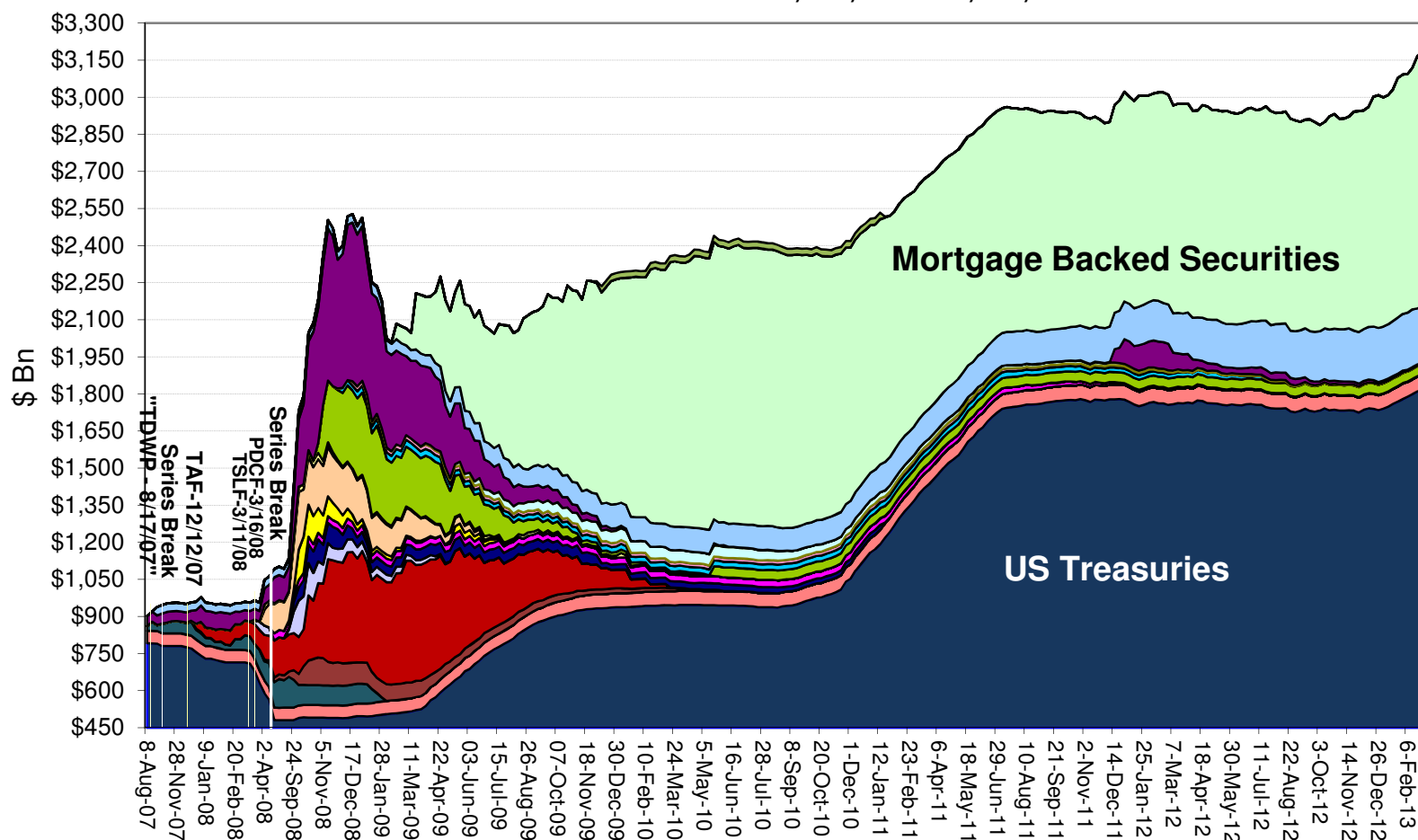


Factors Adding to Reserves

Factors Adding to Reserves on Federal Reserve's Balance Sheet (Assets) Plus
Off-Balance TSLF from 6/27/07 to 3/13/13



Note: Data are weekly averages for all but the Foreign Central Bank TAF which are as of the last day of the week.

Source: Federal Reserve Board of Governors Statistical Release H.4.1.

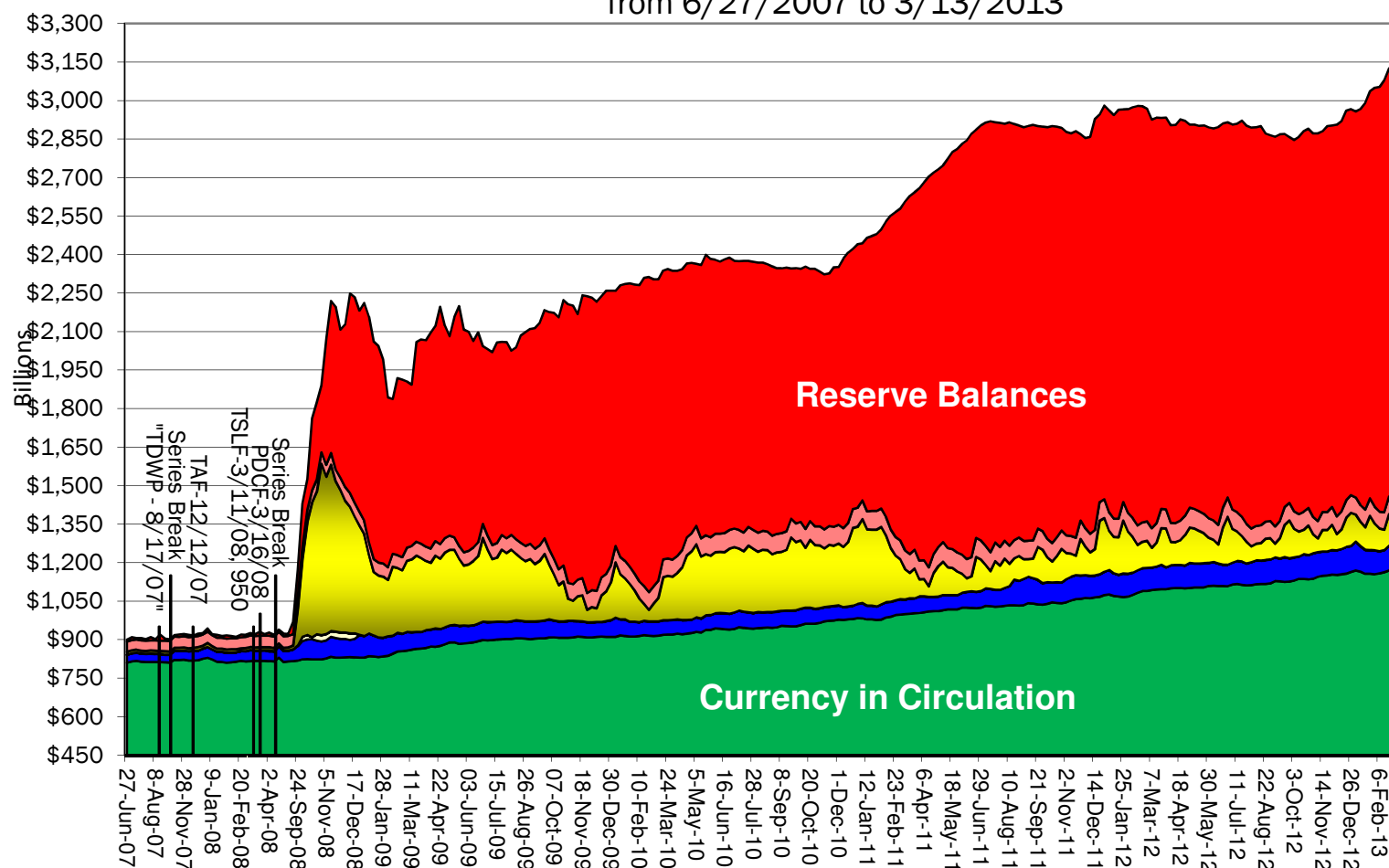
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Factors Using Reserves

Factors Using Reserves on Federal Reserve's Balance Sheet (Liabilities)
from 6/27/2007 to 3/13/2013

