

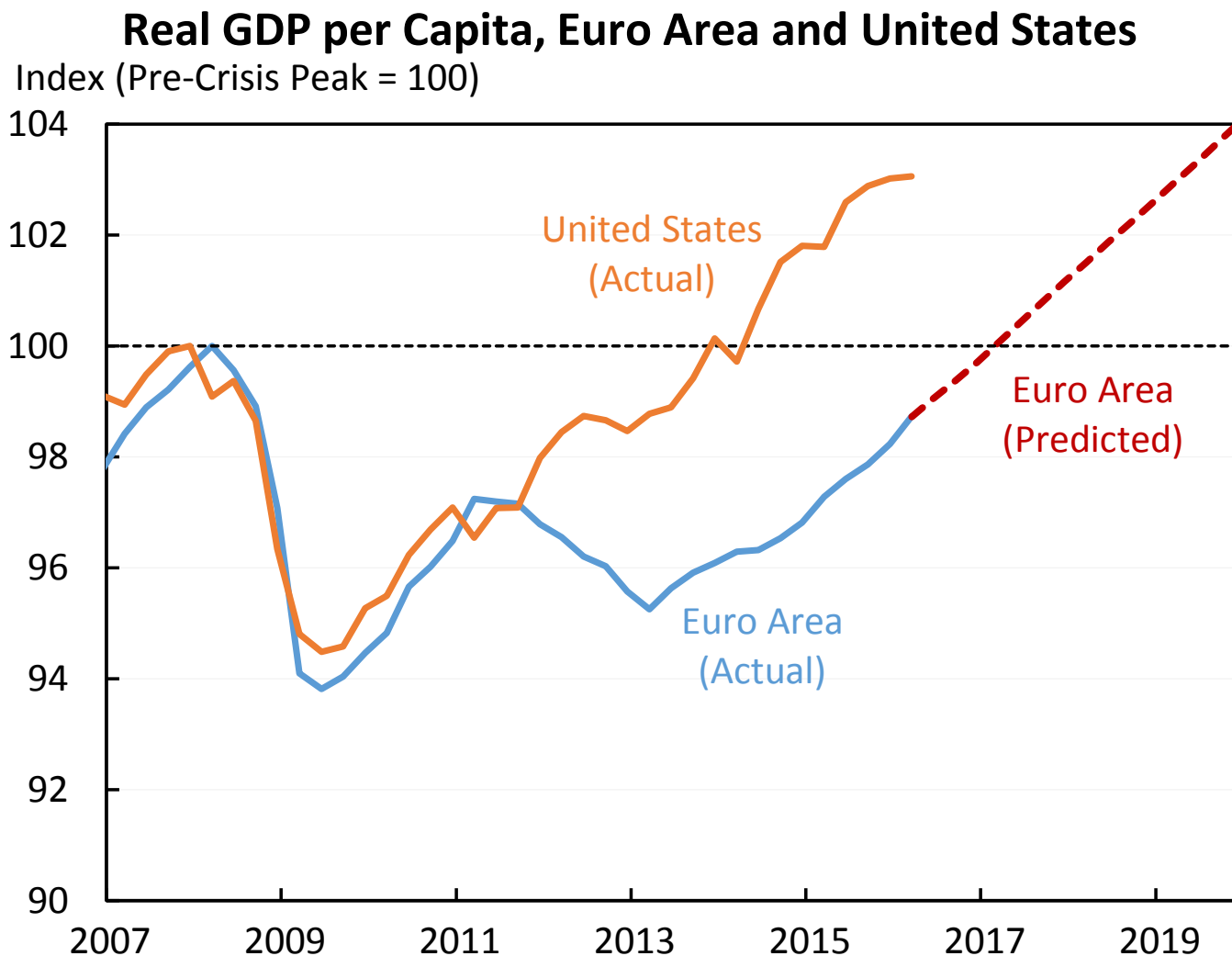
# Launch of the 2016 OECD *Economic Survey of the United States*

**Jason Furman**  
**Chairman, Council of Economic Advisers**



**Peterson Institute for International Economics**  
**Washington, DC**  
**June 16, 2016**

# In Part Due to Different Policy Responses to the Crisis, the United States and the Euro Area Have Seen Diverging Output Paths

