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A SEARCH AND MATCHING APPROACH TO LABOR MARKETS DID THE NATURAL RATE OF UNEMPLOYMENT RISE?

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UPDATED RESULTS THAT COVER DATA THROUGH AUGUST 7TH 2012.***

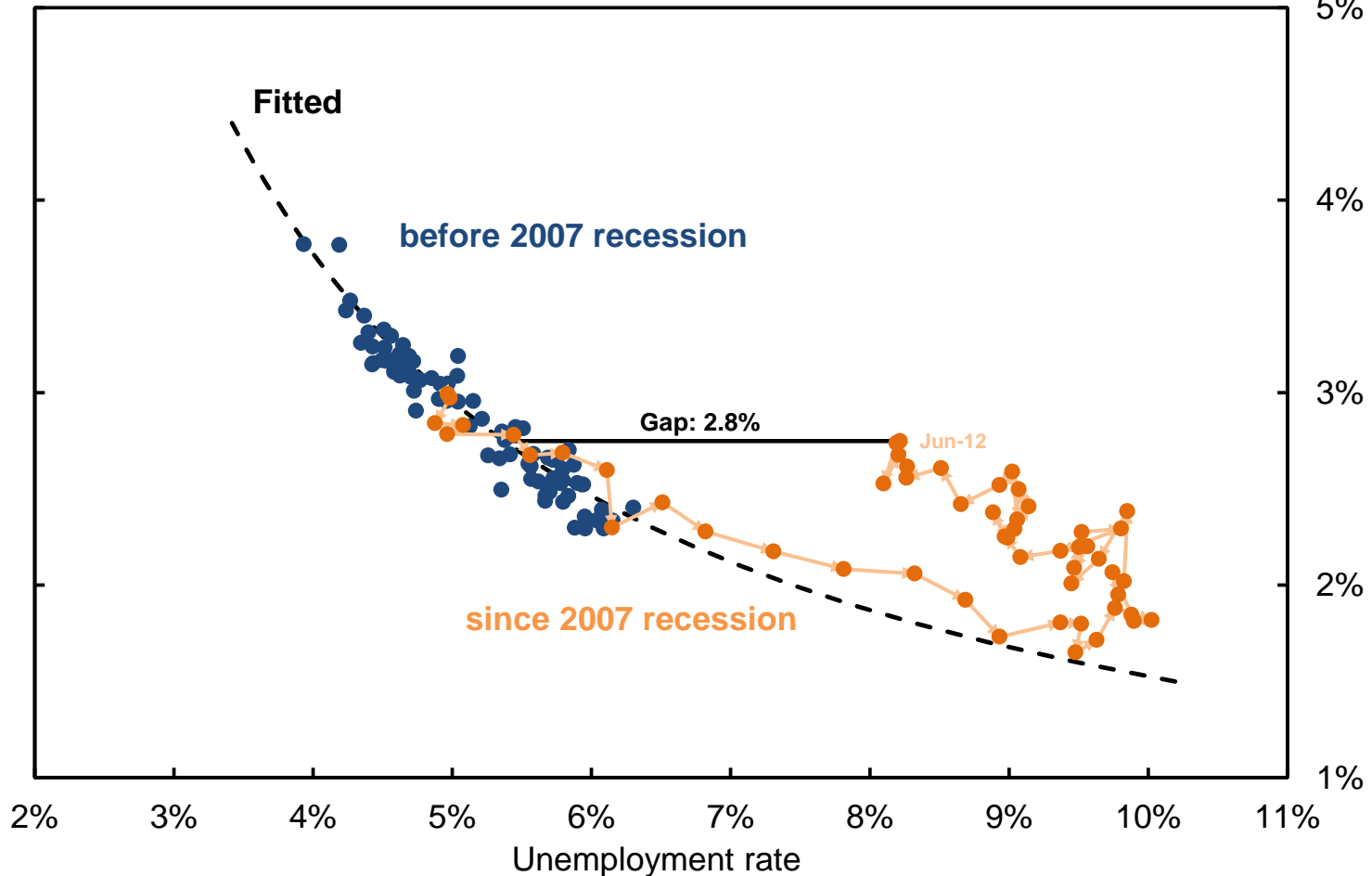
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U.S Beveridge Curve

