



EMBARGOED UNTIL WEDNESDAY, FEBRUARY 26, 2014 AT 12:30 P.M. OR UPON DELIVERY

# Labor Market Slack and Monetary Policy

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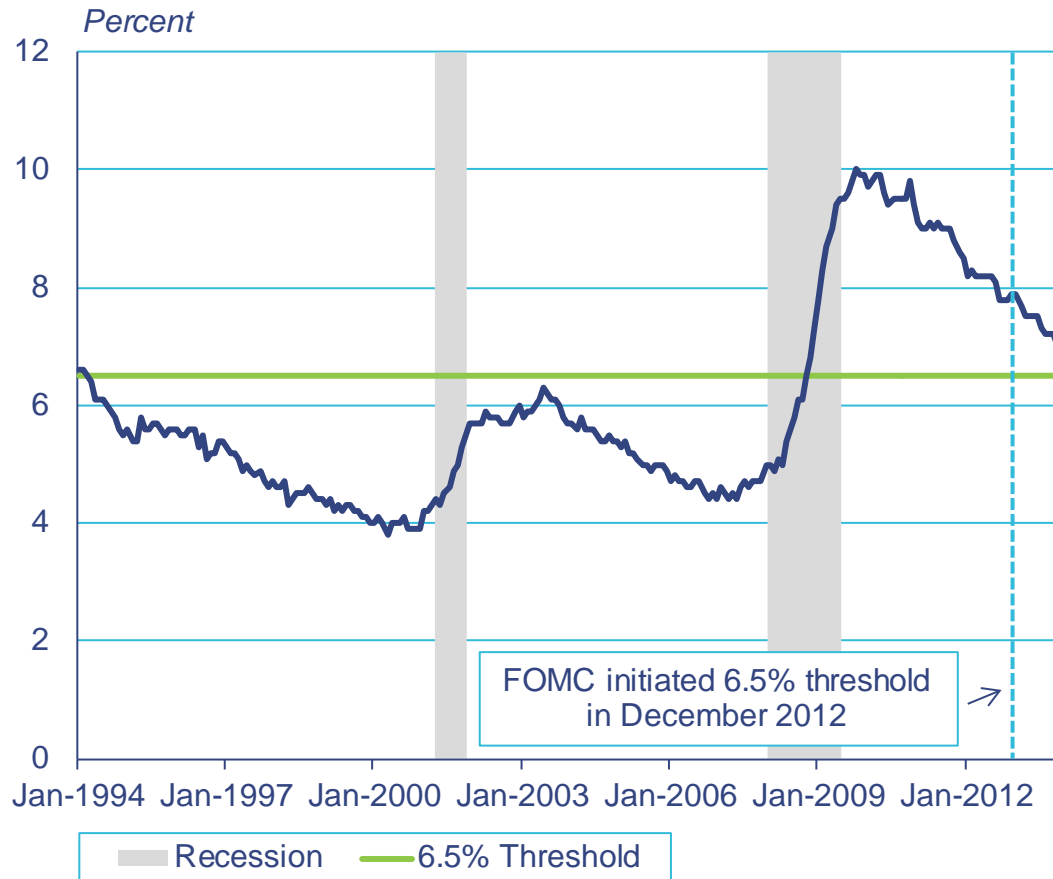
February 26, 2014

