

CALCULATION OF LONG-TERM GDP GROWTH RATE

FORECASTED GDP GROWTH

Using CPI Consensus Forecast (High)	
CPI (2024-2028) [1]	2.20%
Real GDP Growth (2024-2028) [1]	2.00%
Nominal GDP Growth	4.24%
Using Current TIPS Spread (Low)	
Inflation [2]	2.13%
Real GDP Growth (2024-2028) [1]	2.00%
Nominal GDP Growth	4.17%
Average Nominal GDP Growth	4.21%

HISTORICAL GDP GROWTH

Using CPI Consensus Forecast (High)	
CPI (2024-2028) [1]	2.20%
Real GDP Growth (1929-2017) [3]	3.21%
Nominal GDP Growth	5.48%
Using Current TIPS Spread (Low)	
Inflation [2]	2.13%
Real GDP Growth (1929-2017) [3]	3.21%
Nominal GDP Growth	5.41%
Average Nominal GDP Growth	5.45%

Notes:

[1] Blue Chip Financial Forecasts, Vol. 36, No. 12, December 1, 2017

[2] Equals 30-day average of 30-year Treasury Bond yield less the 30-day average of 30-year TIPS yield as of February 28, 2018

[3] Bureau of Economic Analysis, last revised February 28, 2018