

TABLE 1: Actual Unemployment Rates and Those Implied by Stagnant Path of Wage Growth for Males, 20th Percentile.

	Actual	Simulated	Difference
1997	5.0	6.3	1.3
1998	4.5	6.2	1.7
1999	4.2	5.1	0.9
2000	4.0	4.8	0.8

Source: Bernstein and Baker, forthcoming.

Figure 1: The Impact of a Positive Productivity Growth Shock on Employment Growth

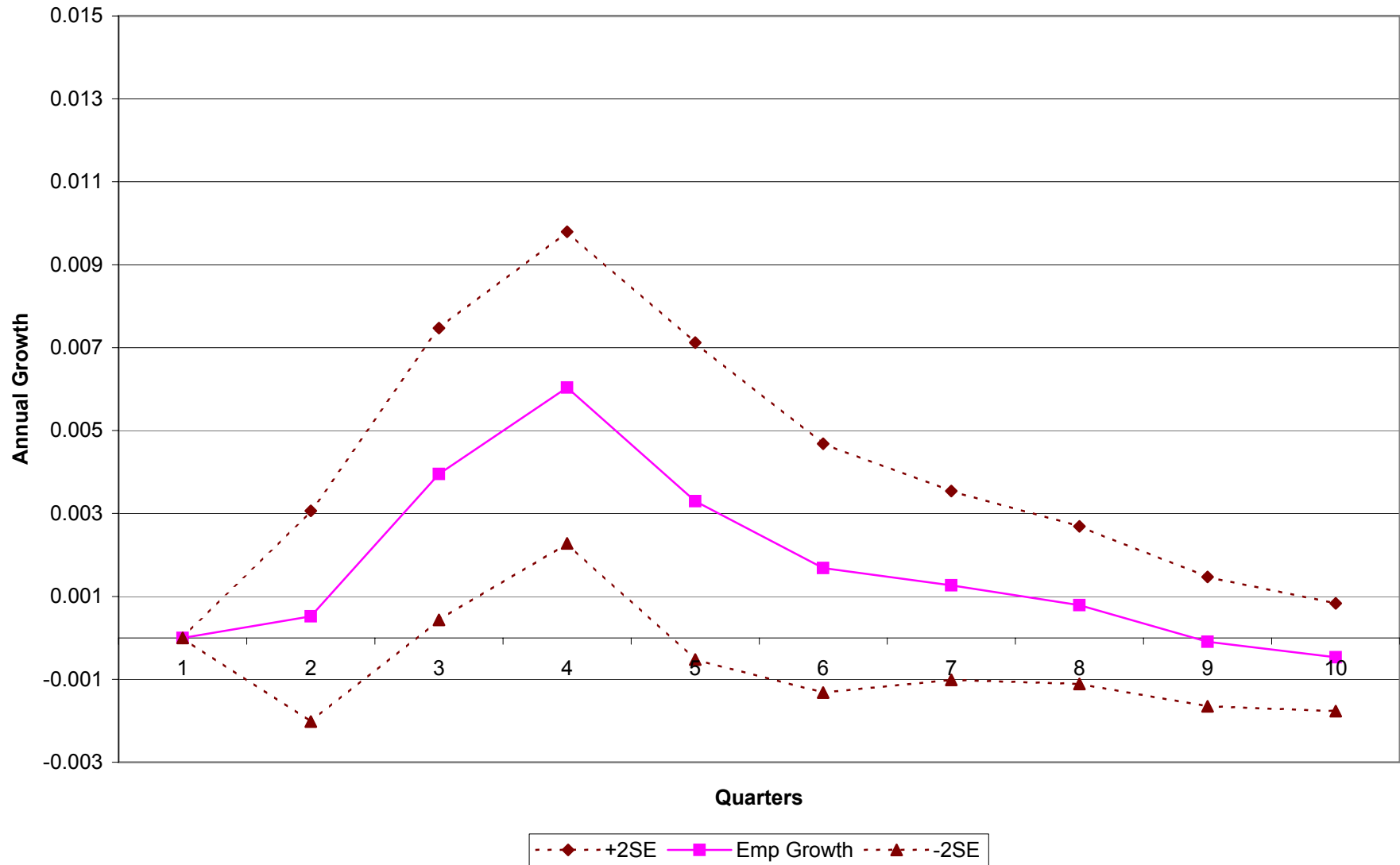
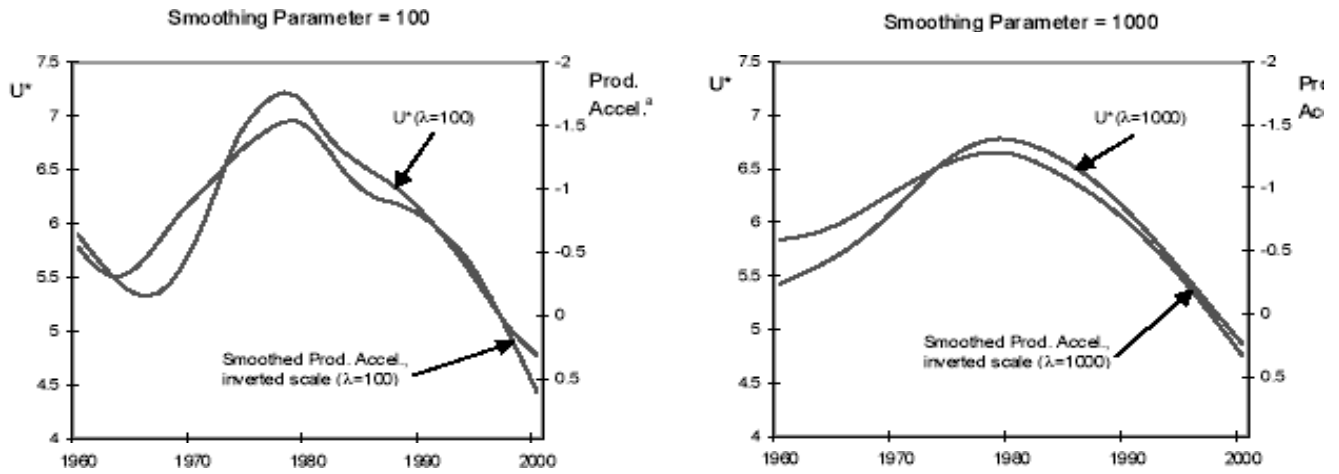


