



Monetary Policy in a Low Inflation and Low Unemployment Economy

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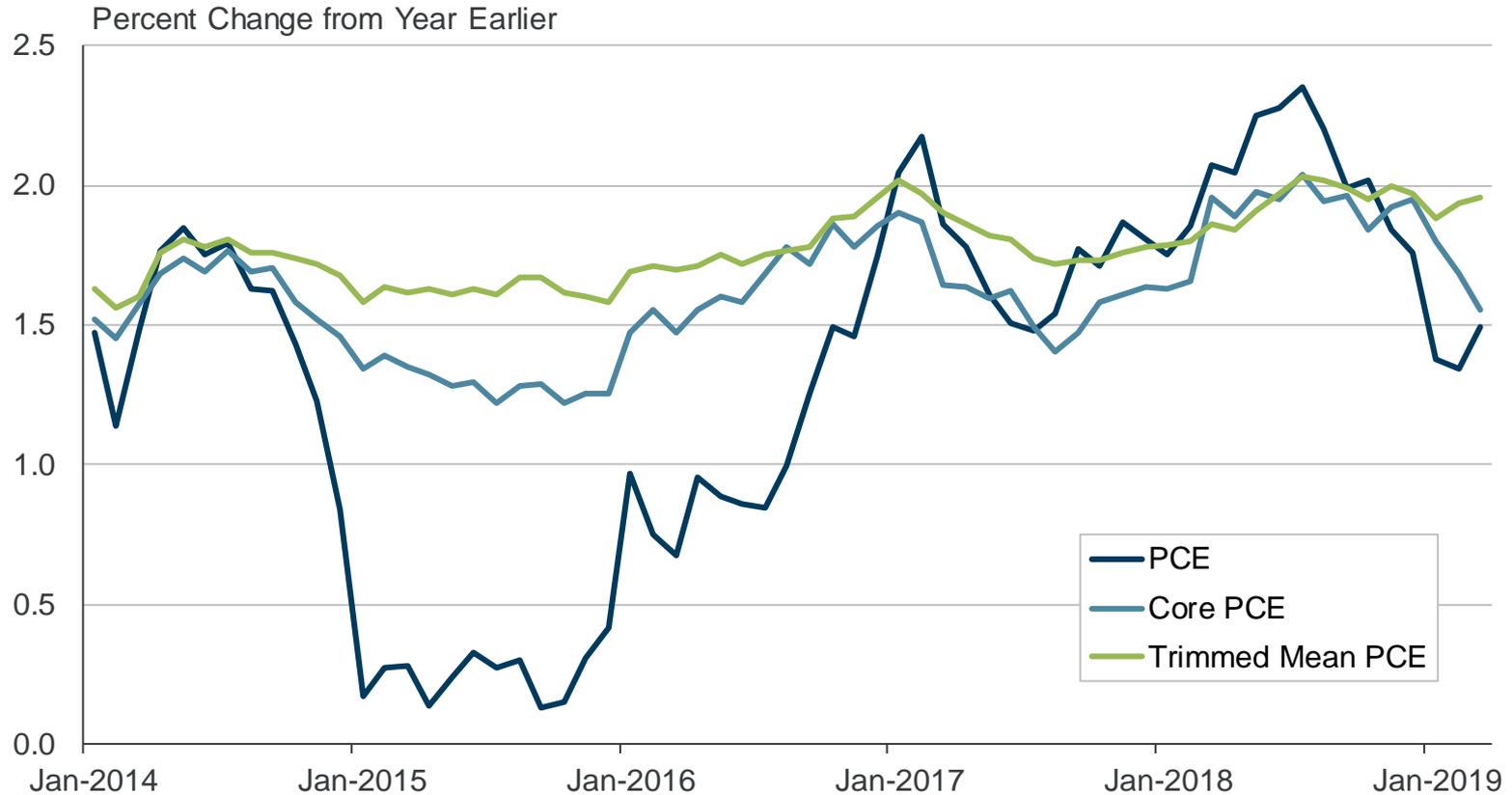
Figure 1: Inflation Rate: Change in Personal Consumption Expenditures (PCE) Price Indices January 2014 - March 2019



Note: Core PCE excludes food and energy.

