

US Monetary Policy: Taylor Rule & Output Gap

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thinking outside the box

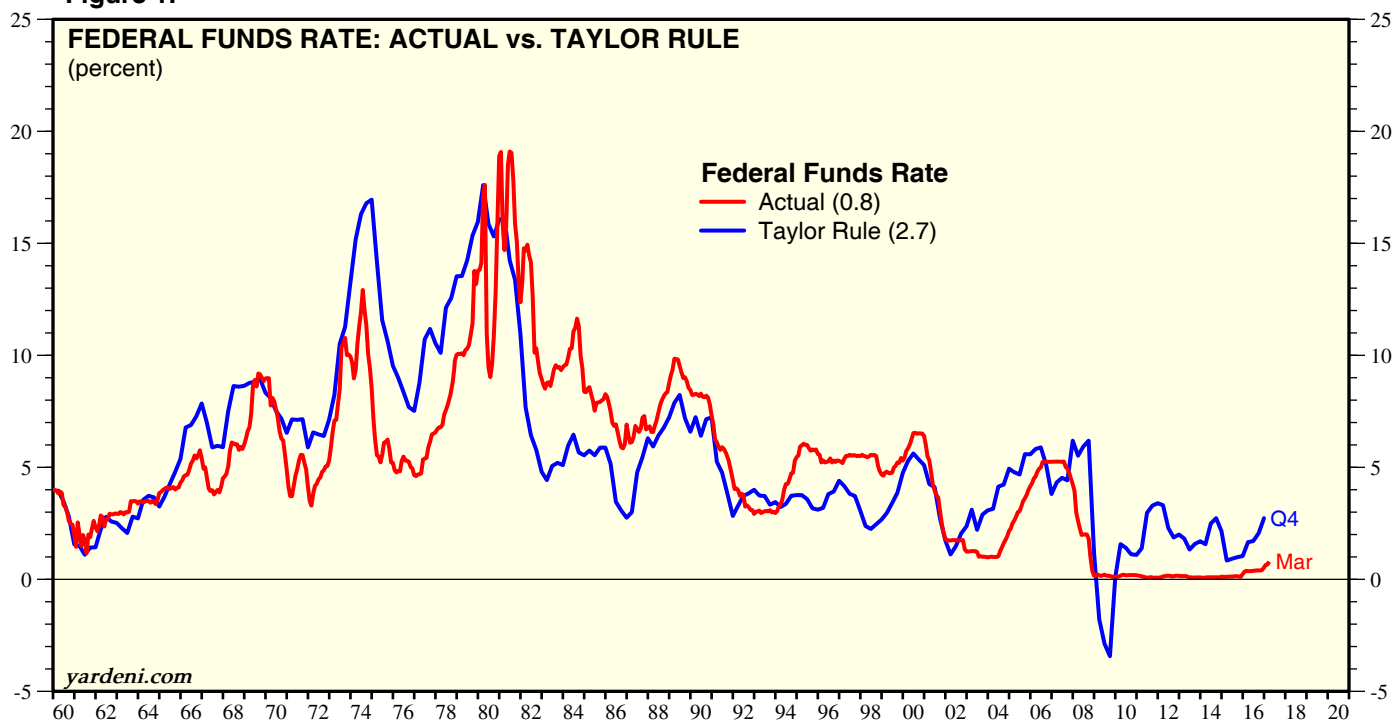
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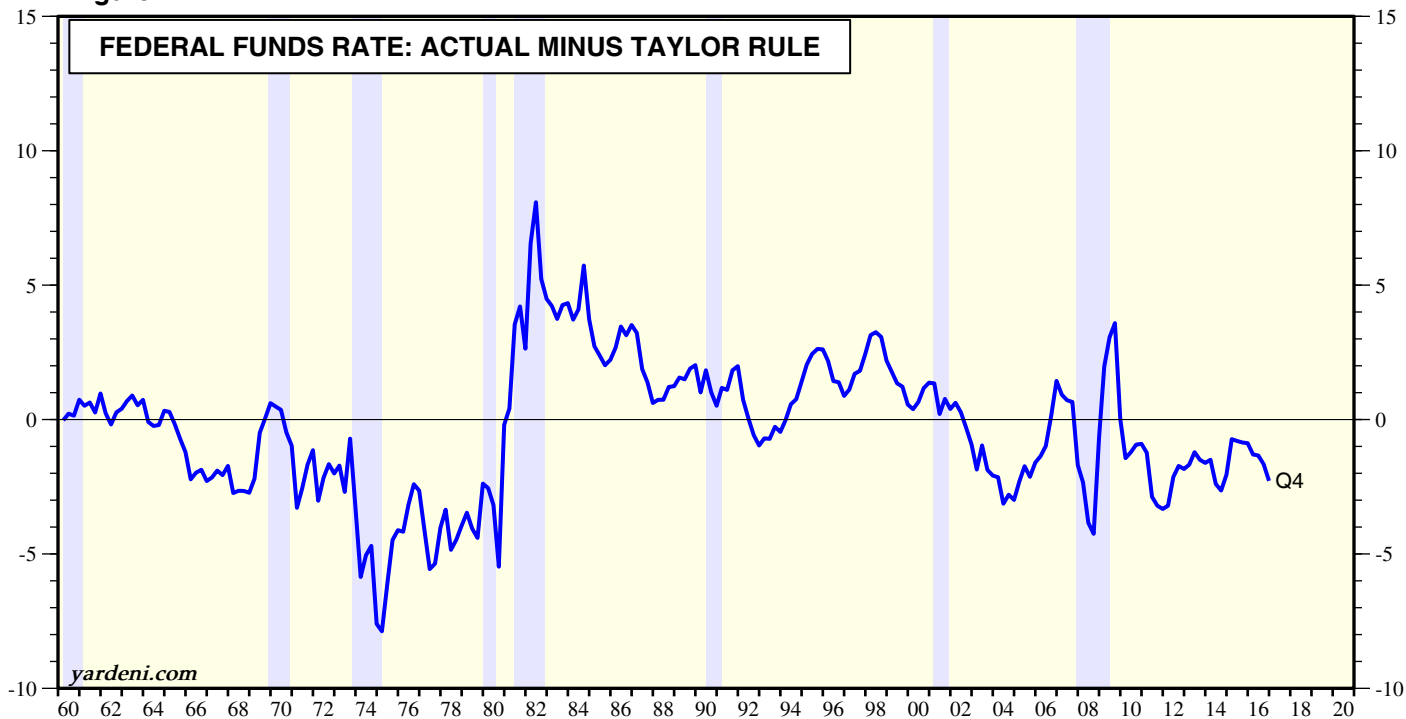
Taylor Rule

