



# Economic Advisory Committee of the American Bankers Association

Median of Individual Forecasts as of June 2, 2022

	2021.III	2021.IV	2022.I	2022.II	2022.III	2022.IV	2023.I	2023.II	2023.III	2023.IV	2022	2023 Q4/Q4	2024
	Seasonally Adjusted Annualized Growth Rate from Prior Quarter												
GDP in Current Dollars	8.4%	14.5%	6.5%	8.4%	7.8%	5.9%	5.3%	4.6%	4.3%	4.3%	7.1%	4.5%	4.0%
Real GDP, chain-weighted	2.3%	6.9%	-1.5%	2.7%	2.7%	2.5%	1.7%	1.8%	1.6%	1.8%	1.6%	1.5%	2.0%
Personal Consumption	2.0%	2.5%	3.1%	2.5%	2.5%	2.2%	2.0%	1.9%	1.9%	1.9%	2.5%	1.8%	1.8%
Nonresidential Fixed Investment	1.7%	2.9%	9.2%	7.2%	5.1%	4.5%	3.9%	3.2%	2.9%	2.8%	6.2%	2.8%	2.7%
Residential Investment	-7.7%	2.2%	0.4%	-0.8%	-1.4%	-1.3%	0.0%	-0.4%	1.5%	1.1%	-0.7%	0.5%	1.0%
Change In Bus. Inventories (\$billions)	-\$66.7	\$193.1	\$149.6	\$128.5	\$106.5	\$103.3	\$94.7	\$91.0	\$81.5	\$74.8	\$99.4	\$64.0	\$63.0
Imports	4.7%	17.9%	18.3%	2.8%	3.1%	3.0%	3.4%	3.0%	2.9%	2.8%	6.1%	3.0%	2.5%
Exports	-5.3%	22.4%	-5.4%	7.5%	5.3%	5.0%	4.0%	4.4%	4.1%	4.1%	3.0%	4.0%	3.7%
Government Purchases	0.9%	-2.6%	-2.7%	1.5%	1.8%	1.8%	1.5%	1.6%	1.4%	1.6%	0.6%	1.5%	1.1%

	Year/Year Percent Change										Q4/Q4		
Consumer Price Index Inflation	5.3%	6.7%	8.0%	7.9%	7.5%	6.3%	4.6%	3.3%	2.7%	2.4%	6.3%	2.4%	2.2%
P.C.E. Inflation	4.3%	5.5%	6.3%	6.2%	6.0%	5.2%	4.1%	3.0%	2.5%	2.4%	5.2%	2.4%	2.0%
Core P.C.E. Inflation	3.6%	4.6%	5.2%	4.8%	4.6%	4.2%	3.6%	3.1%	2.7%	2.5%	4.2%	2.5%	2.0%

	Quarterly Average (unless noted otherwise)										Annual Average		
West Texas Intermediate Crude Oil	\$71	\$77	\$94	\$105	\$100	\$96	\$91	\$89	\$84	\$81	\$99	\$87	\$77
Unemployment Rate	5.9%	4.2%	3.8%	3.5%	3.4%	3.4%	3.4%	3.5%	3.6%	3.6%	3.5%	3.5%	3.7%
Nonfarm Payrolls (avg. mo. Δ, 000's)	543	637	562	378	245	192	125	113	107	100	341	127	92
Labor Force Participation Rate	61.7%	61.8%	62.3%	62.3%	62.5%	62.6%	62.6%	62.7%	62.7%	62.8%	62.5%	62.7%	62.8%
Private Avg Hourly Earnings (y/y %Δ)	4.5%	5.2%	5.4%	5.4%	5.0%	4.6%	4.3%	4.3%	4.2%	4.0%	5.2%	4.1%	3.8%
Real Disposable Pers. Income (y/y %Δ)	-0.9%	-0.2%	-10.9%	-3.1%	-1.6%	0.3%	1.5%	2.4%	2.7%	2.7%	-3.9%	2.3%	2.8%
Nonfarm Bus. Productivity (q/q annualized)	-3.9%	6.3%	-7.5%	0.8%	1.6%	1.7%	1.8%	1.9%	2.1%	2.0%	-0.8%	1.9%	2.0%
Industrial Production (y/y %Δ)	5.5%	4.4%	5.4%	5.0%	5.1%	5.3%	4.0%	2.2%	2.2%	2.0%	5.1%	2.2%	1.7%
New Home Sales (000's)	699	764	814	758	750	739	733	734	745	751	770	734	739
Housing Starts (000's)	1,562	1,670	1,753	1,683	1,663	1,647	1,598	1,621	1,596	1,585	1,686	1,600	1,580
House Prices (S&P/C-S 20-City) (y/y %Δ)	17.2%	19.6%	18.4%	16.7%	13.6%	10.1%	4.9%	3.5%	2.9%	2.8%	14.0%	3.0%	2.7%
Total Auto & Lt. Truck Sales (millions)	13.3	12.9	14.1	14.6	15.6	16.1	16.4	16.6	16.5	16.5	15.3	16.5	16.5

