

## BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF RESEARCH AND STATISTICS

---

**Date:** October 17, 2013  
**To:** Federal Open Market Committee  
**From:** William Wascher  
**Subject:** Staff memo on the Tealbook forecast of consumer spending

---

The attached memo by Andrew Figura and Geng Li, “Perspectives on the Staff Outlook for PCE: Baseline Forecast, Uncertainty, and Some Specific Risks,” provides an in-depth analysis of the staff forecast for real consumer spending. In particular, the memo outlines the basic framework used by the staff to analyze and project consumer spending, discusses the reasons for the substantial acceleration in real PCE projected in recent Tealbooks, and examines the extent of uncertainty surrounding the baseline forecast. The memo then concludes by raising some key issues that do not fit neatly in our basic framework, but are nonetheless important considerations in our thinking about the forecast for consumer spending.