

Recent Economic Developments and Longer-Term Challenges

Jerome Powell

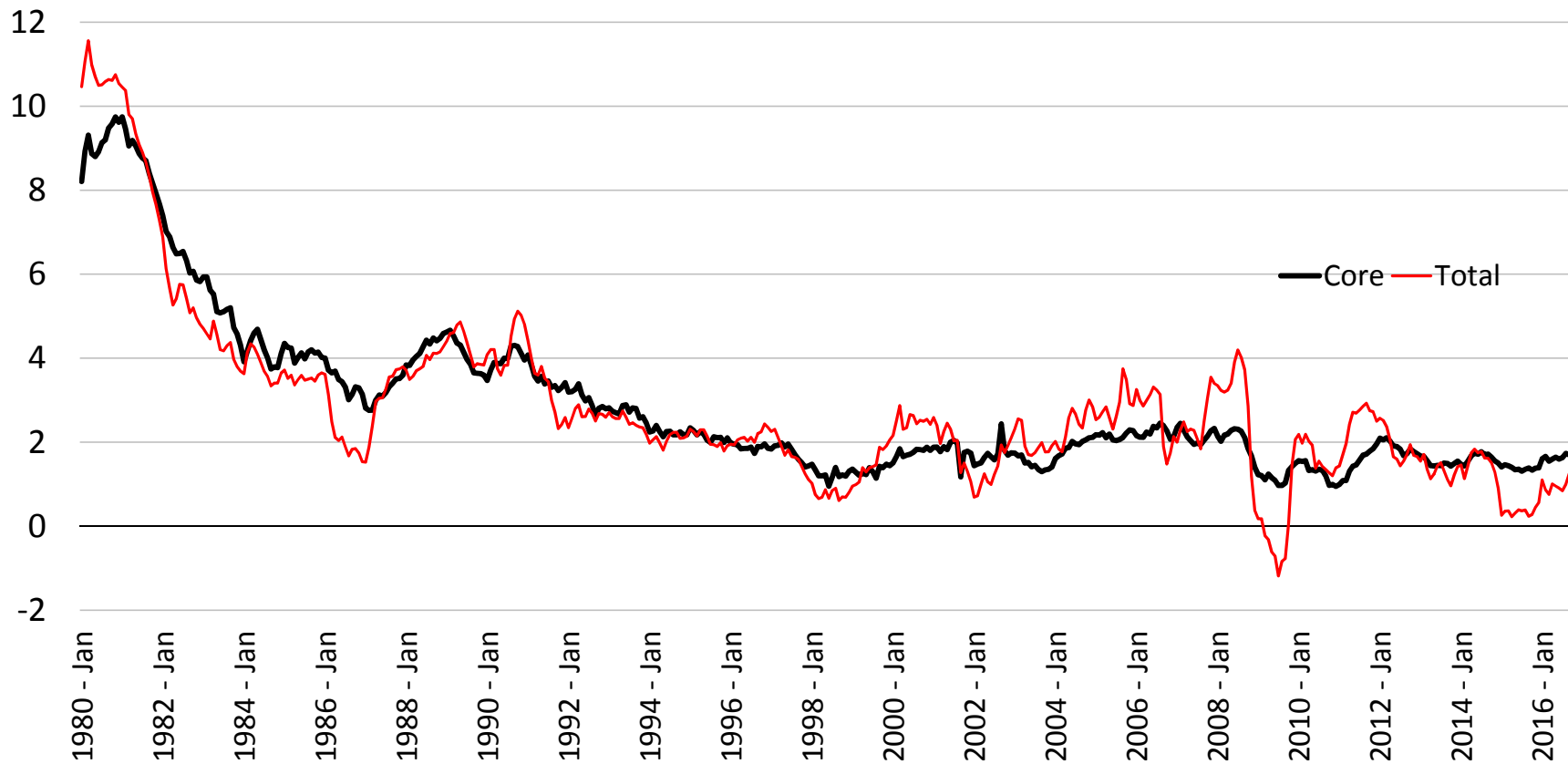
Member

Board of Governors of the Federal Reserve System

November 29, 2016

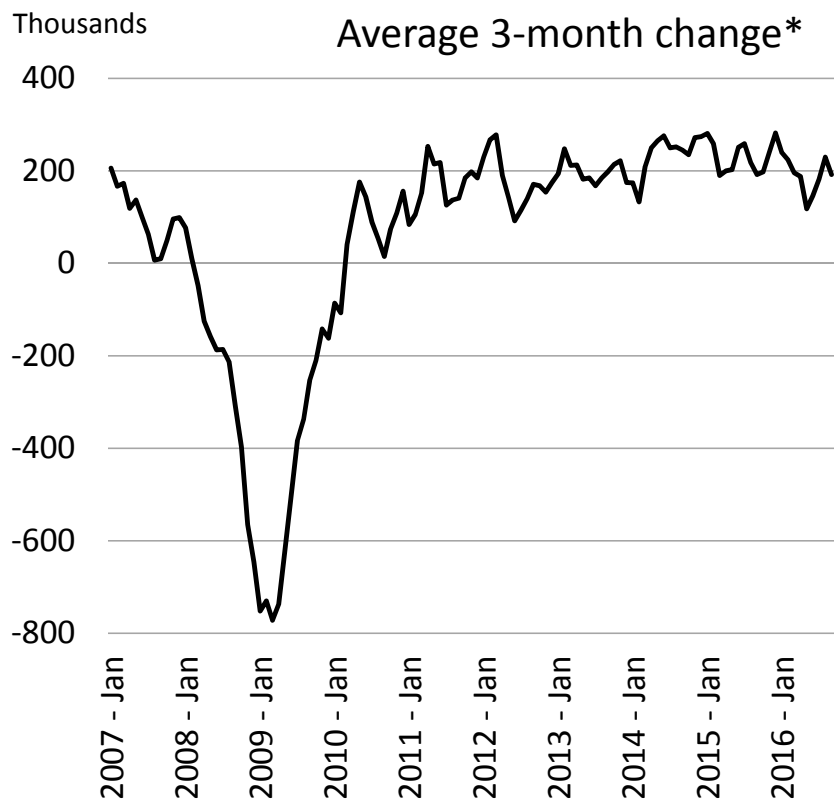
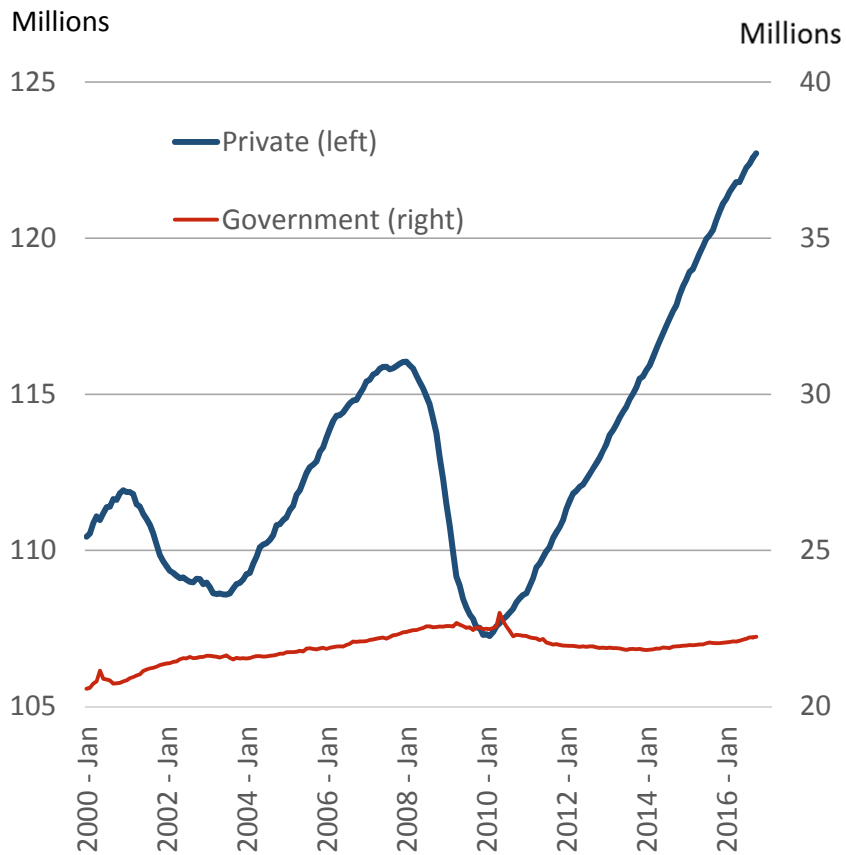
1. Inflation is moving up toward target

