



SURVEY OF PROFESSIONAL FORECASTERS

Release Date: November 25, 2013

FOURTH QUARTER 2013

Steady Outlook for Growth with Healthier Labor Market

The outlook for growth in the U.S. economy is little changed from the survey of three months ago, according to 42 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The forecasters expect real GDP to grow at an annual rate of 1.8 percent this quarter and 2.5 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 1.7 percent in 2013, 2.6 percent in 2014, 2.8 percent in 2015, and 2.7 percent in 2016. These projections are nearly the same as those of three months ago.

The projections for unemployment over the next three years are slightly below those of the last survey. Unemployment is projected to be an annual average of 7.5 percent in 2013, before falling to 7.0 percent in 2014, 6.4 percent in 2015, and 6.0 percent in 2016.

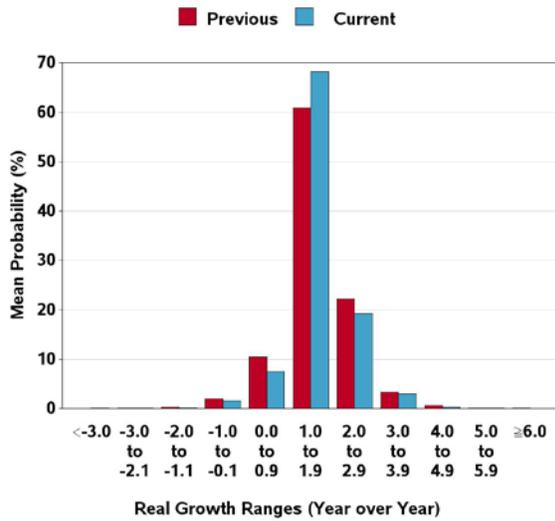
On the employment front, the forecasters see higher growth in jobs over the next four quarters. The forecasters see nonfarm payroll employment growing at a rate of 187,300 jobs per month this quarter and 187,000 jobs per month next quarter. The forecasters' projections for job gains on a monthly basis are 181,900 in 2013 and 189,900 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

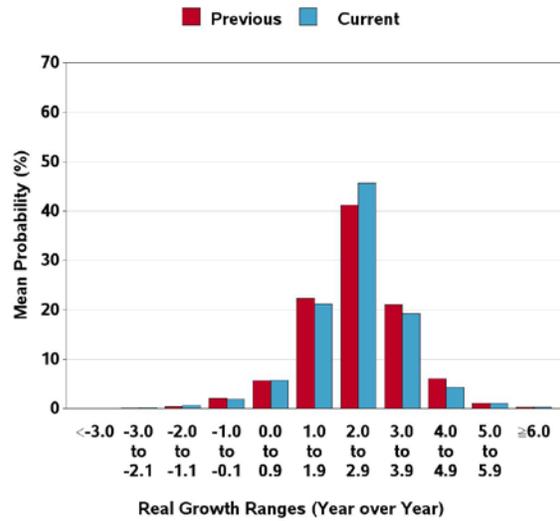
	<i>Real GDP (%)</i>		<i>Unemployment Rate (%)</i>		<i>Payrolls (000s/month)</i>	
	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>
<i>Quarterly data:</i>						
2013:Q4	2.3	1.8	7.3	7.2	178.6	187.3
2014:Q1	2.7	2.5	7.2	7.1	171.2	187.0
2014:Q2	2.9	2.9	7.1	7.0	185.4	193.5
2014:Q3	2.9	2.9	7.0	6.9	181.4	201.8
2014:Q4	N.A.	2.9	N.A.	6.8	N.A.	202.1
<i>Annual data (projections are based on annual average levels):</i>						
2013	1.5	1.7	7.5	7.5	183.8	181.9
2014	2.6	2.6	7.1	7.0	180.1	189.9
2015	2.9	2.8	6.6	6.4	N.A.	N.A.
2016	2.5	2.7	6.1	6.0	N.A.	N.A.

The charts below provide some insight into the degree of uncertainty that 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 estimates of uncertainty about growth in 2014, 2015, and 2016 remained mostly unchanged from those of the previous survey.