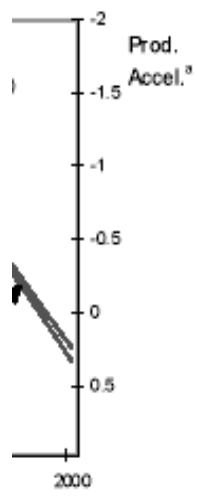
Figure 2

The NAIRU and the Change in Productivity Growth



Source: Ball and Mankiw, 2002.

^a Productivity Acceleration is the difference between current productivity growth and an average of past productivity growth (see note 8 in the text).



8 in the text).

Figure 3: Productivity and Compensation Trends, 1973-01

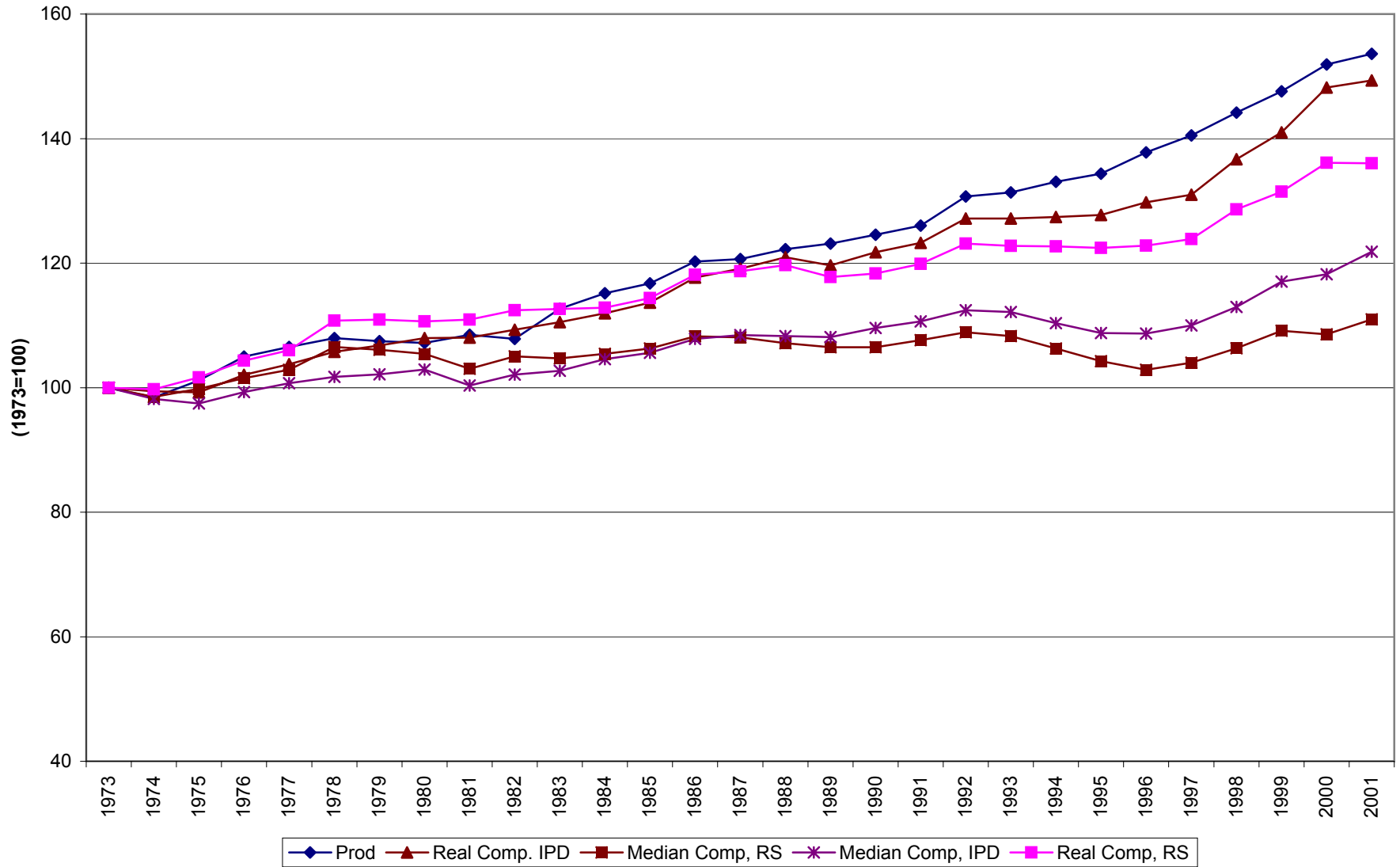


FIGURE 4A Productivity and real low wage growth, 1983-1989

