



The Livingston Survey

FEDERAL RESERVE BANK PHILADELPHIA

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Forecasters Project Lower Rates of Real GDP Growth and Rising Unemployment Rate

The 21 participants in the June *Livingston Survey* predict much lower output growth for 2025 and the first half of 2026 compared with their projections in the December 2024 survey. The forecasters, who are surveyed by the Federal Reserve Bank of Philadelphia twice a year, expect 0.5 percent annualized growth in real GDP during the first half of 2025. They project 0.9 percent annualized growth over the second half of 2025. The forecasters predict that real GDP will reach an annual rate of 1.8 percent growth in the first half of 2026.

The forecasters predict a rising unemployment rate through June 2026. The panelists continue to forecast that the unemployment rate will be 4.3 percent in June 2025, unchanged from the December 2024 survey. The forecasters predict that the unemployment rate will be 4.6 percent in December 2025 and that it will reach 4.7 percent in June 2026.

	Growth Rate of Real GDP (%)		Unemployment Rate (%)	
	Previous	New	Previous	New
Half-year data:				
2024 Q4 to 2025 Q2	1.9	0.5	June 2025	4.3
2025 Q2 to 2025 Q4	1.9	0.9	December 2025	4.6
2025 Q4 to 2026 Q2	N.A.	1.8	June 2026	N.A.

Forecasters Project Steady Year-over-Year CPI Inflation and Decreasing Year-over-Year PPI Inflation

The forecasters continue to predict steady year-over-year CPI inflation for 2025 and 2026. In comparison with the projections in the December 2024 survey, the outlook for year-over-year CPI inflation has risen. Year-over-year CPI inflation is now expected to be steady at 3.0 percent in 2025 and 2026 rather than the 2.3 percent that had been previously predicted. PPI inflation for finished goods is expected to be 2.5 percent this year, an upward revision from 1.1 percent in the previous survey. The forecasters predict PPI inflation will reach 1.8 percent in 2026.

	CPI Inflation (%)		PPI Inflation (%)	
	Previous	New	Previous	New
Annual-average data:				
2024 to 2025	2.3	3.0	1.1	2.5
2025 to 2026	2.3	3.0	2.1	1.8

Forecasters Continue to Predict Falling Short-Term and Long-Term Interest Rates in 2025

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 4.30 percent at the end of June 2025, an upward revision from 3.90 percent in the previous survey. The forecasters predict the three-month rate will fall to 3.80 percent at the end of December 2025 and be 3.62 percent at the end of June 2026. The panelists see the rate at 3.40 percent at the end of December 2026.

Forecasters continue to predict a downward trend for the rate on 10-year Treasury bonds for 2025. The interest rate on 10-year Treasury bonds is predicted to be 4.40 percent at the end of June 2025, up from 4.10 percent in the December 2024 survey. The forecasters predict the 10-year rate will fall to 4.10 percent at the end of December 2025 and reach 4.15 percent at the end of June 2026. The 10-year Treasury bond interest rate is expected to be 4.10 percent at the end of December 2026.

	3-Month Treasury Bill Interest Rate		10-Year Treasury Bond Interest Rate	
	Previous	New	Previous	New
June 30, 2025	3.90	4.30	4.10	4.40
Dec. 31, 2025	3.40	3.80	4.00	4.10
June 30, 2026	N.A.	3.62	N.A.	4.15
Dec. 31, 2026	3.50	3.40	4.00	4.10

Slight Downward Revisions to Long-Term Growth and Long-Term Inflation

The forecasters see real GDP growing at an annual-average rate of 2.00 percent over the next 10 years, a slight downward revision from 2.05 percent in the December 2024 survey. The forecasters now predict inflation (measured by the CPI) will average 2.26 percent annually over the next 10 years, also a slight downward revision from 2.28 percent in the December 2024 survey.

Forecasters Lower Their Predictions for Stock Prices

The panelists predict the S&P 500 index will finish the first half of 2025 at a level of 5850.0, marking a downward revision from their previous prediction of 6260.0. Stock prices are expected to fall to 5801.7 at the end of 2025 and then rise to 6027.3 at the end of June 2026. The index is predicted to reach 6210.3 by the end of 2026. These predictions mark downward revisions from those of the December 2024 survey.

