

Accessible Version

Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes

Percent

Variable	Central tendency ¹				Range ²			
	2013	2014	2015	Longer run	2013	2014	2015	Longer run
Change in real GDP	2.3 to 2.8	2.9 to 3.4	2.9 to 3.7	2.3 to 2.5	2.0 to 3.0	2.6 to 3.8	2.5 to 3.8	2.0 to 3.0
December projection	2.3 to 3.0	3.0 to 3.5	3.0 to 3.7	2.3 to 2.5	2.0 to 3.2	2.8 to 4.0	2.5 to 4.2	2.2 to 3.0
Unemployment rate	7.3 to 7.5	6.7 to 7.0	6.0 to 6.5	5.2 to 6.0	6.9 to 7.6	6.1 to 7.1	5.7 to 6.5	5.0 to 6.0
December projection	7.4 to 7.7	6.8 to 7.3	6.0 to 6.6	5.2 to 6.0	6.9 to 7.8	6.1 to 7.4	5.7 to 6.8	5.0 to 6.0
PCE inflation	1.3 to 1.7	1.5 to 2.0	1.7 to 2.0	2.0	1.3 to 2.0	1.4 to 2.1	1.6 to 2.6	2.0
December projection	1.3 to 2.0	1.5 to 2.0	1.7 to 2.0	2.0	1.3 to 2.0	1.4 to 2.2	1.5 to 2.2	2.0
Core PCE inflation ³	1.5 to 1.6	1.7 to 2.0	1.8 to 2.1		1.5 to 2.0	1.5 to 2.1	1.7 to 2.6	
December projection	1.6 to 1.9	1.6 to 2.0	1.8 to 2.0		1.5 to 2.0	1.5 to 2.0	1.7 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 December projections were made in conjunction with the meeting of the Federal Open Market Committee on December 11-12, 2012.

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](#)

Figure 1. Central tendencies and ranges of economic projections, 2013-15 and over the longer run

Central tendencies and ranges of economic projections for years 2013 through 2015 and over the longer run. Actual values for years 2008 through 2012.

Change in real GDP
Percent

	2008	2009	2010	2011	2012	2013	2014	2015	Longer Run
Actual	(3.3)	(0.1)	2.4	2.0	1.6	-	-	-	-
Upper End of Range	-	-	-	-	-	3.0	3.8	3.8	3.0
Upper End of Central Tendency	-	-	-	-	-	2.8	3.4	3.7	2.5
Lower End of Central Tendency	-	-	-	-	-	2.3	2.9	2.9	2.3
Lower End of Range	-	-	-	-	-	2.0	2.6	2.5	2.0

Unemployment rate
Percent

	2008	2009	2010	2011	2012	2013	2014	2015	Longer Run
Actual	6.9	9.9	9.5	8.7	7.8	-	-	-	-
Upper End of Range	-	-	-	-	-	7.6	7.1	6.5	6.0
Upper End of Central Tendency	-	-	-	-	-	7.5	7.0	6.5	6.0
Lower End of Central Tendency	-	-	-	-	-	7.3	6.7	6.0	5.2
Lower End of Range	-	-	-	-	-	6.9	6.1	5.7	5.0

PCE inflation
Percent

	2008	2009	2010	2011	2012	2013	2014	2015	Longer Run
Actual	1.7	1.4	1.5	2.5	1.6	-	-	-	-
Upper End of Range	-	-	-	-	-	2.0	2.1	2.6	2.0
Upper End of Central Tendency	-	-	-	-	-	1.7	2.0	2.0	2.0
Lower End of Central Tendency	-	-	-	-	-	1.3	1.5	1.7	2.0
Lower End of Range	-	-	-	-	-	1.3	1.4	1.6	2.0

Note: Definitions of variables are in the general note to the projections table. The data for the actual values of the variables are annual.

Figure 2. Overview of FOMC participants' assessments of appropriate monetary policy, March 2013

Appropriate timing of policy firming

	2013	2014	2015	2016
Number of participants	1	4	13	1

Note: In the upper panel, the height of each bar denotes the number of FOMC participants who judge that, under appropriate monetary policy, 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. In December 2012, the numbers of FOMC participants who judged that the first increase in the target federal funds rate would occur in 2013, 2014, 2015, and 2016 were, respectively, 2, 3, 13, and 1.

Appropriate pace of policy firming
Number of participants with projected targets

Target federal funds rate at year-end (Percent)	2013	2014	2015	Longer Run
0.25	18	14	1	
0.50		1	7	
0.75			1	
1.00	1	2	2	
1.25			4	
1.50				
1.75		1		
2.00			1	
2.25				
2.50				
2.75		1		
3.00			1	
3.25				1
3.50				2
3.75			1	1
4.00				9
4.25				3
4.50			1	3

Note: In the lower panel, each shaded circle indicates the value (rounded to the nearest ¼ percentage point) 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.