

## Accessible Version

# Summary of Economic Projections Compilation and Summary of Individual Economic Projections

## January 24-25, 2012 Tables and Charts

SEP: Compilation and Summary of Individual Economic Projections (PDF)

Authorized for Public Release

**Table 1: Economic projections of Federal Reserve Board members and Federal Reserve Bank Presidents, January 2012**

Percent

Variable	Central tendency				Range			
	2011	2012	2013	Longer run	2011	2012	2013	Longer run
Change in real GDP	2.2 to 2.7	2.8 to 3.2	3.3 to 4.0	2.3 to 2.6	2.1 to 3.0	2.4 to 3.8	2.8 to 4.3	2.2 to 3.0
November projection	2.5 to 2.9	3.0 to 3.5	3.0 to 3.9	2.4 to 2.7	2.3 to 3.5	2.7 to 4.0	2.7 to 4.5	2.2 to 3.0
Unemployment rate	8.2 to 8.5	7.4 to 8.1	6.7 to 7.6	5.2 to 6.0	7.8 to 8.6	7.0 to 8.2	6.3 to 7.7	5.0 to 6.0
November projection	8.5 to 8.7	7.8 to 8.2	6.8 to 7.7	5.2 to 6.0	8.1 to 8.9	7.5 to 8.4	6.5 to 8.0	5.0 to 6.0
PCE inflation	1.4 to 1.8	1.4 to 2.0	1.6 to 2.0	2.0	1.3 to 2.5	1.4 to 2.3	1.5 to 2.1	2.0
November projection	1.4 to 2.0	1.5 to 2.0	1.5 to 2.0	1.7 to 2.0	1.4 to 2.8	1.4 to 2.5	1.5 to 2.4	1.5 to 2.0
Core PCE inflation <sup>3</sup>	1.5 to 1.8	1.5 to 2.0	1.6 to 2.0		1.3 to 2.0	1.4 to 2.0	1.4 to 2.0	
November projection	1.5 to 2.0	1.4 to 1.9	1.5 to 2.0		1.3 to 2.1	1.4 to 2.1	1.4 to 2.2	

Note: Projections of change in real gross domestic product (GDP) and projections for both measures of inflation are from the fourth quarter of the previous year to the fourth quarter of the year indicated. PCE inflation and core PCE inflation are the percentage rates of change in, respectively, the price index for personal consumption expenditures (PCE) and the price index for PCE excluding food and energy. Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated. Each participant's projections are based on his or her assessment of appropriate monetary policy. Longer-run projections represent each participant's assessment of the rate to which each variable would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy. The November projections were made in conjunction with the Federal Open Market Committee meeting on November 1-2, 2011.

1. The central tendency excludes the three highest and three lowest projections for each variable in each year. [Return to table](#)
2. The range for a variable in a given year includes all participants' projections, from lowest to highest, for that variable in that year. [Return to table](#)
3. Longer-run projections for core PCE inflation are not collected. [Return to table](#)

**Table 1a  
Economic Projections for the First Half of 2012\*\*  
(in percent)**

Central Tendencies and Ranges

	Central Tendency	Range
Change in Real GDP	1.9 to 2.4	1.7 to 3.0
PCE Inflation	1.5 to 1.8	1.2 to 2.7
Core PCE Inflation	1.4 to 1.8	1.2 to 2.0

Participants' Projections

Projection	Change in Real GDP	PCE Inflation	Core PCE Inflation
1	1.9	1.5	1.4
2	2.2	1.6	1.5
3	1.7	1.5	1.5
4	2.2	1.6	1.4
5	2.4	1.7	1.7
6	2.0	1.6	1.9
7	2.3	1.5	1.5
8	1.9	1.5	1.5
9	1.7	1.5	1.5
10	2.3	1.8	1.9
11	2.5	2.7	1.7
12	2.3	1.2	1.2
13	2.4	1.5	1.5
14	2.0	1.8	1.8
15	2.3	1.6	1.4
16	1.9	1.3	1.4
17	3.0	2.0	2.0

**Table 1b**  
**Economic Projections for the Second Half of 2012\***  
 (in percent)

Central Tendencies and Ranges

	Central Tendency	Range
Change in Real GDP	2.5 to 3.0	2.4 to 3.5
PCE Inflation	1.3 to 2.0	1.3 to 2.3
Core PCE Inflation	1.5 to 1.9	1.4 to 2.0