Figure 1.



Source: Federal Reserve Board and Bureau of Economic Analysis.

Figure 2.



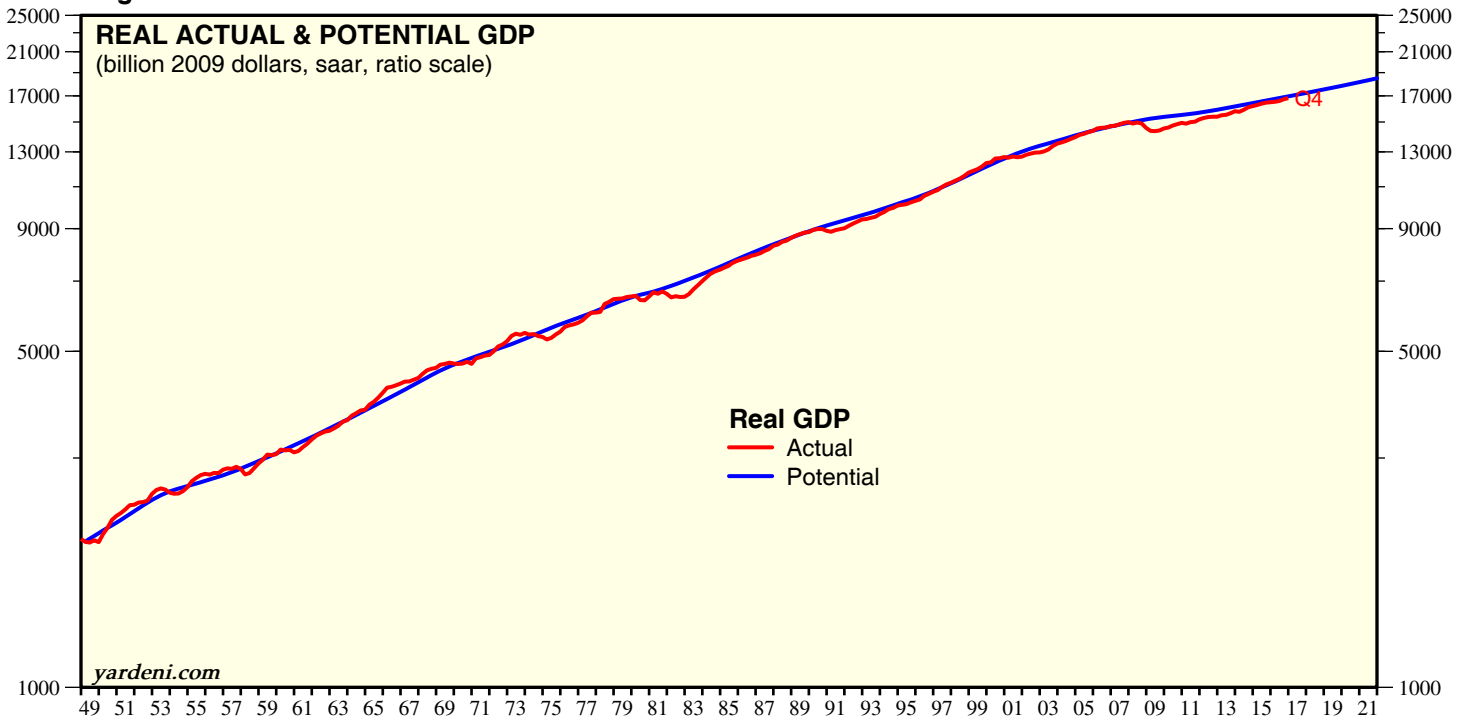
Using PCE deflator.

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

Source: Federal Reserve Board and Bureau of Economic Analysis.

