Reflections on Phasing Policy Amidst (Pandemic) Uncertainty

The 2023 Goldman Lecture in Economics at Wellesley College

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Figure 1 | Core PCE Inflation and the Unemployment Rate

A. Core PCE Inflation

B. Unemp. Rate and Core PCE Inflation

Source: Bureau of Economic Analysis, Bureau of Labor Statistics / Haver Analytics
Figure 2 | Federal Funds Target Rate

% End of Month

Jan 1983 Jan 2023

Federal Open Market Committee: Federal Funds Target Rate

Source: Federal Reserve Board / Haver Analytics

NBER-dated recession

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Figure 3 | Pandemic Severity

Sources: World Health Organization, Department of Health & Human Services / Haver Analytics. 
Note: The WHO ceased reporting case and fatality statistics with the end of the public health emergency in May 2023.
Figure 4 | Unemployment Rates By Race and Education

A: By Race

- White
- Hispanic/Latino
- Asian

Source: Bureau of Labor Statistics / Haver Analytics

B: By Educational Attainment

- Less than High School
- High School Grad
- Some College/Associates
- Bachelor's and higher

NBER-dated recession
Figure 5 | Real Disposable Personal Income

Source: Bureau of Economic Analysis / Haver Analytics
Figure 6 | Real GDP and Real Personal Consumption Expenditures

Index: 2017:Q3 = 100

Source: Bureau of Economic Analysis / Haver Analytics; author’s calculations
Note: Trend growth is estimated at a 1.8 percent annual rate for GDP and consumption. Actuals are assumed at trend in 2017:Q3.
Figure 7 | Federal Funds Target Rate and Core PCE Inflation

% End of Month

12-Month % Change


- FOMC: Federal Funds Target Rate
- PCE ex Food and Energy Price Index
- NBER-dated recession

Sources: Federal Reserve Board, Bureau of Economic Analysis / Haver Analytics
Figure 8 | Global Supply Chain Pressure Index

Source: Federal Reserve Bank of New York / Haver Analytics
Figure 9 | Personal Consumption Expenditures (PCE) Inflation

Source: Bureau of Economic Analysis / Haver Analytics
Figure 11 | Employment Growth and Labor Force Participation

Source: Bureau of Labor Statistics / Haver Analytics