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# Current Economic Conditions and the Implications for Monetary Policy

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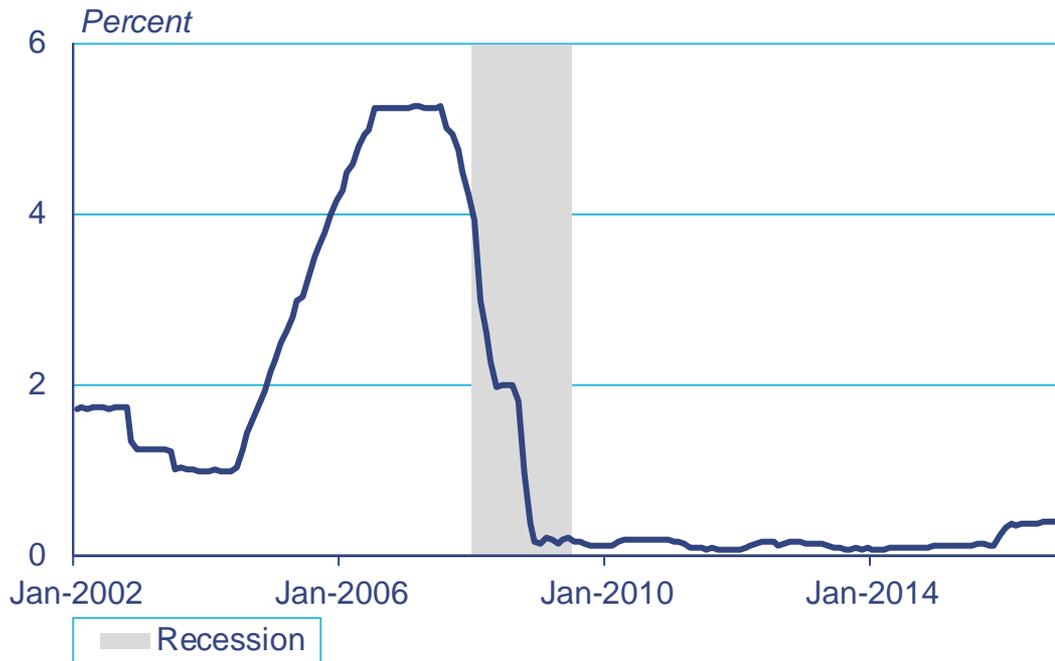
January 9, 2017

Economic Summit & Outlook 2017  
Connecticut Business & Industry Association and the MetroHartford Alliance  
Hartford, Connecticut

[bostonfed.org](http://bostonfed.org)

