

Restoring Price Stability

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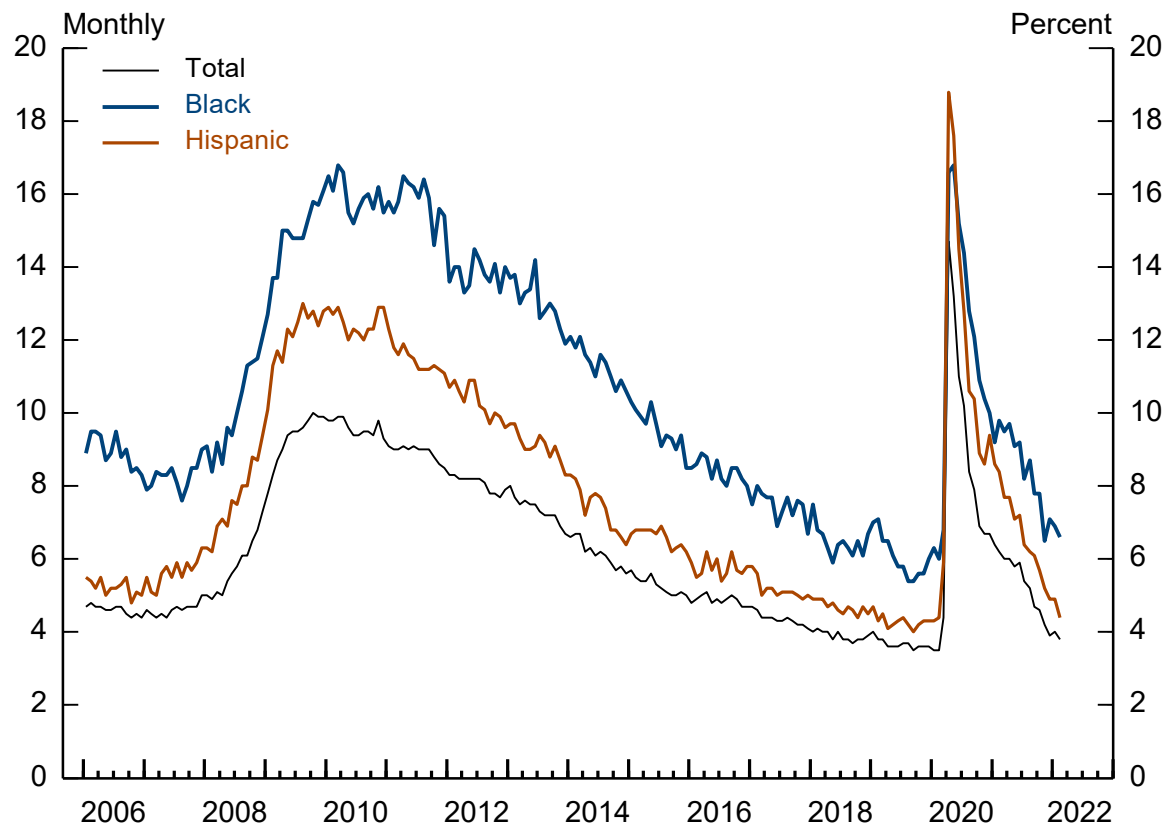
Chair Pro Tempore