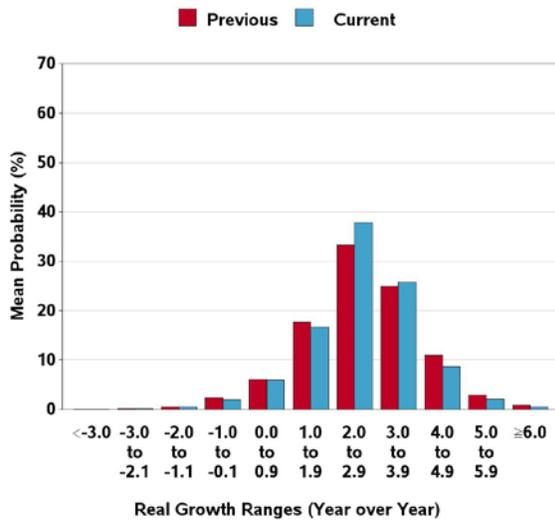
Mean Probabilities for Real GDP Growth in 2013



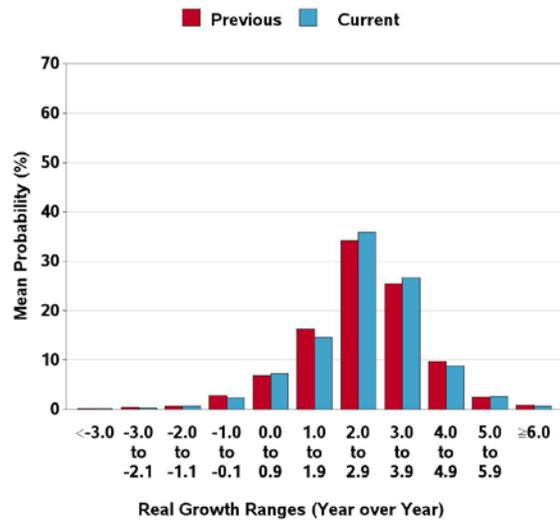
Mean Probabilities for Real GDP Growth in 2014



Mean Probabilities for Real GDP Growth in 2015

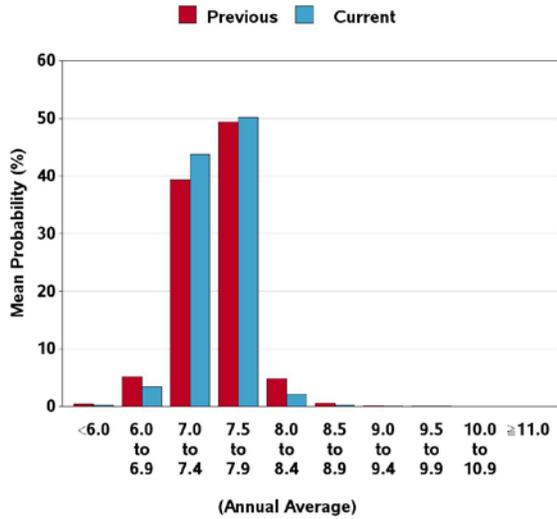


Mean Probabilities for Real GDP Growth in 2016

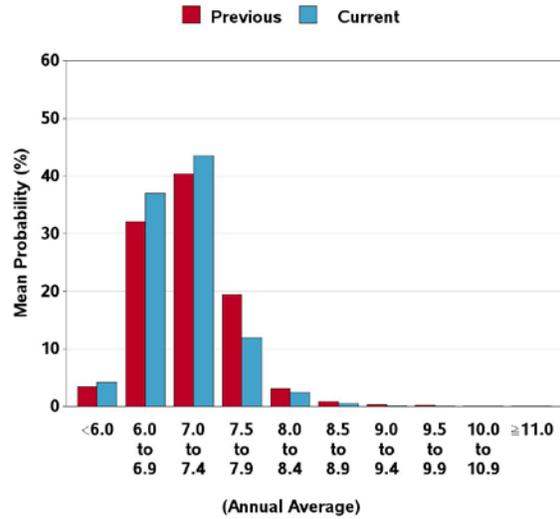


The forecasters' density projections, as shown in the charts below, shed light on the degree of uncertainty about the projections for unemployment. Each chart presents the forecasters' previous and current estimates of the probability that unemployment will fall into each of 10 ranges. The forecasters have shifted the distributions of density to the left for 2014, 2015, and 2016, indicating their expectations of lower unemployment rates over those three years compared with their previous estimates.

