

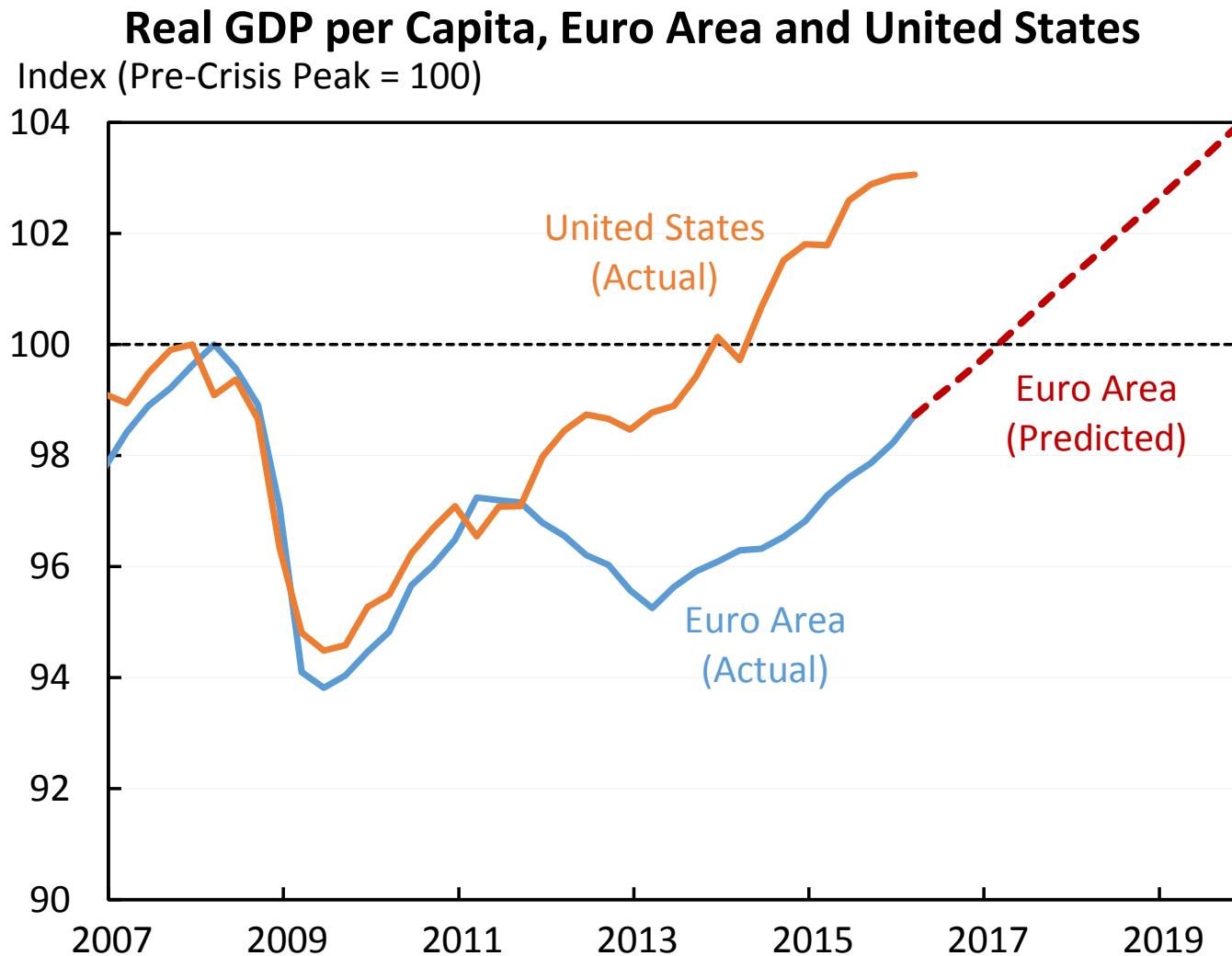
Launch of the 2016 OECD *Economic Survey of the United States*