Board of Governors of the Federal Reserve System
at the

National Association for Business Economics

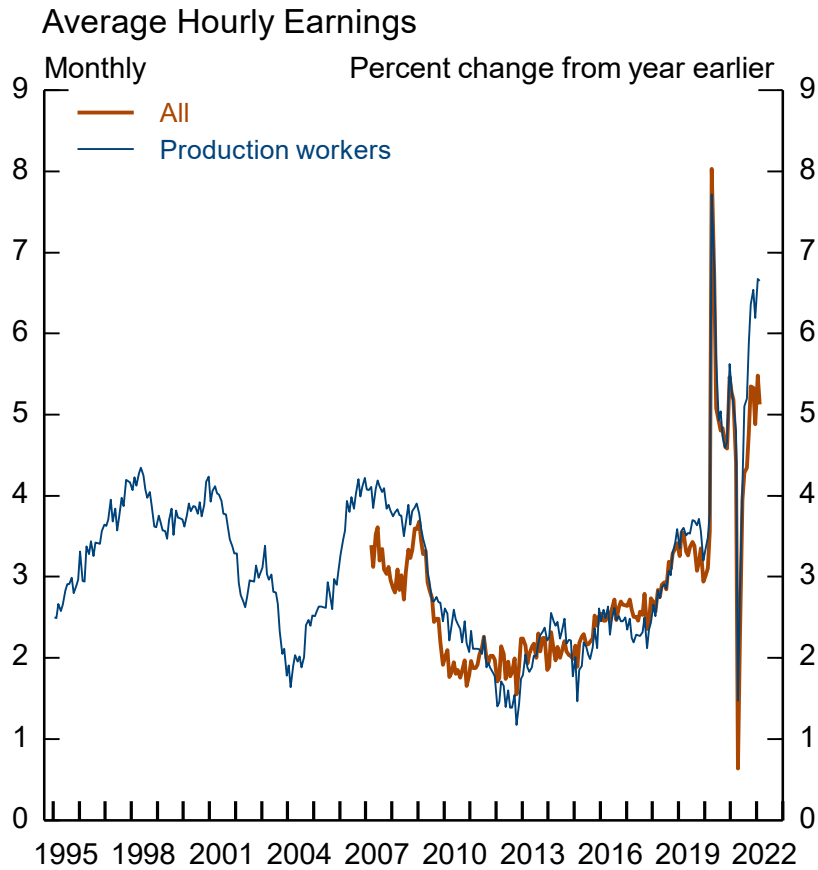
March 21, 2022

Figure 1. The unemployment rate has fallen sharply

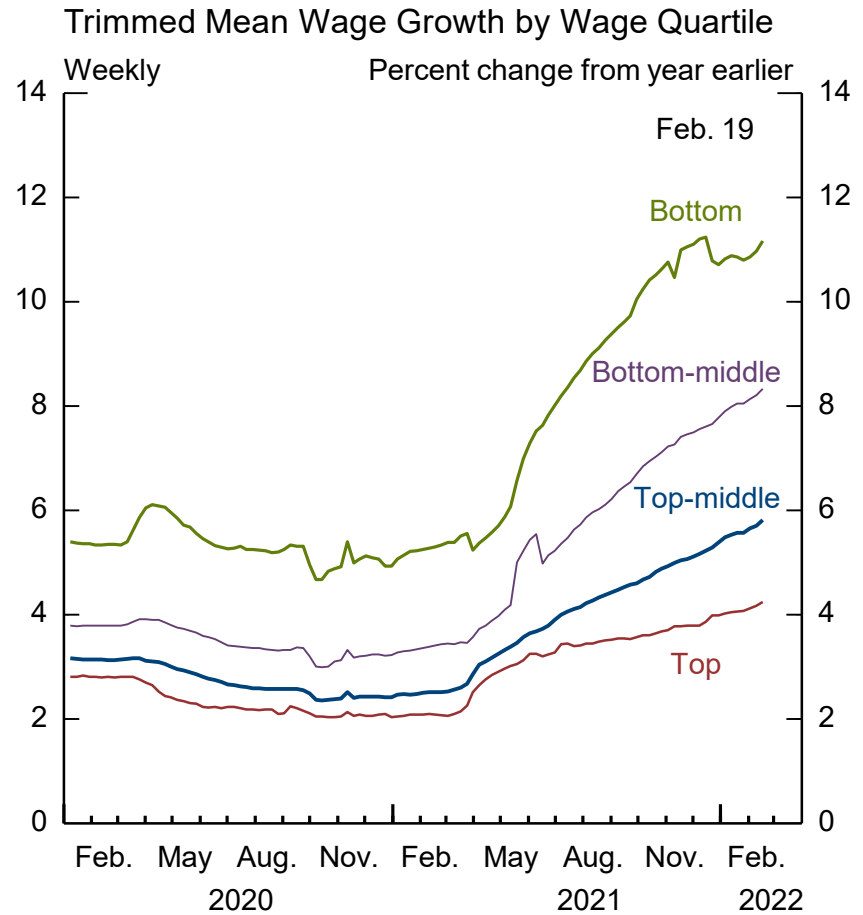


