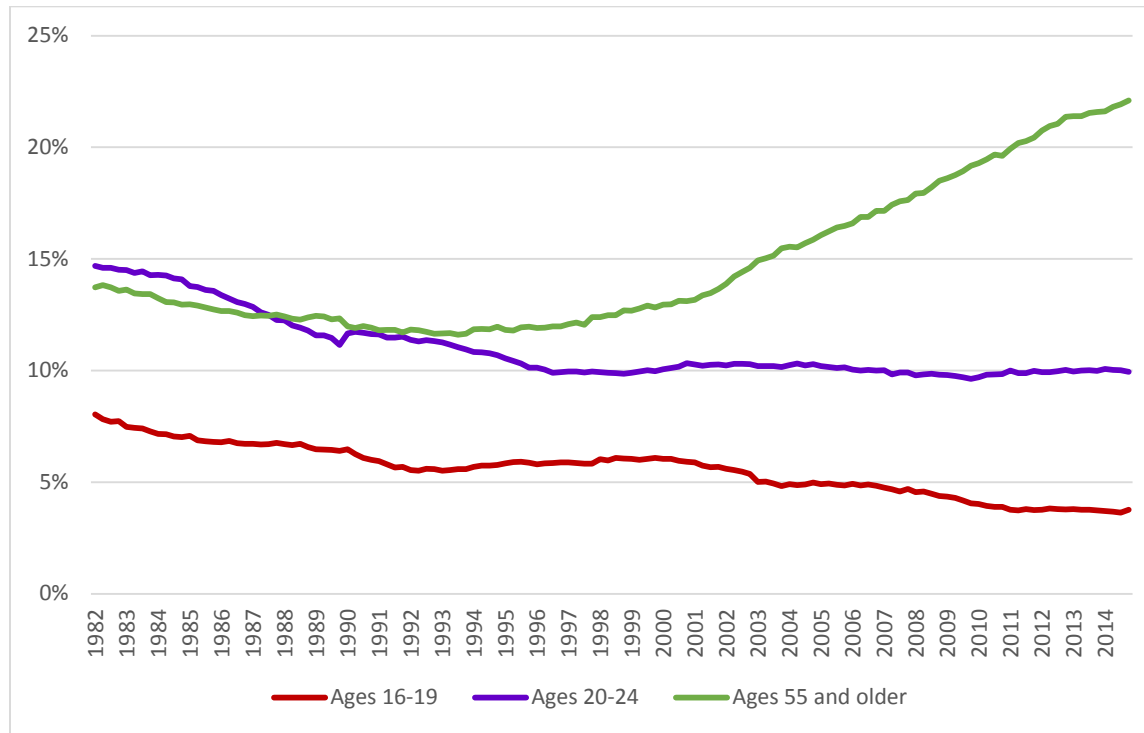


Appendix for CFL No. 338

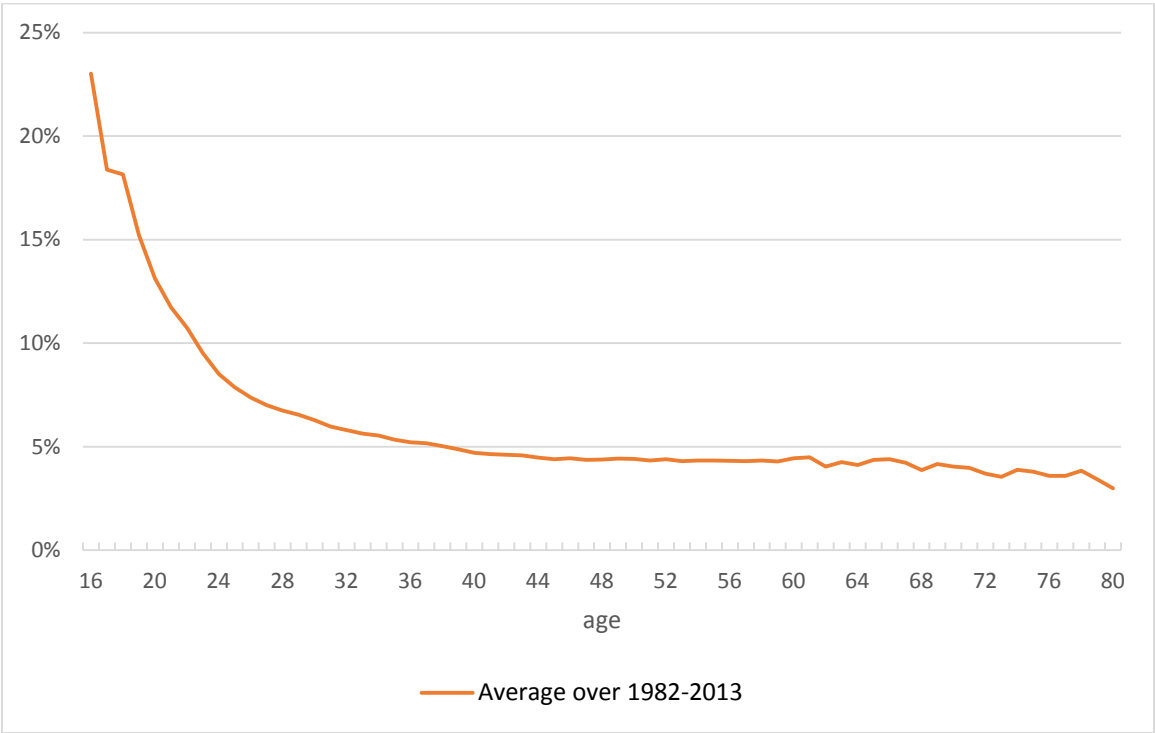
by Daniel Aaronson, Luojia Hu, Arian Seifoddini, and Daniel G. Sullivan

