



# SURVEY OF PROFESSIONAL FORECASTERS

Release Date: May 14, 2010

## SECOND QUARTER 2010

### Forecasters See Stronger Recovery

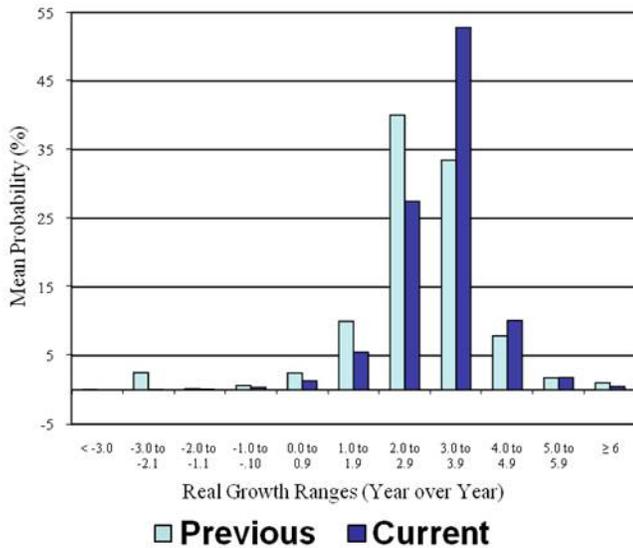
The outlook for the U.S. economy over the next few quarters looks stronger now than it did just three months ago, according to 44 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters predict real GDP will grow at an annual rate of 3.3 percent over each of the next two quarters, up from the previous estimate of 2.7 percent. On an annual-average over annual-average basis, the forecasters expect more robust real GDP growth in 2010 and 2011, but slower real GDP growth in 2012 and 2013. The forecasters see real GDP growing 3.3 percent in 2010, up from their prediction of 3.0 percent in the last survey. The forecasters predict real GDP will grow 3.1 percent in 2011, 3.2 percent in 2012, and 2.9 percent in 2013.

Stronger conditions in the labor market accompany the outlook for growth. Unemployment is now projected to be an annual average of 9.6 percent in 2010, before falling to 8.9 percent in 2011, 8.0 percent in 2012, and 7.1 percent in 2013. On the jobs front, the forecasters have revised upward the growth in jobs over the next four quarters. The forecasters see nonfarm payroll employment growing at a rate of 207,300 jobs per month this quarter and 120,500 jobs per month next quarter. Both estimates mark strong upward revisions from the previous survey. Over the first half of 2011, jobs will grow at an average rate of 215,500 per month. The forecasters' projections for the annual average level of nonfarm payroll employment suggest job losses at a lowered monthly rate of 37,500 in 2010. Job gains in 2011 are seen averaging 184,000 per month, as the table below shows. (These annual-average estimates are computed as the year-to-year change in the annual-average level of nonfarm payroll employment, converted to a monthly rate.)

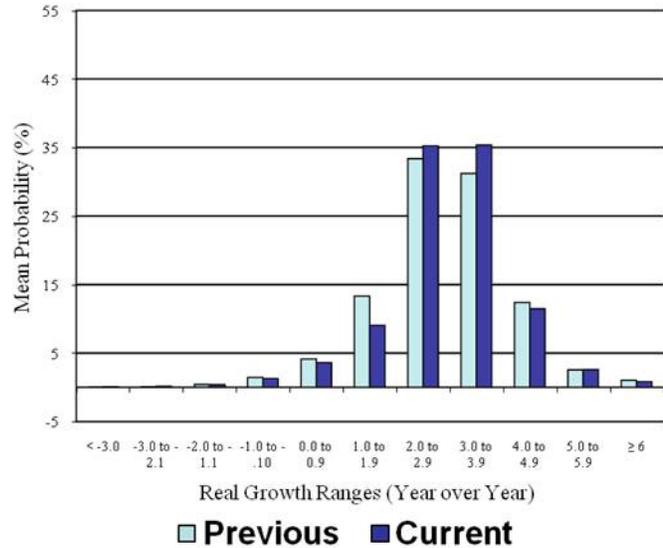
	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
<i>Quarterly data:</i>						
2010: Q2	2.7	3.3	9.9	9.8	117.6	207.3
Q3	2.7	3.3	9.8	9.6	69.3	120.5
Q4	2.7	2.8	9.7	9.5	122.2	153.3
2011: Q1	2.7	2.7	9.4	9.3	143.4	213.8
Q2	N.A.	3.2	N.A.	9.1	N.A.	217.3
<i>Annual average data:</i>						
2010	3.0	3.3	9.8	9.6	-59.0	-37.5
2011	2.9	3.1	9.2	8.9	141.8	184.0
2012	3.4	3.2	8.3	8.0	N.A.	N.A.
2013	3.1	2.9	7.3	7.1	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 forecasters have revised upward their estimate of the probability that growth will fall into the range of 3.0 to 3.9 percent in 2010, 2011, 2012, and 2013.