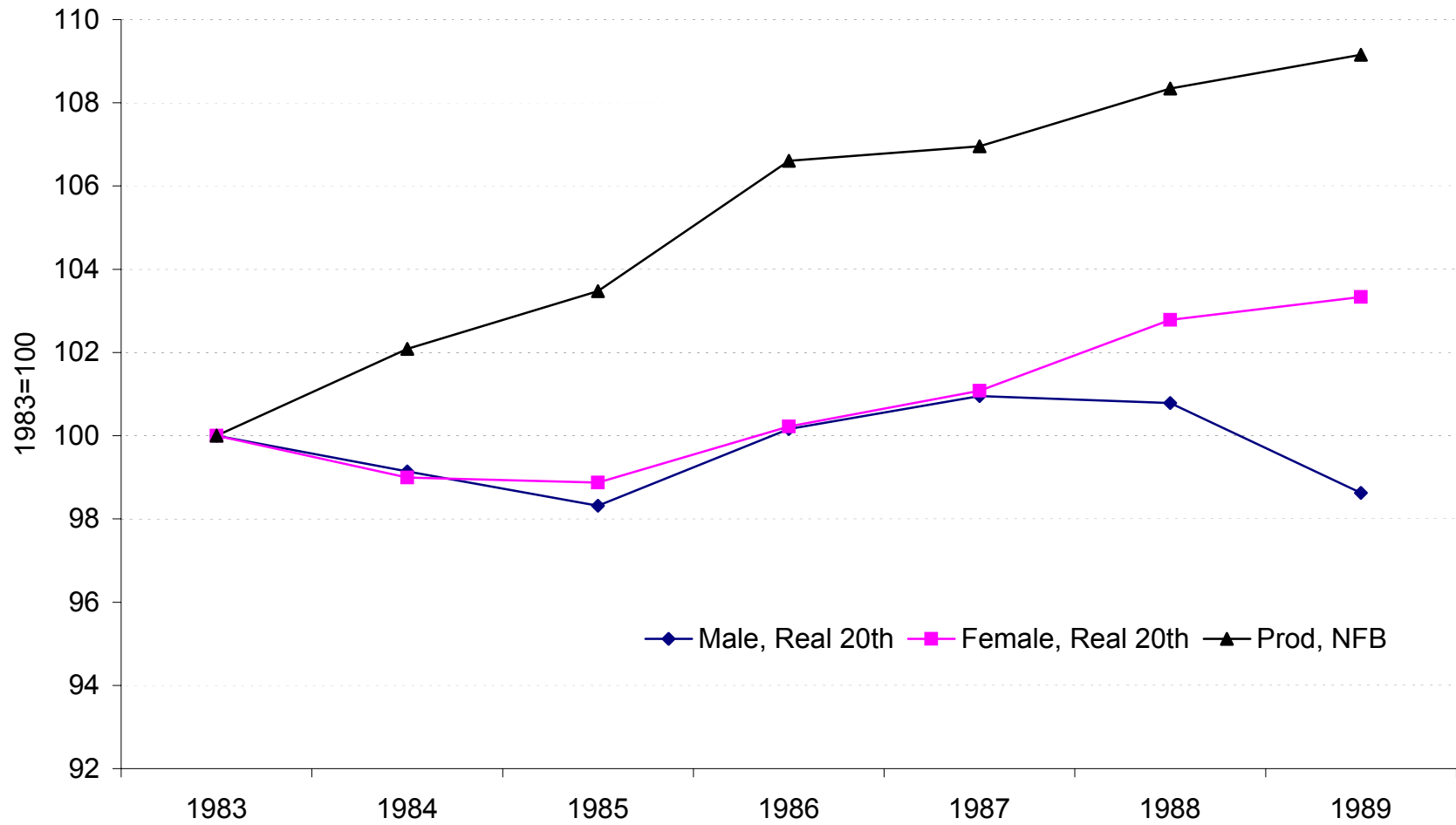


FIGURE 4B Productivity and real low wage growth, 1994-2000

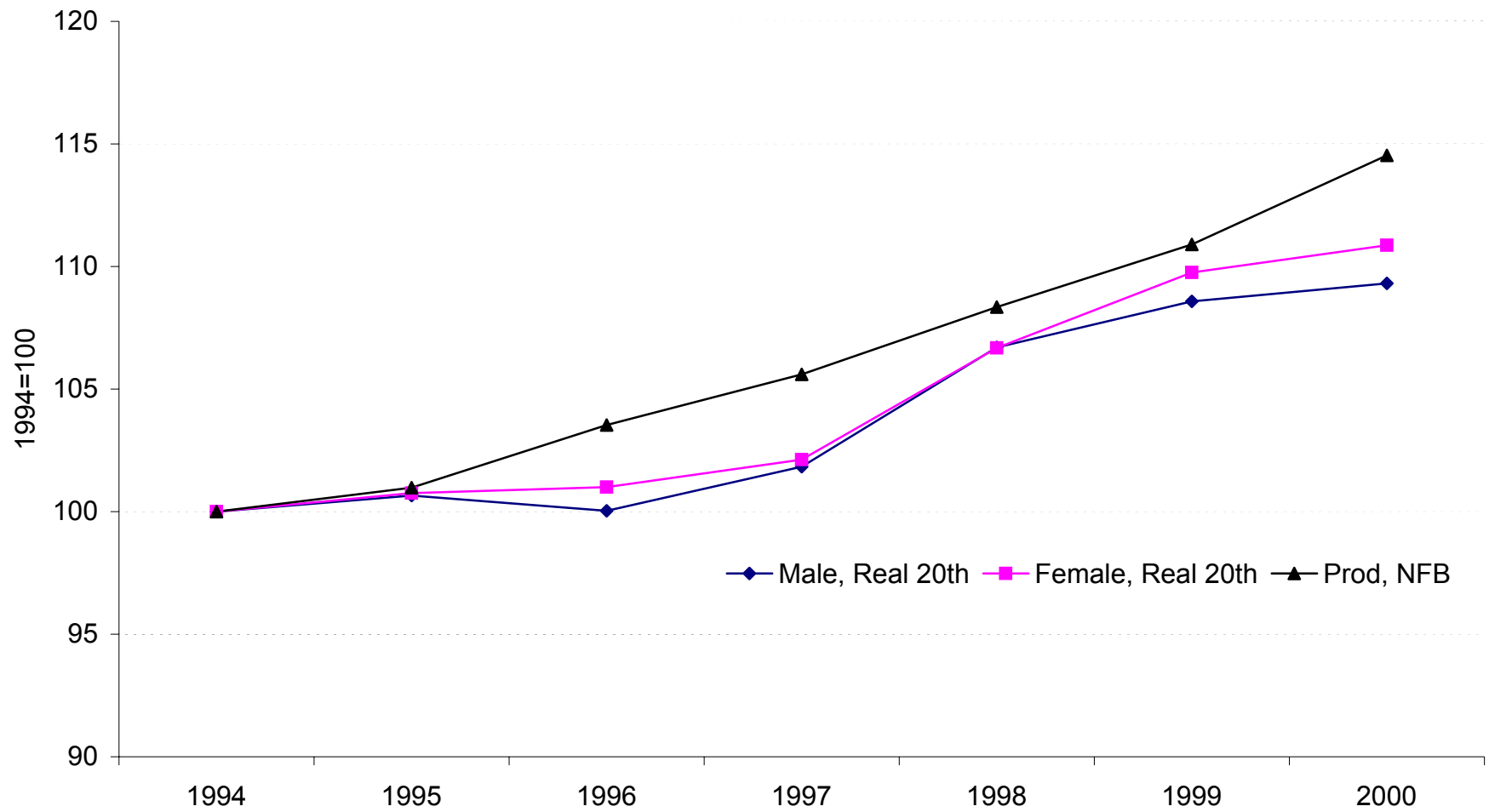


FIGURE 5A Unemployment coefficient from wage phillips curve regressions: male wage deciles

