



SURVEY OF PROFESSIONAL FORECASTERS

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FIRST QUARTER 2013

Forecasters Predict Stronger Labor Market

The outlook for growth in the U.S. economy over the next three years looks mostly unchanged from that of three months ago, according to 46 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The panel expects real GDP to grow at an annual rate of 2.1 percent this quarter and 2.3 percent next quarter and to rise to 2.7 percent in the first quarter of 2014. On an annual-average over annual-average basis, the forecasters see real GDP growing 1.9 percent in 2013, down slightly from the previous estimate of 2.0 percent. The forecasters predict real GDP will grow 2.8 percent in 2014, 2.9 percent in 2015, and 3.0 percent in 2016.

Healthier conditions in the labor market accompany the nearly stable outlook for real output. The forecasters predict that the unemployment rate will be an annual average of 7.7 percent in 2013, before falling to 7.2 percent in 2014, 6.7 percent in 2015, and 6.3 percent in 2016. These projections are below those of the last survey.

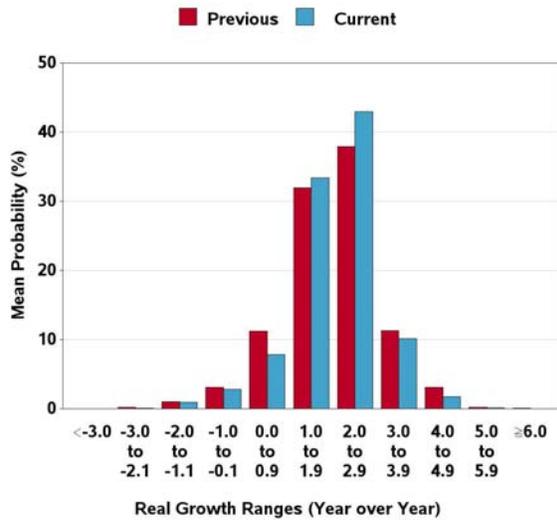
The forecasters are also more optimistic about the employment front. They have revised upward their estimates of the growth in jobs in the next four quarters. The forecasters see nonfarm payroll employment growing at a rate of 165,300 jobs per month this quarter and 154,200 jobs per month next quarter. The forecasters' projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 164,100 in 2013 and 176,800 in 2014, 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.)

Median Forecasts for Selected Variables in the Current and Previous Surveys

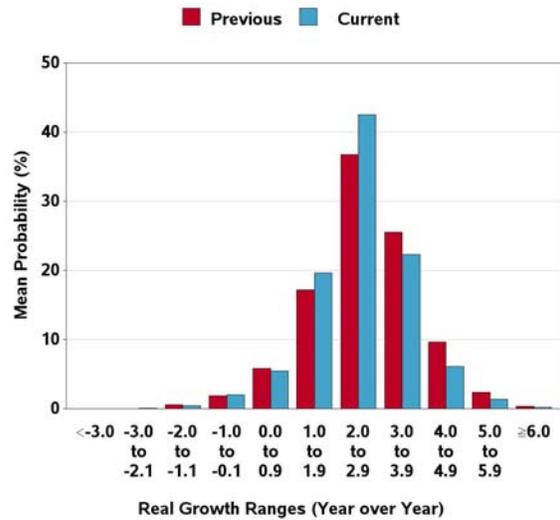
	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
<i>Quarterly data:</i>						
2013:Q1	1.7	2.1	7.9	7.8	127.4	165.3
2013:Q2	2.0	2.3	7.8	7.7	146.1	154.2
2013:Q3	2.7	2.6	7.8	7.6	170.2	172.0
2013:Q4	2.8	2.5	7.6	7.5	178.3	180.4
2014:Q1	N.A.	2.7	N.A.	7.4	N.A.	171.5
<i>Annual data (projections are based on annual-average levels):</i>						
2013	2.0	1.9	7.8	7.7	143.3	164.1
2014	2.7	2.8	7.4	7.2	N.A.	176.8
2015	2.9	2.9	6.9	6.7	N.A.	N.A.
2016	N.A.	3.0	N.A.	6.3	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. The forecasters have revised upward their estimate of the probability that growth will fall into the range of 2.0 to 2.9 percent in 2013, 2014, and 2015.

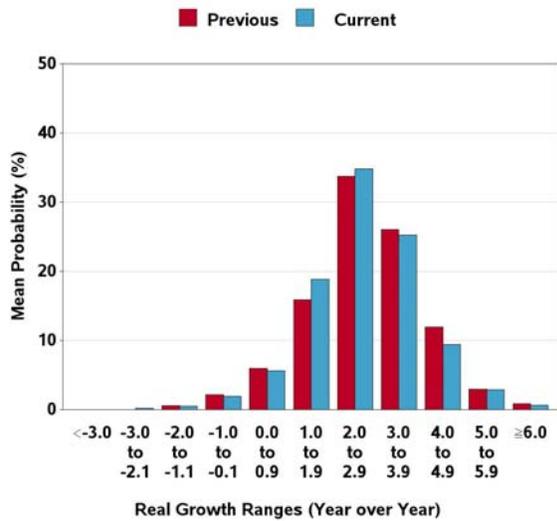
Mean Probabilities for Real GDP Growth in 2013



