



SURVEY OF PROFESSIONAL FORECASTERS

Release Date: August 16, 2013

THIRD QUARTER 2013

Outlook for Growth Weakens

The outlook for growth in the U.S. economy over the next four years is weaker than that of three months ago, according to 41 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The panel expects real GDP to grow at an annual rate of 2.2 percent this quarter and 2.3 percent next quarter and to rise to 2.9 percent in the second quarter of 2014. On an annual-average over annual-average basis, the forecasters see real GDP growing 1.5 percent in 2013, down from the previous estimate of 2.0 percent. The forecasters predict real GDP will grow 2.6 percent in 2014 and 2.9 percent in 2015, before falling to 2.5 percent in 2016.

The outlook for the labor market remains nearly unchanged. The forecasters predict that the unemployment rate will be an annual average of 7.5 percent in 2013, before falling to 7.1 percent in 2014, 6.6 percent in 2015, and 6.1 percent in 2016. These projections are similar to those of the last survey.

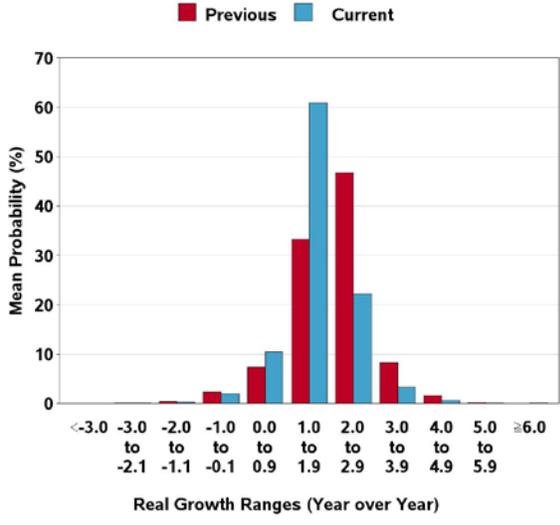
The forecasters' projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 183,800 in 2013 and 180,100 in 2014, as the table below shows. (These annual-average estimates are computed as the year-to-year change in the annual-average level of nonfarm payroll employment, converted to a monthly rate.)

Median Forecasts for Selected Variables in the Current and Previous Surveys

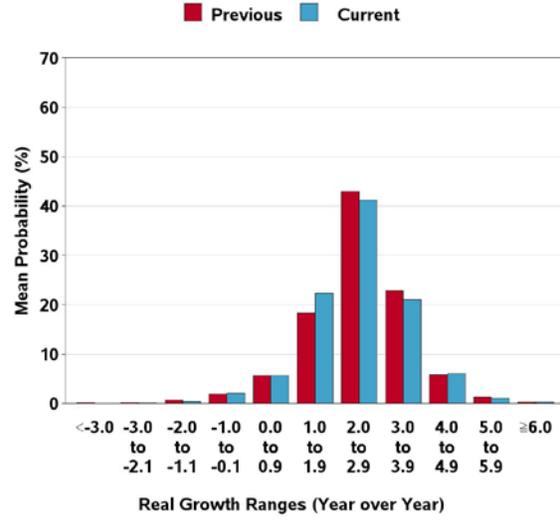
	<i>Real GDP (%)</i>		<i>Unemployment Rate (%)</i>		<i>Payrolls (000s/month)</i>	
	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>
Quarterly data:						
2013:Q3	2.3	2.2	7.5	7.4	142.7	169.4
2013:Q4	2.7	2.3	7.4	7.3	173.3	178.6
2014:Q1	2.5	2.7	7.3	7.2	179.0	171.2
2014:Q2	3.2	2.9	7.2	7.1	184.9	185.4
2014:Q3	N.A.	2.9	N.A.	7.0	N.A.	181.4
Annual data (projections are based on annual average levels):						
2013	2.0	1.5	7.6	7.5	169.8	183.8
2014	2.8	2.6	7.1	7.1	180.4	180.1
2015	3.0	2.9	6.6	6.6	N.A.	N.A.
2016	2.9	2.5	6.1	6.1	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 see lower probability of growth in the upper ranges in 2013. The probability estimates for growth in 2014, 2015, and 2016 are about the same now as they were in the previous survey.

