Third Quarter 2026

Survey of Professional Forecasters

FEDERAL RESERVE BANK PHILADELPHIA

Release Date: August 14, 2026

Forecasters Predict Higher Near-Term Growth

The near-term outlook for the U.S. economy looks more positive now than it did three months ago, according to 32 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters predict the economy will expand at an annual rate of 2.5 percent this quarter and 2.3 percent next quarter, up from the predictions of 2.2 percent and 1.6 percent in the last survey. On an annual-average over annual-average basis, the panel predicts real GDP will grow between 2.1 percent and 2.4 percent from 2026 to 2029.

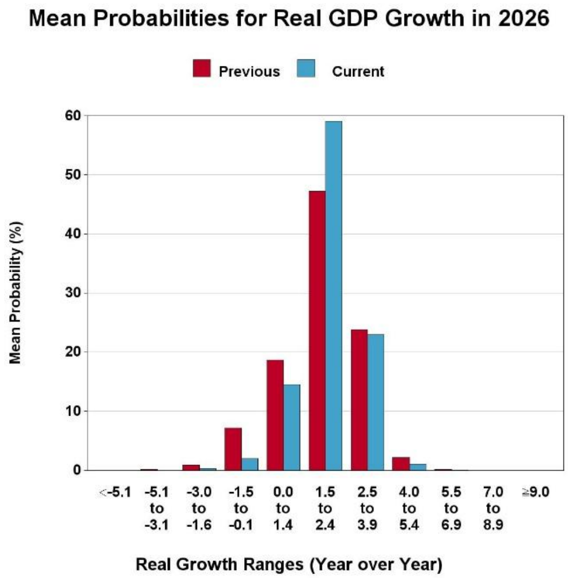
A downward revision to the path for the unemployment rate accompanies the outlook for growth. The forecasters predict the unemployment rate will range from 4.2 percent to 4.3 percent from this quarter through the second quarter of 2027. In the previous survey, the unemployment rate was forecast to remain unchanged at 4.5 percent over the same period. On an annual-average basis, the forecasters expect the unemployment rate to average from 4.2 percent to 4.3 percent over each of the next four years, marking small downward revisions from the previous estimates.

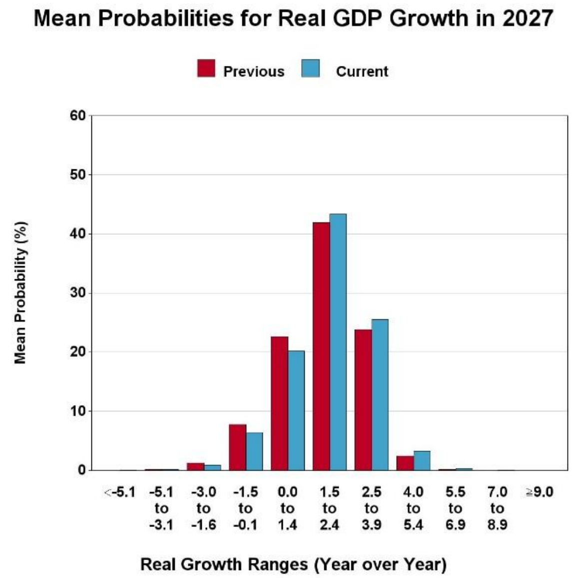
On the employment front, the forecasters predict job gains in the current quarter at a rate of 45,600 per month, which is lower than the previous estimate of 61,200. However, the projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 40,700 in 2026 and 75,400 in 2027, both higher than the previous estimates. (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.)

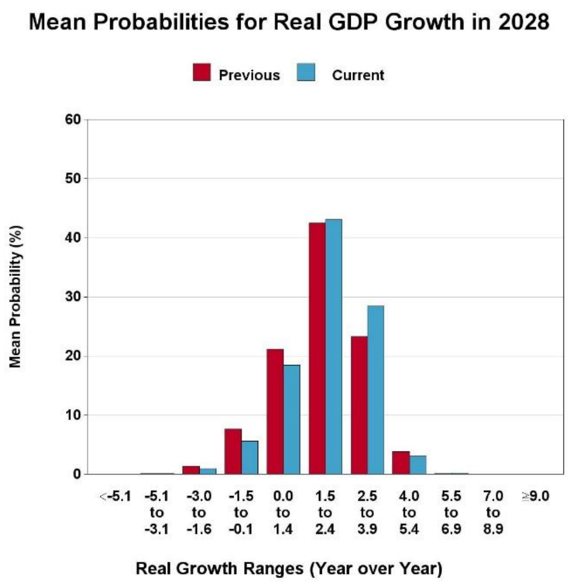
Median Forecasts for Selected Variables in the Current and Previous Surveys