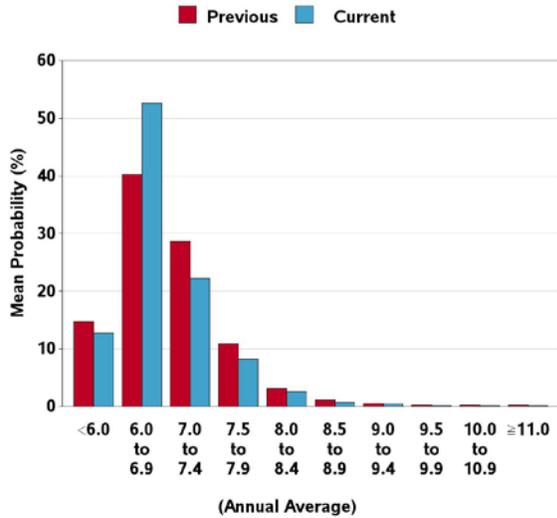
Mean Probabilities for Unemployment Rate in 2013



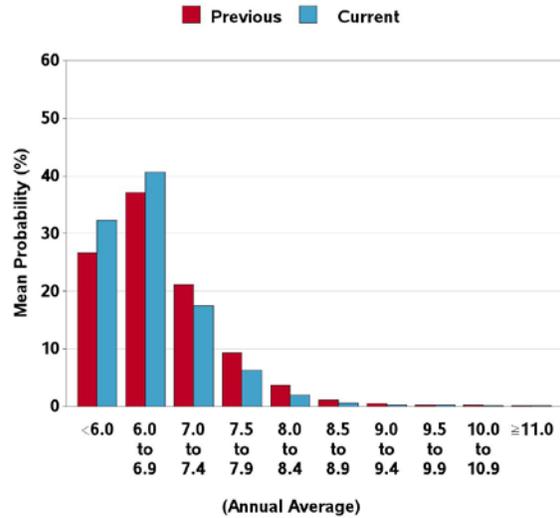
Mean Probabilities for Unemployment Rate in 2014



Mean Probabilities for Unemployment Rate in 2015



Mean Probabilities for Unemployment Rate in 2016



Little Change in the Inflation Outlook

The forecasters expect current-quarter headline CPI inflation to average 1.6 percent, slightly lower than the last survey's estimate of 1.7 percent. They predict current-quarter headline PCE inflation of 1.5 percent, down from 1.7 percent in the previous survey.

Measured on a fourth-quarter over fourth-quarter basis, headline CPI inflation is expected at levels unchanged from the previous survey: 1.4 percent in 2013, 2.0 percent in 2014, and 2.2 percent in 2015.

Forecasters see fourth-quarter over fourth-quarter headline PCE inflation at levels nearly unchanged from their projections of three months ago. They expect headline PCE inflation of 1.1 percent in 2013, 1.9 percent in 2014, and 1.9 percent in 2015.

