



Banc of America Securities LLC

9 West 57th Street
New York, NY 10019

Tel 212.583.8000

A Perspective on Worldwide Economic and Financial Performance

**MICKEY D. LEVY
CHIEF ECONOMIST
BANK OF AMERICA CORP.**

**SHADOW OPEN MARKET COMMITTEE
WASHINGTON, DC
OCTOBER 14-15, 2001**

Chart 1

U.S. Macroeconomic Trends

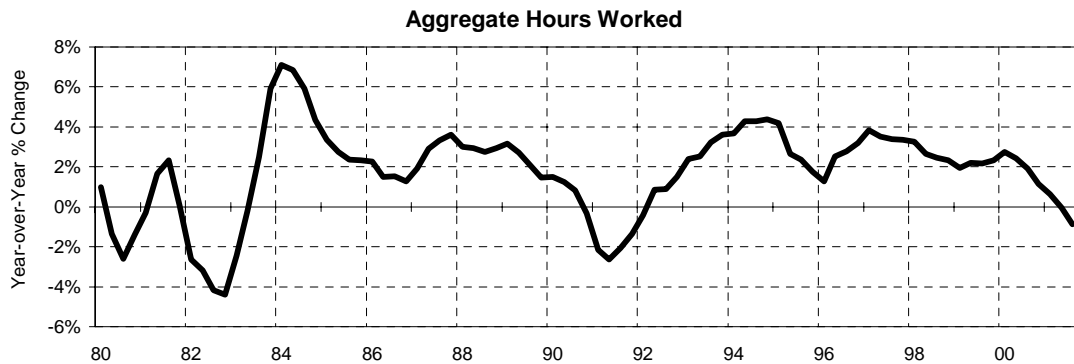
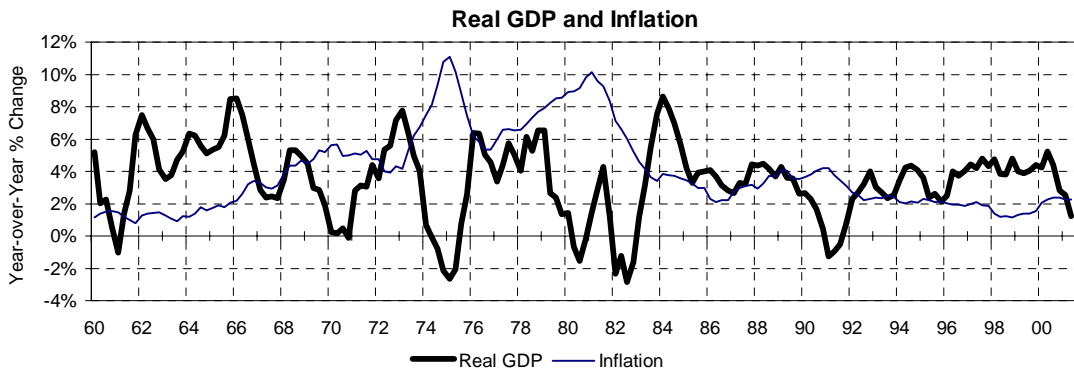
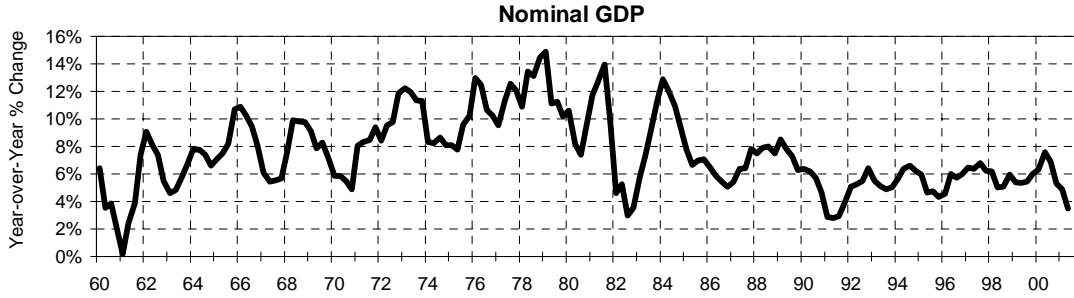


Chart 2

Recent Trends in GDP and Components

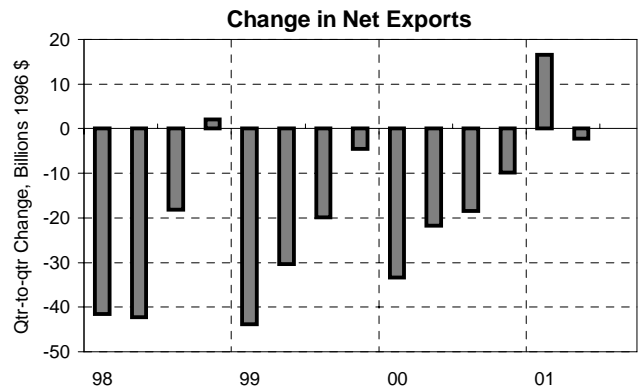
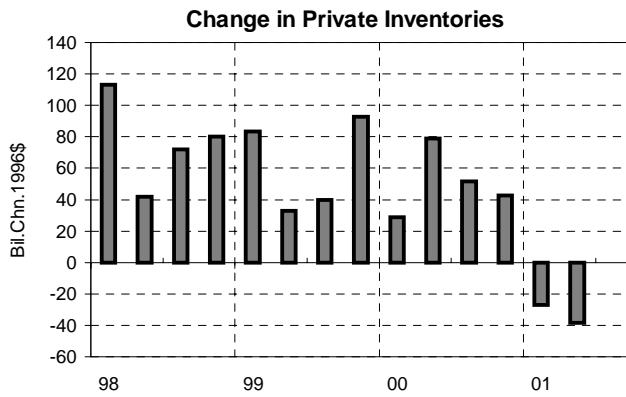
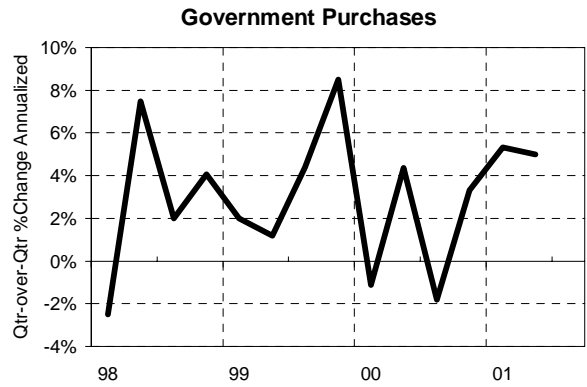
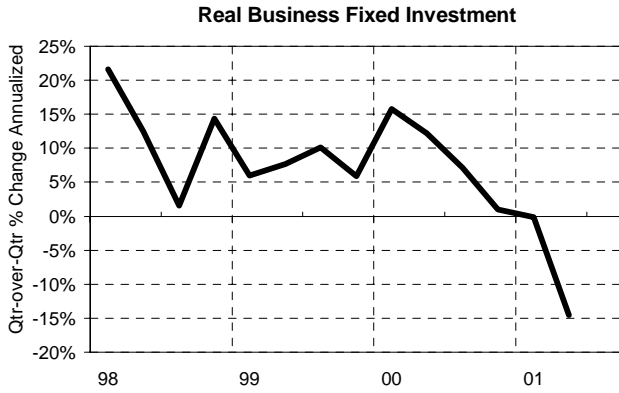
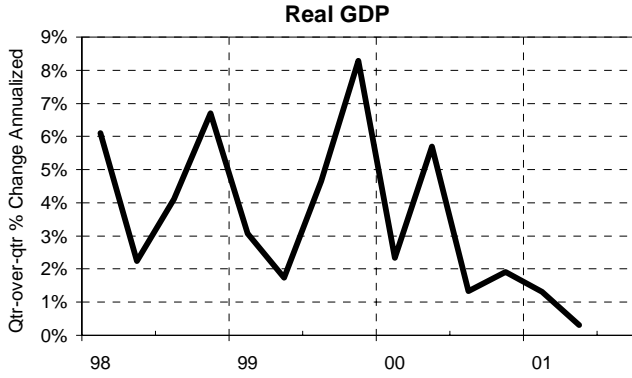