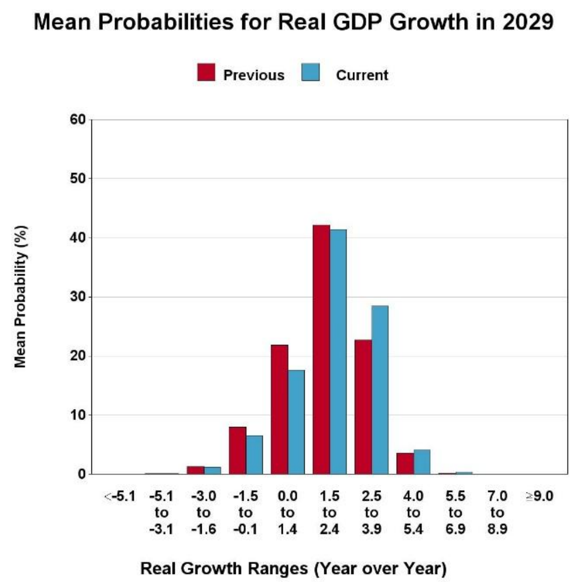
	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
Quarterly data:						
2026:Q3	2.2	2.5	4.5	4.2	61.2	45.6
2026:Q4	1.6	2.3	4.5	4.3	58.4	66.4
2027:Q1	1.9	2.1	4.5	4.3	64.0	94.9
2027:Q2	1.9	2.1	4.5	4.3	97.3	80.4
2027:Q3	N.A.	2.2	N.A.	4.3	N.A.	56.2
Annual data (projections are based on annual-average levels):						
2026	2.2	2.1	4.4	4.3	34.6	40.7
2027	1.9	2.2	4.5	4.3	64.4	75.4
2028	2.2	2.1	4.4	4.2	N.A.	N.A.
2029	2.3	2.4	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 forecasters have raised their estimates of the probability that real GDP growth will be between 1.5 and 2.4 percent in 2026.

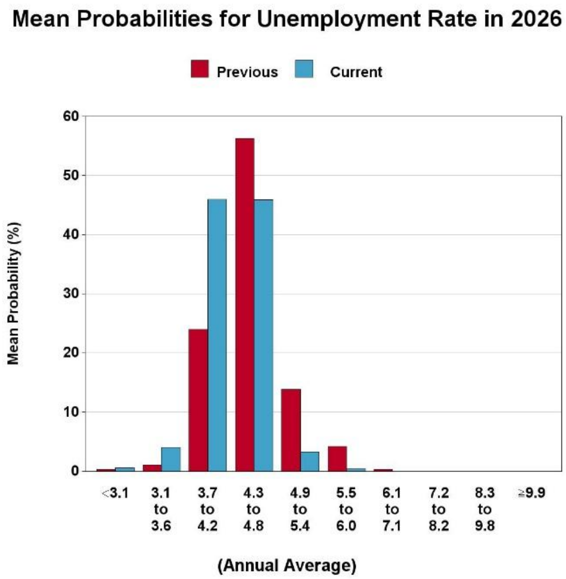


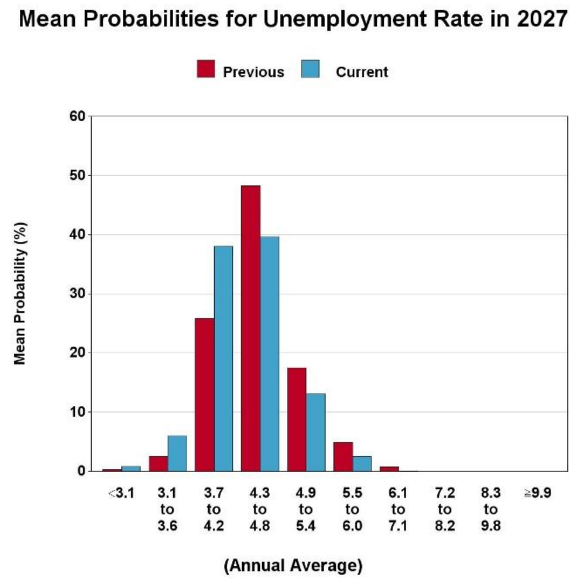


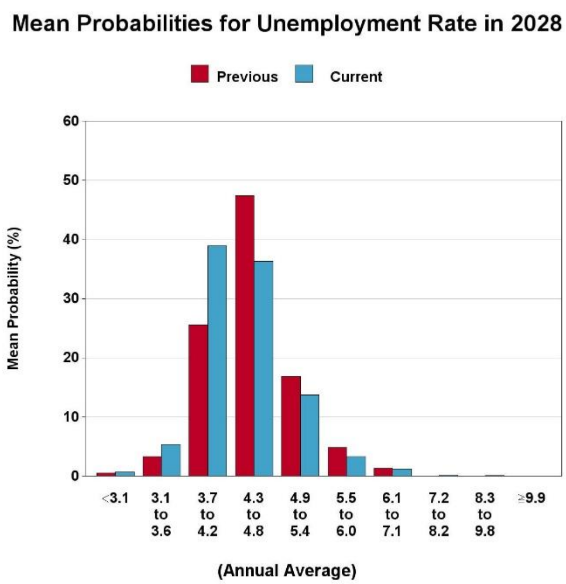


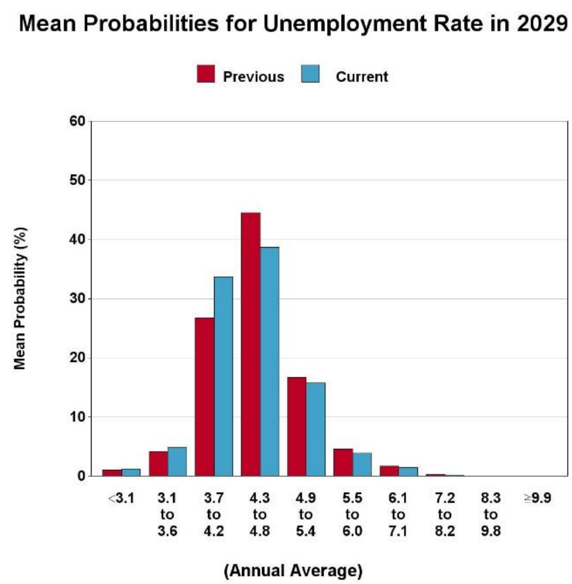


The forecasters' density projections for unemployment, shown below, shed light on uncertainty about the labor market over the next four years. Each chart presents the forecasters' current and previous estimates of the probability that unemployment will fall into each of 10 ranges. For 2026 and over each of the following three years, the forecasters expect a higher probability than they predicted in the previous survey that the unemployment rate will fall into the ranges below 4.3 percent.









