



Survey of Professional Forecasters

FEDERAL RESERVE BANK PHILADELPHIA

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Forecasters See Higher Growth in 2025

The near-term outlook for growth in the U.S. economy looks better now than it did three months ago, according to 36 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters expect real GDP to grow at an annual rate of 1.3 percent this quarter, up from the previous estimate of 0.9 percent. On an annual-average over annual-average basis, the forecasters expect real GDP to increase 1.7 percent in 2025, up 0.3 percentage point from the estimate in the survey of three months ago.

A slight downward revision to the path for the unemployment rate accompanies the outlook for growth. The unemployment rate is projected to be an annual average of 4.2 percent in 2025 and 4.5 percent in 2026 before falling to 4.4 percent in 2027, and 4.3 percent in 2028. In the previous survey, the unemployment rate was forecast to rise from 4.3 percent to 4.4 percent over the same four-year period.

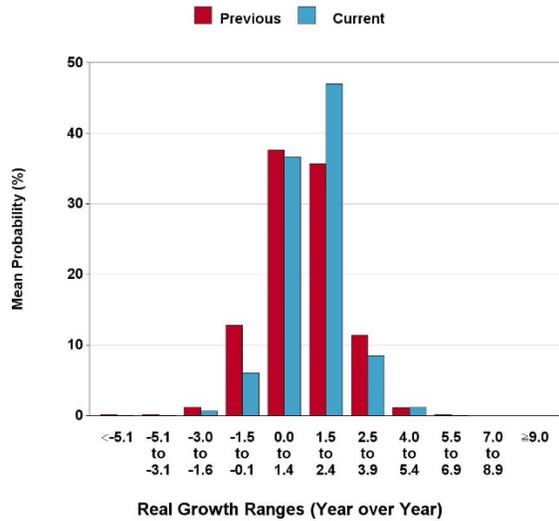
On the employment front, the forecasters predict job gains in the current quarter at a rate of 73,000 per month. The employment projections for both the current quarter and the following three quarters show downward revisions from those of the previous survey. The projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 132,800 in 2025, down from the previous estimate of 140,900. (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

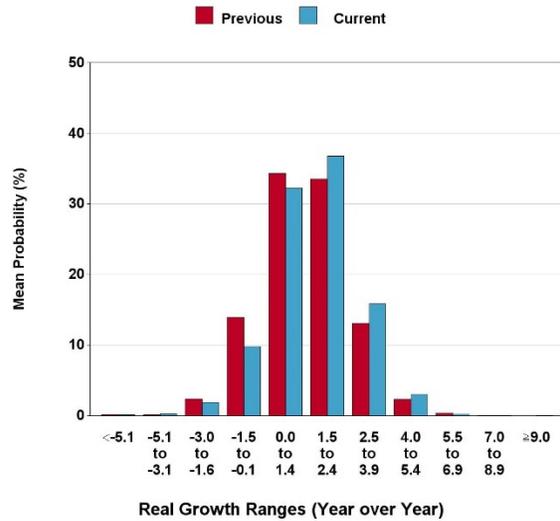
	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
Quarterly data:						
2025:Q3	0.9	1.3	4.3	4.3	79.5	73.0
2025:Q4	1.4	1.3	4.5	4.4	90.5	70.7
2026:Q1	1.7	1.9	4.5	4.4	120.5	58.8
2026:Q2	1.9	1.3	4.5	4.5	129.1	87.4
2026:Q3	N.A.	1.6	N.A.	4.5	N.A.	105.8
Annual data (projections are based on annual-average levels):						
2025	1.4	1.7	4.3	4.2	140.9	132.8
2026	1.6	1.6	4.5	4.5	113.8	86.2
2027	2.2	2.1	4.6	4.4	N.A.	N.A.
2028	2.0	1.8	4.4	4.3	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. Notably, the chart for 2025 shows the forecasters have significantly revised upward their estimates of the probability that real GDP growth will be in the range of 1.5 percent to 2.4 percent.

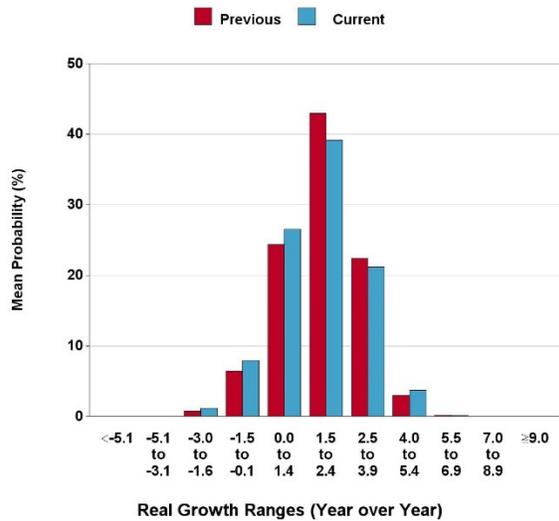
Mean Probabilities for Real GDP Growth in 2025