Percent change from
12 months earlier



Source: U.S. Department of Labor, Bureau of Labor Statistics.

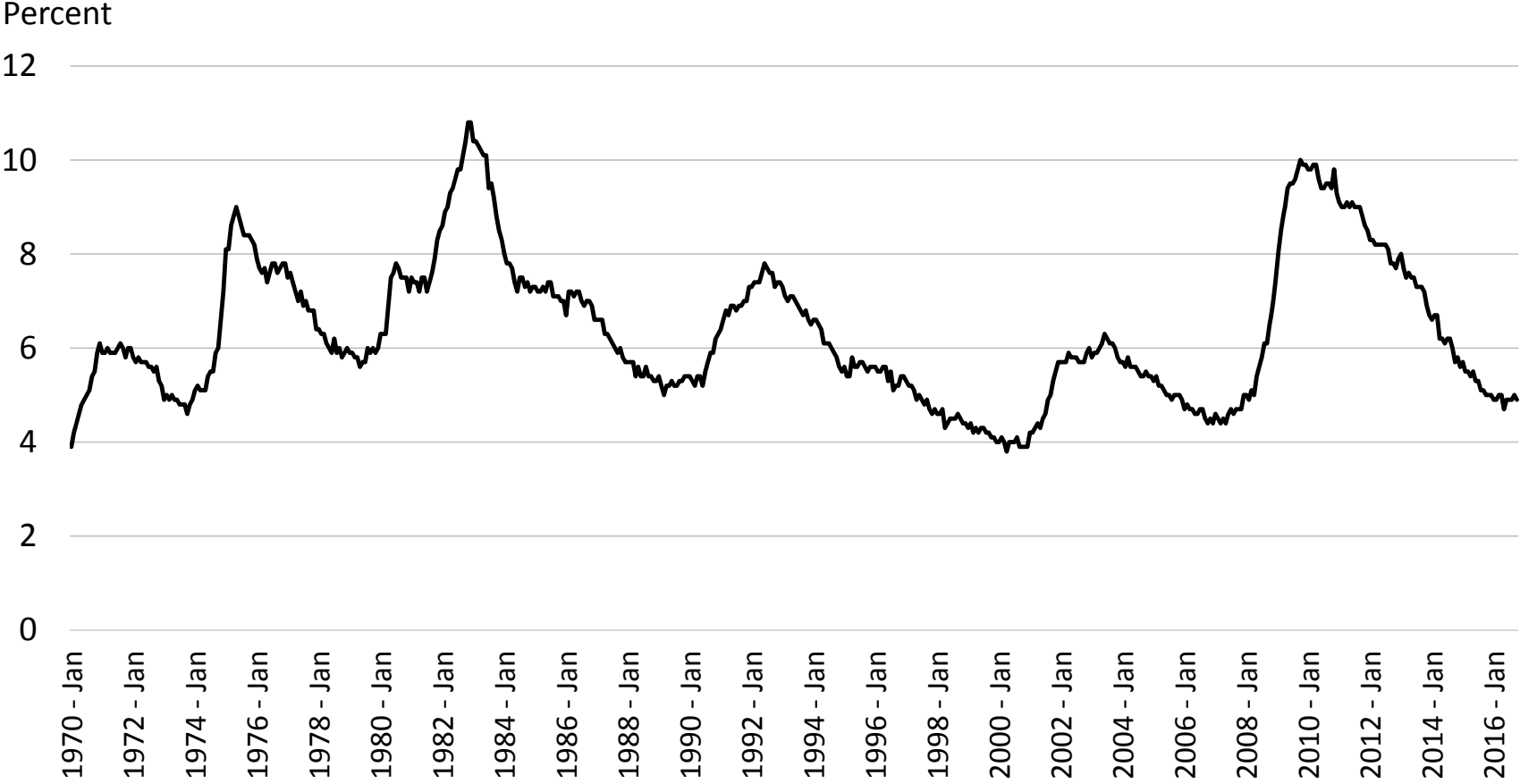
2. Payroll employment growth is solid



*Excluding temporary Census Bureau workers.