Chart 3

Measures of Monetary Thrust

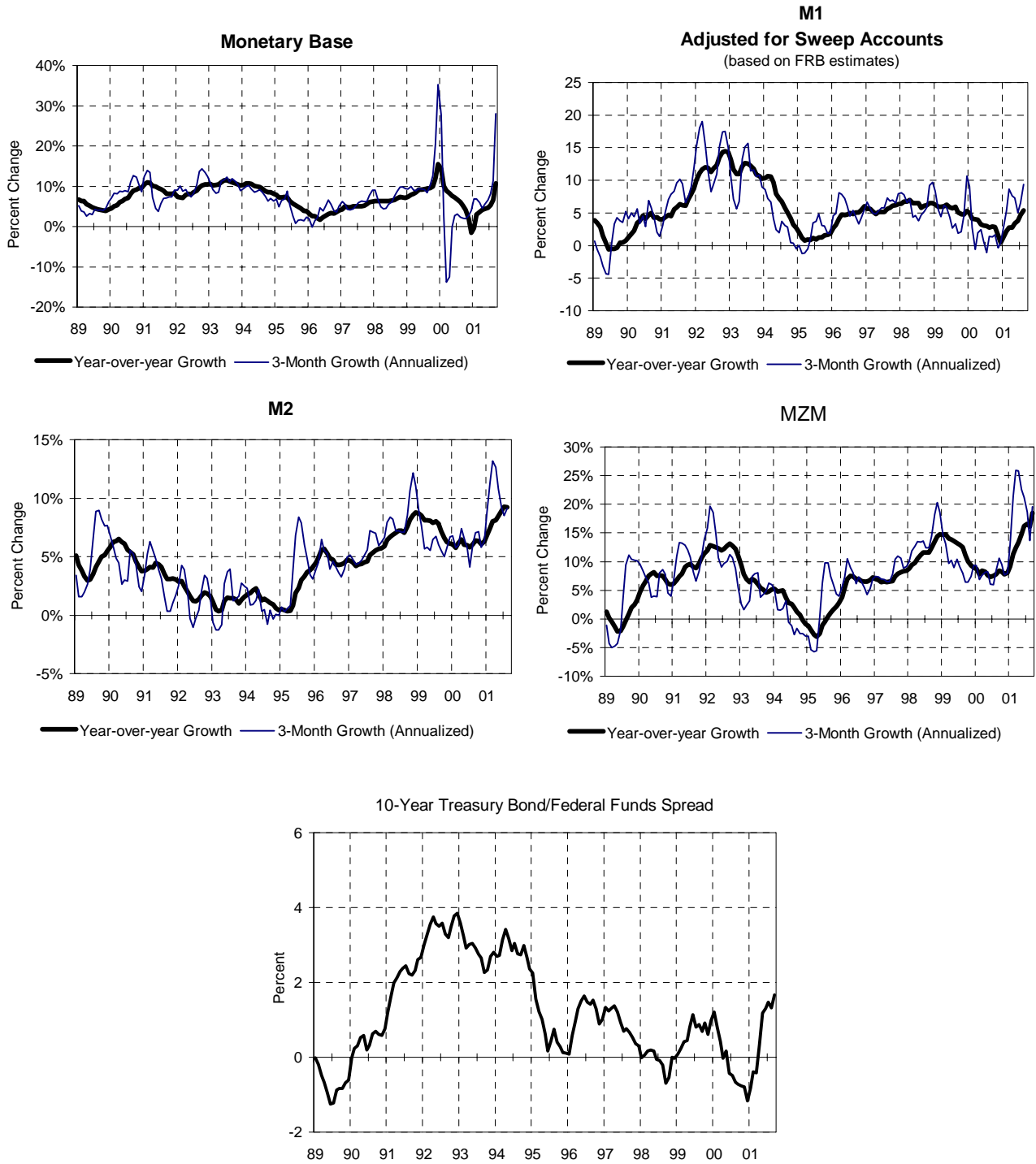


Chart 4

Trends in Domestic Demand

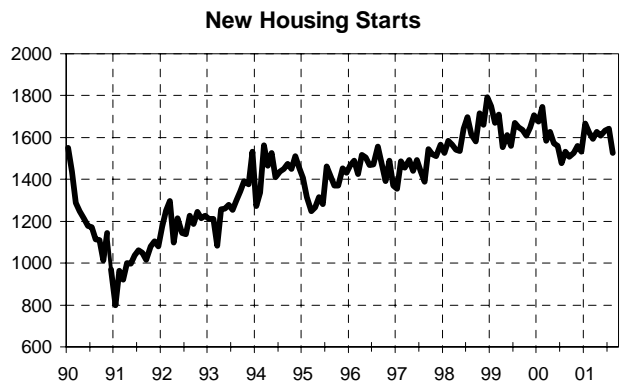
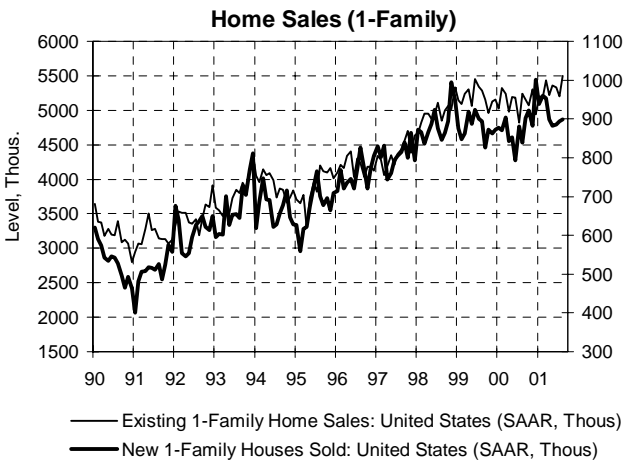
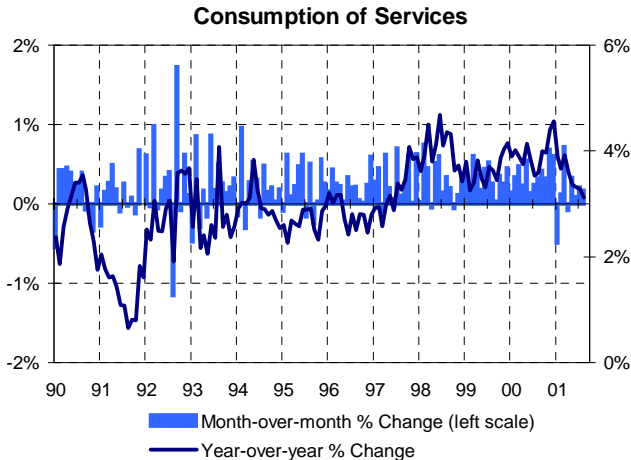
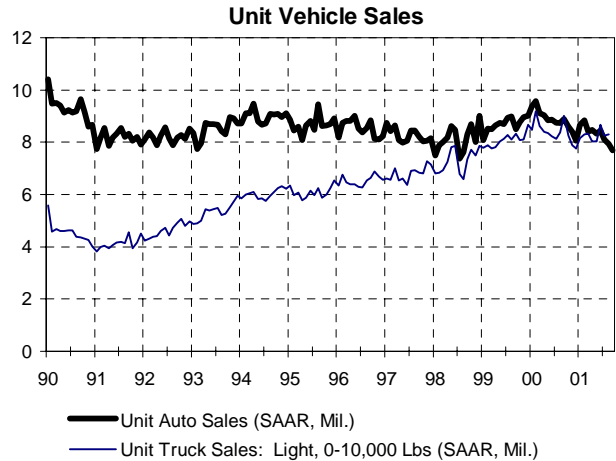
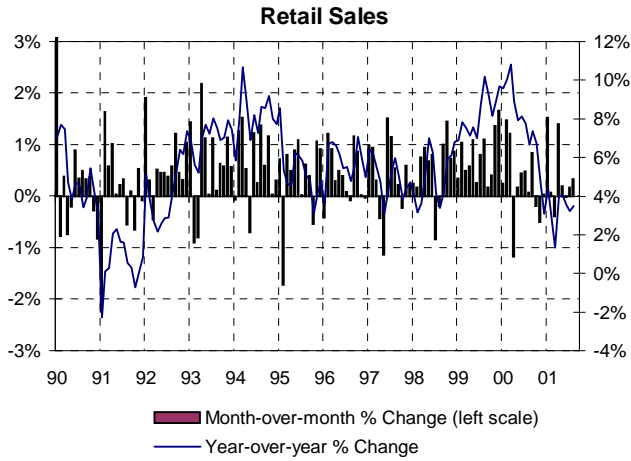