Forecasters See Lower Inflation in the Current Quarter

The forecasters expect current-quarter headline CPI inflation will average 2.3 percent at an annual rate, down from their prediction of 3.0 percent in the previous survey. They also predict that core CPI inflation over the current quarter will be lower at an annual rate of 2.7 percent, down from the previous estimate of 2.9 percent. The predictions for current-quarter headline PCE and core PCE inflation are also lower compared with their predictions in the last survey.

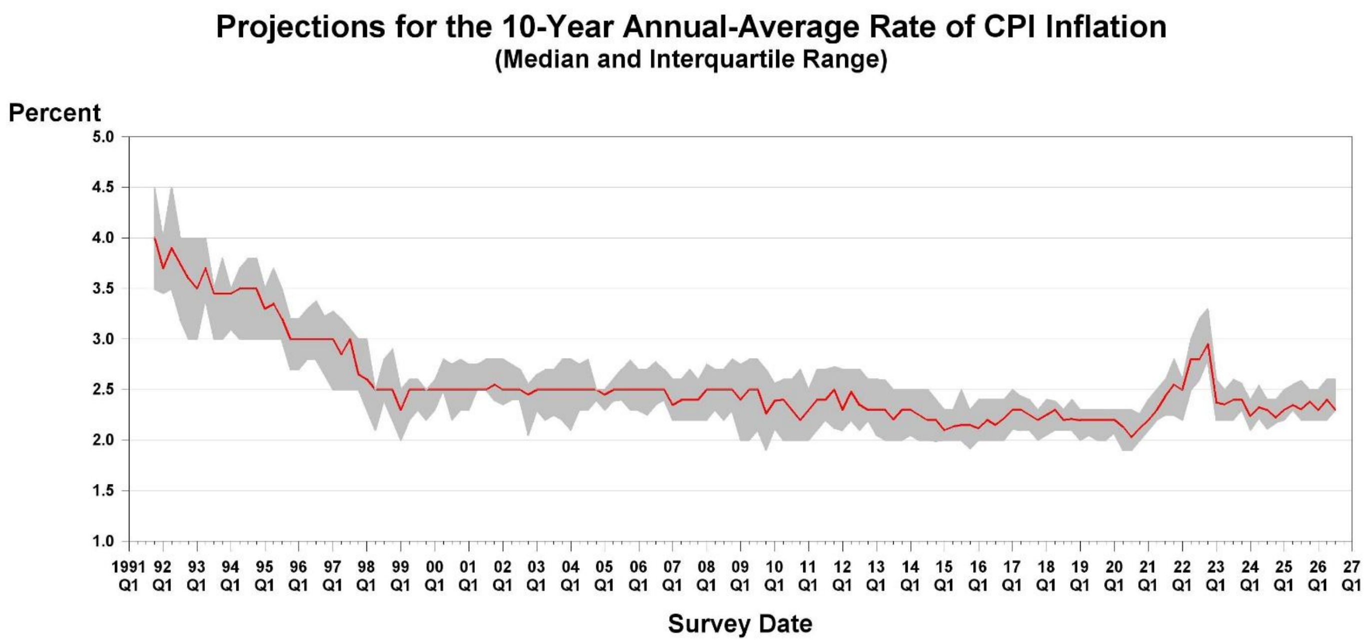
Measured on a fourth-quarter over fourth-quarter basis, headline CPI and core CPI inflation in 2026 are expected to average 3.6 percent and 2.8 percent, respectively, little changed from the previous estimates. In 2027 and 2028, predictions for these inflation measures also remained little changed compared with the previous survey.

