

Survey of

# PROFESSIONAL

FORECASTERS

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Federal Reserve Bank  
of Philadelphia

Release Date: November 20, 2000

## FOURTH QUARTER 2000

### *Forecasters See Little Reason to Revise Projections*

The outlook for the U.S. economy is little changed from that of three months ago, according to 34 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters expect real GDP to grow at a rate of 5.2 percent in 2000, the same rate they predicted in last quarter's survey. In 2001, they expect growth to decelerate to 3.3 percent, a rate virtually unchanged from their previous expectation of 3.2 percent. In the current quarter, the forecasters are calling for growth at an annual rate of 3.2 percent, the same rate predicted in the last survey.

The outlook for the unemployment rate is identical to that of the last survey. The forecasters continue to see the rate averaging 4.0 percent in 2000 and rising to 4.2 percent in 2001.

Much the same is true of the outlook for near-term inflation: The forecasters see little reason to alter their projections of three months ago. Measured by the fourth-quarter over fourth-quarter rate of change in the CPI, inflation will average 3.4 percent in 2000 and fall to 2.7 percent in 2001. Previously, the forecasters projected CPI inflation would average 3.3 percent in 2000 and 2.8 percent in 2001. Measured by the year-over-year rate of change in the GDP price index, inflation is projected to average 2.1 percent in 2000 and 2.3 percent in 2001, down 0.1 percentage point, in both years, from the previous survey's forecast.

The following table compares forecasts for selected variables from the current survey with those from three months ago.

	Real GDP (%)		CPI Inflation (%)		GDP Inflation (%)	
	Previous	New	Previous	New	Previous	New
<i>Quarterly data:</i>						
2000: Q4	3.2	3.2	2.8	3.0	2.3	2.1
2001: Q1	3.0	3.3	2.8	2.8	2.6	2.2
Q2	2.7	3.2	2.7	2.7	2.3	2.4
Q3	3.2	3.3	2.6	2.6	2.4	2.4
Q4	N.A.	3.2	N.A.	2.6	N.A.	2.0
<i>Annual average data:</i>						
2000	5.2	5.2	3.3	3.4	2.2	2.1
2001	3.2	3.3	2.8	2.7	2.4	2.3

### *Long-Term Expectations for Inflation Hold Steady*

The outlook for long-term inflation in the current survey is unchanged from that of three months ago. The forecasters continue to expect long-term inflation, measured by the 10-year average annual rate of change in the CPI, to average 2.50 percent, marking the seventh consecutive survey in which the long-term measure was projected to be that rate. If

we exclude the survey conducted in the first quarter of 1999, in which the measure dropped to 2.30 percent, long-term expectations for inflation have held steady at 2.50 percent since the second-quarter 1998 survey.

#### ***Little Movement Seen in Interest Rates over the Next Five Quarters***

The forecasters see interest rates remaining roughly unchanged over the next five quarters. At the short end, the rate on three-month Treasury bills is expected to hold steady at 6.1 percent over the next three quarters before falling to 6.0 percent over the second-half of 2001. On an annual basis, the rate is projected to average 5.8 percent in 2000 and 6.0 percent in 2001. At the long end, the rate on 10-year Treasury bonds is expected to hover between 5.8 percent and 5.9 percent over the next five quarters. As the following table shows, the annual-average projections for the long-term rate are down just a bit from those of the previous survey.

	3-Month Bill (%)		10-Year Bond (%)	
	Previous	New	Previous	New
<i>Quarterly data:</i>				
2000: Q4	6.0	6.1	6.1	5.8
2001: Q1	6.0	6.1	6.1	5.8
Q2	6.0	6.1	6.1	5.8
Q3	5.9	6.0	6.1	5.9
Q4	N.A.	6.0	N.A.	5.8
<i>Annual average data:</i>				
2000	5.8	5.8	6.2	6.1
2001	5.9	6.0	6.1	5.9

#### ***Oil Prices Will Have Some Effect on Near-Term Inflation—But Little Effect on Output***

In this survey, we asked the forecasters to examine the effect of the runup in oil prices that occurred in 1999.

Measured by the dollar price per barrel of West Texas Intermediate, the price of oil rose from a quarterly average of \$12.87 in the fourth quarter of 1998 to \$24.53 in the fourth quarter of 1999, an increase of 90 percent. The price rose further over the first three quarters of 2000 and stood at \$31.62 in the third quarter.