	Quarterly Average										Annual Average		
Effective federal funds rate	0.09%	0.08%	0.12%	0.76%	1.76%	2.38%	2.71%	2.92%	3.00%	2.87%	1.26%	2.91%	2.63%
3-M Treas. Bills (dsct, secy mkt)	0.05%	0.05%	0.31%	1.03%	1.89%	2.39%	2.70%	2.85%	2.85%	2.85%	1.39%	2.84%	2.62%
Two-Year U.S. Treasury Notes	0.23%	0.53%	1.46%	2.75%	3.02%	3.13%	3.17%	3.07%	2.94%	2.94%	2.59%	2.94%	2.84%
Ten-Year U.S. Treasury Notes	1.32%	1.53%	1.95%	2.95%	3.05%	3.16%	3.19%	3.18%	3.17%	3.15%	2.77%	3.18%	3.14%
30-year Fixed-Rate Mortgages	2.87%	3.08%	3.82%	5.18%	5.21%	5.25%	5.31%	5.21%	5.33%	5.32%	4.85%	5.33%	5.30%
Trade-Weighted Dollar (Fed BOG, major)	105.0	107.0	108.5	112.5	111.4	112.1	111.1	110.1	109.9	109.0	111.3	110.0	108.0

Bank Credit and Quality (annual avg.)	2020	2021	2022	2023		
Bank Consumer Cr. Delinquency Rate	2.1%	1.6%	1.6%	2.1%	How much did you downgrade your 2022 real GDP forecast due to the Russo-Ukrainian conflict?	0.5%
Bank Consumer Cr. Charge-Off Rate	2.0%	1.2%	1.2%	1.9%	When will supply chain disruptions no longer factor into your economic outlook? (Y-Q)	2022 Q4
Consumer Credit (break adj. annual %Δ)	1.5%	3.3%	6.3%	3.7%	When will or did Core PCE inflation peak? (Y-Q)	2022 Q1
Bank C&I Loan Delinquency Rate	1.2%	1.1%	1.2%	1.4%	Was the elevated inflation rate over the past year predominantly due to supply constraints (SC) or especially strong demand (ESD)?	ESD: 5 SC: 4 Both: 4
Bank C&I Loan Charge-Off Rate	0.5%	0.2%	0.3%	0.5%		
Bank C&I (break adj. annual %Δ)	11.8%	7.7%	6.2%	5.6%	How much will the Federal Reserve run down its balance sheet in 2022 (monthly average in \$billions)?	\$69.3

Federal Budget		
	FY Unified Surplus / (Deficit) \$Billions	
2020	(\$3,132)	
2021	(\$2,772)	
2022	(\$1,060)	
2023	(\$1,005)	

Housing Valuation	On the whole, would you say the housing market is:				
	Significantly overvalued	Somewhat overvalued	Fairly valued	Somewhat undervalued	Significantly undervalued
	2	10	1	0	0

