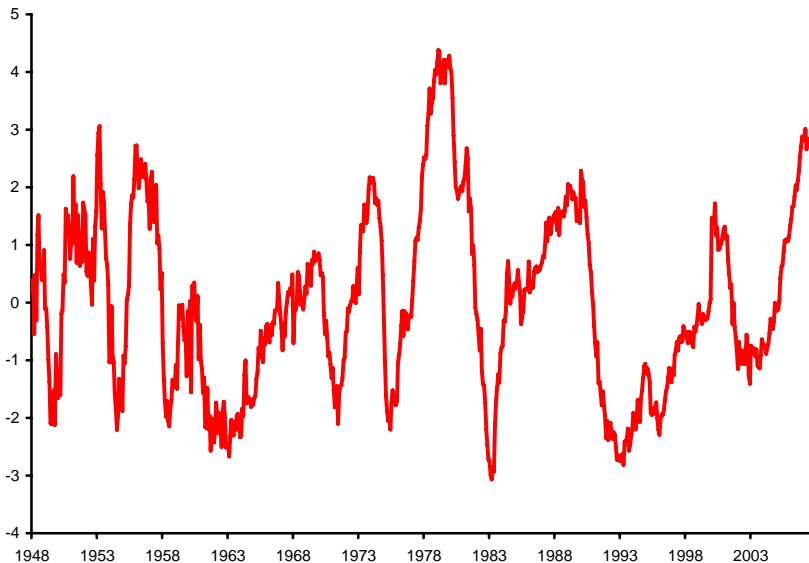


GREAT MODERATION?

	1949-1983	1984-2005	<i>Ratio</i>
GDP			
Quarterly	0.0120	0.0051	0.43
3-yearly	0.0467	0.0294	0.63
Employment			
Quarterly	0.0082	0.0038	0.47
3-yearly	0.0380	0.0325	0.86

DETRENDED EMPLOYMENT



RECESSIONS

<i>Peak month</i>	<i>Trough month</i>	<i>Employ- ment decline, percent</i>
1981:4	1983:3	5.74
1990:1	1993:1	5.04
1973:11	1975:6	4.38
1960:6	1963:2	3.02
1969:8	1971:6	2.99
2000:1	2003:9	2.61
1979:2	1980:8	2.58
1953:3	1954:7	2.21
1957:7	1958:7	2.15
1948:6	1949:10	2.13

UNEMPLOYMENT

$$u = (1 - f)u + \psi s(1 - u)$$

UNEMPLOYMENT

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$$u = \frac{\psi s}{f + \psi s}$$

