December 2025

The Livingston Survey

FEDERAL RESERVE BANK PHILADELPHIA

Release Date: December 19, 2025

Forecasters Project Steady Rates of Real GDP Growth and Steady Unemployment Rate

The 21 participants in the December 2025 *Livingston Survey* projected higher output growth in the second half of 2025 and the first half of 2026 compared with their projections in the June 2025 survey. The forecasters, who are surveyed by the Federal Reserve Bank of Philadelphia twice a year, expect 2.0 percent annualized growth in real GDP during the second half of 2025. They project real GDP will continue to grow at 2.0 percent over the first half of 2026 and will be 1.9 percent in the second half of 2026.

The forecasters predict a steady unemployment rate from now through December 2026. The panelists lowered their forecast for the unemployment rate to 4.5 percent for December 2025, compared with the 4.6 percent forecast in the June survey. The forecasters predict that the unemployment rate will remain steady at 4.5 percent through December 2026.

	Growth Rate of Real GDP (%)	
	Previous	New
Half-year data:		
2025 Q2 to 2025 Q4	0.9	2.0
2025 Q4 to 2026 Q2	1.8	2.0
2026 Q2 to 2026 Q4	N.A.	1.9

	Unemployment Rate (%)	
	Previous	New
December 2025	4.6	4.5
June 2026	4.7	4.5
December 2026	N.A.	4.5

Forecasters Reduce Their Projections for Year-over-Year CPI and PPI Inflation in 2025

The forecasters have revised their projections for year-over-year CPI inflation for 2025 and 2026. Compared with the projections in the June survey, the outlook for year-over-year CPI inflation is lower. Year-over-year CPI inflation is now expected to be steady at 2.8 percent in 2025 and 2026 rather than the 3.0 percent that had been previously predicted. The forecasters predict that year-over-year CPI inflation will reach 2.4 percent in 2027.

PPI inflation for finished goods is expected to be 1.8 percent this year, a downward revision from 2.5 percent in the previous survey. The forecasters predict PPI inflation will reach 2.2 percent in 2026 and remain steady at 2.2 percent through 2027.

	CPI Inflation (%)	
	Previous	New
Annual-average data:		
2024 to 2025	3.0	2.8
2025 to 2026	3.0	2.8
2026 to 2027	N.A.	2.4

	PPI Inflation (%)	
	Previous	New
2024 to 2025	2.5	1.8
2025 to 2026	1.8	2.2
2026 to 2027	N.A.	2.2

Forecasters Predict Falling Short-Term and Long-Term Interest Rates Through 2026

The panelists continue to predict falling interest rates on three-month Treasury bills. The interest rate on three-month Treasury bills is now predicted to be 3.69 percent at the end of December 2025, a downward revision from 3.80 percent in the previous survey. The forecasters predict the three-month rate will fall to 3.25 percent at the end of June 2026 and reach 3.00 percent at the end of December 2026. The panelists see that the rate will remain steady at 3.00 percent at the end of December 2027.

Forecasters predict a downward trend for the rate on 10-year Treasury bonds for 2025 and 2026. The interest rate on 10-year Treasury bonds is predicted to be 4.10 percent at the end of December 2025, the same as their prediction in the June 2025 survey. The forecasters predict the 10-year rate will fall to 4.04 percent at the end of June 2026 and further drop to 4.00 percent at the end of December 2026. The 10-year Treasury bond interest rate is expected to remain at 4.00 percent at the end of December 2027.

	3-Month Treasury Bill Interest Rate		10-Year Treasury Bond Interest Rate	
	Previous	New	Previous	New
Dec. 31, 2025	3.80	3.69	4.10	4.10
June 30, 2026	3.62	3.25	4.15	4.04
Dec. 31, 2026	3.40	3.00	4.10	4.00
Dec. 31, 2027	N.A.	3.00	N.A.	4.00

No Revisions to Long-Term Growth Accompany Upward Revisions to Long-Term Inflation

The forecasters see real GDP growing at an annual-average rate of 2.00 percent over the next 10 years, unchanged from their prediction in the June 2025 survey. The forecasters now predict inflation (measured by the CPI) will average 2.40 percent annually over the next 10 years, an upward revision from 2.26 percent in the June 2025 survey.

