



SURVEY OF PROFESSIONAL FORECASTERS

Release Date: February 14, 2014

FIRST QUARTER 2014

Forecasters Predict Higher Growth and Lower Unemployment over the Next Three Years

The outlook for growth in the U.S. economy over the next three years looks stronger than that of three months ago, according to 45 forecasters surveyed by the Federal Reserve Bank of Philadelphia. On an annual-average over annual-average basis, the forecasters predict faster real GDP growth in 2014, 2015, and 2016. The forecasters see real GDP growing 2.8 percent in 2014, up from their prediction of 2.6 percent in the last survey. The forecasters predict real GDP will grow 3.1 percent in 2015, higher than their prediction of 2.8 percent in the last survey. For 2016, the forecast for real GDP growth, at 3.1 percent, is 0.4 percentage point higher than the last survey.

A brighter outlook for the unemployment rate accompanies the more positive outlook for growth. The forecasters predict that the unemployment rate will be an annual average of 6.5 percent in 2014, before falling to 6.1 percent in 2015, 5.7 percent in 2016, and 5.5 percent in 2017. The projections for 2014, 2015, and 2016 are below those of the last survey.

On the jobs front, the forecasters see little change in job growth in 2014. The forecasters' projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 187,700 in 2014 and 206,900 in 2015, 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>						
2014:Q1	2.5	2.0	7.1	6.7	187.0	177.4
2014:Q2	2.9	3.0	7.0	6.6	193.5	193.5
2014:Q3	2.9	2.8	6.9	6.4	201.8	195.2
2014:Q4	2.9	2.7	6.8	6.3	202.1	215.0
2015:Q1	N.A.	3.2	N.A.	6.2	N.A.	201.0
<i>Annual Data (projections are based on annual-average levels):</i>						
2014	2.6	2.8	7.0	6.5	189.9	187.7
2015	2.8	3.1	6.4	6.1	N.A.	206.9
2016	2.7	3.1	6.0	5.7	N.A.	N.A.
2017	N.A.	2.4	N.A.	5.5	N.A.	N.A.

A Note to Users of the Data for Density Projections and Long-Term Forecasts for the Rate on 10-Year Constant Maturity Treasury Bonds

We made two permanent changes to the survey's design. First, we changed the definitions of the bins for the density questions on unemployment and GDP inflation. For unemployment, we shaved 2 percentage points from the endpoints of each bin. For GDP inflation, we defined the endpoints of each bin to correspond with those of core CPI inflation and core PCE inflation.

Second, we changed the phrasing of the question for the long-term (10-year annual-average) rate on 10-year constant maturity Treasury bonds. This question, which appears only in first-quarter surveys, has always been ambiguous. In previous first-quarter surveys, we asked for the return on 10-year Treasury bonds over the next 10 years. It was never clear whether we meant the return to buying a 10-year Treasury bond on the survey date and holding it until maturity or whether we meant the average return from buying a 10-year constant maturity Treasury bond each quarter (or month or day) over the next 10 years and holding the bonds until they mature. We have changed the question to emphasize the latter: We now ask for the yield on 10-year constant maturity Treasury bonds, and we make it clear to the panelists that we mean the average yield in the current year and the following nine years. This adjustment to the way we now ask the question might or might not change the panelists' responses compared with the way they would have answered had we not changed the question.

We caution users of the data against comparing the *long-term* (10-year annual-average) forecasts for 10-year Treasury bonds in this survey with those of previous first-quarter surveys. Note that we have not changed the questions on *short-term* projections for 10-year Treasury rates that appear in each quarterly survey. Thus, the short-term projections in this survey are comparable with those of all previous surveys.

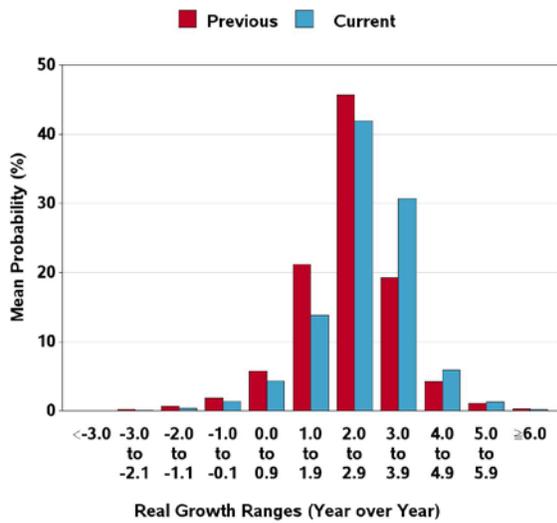
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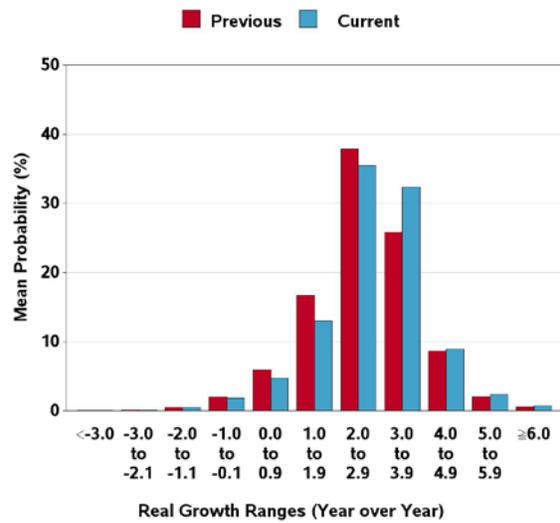
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The charts below provide some insight into the degree of uncertainty the forecasters have about their projections for the rate of growth in the annual-average level of real GDP. Each chart (except the chart for 2017) presents the forecasters' previous and current estimates of the probability that growth will fall into each of 11 ranges. The forecasters have shifted the distributions of density to the right for 2014, 2015, and 2016, indicating their expectations for higher real GDP growth compared with their previous estimates.