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



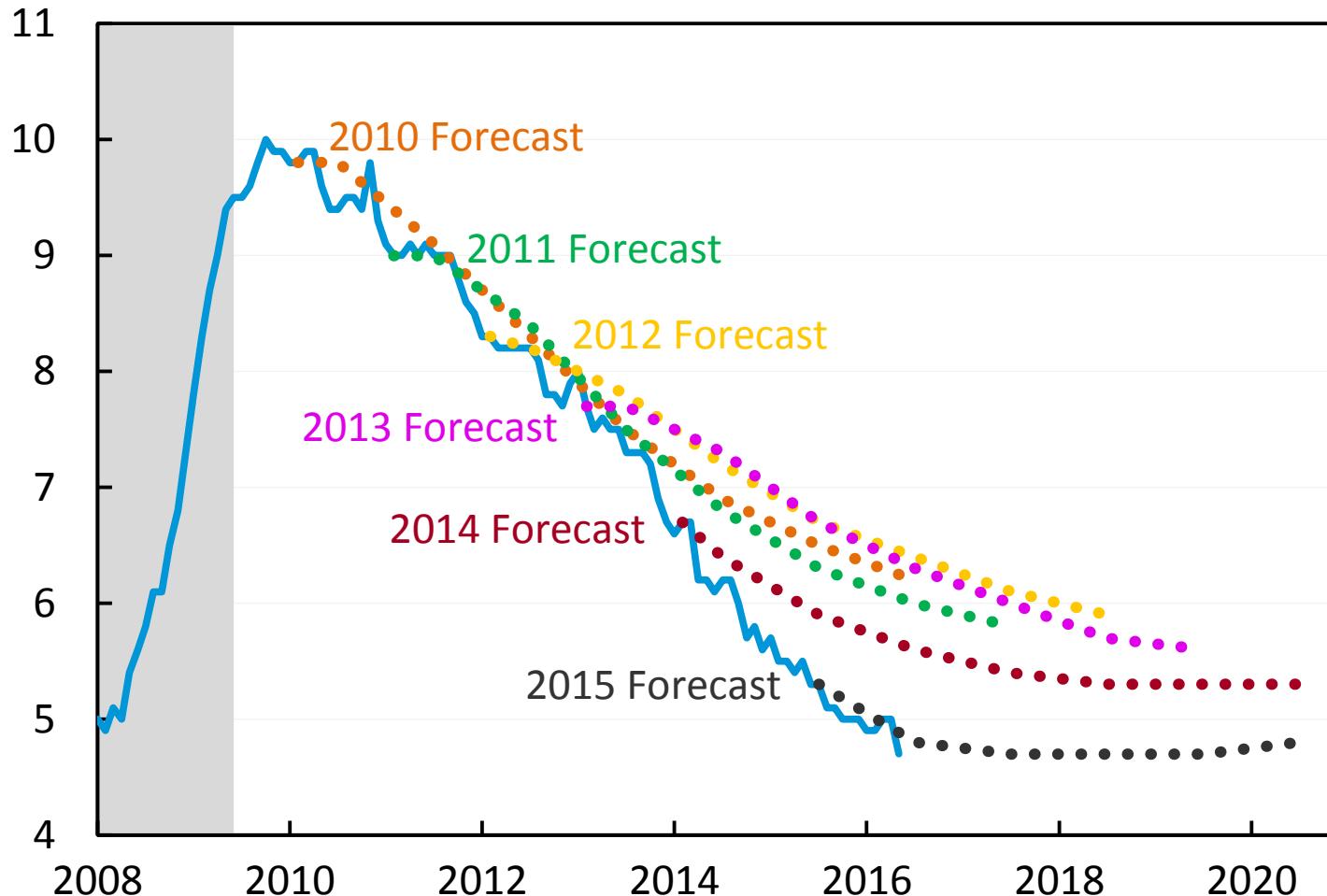
Note: For euro area, values for population are quarterly interpolations of annual data. Projections for real GDP growth are from the IMF *World Economic Outlook* (April 2016), and projections for population are from Eurostat.

