



# SURVEY OF PROFESSIONAL FORECASTERS

Release Date: May 15, 2009

*SECOND QUARTER 2009*

## ***Forecasters Expect Lower Growth and Higher Unemployment over the Next Two Years***

The economy looks weaker now than it did in February, according to 51 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters project lower real GDP growth and higher unemployment rates in 2009 and 2010 than they did three months ago. In the current year, the forecasters see the economy contracting at a rate of 2.8 percent (annual-average over annual-average) – a downward revision of 0.8 percentage point from their forecast of 2.0 percent made three months ago. The panelists expect the economy in 2010 to expand 2.0 percent, down from their projection of 2.2 percent in the last survey. In answer to this survey's special questions (described in the section below), the forecasters report that real GDP will expand 2.7 percent in 2011 and 3.0 percent in 2012. On a quarterly basis, the forecasters expect a contraction at an annual rate of 1.5 percent in the current quarter, followed by growth over the next four quarters, from 0.4 percent in the third quarter of 2009 to 2.9 percent in the second quarter of 2010.

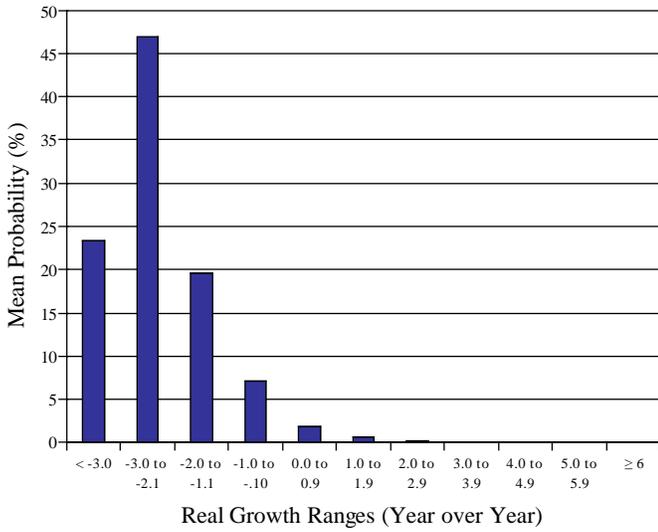
An upward revision to the forecast for the unemployment rate accompanies the outlook for economic growth. The forecasters predict that unemployment will increase from 9.1 percent this quarter to 9.8 percent in the first quarter of 2010. Previously, unemployment was forecast to rise from 8.3 percent to 9.0 percent over the same period. Unemployment is expected to average 9.1 percent this year and rise to 9.6 percent in 2010. In answer to special questions, the forecasters predict that annual-average unemployment will fall to 8.7 percent in 2011 and 7.7 percent in 2012. On the jobs front, the forecasters project job losses in the current quarter at a rate of 521,500 per month. They also see a reduction in jobs of 282,500 per month in the third quarter and 104,700 in the fourth quarter of 2009. They previously projected monthly job losses of 311,200, 202,100, and 43,000 in the second quarter, the third quarter, and the fourth quarter of 2009, respectively. On an annual-average basis, jobs are expected to decline 422,600 per month in 2009 and 13,900 in 2010.

## ***Extended Annual Forecast for Real GDP and Unemployment and Additional Probability Questions***

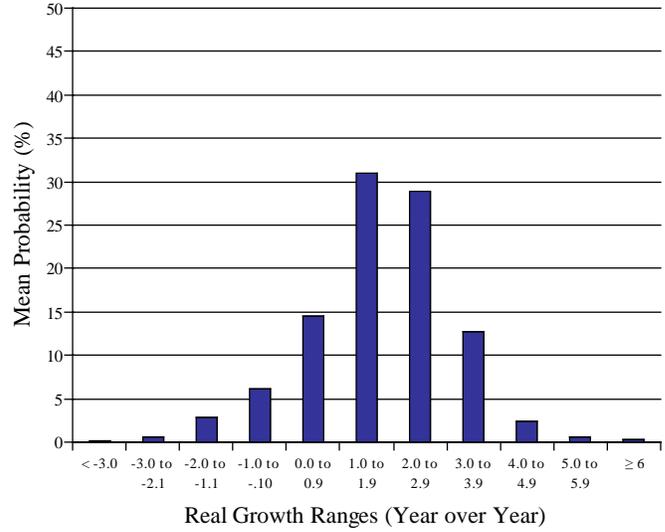
We added a few special questions in this survey. We asked the panelists to provide two more years of annual forecasts for the civilian unemployment rate and real GDP. We also added new questions on probabilities for both variables. In addition, we expanded the number of ranges of possible growth in real GDP. The results of the special questions are summarized in Tables S1-S3 at the end of this write-up.