Source: BEA, Haver Analytics

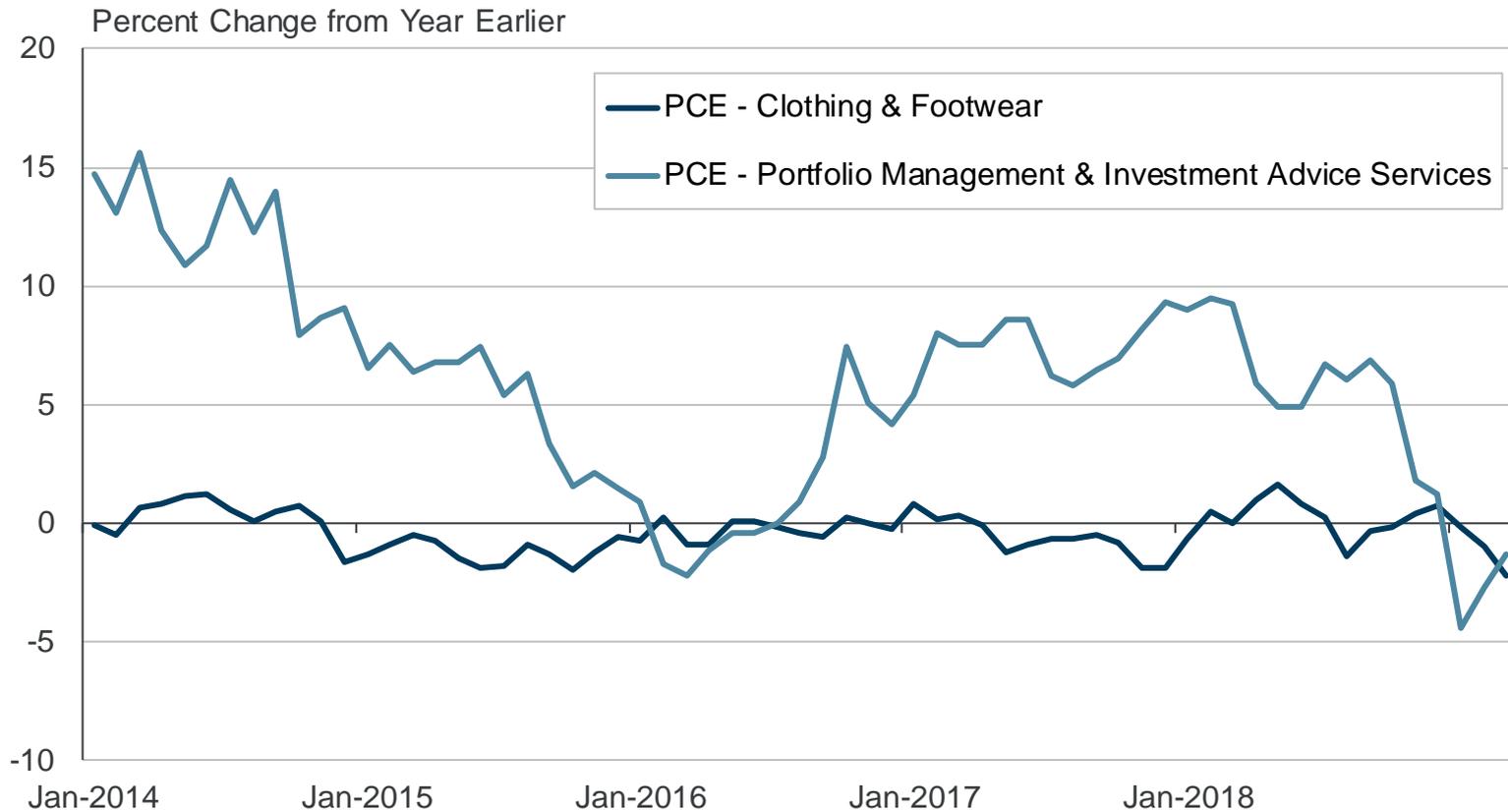
Figure 2: Inflation Rate: Change in Personal Consumption Expenditures (PCE) Price Indices and Trimmed Mean PCE January 2014 - March 2019



Note: Core PCE excludes food and energy.

