Understanding Inflation

Sam Schulhofer-Wohl
Senior Vice President and Director of Research
Federal Reserve Bank of Minneapolis
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The views expressed herein are those of the author and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.
Unemployment rate

Percent


US

MN

Source: Bureau of Labor Statistics
PCE inflation
12-month percent change

Source: Bureau of Economic Analysis
The price of oil and the exchange rate

West TX intermediate crude, $/barrel

Trade-weighted dollar, Jan. ’97 = 100

Source: Energy Information Administration, Federal Reserve Board
The monetary base and the price level

January 2008 = 100

Source: Federal Reserve Board, Bureau of Economic Analysis
The Phillips curve

Source: Bureau of Labor Statistics, Bureau of Economic Analysis
The Phillips curve

Source: Bureau of Labor Statistics, Bureau of Economic Analysis
The Phillips curve

Source: Bureau of Labor Statistics, Bureau of Economic Analysis
PCE inflation excluding food and energy
12-month percent change

Source: Bureau of Economic Analysis
Professional forecasters’ inflation expectations
Annualized percent change

Source: Federal Reserve Bank of Philadelphia
Households’ inflation expectations

Annualized percent change

Source: University of Michigan
Market inflation breakeven, 5 to 10 years ahead
Annualized percent change

Source: Federal Reserve Board

1.84%
Questions?