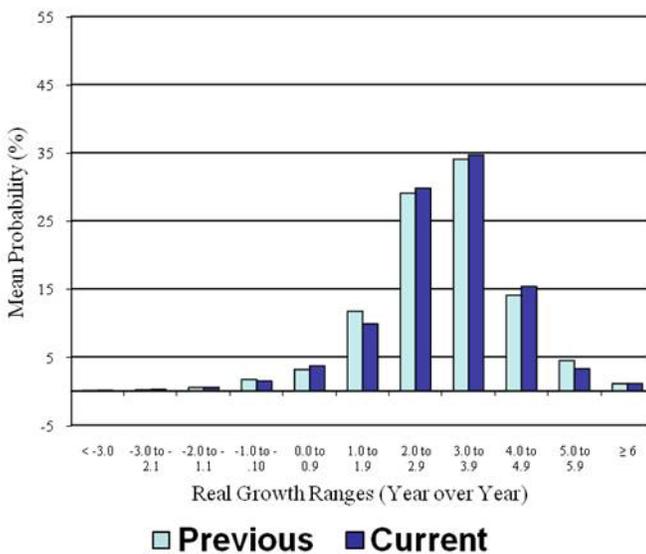
Mean Probabilities for Real GDP Growth in 2010



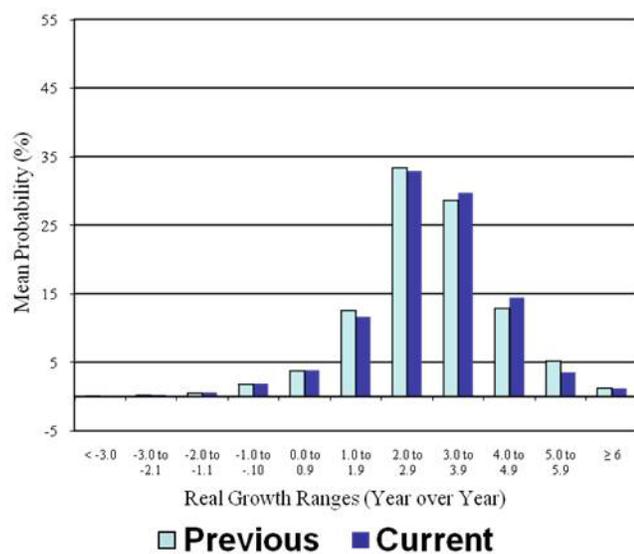
Mean Probabilities for Real GDP Growth in 2011



