

Consensus Outlook for 2026



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THE VIEWS EXPRESSED IN THIS PRESENTATION ARE MY OWN AND DO NOT NECESSARILY REFLECT THOSE OF THE FEDERAL RESERVE BANK OF CHICAGO OR THE FEDERAL RESERVE SYSTEM.

FEDERAL RESERVE BANK *of* CHICAGO

The wisdom of the crowd

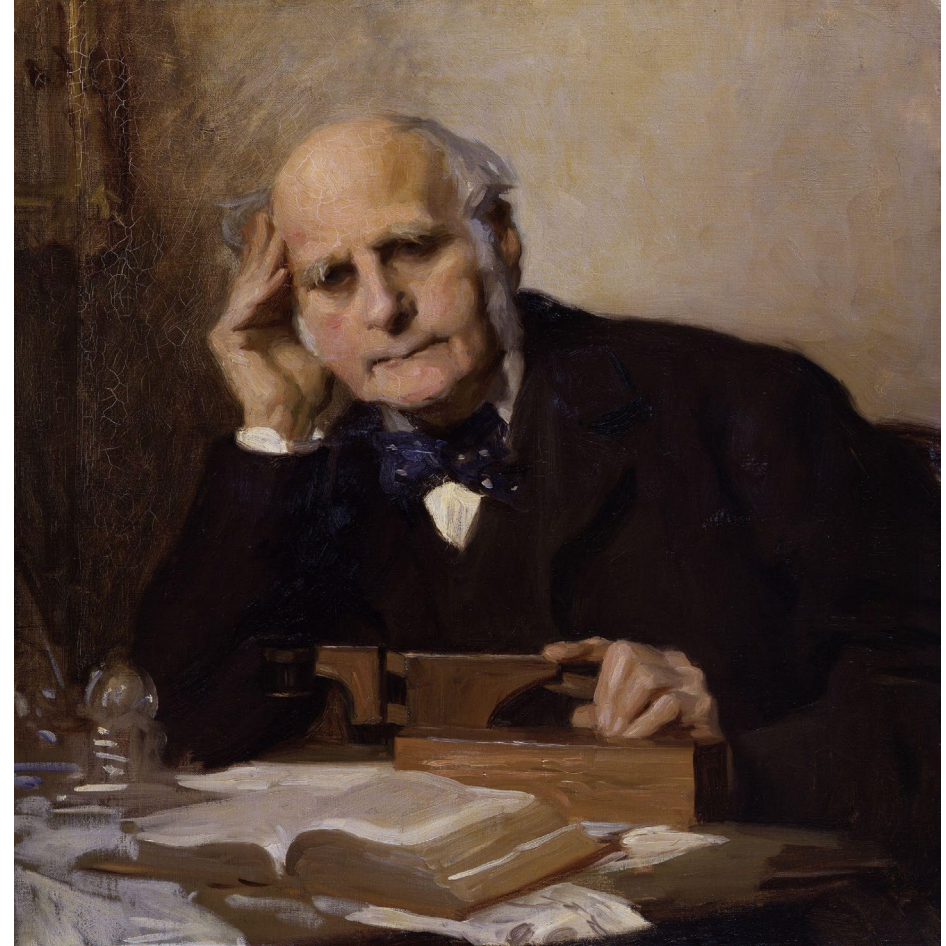
1907 study in journal Nature

Contest at county fair in Plymouth,
England: guess the weight of a
slaughtered and dressed ox

Median guess: 1207 pounds

Actual weight: 1198 pounds

Sir Francis Galton



Source: Wikipedia

Results from last year's competition

Unemployment Rate (4.3% in August 2025)

Harold Force	Force Construction Company, Inc.
Jerry Szatan	Szatan & Associates
Mark Woudstra	Eastbrook Homes
Melinda Xu	Northwestern University
Neil Randles	OSFI Canada
Richard Heckinger	Central Banking Journal
Sean Bjork	Bjork Asset Management, Inc.
Takehiko Kawasaki	Japan External Trade Organization

Inflation Rate (2.7% in August 2025)

Aaron Smith	Iowa Finance Authority
Adwaita Dani	University of Chicago Booth School of Business
David Richter	GreatBanc Trust Company
Elena Turcanu	J&R Accounting Group LLC
Joe Veltri	Socius Business Advisors
Sean Bjork	Bjork Asset Management, Inc.

