Figure A1: Share of the labor force, by age

Figure A2: Unemployment rate, by age

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

Figure A4: Unemployment rate, by educational attainment

Figure A5: Phillips curve regression results

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unemployment gap</th>
<th>Δ log relative import prices</th>
<th>Δ log relative energy prices</th>
<th>Lagged inflation gap</th>
<th>Constant</th>
<th>$R^2$</th>
<th>Adjustment = $-\alpha/\beta$</th>
<th>$p$-value on adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$-0.230^{***}$</td>
<td>0.532</td>
<td>0.004</td>
<td>0.701^{***}</td>
<td>$-0.131^{***}$</td>
<td>0.416</td>
<td>$-0.570$</td>
<td>0.250</td>
</tr>
<tr>
<td></td>
<td>(0.066)</td>
<td>(0.482)</td>
<td>(0.457)</td>
<td>(0.118)</td>
<td>(0.010)</td>
<td></td>
<td>(0.494)</td>
<td></td>
</tr>
</tbody>
</table>

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

Notes: The equation estimated in the regression is $\pi_t - \hat{\pi}_{t-1} = \alpha + \beta(u_t - \hat{u}_t) + \gamma \left[ \left( \Delta \ln \frac{p_t^m}{p_t^{GDP}} \right) * s_t^m \right] + \lambda \left[ \left( \Delta \ln \frac{p_t^e}{p_t^e} \right) * s_t^e \right] + \mu \left( \hat{\pi}_{t-1} - \hat{\pi}_{t-1} \right) + e_t$, where, for time period $t$, $\pi$ is annualized quarterly change in core inflation as measured by the Price Index for Personal Consumption Expenditures (PCE); $\hat{\pi}$ is the FRB/US model’s measure of inflation expectations as explained in note 18 of the main document; $\hat{u}$ is a four-quarter moving average of $u$; $u$ 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 $\beta$, $\gamma$, $\lambda$, and $\mu$ are regression coefficients on the terms they precede, the parameter $\alpha$ 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.