



EMBARGOED UNTIL WEDNESDAY, NOVEMBER 15 AT 4:10 P.M.; OR UPON DELIVERY

# Following a Balanced Approach

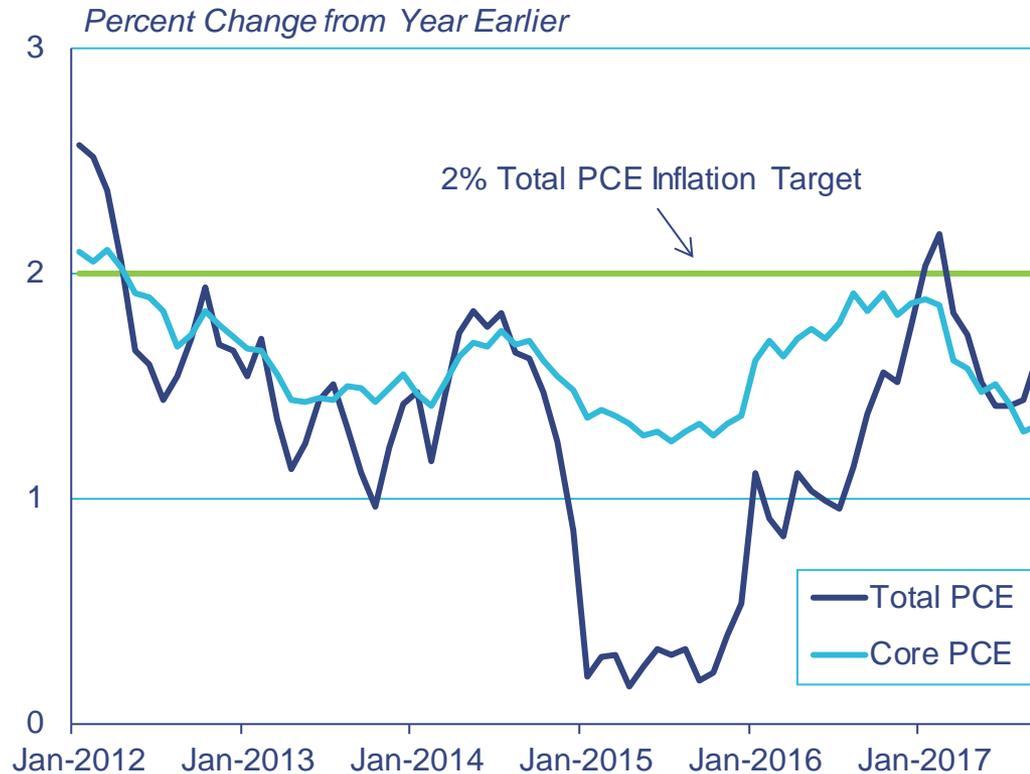
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November 15, 2017

The Economic Policy Forum Fall 2017  
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Boston, Massachusetts

[bostonfed.org](http://bostonfed.org)

Figure 1: Inflation Rate: Change in Personal Consumption Expenditures (PCE) Price Indices  
January 2012 - September 2017