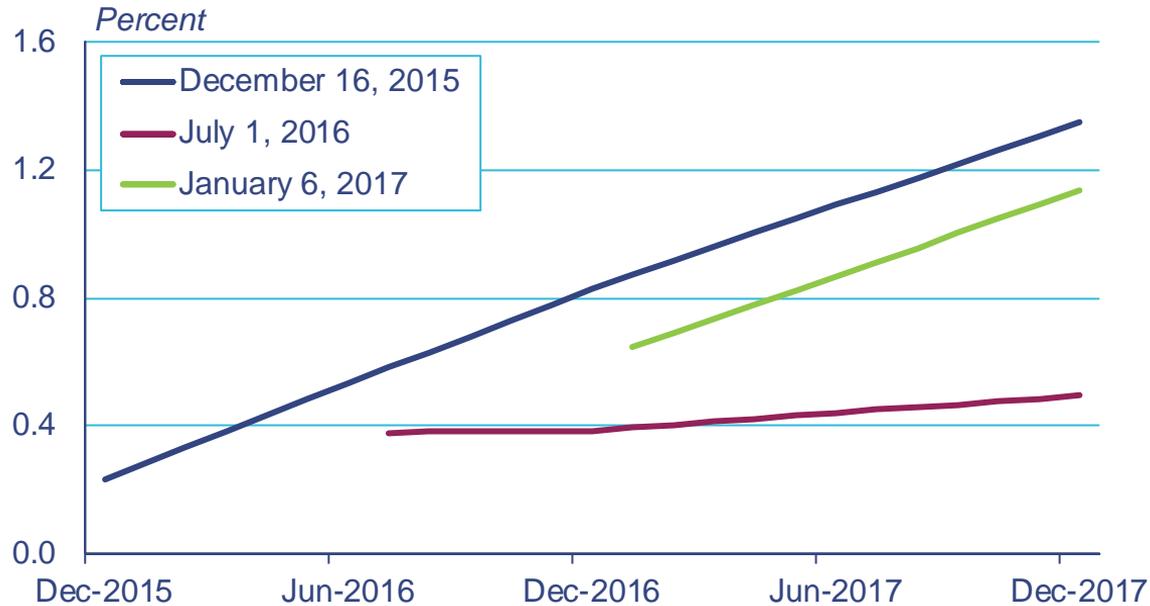


Figure 1: Federal Funds Rate  
January 2002 - December 2016





## Figure 2: Federal Funds Rate Projections Implied by the Federal Funds Futures Market on Selected Dates