Actual and fitted Beveridge Curve

Monthly observations; pre-2007-recession fit

Job openings rate



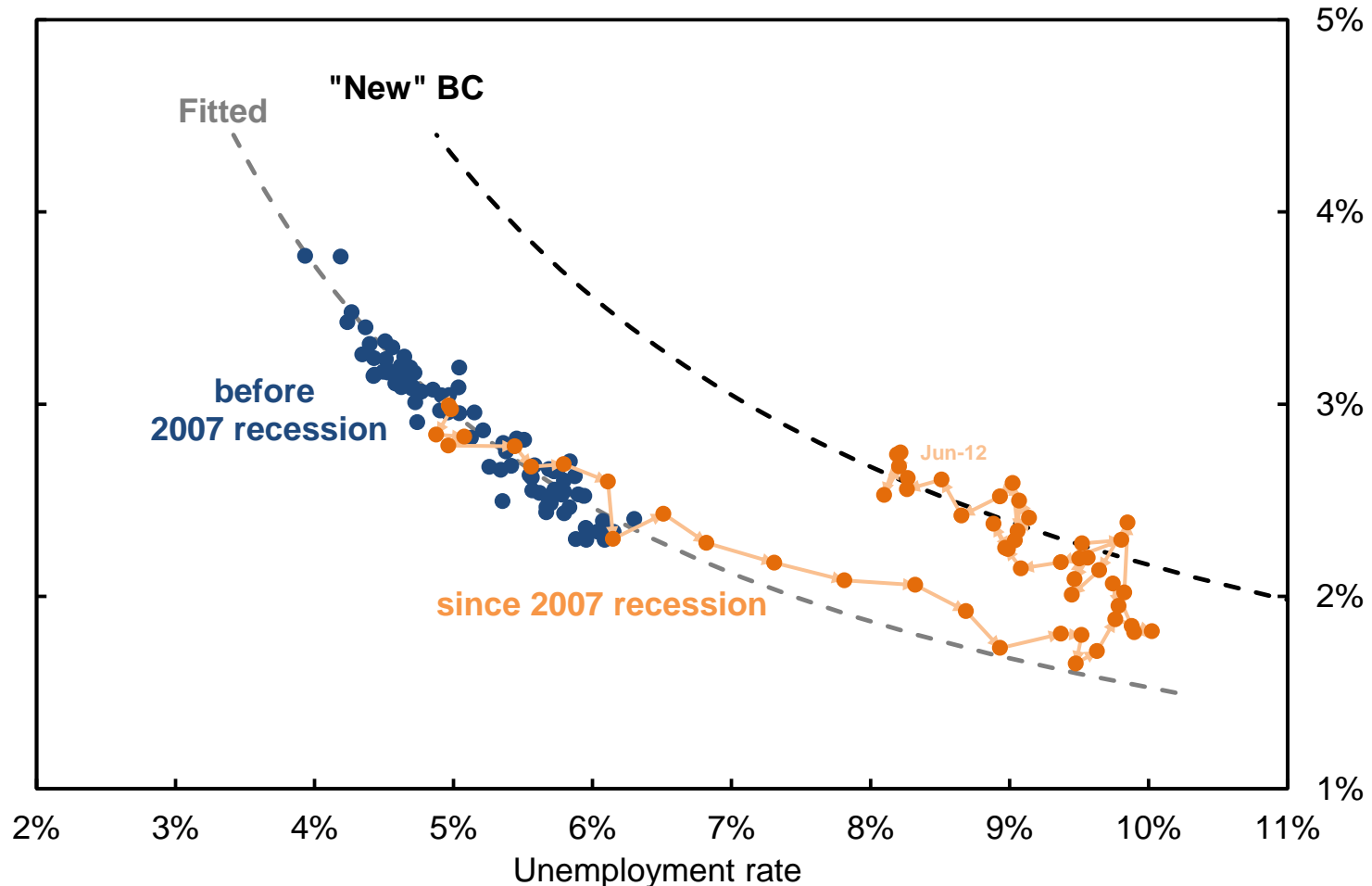
Source: JOLTS, CPS, and authors' calculations

