A View of the Fed’s Policy Path

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"Undershooting" the Natural Unemployment Rate

"High pressure" periods, where the unemployment rate falls below its natural rate.

Sources: Bureau of Labor Statistics; Congressional Budget Office (CBO)
"Undershooting" the Natural Unemployment Rate

percent

Natural rate of unemployment (CBO)  Civilian Unemployment Rate (U3)

“High pressure” periods, where the unemployment rate falls below its natural rate.

Sources: Bureau of Labor Statistics; Congressional Budget Office (CBO)