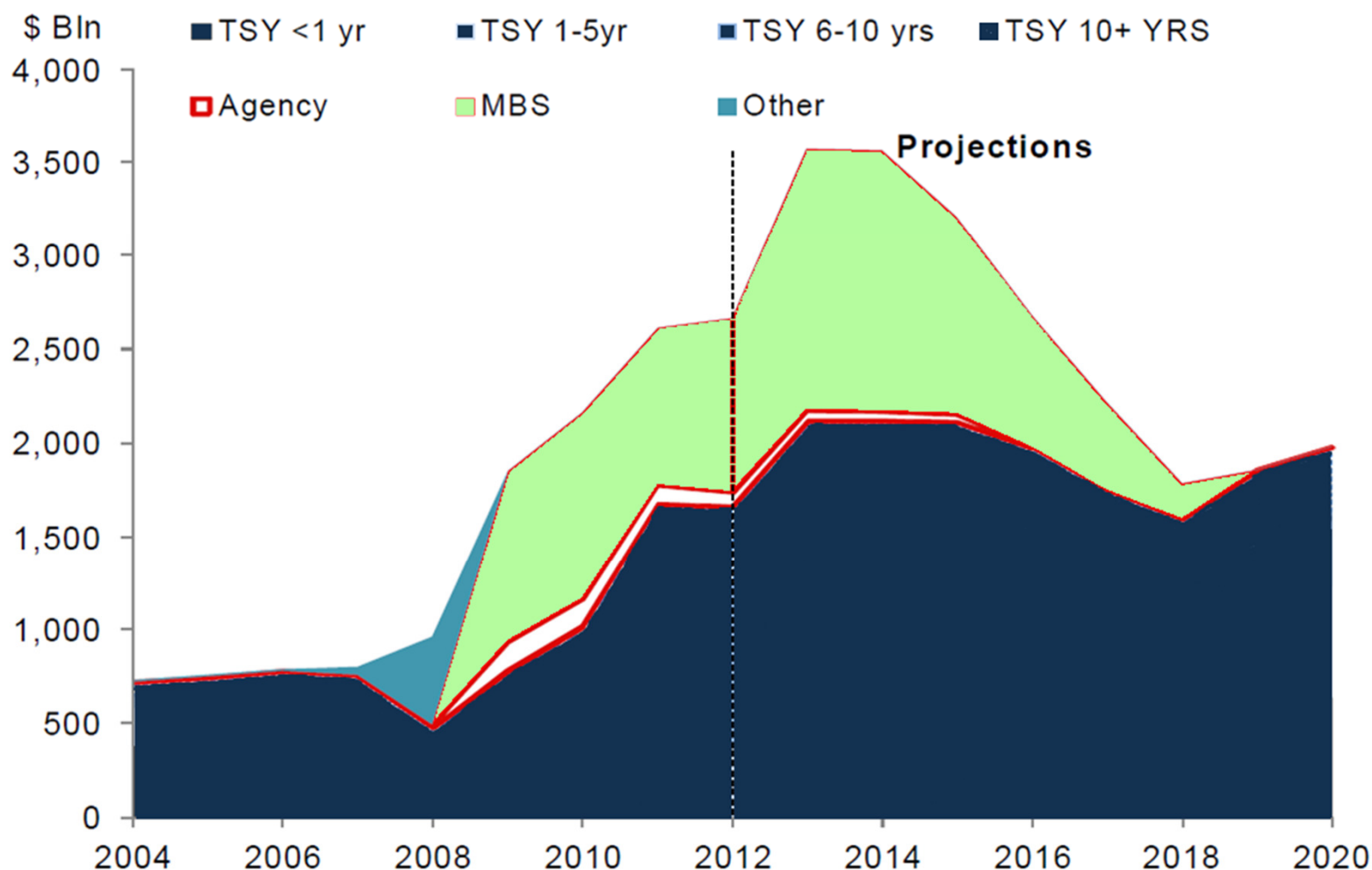


Note: Data are weekly averages for all but the Foreign Central Bank TAF which are as of the last day of the week.

Source: Federal Reserve Board of Governors Statistical Release H.4.1.

Projected Baseline Assets

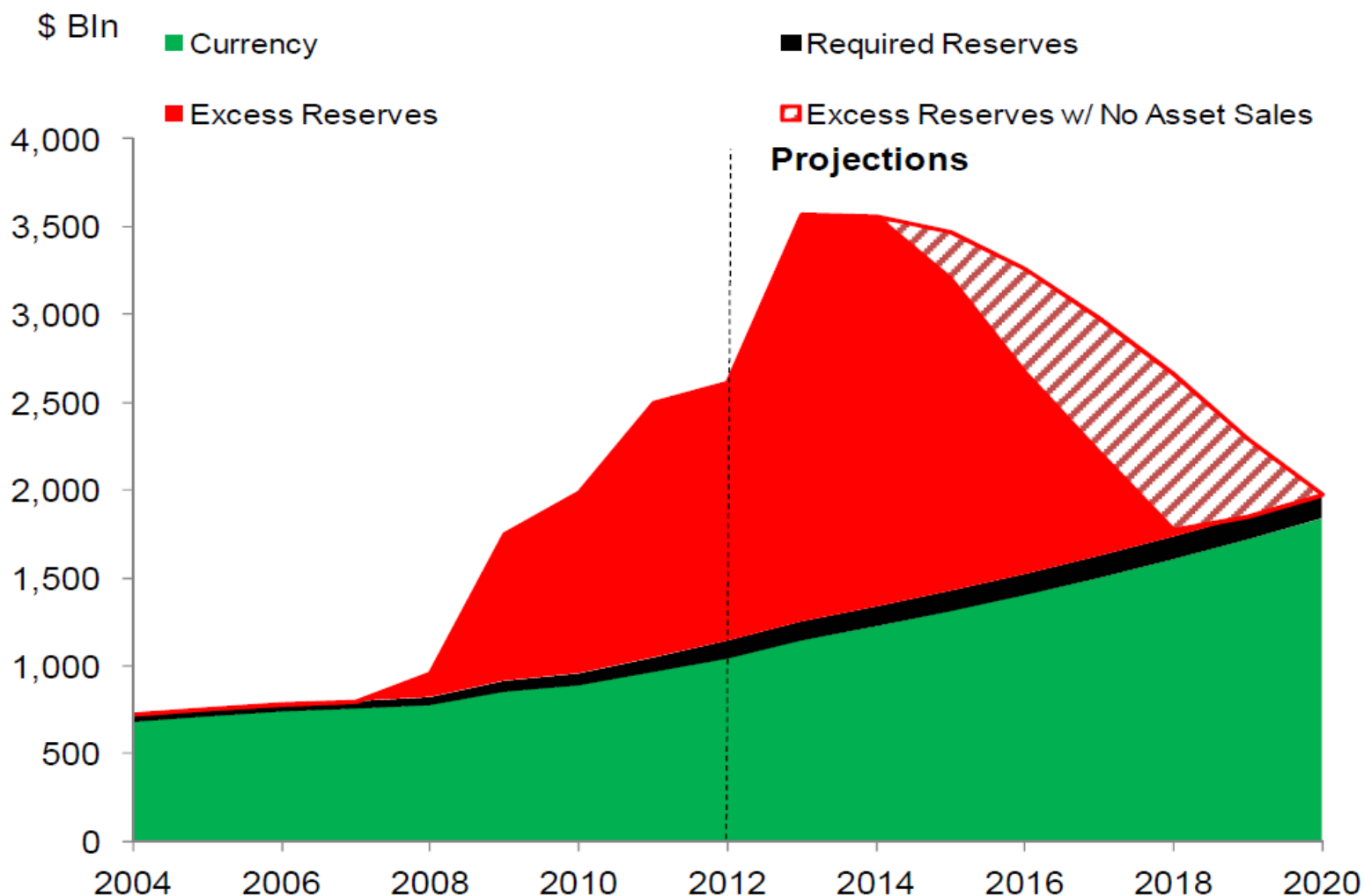
Figure 4.1. Baseline assets



Source: "Crunch Time: Fiscal Crises and the Role of Monetary Policy." Greenlaw, Hamilton, Hooper, and Mishkin (2013).

Projected Baseline Liabilities

Figure 4.3 Baseline liabilities



Source: "Crunch Time: Fiscal Crises and the Role of Monetary Policy." Greenlaw, Hamilton, Hooper, and Mishkin (2013).

Everyone Is Now Looking at Jobs

- When will unemployment – most recently at 7.7% – hit 6.5%?

In looking at job formation we have assumed 0.7% annual growth in the labor force and a - 0.3% annual change in the participation rate.

How Many Jobs Does the Economy Create?

Assumed Quarterly % Real GDP Growth	Estimated Number of Jobs Created within the Quarter	Estimated Number of Quarters to Create 3.217 Million Jobs	Estimated Number of Jobs Created Within Quarter	Estimated Number of Quarters to Create 3.217 Million Jobs	Estimated Number of Jobs Created Within Quarter	Estimated Number of Quarters to Create 3.217 Million Jobs
	Average		Hi (95%) Interval		Low (95%) Interval	
1	161	20	188	17	134	24
2	322	10	377	9	268	12
3	483	7	565	6	402	8
4	644	5	753	4	536	6
Assumed Quarterly % Real GDP Growth	Estimated Number of Jobs Created per Month	Estimated Number of Months to Create 3.217 Million Jobs	Estimated Number of Jobs Created per Month	Estimated Number of Months to Create 3.217 Million Jobs	Estimated Number of Jobs Created Within Month	Estimated Number of Months to Create 3.217 Million Jobs
	Average		Hi (95%) Interval		Low (95%) Interval	
1	54	60	63	51	45	72
2	107	30	126	26	89	36
3	161	20	188	17	134	24
4	215	15	251	13	179	18

