Graphs

Chapter 17
Updated Feb 2009
Figure 17.1
US Savings

Net Savings / Net Domestic Product

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Figure 17.2
Fraction of Americans Over the Age of 65

Aging of America: Per Cent Over 65

Average Age

%  
22% 20% 18% 16% 14% 12% 10%

Figure 17.3
Retirement Planning and Real Interest Rates

Required Savings Rate

<table>
<thead>
<tr>
<th>Savings Share of Current Income</th>
<th>0%</th>
<th>5%</th>
<th>10%</th>
<th>15%</th>
<th>20%</th>
<th>25%</th>
<th>30%</th>
<th>35%</th>
<th>40%</th>
<th>45%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Rate of Return</td>
<td>0%</td>
<td>2%</td>
<td>4%</td>
<td>6%</td>
<td>8%</td>
<td>10%</td>
<td>12%</td>
<td>14%</td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

Assumptions:
- Age 40, Retiring at age 65, Death at 85
- Constant Earnings
- Constant Spending from 40 to 85
Figure 17.4
Private and Public Savings

Net Private Savings and Federal Savings / Net Domestic Product

Net Private Savings

Federal Savings

 Truman Eisenhower Kennedy Johnson Nixon Ford Carter Reagan Bush I Clinton Bush II

50 55 60 65 70 75 80 85 90 95 00 05
Figure 17.5
Domestic Investment and Total Savings

Net Savings and Net Investment / Net National Product

(GROSS_INVESTMENT-DEPRECIATION)/NNP
(GROSS_SAVING-DEPRECIATION)/NNP
(GROSS_SAVING-GROSS_INVESTMENT)/NNP

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Figure 17.6
Dependence on Foreign Borrowing: Current Account

![Graph showing dependence on foreign borrowing over time. The x-axis represents years from 1950 to 2005, and the y-axis represents the current account to GDP ratio. The graph highlights significant periods with shaded areas.]
Figure 17.7
Dependence on Foreign Borrowing: Selling the Future

Fraction of Net Investment Financed by Foreigners

-1.2
-0.8
-0.4
0.0
0.4
0.8
1.2

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

Truman Eisenhower Kennedy Johnson Nixon Ford Carter Reagan Bush I Clinton Bush II

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