Mean Probabilities for Real GDP Growth in 2012

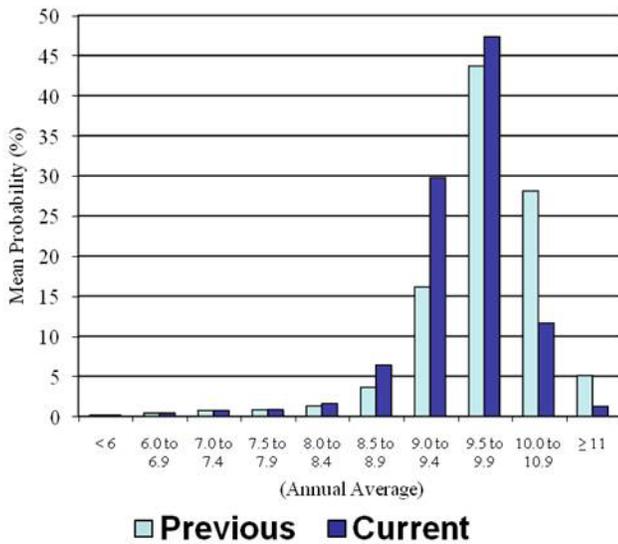


Mean Probabilities for Real GDP Growth in 2013

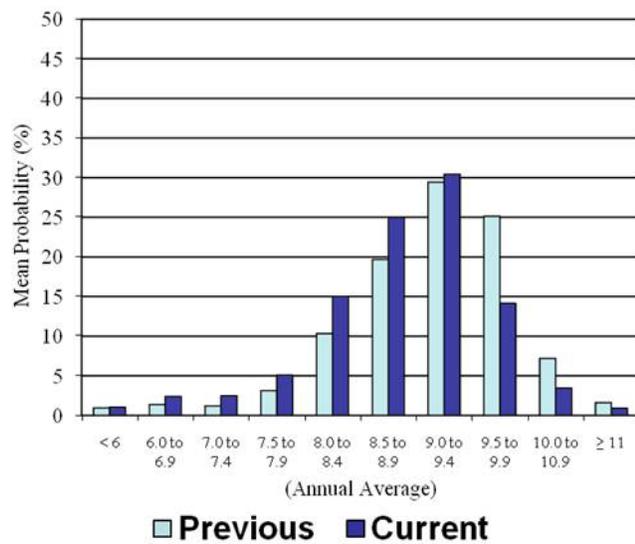


The forecasters' density projections, as shown in the charts below, shed light on the odds of a recovery in the labor market over the next four years. Each chart presents the forecasters' previous and current estimates of the probability that unemployment will fall into each of 10 ranges. The forecasters have raised the estimate of the probability that the annual average unemployment rate will be below 9.0 percent in 2010, 2011, 2012, and 2013 compared with their previous estimates.

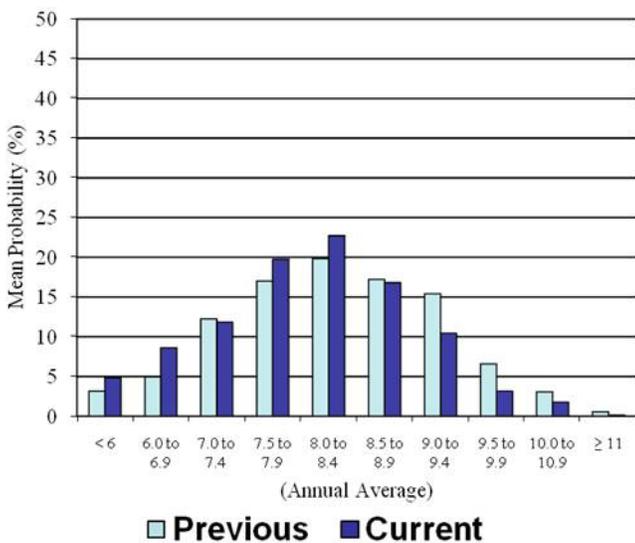
Mean Probabilities for Unemployment Rate in 2010



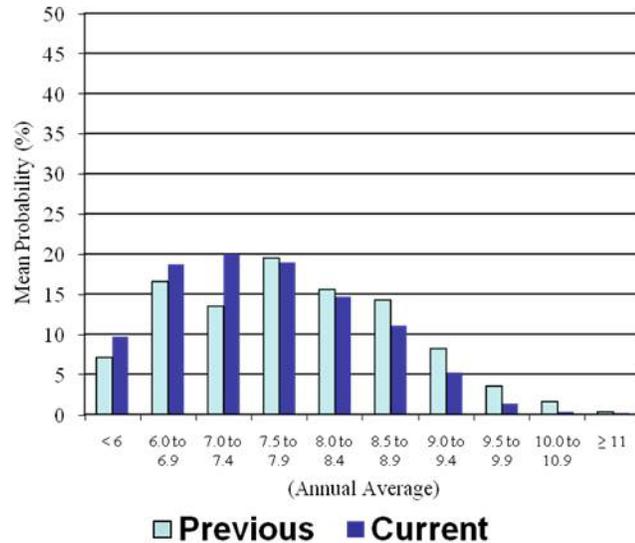
Mean Probabilities for Unemployment Rate in 2011