GDP Growth (2.1% in Q2-2025)

Brandon Michalski	MOCA Systems Inc
David Richter	GreatBanc Trust Company
Hans Rosebrock	Mannik & Smith Group Engineers
James Rocklin	Formtex Tool & Machine, Inc
John Pavain	Travelers Insurance
Marisa Walstrum	Loyola University Chicago
Peter Bilyk	W.W. Grainger

Yield on Treasury Note (4.3% in August 2025)

Amy Ebben	ArcelorMittal
Gera McGuire	Moody's Ratings

The Wisdom of the Chicago Fed's crowd

We gather qualitative data to complement quantitative data

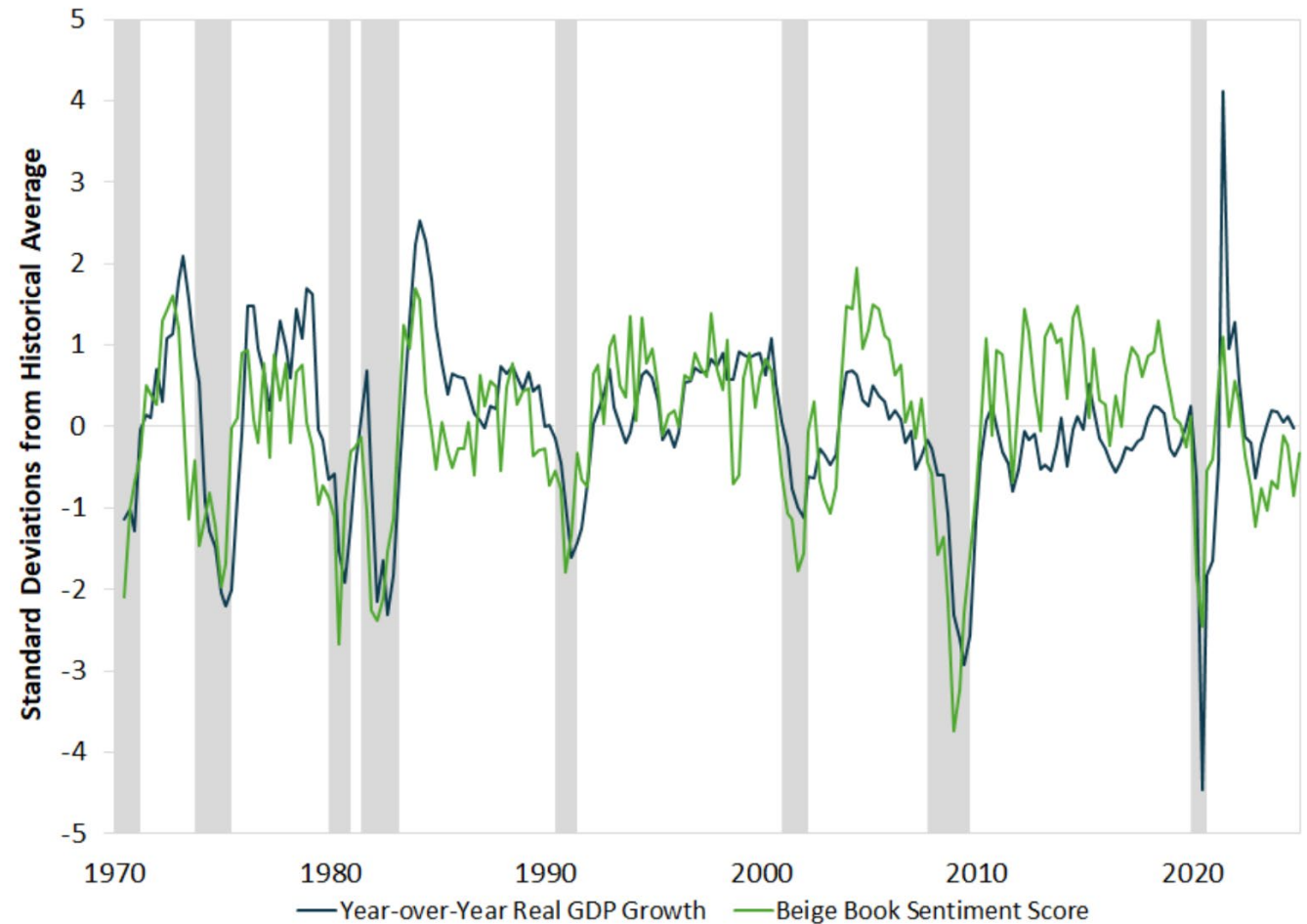
Inputs: roundtables, video calls, Chicago Fed Survey of Economic Conditions (CFSEC)

