Economic Outlook

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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)

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics from Haver Analytics and September 2019 Summary of Economic Projections
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

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tr>
<td>Sept '19</td>
<td>1.9</td>
<td>1.9</td>
<td>2.1</td>
<td>2.4</td>
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<tr>
<td>Dec '18</td>
<td>2.9</td>
<td>3.1</td>
<td>3.1</td>
<td></td>
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Source: End-of-year federal funds rate, FOMC Summary of Economic Projections
Mid-Cycle Rate Adjustment

• 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