



THE

LIVINGSTON SURVEY

Release Date: June 14, 2024

JUNE 2024

Forecasters Strengthen Their Projections for Real GDP Growth and Lower Their Predictions for Unemployment Rate

The 23 participants in the June *Livingston Survey* predict higher output growth for the first half of 2024 than they predicted in the December 2023 survey. The forecasters, who are surveyed by the Federal Reserve Bank of Philadelphia twice a year, now project that the economy's output (real GDP) will grow at an annual rate of 2.0 percent during the first half of 2024. They expect weaker conditions in the second half of 2024, when growth is expected to be at an annual rate of 1.7 percent. Both projections represent upward revisions from those of the December 2023 survey. Growth is expected to average an annual rate of 2.0 percent in the first half of 2025.

The forecasters see a lower unemployment rate in June 2024 and December 2024 than they predicted previously. The forecasters now predict that the unemployment rate will be 3.9 percent in June 2024 and 4.0 percent in December 2024. The unemployment rate is expected to reach 4.1 percent in June 2025.

	<i>Growth Rate of Real GDP (%)</i>			<i>Unemployment Rate (%)</i>	
	<i>Previous</i>	<i>New</i>		<i>Previous</i>	<i>New</i>
<i>Half-year data:</i>					
2023 Q4 to 2024 Q2	1.0	2.0	June 2024	4.2	3.9
2024 Q2 to 2024 Q4	1.2	1.7	December 2024	4.2	4.0
2024 Q4 to 2025 Q2	N.A.	2.0	June 2025	N.A.	4.1

Forecasters Increase Their Projections for CPI Inflation, While Reducing Their Projections for PPI Inflation

On an annual-average over annual-average basis, CPI inflation is expected to be 3.2 percent in 2024 and 2.5 percent in 2025. Both projections are revised upward from the forecasts in the December 2023 survey. PPI inflation for finished goods is expected to be 1.9 percent this year, a slight downward revision from 2.1 percent in the previous survey. The forecasters predict PPI inflation will reach 1.6 percent in 2025.

	<i>CPI Inflation (%)</i>		<i>PPI Inflation (%)</i>	
	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>
<i>Annual-average data:</i>				
2023 to 2024	2.5	3.2	2.1	1.9
2024 to 2025	2.2	2.5	1.9	1.6

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Forecasters Continue to Predict Falling Short-Term and Long-Term Interest Rates in 2024

The panelists continue to predict falling interest rates on three-month Treasury bills. The interest rate on three-month Treasury bills is now predicted to be 5.32 percent at the end of June 2024, an upward revision from 5.08 percent in the previous survey. The forecasters predict the three-month rate will fall to 4.85 percent at the end of December 2024 and 4.35 percent at the end of June 2025. The panelists see the rate at 3.85 percent at the end of December 2025.

A downward trend to the predictions for the 10-year Treasury rate accompanies the outlook for the rate on three-month Treasury bills. The interest rate on 10-year Treasury bonds is predicted to be 4.49 percent at the end of June 2024, up from 4.27 percent in the December survey. The forecasters predict the 10-year rate will fall to 4.10 percent at the end of December 2024 and 3.94 percent at the end of June 2025. The 10-year Treasury bond interest rate is expected to reach 3.85 percent at the end of December 2025.

	<i>3-Month Treasury Bill</i>		<i>10-Year Treasury Bond</i>	
	<i>Interest Rate</i>		<i>Interest Rate</i>	
	<i>Previous</i>	<i>New</i>	<i>Previous</i>	<i>New</i>
June 28, 2024	5.08	5.32	4.27	4.49
Dec. 31, 2024	4.20	4.85	4.05	4.10
June 30, 2025	N.A.	4.35	N.A.	3.94
Dec. 31, 2025	3.20	3.85	3.84	3.85

Slight Upward Revisions to Long-Term Growth But (Nearly) Unchanged Projections for Long-Term Inflation

The forecasters see real GDP growing at an annual-average rate of 2.00 percent over the next 10 years, a slight upward revision from 1.90 percent in the December 2023 survey. The forecasters now predict inflation (measured by the CPI) will average 2.25 percent annually over the next 10 years, nearly unchanged from 2.26 percent in the December 2023 survey.

