



THE

LIVINGSTON SURVEY

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DECEMBER 2024

Forecasters Project Steady Real GDP Growth and Steady Unemployment Rate for 2025

The 24 participants in the December *Livingston Survey* predict higher output growth for the second half of 2024 compared with their projections in the June 2024 survey. The forecasters, who are surveyed by the Federal Reserve Bank of Philadelphia twice a year, expect 2.5 percent annualized growth in real GDP during the second half of 2024. They project 1.9 percent annualized growth over the first half of 2025. The forecasters predict that real GDP will continue to grow steadily at an annual rate of 1.9 percent in the second half of 2025.

The forecasters predict a higher unemployment rate compared with their expectations in the June 2024 survey. They now forecast the unemployment rate increasing from 4.2 percent in December 2024 to 4.3 percent in June 2025, both marking upward revisions compared with the predictions in our June 2024 survey. The forecasters predict that the unemployment rate will stay steady at 4.3 percent in December 2025.

	<i>Growth Rate of Real GDP (%)</i>			<i>Unemployment Rate (%)</i>	
	<i>Previous</i>	<i>New</i>		<i>Previous</i>	<i>New</i>
	<i>Half-year data:</i>				
2024 Q2 to 2024 Q4	1.7	2.5	December 2024	4.0	4.2
2024 Q4 to 2025 Q2	2.0	1.9	June 2025	4.1	4.3
2025 Q2 to 2025 Q4	N.A.	1.9	December 2025	N.A.	4.3

Forecasters Project Steady Year-over-Year CPI Inflation and Increasing Year-over-Year PPI Inflation from 2025 to 2026

CPI inflation is projected to be an annual-average rate of 2.9 percent in 2024 and 2.3 percent in 2025, both downward revisions from the June 2024 survey. The forecasters predict CPI inflation will stay steady at an annual-average rate of 2.3 percent in 2026. The PPI inflation rate for finished goods is expected to reach an annual-average rate of 1.0 percent this year, a downward revision from 1.9 percent in the previous survey. The forecasters project PPI inflation will reach an annual-average rate of 1.1 percent in 2025 before reaching 2.1 percent in 2026.

	<i>CPI Inflation (%)</i>			<i>PPI Inflation (%)</i>	
	<i>Previous</i>	<i>New</i>		<i>Previous</i>	<i>New</i>
<i>Annual-average data:</i>					
2023 to 2024	3.2	2.9		1.9	1.0
2024 to 2025	2.5	2.3		1.6	1.1
2025 to 2026	N.A.	2.3		N.A.	2.1

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

The forecasters continue to predict falling interest rates in 2025, as they lowered their expectations for the rate on three-month Treasury bills over the next year compared with their previous estimates. The forecasters predict the rate on three-month Treasury bills will be 4.35 percent at the end of December 2024, 3.90 percent at the end of June 2025, and 3.40 percent at the end of December 2025. At the end of December 2026, the three-month Treasury bill rate is expected to reach 3.50 percent.

A downward trend to the predictions for the 10-year Treasury bond rate in 2025 accompanies the outlook for the downward trend on the rate for three-month Treasury bills. The forecasters now see the 10-year rate at 4.30 percent at the end of December 2024 and 4.10 percent at the end of June 2025. The forecasters predict the rate will fall to 4.00 percent by the end of December 2025 and will stay steady at 4.00 percent at the end of December 2026.

	<i>3-Month Treasury Bill Interest Rate</i>		<i>10-Year Treasury Bond Interest Rate</i>	
	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>
Dec. 31, 2024	4.85	4.35	4.10	4.30
June 30, 2025	4.35	3.90	3.94	4.10
Dec. 31, 2025	3.85	3.40	3.85	4.00
Dec. 31, 2026	N.A.	3.50	N.A.	4.00

Minor Upward Revisions to Long-Term Real GDP Growth and CPI Inflation

The forecasters expect real GDP to grow at an annual-average rate of 2.05 percent over the next 10 years, an upward revision from 2.00 percent in the June 2024 survey. Annual-average CPI inflation over the next 10 years is projected to be 2.28 percent, also marking an upward revision from 2.25 percent in the June 2024 survey.

Forecasters Raise Their Expectations for Stock Prices

The panel projects that stock prices, as measured by the S&P 500 index, will increase steadily from 2024 to the end of 2026. The panel sees stock prices at 6050.0 at the end of December 2024, 6260.0 at the end of June 2025, and 6489.9 at the end of December 2025. These projections are higher than those of the survey of six months ago. In addition, the panel expects stock prices to reach 6920.9 at the end of 2026.