Participants' Projections

Projection	Change in Real GDP	PCE Inflation	Core PCE Inflation
1	2.9	1.5	1.6
2	2.8	1.4	1.5
3	2.5	1.3	1.5
4	2.4	1.6	1.6
5	3.0	2.1	1.9
6	2.6	2.0	1.9
7	3.5	1.3	1.5
8	2.5	1.5	1.5
9	2.5	1.3	1.5
10	2.9	1.8	1.9
11	3.5	2.3	1.9
12	2.9	1.4	1.4
13	2.8	1.3	1.5
14	3.0	1.8	1.8
15	2.5	1.8	1.8
16	2.5	1.7	1.8
17	3.0	2.0	2.0

\* Projections for the second half of 2011 implied by participants' January projections for the first half of 2012 and for 2012 as a whole. Growth and inflation are reported at annualized rates. [Return to text](#)

**Table 2**  
**January Economic Projections**  
 (in percent)

Projection	Year	Change in Real GDP	Unemployment Rate	PCE Inflation	Core PCE Inflation	Federal Funds Rate
1	2012	2.4	8.5	1.5	1.5	0.13
2	2012	2.5	8.2	1.5	1.5	0.13
3	2012	2.1	8.6	1.4	1.5	0.13
4	2012	2.3	8.4	1.6	1.5	0.13
5	2012	2.7	8.3	1.9	1.8	0.13
6	2012	2.3	8.5	1.8	1.9	0.13
7	2012	2.9	8.3	1.4	1.5	0.13
8	2012	2.2	8.3	1.5	1.5	0.13
9	2012	2.1	8.6	1.4	1.5	0.13
10	2012	2.6	8.2	1.8	1.9	0.50
11	2012	3.0	7.8	2.5	1.8	0.13
12	2012	2.6	8.0	1.3	1.3	0.13
13	2012	2.6	8.4	1.4	1.5	0.13
14	2012	2.5	8.4	1.8	1.8	1.00
15	2012	2.4	8.3	1.7	1.6	0.13
16	2012	2.2	8.6	1.5	1.6	0.13
17	2012	3.0	7.8	2.0	2.0	1.00
1	2013	3.0	8.1	1.4	1.4	0.13
2	2013	2.9	7.7	1.8	1.6	0.13
3	2013	2.4	8.2	1.4	1.4	0.13
4	2013	2.7	8.1	1.8	1.6	0.13
5	2013	3.0	7.7	2.0	1.9	0.13
6	2013	2.8	8.1	2.0	2.0	0.75



Actual	2.2	(3.3)	(0.5)	3.1	1.6	-	-	-	-
Upper End of Range	-	-	-	-	-	3.0	3.8	4.3	3.0
Upper End of Central Tendency	-	-	-	-	-	2.7	3.2	4.0	2.6
Lower End of Central Tendency	-	-	-	-	-	2.2	2.8	3.3	2.3
Lower End of Range	-	-	-	-	-	2.1	2.4	2.8	2.2

Unemployment rate  
Percent

	2007	2008	2009	2010	2011	2012	2013	2014	Longer run
Actual	4.8	6.9	9.9	9.6	8.7	-	-	-	-
Upper End of Range	-	-	-	-	-	8.6	8.2	7.7	6.0
Upper End of Central Tendency	-	-	-	-	-	8.5	8.1	7.6	6.0
Lower End of Central Tendency	-	-	-	-	-	8.2	7.4	6.7	5.2
Lower End of Range	-	-	-	-	-	7.8	7.0	6.3	5.0

PCE inflation  
Percent

	2007	2008	2009	2010	2011	2012	2013	2014	Longer run
Actual	3.5	1.7	1.5	1.3	2.5	-	-	-	-
Upper End of Range	-	-	-	-	-	2.5	2.3	2.1	2.0
Upper End of Central Tendency	-	-	-	-	-	1.8	2.0	2.0	2.0
Lower End of Central Tendency	-	-	-	-	-	1.4	1.4	1.6	2.0
Lower End of Range	-	-	-	-	-	1.3	1.4	1.5	2.0

Core PCE inflation  
Percent

	2007	2008	2009	2010	2011	2012	2013	2014
Actual	2.4	2.0	1.7	1.0	1.7	-	-	-
Upper End of Range	-	-	-	-	-	2.0	2.0	2.0
Upper End of Central Tendency	-	-	-	-	-	1.8	2.0	2.0
Lower End of Central Tendency	-	-	-	-	-	1.5	1.5	1.6
Lower End of Range	-	-	-	-	-	1.3	1.4	1.4

Note: Definitions of variables are in the notes to table 1. The data for the actual values of the variables are annual. The data for the change in real GDP, PCE inflation, and core PCE inflation shown for 2010 incorporate the advance estimate of GDP for the fourth quarter of 2010, which the Bureau of Economic Analysis released on January 28, 2011. This information was not available to FOMC meeting participants at the time of their meeting.