Forecasters Raise Their Predictions for Stock Prices

The panelists predict the S&P 500 index will finish the first half of 2024 at a level of 5300.0, marking an upward revision from their previous prediction of 4678.0. Stock prices are expected to rise to 5440.0 at the end of 2024 and continue to rise to 5667.9 at the end of June 2025. The index is predicted to reach 5824.6 by the end of 2025. These predictions mark upward revisions from those of the December 2023 survey.

	<i>Stock Prices</i>	
	<i>S&P 500 Index</i>	
	<i>Previous</i>	<i>New</i>
June 28, 2024	4678.0	5300.0
Dec. 31, 2024	4833.5	5440.0
June 30, 2025	N.A.	5667.9
Dec. 31, 2025	5088.2	5824.6

Technical Notes

This survey reports the median values across the 23 forecasters who responded to the June 2024 survey. All forecasts were submitted before the June 7, 2024, employment report.

The Philadelphia Fed's *Livingston Survey* is the oldest survey of economists' expectations. The survey was started in 1946 by the late columnist Joseph A. Livingston. It summarizes the forecast of economists from industry, government, banking, and academia. It is published twice a year, in June and December.

To subscribe to the survey, go to <https://www.philadelphiafed.org/notifications>.

The Federal Reserve Bank of Philadelphia thanks the following forecasters for their participation in recent surveys:

Scott Anderson, BMO Capital Markets; **Paul Ashworth**, Capital Economics; **Kathy Bostjancic**, Nationwide; **Michael Brown and Wayne Best**, Visa; **Jay Bryson**, Wells Fargo Securities, LLC; **James Butkiewicz**, University of Delaware; **Robert Chase**, Economic & Policy Resources, Inc.; **Carl Chrappa**, Independent Equipment Company; **Julia Coronado**, MacroPolicy Perspectives, LLC; **Gregory Daco**, EY-Parthenon; **Rajeev Dhawan**, Georgia State University; **Curtis Dubay**, U.S. Chamber of Commerce; **Mike Englund**, Action Economics, LLC; **Brian Horrigan**, Loomis, Sayles & Co.; **Samuel Kahan**, Kahan Consulting Ltd.; **Thomas Lam**, Independent Economist (Singapore); **Matthew Luzzetti**, Deutsche Bank Securities; **Daniil Manaenkov**, RSQE (University of Michigan); **Michael Moran**, Daiwa Capital Markets America; **Satyam Panday**, Standard & Poor's; **Lindsey Piegza**, Stifel; **Nathan Sheets**, Citigroup; **Allen Sinai and Lu Yu**, Decision Economics, Inc.; **James Smith**, Parsec Financial Management, Inc.; **Sean Snaith**, Institute for Economic Forecasting (University of Central Florida); **Stephen Stanley**, Santander U.S. Capital Markets; **Edward Yardeni**, Yardeni Research, Inc; **Mark Zandi**, Moody's Analytics.

This is a partial list of participants. We also thank those who wish to remain anonymous.