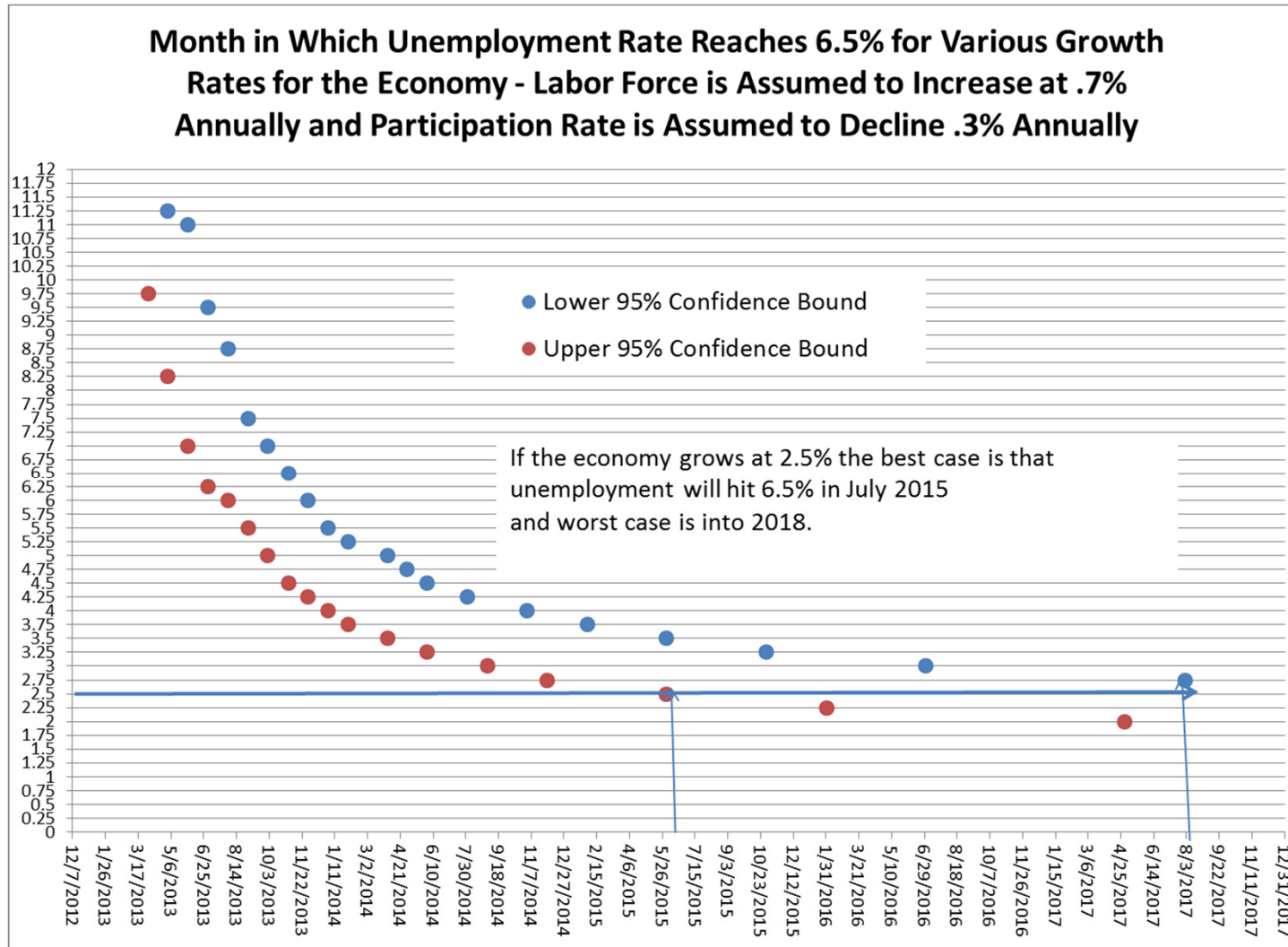
Source: Haver and Cumberland Advisors

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GDP Growth Needed to Create Enough Jobs for Unemployment to Hit 6.5%



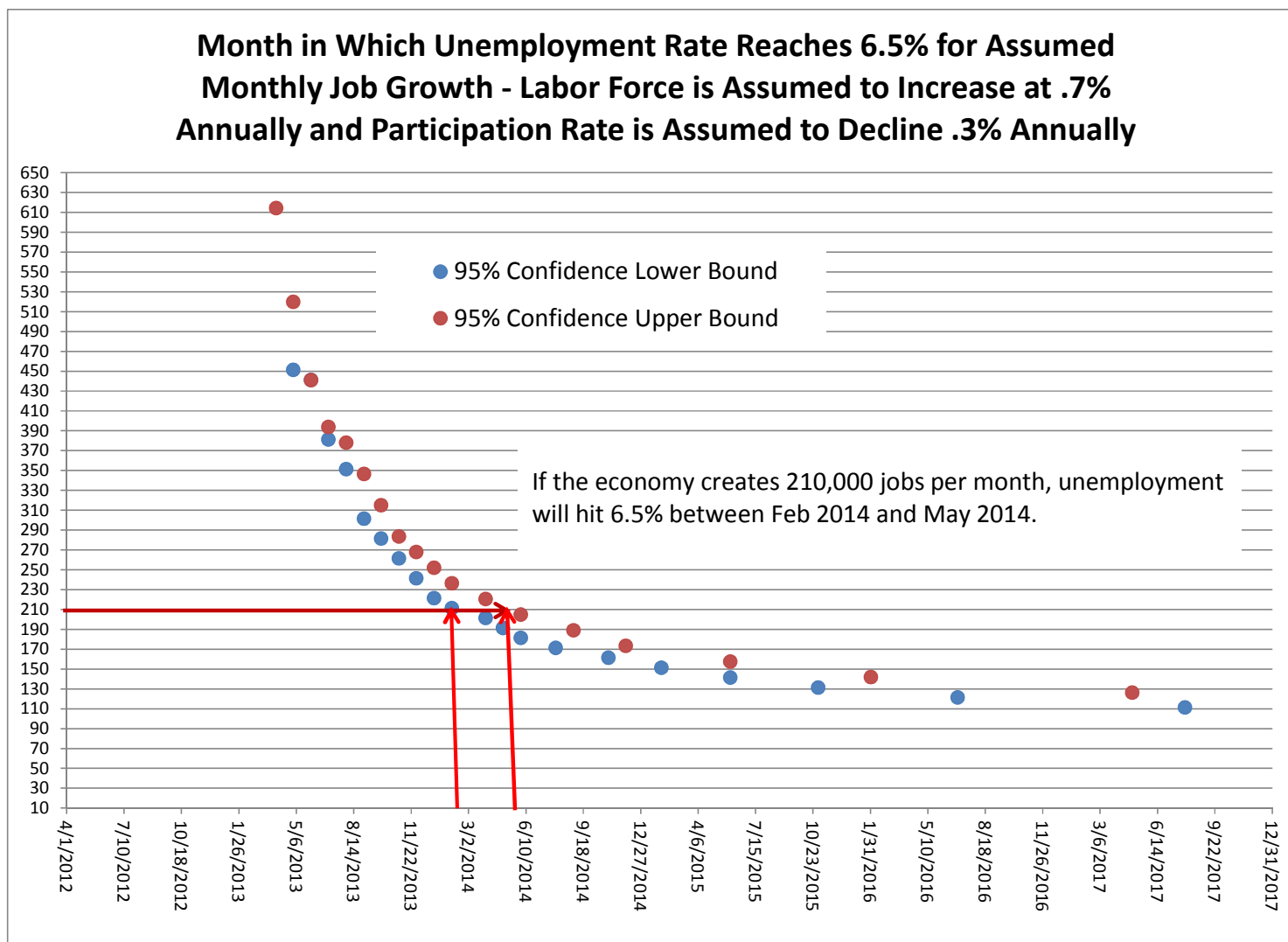
Source: Cumberland Advisors

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Job Growth Needed to Hit 6.5% Unemployment



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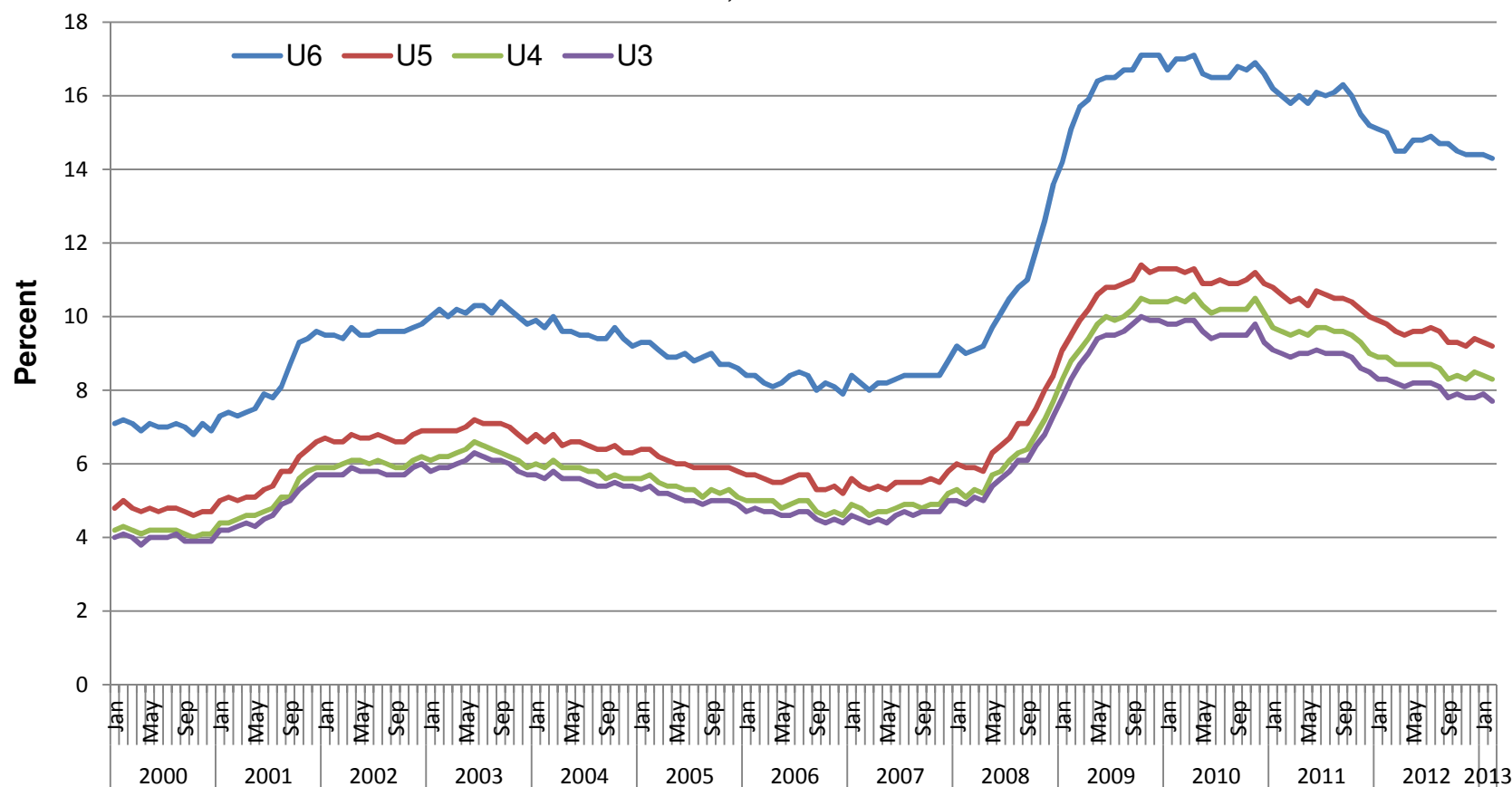
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U3 Through U6

U4 : U3 + "discouraged workers", or those who have stopped looking for work because current economic conditions make them believe that no work is available for them.

