



Economic Forecast: May 2026

	2025				2026				2027				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	4.4	0.5	2.0	2.3	1.8	2.3	2.4	2.5	2.6	2.4	2.0	2.1	2.5
Personal Consumption Expenditures (PCE)	0.6	2.5	3.5	1.9	1.6	2.1	1.9	2.2	2.2	2.3	2.3	2.3	2.1	1.9	2.3
Residential Fixed Investment	-1.0	-5.1	-7.1	-1.7	-8.0	6.9	-0.5	0.5	2.8	3.4	3.9	3.5	-3.8	-0.4	3.4
Business Fixed Investment	9.5	7.3	3.2	2.4	10.4	8.0	5.6	5.8	5.2	4.6	4.1	3.3	5.6	7.4	4.3
Government Consumption & Investment	-1.0	-0.1	2.2	-5.6	4.4	1.0	0.7	0.8	0.8	0.7	0.6	0.6	-1.2	1.7	0.7
Billions of Chained 2017\$															
Net Exports	-1381	-1058	-955	-969	-1068	-1121	-1164	-1201	-1233	-1254	-1259	-1263	-1091	-1138	-1252
Change in Business Inventories	172	-18	-24	-16	-8	-7	5	26	48	66	78	87	29	4	70
Percent Change: Quarterly YoY, Annual Q4/Q4															
Consumer Price Index	2.7	2.5	2.9	2.7	2.7	4.5	4.0	3.8	3.3	1.7	1.9	2.0	2.7	3.8	2.0
Core Consumer Price Index (ex. Food & Energy)	3.1	2.8	3.1	2.7	2.5	2.9	2.9	3.0	3.0	2.6	2.5	2.4	2.7	3.0	2.4
PCE Chain Price Index	2.6	2.4	2.7	2.8	3.1	4.1	3.8	3.6	3.0	2.0	2.0	2.0	2.8	3.6	2.0
Core PCE Chain Price Index (ex. Food & Energy)	2.8	2.7	2.9	2.9	3.1	3.4	3.4	3.3	2.8	2.4	2.2	2.2	2.9	3.3	2.2
Change: Quarterly Avg Mo. Chg, Thous., Annual Mil.															
Employment, Total Nonfarm	20	34	23	-39	63	52	36	33	35	57	79	85	0.1	0.6	0.8
<i>Percent Change: Q4/Q4</i>													0.2	0.3	0.5
Percent: Quarterly Avg, Annual Avg															
Unemployment Rate	4.1	4.2	4.3	4.5	4.3	4.4	4.5	4.5	4.5	4.4	4.4	4.4	4.3	4.4	4.4
Federal Funds Rate	4.3	4.3	4.3	3.9	3.6	3.6	3.6	3.6	3.6	3.5	3.4	3.3	4.2	3.6	3.5
10-Year Treasury Note Yield	4.5	4.4	4.3	4.1	4.2	4.4	4.5	4.5	4.5	4.6	4.6	4.6	4.3	4.4	4.6

May 12, 2026

Note: Interest rate forecasts are based on rates from April 30, 2026; 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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