Implications of Fiscal Austerity for U.S. Monetary Policy

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Figure 1
Growth in Real Final Sales to Private Domestic Purchasers

Source: BEA, NBER / Haver Analytics
Figure 2
Growth in Real Final Sales to All Domestic and Private Domestic Purchasers

2007:Q1 - 2013:Q1

Source: BEA, NBER / Haver Analytics
Figure 3
Growth in Real Government Spending
2007:Q1 - 2013:Q1

Source: BEA, NBER / Haver Analytics
Figure 4
Contribution of Real Government Spending to Real GDP Growth

2007:Q1 - 2013:Q1

Source: BEA, NBER / Haver Analytics
Figure 5
Growth in Real Government Spending by Federal and State and Local Governments

Source: BEA, NBER / Haver Analytics
Figure 6
Growth in Government Spending During Current and Previous Three Recoveries

Source: BEA, NBER / Haver Analytics
Figure 7
Nonfarm Payroll Employment Growth: All Industries and Private Industries

Source: BLS, NBER / Haver Analytics
Figure 8
Inflation Rate: Change in Total and Core Personal Consumption Expenditure (PCE) Price Indexes

January 2007 - March 2013

Source: BEA, NBER / Haver Analytics
Figure 9
Three-Month Treasury Bill Yield Minus Core PCE Inflation Rate

January 2007 - March 2013

Note: Core PCE Inflation Rate is the percent change in the Core PCE from one year earlier
Source: BEA, Federal Reserve Board, NBER / Haver Analytics
Figure 10
Central Bank Assets in the United States, the United Kingdom and the Euro Area

December 2006 - April 2013

Index Level December 2006 = 100

- United Kingdom
- United States
- Euro Area (17)

Source: Bank of England, European Central Bank, Federal Reserve Board / Haver Analytics
Figure 11
Growth in Real Government Spending in the United States, the United Kingdom and the Euro Area

2010 - 2012

Percent Change from Year Earlier

-3 -2 -1 0 1 2 3
United States United Kingdom Euro Area (17)
2010:Q4 2011:Q4 2012:Q4

Note: Includes only government consumption expenditures.
Source: BEA, Eurostat, Office for National Statistics (U.K.) / Haver Analytics
Figure 12
Estimated General Government Structural Budget Balance

2010 - 2013

Note: For the Euro area, 2012 is also based on estimates of the budget balance for some countries
Source: IMF, World Economic Outlook Database