December 2015 - December 2017





## Figure 3: Ten-Year Government Bond Yields Change, November 1, 2016 - January 6, 2017

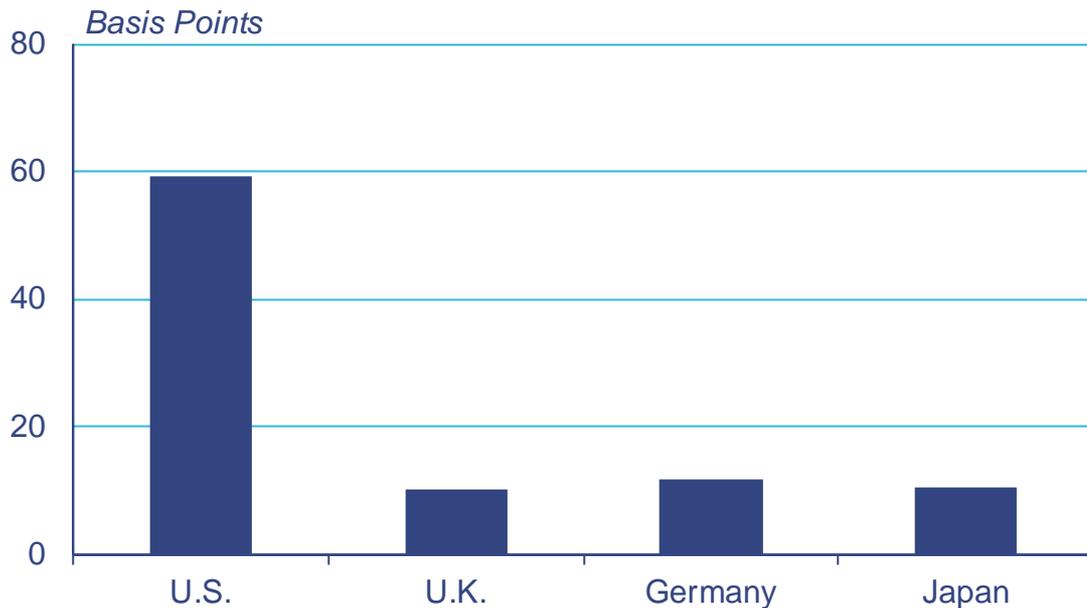
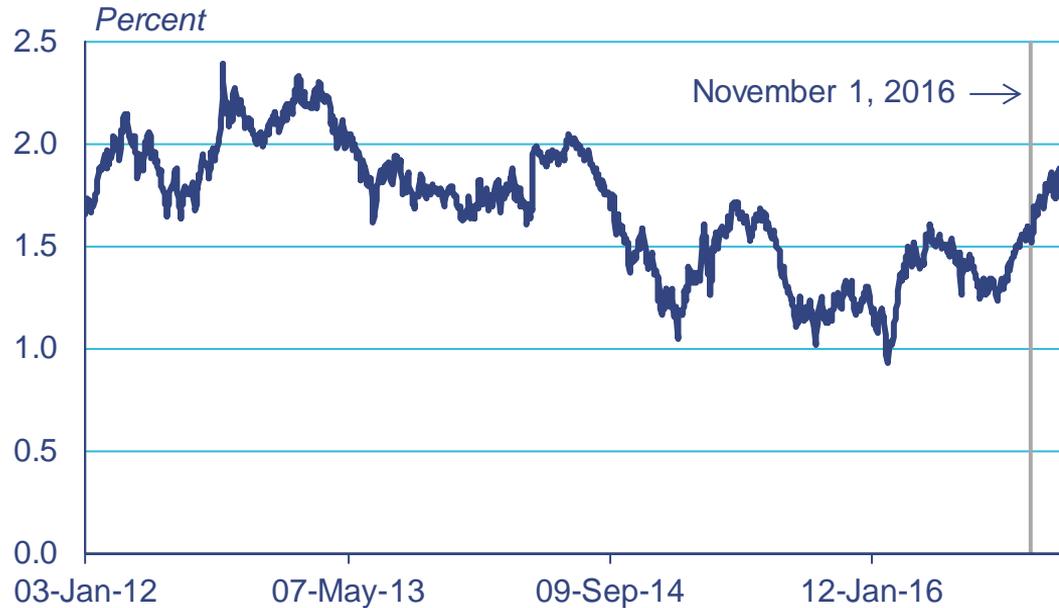