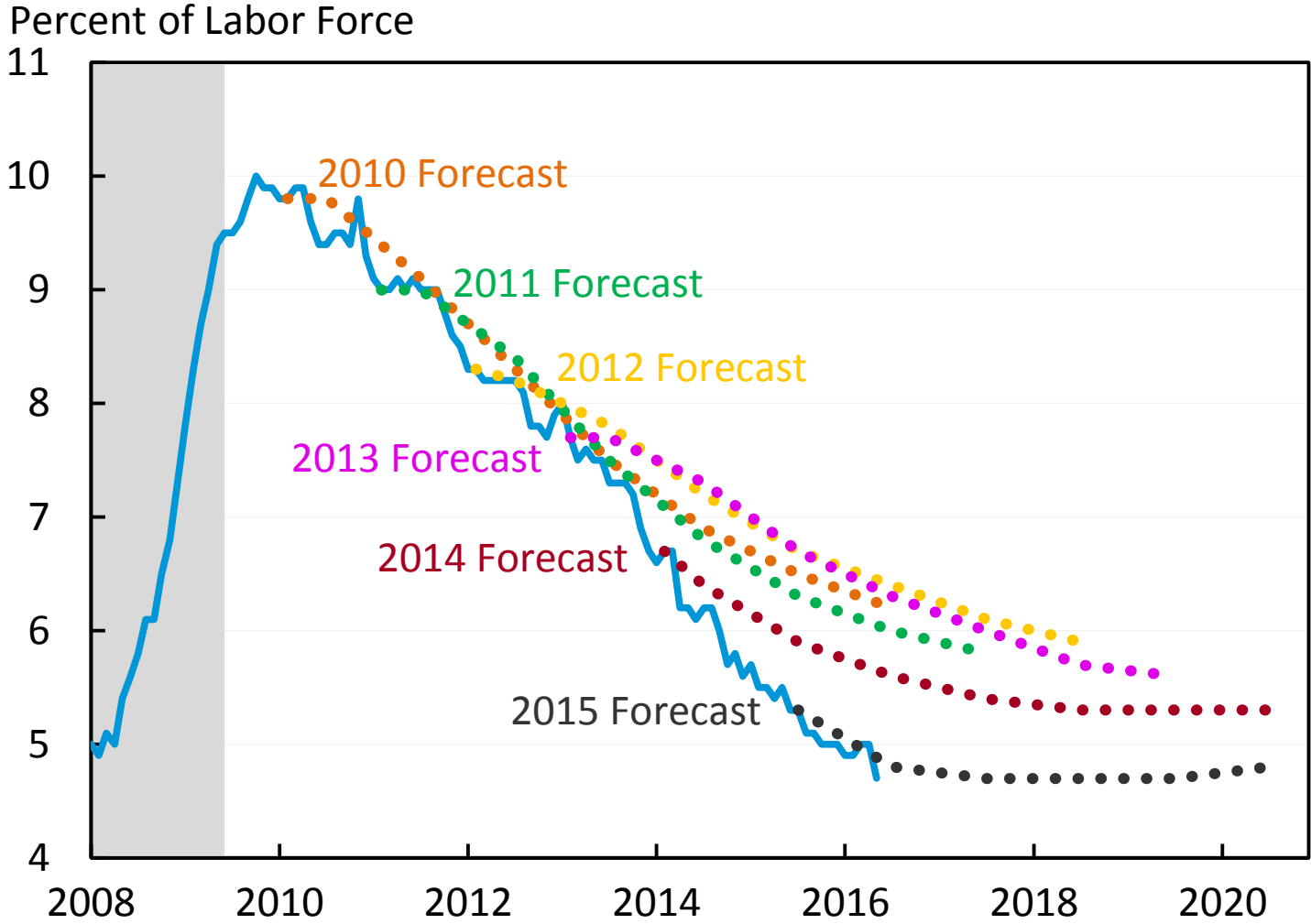


Note: For euro area, values for population are quarterly interpolations of annual data. Projections for real GDP growth are from the IMF *World Economic Outlook* (April 2016), and projections for population are from Eurostat.

Source: Eurostat; U.S. Bureau of Economic Analysis; International Monetary Fund, *World Economic Outlook*; CEA calculations.