The Boston Economic Club  
Boston, Massachusetts

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

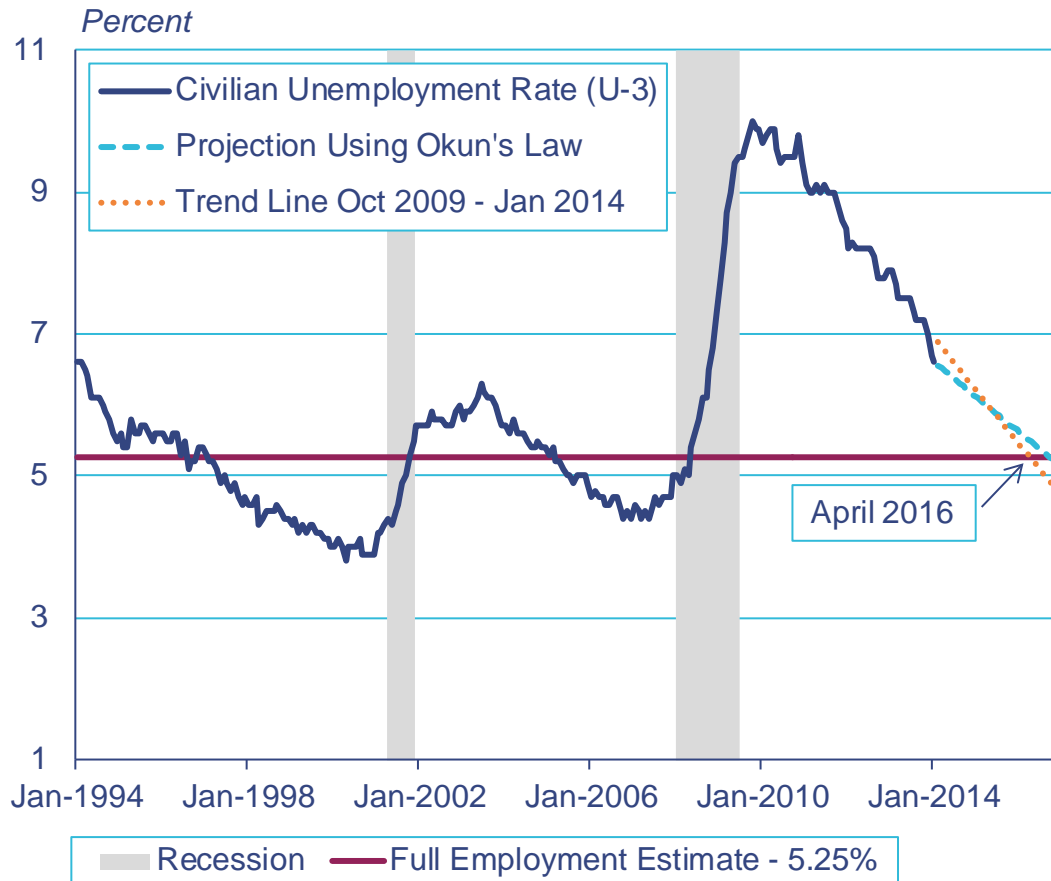
# Figure 1: Civilian Unemployment Rate (U-3): Total Unemployed, as a Percent of the Civilian Labor Force