Chart 5

Trends in Production and Inventories

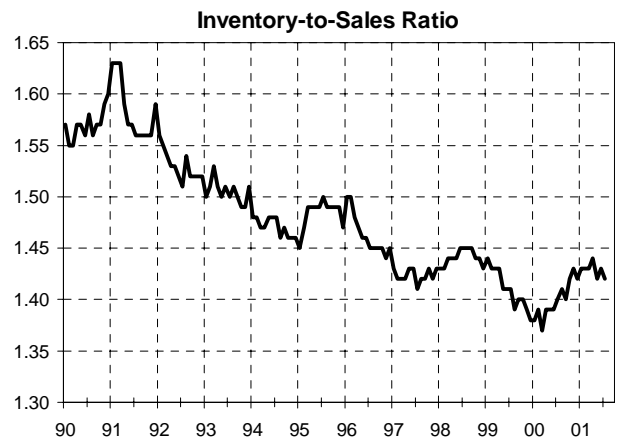
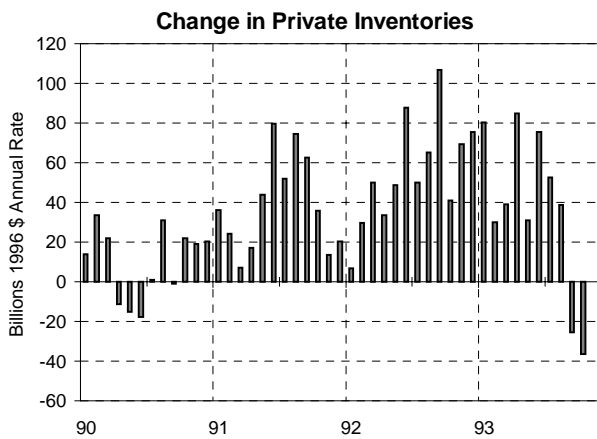
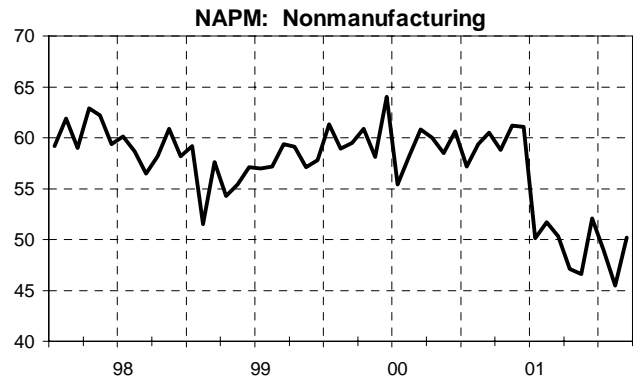
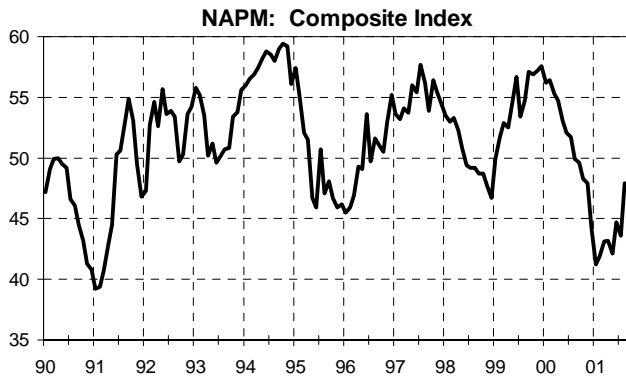
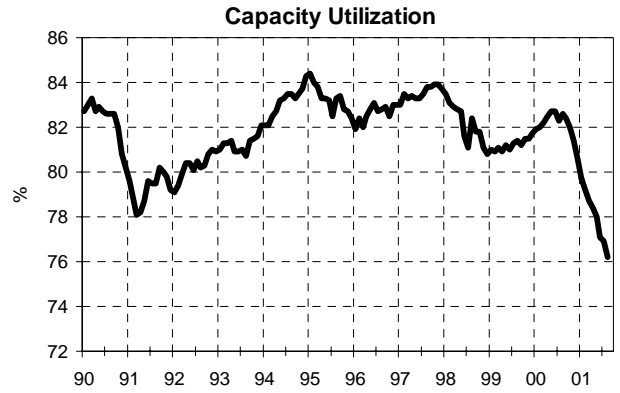
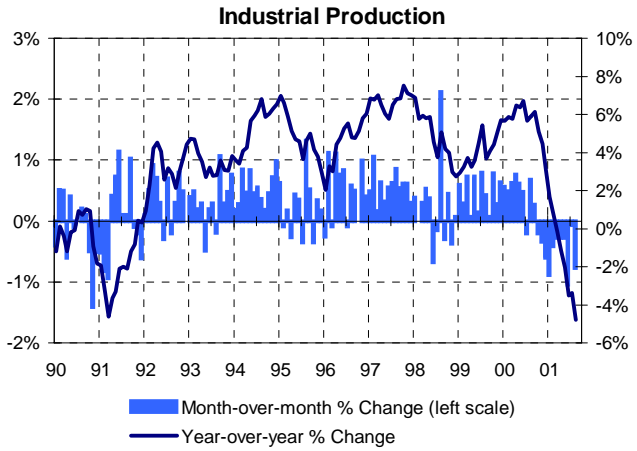


Chart 6

Employment and Labor Markets

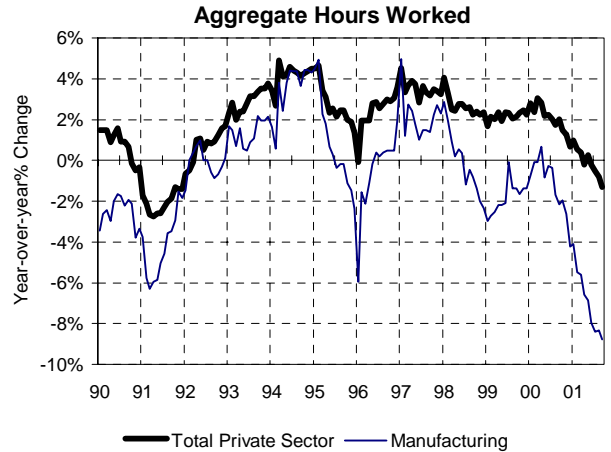
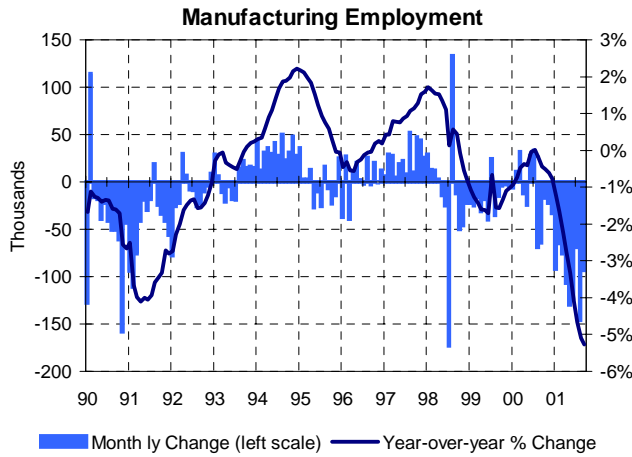
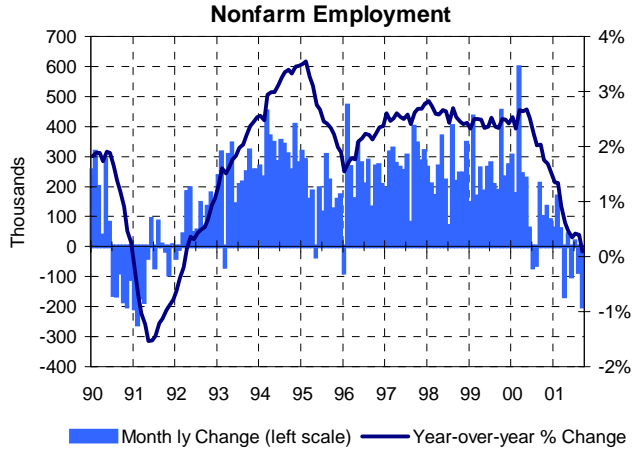