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

Percent of Labor Force



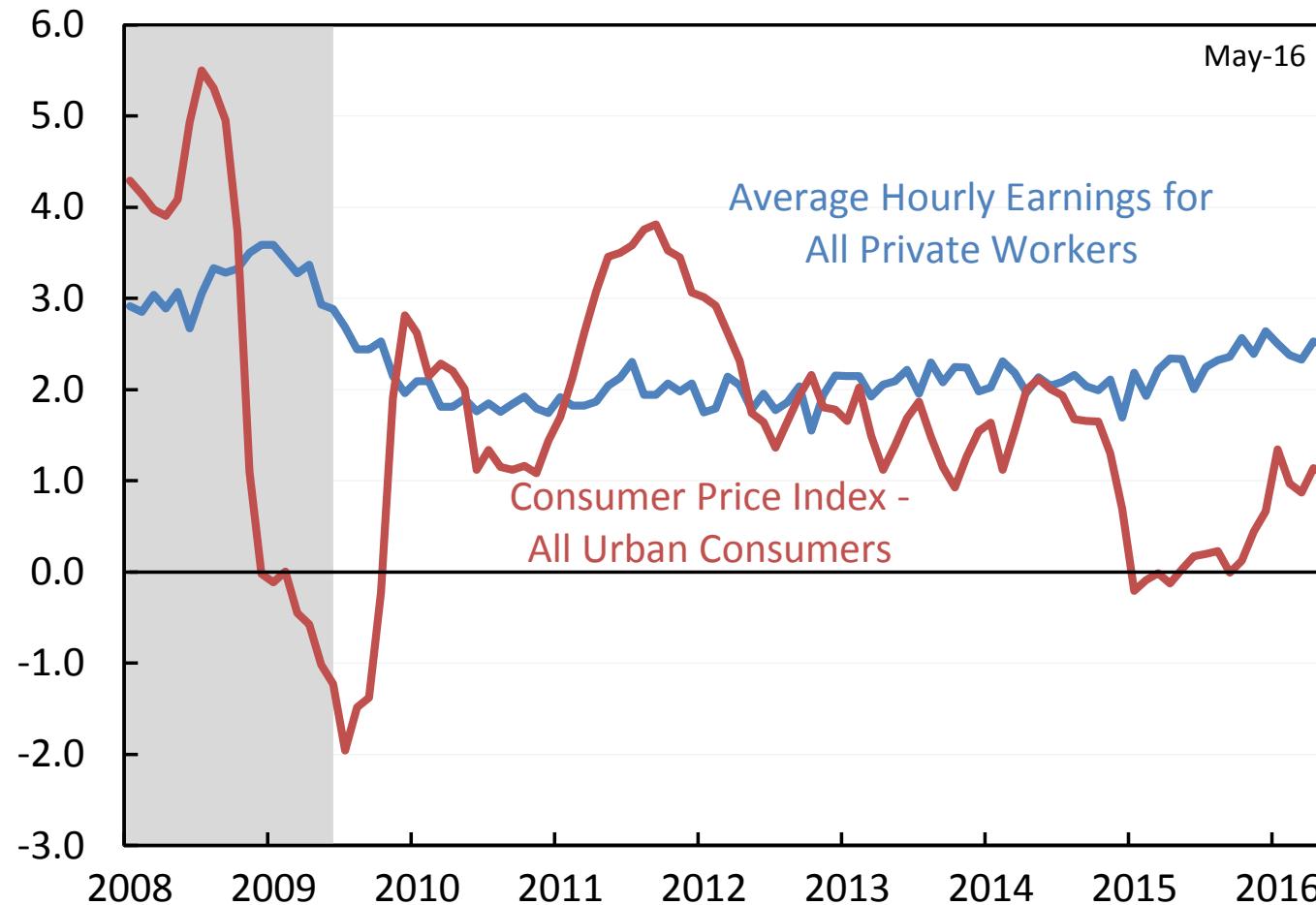
Note: Annual forecasts are current as of March of the stated year. Shading denotes recession.

