

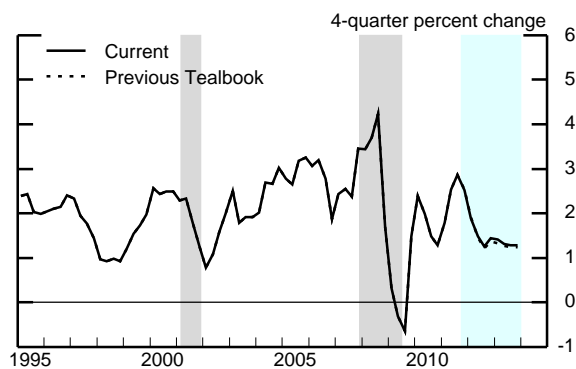
# **Inflation Projections** (Percent change at annual rate from final quarter of preceding period)

Measure	2010	2011		2012	2013
		H1	H2		
PCE chain-weighted price index	1.3	3.6	1.4	1.4	1.3
Previous Tealbook	1.3	3.6	1.4	1.4	1.2
Food and beverages	1.3	6.4	3.7	1.1	1.2
Previous Tealbook	1.3	6.4	3.7	1.2	1.2
Energy	6.2	27.2	-1.9	1.4	-.8
Previous Tealbook	6.2	27.2	-1.9	-.3	-1.6
Excluding food and energy	1.0	1.9	1.5	1.5	1.4
Previous Tealbook	1.0	1.9	1.5	1.5	1.4
Prices of core goods imports <sup>1</sup>	2.6	7.7	.8	.2	1.5
Previous Tealbook	2.6	7.7	.8	.2	1.5

1. Core goods imports exclude computers, semiconductors, oil, and natural gas.

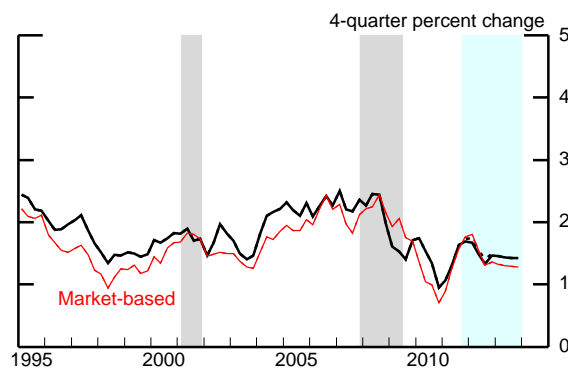
Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

Total PCE Prices



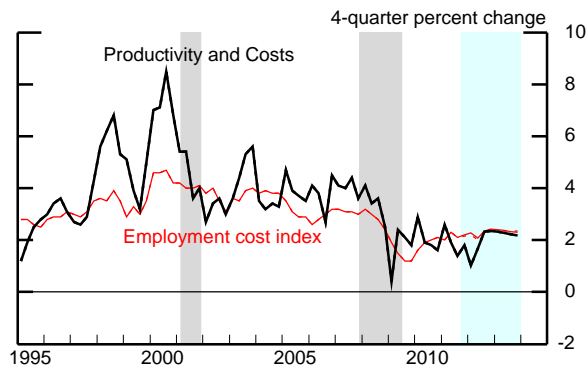
Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

PCE Prices ex. Food and Energy



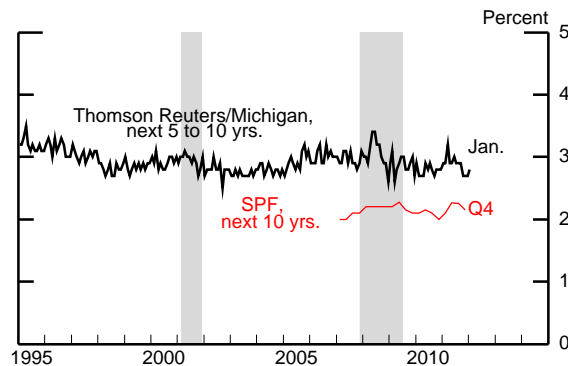
Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

Compensation per Hour



Source: U.S. Dept. of Labor, Bureau of Labor Statistics.

Long-Term Inflation Expectations



Note: The Survey of Professional Forecasters (SPF) projection is for the PCE price index.  
Source: Thomson Reuters/University of Michigan Surveys of Consumers; Federal Reserve Bank of Philadelphia.

Note: The gray shaded bars indicate a period of business recession as defined by the National Bureau of Economic Research.