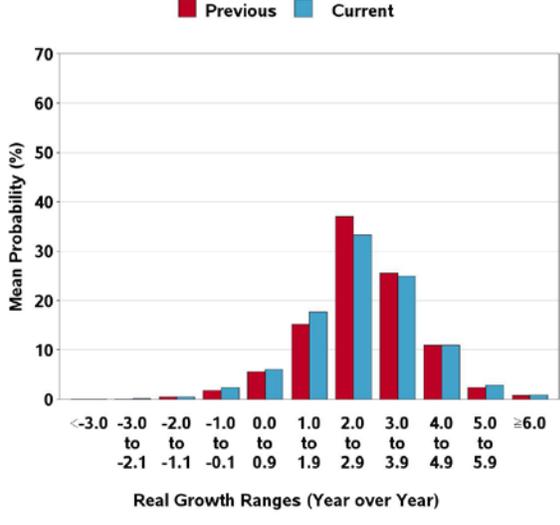
Mean Probabilities for Real GDP Growth in 2013



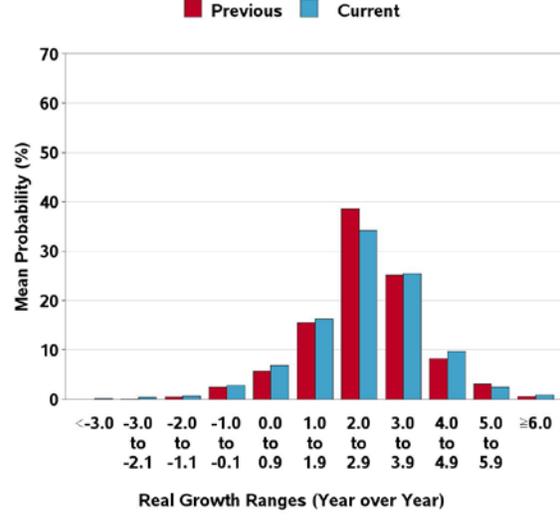
Mean Probabilities for Real GDP Growth in 2014



Mean Probabilities for Real GDP Growth in 2015

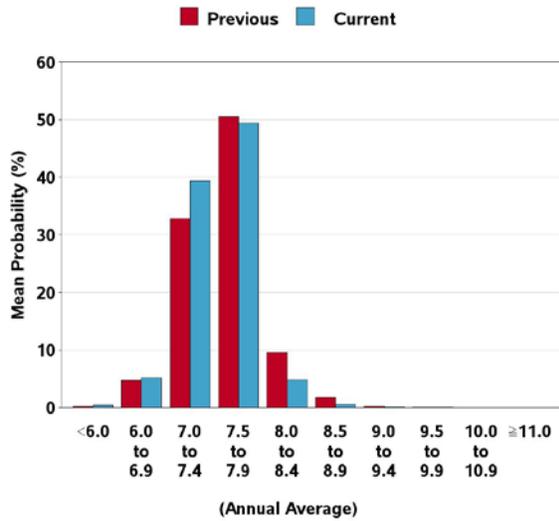


Mean Probabilities for Real GDP Growth in 2016

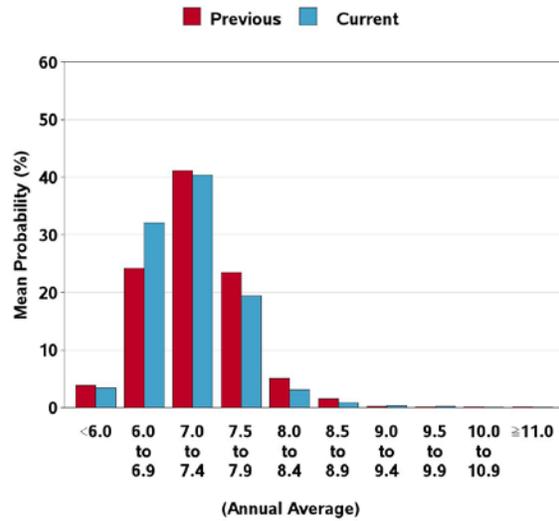


The forecasters' current density projections for unemployment, shown below, are little changed in 2013 and 2014, compared with their previous estimates. For 2013, the forecasters see a near 50 percent chance that unemployment will average between 7.5 percent and 7.9 percent. For 2014, the forecasters see a near 40 percent chance that unemployment will average between 7.0 percent and 7.4 percent.