Chart 7

Trends in International Trade

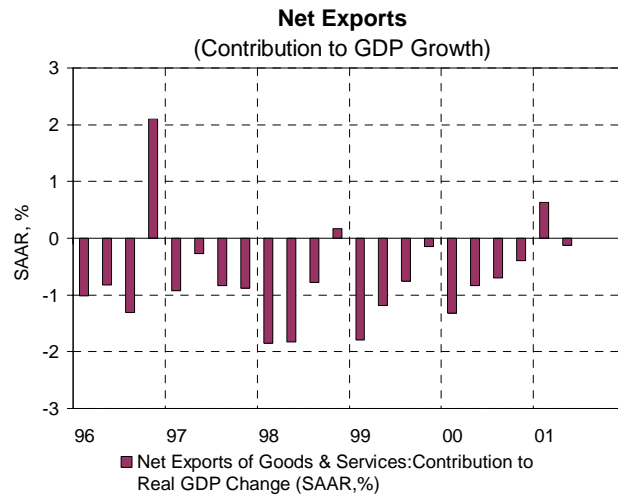
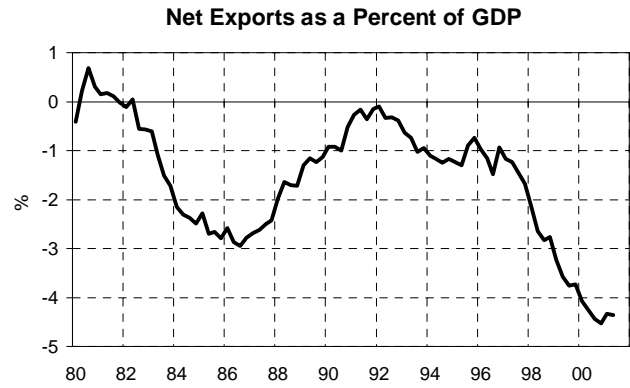
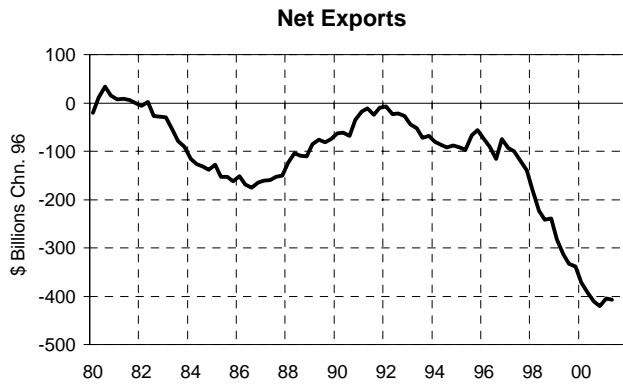
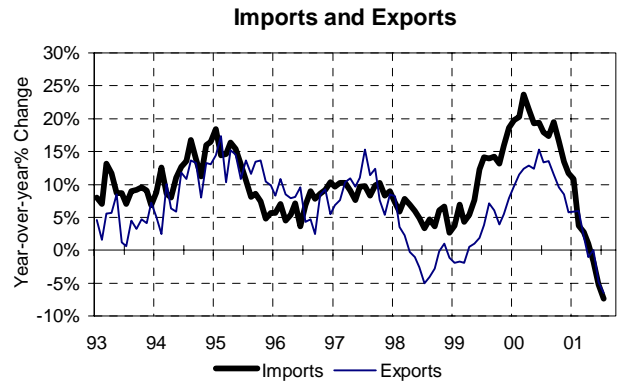
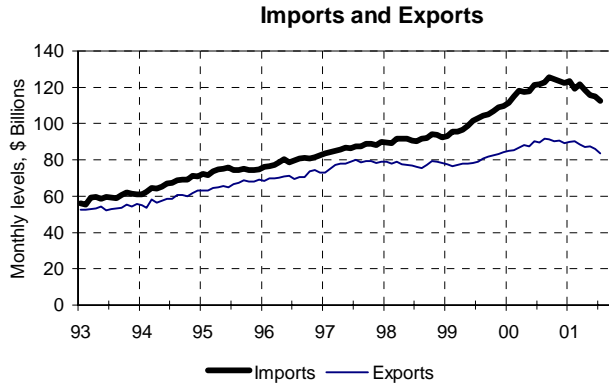