Source: BEA, Federal Reserve Bank of Dallas, Haver Analytics

Figure 3: Inflation Rate: Change in Personal Consumption Expenditures (PCE) Price Indices for Select Categories January 2014 - March 2019

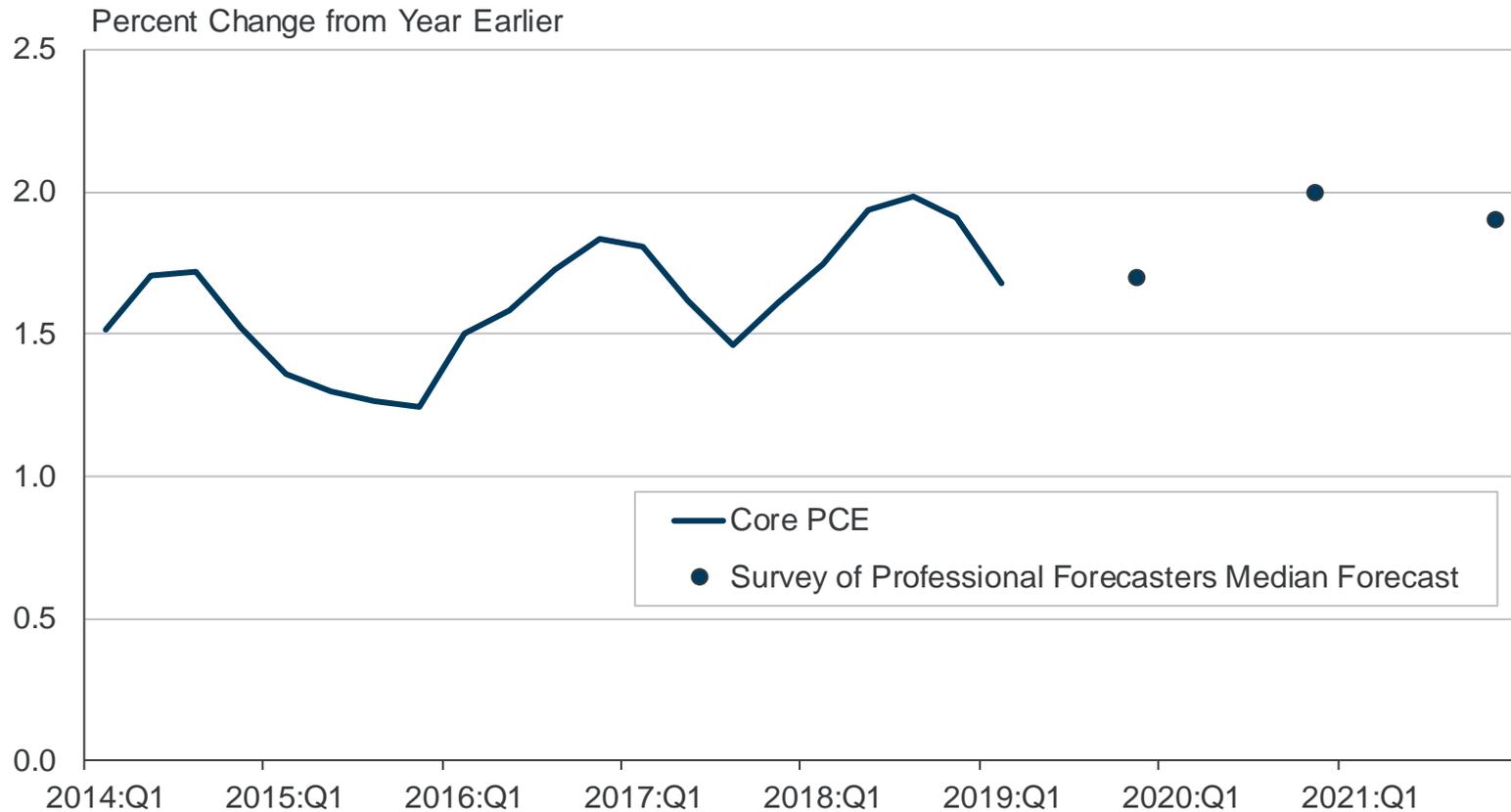


Note: Core PCE excludes food and energy.