Mean Probabilities for Unemployment Rate in 2012



Mean Probabilities for Unemployment Rate in 2013



### Long-Term Expectations of Inflation Hold Steady

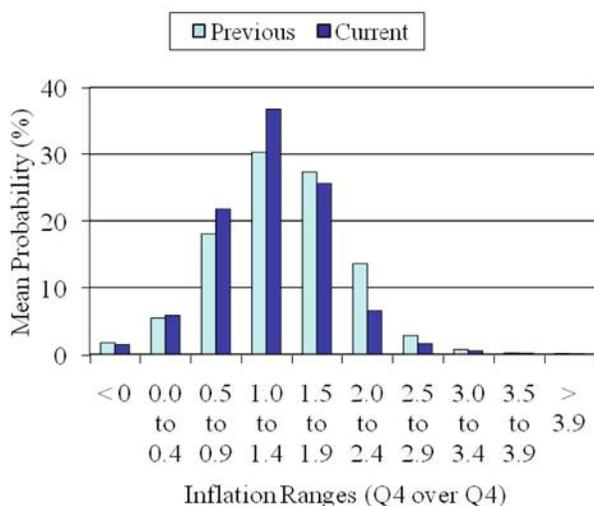
The current outlook for the headline and core measures of CPI and PCE inflation during the next two years is a little lower than it was in the last survey. Over the next 10 years, 2010 to 2019, the forecasters expect headline CPI inflation to average 2.40 percent at an annual rate. This estimate is almost identical to that of the last survey. The 10-year outlook for PCE inflation of 2.15 percent is slightly higher than that of the last survey.

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

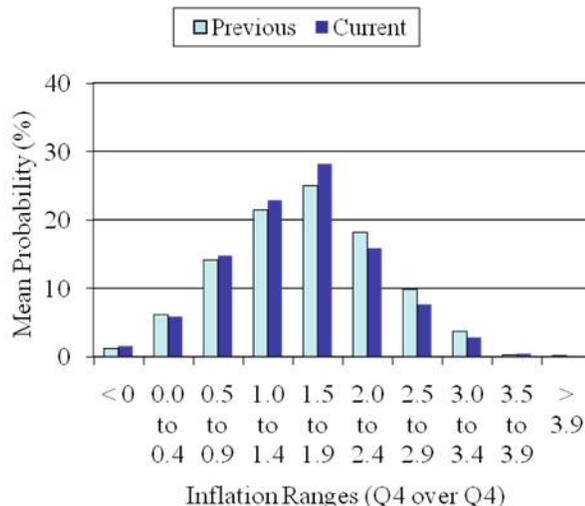
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
<i>Quarterly</i>								
2010: Q2	1.4	1.4	1.4	1.0	1.2	1.1	1.3	1.1
Q3	1.8	1.8	1.5	1.4	1.7	1.7	1.3	1.2
Q4	1.9	1.8	1.5	1.5	1.8	1.6	1.4	1.3
2011: Q1	2.1	1.9	1.6	1.5	1.8	1.8	1.5	1.4
Q2	N.A.	2.0	N.A.	1.6	N.A.	1.7	N.A.	1.5
<i>Q4/Q4 Annual Averages</i>								
2010	1.7	1.6	1.4	1.0	1.4	1.4	1.3	1.2
2011	2.1	2.0	1.7	1.6	1.8	1.8	1.5	1.6
2012	2.3	2.4	2.0	2.0	2.0	2.0	1.9	1.8
<i>Long-Term Annual Averages</i>								
2010-2014	2.20	2.19	N.A.	N.A.	1.80	1.80	N.A.	N.A.
2010-2019	2.39	2.40	N.A.	N.A.	2.10	2.15	N.A.	N.A.

The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2010 and 2011 will fall into each of 10 ranges. The forecasters see a higher chance than they previously assigned that core PCE inflation in 2010 will fall below 1.5 percent. For 2011, the forecasters are assigning a lower probability of inflation falling into the range above 2.0 percent.