The charts below provide some information on the degree of uncertainty the forecasters have about year-over-year growth in real GDP. Each chart presents the forecasters' estimates of the probability that growth will fall into each of 11 ranges. For 2009, the forecasters pegged their estimates that growth will be between -3.0 percent to -2.1 percent at 46 percent. The forecasters see only a 3 percent chance that year-over-year growth in 2009 will fall in the positive range. For 2010, the forecasters predict a 90 percent chance that year-over-year growth will be positive. For 2011 and 2012, the economy is expected to further improve, and the forecasters see a 96 percent chance of positive year-over-year growth in both years.

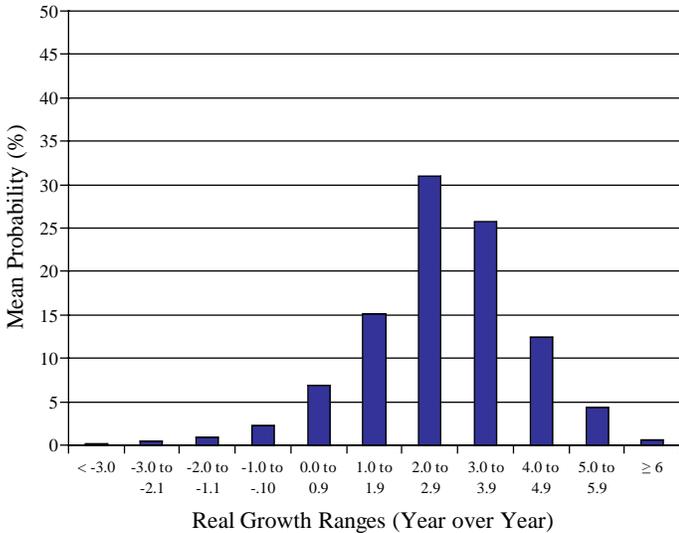
Mean Probabilities for Real GDP Growth in 2009



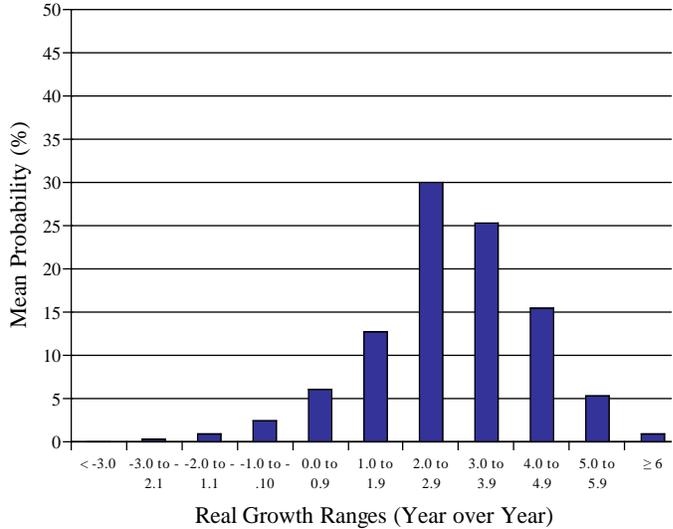
Mean Probabilities for Real GDP Growth in 2010