Over the next 6 months, changes in:	Deterioration	Same	Improvement
Consumer Credit Quality	8	4	0
Consumer Credit Availability	6	5	1
Business Credit Quality	10	2	0
Business Credit Availability	6	5	1

If my 2022 forecast is wrong:	Lower	Balanced	Higher
Real GDP growth	5	6	1
Personal Consumption	5	6	1
Business Investment	7	4	1
Core Inflation	0	2	10
Long-term interest rates	0	2	10

Balance of Risks	
Upside	
Stronger consumer spending	
Descalation in the Russia-Ukraine conflict	
Inflation declines faster than expected	
Supply chain pressure alleviates	
Downside	
Higher inflation	
China's "Zero Covid" plan disrupts supply chains for longer	
Central bank over-tightening	
Larger than expected home price weakness	

Probability of Recession	
2022	20%
2023	40%
2024	43%

Labor Force Participation Rate	
2019	63.1%
2020	61.7%
2021	63.1%
2022	62.5%
2023	62.8%

# ABA ECONOMIC ADVISORY COMMITTEE

June 2, 2022



## Monetary Policy

Expected Federal Funds	6/15/22	9/21/22	12/14/22
Target Ceiling Rate	1.50%	2.25%	2.75%
	6/30/23	12/31/23	
	3.00%	3.00%	

# Economic Projections of the Federal Open Market Committee

June 2, 2022

<i>(Percents)</i>	FOMC March 2022 Projections				ABA Economic Advisory Committee			
	2022	2023	2024	Long Run	2022	2023	2024	Long Run
<b>Central Tendencies*</b>								
Real GDP Growth	2.5 to 3.0	2.1 to 2.5	1.8 to 2.0	1.8 to 2.0	1.3 to 2.0	1.2 to 2.2	1.7 to 2.1	1.8 to 2.0
Unemployment Rate	3.4 to 3.6	3.3 to 3.6	3.2 to 3.7	3.5 to 4.2	3.5 to 3.7	3.4 to 3.8	3.5 to 4.0	3.6 to 4.0
PCE Inflation	4.1 to 4.7	2.3 to 3.0	2.1 to 2.4	2.0	4.8 to 5.8	2.1 to 2.8	1.9 to 2.1	2.0
Core PCE Inflation	3.9 to 4.4	2.4 to 3.0	2.1 to 2.4	-	3.9 to 4.6	2.2 to 2.7	2 to 2.1	2.0
Federal Funds Rate	1.6 to 2.4	2.4 to 3.1	2.4 to 3.4	2.3 to 2.5	1.2 to 1.4	2.5 to 3.1	2.4 to 2.9	-
<b>Ranges**</b>								
Real GDP Growth	2.1 to 3.3	2.0 to 2.9	1.5 to 2.5	1.6 to 2.2	0.3 to 2.2	0.7 to 2.5	1.1 to 2.6	1.7 to 2.1
Unemployment Rate	3.1 to 4.0	3.1 to 4.0	3.1 to 4.0	3.5 to 4.3	3.4 to 4.0	3.2 to 4.6	3.2 to 4.9	3.5 to 4.4
PCE Inflation	3.7 to 5.5	2.2 to 3.5	2.0 to 3.0	2.0	4.3 to 6.5	1.9 to 3.1	1.7 to 2.2	2.0 to 2.2
Core PCE Inflation	3.6 to 4.5	2.1 to 3.5	2.0 to 3.0	-	3.6 to 5.0	2.1 to 3.3	1.8 to 2.6	1.8 to 2.2
Federal Funds Rate	1.4 to 3.1	2.1 to 3.6	2.1 to 3.6	2.0 to 3.0	1.1 to 2.7	1.9 to 3.4	1.9 to 3.3	-

\* As reported by the Federal Reserve, the top three and bottom three individual projection values are removed for the central tendencies range. The ABA central tendency ranges do not include the top two and bottom two individual projections.

\*\* Ranges reported are the low and high end individual projections.