Forecasters Raise Their Predictions for Stock Prices

The panelists predict the S&P 500 index will finish the second half of 2025 at a level of 6830.0, marking an upward revision from their previous prediction of 5801.7. Stock prices are expected to rise to 6909.9 at the end of June 2026 and continue to rise to 6990.0 at the end of December 2026. The index is predicted to reach 7285.9 by the end of 2027. These predictions mark upward revisions from those of the June 2025 survey.

	Stock Prices S&P 500 Index	
	Previous	New
Dec. 31, 2025	5801.7	6830.0
June 30, 2026	6027.3	6909.9
Dec. 31, 2026	6210.3	6990.0
Dec. 31, 2027	N.A.	7285.9

Technical Notes

Due to the lack of data for most variables during the federal government shutdown, historical levels for the third quarter of 2025 and October 2025 were not available to panelists. We asked the forecasters to provide their projections for these historical values, but many forecasters did not. Therefore, growth rates using the third quarter 2025 or October 2025 value are based on a small sample.

This news release reports the median value across the 21 forecasters on the survey's panel. All forecasts were submitted on or before December 5, 2025.

The Philadelphia Fed's Livingston Survey is the oldest survey of economists' expectations. The survey was started in 1946 by the late columnist Joseph A. Livingston. It summarizes the forecasts of economists from industry, government, banking, and academia. It is published twice a year, in June and December.

To subscribe to the survey, go to https://www.philadelphiafed.org/notifications.

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

Scott Anderson, BMO Capital Markets; **Paul Ashworth**, Capital Economics; **Wayne Best and Michael Brown**, Visa; **Clement Bohr**, University of California, Los Angeles; **Kathy Bostjancic**, Nationwide; **Jay Bryson**, Wells Fargo Securities, LLC; **James Butkiewicz**, University of Delaware; **Robert Chase**, Economic & Policy Resources, Inc.; **Julia Coronado**, MacroPolicy Perspectives, LLC; **Gregory Daco**, EY-Parthenon; **Rajeev Dhawan**, Georgia State University; **Curtis Dubay**, U.S. Chamber of Commerce; **Mike Englund**, Action Economics, LLC; **Brian Horrigan**, Loomis, Sayles & Co.; **Samuel Kahan**, Kahan Consulting Ltd.; **Joel Kan**, Mortgage Bankers Association; **Thomas Lam**, Independent Economist (Singapore); **Matthew Luzzetti**, Deutsche Bank Securities; **Daniil Manaenkov**, RSQE (University of Michigan); **Satyam Panday**, Standard & Poor's; **Lindsey Piegza**, Stifel; **Nathan Sheets**, Citigroup; **Allen Sinai and Noah Moudarres**, Decision Economics, Inc.; **James Smith**, EconForecaster, LLC.; **Sean Snaith**, Institute for Economic Forecasting (University of Central Florida); **Stephen Stanley**, Santander U.S. Capital Markets; **Mark Zandi**, Moody's Analytics.

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

Livingston Survey Summary Table
MAJOR MACROECONOMIC INDICATORS, 2025-2027

QUARTERLY INDICATORS (percentage changes at annual rates)	Q2 2025 TO Q4 2025	Q4 2025 TO Q2 2026	Q2 2026 TO Q4 2026	2024 TO 2025	2025 TO 2026	2026 TO 2027
Real Gross Domestic Product	2.0	2.0	1.9	2.0	2.0	2.0
Nominal Gross Domestic Product	5.0	4.9	4.4	4.7	4.8	4.2
Nonresidential Fixed Investment	1.5	2.2	2.1	4.0	2.7	2.0
Corporate Profits After Taxes	4.6	4.6	5.3	5.1	4.8	5.0

