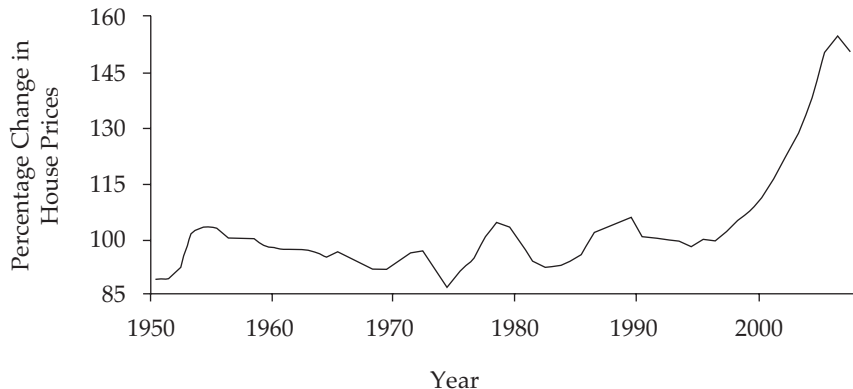


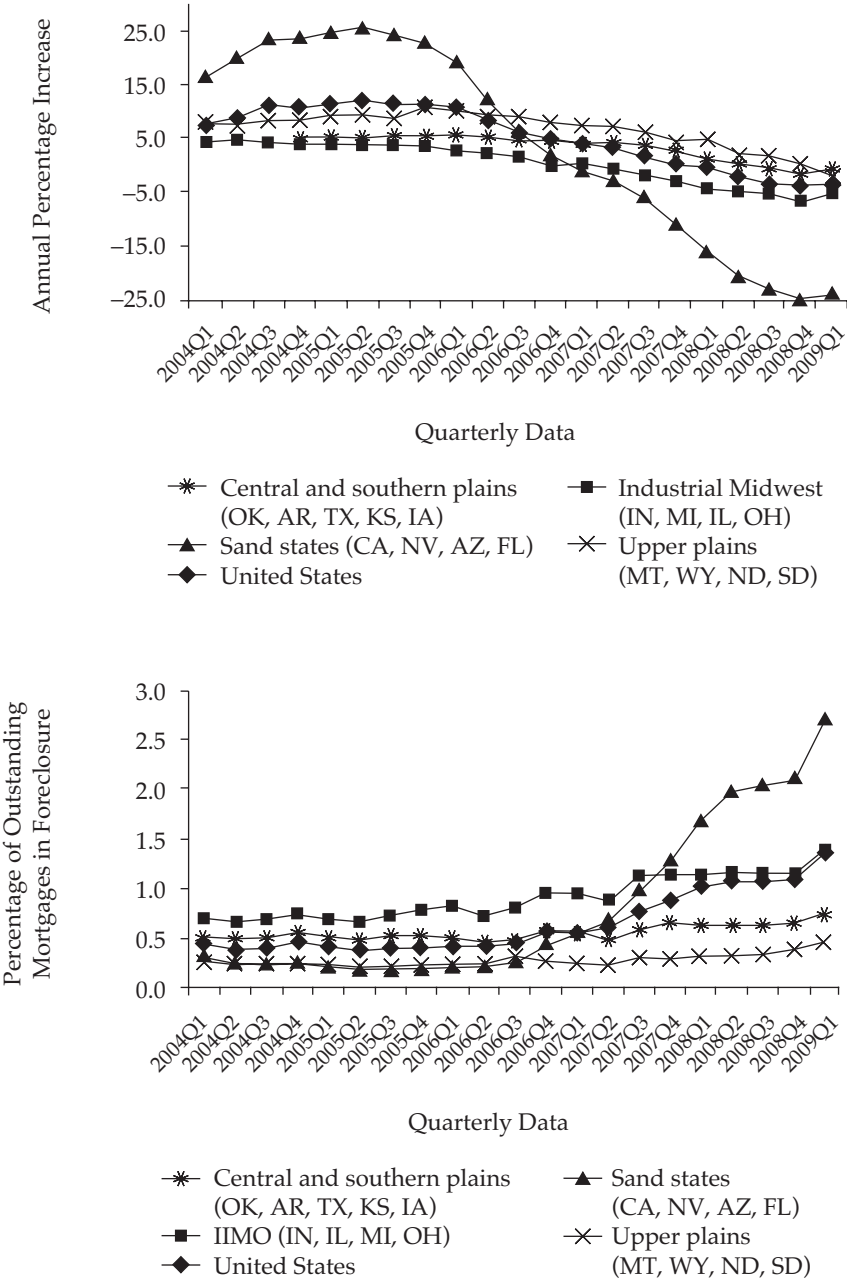
Figure 2.1 **Inflation-Adjusted National House Price Index (1995 = 100).**



Source: Wilcox (2008).

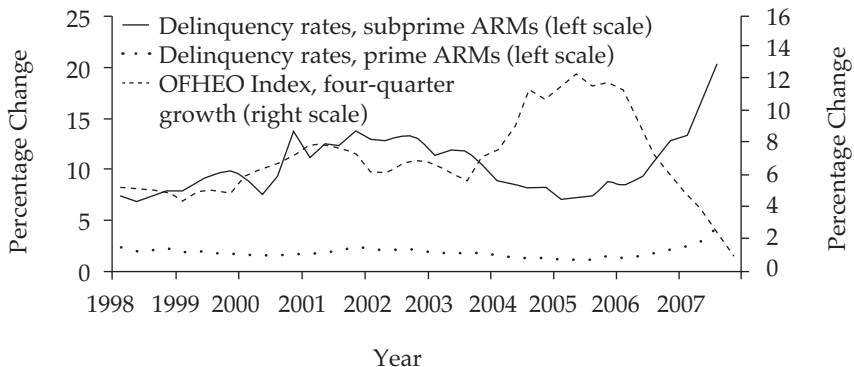
Note: Prices are based on the Case-Shiller Home Value Index from 1950 to 1974 and the Office of Federal Enterprise Oversight (OFHEO) Index from 1975 to 2007. Prices are deflated using the Consumer Price Index.

Figure 2.2 Housing Price Appreciation and Foreclosures, by Region



Source: U.S. Department of Housing and Urban Development (2009).
Note: Housing price changes are based on averages of Federal Housing Finance Agency's state-level price indices. Mortgage foreclosure rates are based on the Mortgage Bankers Association's widely used delinquency survey (2010).

Figure 2.3 Mortgage Delinquency Rates (left scale) and House Price Appreciation (right scale)



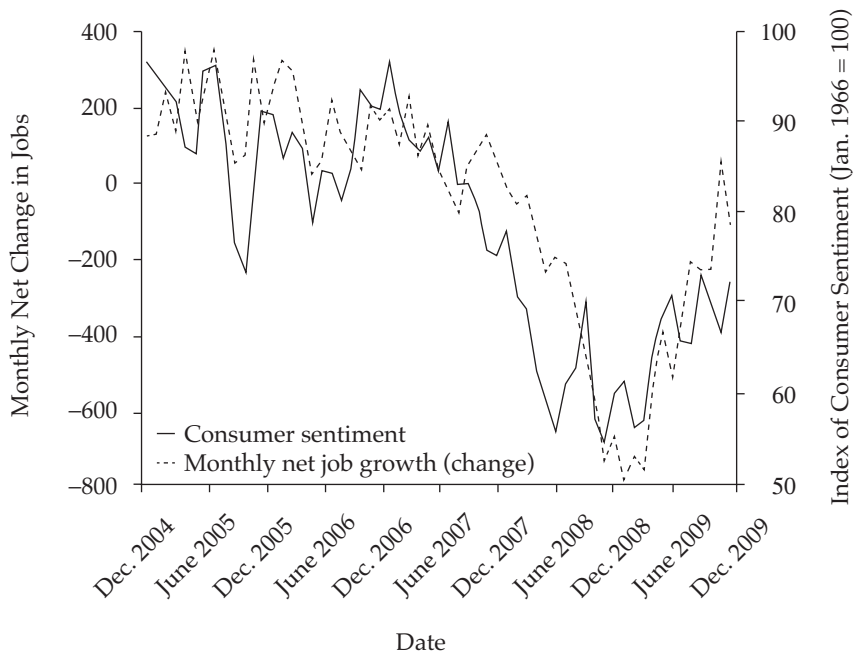
Source: Furlong (2008).

Note: Delinquency rates here combine mortgages two months and more delinquent and mortgages in foreclosure.

ARM = adjustable-rate mortgage

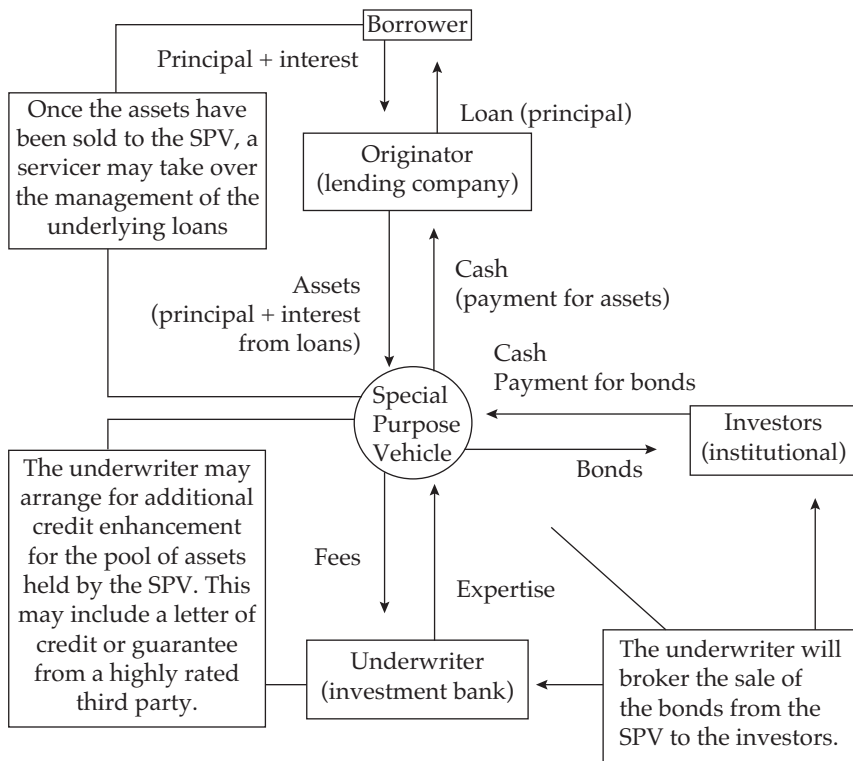
OFHEO = Office of Federal Enterprise Oversight

Figure 2.4 Recession Indicators: Monthly Net Job Growth and Consumer Confidence



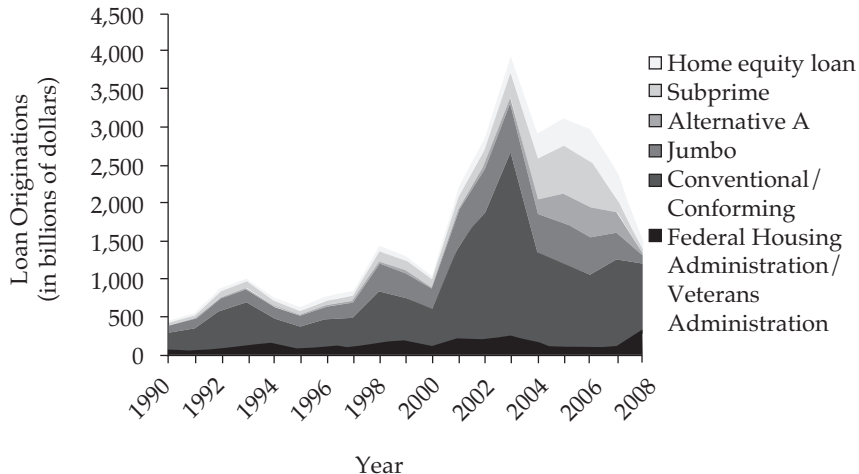
Source: Authors' compilation based on data from U.S. Bureau of Labor Statistics (2010) and University of Michigan (2010).

