



# SURVEY OF PROFESSIONAL FORECASTERS

Release Date: November 14, 2011

## FOURTH QUARTER 2011

### *Forecasters Predict Lower Growth and Higher Unemployment in 2012 and 2013*

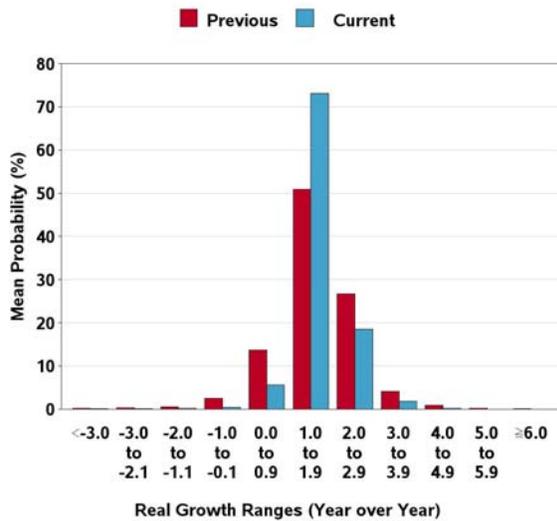
The outlook for growth and unemployment in the U.S. economy looks a little weaker now than it did three months ago, according to 45 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters predict lower real GDP growth and higher unemployment rates in 2012 and 2013 than they did in August. Our panelists expect real GDP to grow at an annual rate of 2.6 percent this quarter, unchanged from the previous estimate. On an annual-average over annual-average basis, the forecasters see real GDP growing 1.8 percent in 2011 (1.7 percent previously). The forecasters predict real GDP will grow 2.4 percent in 2012 (2.6 percent previously) and 2.7 percent in 2013 (2.9 percent previously). The downward revision in 2012 and 2013 is accompanied by an upward revision for growth in 2014.

Upward revisions to unemployment and downward revisions to job growth accompany the current outlook for growth. Unemployment is projected to be an annual average of 9.0 percent in 2011, before falling to 8.8 percent in 2012, 8.4 percent in 2013, and 7.8 percent in 2014. The estimates for 2012, 2013, and 2014 are higher than the projections in the last survey. On the employment front, the forecasters have revised downward the growth in jobs over the next two years. The forecasters see nonfarm payroll employment growing at a rate of 115,300 jobs per month this quarter and 121,000 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 106,500 in 2011, and 123,200 in 2012, 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.)

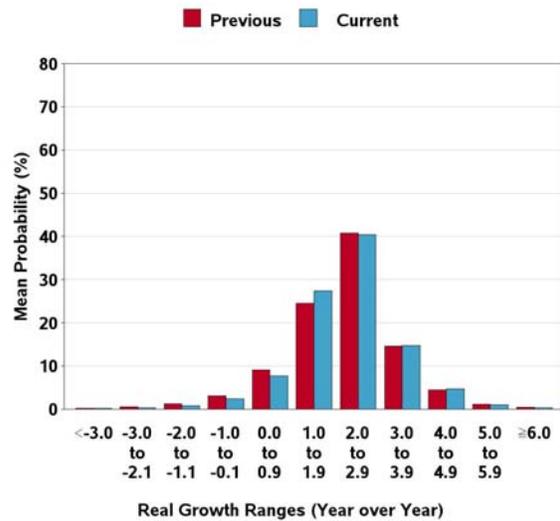
	<i>Real GDP (%)</i>		<i>Unemployment Rate (%)</i>		<i>Payrolls (000s/month)</i>	
	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>
<i>Quarterly data:</i>						
2011:Q4	2.6	2.6	9.0	9.0	148.7	115.3
2012:Q1	2.2	2.4	8.8	8.9	180.3	121.0
2012:Q2	2.9	2.4	8.7	8.9	138.0	126.3
2012:Q3	3.2	2.8	8.6	8.8	187.0	152.4
2012:Q4	N.A.	2.7	N.A.	8.7	N.A.	126.3
<i>Annual data (projections are based on annual average levels):</i>						
2011	1.7	1.8	9.0	9.0	111.5	106.5
2012	2.6	2.4	8.6	8.8	150.1	123.2
2013	2.9	2.7	8.1	8.4	N.A.	N.A.
2014	3.1	3.5	7.6	7.8	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 charts show that the estimates of uncertainty about growth in 2012, 2013, and 2014 are nearly the same as those of the previous survey.

