



Survey of Professional Forecasters

FEDERAL RESERVE BANK PHILADELPHIA

Release Date: May 16, 2025

Forecasters Predict Lower Growth and Employment in 2025

The outlook for the U.S. economy looks dimmer now than it did three months ago, according to 36 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters predict the economy will grow at an annual rate of 1.5 percent this quarter, down from the prediction of 2.1 percent in the last survey. On an annual-average over annual-average basis, the forecasters expect real GDP to increase 1.4 percent in 2025, down 1.0 percentage point from the estimate in the survey of three months ago.

An upward revision to the path for the unemployment rate accompanies the outlook for growth. The forecasters predict the unemployment rate will increase from 4.2 percent this quarter to 4.5 percent in the first quarter of 2026. In the previous survey, the unemployment rate was forecast to rise from 4.2 percent to 4.3 percent over the same period. On an annual-average basis, the forecasters expect the unemployment rate to average 4.3 percent in 2025, marking a slight upward revision from the previous estimate of 4.2 percent. The forecasters also predict higher unemployment rates over the next three years, compared with those in the previous survey.

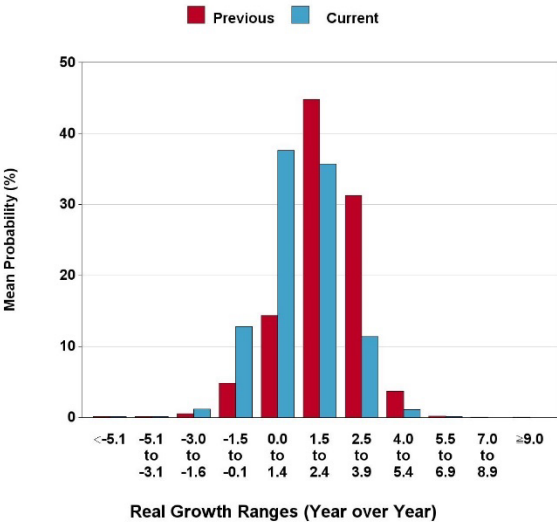
On the employment front, the forecasters predict job gains in the current quarter at a rate of 141,400 per month. The employment projections for both the current quarter and the following three quarters show downward revisions from those of the previous survey. The projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 140,900 in 2025, down from the previous estimate of 145,000. (These annual-average projections are computed as the year-to-year change in the annual-average level of nonfarm payroll employment, converted to a monthly rate.)

Median Forecasts for Selected Variables in the Current and Previous Surveys

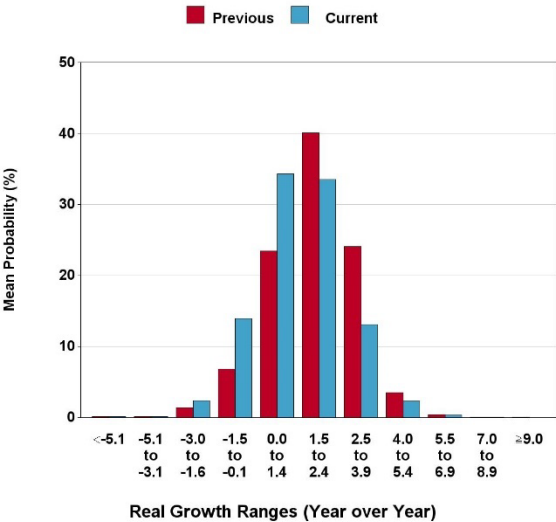
	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
Quarterly data:						
2025:Q2	2.1	1.5	4.2	4.2	144.4	141.4
2025:Q3	2.0	0.9	4.2	4.3	109.8	79.5
2025:Q4	2.1	1.4	4.3	4.5	119.7	90.5
2026:Q1	2.2	1.7	4.3	4.5	129.2	120.5
2026:Q2	N.A.	1.9	N.A.	4.5	N.A.	129.1
Annual data (projections are based on annual-average levels):						
2025	2.4	1.4	4.2	4.3	145.0	140.9
2026	2.2	1.6	4.2	4.5	113.5	113.8
2027	1.8	2.2	4.3	4.6	N.A.	N.A.
2028	2.0	2.0	4.3	4.4	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 the forecasters have revised upward their estimates of the probability that real GDP will grow 1.4 percent or lower over each of the next four years.

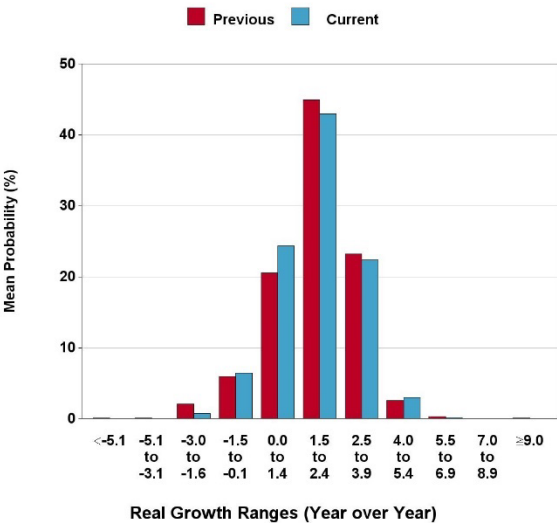
Mean Probabilities for Real GDP Growth in 2025