Source: BEA, Haver Analytics

Figure 4: Inflation Rate: Change in Core Personal Consumption Expenditures (PCE) Price Index

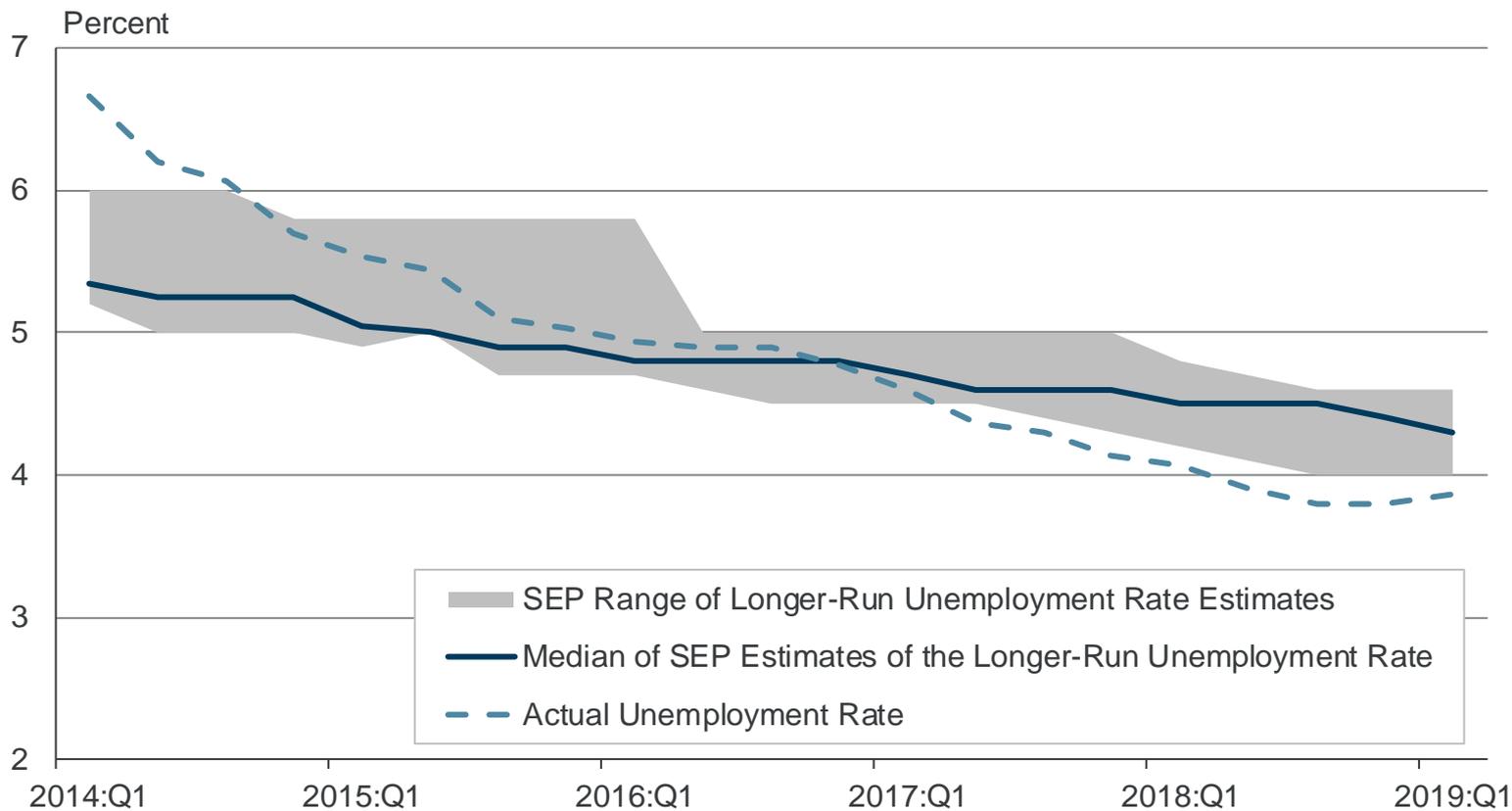
2014:Q1 - 2019:Q1 and Forecasts for 2019:Q4, 2020:Q4 and 2021:Q4



Note: Core PCE excludes food and energy.

