

January 31, 2001

INSTRUCTIONS

Please return this survey to Dean Croushore, Research Department, Federal Reserve Bank of Philadelphia, Ten Independence Mall, Philadelphia, PA 19106 no later than February 12, 2001. Questions about the survey should be directed to Dean Croushore at (215) 574-3809. Questionnaires may be sent via fax at (215) 574-4364.

Recent data for the variables to be forecast are given on an attached sheet, with figures for the most recent quarter printed in the first column of the table on the next page (there are figures for the past year listed as well). If you use these figures in preparing your forecast, leave them as they are; otherwise cross them out and insert your own figures.

For monthly data, use quarterly averages.

For some variables, you may record your responses in growth rates or levels, but you must provide a level for 2000:Q4 for quarterly data and for 2000 annual data. These variables are denoted with the symbol "L / G"; circle the "L" if you forecast in levels, the "G" if you forecast in growth rates. Please be consistent--if you forecast in growth rates for quarterly data, also forecast in growth rates for annual data.

See the information in the write-up "Data Sources and Descriptions" for details on all the variables.

DATE ON WHICH THIS FORECAST WAS MADE _____

NAME _____

ADDRESS & PHONE _____

DEADLINE: FEBRUARY 12
Please fax by Feb. 12 or mail by Feb. 6
Fax to: (215) 574-4364

Section 1 U.S. Business Indicators		Quarterly Data						Annual Data		
		2000	2001				2002			
		Q4	Q1	Q2	Q3	Q4	Q1	2000	2001	2002
1. Gross Domestic Product	L / G	10125.0						9965.7		
2. GDP Chain-Weighted Price Index	L / G	107.77						106.99		
3. Corporate Profits After Taxes	L / G									
4. Civilian Unemployment Rate		4.0						4.0		
5. Industrial Production Index	L / G	148.0						147.0		
6. Housing Starts	L / G	1.558						1.594		
7. Consumer Price Index		2.7						3.4*		
8. Treasury Bill Rate, three-month		6.02						5.82		
9. AAA Corporate Bond Yield		7.40						7.62		
10. Treasury Bond Rate, 10-year		5.57						6.03		
Section 2 Real GDP and Its Components		CHAIN-WEIGHTED BASIS								
11. Gross Domestic Product	L / G	9401.5						9320.4		
12. Personal Consumption Expenditures	L / G	6374.6						6294.6		
13. Nonresidential Fixed Investment	L / G	1433.6						1412.5		
14. Residential Fixed Investment	L / G	360.0						366.6		
15. Federal Government C & GI	L / G	551.9						548.4		
16. State & Local Govt. C & GI	L / G	1037.1						1030.3		
17. Change in Private Inventories		67.1						63.7		
18. Net Exports of Goods and Services		-442.2						-412.5		

* Computed as a 4th-quarter-over-4th-quarter percent change. Annual growth-rate forecasts for variables other than the CPI should be computed with the year-over-year formula.

Section 3 - Probabilities of Changes in Real GDP and the GDP Price Index

Please indicate what probabilities you would attach to the various possible percentage changes this year and the next in chain-weighted real GDP and the chain-weighted real GDP price index (annual averages). The probabilities of these alternative forecasts should, of course, add up to 100, as indicated.

	Probability of indicated percent change in real (chain-weighted) GDP			Probability of indicated percent change in chain-weighted GDP price index	
	2000-2001	2001-2002		2000-2001	2001-2002
+6 percent or more			+8 percent or more		
+5.0 to +5.9 percent			+7.0 to +7.9 percent		
+4.0 to +4.9 percent			+6.0 to +6.9 percent		
+3.0 to +3.9 percent			+5.0 to +5.9 percent		
+2.0 to +2.9 percent			+4.0 to +4.9 percent		
+1.0 to +1.9 percent			+3.0 to +3.9 percent		
+0.0 to +0.9 percent			+2.0 to +2.9 percent		
-1.0 to -0.1 percent			+1.0 to +1.9 percent		
-2.0 to -1.1 percent			+0.0 to +0.9 percent		
Decline more than 2%			Will decline		
TOTAL	100	100	TOTAL	100	100

