



# SURVEY OF PROFESSIONAL FORECASTERS

Release Date: February 10, 2012

## FIRST QUARTER 2012

### Forecasters See Stronger Labor Market

The outlook for growth in the U.S. economy looks mostly unchanged from that of three months ago, according to 45 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The panel expects real GDP to grow at an annual rate of 2.2 percent this quarter, down from the previous estimate of 2.4 percent. On an annual-average over annual-average basis, the forecasters see real GDP growing 2.3 percent in 2012, down from the previous estimate of 2.4 percent. The forecasters predict real GDP will grow 2.7 percent in 2013, 3.0 percent in 2014, and 3.1 percent in 2015.

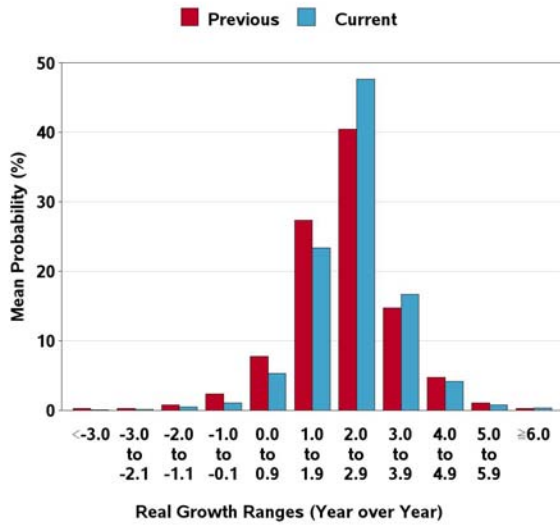
Stronger conditions in the labor market accompany the nearly unchanged outlook for real output. Unemployment is projected to be an annual average of 8.3 percent in 2012, before falling to 7.9 percent in 2013, 7.4 percent in 2014, and 6.7 percent in 2015. The estimates for 2012 to 2014 are 0.5 percentage point lower than the projections in the last survey.

On the employment front, the forecasters have revised upward their estimates of the growth in jobs in three out of the next four quarters. The forecasters see nonfarm payroll employment growing at a rate of 160,100 jobs per month this quarter and 141,900 jobs per month next quarter. The forecasters' projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 144,100 in 2012 and 162,900 in 2013, as the table below shows. (These annual-average estimates are computed as the year-to-year change in the annual-average level of nonfarm payroll employment, converted to a monthly rate.)

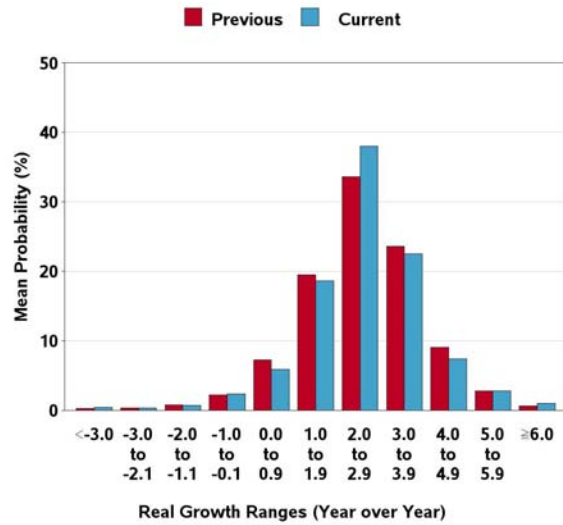
	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
<i>Quarterly data:</i>						
2012:Q1	2.4	2.2	8.9	8.4	121.0	160.1
2012:Q2	2.4	2.3	8.9	8.3	126.3	141.9
2012:Q3	2.8	2.6	8.8	8.2	152.4	145.2
2012:Q4	2.7	3.0	8.7	8.1	126.3	161.7
2013:Q1	N.A.	2.8	N.A.	8.0	N.A.	155.9
<i>Annual data (projections are based on annual-average levels):</i>						
2012	2.4	2.3	8.8	8.3	123.2	144.1
2013	2.7	2.7	8.4	7.9	N.A.	162.9
2014	3.5	3.0	7.8	7.4	N.A.	N.A.
2015	N.A.	3.1	N.A.	6.7	N.A.	N.A.

The charts below provide some insight into the degree of uncertainty the forecasters have about their projections for the rate of growth in the annual-average level of real GDP. Each chart presents the forecasters' previous and current estimates of the probability that growth will fall into each of 11 ranges. The forecasters have revised upward their estimate of the probability that growth will fall into the range of 2.0 to 2.9 percent in 2012, 2013, and 2014.

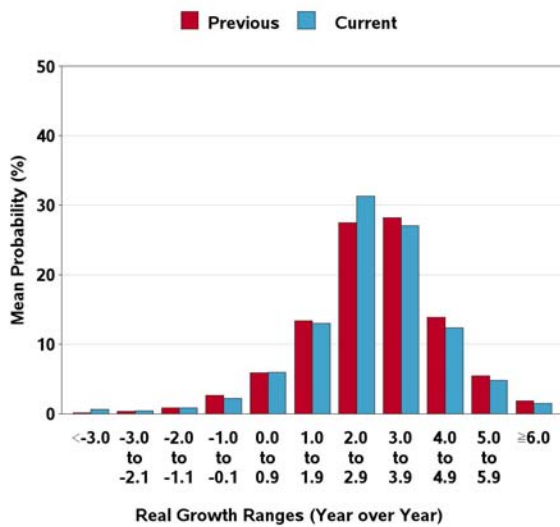
Mean Probabilities for Real GDP Growth in 2012



