



Written by [Bob Adelman](#) on December 14, 2017

U.S. Economy's Stunning Performance Continues to Bewilder Forecasters

Economic forecasters continue to fall behind reality, as shown by [the latest numbers](#) from the Commerce Department. Forecasters predicted that November's retail sales would increase just 0.3 percent over October. Instead, retail sales jumped an astonishing 0.8 percent. In an economy where two-thirds of economic activity is geared toward providing consumers with goods and services, that's huge miss — on the order of a three-quarters of a billion dollar miss.



October's numbers dumbfounded them as well: Retail sales were revised upward from a gain of 0.2 percent over the previous month to 0.5 percent, another huge miss for forecasters.

Looking even closer, "core" retail sales (which exclude automobile sales) jumped by a full percentage point over October, with forecasters opining a gain of just 0.7 percent. And, once again, October's "core" retail sales number was revised upward, from 0.1 percent as originally reported by the Commerce Department, to 0.4 percent.

How could they not know? Nearly a million more people are currently holding jobs than at the start of the year, and their wages are staying ahead of inflation. The participation rate is increasing, with the total labor U.S. labor force approaching 155 million.

The unemployment rate — 4.1 percent — is at a low not seen in years, and the Federal Reserve is expecting that number to drop below 4 percent next year. Interestingly, as Fed Chair Janet Yellen, in her swan song address (she leaves her post early next year), noted, the Fed's Board of Governors just voted to increase short-term interest rates by another quarter of a percent. The stock market just yawned, and then sprinted higher, signaling that the economy is likely strong enough to overcome that slight increase in headwinds from the Fed.

Haven't those futurists been paying attention? The country's GDP just put in its best six-month performance in the last three years; investor, consumer, and business-owner sentiment is hitting new highs, and CitiGroup's Economic Surprise Index — a measure of how the economy is faring compared to expectations (any number above zero is a positive) — just printed the latest number: 40!

Average weekly hours in manufacturing are increasing, unemployment insurance claims are falling, new orders are increasing, as are building permits, along with consumer expectations.

Perhaps those forecasters need to get away from their cubicles and visit a mall or go online to Amazon. Then maybe they'd be closer to the mark as the U.S. economy continues its upward trajectory.

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [LightFromTheRight.com](#), primarily on economics and politics. He can be reached at badelman@thenewamerican.com.



Written by [Bob Adelman](#) on December 14, 2017

Related articles:

[November's Jobs Report Beats Forecasters, Again](#)

[Jobless Claims Drop Confirms Economy's Strength](#)

[Conference Board: Full Speed Ahead for the U.S. Economy](#)



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

Subscribe