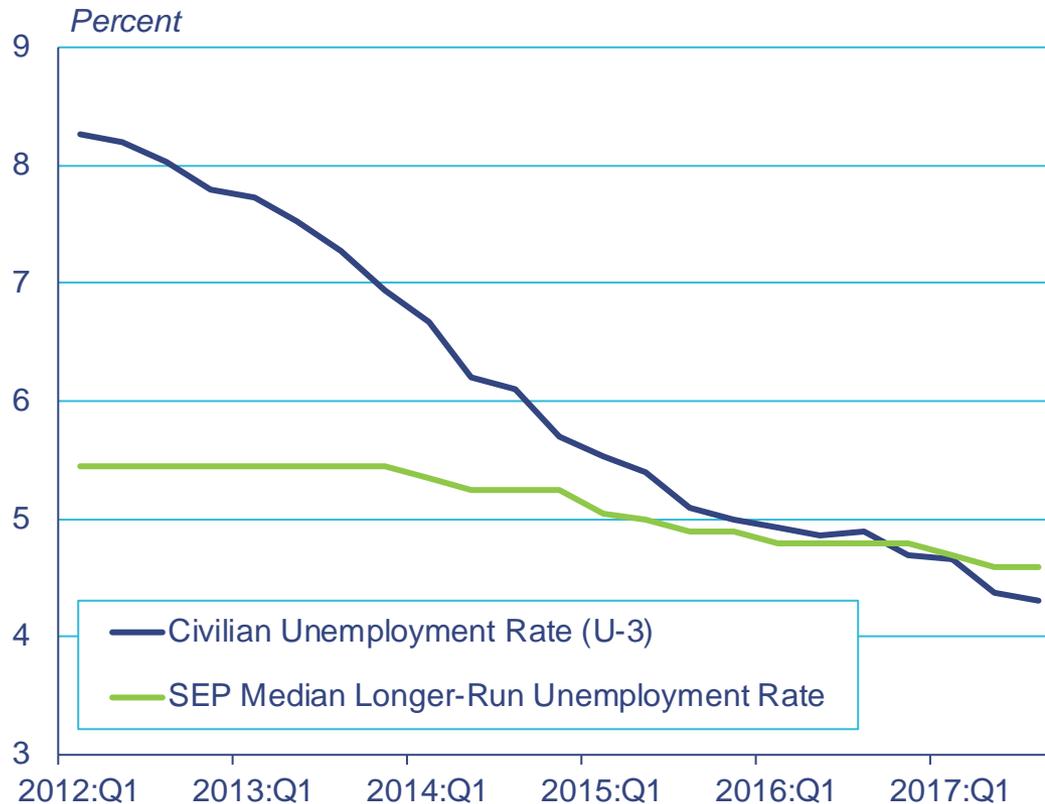


Note: Core PCE excludes food and energy.

Source: BEA, Haver Analytics



## Figure 2: Civilian Unemployment Rate (U-3) and SEP Estimates of the Longer-Run Unemployment Rate 2012:Q1 - 2017:Q3



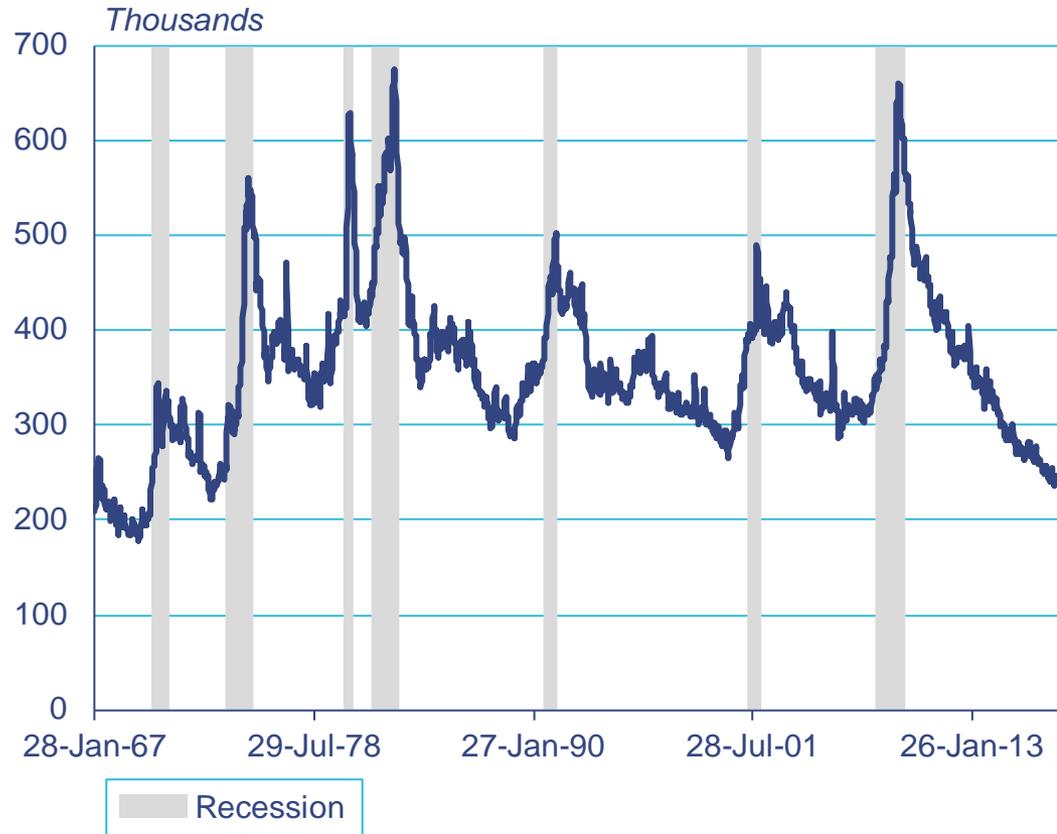
*Note: Prior to June 2015, SEP median unemployment rates are publicly available only with a five-year lag. Proxies for the medians for 2012 – March 2015 are calculated from the distribution of participants' projections reported in ranges of tenths in the meeting minutes.*

