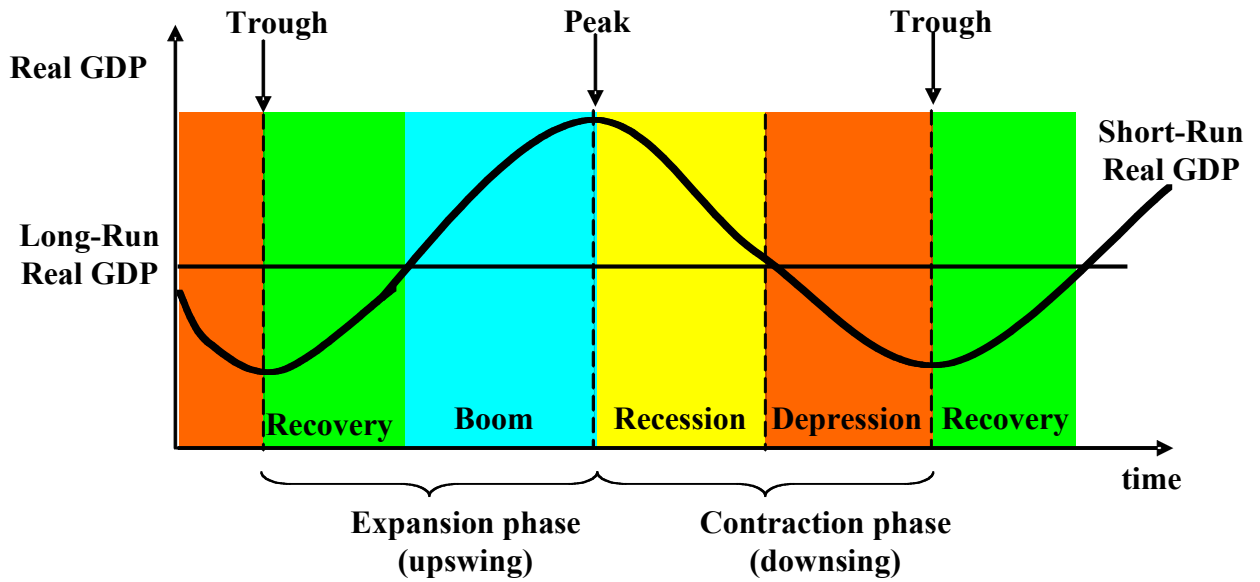
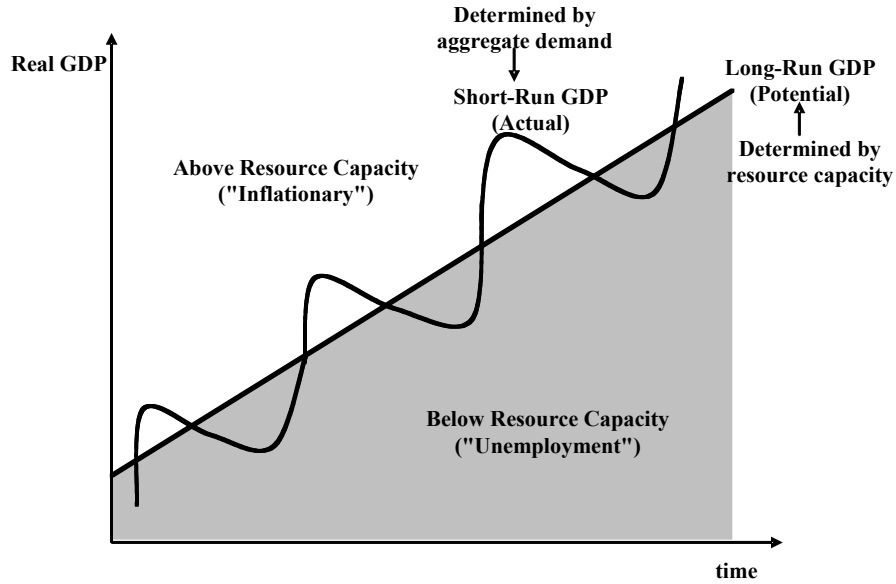


THE BUSINESS CYCLE



	Upswing: GDP increasing (from trough to peak)		Downswing: GDP falling (from peak to trough)	
Phase:	Recovery	Boom	Recession	Depression
Output level	GDP rising	GDP rising	GDP falling	GDP falling
Price level	CPI falling	CPI falling	CPI rising	CPI falling