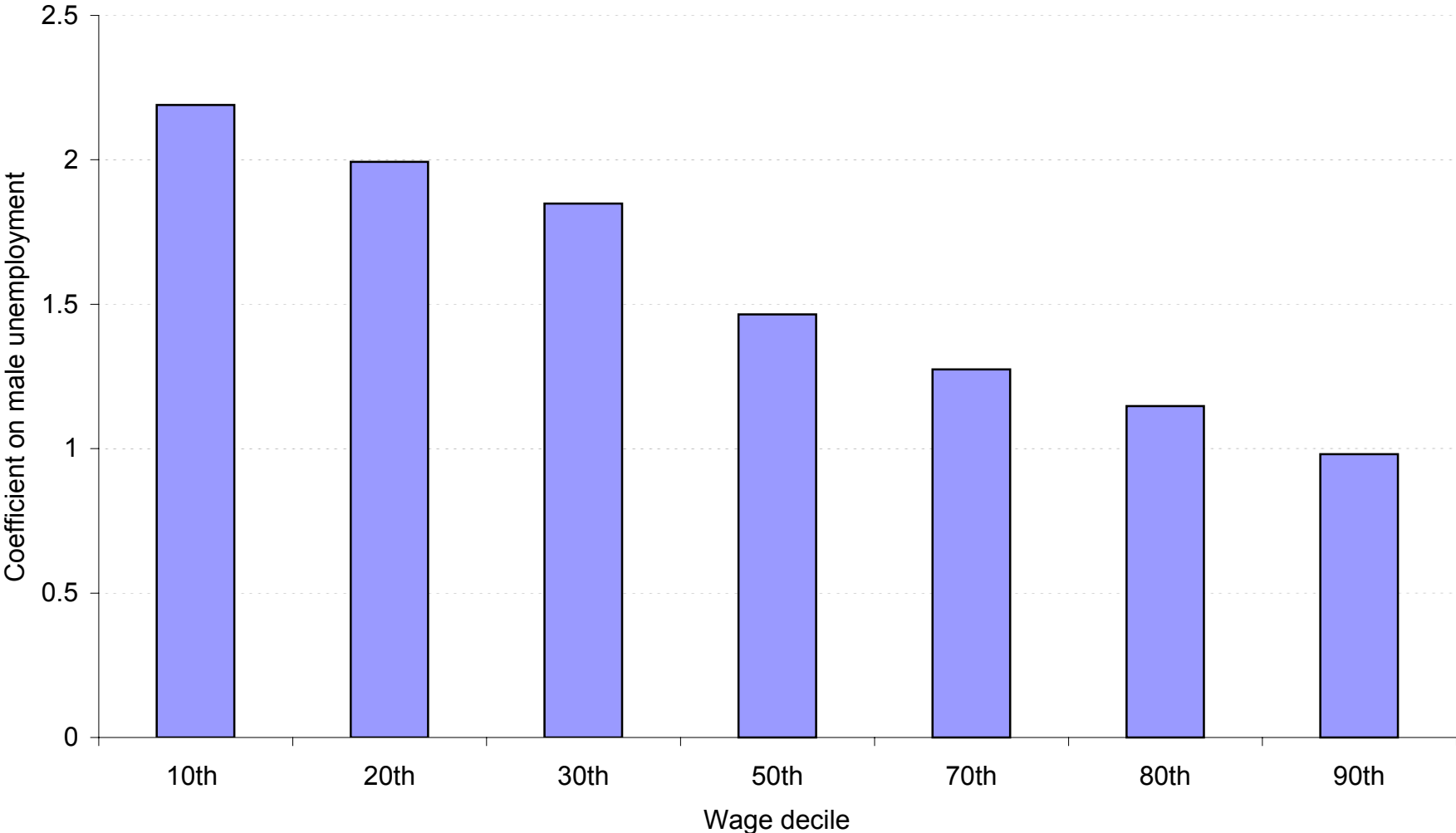


FIGURE 5B Unemployment coefficient from wage phillips curve regressions: female wage deciles

