Figure 15.1
Defense Spending Share of GDP
Figure 15.2
Defense Spending Cumulative Contribution to GDP Growth

Defense Spending
Cumulative Contribution to GDP Growth:
Recessions Shaded

Korean War
Vietnam War
Cold War
War on Terror

Figure 15.3
Federal Revenue/GDP
Figure 15.4
Cumulative Contribution of Housing

Residential Investment
Cumulative Contribution to GDP Growth:
Recessions Shaded
False Negatives and False Positives
Figure 15.5
Cumulative Contribution Consumer Durables to GDP Growth
Figure 15.6
Short-term interest rates increase at ends of expansions

Interest Rate on Three Month Treasuries During Economic Expansions

Quarters before and after ends of expansions
Figure 15.7
Long-term interest rates increase at ends of expansions
Figure 15.8
Interest Rate Spread at ends of expansions

Spread: 10Year - 3 Month Treasuries During Economic Expansions

Quarters before and after cycle peak
Figure 15.9
Short and Long-Term Interest Rates, 1999-2008

Interest Rates: 3-Month Treasury and 10-year Treasury

Inverted Yield Curve Before the 2001 Recession

Inverted Yield Curve Before the 2008 Recession

10-Year

3-Month
Figure 15.10
Inflation Increases at ends of expansions
Figure 15.11
Five-year Average Inflation

2% Target?
Figure 15.12
Apply the Breaks When Housing Starts are High and Rising

Housing Starts, Seasonally Adjusted, Annual Rates
6 Month Moving Average
Recessions Shaded

Thousands of Starts

60 65 70 75 80 85 90 95 00 05

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Figure 15.13
Crude Oil Prices

Real Price of West Texas Intermediate Crude Oil
Recessions Shaded

Dollars per Barrel

50 55 60 65 70 75 80 85 90 95 00 05

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Figure 15.14
Real Exports at Ends of Expansions

Real Exports During Economic Expansions

Quarters before and after cycle peak