Figure 2.5 A Mortgage Securitization Package



Source: Authors' adaptation of Kendall (1996, 3).

Figure 2.6 **Residential Mortgage Origination in the United States by Type, 1990 to 2008**



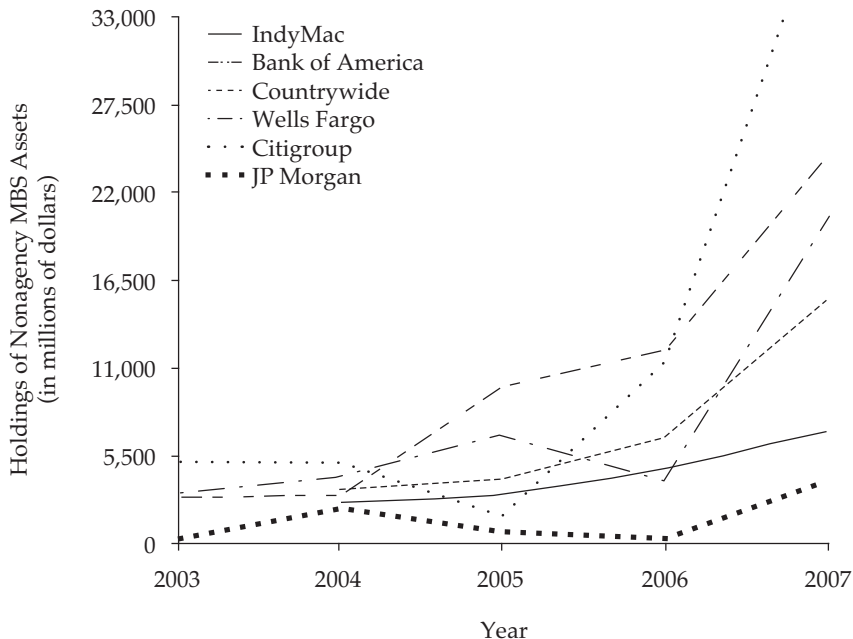
Source: Authors' calculations based on data from Inside Mortgage Finance (2009).

Table 2.1 Dominant Firms in Selected Mortgage Finance Segments, 1996 and 2007

Top Overall Mortgage Originators and Their Market Share				Top Subprime Originators and Their Market Share			
1996		2007		1996		2007	
Norwest	6.6	Countrywide Financial	16.8	Associates Capital	7.0	Citibank	10.2
Countrywide	4.9	Wells Fargo	11.2	Money Store	4.3	Household Finance	9.3
Chase	4.3	Chase	8.6	ContiMortgage	3.5	Countrywide	8.8
Fleet Financial	2.3	Citibank	8.1	Beneficial Mortgage	2.8	Wells Fargo	8.0
Bank America	2.0	Bank of America	7.8	Household Finance	2.6	1st Franklin	7.0
NationsBank	1.5	Washington Mutual	5.7	United Co.	2.3	Chase	6.0
WaMu	1.4	Wachovia	4.0	Long Beach Mortgage	2.2	Option 1	5.8
Standard Federal	1.3	IndyMac	3.9	Equicredit	2.1	EMC	4.1
FT Mortgage	1.3	Residential Capital	3.2	Aames Capital	2.0	Ameriquist	3.3
Top Nonagency Mortgage-Backed Securities Issuers and Their Market Share				Top Subprime Mortgage-Backed Securities Issuers and Their Market Share			
1996		2007		1996		2007	
GE Capital	8.4	Countrywide	13.6	Money Store	10.3	Merrill Lynch	10.1
Independent National	5.0	Wells Fargo	7.8	United Co.	6.4	Countrywide	7.9
NW Assets	4.5	Lehman Brothers	7.1	ContiMortgage	5.3	Morgan Stanley	7.8
Merit	3.6	Bear Stearns	6.8	Beneficial	5.0	Lehman Brothers	5.5
Prudential	3.3	Washington Mutual	5.7	AMRESO	4.5	Bear Stearns	4.3
Salomon Bros.	3.3	JP Morgan	5.7	Aames	4.3	Barclays	3.4
Merrill Lynch	3.1	Merrill Lynch	5.6	Household Finance	4.2	Citibank	3.3
Donaldson et al.	2.0	Morgan Stanley	4.8	Residential Finance	4.2	Deutsche Bank	3.2
Structural Assets	2.0	Deutsche Bank	4.4	Associates Mutual	4.1	Washington Mutual	2.7

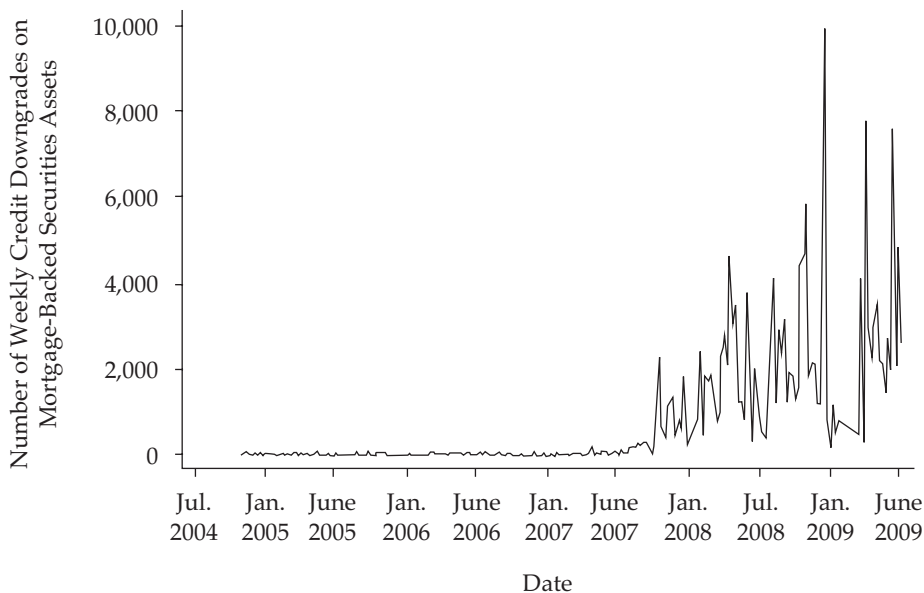
Source: Authors' calculations based on data from Inside Mortgage Finance (2009).

Figure 2.7 Nonagency Mortgage-Backed Securities Holdings of Selected Issuers



Source: Authors' calculations based on data from Inside Mortgage Finance (2009).

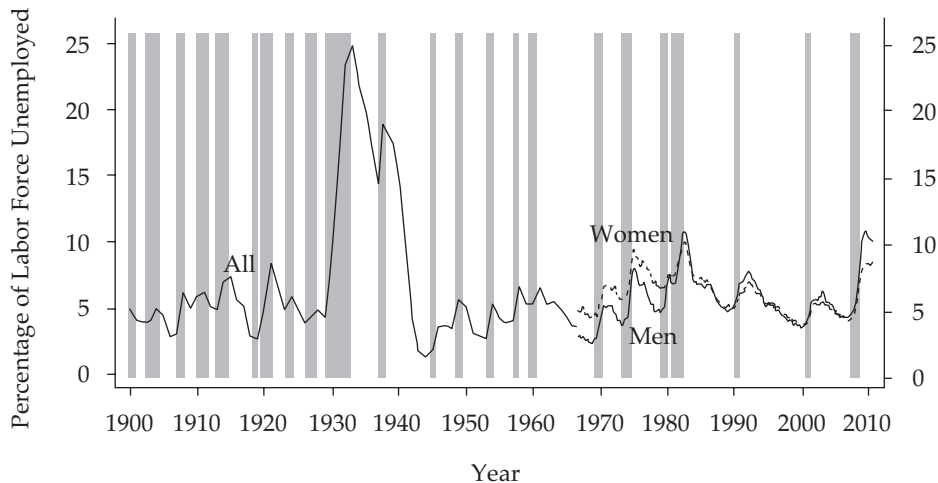
Figure 2.8 Credit Downgrades of Mortgage-Backed Securities, by Month, 2008



Source: Authors' tabulation, based on ratings actions reported by Bloomberg Professional Terminal.

Note: Downgrades include all negative ratings actions on private-label mortgage-backed securities and mortgage-related collateralized debt obligations by Moody's, Standard & Poor's, and Fitch.

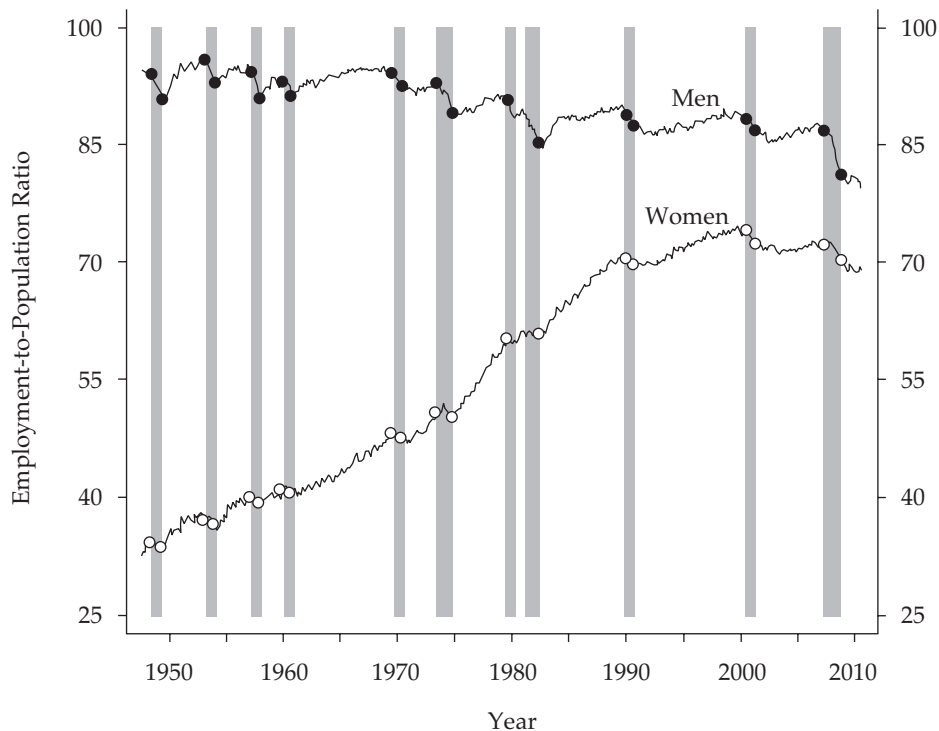
Figure 3.1 **Unemployment Rate by Year and Gender, 1900 to 2011**



Source: Authors' compilation. Annual data for 1900 to 1930, Romer (1986); 1931 to 1947, Fischer and Hout (2006); 1947 to 1967, King et al. 2010. Monthly data since March 1967, five-month cubic moving average, shown for men and women separately (U.S. Bureau of Labor Statistics 2011c).

Notes: Vertical gray lines show recession periods, as identified by the National Bureau of Economic Research's Business Cycle Dating Committee.