January 1994 - January 2014



## Figure 2: Civilian Unemployment Rate (U-3) Path based on Okun's Law and Recent Trends

Jan 1994 - Jan 2014 Actual, Feb 2014 - Jan 2017 Projections

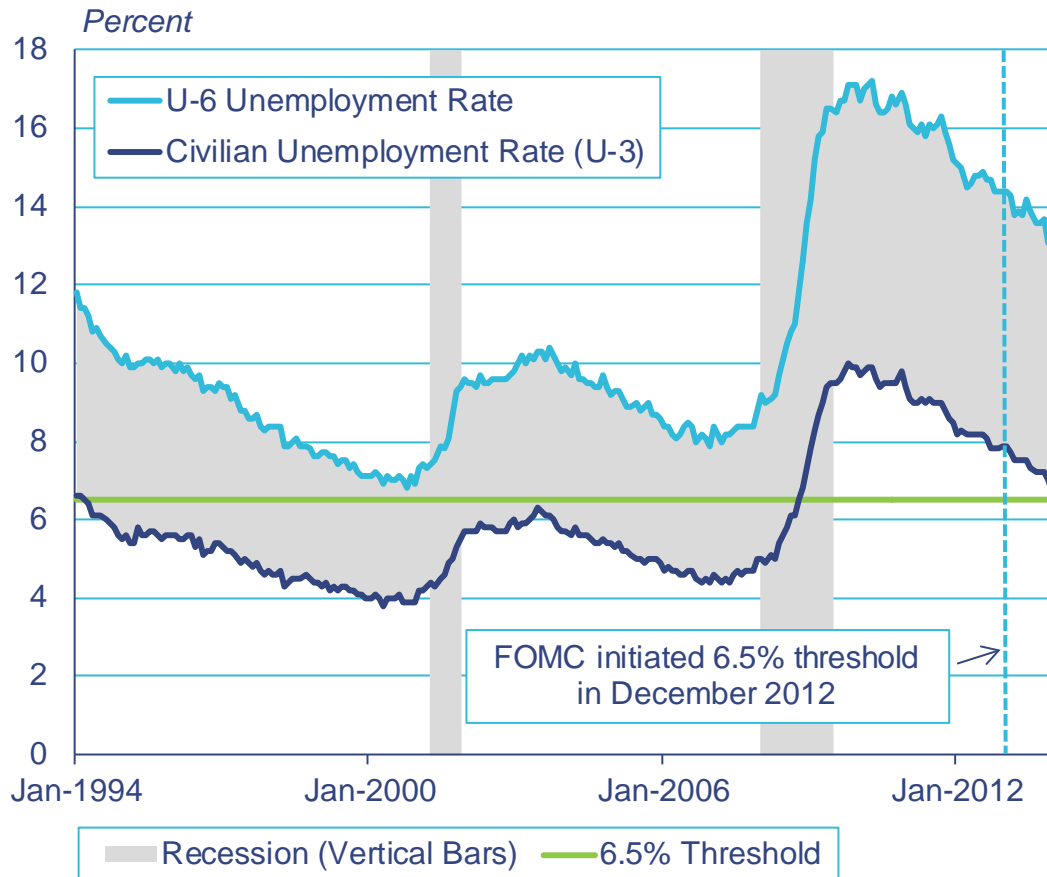


Note: Okun's Law projections assume growth of 1% above potential GDP growth of 2%.

Source: BLS, NBER, Haver Analytics and author's calculations

# Figure 3: Measures of Labor Underutilization

January 1994 - January 2014



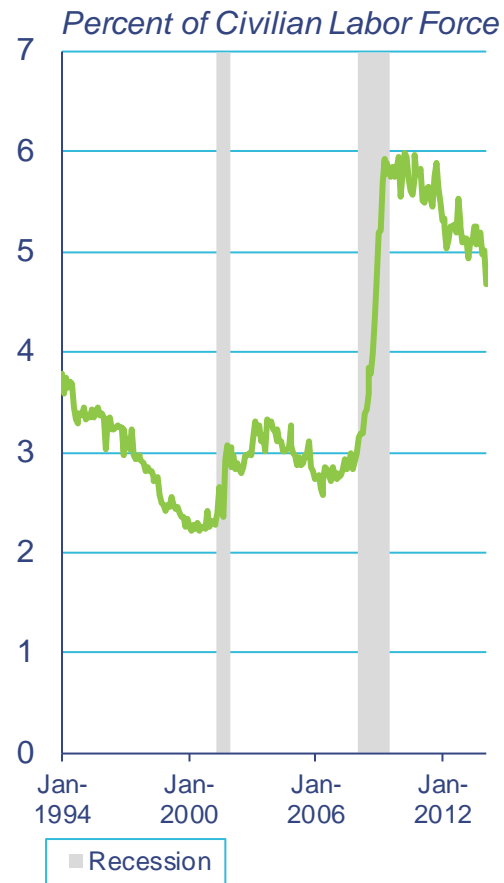
Note: U-6 measure is total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force.

