

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
DIVISION OF RESEARCH AND STATISTICS

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**Date:** October 15, 2019  
**To:** Federal Open Market Committee  
**From:** Stacey Tevlin  
**Subject:** Unemployment Rate Benchmarks

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The attached memo, prepared by Richard Crump (FRB-New York), Christopher Nekarda (Board), and Nicolas Petrosky-Nadeau (FRB-San Francisco), “Unemployment Rate Benchmarks,” discusses various concepts of unemployment rate benchmarks that are frequently used by policymakers for assessing the current state of the economy as it relates to the pursuit of both price stability and maximum employment. In particular, the memo proposes two broad categories of unemployment rate benchmarks that could be viewed as consistent with the Committee’s policy objectives and describes how various measures used by economists fit within this taxonomy. One goal of this memo is to facilitate the use of a common set of terms for assessments of current economic conditions and deliberations among policymakers.