The forecasters were asked to estimate the amount by which the runup affected reported economic performance in 1999 and how economic performance will be affected in 2000 and 2001. As the table below shows, the rise in oil prices is estimated to primarily affect the CPI inflation rate: oil prices pushed it up by an estimated 0.5 percentage point in 1999 and will push it up a projected 0.8 percentage point in 2000. However, the effect is more subtle if one focuses on the so-called core CPI inflation rate, a measure of CPI inflation that excludes the price of energy (and food). According to the forecasters, core CPI inflation increased just 0.1 percentage point in 1999 as a result of the rise in oil prices and is expected to be just 0.2 percentage point higher in 2000. The forecasters estimate only minor effects in 2001 for both measures.

According to the forecasters, the rate of growth in real GDP is adversely affected by higher oil prices, but the effect is small. In 1999, the forecasters think real GDP growth was reduced 0.1 percentage point by the oil-price runup. In 2000 and 2001, that runup is projected to shave 0.2 percentage point and 0.1 percentage point, respectively, from the rate of growth.

The forecasters think the oil-price hikes are associated with slightly higher short-term interest rates, as measured by the rate on three-month Treasury bills. In 1999, the rate on three-month Treasury bills rose 0.1 percentage point as a result of higher oil prices, and in 2000, that rate will average 0.2 percentage point higher.

The Effect of 1999's Rise in Oil Prices (Percentage Points)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
CPI Inflation Rate	0.50	0.80	0.10
Core CPI Inflation Rate	0.10	0.20	0.10
Real GDP Growth	-0.10	-0.20	-0.10
3-Month Treasury Bill Rate	0.10	0.20	0.00

The forecasters think the price of oil will rise to \$32.12 per barrel in the fourth quarter of 2000, up from \$31.62 in the third quarter, before falling to \$31.50 in the first quarter of 2001, \$30.00 in the second quarter, and \$29.22 in the third quarter, where it will hold steady through year's end.

The Federal Reserve Bank of Philadelphia thanks the following forecasters for their participation in this survey over the past year: **Maureen Allyn**, Scudder Kemper Investments; **Jason Benderly**, Benderly Economics, Inc.; **David Benson** and **Orawin Velz**, Fannie Mae; **Brian A. Bethune**, Caterpillar, Inc.; **David M. Blitzer**, Ph.D., Standard & Poor's; **Joel Brest** and **Brian O'Connor**, Marketview Publishing Corp.; **Robert Chandross**, Republic National Bank of New York; **Chase Securities, Inc.**; **William Cheney** and **Michael Fenollosa**, John Hancock Life Insurance Co.; **Gary L. Ciminero**, Independent Economic Advisory; **Michael Cosgrove**, The Econoclast; **Louis Crandall**, Wrightson Associates; **Bill Dickens**, Florida Public Service Commission; **William C. Dudley** and **Edward F. McKelvey**, Goldman Sachs; **Michael R. Englund**, Standard & Poor's MMS; **Brian Fabbri**, Paribas; **Gerard F. Fuda**, Independent Economist; **James M. Goldberg**, Trust Company of the West; **Tracy Herrick**, Jefferies & Co., Inc.; **David Herskowitz**, Fedwatch Investments; **Andrew Hodge** and **Kurt E. Karl**, Primark-WEFA; **William B. Hummer**, Wayne Hummer Investments, LLC.; **Saul Hymans**, **Joan Crary**, and **Janet Wolfe**, RSQE, The University of Michigan; **Frederick L. Joutz**, Benchmark Forecasts and George Washington University; **Dr. Irwin Kellner**, Hofstra University & CBS MarketWatch; **Allan R. Leslie**, Economic Consultant; **John Lonski**, Moody's Investors Service; **Macroeconomic Advisers, LLC**; **James P. Meil**, Eaton Corporation; **Joel L. Naroff**, Naroff Economic Advisors; **Herbert E. Neil**, Financial and Economic Strategies Corp.; **Michael P. Niemira**, Bank of Tokyo-Mitsubishi, Ltd.; **Fred Rafeld**, Ashland University; **David H. Resler** and **Carol A. Stone**, Nomura Securities Intl., Inc.; **Dick Rippe**, Prudential Securities; **Timothy E. Rogers**, Thomson Global Markets; **Donna M. Scheck**, Honeywell, Inc.; **David F. Seiders** and **Stanley F. Duobinis**, National Association of Home Builders; **Dr. Constantine Soras**, Bell Atlantic; **Bruce Steinberg**, Merrill Lynch; **Susan M. Sterne**, Economic Analysis Assoc., Inc.; **Lea Tyler**, Oxford Economics USA, Inc.; **Robert O. Welk**, RowTek Economics; **Albert M. Wojnilower**, Monitor-Clipper Partners; **Jay N. Woodworth**, Woodworth Holdings, Ltd.; **Richard Yamarone**, Argus Research Corp.; **Mark Zandi**, Economy.com. This is a partial list of participants. We also thank those who wish to remain anonymous.