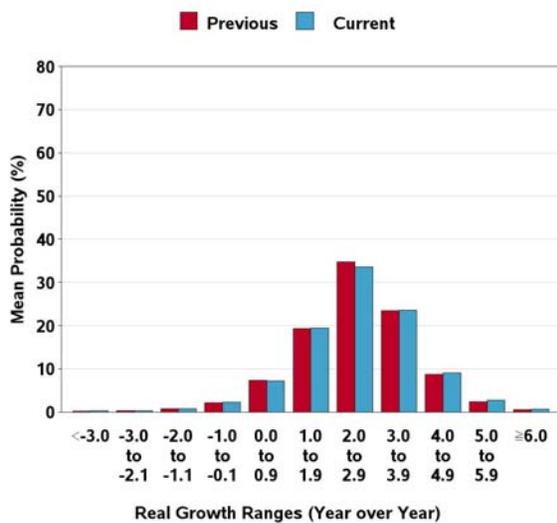
Mean Probabilities for Real GDP Growth in 2011



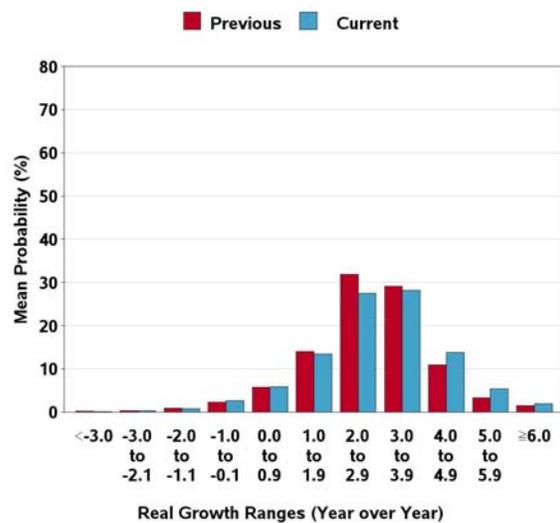
Mean Probabilities for Real GDP Growth in 2012



Mean Probabilities for Real GDP Growth in 2013

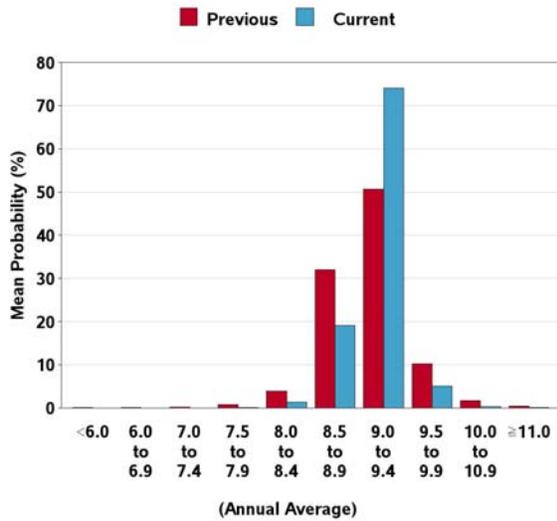


Mean Probabilities for Real GDP Growth in 2014

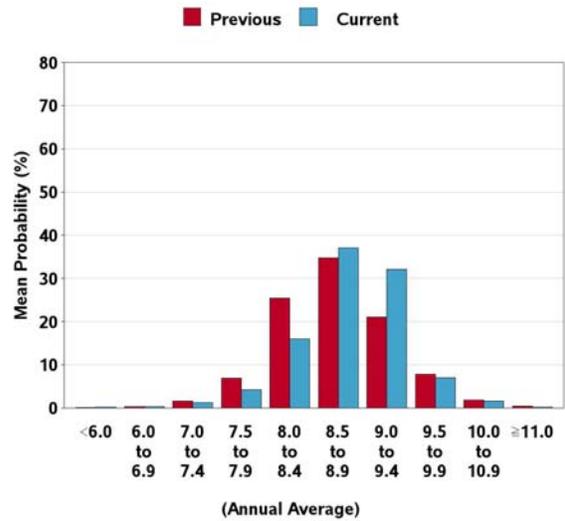


The forecasters' density projections, as shown in the charts below, shed light on the odds of a recovery in the labor market over the next four years. Each chart presents the forecasters' previous and current estimates of the probability that unemployment will fall into each of 10 ranges. The forecasters have revised upward their estimate of the probability that the annual-average unemployment rate will fall into the range of 8.5 to 8.9 percent in 2012, 2013, and 2014.

