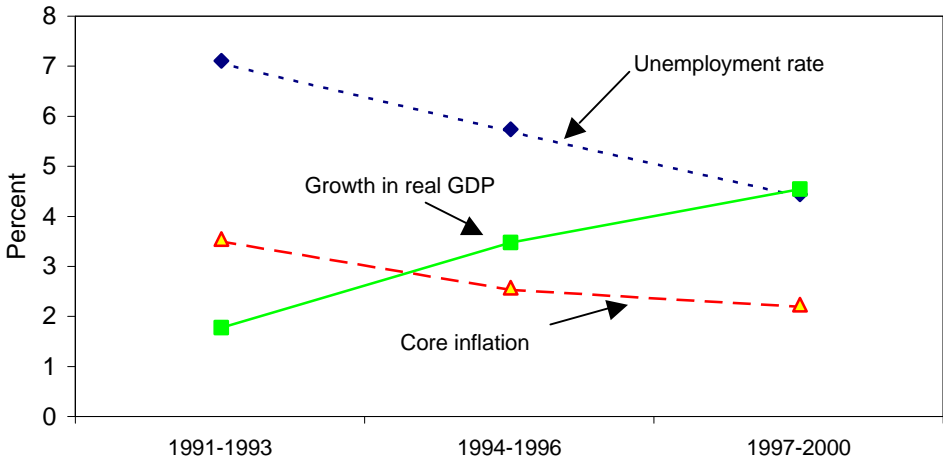


Chart 1: GDP growth, unemployment rate, and core inflation, 1991-2000

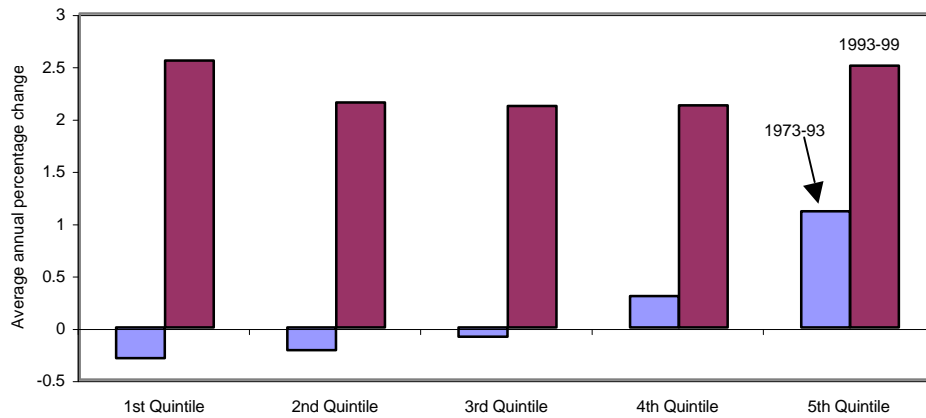


Note: Real GDP growth is deflated by chained 1996 dollars. Inflation is derived from core CPI-U-RS.

Unemployment rate is for civilian population.

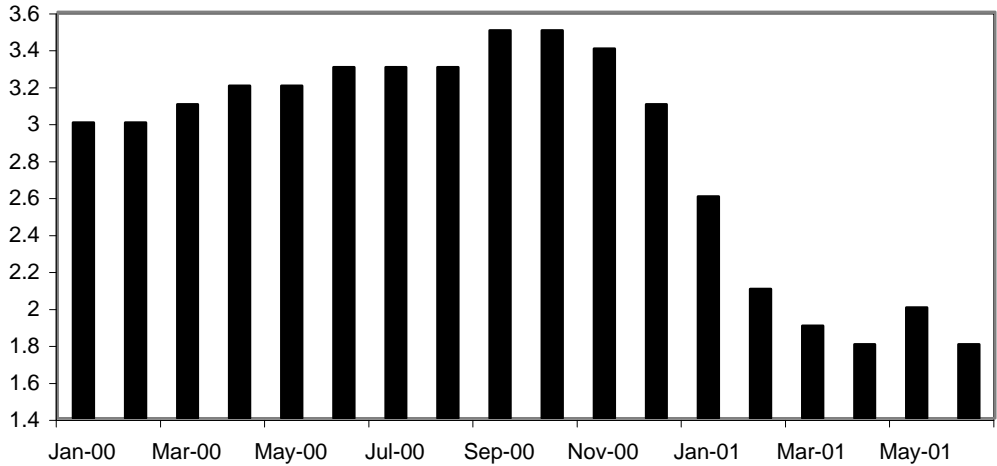
Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, *Economic Report of the President, 2001*.

Chart 2: Growth in real household income by quintile, 1973-93 and 1993-99.



Source: Bureau of the Census. Chart reproduced from the *Economic Report of the President*, 2001

Chart 3: Change in consensus forecasts of real GDP for 2001



Source: Blue Chip Economic Indicators, 10 June 2001.

**Table 1: Magnitude of economic slowdown**

	<i>Growth rate up to peak <sup>a</sup></i>	<i>Growth rate after peak <sup>b</sup></i>	<i>Difference</i>
1948-IV	3.7	-0.7	4.3
1953-III	5.6	-2.6	8.1
1957-III	3.1	-4.0	7.1
1960-II	2.1	-0.7	2.7
1969-IV	1.9	1.3	0.7
1973-IV	4.1	-2.1	6.2
1980-I	1.5	-0.4	1.9
1981-III	4.4	-3.1	7.5
1990-III	1.7	-1.0	2.6
2000-II	6.1	1.5	4.6

*Notes: a . Average annual growth rate for peak quarter and three preceding quarters.*

*b . Average annual growth rate for three quarters following the peak quarter.*

*Source: Bureau of Economic Analysis, author's analysis.*

**Table 2: Percent contribution to the growth slowdown**

	<i>Inventories</i>	<i>Equipment &amp; software</i>	<i>Other investment</i>	<i>Private consumption</i>	<i>Net exports</i>	<i>Government consumption</i>
<i>1948-IV</i>	89	38	11	14	-56	3
<i>1953-III</i>	11	25	-2	31	-8	42
<i>1957-III</i>	23	26	2	30	18	0
<i>1960-II</i>	16	46	-10	88	5	-45
<i>1969-IV</i>	12	65	23	27	-21	1
<i>1973-IV</i>	44	13	15	19	15	-8
<i>1980-I</i>	-2	29	13	34	-27	54
<i>1981-III</i>	61	17	16	17	-10	-1
<i>1990-III</i>	41	8	25	67	-41	0
<i>2000-II</i>	43	34	-1	30	-16	9
<i>Average</i>	34	30	9	36	-14	5
<i>Median</i>	32	28	12	30	-13	0

Source: Bureau of Economic Analysis, author's analysis.