	<i>Stock Prices (end of period) S&P 500 Index</i>	
	<i>Previous</i>	<i>New</i>
Dec. 31, 2024	5440.0	6050.0
June 30, 2025	5667.9	6260.0
Dec. 31, 2025	5824.6	6489.9
Dec. 31, 2026	N.A.	6920.9

Technical Notes

This news release reports the median value across the 24 forecasters on the survey's panel. All forecasts were submitted on or before December 6, 2024.

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 forecast 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; **Clement Bohr**, University of California, Los Angeles; **Kathy Bostjancic**, Nationwide; **Michael Brown and Wayne Best**, Visa; **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.; **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.; **Edward Yardeni**, Yardeni Research, Inc; **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, 2024-2026

QUARTERLY INDICATORS (percentage changes at annual rates)	Q2 2024 TO Q4 2024	Q4 2024 TO Q2 2025	Q2 2025 TO Q4 2025	2023 TO 2024	2024 TO 2025	2025 TO 2026
Real Gross Domestic Product	2.5	1.9	1.9	2.7	2.1	2.1
Nominal Gross Domestic Product	4.6	4.3	4.1	5.2	4.4	4.4
Nonresidential Fixed Investment	2.8	2.5	2.6	3.9	2.7	3.3
Corporate Profits After Taxes	1.6	4.8	3.5	7.0	3.4	4.3
MONTHLY INDICATORS (percentage changes at annual rates)	JUN 2024 TO DEC 2024	DEC 2024 TO JUN 2025	JUN 2025 TO DEC 2025	2023 TO 2024	2024 TO 2025	2025 TO 2026
Industrial Production	-1.2	1.3	1.5	-0.2	0.9	1.5
Producer Prices - Finished Goods	1.2	2.0	1.8	1.0	1.1	2.1
Consumer Price Index (CPI-U)	2.2	2.7	2.1	2.9	2.3	2.3
Average Weekly Earnings in Mfg.	3.7	3.4	3.7	5.4	4.1	3.3
Retail Trade	5.7	3.2	2.5	2.4	3.2	3.3
(levels of variables)	DEC 2024	JUN 2025	DEC 2025	2024	2025	2026
Total Private Housing Starts (annual rate, millions)	1.330	1.360	1.396	1.352	1.372	1.403
Unemployment Rate (percent)	4.2	4.3	4.3	4.0	4.3	4.2
Automobile Sales (incl. foreign) (annual rate, millions)	3.0	3.0	3.1	3.0	3.1	3.2
FINANCIAL INDICATORS (levels of variables at end of month)	DEC 2024	JUN 2025	DEC 2025	DEC 2026		
Prime Interest Rate	7.50	7.00	6.50	6.50		
10-Year Treasury Note Yield	4.30	4.10	4.00	4.00		
3-Month Treasury Bill Rate	4.35	3.90	3.40	3.50		
Stock Prices (S&P500)	6050.0	6260.0	6489.9	6920.9		

LONG-TERM OUTLOOK

Average Annual Growth Rate for the Next Ten Years

Real GDP	2.05
Consumer Price Index	2.28

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, December 2024.

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December 2024

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 6.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS, 2024-2026
MEDIAN OF FORECASTER PREDICTIONS

