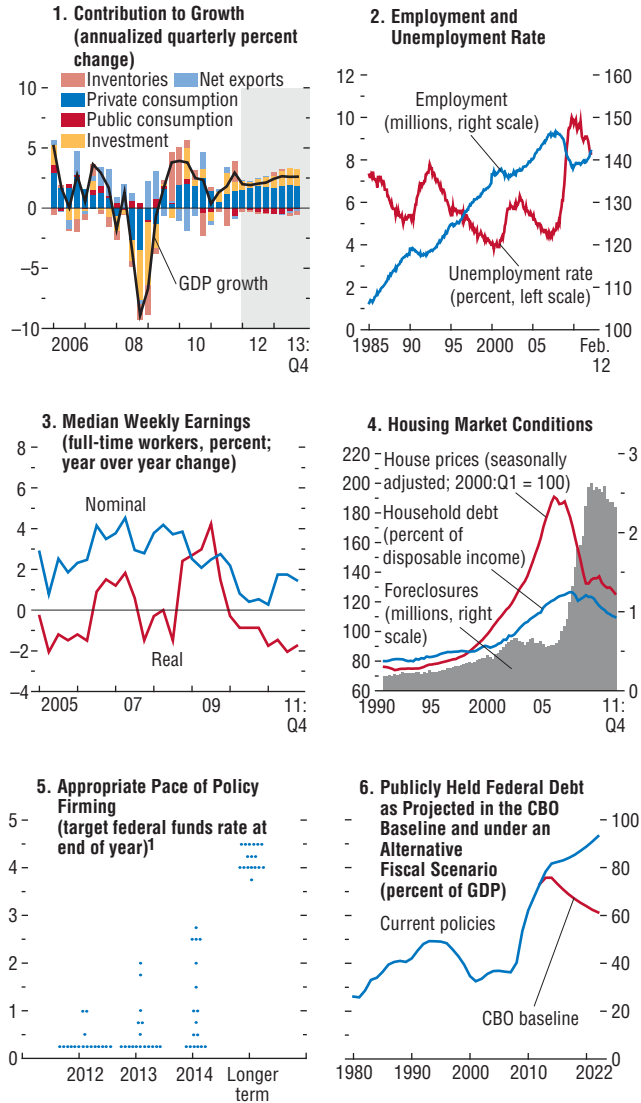


## Figure 2.7. United States: Pulling Itself up by Its Bootstraps

Growth in the United States surprised with the quarterly pace increasing through the year. This was reflected in stronger labor market outcomes, although wage growth is still weak. The United States is facing significant policy challenges related to housing market weakness, the zero lower interest rate bound of monetary policy, and increasing government debt. Recent innovations to the Federal Reserve's communications strategy may help with the zero lower bound, but much more needs to be done on multiple fronts.



Sources: Board of Governors of the Federal Reserve; Congressional Budget Office (CBO); Haver Analytics; and IMF staff estimates.

<sup>1</sup>Each dot denotes the value of an individual Federal Open Market Committee (FOMC) participant's judgment of the appropriate level of the target federal funds rate at the end of the specified time period, as recorded during the January 24–25, 2012, FOMC meeting.