Outputs: Beige Book, CFSEC indexes, Contact Call Memo (internal)

Beige Book sentiment tracks US growth quite well

Sentiment: share positive words
minus share negative

Beige Book sentiment and real GDP growth



Source: Federal Reserve Bank of St Louis

CFSEC tracks 7th District growth quite well

CFSEC summary index is weighted average of indexes for

- Demand
- Employment
- Productivity
- Prices
- Labor costs
- Nonlabor costs

Employment growth and CFSEC summary index

1-month percent change, 3-month moving average



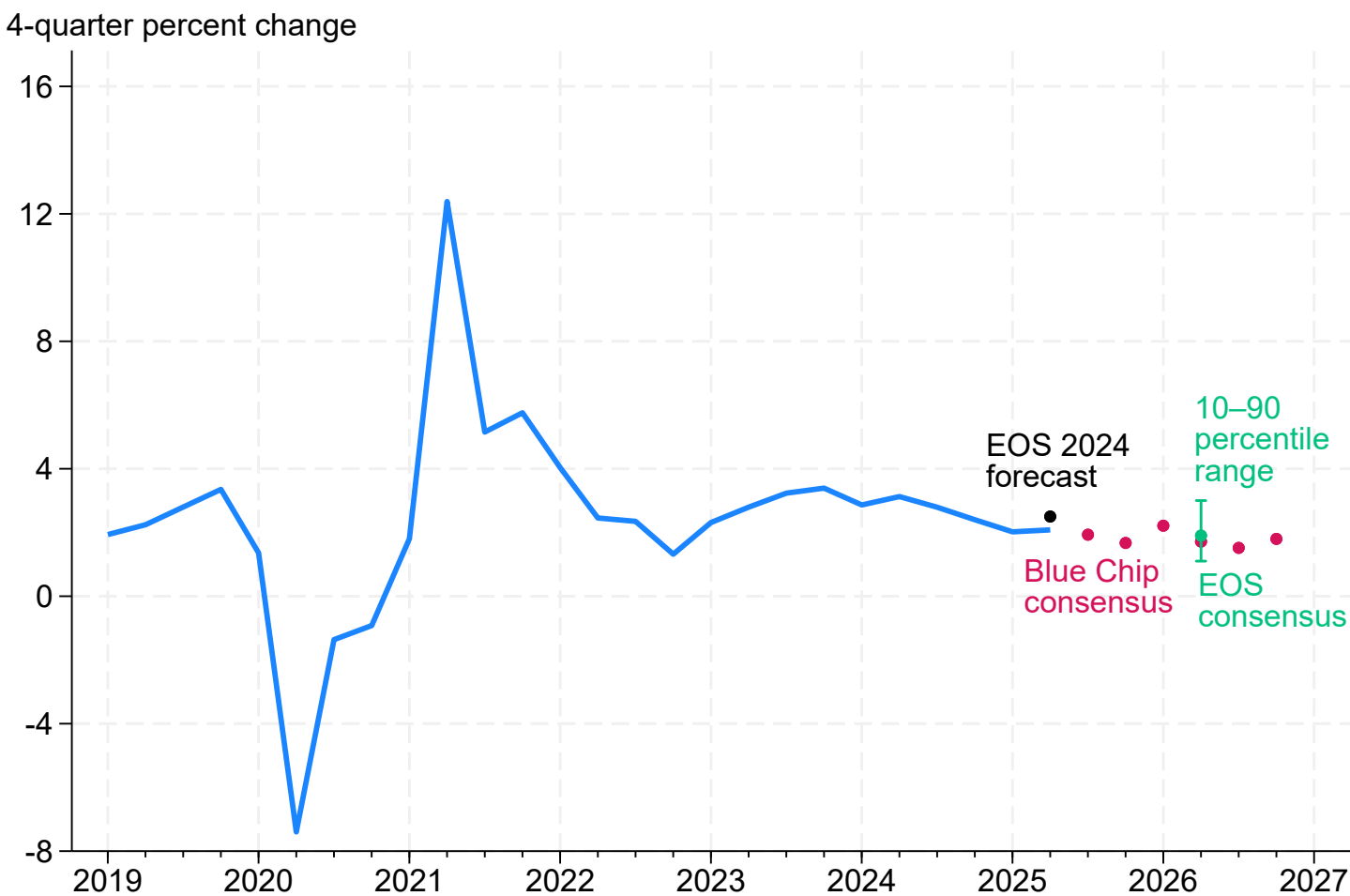
Source: Bureau of Labor Statistics and Chicago Fed