Source: BEA; Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 10, 2019; Haver Analytics

Figure 5: Unemployment Rate: Actual and Estimates of the Longer-Run Unemployment Rate from the Summary of Economic Projections 2014:Q1 - 2019:Q1

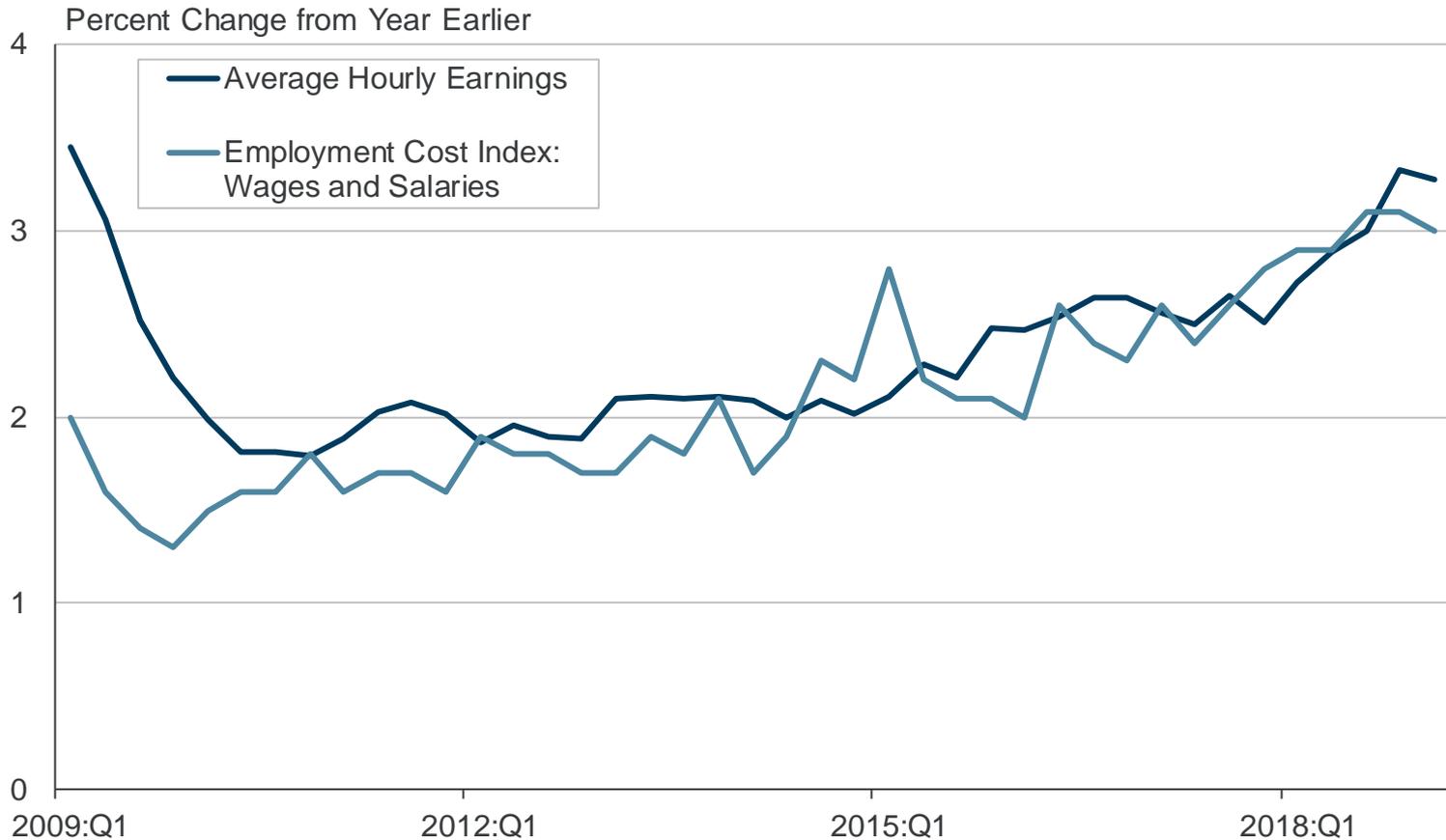


Note: Pictured above is the unemployment rate through the first quarter of 2019. While the unemployment rate for the first quarter was 3.9%, on a monthly basis, the more recently-released unemployment rate for April was a lower 3.6%.

