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Hours Worked and Earnings: A Closer Look At Demand Pull Effects on Inflation

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Title: Demand Pull Inflation Trends 2006-2015
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Advisor: Dr. Robert Dean and Dr. Trevor Collier

- Research design: Use average hours worked and average hourly earnings trends as proxies for demand pull inflation.
- The model:
  \[ H = a + b(T) \]
  \[ E = a + b(T) \]
  \( H \) = average hours worked
  \( E \) = average hourly earnings
  \( T \) = time: 06-15, 09-15, 12-15

Analysis Table 2:
1) 09-15 trend above 06-15 trend
2) Short term 12-15 trend below 09-15 trend
3) Short term 12-15 trend in line with 06-15 trend
4) Weak long term trend in hours worked

Analysis Table 3:
1) 09-15 trend below 06-15 trend
2) 12-15 trend in line with 06-15 trend
3) Increase in trend 09-15 to 12-15
4) Growth in hourly earnings stable 06-15

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg Hours Worked</th>
<th>Avg Hourly Earnings</th>
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<tbody>
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<td>2006</td>
<td>34.4</td>
<td>20.31</td>
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<td>2009</td>
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<td>2010</td>
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<td>2015</td>
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