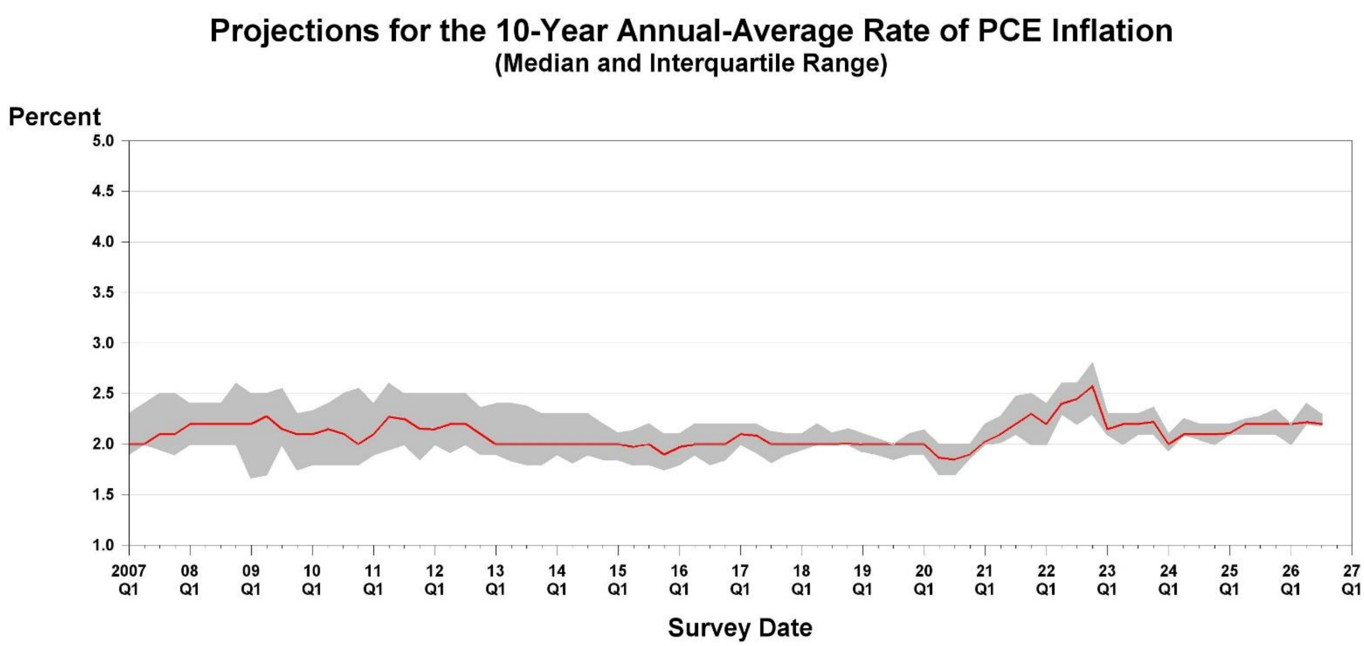
Over the next 10 years, 2026 to 2035, the forecasters predict headline CPI inflation will be at an annual-average rate of 2.30 percent. The corresponding estimate for 10-year annual-average PCE inflation is 2.20 percent. These 10-year projections are 0.10 percentage point and 0.02 percentage point, respectively, lower than those from the previous survey.

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

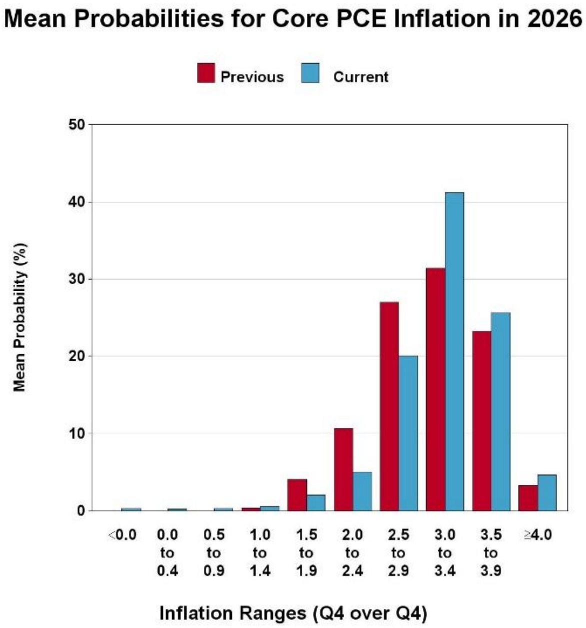
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
Quarterly								
2026:Q3	3.0	2.3	2.9	2.7	3.0	2.3	2.9	2.7
2026:Q4	2.5	2.5	2.7	2.8	2.4	2.6	2.6	2.6
2027:Q1	2.5	2.5	2.7	2.8	2.5	2.5	2.6	2.6
2027:Q2	2.4	2.3	2.5	2.5	2.3	2.3	2.4	2.4
2027:Q3	N.A.	2.4	N.A.	2.5	N.A.	2.3	N.A.	2.3
Q4/Q4 Annual Averages								
2026	3.5	3.6	2.9	2.8	3.6	3.6	3.3	3.3
2027	2.5	2.3	2.6	2.6	2.3	2.3	2.4	2.4
2028	2.4	2.3	2.4	2.4	2.2	2.1	2.1	2.2
Long-Term Annual Averages								
2026-2030	2.60	2.60	N.A.	N.A.	2.48	2.50	N.A.	N.A.
2026-2035	2.40	2.30	N.A.	N.A.	2.22	2.20	N.A.	N.A.

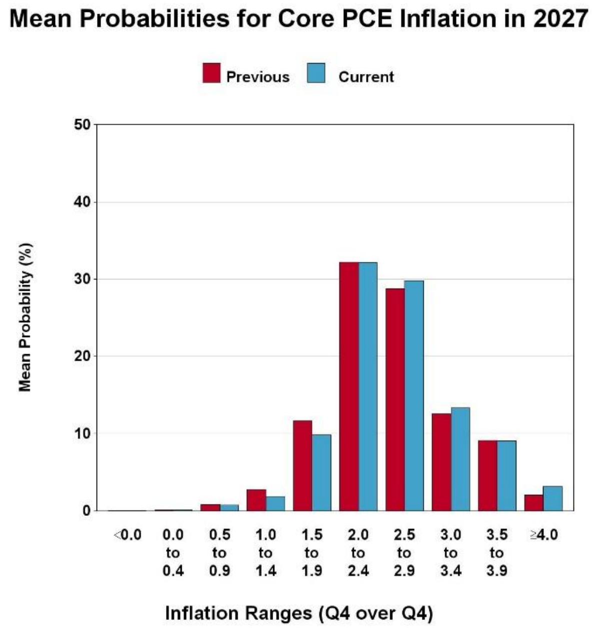
The charts below show the median projections (the red line) and the associated interquartile ranges (gray areas around the red line) for 10-year annual-average CPI and PCE inflation. The charts provide historical perspective on the current survey's lower projection for 10-year CPI inflation and nearly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





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 2026 and 2027. For 2026, 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. For 2027, the probabilities are little changed compared with the previous survey.