Figure 4: Five-Year Treasury Yield Minus  
Five-Year Inflation-Indexed Treasury Yield  
January 3, 2012 - January 5, 2017

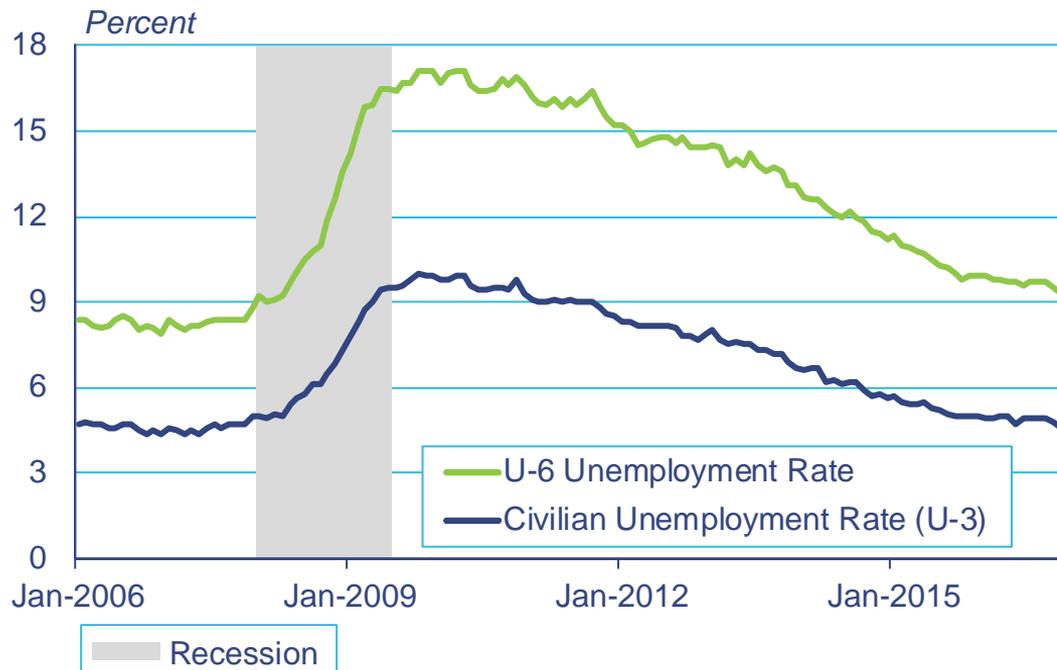


Note: Yields at Constant Maturity

Source: Federal Reserve Board, Haver Analytics

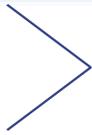


## Figure 5: Measures of Labor Underutilization January 2006 - December 2016



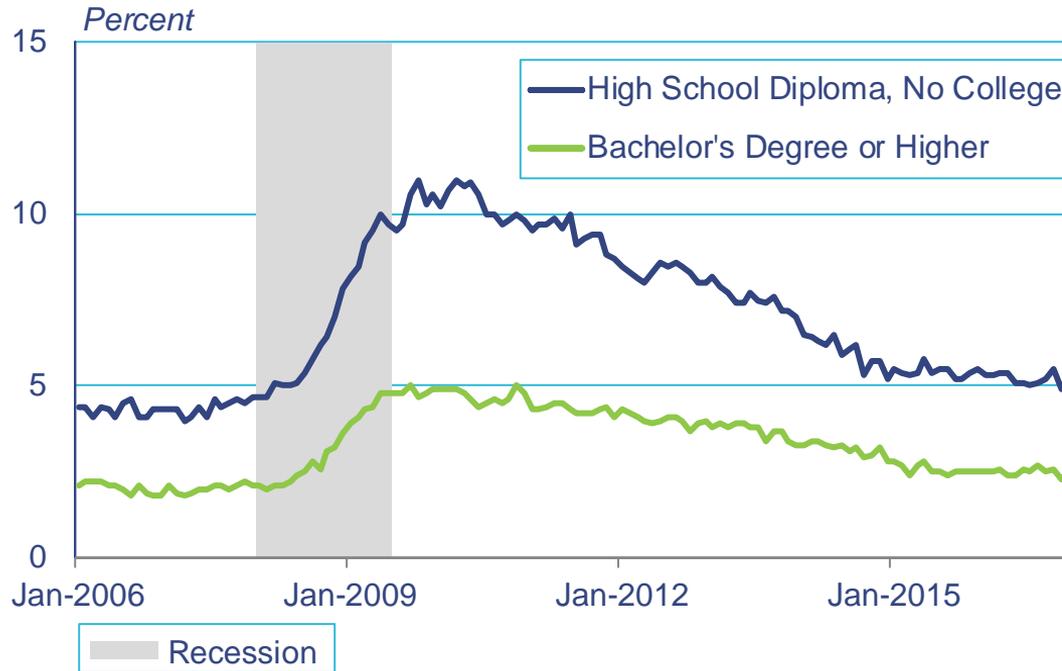
Note: The U-6 measure is total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.