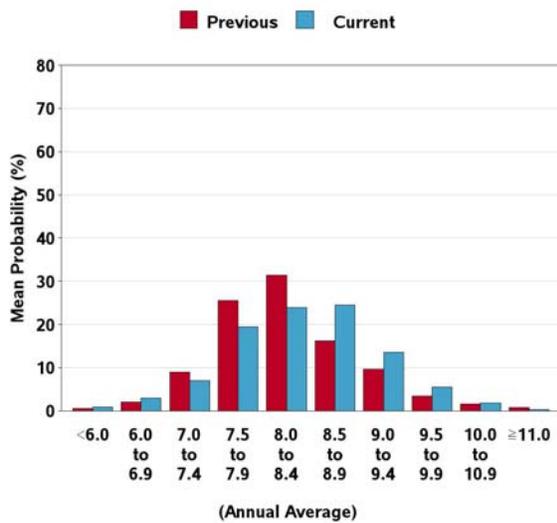
Mean Probabilities for Unemployment Rate in 2011



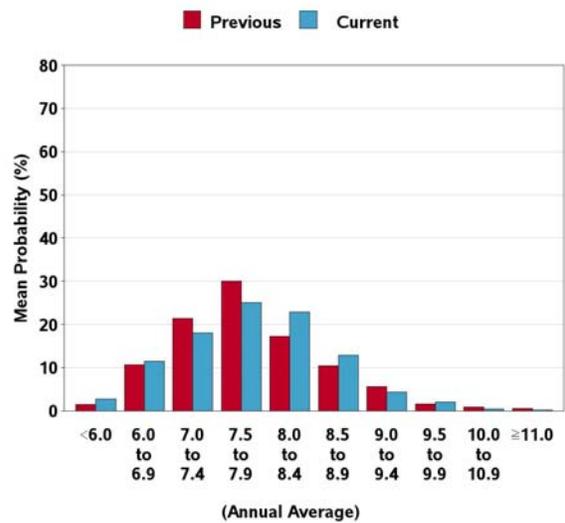
Mean Probabilities for Unemployment Rate in 2012



Mean Probabilities for Unemployment Rate in 2013



Mean Probabilities for Unemployment Rate in 2014



*Little Change in the Outlook for Inflation*

The forecasters have left their short-term projections for inflation in 2012 and 2013 nearly unchanged from their previous projections. Headline CPI inflation in 2012 will average 1.9 percent, down from 2.0 percent previously. Headline CPI inflation will rise to 2.2 percent in 2013, up 0.1 percentage point from the previous estimate. Core CPI inflation in 2012 will average 1.8 percent, unchanged from the previous survey, and rise to 2.0 percent in 2013. The projections for headline and core PCE inflation follow a similar pattern.