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

Average Hourly Earnings Growth and Consumer Inflation

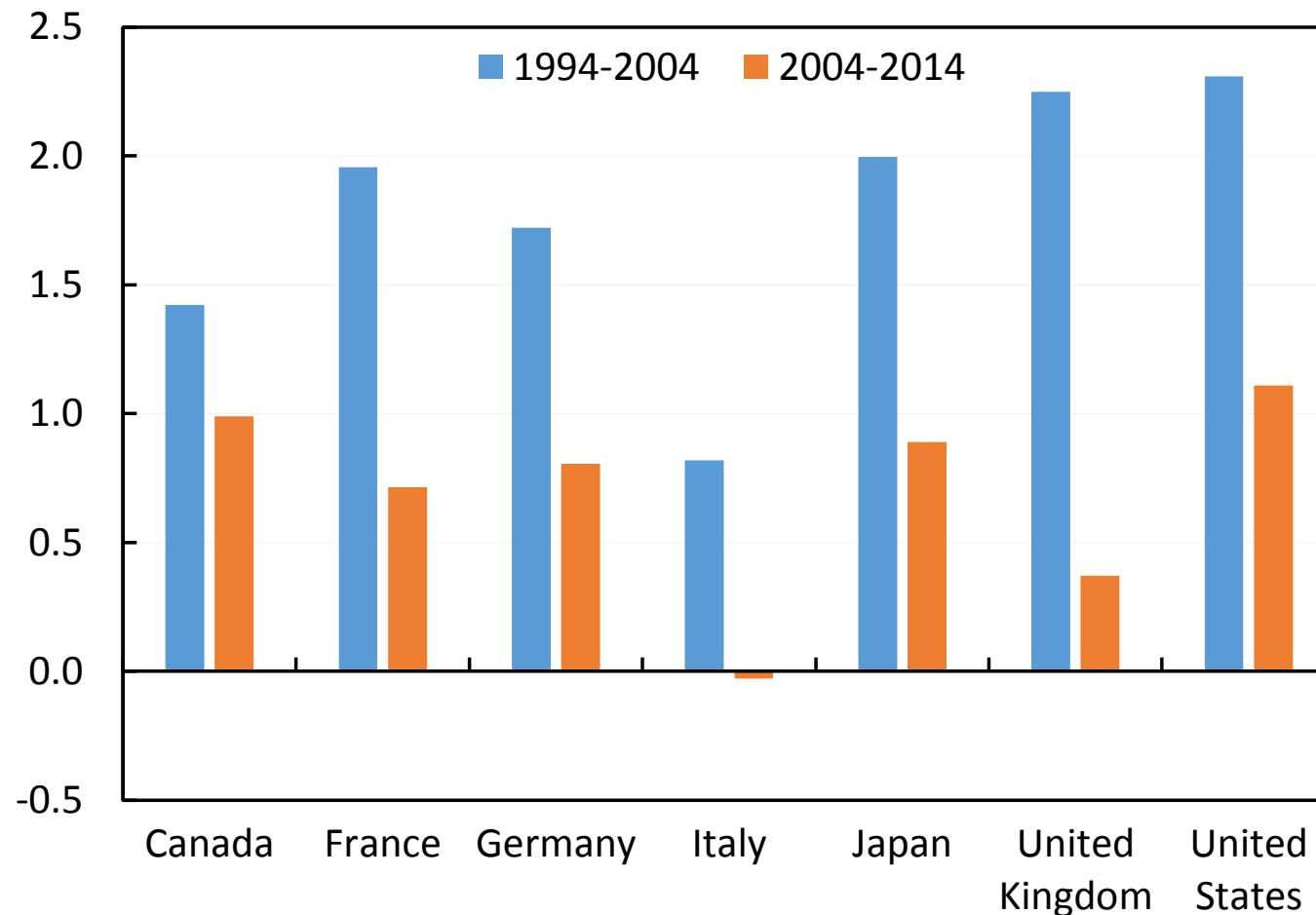