Figure A1: Share of the labor force, by age



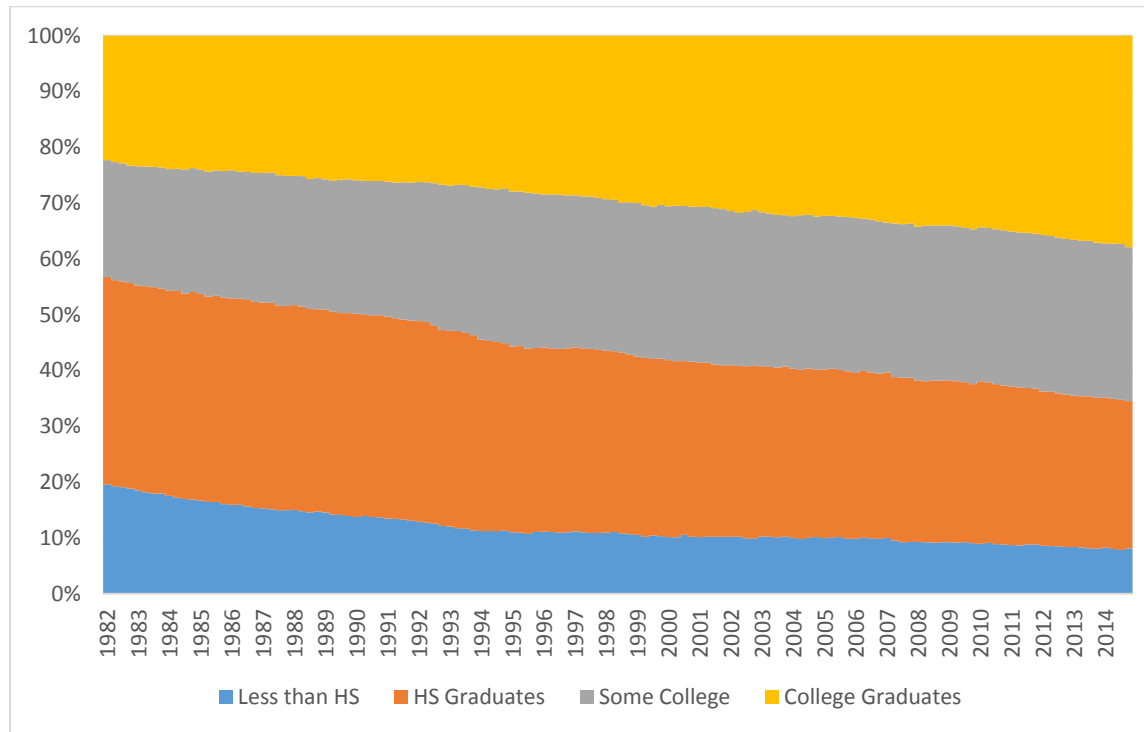
Source: Authors' calculations based on data from the U.S. Bureau of Labor Statistics, *Current Population Survey*.