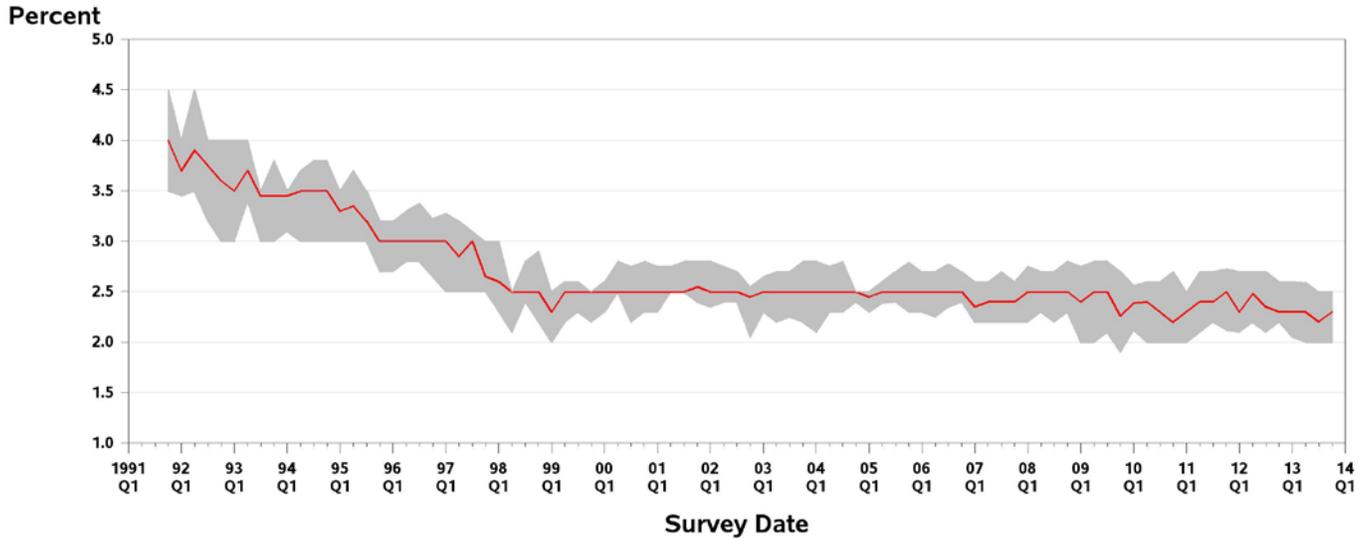
Revisions to the projections for long-term inflation are also small. Over the next 10 years, 2013 to 2022, the forecasters expect headline CPI inflation to average 2.3 percent at an annual rate, up from 2.2 percent in the previous survey. The corresponding estimate for 10-year annual-average headline PCE inflation is 2.0 percent, unchanged from the survey of three months ago.

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

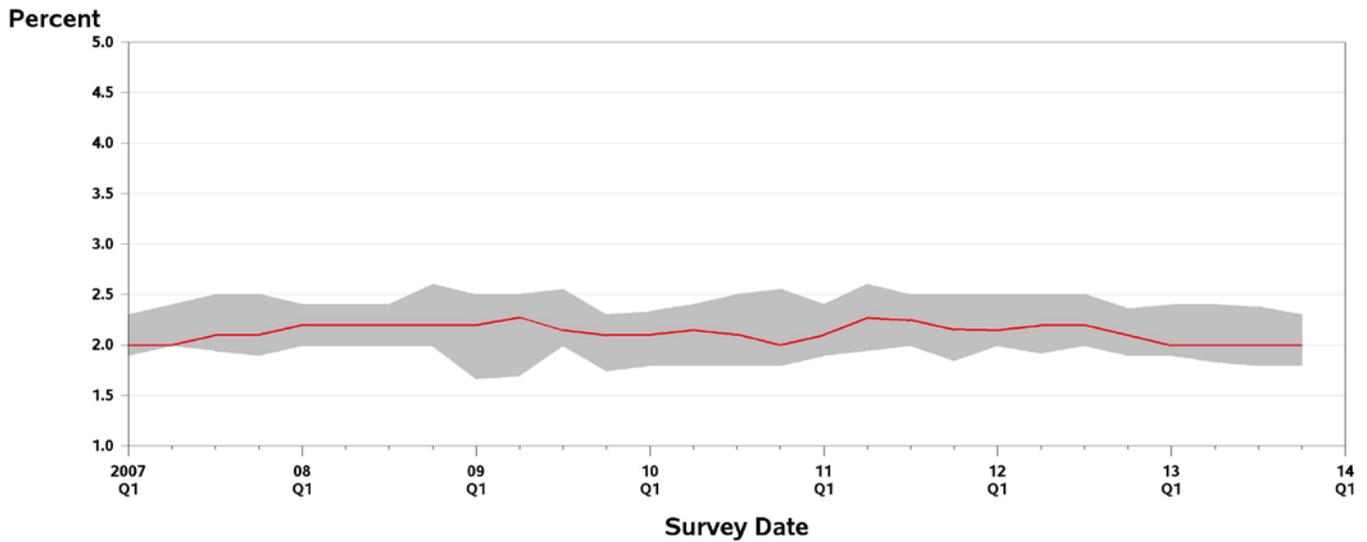
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
<i>Quarterly</i>								
2013:Q4	1.7	1.6	1.9	1.7	1.7	1.5	1.5	1.5
2014:Q1	1.8	1.8	2.0	1.9	1.8	1.8	1.7	1.7
2014:Q2	1.9	2.0	2.0	1.9	1.8	1.9	1.7	1.8
2014:Q3	2.1	2.0	2.0	2.0	1.9	1.9	1.8	1.7
2014:Q4	N.A.	2.1	N.A.	2.0	N.A.	1.9	N.A.	1.8
<i>Q4/Q4 Annual Averages</i>								
2013	1.4	1.4	1.8	1.8	1.2	1.1	1.3	1.2
2014	2.0	2.0	2.0	2.0	1.8	1.9	1.8	1.7
2015	2.2	2.2	2.1	2.1	2.0	1.9	1.9	1.9
<i>Long-Term Annual Averages</i>								
2013-2017	2.1	2.1	N.A.	N.A.	2.0	1.8	N.A.	N.A.
2013-2022	2.2	2.3	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 10-year annual-average CPI and PCE inflation. The top panel highlights the small upward revision for long-term CPI inflation. The bottom panel shows the unchanged expectation for long-term PCE inflation.