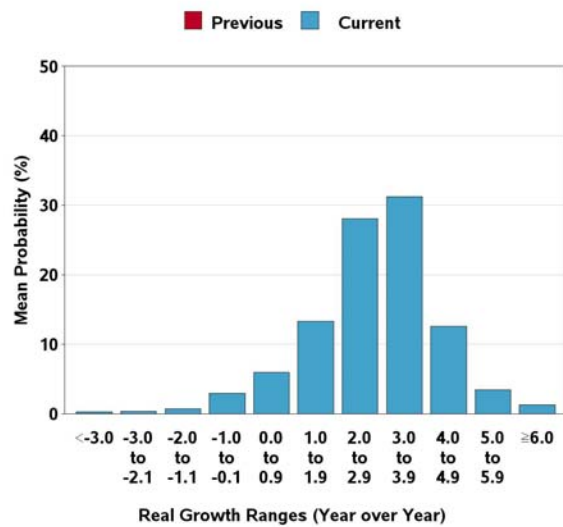
Mean Probabilities for Real GDP Growth in 2013



Mean Probabilities for Real GDP Growth in 2014

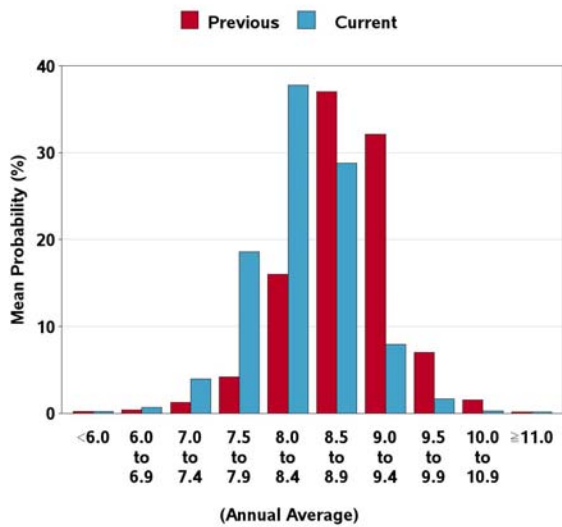


Mean Probabilities for Real GDP Growth in 2015

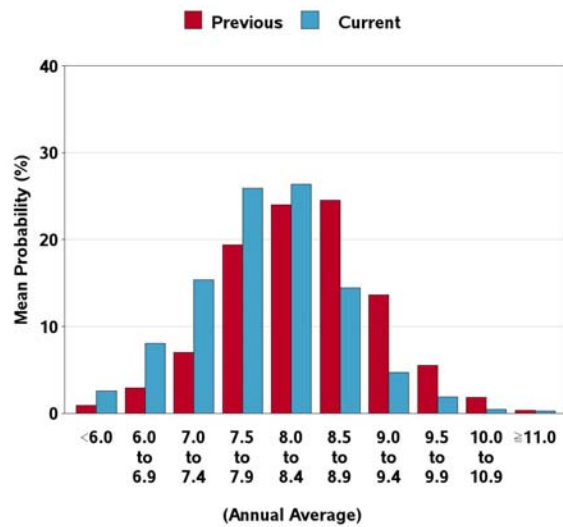


The forecasters' density projections, as shown in the charts below, shed light on the odds of a recovery in the labor market over the next four years. Each chart for unemployment presents the forecasters' previous and current estimates of the probability that unemployment will fall into each of 10 ranges. The forecasters have shifted the distributions of density to the left for 2012, 2013, and 2014, indicating expectations of lower unemployment rates compared with their previous estimates.

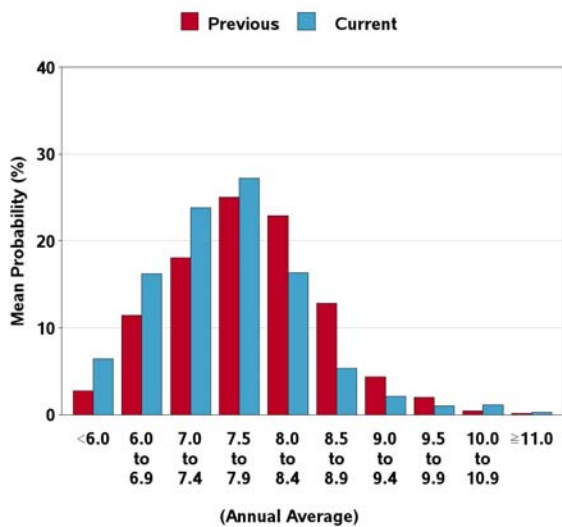
Mean Probabilities for Unemployment Rate in 2012



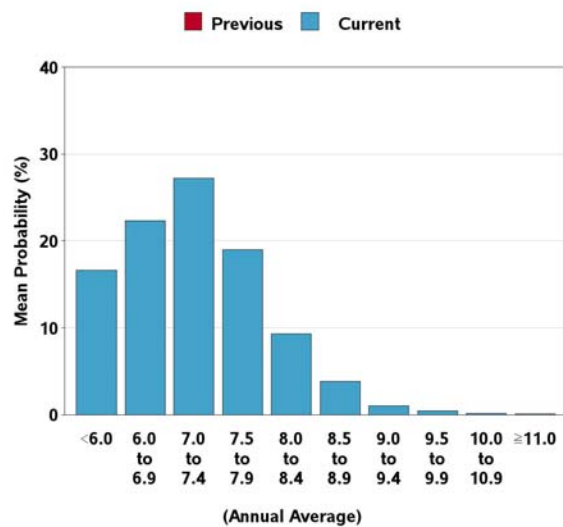
Mean Probabilities for Unemployment Rate in 2013



Mean Probabilities for Unemployment Rate in 2014



Mean Probabilities for Unemployment Rate in 2015



### ***Forecasters Hold the Line on Their Expectations for Near-Term Inflation***

The forecasters expect current-quarter headline CPI inflation to average 2.0 percent, unchanged from the last survey's estimate. The forecasters predict current-quarter headline PCE inflation of 1.7 percent, also unchanged from the survey of three months ago.