Mean Probabilities for Core PCE Inflation in 2010



Mean Probabilities for Core PCE Inflation in 2011



### ***Reduced Risk of a Negative Quarter***

The risk of a contraction continues to diminish. The forecasters have revised downward the chance of a contraction in real GDP in any of the next four quarters. They have cut their estimate of the risk of a downturn this quarter to 7.4 percent compared with 11.6 percent previously. As the table below shows, the panelists have also made downward revisions to their forecasts for the following three quarters.

#### *Risk of a Negative Quarter (%)*

	<i>Previous</i>	<i>New</i>
<i>Quarterly data:</i>		
2010: Q2	11.6	7.4
Q3	13.2	9.8
Q4	14.0	12.3
2011: Q1	14.8	14.1
Q2	N.A	14.8

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

**Robert J. Barbera**, ITG Inc.; **Jay Brinkmann**, Mortgage Bankers Association; **Joseph Carson**, Alliance Capital Management; **Christine Chmura, Ph.D.** and **Xiaobing Shuai, Ph.D.**, Chmura Economics & Analytics; **Gary Ciminero, CFA**, GLC Financial Economics; **David Crowe**, National Association of Home Builders; **Rajeev Dhawan**, Georgia State University; **Shawn Dubravac**, Consumer Electronics Association; **Michael R. Englund**, Action Economics, LLC; **Gerard F. Fuda**, Independent Economist; **Stephen Gallagher**, Societe Generale; **Timothy Gill**, NEMA; **James Glassman**, JP Morgan Chase & Co.; **Ethan Harris**, Bank of America Merrill Lynch; **Peter Hooper**, Deutsche Bank Securities, Inc.; **William B. Hummer**, Wayne Hummer Investments; **IHS Global Insight**; **Peter Jaquette**, PIRA Energy Group; **Fred Joutz**, Benchmark Forecasts and Research Program on Forecasting, George Washington University; **Kurt Karl**, Swiss Re; **N. Karp**, BBVA Compass; **Walter Kemmsies** and **Daniel Solomon**, Moffatt & Nichol; **Jack Kleinhenz**, Kleinhenz & Associates, Inc.; **Thomas Lam**, OSK Group/DMG & Partners; **L. Douglas Lee**, Economics from Washington; **Allan R. Leslie**, Economic Consultant; **John Lonski**, Moody's Capital Markets Group; **Macroeconomic Advisers, LLC**; **Dean Maki**, Barclays Capital; **Edward F. McKelvey**, Goldman Sachs; **Jim Meil**, Eaton Corporation; **Anthony Metz**, Pareto Optimal Economics; **Ardavan Mobasheri** and **Danielle Ferry**, AIG Global Economic Research; **Michael Moran**, Daiwa Capital Markets America; **Joel L. Naroff**, Naroff Economic Advisors; **Herbert E. Neil**, Financial and Economic Strategies Corp.; **Mark Nielson, Ph.D.**, MacroEcon Global Advisors; **Michael P. Niemira**, International Council of Shopping Centers; **Luca Noto**, Prima Sgr; **Martin A. Regalia**, U.S. Chamber of Commerce; **David Resler**, Nomura Securities International, Inc.; **Philip Rothman**, East Carolina University; **John Silvia**, Wells Fargo; **Allen Sinai**, Decision Economics, Inc; **Tara M. Sinclair**, Research Program on Forecasting, George Washington University; **Sean M. Snaith, Ph.D.**, University of Central Florida; **Constantine G. Soras, Ph.D.**, CGS Economic Consulting; **Neal Soss**, Credit Suisse; **Stephen Stanley**, Pierpont Securities; **Susan M. Sterne**, Economic Analysis Associates, Inc.; **Thomas Kevin Swift**, American Chemistry Council; **Lea Tyler**, Oxford Economics USA, Inc.; **Jay N. Woodworth**, Woodworth Holdings, Ltd.; **Richard Yamarone**, Argus Research Group; **Mark Zandi**, Moody's Economy.com; **Ellen Beeson Zentner**, Bank of Tokyo-Mitsubishi UFJ, Ltd.