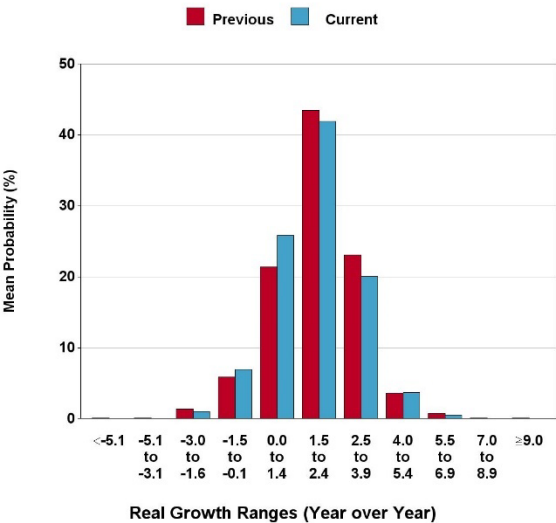
Mean Probabilities for Real GDP Growth in 2026



Mean Probabilities for Real GDP Growth in 2027

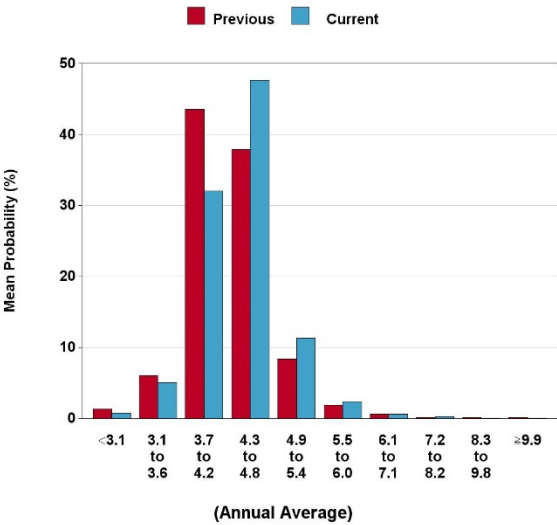


Mean Probabilities for Real GDP Growth in 2028

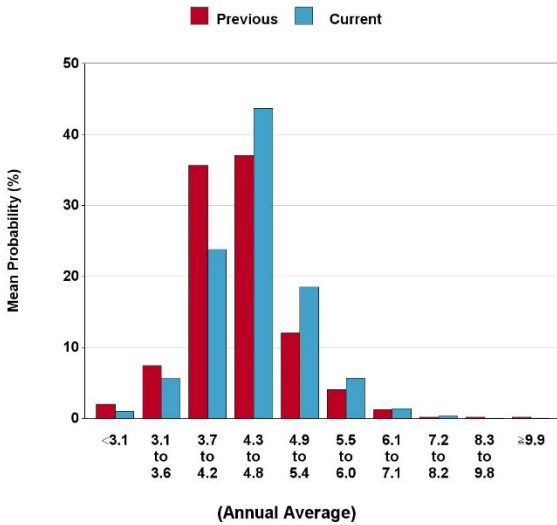


The forecasters' density projections for unemployment, shown below, shed light on uncertainty about the labor market over the next four years. Each chart presents the forecasters' current and previous estimates of the probability that unemployment will fall into each of 10 ranges. For each of the next four years, the forecasters are raising their probability estimates from the previous survey for an unemployment rate of 4.3 percent or higher.

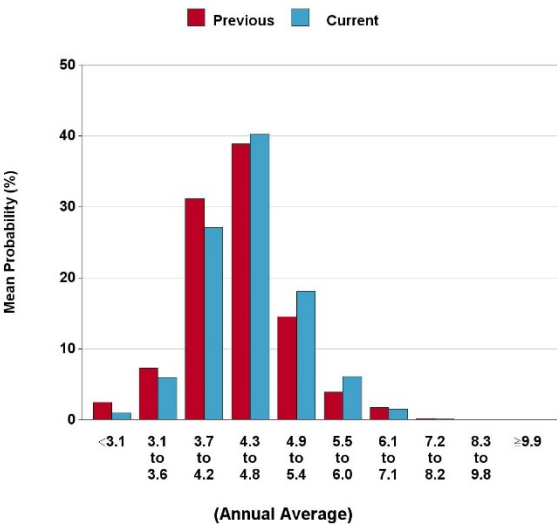
Mean Probabilities for Unemployment Rate in 2025



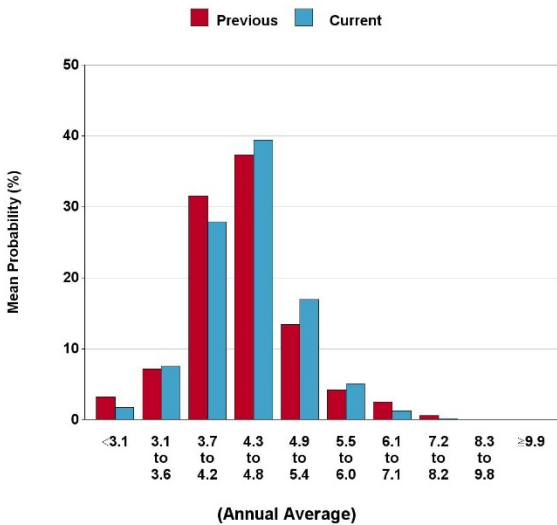
Mean Probabilities for Unemployment Rate in 2026



Mean Probabilities for Unemployment Rate in 2027



Mean Probabilities for Unemployment Rate in 2028



Forecasters See Higher Inflation

The forecasters expect current-quarter headline CPI inflation will average 3.1 percent at an annual rate, up from their prediction of 2.8 percent in the previous survey. Headline PCE inflation over the current quarter will also be higher at an annual rate of 3.2 percent, up from the previous estimate of 2.4 percent. The predictions for current-quarter core CPI and core PCE inflation are also higher compared with their predictions in the last survey.

