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Taylor Rule 1-4
Figure 1.

FEDERAL FUNDS RATE: ACTUAL vs TAYLOR RULE

(percent)

Federal Funds Rate
- Actual (1.58)
- Taylor Rule (3.40)

Source: Federal Reserve Board and Bureau of Economic Analysis.

Figure 2.

FEDERAL FUNDS RATE: ACTUAL MINUS TAYLOR RULE

Using PCE deflator.
Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Federal Reserve Board and Bureau of Economic Analysis.
Figure 3.

REAL ACTUAL & POTENTIAL GDP
(billion 2009 dollars, saar, ratio scale)

Real GDP
- Actual
- Potential

Source: Congressional Budget Office and Bureau of Economic Analysis.

Figure 4.

OUTPUT GAP: ACTUAL DIVIDED BY POTENTIAL REAL GDP
(percent)

Note: Shaded areas denote recessions according to the National Bureau of Economic Research.
Source: Congressional Budget Office and Bureau of Economic Analysis.
Figure 5.

US POTENTIAL REAL GDP
(yearly percent change)

Source: Congressional Budget Office.

Figure 6.

REAL ACTUAL & POTENTIAL GDP
(yearly percent change)

- Real GDP (40-quarter percent change, annual rate) (2.5)
- Real Potential Output (1.7)

Source: Congressional Budget Office and Bureau of Economic Analysis.
**Figure 7.**

**RESOURCE UTILIZATION RATE & OUTPUT GAP (percent)**

- Resource Utilization Rate*
- Output Gap**

* 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.

Source: Congressional Budget Office, Bureau of Labor Statistics and Federal Reserve Board.

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**Figure 8.**

**RESOURCE UTILIZATION RATE COMPONENTS (percent)**

- Employment Rate*
- Capacity Utilization Rate

* Percentage of labor force that is employed.

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

Source: Bureau of Labor Statistics and Federal Reserve Board.
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