Restoring Price Stability

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at the
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Figure 1. The unemployment rate has fallen sharply

Figure 2. Wage growth has surged particularly for low-wage workers

Average Hourly Earnings

Monthly Percent change from year earlier

All Production workers


Trimmed Mean Wage Growth by Wage Quartile

Weekly Percent change from year earlier

Bottom Bottom-middle Top-middle Top

Feb. 19 2020 2021 2022

Note: Quartiles defined by hourly wage distribution from base period of year-over-year calculation. Wages are measured as hourly earnings, excluding tips, overtime, and other forms of compensation.

Source: Federal Reserve Board staff calculations; ADP, Inc.
Figure 3. Labor demand has recovered but labor supply has not

Note: CPS labor force data adjusted for effects of population controls. Solid circles give January levels.

Figure 4. Inflation has been rising, particularly for goods

Note: PCE is personal consumption expenditures.
Source: Bureau of Economic Analysis, Personal Income and Outlays, via Haver Analytics.
Annual Percent

Note: Figure reports the median expectation of FOMC participants for the federal funds rate at the end of the year indicated.


Figure 5. FOMC participants project a higher federal funds rate path.
Figure 6. Three soft landings


Source: Federal Reserve Board, Statistical Release H.15, "Selected Interest Rates".
Figure 7. Longer-run expectations remain well-anchored in their historical ranges

Note: The series are medians of the survey responses about average inflation during the next 5 to 10 years. March data are preliminary.
Source: University of Michigan Surveys of Consumers.