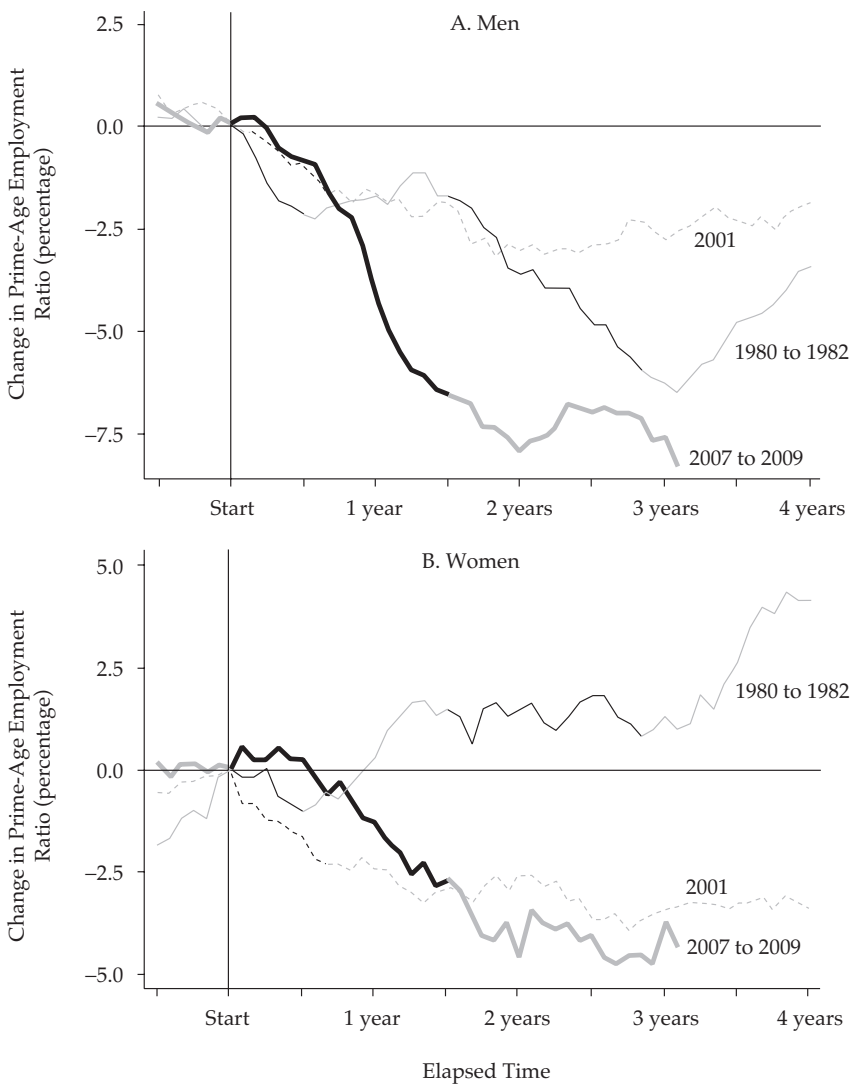
Figure 3.2 Prime-Age Employment Ratio by Year and Gender, 1947 to 2011



Source: Authors' calculations based on data from U.S. Bureau of Labor Statistics (2011c).

Notes: Vertical gray lines show recession periods, as identified by the National Bureau of Economic Research's Business Cycle Dating Committee.

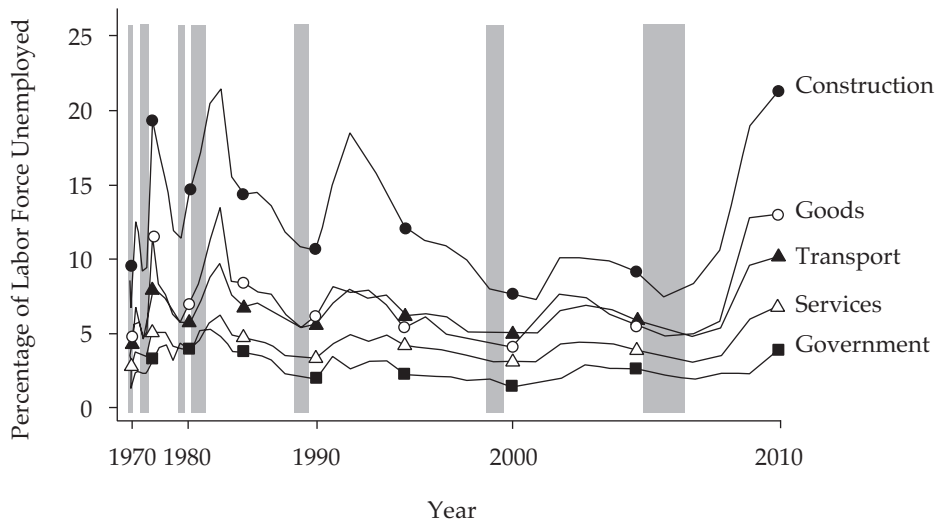
Figure 3.3 Prime-Age Employment Ratio by Months Since Recession Began, Gender, and Recession: Selected Recessions



Source: Authors' calculations based on figure 3.2 using data from U.S. Bureau of Labor Statistics (2011c).

Note: The black segment of each line shows the prime-age employment during the recession; the gray segment of each line shows prime-age employment before and after the recession. Recession dates are determined by the National Bureau of Economic Research Business Cycle Dating Committee.

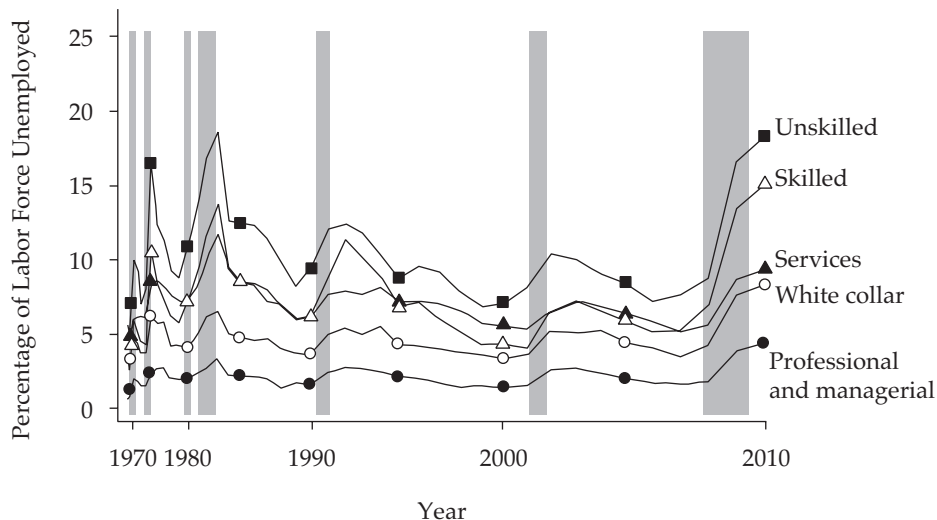
Figure 3.4 **Unemployment Rate by Year and Current or Most Recent Industry,**
1967 to 2010



Source: Authors' calculations based on data from King et al. (2010).

Notes: Vertical gray lines show recession periods, as identified by the National Bureau of Economic Research's Business Cycle Dating Committee. Time line is number of months since March 1967, squared.

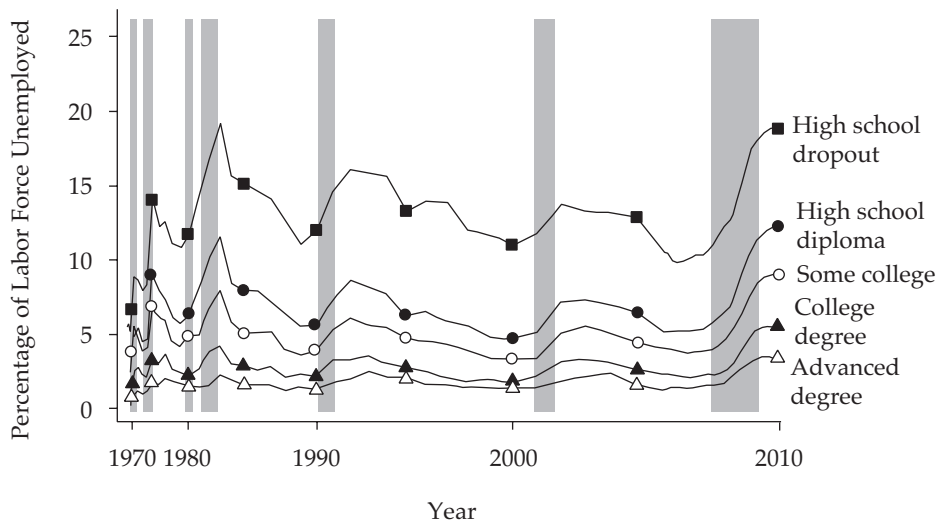
Figure 3.5 **Unemployment Rate by Year and Current or Most Recent Occupation, 1967 to 2010**



Source: Authors' calculations based on data from King et al. (2010).

Notes: Vertical gray lines show recession periods, as identified by the National Bureau of Economic Research's Business Cycle Dating Committee. Time line is number of months since March 1967, squared.

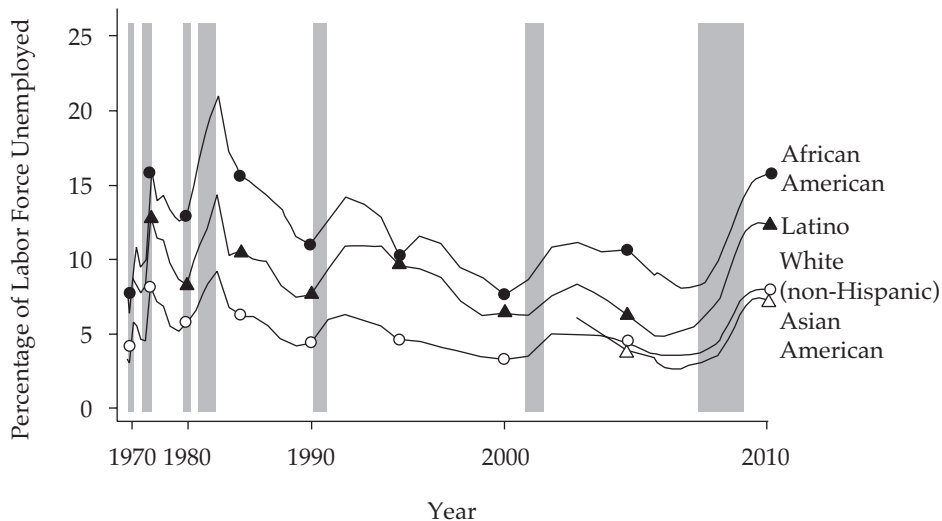
Figure 3.6 **Unemployment Rate by Year and Education, 1967 to 2011**



Source: Authors' calculations based on data from King et al. (2010) and U.S. Bureau of Labor Statistics (2011c).

Notes: Vertical gray lines show recession periods, as identified by the National Bureau of Economic Research's Business Cycle Dating Committee. Time line is number of months since March 1967, squared. Monthly data smoothed by locally estimated (loss) regression.

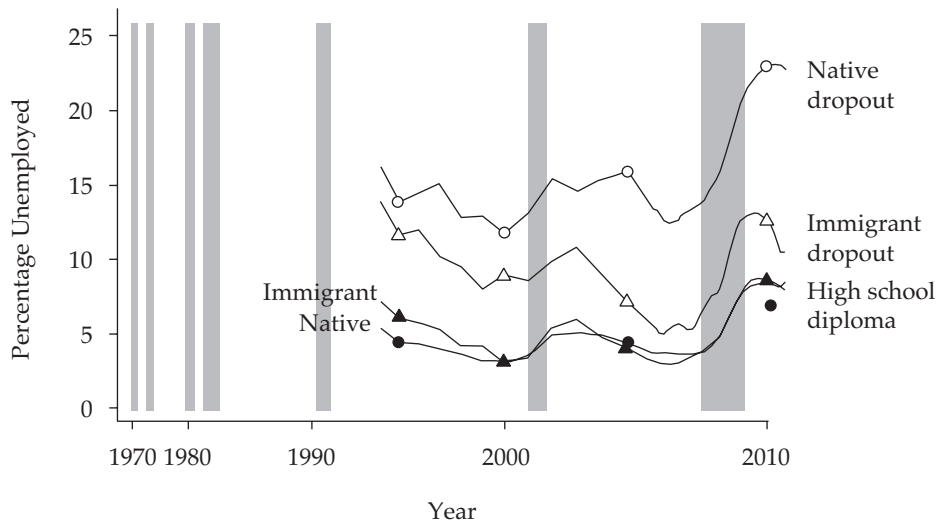
Figure 3.7 **Unemployment Rate by Year and Race and Ethnicity, 1967 to 2011**



Source: Authors' calculations based on data from King et al. (2010) and U.S. Bureau of Labor Statistics (2011c).