Lower Risk of a Negative Quarter

The forecasters have reduced their estimate of the risk of a downturn in real GDP this quarter to 13.3 percent, compared with the estimate of 25.1 percent in the previous survey. The panelists have also made downward revisions to their probability estimates for the following three quarters.

Risk of a Negative Quarter (%)
Survey Means

Quarterly data:	Previous	New
2026:Q3	25.1	13.3
2026:Q4	24.5	20.0
2027:Q1	25.7	21.5
2027:Q2	23.0	22.0
2027:Q3	N.A.	20.8

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. Fifty percent of the 24 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
2026:Q3	50	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.

Missing Historical Values
Due to the federal government shutdown, we had incomplete historical monthly data available for the October 2025 unemployment rate and the CPI. We computed the full year 2025 (for unemployment rate, CPI inflation, and core CPI inflation) historical values using interpolated October values available from Haver Analytics and provided these jump-off values to the panelists on the survey questionnaire. The panelists were permitted to use their own historical values. Some panelists used their own values; others did not.

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

William Adams, Fifth Third Commercial 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; **Gary Ciminero**, **CFA**, GLC Financial Economics; **Grant Collins**, AIM Research, LLC; **Andrew Davis**, Bryn Mawr Trust; **Rajeev Dhawan**, Georgia State University; **James Egelhof**, BNP Paribas; **Gabriel Ehrlich**, **Daniil Manaenkov**, and **Yinuo Zhang**, RSQE, University of Michigan; **Michael R. Englund**, Action Economics, LLC; **Tani Fukui** and **Shan Ahmed**, MetLife Investment Management; **Sacha Gelfer**, Bentley University; **James Glassman**, Independent Economist; **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; **Daniel Mershon**, USAA; **R. Anthony Metz**, Pareto Optimal Economics, LLC; **R. M. Monaco**, TitanRM; **Joel L. Naroff**, Naroff Economics, LLC; **Brendon Ogmundson**, BC Real Estate Association; **Panos N. Patatoukas**, U.C. Berkeley, Haas School of Business; **Michael Pearce**, Oxford Economics USA, Inc.; **Perc Pineda, Ph.D.**, Plastics Industry Association; **Jason Prole**, Capital Risk Management; **Tim Quinlan**, Wells Fargo; **Luciano Rispoli**, Advance Macro Research; **Michael Roberts** and **Dan Roberts**, Roberts Capital Advisors, LLC; **Parker Ross**, Arch Capital Group; **Philip Rothman**, East Carolina University; **Allen Sinai** and **Noah Moudarres**, 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.; **Jordan Vickers** and **Maira Trimble**, Eaton Corporation; **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

	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2026 (YEAR-OVER-YEAR)	2027 (YEAR-OVER-YEAR)	2028 (YEAR-OVER-YEAR)	2029 (YEAR-OVER-YEAR)
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	2.5	2.3	2.1	2.1	2.2	2.1	2.2	2.1	2.4
2. GDP PRICE INDEX (PERCENT CHANGE)	2.7	2.9	2.4	2.3	2.2	3.9	2.7	N.A.	N.A.
3. NOMINAL GDP ($ BILLIONS)	5.3	4.8	4.5	4.4	4.5	6.1	4.8	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT									
(PERCENT CHANGE)	0.3	0.5	0.7	0.6	0.4	0.3	0.6	N.A.	N.A.
(AVG MONTHLY CHANGE)	45.6	66.4	94.9	80.4	56.2	40.7	75.4	N.A.	N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.3
6. 3-MONTH TREASURY BILL (PERCENT)	3.7	3.7	3.7	3.6	3.5	3.7	3.6	3.4	3.2
7. 10-YEAR TREASURY BOND (PERCENT)	4.6	4.5	4.5	4.4	4.4	4.4	4.4	4.3	4.2

	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2026 (Q4-OVER-Q4)	2027 (Q4-OVER-Q4)	2028 (Q4-OVER-Q4)
INFLATION INDICATORS								
8. CPI (ANNUAL RATE)	2.3	2.5	2.5	2.3	2.4	3.6	2.3	2.3
9. CORE CPI (ANNUAL RATE)	2.7	2.8	2.8	2.5	2.5	2.8	2.6	2.4
10. PCE (ANNUAL RATE)	2.3	2.6	2.5	2.3	2.3	3.6	2.3	2.1
11. CORE PCE (ANNUAL RATE)	2.7	2.6	2.6	2.4	2.3	3.3	2.4	2.2

Note: The figures on each line are medians of 32 forecasters.

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Third Quarter 2026.