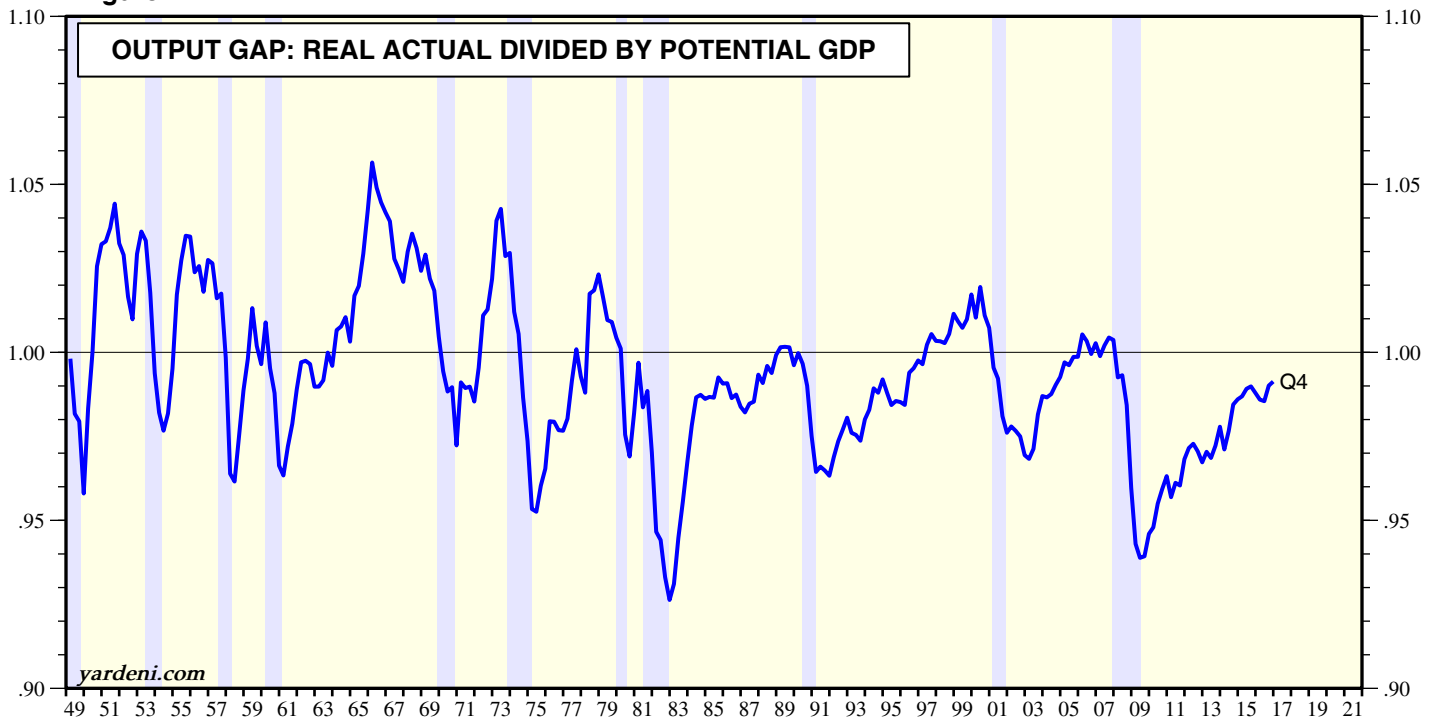
Taylor Rule

Figure 3.



Source: Congressional Budget