Source: FOMC, Summary of Economic Projections (SEP); BLS; Haver Analytics

Figure 6: Wage Growth for Private Industry Workers

2009:Q1 - 2019:Q1



Source: BLS, Haver Analytics

Figure 7: Productivity Growth: Change in Real Output Per Hour, Nonfarm Business Sector, All Persons, 20-Quarter Moving Average 1999:Q1 - 2019:Q1

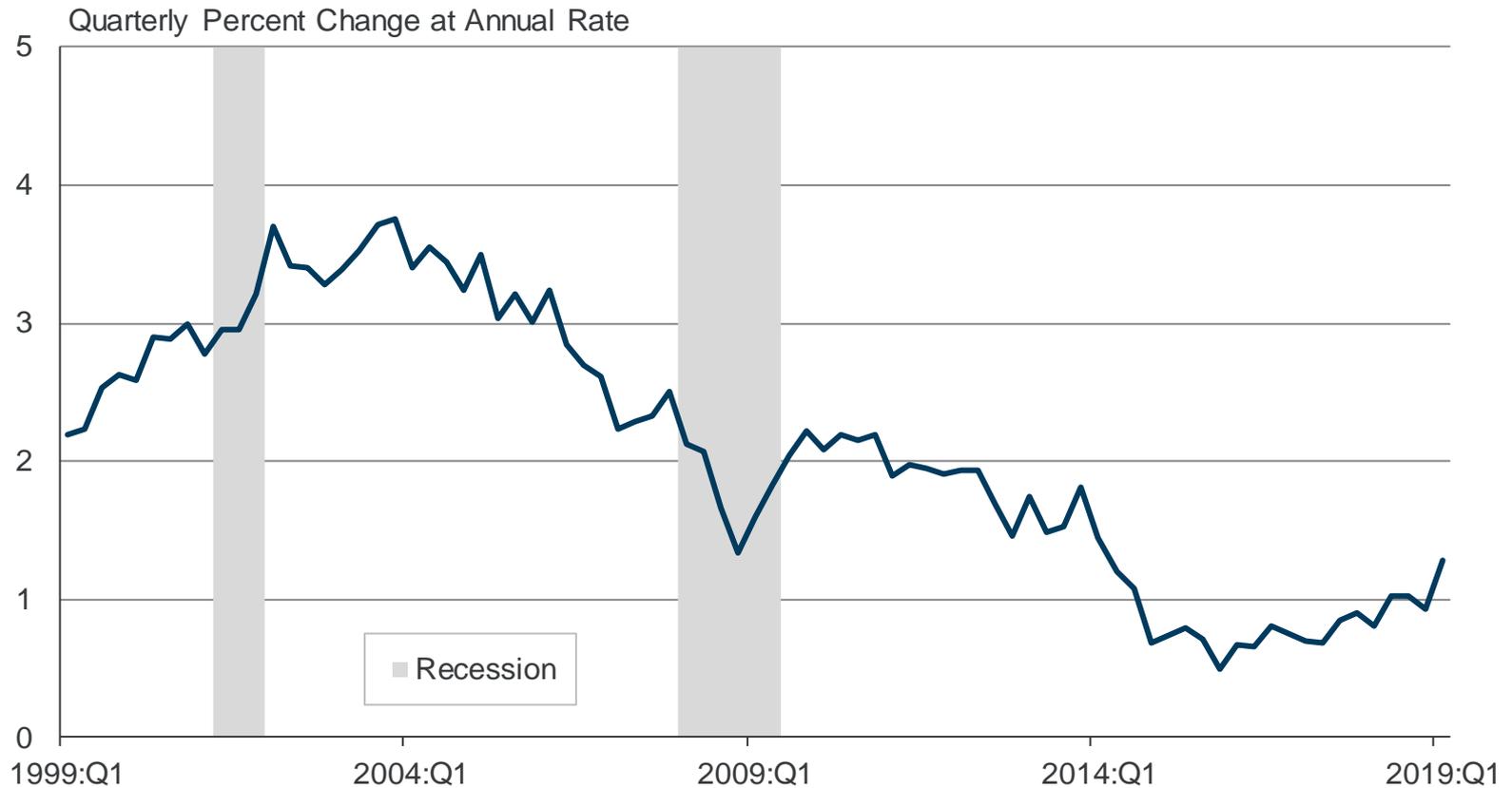
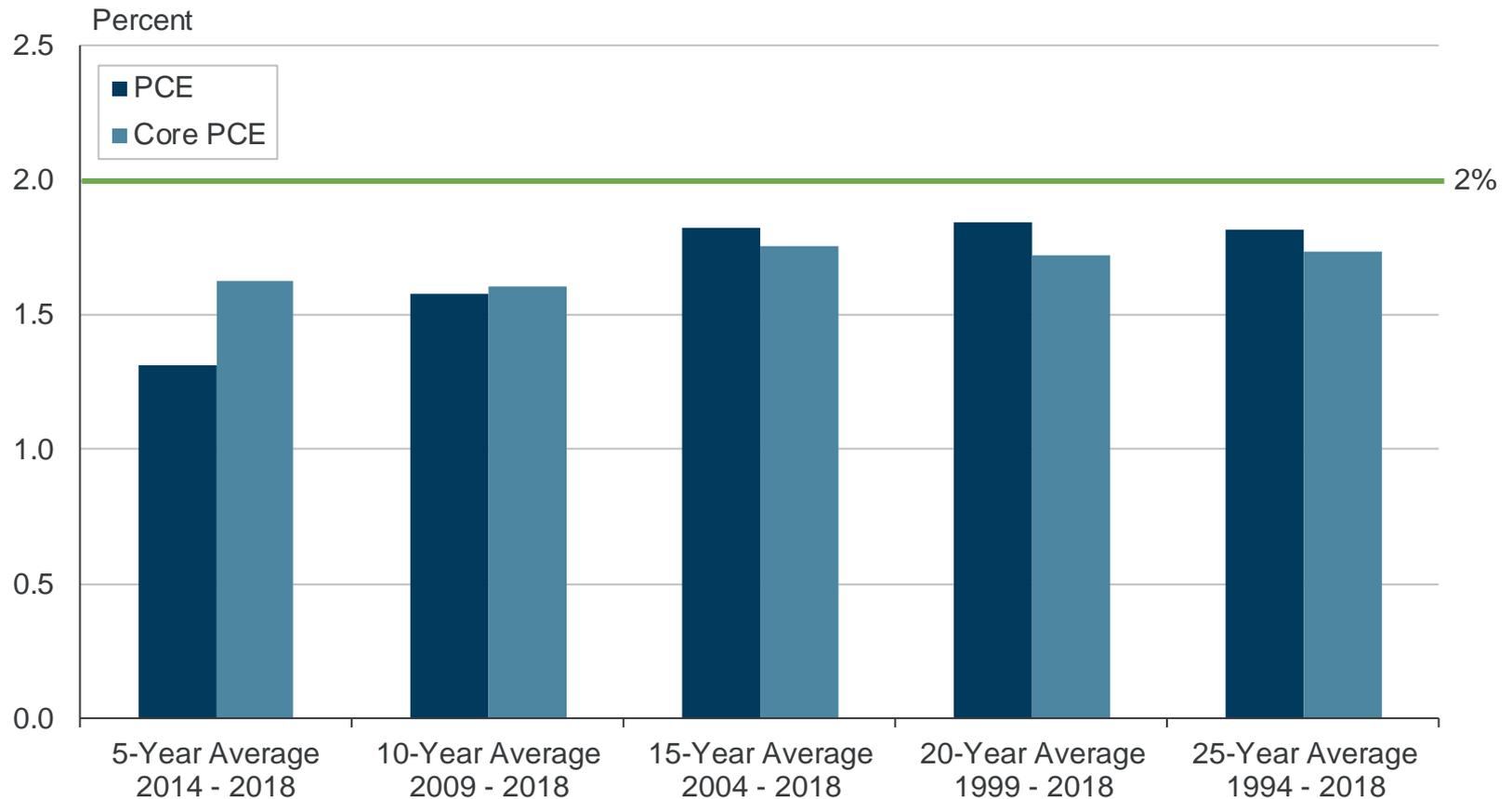


Figure 8: Average Inflation Rate: Average Change in Personal Consumption Expenditures (PCE) Price Indices 1994 - 2018



Note: Core PCE excludes food and energy.

Source: BEA, Haver Analytics