Twelve-Month Percent Change



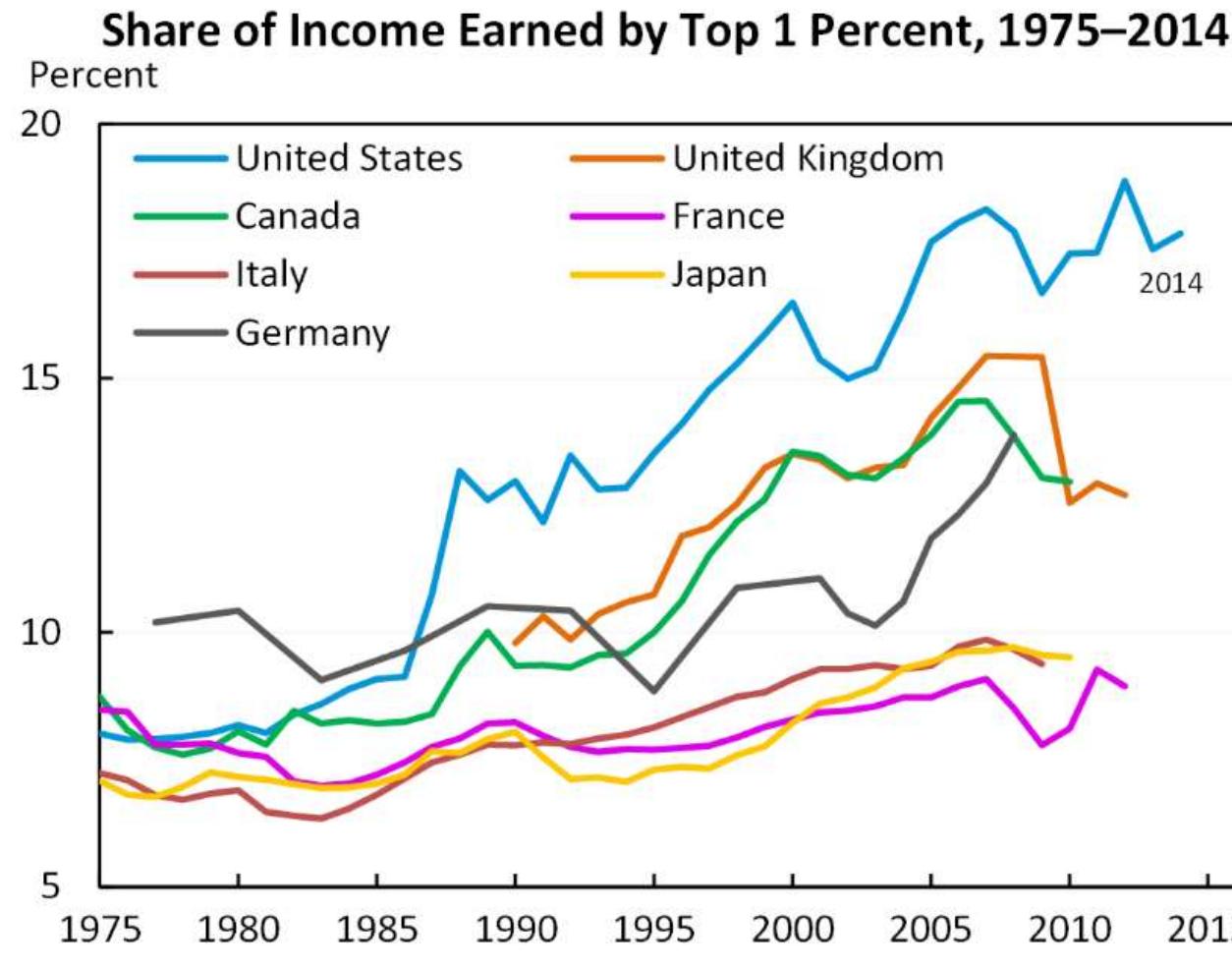
Productivity Growth Has Slowed Across All G-7 Economies