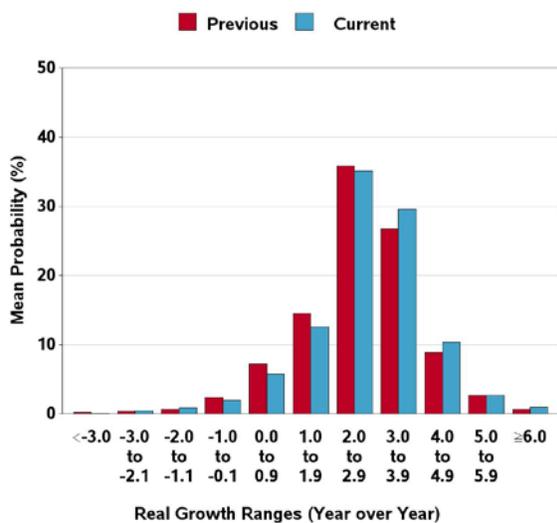
Mean Probabilities for Real GDP Growth in 2014



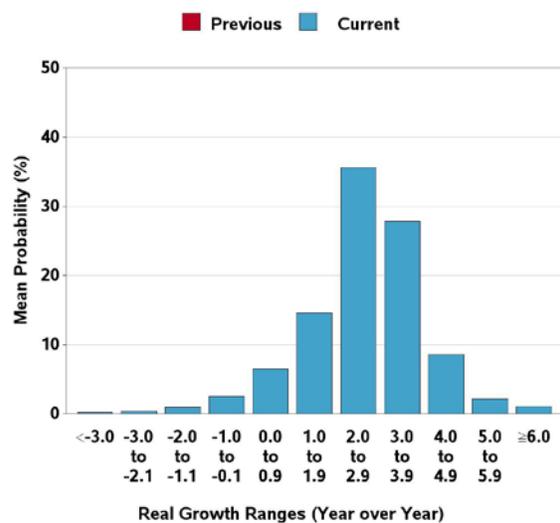
Mean Probabilities for Real GDP Growth in 2015



Mean Probabilities for Real GDP Growth in 2016

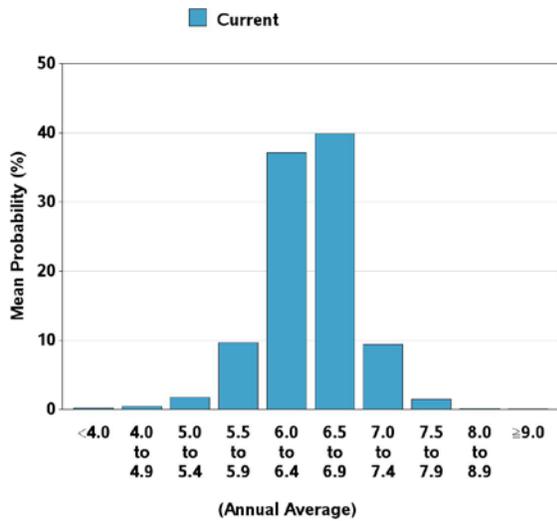


Mean Probabilities for Real GDP Growth in 2017

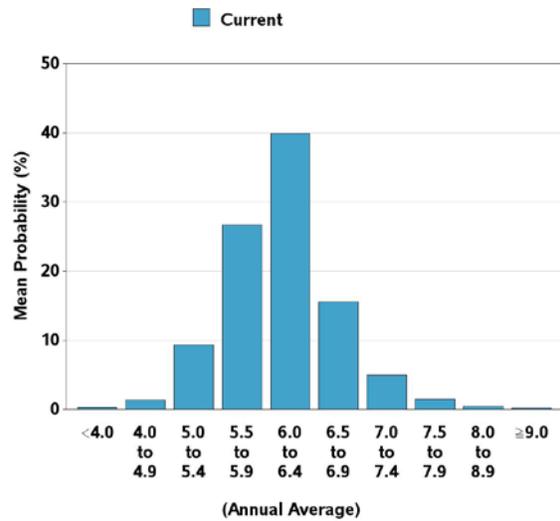


The forecasters' density projections for unemployment, shown below, shed light on uncertainty about the labor market over the next four years. Each chart for unemployment presents the forecasters' current estimates of the probability that unemployment will fall into each of 10 ranges. The forecasters estimate a near-40 percent chance that unemployment will average 6.0 to 6.4 percent in 2014 and 2015. They see a 35 percent chance of unemployment averaging 5.5 to 5.9 percent in 2016 and a substantial chance that unemployment will be below 5.5 percent in 2017.