Mean Probabilities for Real GDP Growth in 2011

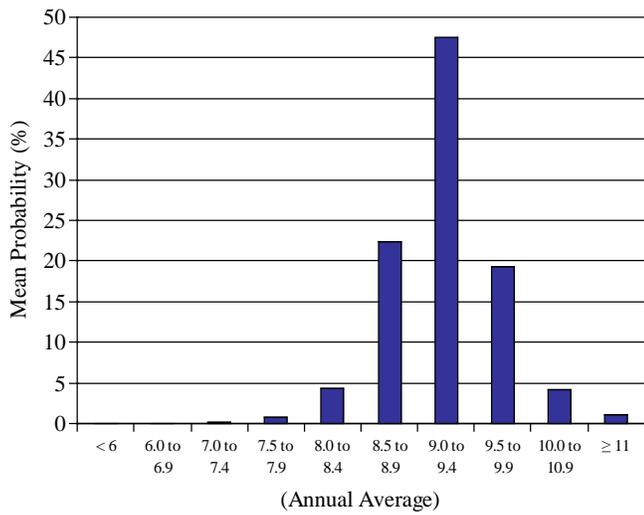


Mean Probabilities for Real GDP Growth in 2012

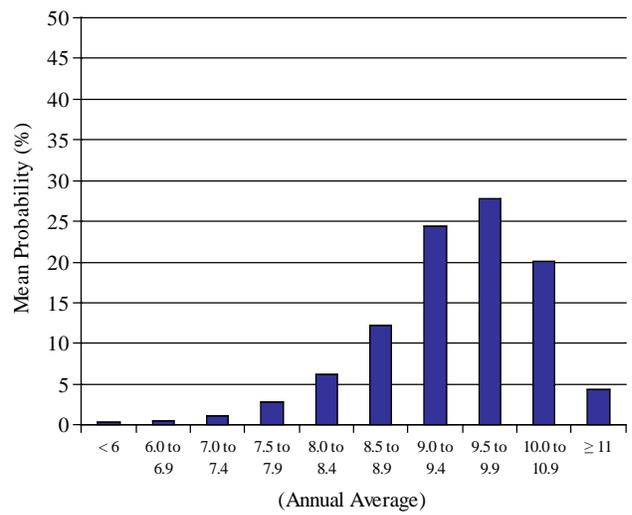


The charts below provide some information on the degree of uncertainty the forecasters have about unemployment rates. Each chart presents the forecasters' estimates of the probability that unemployment will fall into each of 10 ranges. For 2009, the forecasters pegged their estimates that unemployment will be greater than or equal to 8.0 percent at 99 percent. For 2010, the forecasters predict a 95 percent chance that unemployment will be in the same range. The forecasters see further recovery in 2011 and 2012. They predict a 78 percent chance that unemployment will be greater than or equal to 8.0 percent in 2011 and a 47 percent chance in 2012 over the same range.

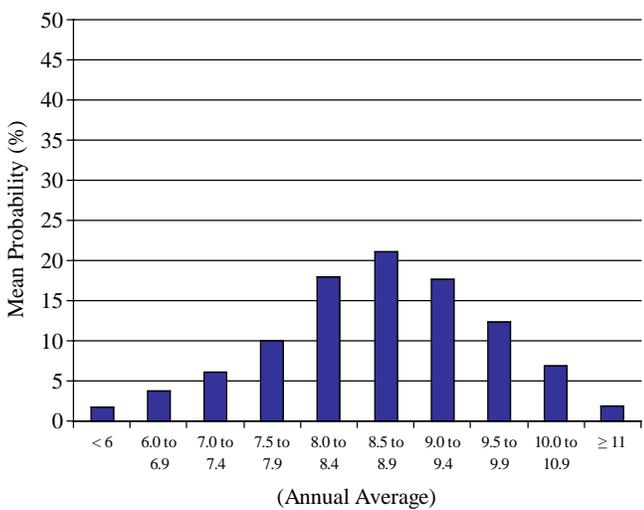
Mean Probabilities for Unemployment Rate in 2009



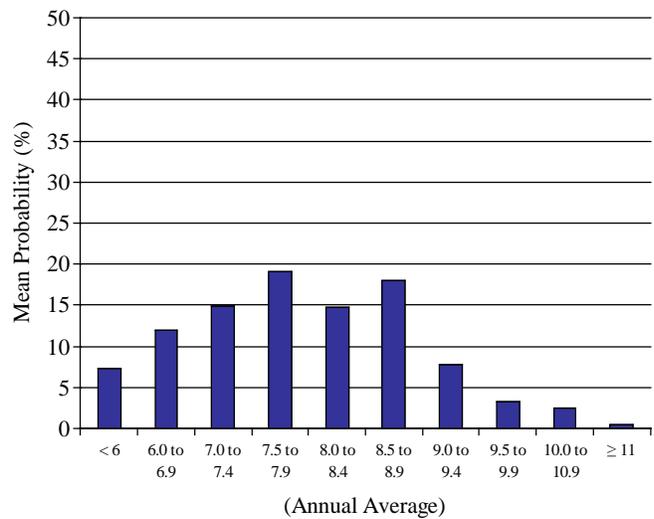
Mean Probabilities for Unemployment Rate in 2010



Mean Probabilities for Unemployment Rate in 2011



Mean Probabilities for Unemployment Rate in 2012



The table below summarizes the forecasts for real GDP and the labor market and compares the current projections with those of three months ago.

	<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>						
2009: Q2	-1.8	-1.5	8.3	9.1	-311.2	-521.5
Q3	1.0	0.4	8.7	9.6	-202.1	-282.5
Q4	1.8	1.7	8.9	9.8	-43.0	-104.7
2010: Q1	2.4	2.2	9.0	9.8	38.7	19.9
Q2	N.A.	2.9	N.A.	9.7	N.A.	103.2

*Annual average data:*

2009	-2.0	-2.8	8.4	9.1	-328.4	-422.6
2010	2.2	2.0	8.8	9.6	6.2	-13.9
2011	N.A.	2.7	N.A.	8.7	N.A.	N.A.
2012	N.A.	3.0	N.A.	7.7	N.A.	N.A.

***Downward Revision for Core CPI Inflation in 2010 and 2011***

The forecasters predict core CPI inflation (fourth-quarter over fourth-quarter) in 2009 to be at 1.3 percent, up slightly from 1.2 percent in the last survey. However, the outlook for core CPI inflation in 2010 and 2011 is at levels below those forecast in the last survey. Core CPI inflation is expected to increase from 1.4 percent in 2010 to 1.9 percent in 2011, down from the previous estimates of 1.6 percent and 2.0 percent over the same periods (not shown in the table below). The forecasters predict core PCE inflation in 2009 at 1.3 percent, up from 1.1 percent in the last survey. The forecasters see little change to core PCE inflation in 2010 and 2011 from the last survey.