Estimate of shifted BC since 2010

Fitted and "New" Beveridge Curve

Pre-2007-recession fit; Shift based on last 12-months

Job openings rate

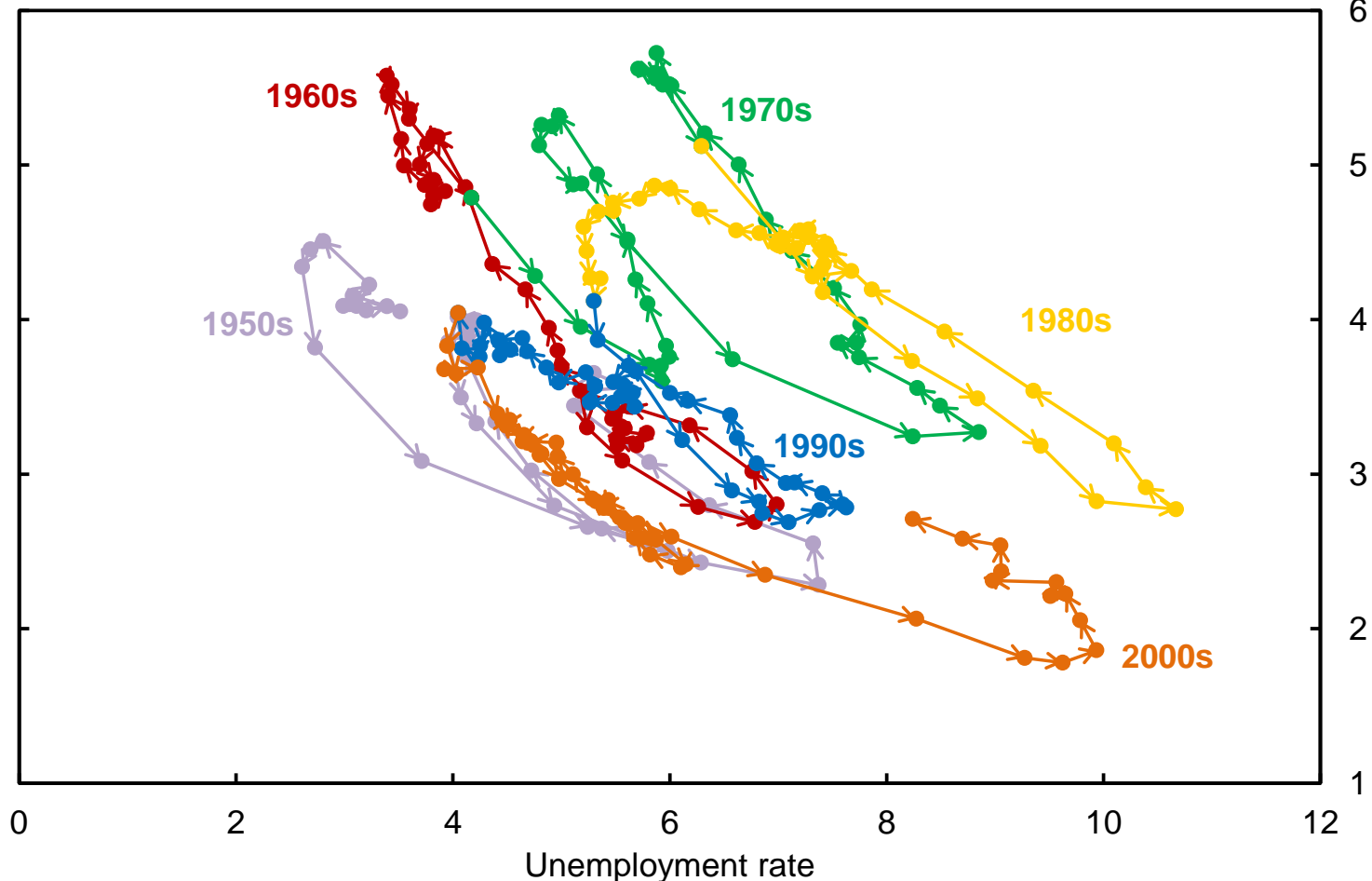


Source: JOLTS, CPS, and authors' calculations. New Beveridge curve estimate based on shift in match efficiency over last 12 months.