THE US BUSINESS CYCLE
(1833-2010)

Upswing			Downswing		
Trough	Months Up	Upswing Event	Peak	Months Down	Downswing Event
October 1833	40	Jacksonian Boom	February 1837	14	Panic of 1837
April, 1838	11		March 1838	47	The Great Contraction
February, 1843	55	(Mexican-American War)	September 1847	15	British Panic of 47
December, 1848	63	Frontier Boom	March 1854	9	
December, 1854	30	Frontier Boom	June 1857	18	Panic of 1857
December 1858	22		October 1860	8	
June, 1861	46	Civil War	April 1865	32	Post-War Adjustment
December, 1867	18	Railroad boom	June 1869	18	
December, 1870	34	Railroad boom	October 1873	65	The Long Depression (Panic of 1873)
March, 1879	36	Farmers' Boom	March 1882	38	'Industrial Correction'
May 1885	22	Industrial Boom	March 1887	13	
April 1888	27		July 1890	10	British Contagion (Barings Crisis)
May 1891	20	Silver Purchase Boom	January 1893	17	Gold Crisis (Panic of 1893)
June 1894	18	Gilded Age	December 1895	18	Bryan Campaign
June 1897	24	Gilded Age	June 1899	18	
December 1900	21	Gilded Age	September 1902	23	Panic of 1903
August 1904	33	Global Boom	May 1907	13	Knickerbocker Crisis (Panic of 1907)
June 1908	19		January 1910	24	Recession of 1910-11
January 1912	12	Agricultural Boom	January 1913	23	Balkan Crisis
December 1914	44	World War I Boom	August 1918	7	Post-war contraction

March 1919	10	Victory Loan Boom	January 1920	18	Deflation of 1920
July 1921	22	Roaring Twenties	May 1923	14	mild recession
July 1924	27	Roaring Twenties	October 1926	13	mild recession
November 1927	21	Roaring Twenties	August 1929	43	The Great Depression
March 1933	50	The New Deal Era	May 1937	13	The Second Dip
June 1938	80	World War II Boom	February 1945	8	Post-war contraction
October 1945	37		November 1948	11	
October 1949	45	Korean War Boom	July 1953	10	
May 1954	39	Eisenhower Expansion	August 1957	8	
April 1958	24		April 1960	10	
February 1961	106	Vietnam War/Great Society	December 1969	11	Recession of 1970
November 1970	36		November 1973	16	First OPEC shock, Stagflation of the 70s
March 1975	58	The Great Inflation	January 1980	6	Second Oil shock
July 1980	12		July 1981	16	Volcker Recession
November 1982	92	Reagan Boom	July 1990	8	Bush I recession
March 1991	120	"New Economy"	March 2001	8	Dot-com crash
November 2001	73	"War on Terror"	December 2007	18	Subprime Crisis
June 2009	...	"Obama Recovery"			

[Note: Data from the National Bureau of Economic Research (NBER). The NBER is a non-government organization, so their dating doesn't always coincide with that of the federal government. <http://wwwdev.nber.org/cycles/cyclesmain.html>]

Upswing = From trough to peak
Downswing = From peak to trough

Average Length

Old Regime: 1854-1919 (16 cycles) : Upswing = 27 months, Downswing = 22 months
 Interwar: 1919-1945 (6 cycles) : Upswing = 35 months, Downswing = 18 months
 New Regime : 1945-1991 (10 cycles) : Upswing = 57 months, Downswing = 10 months
 All Regimes: 1854-1991 (32 cycles) : Upswing = 38 months, Downswing = 17 months

