Ends of Recessions

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What Tells Us A Recession Is Ending?
Payroll Job Losses End When the Recession Ends
-345,000 Does Not an Expansion Make

Payroll Jobs Around the Cycle Trough
Compared with Minimal Value

Previous Peak and Recession Months

Months Before and After Cycle Trough

Aggregate Hours Stops Declining When A Recession Ends

Aggregate Weekly Hours Around the Cycle Trough
Compared with Minimal Value

Previous Peak and Recession Months

Months Before and After Cycle Trough

Nov-70
Mar-75
Jul-80
Nov-82
Mar-91
Nov-01
May-09
AVG
The Recession Ends
Soon After the Trough in Consumer New Orders
*Consumer New Orders May Have Hit Bottom in March*
Green Shoots
Early Signs of Spring
The Index of Leading Indicators
Bottoms Out 3-4 Months Before the Expansion Begins
*The Index May Have Bottomed Out in March*
The Stock Market Bottoms Out 5-6 Months Before the Expansion Begins

*The S&P 500 Bottomed Out In February*

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**S and P 500 Around the Cycle Trough**

*Compared with Minimal Value*

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**Months Before and After Cycle Trough**

**Recession Months Only**

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**AVG**

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**May-09**

**Nov-01**

**Nov-70**

**Feb-61**

**Apr-58**

**Mar-75**

**Mar-91**

**Jul-80**

**Nov-82**

**Nov-70**

**May-54**

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Weekly Hours In Manufacturing Stop Declining Several Months Before the Recession Ends

*Weekly Hours Have Been Stable for Last Several Months*
Housing Starts Have their Minimum 2-3 Quarters Before the Recession End

*The latest data for April are the lowest ever*
The Recession Ends
2-3 Months After Peak Initial Claims for Unemployment
Claims Peaked in March
The Recession Ends
Several Months After the Trough of Building Permits

*Building Permits Established a New Low in April*
Consumer Confidence Is Often Rising When the Recession Ends

Consumer Confidence may Have Bottomed Out in March

![Graph showing consumer confidence around cycle troughs]
Unreliable Signs of Spring
Components of Leading Indicators
The Recession Ends
But the Trough of Capital Goods Orders Lags Behind
*Capital Goods Trough may have occurred in March*

![Graph showing Capital Goods Orders Around the Cycle Trough, 2 Month Moving Average Compared with Minimal Value.](image)
The Recession Ends
Without much notice of M2
This Recession Had a Huge Expansion of M2
The Fed Funds Rate is Still Being Cut When the Recession Ends

*With 5 Months of Zeroes, There is no room for cutting this time*

Fed Funds Rate Around Cycle Trough
Beginning with First Recession Month
10 Year Treasury Yields Do Not Tell us When the Recession Ends

10-Year Treasury Rates Around Cycle Trough
Beginning with First Recession Month

Percentage Points

Months Before and After Cycle Trough
Short-term Interest Rates Do Not Rise Rapidly Early in an Expansion, Though We Currently Have the Lowest Ever
Auto Sales Do Not Always Bounce Back Strongly

*It Was the Recession of the Early 1980s When We Last Saw 9 Million*

Sales of Vehicles and Light Trucks

[Graph showing sales trends over time, with labels indicating previous peaks, troughs, and months before and after.]