## Central tendencies and ranges of economic projections, 2012-14 and over the longer run

[Three fan charts display a different visual presentation of the same data from the first three charts of Figure 1, **Change in real GDP**, **Unemployment rate**, and **PCE inflation**.]

## Figure 2. Overview of FOMC participants' assessments of appropriate monetary policy

### Appropriate Timing of Policy Firming

	2012	2013	2014	2015	2016
Number of Participants	3	3	5	4	2

Note: In the upper panel, the height of each bar denotes the number of FOMC participants who judge that, under appropriate monetary policy and in the absence of further shocks to the economy, the first increase in the target federal funds rate from its current range of 0 to ¼ percent will occur in the specified calendar year.

### Appropriate Timing of Policy Firming

#### Number of Participants With Projected Targets

Target Federal Funds Rate at Year-End (Percent)	2012	2013	2014	Longer Run
0.25	14	11	6	
0.50	1	1	2	
0.75		2	1	
1.00	2	1	2	
1.25				

1.50			1	
1.75		1		
2.00		1	1	
2.25				
2.50			3	
2.75			1	
3.00				
3.25				
3.50				
3.75				1
4.00				7
4.25				3
4.50				6

Note: In the lower panel, each shaded circle indicates the value (rounded to the nearest ¼ percent) of an individual participant's judgment of the appropriate level of the target federal funds rate at the end of the specified calendar year or over the longer run.

### Uncertainty and Risks - GDP Growth

2(a): Please indicate your judgment of the uncertainty attached to your projections relative to levels of uncertainty over the past 20 years.

	Lower (C)	Broadly similar (B)	Higher (A)
January projections	0	1	16
November projections	0	1	16

2(b): Please indicate your judgment of the risk weighting around your projections.

	Weighted to downside (C)	Broadly balanced (B)	Weighted to upside (A)
January projections	11	6	0
November projections	11	6	0

#### Individual Responses

Respondent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2(a)	A	A	A	A	A	A	A	A	A	A	B	A	A	A	A
2(b)	C	C	C	C	C	C	C	C	C	B	B	C	C	B	B

### Uncertainty and Risks - Unemployment Rate

2(a): Please indicate your judgment of the uncertainty attached to your projections relative to levels of uncertainty over the past 20 years.

	Lower (C)	Broadly similar (B)	Higher (A)
January projections	0	3	14
November projections	0	3	14

2(b): Please indicate your judgment of the risk weighting around your projections.

	Weighted to downside (C)	Broadly balanced (B)	Weighted to upside (A)
January projections	1	5	11
November projections	0	6	11

#### Individual Responses

Respondent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2(a)	A	A	A	A	A	A	A	A	A	A	B	A	A	A	A
2(b)	A	A	A	A	A	A	A	A	A	C	B	A	A	B	B

### Uncertainty and Risks - PCE Inflation

2(a): Please indicate your judgment of the uncertainty attached to your projections relative to levels of uncertainty over the past 20 years.

	Lower (C)	Broadly similar (B)	Higher (A)
January projections	1	6	10
November projections	1	4	12

2(b): Please indicate your judgment of the risk weighting around your projections.

	Weighted to downside (C)	Broadly balanced (B)	Weighted to upside (A)
January projections	3	11	3
November projections	4	10	3

Individual Responses

Respondent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2(a)	A	A	B	A	A	C	A	B	A	A	B	A	B	B	A
2(b)	B	B	B	B	B	B	B	B	C	C	A	C	B	B	A

### Uncertainty and Risks - Core PCE Inflation

2(a): Please indicate your judgment of the uncertainty attached to your projections relative to levels of uncertainty over the past 20 years.