Chart 8

Compensation, Productivity & ULCs

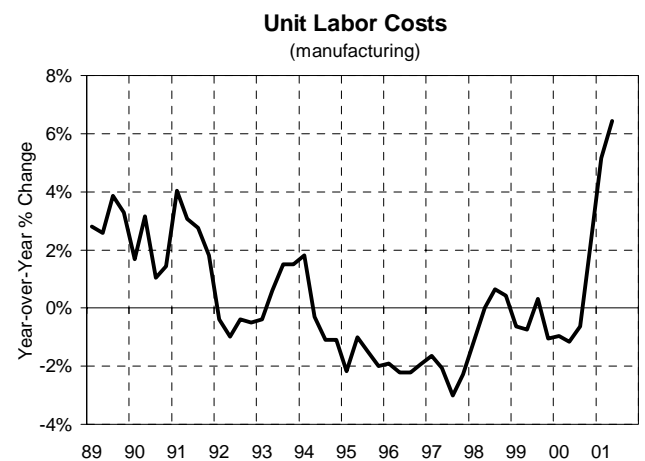
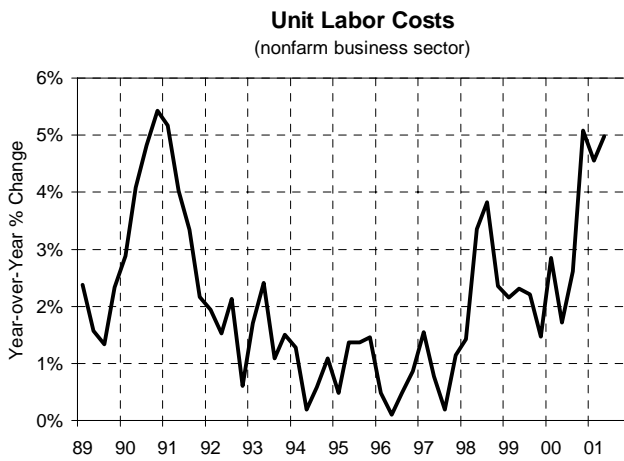
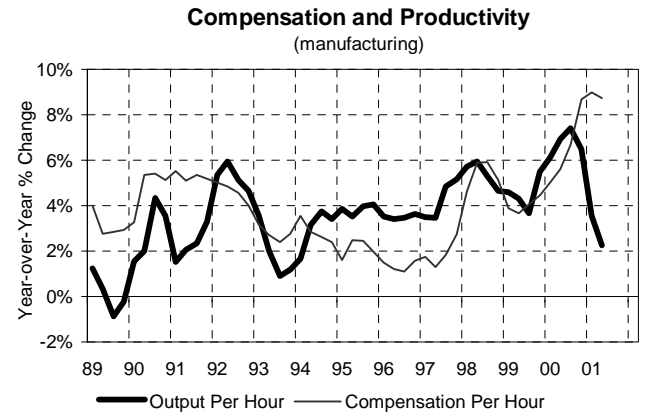
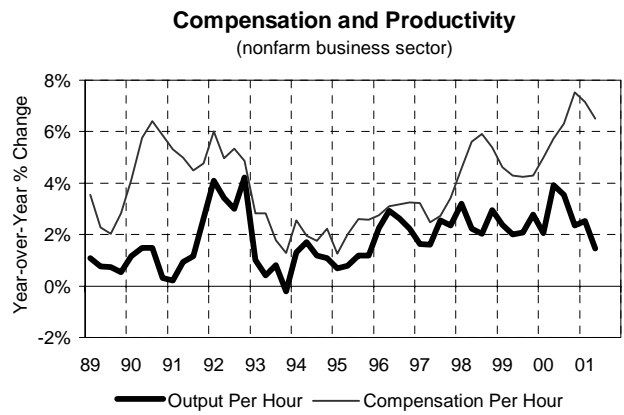
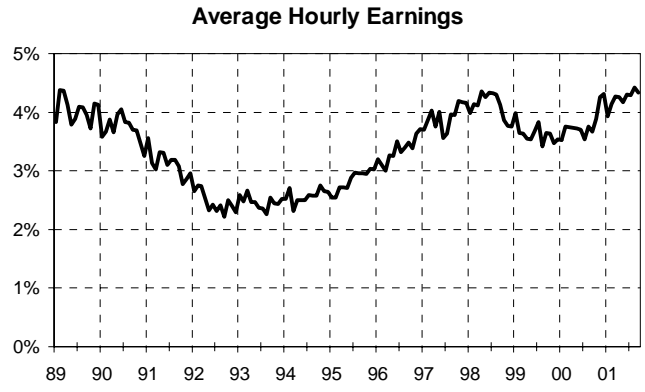


Chart 9

