Launch of the 2016 OECD Economic Survey of the United States

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In Part Due to Different Policy Responses to the Crisis, the United States and the Euro Area Have Seen Diverging Output Paths

Real GDP per Capita, Euro Area and United States

Index (Pre-Crisis Peak = 100)

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

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

May-16

Average Hourly Earnings for All Private Workers

Consumer Price Index - All Urban Consumers
Productivity Growth Has Slowed Across All G-7 Economies

Source: Conference Board, Total Economy Database; CEA calculations.

Labor Productivity Growth, G-7 Countries

Source: Conference Board, Total Economy Database; CEA calculations.
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

Source: Organisation for Economic Co-operation and Development.
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.

Firm and Labor Market Dynamism, 1977-2013

Rate (Percent)
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