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



# Figure 3: Initial Claims for Unemployment Insurance

January 28, 1967 - November 4, 2017



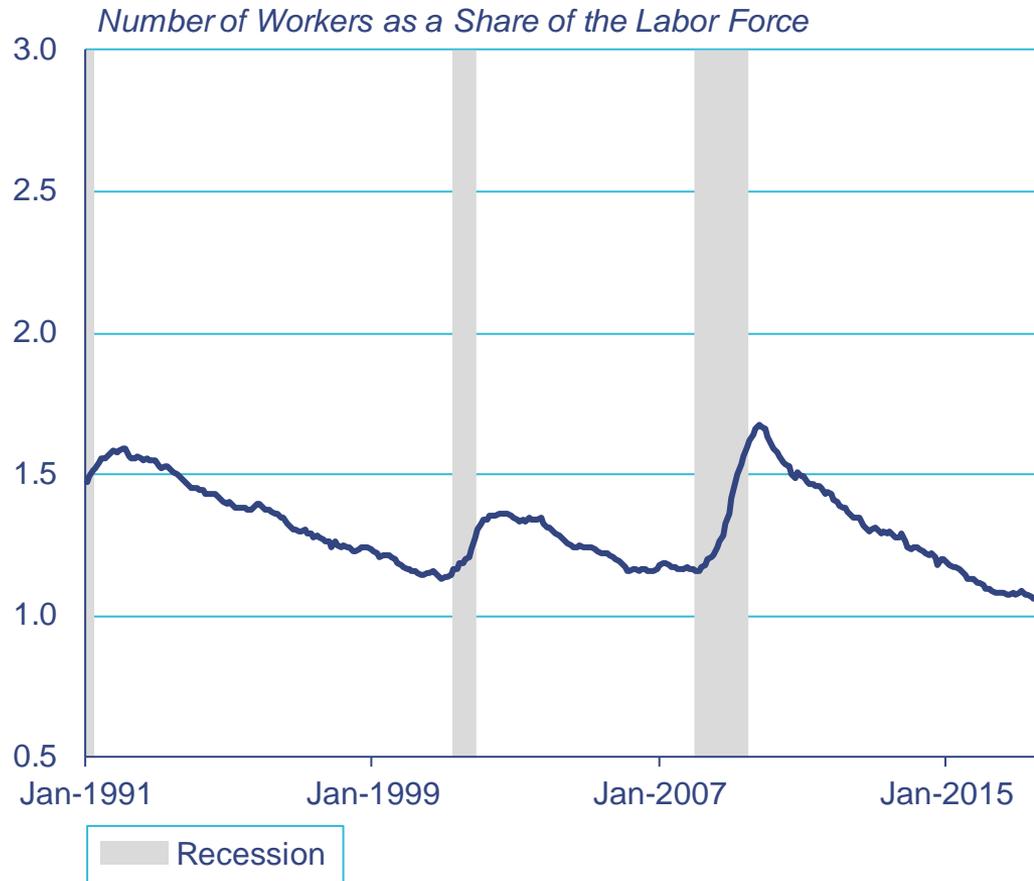
Note: Four-week moving average

Source: U.S. Department of Labor, Haver Analytics



# Figure 4: Flow from Employed to Unemployed Relative to the Labor Force

January 1991 - October 2017



Note: Twelve-month moving average

Source: BLS, NBER, Haver Analytics