The current outlook for the headline and core measures of CPI and PCE inflation during the next two years remains mostly unchanged. Measured on a fourth-quarter over fourth-quarter basis, headline CPI inflation is expected to average 2.0 percent in 2012, up from 1.9 percent in the last survey, and 2.2 percent in 2013, unchanged from the previous estimate. Forecasters expect fourth-quarter over fourth-quarter headline PCE inflation to average 1.9 percent in 2012, up from 1.7 percent in the last survey, and 2.0 percent in 2013, unchanged from the previous estimate.

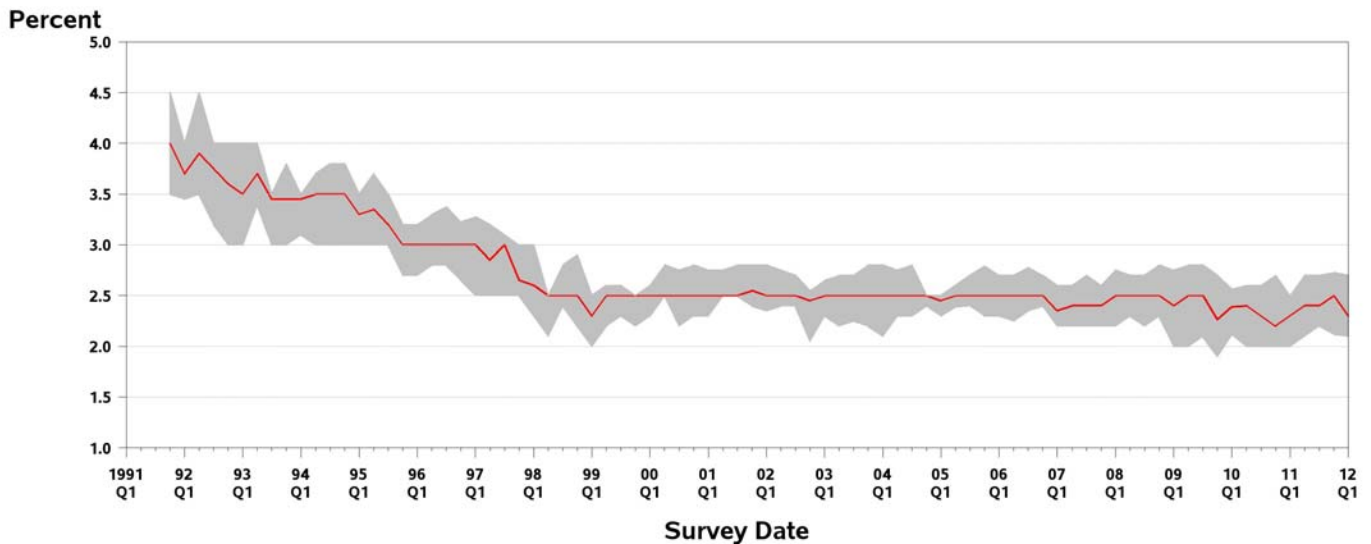
Over the next 10 years, 2012 to 2021, the forecasters expect headline CPI inflation to average 2.30 percent at an annual rate. This estimate is lower than that from the last survey, when the forecasters thought headline CPI inflation over the 10-year period from 2011 to 2020 would average 2.50 percent. There is almost no change in the corresponding estimates for 10-year annual-average PCE inflation. Currently, that 10-year estimate stands at 2.15 percent.