Selected Indicators of Inflation

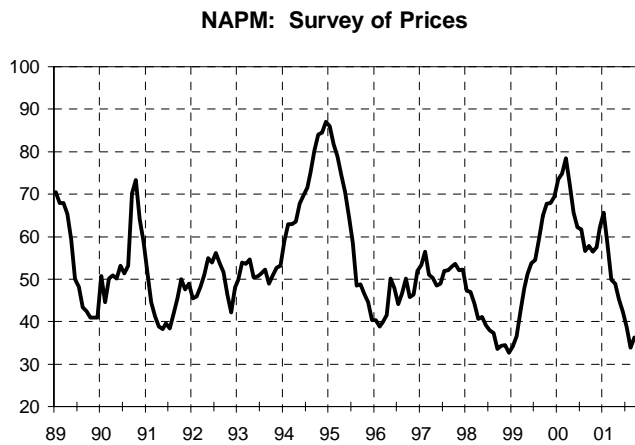
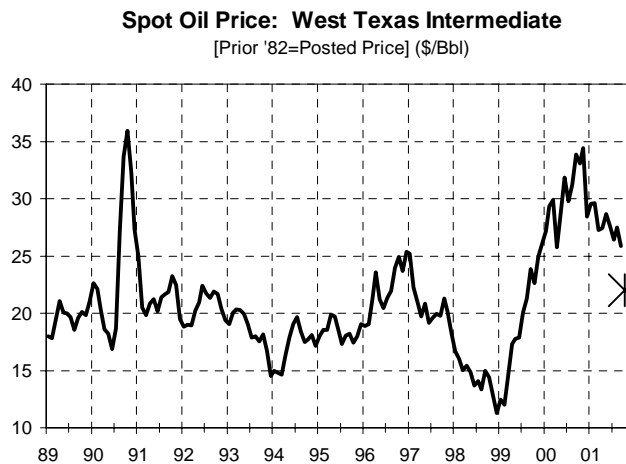
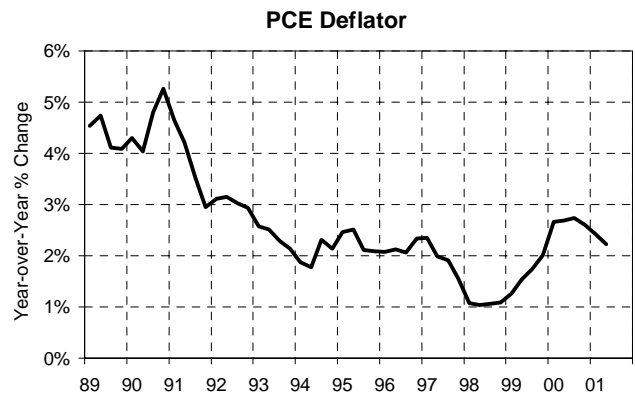
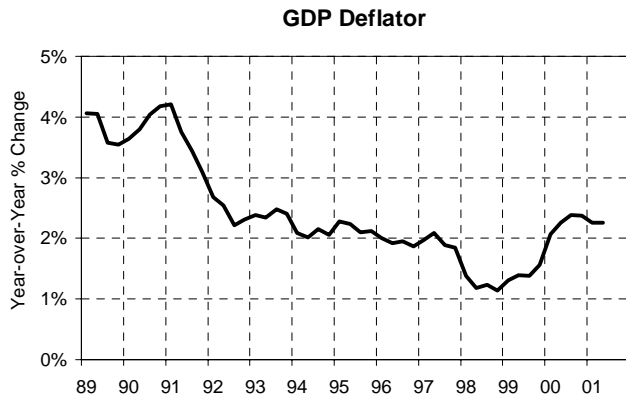
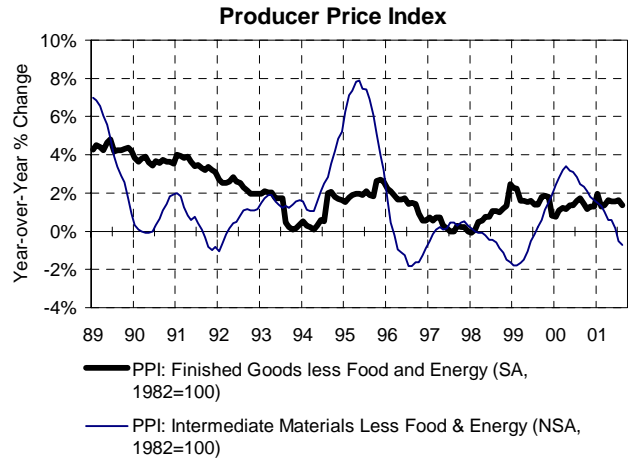
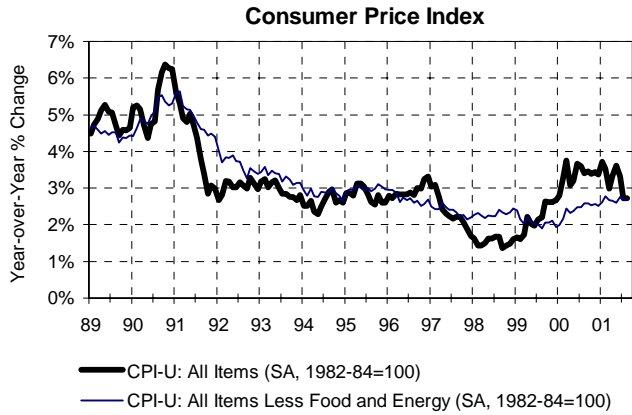