MONTHLY INDICATORS (percentage changes at annual rates)	JUN 2025 TO DEC 2025	DEC 2025 TO JUN 2026	JUN 2026 TO DEC 2026	2024 TO 2025	2025 TO 2026	2026 TO 2027
Industrial Production	-1.7	0.3	1.3	0.9	-0.1	1.5
Producer Prices - Finished Goods	2.7	1.8	1.7	1.8	2.2	2.2
Consumer Price Index (CPI-U)	3.3	2.7	2.7	2.8	2.8	2.4
Average Weekly Earnings in Mfg.	4.0	3.9	4.1	5.3	3.4	3.2
Retail Trade	4.4	3.9	3.2	4.2	3.8	3.1

(levels of variables)	DEC 2025	JUN 2026	DEC 2026	2025	2026	2027
Total Private Housing Starts (annual rate, millions)	1.319	1.334	1.377	1.358	1.352	1.380
Unemployment Rate (percent)	4.5	4.5	4.5	4.3	4.5	4.4
Automobile Sales (incl. foreign) (annual rate, millions)	2.6	2.6	2.6	2.7	2.6	2.7

FINANCIAL INDICATORS (levels of variables at end of month)	DEC 2025	JUN 2026	DEC 2026	DEC 2027
Prime Interest Rate	6.94	6.50	6.25	6.25
10-Year Treasury Note Yield	4.10	4.04	4.00	4.00
3-Month Treasury Bill Rate	3.69	3.25	3.00	3.00
Stock Prices (S&P500)	6830.0	6909.9	6990.0	7285.9

LONG-TERM OUTLOOK
Average Annual Growth Rate for the Next Ten Years

Real GDP	2.00
Consumer Price Index	2.40

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, December 2025.

LIVINGSTON SURVEY

December 2025

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 November 20; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before December 5.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS, 2025-2027
MEDIANS OF FORECASTER PREDICTIONS

QUARTERLY INDICATORS	NUMBER OF FORECASTERS	ACTUAL 2025 Q2	FORECAST 2025 Q4	FORECAST 2026 Q2	FORECAST 2026 Q4	ACTUAL 2024 ANNUAL	FORECAST 2025 ANNUAL	FORECAST 2026 ANNUAL	FORECAST 2027 ANNUAL
1. Real Gross Domestic Product (billions, chain weighted)	21	23771.0	24011.1	24245.2	24471.4	23358.4	23820.9	24296.9	24779.8
2. Nominal Gross Domestic Product ($ billions)	20	30485.7	31233.5	31985.9	32687.8	29298.0	30678.0	32151.5	33514.3
3. Nonresidential Fixed Investment (billions, chain weighted)	19	3659.3	3686.9	3728.0	3767.5	3518.9	3658.1	3758.6	3833.7
4. Corporate Profits After Taxes ($ billions)	14	3259.4	3334.3	3410.5	3499.9	3121.4	3281.6	3438.8	3612.3
MONTHLY INDICATORS		2025 Jun	2025 Dec	2026 Jun	2026 Dec	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL	2027 ANNUAL
5. Industrial Production (2017=100)	16	104.2	103.3	103.4	104.1	102.6	103.5	103.4	105.0
6. Total Private Housing Starts (annual rate, millions)	17	1.382	1.319	1.334	1.377	1.371	1.358	1.352	1.380
7. Producer Prices - Finished Goods (index level)	15	261.4	264.9	267.3	269.6	257.8	262.4	268.2	274.0
8. Consumer Price Index (CPI-U) (index level)	19	321.5	326.7	331.1	335.5	313.7	322.4	331.4	339.3
9. Unemployment Rate (percent)	20	4.1	4.5	4.5	4.5	4.0	4.3	4.5	4.4
10. Average Weekly Earnings in Mfg. ($)	5	1188.6	1212.4	1236.1	1260.9	1131.5	1191.6	1231.8	1271.5
11. Retail Trade ($ billions)	9	723.0	738.8	753.0	765.1	696.9	726.0	753.4	776.8
12. Automobile Sales (incl. foreign) (annual rate, millions)	10	2.6	2.6	2.6	2.6	3.0	2.7	2.6	2.7
INTEREST RATES & STOCK PRICES (end of period)		2025 Jun	2025 Dec	2026 Jun	2026 Dec	2027 Dec			
13. Prime Interest Rate (percent)	16	7.50	6.94	6.50	6.25	6.25			
14. 10-Year Treasury Note Yield (percent)	19	4.24	4.10	4.04	4.00	4.00			
15. 3-Month Treasury Bill Rate (percent)	17	4.24	3.69	3.25	3.00	3.00			
16. Stock Prices (S&P500) (index level)	14	6205.0	6830.0	6909.9	6990.0	7285.9			