### *Short-Run and Long-Run Projections for Inflation (Annualized Percentage Points)*

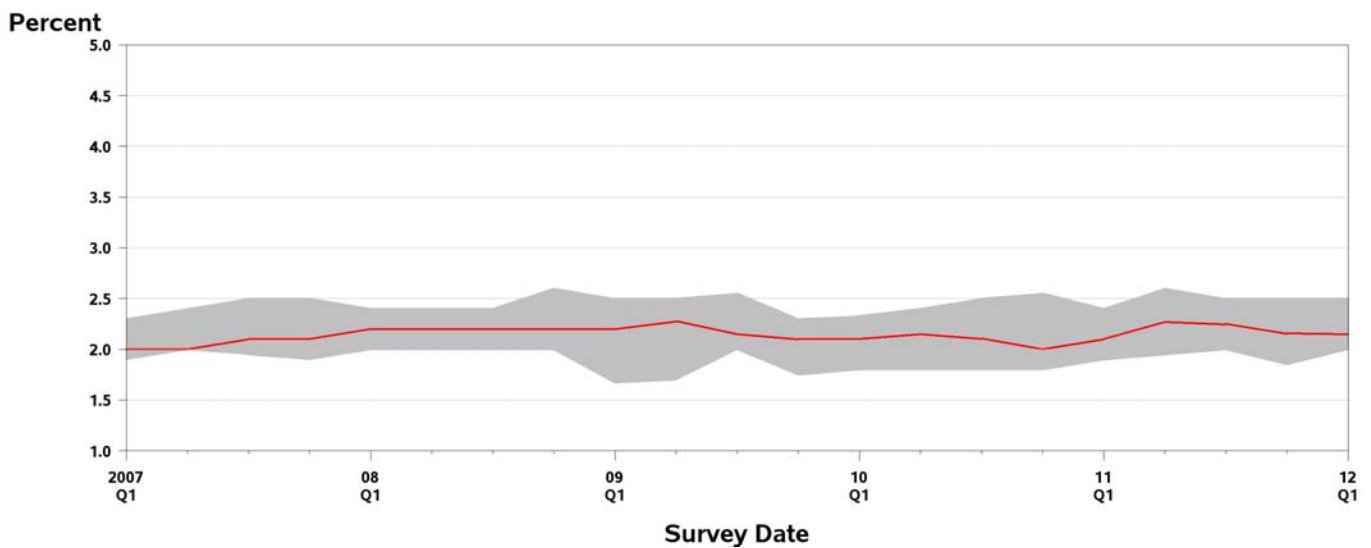
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
<i>Quarterly</i>								
2012:Q1	2.0	2.0	1.8	1.9	1.7	1.7	1.6	1.6
2012:Q2	1.9	2.0	1.8	1.8	1.6	1.7	1.6	1.7
2012:Q3	2.0	2.1	1.8	1.9	1.8	1.8	1.7	1.7
2012:Q4	2.0	2.1	1.8	2.0	1.7	2.0	1.6	1.7
2013:Q1	N.A.	2.1	N.A.	2.0	N.A.	2.0	N.A.	1.7
<i>Q4/Q4 Annual Averages</i>								
2012	1.9	2.0	1.8	1.9	1.7	1.9	1.6	1.6
2013	2.2	2.2	2.0	2.1	2.0	2.0	1.8	1.8
2014	N.A.	2.3	N.A.	2.2	N.A.	2.1	N.A.	2.0
<i>Long-Term Annual Averages</i>								
2011-2015	2.40	N.A.	N.A.	N.A.	2.10	N.A.	N.A.	N.A.
2012-2016	N.A.	2.30	N.A.	N.A.	N.A.	2.10	N.A.	N.A.
2011-2020	2.50	N.A.	N.A.	N.A.	2.16	N.A.	N.A.	N.A.
2012-2021	N.A.	2.30	N.A.	N.A.	N.A.	2.15	N.A.	N.A.

The charts below show the median values (the red line) and the associated interquartile ranges (the gray area around the red line) for the projections for the 10-year annual-average CPI and PCE inflation. The top panel shows the downward revision for CPI inflation, from 2.50 percent to 2.30 percent. The bottom panel highlights the virtually unchanged 10-year forecast for PCE inflation.

**Projections for the 10-Year Annual-Average Rate of CPI Inflation  
(Median and Interquartile Range)**

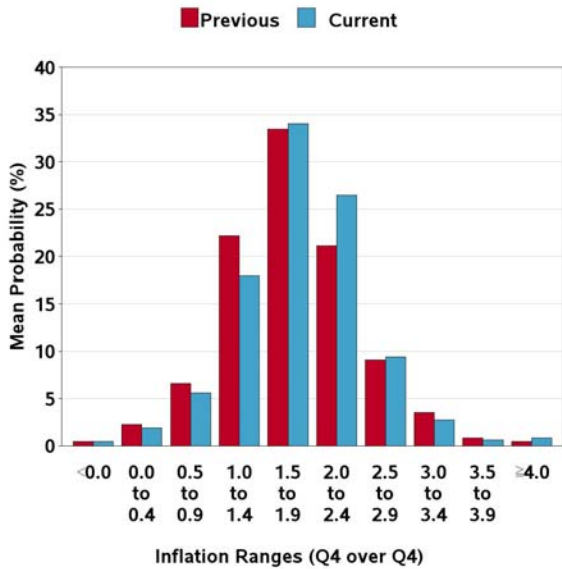


**Projections for the 10-Year Annual-Average Rate of PCE Inflation  
(Median and Interquartile Range)**

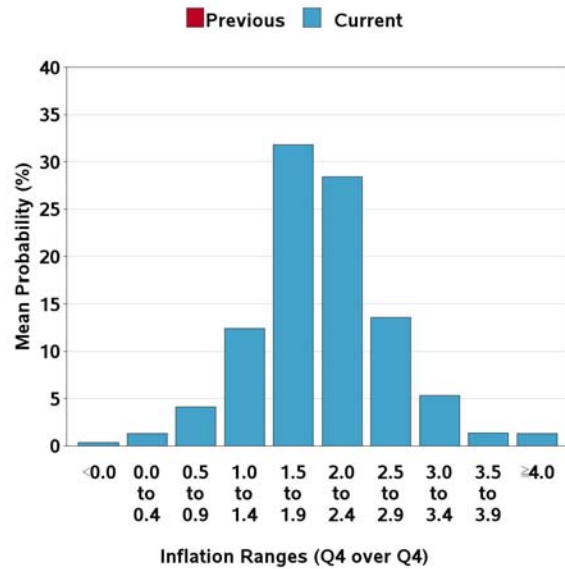


The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2012 and 2013 will fall into each of 10 ranges. For 2012, the forecasters assign a higher chance than previously that core PCE inflation will fall in the range of 1.5 to 2.4 percent.

Mean Probabilities for Core PCE Inflation in 2012



Mean Probabilities for Core PCE Inflation in 2013



**Lower Risk of a Negative Quarter**

The forecasters have revised downward the chance of a contraction in real GDP in any of the next four quarters. For the current quarter, they predict a 9.5 percent chance of negative growth, down from 16.6 percent in the survey of three months ago. As the table below shows, the panelists have also made downward revisions to their forecasts for the following three quarters.