Growth to stay near trend

Median for Q2-2025 to Q2-2026

- EOS: 1.9%
- Blue Chip: 1.7%
- FOMC SEP longer run: 1.8%

Real GDP Growth



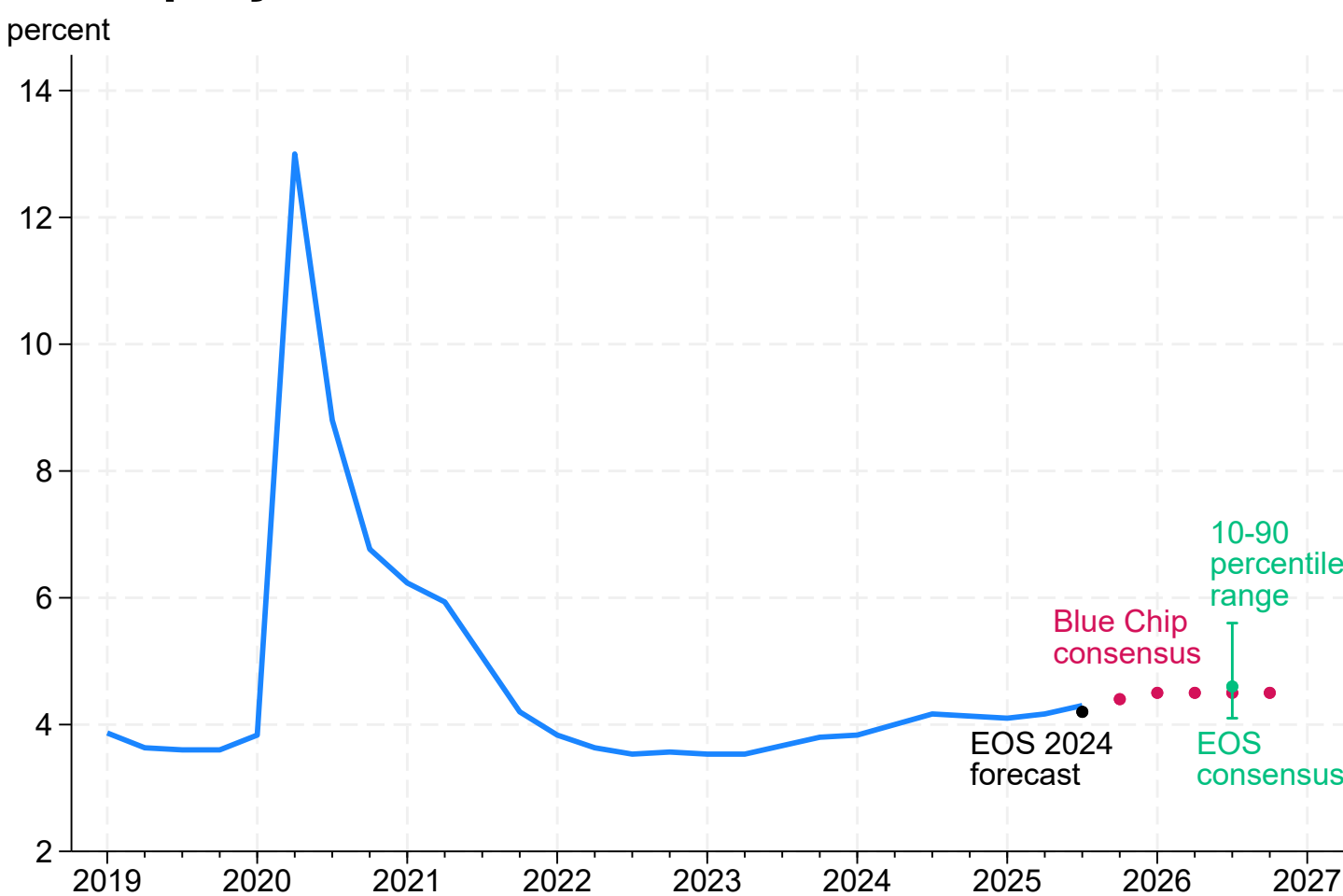
Source: Bureau of Economic Analysis, Wolters Kluwer, and Federal Reserve Bank of Chicago