The Philadelphia Fed's Survey of Professional Forecasters was formerly conducted by the American Statistical Association (ASA) and the National Bureau of Economic Research (NBER) and was known as the ASA/NBER survey. The survey, which began in 1968, is conducted each quarter. The Federal Reserve Bank of Philadelphia, in cooperation with the NBER, assumed responsibility for the survey in June 1990.

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To subscribe to the survey, contact the Research Department's Publications Desk at (215) 574-6428. This three-page writeup contains partial results of the survey. More detailed tables are available. These tables can be accessed on the Internet at: <http://www.phil.frb.org/econ/spf/index.html>.

SURVEY OF PROFESSIONAL FORECASTERS  
MAJOR MACROECONOMIC INDICATORS, 2000-2001

	2000				2001		ANNUAL AVERAGE	
	Q4	Q1	Q2	Q3	Q4	FORECAST	2000	2001
PERCENT GROWTH AT ANNUAL RATES								
<b>1. REAL GDP (BILLIONS, CHAIN WEIGHTED)</b>								
2. GDP PRICE INDEX (1996=100)	3.2	3.3	3.2	3.3	3.2	3.2	5.2	3.3
3. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	2.1	2.2	2.4	2.4	2.0	2.1	2.3	
4. CONSUMER PRICE INDEX (CPI-U) (ANNUAL RATE)	5.4	5.6	5.3	5.8	5.6	7.4	5.6	
VARIABLES IN LEVELS								
5. UNEMPLOYMENT RATE (PERCENT)	3.0	2.8	2.7	2.6	2.6	3.4	2.7	
6. 3-MONTH TREASURY BILL RATE (PERCENT)	4.0	4.1	4.2	4.2	4.2	4.0	4.2	
7. 10-YEAR TREASURY BOND YIELD (PERCENT)	5.8	5.8	5.8	5.9	5.8	6.1	5.9	

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA, SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2000.

NOTES: THE FIGURES ON EACH LINE ARE MEDIANs OF 34 INDIVIDUAL FORECASTS. NA = NOT APPLICABLE.

**SURVEY OF PROFESSIONAL FORECASTERS**

**Fourth Quarter 2000**

**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 11.

TABLE ONE

	NUMBER OF FORE- CASTERS	ACTUAL 2000 Q3	FORECASTS 2001				ACTUAL 1999	FORECAST 2000	FORECAST 2001	
			Q4	Q1	Q2	Q3				
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	34	10063.3	10197.7	10337.2	10472.0	10621.8	10768.0	9299.2	9989.0	10551.7
2. GDP PRICE INDEX (1996=100)	34	107.33	107.90	108.50	109.14	109.80	110.34	104.77	107.00	109.42
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	28	N.A.	665.3	675.3	682.0	695.5	707.0	567.1	651.7	687.7
4. UNEMPLOYMENT RATE (PERCENT)	34	4.0	4.0	4.1	4.2	4.2	4.2	4.0	4.0	4.2
5. INDUSTRIAL PRODUCTION (1992=100)	34	145.5	146.7	147.9	149.1	150.4	151.8	137.1	144.6	149.8
6. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	34	1.53	1.52	1.50	1.50	1.50	1.51	1.67	1.60	1.51
7. CONSUMER PRICE INDEX (CPI-U) (ANNUAL RATE)	33	3.1	3.0	2.8	2.7	2.6	2.6	2.6	3.4	2.7
8. 3-MONTH TREASURY BILL RATE (PERCENT)	31	6.02	6.14	6.05	6.07	6.00	6.00	4.64	5.85	6.02
9. AAA CORPORATE BOND YIELD (PERCENT)	31	7.61	7.58	7.58	7.60	7.58	7.55	7.04	7.67	7.58
10. 10-YEAR TREASURY BOND YIELD (PERCENT)	31	5.89	5.80	5.85	5.85	5.86	5.80	5.64	6.10	5.86

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA, SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2000.