Historical Shifts in the Beveridge Curve

Historical Beveridge Curve

Seasonally adjusted; quarterly observations; merged HWI and JOLTS Vacancy rate



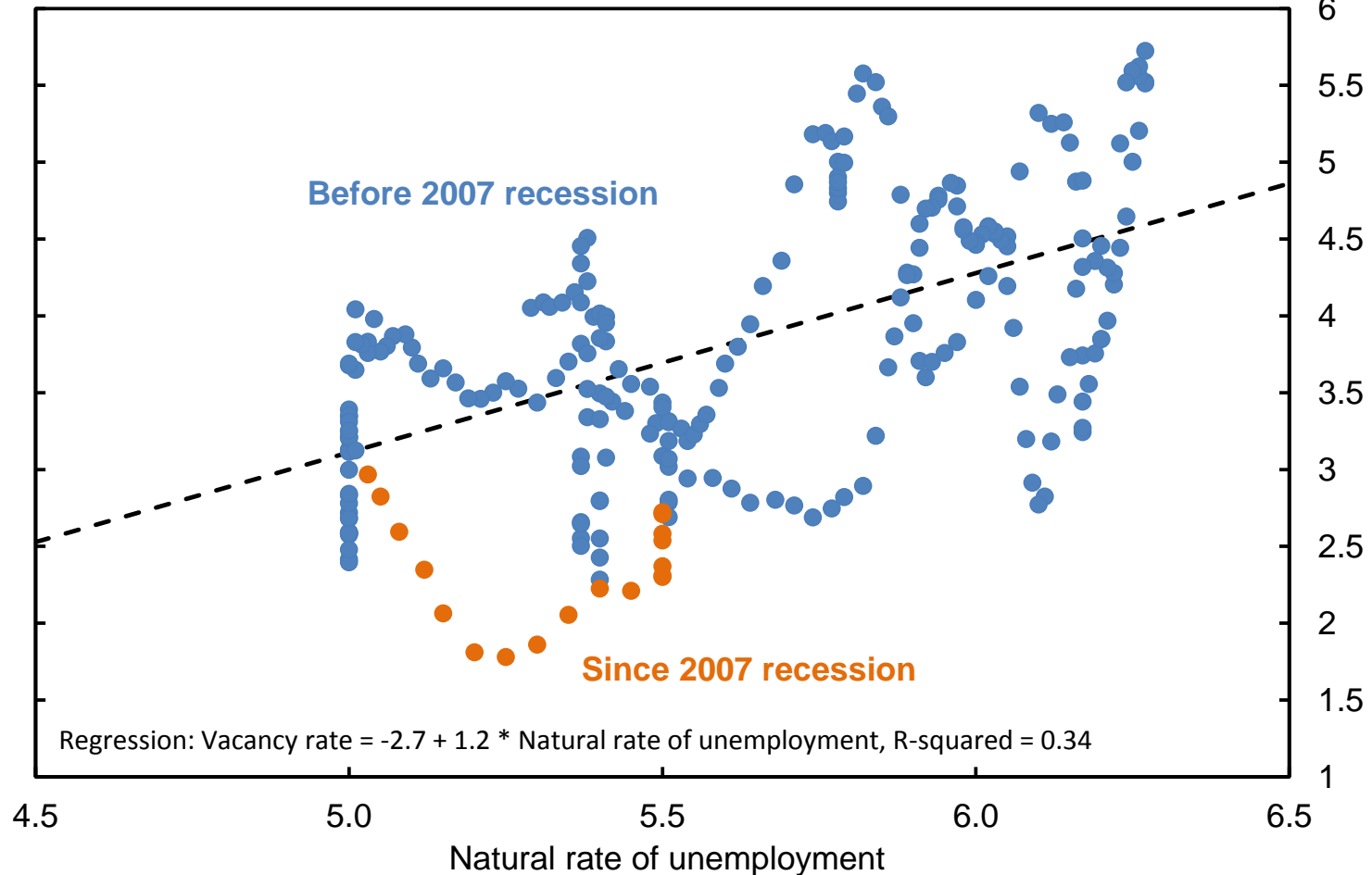
Source: BLS, Conference Board, Barnichon (2010) and authors' calculations

