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# Economic Outlook

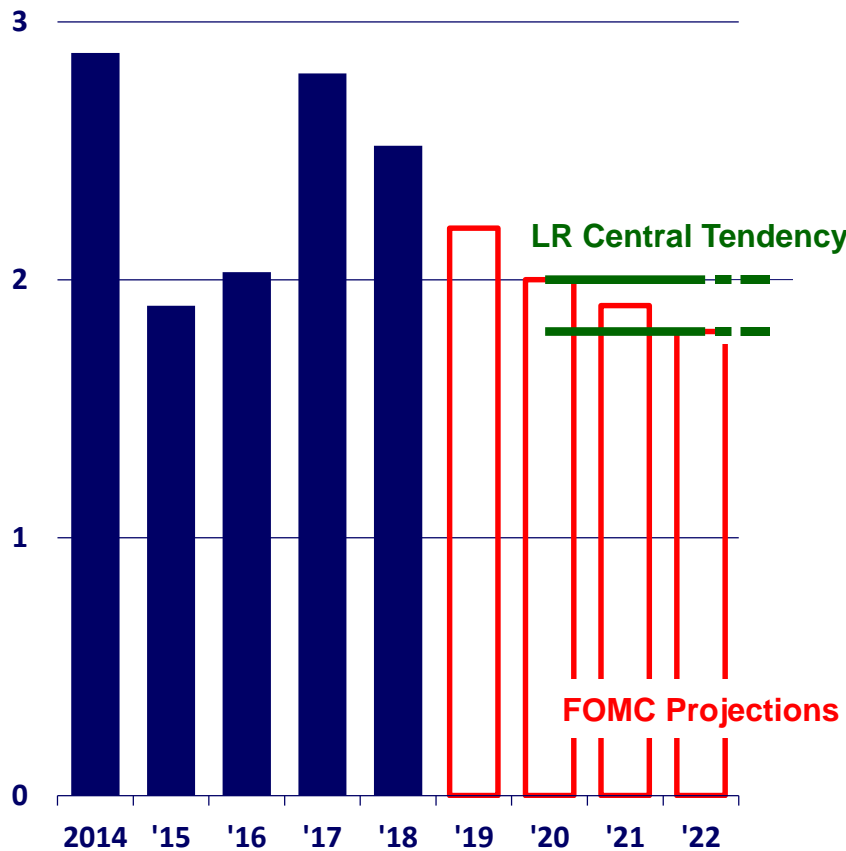
Bloomberg Grant Thornton Future Ready Business  
October 17, 2019

Spencer Krane  
*Senior Vice President*  
Federal Reserve Bank of Chicago

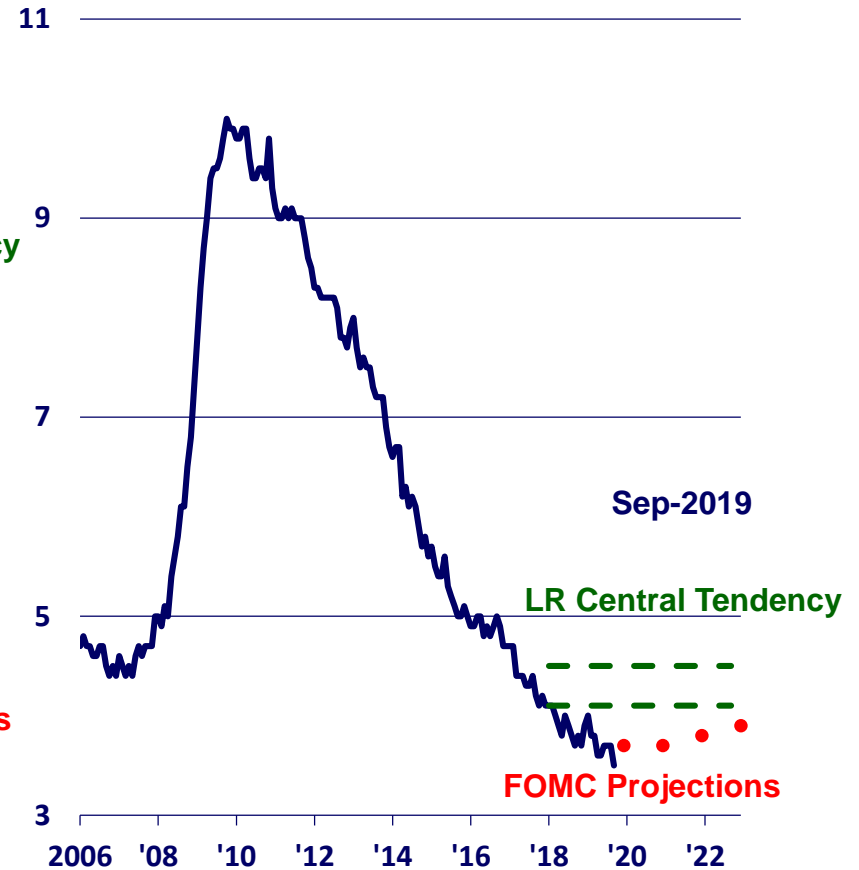
The views expressed are my own and not necessarily those of the Federal Reserve Bank of Chicago or the Federal Reserve System