UNEMPLOYMENT

$$u = (1 - f)u + \psi s(1 - u)$$

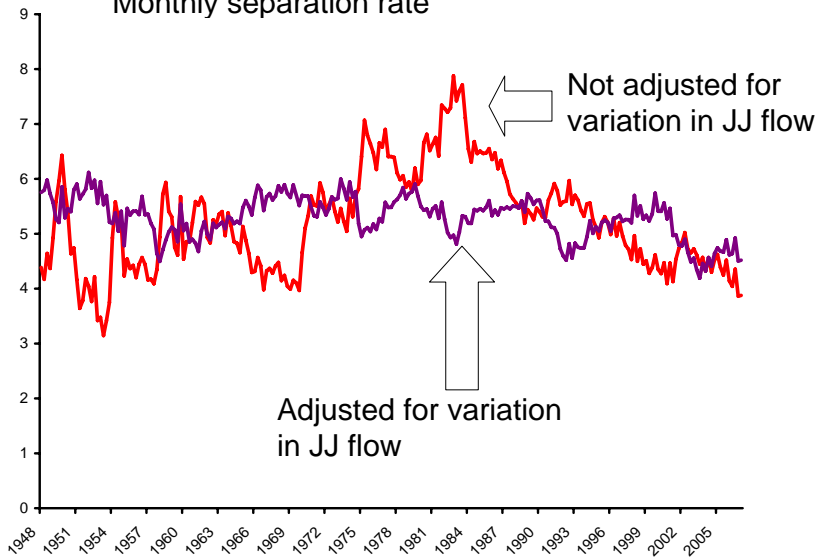
$$u = \frac{\psi s}{f + \psi s}$$

$$s = \frac{uf}{\psi(1 - u)} = \frac{uf}{\psi_0 u^{\psi_1} (1 - u)}$$

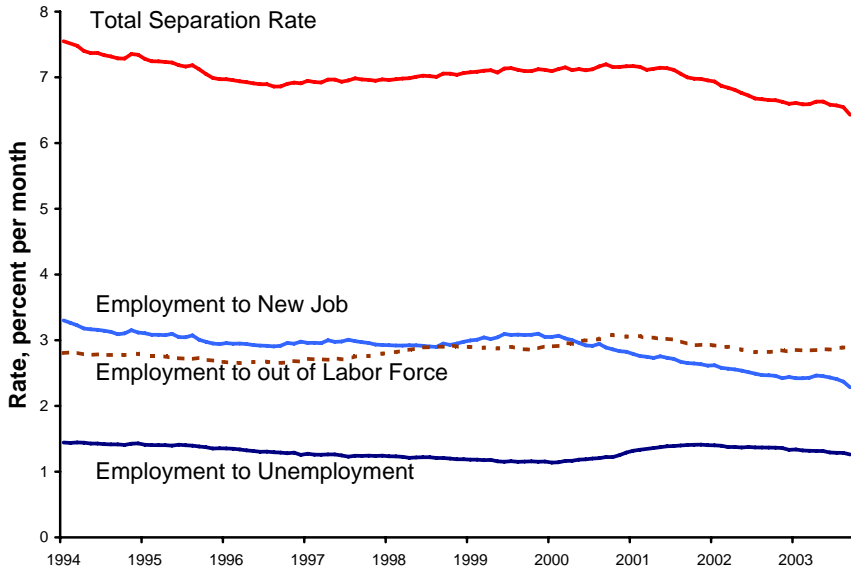
Monthly separation rate



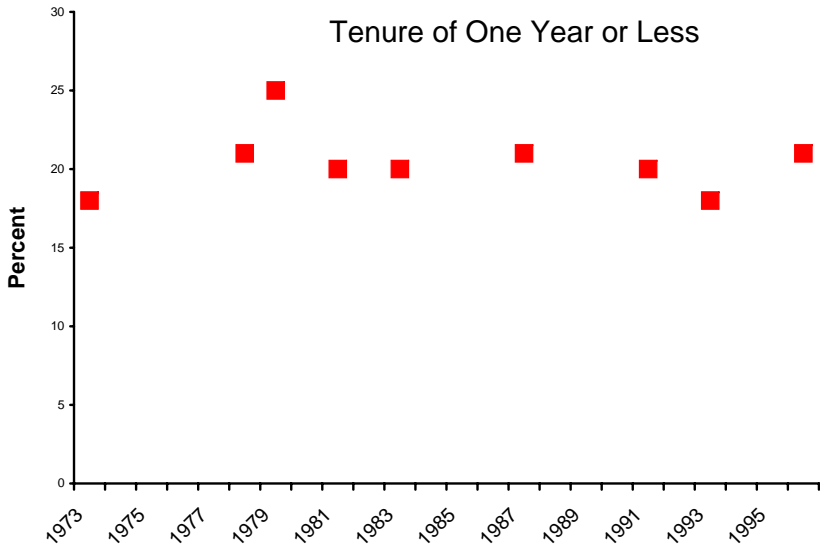
Monthly separation rate



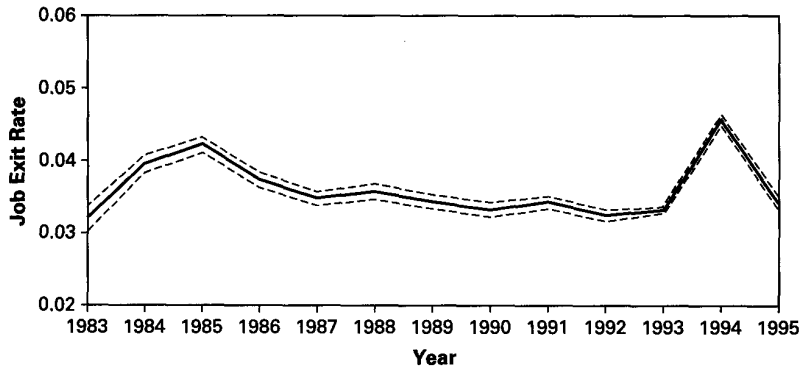
CPS ON JJ SEPARATIONS



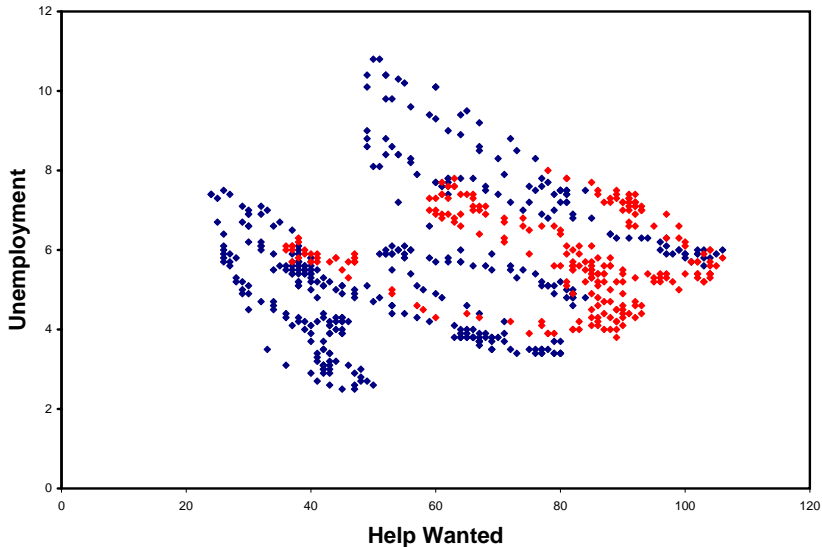
CPS ON TURNOVER



SIPP (GOTTSCHALK-MOFFITT)



BEVERIDGE CURVE



THE BASIC LIMITATION

JD = Decline in Plant-Level Employment

= Reduced Hiring + Separations