Source: BLS, NBER, Haver Analytics



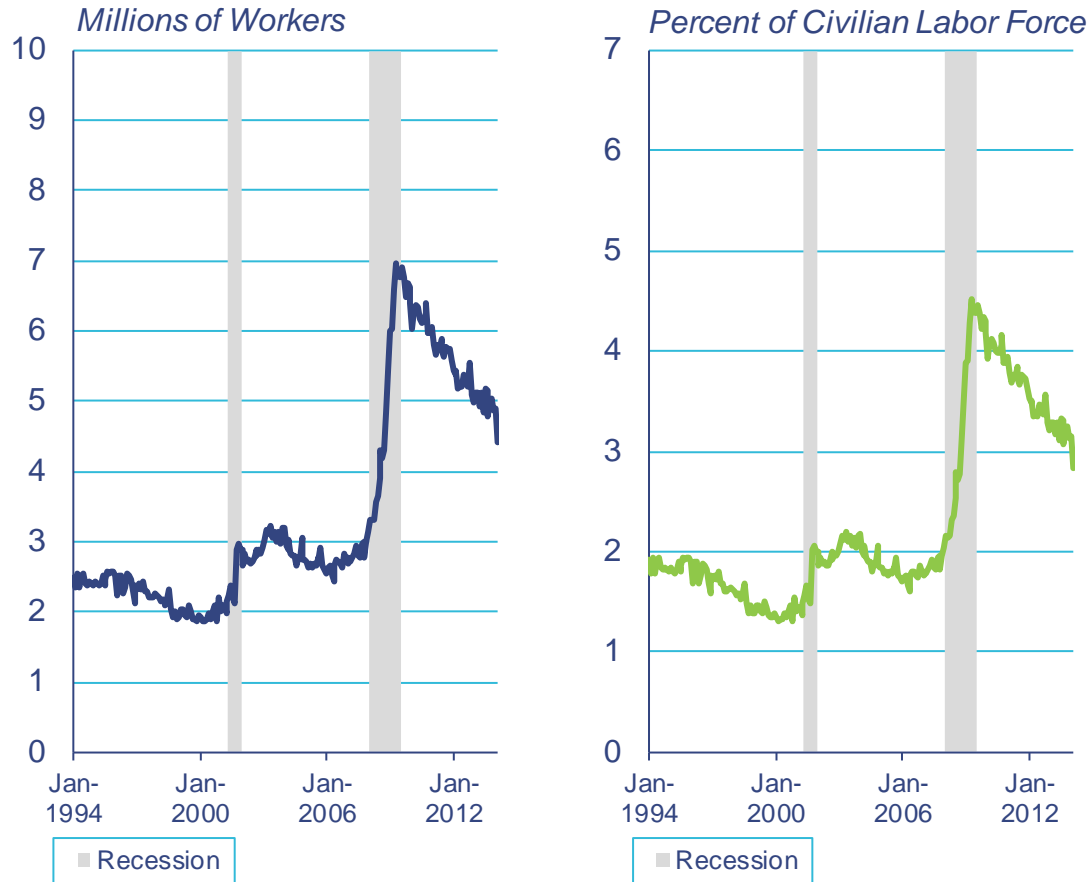
# Figure 4: Persons Employed Part Time for Economic Reasons

January 1994 - January 2014



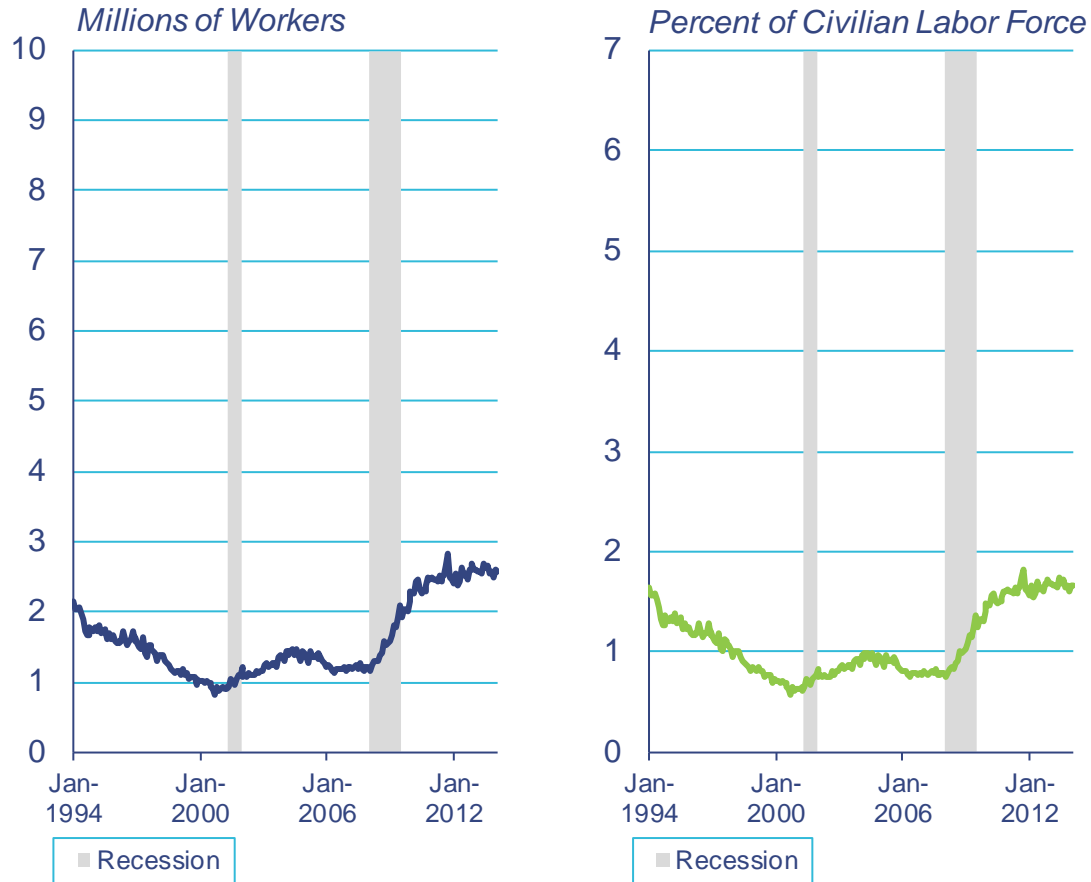
# Figure 5: Persons Employed Part Time for Economic Reasons – Because of Slack Work or Business Conditions