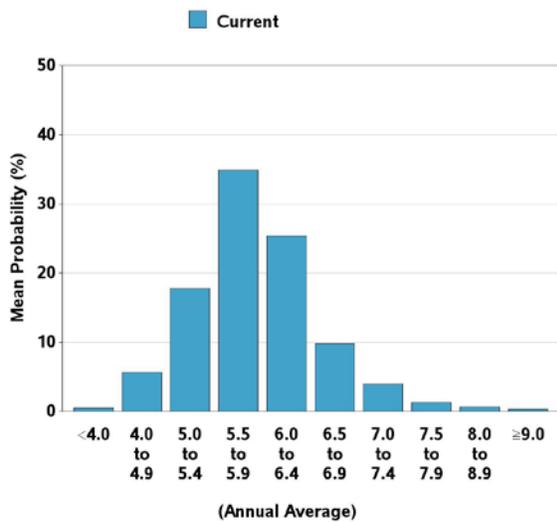
Mean Probabilities for Unemployment Rate in 2014



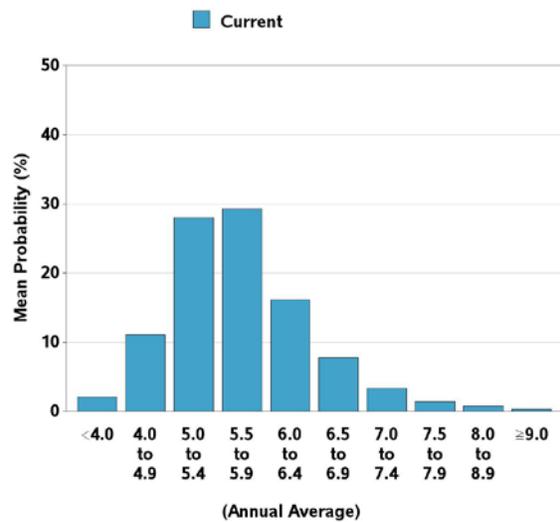
Mean Probabilities for Unemployment Rate in 2015



Mean Probabilities for Unemployment Rate in 2016



Mean Probabilities for Unemployment Rate in 2017



Forecasters See Lower Inflation

The forecasters expect current-quarter headline CPI inflation to average 1.7 percent, lower than the last survey's estimate of 1.8 percent. The forecasters predict current-quarter headline PCE inflation of 1.3 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 1.8 percent in 2014, down from 2.0 percent in the last survey, and 2.0 percent in 2015, down 0.2 percentage point from the previous estimate. Forecasters expect fourth-quarter over fourth-quarter headline PCE inflation to average 1.6 percent in 2014, down from 1.9 percent in the last survey, and 1.8 percent in 2015, down 0.1 percentage point from the previous estimate.

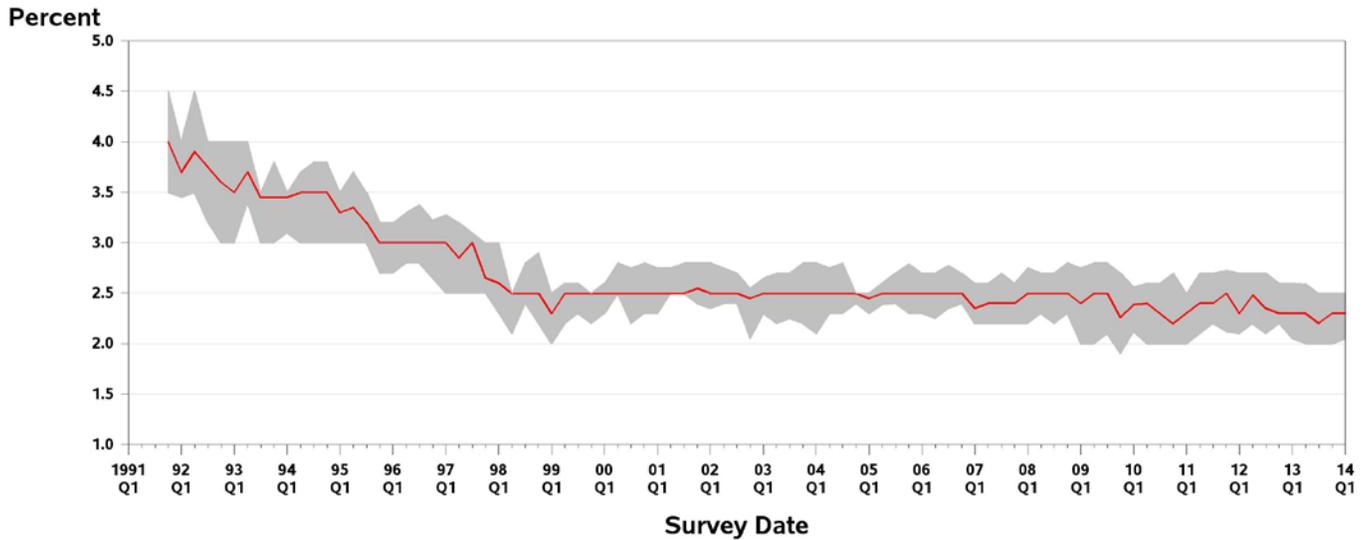
Over the next 10 years, 2014 to 2023, the forecasters expect headline CPI inflation to average 2.3 percent at an annual rate. The corresponding estimate for 10-year annual-average PCE inflation is 2.0 percent.