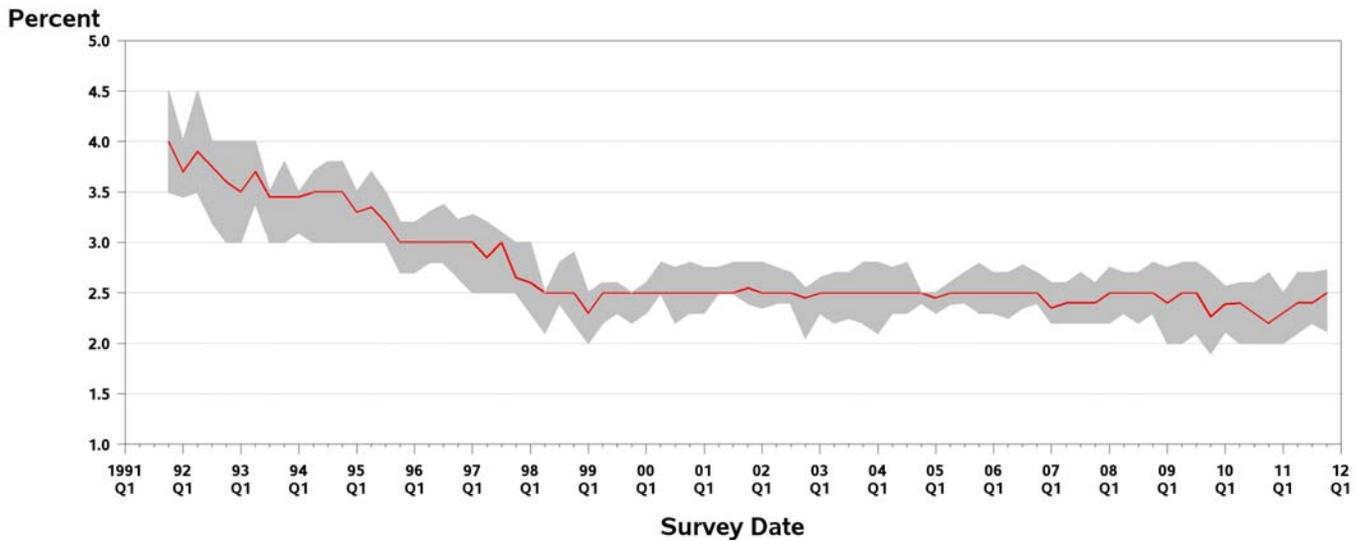
Over the next 10 years, 2011 to 2020, the forecasters expect headline CPI inflation to average 2.5 percent at an annual rate. This estimate is up slightly from 2.4 percent in the last survey. Over the same period, headline PCE inflation will average 2.16 percent at an annual rate, down slightly from last survey's estimate of 2.25 percent.

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

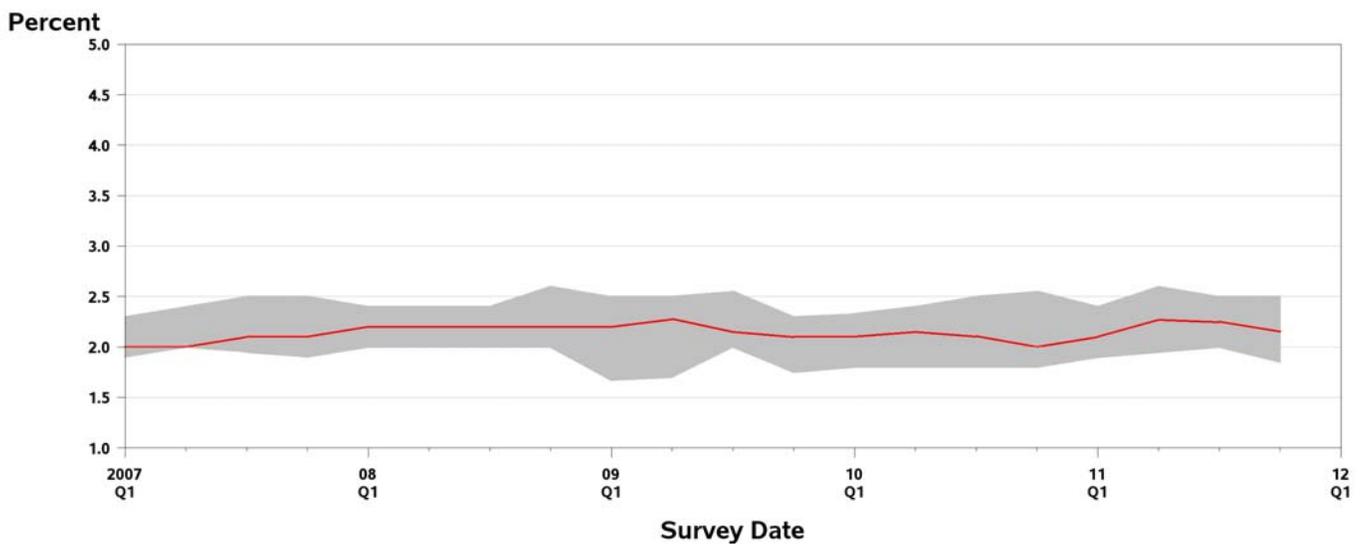
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
<i>Quarterly</i>								
2011:Q4	2.0	2.0	1.7	1.7	1.7	1.8	1.5	1.4
2012:Q1	2.0	2.0	1.6	1.8	1.8	1.7	1.5	1.6
2012:Q2	2.1	1.9	1.9	1.8	1.6	1.6	1.7	1.6
2012:Q3	2.0	2.0	2.0	1.8	1.8	1.8	1.7	1.7
2012:Q4	N.A.	2.0	N.A.	1.8	N.A.	1.7	N.A.	1.6
<i>Q4/Q4 Annual Averages</i>								
2011	3.2	3.6	2.0	2.2	2.5	2.8	1.7	1.8
2012	2.0	1.9	1.8	1.8	1.8	1.7	1.6	1.6
2013	2.1	2.2	1.8	2.0	2.0	2.0	1.7	1.8
<i>Long-Term Annual Averages</i>								
2011-2015	2.30	2.40	N.A.	N.A.	2.10	2.10	N.A.	N.A.
2011-2020	2.40	2.50	N.A.	N.A.	2.25	2.16	N.A.	N.A.