## Figure 5: Flow from Not in the Labor Force to Unemployed Relative to the Labor Force January 1991 - October 2017



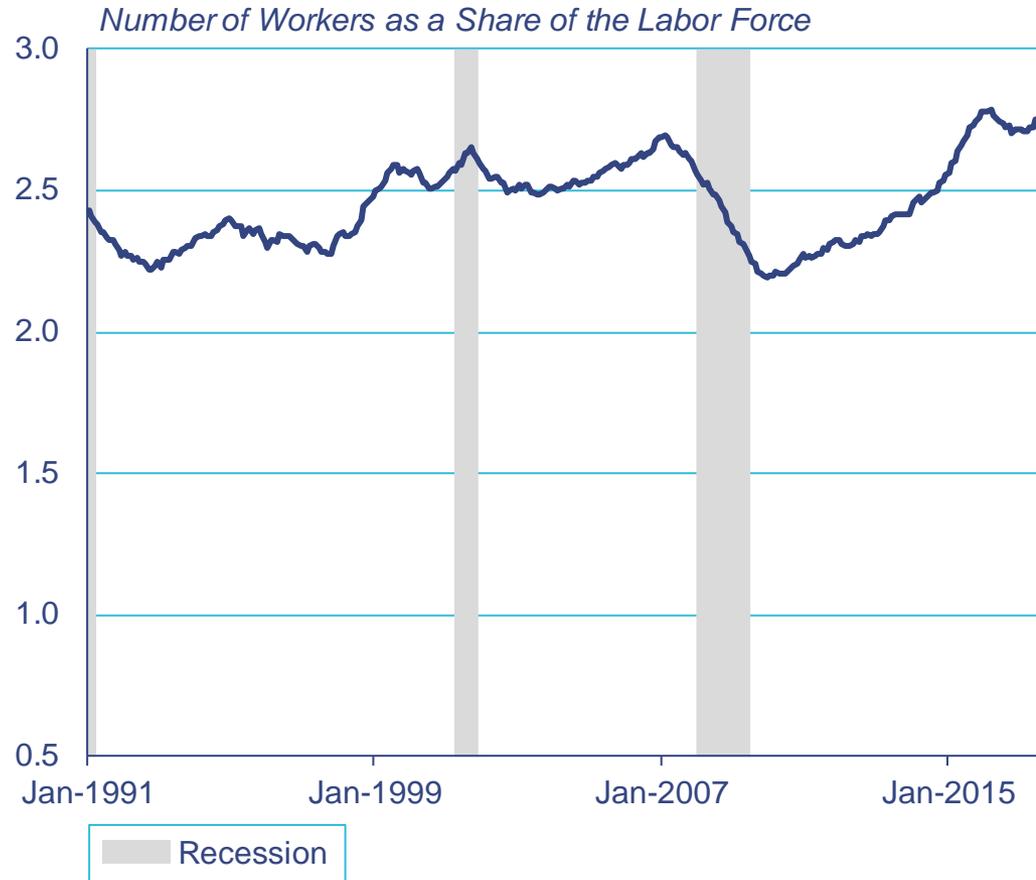
Note: Twelve-month moving average

Source: BLS, NBER, Haver Analytics



## Figure 6: Flow from Not in the Labor Force to Employed Relative to the Labor Force

January 1991 - October 2017



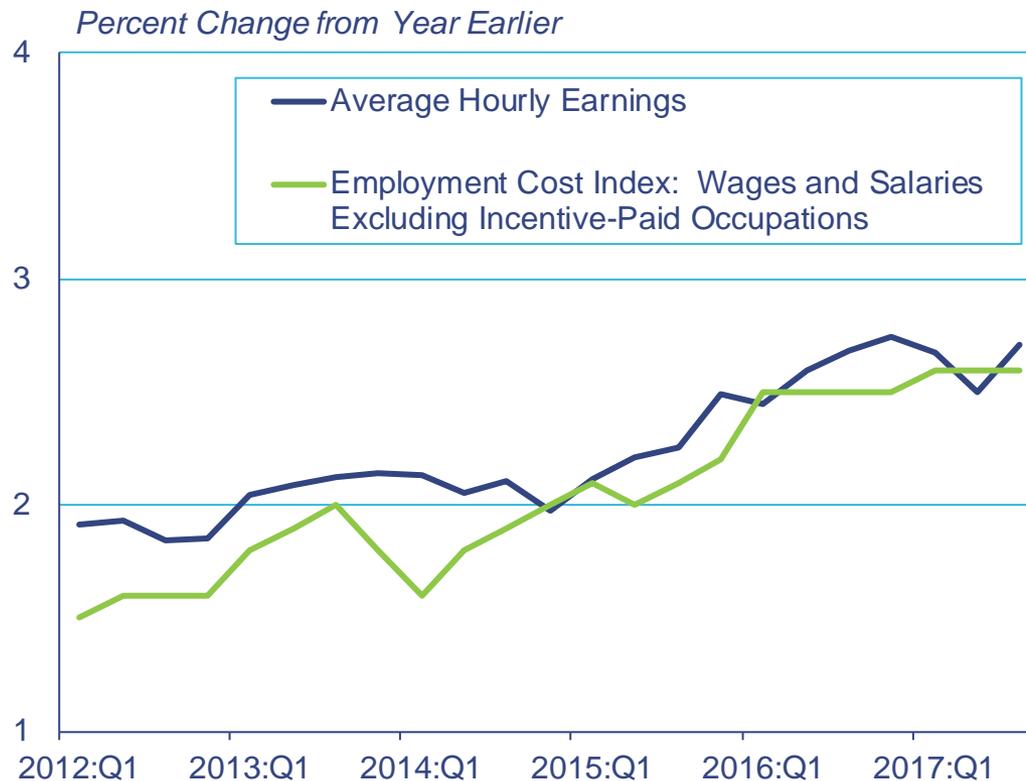
Note: Twelve-month moving average

Source: BLS, NBER, Haver Analytics



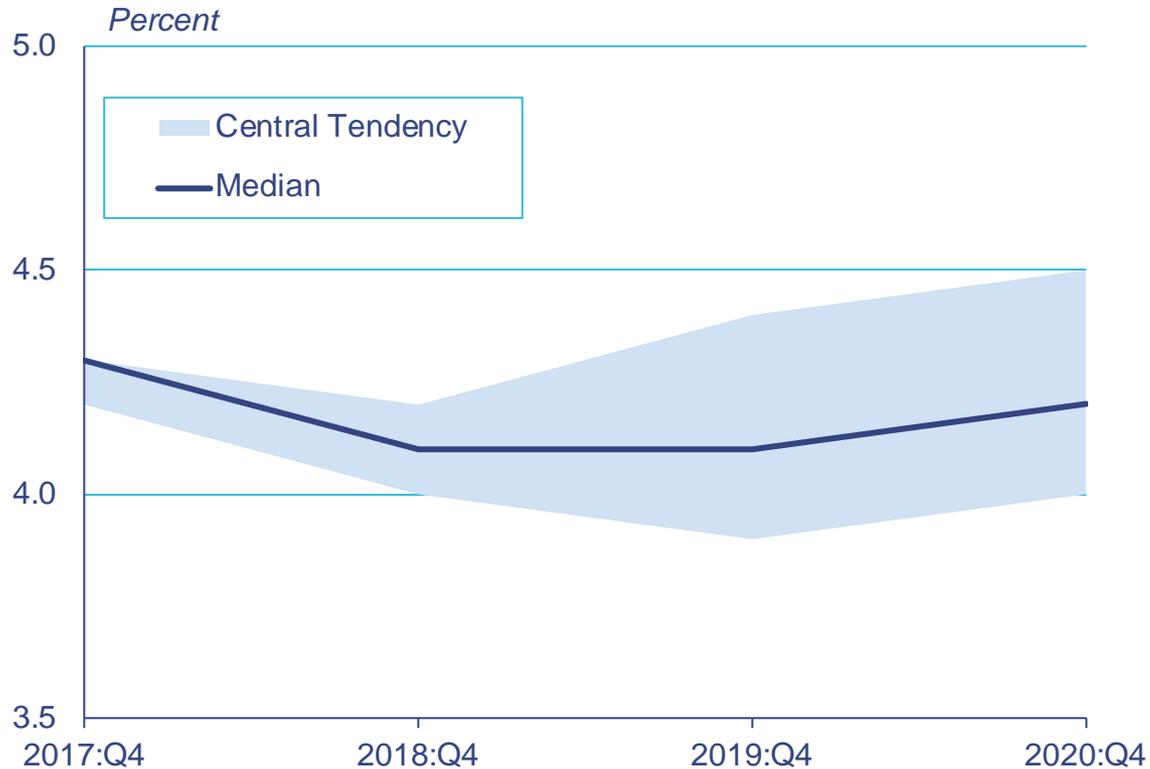
# Figure 7: Wage Growth for Private Industry Workers