Livingston Survey Summary Table
MAJOR MACROECONOMIC INDICATORS, 2024-2025

QUARTERLY INDICATORS (percentage changes at annual rates)	Q4 2023 TO Q2 2024	Q2 2024 TO Q4 2024	Q4 2024 TO Q2 2025	2023 TO 2024	2024 TO 2025
Real Gross Domestic Product	2.0	1.7	2.0	2.5	2.0
Nominal Gross Domestic Product	5.2	4.0	4.2	5.2	4.2
Nonresidential Fixed Investment	2.4	2.2	2.9	2.8	2.8
Corporate Profits After Taxes	4.3	1.7	1.2	7.2	1.2
MONTHLY INDICATORS (percentage changes at annual rates)	DEC 2023 TO JUN 2024	JUN 2024 TO DEC 2024	DEC 2024 TO JUN 2025	2023 TO 2024	2024 TO 2025
Industrial Production	0.6	1.4	1.8	0.2	1.7
Producer Prices - Finished Goods	3.6	1.9	1.2	1.9	1.6
Consumer Price Index (CPI-U)	3.6	2.4	2.6	3.2	2.5
Average Weekly Earnings in Mfg.	3.1	4.0	2.8	5.1	3.5
Retail Trade	1.6	3.7	3.2	2.6	3.6
(levels of variables)	JUN 2024	DEC 2024	JUN 2025	2024	2025
Total Private Housing Starts (annual rate, millions)	1.411	1.430	1.461	1.421	1.482
Unemployment Rate (percent)	3.9	4.0	4.1	3.9	4.1
Automobile Sales (incl. foreign) (annual rate, millions)	3.1	3.1	3.2	3.1	3.1
FINANCIAL INDICATORS (levels of variables at end of month)	JUN 2024	DEC 2024	JUN 2025	DEC 2025	
Prime Interest Rate	8.50	8.00	7.50	7.00	
10-Year Treasury Note Yield	4.49	4.10	3.94	3.85	
3-Month Treasury Bill Rate	5.32	4.85	4.35	3.85	
Stock Prices (S&P500)	5300.0	5440.0	5667.9	5824.6	

LONG-TERM OUTLOOK

Average Annual Growth Rate for the Next Ten Years

Real GDP	2.00
Consumer Price Index	2.25

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, June 2024.

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June 2024

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 May 16; the tables do not reflect subsequent revisions to the data. All forecasts were received on or before May 29.

TABLE ONE
MAJOR MACROECONOMIC INDICATORS, 2024-2025
MEDIAN OF FORECASTER PREDICTIONS

QUARTERLY INDICATORS	NUMBER OF FORECASTERS	ACTUAL	FORECAST			ACTUAL	FORECAST	
		2023 Q4	2024 Q2	2024 Q4	2025 Q2	2023 ANNUAL	2024 ANNUAL	2025 ANNUAL
1. Real Gross Domestic Product (billions, chain weighted)	23	22679.3	22905.5	23096.6	23327.7	22376.9	22945.9	23402.4
2. Nominal Gross Domestic Product (\$ billions)	21	27957.0	28669.8	29242.8	29850.5	27360.9	28787.3	29999.2
3. Nonresidential Fixed Investment (billions, chain weighted)	21	3314.9	3354.6	3391.0	3440.3	3271.7	3364.0	3457.1
4. Corporate Profits After Taxes (\$ billions)	14	2803.2	2862.7	2886.8	2904.1	2672.9	2866.5	2900.4
MONTHLY INDICATORS		2023 Dec	2024 Jun	2024 Dec	2025 Jun	2023 ANNUAL	2024 ANNUAL	2025 ANNUAL
5. Industrial Production (2017=100)	16	102.6	102.9	103.6	104.6	102.8	103.0	104.7
6. Total Private Housing Starts (annual rate, millions)	17	1.568	1.411	1.430	1.461	1.421	1.421	1.482
7. Producer Prices - Finished Goods (index level)	11	255.1	259.6	262.1	263.6	254.7	259.6	263.6
8. Consumer Price Index (CPI-U) (index level)	19	308.7	314.2	318.0	322.1	304.7	314.6	322.5
9. Unemployment Rate (percent)	21	3.7	3.9	4.0	4.1	3.6	3.9	4.1
10. Average Weekly Earnings in Mfg. (\$)	6	1109.9	1127.2	1149.7	1165.7	1073.5	1128.0	1167.3
11. Retail Trade (\$ billions)	11	703.3	708.8	721.7	733.0	692.3	710.4	736.0
12. Automobile Sales (incl. foreign) (annual rate, millions)	12	3.2	3.1	3.1	3.2	3.1	3.1	3.1
INTEREST RATES & STOCK PRICES (end of period)		2023 Dec	2024 Jun	2024 Dec	2025 Jun	2025 Dec		
13. Prime Interest Rate (percent)	16	8.50	8.50	8.00	7.50	7.00		
14. 10-Year Treasury Note Yield (percent)	20	3.88	4.49	4.10	3.94	3.85		
15. 3-Month Treasury Bill Rate (percent)	17	5.20	5.32	4.85	4.35	3.85		
16. Stock Prices (S&P500) (index level)	13	4769.8	5300.0	5440.0	5667.9	5824.6		