QUARTERLY INDICATORS	NUMBER OF FORECASTERS	ACTUAL	FORECAST			ACTUAL	FORECAST		
		2024 Q2	2024 Q4	2025 Q2	2025 Q4	2023 ANNUAL	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL
1. Real Gross Domestic Product (billions, chain weighted)	24	23223.9	23508.4	23733.9	23952.9	22671.1	23293.4	23778.0	24286.2
2. Nominal Gross Domestic Product (\$ billions)	22	29016.7	29680.3	30316.1	30930.4	27720.7	29167.7	30450.4	31775.7
3. Nonresidential Fixed Investment (billions, chain weighted)	20	3504.1	3553.6	3598.3	3644.9	3384.6	3515.5	3611.3	3729.4
4. Corporate Profits After Taxes (\$ billions)	15	3141.6	3167.3	3243.1	3300.0	2921.8	3126.3	3233.7	3373.9
MONTHLY INDICATORS		2024 Jun	2024 Dec	2025 Jun	2025 Dec	2023 ANNUAL	2024 ANNUAL	2025 ANNUAL	2026 ANNUAL
5. Industrial Production (2017=100)	16	103.3	102.7	103.4	104.1	102.9	102.6	103.5	105.0
6. Total Private Housing Starts (annual rate, millions)	17	1.329	1.330	1.360	1.396	1.421	1.352	1.372	1.403
7. Producer Prices - Finished Goods (index level)	12	255.9	257.5	260.0	262.3	254.7	257.2	260.0	265.5
8. Consumer Price Index (CPI-U) (index level)	19	313.0	316.5	320.7	324.1	304.7	313.6	320.9	328.4
9. Unemployment Rate (percent)	23	4.1	4.2	4.3	4.3	3.6	4.0	4.3	4.2
10. Average Weekly Earnings in Mfg. (\$)	6	1135.0	1155.6	1175.3	1197.1	1073.5	1131.1	1177.2	1215.8
11. Retail Trade (\$ billions)	10	702.4	721.9	733.3	742.3	692.5	709.0	731.7	755.7
12. Automobile Sales (incl. foreign) (annual rate, millions)	12	2.7	3.0	3.0	3.1	3.1	3.0	3.1	3.2
INTEREST RATES & STOCK PRICES (end of period)		2024 Jun	2024 Dec	2025 Jun	2025 Dec	2026 Dec			
13. Prime Interest Rate (percent)	19	8.50	7.50	7.00	6.50	6.50			
14. 10-Year Treasury Note Yield (percent)	22	4.36	4.30	4.10	4.00	4.00			
15. 3-Month Treasury Bill Rate (percent)	21	5.22	4.35	3.90	3.40	3.50			
16. Stock Prices (S&P500) (index level)	15	5460.5	6050.0	6260.0	6489.9	6920.9			

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, December 2024.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS, 2024-2026
PERCENTAGE CHANGES AT ANNUAL RATES

QUARTERLY INDICATORS	NUMBER OF FORECASTERS	Q2 2024 TO Q4 2024	Q4 2024 TO Q2 2025	Q2 2025 TO Q4 2025	2023 TO 2024	2024 TO 2025	2025 TO 2026
1. Real Gross Domestic Product	24	2.5	1.9	1.9	2.7	2.1	2.1
2. Nominal Gross Domestic Product	22	4.6	4.3	4.1	5.2	4.4	4.4
3. Nonresidential Fixed Investment	20	2.8	2.5	2.6	3.9	2.7	3.3
4. Corporate Profits After Taxes	15	1.6	4.8	3.5	7.0	3.4	4.3
MONTHLY INDICATORS		JUN 2024 TO DEC 2024	DEC 2024 TO JUN 2025	JUN 2025 TO DEC 2025	2023 TO 2024	2024 TO 2025	2025 TO 2026
5. Industrial Production	16	-1.2	1.3	1.5	-0.2	0.9	1.5
6. Total Private Housing Starts	17	0.001	0.030	0.036	-0.070	0.021	0.031
7. Producer Prices - Finished Goods	12	1.2	2.0	1.8	1.0	1.1	2.1
8. Consumer Price Index (CPI-U)	19	2.2	2.7	2.1	2.9	2.3	2.3
9. Unemployment Rate	23	0.1	0.1	0.0	0.4	0.3	-0.1
10. Average Weekly Earnings in Mfg.	6	3.7	3.4	3.7	5.4	4.1	3.3
11. Retail Trade	10	5.7	3.2	2.5	2.4	3.2	3.3
12. Automobile Sales (incl. foreign)	12	0.3	0.0	0.0	-0.1	0.1	0.1
INTEREST RATES & STOCK PRICES		JUN 2024 TO DEC 2024	DEC 2024 TO JUN 2025	JUN 2025 TO DEC 2025	DEC 2025 TO DEC 2026		
13. Prime Interest Rate	19	-1.00	-0.50	-0.50	0.00		
14. 10-Year Treasury Note Yield	22	-0.06	-0.20	-0.10	0.00		
15. 3-Month Treasury Bill Rate	21	-0.87	-0.45	-0.50	0.10		
16. Stock Prices (S&P500)	15	22.8	7.1	7.5	6.6		

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 2024.

TABLE THREE
LONG-TERM (10 YEAR) FORECASTS

SERIES: Real GDP		
Statistic		
Minimum		1.50
Lower Quartile		1.90
Median		2.05
Upper Quartile		2.20
Maximum		2.90
Mean		2.11
Std. Deviation		0.30
N		22
Missing		2
SERIES: CPI Inflation Rate		
Statistic		
Minimum		1.80
Lower Quartile		2.20
Median		2.28
Upper Quartile		2.45
Maximum		2.80
Mean		2.29
Std. Deviation		0.23
N		22
Missing		2

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, December 2024.