# GDP Growth and Unemployment

**Real GDP Growth**  
(Q4-to-Q4)

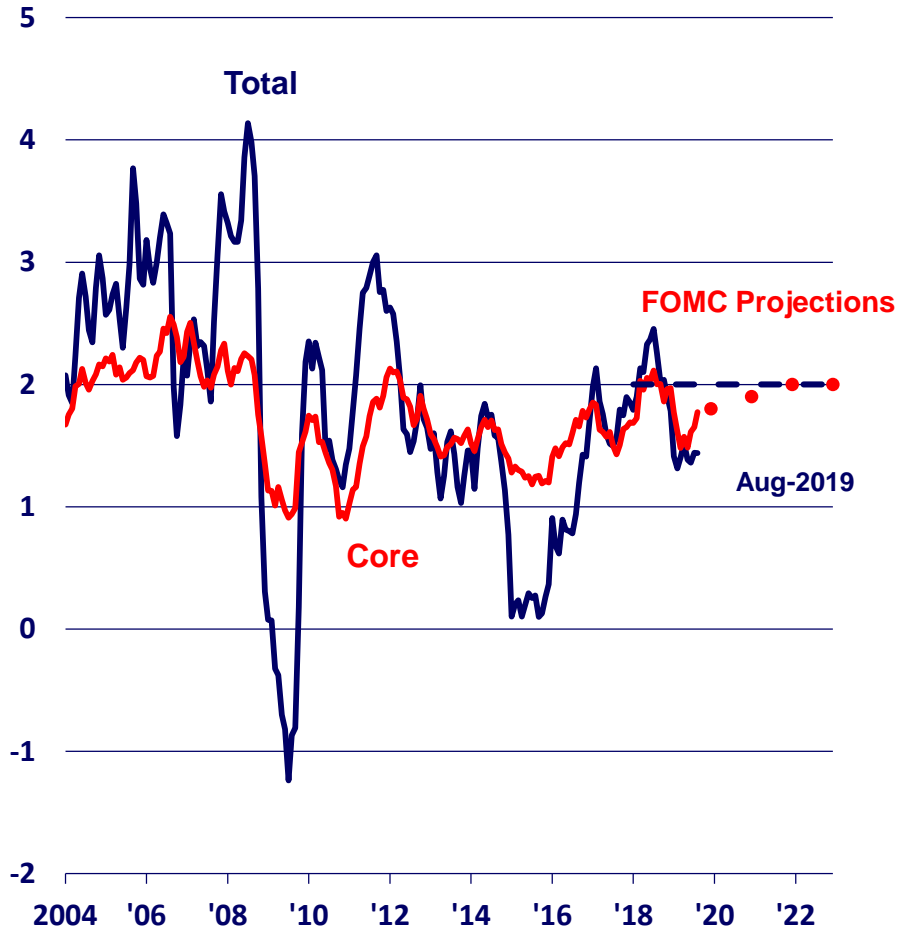


**Unemployment Rate**  
(percent)

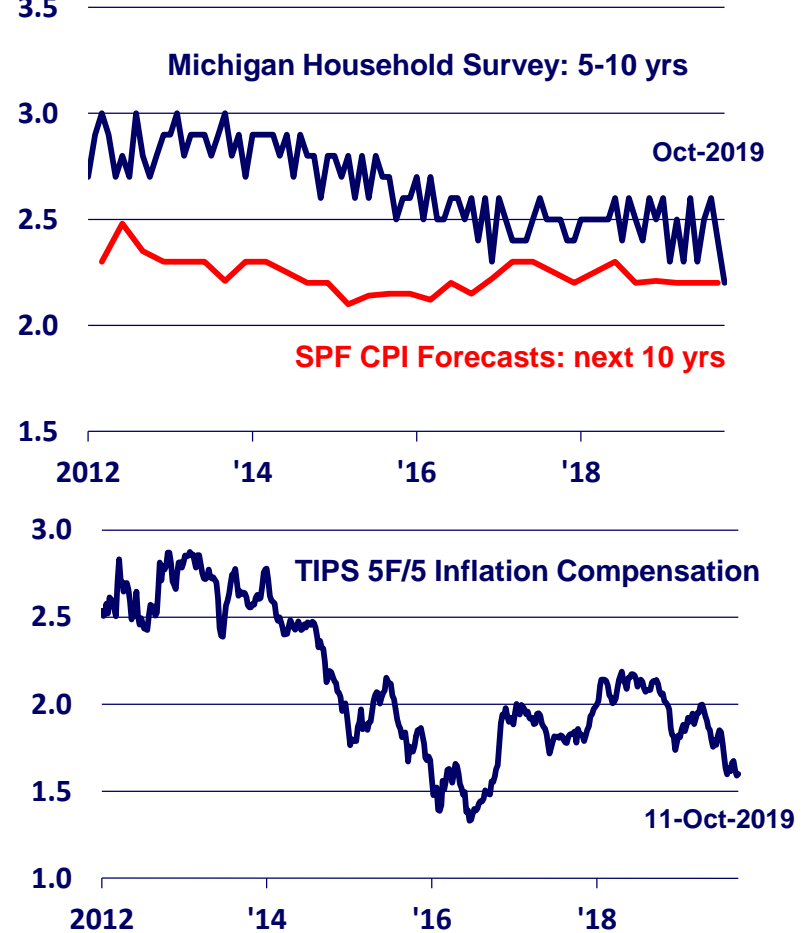


# Inflation and Inflation Expectations

**PCE Price Index**  
(12-month percent change)



**Inflation Expectation Indicators**  
(percent)

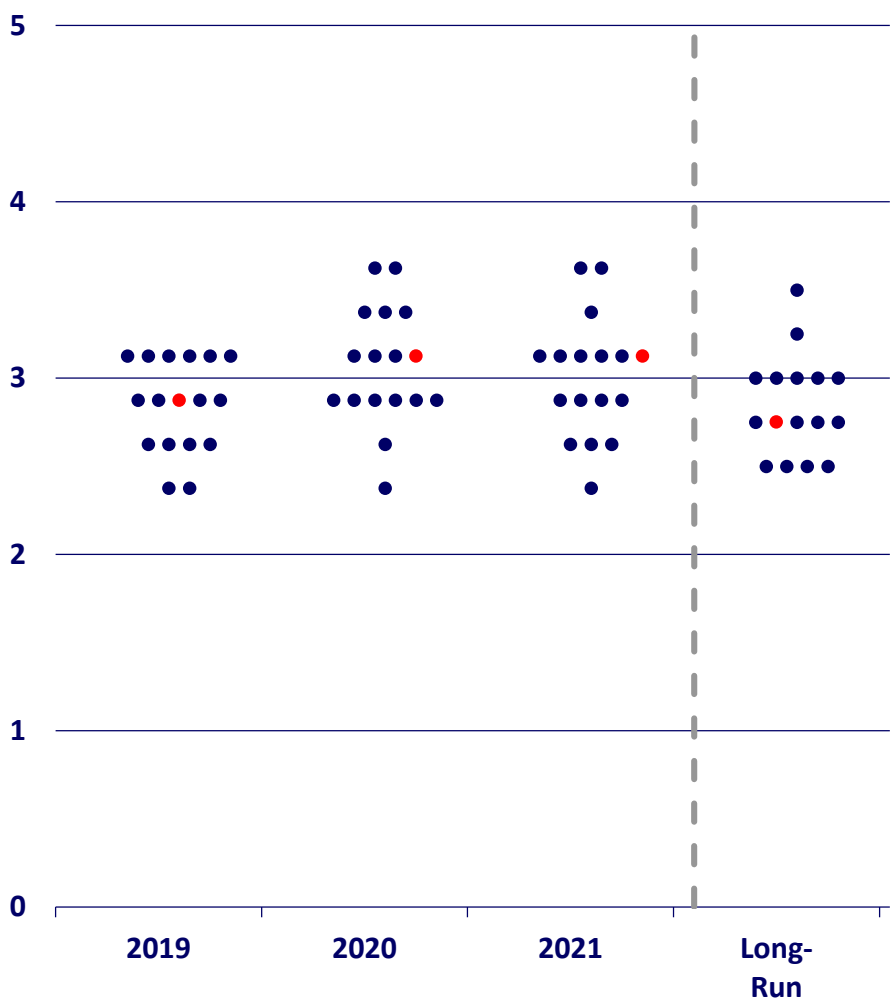