TABLE ONE CONTINUED

**MAJOR MACROECONOMIC INDICATORS, 2000-2001  
MEDIAN OF FORECASTER PREDICTIONS**

	NUMBER OF FORE- CASTERS	ACTUAL 2000 Q3	2000 Q4	FORECASTS				ACTUAL 1999	FORECAST 2000	FORECAST 2001
				Q1	Q2	Q3	Q4			
11. REAL GDP (BILLIONS, CHAIN WEIGHTED)	34	9382.2	9457.5	9534.9	9610.2	9689.3	9765.9	8875.8	9337.3	9648.3
12. TOTAL CONSUMPTION EXPENDITURES (BILLIONS, CHAIN WEIGHTED)	33	6330.4	6389.0	6432.0	6477.1	6521.9	6570.0	5978.8	6299.0	6499.6
13. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	34	1436.3	1469.8	1500.3	1528.0	1549.5	1570.5	1255.3	1421.1	1533.8
14. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	33	363.7	360.7	361.0	360.3	361.8	365.1	368.3	367.1	361.0
15. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	32	544.2	547.7	550.8	553.6	556.2	558.1	540.1	547.0	555.2
16. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	32	1024.6	1031.9	1039.4	1045.9	1053.3	1060.9	995.6	1027.1	1049.8
17. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	34	79.9	59.0	46.5	49.0	46.0	45.0	45.3	63.5	46.1
18. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	34	-410.8	-415.2	-420.0	-424.8	-428.5	-432.7	-322.4	-402.0	-421.3

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA, SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2000.

TABLE TWO

**MAJOR MACROECONOMIC INDICATORS, 2000-2001  
PERCENTAGE CHANGES AT ANNUAL RATES**

	NUMBER OF FORE- CASTERS	Q3 2000 TO Q4 2000	Q4 2000 TO Q1 2001	Q1 20001 TO Q2 2001	Q2 20001 TO Q3 2001	Q3 20001 TO Q4 2001	1999 TO 2000	2000 TO 2001
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	34	5.4	5.6	5.3	5.8	5.6	7.4	5.6
2. GDP PRICE INDEX (1996=100)	34	2.1	2.2	2.4	2.4	2.0	2.1	2.3
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	28	4.4	6.1	4.1	8.1	6.7	14.9	5.5
4. UNEMPLOYMENT RATE (PERCENT)	34	0.0	0.1	0.1	0.0	0.0	-0.2	0.2
5. INDUSTRIAL PRODUCTION (1992=100)	34	3.4	3.4	3.3	3.4	3.6	5.5	3.6
6. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	34	-1.8	-4.5	-0.7	1.3	1.3	-4.1	-5.7
7. CONSUMER PRICE INDEX (CPI-U) (ANNUAL RATE)	33	-0.1	-0.2	-0.1	-0.1	0.0	0.8	-0.7
8. 3-MONTH TREASURY BILL RATE (PERCENT)	31	0.12	-0.09	0.02	-0.07	0.00	1.21	0.17
9. AAA CORPORATE BOND YIELD (PERCENT)	31	-0.03	0.00	0.02	-0.02	-0.03	0.63	-0.09
10. 10-YEAR TREASURY BOND YIELD (PERCENT)	31	-0.09	0.05	0.00	0.01	-0.06	0.46	-0.24

NOTE: FIGURES FOR UNEMPLOYMENT RATE, PERCENT CHANGE IN CONSUMER PRICE INDEX, TREASURY BILL RATE, AAA CORPORATE BOND YIELD, AND 10-YEAR TREASURY BOND YIELD ARE CHANGES IN THESE RATES, IN PERCENTAGE POINTS.  
ALL OTHERS ARE PERCENTAGE CHANGES AT ANNUAL RATES.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA, SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2000.