January 1994 - January 2014



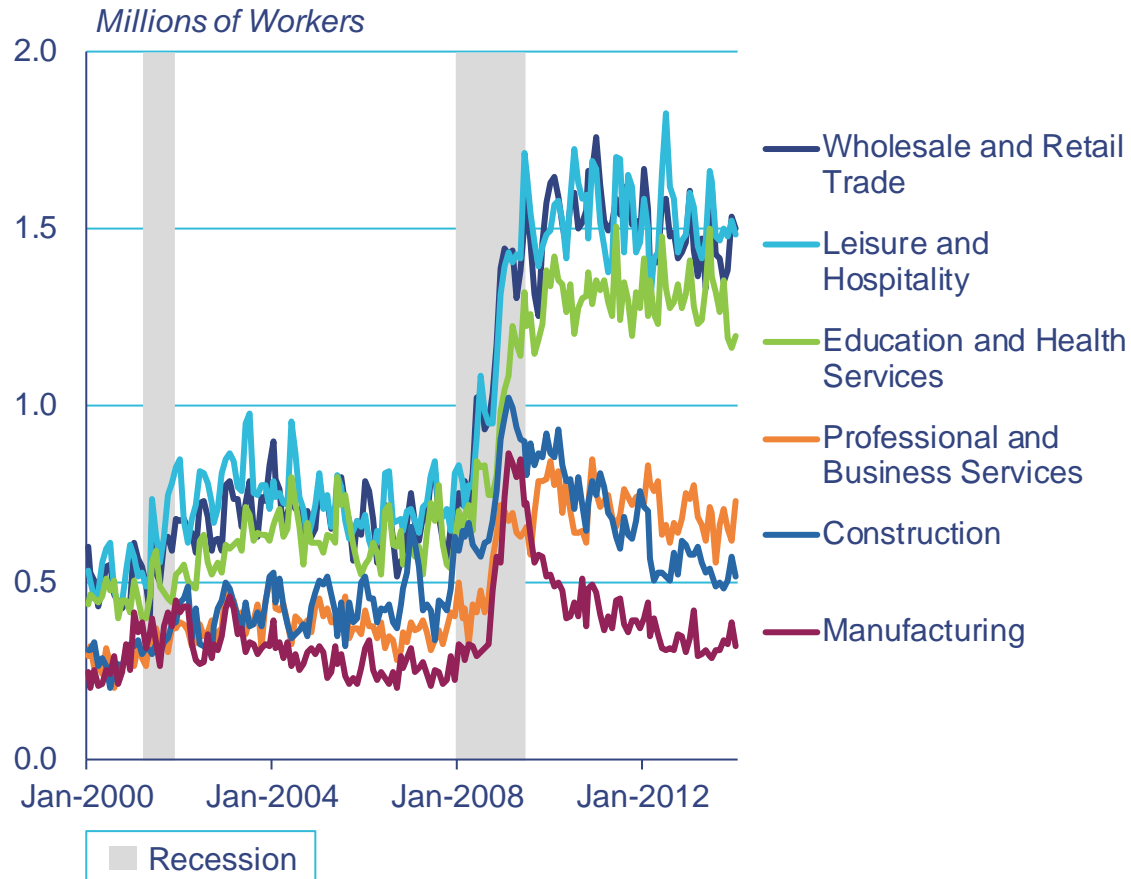
# Figure 6: Persons Employed Part Time for Economic Reasons – Because They Could Only Find Part-Time Work