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

	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2010	2011	2012	2013
						(YEAR-OVER-YEAR)			
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	3.3	3.3	2.8	2.7	3.2	3.3	3.1	3.2	2.9
2. GDP PRICE INDEX (PERCENT CHANGE)	1.3	1.4	1.8	1.8	1.7	0.9	1.7	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	4.5	4.3	4.7	4.7	4.6	4.1	4.6	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	1.9	1.1	1.4	2.0	2.0	-0.3	1.7	N.A.	N.A.
(AVG MONTHLY CHANGE)	207.3	120.5	153.3	213.8	217.3	-37.5	184.0	N.A.	N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	9.8	9.6	9.5	9.3	9.1	9.6	8.9	8.0	7.1
6. 3-MONTH TREASURY BILL (PERCENT)	0.2	0.2	0.4	0.8	1.3	0.3	1.5	2.9	3.5
7. 10-YEAR TREASURY BOND (PERCENT)	3.8	3.9	4.0	4.2	4.4	3.9	4.4	4.9	5.0
	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2010	2011	2012	
						(Q4-OVER-Q4)			
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	1.4	1.8	1.8	1.9	2.0	1.6	2.0	2.4	
9. CORE CPI (ANNUAL RATE)	1.0	1.4	1.5	1.5	1.6	1.0	1.6	2.0	
10. PCE (ANNUAL RATE)	1.1	1.7	1.6	1.8	1.7	1.4	1.8	2.0	
11. CORE PCE (ANNUAL RATE)	1.1	1.2	1.3	1.4	1.5	1.2	1.6	1.8	

THE FIGURES ON EACH LINE ARE MEDIANS OF 44 INDIVIDUAL FORECASTERS.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2010.

# **SURVEY OF PROFESSIONAL FORECASTERS**

**Second Quarter 2010**

## **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; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before May 11, 2010.

TABLE ONE  
MAJOR MACROECONOMIC INDICATORS  
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST				ACTUAL		FORECAST		
		2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2009 ANNUAL	2010 ANNUAL	2011 ANNUAL	2012 ANNUAL	2013 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	40	14601	14762	14920	15091	15263	15434	14256	14843	15521	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	41	110.14	110.50	110.88	111.37	111.86	112.33	109.75	110.74	112.59	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	25	N.A.	1168.0	1206.0	1211.5	1240.8	1240.4	994.2	1177.2	1267.1	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	43	9.7	9.8	9.6	9.5	9.3	9.1	9.3	9.6	8.9	8.0	7.1
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	38	129647	130269	130631	131091	131732	132384	130911	130462	132669	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2002=100)	38	101.4	102.7	104.0	105.1	106.2	107.3	98.2	103.3	107.9	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	37	0.62	0.65	0.69	0.74	0.81	0.86	0.55	0.67	0.90	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	42	0.11	0.17	0.25	0.45	0.83	1.26	0.15	0.25	1.50	2.93	3.49
9. AAA CORPORATE BOND YIELD (PERCENT)	34	5.29	5.30	5.37	5.45	5.59	5.74	5.31	5.40	5.83	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	30	6.29	6.30	6.46	6.52	6.68	6.83	7.30	6.39	6.90	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	43	3.72	3.80	3.92	4.00	4.17	4.40	3.26	3.86	4.40	4.90	5.03
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	44	13255	13363	13472	13566	13657	13767	12987	13413	13825	14262	14671
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	43	9372.7	9442.2	9505.3	9571.2	9625.1	9687.6	9235.1	9471.9	9721.4	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	1298.3	1312.4	1328.0	1347.9	1371.6	1395.3	1291.0	1321.4	1417.2	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	352.6	359.0	365.5	375.0	383.2	393.2	358.7	364.2	399.9	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	38	1046.9	1059.7	1066.6	1068.1	1074.1	1077.6	1026.6	1061.4	1079.0	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	38	1522.1	1521.5	1522.1	1524.2	1526.7	1528.5	1541.0	1522.8	1531.1	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	41	31.1	37.4	44.0	45.0	50.0	50.1	-108.3	37.9	51.6	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	41	-367.0	-372.5	-374.9	-376.7	-379.2	-389.9	-355.6	-370.3	-386.8	N.A.	N.A.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2010.

