Fannie Mae

Economic Forecast: June 2025

	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	2024	2025	2026
Percent Change: Quarterly SAAR, Annual Q4/Q4															
Gross Domestic Product	1.6	3.0	3.1	2.4	-0.2	3.2	1.7	0.9	1.8	2.4	2.4	2.2	2.5	1.4	2.2
Personal Consumption Expenditures (PCE)	1.9	2.8	3.7	4.0	1.2	2.5	1.6	1.3	2.0	2.3	2.3	2.1	3.1	1.6	2.2
Residential Fixed Investment	13.7	-2.8	-4.3	5.5	-0.6	-1.4	-5.9	1.7	1.4	2.3	2.9	4.1	2.8	-1.6	2.7
Business Fixed Investment	4.5	3.9	4.0	-3.0	10.3	-1.3	-3.9	-2.5	-1.9	1.2	1.2	1.5	2.3	0.5	0.5
Government Consumption & Investment	1.8	3.1	5.1	3.1	-0.7	0.0	-0.2	-0.4	0.4	0.6	0.7	0.7	3.2	-0.3	0.6
Billions of Chained 2017$															
Net Exports	-977	-1036	-1069	-1053	-1379	-979	-1015	-1017	-1000	-974	-958	-954	-1034	-1097	-972
Change in Business Inventories	18	72	58	9	163	-85	36	61	81	85	95	107	39	44	92
Percent Change: Quarterly YoY, Annual Q4/Q4															
Consumer Price Index	3.2	3.2	2.7	2.7	2.7	2.6	3.1	3.2	3.1	3.1	2.9	2.8	2.7	3.2	2.8
Core Consumer Price Index (ex. Food & Energy)	3.8	3.4	3.3	3.3	3.1	2.9	3.3	3.3	3.2	3.3	3.0	2.7	3.3	3.3	2.7
PCE Chain Price Index	2.7	2.6	2.3	2.5	2.5	2.5	3.2	3.3	3.1	3.0	2.5	2.4	2.5	3.3	2.4
Core PCE Chain Price Index (ex. Food & Energy)	3.0	2.7	2.7	2.8	2.8	2.8	3.4	3.4	3.3	3.1	2.5	2.4	2.8	3.4	2.4
Change: Quarterly Avg Mo. Chg, Thous., Annual Mil.															
Employment, Total Nonfarm	196	133	133	209	111	139	114	106	100	113	119	112	2.0	1.4	1.3
Percent Change: Q4/Q4													*1.2*	*1.0*	*0.8*
Percent: Quarterly Avg, Annual Avg															
Unemployment Rate	3.8	4.0	4.2	4.1	4.1	4.2	4.3	4.4	4.5	4.6	4.6	4.5	4.0	4.3	4.6
Federal Funds Rate	5.3	5.3	5.3	4.7	4.3	4.3	4.3	4.0	3.9	3.8	3.6	3.4	5.1	4.2	3.7
10-Year Treasury Note Yield	4.2	4.4	3.9	4.3	4.5	4.4	4.4	4.4	4.5	4.5	4.6	4.6	4.2	4.4	4.5

June 12, 2025

Note: Interest rate forecasts are based on rates from May 30, 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