Figure A2: Unemployment rate, by age



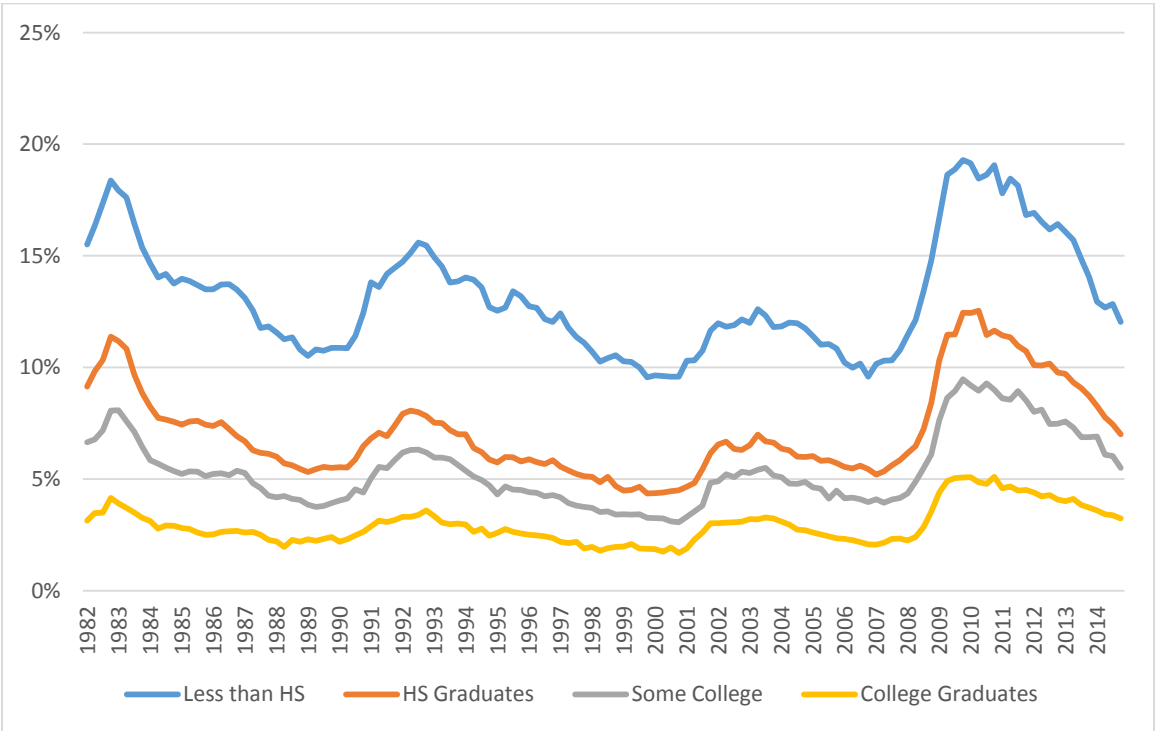
Source: Authors' calculations based on data from the U.S. Bureau of Labor Statistics, *Current Population Survey*.

Figure A3: Share of the labor force aged 25 years and older, by educational attainment



Source: Authors' calculations based on data from the U.S. Bureau of Labor Statistics, *Current Population Survey*.

Figure A4: Unemployment rate, by educational attainment



Source: Authors' calculations based on data from the U.S. Bureau of Labor Statistics, *Current Population Survey*.

Figure A5: Phillips curve regression results

	Coefficients
Unemployment gap	-0.230*** (0.066)
$\Delta \log$ relative import prices	0.532 (0.482)
$\Delta \log$ relative energy prices	0.004 (0.457)
Lagged inflation gap	0.701*** (0.118)
Constant	-0.131*** (0.010)
R^2	0.416
Adjustment = $-\alpha/\beta$	-0.570 (0.494)
p -value on adjustment	0.250

Standard errors in parentheses. *** $p < 0.001$

Notes: The equation estimated in the regression is $\pi_t - \pi_{t-1}^e = \alpha + \beta(u_t - \hat{u}_t) + \gamma \left[\left(\Delta \ln \frac{p_t^m}{p_t^{GDP}} \right) * s_t^m \right] + \lambda \left[\left(\Delta \ln \frac{p_t^e}{p_t^f} \right) * s_t^e \right] + \mu(\hat{\pi}_{t-1} - \pi_{t-1}^e) + e_t$, where, for time period t , π is annualized quarterly change in core inflation as measured by the Price Index for Personal Consumption Expenditures (PCE); π^e is the FRB/US model's measure of inflation expectations as explained in note 18 of the main document; $\hat{\pi}$ is a four-quarter moving average of π ; u is the unemployment rate calculated from the CPS; \hat{u} is our baseline natural rate; p is a price index from the BEA national income and product accounts of imports (m), gross domestic product (GDP), energy (e), or total final sales (f); and s is the share of imports or energy in the economy. The parameters β , γ , λ , and μ are regression coefficients on the terms they precede, the parameter α is the constant term, and e is an error term. The regression is run on data from 1982 through 2007. The adjustment factor $-\alpha/\beta$ is added to our baseline natural rate path (figure 2, second row, of the main document) to get the alternative path described in the sixth row of figure 2.

Sources: Authors' calculations based on data from the U.S. Bureau of Economic Analysis (BEA) and U.S. Bureau of Labor Statistics, from Haver Analytics; U.S. Bureau of Labor Statistics, *Current Population Survey* (CPS); and Board of Governors of the Federal Reserve System, FRB/US model.