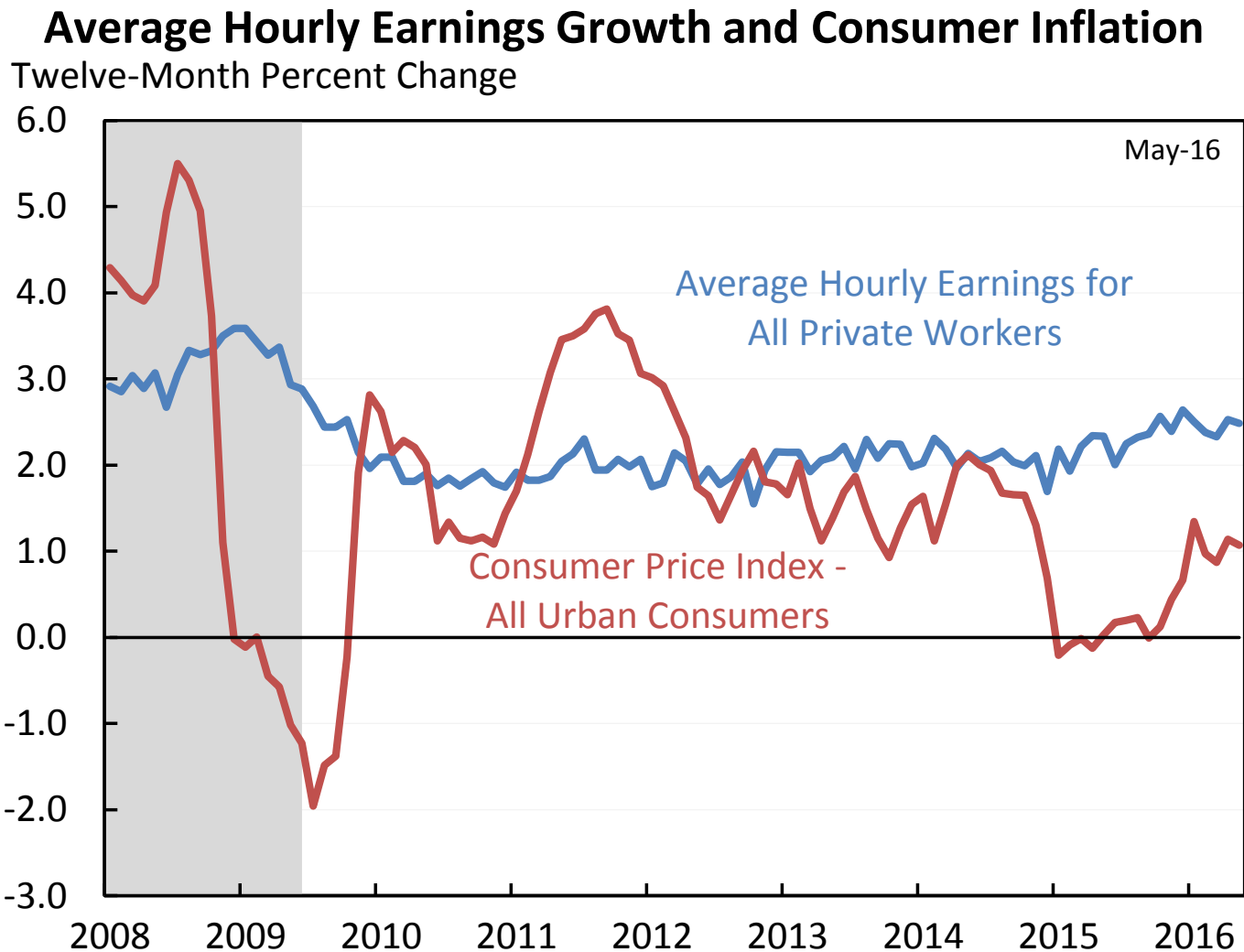
# The Unemployment Rate Has Consistently Fallen Below Expectations

## Unemployment Rate and Consensus Forecasts



Note: Annual forecasts are current as of March of the stated year. Shading denotes recession.  
Source: Blue Chip Economic Indicators; Bureau of Labor Statistics, Current Population Survey.

