Financial Stability in a Low Interest Rate Environment

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Figure 1: Population Growth

Annual Percent Change

Source: Bureau of the Census, Eurostat, Japan’s Ministry of Internal Affairs and Communications, Haver Analytics
Figure 2: Growth in Real GDP Per Capita

Source: Bureau of Economic Analysis, Statistical Office of European Communities, Cabinet Office of Japan, Haver Analytics
Figure 3: Forecasts for the Longer-Run Federal Funds Rate from the Summary of Economic Projections

January 2012 - June 2017

Note: The central tendency excludes the three highest and three lowest observations.

Source: FOMC, Summary of Economic Projections (SEP)
Figure 4: Changes in the Federal Funds Effective Rate and the Unemployment Rate

Note: The changes are measured between the peaks and troughs of the individual series. NBER business cycle peak dates are used only to identify the particular business cycle. The decrease in the federal funds rate is measured by the change from the peak federal funds rate to the trough federal funds rate. The increase in the unemployment rate is measured by the change from the trough unemployment rate to the peak unemployment rate.

Source: Federal Reserve Board, BLS, NBER, Haver Analytics
Figure 5: Spread: Ten-Year Government Bond Yield Minus Two-Year Government Bond Yield
January 2000 - May 2017

Source: Bloomberg Finance L.P.
Figure 6: Capitalization Rates by Property Type
2001:Q1 - 2017:Q1

Note: The capitalization or “cap” rate is the ratio of net operating income produced by a property to the price paid, calculated at the time of a transaction. Based on properties of $2.5 million or more.

Source: Real Capital Analytics, NBER, Haver Analytics
Figure 7: Foreign Capital Invested in U.S. Commercial Real Estate
2001:Q1 - 2017:Q1

Note: Latin America is defined as any country in North or South America except Canada and the United States.
Source: Real Capital Analytics