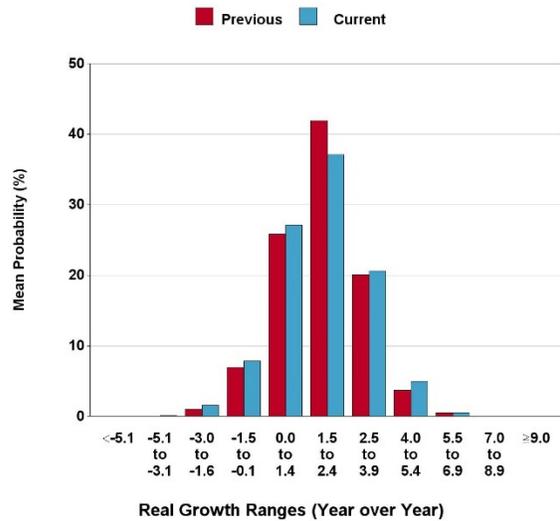
Mean Probabilities for Real GDP Growth in 2026



Mean Probabilities for Real GDP Growth in 2027

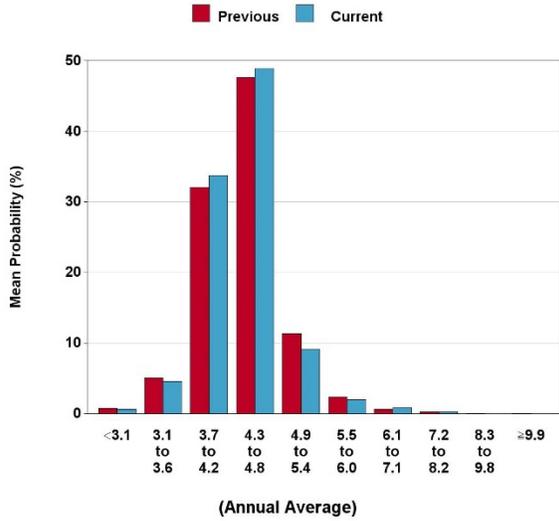


Mean Probabilities for Real GDP Growth in 2028

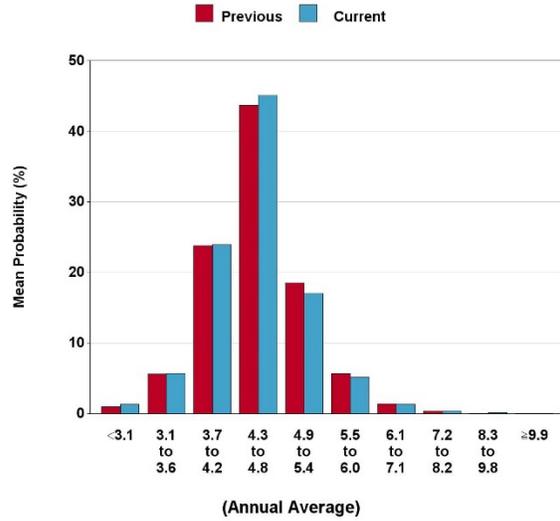


The forecasters' density projections for unemployment, shown below, shed light on uncertainty about the labor market over the next four years. Each chart presents the forecasters' current and previous estimates of the probability that unemployment will fall into each of 10 ranges. For each of the next four years, the forecasters are raising their probability estimates from the previous survey that the annual average unemployment rate will be in the range of 4.3 percent to 4.8 percent.

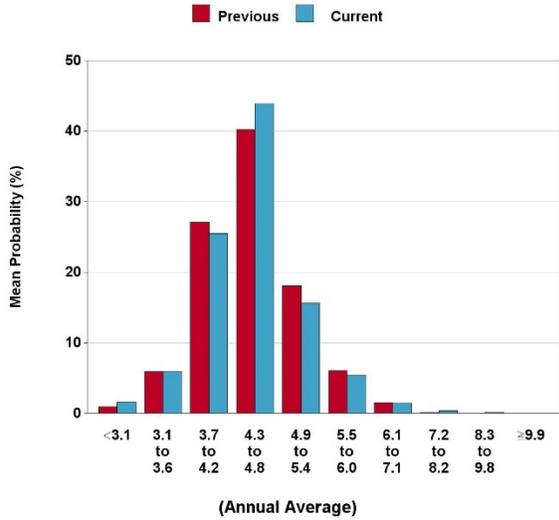
Mean Probabilities for Unemployment Rate in 2025



