FannieMae

ECONOMIC AND STRATEGIC RESEARCH

Economic Forecast: February 2015

	2014				2015				2016						
	14.1	14.2	14.3	14.4	15.1	15.2	15.3	15.4	16.1	16.2	16.3	16.4	2014	2015	2016
National Income and Product Accounts (Chained 2009$)															
Percent Change: Quarterly SAAR, Annual Q4/Q4															
Gross Domestic Product	-2.1	4.6	5.0	2.6	2.6	3.1	3.0	2.8	2.4	2.4	2.5	2.7	2.5	2.9	2.5
Personal Consumption Expenditures	1.2	2.5	3.2	4.3	3.7	3.4	3.1	3.1	2.5	2.5	2.4	2.1	2.8	3.3	2.4
Residential Fixed Investment	-5.3	8.8	3.2	4.1	2.8	6.9	9.5	13.0	7.2	6.3	4.5	5.8	2.6	8.0	5.9
Business Fixed Investment	1.6	9.7	8.9	1.9	3.0	5.5	5.3	4.3	4.3	4.0	4.3	4.1	5.5	4.5	4.2
Government Consumption & Investment	-0.8	1.7	4.4	-2.2	0.9	0.0	0.3	0.4	0.1	0.6	0.6	0.7	0.8	0.4	0.5
Billions of Chained 2009$															
Net Exports	-447	-460	-431	-472	-476	-473	-473	-480	-488	-477	-466	-452	-453	-476	-471
Change in Business Inventories	35	85	82	113	98	88	82	76	77	56	48	48	79	86	57
Income (Billions of Nominal $)															
Disposable Personal Income	12,773	12,945	13,050	13,155	13,298	13,396	13,512	13,639	13,775	13,905	14,047	14,205	12,981	13,461	13,983
Percent Change: Quarterly SAAR, Annual Q4/Q4	4.8	5.5	3.3	3.3	4.4	3.0	3.5	3.8	4.1	3.8	4.2	4.6	4.2	3.7	4.2
Price Indices															
Percent Change: Quarterly SAAR, Annual Q4/Q4															
GDP Price Index	1.3	2.1	1.4	0.0	0.9	2.3	1.7	1.7	1.9	1.8	1.9	2.0	1.2	1.7	1.9
Consumer Price Index	1.9	3.0	1.1	-1.2	-1.3	2.4	2.0	1.7	1.7	1.9	1.6	1.8	1.2	1.2	1.8
Consumer Price Index excl. Food & Energy	1.6	2.5	1.3	1.4	1.3	1.1	1.5	1.6	1.9	1.7	1.7	1.8	1.7	1.4	1.8
Employment															
Unemployment Rate (Percent)	6.6	6.2	6.1	5.7	5.6	5.4	5.3	5.2	5.3	5.2	5.2	5.1	6.2	5.4	5.2
Employment, Total Nonfarm Establishment Survey (Percent Change: Quarterly SAAR, Annual Q4/Q4)	1.6	2.3	2.2	2.5	2.2	2.4	2.2	1.9	1.6	1.6	1.5	1.6	2.1	2.2	1.6
Interest Rates (Percent)															
Federal Funds Rate	0.1	0.1	0.1	0.1	0.2	0.2	0.4	0.6	0.8	1.0	1.2	1.4	0.1	0.4	1.1
1-Year Treasury Note Yield	0.1	0.1	0.1	0.1	0.4	0.5	0.7	1.0	1.3	1.7	2.1	2.2	0.1	0.6	1.8
10-Year Treasury Bond Yield	2.8	2.6	2.5	2.3	1.9	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.0	2.3

February 10, 2015

Note: Interest rate forecasts are based on rates from January 30, 2015.

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 & Strategic Research (ESR) group