Real Gross Domestic Product (GDP)

Definition: The total value of goods and services produced within the borders of the United States, regardless of who owns the assets or the nationality of the labor used in producing that output. (In contrast, Gross National Product (GNP) measures the output of the citizens of the US and the income from assets owned by US entities, regardless of where located.) The growth of output is measured in real terms, meaning increases in output due to inflation have been removed.
Source: US Department of Commerce; Bureau of Economic Analysis
Frequency: Quarterly
Availability: Data are typically released during the final week of the month. The first or advance estimate is released during the final week of the month immediately following the end of a calendar quarter.
Reason: The Federal Reserve's primary goal is sustained growth of the economy with full employment and stable prices. Real GDP is the most comprehensive measure of the performance of the U.S. economy. By monitoring trends in the overall growth rate as well as the unemployment rate and the rate of inflation, policy makers are able to assess whether the current stance of monetary policy is consistent with that primary goal.

Consumer Price Index (CPI)

Definition: An index designed to measure the change in price of a fixed market basket of goods and services. The market basket of goods and services is representative of the purchases of a typical urban consumer. The index is intended to measure pure price change only; attempts are made to remove changes in price resulting from changes in quality.
Source: U.S. Department of Labor; Bureau of Labor Statistics
Frequency: Monthly
Availability: Generally available the second week of the month immediately following the month for which data is being released; always released after the Producer Price Index.
Reason: The rate of change of the CPI is one of the key measures of inflation for the U.S. economy. Acceleration or deceleration of inflation may signal that a change in monetary policy may be appropriate.

Nonfarm Payroll Employment

Definition: An estimate of the number of payroll jobs at all nonfarm business establishments and government agencies. Information is also provided on the average number of hours worked per week and average hourly and weekly earnings.
Source: U.S. Department of Labor; Bureau of Labor Statistics
Frequency: Monthly
Availability: Usually the first Friday of the month for the immediately preceding month; occasionally released on the second Friday.
Reason: Growth of employment and hours worked provide important information about the current and likely future pace of overall economic growth. Trends in average hourly earnings provide information about supply and demand conditions in labor markets, which may provide signals about the overall level of resource utilization in the economy.

Housing Starts

Definition: An estimate of the number of housing units on which construction was started. Starting construction is defined as excavation for the footings or foundation, or the first shovel of dirt to break ground. (In response to natural disasters such as Hurricane Andrew in August of 1992, that definition has been expanded to a housing unit built on an existing foundation after the previous structure had been completely destroyed.) Housing starts are divided into single-family and multifamily (2+) units. Beginning construction on a 100 unit apartment building, for example, is counted as 100 starts.
Source: U.S. Department of Commerce; Bureau of the Census
Frequency: Monthly
Availability: Around 15th of the month for the immediately preceding month
Reason: Housing is perhaps the most interest-rate sensitive sector of the economy. It often experiences large swings in activity in response to changes in the level of long-term interest rates such as those on mortgages. While residential investment represents just four percent of the level of GDP, due to its volatility it frequently represents a much higher proportion of changes in GDP over relatively short periods of time. Policy makers monitor the housing sector very carefully for clues about the near-term performance of the economy and for the effects of changes in financial conditions.