Estimated Long-Run JCC

Historical Job Creation Curve

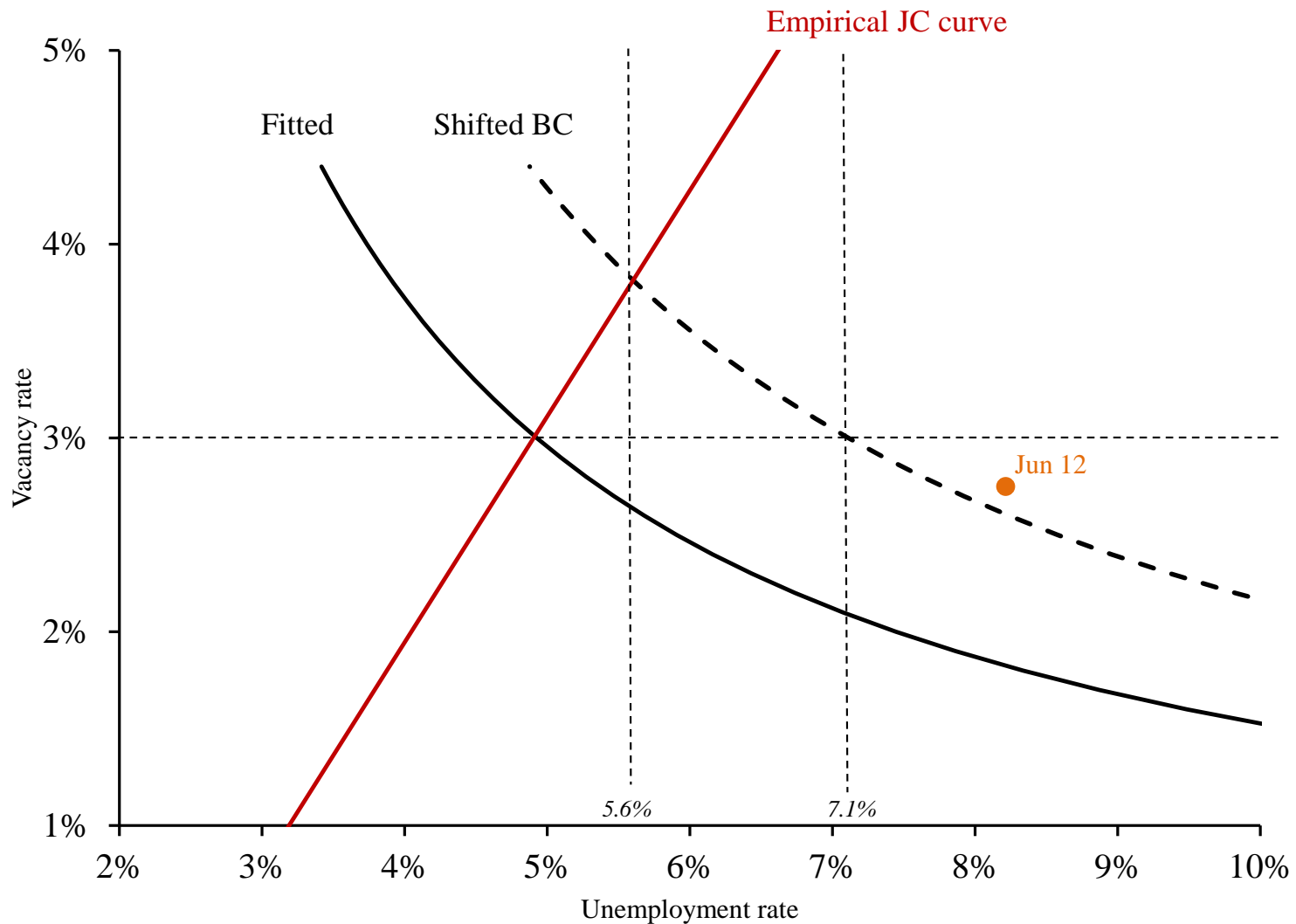
Seasonally adjusted; quarterly data; regression based on pre-2008 data

