

Excel with FRED: HW 7 Consumer Confidence

Economists examine the effects of consumer confidence on economic conditions. Survey data on consumer confidence should correlate with GDP Gaps.

1. Search FRED for actual GDP (GDPC96), potential GDP (GDPPOT) and consumer confidence (CSCICP03USM665S). Make sure that all data is quarterly, and back to 1960-. Download in excel.
2. Create a new column: the difference of actual GDP and potential divided by potential GDP.
3. Insert the new column and the consumer confidence column into a scatter diagram.
4. Insert a trend line and r-squared correlation coefficient into the scatter diagram.
5. Edit graph for clarity and style.