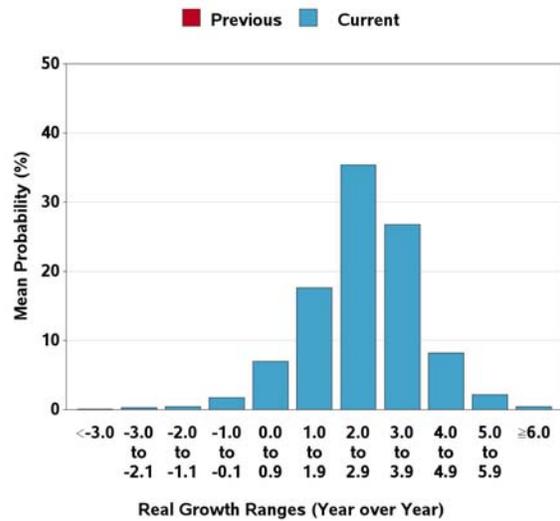
Mean Probabilities for Real GDP Growth in 2014



Mean Probabilities for Real GDP Growth in 2015

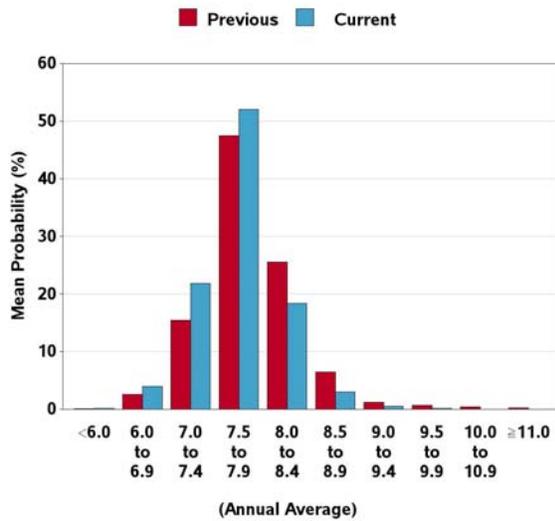


Mean Probabilities for Real GDP Growth in 2016

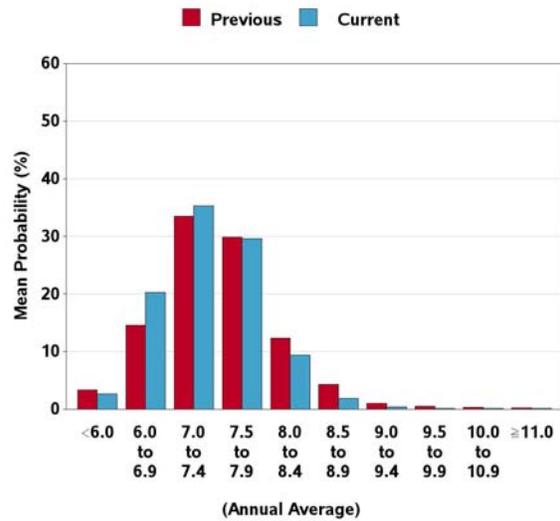


The forecasters' density projections, as shown in the charts below, shed light on the odds of a recovery in the labor market over the next four years. Each chart for unemployment presents the forecasters' previous and current estimates of the probability that unemployment will fall into each of 10 ranges. Consistent with their more optimistic point forecasts on unemployment, the forecasters have revised upward their estimate of the probability that unemployment will fall below 7.5 percent in 2013, 2014, and 2015.

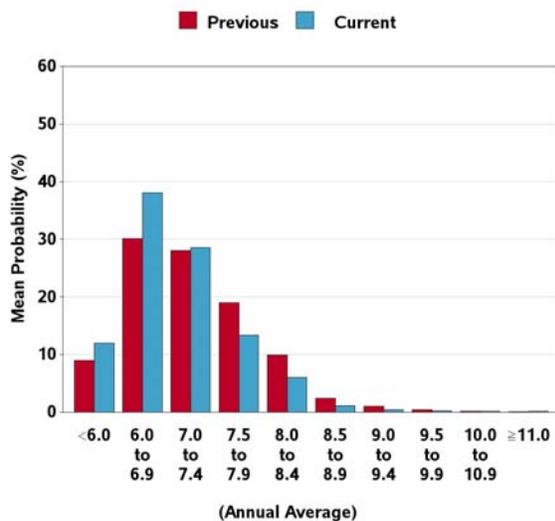
Mean Probabilities for Unemployment Rate in 2013



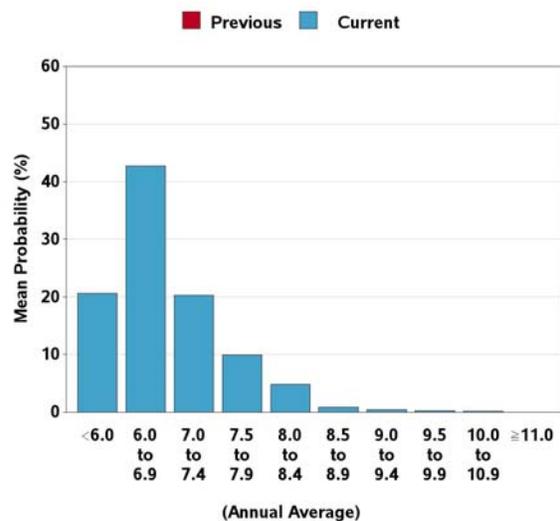
Mean Probabilities for Unemployment Rate in 2014