	Lower (C)	Broadly similar (B)	Higher (A)
January projections	1	7	9
November projections	1	5	11

2(b): Please indicate your judgment of the risk weighting around your projections.

	Weighted to downside (C)	Broadly balanced (B)	Weighted to upside (A)
January projections	3	11	3
November projections	4	10	3

Individual Responses

Respondent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2(a)	A	A	B	B	A	C	A	B	A	A	B	A	B	B	A
2(b)	B	B	B	B	B	B	B	B	C	C	A	C	B	B	A

### Figure 3. Uncertainty and risks in economic projections

Uncertainty about GDP growth

Number of participants

Projections	Lower	Broadly similar	Higher
January projections	0	1	16
November projections	0	1	16

Risks to GDP growth

Number of participants

	Weighted to downside	Broadly balanced	Weighted to upside
January projections	11	6	0
November projections	11	6	0

Uncertainty about the unemployment rate

Number of participants

	Lower	Broadly similar	Higher
January projections	0	3	14
November projections	0	3	14

Risks to the unemployment rate  
Number of participants

	Weighted to downside	Broadly balanced	Weighted to upside
January projections	1	5	11
November projections	0	6	11

Uncertainty about PCE inflation  
Number of participants

	Lower	Broadly similar	Higher
January projections	1	6	10
November projections	1	4	12

Risks to PCE inflation  
Number of participants

	Weighted to downside	Broadly balanced	Weighted to upside
January projections	3	11	3
November projections	4	10	3

Uncertainty about core PCE inflation  
Number of participants

	Lower	Broadly similar	Higher
January projections	1	7	9
November projections	1	5	11

Risks to core PCE inflation  
Number of participants

	Weighted to downside	Broadly balanced	Weighted to upside
January projections	3	11	3
November projections	4	10	3

Note: For definitions of uncertainty and risks in economic projections, see the box "Forecast Uncertainty." Definitions of variables are in the general note to table 1.

Figure 4.A. Distribution of participants' projections for the change in real GDP, 2012-14 and over the longer run

Number of participants

Percent range	2012		2013		2014		Longer run	
	January projections	November projections						
2.0 - 2.1	2	0	0	0	0	0	0	0
2.2 - 2.3	4	1	0	0	0	0	4	3
2.4 - 2.5	4	6	1	0	0	0	8	8
2.6 - 2.7	4	5	1	1	0	1	4	4
2.8 - 2.9	1	3	4	1	2	1	0	1
3.0 - 3.1	2	0	7	7	1	3	1	1
3.2 - 3.3	0	1	2	4	2	1	0	0
3.4 - 3.5	0	1	1	2	5	5	0	0
3.6 - 3.7	0	0	0	0	3	0	0	0
3.8 - 3.9	0	0	1	1	0	3	0	0
4.0 - 4.1	0	0	0	1	2	1	0	0
4.2 - 4.3	0	0	0	0	2	1	0	0
4.4 - 4.5	0	0	0	0	0	1	0	0

Note: Definitions of variables are in the general note to table 1.

Figure 4.B. Distribution of participants' projections for the unemployment rate, 2012-14 and over the longer run

Number of participants

Percent range	2012	2013	2014	Longer run

	January projections	November projections						
5.0 - 5.1	0	0	0	0	0	0	1	1
5.2 - 5.3	0	0	0	0	0	0	4	7
5.4 - 5.5	0	0	0	0	0	0	7	3
5.6 - 5.7	0	0	0	0	0	0	0	1
5.8 - 5.9	0	0	0	0	0	0	0	0
6.0 - 6.1	0	0	0	0	0	0	5	5
6.2 - 6.3	0	0	0	0	1	0	0	0
6.4 - 6.5	0	0	0	0	1	2	0	0
6.6 - 6.7	0	0	0	0	2	1	0	0
6.8 - 6.9	0	0	0	0	0	1	0	0
7.0 - 7.1	0	0	2	0	4	2	0	0
7.2 - 7.3	0	0	1	0	3	3	0	0
7.4 - 7.5	0	0	1	3	1	2	0	0
7.6 - 7.7	0	0	3	0	5	4	0	0
7.8 - 7.9	2	0	2	2	0	1	0	0
8.0 - 8.1	1	1	6	5	0	1	0	0
8.2 - 8.3	6	0	2	6	0	0	0	0
8.4 - 8.5	5	5	0	1	0	0	0	0
8.6 - 8.7	3	9	0	0	0	0	0	0
8.8 - 8.9	0	2	0	0	0	0	0	0

Note: Definitions of variables are in the general note to table 1.

