Recent Economic Developments and Longer-Term Challenges

Jerome H. Powell  
Chair  
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at the  
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Figure 1. Unemployment is near historic lows

Figure 2. Improvement in unemployment is broadly shared

Unemployment by race and ethnicity

Unemployment by education, age 25 and over

Figure 3. Wage growth has picked up, but it is still moderate

Figure 4. Inflation is running near target

PCE inflation

Source: Bureau of Economic Analysis.
Figure 5. Both labor supply and productivity growth have slowed.

The chart shows the components of GDP growth for different business cycles, with bars representing the average annual percent change. The productivity and labor contributions are indicated in blue and orange respectively.

Source: Congressional Budget Office.
Figure 6. Youth labor force participation has declined as more go to school

Figure 7. Male labor force participation has declined for decades

Male labor force participation, ages 25 to 54

Percent

Trend: -1.5 ppt per decade

Female labor force participation, ages 25 to 54

Percent

Figure 8. U.S. prime age labor force participation is relatively low

Figure 9. Decline in LFPR most notable at lower levels of education attainment

Male labor force participation by educational attainment, ages 25 to 54

Female labor force participation by educational attainment, ages 25 to 54

Figure 10. Productivity growth has slowed

Business-sector productivity growth

Percent change

1961-2018 avg.

4-quarter

*Centered 5-year moving average through 2015, trailing average thereafter.