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, December 2025.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS, 2025-2027
PERCENTAGE CHANGES AT ANNUAL RATES

QUARTERLY INDICATORS	NUMBER OF FORECASTERS	Q2 2025 TO Q4 2025	Q4 2025 TO Q2 2026	Q2 2026 TO Q4 2026	2024 TO 2025	2025 TO 2026	2026 TO 2027
1. Real Gross Domestic Product	21	2.0	2.0	1.9	2.0	2.0	2.0
2. Nominal Gross Domestic Product	20	5.0	4.9	4.4	4.7	4.8	4.2
3. Nonresidential Fixed Investment	19	1.5	2.2	2.1	4.0	2.7	2.0
4. Corporate Profits After Taxes	14	4.6	4.6	5.3	5.1	4.8	5.0

MONTHLY INDICATORS		JUN 2025 TO DEC 2025	DEC 2025 TO JUN 2026	JUN 2026 TO DEC 2026	2024 TO 2025	2025 TO 2026	2026 TO 2027
5. Industrial Production	16	-1.7	0.3	1.3	0.9	-0.1	1.5
6. Total Private Housing Starts	17	-0.063	0.015	0.043	-0.012	-0.006	0.028
7. Producer Prices - Finished Goods	15	2.7	1.8	1.7	1.8	2.2	2.2
8. Consumer Price Index (CPI-U)	19	3.3	2.7	2.7	2.8	2.8	2.4
9. Unemployment Rate	20	0.4	-0.0	-0.0	0.3	0.2	-0.1
10. Average Weekly Earnings in Mfg.	5	4.0	3.9	4.1	5.3	3.4	3.2
11. Retail Trade	9	4.4	3.9	3.2	4.2	3.8	3.1
12. Automobile Sales (incl. foreign)	10	-0.1	0.0	0.0	-0.2	-0.1	0.1

INTEREST RATES & STOCK PRICES		JUN 2025 TO DEC 2025	DEC 2025 TO JUN 2026	JUN 2026 TO DEC 2026	DEC 2026 TO DEC 2027
13. Prime Interest Rate	16	-0.56	-0.44	-0.25	0.00
14. 10-Year Treasury Note Yield	19	-0.14	-0.06	-0.04	0.00
15. 3-Month Treasury Bill Rate	17	-0.55	-0.44	-0.25	0.00
16. Stock Prices (S&P500)	14	21.2	2.4	2.3	4.2

Note: Figures for housing starts, unemployment rate, auto sales, prime interest rate, 10-year Treasury bond, and 90-day Treasury bill are changes in levels. All others are percentage changes at annual rates.

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, December 2025.

TABLE THREE
LONG-TERM (10 YEAR) FORECASTS

SERIES: Real GDP

Statistic	
Minimum	1.25
Lower Quartile	1.86
Median	2.00
Upper Quartile	2.20
Maximum	2.60
Mean	2.01
Std. Deviation	0.30
N	19
Missing	2

SERIES: CPI Inflation Rate

Statistic	
Minimum	1.95
Lower Quartile	2.06
Median	2.40
Upper Quartile	2.50
Maximum	2.70
Mean	2.29
Std. Deviation	0.24
N	19
Missing	2

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, December 2025.