Mean Probabilities for Unemployment Rate in 2015



Mean Probabilities for Unemployment Rate in 2016



Forecasters See Lower Near-Term Inflation

The forecasters expect current-quarter headline CPI inflation to average 1.8 percent, lower than the last survey's estimate of 2.1 percent. The forecasters predict current-quarter headline PCE inflation of 1.4 percent, lower than the prediction of 1.8 percent from the survey of three months ago.

The forecasters also see lower headline and core measures of CPI and PCE inflation during the next two years. Measured on a fourth-quarter over fourth-quarter basis, headline CPI inflation is expected to average 2.0 percent in 2013, down from 2.2 percent in the last survey, and 2.2 percent in 2014, down 0.1 percentage point from the previous estimate. Forecasters expect fourth-quarter over fourth-quarter headline PCE inflation to average 1.8 percent in 2013, down from 2.0 percent in the last survey, and 2.0 percent in 2014, down 0.2 percentage point from the previous estimate.

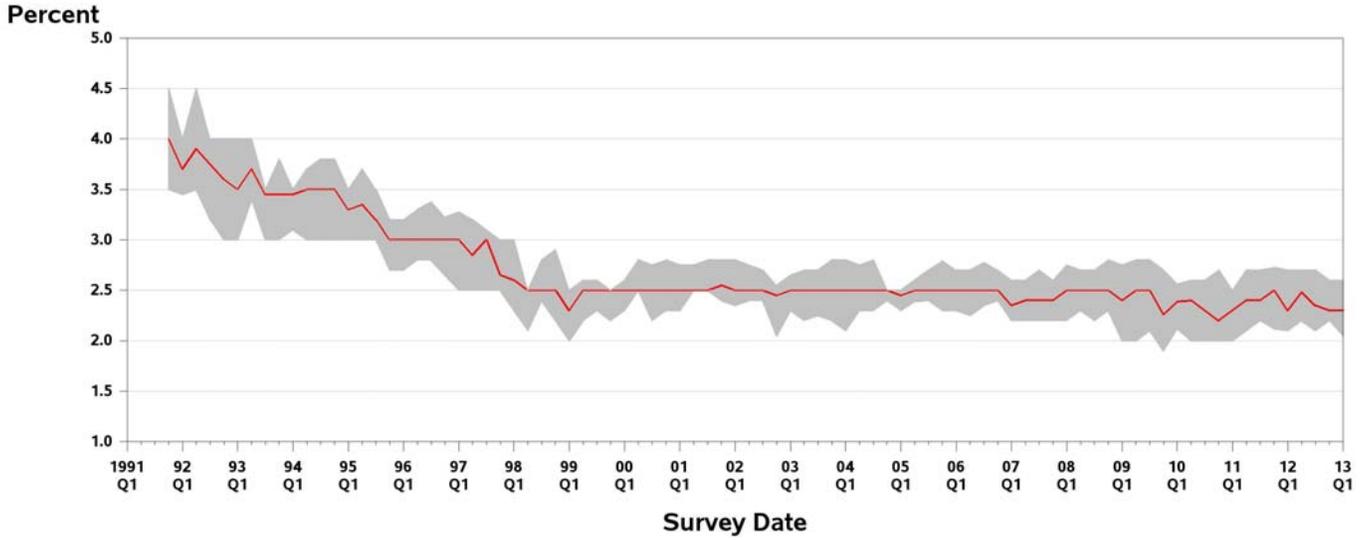
Over the next 10 years, 2013 to 2022, the forecasters expect headline CPI inflation to average 2.3 percent at an annual rate. The corresponding estimate for 10-year annual-average PCE inflation is 2.0 percent.