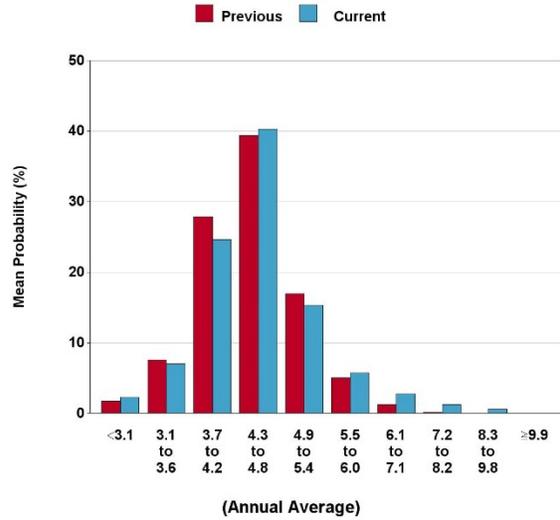
Mean Probabilities for Unemployment Rate in 2026



Mean Probabilities for Unemployment Rate in 2027



Mean Probabilities for Unemployment Rate in 2028



Forecasters See Mostly Lower Inflation

The forecasters expect current-quarter headline CPI inflation will average 3.0 percent at an annual rate, down from their prediction of 3.5 percent in the previous survey. Headline PCE inflation over the current quarter will also be lower at an annual rate of 2.9 percent, down from the previous estimate of 3.4 percent. The predictions for current-quarter core CPI and core PCE inflation are also lower compared with their predictions in the last survey.

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

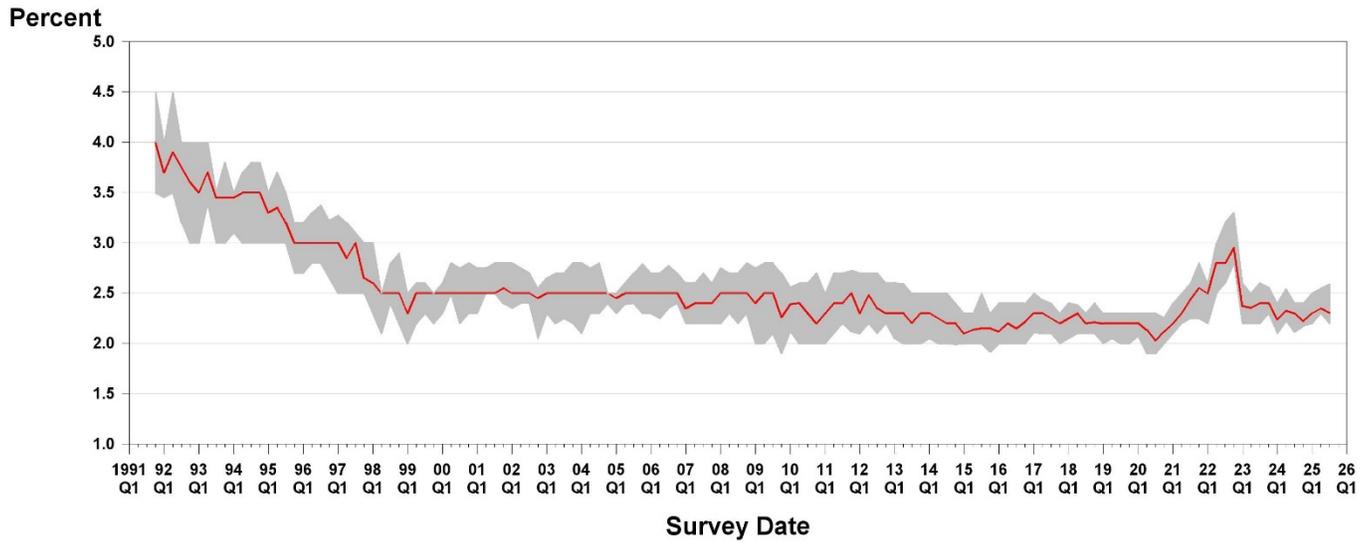
Over the next 10 years, 2025 to 2034, the forecasters predict headline CPI inflation will be an annual-average rate of 2.31 percent, slightly lower than the estimate of 2.35 percent in the previous survey. The corresponding estimate for 10-year annual-average PCE inflation is 2.20 percent, unchanged from the previous estimate.