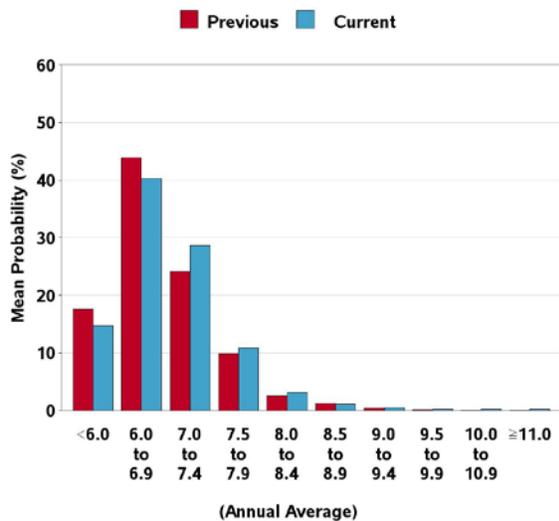
Mean Probabilities for Unemployment Rate in 2013



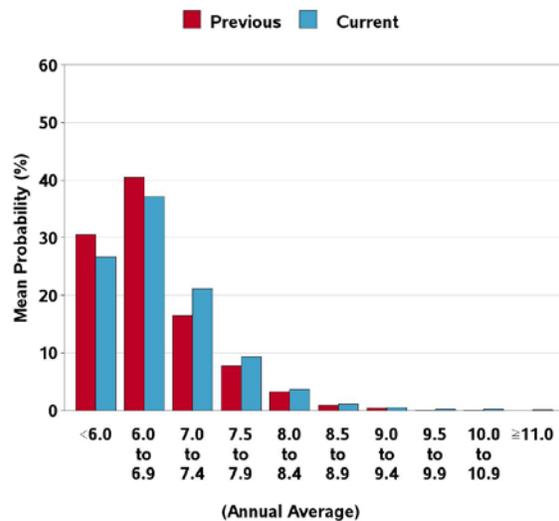
Mean Probabilities for Unemployment Rate in 2014



Mean Probabilities for Unemployment Rate in 2015



Mean Probabilities for Unemployment Rate in 2016



Forecasters Cut Their Near-Horizon Estimates for Inflation but Hold the Line at Longer Horizons

The forecasters are reducing their inflation estimates over the next two years compared with their previous estimates, even as they hold the line at longer horizons. They see headline and core CPI inflation and headline and core PCE inflation at lower levels in 2013 and 2014 than they predicted three months ago, but left their 2015 projections nearly unchanged.

Headline PCE inflation will average 1.2 percent this year and 1.8 percent in 2014, marking downward revisions from the previous estimates of 1.4 percent and 2.0 percent, respectively, in the last survey. The current projection of 2.0 percent in 2015 is unchanged from the previous estimate.

Core PCE inflation will average 1.3 percent this year (down from 1.5 percent in the last survey) and 1.8 percent in 2014 (down from 1.9 percent). The forecasters continue to see core PCE inflation averaging 1.9 percent in 2015.