Projections for headline and core CPI and PCE inflation at nearly all other forecast horizons have also been revised upward compared with those in the survey of three months ago.

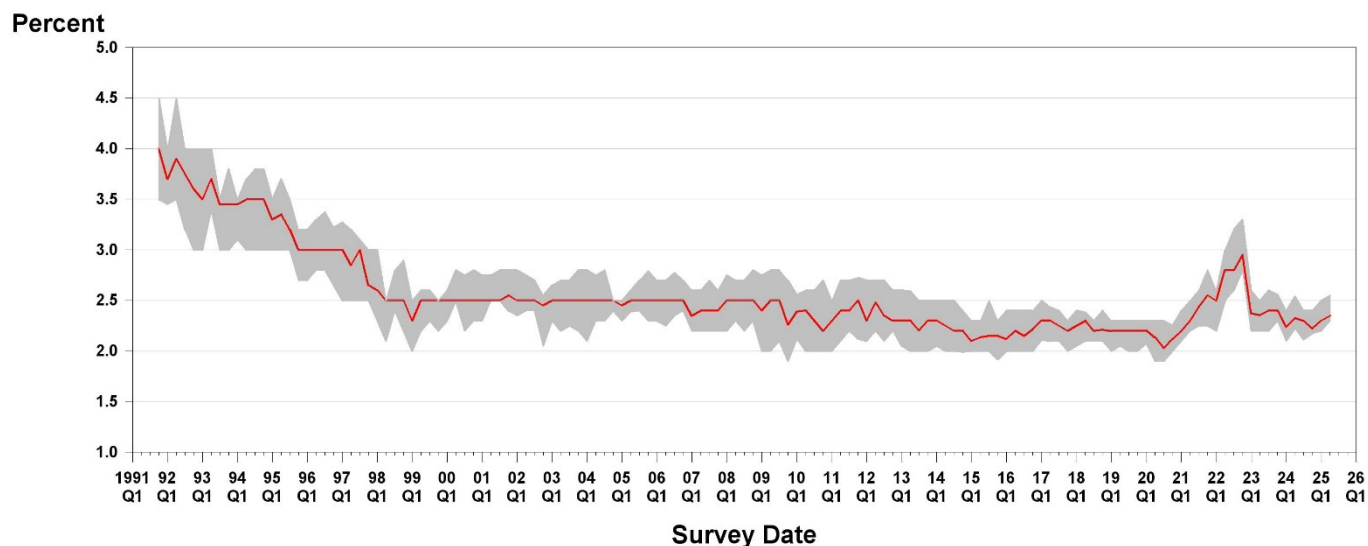
Over the next 10 years, 2025 to 2034, the forecasters predict headline CPI inflation will be an annual-average rate of 2.35 percent. The corresponding estimate for 10-year annual-average PCE inflation is 2.20 percent. These 10-year projections are 0.05 percentage point and 0.09 percentage point higher than those of the previous survey.