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

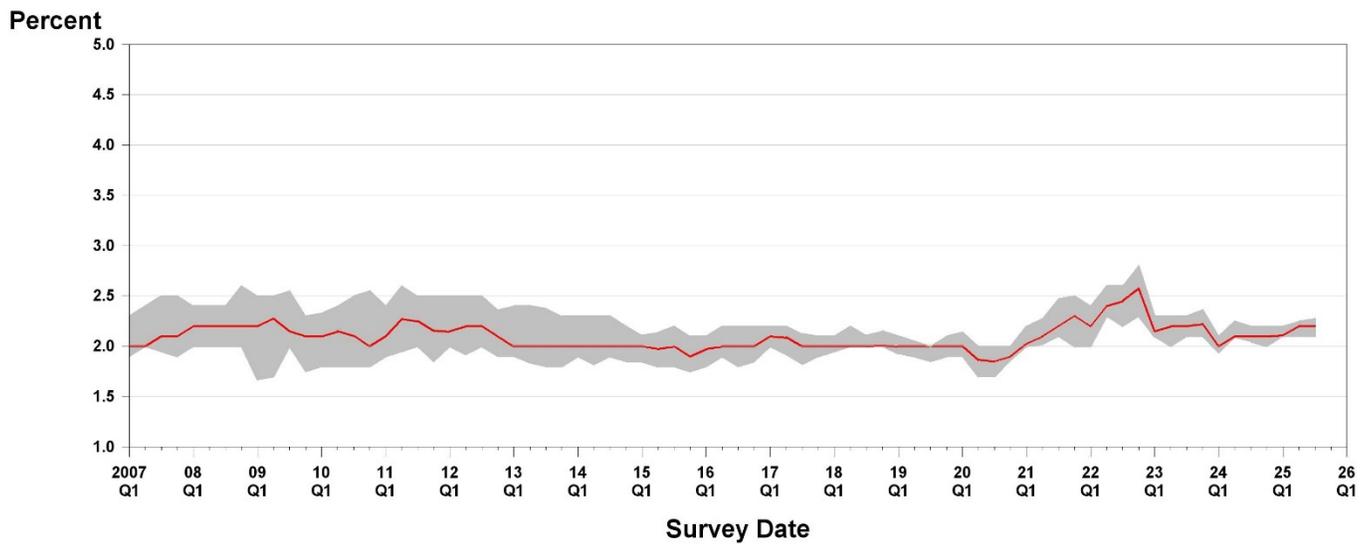
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
Quarterly								
2025:Q3	3.5	3.0	3.8	3.0	3.4	2.9	3.4	3.0
2025:Q4	3.2	3.0	3.2	3.1	3.0	3.0	2.8	3.0
2026:Q1	2.9	2.6	3.0	2.9	2.7	2.6	2.7	2.8
2026:Q2	2.6	2.6	2.7	2.6	2.4	2.5	2.5	2.6
2026:Q3	N.A.	2.5	N.A.	2.6	N.A.	2.3	N.A.	2.4
Q4/Q4 Annual Averages								
2025	3.3	2.9	3.5	2.9	3.2	2.9	3.3	3.0
2026	2.7	2.5	2.7	2.6	2.5	2.4	2.5	2.5
2027	2.4	2.3	2.4	2.4	2.1	2.1	2.1	2.1
Long-Term Annual Averages								
2025-2029	2.51	2.43	N.A.	N.A.	2.30	2.30	N.A.	N.A.
2025-2034	2.35	2.31	N.A.	N.A.	2.20	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 slightly lower projection for long-term CPI inflation and the unchanged projection for long-term PCE inflation.

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

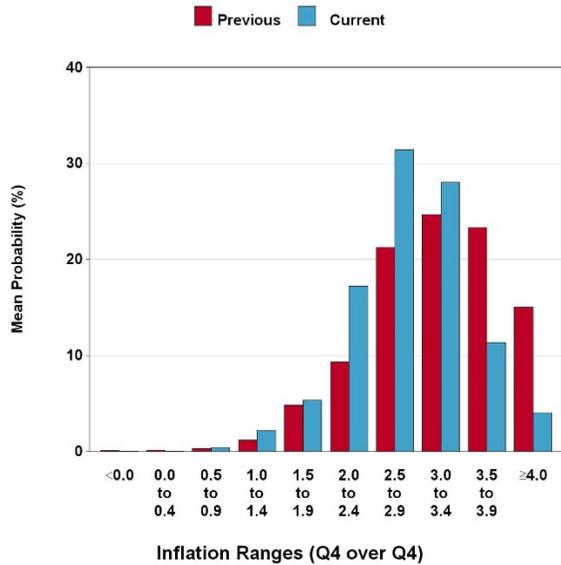


Projections for the 10-Year Annual-Average Rate of PCE Inflation (Median and Interquartile Range)