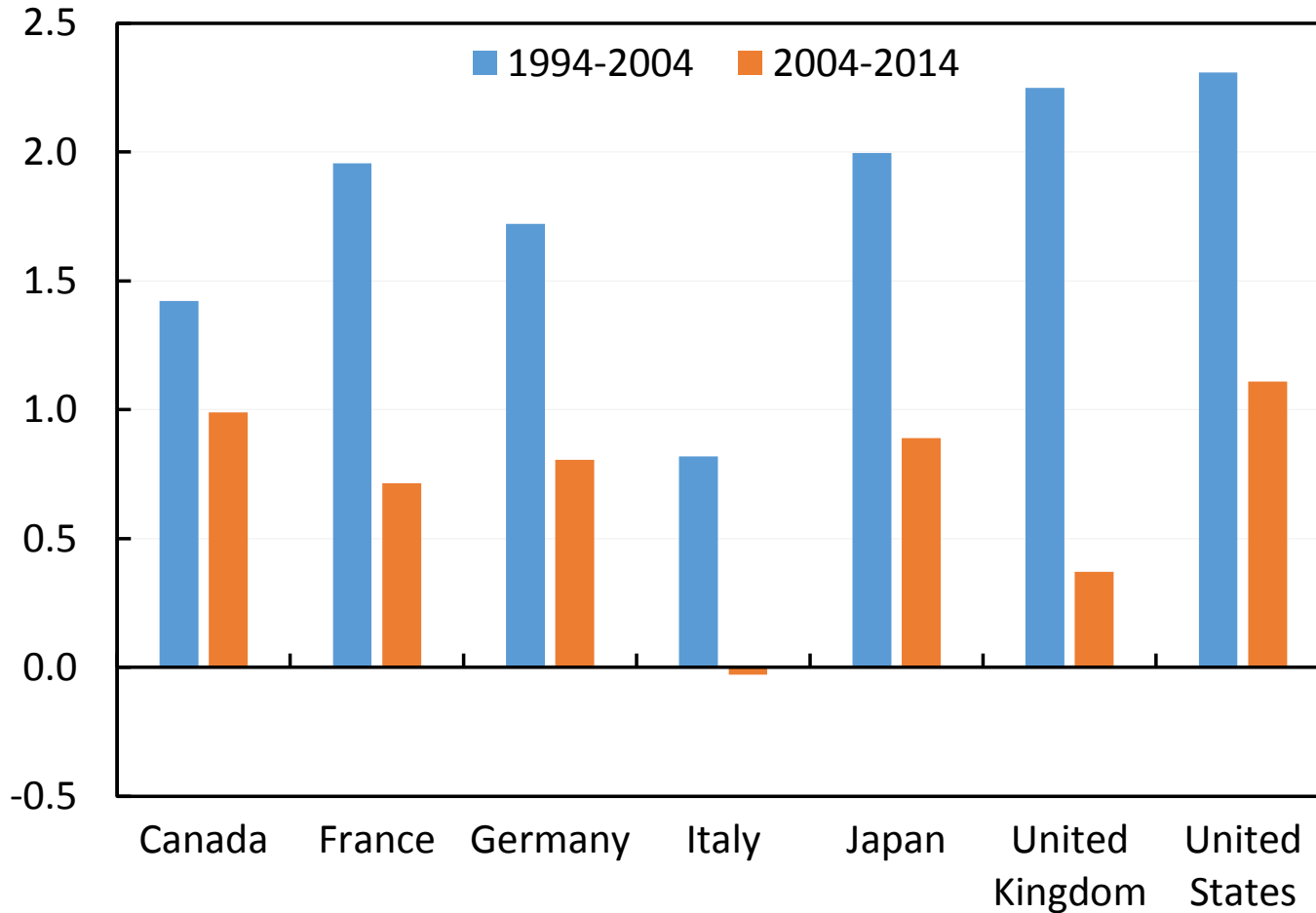
# Nominal Wages are Rising Somewhat Faster than Earlier in the Recovery, but Wage Growth Is Still Too Low