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

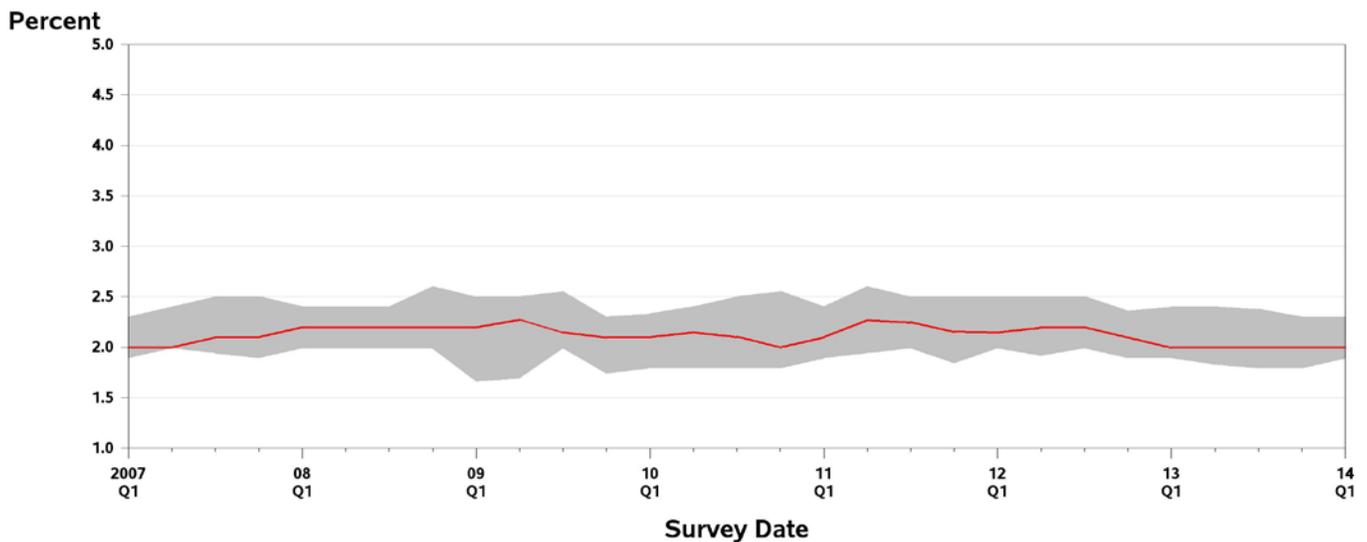
	Headline CPI		Core CPI		Headline PCE		Core PCE	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
<i>Quarterly</i>								
2014:Q1	1.8	1.7	1.9	1.8	1.8	1.3	1.7	1.5
2014:Q2	2.0	1.7	1.9	1.8	1.9	1.5	1.8	1.5
2014:Q3	2.0	1.9	2.0	1.9	1.9	1.7	1.7	1.6
2014:Q4	2.1	2.0	2.0	1.9	1.9	1.7	1.8	1.7
2015:Q1	N.A.	2.0	N.A.	2.1	N.A.	1.8	N.A.	1.8
<i>Q4/Q4 Annual Averages</i>								
2014	2.0	1.8	2.0	1.9	1.9	1.6	1.7	1.6
2015	2.2	2.0	2.1	2.0	1.9	1.8	1.9	1.8
2016	N.A.	2.1	N.A.	2.1	N.A.	2.0	N.A.	1.9
<i>Long-Term Annual Averages</i>								
2013-2017	2.1	N.A.	N.A.	N.A.	1.8	N.A.	N.A.	N.A.
2014-2018	N.A.	2.1	N.A.	N.A.	N.A.	1.9	N.A.	N.A.
2013-2022	2.3	N.A.	N.A.	N.A.	2.0	N.A.	N.A.	N.A.
2014-2023	N.A.	2.3	N.A.	N.A.	N.A.	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 shows the unchanged long-term projection for CPI inflation, at 2.3 percent. 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)**