U5 : U4 + other "marginally attached workers", or "loosely attached workers", or those who "would like" and are able to but have not looked for work recently.

U6 : U5 + Part-time workers who want to work full-time, but cannot due to economic reasons.



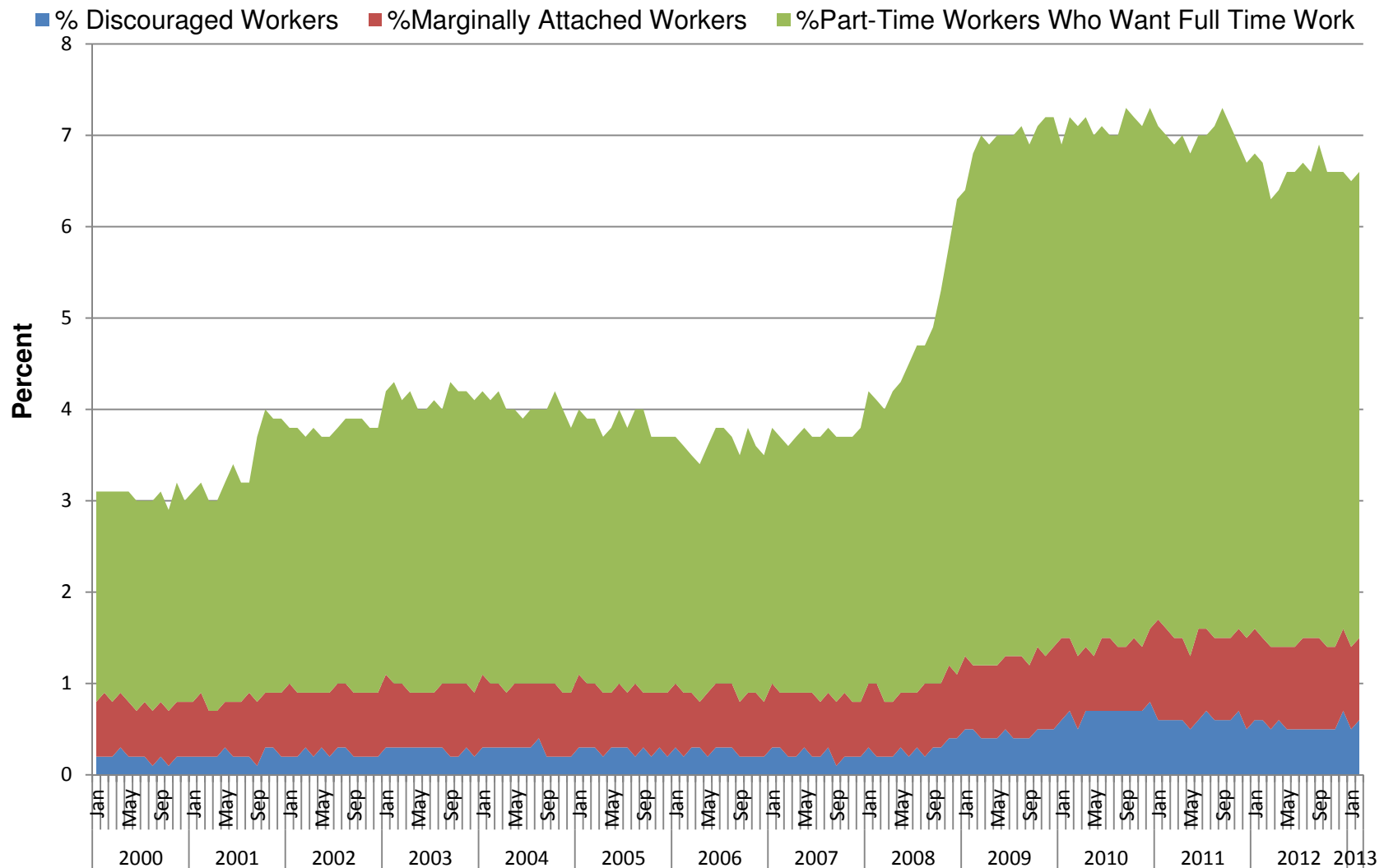
Source: BLS and Cumberland Advisors, Inc.

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Sources of Difference Between U6 and Standard Employment Statistic



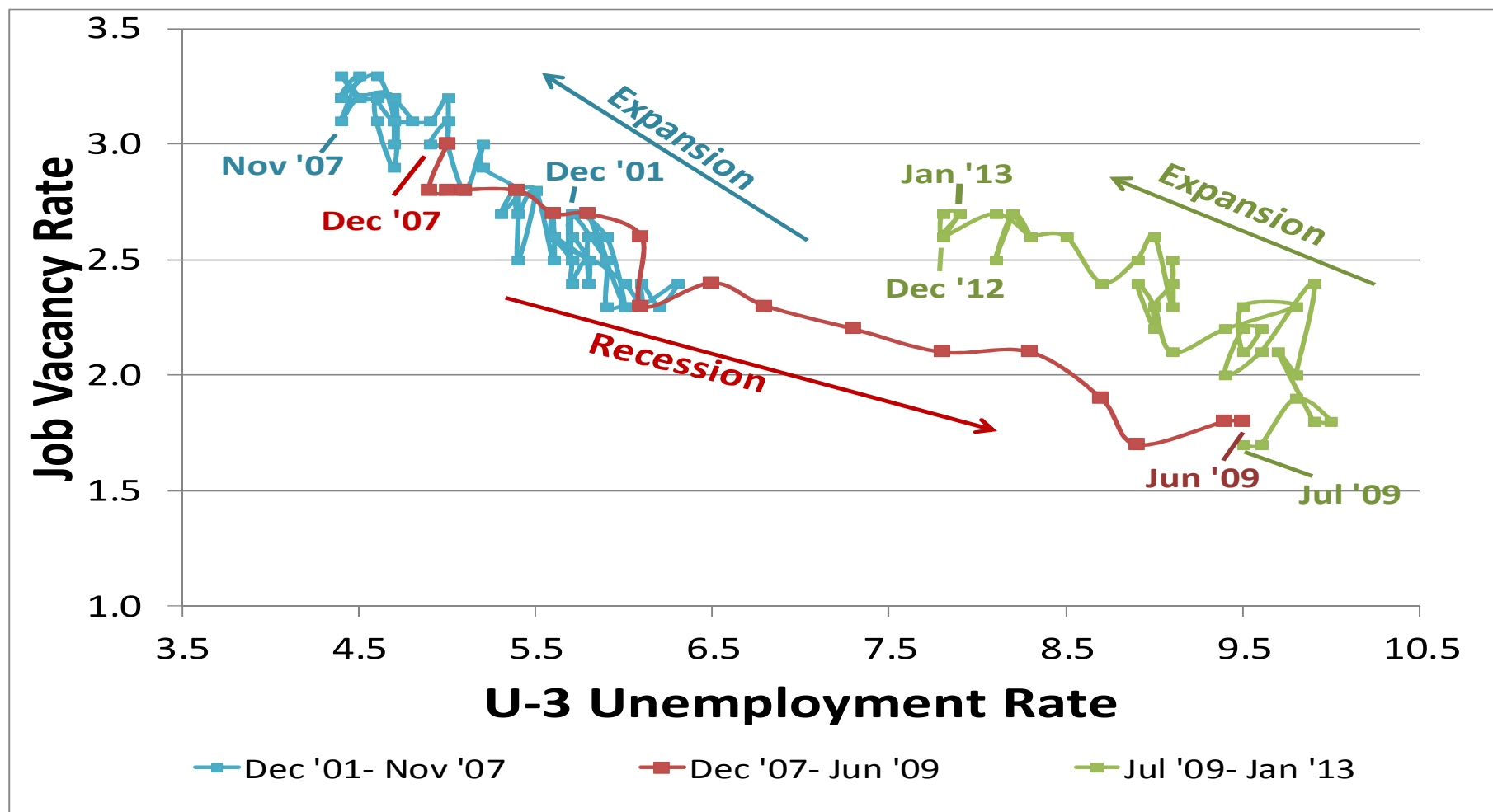
Source: BLS and Cumberland Advisors, Inc.

