Ethics and Economics: Making Cyclical Downturns Less Severe

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bostonfed.org
Figure 1: Inflation Rate: Change in Core Personal Consumption Expenditures (PCE) Price Index
1960:Q1 - 2018:Q1

Note: Core PCE excludes food and energy.
Source: BEA, NBER, Haver Analytics
Figure 2: Unemployment Rate
1960:Q1 - 2018:Q1

Source: BLS, NBER, Haver Analytics
Figure 3: Unemployment Rate by Race and Ethnicity
1972:Q1 - 2018:Q1

Note: Based on labor force age 16 and older. Persons whose ethnicity is identified as Hispanic or Latino may be of any race.
Source: BLS, NBER, Haver Analytics
Figure 4: Unemployment Rate by Educational Attainment

1992:Q1 - 2018:Q1

Note: Based on labor force age 25 and older.
Source: BLS, NBER, Haver Analytics
Figure 5: Poverty Rate of Children Under Age 18 and the Unemployment Rate 1960 - 2016

Note: The poverty rate is annual, the unemployment rate is quarterly. The most recent poverty rate is for 2016.
Source: U.S. Census Bureau, BLS, NBER, Haver Analytics
Figure 6: Growth in Real State and Local Government Spending and the Unemployment Rate
1960:Q1 - 2018:Q1

Source: BEA, BLS, NBER, Haver Analytics
Figure 7: Changes in S&P State Credit Ratings
June 1, 2013 - June 1, 2018

<table>
<thead>
<tr>
<th>Changes</th>
<th>Number of Changes</th>
<th>Number of States</th>
<th>1 Change</th>
<th>2 Changes</th>
<th>3 Changes</th>
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<tbody>
<tr>
<td>Downgrades</td>
<td>24</td>
<td>14</td>
<td>7</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Upgrades</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>1</td>
<td></td>
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<tr>
<td>No Change</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Note: While 29 states saw no change, one state saw both an upgrade and a subsequent downgrade. As a result, the states add to 51. In some instances an Issuer Credit Rating is used instead of a general obligation debt rating.

Source: S&P Capital IQ
Figure 8: Nonperforming Loans at U.S. Banks and the Unemployment Rate
1989:Q1 - 2018:Q1

Note: Nonperforming loans are loans 90 or more days past due plus loans in nonaccrual status. U.S. banks include commercial and savings banks throughout the period and the former OTS-regulated thrifts beginning in 2012.

Source: Quarterly Bank Call Reports, BLS, NBER, Haver Analytics
Note: Required Buffer 1 is the Global Systemically Important Bank (GSIB) surcharge, which is the additional capital held by the largest, most systemically important banks. The 2.5 percent level is an average calculated using FR Y-15 data as of December 2017. Required Buffer 2 is the Capital Conservation Buffer, which is set at 2.5 percent and applies to all supervised financial institutions. The 2 percent Management Excess Buffer is computed as the median buffer for the largest, most systemically important banks in the U.S., as of March 2018.

Source: Federal Reserve Bank of Boston
Figure 10: The Federal Funds Rate and the Unemployment Rate
1960:Q1 - 2018:Q1

Source: Federal Reserve Board, BLS, NBER, Haver Analytics
Figure 11: Forecasts for the Longer-Run Federal Funds Rate from the Summary of Economic Projections
January 2012 - June 2018

Note: The central tendency excludes the three highest and three lowest observations.
Source: FOMC, Summary of Economic Projections (SEP)
Figure 12: The Unemployment Rate and the Natural Rate of Unemployment
1960:Q1 - 2018:Q1

Note: The vertical lines mark the beginnings and ends of recessions.