Office and Bureau of Economic Analysis.

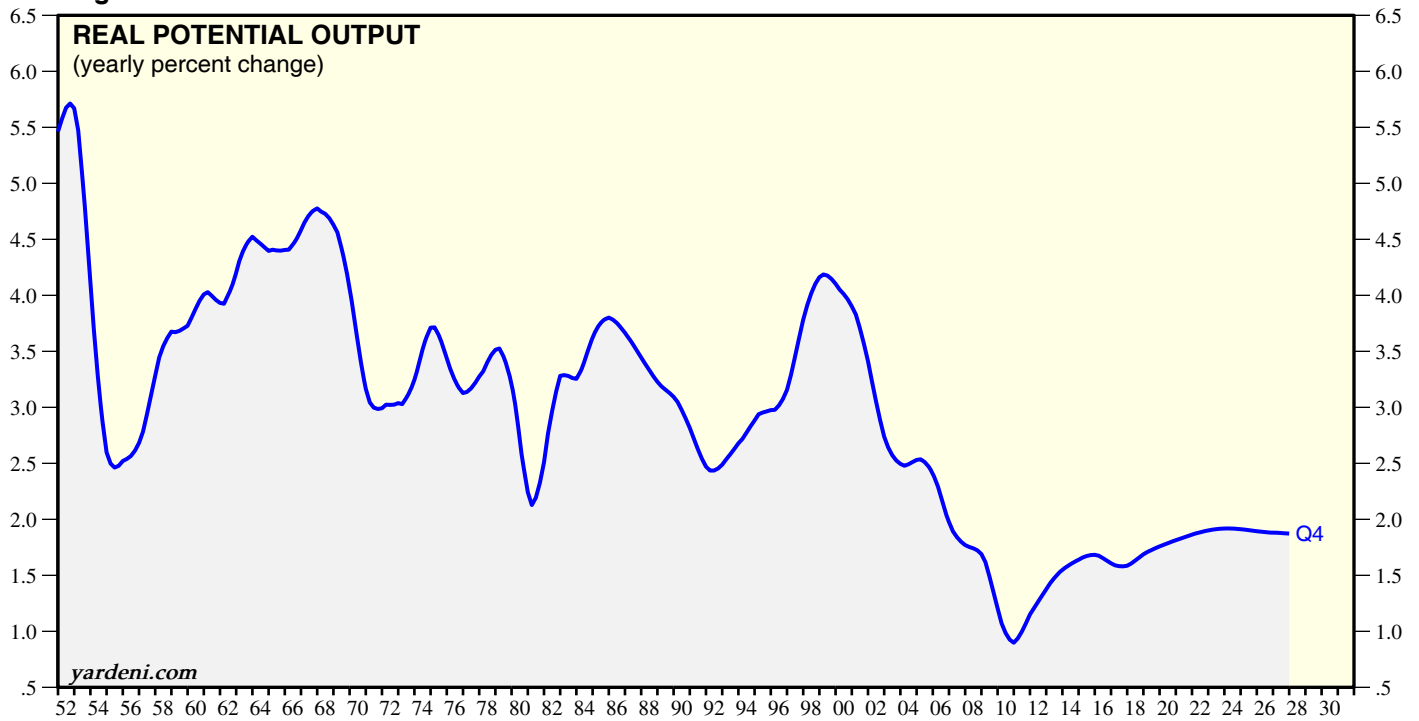
Figure 4.