Source: Bureau of Labor Statistics, Employment Situation, via Haver Analytics.

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



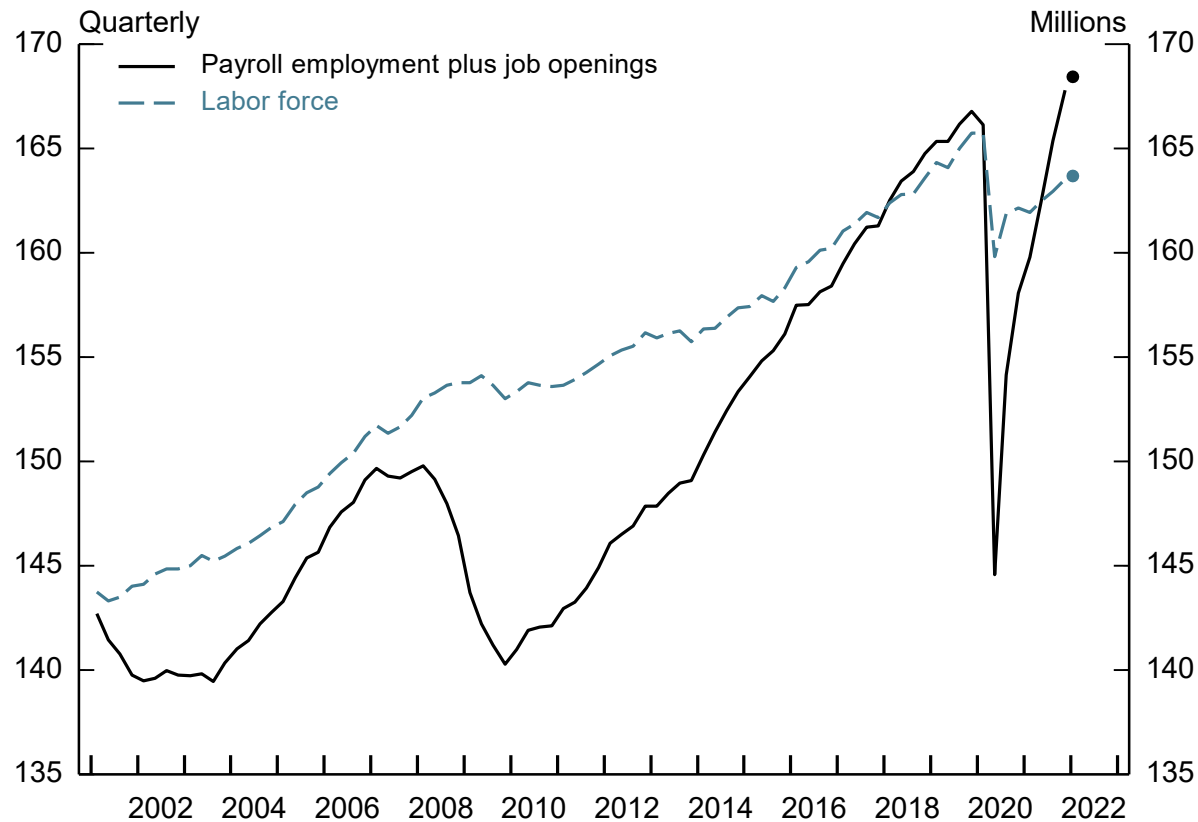
Source: Bureau of Labor Statistics, Employee Hours, via Haver Analytics.