Source: BLS, NBER, Haver Analytics



# Figure 6: Unemployment Rate by Educational Attainment

January 2006 - December 2016



Note: For population age 25 and older

Source: BLS, NBER, Haver Analytics



## Figure 7: Civilian Labor Force Growth January 2006 - December 2016





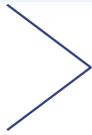
# Figure 8: Labor Force Entry and Exit

January 2006 - December 2016



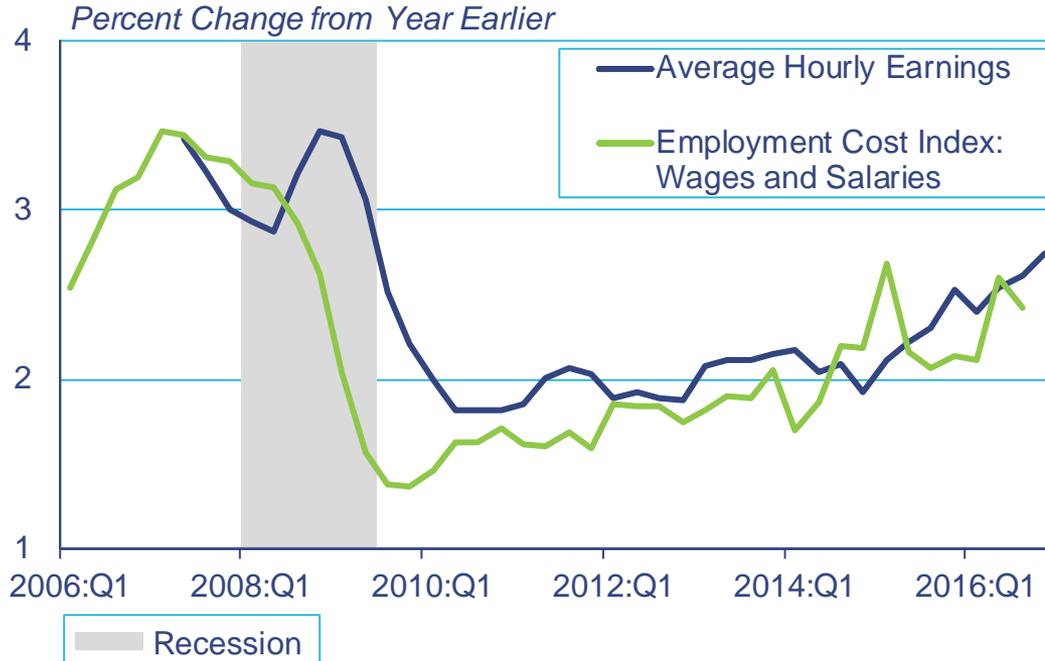
Note: Shares are twelve-month moving averages

Source: BLS, NBER, Haver Analytics



# Figure 9: Wage Growth for Private Industry Workers

2006:Q1 - 2016:Q4



Note: The Employment Cost Index for the fourth quarter of 2016 has not yet been released

Source: BLS, NBER, Haver Analytics



# Figure 10: Inflation Rate: Change in Total and Core Personal Consumption Expenditures Price Indices January 2006 - November 2016