Risk of a Negative Quarter (%)

Quarterly data:	Previous	New
2012: Q1	16.6	9.5
2012: Q2	17.3	13.4
2012: Q3	17.1	14.7
2012: Q4	17.0	14.8
2013: Q1	N.A.	15.8

### ***Forecasters State Their Views on House Prices***

In this survey, a special question asked panelists to provide their forecasts for fourth-quarter over fourth-quarter growth in house prices, as measured by a number of alternative indices. The panelists were allowed to choose from a provided list of indices or to write in their own index. For each index of their choosing, the panelists provided forecasts of growth in 2012 and 2013.

Twenty-four panelists answered the special question. Some panelists provided projections for more than one index. The table below provides a summary of the forecasters' responses. For some indices, the number of responses (N) is very small. The median estimates for the six house-price indices listed in the table below range from -0.5 percent to -0.1 percent in 2012 and 0.6 percent to 2.9 percent in 2013. In other words, the panelists expect some further, but minor, declines in prices in 2012, followed by a rebound in 2013.

*Projections for Growth in Various Indices of House Prices  
Q4/Q4, Percentage Points*

Index	2012 (Q4/Q4 Percent Change)			2013 (Q4/Q4 Percent Change)		
	N	Mean	Median	N	Mean	Median
S&P/Case-Shiller: U.S. National	11	-0.2	-0.3	11	1.2	1.5
S&P/Case-Shiller: Composite 20	5	-0.1	-0.5	5	2.4	2.5
FHFA: U.S. Total	6	-1.3	-0.1	6	1.8	2.0
FHFA: Purchase Only	6	-0.1	-0.1	6	2.6	2.8
CoreLogic: National HPI, incl Distressed Sales (Single Family Combined)	4	-0.3	-0.1	3	0.9	0.6
NAR Median: Total Existing	2	-0.2	-0.2	2	2.9	2.9

### ***Forecasters Reduce Estimates for Long-Run Growth in Output and Productivity and Returns on Financial Assets***

In first-quarter surveys, the forecasters provide their long-run projections for an expanded set of variables, including growth in output and productivity, as well as returns on financial assets.

As the table below shows, the forecasters have reduced their long-run estimates for the annual-average rate of growth in real GDP. Currently, the forecasters expect real GDP to grow 2.64 percent per year over the next 10 years, down from 2.84 percent in the survey of 2011 Q1.

Similarly, productivity growth is now expected to average 1.85 percent, down from 2.00 percent. Downward revisions to the return on financial assets accompany the current outlook. The forecasters see the S&P 500 returning an annual-average 6.80 percent per year over the next 10 years, down from 7.25 percent. The forecasters expect 10-year Treasuries to return 4.00 percent per year over the next 10 years, down from 4.88 percent. Three-month Treasury bills will return 2.50 percent, down from 3.00 percent.

	<i>Long-Term (10-year) Forecasts (%)</i>	
	<i>First Quarter 2011</i>	<i>Current Survey</i>
<i>Real GDP Growth</i>	2.84	2.64
<i>Productivity Growth</i>	2.00	1.85
<i>Stock Returns (S&amp;P 500)</i>	7.25	6.80
<i>Bond Returns (10-year)</i>	4.88	4.00
<i>Bill Returns (3-month)</i>	3.00	2.50

The Federal Reserve Bank of Philadelphia thanks the following forecasters for their participation in recent surveys:

**Robert J. Barbera**, Mount Lucas Management; **Christine Chmura, Ph.D.** and **Xiaobing Shuai, Ph.D.**, Chmura Economics & Analytics; **Gary Ciminero, CFA**, GLC Financial Economics; **David Crowe**, National Association of Home Builders; **Rajeev Dhawan**, Georgia State University; **Shawn Dubravac**, Consumer Electronics Association; **Michael R. Englund**, Action Economics, LLC; **Stephen Gallagher**, Societe Generale; **Timothy Gill**, NEMA; **James Glassman**, JPMorgan Chase & Co.; **Ethan Harris**, Bank of America-Merrill Lynch; **Keith Hembre**, Nuveen Asset Management; **Peter Hooper**, Deutsche Bank Securities, Inc.; **IHS Global Insight**; **Peter Jaquette**, PIRA Energy Group; **Fred Joutz**, Benchmark Forecasts and Research Program on Forecasting, George Washington University; **Kurt Karl**, Swiss Re; **N. Karp**, BBVA Compass; **Walter Kemmsies**, Moffatt & Nichol; **Jack Kleinhenz**, Kleinhenz & Associates, Inc.; **Thomas Lam**, OSK Group/DMG & Partners; **L. Douglas Lee**, Economics from Washington; **Allan R. Leslie**, Economic Consultant; **John Lonski**, Moody's Capital Markets Group; **Macroeconomic Advisers, LLC**; **Dean Maki**, Barclays Capital; **Jim Meil** and **Arun Raha**, Eaton Corporation; **Anthony Metz**, Pareto Optimal Economics; **Ardavan Mobasheri**, AIG Global Economic Research; **Michael Moran**, Daiwa Capital Markets America; **Joel L. Naroff**, Naroff Economic Advisors; **Mark Nielson, Ph.D.**, MacroEcon Global Advisors; **Michael P. Niemira**, International Council of Shopping Centers; **Luca Noto**, Anima Sgr; **Martin A. Regalia**, U.S. Chamber of Commerce; **David Resler**, Nomura Securities International, Inc.; **Philip Rothman**, East Carolina University; **Chris Rupkey**, Bank of Tokyo-Mitsubishi UFJ; **John Silvia**, Wells Fargo; **Allen Sinai**, Decision Economics, Inc; **Tara M. Sinclair**, Research Program on Forecasting, George Washington University; **David Sloan**, Thomson Reuters; **Sean M. Snaith, Ph.D.**, University of Central Florida; **Constantine G. Soras, Ph.D.**, CGS Economic Consulting; **Neal Soss**, Credit Suisse; **Stephen Stanley**, Pierpont Securities; **Charles Steindel**, New Jersey Department of the Treasury; **Susan M. Sterne**, Economic Analysis Associates, Inc.; **Thomas Kevin Swift**, American Chemistry Council; **Andrew Tilton** and **Edward F. McKelvey**, Goldman Sachs; **Lea Tyler**, Oxford Economics USA, Inc.; **Jay N. Woodworth**, Woodworth Holdings, Ltd.; **Mark Zandi**, Moody's Analytics