Source: Bureau of Economic Analysis, Federal Reserve Board, University of Michigan Survey of Consumers, Survey of Professional Forecasters from Haver Analytics, September 2019 Summary of Economic Projections

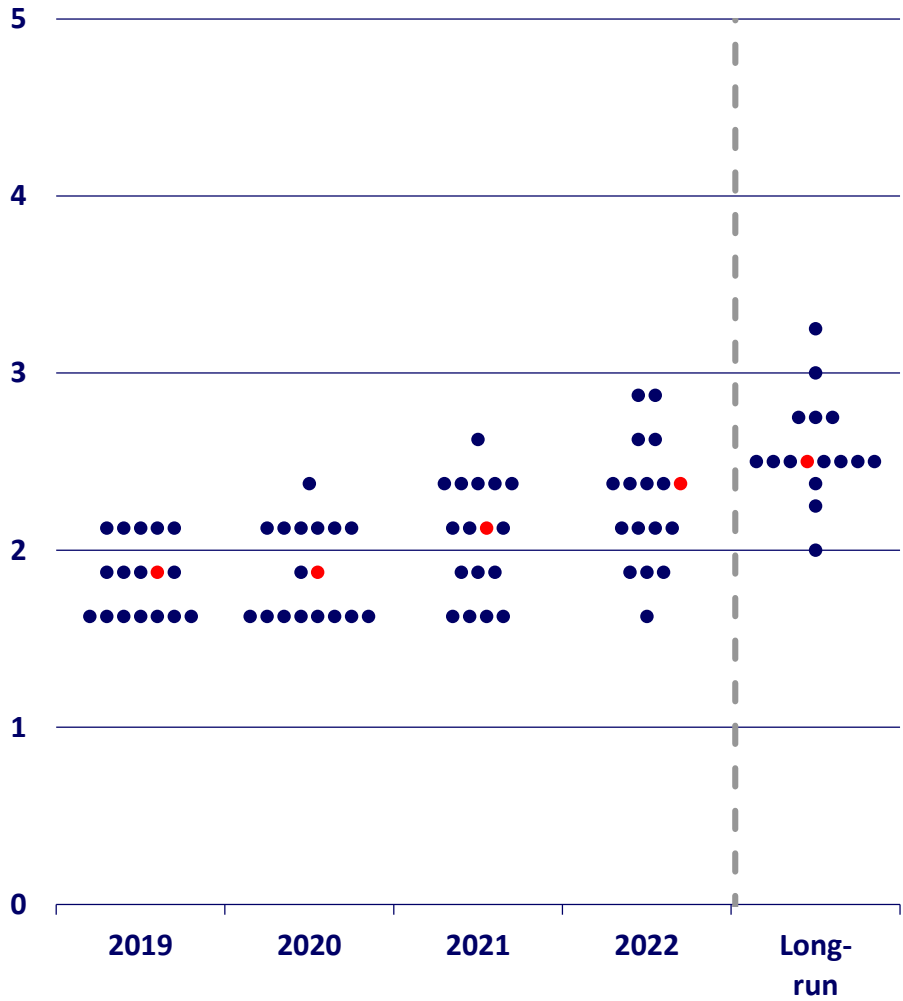
# Monetary Policy Path

Medians	2019	2020	2021	2022
Sept '19	1.9	1.9	2.1	2.4
Dec '18	2.9	3.1	3.1	

## December 2018



## September 2019



Source: End-of-year federal funds rate, FOMC Summary of Economic Projections

# Mid-Cycle Rate Adjustment

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- Mitigate depressing effects of international developments on U.S. growth
- Manage downside risks to the economy
- Support return of inflation to symmetric 2 percent target