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The Beveridge Curve: Job Vacancy Rate vs. U-3 Unemployment Rate (Seasonally Adjusted)



Source: Bureau of Labor Statistics, Current Population Survey and Job Openings Labor Turnover Survey, March 12, 2013

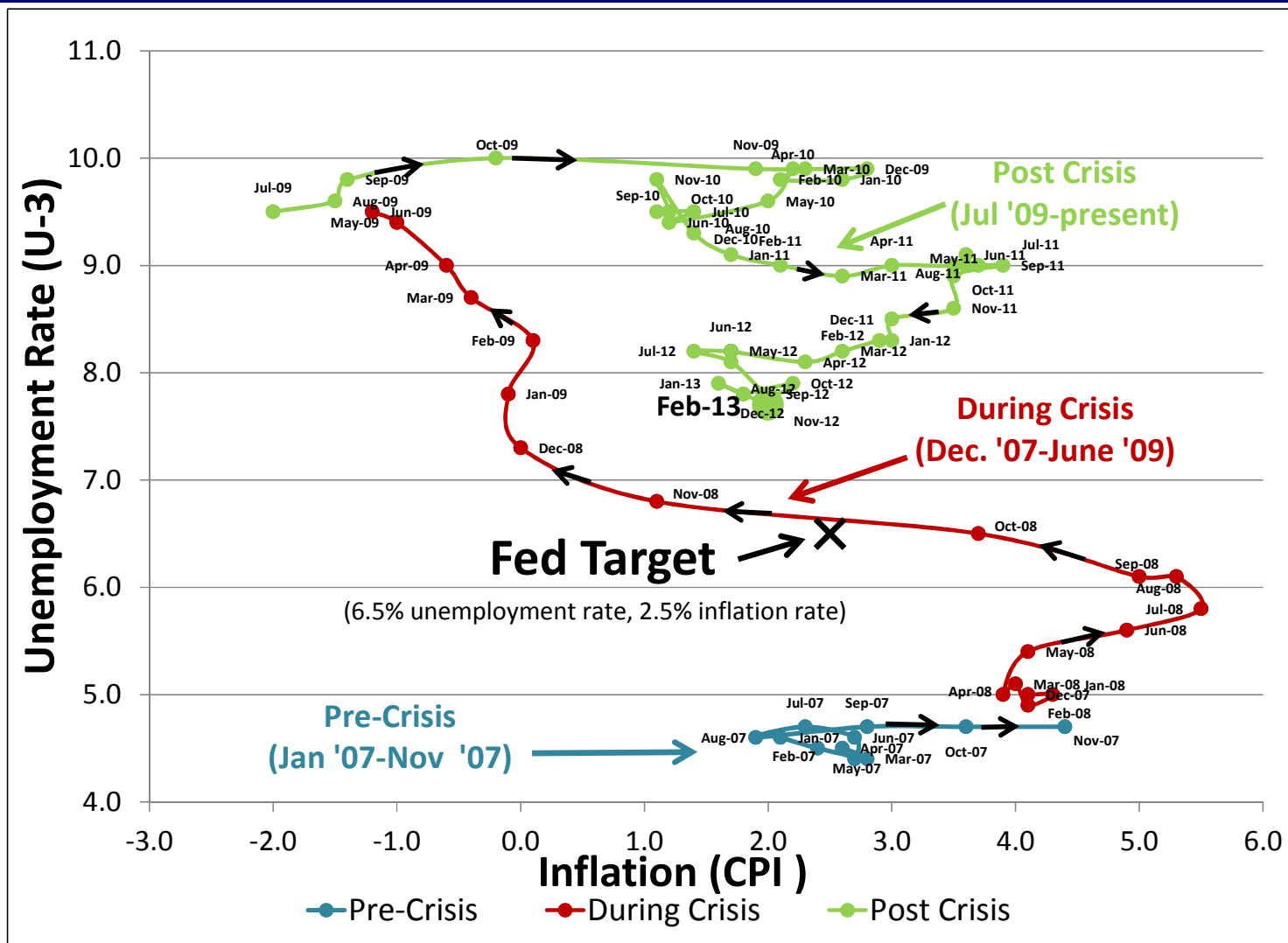
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Monthly Unemployment vs. Inflation



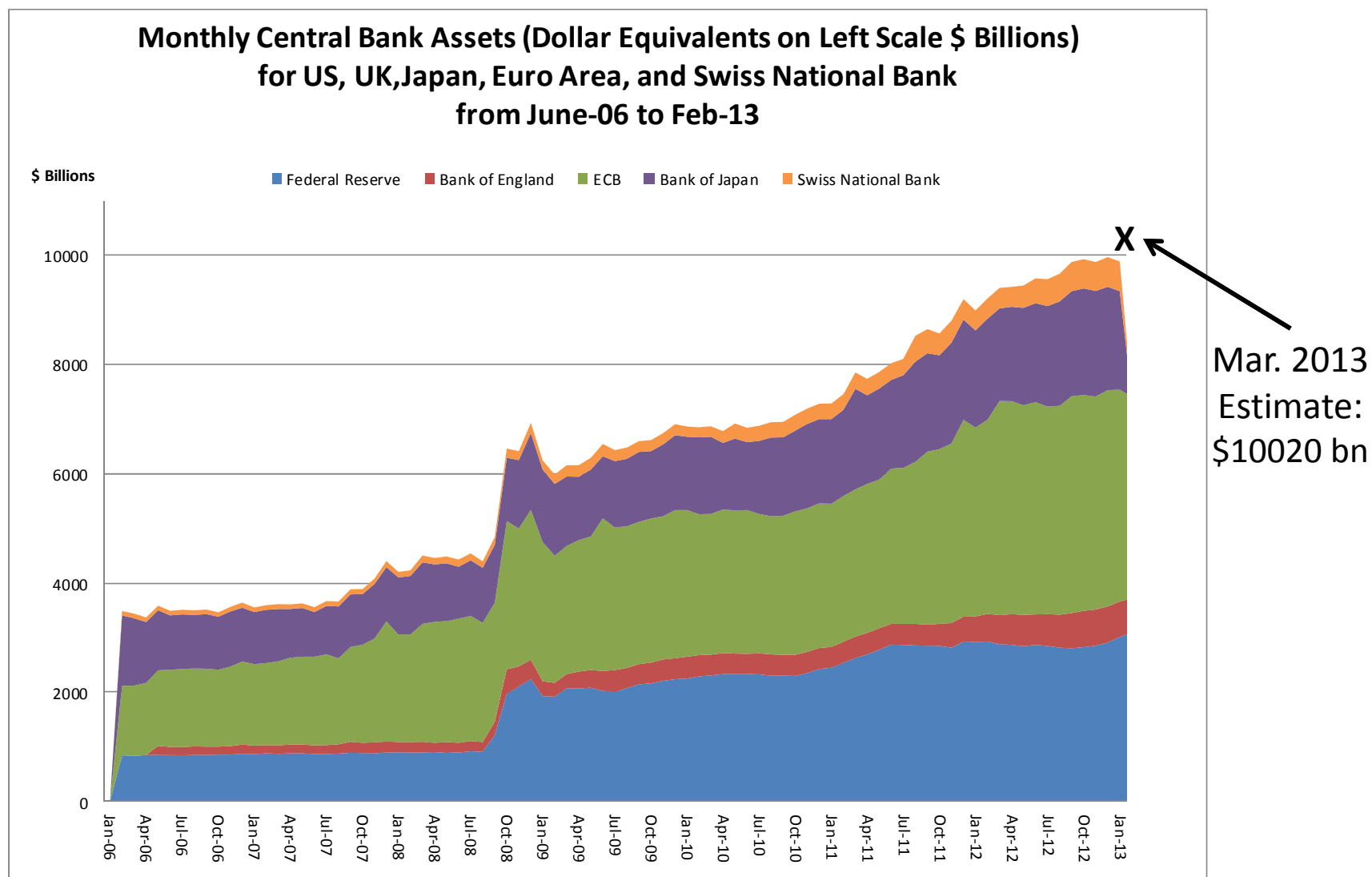
Source: Concept: Thomas W. Synnott, Bureau of Labor Statistics March 15, 2013

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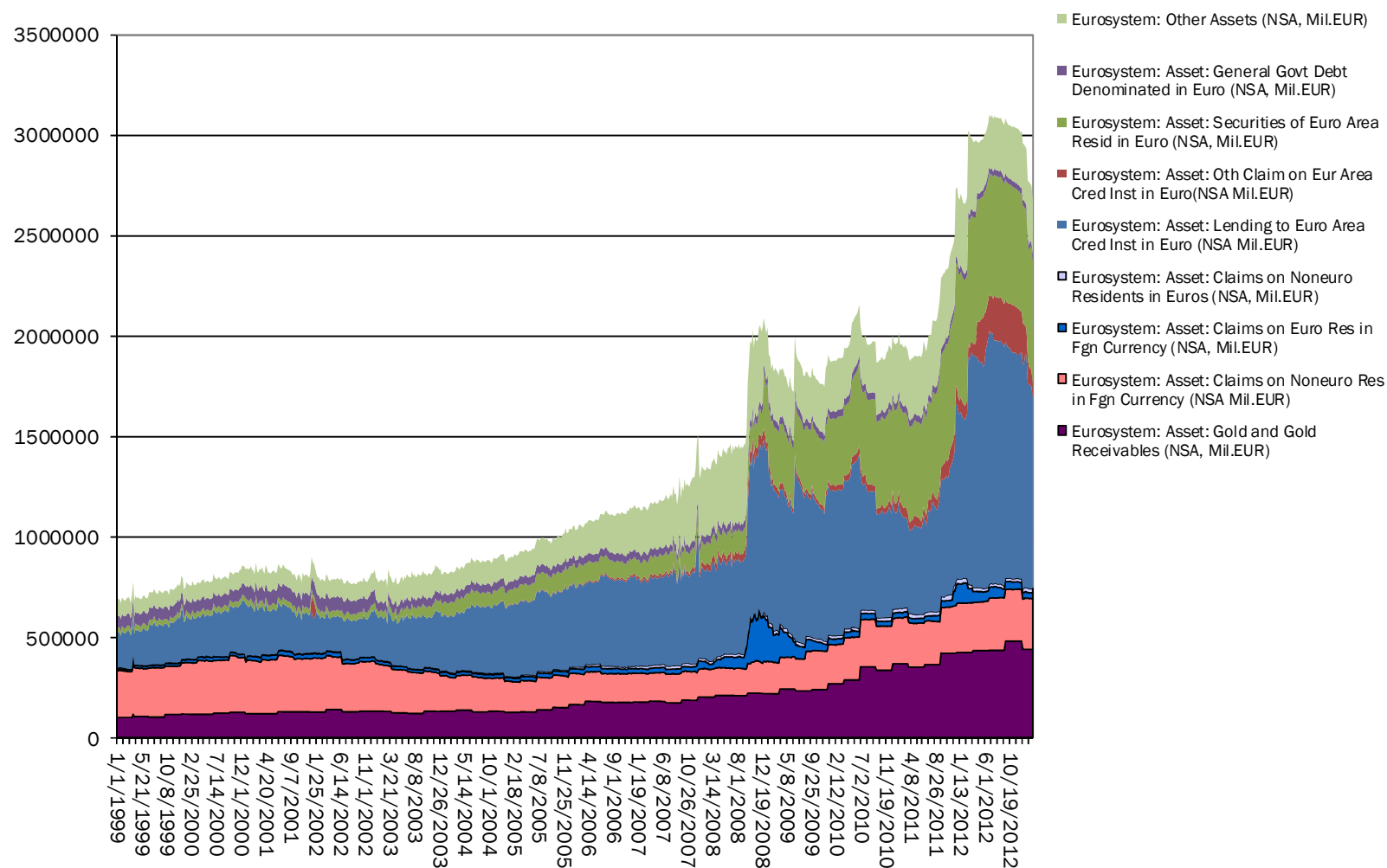
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Total Assets of Major Central Banks