Notes: Vertical gray lines show recession periods, as identified by the National Bureau of Economic Research's Business Cycle Dating Committee. Time line is number of months since March 1967, squared. Monthly data smoothed by locally estimated (loss) regression.

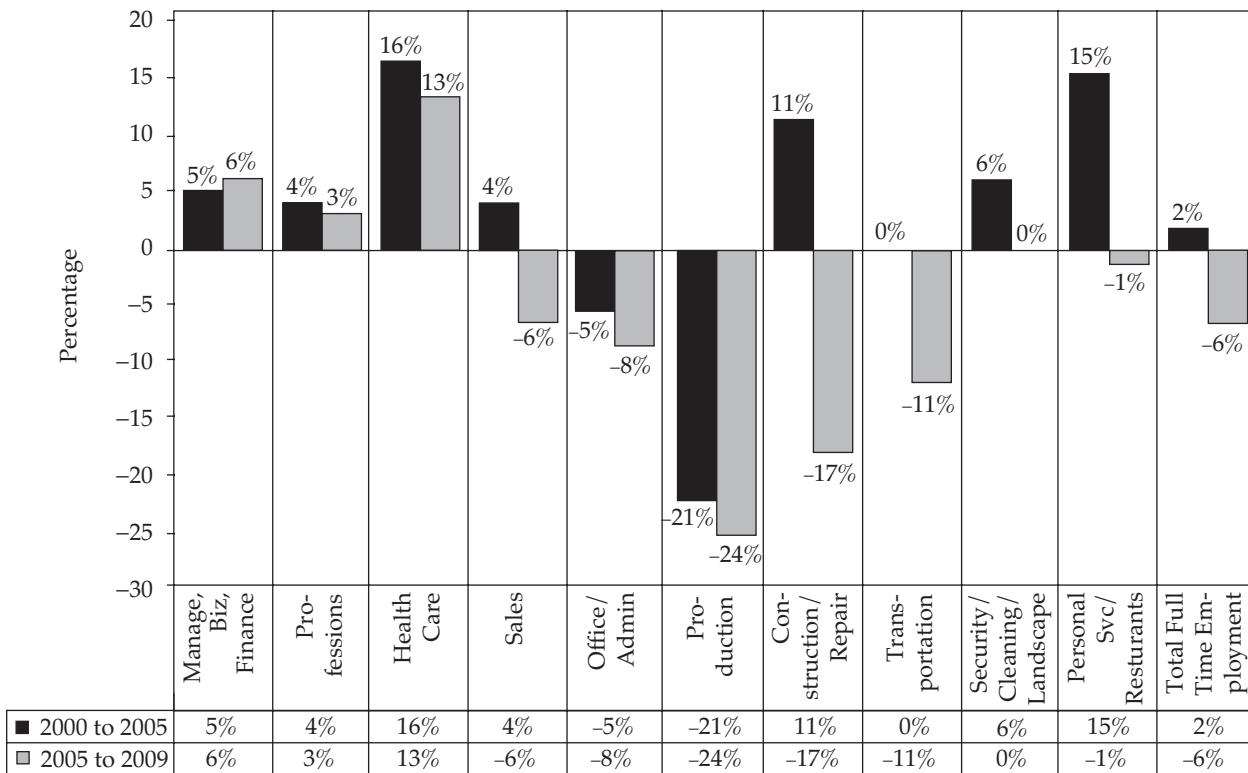
Figure 3.8 **Unemployment Rate of Persons with High School Education or Less by Year, Education, and Nativity, 1967 to 2011**



Source: Authors' calculations based on data from King et al. (2010) and U.S. Bureau of Labor Statistics (2011c).

Notes: Vertical gray lines show recession periods, as identified by the National Bureau of Economic Research's Business Cycle Dating Committee. Time line is number of months since March 1967, squared. Monthly data smoothed by locally estimated (loss) regression.

Figure 4.1 Percent Change in U.S. Full-Time Employment, by Occupation, 2000 to 2005 Compared with 2005 to 2009

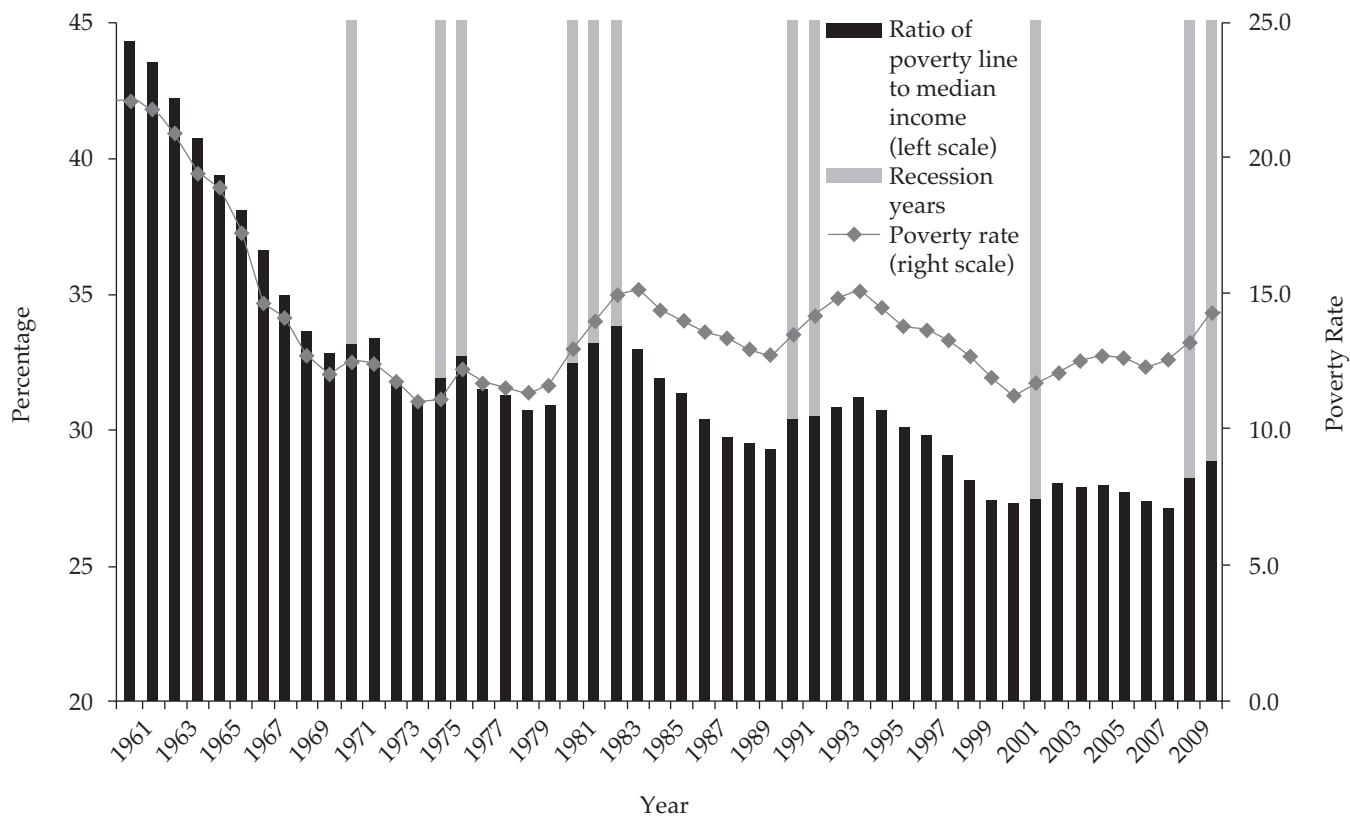


Source: Authors' calculations based on Autor (2010a, 2010b).

Note: The correlation between employment share changes from 2000 to 2005 and 2005 to 2009 is 0.67.

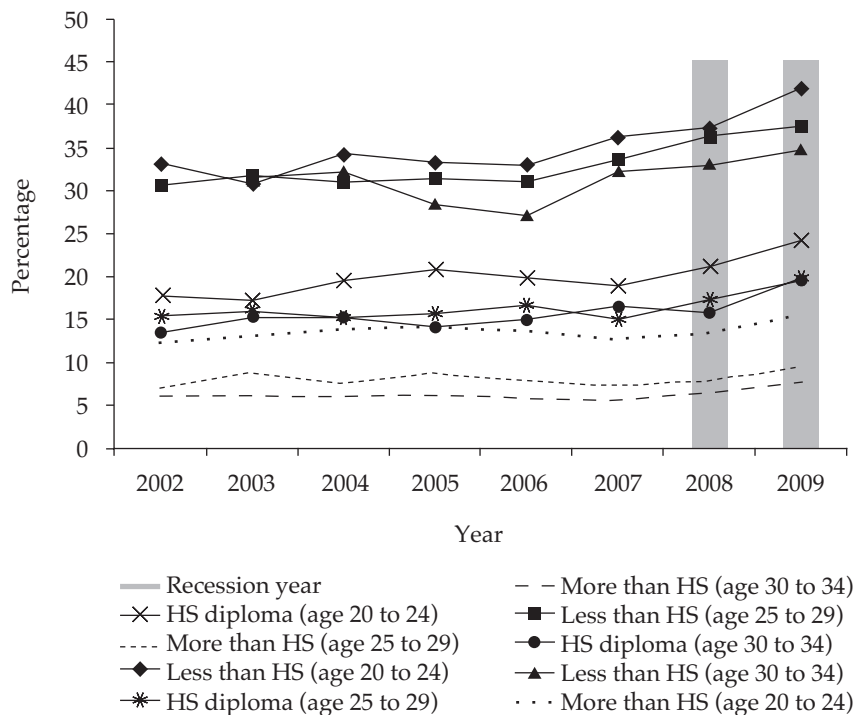
Manage=management; Biz=business; Admin=administrative; Svc=services

Figure 4.2 Official Poverty Rates and Ratio of Poverty Line to Median Income Across Recessions, 1960 to 2009



Source: Authors' calculations, based on DeNavas-Walt, Proctor, and Smith (2010), Smeeding (2006), and U.S. Census Bureau (2011).

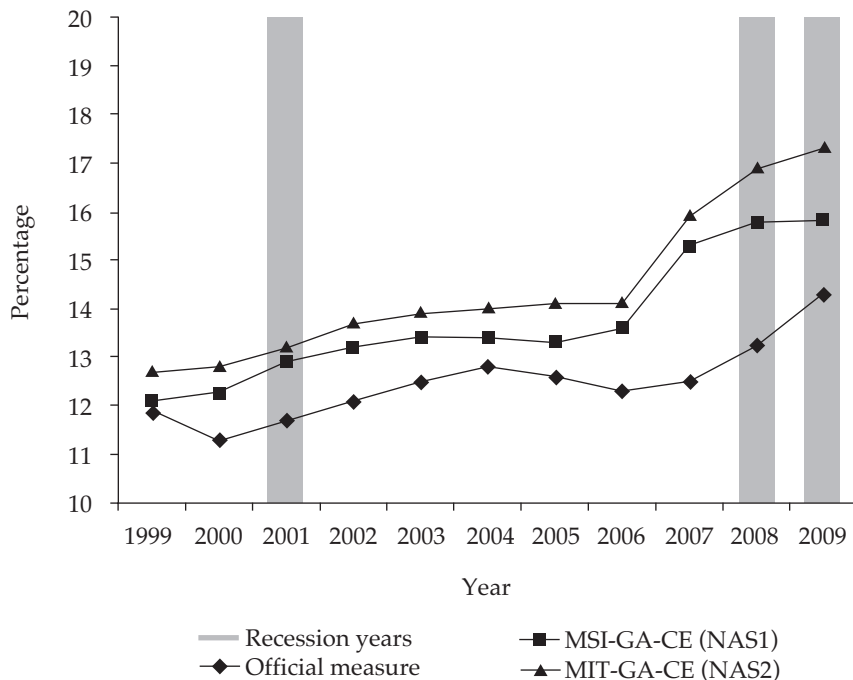
Figure 4.3 **Poverty Rates Using Official Measure, by Education Level and Age**



Source: Authors' calculations, based on U.S. Census Bureau (2011). Series not available before 2002.