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, June 2024.

TABLE TWO
 MAJOR MACROECONOMIC INDICATORS, 2024-2025
 PERCENTAGE CHANGES AT ANNUAL RATES

QUARTERLY INDICATORS	NUMBER OF FORECASTERS	Q4 2023 TO Q2 2024	Q2 2024 TO Q4 2024	Q4 2024 TO Q2 2025	2023 TO 2024	2024 TO 2025
1. Real Gross Domestic Product	23	2.0	1.7	2.0	2.5	2.0
2. Nominal Gross Domestic Product	21	5.2	4.0	4.2	5.2	4.2
3. Nonresidential Fixed Investment	21	2.4	2.2	2.9	2.8	2.8
4. Corporate Profits After Taxes	14	4.3	1.7	1.2	7.2	1.2
MONTHLY INDICATORS		DEC 2023 TO JUN 2024	JUN 2024 TO DEC 2024	DEC 2024 TO JUN 2025	2023 TO 2024	2024 TO 2025
5. Industrial Production	16	0.6	1.4	1.8	0.2	1.7
6. Total Private Housing Starts	17	-0.157	0.019	0.031	-0.000	0.061
7. Producer Prices - Finished Goods	11	3.6	1.9	1.2	1.9	1.6
8. Consumer Price Index (CPI-U)	19	3.6	2.4	2.6	3.2	2.5
9. Unemployment Rate	21	0.2	0.1	0.1	0.3	0.2
10. Average Weekly Earnings in Mfg.	6	3.1	4.0	2.8	5.1	3.5
11. Retail Trade	11	1.6	3.7	3.2	2.6	3.6
12. Automobile Sales (incl. foreign)	12	-0.1	0.0	0.1	-0.0	0.0
INTEREST RATES & STOCK PRICES		DEC 2023 TO JUN 2024	JUN 2024 TO DEC 2024	DEC 2024 TO JUN 2025	JUN 2025 TO DEC 2025	
13. Prime Interest Rate	16	0.00	-0.50	-0.50	-0.50	
14. 10-Year Treasury Note Yield	20	0.61	-0.39	-0.16	-0.09	
15. 3-Month Treasury Bill Rate	17	0.12	-0.47	-0.50	-0.50	
16. Stock Prices (S&P500)	13	23.5	5.4	8.6	5.6	

Note: Figures for housing starts, unemployment rate, auto sales, prime interest rate, 10-year Treasury bond, and 90-day Treasury bill are changes in levels. All others are percentage changes at annual rates.

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, June 2024.

TABLE THREE
LONG-TERM (10 YEAR) FORECASTS

SERIES: Real GDP

Statistic	
Minimum	1.50
Lower Quartile	1.82
Median	2.00
Upper Quartile	2.20
Maximum	2.80
Mean	2.05
Std. Deviation	0.31
N	21
Missing	2

SERIES: CPI Inflation Rate

Statistic	
Minimum	1.80
Lower Quartile	2.20
Median	2.25
Upper Quartile	2.40
Maximum	2.80
Mean	2.30
Std. Deviation	0.24
N	21
Missing	2

Source: Research Department, Federal Reserve Bank of Philadelphia, Livingston Survey, June 2024.