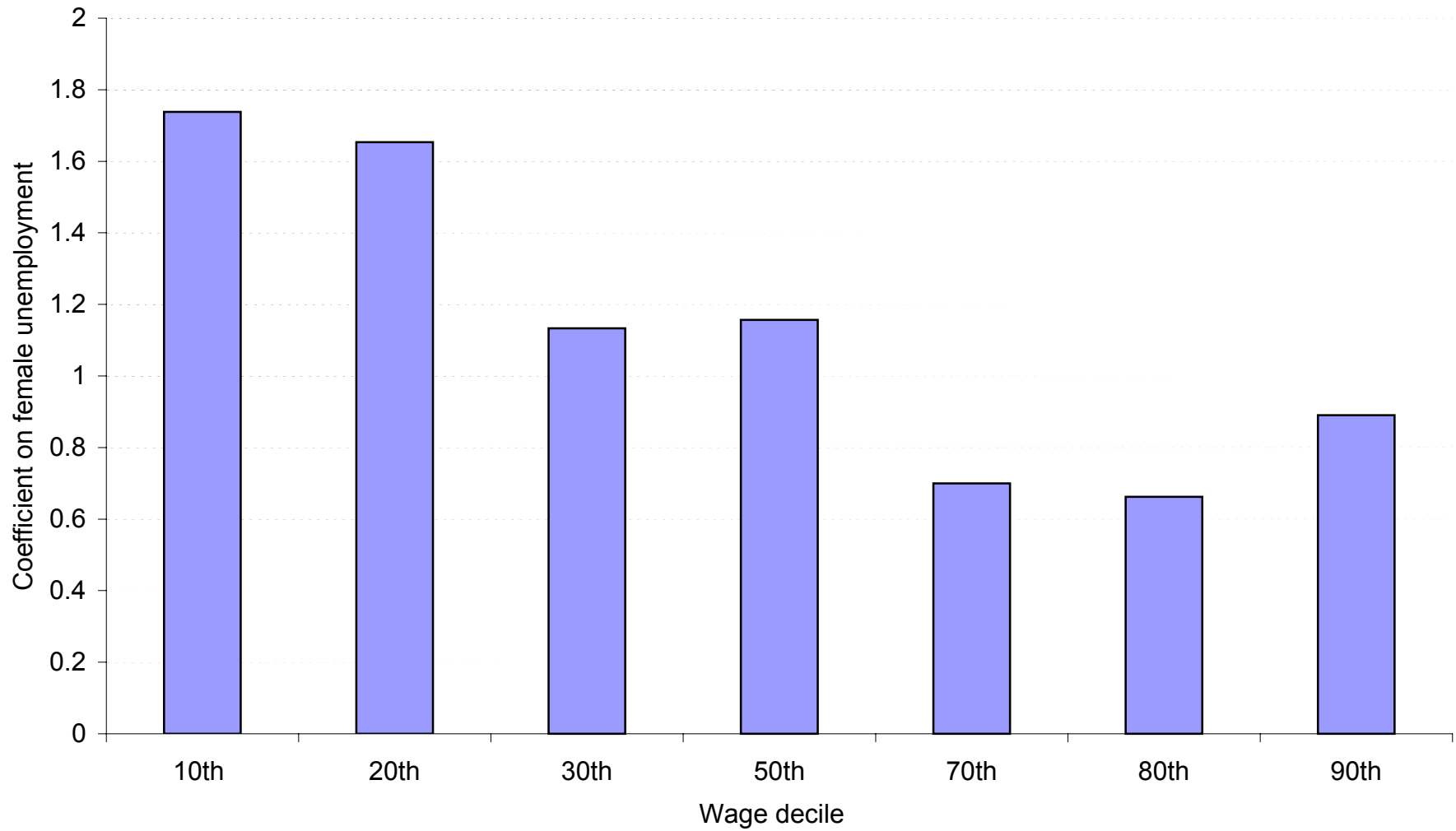


FIGURE 4.8 Male 30th percentile, impact of unemployment and productivity