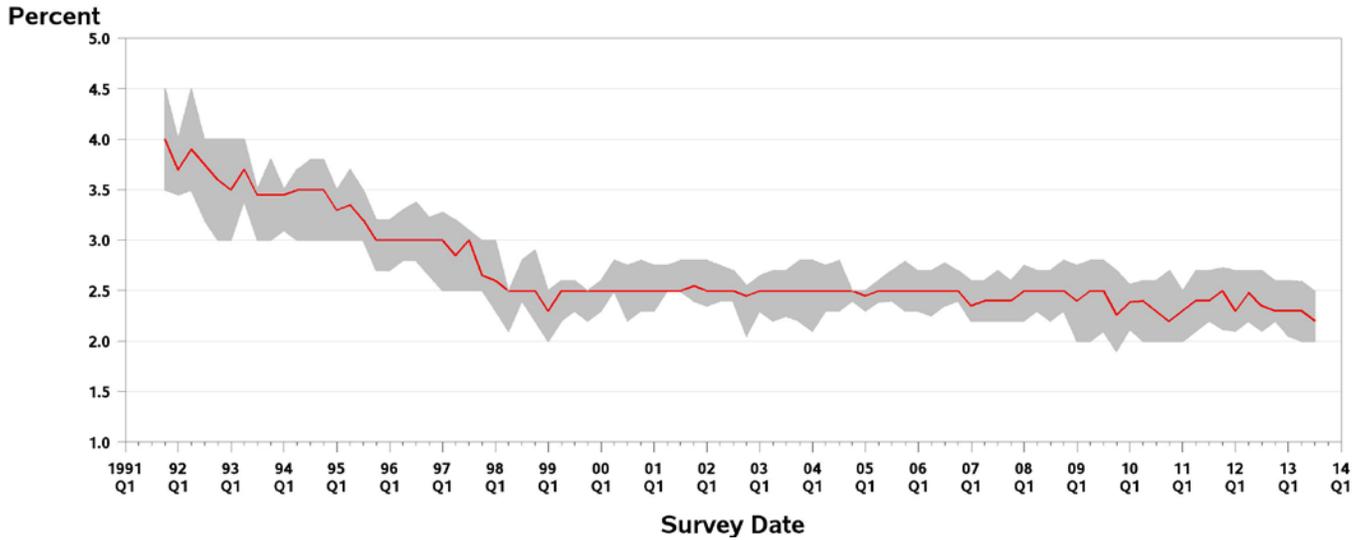
Ten-year annual-average PCE inflation is projected to be 2.0 percent, the same rate the forecasters predicted in the last survey.

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

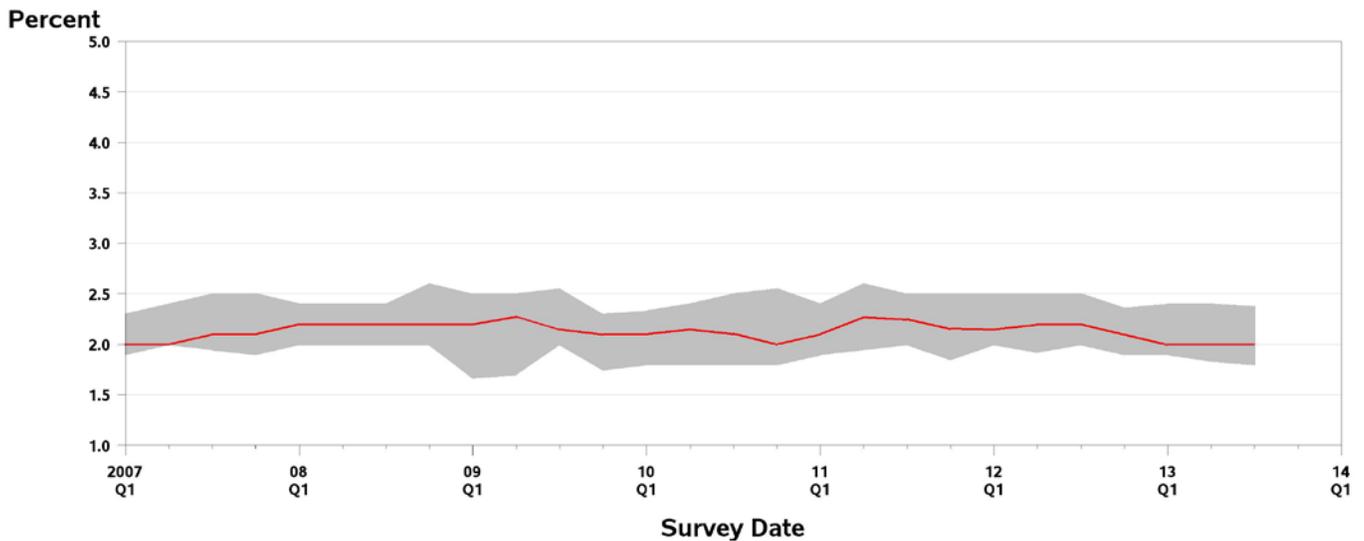
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
<i>Quarterly</i>								
2013:Q3	2.0	2.0	2.0	1.9	1.8	2.0	1.6	1.4
2013:Q4	2.0	1.7	2.0	1.9	1.9	1.7	1.8	1.5
2014:Q1	2.0	1.8	2.0	2.0	1.9	1.8	1.9	1.7
2014:Q2	2.2	1.9	2.1	2.0	2.0	1.8	1.9	1.7
2014:Q3	N.A.	2.1	N.A.	2.0	N.A.	1.9	N.A.	1.8
<i>Q4/Q4 Annual Averages</i>								
2013	1.7	1.4	2.0	1.8	1.4	1.2	1.5	1.3
2014	2.2	2.0	2.1	2.0	2.0	1.8	1.9	1.8
2015	2.3	2.2	2.1	2.1	2.0	2.0	1.9	1.9
<i>Long-Term Annual Averages</i>								
2013-2017	2.2	2.1	N.A.	N.A.	2.0	2.0	N.A.	N.A.
2013-2022	2.3	2.2	N.A.	N.A.	2.0	2.0	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 10-year annual-average CPI and PCE inflation. The top panel shows a slightly lower estimate for 10-year CPI inflation. The bottom panel highlights the unchanged 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)