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

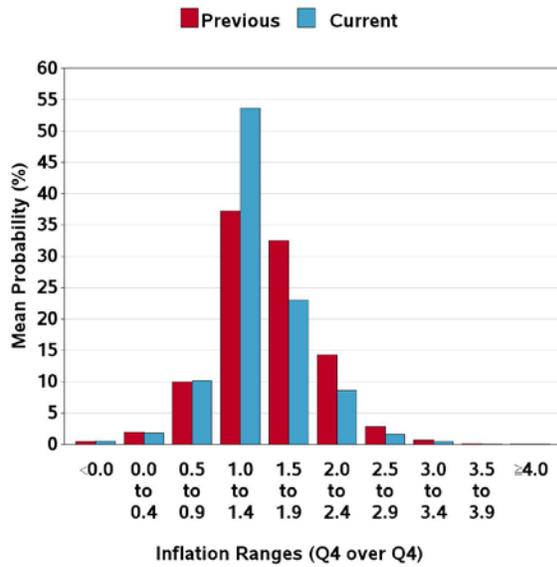


**Projections for the 10-Year Annual-Average Rate of PCE Inflation
(Median and Interquartile Range)**

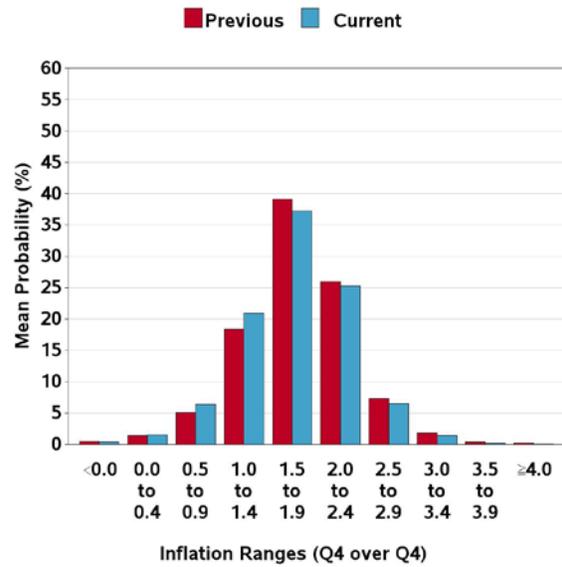


The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2013 and 2014 will fall into each of 10 ranges. For 2014, the forecasters see a slightly higher chance that inflation will fall below 1.5 percent than they estimated previously.

Mean Probabilities for Core PCE Inflation in 2013



Mean Probabilities for Core PCE Inflation in 2014



Little Change in the Risk of a Downturn in Real GDP

For the current quarter, the forecasters predict an 11.3 percent chance of negative growth. As the table below shows, the forecasters are keeping (nearly) unchanged their risk estimates for a downturn in the following quarters, compared with their previous estimates.