This is a partial list of participants. We also thank those who wish to remain anonymous.



SUMMARY TABLE  
SURVEY OF PROFESSIONAL FORECASTERS  
MAJOR MACROECONOMIC INDICATORS

	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2012	2013 (YEAR-OVER-YEAR)	2014	2015
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	2.2	2.3	2.6	3.0	2.8	2.3	2.7	3.0	3.1
2. GDP PRICE INDEX (PERCENT CHANGE)	1.6	1.6	2.1	1.6	1.7	1.6	2.0	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	3.9	4.2	4.3	4.8	4.7	4.0	4.5	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	1.5 160.1	1.3 141.9	1.3 145.2	1.5 161.7	1.4 155.9	1.3 144.1	1.5 162.9	N.A. N.A.	N.A. N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	8.4	8.3	8.2	8.1	8.0	8.3	7.9	7.4	6.7
6. 3-MONTH TREASURY BILL (PERCENT)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.8	1.7
7. 10-YEAR TREASURY BOND (PERCENT)	2.0	2.1	2.3	2.4	2.5	2.2	2.9	3.5	4.0
	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2012	2013 (Q4-OVER-Q4)	2014	
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	2.0	2.0	2.1	2.1	2.1	2.0	2.2	2.3	
9. CORE CPI (ANNUAL RATE)	1.9	1.8	1.9	2.0	2.0	1.9	2.1	2.2	
10. PCE (ANNUAL RATE)	1.7	1.7	1.8	2.0	2.0	1.9	2.0	2.1	
11. CORE PCE (ANNUAL RATE)	1.6	1.7	1.7	1.7	1.7	1.6	1.8	2.0	

THE FIGURES ON EACH LINE ARE MEDIANS OF 45 INDIVIDUAL FORECASTERS.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2012.

# **SURVEY OF PROFESSIONAL FORECASTERS**

**First Quarter 2012**

**Tables**

Note: Data in these tables listed as "actual" are the data that were available to the forecasters when they were sent the survey questionnaire on January 27; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before February 7, 2012.

TABLE ONE  
MAJOR MACROECONOMIC INDICATORS  
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST				ACTUAL		FORECAST		
		2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2011 ANNUAL	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	42	15294	15441	15602	15768	15954	16140	15088	15695	16403	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	42	113.94	114.40	114.86	115.45	115.90	116.40	113.31	115.15	117.40	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	26	N.A.	1593.5	1616.9	1642.4	1656.5	1668.8	N.A.	1628.6	1703.0	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	44	8.7	8.4	8.3	8.2	8.1	8.0	9.0	8.3	7.9	7.4	6.7
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	41	131733	132213	132639	133075	133560	134027	131153	132882	134836	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	40	95.1	95.9	96.7	97.5	98.2	99.0	93.8	97.1	100.3	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	40	0.66	0.66	0.68	0.71	0.74	0.77	0.61	0.70	0.83	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	39	0.01	0.03	0.05	0.06	0.08	0.08	0.05	0.06	0.12	0.84	1.70
9. AAA CORPORATE BOND YIELD (PERCENT)	35	3.93	3.90	4.00	4.09	4.23	4.25	4.64	4.05	4.41	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	32	5.25	5.24	5.29	5.32	5.32	5.47	5.66	5.30	5.63	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	41	2.05	2.01	2.14	2.30	2.40	2.55	2.79	2.21	2.86	3.48	4.00
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	45	13422	13497	13573	13660	13762	13857	13313	13620	13985	14407	14854
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	44	9481.3	9535.2	9588.7	9646.6	9708.2	9761.8	9421.1	9617.6	9839.6	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	1471.9	1497.5	1521.6	1547.3	1570.3	1590.9	1432.4	1534.9	1627.5	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	333.9	338.8	343.8	350.3	358.0	365.6	326.2	347.7	380.4	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	40	1043.7	1046.1	1043.8	1044.4	1042.6	1044.4	1054.8	1043.1	1044.4	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	39	1440.7	1437.0	1433.5	1431.6	1432.1	1432.5	1453.4	1433.3	1434.2	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	40	56.0	40.0	44.5	45.0	46.4	45.6	35.6	46.0	45.4	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	41	-405.8	-405.0	-408.5	-412.9	-410.0	-410.0	-412.4	-408.0	-408.6	N.A.	N.A.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2012.