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.

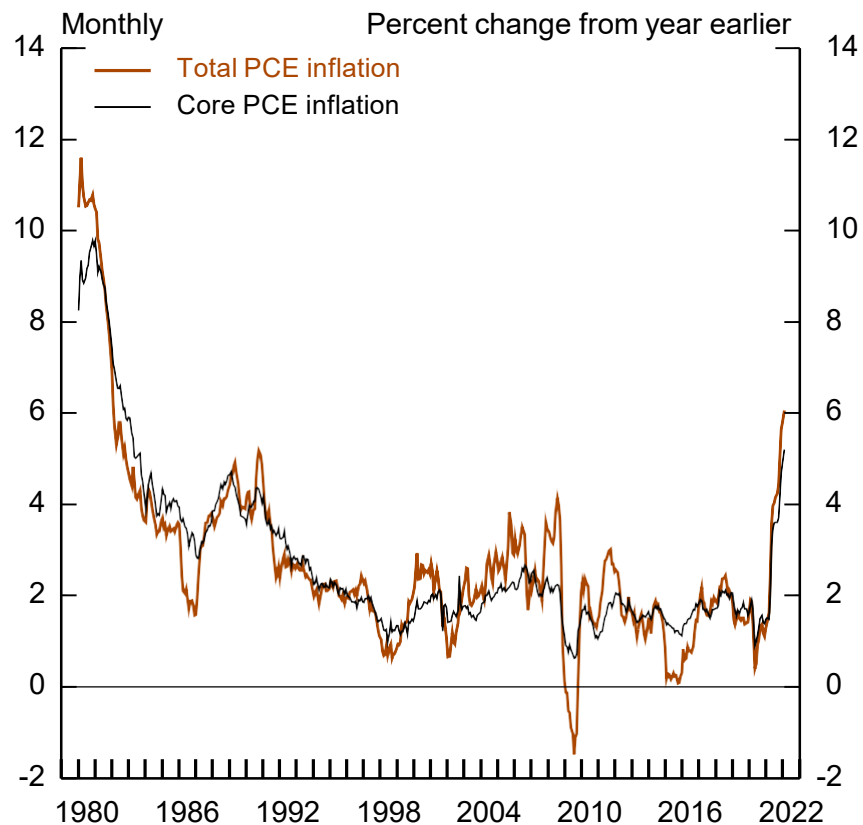
Figure 3. Labor demand has recovered but labor supply has not



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

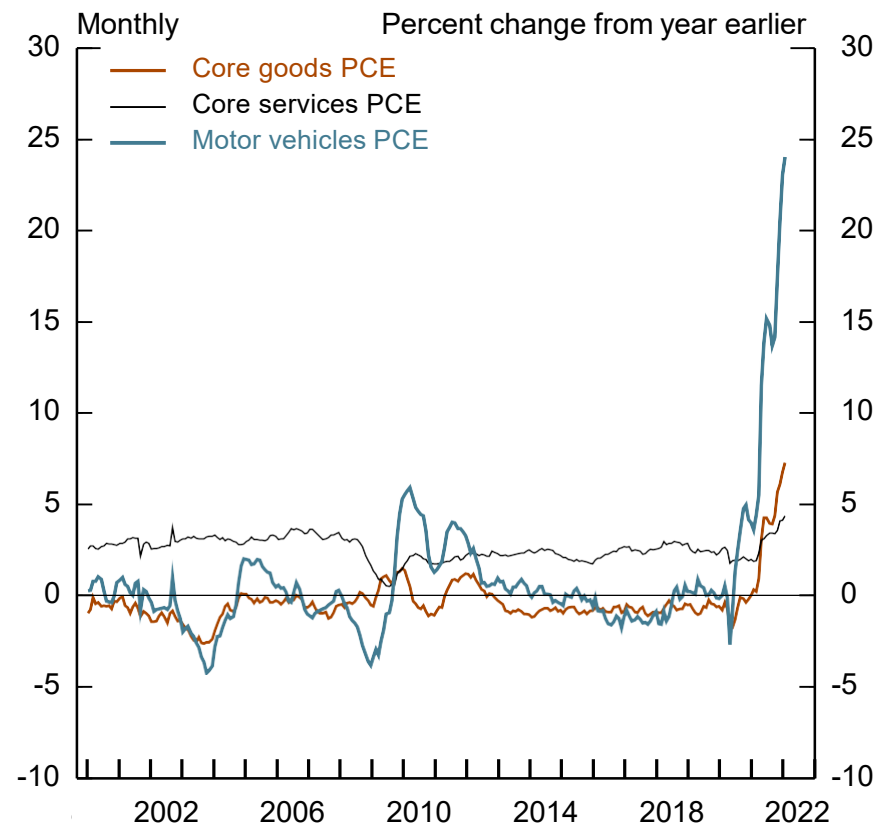
Source: For labor force, Bureau of Labor Statistics, Employment Situation; for payroll employment plus job openings, Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, via Haver Analytics; for both, Federal Reserve Board staff calculations.