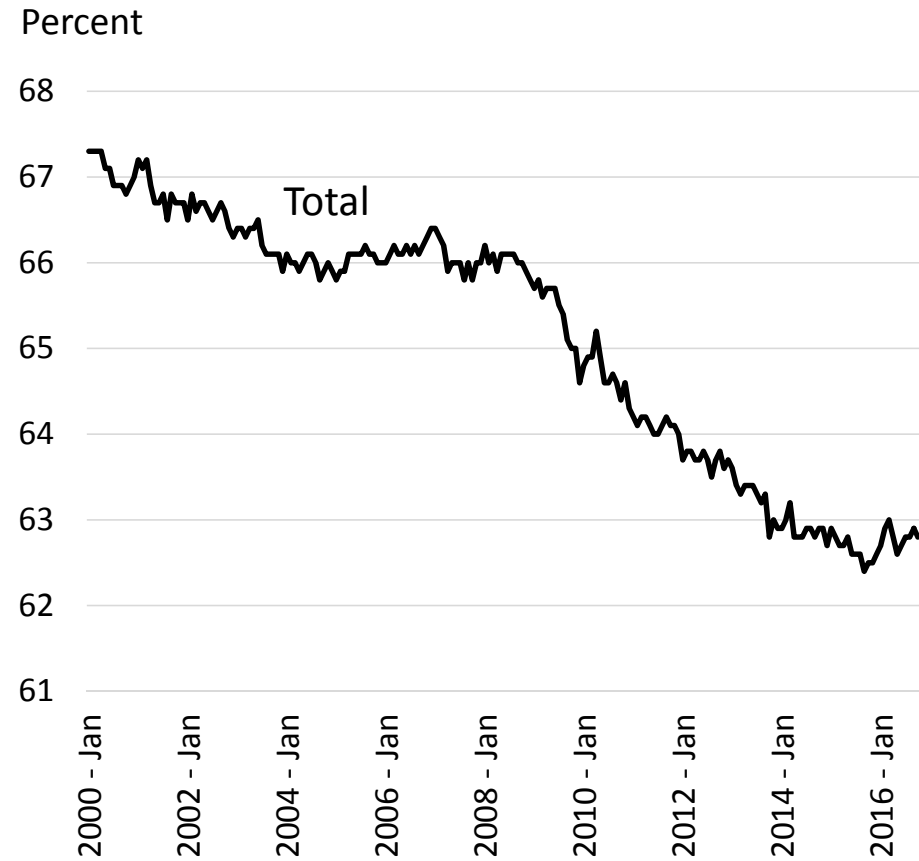
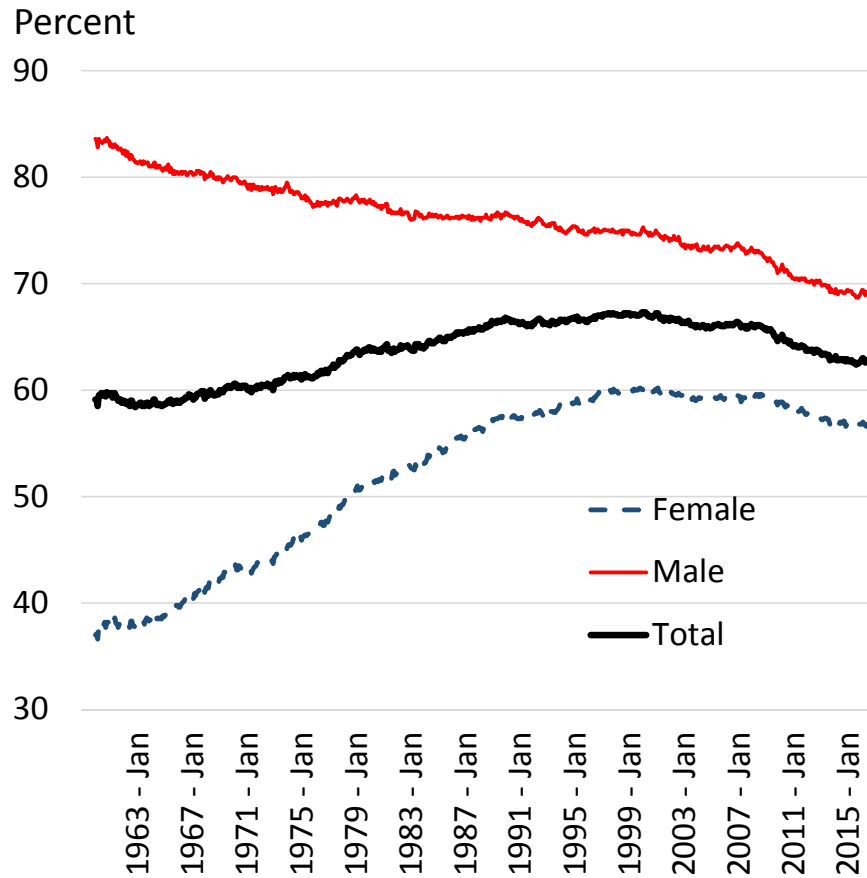
Source: U.S. Department of Labor, Bureau of Labor Statistics.

3. Unemployment has returned to pre-crisis levels



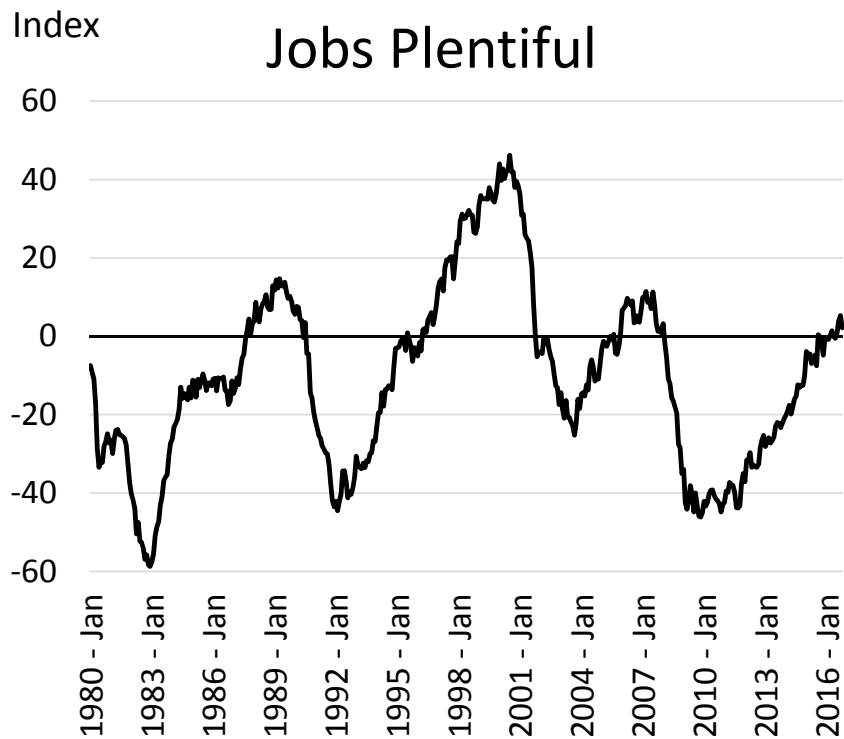
Source: U.S. Department of Labor, Bureau of Labor Statistics.

4. Labor force participation rate has stabilized

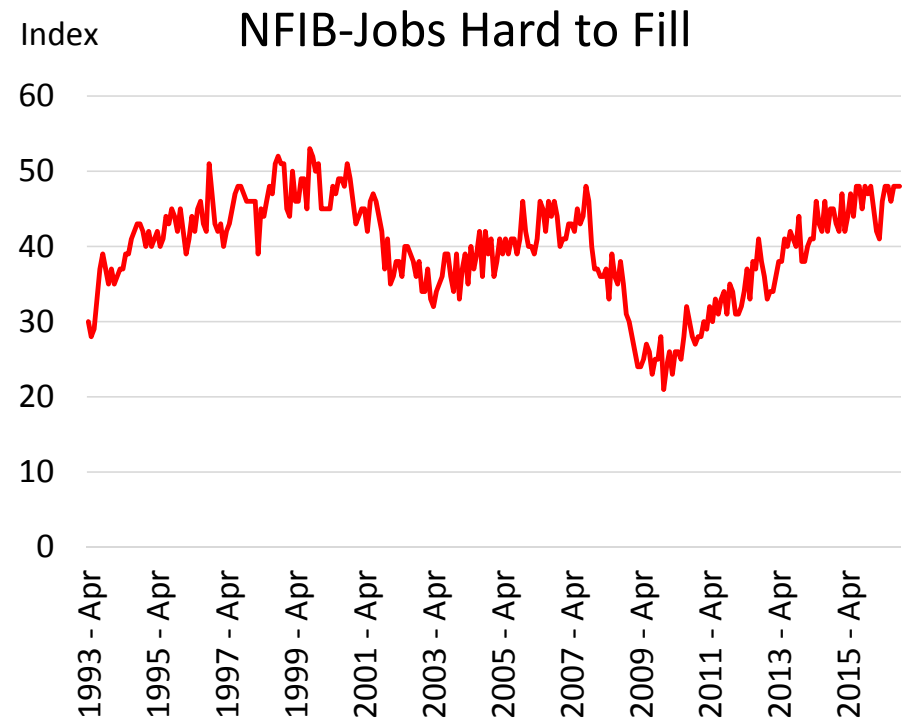


Source: U.S. Department of Labor, Bureau of Labor Statistics.