Chart 10

Selected Financial Market Trends

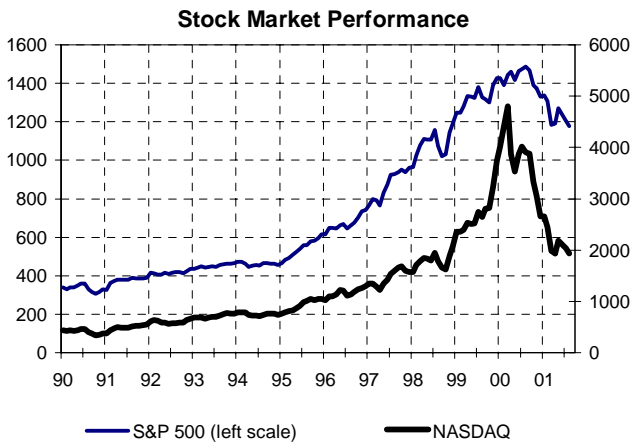
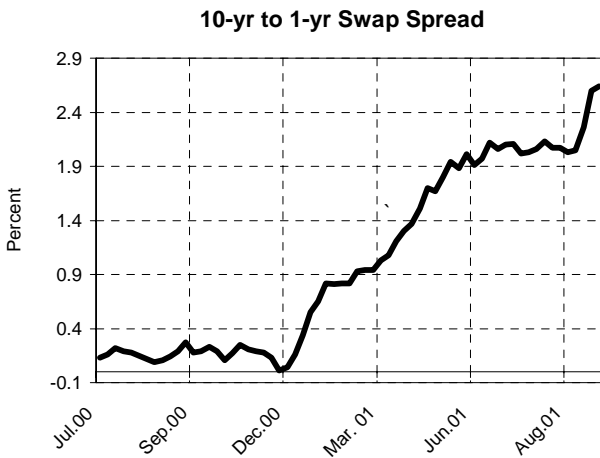
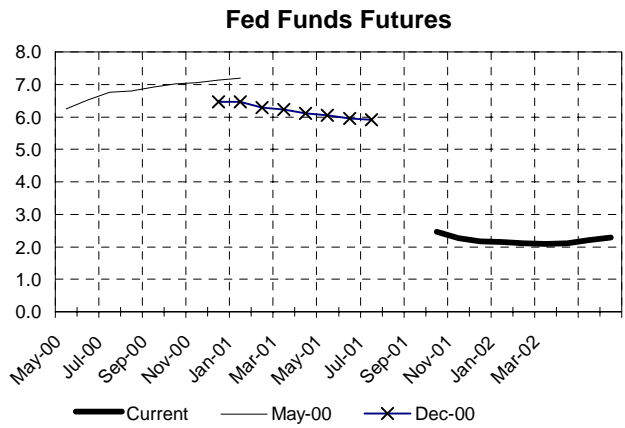
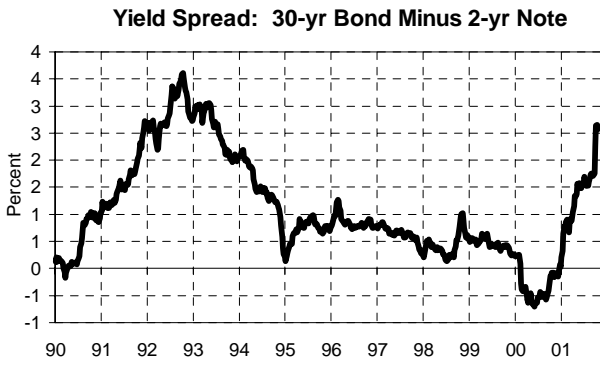
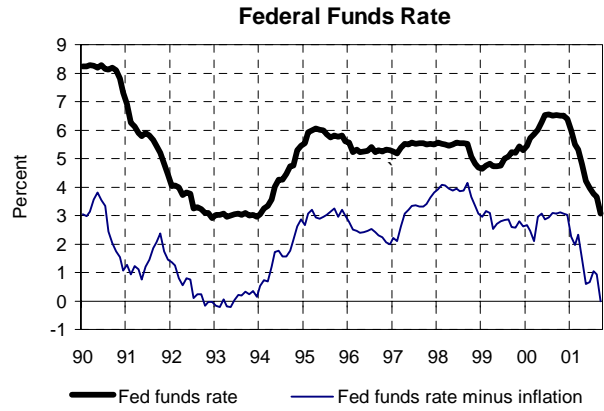
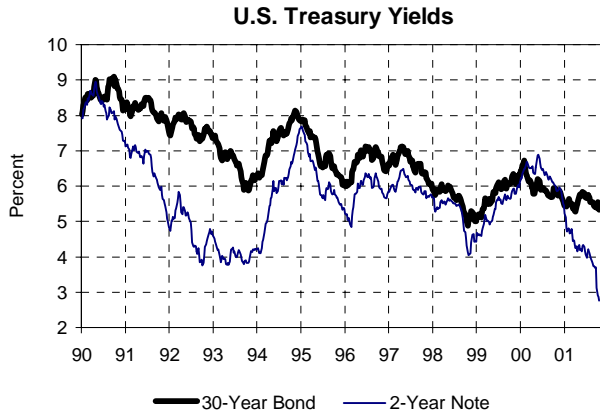
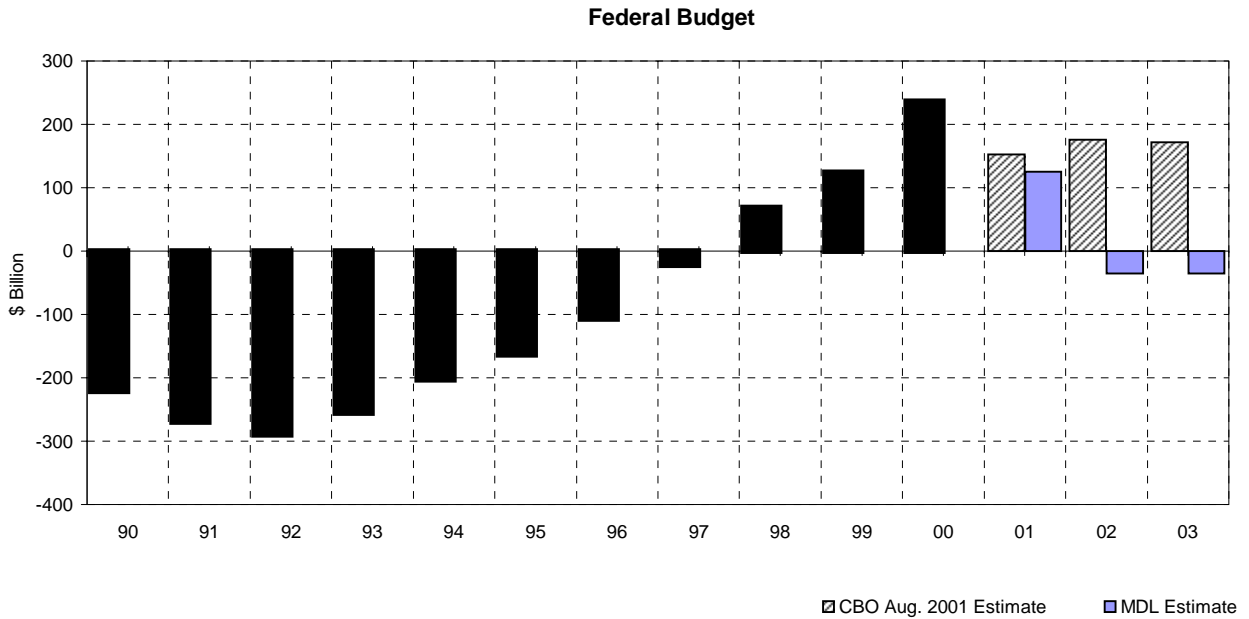