The charts below show the median projections (the red line) and the associated interquartile ranges (the gray area around the red line) for 10-year annual-average CPI and PCE inflation. The median projection for 10-year annual-average CPI inflation has risen in the current survey. However, the projection for 10-year annual-average PCE inflation is slightly lower.

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

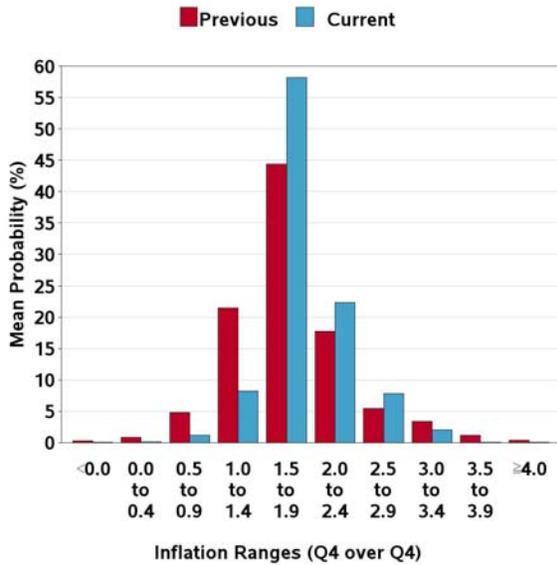


**Projections for the 10-Year Annual-Average Rate of PCE Inflation  
(Median and Interquartile Range)**

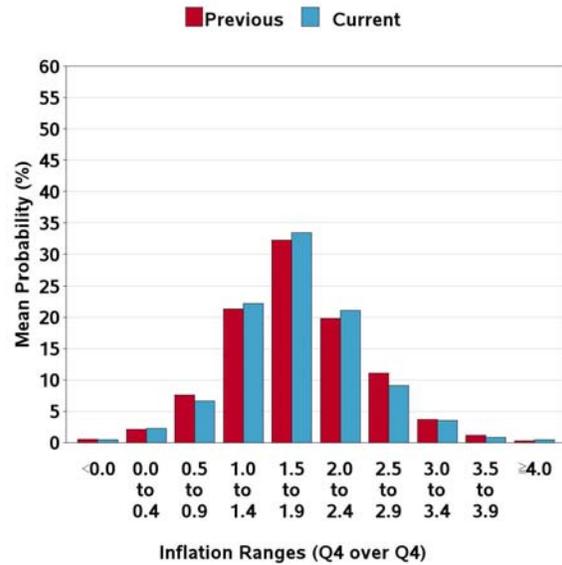


The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2011 and 2012 will fall into each of 10 ranges. The estimates for 2012 are nearly the same as those of the previous survey, suggesting that the forecasters' assessment of the uncertainty about future inflation is holding steady.

Mean Probabilities for Core PCE Inflation in 2011



Mean Probabilities for Core PCE Inflation in 2012



**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 an 11.8 percent chance of negative growth, down from 20.9 percent in the survey of three months ago. As the table below shows, the forecasters have also made downward revisions to their forecasts for the following three quarters. Over each of the quarters of 2012, the forecasters peg the chance of a downturn at slightly less than one out of five.