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

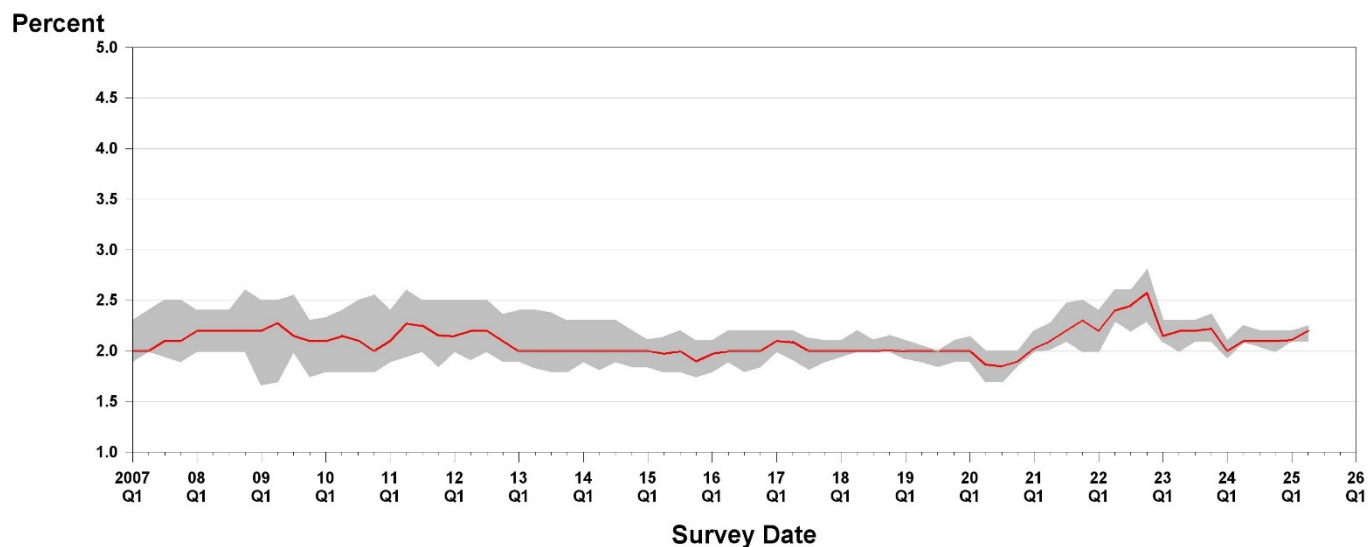
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
Quarterly								
2025:Q2	2.8	3.1	2.9	3.4	2.4	3.2	2.5	3.1
2025:Q3	2.7	3.5	2.9	3.8	2.4	3.4	2.4	3.4
2025:Q4	2.7	3.2	2.8	3.2	2.3	3.0	2.3	2.8
2026:Q1	2.6	2.9	2.7	3.0	2.3	2.7	2.3	2.7
2026:Q2	N.A.	2.6	N.A.	2.7	N.A.	2.4	N.A.	2.5
Q4/Q4 Annual Averages								
2025	2.8	3.3	2.9	3.5	2.4	3.2	2.4	3.3
2026	2.6	2.7	2.6	2.7	2.3	2.5	2.3	2.5
2027	2.3	2.4	2.3	2.4	2.0	2.1	2.1	2.1
Long-Term Annual Averages								
2025-2029	2.40	2.51	N.A.	N.A.	2.20	2.30	N.A.	N.A.
2025-2034	2.30	2.35	N.A.	N.A.	2.11	2.20	N.A.	N.A.

The charts below show the median projections (the red line) and the associated interquartile ranges (gray areas around the red line) for 10-year annual-average CPI and PCE inflation. The charts provide historical perspective on the current survey's higher projections for 10-year CPI inflation and 10-year PCE inflation.

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

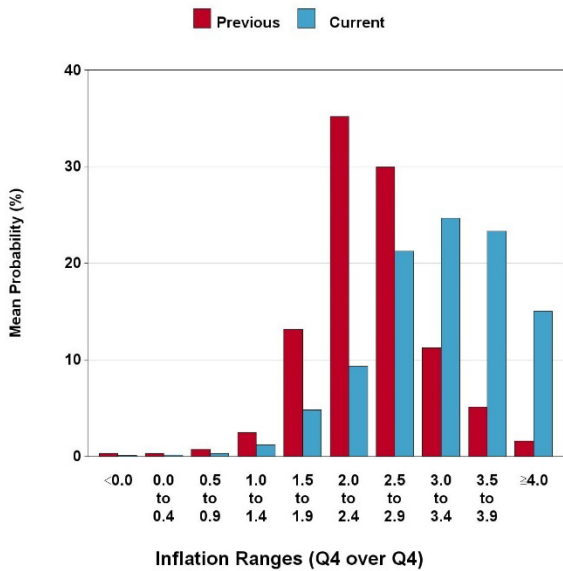


Projections for the 10-Year Annual-Average Rate of PCE Inflation (Median and Interquartile Range)

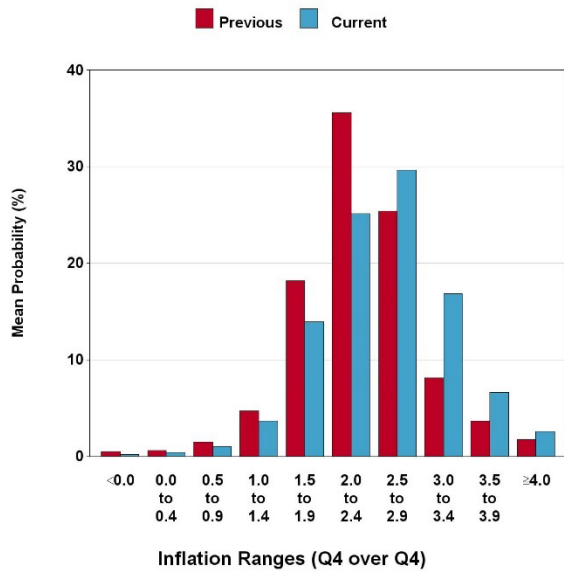


The figures below show the probabilities that the forecasters are assigning to each of 10 possible ranges for fourth-quarter over fourth-quarter core PCE inflation in 2025 and 2026. Notably, for both years, the forecasters have raised their estimates for the probability that core PCE inflation will be 3.0 percent or higher compared with their predictions in the last survey.

Mean Probabilities for Core PCE Inflation in 2025



Mean Probabilities for Core PCE Inflation in 2026



Higher Risk of a Contraction in Real GDP

The forecasters have revised upward the chance of a downturn in real GDP in any of the next four quarters. For the current quarter, the forecasters predict a 37.0 percent chance of negative growth, up from 15.4 percent in the survey of three months ago. The panelists have also made upward revisions to their probability estimates for the following three quarters.

