



Economic Forecast: December 2025

	2025				2026				2027				2024	2025	2026	2027
	25.1	25.2	25.3	25.4	26.1	26.2	26.3	26.4	27.1	27.2	27.3	27.4				
Percent Change: Quarterly SAAR, Annual Q4/Q4																
Gross Domestic Product	-0.6	3.8	2.9	1.2	2.3	2.4	2.5	2.5	2.4	2.2	2.0	2.0	2.4	1.8	2.4	2.1
Personal Consumption Expenditures (PCE)	0.6	2.5	2.7	1.5	2.3	2.5	2.5	2.4	2.3	2.3	2.3	2.2	3.4	1.8	2.4	2.3
Residential Fixed Investment	-1.0	-5.1	-6.2	-2.7	1.1	1.9	2.0	2.3	2.2	2.9	2.8	3.3	1.3	-3.8	1.8	2.8
Business Fixed Investment	9.5	7.3	3.0	-2.0	0.0	2.7	2.9	2.8	2.6	2.8	2.5	2.8	0.9	4.4	2.1	2.7
Government Consumption & Investment	-1.0	-0.1	0.7	-3.3	6.6	1.4	0.9	0.6	0.8	0.8	0.9	0.9	3.6	-0.9	2.4	0.8
Billions of Chained 2017\$																
Net Exports	-1381	-1058	-983	-976	-989	-996	-1010	-1019	-1026	-1042	-1062	-1084	-1033	-1100	-1004	-1053
Change in Business Inventories	172	-18	-43	14	1	8	28	50	67	83	89	93	43	31	22	83
Percent Change: Quarterly YoY, Annual Q4/Q4																
Consumer Price Index	2.7	2.5	2.9	2.9	2.8	3.1	3.0	2.9	2.6	2.4	2.3	2.3	2.7	2.9	2.9	2.3
Core Consumer Price Index (ex. Food & Energy)	3.1	2.8	3.1	3.0	3.0	3.2	3.0	2.9	2.6	2.4	2.3	2.3	3.3	3.0	2.9	2.3
PCE Chain Price Index	2.6	2.4	2.7	2.9	2.9	3.0	2.9	2.7	2.4	2.2	2.1	2.1	2.6	2.9	2.7	2.1
Core PCE Chain Price Index (ex. Food & Energy)	2.8	2.7	2.9	3.0	3.0	3.0	2.9	2.6	2.3	2.2	2.1	2.1	3.0	3.0	2.6	2.1
Change: Quarterly Avg Mo. Chg, Thous., Annual Mil.																
Employment, Total Nonfarm	111	55	62	31	59	72	104	111	102	93	81	73	2.0	0.8	1.0	1.0
Percent Change: Q4/Q4													1.2	0.7	0.6	0.7
Percent: Quarterly Avg, Annual Avg																
Unemployment Rate	4.1	4.2	4.3	4.5	4.5	4.5	4.6	4.5	4.5	4.4	4.4	4.4	4.0	4.3	4.5	4.4
Federal Funds Rate	4.3	4.3	4.3	3.9	3.6	3.5	3.4	3.4	3.4	3.3	3.1	3.1	5.1	4.2	3.5	3.2
10-Year Treasury Note Yield	4.5	4.4	4.3	4.1	4.0	4.1	4.1	4.2	4.2	4.2	4.3	4.3	4.2	4.3	4.1	4.3

December 10, 2025

Note: Interest rate forecasts are based on rates from November 28, 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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