Risk of a Negative Quarter (%)

Quarterly data:	Previous	New
2011: Q4	20.9	11.8
2012: Q1	20.8	16.6
2012: Q2	19.4	17.3
2012: Q3	19.0	17.1
2012: Q4	N.A.	17.0

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**, 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**, Prima Sgr; **Martin A. Regalia**, U.S. Chamber of Commerce; **David Resler**, Nomura Securities International, Inc.; **Philip Rothman**, East Carolina University; **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

	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2011	2012 (YEAR-OVER-YEAR)	2013	2014
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	2.6	2.4	2.4	2.8	2.7	1.8	2.4	2.7	3.5
2. GDP PRICE INDEX (PERCENT CHANGE)	1.8	1.9	1.9	1.4	2.4	2.2	1.9	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	4.3	4.0	4.0	4.3	5.1	4.0	4.3	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	1.1 115.3	1.1 121.0	1.2 126.3	1.4 152.4	1.1 126.3	1.0 106.5	1.1 123.2	N.A. N.A.	N.A. N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	9.0	8.9	8.9	8.8	8.7	9.0	8.8	8.4	7.8
6. 3-MONTH TREASURY BILL (PERCENT)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	1.5
7. 10-YEAR TREASURY BOND (PERCENT)	2.3	2.4	2.5	2.6	2.7	2.8	2.5	3.1	3.9
	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2011	2012 (Q4-OVER-Q4)	2013	
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	2.0	2.0	1.9	2.0	2.0	3.6	1.9	2.2	
9. CORE CPI (ANNUAL RATE)	1.7	1.8	1.8	1.8	1.8	2.2	1.8	2.0	
10. PCE (ANNUAL RATE)	1.8	1.7	1.6	1.8	1.7	2.8	1.7	2.0	
11. CORE PCE (ANNUAL RATE)	1.4	1.6	1.6	1.7	1.6	1.8	1.6	1.8	

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

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2011.

# **SURVEY OF PROFESSIONAL FORECASTERS**

**Fourth Quarter 2011**

**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 October 27; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before November 8, 2011.

TABLE ONE  
MAJOR MACROECONOMIC INDICATORS  
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST				ACTUAL		FORECAST		
		2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2010 ANNUAL	2011 ANNUAL	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	43	15199	15361	15511	15665	15829	16028	14527	15108	15757	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	43	113.80	114.30	114.85	115.40	115.81	116.51	111.00	113.40	115.60	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	31	N.A.	1552.5	1562.5	1579.1	1598.9	1615.9	1389.1	1509.0	1582.5	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	44	9.1	9.0	8.9	8.9	8.8	8.7	9.6	9.0	8.8	8.4	7.8
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	40	131246	131592	131955	132334	132791	133170	129822	131100	132579	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	40	94.1	94.6	95.4	96.3	97.1	97.7	90.1	93.6	96.7	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	40	0.62	0.62	0.63	0.65	0.69	0.71	0.58	0.60	0.67	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	39	0.02	0.05	0.07	0.10	0.10	0.11	0.14	0.06	0.10	0.47	1.50
9. AAA CORPORATE BOND YIELD (PERCENT)	34	4.46	4.11	4.16	4.27	4.33	4.41	4.94	4.69	4.30	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	30	5.46	5.30	5.36	5.42	5.45	5.55	6.04	5.65	5.40	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	41	2.43	2.25	2.35	2.50	2.56	2.74	3.21	2.83	2.52	3.07	3.90
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	44	13353	13439	13519	13599	13692	13785	13088	13323	13648	14012	14508
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	45	9449.5	9501.5	9548.3	9600.3	9653.7	9706.1	9220.9	9430.2	9628.5	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	43	1467.5	1492.4	1514.6	1538.9	1557.8	1578.3	1319.2	1438.0	1548.3	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	43	326.3	328.4	331.5	336.0	341.0	348.5	330.8	325.0	339.5	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	41	1063.5	1064.2	1062.0	1060.8	1061.3	1057.7	1075.9	1059.8	1060.2	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	39	1451.2	1445.7	1442.1	1439.6	1438.5	1438.5	1487.0	1454.6	1439.5	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	42	5.4	18.1	28.7	31.7	35.0	34.6	58.8	27.9	30.5	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	43	-409.4	-407.1	-408.9	-410.9	-410.6	-405.8	-421.8	-414.4	-408.1	N.A.	N.A.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2011.