TABLE TWO  
MAJOR MACROECONOMIC INDICATORS  
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2011	2012	2013	2014
		TO Q1 2012	TO Q2 2012	TO Q3 2012	TO Q4 2012	TO Q1 2013	TO 2012	TO 2013	TO 2014	TO 2015
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	42	3.9	4.2	4.3	4.8	4.7	4.0	4.5	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	42	1.6	1.6	2.1	1.6	1.7	1.6	2.0	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	26	3.5	6.0	6.5	3.5	3.0	6.6	4.6	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	44	-0.3	-0.1	-0.1	-0.1	-0.1	-0.7	-0.4	-0.5	-0.7
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	41 41	1.5 160.1	1.3 141.9	1.3 145.2	1.5 161.7	1.4 155.9	1.3 144.1	1.5 162.9	N.A. N.A.	N.A. N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	40	3.6	3.4	3.1	3.0	3.3	3.5	3.3	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	40	4.9	12.3	15.4	15.2	22.0	14.5	19.3	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	39	0.02	0.02	0.01	0.02	0.00	0.01	0.06	0.72	0.87
9. AAA CORPORATE BOND YIELD (PERCENT)	35	-0.03	0.10	0.09	0.14	0.02	-0.59	0.36	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	32	-0.01	0.04	0.03	0.00	0.14	-0.36	0.33	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	41	-0.04	0.13	0.16	0.10	0.15	-0.59	0.65	0.62	0.52
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	45	2.2	2.3	2.6	3.0	2.8	2.3	2.7	3.0	3.1
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	44	2.3	2.3	2.4	2.6	2.2	2.1	2.3	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	7.1	6.6	6.9	6.1	5.4	7.2	6.0	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	6.0	6.1	7.7	9.1	8.8	6.6	9.4	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	40	0.9	-0.9	0.3	-0.7	0.7	-1.1	0.1	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	39	-1.0	-1.0	-0.5	0.1	0.1	-1.4	0.1	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	40	-16.0	4.5	0.5	1.4	-0.8	10.4	-0.6	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	41	0.8	-3.5	-4.4	2.9	0.0	4.3	-0.6	N.A.	N.A.

NOTE: FIGURES FOR UNEMPLOYMENT RATE, TREASURY BILL RATE, AAA CORPORATE BOND YIELD, BAA CORPORATE BOND YIELD, AND 10-YEAR TREASURY BOND YIELD ARE CHANGES IN THESE RATES, IN PERCENTAGE POINTS. FIGURES FOR CHANGE IN PRIVATE INVENTORIES AND NET EXPORTS ARE CHANGES IN BILLIONS OF CHAIN-WEIGHTED DOLLARS. ALL OTHERS ARE PERCENTAGE CHANGES AT ANNUAL RATES.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2012.

TABLE THREE  
 MAJOR PRICE INDICATORS  
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST (Q/Q)				ACTUAL		FORECAST (Q4/Q4)	
		2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2011 ANNUAL	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	43	0.9	2.0	2.0	2.1	2.1	2.1	3.3	2.0	2.2	2.3
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	41	1.7	1.9	1.8	1.9	2.0	2.0	2.2	1.9	2.1	2.2
3. PCE PRICE INDEX (ANNUAL RATE)	36	0.7	1.7	1.7	1.8	2.0	2.0	2.6	1.9	2.0	2.1
4. CORE PCE PRICE INDEX (ANNUAL RATE)	37	1.1	1.6	1.7	1.7	1.7	1.7	1.7	1.6	1.8	2.0

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2012.

TABLE FOUR  
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
	TO Q1 2012	TO Q2 2012	TO Q3 2012	TO Q4 2012	TO Q1 2013
NUMBER OF FORECASTERS					
10 OR LESS	29	18	15	14	11
11 TO 20	11	18	20	21	19
21 TO 30	1	5	6	6	10
31 TO 40	0	0	0	0	0
41 TO 50	0	0	0	0	0
51 TO 60	0	0	0	0	0
61 TO 70	0	0	0	0	0
71 TO 80	0	0	0	0	0
81 TO 90	0	0	0	0	0
91 AND OVER	0	0	0	0	0
NOT REPORTING	4	4	4	4	5
MEAN AND MEDIAN					
MEDIAN PROBABILITY	10.00	15.00	15.00	15.00	15.00
MEAN PROBABILITY	9.51	13.41	14.74	14.78	15.77

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 41.  
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2012.

TABLE FIVE  
MEAN PROBABILITIES

MEAN PROBABILITY ATTACHED TO POSSIBLE  
CIVILIAN UNEMPLOYMENT RATES:  
(ANNUAL AVERAGE)

	2012	2013	2014	2015
11.0 PERCENT OR MORE	0.14	0.26	0.25	0.08
10.0 TO 10.9 PERCENT	0.27	0.43	1.12	0.17
9.5 TO 9.9 PERCENT	1.63	1.89	1.02	0.43
9.0 TO 9.4 PERCENT	7.92	4.68	2.11	1.02
8.5 TO 8.9 PERCENT	28.78	14.47	5.35	3.85
8.0 TO 8.4 PERCENT	37.77	26.38	16.37	9.30
7.5 TO 7.9 PERCENT	18.60	25.90	27.23	18.97
7.0 TO 7.4 PERCENT	3.96	15.35	23.84	27.21
6.0 TO 6.9 PERCENT	0.69	8.07	16.25	22.35
LESS THAN 6.0 PERCENT	0.23	2.58	6.46	16.62

MEAN PROBABILITY ATTACHED TO POSSIBLE  
PERCENT CHANGES IN REAL GDP:  
(ANNUAL-AVERAGE OVER ANNUAL-AVERAGE)