Figure 4. Inflation has been rising, particularly for goods



Note: PCE is personal consumption expenditures.

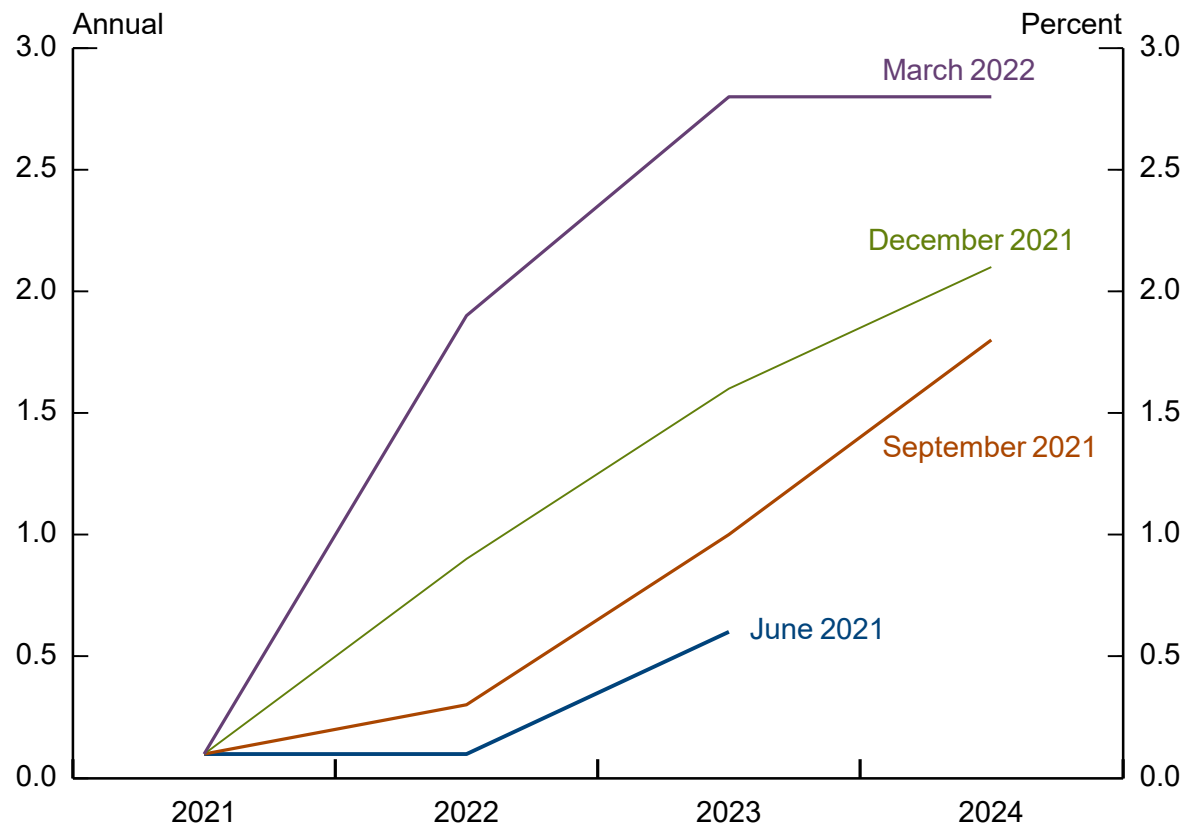
Source: Bureau of Economic Analysis, Personal Income and Outlays, via Haver Analytics.