Risk of a Negative Quarter (%)
Survey Means

Quarterly data:	Previous	New
2025:Q2	15.4	37.0
2025:Q3	19.8	36.1
2025:Q4	23.3	33.9
2026:Q1	23.7	28.5
2026:Q2	N.A.	25.0

Technical Notes

Moody's Aaa and Baa Historical Rates

The historical values of Moody's Aaa and Baa rates are proprietary and, therefore, not available in the data files on the Bank's website or on the tables that accompany the survey's complete write-up in the PDF.

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

William Adams, Comerica Bank; **Ed Al-Hussainy** and **Alexander Spitz**, Columbia Threadneedle Investments; **Scott Anderson** and **Doug Porter**, BMO Capital Markets; **Robert J. Barbera**, Johns Hopkins University Center for Financial Economics; **Peter Bernstein**, RCF Economic and Financial Consulting, Inc.; **Wayne Best** and **Michael Brown**, Visa, Inc.; **Jay Bryson**, Wells Fargo; **Seth Carpenter**, Morgan Stanley; **Christine Chmura, Ph.D.**, and **Xiaobing Shuai, Ph.D.**, Chmura Economics & Analytics; **Gary Ciminero, CFA**, GLC Financial Economics; **Grant Collins**, AIM Research, LLC; **Rajeev Dhawan**, Georgia State University; **Bill Diviney**, ABN AMRO Bank NV; **Gabriel Ehrlich**, **Daniil Manaenkov**, and **Yinuo Zhang**, RSQE, University of Michigan; **Michael R. Englund**, Action Economics, LLC; **Michael Feroli**, J.P. Morgan; **Tani Fukui** and **Shan Ahmed**, MetLife Investment Management; **Sacha Gelfer**, Bentley University; **James Glassman**, Independent Economist; **Jan Hatzius**, Goldman Sachs; **Ben Herzon** and **Patrick Newport**, S&P Global Market Intelligence; **Steve Kihm**, Citizens Utility Board of Wisconsin; **Yaniv Konchitchki**, University of California, Berkeley; **Thomas Lam**, Independent Economist (Singapore); **Matthew Luzzetti**, Deutsche Bank; **Brian Martin**, Australia New Zealand Bank (ANZ); **Robert McNab**, Old Dominion University; **R. Anthony Metz**, Pareto Optimal Economics, LLC; **R. M. Monaco**, TitanRM; **Joel L. Naroff**, Naroff Economics, LLC; **Nomura Securities International**; **Brendon Ogmundson**, BC Real Estate Association; **Panos N. Patatoukas**, U.C. Berkeley, Haas School of Business; **Perc Pineda, Ph.D.**, Plastics Industry Association; **Jason Prole**, Capital Risk Management; **Luciano Rispoli**, Advance Macro Research; **Michael Roberts**, **Dan Roberts**, and **Jeffrey Baldwin**, Roberts Capital Advisors, LLC; **Parker Ross**, Arch Capital Group; **Philip Rothman**, East Carolina University; **Allen Sinai** and **Anqi Liu**, Decision Economics, Inc.; **Sean Snaith**, University of Central Florida; **Daniel Soques**, University of North Carolina Wilmington; **Stephen Stanley**, Santander US Capital Markets; **Charles Steindel**, Editor, NABE *Business Economics*; **Susan M. Sterne**, Economic Analysis Associates, Inc.; **Edward Sullivan**, Portland Cement Association; **Patrick P. Sullivan**, Sullivan Economic Consulting, LLC; **Ryan Sweet**, Oxford Economics USA, Inc.; **Jordan Vickers** and **Maira Trimble**, Eaton Corporation; **Lawrence Werther**, Daiwa Capital Markets America; **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

	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2025	2026 (YEAR-OVER-YEAR)	2027	2028
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	1.5	0.9	1.4	1.7	1.9	1.4	1.6	2.2	2.0
2. GDP PRICE INDEX (PERCENT CHANGE)	3.1	3.1	2.8	2.8	2.5	3.0	2.7	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	4.6	4.4	4.0	4.7	4.6	4.5	4.4	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	1.1	0.6	0.7	0.9	1.0	1.1	0.9	N.A.	N.A.
(AVG MONTHLY CHANGE)	141.4	79.5	90.5	120.5	129.1	140.9	113.8	N.A.	N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	4.2	4.3	4.5	4.5	4.5	4.3	4.5	4.6	4.4
6. 3-MONTH TREASURY BILL (PERCENT)	4.2	4.1	3.9	3.6	3.4	4.1	3.4	3.0	3.0
7. 10-YEAR TREASURY BOND (PERCENT)	4.3	4.3	4.2	4.1	4.1	4.3	4.1	4.0	4.0
	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2025	2026 (Q4-OVER-Q4)	2027	
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	3.1	3.5	3.2	2.9	2.6	3.3	2.7	2.4	
9. CORE CPI (ANNUAL RATE)	3.4	3.8	3.2	3.0	2.7	3.5	2.7	2.4	
10. PCE (ANNUAL RATE)	3.2	3.4	3.0	2.7	2.4	3.2	2.5	2.1	
11. CORE PCE (ANNUAL RATE)	3.1	3.4	2.8	2.7	2.5	3.3	2.5	2.1	

Note: The figures on each line are medians of 36 forecasters.