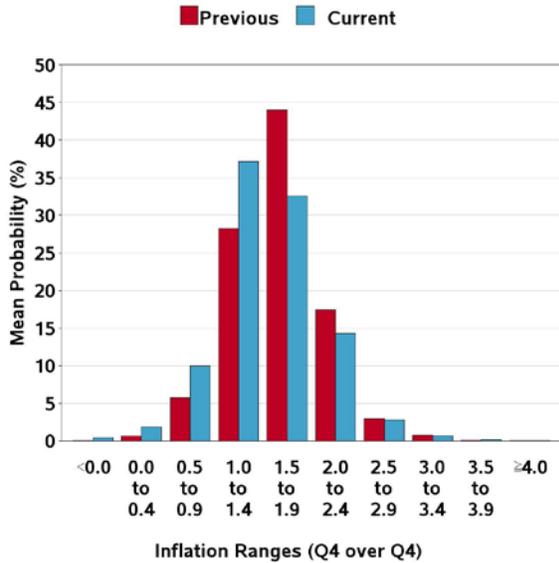


Projections for the 10-Year Annual-Average Rate of PCE Inflation (Median and Interquartile Range)

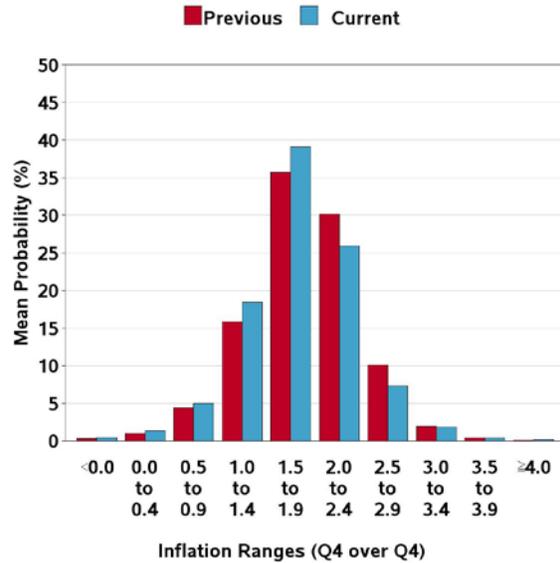


The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2013 and 2014 will fall into each of 10 ranges. For 2013, the forecasters assign a higher chance than previously that core PCE inflation will fall below 1.4 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 see only a small chance of a contraction in real GDP in any of the next five quarters. For the current quarter, they predict a 10.5 percent chance of negative growth, down from 14.3 percent in the survey of three months ago.

*Risk of a Negative Quarter (%)
Survey Means*

<i>Quarterly data:</i>	<i>Previous</i>	<i>New</i>
2013: Q3	14.3	10.5
2013: Q4	13.1	11.2
2014: Q1	13.4	11.7
2014: Q2	12.5	11.5
2014: Q3	N.A.	11.8

Natural Rate of Unemployment Estimated at 6.0 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 peg this rate at 6.0 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. Seventy-nine percent of the 28 forecasters who answered the question report that they use the natural rate in their forecasts. The lowest estimate is 4.75 percent and the highest estimate is 7.0 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	47	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	51	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	61	5.00	4.00	6.00
2010:Q3	64	5.78	4.50	6.80
2011:Q3	41	6.00	4.75	7.00
2012:Q3	63	6.00	4.75	7.00
2013:Q3	79	6.00	4.75	7.00