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

<i>Quarterly data:</i>	<i>Previous</i>	<i>New</i>
2013: Q4	11.2	11.3
2014: Q1	11.7	11.1
2014: Q2	11.5	11.6
2014: Q3	11.8	11.7
2014: Q4	N.A.	12.2

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

Lewis Alexander, Nomura Securities; **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**, Navigant; **Rajeev Dhawan**, Georgia State University; **Shawn Dubravac**, Consumer Electronics Association; **Gregory Daco**, Oxford Economics USA, Inc.; **Michael R. Englund**, Action Economics, LLC; **Timothy Gill**, NEMA; **Matthew Hall** and **Daniil Manaenkov**, RSQE, University of Michigan; **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; **Sam Kahan**, Kahan Consulting Ltd. (ACT Research LLC); **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; **Gary A. Wagner**, Economic Forecasting Project, Old Dominion University; **Richard Yamarone**, Bloomberg, LP; **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

	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2013	2014 (YEAR-OVER-YEAR)	2015	2016
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	1.8	2.5	2.9	2.9	2.9	1.7	2.6	2.8	2.7
2. GDP PRICE INDEX (PERCENT CHANGE)	1.7	1.7	1.8	1.8	2.0	1.4	1.7	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	3.5	4.2	4.3	4.9	4.9	3.2	4.2	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	1.7 187.3	1.7 187.0	1.7 193.5	1.8 201.8	1.8 202.1	1.6 181.9	1.7 189.9	N.A. N.A.	N.A. N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	7.2	7.1	7.0	6.9	6.8	7.5	7.0	6.4	6.0
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)	2.7	2.9	3.0	3.1	3.2	2.3	3.0	3.5	3.9
	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2013	2014 (Q4-OVER-Q4)	2015	
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	1.6	1.8	2.0	2.0	2.1	1.4	2.0	2.2	
9. CORE CPI (ANNUAL RATE)	1.7	1.9	1.9	2.0	2.0	1.8	2.0	2.1	
10. PCE (ANNUAL RATE)	1.5	1.8	1.9	1.9	1.9	1.1	1.9	1.9	
11. CORE PCE (ANNUAL RATE)	1.5	1.7	1.8	1.7	1.8	1.2	1.7	1.9	

THE FIGURES ON EACH LINE ARE MEDIANS OF 42 INDIVIDUAL FORECASTERS.

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

SURVEY OF PROFESSIONAL FORECASTERS

Fourth 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 November 8; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before November 18, 2013.

Special Note: Housing Starts

The quarterly-average historical observation for housing starts in 2013Q3 is based upon historical monthly observations for July and August and a projection for September.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL		FORECAST				ACTUAL		FORECAST		
		2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL	2016 ANNUAL
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	41	16858	17002	17177	17360	17568	17779	16245	16762	17471	N.A.	N.A.
2. GDP PRICE INDEX (2009=100)	39	106.67	107.12	107.57	108.05	108.52	109.06	105.01	106.50	108.29	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	21	N.A.	1701.6	1724.0	1744.3	1763.2	1783.1	1574.7	1668.7	1750.9	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	41	7.3	7.2	7.1	7.0	6.9	6.8	8.1	7.5	7.0	6.4	6.0
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	38	136162	136724	137285	137865	138471	139077	133737	135920	138199	N.A.	N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	36	99.5	100.3	101.0	101.9	102.8	103.7	97.0	99.4	102.4	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	40	0.89	0.94	1.01	1.08	1.15	1.20	0.78	0.92	1.12	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	41	0.03	0.05	0.07	0.08	0.10	0.10	0.09	0.06	0.10	0.35	1.21
9. AAA CORPORATE BOND YIELD (PERCENT)	35	4.51	4.55	4.65	4.75	4.85	4.90	3.67	4.23	4.75	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	33	5.40	5.41	5.53	5.60	5.70	5.80	4.94	5.11	5.65	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	41	2.71	2.70	2.85	2.96	3.10	3.20	1.80	2.34	3.00	3.50	3.85
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	41	15790	15863	15960	16073	16189	16306	15471	15729	16131	16575	17022
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	39	10732.3	10790.9	10857.7	10925.1	10997.1	11071.0	10517.6	10715.2	10964.0	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	37	1979.2	2003.9	2027.1	2052.2	2084.6	2109.1	1931.8	1975.9	2068.9	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	37	504.0	516.2	531.3	550.9	568.1	580.5	433.8	494.5	558.5	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	37	1163.2	1150.6	1153.1	1149.3	1148.6	1146.9	1220.3	1163.6	1148.9	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	37	1742.5	1743.4	1745.1	1748.6	1752.1	1757.2	1742.8	1739.3	1751.3	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	37	86.0	64.0	54.0	51.0	50.0	49.8	57.6	62.2	50.9	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	37	-413.2	-411.2	-412.5	-414.0	-413.7	-414.4	-430.8	-417.8	-413.1	N.A.	N.A.