Labor Productivity Growth, G-7 Countries

Percent, Annual Rate

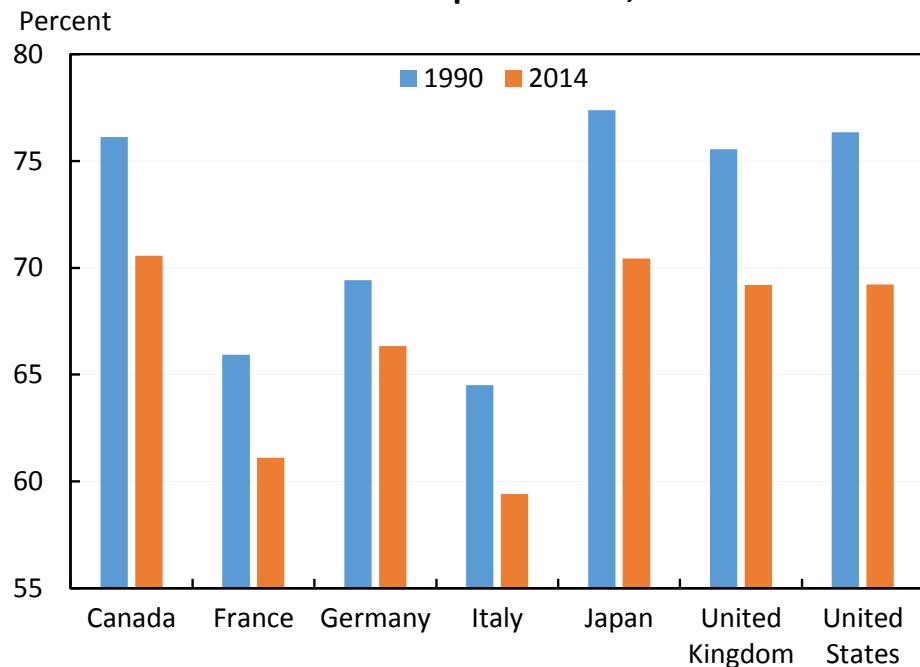


High and Rising Inequality is a Problem Across Major Advanced Economies, But Particularly for the United States

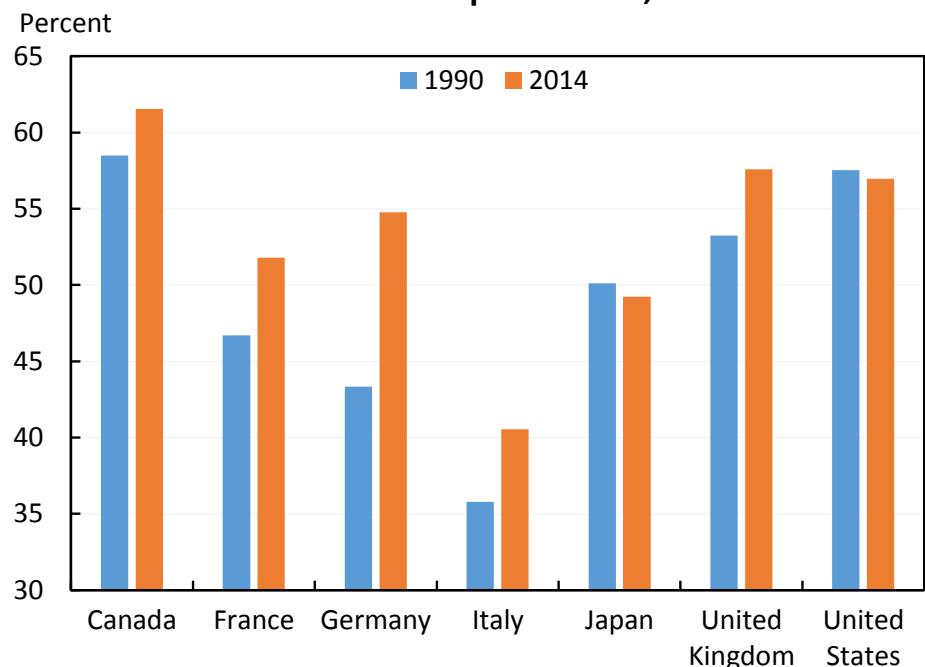


In the United States, Labor Force Participation Has Declined; Not All of Decrease Due to Aging of Population