Over the next 10 years, 2009 to 2018, the forecasters expect headline CPI inflation to average 2.5 percent at an annual rate, while headline PCE inflation will average 2.3 percent. These estimates are slightly higher than those from the last survey, when the forecasters predicted that inflation over the same 10-year period would average 2.4 percent in the CPI and 2.2 percent in the PCE price index (not shown).

*Short-Run and Long-Run Projections for Inflation*

	<i>CPI (%)</i>		<i>PCE Price Index (%)</i>	
	<i>Headline</i>	<i>Core</i>	<i>Headline</i>	<i>Core</i>
<i>Quarterly data:</i>				
2009: Q2	0.7	1.5	0.9	1.5
Q3	1.6	1.3	1.3	1.2
Q4	1.5	1.3	1.2	1.1
2010: Q1	1.8	1.3	1.5	1.1
Q2	2.0	1.5	1.7	1.4

*Fourth-quarter over fourth-quarter data:*

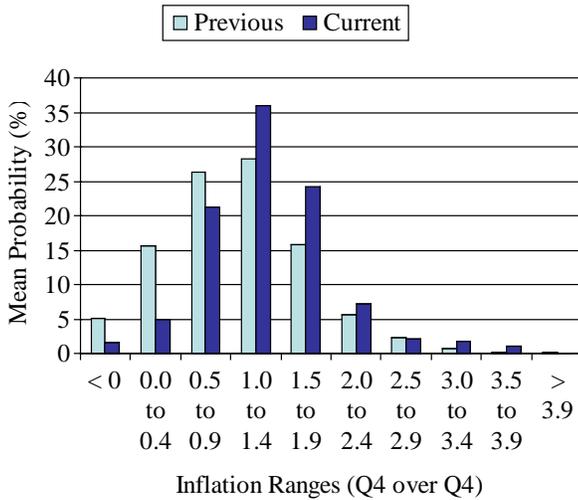
2009	0.4	1.3	0.6	1.3
2010	1.8	1.4	1.7	1.4
2011	2.2	1.9	2.0	1.7

*Long-run projections:*

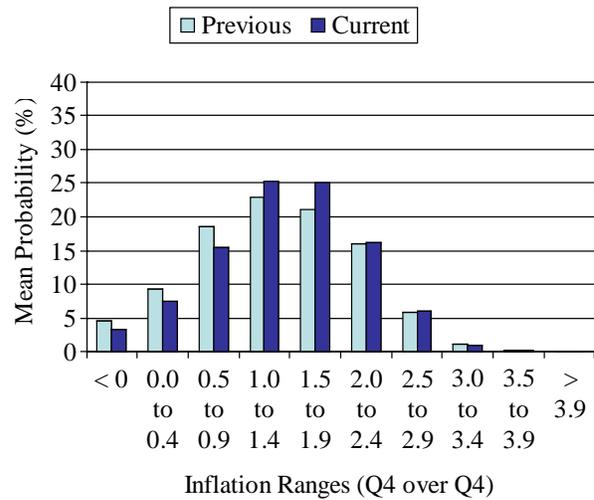
2009-2013	2.2	N.A.	2.0	N.A.
2009-2018	2.5	N.A.	2.3	N.A.

The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2009 and 2010 will fall into each of 10 ranges. For 2009, the forecasters have raised the probability that inflation will be greater than or equal to 1.0 percent. For 2010, the forecasters are assigning a 50 percent probability that inflation will fall into the range of 1.0 percent to 1.9 percent.

Mean Probabilities for Core PCE Inflation in 2009



Mean Probabilities for Core PCE Inflation in 2010



***Increased Risk of a Downturn over the Next Two Quarters***

The risk of a quarter of negative growth over the next two quarters has increased. For the current quarter, the forecasters predict a 79 percent chance of negative growth, up from 74 percent in the survey of three months ago. The forecasters see a 47 percent chance of negative growth in the third quarter of 2009, up from 45 percent previously.