	Stock Prices S&P 500 Index	
	Previous	New
June 30, 2025	6260.0	5850.0
Dec. 31, 2025	6489.9	5801.7
June 30, 2026	N.A.	6027.3
Dec. 31, 2026	6920.9	6210.3

Technical Notes

This news release reports the median value across the 21 forecasters on the survey's panel. All forecasts were submitted on or before May 29, 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.; **Carl Chrappa**, Independent Equipment Company; **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); **Michael Moran**, Daiwa Capital Markets America; **Satyam Panday**, Standard & Poor's; **Lindsey Piegza**, Stifel; **Nathan Sheets**, Citigroup; **Allen Sinai and Lu Yu**, Decision Economics, Inc.; **James Smith**, Parsec Financial Management, Inc.; **Sean Snaith**, Institute for Economic Forecasting (University of Central Florida); **Stephen Stanley**, Santander U.S. Capital Markets; **Brian Wesbury and Robert Stein**, First Trust Advisors, L.P.; **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, 2025-2026

QUARTERLY INDICATORS (percentage changes at annual rates)	Q4 2024 TO Q2 2025	Q2 2025 TO Q4 2025	Q4 2025 TO Q2 2026	2024 TO 2025	2025 TO 2026
Real Gross Domestic Product	0.5	0.9	1.8	1.3	1.6
Nominal Gross Domestic Product	3.8	4.0	4.6	4.3	4.3
Nonresidential Fixed Investment	3.0	-1.6	1.8	1.5	0.7
Corporate Profits After Taxes	-6.3	5.6	3.4	2.1	4.8
MONTHLY INDICATORS (percentage changes at annual rates)	DEC 2024 TO JUN 2025	JUN 2025 TO DEC 2025	DEC 2025 TO JUN 2026	2024 TO 2025	2025 TO 2026
Industrial Production	1.5	-0.1	-0.5	1.3	-0.4
Producer Prices - Finished Goods	1.0	2.9	1.3	2.5	1.8
Consumer Price Index (CPI-U)	2.9	3.5	2.8	3.0	3.0
Average Weekly Earnings in Mfg.	0.7	2.2	2.7	4.4	2.6
Retail Trade	2.0	2.7	2.9	4.1	2.8
(levels of variables)	JUN 2025	DEC 2025	JUN 2026	2025	2026
Total Private Housing Starts (annual rate, millions)	1.368	1.356	1.361	1.377	1.391
Unemployment Rate (percent)	4.3	4.6	4.7	4.3	4.6
Automobile Sales (incl. foreign) (annual rate, millions)	2.9	2.7	2.8	2.9	2.8
FINANCIAL INDICATORS (levels of variables at end of month)	JUN 2025	DEC 2025	JUN 2026	DEC 2026	
Prime Interest Rate	7.50	7.00	6.75	6.50	
10-Year Treasury Note Yield	4.40	4.10	4.15	4.10	
3-Month Treasury Bill Rate	4.30	3.80	3.62	3.40	
Stock Prices (S&P500)	5850.0	5801.7	6027.3	6210.3	
LONG-TERM OUTLOOK					
Average Annual Growth Rate for the Next Ten Years					
Real GDP	2.00				
Consumer Price Index	2.26				

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

LIVINGSTON SURVEY

June 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 May 19; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before May 29.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS, 2025-2026
MEDIAN OF FORECASTER PREDICTIONS

