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Predicting Inflation

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US CONSUMER PRICE INDEX (yearly percent change)


Figure 2.

US CONSUMER PRICE INDEX (yearly percent change)

CPI Inflation
- Headline
- Core*

* Excluding food and energy.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
**Figure 3.**
WEST TEXAS INTERMEDIATE CRUDE OIL PRICE 1967-1984
(dollars per barrel, monthly, ratio scale)

* Shaded areas denote recessions according to the National Bureau of Economic Research. Monthly from 1946 to 1984, daily thereafter.
Source: Haver Analytics.

**Figure 4.**
(yearly percent change)

* Production & nonsupervisory workers.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Figure 5.

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* Production & nonsupervisory workers.

Note: T = President Reagan fires members of PATCO on August 5, 1981. Shaded areas denote recessions according to the National Bureau of Economic Research.

Figure 6.

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Figure 7.

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Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
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(2012=100)

Price Deflators
- Information Processing
- Equipment
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Source: Bureau of Economic Analysis.

Figure 10.

RETAIL SALES: GENERAL MERCHANDISE STORES (GMS) & ONLINE SHOPPING
(as percent of total In-Store + Online GAFO*)

Percent of Total GAFO*
- Online**
- GMS: Warehouse Clubs & Super Stores
- GMS: Department Stores & Others

GAFO (general merchandise, apparel and accessories, furniture, and other sales) includes retailers that specialize in department-store types of merchandise such as furniture & home furnishings, electronics & appliances, clothing & accessories, sporting goods, hobby, book, and music, general merchandise, office supply, stationery, and gift stores.

** Electronic shopping and mail order houses.

Source: Census Bureau and Haver Analytics.
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**Figure 11.**
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** 1982-84=100.

Source: Census Bureau, Historical Statistics of the United States.

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Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Congressional Budget Office and Bureau of Economic Analysis.

Figure 18.

RESOURCE UTILIZATION RATE & OUTPUT GAP (percent)

Resource Utilization Rate*
Output Gap**

Aug

* Average of all industries’ capacity utilization rate and employment rate, i.e., percentage of labor force that is employed.
** Actual divided by potential real GDP in percent.
**Figure 19.**

NON-ACCELERATING INFLATION RATE OF UNEMPLOYMENT (NAIRU):
ESTIMATED & PROJECTED
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*Non-accelerating inflation rate of unemployment.
Source: Congressional Budget Office.*
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Source: Federal Reserve Board.

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Source: Federal Reserve Board.
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(using average hourly earnings)

Unemployment Rate (percent)
Average Hourly Earnings* (yearly percent change)

Note: Shaded areas denote recessions according to the National Bureau of Economic Research.

* Production & nonsupervisory workers.

UNEMPLOYMENT RATES (percent, sa)

Underemployment Rate* Plus Unemployment Rate
U-6 Rate** Unemployment Rate

* Total number of people working part time for economic reasons as percent of civilian labor force plus part time for economic reasons.
** Unemployed plus marginally attached
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Figure 25.

**JOB OPENINGS: NATIONAL & SMALL BUSINESS**
(percent, 3-month average)

- **JOLTS: Job Openings Rate***
- **NFIB: Small Business with Job Openings**

* The job openings rate is the job openings level as a percent of total employment plus job openings level.
** First month of every quarter from 1974 to 1986, then monthly.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.

Figure 26.

**NFIB SMALL BUSINESS SURVEY: JOB OPENINGS & UNEMPLOYMENT RATE**

- **NFIB: Small Business with Job Openings***
- **Unemployment Rate (percent)**

* First month of every quarter from 1974 to 1986, then monthly.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
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**Figure 27.**

**WAGE INFLATION & SMALL BUSINESS JOB OPENINGS**

- Average Hourly Earnings* (yearly percent change)
- NFIB: Small Business with Job Openings** (percent, 3-month average, 12 months ahead)

* Production & nonsupervisory workers
** First month of every quarter from 1974 to 1986, then monthly.

Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Bureau of Economic Analysis and National Federation of Independent Business.