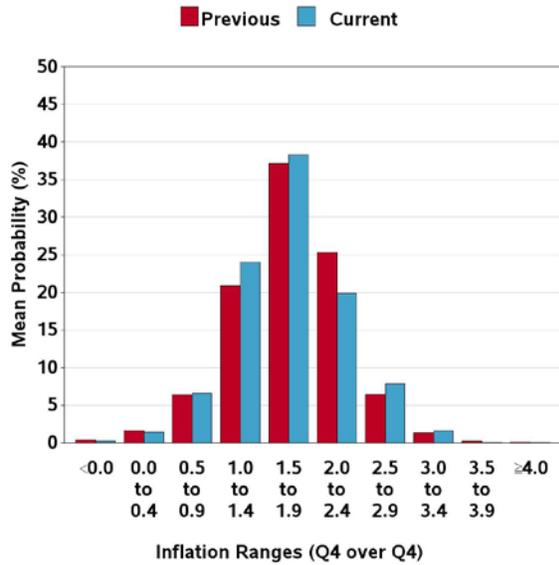


**Projections for the 10-Year Annual-Average Rate of PCE Inflation
(Median and Interquartile Range)**

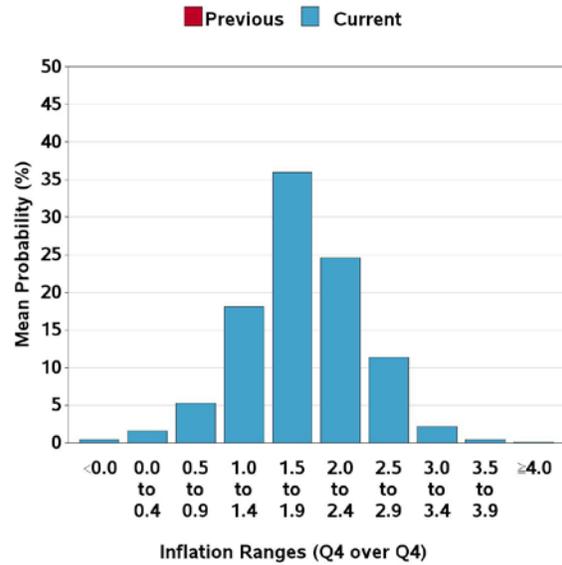


The figures below show the probabilities that the forecasters are assigning to the possibility that fourth-quarter over fourth-quarter core PCE inflation in 2014 and 2015 will fall into each of 10 ranges. For 2014, the forecasters assign a higher chance than previously noted that core PCE inflation will fall in the range of 1.0 to 1.9 percent (and a lower probability that inflation will fall in the range of 2.0 to 2.4 percent).

Mean Probabilities for Core PCE Inflation in 2014



Mean Probabilities for Core PCE Inflation in 2015



Risk of a Negative Quarter Remains Low

For the current quarter, the forecasters predict an 11.2 percent chance of negative growth. As the table below shows, the forecasters have kept their risk estimates for a downturn in the following quarters nearly unchanged, compared with their previous estimates.

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

<i>Quarterly Data:</i>	<i>Previous</i>	<i>New</i>
2014: Q1	11.1	11.2
2014: Q2	11.6	9.3
2014: Q3	11.7	10.6
2014: Q4	12.2	11.4
2015: Q1	N.A.	11.7

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 for growth in 2014 and 2015.

Twenty-three panelists answered the special question. Some panelists provided projections for more than one index. The table below provides a summary of the forecasters' responses. The number of responses (N) is low for each index. The median estimates for the six house-price indices listed in the table below range from 2.1 percent to 7.0 percent in 2014 and from 2.7 percent to 4.9 percent in 2015.

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

Index	2014 (Q4/Q4 Percent Change)			2015 (Q4/Q4 Percent Change)		
	N	Mean	Median	N	Mean	Median
S&P/Case-Shiller: U.S. National	6	5.6	5.9	6	4.4	4.9
S&P/Case-Shiller: Composite 20	6	4.8	4.5	6	3.5	3.2
FHFA: U.S. Total	6	7.2	6.3	6	3.1	2.7
FHFA: Purchase Only	5	5.1	5.8	5	2.7	2.9
CoreLogic: National HPI, incl. Distressed Sales (Single Family Combined)	6	6.4	7.0	6	4.8	4.8
NAR Median: Total Existing	1	2.1	2.1	1	2.8	2.8

Forecasters See Little Reason to Revise Long-Run Estimates of Growth in Output and Productivity

In the 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 slightly increased their estimates for the annual-average rate of growth in real GDP over the next 10 years. Currently, the forecasters expect real GDP to grow at an annual-average rate of 2.6 percent over the next 10 years, up from 2.5 percent in the first-quarter survey of 2013.

The forecasters' current projection for 10-year annual-average productivity growth is 1.80 percent, the same rate they predicted in last year's first-quarter survey. Stocks are seen returning 6.00 percent annually over the next 10 years, while Treasury bills will return 2.50 percent annually over the same period.

Median Long-Term (10-Year) Forecasts (%)

	<i>First Quarter 2013</i>	<i>Current Survey</i>
<i>Real GDP Growth</i>	2.50	2.60
<i>Productivity Growth</i>	1.80	1.80
<i>Stock Returns (S&P 500)</i>	6.13	6.00
<i>Rate on 10-Year Treasury Bonds</i>	N.A.	4.35
<i>Bill Returns (3-Month)</i>	2.40	2.50

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; **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; **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; **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; **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

	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2014	2015 (YEAR-OVER-YEAR)	2016	2017
PERCENT GROWTH AT ANNUAL RATES									
1. REAL GDP (BILLIONS, CHAIN WEIGHTED)	2.0	3.0	2.8	2.7	3.2	2.8	3.1	3.1	2.4
2. GDP PRICE INDEX (PERCENT CHANGE)	1.7	1.6	1.9	1.9	2.0	1.6	2.0	N.A.	N.A.
3. NOMINAL GDP (\$ BILLIONS)	3.5	4.4	4.4	4.8	4.9	4.4	4.8	N.A.	N.A.
4. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	1.6 177.4	1.7 193.5	1.7 195.2	1.9 215.0	1.7 201.0	1.7 187.7	1.8 206.9	N.A. N.A.	N.A. N.A.
VARIABLES IN LEVELS									
5. UNEMPLOYMENT RATE (PERCENT)	6.7	6.6	6.4	6.3	6.2	6.5	6.1	5.7	5.5
6. 3-MONTH TREASURY BILL (PERCENT)	0.1	0.1	0.1	0.1	0.1	0.1	0.3	1.5	2.8
7. 10-YEAR TREASURY BOND (PERCENT)	2.8	3.0	3.1	3.3	3.4	3.1	3.6	4.1	4.4
	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2014	2015 (Q4-OVER-Q4)	2016	
INFLATION INDICATORS									
8. CPI (ANNUAL RATE)	1.7	1.7	1.9	2.0	2.0	1.8	2.0	2.1	
9. CORE CPI (ANNUAL RATE)	1.8	1.8	1.9	1.9	2.1	1.9	2.0	2.1	
10. PCE (ANNUAL RATE)	1.3	1.5	1.7	1.7	1.8	1.6	1.8	2.0	
11. CORE PCE (ANNUAL RATE)	1.5	1.5	1.6	1.7	1.8	1.6	1.8	1.9	

THE FIGURES ON EACH LINE ARE MEDIANS OF 45 INDIVIDUAL FORECASTERS.