THE GREAT DEPRESSION & NEW DEAL

	GDP Growth Rate	Unemployment Rate	Events
1929	-5%	3.2%	Herbert Hoover takes office Wall Street Crash
1930	-9.4%	8.7%	Federal Reserve cuts interest rates, Smoot-Hawley tariff
1931	-8.9%	15.9%	First bank panic Britain abandons Gold Standard
1932	-13.4%	23.6%	Top income tax rate raised from 25% to 63%, Second bank panic Supreme Court strikes down anti-trust laws, RFC begins Federal Home Loan Bank Act First Glass-Steagall Act Herbert Hoover loses election
1933	-2.1%	24.9%	Franklin Delano Roosevelt takes office, New Deal begins "First Hundred Days" (CCC, FERA, PWA, TVA) Bank holiday stops third bank panic Second Glass-Steagall Act (FDIC) National Industrial Recovery Act (NRA) Truth-in-Securities Act Farm Credit Act (FCA) Agricultural Adjustment Act (AAA) US abandons Gold Standard Hitler comes to power in Germany
1934	7.7%	21.7%	Federal Communications Act (FCC) Securities and Exchange Act (SEC) Trade Agreement Act NMB begins Sweden is the first country to recover.
1935	8.1%	20.1%	Supreme Court strikes down NRA Social Security Act (SSA) Wagner Act (NLRB) Emergency Relief Act (WPA) Banking Act National Housing Act (FHA) Rural Electrification Act (REA)
1936	-14.1%	16.9%	Top tax rate increased to 79% Supreme Court strikes down AAA Soil Conservation Act Germany is second country to recover. Keynes publishes <i>The General Theory</i>
1937	5%	14.3%	Supreme Court strikes down NLRB Second National Housing Act Roosevelt expands Supreme Court
1938	-4.5%	19%	Fair Labor Standards Act Second AAA. Britain is third country to recover.
1939	7.9%	17.2%	World War II begins US recovers thereafter

US GDP
("Great Recession" of 2007-09 and after)

US GDP Growth Rates (quarters, %):¹

	2007	2008	2009	2010	2011	2012
Quarter I	0.9%	-0.7%	-5.3%	2.3%	0.1%	2.0%
Quarter II	3.2%	0.6%	-0.3%	2.2%	2.1%	1.3%
Quarter III	2.3%	-4.0%	1.4%	2.6%	1.3%	2.7%
Quarter IV	2.9%	-8.9%	4.0%	2.4%	2.7%	
Year overall	1.9%	-0.3%	-3.1%	2.4%	1.8%	

Spending by category (% change, Total Spending = C + I + G + Exp - Imp)

	2007	2008	2009	2010	2011	2012
Consumption (C)	1.9%	-0.3%	-1.9%	1.8%	2.5%	
Firm Investment (I)	-3.1%	-9.5%	-24.8%	13.7%	5.2%	
Government Spending (G)	1.3%	2.8%	3.7%	0.6%	-3.1%	
Exports (EX)	9.3%	6.0%	-9.1%	11.1%	6.7%	
Imports (IM)	2.7%	-2.6%	-13.5%	12.5%	4.8%	

Unemployment Rates

Subprime crisis begins (Mar 07)	Recession begins (Dec 07)	Recovery begins (Jun 09)
Mar 07: 4.4 Apr 07: 4.5 May 07: 4.4 Jun 07: 4.6 Jul 07: 4.6 Aug 07: 4.6 Sep 07: 4.7 Oct 07: 4.7 Nov 07: 4.7 <- Cycle peak	Dec 07: 5.0 Jan 08: 5.0 Feb 08: 4.8 Mar 08: 5.1 Apr 08: 5.0 May 08: 5.4 Jun 08: 5.5 Jul 08: 5.8 Aug 08: 6.1 Sep 08: 6.2 Oct 08: 6.6 Nov 08: 6.9 Dec 08: 7.4 Jan 09: 7.7 Feb 09: 8.2 Mar 09: 8.6 Apr 09: 8.9 May 09: 9.4 Jun 09: 9.5	Jul 09: 9.4 <- Cycle trough Aug 09: 9.7 Sep 09: 9.8 Oct 09: 10.1 <- unemp. high Nov 09: 10.0 Dec 09: 10.0 Jan 10: 9.7 Feb 10: 9.7 Mar 10: 9.7 Apr 10: 9.9 May 10: 9.7 Jun 10: 9.5 Jul 10: 9.5 Aug 10: 9.6 Sep 10: 9.6 Oct 10: 9.6 Nov 10: 9.8 Dec 10: 9.4 Jan 11: 9.0 Feb 11: 8.9 Mar 11: 8.8

¹ Data up to mid-2008 as reported by BEA report of 2010; rest of data from BEA report of 2012. Some of the original data here (2007-08) are initial estimates which have been revised and corrected since.