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

Special Note: Housing Starts

The quarterly-average historical observation for housing starts in 2013Q3 is based upon historical monthly observations for July and August and a projection for September.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2012	2013	2014	2015
		TO Q4 2013	TO Q1 2014	TO Q2 2014	TO Q3 2014	TO Q4 2014	TO 2013	TO 2014	TO 2015	TO 2016
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	41	3.5	4.2	4.3	4.9	4.9	3.2	4.2	N.A.	N.A.
2. GDP PRICE INDEX (2009=100)	39	1.7	1.7	1.8	1.8	2.0	1.4	1.7	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	21	3.3	5.4	4.8	4.4	4.6	6.0	4.9	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	41	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6	-0.5	-0.5	-0.4
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	38 38	1.7 187.3	1.7 187.0	1.7 193.5	1.8 201.8	1.8 202.1	1.6 181.9	1.7 189.9	N.A. N.A.	N.A. N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	36	3.2	3.1	3.4	3.4	3.6	2.4	3.0	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	40	21.7	35.2	29.2	28.1	18.2	17.1	22.0	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	41	0.02	0.02	0.01	0.02	0.00	-0.04	0.05	0.25	0.87
9. AAA CORPORATE BOND YIELD (PERCENT)	35	0.04	0.10	0.10	0.10	0.05	0.56	0.52	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	33	0.01	0.12	0.07	0.10	0.10	0.17	0.53	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	41	-0.01	0.15	0.11	0.14	0.10	0.54	0.66	0.50	0.35
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	41	1.8	2.5	2.9	2.9	2.9	1.7	2.6	2.8	2.7
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	39	2.2	2.5	2.5	2.7	2.7	1.9	2.3	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	37	5.1	4.7	5.0	6.5	4.8	2.3	4.7	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	37	10.0	12.3	15.6	13.1	9.1	14.0	12.9	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	37	-4.3	0.9	-1.3	-0.2	-0.6	-4.6	-1.3	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	37	0.2	0.4	0.8	0.8	1.2	-0.2	0.7	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	37	-22.0	-10.0	-3.0	-1.0	-0.2	4.6	-11.3	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	37	2.0	-1.3	-1.5	0.4	-0.7	13.0	4.7	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, FOURTH QUARTER 2013.

Special Note: Housing Starts

The quarterly-average historical observation for housing starts in 2013Q3 is based upon historical monthly observations for July and August and a projection for September.

TABLE THREE
 MAJOR PRICE INDICATORS
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST (Q/Q)				ACTUAL	FORECAST (Q4/Q4)			
		2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2012 ANNUAL	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL
1. CONSUMER PRICE INDEX (ANNUAL RATE)	40	2.6	1.6	1.8	2.0	2.0	2.1	1.9	1.4	2.0	2.2
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	38	1.8	1.7	1.9	1.9	2.0	2.0	1.9	1.8	2.0	2.1
3. PCE PRICE INDEX (ANNUAL RATE)	36	1.9	1.5	1.8	1.9	1.9	1.9	1.7	1.1	1.9	1.9
4. CORE PCE PRICE INDEX (ANNUAL RATE)	37	1.4	1.5	1.7	1.8	1.7	1.8	1.7	1.2	1.7	1.9

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

TABLE FOUR
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
	TO	TO	TO	TO	TO
	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014

NUMBER OF FORECASTERS

	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
10 OR LESS	24	25	22	23	23
11 TO 20	12	12	15	13	11
21 TO 30	2	3	3	3	3
31 TO 40	2	0	0	0	1
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	2	2	2	3	4

MEAN AND MEDIAN

	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
MEDIAN PROBABILITY	10.00	10.00	10.00	10.00	10.00
MEAN PROBABILITY	11.27	11.12	11.62	11.73	12.21