*Risk of a Negative Quarter (%)*

		<i>Previous</i>	<i>New</i>
<i>Quarterly data:</i>			
2009:	Q2	74.0	78.9
	Q3	44.7	46.5
	Q4	29.9	26.9
2010:	Q1	21.6	17.5
	Q2	N.A.	14.4

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

**Scott Anderson**, Wells Fargo and Company; **Robert J. Barbera**, ITG Inc.; **Jack L. Bishop Jr., Ph.D.**, Kingsbury International Ltd.; **Jay Brinkmann**, Mortgage Bankers Association; **Joseph Carson**, Alliance Capital Management; **Christine Chmura, Ph.D.** and **Xiaobing Shuai, Ph.D.**, Chmura Economics & Analytics; **Gary Ciminero, CFA**, GLC Financial Economics; **Joan Crary** and **Stanley Sedo**, RSQE, University of Michigan; **David Crowe**, National Association of Home Builders; **Richard DeKaser**, National City Corporation; **Rajeev Dhawan**, Georgia State University; **Shawn Dubravac**, Consumer Electronics Association; **Michael R. Englund**, Action Economics, LLC; **Fannie Mae**; **Gerard F. Fuda**, Independent Economist; **Stephen Gallagher**, Societe Generale; **James Glassman**, JP Morgan Chase & Co.; **IHS Global Insight**; **Jeoff Hall**, Thomson Financial, IFR; **Ethan Harris** and **Dean Maki**, Barclays Capital; **Keith Hembre**, First American Funds; **Peter Hooper**, Deutsche Bank Securities, Inc.; **William B. Hummer**, Wayne Hummer Investments; **Fred Joutz**, Benchmark Forecasts and Research Program on Forecasting, George Washington University; **Kurt Karl**, Swiss Re; **Nathaniel Karp**, BBVA-Compass; **Walter Kemmsies** and **Daniel Solomon**, Moffatt & Nichol; **Jack Kleinhenz**, Kleinhenz & Associates, Inc.; **Thomas Lam**, UOB Group; **L. Douglas Lee**, Economics from Washington; **Mickey D. Levy**, Bank of America; **Joseph Liro**, Stone & McCarthy Research Associates; **John Lonski**, Moody's Investors Service; **Macroeconomic Advisers, LLC**; **Edward F. McKelvey**, Goldman Sachs; **Jim Meil**, Eaton Corporation; **Merrill Lynch**; **Anthony Metz**, Pareto Optimal Economics; **Ardavan Mobasher** and **Danielle Ferry**, American International Group; **Michael Moran**, Daiwa Securities America; **Joel L. Naroff**, Naroff Economic Advisors; **Mark Nielson, Ph.D.**, MacroEcon Global Advisors; **Michael P. Niemira**, International Council of Shopping Centers; **Luca Noto**, Monte Paschi Asset Management; **Martin A. Regalia**, U.S. Chamber of Commerce; **David Resler**, Nomura Securities International, Inc.; **John Silvia**, Wachovia Corporation; **Allen Sinai**, Decision Economics, Inc; **Tara M. Sinclair**, Research Program on Forecasting, George Washington University; **Sean M. Snaith, Ph.D.**, University of Central Florida; **Constantine G. Soras, Ph.D.**, CGS Economic Consulting; **Neal Soss**, Credit Suisse; **Stephen Stanley**, RBS Greenwich Capital; **Susan M. Sterne**, Economic Analysis Associates, Inc.; **Thomas Kevin Swift**, American Chemistry Council; **Lea Tyler**, Oxford Economics USA, Inc.; **Albert M. Wojnilower**; **Richard Yamarone**, Argus Research Group; **Mark Zandi**, Economy.com; **Ellen Beeson Zentner**, Bank of Tokyo-Mitsubishi UFJ, Ltd.

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

### Special Tables

We asked a number of special questions in this survey. Tables S1-S3 show the responses. Table S1 shows the median projections for real GDP and unemployment over an extended annual horizon. The table also shows the projections over the usual five-quarter horizon (2009:Q2-2010:Q2) and the usual two-year horizon (2009-2010). Table S2 shows the corresponding mean density forecasts for annual-average over annual-average real GDP growth. Note that the lower ranges differ slightly from the usual ones. Table S3 shows the corresponding mean density forecasts for the annual-average unemployment rate.

TABLE S1. EXTENDED FORECASTS FOR REAL GDP AND UNEMPLOYMENT RATE:

	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2009 ANNUAL	2010 ANNUAL	2011 ANNUAL	2012 ANNUAL
REAL GDP (% GROWTH AT ANNUAL RATE)	-1.5	0.4	1.7	2.2	2.9	-2.8	2.0	2.7	3.0
REAL GDP (LEVEL)	11297.3	11310.0	11358.5	11421.1	11503.7	11328.1	11553.1	11865.9	12219.6
UNEMPLOYMENT RATE (PERCENT)	9.1	9.6	9.8	9.8	9.7	9.1	9.6	8.7	7.7

TABLE S2. MEAN PROBABILITY ATTACHED TO POSSIBLE PERCENT CHANGES IN REAL GDP:

