Reflections on Uncertainty and Patience in Monetary Policymaking

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Figure 1 | Inflation and the Unemployment Rate

A. PCE Inflation

B. Unemployment Rate

Note: In January 2012 the FOMC formally adopted a 2 percent target for total PCE inflation.
Figure 2 | Current Recovery Compared to Past Recoveries

A: Real GDP

B: Nonfarm Payroll Employment

Figure 3 | Components of Core PCE Inflation

A: Goods

B: Housing

C: Services Excl. Housing

Source: Bureau of Economic Analysis / Haver Analytics.

Federal Reserve Bank of Boston | bostonfed.org
Figure 4 | Inflation Expectations

A. Short-Term Inflation Expectations

B. Longer-Term Inflation Expectations

Figure 5 | Wages and Prices

Figure 6 | Real Compensation and Labor Productivity

Note: Real compensation is defined as the Employment Cost Index (ECI) for Civilian Workers divided by the total PCE price index. Labor productivity is defined as output per hours worked for the whole economy. Source: Bureau of Labor Statistics, Author’s Calculations / Haver Analytics.
Figure 7 | Labor Productivity Across Countries

Index, 2010 = 100 (SA)


United States | Euro Area | United Kingdom | Japan | NBER-dated recession

Note: Labor Productivity is defined as output per employed person for the whole economy.
In the Region