Monetary Policy and Forward Guidance

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Figure 1: Civilian Unemployment Rate (U-3): Total Unemployed as a Percent of the Civilian Labor Force

January 1994 - March 2014

Source: BLS, NBER, Haver Analytics

Recession

6.5% Threshold

FOMC initiated 6.5% threshold in December 2012
Figure 2: Civilian Unemployment Rate (U-3) Path based on Okun’s Law and Recent Trends

Note: Okun’s Law projections assume growth of 1% and 0.5% above potential GDP growth of 2%.

Source: BLS, NBER, Haver Analytics, Author’s Calculations
Figure 3: Inflation Rate: Change in Core Personal Consumption Expenditure (PCE) Price Index

Note: Forecast uses a Phillips Curve with anchored inflation expectations. Projected inflation is based on the expected evolution of the unemployment rate from the midpoint of the central tendency of the SEP. Source: BEA, NBER, Haver Analytics, Federal Reserve Bank of Boston Calculations
Figure 4: Housing Starts: Actual and Blue Chip Forecast


Source: Bureau of the Census, Blue Chip Economic Indicators, April 10, 2014, Haver Analytics
Figure 5: Population and Households
January 1994 - December 2013

Source: Bureau of the Census, Haver Analytics
Figure 6: Growth in Households

1994:Q1 - 2013:Q4

Source: Bureau of the Census, NBER, Haver Analytics
Figure 7: Checkable Deposits and Currency of Nonfinancial Corporate Businesses
1980:Q1 - 2013:Q4

Source: Federal Reserve Board, NBER, Haver Analytics
Figure 8: Checkable Deposits and Currency of Households and Nonprofit Organizations

1980:Q1 - 2013:Q4

Source: Federal Reserve Board, NBER, Haver Analytics
Figure 9: Persons Employed Part Time for Economic Reasons as a Percent of the Civilian Labor Force

1994:Q1 - 2014:Q1

Source: BLS, NBER, Haver Analytics
Figure 10: Long-Term Unemployment: Persons Unemployed 27 Weeks or More as a Percent of Total Unemployed Civilians

1980:Q1 - 2014:Q1

Source: BLS, NBER, Haver Analytics
Figure 11: Foreign Claims of Domestically Owned Reporting Banks on Emerging Market Economies Consolidated, Ultimate Risk Basis

2013:Q3

Note: Worldwide consolidated positions of domestically owned banks of 24 reporting countries.

Source: BIS Quarterly Review, March 2014, Statistical Annex Table 2B