



Economic Forecast: February 2025

	2024				2025				2026				2024	2025	2026
	24.1	24.2	24.3	24.4	25.1	25.2	25.3	25.4	26.1	26.2	26.3	26.4			
Percent Change: Quarterly SAAR, Annual Q4/Q4															
Gross Domestic Product	1.6	3.0	3.1	2.3	2.5	2.2	2.1	2.1	2.3	2.2	2.2	2.1	2.5	2.2	2.2
Personal Consumption Expenditures (PCE)	1.9	2.8	3.7	4.2	3.1	2.7	2.7	2.6	2.6	2.5	2.5	2.5	3.2	2.8	2.5
Residential Fixed Investment	13.7	-2.8	-4.3	5.3	1.6	-2.1	0.1	2.0	3.1	4.5	5.8	5.0	2.7	0.4	4.6
Business Fixed Investment	4.5	3.9	4.0	-2.2	1.5	2.5	1.9	1.6	1.7	1.5	1.6	1.7	2.5	1.9	1.6
Government Consumption & Investment	1.8	3.1	5.1	2.5	1.4	0.7	0.3	0.4	0.5	0.5	0.6	0.5	3.1	0.7	0.5
Billions of Chained 2017\$															
Net Exports	-977	-1036	-1069	-1067	-1110	-1146	-1172	-1191	-1198	-1211	-1229	-1246	-1037	-1155	-1221
Change in Business Inventories	18	72	58	4	30	54	72	87	92	101	112	117	38	61	105
Percent Change: Quarterly YoY, Annual Q4/Q4															
Consumer Price Index	3.2	3.2	2.6	2.7	2.8	2.8	3.1	2.8	2.5	2.5	2.4	2.5	2.7	2.8	2.5
Core Consumer Price Index (ex. Food & Energy)	3.8	3.4	3.2	3.3	3.1	3.1	3.2	2.9	2.7	2.5	2.4	2.3	3.3	2.9	2.3
PCE Chain Price Index	2.7	2.6	2.3	2.4	2.4	2.5	2.7	2.6	2.3	2.2	2.1	2.1	2.4	2.6	2.1
Core PCE Chain Price Index (ex. Food & Energy)	3.0	2.7	2.7	2.8	2.6	2.6	2.7	2.7	2.4	2.2	2.1	2.0	2.8	2.7	2.0
Change: Quarterly Avg Mo. Chg, Thous., Annual Mil.															
Employment, Total Nonfarm	196	133	133	204	168	170	132	106	81	72	66	63	2.0	1.7	0.8
Percent Change: Q4/Q4													1.2	1.2	0.6
Percent: Quarterly Avg, Annual Avg															
Unemployment Rate	3.8	4.0	4.2	4.1	4.1	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.0	4.2	4.3
Federal Funds Rate	5.3	5.3	5.3	4.7	4.4	4.4	4.3	4.1	4.1	4.1	4.1	4.1	5.1	4.3	4.1
10-Year Treasury Note Yield	4.2	4.4	3.9	4.3	4.6	4.6	4.6	4.7	4.7	4.7	4.7	4.7	4.2	4.6	4.7

February 12, 2025

Note: Interest rate forecasts are based on rates from January 31, 2025; all other forecasts are based on the date above.

Note: Unshaded areas denote actuals. Shaded areas denote forecasts.

Sources: Actuals: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Board. Forecasts: Fannie Mae Economic and Strategic Research
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