SURVEY OF PROFESSIONAL FORECASTERS

Third Quarter 2026

Tables

Note: Due to the federal government shutdown, we had incomplete historical monthly data available for the October 2025 unemployment rate and the CPI. We computed the full year 2025 (for unemployment rate, CPI inflation, and core CPI inflation) historical values using interpolated October values available from Haver Analytics and provided these jump-off values to the panelists on the survey questionnaire. The panelists were permitted to use their own historical values. Some panelists used their own values; others did not. All forecasts were received on or before August 11, 2026.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS
MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL 2026 Q2	FORECAST 2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	ACTUAL 2025 ANNUAL	FORECAST 2026 ANNUAL	2027 ANNUAL	2028 ANNUAL	2029 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) ($ BILLIONS)	30	32475	32896	33287	33655	34021	34394	30762	32635	34206	N.A.	N.A.
2. GDP PRICE INDEX (2017=100)	29	133.81	134.70	135.67	136.48	137.26	138.00	128.99	134.00	137.57	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES ($ BILLIONS)	17	N.A.	3728.2	3791.8	3819.3	3852.1	3926.9	3382.3	3700.5	3922.3	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	31	4.3	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.3
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	24	158903	159040	159239	159524	159765	159933	158439	158927	159832	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2017=100)	24	102.5	103.0	103.4	103.7	104.2	104.7	101.2	102.6	104.4	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	25	1.35	1.35	1.35	1.34	1.35	1.35	1.36	1.36	1.35	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	25	3.62	3.73	3.70	3.68	3.63	3.50	4.07	3.67	3.57	3.38	3.19
9. MOODY'S AAA CORP BOND YIELD * (PERCENT)	15	N.A.	5.75	5.65	5.60	5.60	5.60	N.A.	5.60	5.61	N.A.	N.A.
10. MOODY'S BAA CORP BOND YIELD * (PERCENT)	14	N.A.	6.23	6.28	6.30	6.30	6.30	N.A.	6.21	6.23	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	30	4.42	4.60	4.52	4.48	4.40	4.39	4.29	4.43	4.39	4.27	4.23
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	31	24271	24419	24556	24685	24815	24953	23850	24359	24886	25398	26001
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	25	16817.9	16913.5	16993.3	17073.7	17159.2	17245.7	16510.7	16851.4	17209.0	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	23	3882.0	3926.6	3975.0	4011.5	4048.2	4086.8	3663.1	3896.7	4066.6	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	22	748.5	748.5	749.5	752.8	755.6	758.0	773.2	747.7	755.2	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	23	1476.4	1481.9	1487.3	1493.7	1501.4	1507.4	1509.8	1484.3	1502.8	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	23	2514.0	2523.3	2531.5	2539.1	2548.5	2556.2	2479.0	2519.3	2549.9	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	21	-50.8	-7.4	14.5	20.9	29.2	34.6	28.6	-14.4	26.8	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	22	-1074.7	-1109.6	-1119.2	-1133.3	-1140.4	-1139.0	-1090.7	-1077.5	-1131.0	N.A.	N.A.

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

** Due to the federal government shutdown, we had incomplete historical monthly data available for the October 2025 unemployment rate and the CPI. We computed the full year 2025 (for unemployment rate, CPI inflation, and core CPI inflation) historical values using interpolated October 2025 values available from Haver Analytics and provided these jump-off values to the panelists on the survey questionnaire. The panelists were permitted to use their own historical values. Some panelists used their own values; others did not.

Source: Research Department, Federal Reserve Bank of Philadelphia. Survey of Professional Forecasters, Third Quarter 2026.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q2 2026 TO Q3 2026	Q3 2026 TO Q4 2026	Q4 2026 TO Q1 2027	Q1 2027 TO Q2 2027	Q2 2027 TO Q3 2027	2025 TO 2026	2026 TO 2027	2027 TO 2028	2028 TO 2029
1. GROSS DOMESTIC PRODUCT (GDP) ($ BILLIONS)	30	5.3	4.8	4.5	4.4	4.5	6.1	4.8	N.A.	N.A.
2. GDP PRICE INDEX (2017=100)	29	2.7	2.9	2.4	2.3	2.2	3.9	2.7	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES ($ BILLIONS)	17	5.6	7.0	2.9	3.5	8.0	9.4	6.0	N.A.	N.A.
4. UNEMPLOYMENT RATE ** (PERCENT)	31	-0.1	0.1	0.0	0.0	0.0	-0.0	0.0	-0.1	0.1
5. NONFARM PAYROLL EMPLOYMENT										
(PERCENT CHANGE)	24	0.3	0.5	0.7	0.6	0.4	0.3	0.6	N.A.	N.A.
(AVG MONTHLY CHANGE)	24	45.6	66.4	94.9	80.4	56.2	40.7	75.4	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2017=100)	24	1.9	1.5	1.3	1.8	2.0	1.4	1.8	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	25	0.1	-0.1	-0.8	0.8	0.9	0.6	-1.2	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	25	0.11	-0.03	-0.02	-0.05	-0.13	-0.41	-0.10	-0.18	-0.19
9. MOODY'S AAA CORP BOND YIELD * (PERCENT)	15	N.A.	-0.10	-0.05	0.00	-0.00	N.A.	0.01	N.A.	N.A.
10. MOODY'S BAA CORP BOND YIELD * (PERCENT)	14	N.A.	0.05	0.02	0.01	-0.00	N.A.	0.02	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	30	0.18	-0.08	-0.05	-0.07	-0.01	0.14	-0.05	-0.12	-0.04
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	31	2.5	2.3	2.1	2.1	2.2	2.1	2.2	2.1	2.4
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	25	2.3	1.9	1.9	2.0	2.0	2.1	2.1	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	23	4.7	5.0	3.7	3.7	3.9	6.4	4.4	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	22	-0.0	0.6	1.7	1.5	1.2	-3.3	1.0	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	23	1.5	1.5	1.7	2.1	1.6	-1.7	1.2	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	23	1.5	1.3	1.2	1.5	1.2	1.6	1.2	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	21	43.4	21.9	6.4	8.3	5.4	-43.0	41.2	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	22	-34.9	-9.7	-14.1	-7.1	1.4	13.2	-53.5	N.A.	N.A.