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

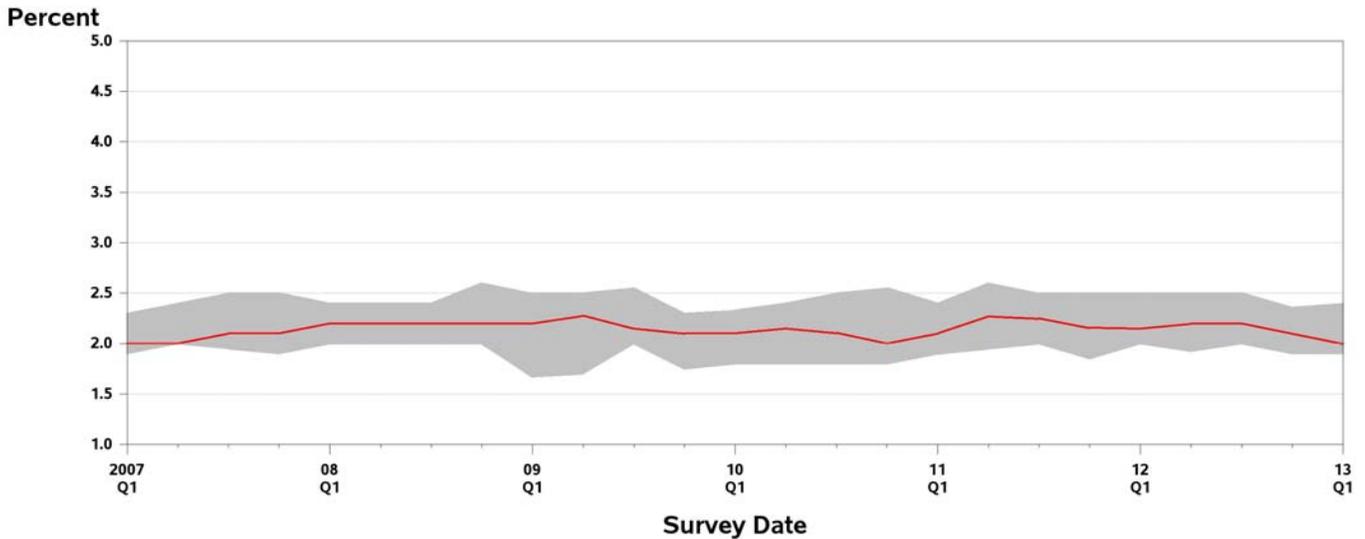
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
<i>Quarterly</i>								
2013:Q1	2.1	1.8	1.9	1.8	1.8	1.4	1.8	1.4
2013:Q2	2.2	2.1	2.0	2.0	2.0	1.9	1.9	1.7
2013:Q3	2.2	2.1	2.0	2.0	2.0	1.9	1.9	1.8
2013:Q4	2.3	2.1	2.0	2.0	2.1	1.9	1.9	1.7
2014:Q1	N.A.	2.1	N.A.	2.0	N.A.	2.0	N.A.	1.8
<i>Q4/Q4 Annual Averages</i>								
2013	2.2	2.0	2.0	1.9	2.0	1.8	1.9	1.6
2014	2.3	2.2	2.2	2.1	2.2	2.0	2.0	1.9
2015	N.A.	2.3	N.A.	2.2	N.A.	2.0	N.A.	1.9
<i>Long-Term Annual Averages</i>								
2012-2016	2.28	N.A.	N.A.	N.A.	2.00	N.A.	N.A.	N.A.
2013-2017	N.A.	2.30	N.A.	N.A.	N.A.	2.00	N.A.	N.A.
2012-2021	2.30	N.A.	N.A.	N.A.	2.10	N.A.	N.A.	N.A.
2013-2022	N.A.	2.30	N.A.	N.A.	N.A.	2.00	N.A.	N.A.

The charts below show the median projections (the red line) and the associated interquartile ranges (the gray area around the red line) for the projections for the 10-year annual-average CPI and PCE inflation. The top panel shows the unchanged long-term projection for CPI inflation, at 2.3 percent. The bottom panel highlights the slightly lower 10-year forecast for PCE inflation at 2.0 percent.

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

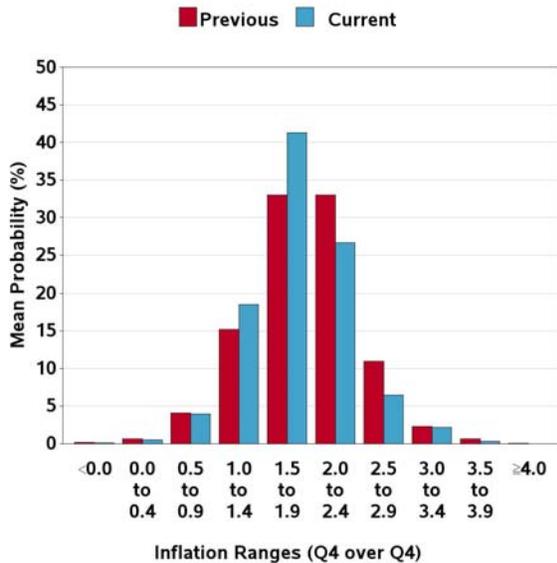


Projections for the 10-Year Annual-Average Rate of PCE Inflation (Median and Interquartile Range)

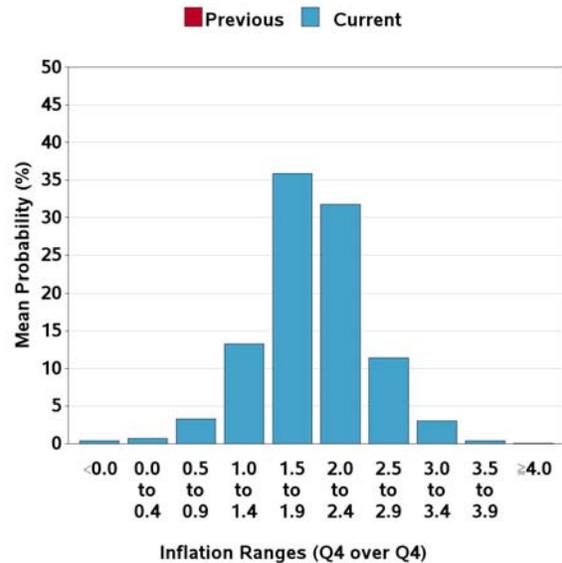


The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2013 and 2014 will fall into each of 10 ranges. For 2013, the forecasters assign a higher chance than previously that core PCE inflation will fall in the range of 1.0 to 1.9 percent (and a lower probability that inflation will exceed 1.9 percent).

