

MBA Economic Forecast

December 12, 2025

	2025				2026				2027				2024	2025	2026	2027	2028
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Percent Change, SAAR																	
Real Gross Domestic Product	-0.6	3.8	2.5	0.7	1.3	1.5	1.6	1.5	1.6	1.7	1.7	1.7	2.4	1.6	1.5	1.7	1.7
Personal Consumption Expenditures	0.6	2.5	2.0	0.9	1.5	1.6	1.1	1.1	1.5	2.0	2.3	2.5	3.4	1.5	1.3	2.1	2.5
Business Fixed Investment	9.5	7.3	2.6	-2.5	-0.7	1.4	1.2	1.0	0.8	0.9	1.0	1.0	0.9	4.2	0.7	0.9	1.3
Residential Investment	-1.0	-5.1	-5.0	-2.1	0.0	1.3	2.3	2.1	1.9	2.1	0.8	0.5	1.4	-3.3	1.4	1.3	1.3
Govt. Consumption & Investment	-1.0	-0.1	0.7	-2.8	6.5	0.9	0.7	0.3	0.3	0.1	-0.1	-0.3	3.6	-0.8	2.1	0.0	-0.2
Net Exports (Bil. Chain 2012\$)	-1380.7	-1058.0	-977.8	-972.5	-1001.3	-999.9	-981.9	-969.8	-968.4	-977.5	-994.0	-1011.7	-1032.6	-1097.3	-988.3	-987.9	-1061.2
Inventory Investment (Bil. Chain 2012\$)	172.0	-18.3	-42.3	10.9	-7.2	-7.7	5.0	24.5	40.8	55.4	67.3	76.0	43.5	30.6	3.6	59.9	85.1
Consumer Prices (YOY)	2.7	2.5	3.0	3.2	3.3	3.5	3.3	3.0	2.7	2.6	2.4	2.4	2.7	3.2	3.0	2.4	2.1
Percent																	
Unemployment Rate	4.1	4.2	4.4	4.6	4.7	4.7	4.6	4.6	4.6	4.5	4.4	4.3	4.0	4.3	4.6	4.5	4.2
Federal Funds Rate	4.375	4.375	4.125	3.625	3.375	3.375	3.375	3.375	3.375	3.375	3.375	3.375	4.375	3.625	3.375	3.375	3.375
10-Year Treasury Yield	4.5	4.4	4.3	4.1	4.2	4.2	4.2	4.2	4.2	4.3	4.4	4.4	4.3	4.1	4.2	4.4	4.6

Notes:

The Fed Funds Rate forecast is shown as the mid point of the Fed Funds range at the end of the period.

All data except interest rates are seasonally adjusted

The 10-Year Treasury Yield is the average for the quarter, while the annual value is the Q4 value

Forecast produced with the assistance of the S&P ECONOSIM model

Copyright 2025 Mortgage Bankers Association. All rights reserved.

THE HISTORICAL DATA AND PROJECTIONS ARE PROVIDED "AS IS" WITH NO WARRANTIES OF ANY KIND.

MORTGAGE BANKERS ASSOCIATION