5. Household and business surveys indicate a healthy job market

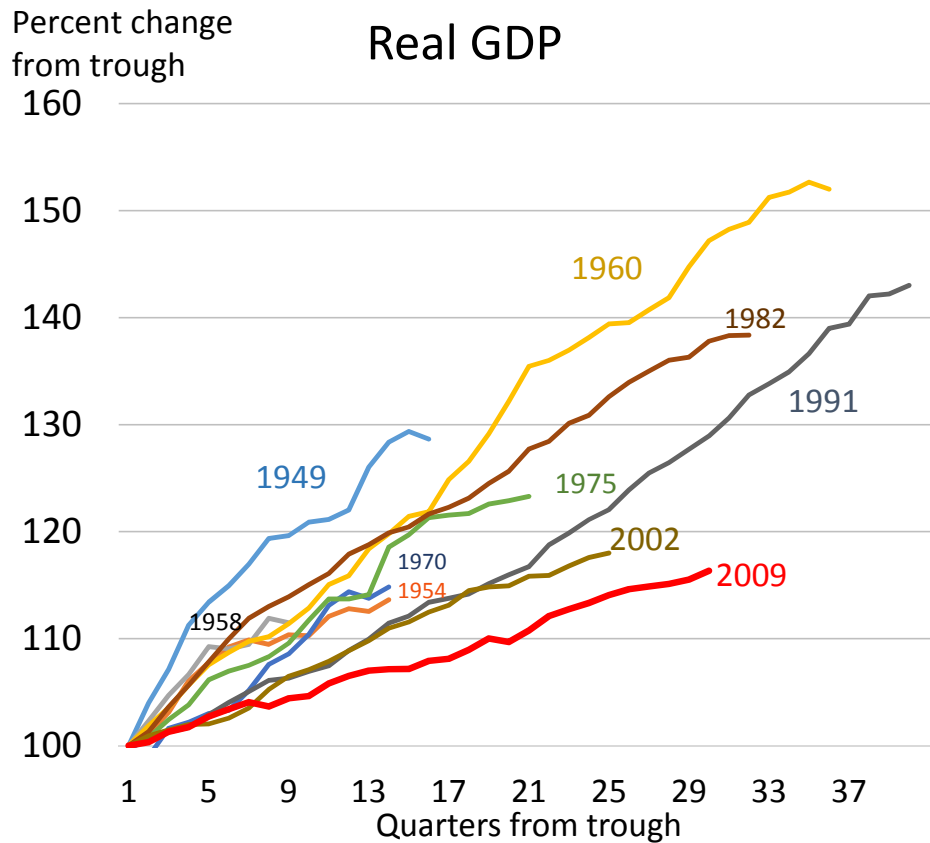


Source: Surveys database, Conference Board/Haver Analytics.

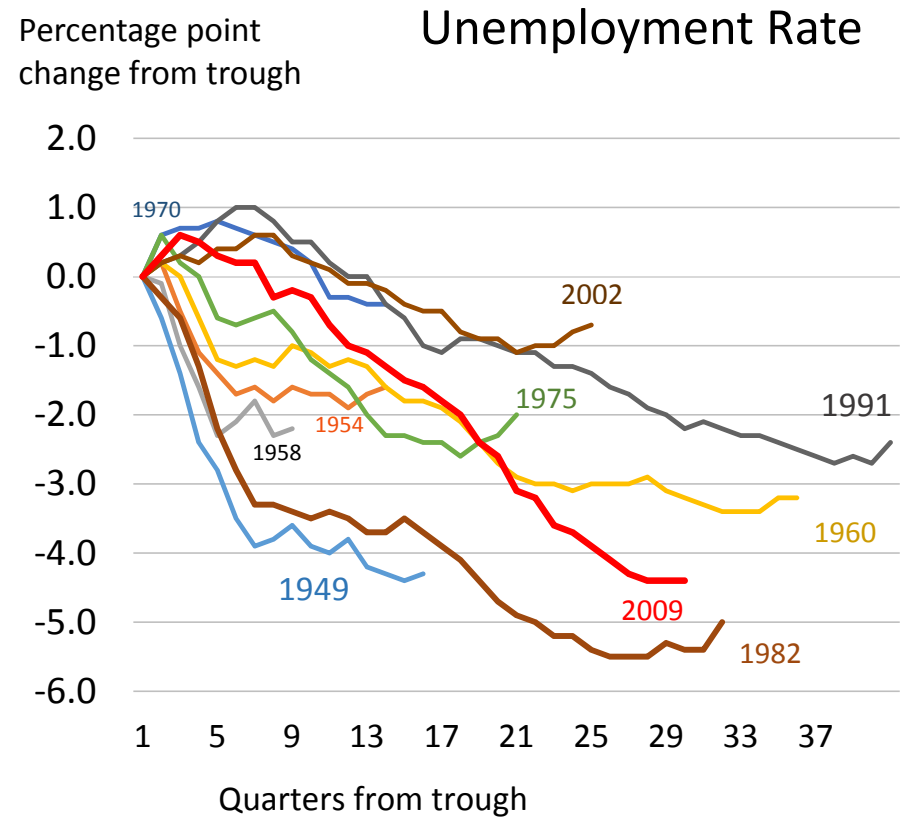


Source: Surveys database, National Federation of Independent Businesses (NFIB)/Haver Analytics.

