

Understanding the NAIRU Natasha Cassidy (Economic Analysis)

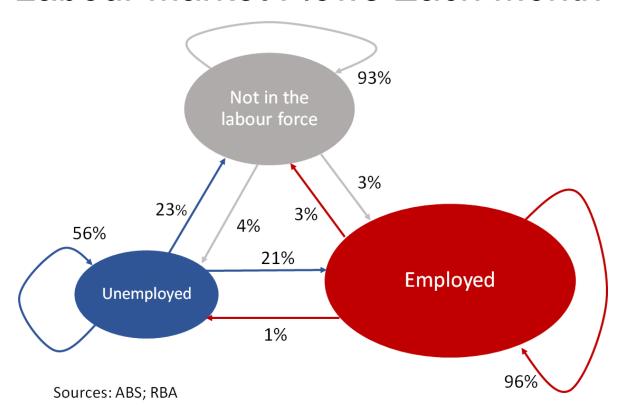
Education

Outline

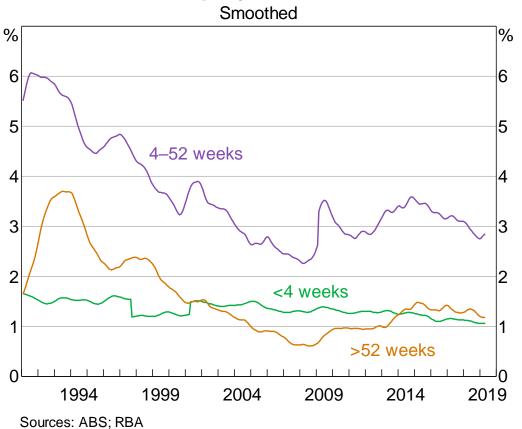
- Spare capacity in the labour market
 - Why is it important?

- How can we measure spare capacity?
 - Unemployment
 - Underemployment
 - NAIRU

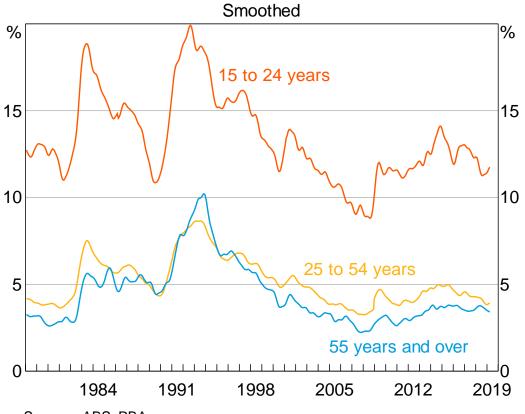
Labour Market Flows Each Month



Unemployment Rates

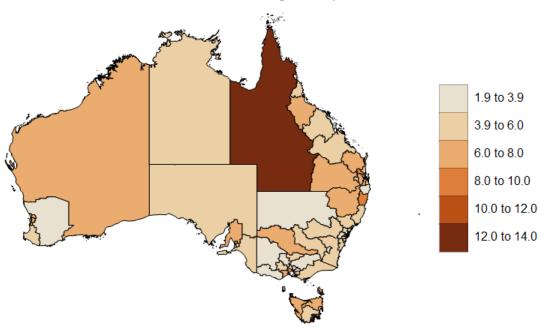


Unemployment Rate by Age



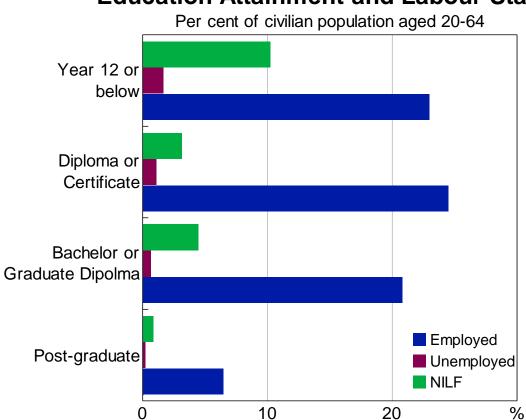
Unemployment Rates by Region

Per cent, SA4 regions, April 2019

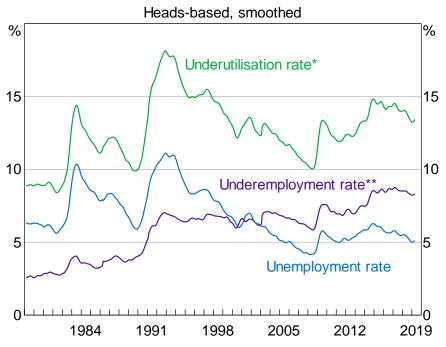


Notes: average unemployment rate over previous 12 months

Education Attainment and Labour Status



Labour Underutilisation

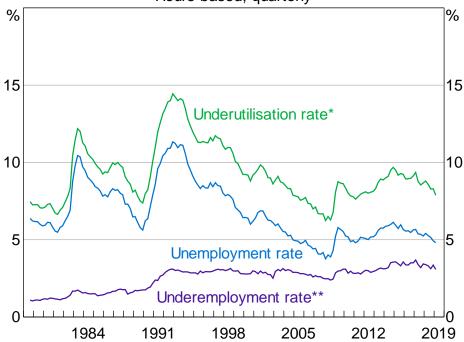


- * Sum of the unemployment and underemployment rates
- ** Full-time workers on reduced hours for economic reasons and part-time workers who would like, and are available, to work more hours

Source: ABS

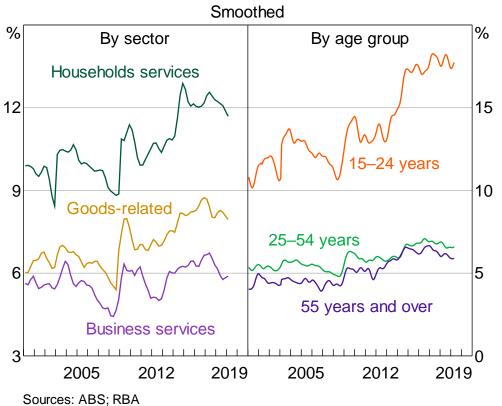
Labour Underutilisation



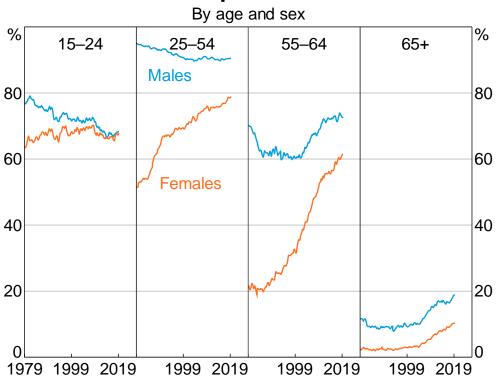


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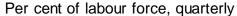
Underemployment Rates

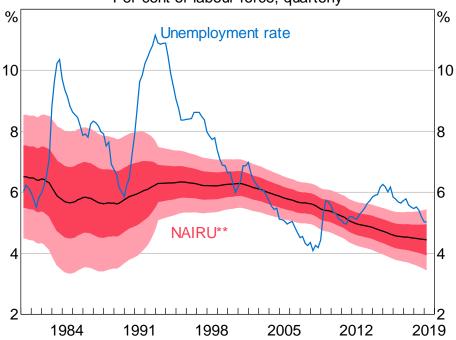


Participation Rate



NAIRU Estimates*





- * Two-sided smoothed estimates
- ** Shaded areas represent one and two standard error bands around central estimates