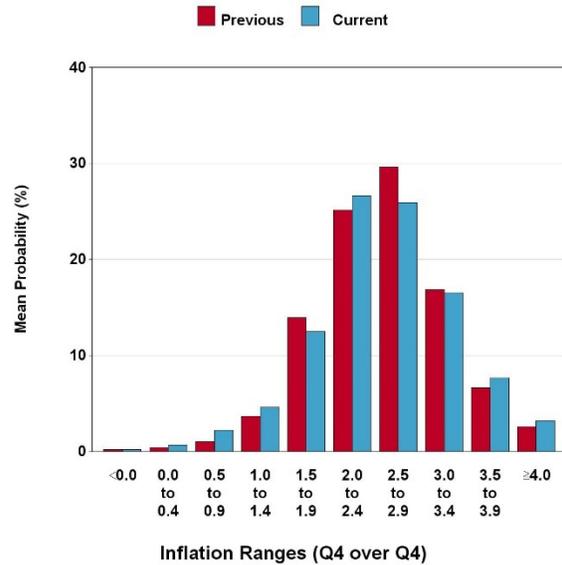


The figures below show the probabilities that the forecasters are assigning to each of 10 possible ranges for fourth-quarter over fourth-quarter core PCE inflation in 2025 and 2026. For 2025, the forecasters have raised their estimates for the probability that core PCE inflation will be 3.4 percent or lower compared with their predictions in the last survey. For 2026, the probabilities are little changed compared with the survey of three months ago.

Mean Probabilities for Core PCE Inflation in 2025



Mean Probabilities for Core PCE Inflation in 2026



Lower Risk of a Contraction in Real GDP

The forecasters have revised downward the chance of a contraction in real GDP in the last two quarters of 2025. For the current quarter, the forecasters predict a 22.8 percent chance of negative growth, down from 36.1 percent in the survey of three months ago. As the table below shows, the forecasters are keeping mostly unchanged their risk estimates for a downturn in the first two quarters of 2026, compared with their previous estimates.

Risk of a Negative Quarter (%)
Survey Means

Quarterly data:	Previous	New
2025:Q3	36.1	22.8
2025:Q4	33.9	29.6
2026:Q1	28.5	28.9
2026:Q2	25.0	25.0
2026:Q3	N.A.	24.0

Natural Rate of Unemployment Estimated at 4.25 Percent

In third-quarter surveys, we ask the forecasters to provide their estimates of the natural rate of unemployment — the rate of unemployment that occurs when the economy reaches equilibrium. The forecasters estimate this rate at 4.25 percent. The table below shows, for each third-quarter survey since 1996, the percentage of respondents who use the natural rate in their forecasts and, for those who use it, the median estimate and the lowest and highest estimates. Forty-four percent of the 27 forecasters who answered the question report that they use the natural rate in their forecasts. The lowest estimate is 3.70 percent, and the highest estimate is 4.50 percent.

Median Estimates of the Natural Rate of Unemployment

Survey Date	Percentage Who Use the Natural Rate	Median Estimate (%)	Low (%)	High (%)
1996:Q3	62	5.65	5.00	6.00
1997:Q3	59	5.25	4.50	5.88
1998:Q3	45	5.30	4.50	5.80
1999:Q3	43	5.00	4.13	5.60
2000:Q3	48	4.50	4.00	5.00
2001:Q3	34	4.88	3.50	5.50
2002:Q3	50	5.10	3.80	5.50
2003:Q3	41	5.00	4.31	5.40
2004:Q3	46	5.00	4.00	5.50
2005:Q3	50	5.00	4.25	5.50
2006:Q3	53	4.95	4.00	5.50
2007:Q3	52	4.65	4.20	5.50
2008:Q3	48	5.00	4.00	5.50
2009:Q3	45	5.00	4.00	6.00
2010:Q3	50	5.78	4.50	6.80
2011:Q3	42	6.00	4.75	7.00
2012:Q3	49	6.00	4.75	7.00
2013:Q3	63	6.00	4.75	7.00
2014:Q3	65	5.50	4.50	6.70
2015:Q3	62	5.00	4.25	5.80
2016:Q3	56	4.80	4.50	5.50
2017:Q3	44	4.50	3.50	5.00
2018:Q3	34	4.30	3.80	4.60
2019:Q3	33	4.10	3.88	4.60
2020:Q3	48	4.10	3.50	6.00
2021:Q3	37	3.78	3.00	4.25
2022:Q3	30	4.10	3.50	4.50
2023:Q3	42	4.00	3.75	4.55
2024:Q3	44	4.40	3.50	5.16
2025:Q3	44	4.25	3.70	4.50