6. The expansion in context of the past

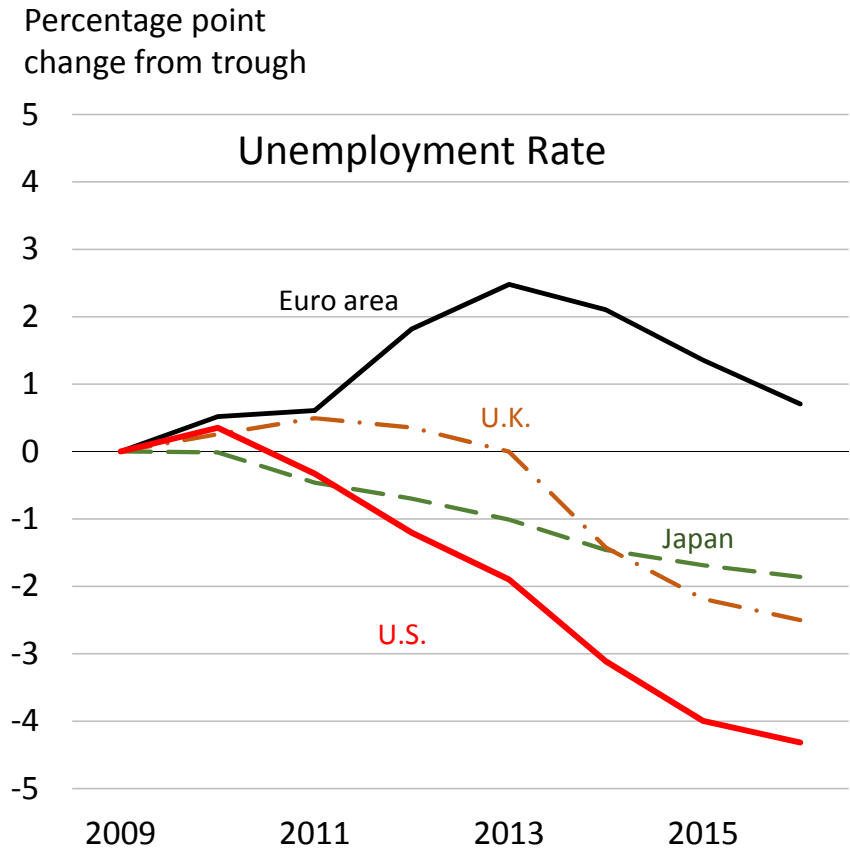
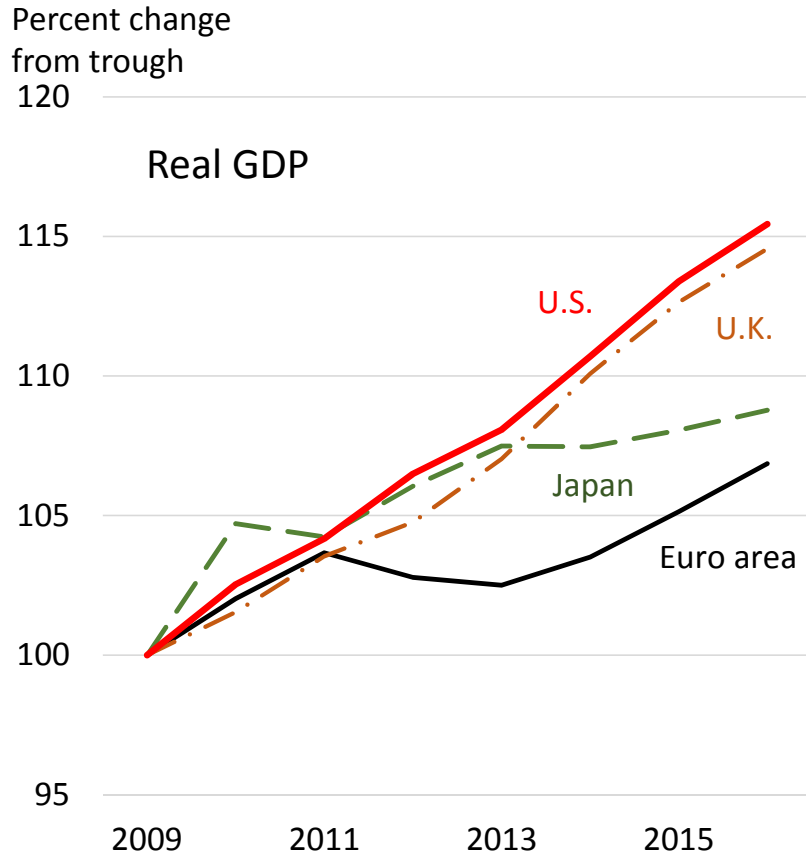


Source: Department of Commerce, Bureau of Economic Analysis.



Source: Department of Labor, Bureau of Labor Statistics.

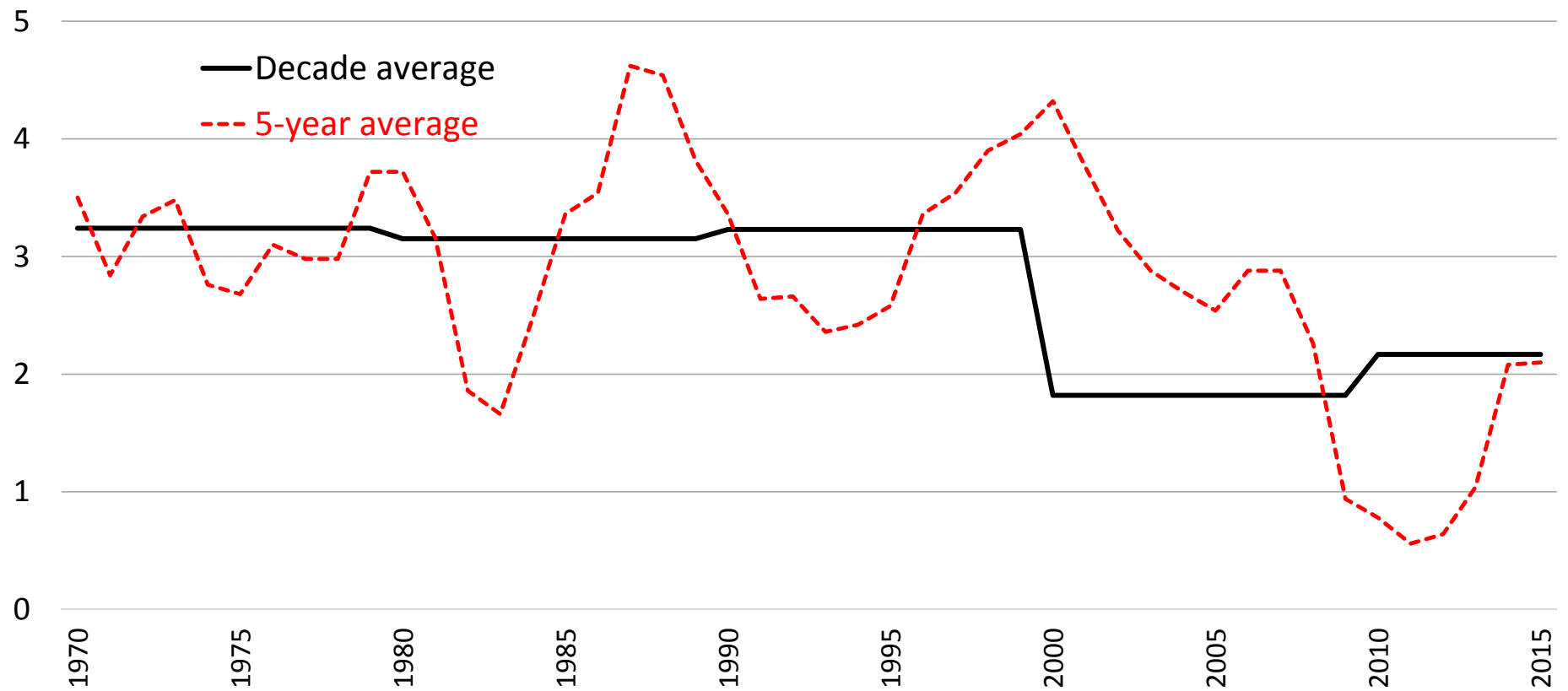
7. The expansion in international context



Source: Organization of Economic Co-operation and Development, Economic Outlook No. 99, June 2016.