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.; **Jan Hatzius**, Goldman Sachs; **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-DMG/RHB; **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. Snaith, Ph.D.**, University of Central Florida; **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; **Lea Tyler**, Oxford Economics USA, Inc; **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 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2013	2014	2015	2016
						(YEAR-OVER-YEAR)			
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	2.2	2.3	2.7	2.9	2.9	1.5	2.6	2.9	2.5
2. GDP PRICE INDEX (PERCENT CHANGE)	1.7	1.8	1.9	1.6	2.0	1.4	1.7	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	3.8	4.2	4.3	4.5	5.0	3.0	4.3	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	1.5	1.6	1.5	1.6	1.6	1.6	1.6	N.A.	N.A.
(AVG MONTHLY CHANGE)	169.4	178.6	171.2	185.4	181.4	183.8	180.1	N.A.	N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	7.4	7.3	7.2	7.1	7.0	7.5	7.1	6.6	6.1
6. 3-MONTH TREASURY BILL (PERCENT)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	1.2
7. 10-YEAR TREASURY BOND (PERCENT)	2.6	2.6	2.7	2.8	3.0	2.3	2.9	3.3	3.8
	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2013	2014	2015	
						(Q4-OVER-Q4)			
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	2.0	1.7	1.8	1.9	2.1	1.4	2.0	2.2	
9. CORE CPI (ANNUAL RATE)	1.9	1.9	2.0	2.0	2.0	1.8	2.0	2.1	
10. PCE (ANNUAL RATE)	2.0	1.7	1.8	1.8	1.9	1.2	1.8	2.0	
11. CORE PCE (ANNUAL RATE)	1.4	1.5	1.7	1.7	1.8	1.3	1.8	1.9	

THE FIGURES ON EACH LINE ARE MEDIANS OF 41 INDIVIDUAL FORECASTERS.

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

SURVEY OF PROFESSIONAL FORECASTERS

Third 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 July 31; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before August 12, 2013.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST				ACTUAL		FORECAST			
		2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL	2016 ANNUAL	
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	37	16633	16790	16963	17144	17332	17544	16245	16732	17451	N.A.	N.A.	
2. GDP PRICE INDEX (2009=100)	37	106.19	106.64	107.11	107.62	108.04	108.57	105.01	106.50	108.34	N.A.	N.A.	
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	13	N.A.	1632.9	1646.9	1684.8	1700.1	1726.5	1574.7	1625.8	1713.1	N.A.	N.A.	
4. UNEMPLOYMENT RATE (PERCENT)	39	7.6	7.4	7.3	7.2	7.1	7.0	8.1	7.5	7.1	6.6	6.1	
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	34	135707	136215	136751	137265	137821	138365	133737	135942	138103	N.A.	N.A.	
6. INDUSTRIAL PRODUCTION (2007=100)	34	98.9	99.6	100.4	101.1	102.0	102.8	97.1	99.4	102.6	N.A.	N.A.	
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	35	0.87	0.95	1.00	1.06	1.11	1.16	0.78	0.95	1.14	N.A.	N.A.	
8. 3-MONTH TREASURY BILL RATE (PERCENT)	36	0.05	0.05	0.08	0.09	0.10	0.12	0.09	0.06	0.12	0.35	1.23	
9. AAA CORPORATE BOND YIELD (PERCENT)	30	3.96	4.36	4.40	4.46	4.51	4.60	3.67	4.15	4.55	N.A.	N.A.	
10. BAA CORPORATE BOND YIELD (PERCENT)	28	4.84	5.30	5.32	5.46	5.54	5.62	4.94	5.10	5.59	N.A.	N.A.	
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	38	2.00	2.60	2.62	2.70	2.81	2.96	1.80	2.30	2.90	3.33	3.75	
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	41	15649	15735	15826	15930	16044	16158	15471	15701	16111	16583	16992	
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	37	10690.9	10749.2	10813.1	10875.1	10942.2	11013.4	10517.6	10725.8	10985.6	N.A.	N.A.	
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	36	1971.0	1994.9	2021.8	2051.5	2084.9	2112.6	1931.8	1984.5	2100.5	N.A.	N.A.	
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	34	486.2	499.1	514.5	529.7	544.5	556.2	433.8	491.9	548.6	N.A.	N.A.	
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	36	1168.3	1161.4	1157.5	1151.3	1152.7	1147.9	1220.3	1164.0	1149.0	N.A.	N.A.	
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	36	1735.7	1735.7	1735.7	1738.9	1741.6	1745.2	1742.8	1735.7	1743.3	N.A.	N.A.	
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	31	56.7	49.0	49.2	49.0	52.5	51.0	57.6	49.0	52.1	N.A.	N.A.	
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	31	-451.3	-449.2	-450.0	-451.0	-453.9	-451.1	-430.8	-442.9	-448.4	N.A.	N.A.	