**Figure 28.**

**QUITS RATE & CONSUMER CONFIDENCE INDEX**

- Quits Rate* (percent, sa)
- Consumer Confidence Index (1985=100, sa)

* Private industry.

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Yardeni Research, Inc.
www.yardeni.com
Figure 29.
TOTAL UNEMPLOYED AS RATIO OF JOB OPENINGS


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(percent, sa)

Percent Small Business
- With Few or no qualified applicants for job openings
- With Job Openings*

* First month of every quarter from 1974 to 1986, then monthly.
Source: National Federation of Independent Business.
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Figure 31.

AVERAGE HOURLY EARNINGS
(yearly percent change)

Note: Shaded areas denote recessions according to the National Bureau of Economic Research.

Figure 32.

AVERAGE HOURLY EARNINGS: MANUFACTURING*
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Note: Shaded areas denote recessions according to the National Bureau of Economic Research.

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(Yearly percent change)

Employment Cost Index
- Total Compensation
- Wages & Salaries
- Benefits


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(Yearly percent change)

Average Hourly Earnings*
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* Production and nonsupervisory workers.
** All private industry.

Figure 35.
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Figure 36.
HOURLY COMPENSATION & EMPLOYMENT COST INDEX
(yearly percent change)

Figure 37.

ATLANTA FED’S MEDIAN WAGE GROWTH TRACKER
(Yearly percent change)

Wage Growth Tracker*
Average Hourly Earnings**

* Three-month moving average of median wage growth.
** Production & Nonsupervisory Workers.

Figure 38.

ATLANTA FED’S MEDIAN WAGE GROWTH TRACKER*
(Yearly percent change)

Job Switcher
Job Stayer

* Three-month moving average of median wage growth.
CONSUMER PRICE INDEX & UNEMPLOYMENT RATE

- **Unemployment Rate (percent)**
- **Core CPI* (yearly percent change)**

* Excluding food and energy.

Note: Shaded areas denote recessions according to the National Bureau of Economic Research.


NONFARM BUSINESS: IMPLICIT PRICE DEFLATOR & HOURLY COMPENSATION

(yearly percent change)

Figure 41.

CONSUMER PRICE INDEX: JAPAN
(yearly percent change)

CPI Inflation
- Headline (0.2)
- Core* (0.4)

BOJ's Inflation Target

* Excluding energy, food, alcohol.
Source: Ministry of Internal Affairs and Communications.

Figure 42.

CONSUMER PRICE INDEX: EUROZONE
(yearly percent change)

CPI Inflation
- Headline
- Core*

ECB's Inflation Target

* Excluding energy and unprocessed food.
Source: Haver Analytics.
Figure 43.

PERSONAL CONSUMPTION EXPENDITURES DEFLATORS
(yearly percent change)

PCED
- Headline
- Core*

Fed's Inflation Target
Jul

* Excluding food and energy prices
Source: Bureau of Economic Analysis.

Figure 44.

S&P 500 INDEX & QE

Source: Federal Reserve Board and Standard & Poor’s.
Figure 45.

CONSUMER PRICE INDEX & PERSONAL CONSUMPTION EXPENDITURES
(indexed 1959 =100, ratio scale)

Headline
- Consumer Price Index
- Personal Consumption Expenditures Deflator


Figure 46.

CONSUMER PRICE INDEX & PERSONAL CONSUMPTION EXPENDITURES
(indexed 1959 =100, ratio scale)

Ex Food & Energy
- Consumer Price Index
- Personal Consumption Expenditures Deflator

CONSUMER PRICES (yearly percent change)

Headline Inflation
- CPI
- PCED*

Core Inflation*
- CPI
- PCED**

* Personal consumption expenditures deflator.

* Excluding food and energy.
** Personal consumption expenditures deflator.
Figure 51. CONSUMER PRICES (yearly percent change)

Consumer Durable Goods

CPI

PCED*

* Personal consumption expenditures deflator.

Figure 52. PERSONAL CONSUMPTION EXPENDITURES DEFLATOR (yearly percent change)

Core PCED

Official

Market Based*

* Market-based PCE is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, financial services furnished without payment) and the final consumption expenses of nonprofit institutions serving households.
Source: Bureau of Economic Analysis.