TABLE TWO  
MAJOR MACROECONOMIC INDICATORS  
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	2009	2010	2011	2012
		TO Q2 2010	TO Q3 2010	TO Q4 2010	TO Q1 2011	TO Q2 2011	TO 2010	TO 2011	TO 2012	TO 2013
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	40	4.5	4.3	4.7	4.7	4.6	4.1	4.6	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	41	1.3	1.4	1.8	1.8	1.7	0.9	1.7	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	25	4.7	13.7	1.8	10.0	-0.1	18.4	7.6	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	43	0.1	-0.2	-0.1	-0.2	-0.2	0.3	-0.7	-0.9	-0.9
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	38	1.9	1.1	1.4	2.0	2.0	-0.3	1.7	N.A.	N.A.
(AVG MONTHLY CHANGE)	38	207.3	120.5	153.3	213.8	217.3	-37.5	184.0	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2002=100)	38	5.1	5.2	4.4	4.4	4.1	5.2	4.5	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	37	20.2	33.2	25.8	48.0	23.7	20.7	34.8	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	42	0.06	0.08	0.20	0.39	0.43	0.10	1.25	1.43	0.56
9. AAA CORPORATE BOND YIELD (PERCENT)	34	0.01	0.07	0.08	0.14	0.15	0.09	0.43	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	30	0.01	0.16	0.07	0.15	0.15	-0.91	0.51	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	43	0.08	0.12	0.08	0.17	0.23	0.60	0.54	0.50	0.13
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	44	3.3	3.3	2.8	2.7	3.2	3.3	3.1	3.2	2.9
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	43	3.0	2.7	2.8	2.3	2.6	2.6	2.6	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	4.4	4.8	6.1	7.2	7.1	2.4	7.2	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	7.4	7.5	10.8	9.0	10.9	1.5	9.8	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	38	5.0	2.6	0.6	2.3	1.3	3.4	1.7	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	38	-0.2	0.2	0.6	0.7	0.5	-1.2	0.5	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	41	6.3	6.6	1.0	5.0	0.1	146.2	13.6	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	41	-5.5	-2.4	-1.8	-2.5	-10.7	-14.7	-16.5	N.A.	N.A.

NOTE: FIGURES FOR UNEMPLOYMENT RATE, TREASURY BILL RATE, AAA CORPORATE BOND YIELD, 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 2010.

TABLE THREE  
 MAJOR PRICE INDICATORS  
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST(Q/Q)				ACTUAL	FORECAST(Q4/Q4)			
		2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2009 ANNUAL	2010 ANNUAL	2011 ANNUAL	2012 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	44	1.5	1.4	1.8	1.8	1.9	2.0	1.5	1.6	2.0	2.4
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	42	-0.0	1.0	1.4	1.5	1.5	1.6	1.7	1.0	1.6	2.0
3. PCE PRICE INDEX (ANNUAL RATE)	38	1.5	1.1	1.7	1.6	1.8	1.7	1.2	1.4	1.8	2.0
4. CORE PCE PRICE INDEX (ANNUAL RATE)	39	0.6	1.1	1.2	1.3	1.4	1.5	1.5	1.2	1.6	1.8

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2010.

TABLE FOUR  
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
	TO Q2 2010	TO Q3 2010	TO Q4 2010	TO Q1 2011	TO Q2 2011
NUMBER OF FORECASTERS					
10 OR LESS	34	29	22	19	18
11 TO 20	2	6	12	13	13
21 TO 30	1	3	5	5	6
31 TO 40	2	1	0	2	2
41 TO 50	0	0	0	0	0
51 TO 60	0	0	0	0	0
61 TO 70	0	0	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	5	5	5	5	5
MEAN AND MEDIAN					
MEDIAN PROBABILITY	5.00	10.00	10.00	15.00	15.00
MEAN PROBABILITY	7.44	9.81	12.27	14.07	14.75

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 39.  
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2010.

TABLE FIVE  
MEAN PROBABILITIES

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

	2010	2011	2012	2013
11.0 PERCENT OR MORE	1.24	0.91	0.14	0.16
10.0 TO 10.9 PERCENT	11.61	3.46	1.75	0.32
9.5 TO 9.9 PERCENT	47.33	14.14	3.14	1.32
9.0 TO 9.4 PERCENT	29.75	30.44	10.43	5.20
8.5 TO 8.9 PERCENT	6.40	24.99	16.81	11.05
8.0 TO 8.4 PERCENT	1.58	15.03	22.72	14.66
7.5 TO 7.9 PERCENT	0.83	5.08	19.74	18.93
7.0 TO 7.4 PERCENT	0.71	2.50	11.82	19.97
6.0 TO 6.9 PERCENT	0.41	2.41	8.61	18.70
LESS THAN 6.0 PERCENT	0.14	1.04	4.83	9.69