	2011-2012	2012-2013	2013-2014	2014-2015
6.0 OR MORE	0.34	1.00	1.46	1.26
5.0 TO 5.9	0.80	2.80	4.82	3.42
4.0 TO 4.9	4.15	7.39	12.33	12.60
3.0 TO 3.9	16.65	22.54	27.01	31.20
2.0 TO 2.9	47.65	37.99	31.32	28.03
1.0 TO 1.9	23.35	18.60	13.03	13.27
0.0 TO 0.9	5.29	5.91	5.96	5.92
-1.0 TO -0.1	1.07	2.35	2.22	2.92
-2.0 TO -1.1	0.47	0.69	0.86	0.72
-3.0 TO -2.1	0.15	0.33	0.42	0.36
LESS THAN -3.0	0.09	0.39	0.59	0.30

MEAN PROBABILITY ATTACHED TO POSSIBLE  
PERCENT CHANGES IN GDP PRICE INDEX:  
(ANNUAL-AVERAGE OVER ANNUAL-AVERAGE)

	2011-2012	2012-2013
8.0 OR MORE	0.06	0.20
7.0 TO 7.9	0.05	0.14
6.0 TO 6.9	0.09	0.28
5.0 TO 5.9	0.27	0.86
4.0 TO 4.9	1.33	2.21
3.0 TO 3.9	8.48	13.58
2.0 TO 2.9	34.62	37.73
1.0 TO 1.9	45.52	33.56
0.0 TO 0.9	8.25	9.29
WILL DECLINE	1.33	2.40

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2012.

TABLE SIX  
 MEAN PROBABILITY OF CORE CPI AND CORE PCE INFLATION (Q4/Q4)

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	11Q4 TO 12Q4	12Q4 TO 13Q4
4 PERCENT OR MORE	0.86	2.43
3.5 TO 3.9 PERCENT	0.86	2.61
3.0 TO 3.4 PERCENT	3.73	6.15
2.5 TO 2.9 PERCENT	12.23	14.84
2.0 TO 2.4 PERCENT	32.54	30.03
1.5 TO 1.9 PERCENT	29.33	28.44
1.0 TO 1.4 PERCENT	13.69	10.26
0.5 TO 0.9 PERCENT	3.72	2.63
0.0 TO 0.4 PERCENT	2.18	0.60
WILL DECLINE	0.87	2.30

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	11Q4 TO 12Q4	12Q4 TO 13Q4
4 PERCENT OR MORE	0.83	1.29
3.5 TO 3.9 PERCENT	0.62	1.35
3.0 TO 3.4 PERCENT	2.72	5.33
2.5 TO 2.9 PERCENT	9.42	13.59
2.0 TO 2.4 PERCENT	26.48	28.41
1.5 TO 1.9 PERCENT	34.04	31.81
1.0 TO 1.4 PERCENT	17.96	12.44
0.5 TO 0.9 PERCENT	5.60	4.10
0.0 TO 0.4 PERCENT	1.87	1.32
WILL DECLINE	0.47	0.35

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
 SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2012.



TABLE SEVEN  
LONG-TERM (5-YEAR AND 10-YEAR) FORECASTS

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2012-2016

=====

CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	0.80	MINIMUM	0.60
LOWER QUARTILE	2.00	LOWER QUARTILE	1.80
MEDIAN	2.30	MEDIAN	2.10
UPPER QUARTILE	2.56	UPPER QUARTILE	2.30
MAXIMUM	4.56	MAXIMUM	4.26
MEAN	2.32	MEAN	2.09
STD. DEVIATION	0.63	STD. DEVIATION	0.61
N	41	N	38
MISSING	4	MISSING	7

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2012-2021

=====

CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	0.99	MINIMUM	0.99
LOWER QUARTILE	2.10	LOWER QUARTILE	2.00
MEDIAN	2.30	MEDIAN	2.15
UPPER QUARTILE	2.70	UPPER QUARTILE	2.50
MAXIMUM	6.40	MAXIMUM	5.76
MEAN	2.49	MEAN	2.25
STD. DEVIATION	0.84	STD. DEVIATION	0.76
N	37	N	34
MISSING	8	MISSING	11

REAL GDP GROWTH RATE		PRODUCTIVITY GROWTH RATE	
-----		-----	
MINIMUM	1.90	MINIMUM	1.20
LOWER QUARTILE	2.50	LOWER QUARTILE	1.60
MEDIAN	2.64	MEDIAN	1.85
UPPER QUARTILE	2.90	UPPER QUARTILE	2.10
MAXIMUM	3.75	MAXIMUM	3.10
MEAN	2.67	MEAN	1.93
STD. DEVIATION	0.41	STD. DEVIATION	0.45
N	37	N	26
MISSING	8	MISSING	19

STOCK RETURNS (S&P 500)		BOND RETURNS (10-YEAR)		BILL RETURNS (3-MONTH)	
-----		-----		-----	
MINIMUM	4.00	MINIMUM	-2.00	MINIMUM	0.75
LOWER QUARTILE	5.00	LOWER QUARTILE	3.40	LOWER QUARTILE	1.80
MEDIAN	6.80	MEDIAN	4.00	MEDIAN	2.50
UPPER QUARTILE	7.60	UPPER QUARTILE	4.50	UPPER QUARTILE	3.00
MAXIMUM	9.20	MAXIMUM	8.40	MAXIMUM	8.10
MEAN	6.30	MEAN	3.83	MEAN	2.65
STD. DEVIATION	1.54	STD. DEVIATION	1.72	STD. DEVIATION	1.44
N	19	N	26	N	26
MISSING	26	MISSING	19	MISSING	19

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2012.