2012:Q1 - 2017:Q3





## Figure 8: Civilian Unemployment Rate Forecast from the Summary of Economic Projections 2017:Q4 - 2020:Q4



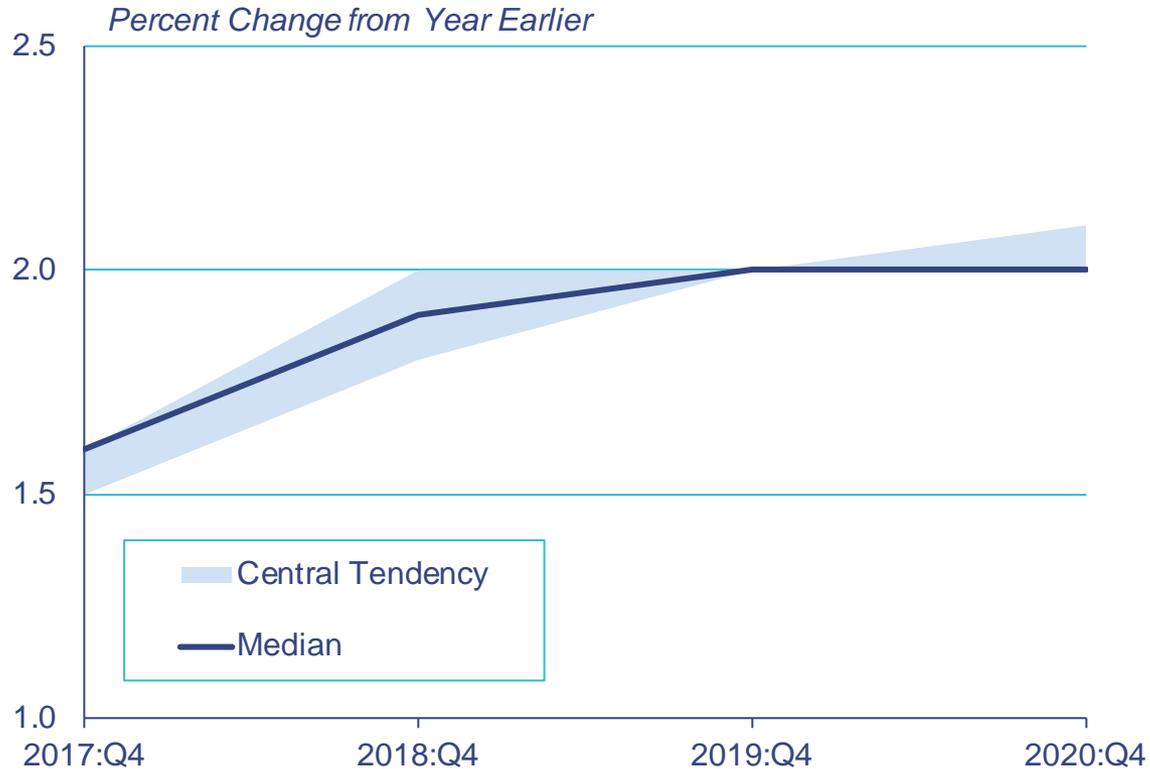
Note: The central tendency excludes the three highest and three lowest observations.