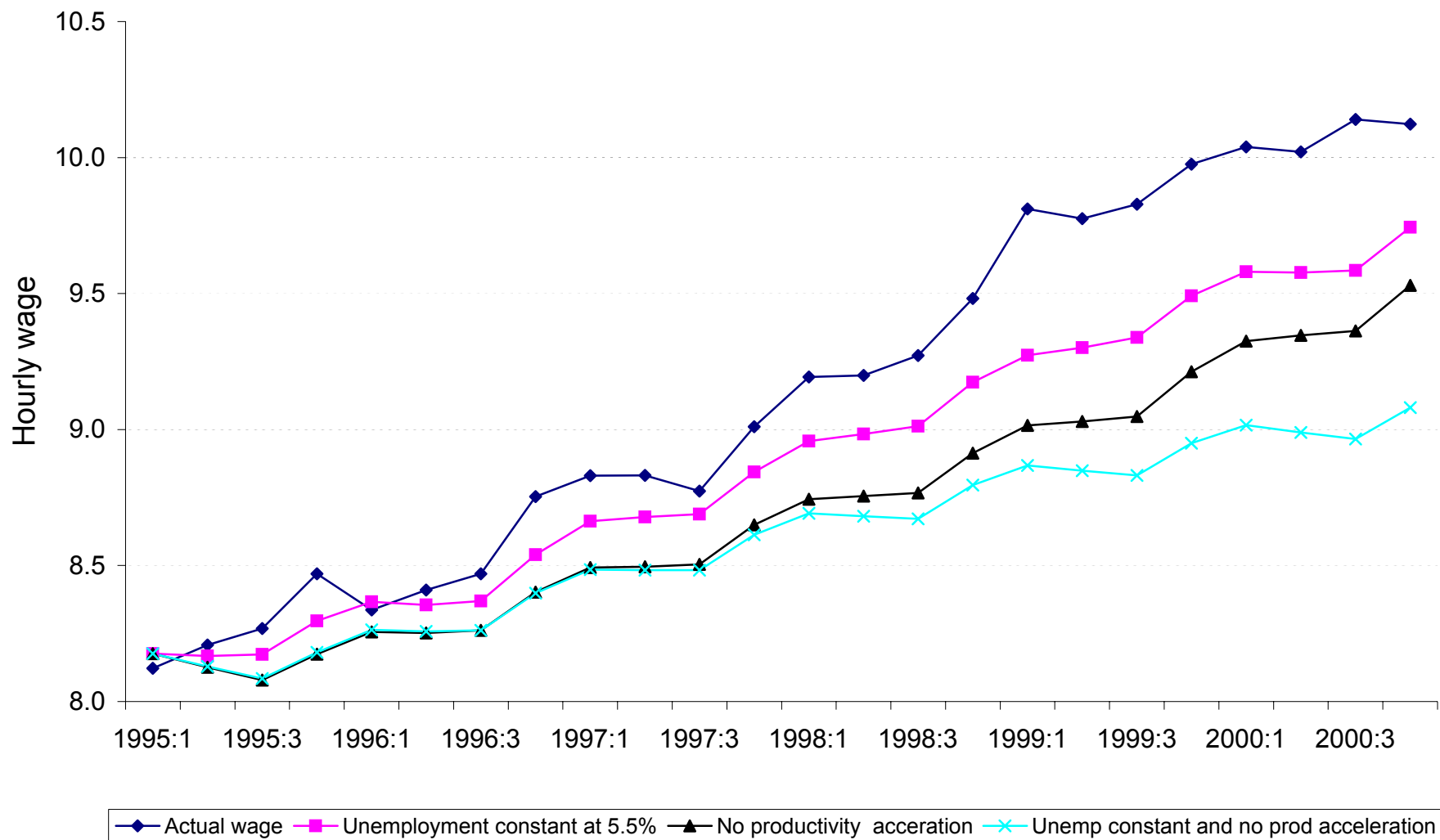


Figure 7: Average Household Income Growth, 1995-00 and 2000-01, by Income Fifth