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.; **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; **James Egelhof**, BNP Paribas; **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; **Tim Quinlan**, Wells Fargo; **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**, Decision Economics, Inc.; **Sean Snaithe**, 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.; **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 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2025	2026 (YEAR-OVER-YEAR)	2027	2028
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	1.3	1.3	1.9	1.3	1.6	1.7	1.6	2.1	1.8
2. GDP PRICE INDEX (PERCENT CHANGE)	2.8	2.6	2.7	1.8	2.2	2.7	2.4	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	4.4	4.1	4.4	4.0	4.2	4.4	4.3	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	0.6 73.0	0.5 70.7	0.4 58.8	0.7 87.4	0.8 105.8	1.0 132.8	0.6 86.2	N.A. N.A.	N.A. N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	4.3	4.4	4.4	4.5	4.5	4.2	4.5	4.4	4.3
6. 3-MONTH TREASURY BILL (PERCENT)	4.2	3.9	3.7	3.5	3.3	4.1	3.4	3.1	3.0
7. 10-YEAR TREASURY BOND (PERCENT)	4.3	4.3	4.2	4.1	4.1	4.4	4.1	4.1	4.1
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2025	2026 (Q4-OVER-Q4)	2027	
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	3.0	3.0	2.6	2.6	2.5	2.9	2.5	2.3	
9. CORE CPI (ANNUAL RATE)	3.0	3.1	2.9	2.6	2.6	2.9	2.6	2.4	
10. PCE (ANNUAL RATE)	2.9	3.0	2.6	2.5	2.3	2.9	2.4	2.1	
11. CORE PCE (ANNUAL RATE)	3.0	3.0	2.8	2.6	2.4	3.0	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, Third Quarter 2025.

SURVEY OF PROFESSIONAL FORECASTERS

Third 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 July 30, 2025; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before August 12, 2025.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL			FORECAST			ACTUAL		FORECAST		
		2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL	2027 ANNUAL	2028 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	31	30331	30661	30972	31304	31613	31939	29185	30480	31777	N.A.	N.A.
2. GDP PRICE INDEX (2017=100)	31	128.07	128.97	129.81	130.69	131.27	132.00	125.23	128.61	131.67	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	21	N.A.	3232.8	3256.7	3276.3	3321.8	3370.5	3154.7	3231.0	3354.4	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	35	4.2	4.3	4.4	4.4	4.5	4.5	4.0	4.2	4.5	4.4	4.3
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	28	159578	159669	159881	160058	160320	160637	157960	159553	160588	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2017=100)	28	103.8	103.9	104.1	104.4	104.8	105.2	102.6	103.8	105.0	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	29	1.33	1.33	1.33	1.33	1.35	1.37	1.37	1.35	1.36	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	33	4.23	4.15	3.90	3.71	3.50	3.31	4.97	4.14	3.42	3.06	3.04
9. MOODY'S AAA CORP BOND YIELD * (PERCENT)	18	N.A.	5.35	5.27	5.18	5.19	5.21	N.A.	5.37	5.20	N.A.	N.A.
10. MOODY'S BAA CORP BOND YIELD * (PERCENT)	17	N.A.	6.05	6.06	6.02	6.00	6.04	N.A.	6.09	6.01	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	34	4.36	4.30	4.27	4.20	4.11	4.09	4.21	4.35	4.10	4.12	4.05
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	34	23685	23760	23836	23949	24029	24123	23305	23699	24069	24574	25010
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	28	16350.2	16396.9	16456.1	16516.3	16605.1	16683.6	16052.6	16372.5	16643.4	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	27	3617.2	3624.0	3632.2	3642.8	3659.4	3685.6	3506.6	3618.3	3672.7	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	26	785.1	780.2	778.9	783.4	790.8	793.4	794.9	785.3	792.0	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	27	1502.4	1502.9	1508.0	1511.6	1515.8	1525.3	1503.7	1507.5	1526.3	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	27	2491.0	2497.2	2504.5	2508.4	2517.5	2526.9	2436.9	2491.4	2525.1	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	26	-26.0	20.6	25.3	29.7	30.0	35.0	39.1	45.3	32.9	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	26	-1026.3	-1020.5	-1015.7	-1006.0	-1007.6	-1014.8	-1033.7	-1105.4	-1014.8	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, Third Quarter 2025.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	2024	2025	2026	2027
		TO Q3 2025	TO Q4 2025	TO Q1 2026	TO Q2 2026	TO Q3 2026	TO 2025	TO 2026	TO 2027	TO 2028
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	31	4.4	4.1	4.4	4.0	4.2	4.4	4.3	N.A.	N.A.
2. GDP PRICE INDEX (2017=100)	31	2.8	2.6	2.7	1.8	2.2	2.7	2.4	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	21	1.3	3.0	2.4	5.7	6.0	2.4	3.8	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	35	0.1	0.1	0.0	0.0	0.0	0.2	0.3	-0.1	-0.1
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	28 28	0.6 73.0	0.5 70.7	0.4 58.8	0.7 87.4	0.8 105.8	1.0 132.8	0.6 86.2	N.A. N.A.	N.A. N.A.
6. INDUSTRIAL PRODUCTION (2017=100)	28	0.4	0.7	1.4	1.4	1.3	1.2	1.2	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	29	1.3	-1.3	0.5	6.3	6.1	-1.8	0.8	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	33	-0.08	-0.25	-0.19	-0.21	-0.19	-0.83	-0.72	-0.36	-0.02
9. MOODY'S AAA CORP BOND YIELD * (PERCENT)	18	N.A.	-0.08	-0.09	0.01	0.02	N.A.	-0.17	N.A.	N.A.
10. MOODY'S BAA CORP BOND YIELD * (PERCENT)	17	N.A.	0.01	-0.05	-0.02	0.04	N.A.	-0.08	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	34	-0.06	-0.03	-0.07	-0.08	-0.03	0.14	-0.25	0.01	-0.07
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	34	1.3	1.3	1.9	1.3	1.6	1.7	1.6	2.1	1.8
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	28	1.1	1.5	1.5	2.2	1.9	2.0	1.7	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	27	0.8	0.9	1.2	1.8	2.9	3.2	1.5	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	26	-2.5	-0.7	2.3	3.8	1.3	-1.2	0.9	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	27	0.1	1.4	1.0	1.1	2.5	0.3	1.2	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	27	1.0	1.2	0.6	1.5	1.5	2.2	1.3	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	26	46.6	4.7	4.4	0.3	5.0	6.2	-12.4	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	26	5.8	4.7	9.7	-1.6	-7.2	-71.7	90.6	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, Third Quarter 2025.