Mean Probabilities for Core PCE Inflation in 2013



Mean Probabilities for Core PCE Inflation in 2014



Lower Risk of a Negative Quarter

The forecasters have revised downward the chance of a contraction in real GDP in any of the next four quarters. For the current quarter, they predict a 15.3 percent chance of negative growth, down from 23.0 percent in the survey of three months ago. 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 (%)

Quarterly data:	Previous	New
2013: Q1	23.0	15.3
2013: Q2	21.7	18.0
2013: Q3	17.9	15.2
2013: Q4	16.4	13.6
2014: Q1	N.A.	13.2

Forecasters State Their Views on House Prices

In this survey, a special question asked panelists to provide their forecasts for fourth-quarter over fourth-quarter growth in house prices, as measured by a number of alternative indices. The panelists were allowed to choose from a provided list of indices or to write in their own index. For each index of their choosing, the panelists provided forecasts of growth in 2013 and 2014.

Thirty-one panelists answered the special question. Some panelists provided projections for more than one index. The table below provides a summary of the forecasters' responses. For some indices, the number of responses (N) is very small. The median estimates for the six house-price indices listed in the table below range from 2.0 percent to 9.2 percent in 2013 and 3.9 percent to 7.8 percent in 2014.

Projections for Growth in Various Indices of House Prices Q4/Q4, Percentage Points

Index	2013 (Q4/Q4 Percent Change)			2014 (Q4/Q4 Percent Change)		
	N	Mean	Median	N	Mean	Median
S&P/Case-Shiller: U.S. National	15	3.5	3.3	15	3.5	4.0
S&P/Case-Shiller: Composite 20	6	4.8	4.5	6	4.6	3.9
FHFA: U.S. Total	9	2.6	2.0	9	4.4	4.0
FHFA: Purchase Only	4	2.7	2.8	4	4.1	3.9
CoreLogic: National HPI, incl Distressed Sales (Single Family Combined)	7	4.8	5.0	7	4.6	4.8
NAR Median: Total Existing	4	8.1	9.2	4	7.4	7.8

Forecasters Reduce Estimates for Long-Run Growth in Output and Productivity and Returns on Financial Assets

In first-quarter surveys, the forecasters provide their long-run projections for an expanded set of variables, including growth in output and productivity, as well as returns on financial assets.

As the table below shows, the forecasters have reduced their long-run estimates for the annual-average rate of growth in real GDP. Currently, the forecasters expect real GDP to grow 2.50 percent per year over the next 10 years, down from 2.64 percent in the survey of 2012 Q1.

Similarly, productivity growth is now expected to average 1.80 percent, down from 1.85 percent. Downward revisions to the return on financial assets accompany the current outlook. The forecasters see the S&P 500 returning an annual-average 6.13 percent per year over the next 10 years, down from 6.80 percent. The forecasters expect 10-year Treasuries to return 3.83 percent per year over the next 10 years, down from 4.00 percent. Three-month Treasury bills will return 2.40 percent, down from 2.50 percent.

	<i>Long-Term (10-year) Forecasts (%)</i>	
	<i>First Quarter 2012</i>	<i>Current Survey</i>
<i>Real GDP Growth</i>	2.64	2.50
<i>Productivity Growth</i>	1.85	1.80
<i>Stock Returns (S&P 500)</i>	6.80	6.13
<i>Bond Returns (10-year)</i>	4.00	3.83
<i>Bill Returns (3-month)</i>	2.50	2.40

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

Scott Anderson, Bank of the West (BNP Paribas Group); **Robert J. Barbera**, Johns Hopkins University Center for Financial Economics; **Peter Bernstein**, RCF Economic and Financial Consulting, Inc.; **Christine Chmura, Ph.D.** and **Xiaobing Shuai, Ph.D.**, Chmura Economics & Analytics; **Gary Ciminero, CFA**, GLC Financial Economics; **Julia Coronado**, BNP Paribas; **David Crowe**, National Association of Home Builders; **Nathaniel Curtis**, EconLit LLC; **Rajeev Dhawan**, Georgia State University; **Shawn Dubravac**, Consumer Electronics Association; **Michael R. Englund**, Action Economics, LLC; **Timothy Gill**, NEMA; **James Glassman**, JPMorgan Chase & Co.; **Daniel Hanson**, LTZF Economics; **Keith Hembre**, Nuveen Asset Management; **Peter Hooper**, Deutsche Bank Securities, Inc.; **IHS Global Insight**; **Fred Joutz**, Benchmark Forecasts and Research Program on Forecasting, George Washington University; **N. Karp**, BBVA Compass; **Walter Kemmsies**, 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; **Jim Meil** and **Arun Raha**, Eaton Corporation; **Anthony Metz**, Pareto Optimal Economics; **Michael Moran**, Daiwa Capital Markets America; **Joel L. Naroff**, Naroff Economic Advisors; **Mark Nielson, Ph.D.**, MacroEcon Global Advisors; **Michael P. Niemira**, International Council of Shopping Centers; **Luca Noto**, Anima Sgr; **Brendon Ogmundson**, BC Real Estate Association; **Martin A. Regalia**, U.S. Chamber of Commerce; **Philip Rothman**, East Carolina University; **Chris Rupkey**, Bank of Tokyo-Mitsubishi UFJ; **John Silvia**, Wells Fargo; **Allen Sinai**, Decision Economics, Inc; **Tara M. Sinclair**, Research Program on Forecasting, George Washington University; **David Sloan**, Thomson Reuters; **Sean M. Snaithe, Ph.D.**, University of Central Florida; **Constantine G. Soras, Ph.D.**, CGS Economic Consulting; **Neal Soss**, Credit Suisse; **Stephen Stanley**, Pierpont Securities; **Charles Steindel**, New Jersey Department of the Treasury; **Susan M. Sterne**, Economic Analysis Associates, Inc.; **Thomas Kevin Swift**, American Chemistry Council; **Andrew Tilton**, Goldman Sachs; **Lea Tyler**, Oxford Economics USA, Inc.; **Jay N. Woodworth**, Woodworth Holdings, Ltd.; **Richard Yamarone**, Bloomberg, LP; **Mark Zandi**, Moody's Analytics; **Ellen Zentner**, Nomura Securities.