QUARTERLY INDICATORS	NUMBER OF FORECASTERS	ACTUAL	FORECAST				ACTUAL	FORECAST	
		2024 Q4	2025 Q2	2025 Q4	2026 Q2		2024 ANNUAL	2025 ANNUAL	2026 ANNUAL
1. Real Gross Domestic Product (billions, chain weighted)	21	23542.3	23605.1	23715.5	23926.3		23305.0	23618.5	23985.9
2. Nominal Gross Domestic Product (\$ billions)	21	29723.9	30286.5	30888.9	31597.5		29184.9	30446.3	31756.7
3. Nonresidential Fixed Investment (billions, chain weighted)	20	3512.4	3565.2	3536.9	3568.9		3506.6	3559.2	3584.2
4. Corporate Profits After Taxes (\$ billions)	16	3312.0	3205.3	3293.8	3349.1		3154.7	3221.6	3377.2
MONTHLY INDICATORS		2024 Dec	2025 Jun	2025 Dec	2026 Jun		2024 ANNUAL	2025 ANNUAL	2026 ANNUAL
5. Industrial Production (2017=100)	16	103.1	103.9	103.8	103.5		102.6	103.9	103.5
6. Total Private Housing Starts (annual rate, millions)	16	1.514	1.368	1.356	1.361		1.371	1.377	1.391
7. Producer Prices - Finished Goods (index level)	13	261.4	262.7	266.5	268.2		257.8	264.3	269.1
8. Consumer Price Index (CPI-U) (index level)	20	317.6	322.1	327.7	332.2		313.7	323.2	332.8
9. Unemployment Rate (percent)	20	4.1	4.3	4.6	4.7		4.0	4.3	4.6
10. Average Weekly Earnings in Mfg. (\$)	6	1175.4	1179.4	1192.2	1208.4		1131.5	1181.6	1212.8
11. Retail Trade (\$ billions)	12	717.7	724.8	734.4	744.8		696.8	725.6	746.1
12. Automobile Sales (incl. foreign) (annual rate, millions)	11	3.0	2.9	2.7	2.8		3.0	2.9	2.8
INTEREST RATES & STOCK PRICES (end of period)		2024 Dec	2025 Jun	2025 Dec	2026 Jun		2026 Dec		
13. Prime Interest Rate (percent)	17	7.50	7.50	7.00	6.75		6.50		
14. 10-Year Treasury Note Yield (percent)	19	4.58	4.40	4.10	4.15		4.10		
15. 3-Month Treasury Bill Rate (percent)	17	4.23	4.30	3.80	3.62		3.40		
16. Stock Prices (S&P500) (index level)	13	5881.6	5850.0	5801.7	6027.3		6210.3		

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

TABLE TWO
MAJOR MACROECONOMIC INDICATORS, 2025-2026
PERCENTAGE CHANGES AT ANNUAL RATES

QUARTERLY INDICATORS	NUMBER OF FORECASTERS	Q4 2024 TO Q2 2025	Q2 2025 TO Q4 2025	Q4 2025 TO Q2 2026	2024 TO 2025	2025 TO 2026
1. Real Gross Domestic Product	21	0.5	0.9	1.8	1.3	1.6
2. Nominal Gross Domestic Product	21	3.8	4.0	4.6	4.3	4.3
3. Nonresidential Fixed Investment	20	3.0	-1.6	1.8	1.5	0.7
4. Corporate Profits After Taxes	16	-6.3	5.6	3.4	2.1	4.8
MONTHLY INDICATORS		DEC 2024 TO JUN 2025	JUN 2025 TO DEC 2025	DEC 2025 TO JUN 2026	2024 TO 2025	2025 TO 2026
5. Industrial Production	16	1.5	-0.1	-0.5	1.3	-0.4
6. Total Private Housing Starts	16	-0.146	-0.013	0.005	0.007	0.014
7. Producer Prices - Finished Goods	13	1.0	2.9	1.3	2.5	1.8
8. Consumer Price Index (CPI-U)	20	2.9	3.5	2.8	3.0	3.0
9. Unemployment Rate	20	0.2	0.3	0.1	0.3	0.3
10. Average Weekly Earnings in Mfg.	6	0.7	2.2	2.7	4.4	2.6
11. Retail Trade	12	2.0	2.7	2.9	4.1	2.8
12. Automobile Sales (incl. foreign)	11	-0.1	-0.2	0.1	-0.1	-0.1
INTEREST RATES & STOCK PRICES		DEC 2024 TO JUN 2025	JUN 2025 TO DEC 2025	DEC 2025 TO JUN 2026	JUN 2026 TO DEC 2026	
13. Prime Interest Rate	17	0.00	-0.50	-0.25	-0.25	
14. 10-Year Treasury Note Yield	19	-0.18	-0.30	0.05	-0.05	
15. 3-Month Treasury Bill Rate	17	0.07	-0.50	-0.18	-0.22	
16. Stock Prices (S&P500)	13	-1.1	-1.6	7.9	6.2	

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, June 2025.

TABLE THREE
LONG-TERM (10 YEAR) FORECASTS

SERIES: Real GDP	
Statistic	
Minimum	1.25
Lower Quartile	1.82
Median	2.00
Upper Quartile	2.10
Maximum	2.50
Mean	1.97
Std. Deviation	0.26
N	20
Missing	1
SERIES: CPI Inflation Rate	
Statistic	
Minimum	1.90
Lower Quartile	2.20
Median	2.26
Upper Quartile	2.45
Maximum	2.70
Mean	2.30
Std. Deviation	0.21
N	20
Missing	1

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