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

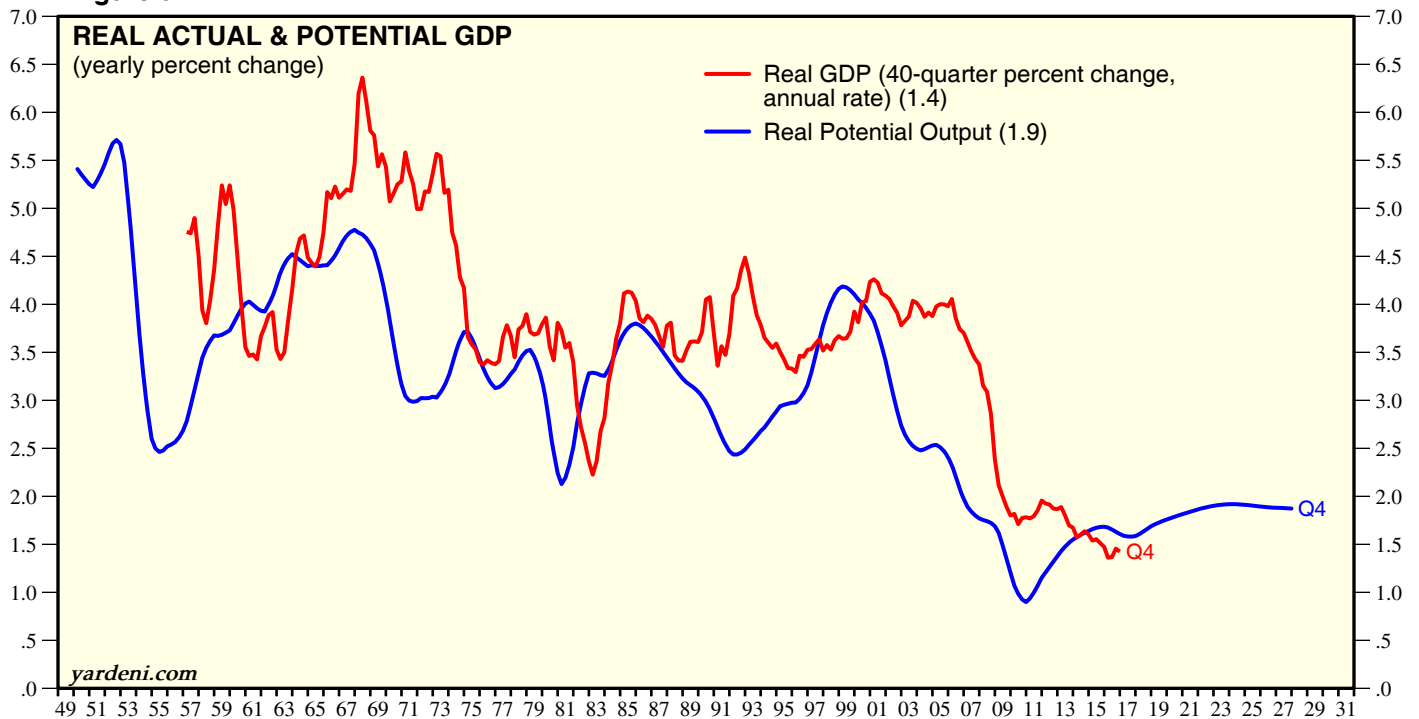
Taylor Rule