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

	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2013	2014	2015	2016
						(YEAR-OVER-YEAR)			
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	2.1	2.3	2.6	2.5	2.7	1.9	2.8	2.9	3.0
2. GDP PRICE INDEX (PERCENT CHANGE)	1.7	1.9	2.1	1.7	2.0	1.7	2.1	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	4.0	4.2	4.4	4.3	5.0	3.6	4.7	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	1.5	1.4	1.5	1.6	1.5	1.5	1.6	N.A.	N.A.
(AVG MONTHLY CHANGE)	165.3	154.2	172.0	180.4	171.5	164.1	176.8	N.A.	N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	7.8	7.7	7.6	7.5	7.4	7.7	7.2	6.7	6.3
6. 3-MONTH TREASURY BILL (PERCENT)	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6	1.7
7. 10-YEAR TREASURY BOND (PERCENT)	1.9	2.0	2.1	2.3	2.5	2.1	2.6	3.3	3.8
	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2013	2014	2015	
						(Q4-OVER-Q4)			
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	1.8	2.1	2.1	2.1	2.1	2.0	2.2	2.3	
9. CORE CPI (ANNUAL RATE)	1.8	2.0	2.0	2.0	2.0	1.9	2.1	2.2	
10. PCE (ANNUAL RATE)	1.4	1.9	1.9	1.9	2.0	1.8	2.0	2.0	
11. CORE PCE (ANNUAL RATE)	1.4	1.7	1.8	1.7	1.8	1.6	1.9	1.9	

THE FIGURES ON EACH LINE ARE MEDIANS OF 46 INDIVIDUAL FORECASTERS.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2013.

SURVEY OF PROFESSIONAL FORECASTERS

First Quarter 2013

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 January 30; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before February 11, 2013.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST				ACTUAL		FORECAST			
		2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL	2016 ANNUAL	
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	42	15829	15986	16150	16325	16499	16700	15676	16239	16997	N.A.	N.A.	
2. GDP PRICE INDEX (2005=100)	43	115.98	116.47	117.02	117.63	118.14	118.72	115.36	117.32	119.79	N.A.	N.A.	
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	21	N.A.	1536.0	1545.8	1577.1	1587.5	1612.1	N.A.	1570.6	1669.8	N.A.	N.A.	
4. UNEMPLOYMENT RATE (PERCENT)	44	7.8	7.8	7.7	7.6	7.5	7.4	8.1	7.7	7.2	6.7	6.3	
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	38	133864	134360	134822	135338	135879	136394	133241	135210	137332	N.A.	N.A.	
6. INDUSTRIAL PRODUCTION (2007=100)	39	97.6	98.3	99.1	100.0	100.8	101.7	97.2	99.5	102.9	N.A.	N.A.	
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	41	0.90	0.92	0.95	0.98	1.03	1.09	0.78	0.97	1.17	N.A.	N.A.	
8. 3-MONTH TREASURY BILL RATE (PERCENT)	42	0.09	0.10	0.10	0.10	0.10	0.11	0.09	0.10	0.16	0.55	1.69	
9. AAA CORPORATE BOND YIELD (PERCENT)	34	3.54	3.73	3.80	3.90	4.04	4.15	3.67	3.85	4.30	N.A.	N.A.	
10. BAA CORPORATE BOND YIELD (PERCENT)	33	4.57	4.80	4.82	4.96	5.05	5.17	4.94	4.91	5.52	N.A.	N.A.	
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	42	1.71	1.91	2.00	2.14	2.29	2.45	1.80	2.10	2.60	3.25	3.75	
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	45	13648	13720	13799	13888	13973	14067	13589	13847	14229	14640	15072	
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	43	9671.9	9710.5	9757.0	9813.6	9872.7	9937.7	9605.3	9789.2	10023.5	N.A.	N.A.	
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	1506.2	1518.9	1539.3	1564.3	1587.6	1608.1	1483.8	1553.3	1646.7	N.A.	N.A.	
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	384.3	396.1	408.8	421.3	434.5	450.1	366.6	415.5	466.3	N.A.	N.A.	
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	40	1004.4	1004.3	1002.9	1003.0	998.0	995.3	1024.0	1001.6	992.8	N.A.	N.A.	
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	40	1460.2	1458.8	1458.7	1460.1	1463.1	1463.0	1462.4	1459.5	1469.0	N.A.	N.A.	
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	40	20.0	36.9	41.1	43.7	45.0	45.0	44.6	42.5	44.5	N.A.	N.A.	
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	41	-404.0	-404.3	-404.2	-410.0	-411.1	-409.2	-405.6	-406.3	-408.8	N.A.	N.A.	