January 1994 - January 2014



# Figure 7: Persons Employed Part Time for Economic Reasons for Selected Industries

January 2000 - January 2014



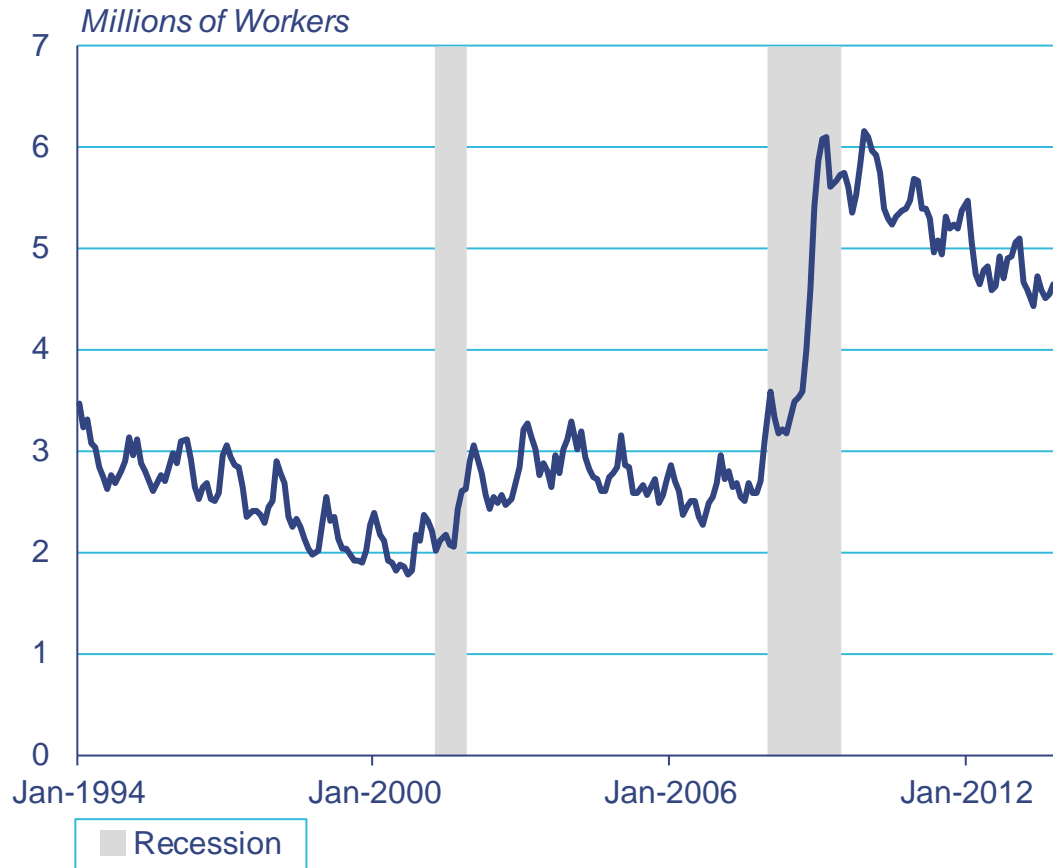
Note: Series are not seasonally adjusted. Selected industries are the industries with the largest numbers of workers part time for economic reasons in January 2014.