Figure 5.



Source: Congressional Budget Office.

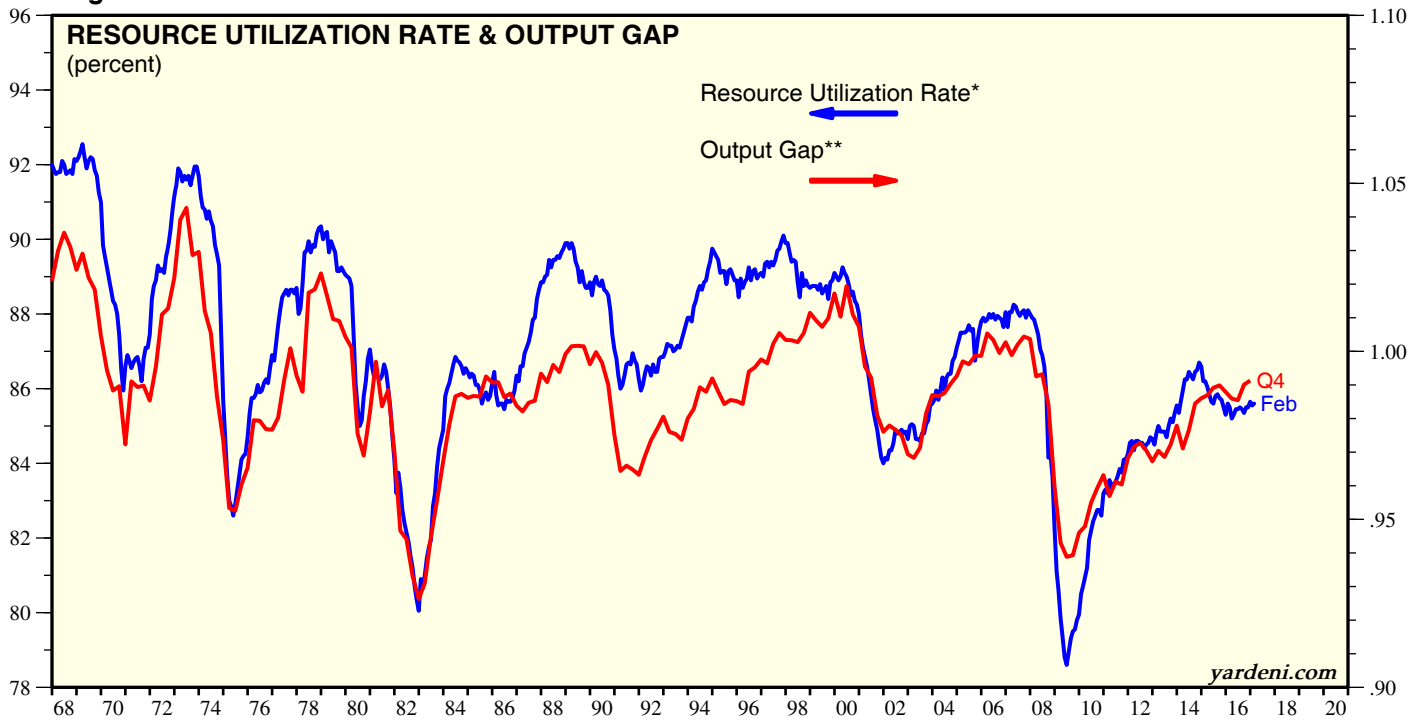
Figure 6.