TABLE TWO  
MAJOR MACROECONOMIC INDICATORS  
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	2010	2011	2012	2013
		TO Q4 2011	TO Q1 2012	TO Q2 2012	TO Q3 2012	TO Q4 2012	TO 2011	TO 2012	TO 2013	TO 2014
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	43	4.3	4.0	4.0	4.3	5.1	4.0	4.3	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	43	1.8	1.9	1.9	1.4	2.4	2.2	1.9	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	31	4.0	2.6	4.3	5.1	4.3	8.6	4.9	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	44	-0.1	-0.1	-0.0	-0.1	-0.1	-0.6	-0.2	-0.5	-0.6
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	40 40	1.1 115.3	1.1 121.0	1.2 126.3	1.4 152.4	1.1 126.3	1.0 106.5	1.1 123.2	N.A. N.A.	N.A. N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	40	2.3	3.2	3.7	3.3	2.8	3.9	3.3	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	40	1.4	8.8	13.0	24.3	17.8	2.0	12.3	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	39	0.03	0.02	0.03	0.00	0.01	-0.08	0.04	0.37	1.03
9. AAA CORPORATE BOND YIELD (PERCENT)	34	-0.35	0.05	0.11	0.05	0.08	-0.25	-0.39	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	30	-0.16	0.06	0.06	0.03	0.10	-0.39	-0.25	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	41	-0.18	0.10	0.15	0.05	0.18	-0.38	-0.31	0.55	0.83
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	44	2.6	2.4	2.4	2.8	2.7	1.8	2.4	2.7	3.5
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	45	2.2	2.0	2.2	2.2	2.2	2.3	2.1	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	43	7.0	6.1	6.6	5.0	5.4	9.0	7.7	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	43	2.6	3.9	5.5	6.0	9.2	-1.7	4.5	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	41	0.3	-0.8	-0.4	0.2	-1.3	-1.5	0.0	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	39	-1.5	-1.0	-0.7	-0.3	0.0	-2.2	-1.0	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	42	12.7	10.6	3.1	3.3	-0.4	-30.9	2.6	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	43	2.3	-1.8	-2.0	0.3	4.8	7.4	6.3	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, FOURTH QUARTER 2011.

TABLE THREE  
 MAJOR PRICE INDICATORS  
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST (Q/Q)				ACTUAL		FORECAST (Q4/Q4)	
		2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2010 ANNUAL	2011 ANNUAL	2012 ANNUAL	2013 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	43	3.1	2.0	2.0	1.9	2.0	2.0	1.2	3.6	1.9	2.2
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	41	2.7	1.7	1.8	1.8	1.8	1.8	0.6	2.2	1.8	2.0
3. PCE PRICE INDEX (ANNUAL RATE)	37	2.4	1.8	1.7	1.6	1.8	1.7	1.3	2.8	1.7	2.0
4. CORE PCE PRICE INDEX (ANNUAL RATE)	39	2.1	1.4	1.6	1.6	1.7	1.6	1.0	1.8	1.6	1.8

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2011.

TABLE FOUR  
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
	TO Q4 2011	TO Q1 2012	TO Q2 2012	TO Q3 2012	TO Q4 2012
NUMBER OF FORECASTERS					
10 OR LESS	26	15	13	15	15
11 TO 20	14	17	17	14	16
21 TO 30	3	12	14	13	9
31 TO 40	1	0	0	1	3
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	1	1	1	2	2
MEAN AND MEDIAN					
MEDIAN PROBABILITY	10.00	17.00	20.00	15.00	15.00
MEAN PROBABILITY	11.82	16.57	17.27	17.05	16.98

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 44.  
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2011.