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Second Quarter 2025.

SURVEY OF PROFESSIONAL FORECASTERS

Second Quarter 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 April 30, 2025; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before May 13, 2025.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST					ACTUAL	FORECAST			
		2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL	2027 ANNUAL	2028 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	32	29978	30317	30646	30945	31300	31651	29185	30490	31832	N.A.	N.A.
2. GDP PRICE INDEX (2017=100)	31	127.44	128.42	129.40	130.31	131.20	132.03	125.23	128.92	132.39	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	20	N.A.	3278.3	3246.3	3259.6	3267.3	3341.3	3154.7	3293.9	3380.8	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	35	4.1	4.2	4.3	4.5	4.5	4.5	4.0	4.3	4.5	4.6	4.4
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	28	159207	159607	159846	160117	160479	160866	157960	159651	161017	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2017=100)	26	103.8	103.8	104.0	104.0	104.3	104.5	102.6	103.9	104.7	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	29	1.39	1.38	1.39	1.39	1.39	1.40	1.37	1.39	1.40	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	35	4.21	4.21	4.07	3.85	3.60	3.44	4.97	4.09	3.42	3.02	3.00
9. MOODY'S AAA CORP BOND YIELD * (PERCENT)	17	N.A.	5.45	5.40	5.35	5.34	5.30	N.A.	5.39	5.34	N.A.	N.A.
10. MOODY'S BAA CORP BOND YIELD * (PERCENT)	17	N.A.	6.16	6.16	6.20	6.20	6.20	N.A.	6.13	6.20	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	34	4.45	4.32	4.27	4.20	4.11	4.10	4.21	4.32	4.10	4.01	3.98
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	36	23526	23613	23665	23745	23843	23952	23305	23635	24014	24534	25034
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	30	16345.6	16427.0	16451.2	16507.4	16565.7	16640.9	16052.6	16435.8	16684.9	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	27	3595.5	3588.5	3577.4	3582.3	3599.1	3608.4	3506.6	3580.2	3614.4	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	26	799.6	800.7	803.6	805.3	806.9	809.4	794.9	802.8	812.4	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	27	1515.1	1518.2	1519.2	1524.6	1527.3	1533.0	1503.7	1518.7	1536.3	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	27	2465.3	2471.4	2474.7	2479.2	2485.0	2494.3	2436.9	2472.3	2500.0	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	27	140.1	54.2	40.0	37.5	45.1	46.8	39.1	68.8	51.5	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	27	-1374.3	-1254.0	-1183.2	-1132.4	-1115.5	-1114.0	-1033.7	-1237.6	-1118.7	N.A.	N.A.

* The historical values of Moody's Aaa and Baa rates are proprietary and therefore not available to the general public.

Source: Research Department, Federal Reserve Bank of Philadelphia. Survey of Professional Forecasters, Second Quarter 2025.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q1 2025 TO Q2 2025	Q2 2025 TO Q3 2025	Q3 2025 TO Q4 2025	Q4 2025 TO Q1 2026	Q1 2026 TO Q2 2026	2024 TO 2025	2025 TO 2026	2026 TO 2027	2027 TO 2028
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	32	4.6	4.4	4.0	4.7	4.6	4.5	4.4	N.A.	N.A.
2. GDP PRICE INDEX (2017=100)	31	3.1	3.1	2.8	2.8	2.5	3.0	2.7	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	20	-3.1	-3.8	1.6	1.0	9.4	4.4	2.6	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	35	0.1	0.1	0.1	0.0	0.0	0.3	0.2	0.1	-0.3
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	28 28	1.1 141.4	0.6 79.5	0.7 90.5	0.9 120.5	1.0 129.1	1.1 140.9	0.9 113.8	N.A. N.A.	N.A. N.A.
6. INDUSTRIAL PRODUCTION (2017=100)	26	-0.1	0.9	0.1	0.8	0.9	1.3	0.8	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	29	-2.9	1.2	-0.2	1.1	2.9	1.3	1.1	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	35	0.00	-0.14	-0.22	-0.25	-0.16	-0.88	-0.67	-0.40	-0.02
9. MOODY'S AAA CORP BOND YIELD * (PERCENT)	17	N.A.	-0.05	-0.05	-0.01	-0.04	N.A.	-0.06	N.A.	N.A.
10. MOODY'S BAA CORP BOND YIELD * (PERCENT)	17	N.A.	-0.00	0.04	0.00	0.00	N.A.	0.07	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	34	-0.13	-0.05	-0.08	-0.08	-0.01	0.10	-0.21	-0.09	-0.03
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	36	1.5	0.9	1.4	1.7	1.9	1.4	1.6	2.2	2.0
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	30	2.0	0.6	1.4	1.4	1.8	2.4	1.5	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	27	-0.8	-1.2	0.5	1.9	1.0	2.1	1.0	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	26	0.5	1.5	0.9	0.8	1.3	1.0	1.2	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	27	0.8	0.3	1.4	0.7	1.5	1.0	1.2	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	27	1.0	0.5	0.7	0.9	1.5	1.5	1.1	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	27	-85.9	-14.2	-2.5	7.6	1.7	29.7	-17.3	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	27	120.3	70.8	50.8	16.9	1.5	-203.9	118.9	N.A.	N.A.

