

Accessible Version

Figure 1. Central tendencies and ranges of economic projections, 2012-14 and over the longer run

Central tendencies and ranges of economic projections for years 2012 through 2014 and over the longer run. Actual values for years 2007 through 2011.

Change in real GDP
Percent

	2007	2008	2009	2010	2011	2012	2013	2014	Longer Run
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

Note: Definitions of variables are in the notes to the projections table. The data for the variables are annual. Actual fourth-quarter 2011 values for the change in real GDP and for PCE inflation have not yet been published by the Bureau of Economic Analysis; the plotted values of these variables for 2011 are the median estimates taken from the Federal Reserve Bank of New York's January survey of primary dealers.

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 Pace 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.