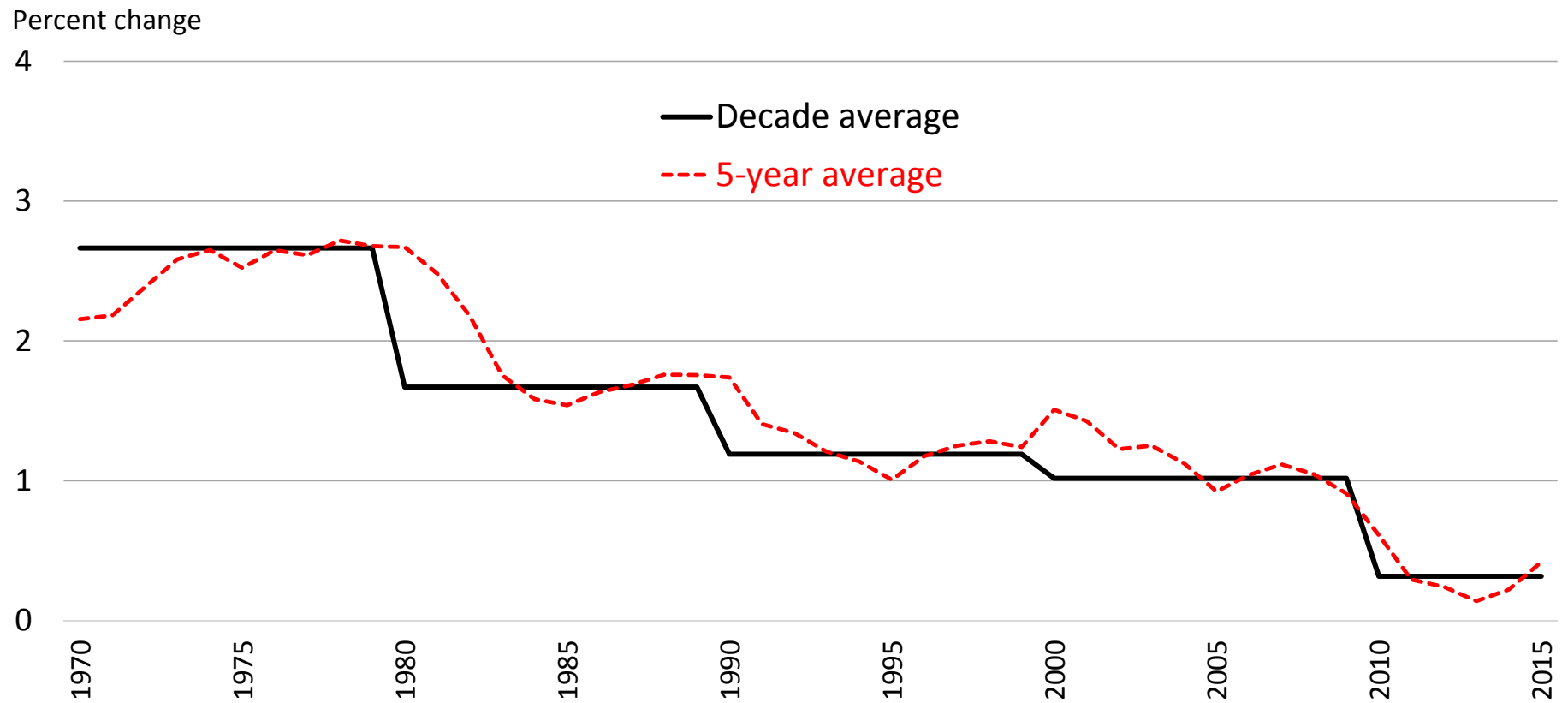
8. GDP growth has slowed over time

Percent change



Source: Department of Commerce, Bureau of Economic Analysis.

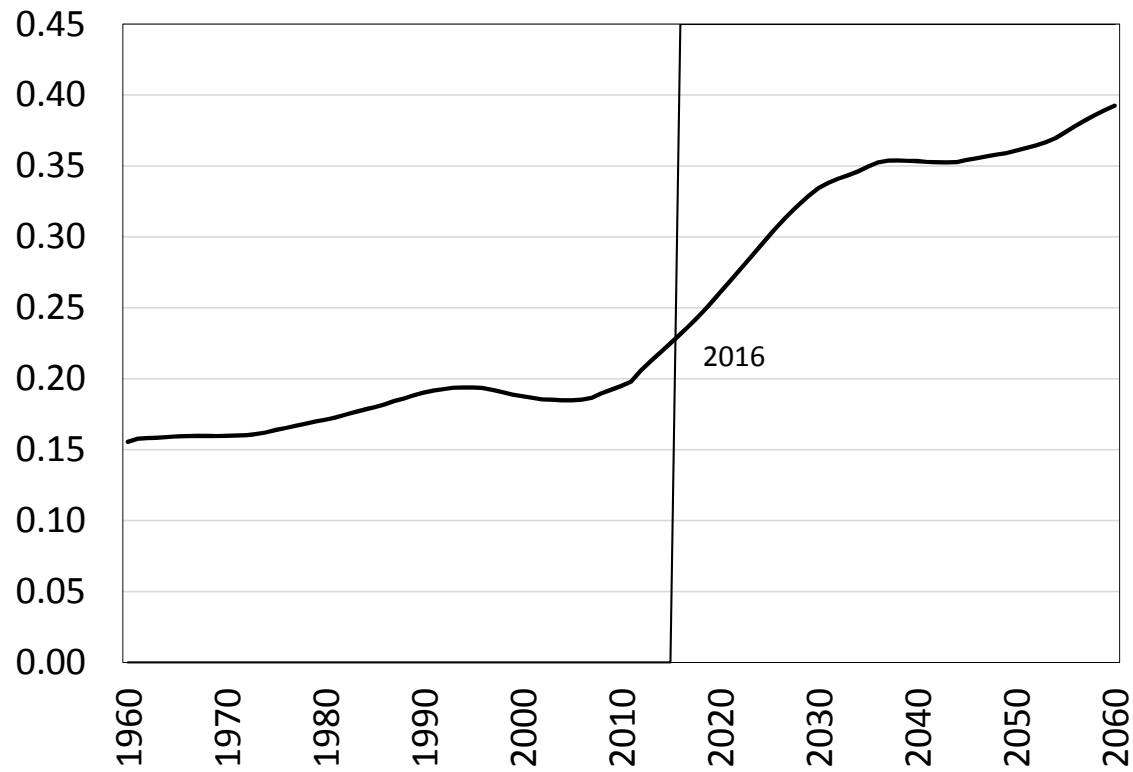
9. Labor force has slowed



Source: Department of Labor, Bureau of Labor Statistics.