Unemployment continues slight upward trajectory

Median for Q3-2026

- EOS: 4.6%
- Blue Chip: 4.5%
- FOMC SEP longer run: 4.2%

Unemployment rate



Source: Bureau of Labor Statistics, Wolters Kluwer, and Federal Reserve Bank of Chicago

Inflation to swing up some

Median for Q3-2026

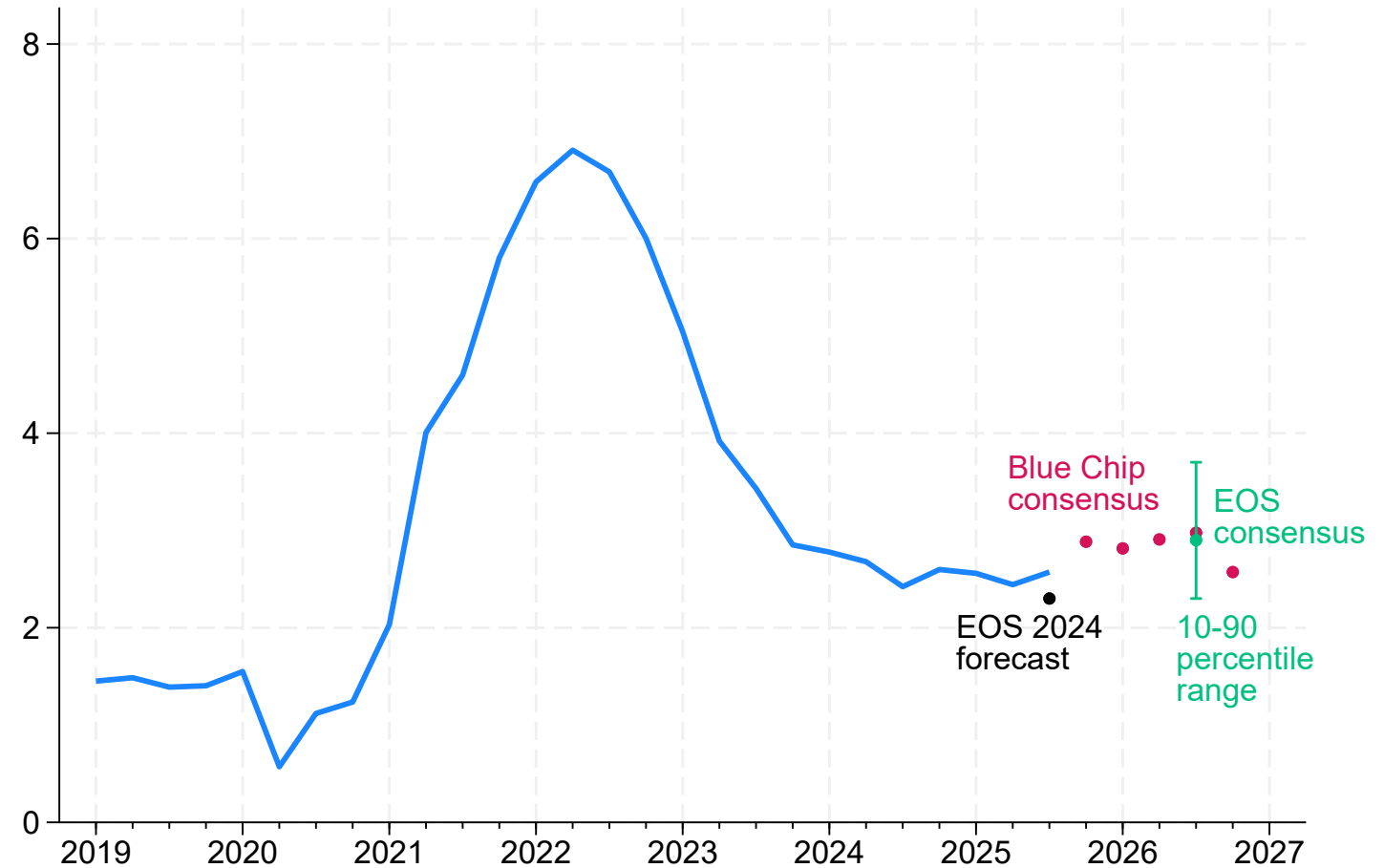
EOS: 2.9%

Blue Chip: 3.0%

FOMC SEP longer run: 2.0%

Personal Consumption Expenditures price index

4-quarter percent change



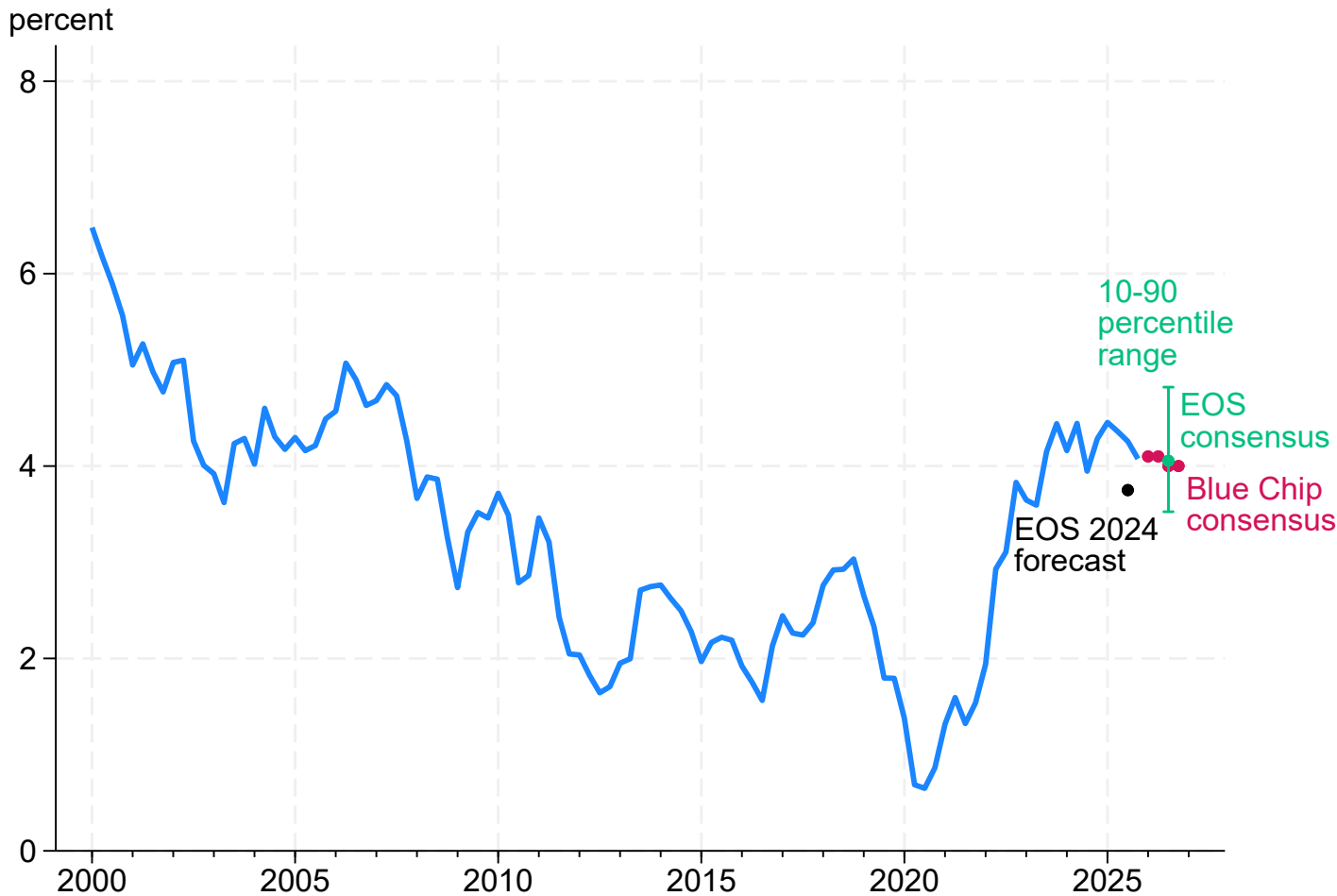
Source: Bureau of Labor Statistics, Wolters Kluwer, and Federal Reserve bank of Chicago

Long run rates to come down just a bit

Median for Q3-2026

EOS: 4.1%
Blue Chip: 4.0%

Yield on 10-year Treasury note



Source: Federal Reserve Board, Wolters Kluwer, and Federal Reserve bank of Chicago

Takeaways

Slightly slower growth (near long run trend)

Unemployment up a bit (and a little above long run rate)

Inflation up some (modestly above target)

Long run rates down a bit

Economy in good shape overall and expected to stay there in 2026, but inflation won't make much progress toward target

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Results are shared with the Chicago Fed's president and help inform monetary policy.

Responses are kept confidential, but aggregate results are made public.