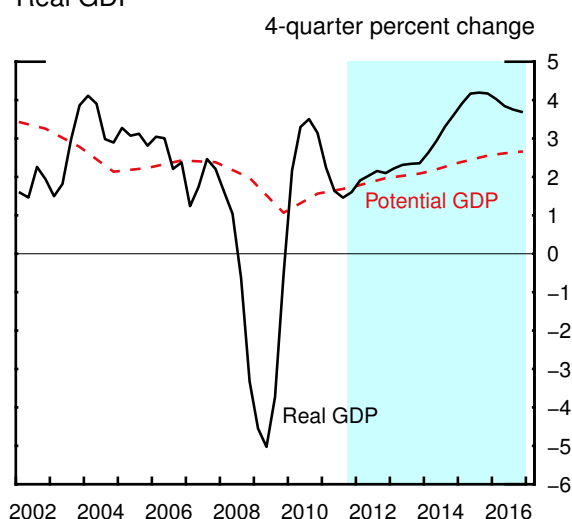
# The Long-Term Outlook

(Percent change, Q4 to Q4, except as noted)

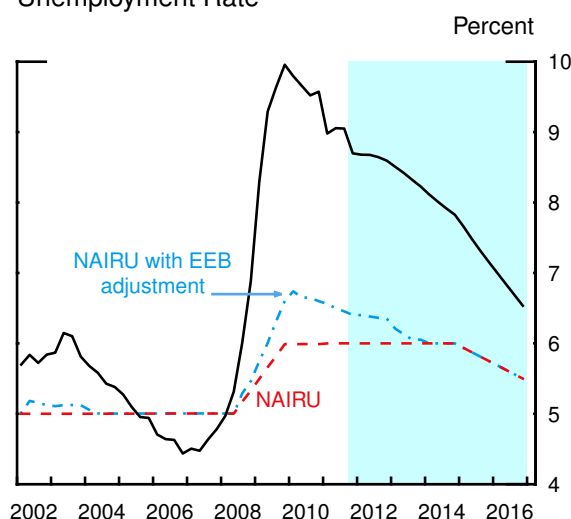
Item	2011	2012	2013	2014	2015	2016
Real GDP	1.6	2.1	2.4	3.6	4.2	3.7
Civilian unemployment rate <sup>1</sup>	8.7	8.6	8.2	7.8	7.2	6.5
PCE prices, total	2.5	1.4	1.3	1.5	1.5	1.6
Core PCE prices	1.7	1.5	1.4	1.4	1.4	1.5
Federal funds rate <sup>1</sup>	.1	.1	.1	.3	1.5	2.5
10-year Treasury yield <sup>1</sup>	2.1	2.7	3.5	3.7	3.9	4.1

