

Non-stationary Inflation and Panel Estimates of United States Short and Long-run Phillips Curves

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DATA APPENDIX

The consumer price index (CPI) and unemployment rate data are seasonally adjusted and obtained directly from the United States of America, Bureau of Labour Studies (BLS). The monthly data for the period January 1952 to November 2004 was downloaded on 25 November 2004. The quarterly data for March 1952 to September 2004 is the average of the monthly data. The mnemonics are those from the BLS database. Gross domestic product (GDP) data was downloaded on 10 October 2010 from the United States of America, Bureau of Economic Analysis. All data are available at www.BillRussell.info.

Table A1: Sources and details of the data manipulation

CPI inflation: The monthly CPI is the United States city average, all items, 1982-84=100, ID: CUSSR0000SA0. CPI inflation is the change in the natural logarithm of the quarterly CPI multiplied by 400 to give the annualised rate. **DLCPI in Excel file.**

Unemployment rate: The unemployment rate is the number of people over 16 years of age as a percentage of the non-institutionalised civilian population, ID: LNS14000000. **UE in Excel file.** The unemployment rate appears to have an increasing linear trend up to the middle to late 1970s and then a slight declining linear trend thereafter. Perron 1998 test confirms this and identifies a shift in the constant and break in trend in June 1978. The de-trended unemployment rate, $(U - U^*)_t$, is obtained by regressing the unemployment rate on a constant, a 'shift' dummy for June 1978 to September 2004, trend, a truncated trend that is zero up to and including March 1978 and then increasing in unit steps between June 1978 and September 2004, and a 'spike' dummy for June 1978. **uesmooth in Excel file.**

Gross domestic product: Constant price GDP chained 2005 prices from line 1 of the NIPA Table 1.1.6.

The natural logarithm of constant price GDP and unemployment rate data are de-trended for Table 5 with (i) a Hodrick-Prescott filter (**lyhp and uehp in the Excel file**), and (ii) an unrestricted regime based trend and constant for each of the eight regimes (**lyhat and uehat in the Excel file**).