Source: FOMC, Summary of Economic Projections (SEP), September 20, 2017; Haver Analytics



## Figure 9: PCE Inflation Forecast from the Summary of Economic Projections

2017:Q4 - 2020:Q4



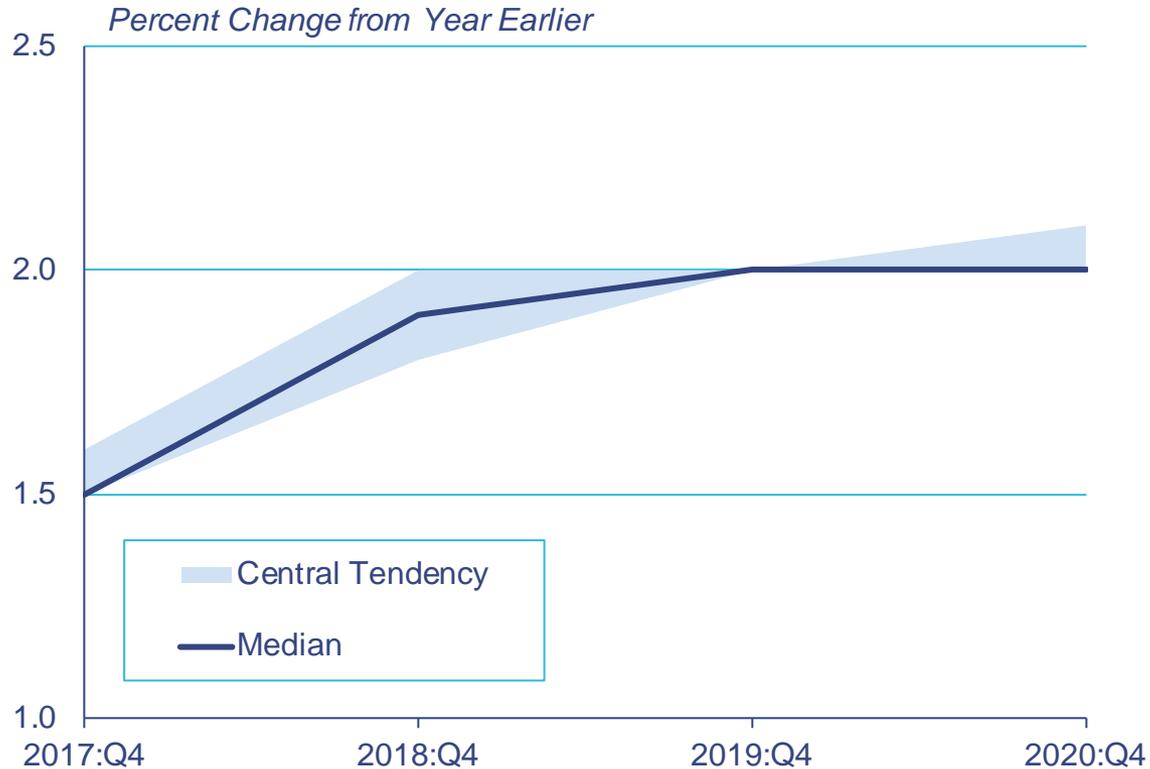
Note: The central tendency excludes the three highest and three lowest observations.

Source: FOMC, Summary of Economic Projections (SEP), September 20, 2017; Haver Analytics