	2008-2009	2009-2010	2010-2011	2011-2012
+6 PERCENT OR MORE	0.04	0.32	0.67	0.95
+5.0 to +5.9 PERCENT	0.06	0.63	4.37	5.39
+4.0 to +4.9 PERCENT	0.09	2.52	12.45	15.42
+3.0 to +3.9 PERCENT	0.13	12.95	25.70	25.29
+2.0 to +2.9 PERCENT	0.24	27.63	30.99	29.99
+1.0 to +1.9 PERCENT	0.66	31.16	15.12	12.82
+0.0 to +0.9 PERCENT	1.95	14.82	6.84	6.11
-1.0 to -0.1 PERCENT	7.36	6.32	2.32	2.53
-2.0 to -1.1 PERCENT	19.89	2.85	0.97	0.94
-3.0 to -2.1 PERCENT	45.93	0.60	0.46	0.43
DECLINE MORE THAN 3%	23.65	0.21	0.12	0.12

TABLE S3. MEAN PROBABILITY ATTACHED TO CIVILIAN UNEMPLOYMENT RATES:

	2009	2010	2011	2012
11% OR MORE	1.08	4.33	1.89	0.44
10.0 to 10.9 PERCENT	4.18	20.03	6.97	2.54
9.5 to 9.9 PERCENT	19.25	27.75	12.41	3.25
9.0 to 9.4 PERCENT	47.47	24.36	17.74	7.71
8.5 to 8.9 PERCENT	22.33	12.28	21.17	17.96
8.0 to 8.4 PERCENT	4.39	6.22	18.04	14.77
7.5 to 7.9 PERCENT	0.89	2.92	10.10	19.13
7.0 to 7.4 PERCENT	0.26	1.20	6.10	14.94
6.0 to 6.9 PERCENT	0.09	0.52	3.77	11.96
LESS THAN 6.0%	0.10	0.38	1.82	7.31

SUMMARY TABLE  
 SURVEY OF PROFESSIONAL FORECASTERS  
 MAJOR MACROECONOMIC INDICATORS, 2009-2011

	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2009 (YEAR-OVER-YEAR)	2010	
PERCENT GROWTH AT ANNUAL RATES								
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	-1.5	0.4	1.7	2.2	2.9	-2.8	2.0	
2. GDP PRICE INDEX (PERCENT CHANGE)	0.8	1.1	1.6	1.4	1.8	1.8	1.6	
3. NOMINAL GDP (\$ BILLIONS)	-0.4	2.0	2.6	3.0	4.1	-1.0	3.3	
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	-4.6	-2.5	-1.0	0.2	0.9	-3.7	-0.1	
(AVG MONTHLY CHANGE)	-521.5	-282.5	-104.7	19.9	103.2	-422.6	-13.9	
VARIABLES IN LEVELS								
5. UNEMPLOYMENT RATE (PERCENT)	9.1	9.6	9.8	9.8	9.7	9.1	9.6	
6. 3-MONTH TREASURY BILL (PERCENT)	0.2	0.3	0.3	0.4	0.5	0.2	0.6	
7. 10-YEAR TREASURY BOND (PERCENT)	3.0	3.1	3.2	3.3	3.5	3.0	3.6	
	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2009	2010	2011
						(Q4-OVER-Q4)		
INFLATION INDICATORS								
8. CPI (ANNUAL RATE)	0.7	1.6	1.5	1.8	2.0	0.4	1.8	2.2
9. CORE CPI (ANNUAL RATE)	1.5	1.3	1.3	1.3	1.5	1.3	1.4	1.9
10. PCE (ANNUAL RATE)	0.9	1.3	1.2	1.5	1.7	0.6	1.7	2.0
11. CORE PCE (ANNUAL RATE)	1.5	1.2	1.1	1.1	1.4	1.3	1.4	1.7

THE FIGURES ON EACH LINE ARE MEDIANS OF 51 INDIVIDUAL FORECASTERS.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
 SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2009.

# **SURVEY OF PROFESSIONAL FORECASTERS**

**Second Quarter 2009**

## **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 April 29; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before May 12, 2009.