Note: HS=high school.

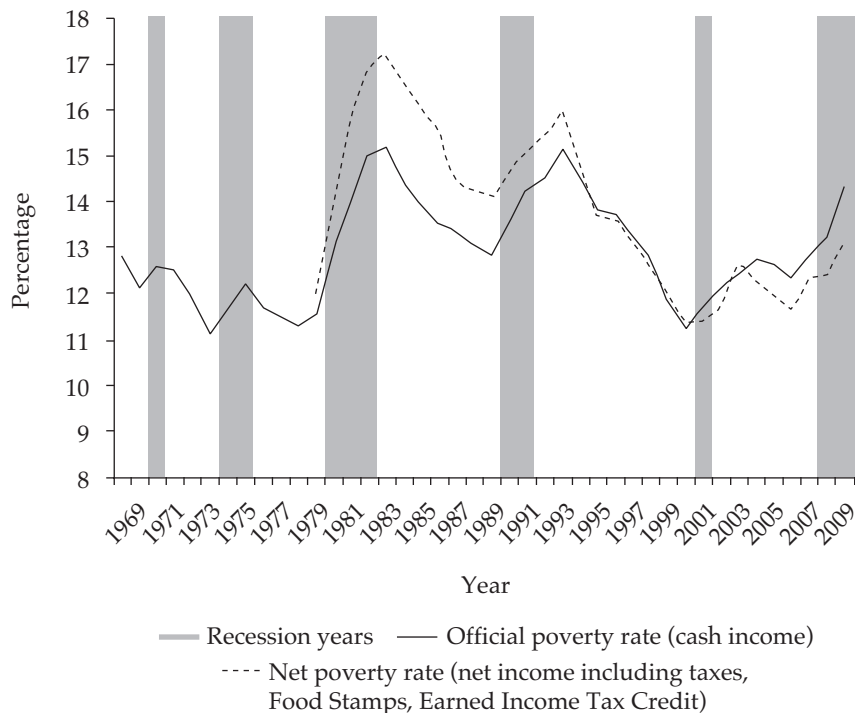
Figure 4.4 Official and National Academy of Sciences Experimental Poverty Rate Series, 1999 to 2009



Source: Authors' calculations based on data from the U.S. Census Bureau (2011).

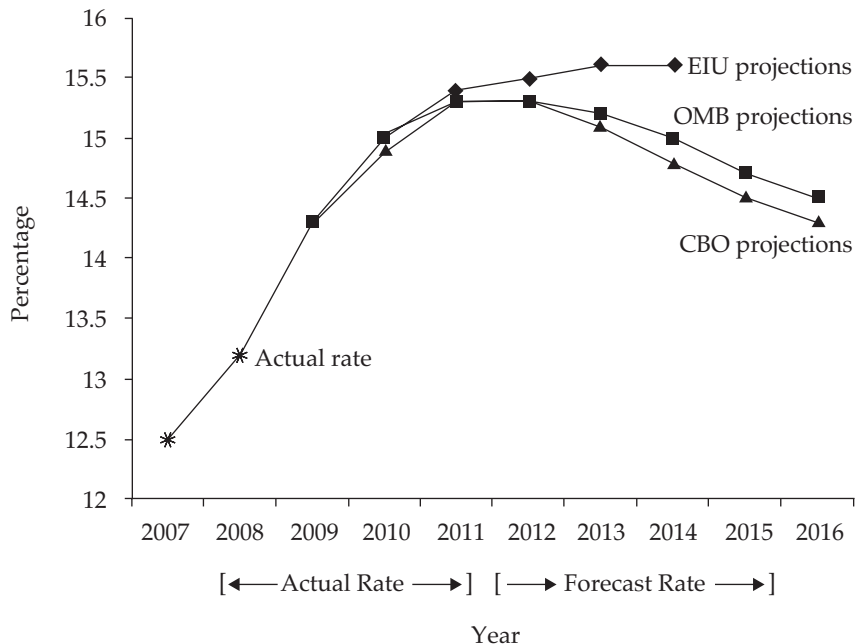
Notes: Medical care expenses subtracted from income (MSI) and medical care expenses in the poverty threshold (MIT) include medical out-of-pocket expenses; NM (no medical) does not. GA (geographically adjusted) includes geographic housing-price differences. All experimental rates are based on incomes that are after-tax and noncash benefits and include the American Recovery and Reinvestment Act economic stimulus and recovery payments such as the "Making Work Pay" tax credits. They are based on thresholds that change according to the consumer expenses of low-income households for the base FCUM-CE (includes spending for food, clothing, shelter, utilities, and medical expenses based on Consumer Expenditure survey definitions) poverty line used in the two National Academy of Sciences poverty measures. This series is consistently defined only from 1999 to 2009 (see http://www.census.gov/hhes/povmeas/data/nas/web_tab5_povertythres2009.xls). For glossary of abbreviations used see the appendix, "Definitions of Income Measures."

Figure 4.5 **Official Poverty Rate (1968 to 2009) and Poverty Rate After Taxes and Transfers, Using the Official Poverty Line Measure (1979 to 2009)**



Source: Authors' calculations based on data from Meyer and Wallace (2009, figure 2.1, 45) 1968 to 2006, and U.S. Census Bureau (2011).

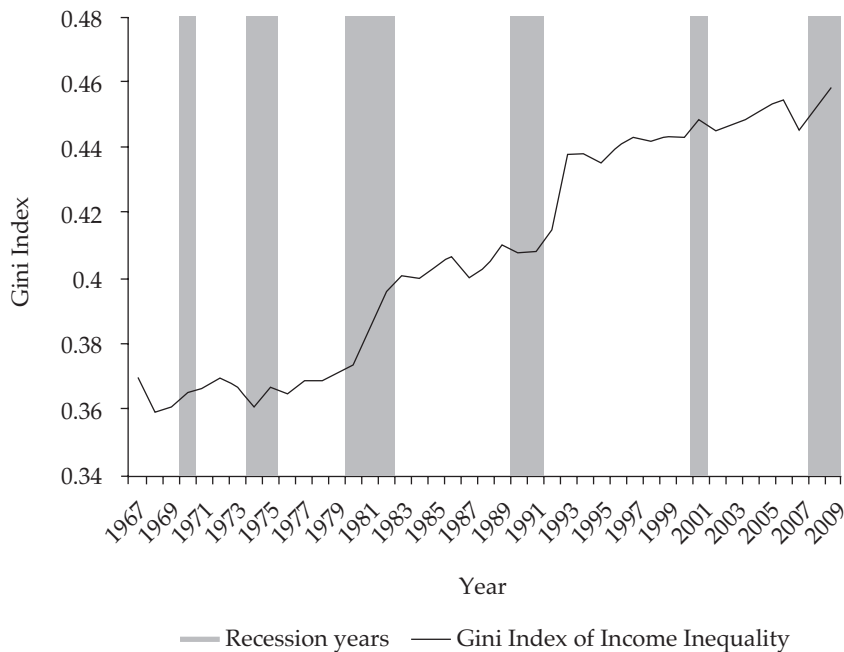
Figure 4.6 Simulated Poverty Rate for All Persons, 2010 through 2016



Source: Authors' calculations based on data from Monea and Sawhill (2010).

Note: EIU = Economist Intelligence Unit
OMB = Office of Management and Budget
CBO = Congressional Budget Office

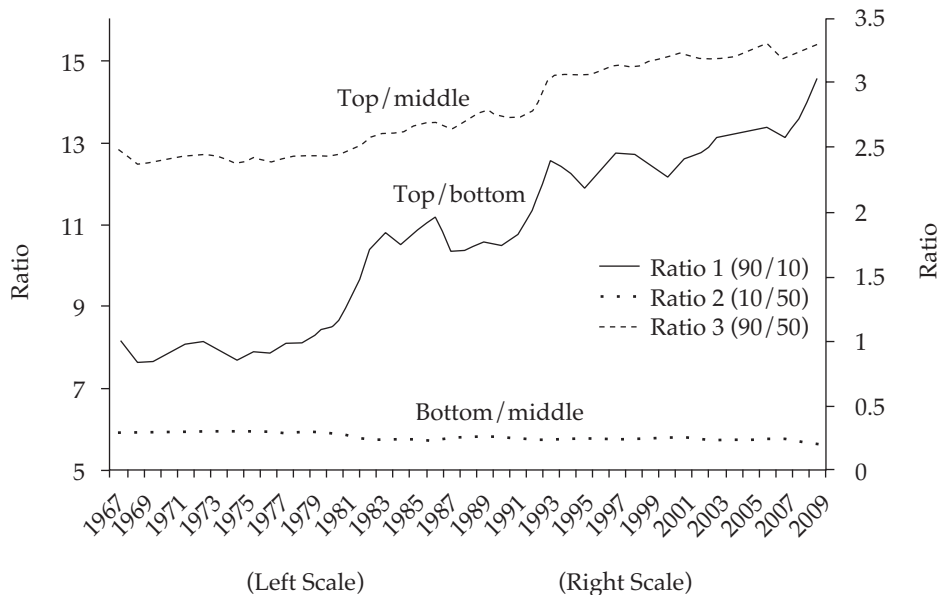
Figure 4.7 **Equivalence-Adjusted Household Money Income, 1967 to 2009,
Using Gini Index of Income Inequality**



Source: Authors' compilation based on data from DeNavas-Walt, Proctor, and Smith (2010, table A-3, 45–48).

Note: The Gini Index varies from perfect equality (0.00) to perfect inequality (1.00).

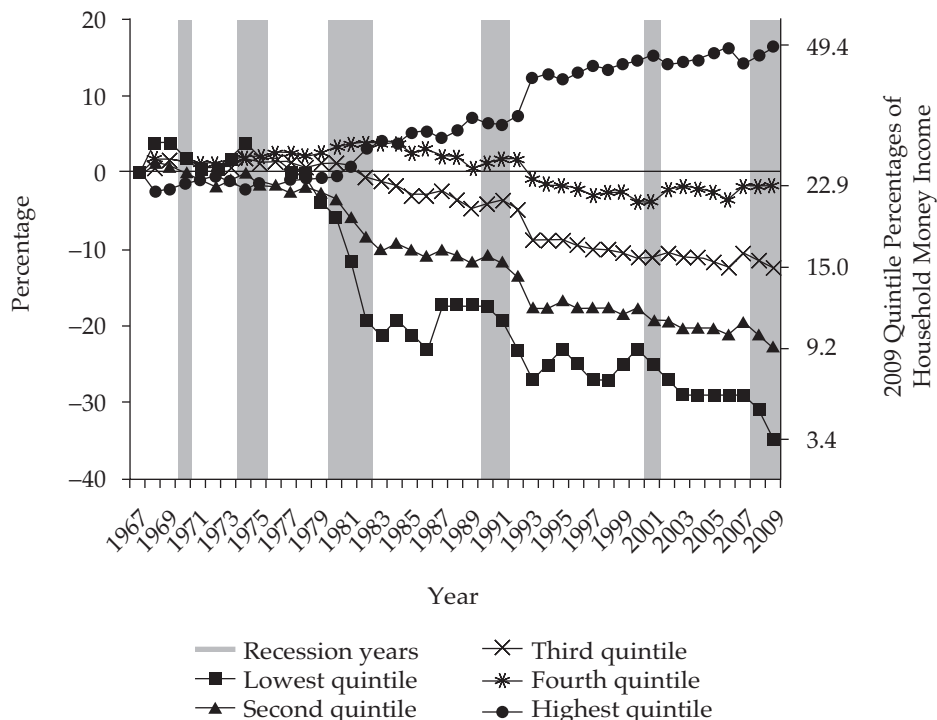
Figure 4.8 **Equivalence-Adjusted Household Money Income, 1967-to-2009**
Quintile Share Ratios



Source: Authors' compilation based on data from DeNavas-Walt, Proctor, and Smith (2010, table A-3, 45–48).