10. The population is aging

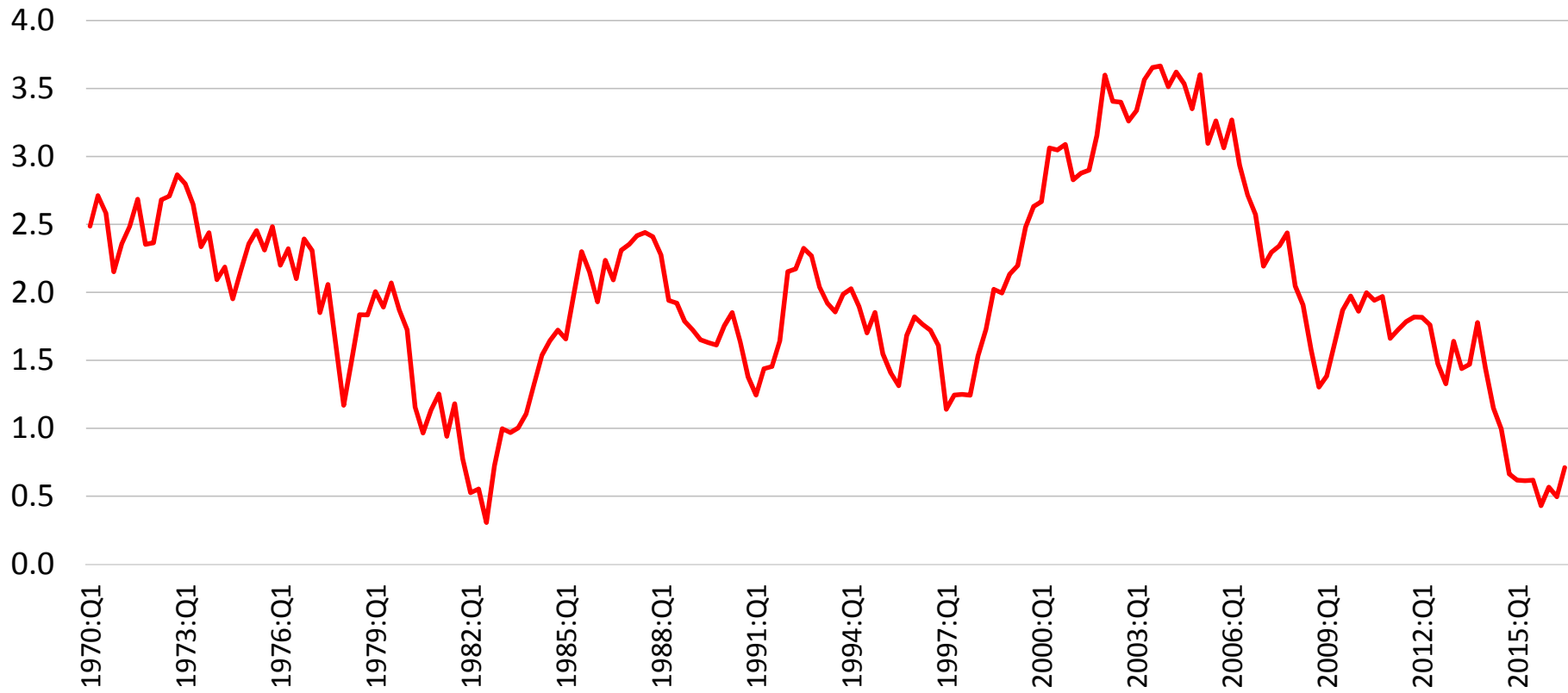
Ratio of those aged 65 and over to working-age population



Source. Department of Commerce, Census Bureau.

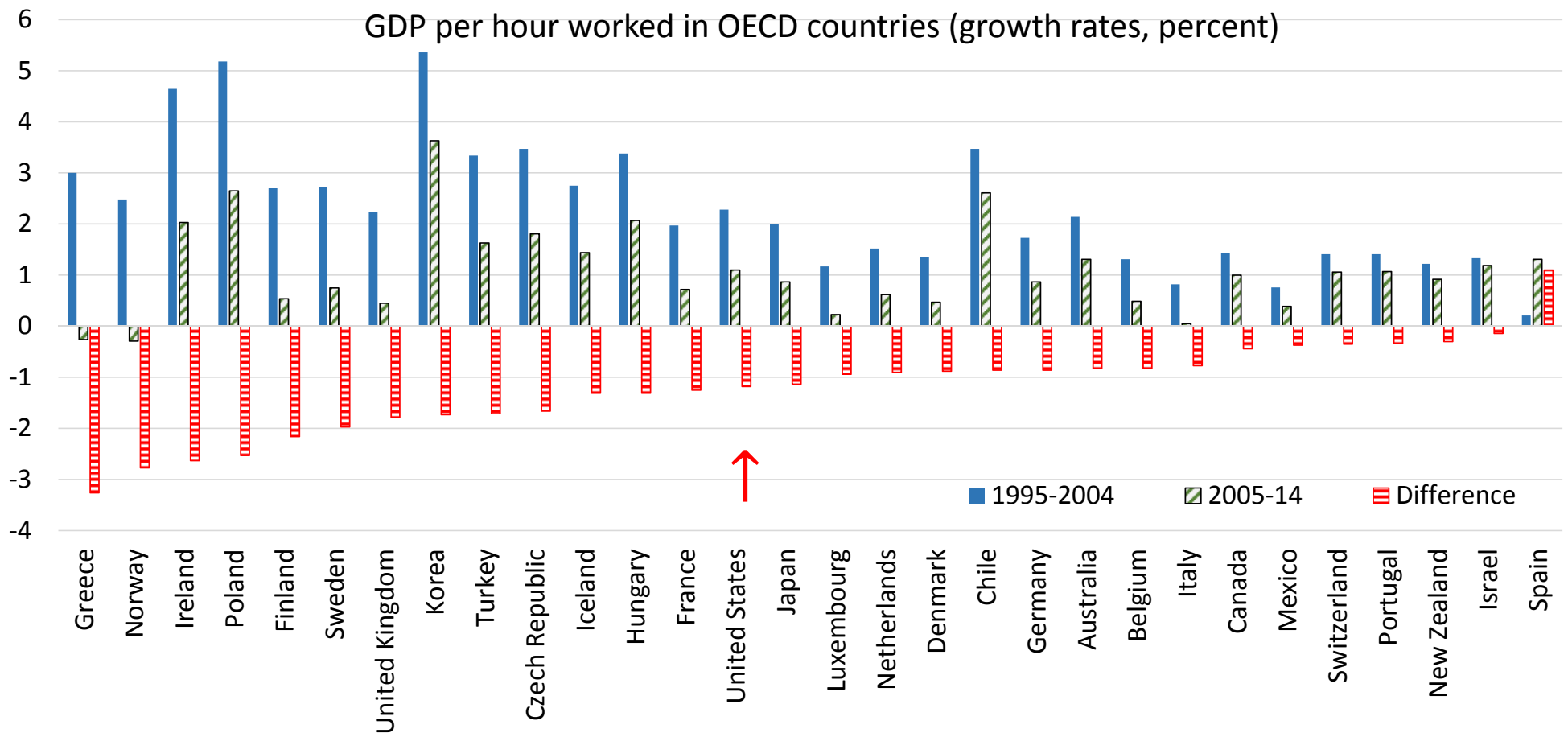
11. Labor productivity growth is low

Percent, 5-year average



Source: Department of Labor, Bureau of Labor Statistics.