TABLE THREE
 MAJOR PRICE INDICATORS
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST (Q/Q)			ACTUAL		FORECAST (Q4/Q4)		
		2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL	2027 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	34	1.6	3.0	3.0	2.6	2.6	2.5	2.7	2.9	2.5	2.3
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	34	2.1	3.0	3.1	2.9	2.6	2.6	3.3	2.9	2.6	2.4
3. PCE PRICE INDEX (ANNUAL RATE)	34	2.1	2.9	3.0	2.6	2.5	2.3	2.5	2.9	2.4	2.1
4. CORE PCE PRICE INDEX (ANNUAL RATE)	34	2.5	3.0	3.0	2.8	2.6	2.4	2.8	3.0	2.5	2.1

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

TABLE FOUR
YIELD SPREADS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL			FORECAST			ACTUAL					FORECAST				
		2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL	2027 ANNUAL	2028 ANNUAL	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL	2027 ANNUAL	2028 ANNUAL
1. TBOND MINUS TBILL (PERCENTAGE POINTS)	32	0.13	0.15	0.25	0.40	0.50	0.70	-0.76	0.18	0.61	0.88	0.93					
2. AAA MINUS TBOND (PERCENTAGE POINTS)	18	N.A.	1.06	1.06	1.10	1.11	1.12	N.A.	1.04	1.12	N.A.	N.A.					
3. BAA MINUS TBOND (PERCENTAGE POINTS)	17	N.A.	1.79	1.85	1.87	1.84	1.89	N.A.	1.76	1.88	N.A.	N.A.					
4. BAA MINUS AAA (PERCENTAGE POINTS)	17	N.A.	0.70	0.77	0.80	0.82	0.84	N.A.	0.70	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, Third Quarter 2025.

TABLE FIVE
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
	TO Q3 2025	TO Q4 2025	TO Q1 2026	TO Q2 2026	TO Q3 2026
NUMBER OF FORECASTERS					
10 OR LESS	6	4	4	4	3
11 TO 20	5	4	3	7	8
21 TO 30	9	7	10	10	12
31 TO 40	5	7	5	2	0
41 TO 50	0	2	2	1	2
51 TO 60	0	1	1	1	0
61 TO 70	0	0	1	1	1
71 TO 80	1	1	0	0	0
81 TO 90	0	0	0	0	0
91 AND OVER	0	0	0	0	0
NOT REPORTING	10	10	10	10	10
MEAN AND MEDIAN					
MEDIAN PROBABILITY	25.00	27.50	26.00	25.00	25.00
MEAN PROBABILITY	22.83	29.58	28.94	24.98	24.03

Note: Total number of forecasters reporting is 26.