European System of Central Banks

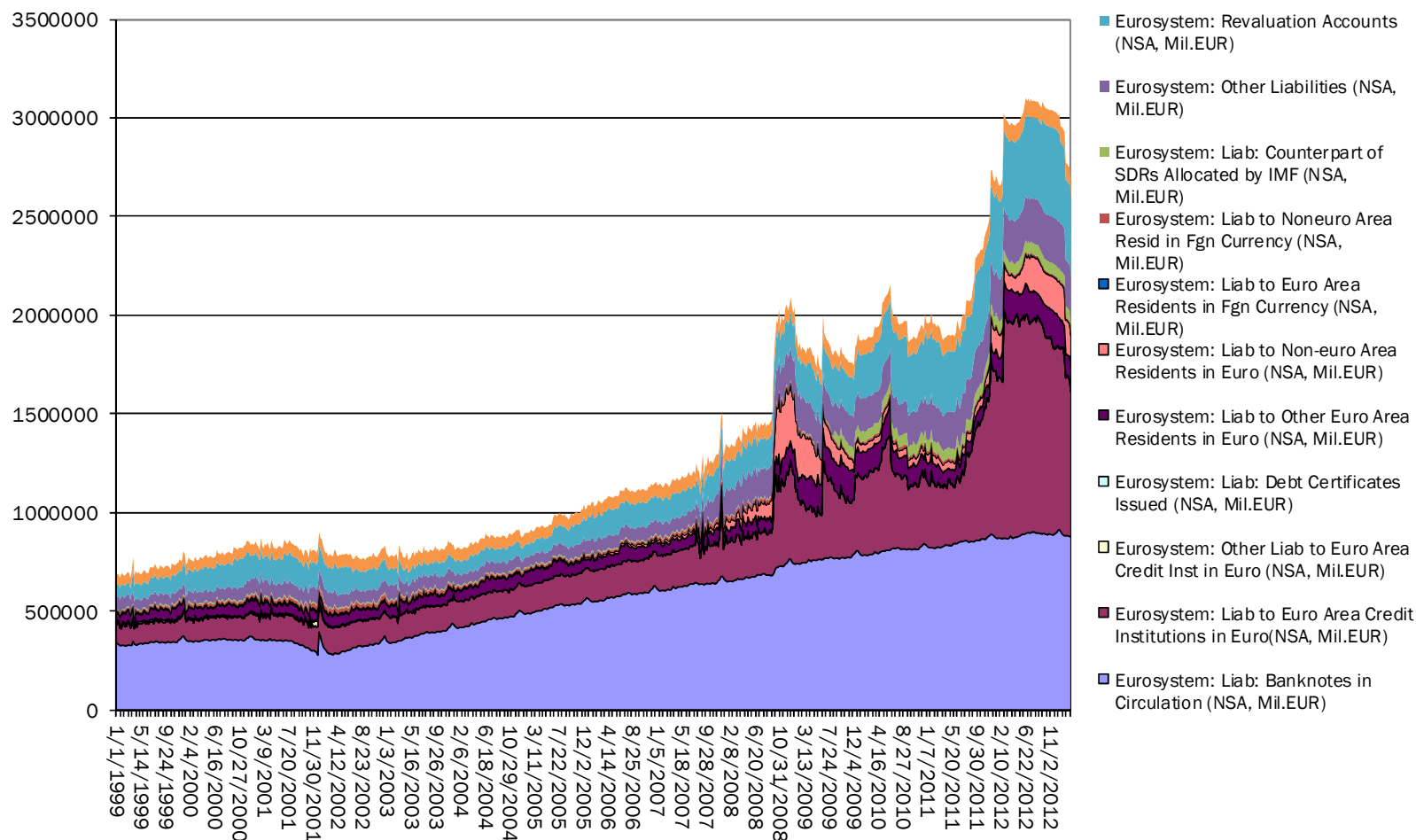
European System of Central Banks Assets in Euros from 01/05/07 to 03/01/13



Source: Oesterreichische Nationalbank.

European System - Liabilities

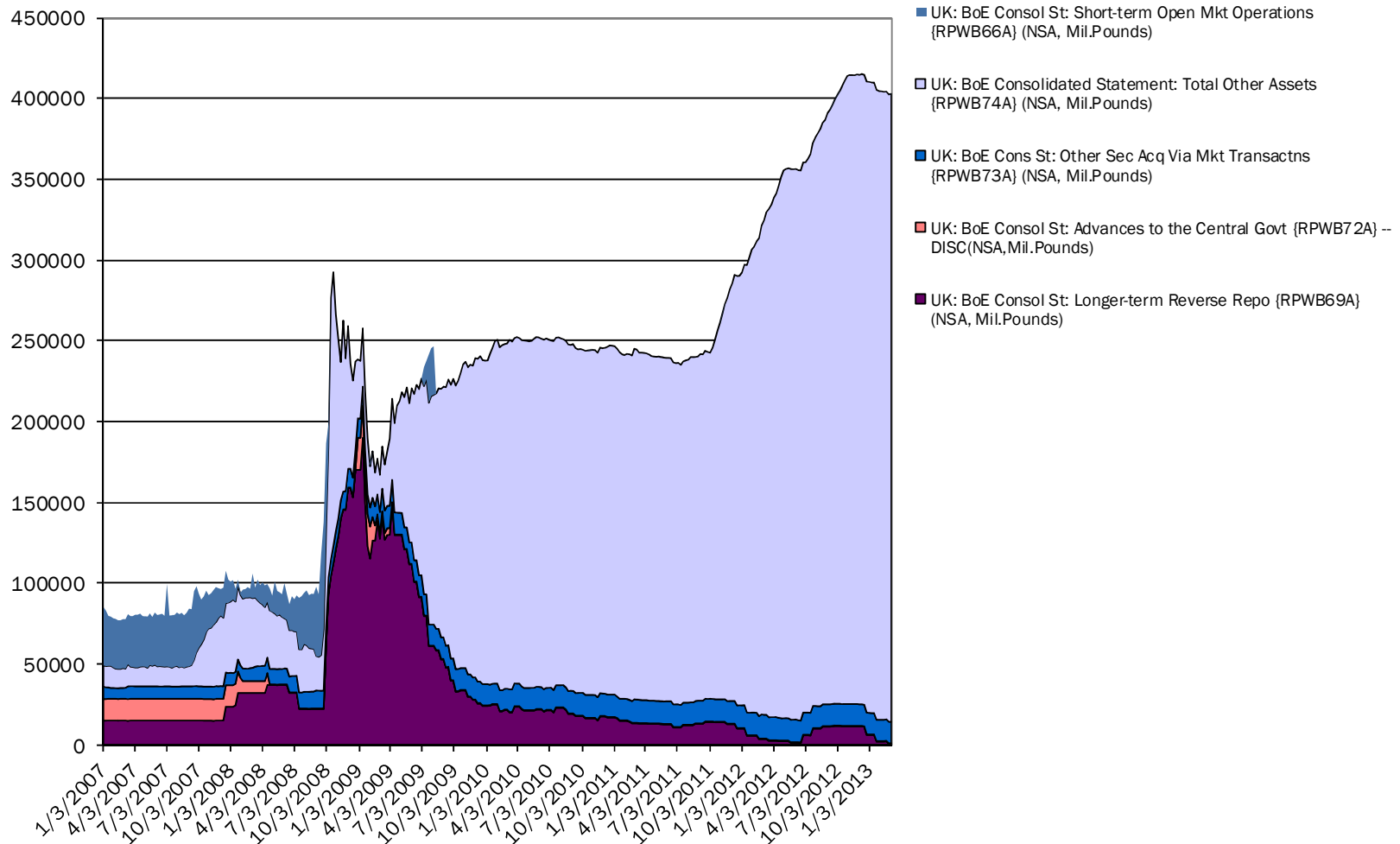
European System of Central Banks Liabilities in Euros from 01/05/07 to 03/01/13



Source: Oesterreichische Nationalbank.