1. Percent, average for the final quarter of the period.

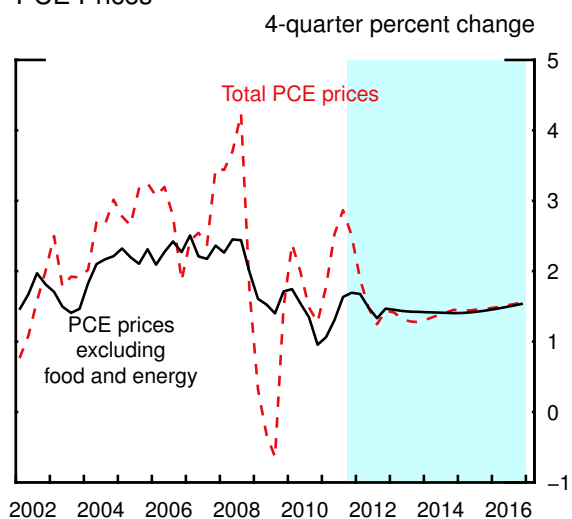
Real GDP



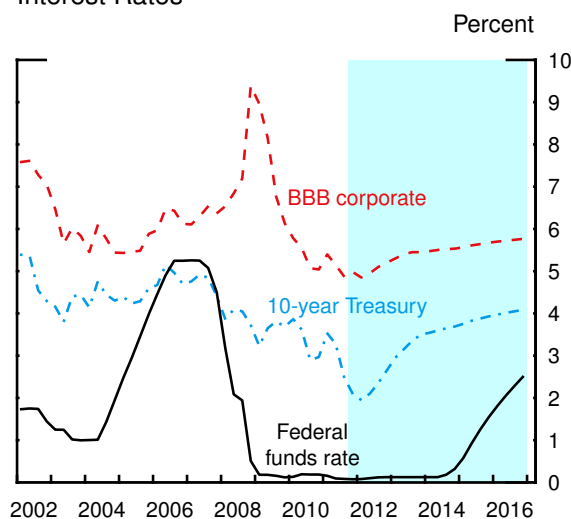
Unemployment Rate



PCE Prices



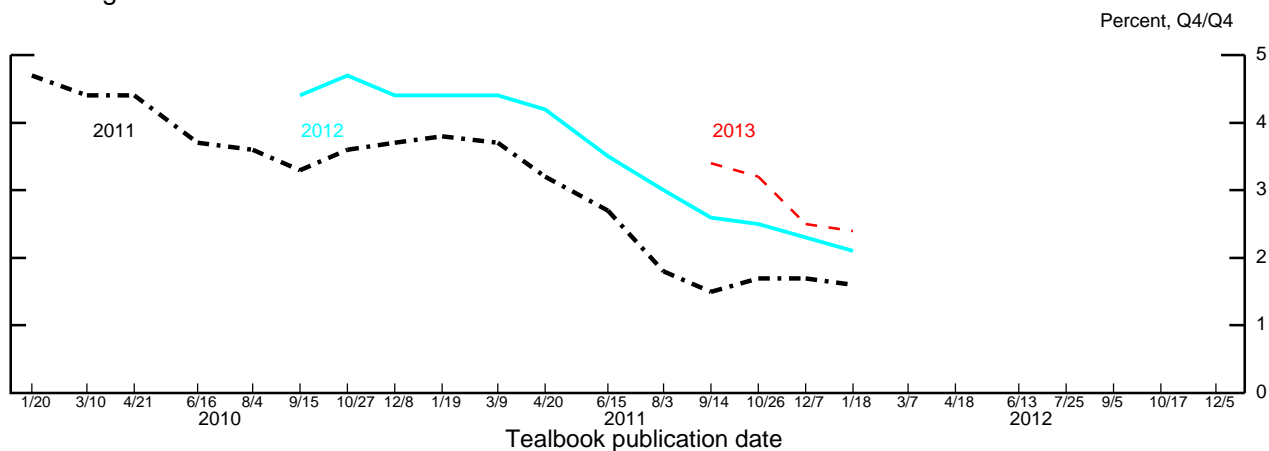
Interest Rates



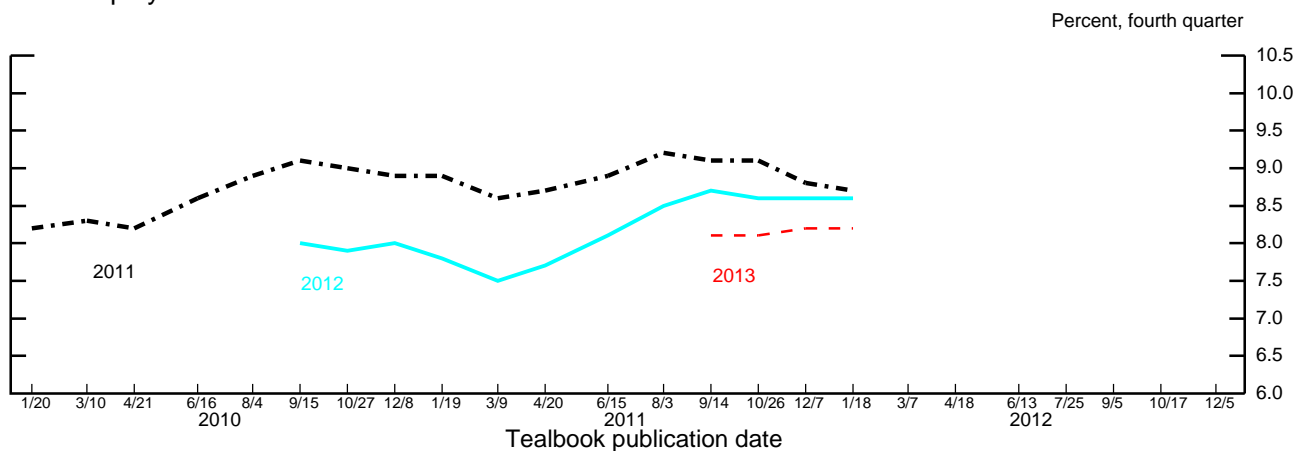
Note: In each panel, shading represents the projection period.

## Evolution of the Staff Forecast

Change in Real GDP



Unemployment Rate



Change in PCE Prices excluding Food and Energy