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Third 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	0.00	0.00	0.01	0.04
8.3 TO 9.8 PERCENT	0.00	0.10	0.19	0.57
7.2 TO 8.2 PERCENT	0.27	0.32	0.42	1.21
6.1 TO 7.1 PERCENT	0.81	1.34	1.46	2.82
5.5 TO 6.0 PERCENT	1.93	5.17	5.41	5.77
4.9 TO 5.4 PERCENT	9.16	17.05	15.62	15.34
4.3 TO 4.8 PERCENT	48.90	45.11	43.89	40.26
3.7 TO 4.2 PERCENT	33.73	23.95	25.47	24.67
3.1 TO 3.6 PERCENT	4.57	5.65	5.95	7.03
LESS THAN 3.1 PERCENT	0.63	1.32	1.58	2.29

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	0.01	0.01	0.05
5.5 TO 6.9 PERCENT	0.01	0.20	0.20	0.56
4.0 TO 5.4 PERCENT	1.18	2.98	3.68	4.98
2.5 TO 3.9 PERCENT	8.50	15.83	21.20	20.65
1.5 TO 2.4 PERCENT	46.98	36.74	39.19	37.09
0.0 TO 1.4 PERCENT	36.59	32.23	26.54	27.10
-1.5 TO -0.1 PERCENT	6.04	9.79	7.95	7.84
-3.0 TO -1.6 PERCENT	0.67	1.89	1.16	1.60
-5.1 TO -3.1 PERCENT	0.02	0.24	0.07	0.11
LESS THAN -5.1 PERCENT	0.01	0.10	0.01	0.01

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	1.17	2.59
3.5 TO 3.9 PERCENT	6.48	6.88
3.0 TO 3.4 PERCENT	20.81	17.02
2.5 TO 2.9 PERCENT	46.84	31.26
2.0 TO 2.4 PERCENT	19.01	26.36
1.5 TO 1.9 PERCENT	3.82	10.00
1.0 TO 1.4 PERCENT	1.26	3.24
0.5 TO 0.9 PERCENT	0.63	1.99
0.0 TO 0.4 PERCENT	0.00	0.47
LESS THAN 0.0 PERCENT	0.00	0.20

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Third 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
4.0 PERCENT OR MORE	4.46	5.28
3.5 TO 3.9 PERCENT	16.17	11.80
3.0 TO 3.4 PERCENT	30.41	19.47
2.5 TO 2.9 PERCENT	30.47	28.96
2.0 TO 2.4 PERCENT	14.72	21.83
1.5 TO 1.9 PERCENT	2.63	8.60
1.0 TO 1.4 PERCENT	0.91	2.48
0.5 TO 0.9 PERCENT	0.12	0.99
0.0 TO 0.4 PERCENT	0.08	0.42
LESS THAN 0.0 PERCENT	0.04	0.17

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	24Q4 TO 25Q4	25Q4 TO 26Q4
4.0 PERCENT OR MORE	4.02	3.19
3.5 TO 3.9 PERCENT	11.36	7.66
3.0 TO 3.4 PERCENT	28.05	16.53
2.5 TO 2.9 PERCENT	31.40	25.90
2.0 TO 2.4 PERCENT	17.20	26.66
1.5 TO 1.9 PERCENT	5.32	12.47
1.0 TO 1.4 PERCENT	2.17	4.59
0.5 TO 0.9 PERCENT	0.39	2.18
0.0 TO 0.4 PERCENT	0.04	0.65
LESS THAN 0.0 PERCENT	0.04	0.17

Source: Research Department, Federal Reserve Bank of Philadelphia.
 Survey of Professional Forecasters, Third 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	1.90	MINIMUM	1.87
LOWER QUARTILE	2.40	LOWER QUARTILE	2.24
MEDIAN	2.43	MEDIAN	2.30
UPPER QUARTILE	2.74	UPPER QUARTILE	2.45
MAXIMUM	3.50	MAXIMUM	3.30
MEAN	2.54	MEAN	2.37
STD. DEVIATION	0.33	STD. DEVIATION	0.28
N	28	N	28
MISSING	8	MISSING	8

ANNUAL AVERAGE OVER THE FOLLOWING 5 YEARS: 2030-2034

CPI INFLATION RATE		PCE INFLATION RATE	
MINIMUM	1.86	MINIMUM	1.67
LOWER QUARTILE	2.00	LOWER QUARTILE	1.90
MEDIAN	2.20	MEDIAN	2.00
UPPER QUARTILE	2.42	UPPER QUARTILE	2.28
MAXIMUM	3.70	MAXIMUM	3.50
MEAN	2.27	MEAN	2.10
STD. DEVIATION	0.37	STD. DEVIATION	0.35
N	28	N	28
MISSING	8	MISSING	8

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2025-2034

CPI INFLATION RATE		PCE INFLATION RATE	
MINIMUM	2.08	MINIMUM	1.84
LOWER QUARTILE	2.20	LOWER QUARTILE	2.10
MEDIAN	2.31	MEDIAN	2.20
UPPER QUARTILE	2.59	UPPER QUARTILE	2.28
MAXIMUM	3.60	MAXIMUM	3.40
MEAN	2.41	MEAN	2.24
STD. DEVIATION	0.32	STD. DEVIATION	0.29
N	28	N	28
MISSING	8	MISSING	8

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, Third Quarter 2025.