Bank of England Assets

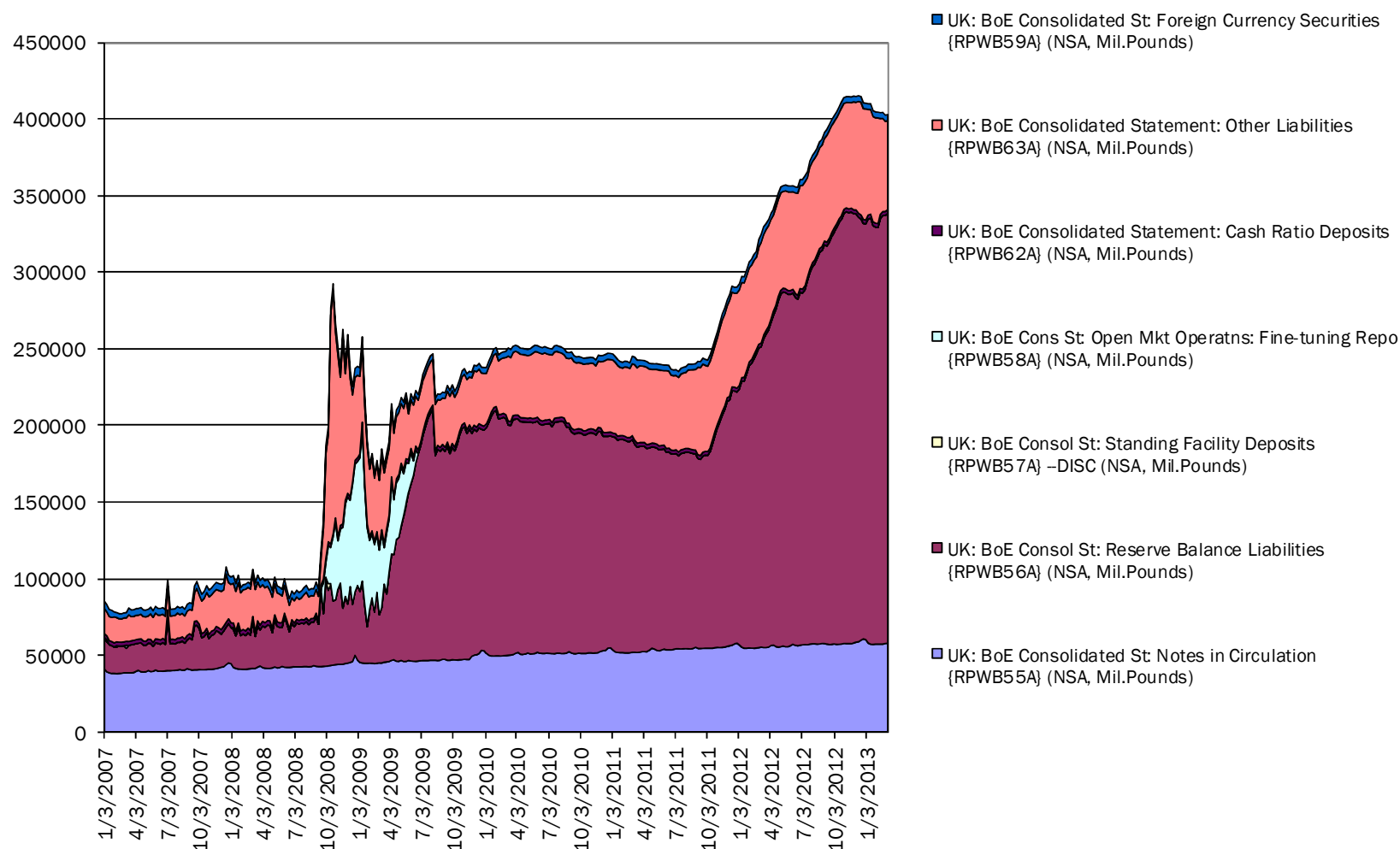
Bank of England Assets in Pounds Sterling from 01/03/07 to 03/06/13



Source: Bank of England.