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

TABLE TWO
MAJOR MACROECONOMIC INDICATORS
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	2012	2013	2014	2015
		TO Q3 2013	TO Q4 2013	TO Q1 2014	TO Q2 2014	TO Q3 2014	TO 2013	TO 2014	TO 2015	TO 2016
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	37	3.8	4.2	4.3	4.5	5.0	3.0	4.3	N.A.	N.A.
2. GDP PRICE INDEX (2009=100)	37	1.7	1.8	1.9	1.6	2.0	1.4	1.7	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	13	4.0	3.5	9.5	3.7	6.4	3.2	5.4	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	39	-0.2	-0.1	-0.1	-0.1	-0.1	-0.6	-0.4	-0.5	-0.5
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE)	34	1.5	1.6	1.5	1.6	1.6	1.6	1.6	N.A.	N.A.
(AVG MONTHLY CHANGE)	34	169.4	178.6	171.2	185.4	181.4	183.8	180.1	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	34	2.7	3.4	3.0	3.6	3.2	2.3	3.2	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	35	42.4	23.2	22.2	22.3	18.8	21.3	20.2	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	36	0.00	0.02	0.01	0.01	0.01	-0.03	0.06	0.23	0.88
9. AAA CORPORATE BOND YIELD (PERCENT)	30	0.40	0.04	0.06	0.05	0.09	0.47	0.41	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	28	0.46	0.02	0.14	0.08	0.08	0.16	0.49	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	38	0.60	0.02	0.08	0.11	0.15	0.50	0.60	0.43	0.42
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	41	2.2	2.3	2.7	2.9	2.9	1.5	2.6	2.9	2.5
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	37	2.2	2.4	2.3	2.5	2.6	2.0	2.4	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	36	4.9	5.5	6.0	6.7	5.4	2.7	5.8	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	34	11.0	13.0	12.4	11.6	8.9	13.4	11.5	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	36	-2.3	-1.3	-2.1	0.5	-1.6	-4.6	-1.3	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	36	0.0	0.0	0.7	0.6	0.8	-0.4	0.4	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	31	-7.7	0.2	-0.2	3.5	-1.5	-8.6	3.1	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	31	2.1	-0.8	-1.0	-2.9	2.8	-12.1	-5.6	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, THIRD QUARTER 2013.

TABLE THREE
 MAJOR PRICE INDICATORS
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST(Q/Q)					ACTUAL	FORECAST(Q4/Q4)		
		2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	39	-0.0	2.0	1.7	1.8	1.9	2.1	1.9	1.4	2.0	2.2
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	41	1.4	1.9	1.9	2.0	2.0	2.0	1.9	1.8	2.0	2.1
3. PCE PRICE INDEX (ANNUAL RATE)	40	0.0	2.0	1.7	1.8	1.8	1.9	1.7	1.2	1.8	2.0
4. CORE PCE PRICE INDEX (ANNUAL RATE)	41	0.8	1.4	1.5	1.7	1.7	1.8	1.7	1.3	1.8	1.9

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

TABLE FOUR
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
	TO Q3 2013	TO Q4 2013	TO Q1 2014	TO Q2 2014	TO Q3 2014
NUMBER OF FORECASTERS					
10 OR LESS	23	23	22	23	22
11 TO 20	12	12	11	11	9
21 TO 30	2	2	4	3	4
31 TO 40	0	0	0	0	0
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	4	4	4	4	6
MEAN AND MEDIAN					
MEDIAN PROBABILITY	10.00	10.00	10.00	10.00	10.00
MEAN PROBABILITY	10.49	11.21	11.66	11.51	11.79