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2014.

SURVEY OF PROFESSIONAL FORECASTERS

First Quarter 2014

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 10, 2014.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS
MEDIAN OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST					ACTUAL	FORECAST				
		2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL	2016 ANNUAL	2017 ANNUAL	
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	43	17103	17249	17437	17625	17834	18048	16803	17542	18392	N.A.	N.A.	
2. GDP PRICE INDEX (2009=100)	42	107.02	107.48	107.91	108.41	108.91	109.46	106.47	108.17	110.31	N.A.	N.A.	
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	23	N.A.	1738.0	1759.0	1791.9	1793.6	1825.7	N.A.	1776.3	1871.7	N.A.	N.A.	
4. UNEMPLOYMENT RATE (PERCENT)	44	7.0	6.7	6.6	6.4	6.3	6.2	7.4	6.5	6.1	5.7	5.5	
5. NONFARM PAYROLL EMPLOYMENT (THOUSANDS)	38	136747	137279	137860	138445	139090	139693	135927	138180	140663	N.A.	N.A.	
6. INDUSTRIAL PRODUCTION (2007=100)	38	101.2	102.1	102.9	103.6	104.4	105.4	99.6	103.3	106.5	N.A.	N.A.	
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	40	1.00	1.02	1.08	1.13	1.18	1.22	0.93	1.11	1.26	N.A.	N.A.	
8. 3-MONTH TREASURY BILL RATE (PERCENT)	42	0.06	0.07	0.08	0.10	0.10	0.12	0.06	0.09	0.35	1.50	2.78	
9. AAA CORPORATE BOND YIELD (PERCENT)	33	4.59	4.60	4.70	4.80	4.89	4.97	4.24	4.73	5.08	N.A.	N.A.	
10. BAA CORPORATE BOND YIELD (PERCENT)	32	5.36	5.35	5.47	5.60	5.75	5.83	5.10	5.52	6.00	N.A.	N.A.	
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	43	2.75	2.84	3.00	3.12	3.25	3.40	2.35	3.06	3.58	4.05	4.43	
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	43	15966	16045	16164	16276	16386	16517	15767	16216	16721	17247	17665	
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	41	10832.8	10900.9	10967.4	11043.4	11113.8	11186.4	10728.2	11007.8	11306.8	N.A.	N.A.	
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	39	2013.5	2038.0	2066.8	2096.5	2126.3	2157.5	1982.1	2080.7	2207.0	N.A.	N.A.	
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	39	486.5	498.2	513.5	528.5	546.9	565.2	486.0	521.5	578.3	N.A.	N.A.	
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	38	1125.2	1130.4	1131.3	1133.0	1134.2	1133.5	1157.5	1132.7	1133.7	N.A.	N.A.	
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	38	1745.4	1748.9	1751.6	1755.0	1759.5	1764.6	1739.7	1753.4	1772.1	N.A.	N.A.	
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	39	127.2	90.0	74.5	65.0	57.1	60.3	85.4	72.8	61.3	N.A.	N.A.	
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	39	-370.1	-370.0	-370.5	-370.0	-373.0	-378.7	-409.1	-373.8	-381.4	N.A.	N.A.	

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2014.