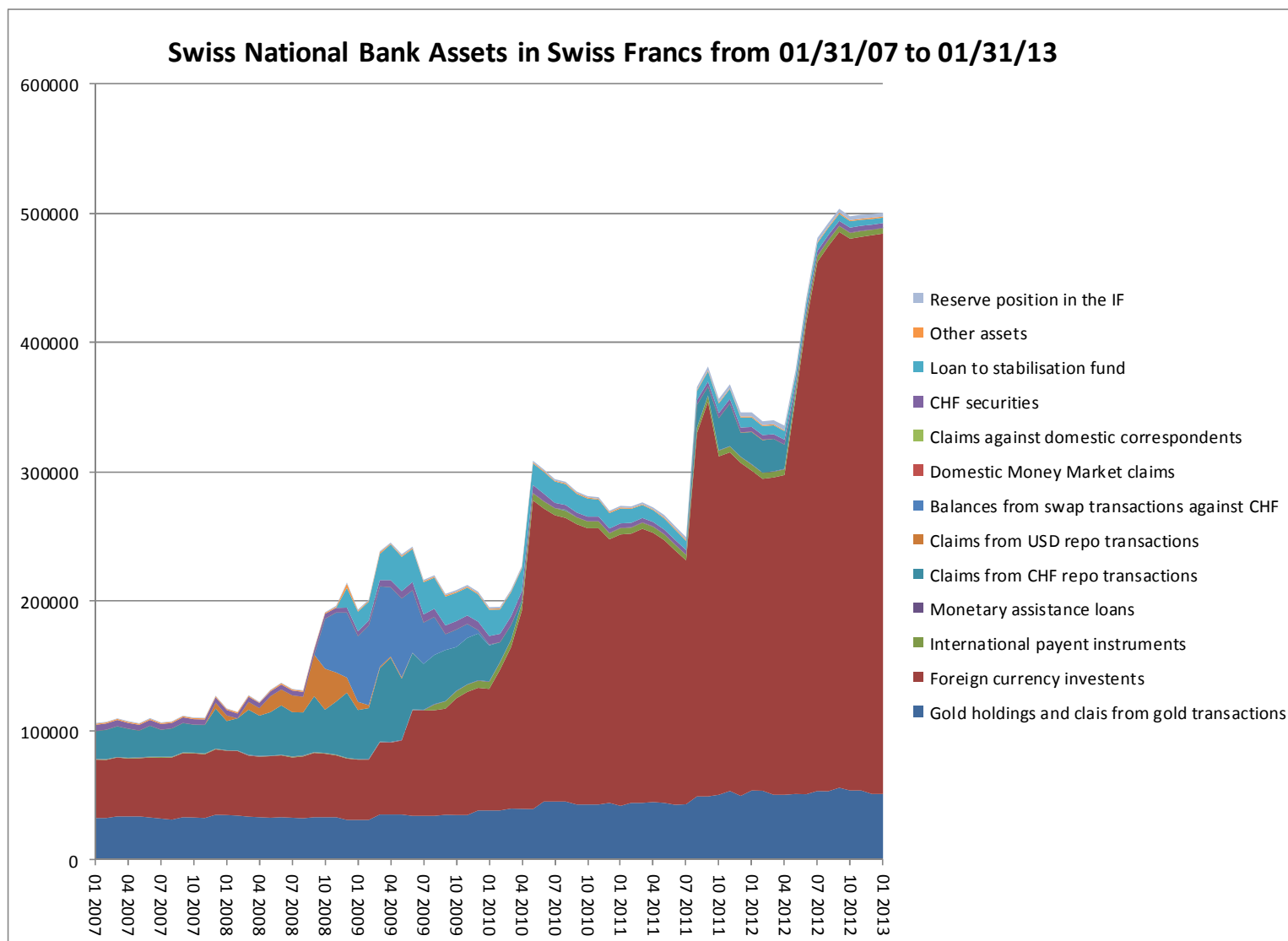
Bank of England Liabilities

Bank of England Liabilities in Pounds Sterling from 01/03/07 to 03/06/13

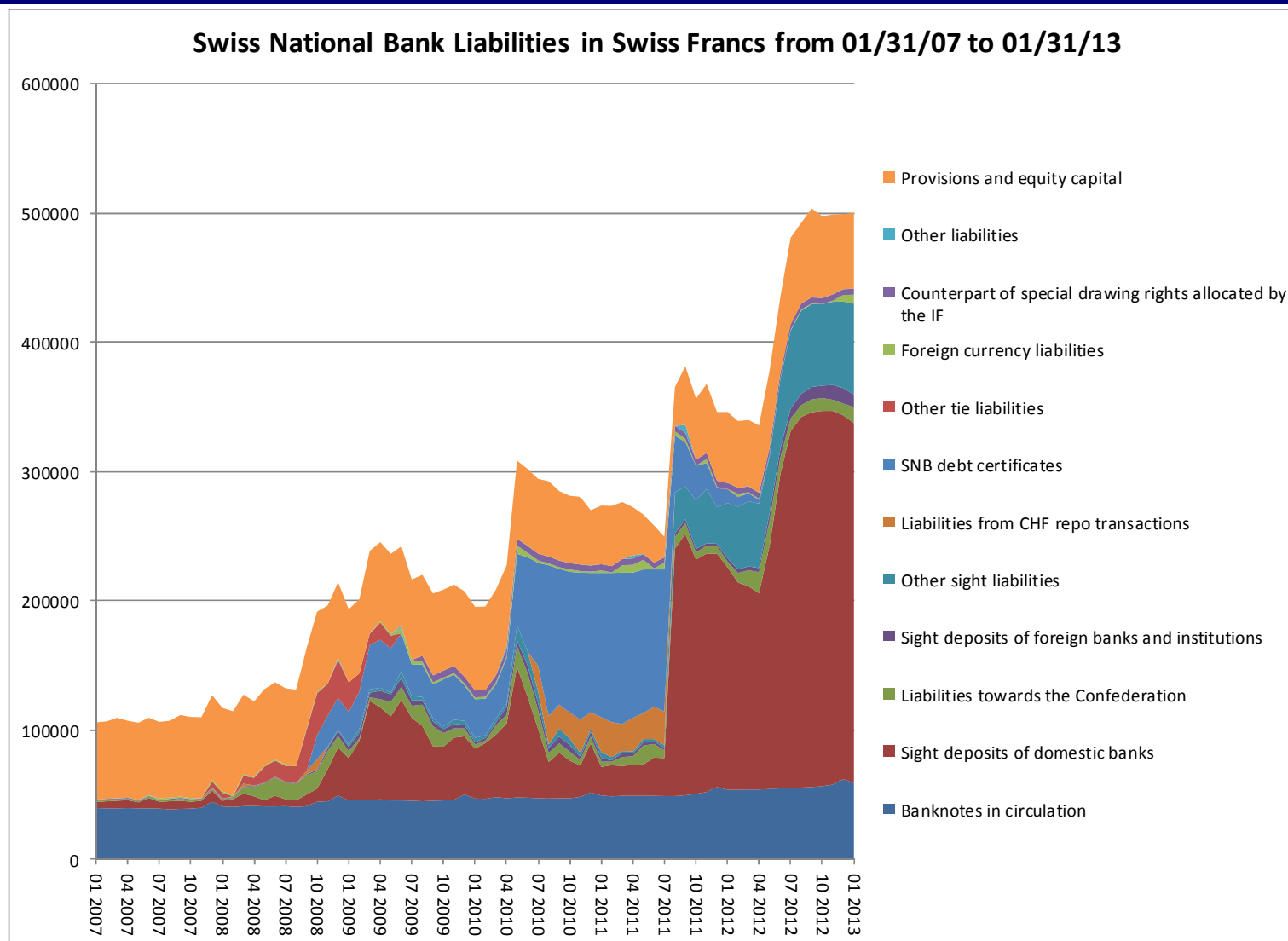


Source: Bank of England.

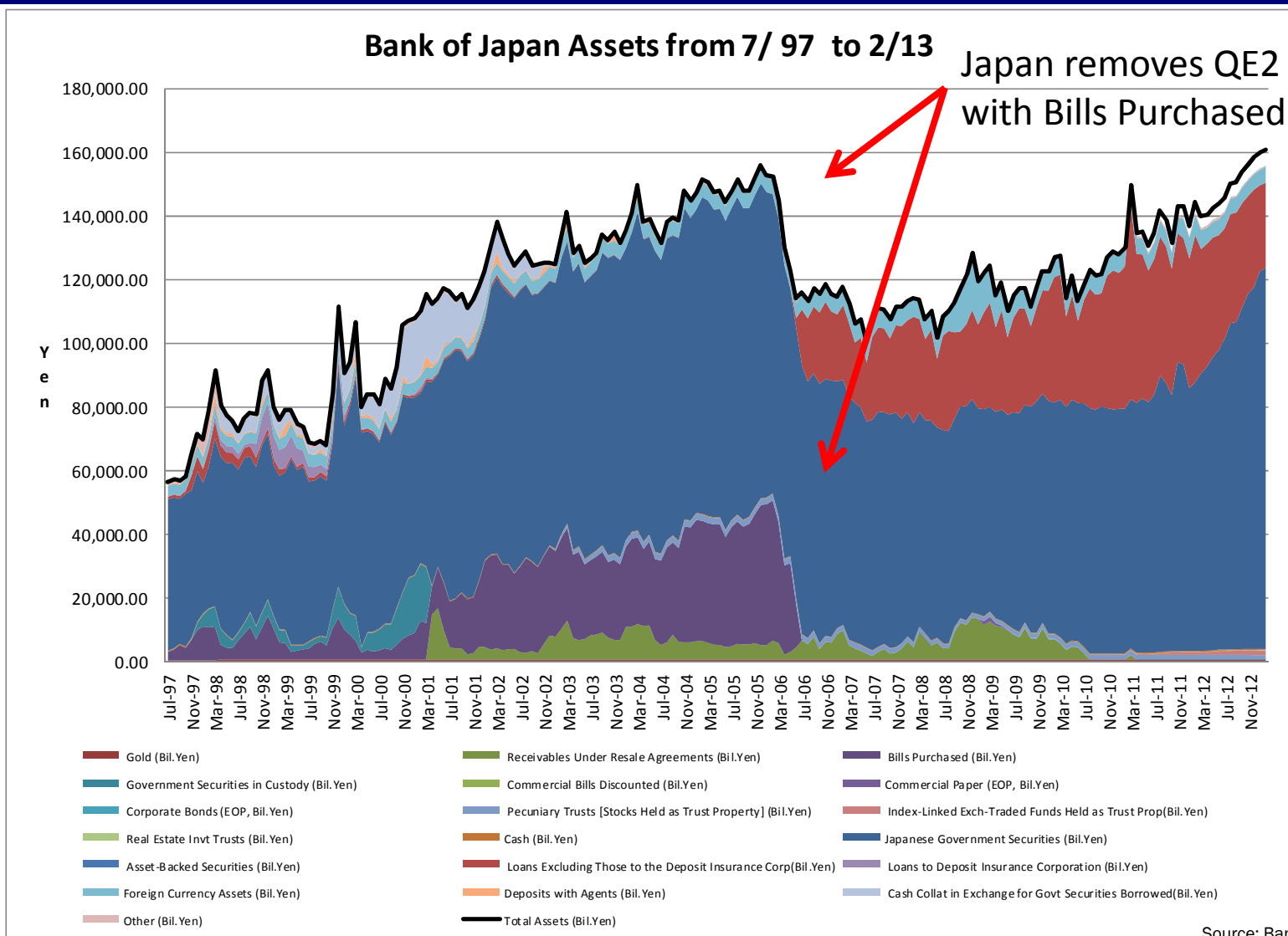
Swiss National Bank Assets



Swiss National Bank Liabilities

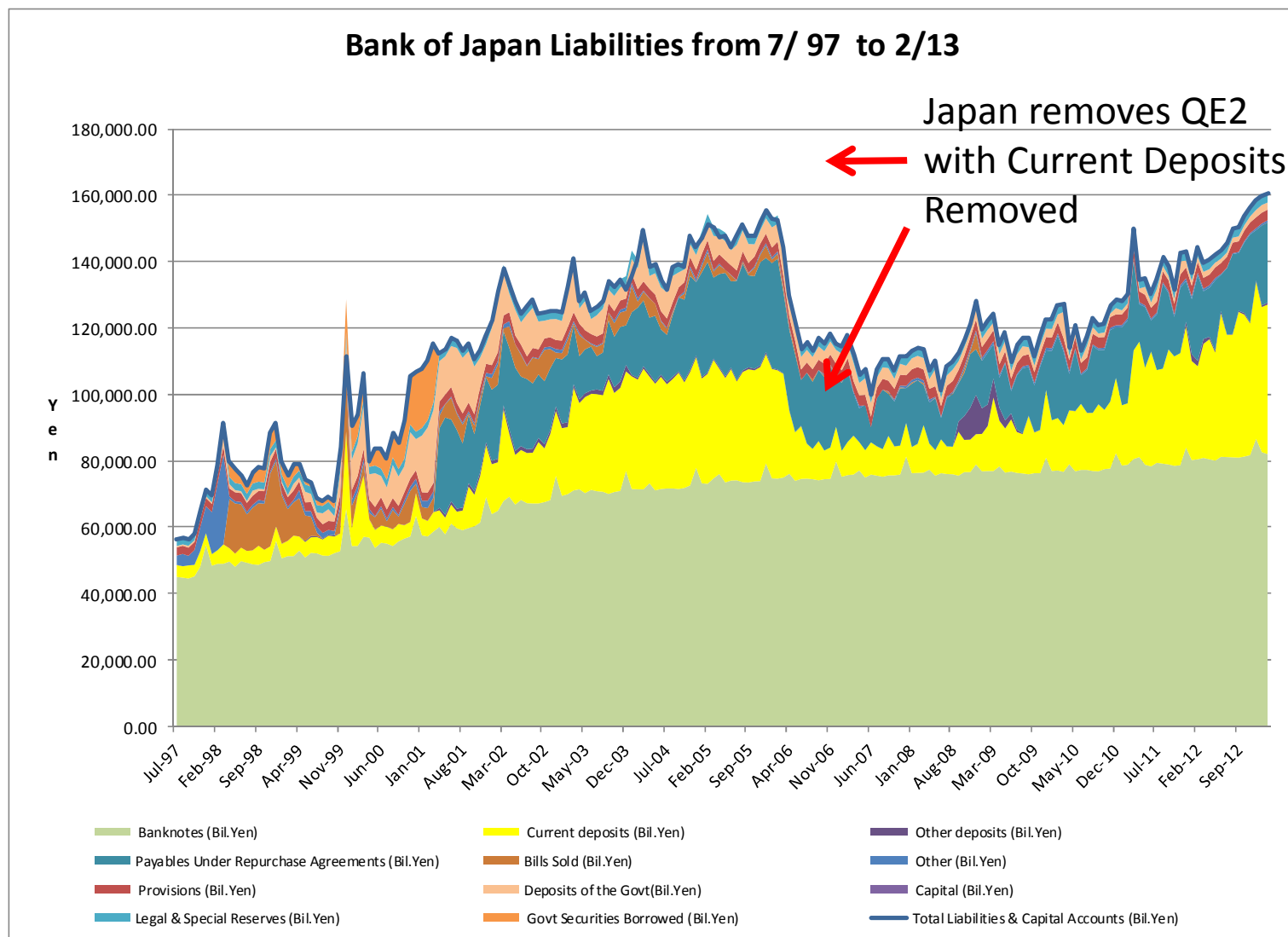


Bank of Japan Assets



Source: Bank of Japan.

Bank of Japan Liabilities



Source: Bank of Japan.

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