* The historical values of Moody's Aaa and Baa rates are proprietary and therefore not available to the general public.

Note: Figures for unemployment rate, 3-month Treasury bill rate, Moody's Aaa corporate bond yield, Moody's 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, Second Quarter 2025.

TABLE THREE
MAJOR PRICE INDICATORS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST (Q/Q)						ACTUAL	FORECAST (Q4/Q4)		
		2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL	2027 ANNUAL	
1. CONSUMER PRICE INDEX (ANNUAL RATE)	33	3.8	3.1	3.5	3.2	2.9	2.6	2.7	3.3	2.7	2.4	
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	33	3.5	3.4	3.8	3.2	3.0	2.7	3.3	3.5	2.7	2.4	
3. PCE PRICE INDEX (ANNUAL RATE)	33	3.6	3.2	3.4	3.0	2.7	2.4	2.5	3.2	2.5	2.1	
4. CORE PCE PRICE INDEX (ANNUAL RATE)	33	3.5	3.1	3.4	2.8	2.7	2.5	2.8	3.3	2.5	2.1	

Source: Research Department, Federal Reserve Bank of Philadelphia. Survey of Professional Forecasters, Second Quarter 2025.

TABLE FOUR
YIELD SPREADS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST					ACTUAL	FORECAST			
		2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL	2027 ANNUAL	2028 ANNUAL
1. TBOND MINUS TBILL (PERCENTAGE POINTS)	34	0.24	0.08	0.21	0.34	0.50	0.60	-0.76	0.21	0.63	0.81	0.88
2. AAA MINUS TBOND (PERCENTAGE POINTS)	17	N.A.	1.07	1.07	1.08	1.10	1.17	N.A.	1.02	1.20	N.A.	N.A.
3. BAA MINUS TBOND (PERCENTAGE POINTS)	17	N.A.	1.80	1.86	1.93	1.88	1.92	N.A.	1.77	1.94	N.A.	N.A.
4. BAA MINUS AAA (PERCENTAGE POINTS)	17	N.A.	0.74	0.80	0.80	0.80	0.82	N.A.	0.76	0.83	N.A.	N.A.

Notes:

TBOND is the rate on 10-year Treasury bonds.
TBILL is the rate on 3-month Treasury bills.
AAA is the rate on Moody's Aaa corporate bonds.
BAA is the rate on Moody's Baa corporate bonds.

The historical values for interest rate spreads for Moody's Aaa and Baa rates are proprietary and therefore not available to the general public.

Each interest rate spread is computed as the median value of the forecasters' spreads. These median values may differ from those computed as the difference between the median values of each interest rate in the spread.

Source: Research Department, Federal Reserve Bank of Philadelphia. Survey of Professional Forecasters, Second Quarter 2025.

TABLE FIVE
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q1 2025 TO Q2 2025	Q2 2025 TO Q3 2025	Q3 2025 TO Q4 2025	Q4 2025 TO Q1 2026	Q1 2026 TO Q2 2026
NUMBER OF FORECASTERS					
10 OR LESS	6	1	1	3	4
11 TO 20	5	4	4	5	7
21 TO 30	6	6	9	9	11
31 TO 40	4	9	9	10	6
41 TO 50	1	6	5	1	1
51 TO 60	1	2	1	1	0
61 TO 70	1	0	0	0	0
71 TO 80	0	1	0	0	0
81 TO 90	2	0	0	0	0
91 AND OVER	3	0	0	0	0
NOT REPORTING	7	7	7	7	7
MEAN AND MEDIAN					
MEDIAN PROBABILITY	25.00	35.00	35.00	30.00	25.00
MEAN PROBABILITY	36.97	36.09	33.87	28.50	25.00

Note: Total number of forecasters reporting is 29.

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Second Quarter 2025.

TABLE SIX
MEAN PROBABILITIES

MEAN PROBABILITY ATTACHED TO POSSIBLE CIVILIAN UNEMPLOYMENT RATES: (ANNUAL AVERAGE)				
	2025	2026	2027	2028
9.9 PERCENT OR MORE	0.02	0.02	0.00	0.00
8.3 TO 9.8 PERCENT	0.02	0.02	0.00	0.07
7.2 TO 8.2 PERCENT	0.27	0.31	0.08	0.21
6.1 TO 7.1 PERCENT	0.62	1.38	1.53	1.21
5.5 TO 6.0 PERCENT	2.35	5.68	6.11	5.02
4.9 TO 5.4 PERCENT	11.29	18.48	18.06	16.95
4.3 TO 4.8 PERCENT	47.62	43.71	40.19	39.39
3.7 TO 4.2 PERCENT	32.01	23.79	27.11	27.92
3.1 TO 3.6 PERCENT	5.03	5.62	5.99	7.55
LESS THAN 3.1 PERCENT	0.77	0.98	0.94	1.71