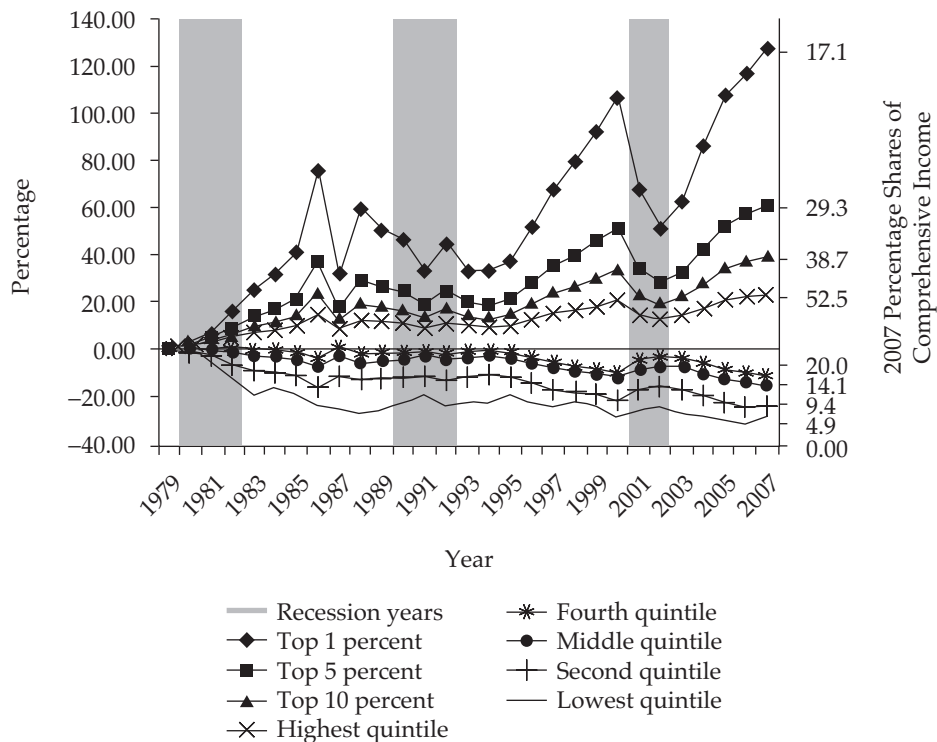
Note: Estimates are for ratios of quintile shares for the top, middle, and bottom quintiles. The 90th, 50th, and 10th percentiles are the medians of each quintile.

Figure 4.9 Percentile Shares of Adjusted Household Income by Quintile Share of Income of Each Quintile Relative to Share in 1967 and Actual Share in 2009



Source: Authors' calculations based on data from DeNavas-Walt, Proctor, and Smith (2010, table A-2, 40-43).

Figure 4.10 Percent Change in Congressional Budget Office Household After-Tax Comprehensive Income Inequality, 1979 to 2007



Source: Authors' calculations based on data from the Congressional Budget Office (2010).

Table 4.1 Relation of Gross Domestic Product, Gross National Product, and National Income, Including Those Accounted for in this Chapter, in Billions of Dollars (Quarters Seasonally Adjusted at Annual Rates)

	2006-III	Share	2009-IV	Share
National income	12,093.0		12,465.6	
Compensation of employees	7,484.1	61.9%	7,773.1	62.4%
Wage and salary accruals	6,075.4	50.2%	6,266.3	50.3%
Supplements to wages and salaries	1,408.7	11.6%	1,506.8	12.1%
Proprietors' income with inventory valuation and capital consumption adjustments	1,131.2	9.4%	1,060.3	8.5%
Rental income of persons with capital consumption adjustment	140.3	1.2%	286.7	2.3%
Corporate profits with inventory valuation and capital consumption adjustments	1,655.1	13.7%	1,467.6	11.8%
Net interest and miscellaneous payments	661.6	5.5%	782.6	6.3%
Taxes on production and imports less subsidies	991.6	8.2%	1,034.1	8.3%
Business current transfer payments	83.6	0.7%	128.2	1.0%
Current surplus of government enterprises	-4.7	0.0%	-6.5	-0.1%

Source: Authors' calculations based on data from U.S. Department of Commerce, Bureau of Economic Analysis (2009).

Note: We account for supplements to wages and salaries only insofar as they appear as part of defined contribution pension plans. Health care and other employer subsidies are not counted as labor income (Smeeding and Thompson 2011).

Table 4.2 Adjustments Made to SCF Income and Asset Categories for 2009 Projection

Income	Matching Source Table (Row Number)	Source Detail	Percentage Change 2007 Q3/4 to 2009 Q3/4 Change
Interest	NIPA. 2.1(14)		-5.8%
Dividends	NIPA. 2.1(15)		-28.6%
Non-taxable investment income	NIPA. 2.1(14)	SCF detail refers to bonds*	-5.8%
Other	NIPA.1.12 (9, 39)	Combined rental and proprietor	5.7%
Business/investment/rent/ trust			
Earnings	Analysis of CPS ORG, Jan. to Nov.		Varies by industry, education
Proprietor's income	NIPA. 2.1(9)		-4.4%
Capital gains	CBO Jan. 2009 Budget Outlook	Anticipated tax revenue decline of 40 percent	-40.0%
Public transfers (excluding Social Security)	NIPA. 2.1(17 less 18)		36.2%
Retirement income (including Social Security)	NIPA. 2.1(18)		15.3%
Assets			
Certificates of deposit	FOF. B.100(12)	Time and savings deposits	4.9%
Stocks	FOF. B.100(24)	Corporate equities	-21.6%
Stock mutual funds	FOF. B.100(25)	Mutual fund shares	-12.6%
Bonds	FOF. B.100(18)	Treasury securities	404.2%
Other bond mutual funds	FOF. B.100(21)	Corporate and foreign bonds	21.9%
Savings bonds	FOF. B.100(17)	Savings bonds	-2.5%
Government bond mutual funds	FOF. B.100(19)	Agency and GSE-backed securities	-83.7%
Tax-free bond mutual funds	FOF. B.100(20)	Municipal securities	9.2%
Combination and other mutual funds	FOF. B.100(25)	Mutual fund shares	-12.6%
Other (trusts, annuities, and so forth)	FOF. B.100(30)	Miscellaneous	10.8%

(Table continues on p. 110)

Table 4.2 (Continued)

Income	Matching Source Table (Row Number)	Source Detail	Percentage Change 2007 Q3/4 to 2009 Q3/4 Change
Home equity	FOF. B.100(49)	Owner's equity in household real estate	-41.0%
Quasi-liquid retirement	Urban Institute Analysis of FOF	www.urban. org/ retirement_ policy/url. cfm?ID=411976	-14.0%
Transaction accounts	FOF. B.100(11)	Checkable deposits	140.1%
Life insurance	FOF. B.100(27)	Life insurance reserves asset	3.8%
Nonresidential real estate	FOF. B.100(49)	Owner's equity in household real estate	-41.0%
Other residential real estate	FOF. B.100(4)	Modify in same way as residential real estate	-21.4%
Debt for other residential property	FOF. B.100(33)	Home mortgages	-1.3%
Other financial assets	FOF. B.100(30)	Miscellaneous assets	10.8%
Other nonfinancial assets	FOF. B.100(7) and (30) combined	Consumer durables or miscellaneous assets	9.8%
Business with active or nonactive household interest	FOF. B.100(29)	Equity in non- corporate business	-23.6%
Vehicles	FOF. B.100(7)	Consumer durables or miscellaneous assets	9.6%
Total debt	FOF. B.100(31)	Total liabilities	-1.4%
Mortgages and home equity loans	FOF. B.100(33)	Home mortgages	-1.3%
Home equity lines of credit	FOF. B.100(33)	Home mortgages	-1.3%

Source: Authors' compilation based on data from Smeeding and Thompson (2011).

Note: NIPA = National Income and Product Accounts; FOF = Flow of funds; SCF = Survey of Consumer Finances; CBO = Congressional Budget Office; GSE = government-sponsored enterprise; CPS-ORG = Current Population Survey, Original Data

*The SCF equivalent of the MIPA category Nontaxable Interest is captured by Bonds in our measure.

**Table 4.3 Short-Run (Three-Year Average) and Long-Run (1988 to 2007)
Rates of Return (Percents)**

	Housing Index (HI)	Stock Indices (SI)	Bond Indices (BI)	Inflation (Consumer Price Index)
A. "Short-Run"				
1989	6.0%	14.7%	8.6%	4.3%
1992	2.3	7.0	7.8	4.0
1995	2.5	15.2	6.5	2.6
1998	4.1	21.0	6.0	2.1
2001	6.4	4.4	5.5	2.5
2004	7.4	3.6	4.3	2.6
2007	7.0	7.3	4.5	3.5
B. "Long-Run"	6.0%	7.0%	5.0%	3.0%

Source: Authors' calculations based on Smeeding and Thompson (2011).

Note: Rates used in simulation for all years in this chapter.

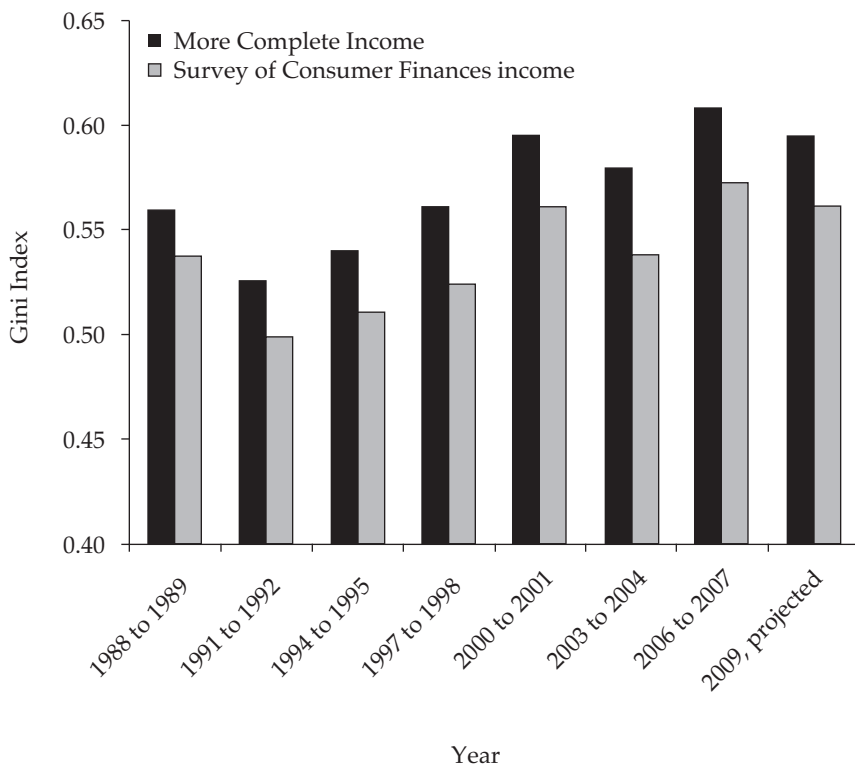
Table 4.4 **Increases in Income Using MCI Compared to After-Tax SCF Income, in 2009 Real Dollars**

	Mean		Median		P10		P90		P95	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
2003 to 2004	\$21,639	30.6	\$6,937	16.1	\$1,059	9.4	\$37,170	28.7	\$65,823	35.6
2006 to 2007	\$26,003	30.9	\$7,709	16.3	\$2,057	16.7	\$45,005	31.9	\$84,133	40.7
2008 to 2009	\$22,005	26.7	\$7,072	15.3	\$1,284	9.5	\$36,179	26.1	\$66,451	32.3

Source: Authors' calculations based on data from Smeeding and Thompson (2011).