TABLE TWO
MAJOR MACROECONOMIC INDICATORS
PERCENTAGE CHANGES AT ANNUAL RATES

	NUMBER OF FORECASTERS	Q4 2013 TO Q1 2014	Q1 2014 TO Q2 2014	Q2 2014 TO Q3 2014	Q3 2014 TO Q4 2014	Q4 2014 TO Q1 2015	2013 TO 2014	2014 TO 2015	2015 TO 2016	2016 TO 2017
1. GROSS DOMESTIC PRODUCT (GDP) (\$ BILLIONS)	43	3.5	4.4	4.4	4.8	4.9	4.4	4.8	N.A.	N.A.
2. GDP PRICE INDEX (2009=100)	42	1.7	1.6	1.9	1.9	2.0	1.6	2.0	N.A.	N.A.
3. CORPORATE PROFITS AFTER TAXES (\$ BILLIONS)	23	0.0	4.9	7.7	0.4	7.3	5.6	5.4	N.A.	N.A.
4. UNEMPLOYMENT RATE (PERCENT)	44	-0.3	-0.1	-0.2	-0.1	-0.1	-0.9	-0.4	-0.3	-0.2
5. NONFARM PAYROLL EMPLOYMENT (PERCENT CHANGE) (AVG MONTHLY CHANGE)	38 38	1.6 177.4	1.7 193.5	1.7 195.2	1.9 215.0	1.7 201.0	1.7 187.7	1.8 206.9	N.A. N.A.	N.A. N.A.
6. INDUSTRIAL PRODUCTION (2007=100)	38	3.8	2.8	3.1	3.1	3.6	3.7	3.1	N.A.	N.A.
7. NEW PRIVATE HOUSING STARTS (ANNUAL RATE, MILLIONS)	40	8.8	24.3	20.8	18.7	15.1	19.2	13.9	N.A.	N.A.
8. 3-MONTH TREASURY BILL RATE (PERCENT)	42	0.01	0.01	0.02	0.01	0.02	0.03	0.26	1.15	1.28
9. AAA CORPORATE BOND YIELD (PERCENT)	33	0.01	0.10	0.10	0.09	0.08	0.49	0.35	N.A.	N.A.
10. BAA CORPORATE BOND YIELD (PERCENT)	32	-0.01	0.12	0.13	0.15	0.08	0.42	0.48	N.A.	N.A.
11. 10-YEAR TREASURY BOND YIELD (PERCENT)	43	0.09	0.16	0.12	0.13	0.15	0.71	0.52	0.47	0.38
12. REAL GDP (BILLIONS, CHAIN WEIGHTED)	43	2.0	3.0	2.8	2.7	3.2	2.8	3.1	3.1	2.4
13. TOTAL CONSUMPTION EXPENDITURE (BILLIONS, CHAIN WEIGHTED)	41	2.5	2.5	2.8	2.6	2.6	2.6	2.7	N.A.	N.A.
14. NONRESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	39	5.0	5.8	5.9	5.8	6.0	5.0	6.1	N.A.	N.A.
15. RESIDENTIAL FIXED INVESTMENT (BILLIONS, CHAIN WEIGHTED)	39	10.0	12.8	12.2	14.7	14.0	7.3	10.9	N.A.	N.A.
16. FEDERAL GOVERNMENT C & I (BILLIONS, CHAIN WEIGHTED)	38	1.8	0.3	0.6	0.4	-0.2	-2.1	0.1	N.A.	N.A.
17. STATE AND LOCAL GOVT C & I (BILLIONS, CHAIN WEIGHTED)	38	0.8	0.6	0.8	1.0	1.2	0.8	1.1	N.A.	N.A.
18. CHANGE IN PRIVATE INVENTORIES (BILLIONS, CHAIN WEIGHTED)	39	-37.2	-15.5	-9.5	-7.9	3.2	-12.6	-11.5	N.A.	N.A.
19. NET EXPORTS (BILLIONS, CHAIN WEIGHTED)	39	0.1	-0.5	0.5	-3.0	-5.7	35.4	-7.6	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, FIRST QUARTER 2014.

TABLE THREE
 MAJOR PRICE INDICATORS
 MEDIANS OF FORECASTER PREDICTIONS

	NUMBER OF FORECASTERS	ACTUAL	FORECAST(Q/Q)					ACTUAL	FORECAST(Q4/Q4)			
		2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2013 ANNUAL	2014 ANNUAL	2015 ANNUAL	2016 ANNUAL	
1. CONSUMER PRICE INDEX (ANNUAL RATE)	44	0.9	1.7	1.7	1.9	2.0	2.0	1.2	1.8	2.0	2.1	
2. CORE CONSUMER PRICE INDEX (ANNUAL RATE)	40	1.6	1.8	1.8	1.9	1.9	2.1	1.7	1.9	2.0	2.1	
3. PCE PRICE INDEX (ANNUAL RATE)	38	0.7	1.3	1.5	1.7	1.7	1.8	0.9	1.6	1.8	2.0	
4. CORE PCE PRICE INDEX (ANNUAL RATE)	39	1.1	1.5	1.5	1.6	1.7	1.8	1.1	1.6	1.8	1.9	

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA. SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2014.

TABLE FOUR
ESTIMATED PROBABILITY OF DECLINE IN REAL GDP

ESTIMATED PROBABILITY (CHANCES IN 100)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
	TO Q1 2014	TO Q2 2014	TO Q3 2014	TO Q4 2014	TO Q1 2015

NUMBER OF FORECASTERS

10 OR LESS	26	30	26	24	24
11 TO 20	9	6	13	13	11
21 TO 30	4	5	2	4	4
31 TO 40	1	0	0	0	2
41 TO 50	0	0	0	0	0
51 TO 60	1	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	4

MEAN AND MEDIAN

MEDIAN PROBABILITY	10.00	7.84	8.00	8.90	8.00
MEAN PROBABILITY	11.17	9.30	10.55	11.37	11.71

NOTE: TOTAL NUMBER OF FORECASTERS REPORTING IS 41.
SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2014.

TABLE FIVE
MEAN PROBABILITIES

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

	2014	2015	2016	2017
9.0 PERCENT OR MORE	0.03	0.16	0.24	0.29
8.0 TO 8.9 PERCENT	0.11	0.40	0.62	0.78
7.5 TO 7.9 PERCENT	1.50	1.49	1.30	1.40
7.0 TO 7.4 PERCENT	9.41	4.94	3.96	3.31
6.5 TO 6.9 PERCENT	39.85	15.54	9.78	7.76
6.0 TO 6.4 PERCENT	37.12	39.90	25.37	16.14
5.5 TO 5.9 PERCENT	9.61	26.66	34.91	29.24
5.0 TO 5.4 PERCENT	1.73	9.32	17.76	27.97
4.0 TO 4.9 PERCENT	0.44	1.34	5.61	11.03
LESS THAN 4.0 PERCENT	0.20	0.26	0.45	2.06