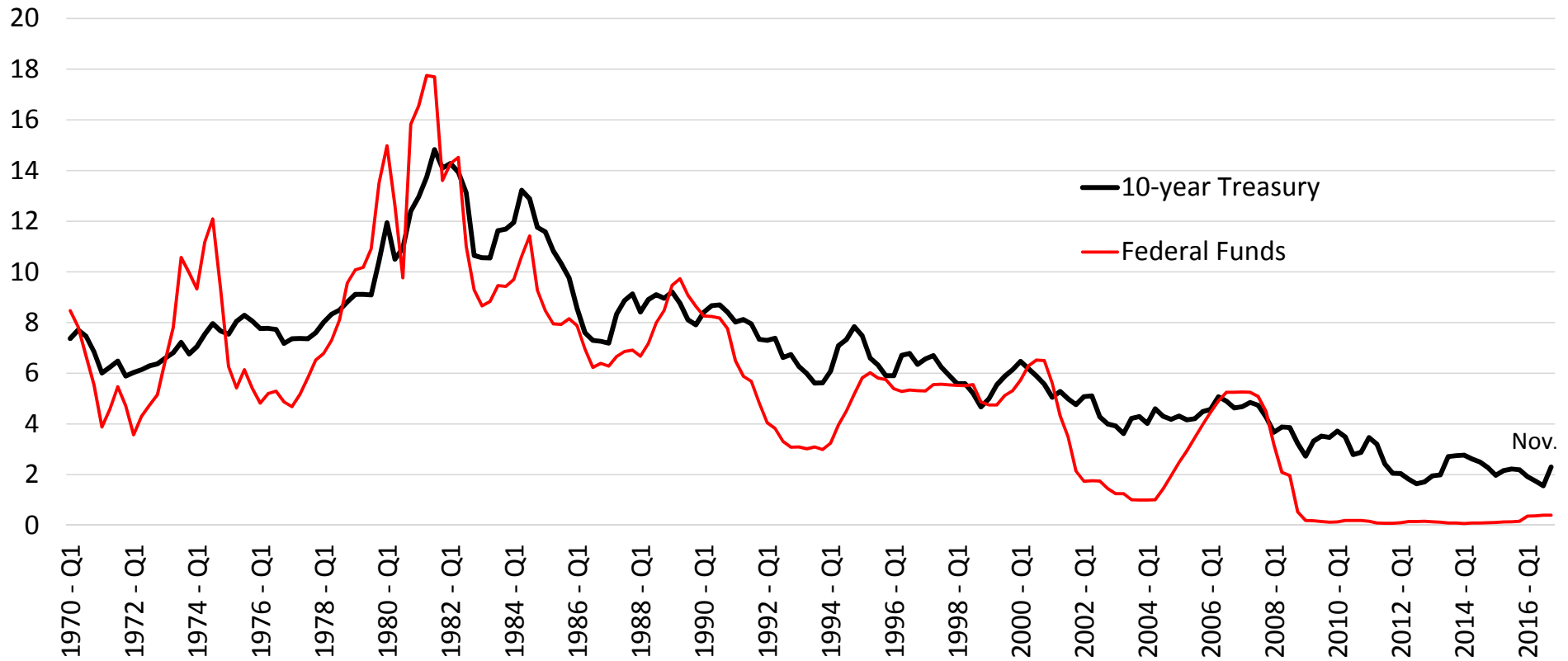
12. Productivity slowdown is global



Source: Organization for Economic Co-operation and Development, GDP per hour worked (indicator), <https://data.oecd.org/lprdty/gdp-per-hour-worked.htm#indicator-chart>.

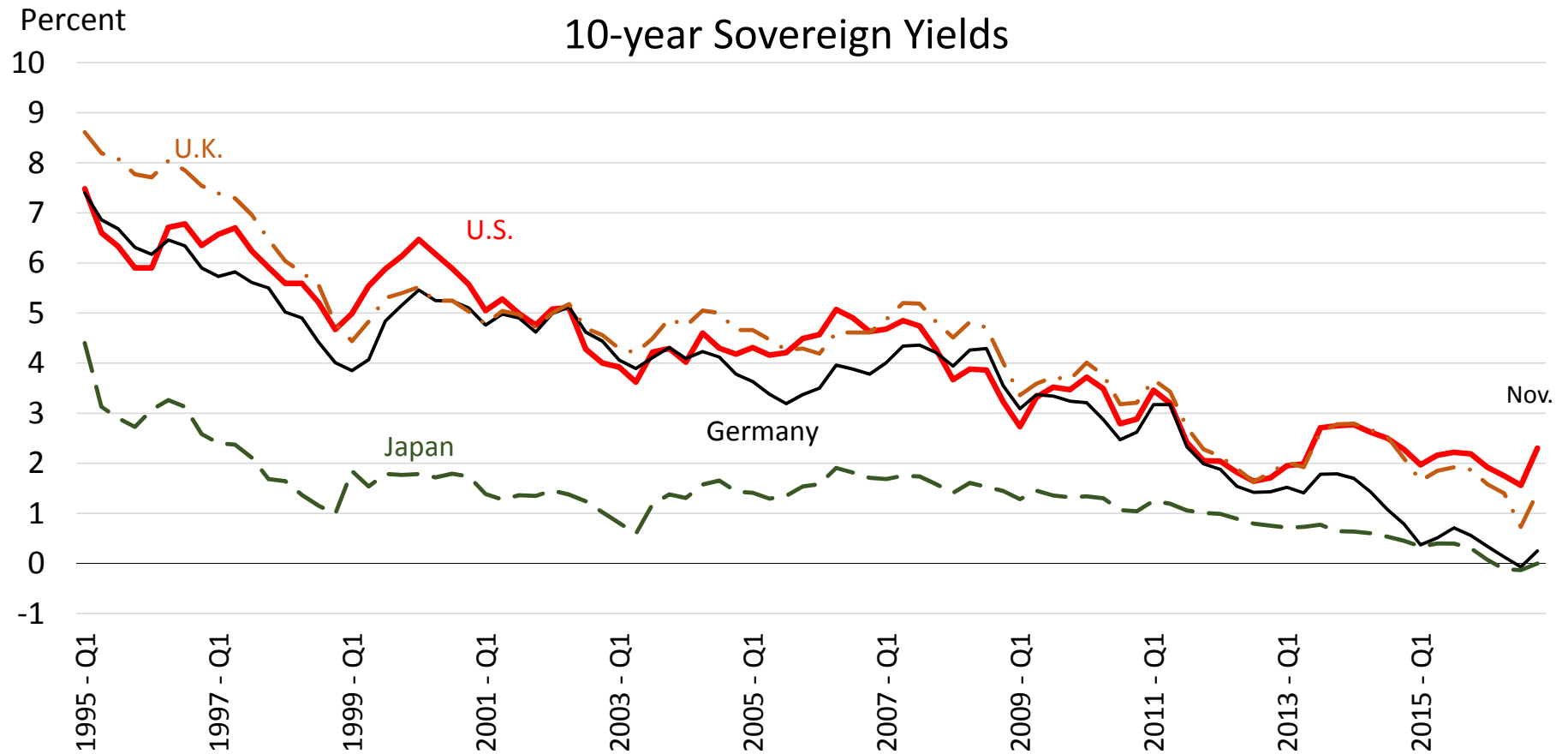
13. U.S. interest rates are very low

Percent



Source: Board of Governors of the Federal Reserve System, H.15.

14. Sovereign rates are low around the world



Source: Board of Governors of the Federal Reserve System, Reuters/Haver Analytics.