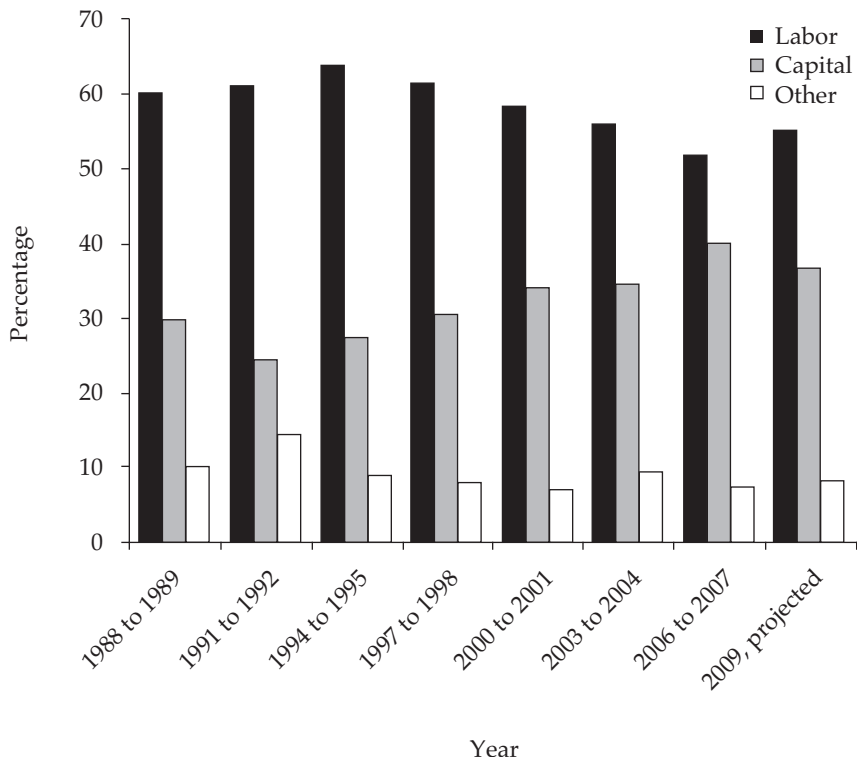
Note: For abbreviations, see income definitions appendix.

Figure 4.11 **Gini Index with After-Tax Survey of Consumer Finances
Income and More Complete Income**



Source: Authors' calculations based on data from Smeeding and Thompson (2011). See text and appendix income definitions for More Complete Income (MCI) and Survey of Consumer Finances (SCF) income.

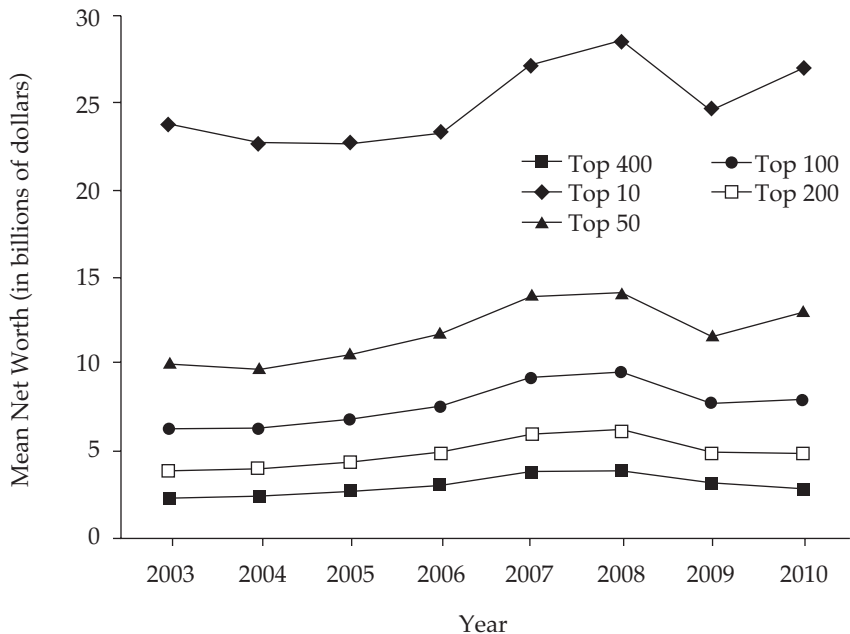
Figure 4.12 Labor and Capital Shares Using MCI



Source: Authors' compilation based on data from Smeeding and Thompson (2011).

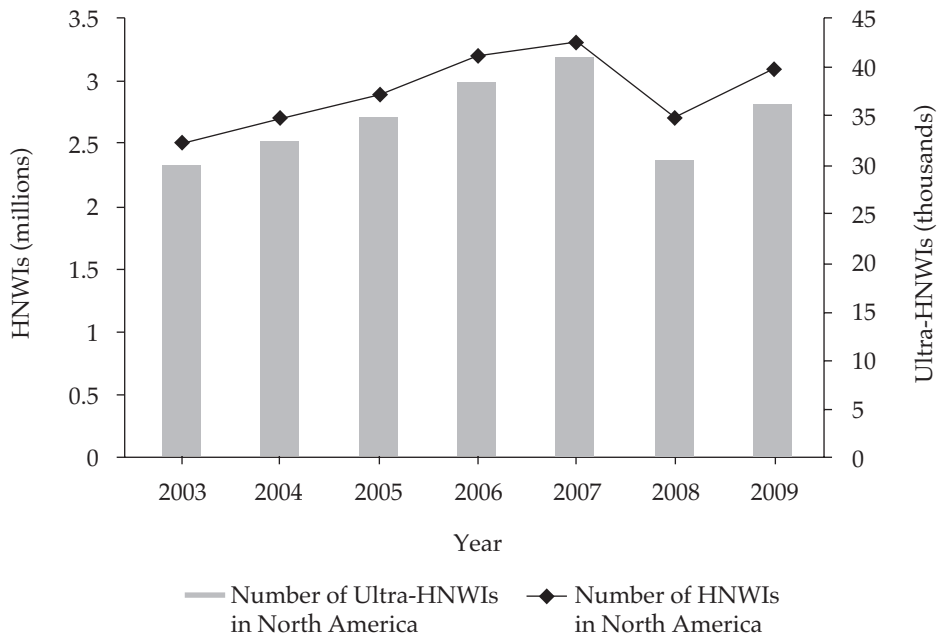
Notes: For definitions of capital income and labor income see entries for Survey of Consumer Finances and labor income in the appendix, "Definitions of Income Measures." Self-employment income is broken into labor income (70 percent) and capital income (30 percent), following Bureau of Economic Analysis income definition rules. Other income is net public income transfers after subtracting direct taxes.

Figure 5.1 Mean Net Worth for Americans with Highest Net Worth, 2003 to 2010



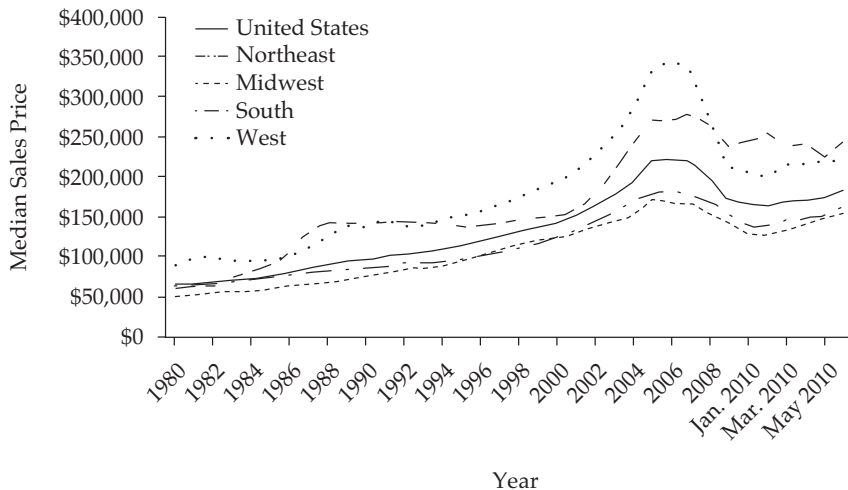
Source: Authors' compilation of data from the 2003 to 2010 editions of *Forbes* "400 Richest Americans" list (*Forbes*, various years).

Figure 5.2 Ultra-High- and High-Net-Worth Individuals (HNWIs) in North America, 2003 to 2009



Source: Authors' compilation of data from World Wealth Reports (Merrill Lynch and Capgemini 2000–2010).

Figure 5.3 Median Sales Prices for Existing Homes, 1980 to 2010



Source: Authors' compilation of data from U.S. Department of Housing and Urban Development (2010b).

Note: Data include prices of existing single-family homes before 1989. After 1989, prices of existing condominiums and cooperatives are also included.

Table 5.1 Share of Homeowners Who Have Negative Home Equity and Are Delinquent on Their Mortgages, by Household Characteristic (Percentages)

	Projected Share of Homeowners with Negative Home Equity, 2009	Decline In Average Value of Home Equity by Group, 2007 to 2009	Share of Home- Owners Delinquent on Their Mortgage, 2009	Share of Home-Owners Likely Behind on Their Mortgage, 2009
All households	16.4	39.1	5.1	14.1
Race or ethnicity ^a				
Non-Hispanic white	14.5	36.9	3.4	9.9
African American	27.9	48.0	11.0	21.2
Hispanic	23.2	44.6	15.4	44.4
Family type				
Married couples	17.4	39.2	4.6	13.6
Single males	16.7	37.8	3.7	12.9
Single females	12.9	34.2	7.8	16.5
Education ^b				
Less than twelve years of schooling	7.0	33.4	11.8	25.5
Twelve years of schooling	16.5	38.8	6.0	14.8
Thirteen to fifteen years of schooling	18.8	40.3	5.0	12.0
Sixteen or more years of schooling	17.7	38.0	1.6	7.1
Age group ^c				
Under thirty-five	49.9	68.3	4.6	13.2
Thirty-five to forty-four	25.5	49.7	6.5	17.3
Forty-five to fifty-four	11.7	40.1	5.6	15.6
Fifty-five to sixty-four	7.2	35.4	4.7	13.0
Sixty-five to seventy-four	6.5	30.9	1.0	4.1
Seventy-five and over	0.9	27.5	3.9	12.2
Income class				
Under \$15,000	5.3	31.1	7.7	22.6
\$15,000 to \$24,999	8.6	31.2	5.5	21.4
\$25,000 to \$49,999	18.0	36.6	8.4	20.9
\$50,000 to \$74,999	22.8	42.2	6.4	14.0
\$75,000 to \$99,999	20.6	42.4	4.2	11.7
\$100,000 to \$249,999	15.3	40.6	2.7	10.6
\$250,000 and over	7.2	34.4	0.4	2.7

Source: Columns 1 and 2 authors' calculations based on data from the Survey of Consumer Finances (Board of Governors of the Federal Reserve System 2007).

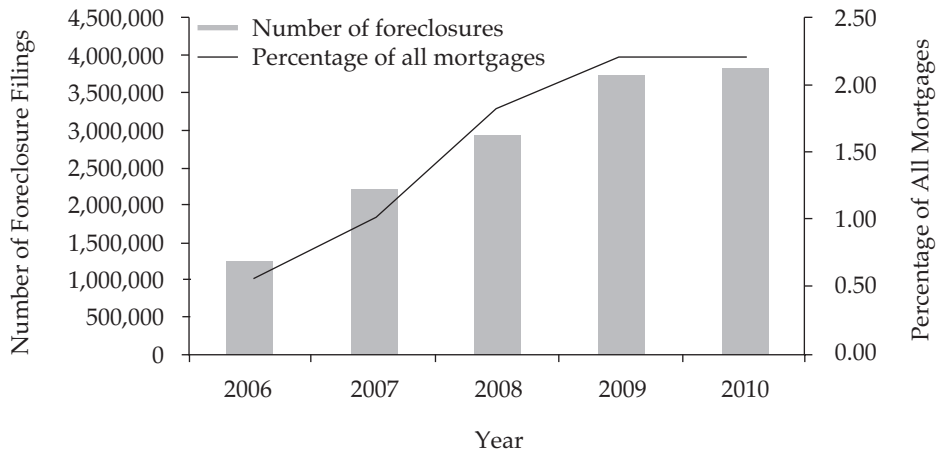
Columns 3 and 4: Authors' calculations, based on data from the Panel Study of Income Dynamics (2009).