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

	2009-2010	2010-2011	2011-2012	2012-2013
6.0 OR MORE	0.50	0.83	1.08	1.19
5.0 TO 5.9	1.79	2.58	3.27	3.53
4.0 TO 4.9	10.11	11.46	15.35	14.43
3.0 TO 3.9	52.79	35.36	34.64	29.70
2.0 TO 2.9	27.46	35.24	29.78	32.90
1.0 TO 1.9	5.50	9.05	9.86	11.62
0.0 TO 0.9	1.30	3.59	3.70	3.83
-1.0 TO -0.1	0.38	1.27	1.46	1.87
-2.0 TO -1.1	0.09	0.39	0.51	0.60
-3.0 TO -2.1	0.05	0.16	0.24	0.26
LESS THAN -3.0	0.03	0.08	0.11	0.08

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

	2009-2010	2010-2011
8.0 OR MORE	0.00	0.00
7.0 TO 7.9	0.00	0.00
6.0 TO 6.9	0.03	0.08
5.0 TO 5.9	0.17	0.27
4.0 TO 4.9	0.81	1.73
3.0 TO 3.9	4.11	7.54
2.0 TO 2.9	13.03	26.05
1.0 TO 1.9	43.25	43.27
0.0 TO 0.9	34.63	15.68
WILL DECLINE	3.98	5.38

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2010.

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

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	09Q4 TO 10Q4	10Q4 TO 11Q4
4 PERCENT OR MORE	0.05	0.40
3.5 TO 3.9 PERCENT	0.25	1.84
3.0 TO 3.4 PERCENT	1.21	3.61
2.5 TO 2.9 PERCENT	5.31	8.75
2.0 TO 2.4 PERCENT	7.74	18.26
1.5 TO 1.9 PERCENT	20.26	27.59
1.0 TO 1.4 PERCENT	34.42	20.36
0.5 TO 0.9 PERCENT	20.39	11.42
0.0 TO 0.4 PERCENT	6.40	4.09
WILL DECLINE	3.97	3.68

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	09Q4 TO 10Q4	10Q4 TO 11Q4
4 PERCENT OR MORE	0.06	0.06
3.5 TO 3.9 PERCENT	0.11	0.44
3.0 TO 3.4 PERCENT	0.50	2.84
2.5 TO 2.9 PERCENT	1.55	7.63
2.0 TO 2.4 PERCENT	6.51	15.85
1.5 TO 1.9 PERCENT	25.58	28.16
1.0 TO 1.4 PERCENT	36.71	22.84
0.5 TO 0.9 PERCENT	21.75	14.76
0.0 TO 0.4 PERCENT	5.81	5.86
WILL DECLINE	1.42	1.55

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
 SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2010.

TABLE SEVEN  
LONG-TERM (5-YEAR AND 10-YEAR) FORECASTS

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2010-2014

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CPI INFLATION RATE		PCE INFLATION RATE	
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MINIMUM	-0.20	MINIMUM	-0.40
LOWER QUARTILE	1.98	LOWER QUARTILE	1.70
MEDIAN	2.19	MEDIAN	1.80
UPPER QUARTILE	2.50	UPPER QUARTILE	2.30
MAXIMUM	3.50	MAXIMUM	3.40
MEAN	2.16	MEAN	1.87
STD. DEVIATION	0.74	STD. DEVIATION	0.71
N	40	N	38
MISSING	4	MISSING	6

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2010-2019

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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	0.80	MINIMUM	0.60
LOWER QUARTILE	2.00	LOWER QUARTILE	1.80
MEDIAN	2.40	MEDIAN	2.15
UPPER QUARTILE	2.60	UPPER QUARTILE	2.40
MAXIMUM	4.60	MAXIMUM	3.80
MEAN	2.42	MEAN	2.16
STD. DEVIATION	0.67	STD. DEVIATION	0.60
N	39	N	37
MISSING	5	MISSING	7

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.  
SURVEY OF PROFESSIONAL FORECASTERS, SECOND QUARTER 2010.