TABLE ONE  
MAJOR MACROECONOMIC INDICATORS, 2009-2010  
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST				ACTUAL	FORECAST	
		2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2008 ANNUAL	2009 ANNUAL	2010 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	49	14075.5	14059.8	14130.9	14222.1	14326.1	14470.6	14264.6	14123.0	14583.8
2. GDP PRICE INDEX (2000=100)	49	124.19	124.45	124.80	125.29	125.73	126.28	122.50	124.67	126.70
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	34	N.A.	943.8	950.4	963.8	982.2	996.1	1109.9	948.6	1002.7
4. UNEMPLOYMENT RATE (PERCENT)	50	8.1	9.1	9.6	9.8	9.8	9.7	5.8	9.1	9.6
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	40	133678	132113	131266	130952	131012	131321	137046	131975	131809
6. INDUSTRIAL PRODUCTION (2002=100)	47	98.8	96.8	96.5	96.9	97.1	97.7	108.8	97.3	98.2
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	46	0.52	0.52	0.55	0.60	0.66	0.74	0.90	0.55	0.77
8. 3-MONTH TREASURY BILL RATE (PERCENT)	47	0.21	0.20	0.25	0.30	0.40	0.50	1.37	0.23	0.63
9. AAA CORPORATE BOND YIELD (PERCENT)	41	5.27	5.40	5.33	5.39	5.31	5.35	5.64	5.33	5.35
10. 10-YEAR TREASURY BOND YIELD (PERCENT)	49	2.74	3.00	3.06	3.20	3.32	3.50	3.67	3.00	3.55
11. REAL GDP (BILLIONS, CHAIN WEIGHTED)	51	11340.9	11297.3	11310.0	11358.5	11421.1	11503.7	11652.0	11328.1	11553.1
12. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	50	8214.2	8219.0	8242.2	8271.7	8300.4	8337.6	8272.1	8238.6	8377.9
13. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	48	1190.6	1138.7	1105.2	1093.2	1094.5	1097.0	1405.4	1131.4	1108.5
14. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	48	294.2	274.7	269.5	276.5	280.1	288.2	359.5	279.3	293.8
15. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	46	816.1	825.8	836.7	843.3	851.0	859.2	798.2	830.2	858.5
16. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	46	1259.7	1262.5	1265.6	1270.9	1275.7	1279.8	1273.0	1265.0	1280.2
17. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	48	-103.7	-79.5	-49.3	-25.5	-10.0	0.0	-29.1	-64.2	2.6
18. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	48	-308.4	-313.9	-324.9	-337.1	-342.7	-344.5	-390.2	-320.4	-353.7

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2009.

TABLE TWO  
 MAJOR MACROECONOMIC INDICATORS, 2009-2010  
 PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	2008	2009
		TO Q2 2009	TO Q3 2009	TO Q4 2009	TO Q1 2010	TO Q2 2010	TO 2009	TO 2010
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	49	-0.4	2.0	2.6	3.0	4.1	-1.0	3.3
2. GDP PRICE INDEX (2000=100)	49	0.8	1.1	1.6	1.4	1.8	1.8	1.6
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	34	1.9	2.8	5.8	7.8	5.8	-14.5	5.7
4. UNEMPLOYMENT RATE (PERCENT)	50	1.0	0.5	0.2	0.0	-0.1	3.3	0.5
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	40 40	-4.6 -521.5	-2.5 -282.5	-1.0 -104.7	0.2 19.9	0.9 103.2	-3.7 -422.6	-0.1 -13.9
6. INDUSTRIAL PRODUCTION (2002=100)	47	-8.0	-1.0	1.5	0.9	2.6	-10.6	1.0
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	46	-1.8	23.1	43.2	48.2	59.1	-39.4	41.5
8. 3-MONTH TREASURY BILL RATE (PERCENT)	47	-0.01	0.05	0.05	0.10	0.10	-1.14	0.40
9. AAA CORPORATE BOND YIELD (PERCENT)	41	0.13	-0.07	0.06	-0.08	0.04	-0.31	0.02
10. 10-YEAR TREASURY BOND YIELD (PERCENT)	49	0.26	0.06	0.14	0.12	0.18	-0.67	0.55
11. REAL GDP (BILLIONS, CHAIN WEIGHTED)	51	-1.5	0.4	1.7	2.2	2.9	-2.8	2.0
12. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	50	0.2	1.1	1.4	1.4	1.8	-0.4	1.7
13. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	48	-16.3	-11.3	-4.3	0.5	0.9	-19.5	-2.0
14. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	48	-24.0	-7.3	10.7	5.3	12.1	-22.3	5.2
15. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	46	4.9	5.4	3.2	3.7	3.9	4.0	3.4
16. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	46	0.9	1.0	1.7	1.5	1.3	-0.6	1.2
17. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	48	24.2	30.2	23.8	15.5	10.0	-35.1	66.7
18. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	48	-5.5	-11.0	-12.3	-5.6	-1.8	69.8	-33.2

NOTE: FIGURES FOR UNEMPLOYMENT RATE, TREASURY BILL RATE, AAA 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, SECOND QUARTER 2009.

TABLE THREE  
 MAJOR PRICE INDICATORS, 2009-2011  
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST (Q/Q)					ACTUAL	FORECAST (Q4/Q4)		
		2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2008 ANNUAL	2009 ANNUAL	2010 ANNUAL	2011 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	47	-2.4	0.7	1.6	1.5	1.8	2.0	1.5	0.4	1.8	2.2
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	43	1.5	1.5	1.3	1.3	1.3	1.5	2.0	1.3	1.4	1.9
3. PCE PRICE INDEX (ANNUAL RATE)	38	-1.0	0.9	1.3	1.2	1.5	1.7	1.9	0.6	1.7	2.0
4. CORE PCE PRICE INDEX (ANNUAL RATE)	38	1.5	1.5	1.2	1.1	1.1	1.4	1.9	1.3	1.4	1.7

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2009.