TABLE FIVE  
MEAN PROBABILITIES

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

	2011	2012	2013	2014
11.0 PERCENT OR MORE	0.13	0.18	0.35	0.15
10.0 TO 10.9 PERCENT	0.29	1.55	1.80	0.45
9.5 TO 9.9 PERCENT	5.03	7.03	5.53	2.03
9.0 TO 9.4 PERCENT	74.06	32.12	13.61	4.36
8.5 TO 8.9 PERCENT	19.08	37.03	24.51	12.82
8.0 TO 8.4 PERCENT	1.37	16.02	23.98	22.92
7.5 TO 7.9 PERCENT	0.05	4.20	19.40	25.02
7.0 TO 7.4 PERCENT	0.02	1.27	7.02	18.08
6.0 TO 6.9 PERCENT	0.00	0.37	2.92	11.44
LESS THAN 6.0 PERCENT	0.00	0.23	0.91	2.74

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

	2010-2011	2011-2012	2012-2013	2013-2014
6.0 OR MORE	0.01	0.28	0.61	1.87
5.0 TO 5.9	0.01	1.03	2.78	5.42
4.0 TO 4.9	0.20	4.75	9.06	13.84
3.0 TO 3.9	1.81	14.76	23.57	28.21
2.0 TO 2.9	18.49	40.41	33.63	27.44
1.0 TO 1.9	73.13	27.36	19.48	13.39
0.0 TO 0.9	5.63	7.74	7.24	5.85
-1.0 TO -0.1	0.38	2.36	2.25	2.65
-2.0 TO -1.1	0.19	0.78	0.75	0.83
-3.0 TO -2.1	0.12	0.29	0.33	0.37
LESS THAN -3.0	0.06	0.25	0.30	0.13

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

	2010-2011	2011-2012
8.0 OR MORE	0.04	0.14
7.0 TO 7.9	0.02	0.11
6.0 TO 6.9	0.05	0.22
5.0 TO 5.9	0.15	0.44
4.0 TO 4.9	0.49	1.84
3.0 TO 3.9	6.84	11.09
2.0 TO 2.9	68.59	40.64
1.0 TO 1.9	21.87	35.07
0.0 TO 0.9	1.74	8.65
WILL DECLINE	0.26	1.81

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2011.

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

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	10Q4 TO 11Q4	11Q4 TO 12Q4
4 PERCENT OR MORE	0.05	0.72
3.5 TO 3.9 PERCENT	1.52	1.13
3.0 TO 3.4 PERCENT	7.79	4.81
2.5 TO 2.9 PERCENT	10.65	11.68
2.0 TO 2.4 PERCENT	52.28	25.25
1.5 TO 1.9 PERCENT	24.15	30.93
1.0 TO 1.4 PERCENT	3.15	17.57
0.5 TO 0.9 PERCENT	0.32	5.81
0.0 TO 0.4 PERCENT	0.08	1.83
WILL DECLINE	0.05	0.26

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	10Q4 TO 11Q4	11Q4 TO 12Q4
4 PERCENT OR MORE	0.03	0.44
3.5 TO 3.9 PERCENT	0.04	0.84
3.0 TO 3.4 PERCENT	2.07	3.53
2.5 TO 2.9 PERCENT	7.80	9.09
2.0 TO 2.4 PERCENT	22.41	21.13
1.5 TO 1.9 PERCENT	58.17	33.43
1.0 TO 1.4 PERCENT	8.19	22.18
0.5 TO 0.9 PERCENT	1.14	6.63
0.0 TO 0.4 PERCENT	0.09	2.26
WILL DECLINE	0.05	0.47

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
 SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2011.

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

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2011-2015  
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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	1.20	MINIMUM	0.70
LOWER QUARTILE	2.10	LOWER QUARTILE	1.80
MEDIAN	2.40	MEDIAN	2.10
UPPER QUARTILE	2.70	UPPER QUARTILE	2.50
MAXIMUM	4.50	MAXIMUM	4.40
MEAN	2.45	MEAN	2.16
STD. DEVIATION	0.57	STD. DEVIATION	0.62
N	43	N	39
MISSING	2	MISSING	6

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2011-2020  
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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	1.10	MINIMUM	0.99
LOWER QUARTILE	2.12	LOWER QUARTILE	1.85
MEDIAN	2.50	MEDIAN	2.16
UPPER QUARTILE	2.73	UPPER QUARTILE	2.50
MAXIMUM	4.60	MAXIMUM	4.60
MEAN	2.49	MEAN	2.25
STD. DEVIATION	0.57	STD. DEVIATION	0.59
N	40	N	36
MISSING	5	MISSING	9

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2011.