Chart 11

Federal Government Finances



Federal Publicly-Held Debt as a Percent of GDP



CBO's August 2001 Projections* (Measured in Percent of GDP)

	Surplus	Publicly Held Debt	Net Interest Outlays
2000 (actual)	2.4	34.7	2.3
2001	1.5	32.1	2.0
2002	1.6	29.2	1.7
2003	1.5	26.3	1.5
2004	1.7	23.5	1.4
2006	2.2	17.4	1.1
2008	2.7	11.0	0.7
2010	3.1	5.8	0.4

* Congressional Budget Office, "The Budget and Economic Outlook", August 2001

The Economic Growth and Tax Relief Reconciliation Act of 2001

Table 1
Static Revenue Loss Estimates
(All provisions sunset on or before 12/31/2010)

	<u>FY2001-FY2011</u>	
Marginal Rate Reductions	\$875 billion	65%
Tax Benefits Related to Children	\$172 billion	13%
Estate and Gift Tax	\$138 billion	10%
Marriage Penalty Relief	\$63 billion	5%
Pension and IRA Provisions	\$50 billion	4%
Education Saving Provisions	\$29 billion	2%
AMT Relief	\$14 billion	1%
Miscellaneous	\$8 billion	1%
Total	\$1,349 billion	100%

Source: Joint Committee on Taxation, U.S. Congress

Table 2
Individual Income Tax Rates Under the Economic Growth and Tax Relief Reconciliation Act of 2001

Taxable Income (thousands)		Current Rate	New Rates					
Single	Married		2001	2002	2003	2004	2005	2006
>297.4	>297.4	39.6	38.6*	38.6	38.6	37.6	37.6	35
136.8-297.4	166.5-297.4	36	35*	35	35	34	34	33
65.6-136.8	109.3-166.5	31	30*	30	30	29	29	28
27.1-65.6	45.2-109.3	28	27*	27	27	26	26	25
6-27.1	12-45.2	15	15*	15	15	15	15	15
<6	<12	15	10**	10	10	10	10	10

Source: Joint Committee on Taxation, U.S. Congress

* Effective July 1, 2001

**Effective January 1, 2001

Table 3
Estimates of Budget Impact of Recent Changes in Tax Policy*

Fiscal Year	President Reagan <u>ERTA of 1981</u>		President Bush (Senior) <u>1990 OBRA</u>		President Clinton <u>1993 OBRA</u>		President Bush <u>2001</u>	
	\$bil	% of GDP	\$bil	% of GDP	\$bil	% of GDP	\$bil	% of GDP
Year 1	-39	-1.3	+18	0.3	+26	+0.4	-40	-0.4
Year 2	-95	-2.9	+33	0.5	+44	+0.6	-71	-0.7
Year 3	-148	-4.3	+31	0.5	+52	+0.6	-91	-1.0
Year 4	-189	-4.9	+36	0.5	+61	+0.7	-101	-1.1
Year 5	-244	-5.9	+38	0.5	+59	+0.7	-114	-1.1
Cumulative	-\$1 trillion		+\$189 trillion		+\$242 trillion		-\$1.35 trillion	
	(over 6 years)		(over 6 years)		(over 5 years)		(over 10 years)	

* Excludes impact of corporate estimated tax requirements

Sources: Congressional Budget Office, "Projecting Federal Tax Revenues and the Effect of Change in Tax Law", December 1998 and Bank of America Estimates