## Figure 10: Core PCE Inflation Forecast from the Summary of Economic Projections

2017:Q4 - 2020:Q4

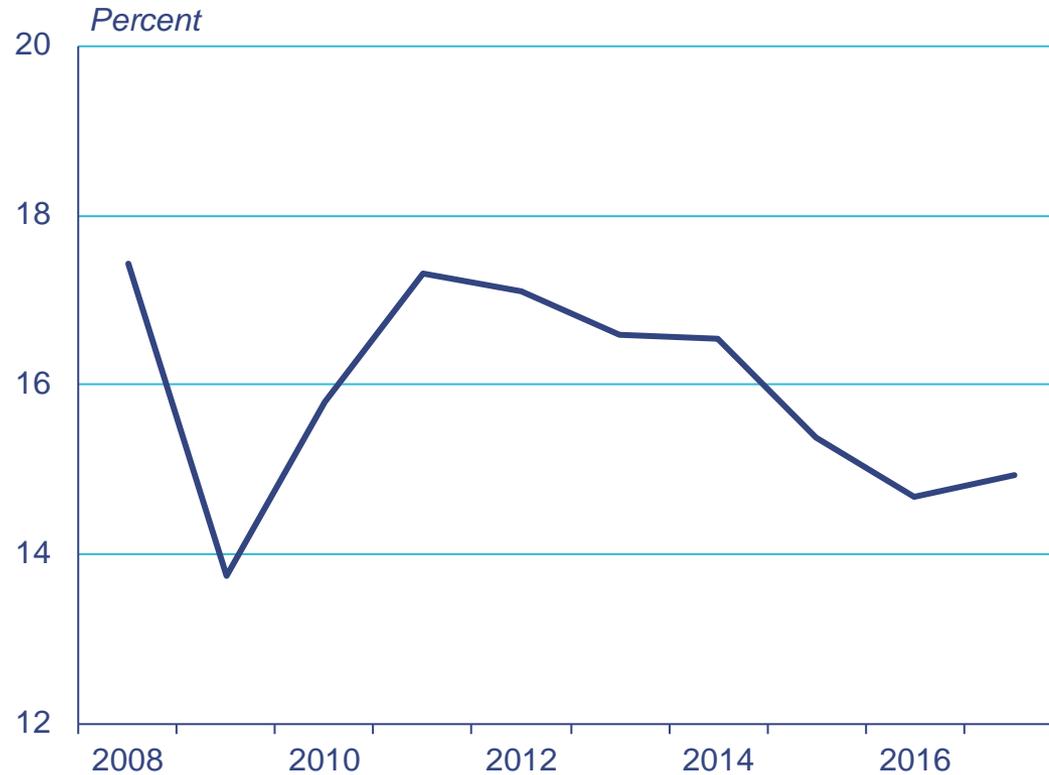


Note: The central tendency excludes the three highest and three lowest observations.

Source: FOMC, Summary of Economic Projections (SEP), September 20, 2017; Haver Analytics



## Figure 11: Imports Relative to GDP 2008 - 2017



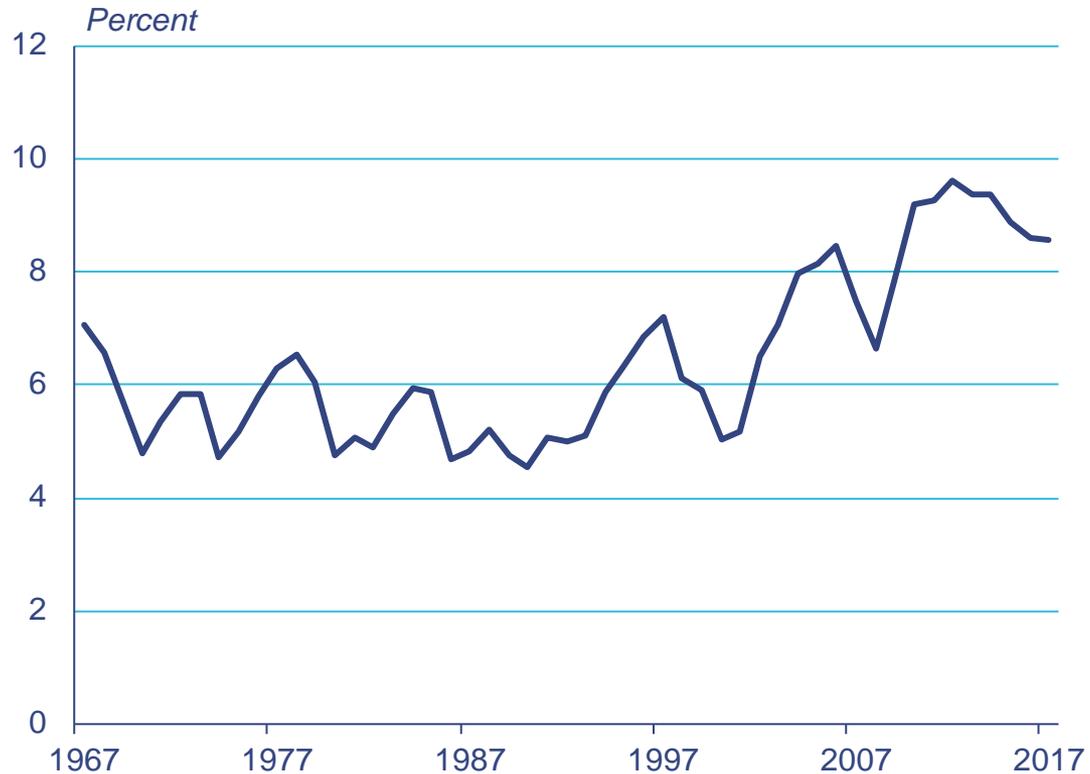
Note: Figure for 2017 is the average of the first three quarters of 2017.