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

** Due to the federal government shutdown, we had incomplete historical monthly data available for the October 2025 unemployment rate and the CPI. We computed the full year 2025 (for unemployment rate, CPI inflation, and core CPI inflation) historical values using interpolated October 2025 values available from Haver Analytics and provided these jump-off values to the panelists on the survey questionnaire. The panelists were permitted to use their own historical values. Some panelists used their own values; others did not.

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.
Moody's Baa corporate bond yield, and 10-year Treasury bond yield are changes in these rates, in percentage points.

Source: Research Department, Federal Reserve Bank of Philadelphia. Survey of Professional Forecasters, Third Quarter 2026.

TABLE THREE
MAJOR PRICE INDICATORS
MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL 2026 Q2	FORECAST(Q/Q) 2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	ACTUAL 2025 ANNUAL	FORECAST(Q4/Q4) 2026 ANNUAL	2027 ANNUAL	2028 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	30	6.1	2.3	2.5	2.5	2.3	2.4	2.7	3.6	2.3	2.3
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	30	2.9	2.7	2.8	2.8	2.5	2.5	2.7	2.8	2.6	2.4
3. PCE PRICE INDEX (ANNUAL RATE)	30	5.1	2.3	2.6	2.5	2.3	2.3	2.8	3.6	2.3	2.1
4. CORE PCE PRICE INDEX (ANNUAL RATE)	30	3.4	2.7	2.6	2.6	2.4	2.3	2.9	3.3	2.4	2.2

* Due to the federal government shutdown, we had incomplete historical monthly data available for the October 2025 unemployment rate and the CPI. We computed the full year 2025 (for unemployment rate, CPI inflation, and core CPI inflation) historical values using interpolated October 2025 values available from Haver Analytics and provided these jump-off values to the panelists on the survey questionnaire. The panelists were permitted to use their own historical values. Some panelists used their own values; others did not.

Source: Research Department, Federal Reserve Bank of Philadelphia. Survey of Professional Forecasters, Third Quarter 2026.

TABLE FOUR
YIELD SPREADS
MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL 2026 Q2	FORECAST 2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	ACTUAL 2025 ANNUAL	FORECAST 2026 ANNUAL	2027 ANNUAL	2028 ANNUAL	2029 ANNUAL
1. TBOND MINUS TBILL (PERCENTAGE POINTS)	24	0.80	0.83	0.80	0.81	0.76	0.74	0.23	0.76	0.79	0.89	0.98
2. AAA MINUS TBOND (PERCENTAGE POINTS)	15	N.A.	1.15	1.15	1.15	1.15	1.14	N.A.	1.17	1.16	N.A.	N.A.
3. BAA MINUS TBOND (PERCENTAGE POINTS)	14	N.A.	1.63	1.70	1.72	1.73	1.73	N.A.	1.72	1.72	N.A.	N.A.
4. BAA MINUS AAA (PERCENTAGE POINTS)	14	N.A.	0.55	0.59	0.60	0.61	0.66	N.A.	0.55	0.60	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 2026.

TABLE FIVE
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q2 2026 TO Q3 2026	Q3 2026 TO Q4 2026	Q4 2026 TO Q1 2027	Q1 2027 TO Q2 2027	Q2 2027 TO Q3 2027
	NUMBER OF FORECASTERS				
10 OR LESS	11	3	4	4	4
11 TO 20	10	14	9	9	10
21 TO 30	2	4	9	8	7
31 TO 40	0	2	1	1	0
41 TO 50	0	0	0	1	1
51 TO 60	0	0	1	1	1
61 TO 70	1	1	0	0	0
71 TO 80	0	0	0	0	0
81 TO 90	0	0	0	0	0
91 AND OVER	0	0	0	0	0
NOT REPORTING	8	8	8	8	9
MEAN AND MEDIAN					
MEDIAN PROBABILITY	13.50	16.60	20.00	20.00	20.00
MEAN PROBABILITY	13.29	19.97	21.50	21.95	20.82

Note: Total number of forecasters reporting is 24.

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Third Quarter 2026.

TABLE SIX
MEAN PROBABILITIES

MEAN PROBABILITY ATTACHED TO POSSIBLE
CIVILIAN UNEMPLOYMENT RATES:
(ANNUAL AVERAGE)

	2026	2027	2028	2029
9.9 PERCENT OR MORE	0.00	0.00	0.08	0.00
8.3 TO 9.8 PERCENT	0.00	0.00	0.10	0.02
7.2 TO 8.2 PERCENT	0.00	0.00	0.20	0.22
6.1 TO 7.1 PERCENT	0.00	0.06	1.20	1.48
5.5 TO 6.0 PERCENT	0.35	2.46	3.34	3.96
4.9 TO 5.4 PERCENT	3.28	13.07	13.71	15.81
4.3 TO 4.8 PERCENT	45.85	39.67	36.37	38.73
3.7 TO 4.2 PERCENT	45.96	38.04	38.93	33.74
3.1 TO 3.6 PERCENT	4.01	5.93	5.35	4.85
LESS THAN 3.1 PERCENT	0.54	0.77	0.74	1.19