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

	2013-2014	2014-2015	2015-2016	2016-2017
6.0 OR MORE	0.18	0.69	0.88	0.96
5.0 TO 5.9	1.30	2.37	2.61	2.15
4.0 TO 4.9	5.86	8.94	10.34	8.54
3.0 TO 3.9	30.72	32.40	29.54	27.80
2.0 TO 2.9	41.97	35.44	35.09	35.58
1.0 TO 1.9	13.83	12.99	12.61	14.58
0.0 TO 0.9	4.34	4.70	5.74	6.44
-1.0 TO -0.1	1.38	1.87	1.90	2.49
-2.0 TO -1.1	0.34	0.47	0.81	0.92
-3.0 TO -2.1	0.07	0.11	0.41	0.35
LESS THAN -3.0	0.00	0.03	0.06	0.18

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

	2013-2014	2014-2015
4.0 OR MORE	0.33	0.42
3.5 TO 3.9	0.43	0.70
3.0 TO 3.4	1.37	2.20
2.5 TO 2.9	5.10	10.84
2.0 TO 2.4	21.56	29.64
1.5 TO 1.9	39.08	33.97
1.0 TO 1.4	22.61	13.81
0.5 TO 0.9	6.44	5.60
0.0 TO 0.4	2.50	2.15
WILL DECLINE	0.60	0.65

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2014.

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

MEAN PROBABILITY ATTACHED TO CORE CPI INFLATION:

	13Q4 TO 14Q4	14Q4 TO 15Q4
	-----	-----
4 PERCENT OR MORE	0.22	0.61
3.5 TO 3.9 PERCENT	0.42	0.97
3.0 TO 3.4 PERCENT	2.29	3.16
2.5 TO 2.9 PERCENT	9.24	15.08
2.0 TO 2.4 PERCENT	27.24	30.11
1.5 TO 1.9 PERCENT	40.91	33.85
1.0 TO 1.4 PERCENT	14.31	10.77
0.5 TO 0.9 PERCENT	3.77	3.79
0.0 TO 0.4 PERCENT	1.17	1.10
WILL DECLINE	0.41	0.56

MEAN PROBABILITY ATTACHED TO CORE PCE INFLATION:

	13Q4 TO 14Q4	14Q4 TO 15Q4
	-----	-----
4 PERCENT OR MORE	0.03	0.10
3.5 TO 3.9 PERCENT	0.06	0.46
3.0 TO 3.4 PERCENT	1.61	2.15
2.5 TO 2.9 PERCENT	7.84	11.33
2.0 TO 2.4 PERCENT	19.88	24.62
1.5 TO 1.9 PERCENT	38.34	36.00
1.0 TO 1.4 PERCENT	23.98	18.11
0.5 TO 0.9 PERCENT	6.60	5.26
0.0 TO 0.4 PERCENT	1.42	1.55
WILL DECLINE	0.24	0.42

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
 SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2014.

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

ANNUAL AVERAGE OVER THE NEXT 5 YEARS: 2014-2018

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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	0.81	MINIMUM	0.72
LOWER QUARTILE	2.00	LOWER QUARTILE	1.80
MEDIAN	2.10	MEDIAN	1.90
UPPER QUARTILE	2.32	UPPER QUARTILE	2.20
MAXIMUM	3.00	MAXIMUM	2.60
MEAN	2.14	MEAN	1.91
STD. DEVIATION	0.37	STD. DEVIATION	0.34
N	40	N	37
MISSING	5	MISSING	8

ANNUAL AVERAGE OVER THE NEXT 10 YEARS: 2014-2023

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CPI INFLATION RATE		PCE INFLATION RATE	
-----		-----	
MINIMUM	1.21	MINIMUM	1.08
LOWER QUARTILE	2.05	LOWER QUARTILE	1.90
MEDIAN	2.30	MEDIAN	2.00
UPPER QUARTILE	2.50	UPPER QUARTILE	2.30
MAXIMUM	3.40	MAXIMUM	2.90
MEAN	2.29	MEAN	2.06
STD. DEVIATION	0.39	STD. DEVIATION	0.37
N	40	N	37
MISSING	5	MISSING	8

REAL GDP GROWTH RATE		PRODUCTIVITY GROWTH RATE	
-----		-----	
MINIMUM	1.75	MINIMUM	1.00
LOWER QUARTILE	2.40	LOWER QUARTILE	1.50
MEDIAN	2.60	MEDIAN	1.80
UPPER QUARTILE	2.80	UPPER QUARTILE	2.00
MAXIMUM	3.50	MAXIMUM	2.40
MEAN	2.57	MEAN	1.76
STD. DEVIATION	0.39	STD. DEVIATION	0.37
N	38	N	29
MISSING	7	MISSING	16

STOCK RETURNS (S&P 500)		BOND RETURNS (10-YEAR)		BILL RETURNS (3-MONTH)	
-----		-----		-----	
MINIMUM	2.70	MINIMUM	2.70	MINIMUM	0.10
LOWER QUARTILE	5.00	LOWER QUARTILE	4.00	LOWER QUARTILE	1.92
MEDIAN	6.00	MEDIAN	4.35	MEDIAN	2.50
UPPER QUARTILE	7.20	UPPER QUARTILE	4.70	UPPER QUARTILE	2.88
MAXIMUM	12.00	MAXIMUM	5.30	MAXIMUM	4.20
MEAN	6.43	MEAN	4.25	MEAN	2.37
STD. DEVIATION	2.07	STD. DEVIATION	0.64	STD. DEVIATION	0.85
N	27	N	33	N	32
MISSING	18	MISSING	12	MISSING	13

SOURCE: RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF PHILADELPHIA.
SURVEY OF PROFESSIONAL FORECASTERS, FIRST QUARTER 2014.