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2013.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2012	2013	2014	2015
		TO Q1 2013	TO Q2 2013	TO Q3 2013	TO Q4 2013	TO Q1 2014	TO 2013	TO 2014	TO 2015	TO 2016
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	42	4.0	4.2	4.4	4.3	5.0	3.6	4.7	N.A.	N.A.
2. GDP PRICE INDEX (2005=100)	43	1.7	1.9	2.1	1.7	2.0	1.7	2.1	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	21	5.7	2.6	8.4	2.7	6.3	5.3	6.3	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	44	0.0	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	-0.5	-0.5
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	38	1.5	1.4	1.5	1.6	1.5	1.5	1.6	N.A.	N.A.
(AVG MONTHLY CHANGE)	38	165.3	154.2	172.0	180.4	171.5	164.1	176.8	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	39	3.0	3.3	3.6	3.4	3.4	2.4	3.3	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	41	9.2	14.7	13.2	22.0	23.2	24.6	20.2	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	42	0.01	0.00	0.00	0.00	0.01	0.01	0.06	0.39	1.14
9. AAA CORPORATE BOND YIELD (PERCENT)	34	0.19	0.07	0.10	0.15	0.11	0.18	0.45	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	33	0.23	0.02	0.14	0.09	0.12	-0.04	0.61	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	42	0.19	0.10	0.14	0.16	0.16	0.30	0.50	0.65	0.50
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	45	2.1	2.3	2.6	2.5	2.7	1.9	2.8	2.9	3.0
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	43	1.6	1.9	2.3	2.4	2.7	1.9	2.4	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	3.4	5.5	6.7	6.1	5.3	4.7	6.0	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	41	12.9	13.4	12.9	13.1	15.2	13.4	12.2	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	40	-0.0	-0.6	0.0	-2.0	-1.1	-2.2	-0.9	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	40	-0.4	-0.0	0.4	0.8	-0.0	-0.2	0.6	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	40	16.9	4.2	2.6	1.3	0.0	-2.1	2.0	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	41	-0.3	0.1	-5.8	-1.1	1.9	-0.7	-2.5	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, FIRST QUARTER 2013.

TABLE THREE
 MAJOR PRICE INDICATORS
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST(Q/Q)					ACTUAL	FORECAST(Q4/Q4)		
		2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	43	2.1	1.8	2.1	2.1	2.1	2.1	1.9	2.0	2.2	2.3
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	41	1.6	1.8	2.0	2.0	2.0	2.0	1.9	1.9	2.1	2.2
3. PCE PRICE INDEX (ANNUAL RATE)	38	1.2	1.4	1.9	1.9	1.9	2.0	1.5	1.8	2.0	2.0
4. CORE PCE PRICE INDEX (ANNUAL RATE)	39	0.9	1.4	1.7	1.8	1.7	1.8	1.5	1.6	1.9	1.9

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2013.

TABLE FOUR
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
	TO Q1 2013	TO Q2 2013	TO Q3 2013	TO Q4 2013	TO Q1 2014
NUMBER OF FORECASTERS					
10 OR LESS	22	12	13	21	22
11 TO 20	8	16	22	15	15
21 TO 30	8	9	5	4	2
31 TO 40	2	4	1	1	2
41 TO 50	1	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	10.00	16.00	15.00	10.00	10.00
MEAN PROBABILITY	15.32	17.99	15.21	13.64	13.16

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 41.
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2013.

TABLE FIVE
MEAN PROBABILITIES

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

	2013	2014	2015	2016
11.0 PERCENT OR MORE	0.00	0.13	0.16	0.00
10.0 TO 10.9 PERCENT	0.01	0.15	0.18	0.18
9.5 TO 9.9 PERCENT	0.18	0.16	0.19	0.20
9.0 TO 9.4 PERCENT	0.50	0.44	0.42	0.41
8.5 TO 8.9 PERCENT	2.98	1.88	1.10	0.87
8.0 TO 8.4 PERCENT	18.35	9.38	6.04	4.78
7.5 TO 7.9 PERCENT	52.04	29.59	13.34	9.92
7.0 TO 7.4 PERCENT	21.85	35.30	28.55	20.28
6.0 TO 6.9 PERCENT	3.96	20.31	38.03	42.74
LESS THAN 6.0 PERCENT	0.13	2.68	11.98	20.60