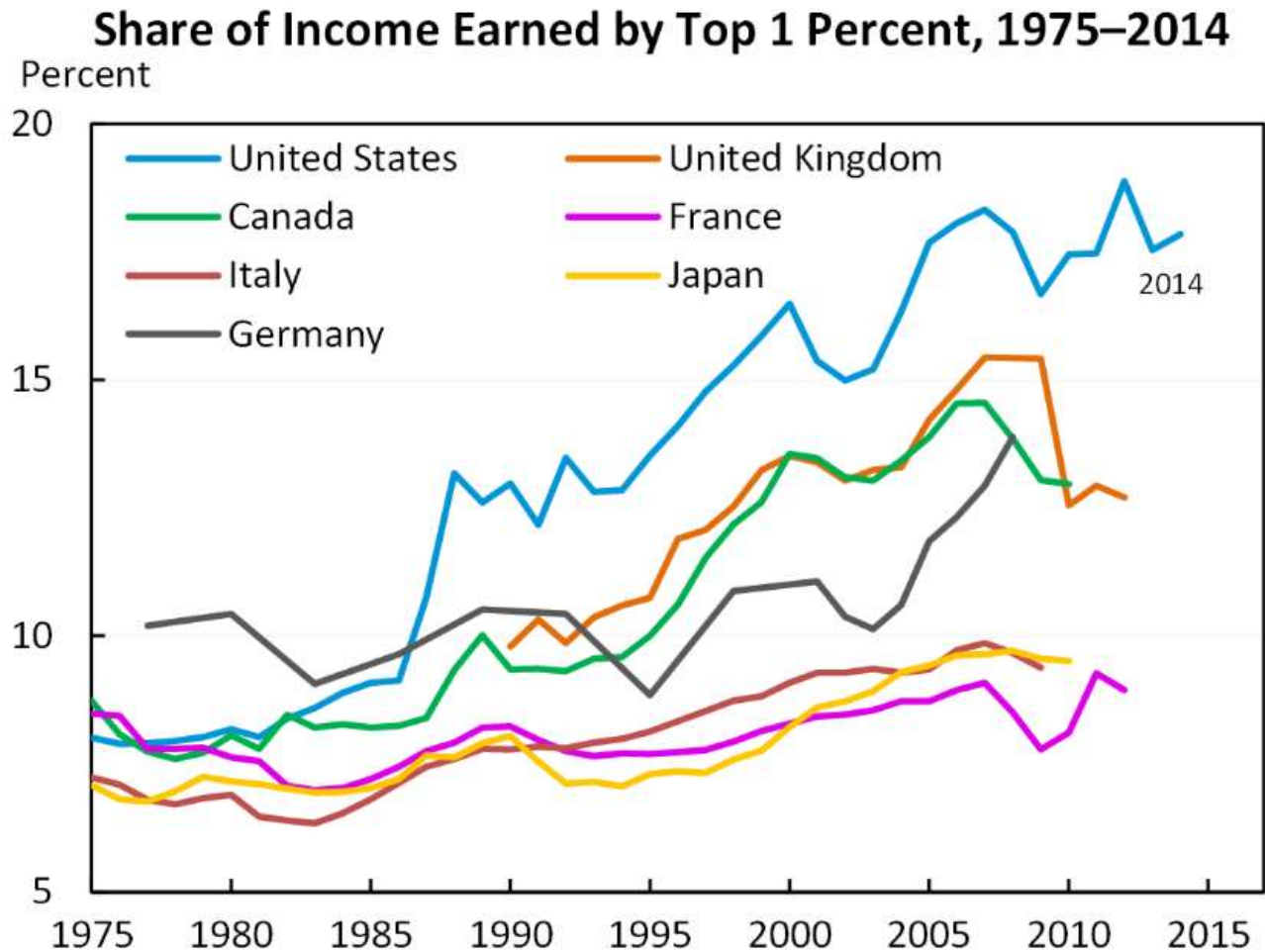
# Productivity Growth Has Slowed Across All G-7 Economies

