



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON D.C. 20551

DIVISION OF RESEARCH AND STATISTICS

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STRICTLY CONFIDENTIAL (FR)
CLASS II - FOMC

To: Federal Open Market Committee

From: Mike Prell

A handwritten signature in black ink, appearing to be "MJP", written over the printed name "Mike Prell".

Chairman Greenspan recently issued the call for Humphrey-Hawkins forecasts. One difficulty you will encounter is the fact that there will be a discontinuity in the reported unemployment rate series, when the BLS introduces the new household (CPS) survey and Census benchmark in early February. May I suggest that, for the sake of uniformity, you assume that the unemployment rate will be elevated by 0.6 percent by these changes (about 0.5 from the CPS revision and 0.1 for the Census)? This would be consistent with the data provided by the BLS to date, and we can revisit the question after February 4 if any new information comes to light.