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

	2012-2013	2013-2014	2014-2015	2015-2016
6.0 OR MORE	0.02	0.21	0.62	0.45
5.0 TO 5.9	0.14	1.38	2.84	2.15
4.0 TO 4.9	1.74	6.08	9.38	8.19
3.0 TO 3.9	10.12	22.28	25.24	26.78
2.0 TO 2.9	42.98	42.50	34.83	35.38
1.0 TO 1.9	33.35	19.65	18.85	17.59
0.0 TO 0.9	7.84	5.42	5.61	6.99
-1.0 TO -0.1	2.80	2.01	1.90	1.74
-2.0 TO -1.1	0.95	0.38	0.51	0.42
-3.0 TO -2.1	0.06	0.08	0.21	0.28
LESS THAN -3.0	0.00	0.01	0.01	0.05

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

	2012-2013	2013-2014
8.0 OR MORE	0.00	0.00
7.0 TO 7.9	0.00	0.00
6.0 TO 6.9	0.00	0.02
5.0 TO 5.9	0.11	0.13
4.0 TO 4.9	0.82	2.00
3.0 TO 3.9	5.23	8.98
2.0 TO 2.9	35.89	44.02
1.0 TO 1.9	49.34	36.90
0.0 TO 0.9	7.84	7.07
WILL DECLINE	0.78	0.86

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2013.

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

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	12Q4 TO 13Q4	13Q4 TO 14Q4
4 PERCENT OR MORE	0.05	0.35
3.5 TO 3.9 PERCENT	0.50	0.73
3.0 TO 3.4 PERCENT	2.86	5.60
2.5 TO 2.9 PERCENT	10.27	15.55
2.0 TO 2.4 PERCENT	30.49	32.55
1.5 TO 1.9 PERCENT	40.36	31.51
1.0 TO 1.4 PERCENT	12.94	10.29
0.5 TO 0.9 PERCENT	1.77	2.62
0.0 TO 0.4 PERCENT	0.34	0.53
WILL DECLINE	0.42	0.28

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	12Q4 TO 13Q4	13Q4 TO 14Q4
4 PERCENT OR MORE	0.00	0.03
3.5 TO 3.9 PERCENT	0.29	0.37
3.0 TO 3.4 PERCENT	2.14	3.01
2.5 TO 2.9 PERCENT	6.46	11.40
2.0 TO 2.4 PERCENT	26.68	31.74
1.5 TO 1.9 PERCENT	41.32	35.88
1.0 TO 1.4 PERCENT	18.51	13.26
0.5 TO 0.9 PERCENT	3.97	3.25
0.0 TO 0.4 PERCENT	0.52	0.70
WILL DECLINE	0.10	0.36

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
 SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2013.

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

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2013-2017

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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	0.60	MINIMUM	0.61
LOWER QUARTILE	2.00	LOWER QUARTILE	1.80
MEDIAN	2.30	MEDIAN	2.00
UPPER QUARTILE	2.50	UPPER QUARTILE	2.30
MAXIMUM	3.10	MAXIMUM	2.80
MEAN	2.24	MEAN	2.01
STD. DEVIATION	0.45	STD. DEVIATION	0.41
N	40	N	38
MISSING	6	MISSING	8

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2013-2022

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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	0.97	MINIMUM	0.99
LOWER QUARTILE	2.05	LOWER QUARTILE	1.90
MEDIAN	2.30	MEDIAN	2.00
UPPER QUARTILE	2.60	UPPER QUARTILE	2.40
MAXIMUM	3.50	MAXIMUM	3.00
MEAN	2.33	MEAN	2.12
STD. DEVIATION	0.45	STD. DEVIATION	0.40
N	39	N	37
MISSING	7	MISSING	9

REAL GDP GROWTH RATE		PRODUCTIVITY GROWTH RATE	
-----		-----	
MINIMUM	1.75	MINIMUM	0.90
LOWER QUARTILE	2.43	LOWER QUARTILE	1.50
MEDIAN	2.50	MEDIAN	1.80
UPPER QUARTILE	2.80	UPPER QUARTILE	2.20
MAXIMUM	3.50	MAXIMUM	3.00
MEAN	2.57	MEAN	1.86
STD. DEVIATION	0.35	STD. DEVIATION	0.51
N	37	N	30
MISSING	9	MISSING	16

STOCK RETURNS (S&P 500)		BOND RETURNS (10-YEAR)		BILL RETURNS (3-MONTH)	
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MINIMUM	4.00	MINIMUM	1.90	MINIMUM	0.50
LOWER QUARTILE	5.05	LOWER QUARTILE	2.75	LOWER QUARTILE	1.80
MEDIAN	6.13	MEDIAN	3.83	MEDIAN	2.40
UPPER QUARTILE	6.95	UPPER QUARTILE	4.30	UPPER QUARTILE	2.85
MAXIMUM	10.00	MAXIMUM	7.00	MAXIMUM	4.25
MEAN	6.15	MEAN	3.70	MEAN	2.46
STD. DEVIATION	1.58	STD. DEVIATION	1.32	STD. DEVIATION	0.98
N	24	N	26	N	25
MISSING	22	MISSING	20	MISSING	21

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2013.