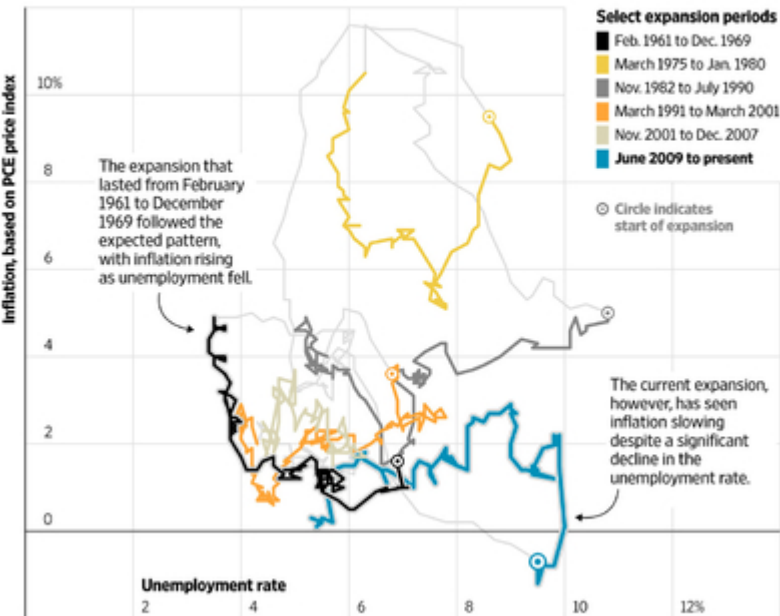


# Throwing a Curve

In theory, lower unemployment generates higher inflation, a relationship described by the Phillips curve. But the link has been unsteady over the past half-century.



Note: All data are seasonally adjusted.

Sources: Labor and Commerce Departments via Federal Reserve Bank of St. Louis (unemployment, PCE);  
National Bureau of Economic Research (expansion dates)

Randy Yeip/THE WALL STREET JOURNAL