MEAN PROBABILITY ATTACHED TO POSSIBLE
PERCENT CHANGES IN REAL GDP:
(ANNUAL-AVERAGE OVER ANNUAL-AVERAGE)

	2025-2026	2026-2027	2027-2028	2028-2029
9.0 PERCENT OR MORE	0.00	0.00	0.00	0.00
7.0 TO 8.9 PERCENT	0.00	0.01	0.00	0.02
5.5 TO 6.9 PERCENT	0.05	0.26	0.19	0.42
4.0 TO 5.4 PERCENT	1.08	3.24	3.08	4.09
2.5 TO 3.9 PERCENT	22.94	25.54	28.48	28.47
1.5 TO 2.4 PERCENT	59.08	43.33	43.11	41.40
0.0 TO 1.4 PERCENT	14.54	20.18	18.44	17.66
-1.5 TO -0.1 PERCENT	1.98	6.41	5.59	6.54
-3.0 TO -1.6 PERCENT	0.33	0.91	0.94	1.22
-5.1 TO -3.1 PERCENT	0.00	0.09	0.14	0.16
LESS THAN -5.1 PERCENT	0.00	0.02	0.02	0.02

MEAN PROBABILITY ATTACHED TO POSSIBLE
PERCENT CHANGES IN GDP PRICE INDEX:
(ANNUAL-AVERAGE OVER ANNUAL-AVERAGE)

	2025-2026	2026-2027
4.0 PERCENT OR MORE	30.80	10.84
3.5 TO 3.9 PERCENT	39.40	10.25
3.0 TO 3.4 PERCENT	16.45	18.77
2.5 TO 2.9 PERCENT	8.50	28.86
2.0 TO 2.4 PERCENT	3.13	21.65
1.5 TO 1.9 PERCENT	1.59	7.61
1.0 TO 1.4 PERCENT	0.13	1.32
0.5 TO 0.9 PERCENT	0.00	0.45
0.0 TO 0.4 PERCENT	0.00	0.17
LESS THAN 0.0 PERCENT	0.00	0.07

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Third Quarter 2026.

TABLE SEVEN

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

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	25Q4 TO 26Q4	26Q4 TO 27Q4
4.0 PERCENT OR MORE	5.41	3.15
3.5 TO 3.9 PERCENT	14.87	12.39
3.0 TO 3.4 PERCENT	26.51	13.02
2.5 TO 2.9 PERCENT	37.24	29.96
2.0 TO 2.4 PERCENT	12.37	27.78
1.5 TO 1.9 PERCENT	3.25	11.07
1.0 TO 1.4 PERCENT	0.34	1.81
0.5 TO 0.9 PERCENT	0.00	0.52
0.0 TO 0.4 PERCENT	0.00	0.20
LESS THAN 0.0 PERCENT	0.00	0.10

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	25Q4 TO 26Q4	26Q4 TO 27Q4
4.0 PERCENT OR MORE	4.64	3.17
3.5 TO 3.9 PERCENT	25.63	9.04
3.0 TO 3.4 PERCENT	41.22	13.31
2.5 TO 2.9 PERCENT	20.09	29.83
2.0 TO 2.4 PERCENT	5.00	32.15
1.5 TO 1.9 PERCENT	2.05	9.79
1.0 TO 1.4 PERCENT	0.58	1.85
0.5 TO 0.9 PERCENT	0.28	0.77
0.0 TO 0.4 PERCENT	0.21	0.07
LESS THAN 0.0 PERCENT	0.29	0.01

Source: Research Department, Federal Reserve Bank of Philadelphia.
Survey of Professional Forecasters, Third Quarter 2026.

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

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2026-2030

CPI INFLATION RATE		PCE INFLATION RATE	
MINIMUM	1.76	MINIMUM	1.89
LOWER QUARTILE	2.40	LOWER QUARTILE	2.30
MEDIAN	2.60	MEDIAN	2.50
UPPER QUARTILE	2.70	UPPER QUARTILE	2.60
MAXIMUM	3.40	MAXIMUM	3.20
MEAN	2.61	MEAN	2.50
STD. DEVIATION	0.33	STD. DEVIATION	0.28
N	25	N	25
MISSING	7	MISSING	7

ANNUAL AVERAGE OVER THE FOLLOWING 5 YEARS: 2031-2035

CPI INFLATION RATE		PCE INFLATION RATE	
MINIMUM	1.77	MINIMUM	1.39
LOWER QUARTILE	2.00	LOWER QUARTILE	2.00
MEDIAN	2.20	MEDIAN	2.10
UPPER QUARTILE	2.50	UPPER QUARTILE	2.12
MAXIMUM	2.70	MAXIMUM	2.80
MEAN	2.24	MEAN	2.08
STD. DEVIATION	0.28	STD. DEVIATION	0.29
N	25	N	25
MISSING	7	MISSING	7

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2026-2035

CPI INFLATION RATE		PCE INFLATION RATE	
MINIMUM	1.91	MINIMUM	1.93
LOWER QUARTILE	2.30	LOWER QUARTILE	2.19
MEDIAN	2.30	MEDIAN	2.20
UPPER QUARTILE	2.60	UPPER QUARTILE	2.30
MAXIMUM	3.00	MAXIMUM	3.00
MEAN	2.43	MEAN	2.29
STD. DEVIATION	0.26	STD. DEVIATION	0.25
N	25	N	25
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, Third Quarter 2026.