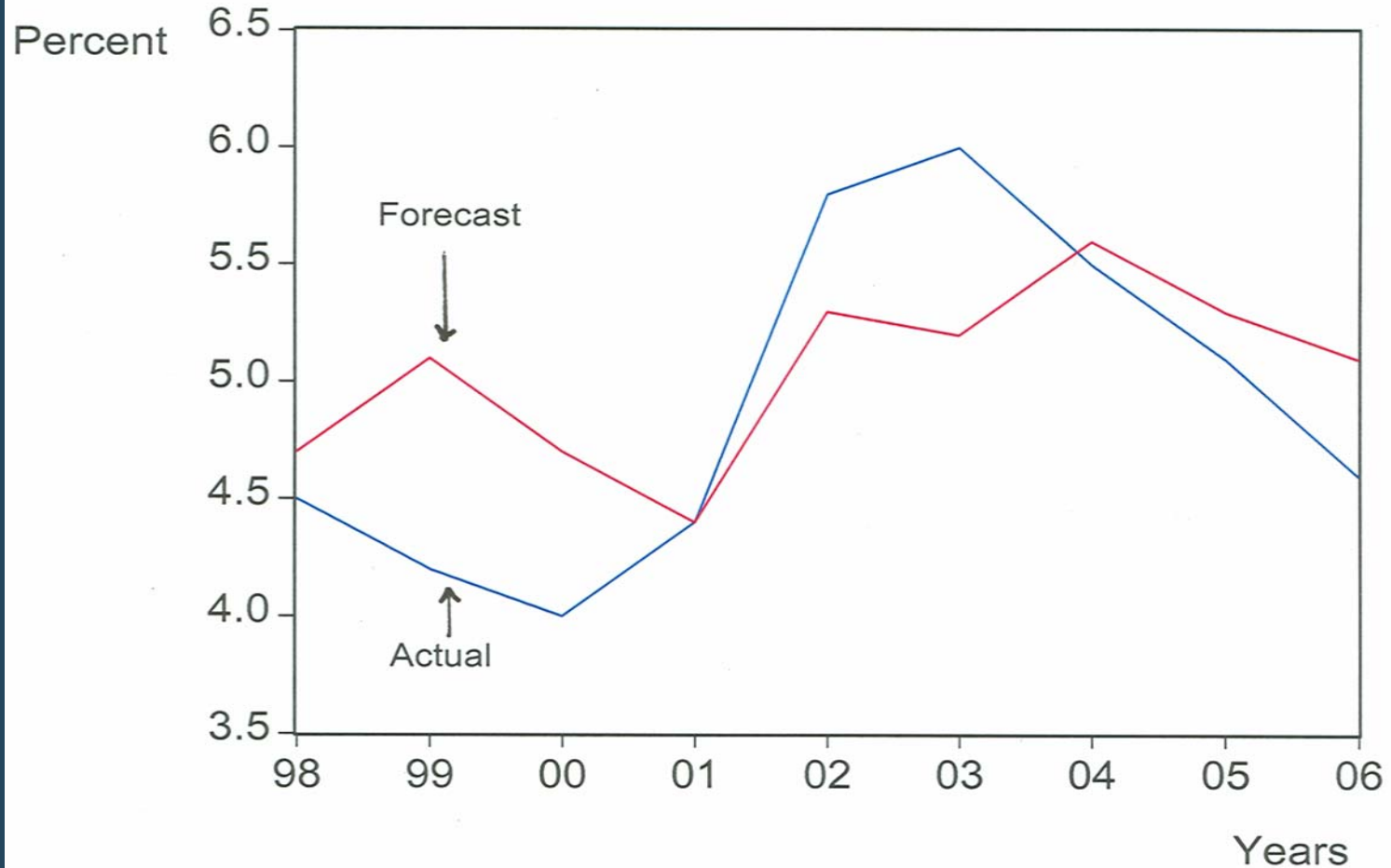
Growth in Real GDP



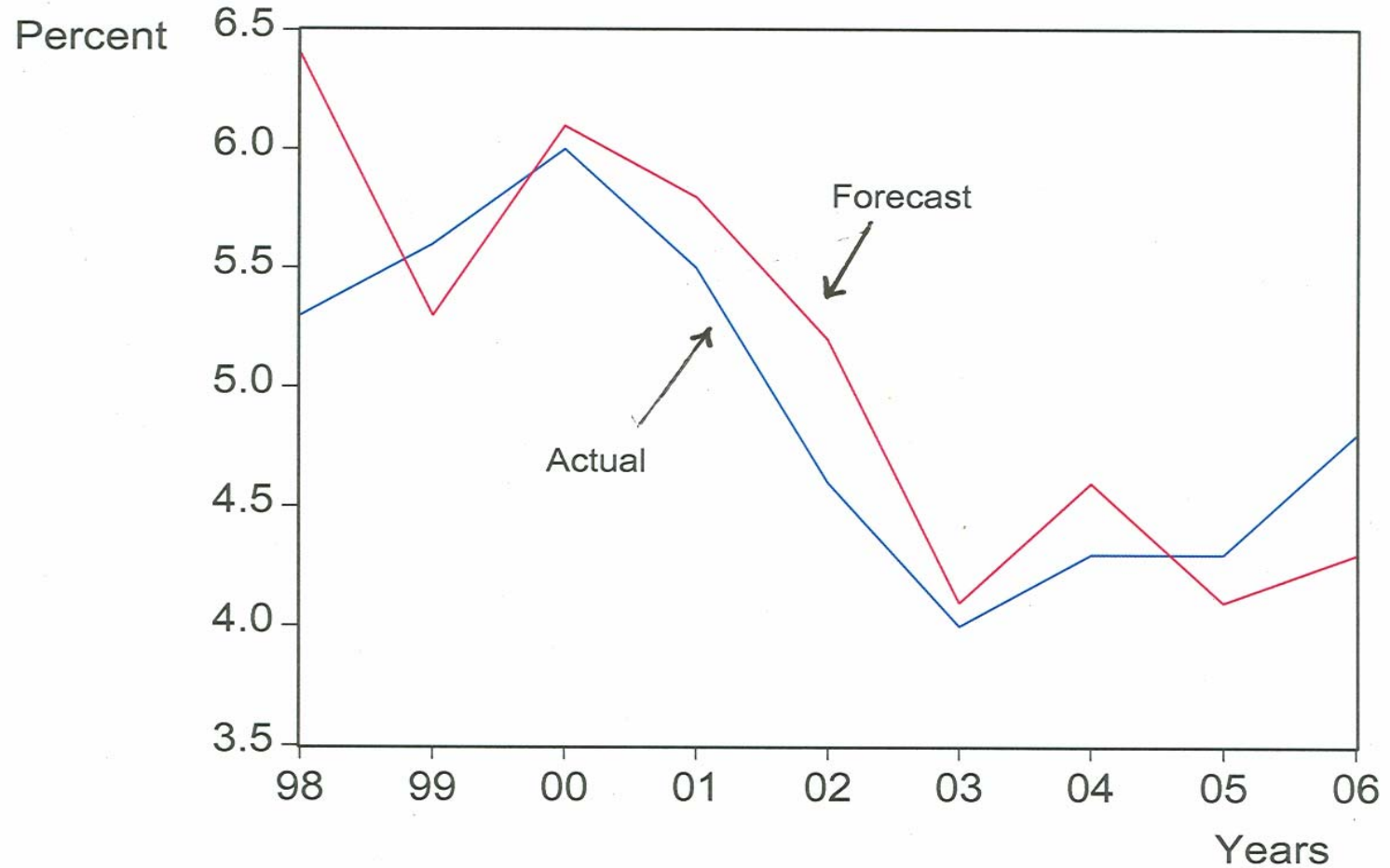
Inflation (GDP Deflator)



Unemployment Rate



10-year Treasury Bond



The Score Card (RMSE) *

Year	Model	Roundtable	Blue Chip
1998	0.96		1.16
1999	0.76		1.25
2000	0.50	0.33	0.66
2001	0.90	1.11	1.33
2002	1.00	0.65	0.67
2003	0.49	0.48	0.34
2004	0.36	0.53	0.72
2005	0.34	0.38	0.64
2006	0.59	0.40	0.23
AVG	0.66	0.55	0.78

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

30-year Conventional Mortgage Rate