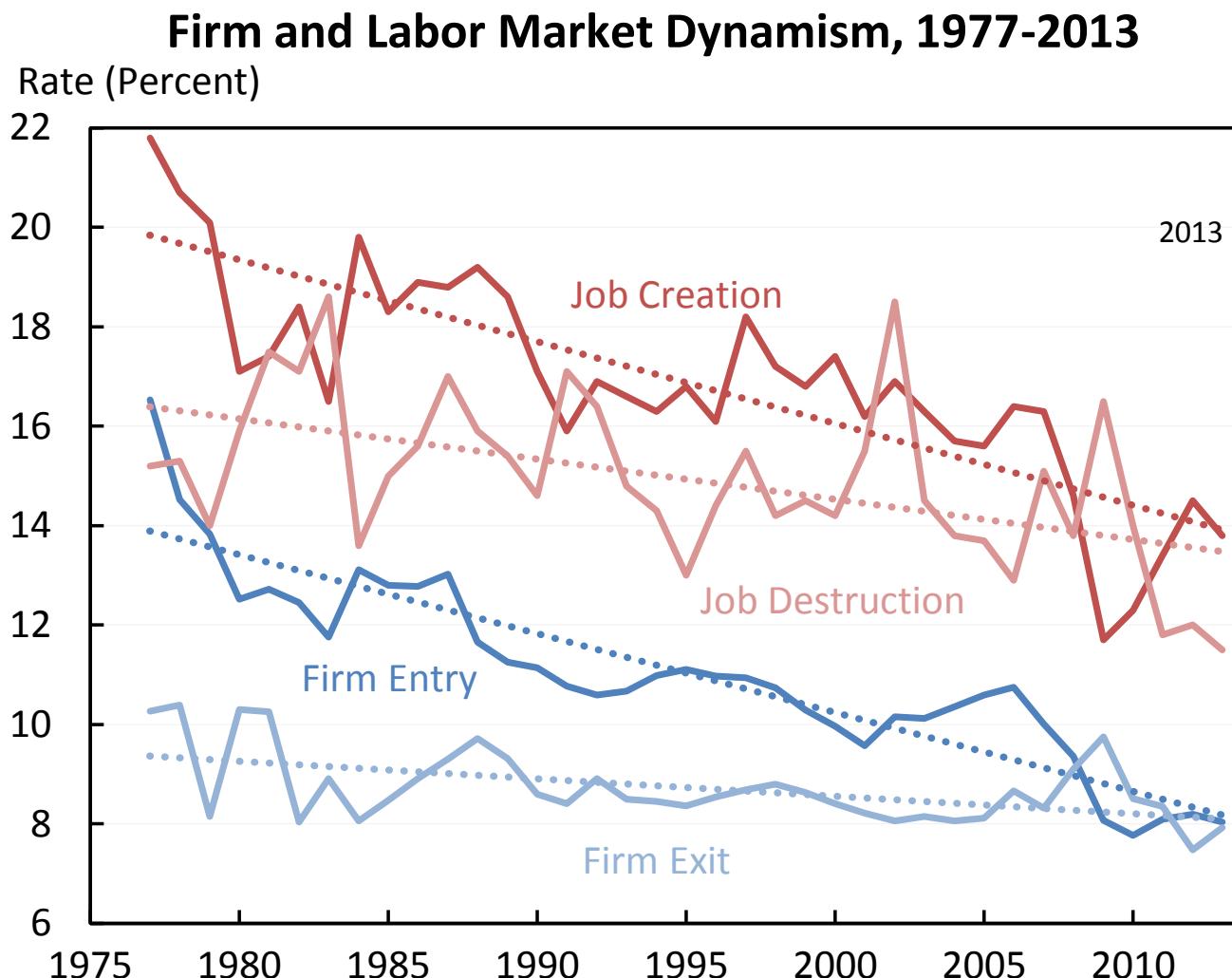
Male Labor Force Participation Rate, G-7 Countries



Female Labor Force Participation Rate, G-7 Countries



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



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**

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
May 11, 2016**