TABLE TWO CONTINUED

**MAJOR MACROECONOMIC INDICATORS, 2000-2001**  
**PERCENTAGE CHANGES AT ANNUAL RATES**

	NUMBER OF FORE- CASTERS	Q3 2000 TO Q4 2000	Q4 2000 TO Q1 2001	Q1 2001 TO Q2 2001	Q2 2001 TO Q3 2001	Q3 2001 TO Q4 2001	Q4 2001 TO 2000	1999 TO 2001
11. REAL GDP (BILLIONS, CHAIN WEIGHTED)	34	3.2	3.3	3.2	3.3	3.2	5.2	3.3
12. TOTAL CONSUMPTION EXPENDITURES (BILLIONS, CHAIN WEIGHTED)	33	3.8	2.7	2.8	2.8	3.0	5.4	3.2
13. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	34	9.7	8.6	7.6	5.7	5.5	13.2	7.9
14. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	33	-3.3	0.3	-0.8	1.7	3.6	-0.3	-1.7
15. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	32	2.6	2.3	2.0	1.9	1.4	1.3	1.5
16. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	32	2.9	2.9	2.5	2.8	2.9	3.2	2.2
17. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	34	-20.9	-12.5	2.5	-3.0	-1.0	18.2	-17.4
18. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	34	-4.4	-4.8	-4.8	-3.7	-4.2	-79.6	-19.3

NOTE: FIGURES FOR 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 2000.

TABLE THREE

## ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q3 2000				Q4 2000				Q1 2001				Q2 2001				Q3 2001				Q4 2001					
	T0	T0	T0	T0	Q4 2000	Q1 2001	Q2 2001	Q3 2001	T0	T0	T0	T0	Q3 2001	Q4 2001	T0	T0	T0	T0	Q3 2001	Q4 2001	T0	T0	T0	T0		
	NUMBER OF FORECASTERS																									
10 OR LESS	28	19	14	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	12	
11 TO 20	2	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	7
21 TO 30	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	8
31 TO 40	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2
41 TO 50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
51 TO 60	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
61 TO 70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
71 TO 80	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
81 TO 90	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
91 AND OVER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOT REPORTING	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	3
MEDIAN PROBABILITY	1	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	20
MEAN PROBABILITY	4	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	19	

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 32.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA, SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2000.

TABLE FOUR

MEAN PROBABILITY OF CHANGES IN GDP AND PRICES  
1999-2000 AND 2000-2001

MEAN PROBABILITY ATTACHED TO POSSIBLE  
PERCENT CHANGES IN REAL GDP:

	1999-2000	2000-2001
6.0 OR MORE	1.75	0.53
5.0 TO 5.9	72.17	2.69
4.0 TO 4.9	19.70	16.45
3.0 TO 3.9	4.65	41.81
2.0 TO 2.9	1.28	26.17
1.0 TO 1.9	0.34	8.09
0.0 TO 0.9	0.10	2.53
-1.0 TO -0.1	0.00	1.09
-2.0 TO -1.1	0.00	0.34
LESS THAN -2.0	0.00	0.28

MEAN PROBABILITY ATTACHED TO POSSIBLE  
PERCENT CHANGES IN GDP PRICE INDEX:

	1999-2000	2000-2001
8.0 OR MORE	0.00	0.19
7.0 TO 7.9	0.00	0.23
6.0 TO 6.9	0.00	0.31
5.0 TO 5.9	0.00	0.72
4.0 TO 4.9	0.09	2.59
3.0 TO 3.9	7.09	16.15
2.0 TO 2.9	76.78	54.09
1.0 TO 1.9	15.19	20.78
0.0 TO 0.9	0.78	4.61
WILL DECLINE	0.06	0.31

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 32.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA, SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2000.

TABLE FIVE  
LONG-TERM (10 YEAR) FORECASTS

SERIES: CPI INFLATION RATE	
STATISTIC	
MINIMUM	1.800
LOWER QUARTILE	2.300
MEDIAN	2.500
UPPER QUARTILE	2.800
MAXIMUM	3.500
MEAN	2.582
STD. DEV.	0.403
N	33
MISSING	1

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA, SURVEY OF PROFESSIONAL FORECASTERS, FOURTH QUARTER 2000.