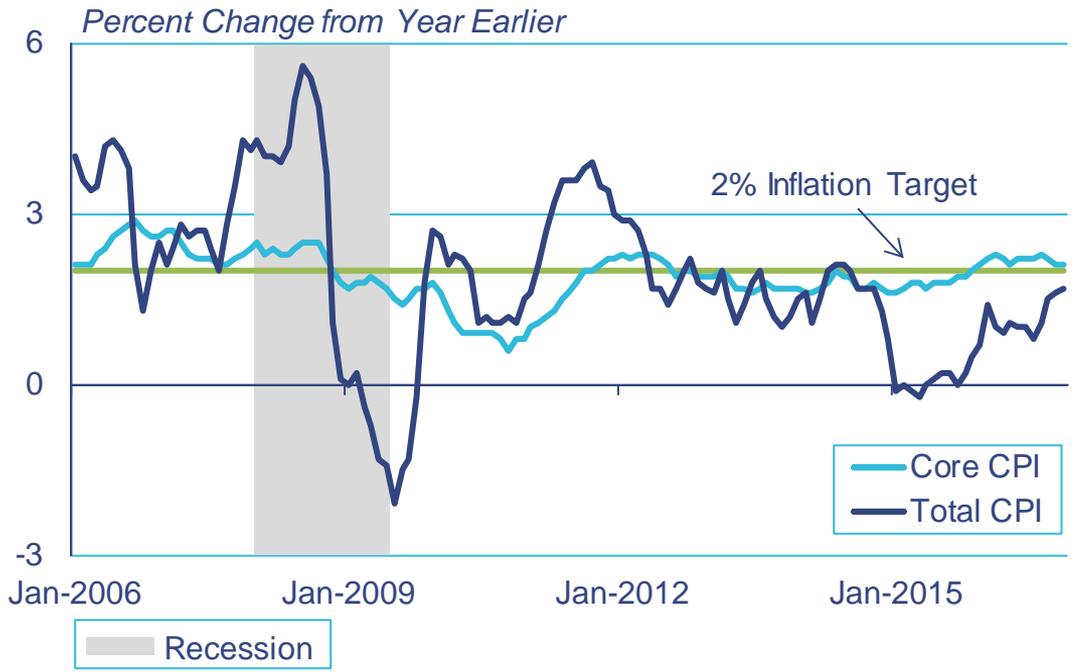
Note: Core PCE excludes food and energy

Source: BEA, NBER, Haver Analytics



# Figure 11: Inflation Rate: Change in Total and Core Consumer Price Indices

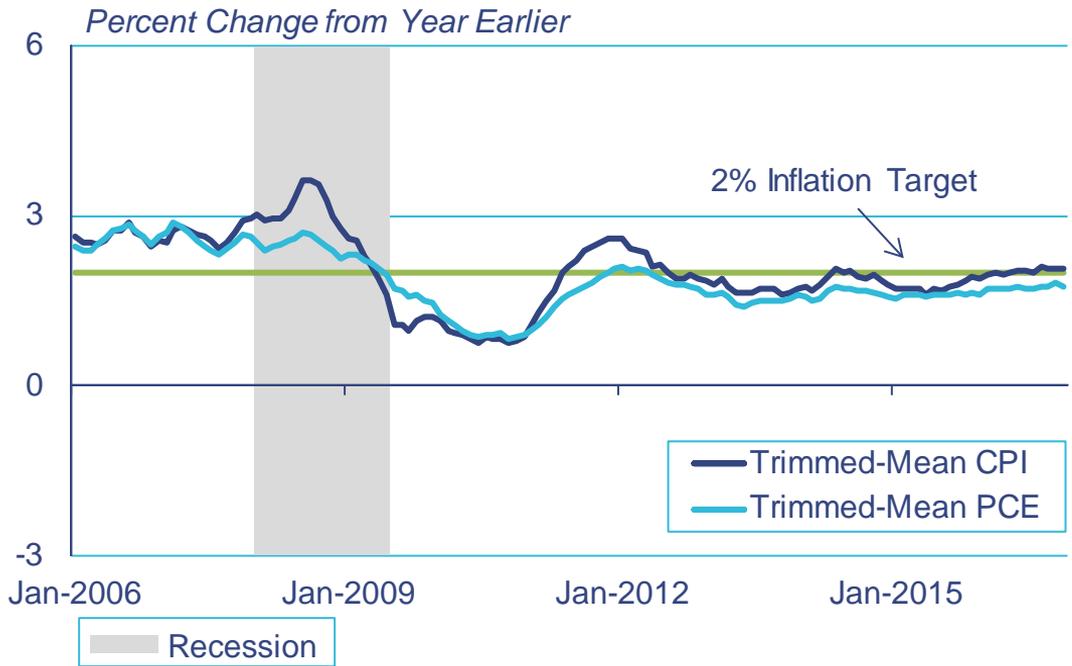
January 2006 - November 2016



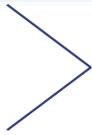
Note: Core CPI excludes food and energy  
Source: BLS, NBER, Haver Analytics



# Figure 12: Alternative Inflation Measures: Change in Trimmed-Mean PCE and CPI January 2006 - November 2016



Source: Federal Reserve Bank of Cleveland, Federal Reserve Bank of Dallas, NBER, Haver Analytics



# Figure 13: Estimates for the Target Federal Funds Rate Path

June 2016 - December 2019



Note: Estimates from the Survey of Primary Dealers are median estimates for the target rate or the midpoint of the target range. Estimates from the Summary of Economic Projections are medians of the projections for the midpoint of the target range at yearend for 2016 -2019.

Source: FOMC, Summary of Economic Projections, June 2016, Dec 2016; Survey of Primary Dealers, June 2016, Dec 2016



# Figure 14: Federal Reserve System Balance Sheet Composition

January 2006 - December 2016