Note: PCE is personal consumption expenditures.

Source: Bureau of Economic Analysis, Personal Income and Outlays, via Haver Analytics.

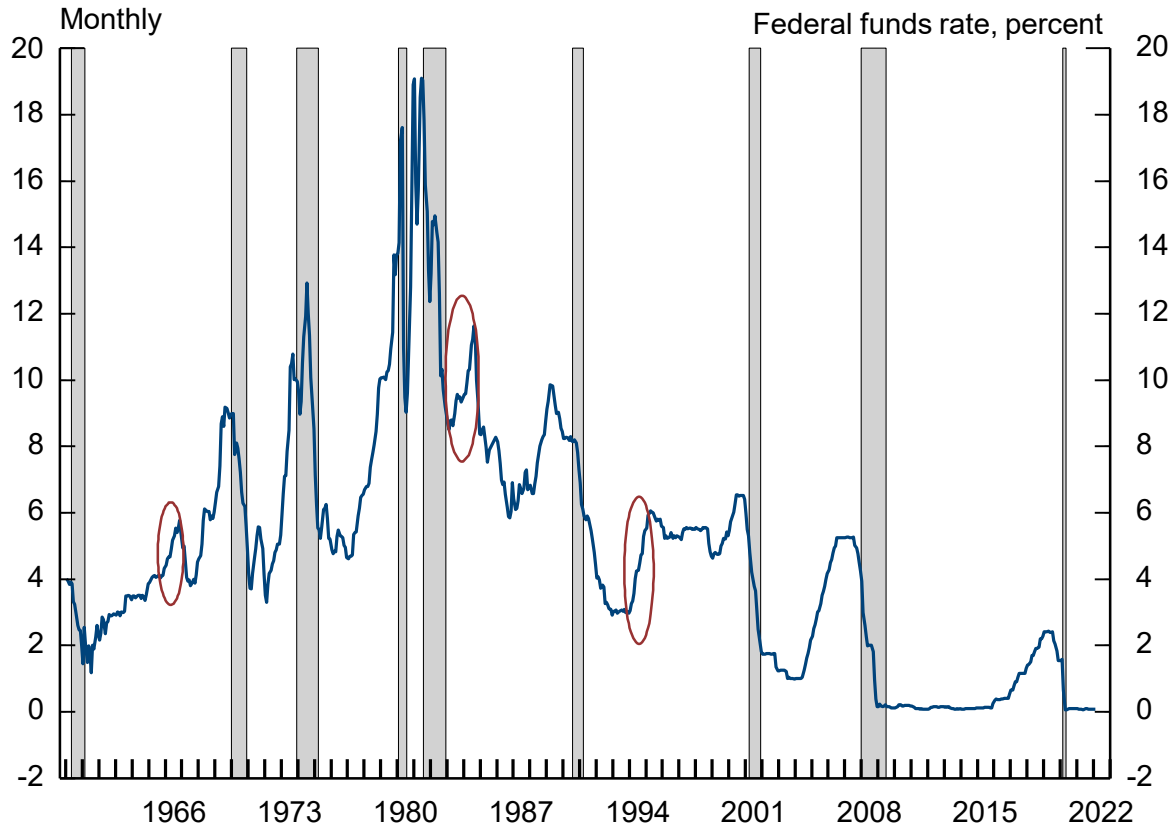
Figure 5. FOMC participants project a higher federal funds rate path



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

Source: Summary of Economic Projections, available on the Board's website at <https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm>.