Vacancy rate



Source: JOLTS, BLS, CBO, and authors' calculations

Estimated JCC and BC

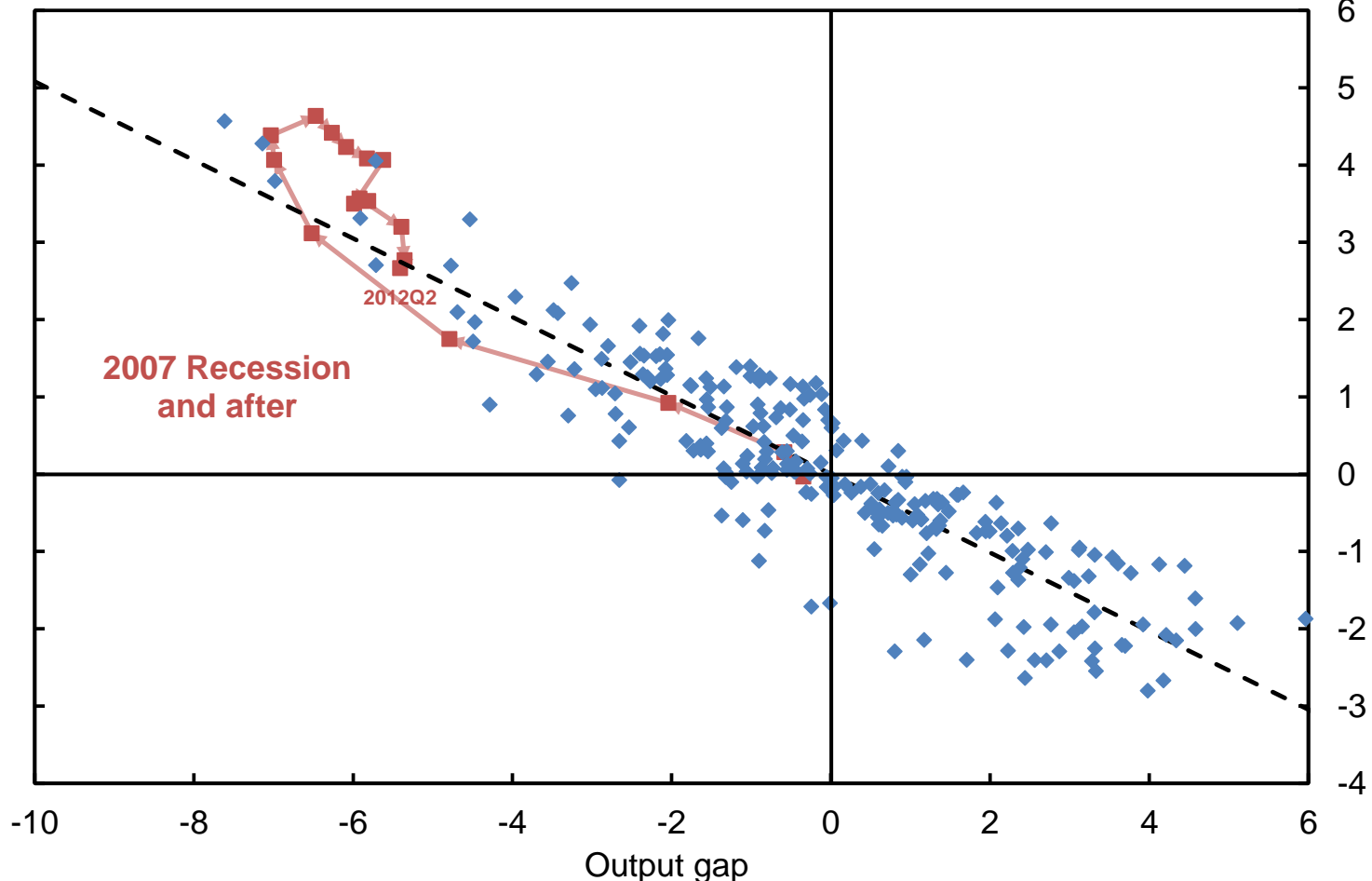


Source: JOLTS, CPS, CBO, and authors' calculations

Okun's Law

Okun's Law

Based on CBO potential output and NAIRU estimates (1949Q1-now) Unemployment gap



Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Congressional Budget Office, Authors' calculations

Industry Mismatch

Dispersion Across 15 Major Industries

Weighted standard deviation of 12-month employment growth (through July 2012)