Source: BLS, NBER, Haver Analytics



# Figure 8: Persons Employed Part Time for Economic Reasons: Age 25 - 54

January 1994 - January 2014

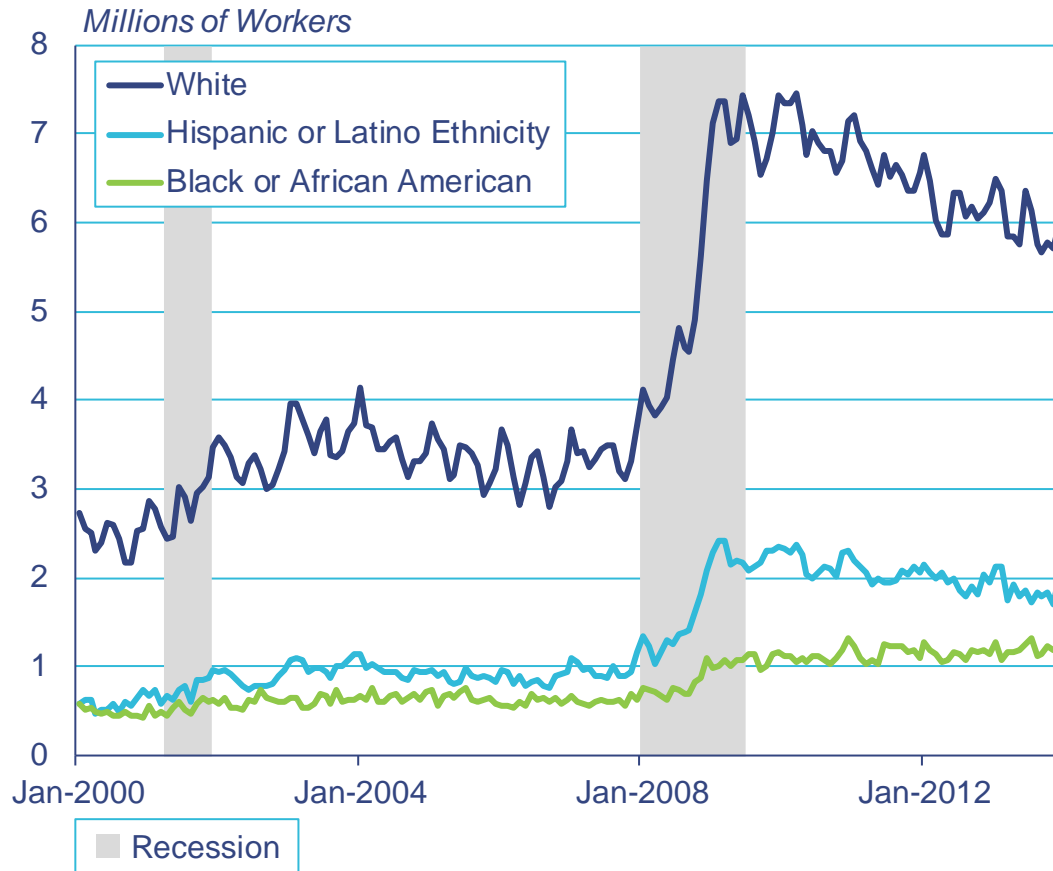


Note: Series is not seasonally adjusted.

Source: BLS, NBER, Haver Analytics

# Figure 9: Persons Employed Part Time for Economic Reasons in Nonagricultural Industries by Race and Hispanic or Latino Ethnicity

