The United States Economy: Why Such a Weak Recovery?

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Prospects for Growth in the World’s Four Major Economies

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Actual and Potential GDP, 2004-2013
trillions of 2009 dollars
Civilian Employment to Population Ratio, Age 16 and Over
### Composition of the Gap Between Actual and Potential GDP

Deviation from full employment shares, percent of potential GDP

<table>
<thead>
<tr>
<th>Category</th>
<th>Base Period</th>
<th>Difference from Base Period</th>
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</thead>
<tbody>
<tr>
<td><strong>Total GDP</strong></td>
<td>100.0</td>
<td>-7.4 -5.3 -5.7</td>
</tr>
<tr>
<td>Personal Consumption</td>
<td>67.3</td>
<td>-4.1 -2.9 -2.9</td>
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<tr>
<td>Non-residential Investment</td>
<td>13.2</td>
<td>-3.9 -1.0 -1.0</td>
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<tr>
<td>Residential Investment</td>
<td>5.0</td>
<td>-2.5 -2.4 -2.0</td>
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<tr>
<td>Net Exports</td>
<td>-5.1</td>
<td>2.7 2.4 2.3</td>
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<tr>
<td>Federal Gov't</td>
<td>7.3</td>
<td>0.6 0.2 -0.2</td>
</tr>
<tr>
<td>State and Local Gov't</td>
<td>12.4</td>
<td>-0.3 -1.7 -1.9</td>
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</table>
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles

[Graph showing the comparison of GDP ratio with the average of prior cycles and the current cycle (2007:4).]
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles (cont.)
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles (cont.)
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles (cont.)
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles (cont.)

![Graph showing indexes of change since business cycle peaks. The current cycle is compared with the average of prior cycles. The graph is labeled "Federal." The x-axis represents quarters, and the y-axis represents a ratio scale. The line graph shows fluctuations in the ratio over time.]
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles (cont.)
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles (cont.)
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles (cont.)

[Graph showing trends in imports over quarters]
Indexes of Change Since Business Cycle Peaks, The Current Cycle Compared With the Average of Prior Cycles (cont.)

![Graph showing employment ratios over quarters.](image)
Percent of Homeowners With Negative Home Equity; Q2, 2013

Source: Zillow
Alejandro Gonzalez, USA TODAY
Housing Vacancy Rates, 1965-2013
Domestic Credit Market Debt by Sector
Ratio to GDP

- Total domestic debt
- Financial Sectors
- Households
- Non-Financial Business
- Government
The Saving-Investment Balance of the Business Sector, 1970-2012
Percent of GDP
The Saving-Investment Balance of the Business Sector, 1970-2012 (cont.)
Percent of GDP

<table>
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<td>Business sector</td>
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<td>saving</td>
<td>4.1</td>
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<td>2.9</td>
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<td>5.7</td>
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<td>net lending</td>
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<td>-2.1</td>
<td>-1.3</td>
<td>-0.6</td>
<td>4.7</td>
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Percentage of Bank Respondents Reporting a Tightening of Loan Standards
Federal Reserve Bank Assets by Major Category, 2007-2013
Billions of dollars
Total Revenues and Outlays, 1980-2023
Percent of GDP
Composition of Federal Outlays

Discretionary

Mandatory

Interest
Labor Force Participation Rate, 2000-2013
Share of civilian population age 16 and over

Fixed 5-year age participation rates, current population

Actual Participation rate