Source: BEA, Haver Analytics



## Figure 12: After-Tax Corporate Profits Relative to GDP

1967 - 2017

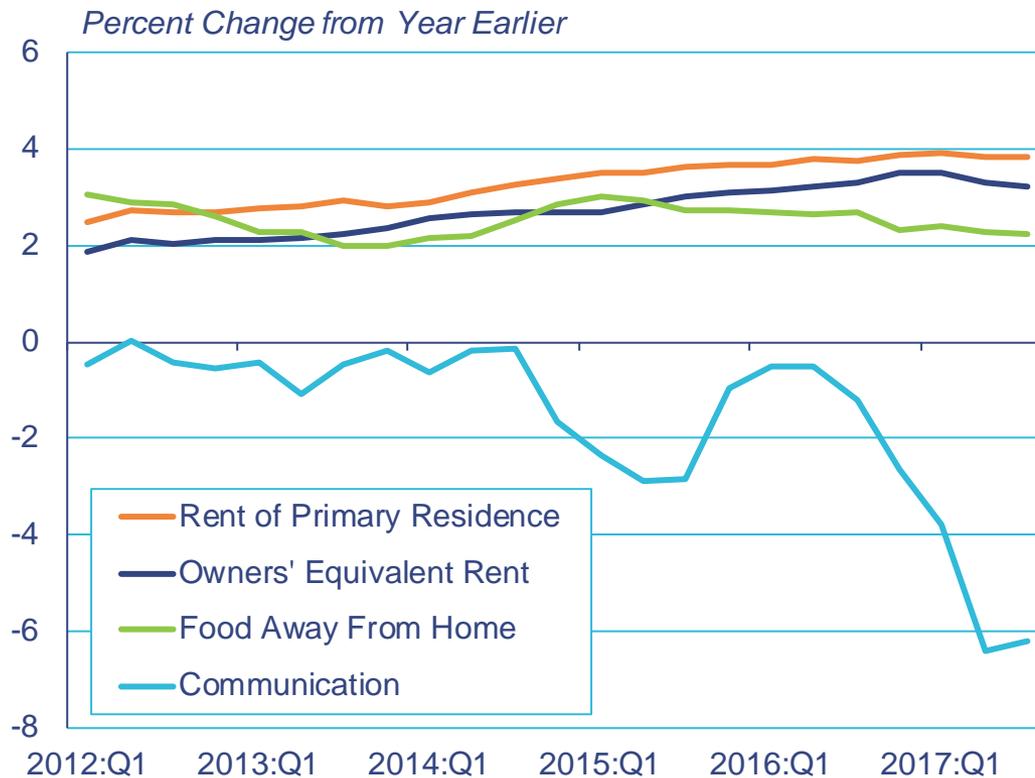


Note: Figures include inventory valuation and capital consumption adjustments. Value for 2017 is the average of the first two quarters of 2017.

Source: BEA, Haver Analytics

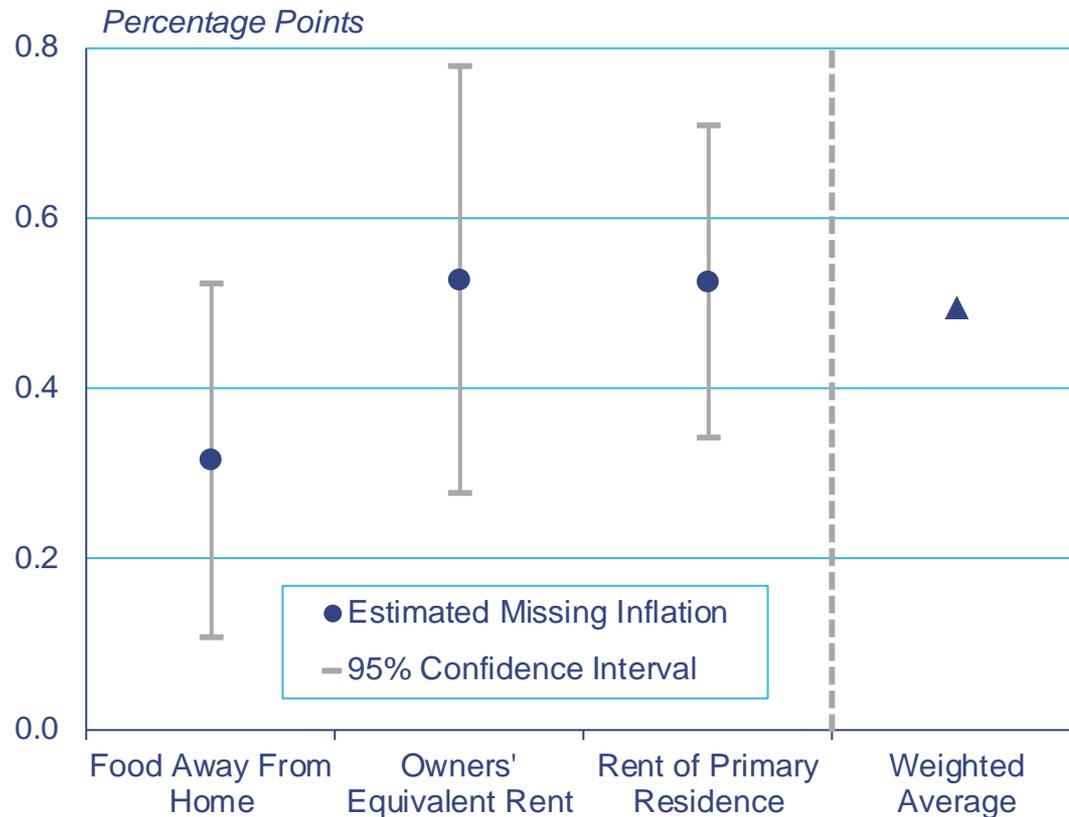


Figure 13: CPI: Selected Components  
2012:Q1 - 2017:Q3





## Figure 14: Missing Inflation Attributable to Phillips Curve Flattening



Source: BLS; Federal Reserve Bank of Boston, *Current Policy Perspectives*, "Sectoral Inflation and the Phillips Curve: What Has Changed since the Great Recession?" by María José Luengo-Prado, Nikhil Rao, and Viacheslav Sheremirov (2017 Series, No. 17-5)