Figure 4.C. Distribution of participants' projections for PCE inflation, 2012-14 and over the longer run

Number of participants

Percent range	2012		2013		2014		Longer run	
	January projections	November projections						
1.3 - 1.4	5	4	5	2	0	0	0	0
1.5 - 1.6	5	3	3	5	5	6	0	3
1.7 - 1.8	4	4	3	4	2	3	0	2
1.9 - 2.0	2	3	4	4	9	6	17	12
2.1 - 2.2	0	2	1	0	1	0	0	0
2.3 - 2.4	0	0	1	1	0	2	0	0
2.5 - 2.6	1	0	0	1	0	0	0	0
2.7 - 2.8	0	1	0	0	0	0	0	0

Note: Definitions of variables are in the general note to table 1.

Figure 4.D. Distribution of participants' projections for core PCE inflation, 2012-14

Number of participants

Percent range	2012		2013		2014	
	January projections	November projections	January projections	November projections	January projections	November projections
1.3 - 1.4	1	2	3	4	1	3
1.5 - 1.6	10	6	7	5	5	4
1.7 - 1.8	3	4	1	3	3	4
1.9 - 2.0	3	3	6	4	8	5
2.1 - 2.2	0	2	0	1	0	1

Note: Definitions of variables are in the general note to table 1.

Figure 4.E. Distribution of participants' projections for the target federal funds rate, 2012-14 and over the longer run

Number of participants

Percent range	2012	2013	2014	Longer Run

	January projections	January projections	January projections	January projections
0.00 - 0.37	14	11	6	0
0.38 - 0.62	1	1	2	0
0.63 - 0.87	0	2	1	0
0.88 - 1.12	2	1	2	0
1.13 - 1.37	0	0	0	0
1.38 - 1.62	0	0	1	0
1.63 - 1.87	0	1	0	0
1.88 - 2.12	0	1	1	0
2.13 - 2.37	0	0	0	0
2.38 - 2.62	0	0	3	0
2.63 - 2.87	0	0	1	0
2.88 - 3.12	0	0	0	0
3.13 - 3.37	0	0	0	0
3.38 - 3.62	0	0	0	0
3.63 - 3.87	0	0	0	1
3.88 - 4.12	0	0	0	7
4.13 - 4.37	0	0	0	3
4.38 - 4.62	0	0	0	6
4.63 - 4.87	0	0	0	0

Note: The target funds rate is measured as the level of the target rate at the end of the calendar year or in the longer run.

### Scatter Plots of Projections in the Liftoff Year

Liftoff Year	Change in Real GDP	Unemployment Rate
2012	2.5	8.4
2012	2.6	8.2
2012	3.0	7.8
2013	2.8	8.1
2013	3.1	7.8
2013	3.8	7.0
2014	2.8	7.2
2014	3.3	7.1
2014	3.4	7.4
2014	3.7	6.7
2014	4.3	6.6
2015	3.3	7.4
2015	4.0	7.0
2015	4.2	6.3
2015	4.6	6.5
2016	3.5	6.5
2016	4.0	6.2

Liftoff Year	Change in Real GDP	PCE Inflation
2012	2.5	1.8
2012	2.6	1.8
2012	3.0	2.0
2013	2.8	2.0
2013	3.1	1.8
2013	3.8	2.3
2014	2.8	2.0
2014	3.3	2.0
2014	3.4	1.5
2014	3.7	1.8
2014	4.3	2.0
2015	3.3	2.0
2015	4.0	1.5
2015	4.2	1.7
2015	4.6	1.7
2016	3.5	2.9
2016	4.0	1.7

Liftoff Year	Unemployment Rate	PCE Inflation
2012	7.8	2.0
2012	8.2	1.8
2012	8.4	1.8
2013	7.0	2.3
2013	7.8	1.8
2013	8.1	2.0
2014	6.6	2.0
2014	6.7	1.8
2014	7.1	2.0
2014	7.2	2.0
2014	7.4	1.5
2015	6.3	1.7
2015	6.5	1.7
2015	7.0	1.5
2015	7.4	2.0
2016	6.2	1.7
2016	6.5	2.9

Last Update: January 5, 2018