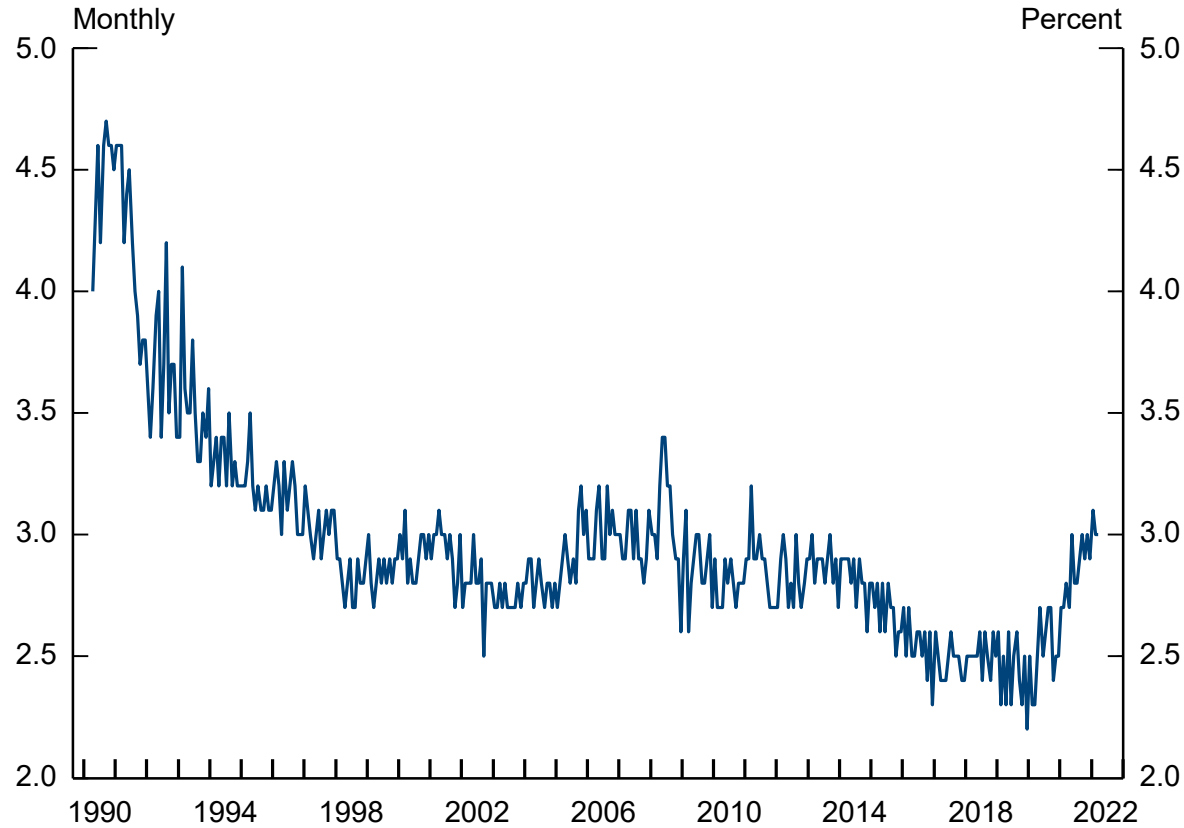
Figure 6. Three soft landings



Note: The shaded bars indicate periods of business recession as defined by the National Bureau of Economic Research (NBER): December 1969 to November 1970, November 1973 to March 1975, January 1980 to July 1980, July 1981 to November 1982, July 1990 to March 1991, March 2001 to November 2001, December 2007 to June 2009, and February 2020 to April 2020.

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.