MEAN PROBABILITY ATTACHED TO POSSIBLE PERCENT CHANGES IN REAL GDP: (ANNUAL-AVERAGE OVER ANNUAL-AVERAGE)				
	2024-2025	2025-2026	2026-2027	2027-2028
9.0 PERCENT OR MORE	0.00	0.00	0.00	0.00
7.0 TO 8.9 PERCENT	0.00	0.02	0.00	0.01
5.5 TO 6.9 PERCENT	0.10	0.31	0.20	0.52
4.0 TO 5.4 PERCENT	1.08	2.28	2.98	3.70
2.5 TO 3.9 PERCENT	11.40	13.05	22.38	20.05
1.5 TO 2.4 PERCENT	35.69	33.56	42.95	41.90
0.0 TO 1.4 PERCENT	37.59	34.27	24.35	25.82
-1.5 TO -0.1 PERCENT	12.80	13.95	6.42	6.92
-3.0 TO -1.6 PERCENT	1.16	2.35	0.72	1.02
-5.1 TO -3.1 PERCENT	0.11	0.14	0.00	0.06
LESS THAN -5.1 PERCENT	0.07	0.07	0.00	0.00

MEAN PROBABILITY ATTACHED TO POSSIBLE PERCENT CHANGES IN GDP PRICE INDEX: (ANNUAL-AVERAGE OVER ANNUAL-AVERAGE)		
	2024-2025	2025-2026
4.0 PERCENT OR MORE	3.68	6.04
3.5 TO 3.9 PERCENT	14.06	8.77
3.0 TO 3.4 PERCENT	27.66	20.16
2.5 TO 2.9 PERCENT	29.35	27.29
2.0 TO 2.4 PERCENT	19.11	23.56
1.5 TO 1.9 PERCENT	4.33	9.74
1.0 TO 1.4 PERCENT	1.26	2.39
0.5 TO 0.9 PERCENT	0.46	1.38
0.0 TO 0.4 PERCENT	0.04	0.37
LESS THAN 0.0 PERCENT	0.04	0.29

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Second Quarter 2025.

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

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	24Q4 TO 25Q4	25Q4 TO 26Q4
	<hr/>	<hr/>
4.0 PERCENT OR MORE	18.78	4.25
3.5 TO 3.9 PERCENT	28.68	10.34
3.0 TO 3.4 PERCENT	31.10	23.62
2.5 TO 2.9 PERCENT	13.39	29.39
2.0 TO 2.4 PERCENT	6.14	24.22
1.5 TO 1.9 PERCENT	1.43	6.13
1.0 TO 1.4 PERCENT	0.36	1.34
0.5 TO 0.9 PERCENT	0.05	0.38
0.0 TO 0.4 PERCENT	0.04	0.20
LESS THAN 0.0 PERCENT	0.04	0.14

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	24Q4 TO 25Q4	25Q4 TO 26Q4
	<hr/>	<hr/>
4.0 PERCENT OR MORE	15.01	2.58
3.5 TO 3.9 PERCENT	23.30	6.59
3.0 TO 3.4 PERCENT	24.69	16.85
2.5 TO 2.9 PERCENT	21.27	29.65
2.0 TO 2.4 PERCENT	9.29	25.16
1.5 TO 1.9 PERCENT	4.78	13.92
1.0 TO 1.4 PERCENT	1.18	3.64
0.5 TO 0.9 PERCENT	0.28	1.03
0.0 TO 0.4 PERCENT	0.13	0.38
LESS THAN 0.0 PERCENT	0.08	0.19

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Second Quarter 2025.

TABLE EIGHT
LONG-TERM (5-YEAR AND 10-YEAR) INFLATION FORECASTS

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2025-2029

CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	2.20	MINIMUM	2.00
LOWER QUARTILE	2.42	LOWER QUARTILE	2.25
MEDIAN	2.51	MEDIAN	2.30
UPPER QUARTILE	2.70	UPPER QUARTILE	2.50
MAXIMUM	3.00	MAXIMUM	2.90
MEAN	2.58	MEAN	2.38
STD. DEVIATION	0.21	STD. DEVIATION	0.20
N	29	N	29
MISSING	7	MISSING	7

ANNUAL AVERAGE OVER THE FOLLOWING 5 YEARS: 2030-2034

CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	1.81	MINIMUM	1.80
LOWER QUARTILE	2.10	LOWER QUARTILE	1.90
MEDIAN	2.20	MEDIAN	2.00
UPPER QUARTILE	2.45	UPPER QUARTILE	2.20
MAXIMUM	2.70	MAXIMUM	2.47
MEAN	2.25	MEAN	2.06
STD. DEVIATION	0.23	STD. DEVIATION	0.19
N	29	N	29
MISSING	7	MISSING	7

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2025-2034

CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	2.20	MINIMUM	2.00
LOWER QUARTILE	2.30	LOWER QUARTILE	2.10
MEDIAN	2.35	MEDIAN	2.20
UPPER QUARTILE	2.55	UPPER QUARTILE	2.25
MAXIMUM	2.80	MAXIMUM	2.69
MEAN	2.42	MEAN	2.22
STD. DEVIATION	0.18	STD. DEVIATION	0.17
N	29	N	29
MISSING	7	MISSING	7

Note: The summary statistics for each forecast horizon are computed on a sample of panelists that may differ from one horizon to the next. The usual identity linking the 10-year horizon to the two underlying five-year horizons may not hold in the results.

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Second Quarter 2025.