Current Economic Conditions and the Implications for Monetary Policy

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Figure 1: Federal Funds Rate
January 2002 - December 2016

Source: Federal Reserve Board, NBER, Haver Analytics
Figure 2: Federal Funds Rate Projections Implied by the Federal Funds Futures Market on Selected Dates

December 2015 - December 2017

Source: Bloomberg Finance L.P.
Figure 3: Ten-Year Government Bond Yields
Change, November 1, 2016 - January 6, 2017

Source: Bloomberg Finance L.P.
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

Percent Change from Year Earlier

Jan-2006 Jan-2009 Jan-2012 Jan-2015

Source: BLS, NBER, Haver Analytics
Figure 8: Labor Force Entry and Exit
January 2006 - December 2016

Percent of Population

- Entry
- Exit

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

Percent Change from Year Earlier

-3

0

3

6

Jan-2006 Jan-2009 Jan-2012 Jan-2015

Trimmed-Mean CPI
Trimmed-Mean PCE

Recession

2% Inflation Target

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.

Figure 14: Federal Reserve System Balance Sheet Composition
January 2006 - December 2016

Source: Federal Reserve Board, Haver Analytics