## Labor Productivity Growth, G-7 Countries

Percent, Annual Rate

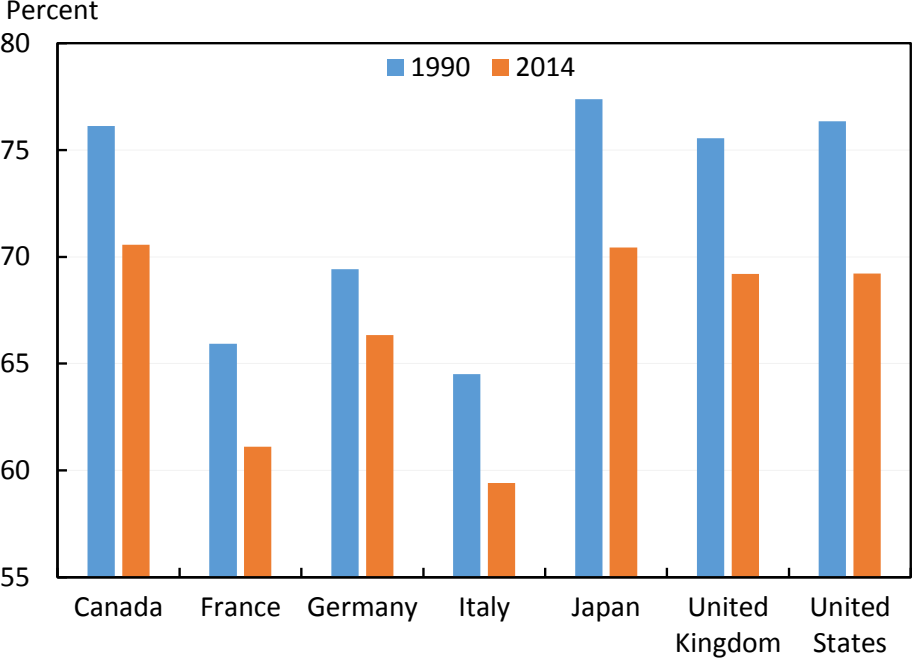


# High and Rising Inequality is a Problem Across Major Advanced Economies, But Particularly for the United States

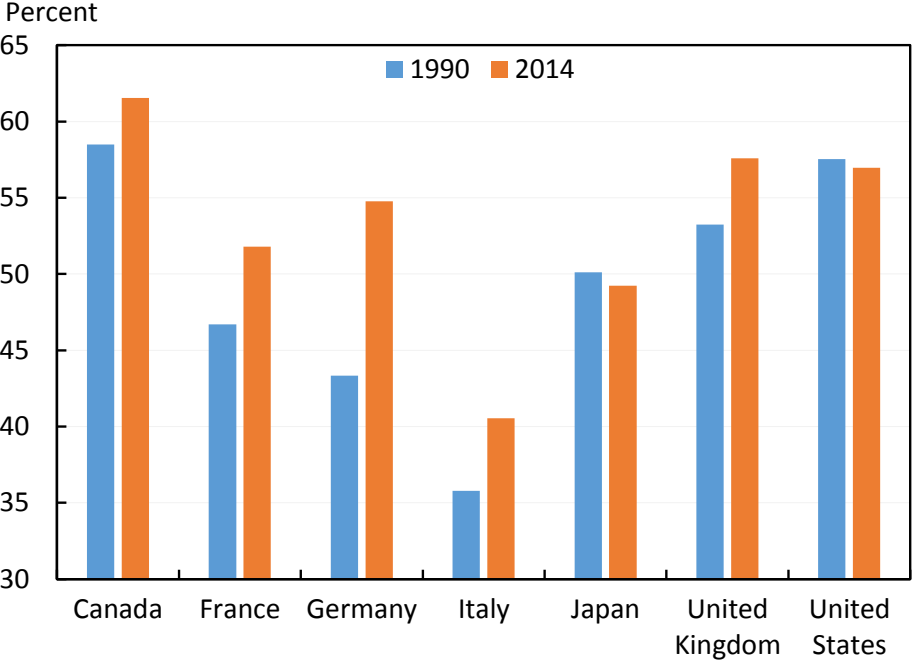


# In the United States, Labor Force Participation Has Declined; Not All of Decrease Due to Aging of Population

### Male Labor Force Participation Rate, G-7 Countries



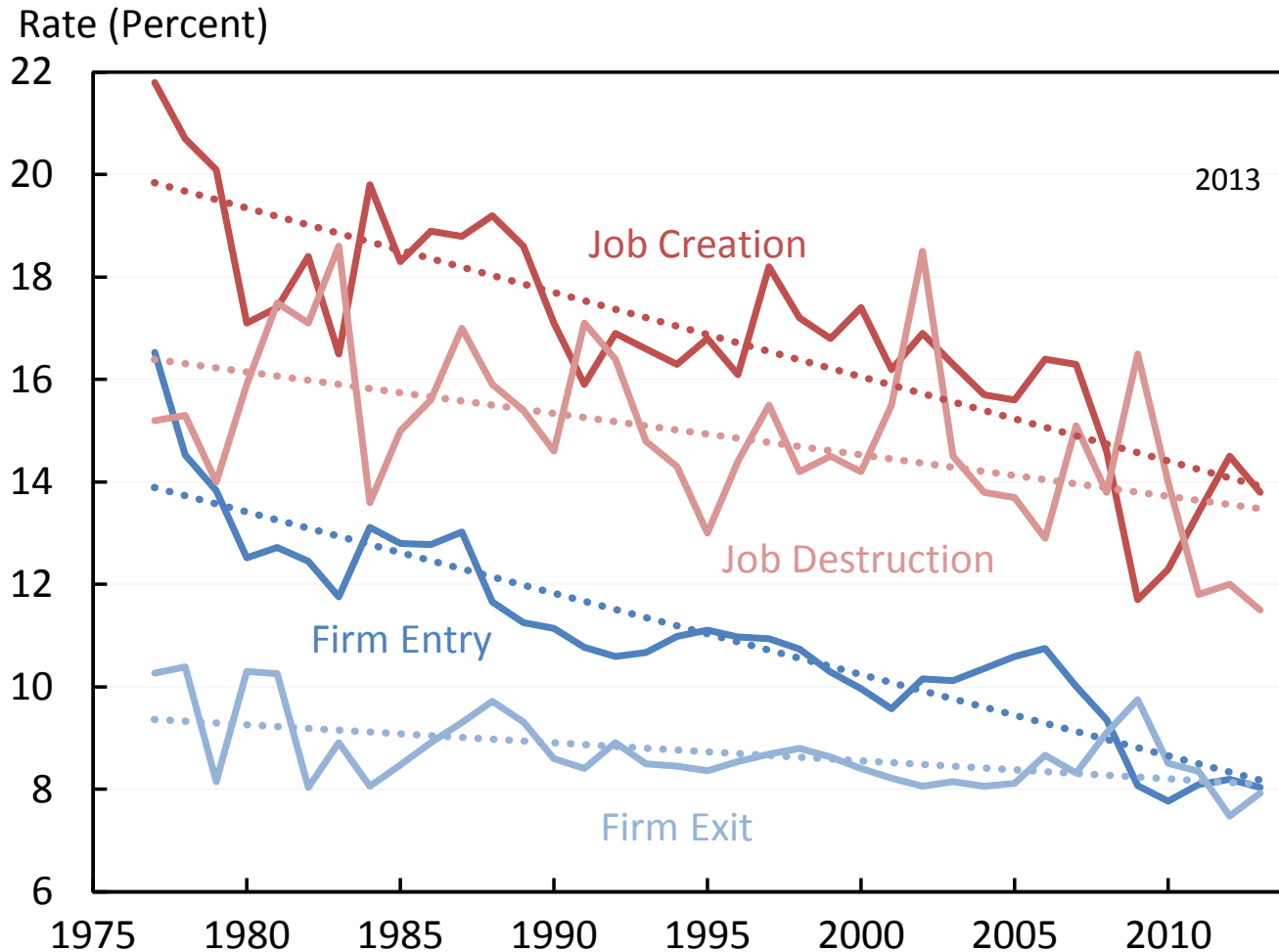
### Female Labor Force Participation Rate, G-7 Countries



Source: Organisation for Economic Co-operation and Development.

# Measures of Fluidity, Including Job Creation/Destruction and Firm Entry/Exit, Have Been Declining for Decades

## Firm and Labor Market Dynamism, 1977-2013



Note: Job creation and destruction expressed as share of total employment; firm entry and exit expressed as share of all firms. Dashed lines indicate 1977-2013 linear trend.  
Source: Census Bureau, Business Dynamics Statistics.



# Selected Policies for Faster, More Inclusive Growth

- **Investing in infrastructure and research and development**
- **Reforming the business tax code to reduce distortions**
- **Encouraging innovation via trade**
  - Passing the Trans-Pacific Partnership (TPP)
  - Concluding negotiations on the Transatlantic Trade and Investment Partnership (T-TIP)
- **Promoting equality of opportunity**
  - Investing in high-quality education, job training, and apprenticeship programs
  - Expanding the EITC and raising the minimum wage
- **Providing greater access to child care and paid leave for working families**
- **Reducing concentration of market power and rent-seeking behavior**
  - Carefully administering existing regulations that fight rent-seeking
  - Reforming patent rules
  - Reforming occupational licensing and land-use restrictions
- **Criminal justice reform, including reducing pre-screening of those with criminal records**

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**Jason Furman**  
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**Washington, DC**  
**May 11, 2016**