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 37.
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, THIRD 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	0.06	0.22	0.13
10.0 TO 10.9 PERCENT	0.00	0.06	0.23	0.22
9.5 TO 9.9 PERCENT	0.08	0.21	0.26	0.25
9.0 TO 9.4 PERCENT	0.12	0.29	0.53	0.53
8.5 TO 8.9 PERCENT	0.62	0.88	1.06	1.08
8.0 TO 8.4 PERCENT	4.81	3.13	3.11	3.66
7.5 TO 7.9 PERCENT	49.42	19.45	10.87	9.31
7.0 TO 7.4 PERCENT	39.38	40.38	28.62	21.10
6.0 TO 6.9 PERCENT	5.18	32.10	40.34	37.08
LESS THAN 6.0 PERCENT	0.38	3.45	14.77	26.65

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	0.03	0.24	0.90	0.84
5.0 TO 5.9	0.11	1.07	2.87	2.54
4.0 TO 4.9	0.58	5.99	10.95	9.72
3.0 TO 3.9	3.26	21.08	24.99	25.50
2.0 TO 2.9	22.23	41.19	33.35	34.22
1.0 TO 1.9	60.95	22.31	17.75	16.28
0.0 TO 0.9	10.46	5.63	6.02	6.84
-1.0 TO -0.1	1.99	2.08	2.42	2.80
-2.0 TO -1.1	0.28	0.34	0.51	0.70
-3.0 TO -2.1	0.10	0.07	0.19	0.37
LESS THAN -3.0	0.00	0.01	0.04	0.20

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

	2012-2013	2013-2014
8.0 OR MORE	0.03	0.06
7.0 TO 7.9	0.03	0.06
6.0 TO 6.9	0.03	0.06
5.0 TO 5.9	0.03	0.14
4.0 TO 4.9	0.31	1.44
3.0 TO 3.9	3.37	6.11
2.0 TO 2.9	17.99	31.07
1.0 TO 1.9	64.26	45.93
0.0 TO 0.9	12.80	13.82
WILL DECLINE	1.16	1.32

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, THIRD 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	0.08	0.28
3.5 TO 3.9 PERCENT	0.29	0.64
3.0 TO 3.4 PERCENT	0.69	2.46
2.5 TO 2.9 PERCENT	3.65	9.82
2.0 TO 2.4 PERCENT	23.36	30.60
1.5 TO 1.9 PERCENT	49.49	38.94
1.0 TO 1.4 PERCENT	18.55	12.84
0.5 TO 0.9 PERCENT	3.18	2.93
0.0 TO 0.4 PERCENT	0.57	1.14
WILL DECLINE	0.14	0.35

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	12Q4 TO 13Q4	13Q4 TO 14Q4
4 PERCENT OR MORE	0.03	0.18
3.5 TO 3.9 PERCENT	0.15	0.36
3.0 TO 3.4 PERCENT	0.68	1.83
2.5 TO 2.9 PERCENT	2.83	7.30
2.0 TO 2.4 PERCENT	14.26	25.92
1.5 TO 1.9 PERCENT	32.53	39.12
1.0 TO 1.4 PERCENT	37.21	18.44
0.5 TO 0.9 PERCENT	9.96	5.02
0.0 TO 0.4 PERCENT	1.92	1.37
WILL DECLINE	0.43	0.46

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
 SURVEY OF PROFESSIONAL FORECASTERS, THIRD 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	
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MINIMUM	0.80	MINIMUM	0.60
LOWER QUARTILE	1.89	LOWER QUARTILE	1.70
MEDIAN	2.10	MEDIAN	1.96
UPPER QUARTILE	2.30	UPPER QUARTILE	2.20
MAXIMUM	2.80	MAXIMUM	2.60
MEAN	2.07	MEAN	1.90
STD. DEVIATION	0.39	STD. DEVIATION	0.41
N	34	N	32
MISSING	7	MISSING	9

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2013-2022

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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	1.20	MINIMUM	1.00
LOWER QUARTILE	2.00	LOWER QUARTILE	1.80
MEDIAN	2.21	MEDIAN	2.00
UPPER QUARTILE	2.50	UPPER QUARTILE	2.38
MAXIMUM	3.00	MAXIMUM	2.50
MEAN	2.22	MEAN	2.04
STD. DEVIATION	0.39	STD. DEVIATION	0.37
N	34	N	32
MISSING	7	MISSING	9

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