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 40.
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FOURTH 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	0.03	0.18	0.11
10.0 TO 10.9 PERCENT	0.00	0.03	0.18	0.14
9.5 TO 9.9 PERCENT	0.03	0.03	0.18	0.22
9.0 TO 9.4 PERCENT	0.03	0.18	0.37	0.27
8.5 TO 8.9 PERCENT	0.21	0.46	0.67	0.58
8.0 TO 8.4 PERCENT	2.18	2.52	2.57	1.99
7.5 TO 7.9 PERCENT	50.19	11.98	8.18	6.26
7.0 TO 7.4 PERCENT	43.73	43.54	22.24	17.49
6.0 TO 6.9 PERCENT	3.44	37.06	52.62	40.68
LESS THAN 6.0 PERCENT	0.21	4.18	12.80	32.27

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	0.00	0.26	0.52	0.65
5.0 TO 5.9	0.03	1.05	2.06	2.64
4.0 TO 4.9	0.30	4.26	8.59	8.85
3.0 TO 3.9	2.95	19.26	25.79	26.72
2.0 TO 2.9	19.25	45.66	37.83	35.83
1.0 TO 1.9	68.17	21.15	16.66	14.53
0.0 TO 0.9	7.53	5.71	5.90	7.21
-1.0 TO -0.1	1.55	1.88	2.00	2.38
-2.0 TO -1.1	0.18	0.60	0.46	0.65
-3.0 TO -2.1	0.03	0.18	0.15	0.32
LESS THAN -3.0	0.03	0.00	0.03	0.21

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	0.03
7.0 TO 7.9	0.00	0.03
6.0 TO 6.9	0.00	0.03
5.0 TO 5.9	0.00	0.10
4.0 TO 4.9	0.28	1.18
3.0 TO 3.9	1.75	5.33
2.0 TO 2.9	15.31	31.10
1.0 TO 1.9	72.80	51.61
0.0 TO 0.9	9.03	9.47
WILL DECLINE	0.83	1.15

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FOURTH 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	0.03	0.17
3.5 TO 3.9 PERCENT	0.25	0.51
3.0 TO 3.4 PERCENT	0.56	2.31
2.5 TO 2.9 PERCENT	2.28	10.62
2.0 TO 2.4 PERCENT	16.24	32.42
1.5 TO 1.9 PERCENT	58.71	36.44
1.0 TO 1.4 PERCENT	18.51	12.02
0.5 TO 0.9 PERCENT	2.53	3.74
0.0 TO 0.4 PERCENT	0.71	1.21
WILL DECLINE	0.18	0.57

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	12Q4 TO 13Q4	13Q4 TO 14Q4
4 PERCENT OR MORE	0.03	0.08
3.5 TO 3.9 PERCENT	0.03	0.24
3.0 TO 3.4 PERCENT	0.41	1.36
2.5 TO 2.9 PERCENT	1.64	6.49
2.0 TO 2.4 PERCENT	8.67	25.35
1.5 TO 1.9 PERCENT	23.04	37.20
1.0 TO 1.4 PERCENT	53.69	20.92
0.5 TO 0.9 PERCENT	10.13	6.42
0.0 TO 0.4 PERCENT	1.83	1.60
WILL DECLINE	0.53	0.34

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
 SURVEY OF PROFESSIONAL FORECASTERS, FOURTH 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	0.68	MINIMUM	0.58
LOWER QUARTILE	2.00	LOWER QUARTILE	1.68
MEDIAN	2.10	MEDIAN	1.80
UPPER QUARTILE	2.30	UPPER QUARTILE	2.00
MAXIMUM	2.70	MAXIMUM	2.50
MEAN	2.09	MEAN	1.84
STD. DEVIATION	0.37	STD. DEVIATION	0.36
N	38	N	36
MISSING	4	MISSING	6

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2013-2022

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CPI INFLATION RATE		PCE INFLATION RATE	
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MINIMUM	1.11	MINIMUM	0.95
LOWER QUARTILE	2.00	LOWER QUARTILE	1.80
MEDIAN	2.30	MEDIAN	2.00
UPPER QUARTILE	2.50	UPPER QUARTILE	2.30
MAXIMUM	2.90	MAXIMUM	2.70
MEAN	2.22	MEAN	2.03
STD. DEVIATION	0.38	STD. DEVIATION	0.34
N	38	N	36
MISSING	4	MISSING	6

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