Table 3: Output and Labor Productivity Projections
Total Economy

		Projections		
	1995-2006	Pessimistic	Base-case	Optimistic
			Projections	
Output Growth	3.47	1.93	2.81	3.16
ALP Growth	2.32	1.22	2.10	2.45
Effective Capital Stock	2.46	1.62	2.36	2.65
			Common Assumptions	
Hours Growth	1.15	0.711	0.711	0.711
Labor Quality Growth	0.447	0.187	0.187	0.187
Capital Share	0.403	0.409	0.409	0.409
IT Output Share	0.038	0.038	0.038	0.038
Reproducible Capital Stock Share	0.786	0.838	0.838	0.838
			Alternative Assumptions	
TFP Growth in IT	10.57	8.47	9.61	10.57
Implied IT-related TFP Contribution	0.40	0.32	0.36	0.40
Other TFP Contribution	0.40	0.08	0.31	0.40
Capital Quality Growth	1.84	0.84	1.58	1.84
Implied Capital Deepening Contribution	1.26	0.72	1.32	1.54

Notes: In all projections, hours growth and labor quality growth are from internal projections, capital share and reproducible capital stock shares are 1959-2006 averages, and IT output shares are for 1995-2006. Pessimistic case uses 1973-1995 average growth of capital quality, IT-related TFP growth, and non-IT TFP contribution. Base case uses 1990-2006 averages and optimistic cases uses 1995-2006 averages.