TABLE FOUR  
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANGES IN 100)	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
	TO Q2 2009	TO Q3 2009	TO Q4 2009	TO Q1 2010	TO Q2 2010
NUMBER OF FORECASTERS					
10 OR LESS	0	1	11	19	23
11 TO 20	0	5	9	11	11
21 TO 30	0	5	12	13	11
31 TO 40	1	7	9	2	1
41 TO 50	5	14	4	2	0
51 TO 60	3	7	2	0	0
61 TO 70	3	3	0	0	0
71 TO 80	14	5	0	0	0
81 TO 90	6	0	0	0	0
91 AND OVER	14	0	0	0	0
NOT REPORTING	5	4	4	4	5
MEAN AND MEDIAN					
MEDIAN PROBABILITY	80.00	45.00	30.00	15.00	12.50
MEAN PROBABILITY	78.91	46.47	26.91	17.53	14.37

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 46.  
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2009.

TABLE FIVE  
 MEAN PROBABILITY OF CHANGES IN GDP AND PRICES  
 2008-2009 AND 2009-2010

MEAN PROBABILITY ATTACHED TO POSSIBLE  
 PERCENT CHANGES IN REAL GDP:

	2008-2009	2009-2010
6.0 OR MORE	0.04	0.32
5.0 TO 5.9	0.06	0.63
4.0 TO 4.9	0.09	2.52
3.0 TO 3.9	0.13	12.95
2.0 TO 2.9	0.24	27.63
1.0 TO 1.9	0.66	31.16
0.0 TO 0.9	1.95	14.82
-1.0 TO -0.1	7.36	6.32
-2.0 TO -1.1	19.89	2.85
LESS THAN -2.0	69.58	0.81

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

	2008-2009	2009-2010
8.0 OR MORE	0.02	0.02
7.0 TO 7.9	0.02	0.05
6.0 TO 6.9	0.02	0.07
5.0 TO 5.9	0.18	0.27
4.0 TO 4.9	0.61	1.17
3.0 TO 3.9	3.92	7.49
2.0 TO 2.9	23.27	28.89
1.0 TO 1.9	45.67	33.44
0.0 TO 0.9	22.16	21.78
WILL DECLINE	4.13	6.82

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 46.  
 SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
 SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2009.

TABLE SIX  
 MEAN PROBABILITY OF CORE CPI AND CORE PCE INFLATION (Q4/Q4)  
 2008Q4 TO 2009Q4 AND 2009Q4 TO 2010Q4

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	08Q4 TO 09Q4	09Q4 TO 10Q4
4 PERCENT OR MORE	1.67	0.08
3.5 TO 3.9 PERCENT	0.86	0.23
3.0 TO 3.4 PERCENT	0.30	0.81
2.5 TO 2.9 PERCENT	1.44	7.89
2.0 TO 2.4 PERCENT	8.29	18.20
1.5 TO 1.9 PERCENT	24.45	26.51
1.0 TO 1.4 PERCENT	33.17	19.61
0.5 TO 0.9 PERCENT	17.36	14.10
0.0 TO 0.4 PERCENT	7.74	7.49
WILL DECLINE	4.71	5.09

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	08Q4 TO 09Q4	09Q4 TO 10Q4
4 PERCENT OR MORE	0.03	0.06
3.5 TO 3.9 PERCENT	0.98	0.22
3.0 TO 3.4 PERCENT	1.67	0.93
2.5 TO 2.9 PERCENT	2.18	6.03
2.0 TO 2.4 PERCENT	7.15	16.12
1.5 TO 1.9 PERCENT	24.22	25.11
1.0 TO 1.4 PERCENT	35.97	25.22
0.5 TO 0.9 PERCENT	21.24	15.46
0.0 TO 0.4 PERCENT	4.97	7.54
WILL DECLINE	1.59	3.32

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 42.  
 SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
 SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2009.

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

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2009-2013  
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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	-2.20	MINIMUM	-2.12
LOWER QUARTILE	1.60	LOWER QUARTILE	1.41
MEDIAN	2.20	MEDIAN	2.00
UPPER QUARTILE	2.50	UPPER QUARTILE	2.30
MAXIMUM	4.08	MAXIMUM	4.67
MEAN	2.07	MEAN	1.88
STD. DEVIATION	1.00	STD. DEVIATION	1.01
N	45	N	43
MISSING	6	MISSING	8

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2009-2018  
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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	1.10	MINIMUM	1.00
LOWER QUARTILE	2.00	LOWER QUARTILE	1.70
MEDIAN	2.50	MEDIAN	2.28
UPPER QUARTILE	2.80	UPPER QUARTILE	2.50
MAXIMUM	5.00	MAXIMUM	4.64
MEAN	2.47	MEAN	2.21
STD. DEVIATION	0.70	STD. DEVIATION	0.66
N	44	N	42
MISSING	7	MISSING	9

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2009.