Section 4 - Probability of Decline in Real GDP (chain-weighted)

Indicate the probability you would attach to a decline in real GDP (chain-weighted basis, seasonally adjusted) in the next five quarters. Write in a figure that may range from 0 to 100 percent in each of the cells (100 percent means you think a decline in the given quarter is certain, 0 means you think there is no chance at all).

	Probability (out of 100) of decline in real GDP:
Q4 2000 to Q1 2001	
Q1 2001 to Q2 2001	
Q2 2001 to Q3 2001	
Q3 2001 to Q4 2001	
Q4 2001 to Q1 2002	

Section 5 - Long-Term Forecasts

What do you expect to be the annual average over the next 10 years of:

- a. The CPI inflation rate? _____
- b. Real GDP growth rate (chain-weighted basis)? _____
- c. Productivity growth (output per hour, chain-weighted)? _____
- d. Stock returns (S&P 500)? _____
- e. Bond returns (10-year Treasuries)? _____
- f. Bill returns (3-month T-bills)? _____

Section 6 - Special Question On The Federal Government Budget Surplus

Part A. Federal Budget Surplus. Please indicate your own forecast for federal government budget surpluses (use minuses for deficits) for fiscal year 2001 and the following five fiscal years. For comparison, we have listed the CBO's forecast for each fiscal year from its "The Budget and Economic Outlook: Fiscal Years 2002-2011," released on January 31. The baseline forecast presented here was constructed under the assumption that discretionary spending grows at the rate of inflation. The forecasts are in billions of dollars and include both on-budget and off-budget items (Social Security).

Fiscal year	CBO forecast	Your forecast
2001	281	_____
2002	313	_____
2003	359	_____
2004	397	_____
2005	433	_____
2006	505	_____

Part B. New Spending Initiatives. Is your budget surplus projection based on any new **spending** initiatives that CBO would not have included in the forecast given above? If so, please describe them and write down the dollar value (billions of dollars) of such initiatives in the space provided below ("+" = increased spending, "-" = decreased spending). The dollar value should be based on CBO's baseline projection for economic growth (CY 2001: 2.4 percent; CY 2002: 3.4 percent). *Please enter zeros if your forecast incorporates no new spending initiatives.*

Fiscal Yr	Description of New Spending Initiatives	Amount (bil \$)
2001		
2002		

Part C. New Tax Initiatives. Is your budget surplus projection based on any new **tax** initiatives that CBO would not have included in the forecast given above? If so, please describe them and write down the dollar value (billions of dollars) of such initiatives in the space provided below ("-" = tax cut, "+" = tax increase). The dollar value should be based on CBO's baseline projection for economic growth (CY 2001: 2.4 percent; CY 2002: 3.4 percent). *Please enter zeros if your forecast incorporates no new tax initiatives.*

Fiscal Yr	Description of New Tax Initiatives	Amount (bil \$)
2001		
2002		

Section 7 - Effect of New Spending & Tax Initiatives on Economic Growth.

Do you expect new tax and/or spending initiatives?

Yes

No

In the space provided below, please indicate the amount by which any new federal tax & spending initiatives are increasing (+) or decreasing (-) your current forecast for year-over-year growth in real GDP in 2001 and 2002 (calendar years). **Please enter zeros if you expect new initiatives but expect no effect on real GDP growth. Leave blank if you expect no new initiatives.**

Effect of New Federal Spending & Tax Initiatives
on Your Current Forecast for Year-Over-Year Growth
in Real GDP, in Percentage Points

2001 _____%

2002 _____%

Note: Please use a "+" sign to indicate an increase in your projected rate of growth and a "-" sign to indicate a decrease.