Source: Congressional Budget Office and Bureau of Economic Analysis.

Taylor Rule

Figure 7.

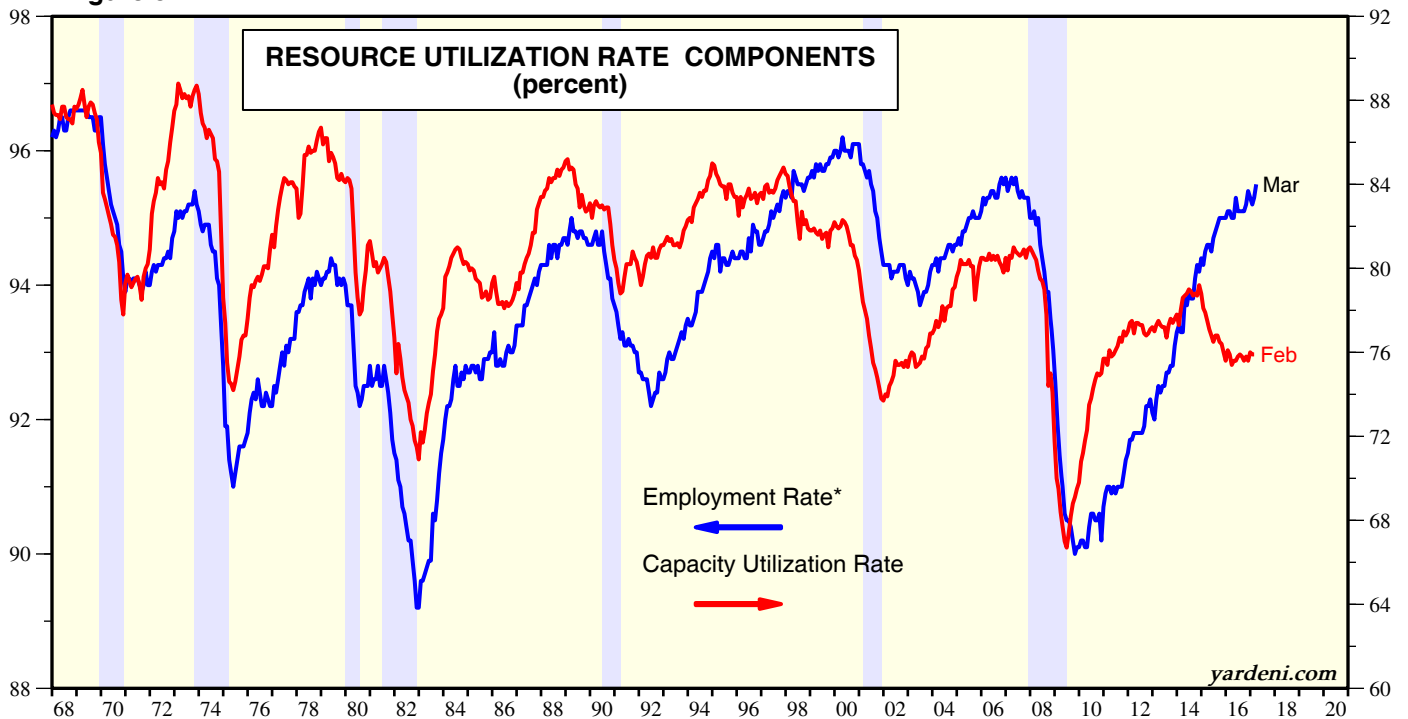


* Average of all industries' capacity utilization rate and employment rate, i.e., percentage of labor force that is employed.

** Real GDP divided by Potential Real GDP.

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

Figure 8.



* 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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