January 2000 - January 2014

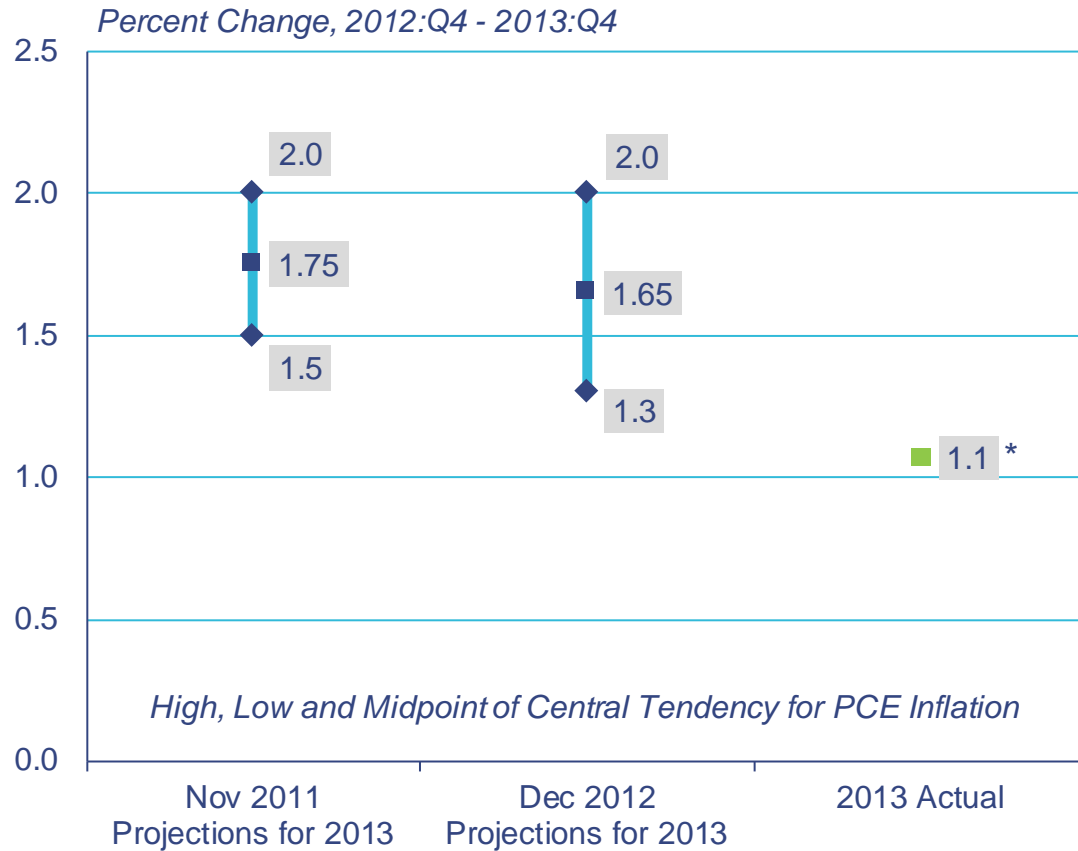


Note: Series are not seasonally adjusted. The numbers add to more than the total as workers may be counted in more than one category.

Source: BLS, NBER, Haver Analytics

# Figure 10: Inflation Projections of Federal Reserve Governors and Bank Presidents for 2013

November 2, 2011 and December 12, 2012 Projections,  
December 2013 Actual

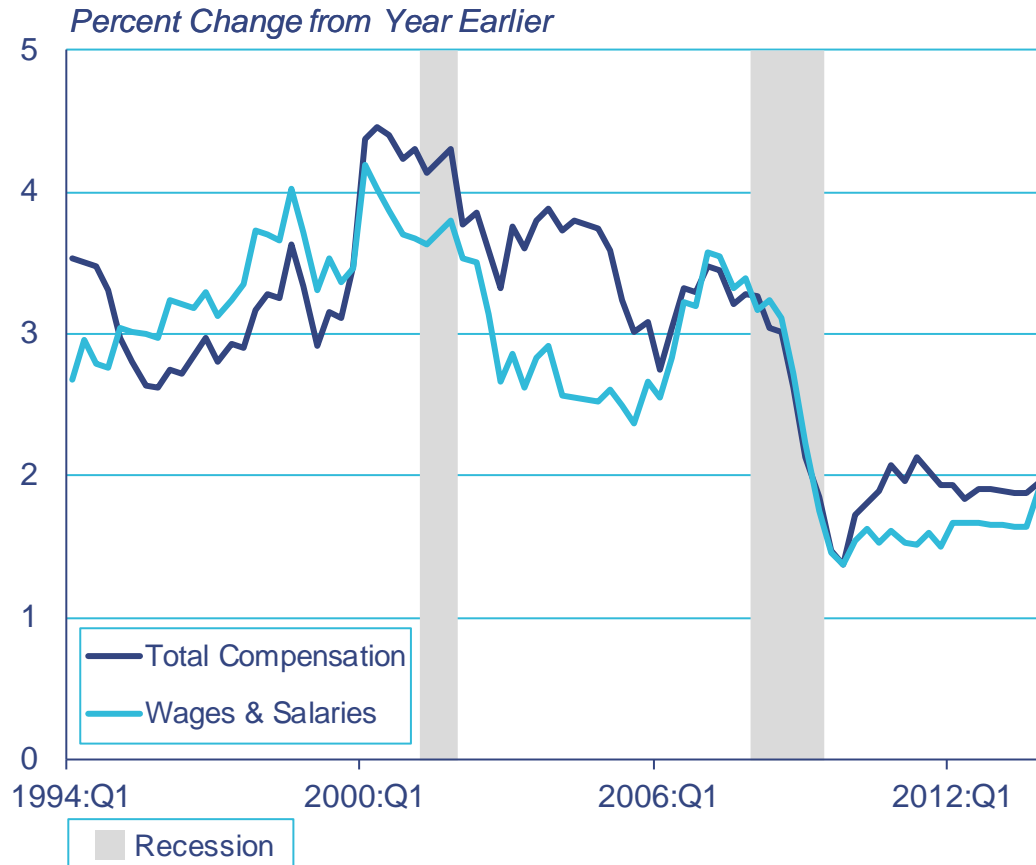


Note: Central tendency excludes the three highest and three lowest projections for each variable in each year. \*The 1.1% figure for 2013 is the percent change from December 2012 - December 2013.

Source: FOMC, Summary of Economic Projections

# Figure 11: Employment Cost Indices for Civilian Workers

1994:Q1 - 2013:Q4



# Figure 12: Employment Cost Index for Total Compensation for Private Industry Workers by Occupational Group

2003:Q1 - 2013:Q4