^a. Asian and other races are excluded from the table because of small sample sizes.

^b. Households are classified by the schooling level of the head of household.

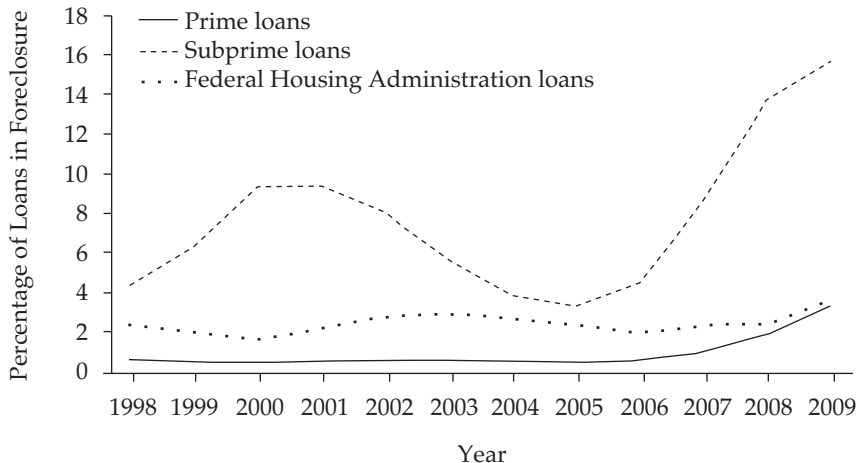
^c. Households are classified by the age of the head of household.

Figure 5.4 **Number of Foreclosure Filings and Percentage of U.S. Housing Units in Foreclosure, 2006 to 2010**



Source: Authors' compilation based on RealtyTrac Year-End foreclosure reports (various years).

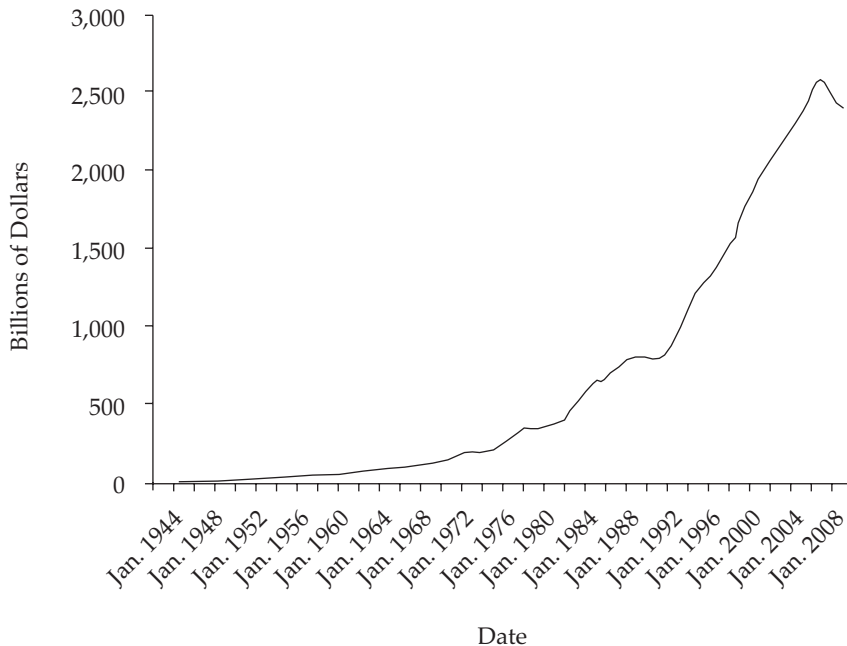
Figure 5.5 **Percentage of Loans in Foreclosure by Market Segment, 1998 to 2009**



Source: Authors' compilation of data from U.S. Department of Housing and Urban Development, Office of Policy Development and Research (2010a, figures 5.6, 7).

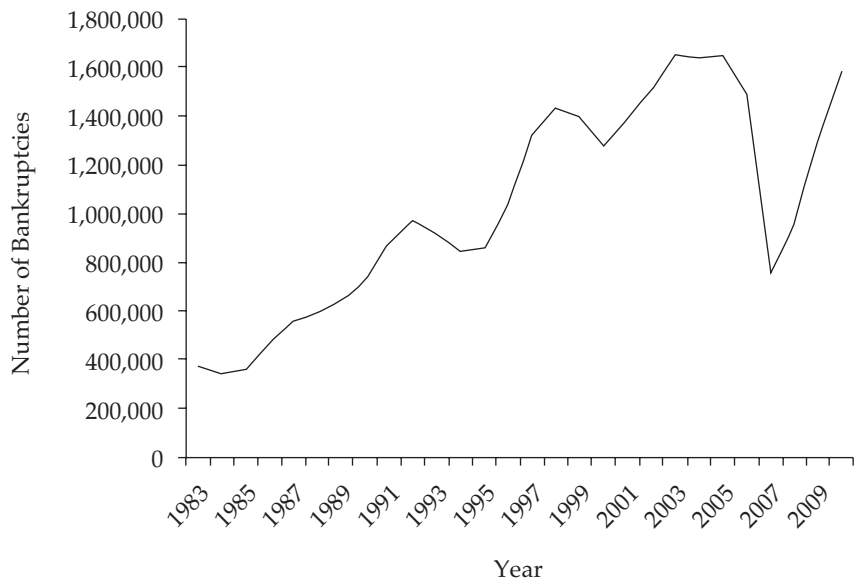
Note: Yearly data based on quarterly averages.

Figure 5.6 **Total Consumer Credit Outstanding, 1943 to 2010**



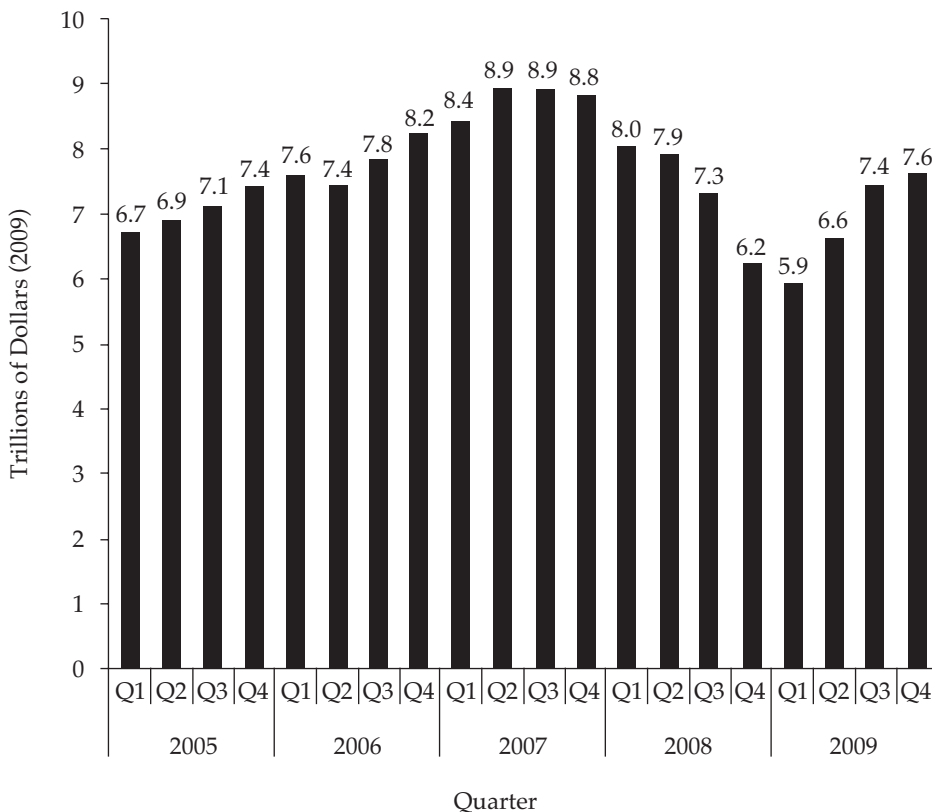
Source: Authors' compilation of data from Federal Reserve Bank of St. Louis (various years).

Figure 5.7 **Total Bankruptcy Filings, 1980 to 2009**



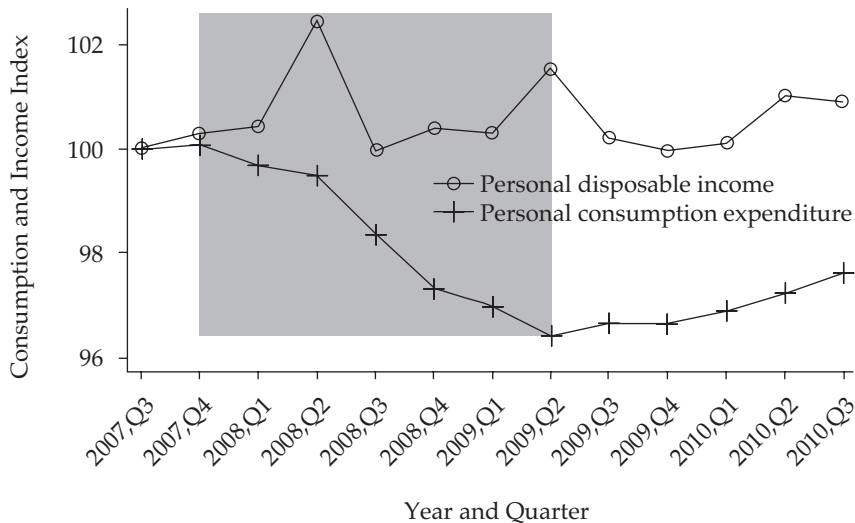
Source: Authors' compilation based on data from United States Courts (various years).

Figure 5.8 **Accumulations in Retirement Accounts, 2005 to 2009**



Source: Authors' tabulation based on Butrica and Issa (2010).

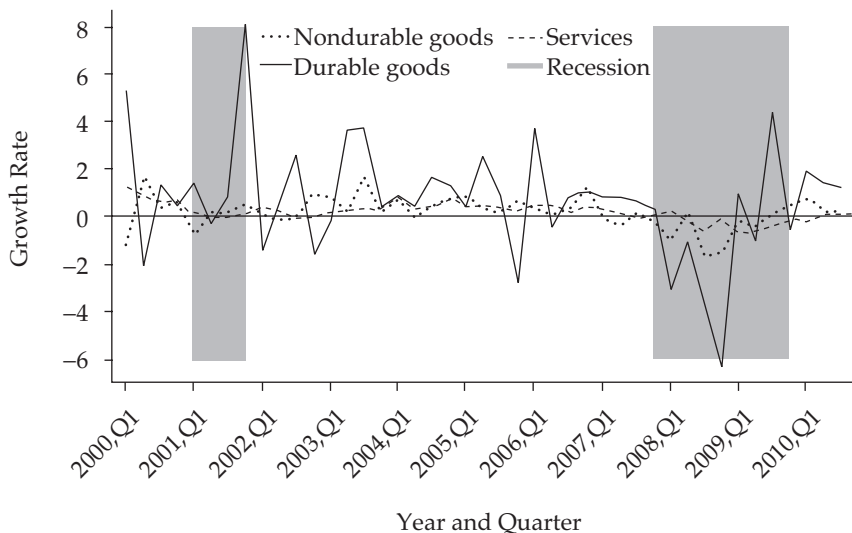
Figure 6.1 **Consumption and Disposable Income**



Source: Authors' calculations based on U.S. Department of Commerce, Bureau of Economic Analysis (2011; tables 2.1, 2.3.4, 2.3.5).

Note: Gray area represents period of recession.

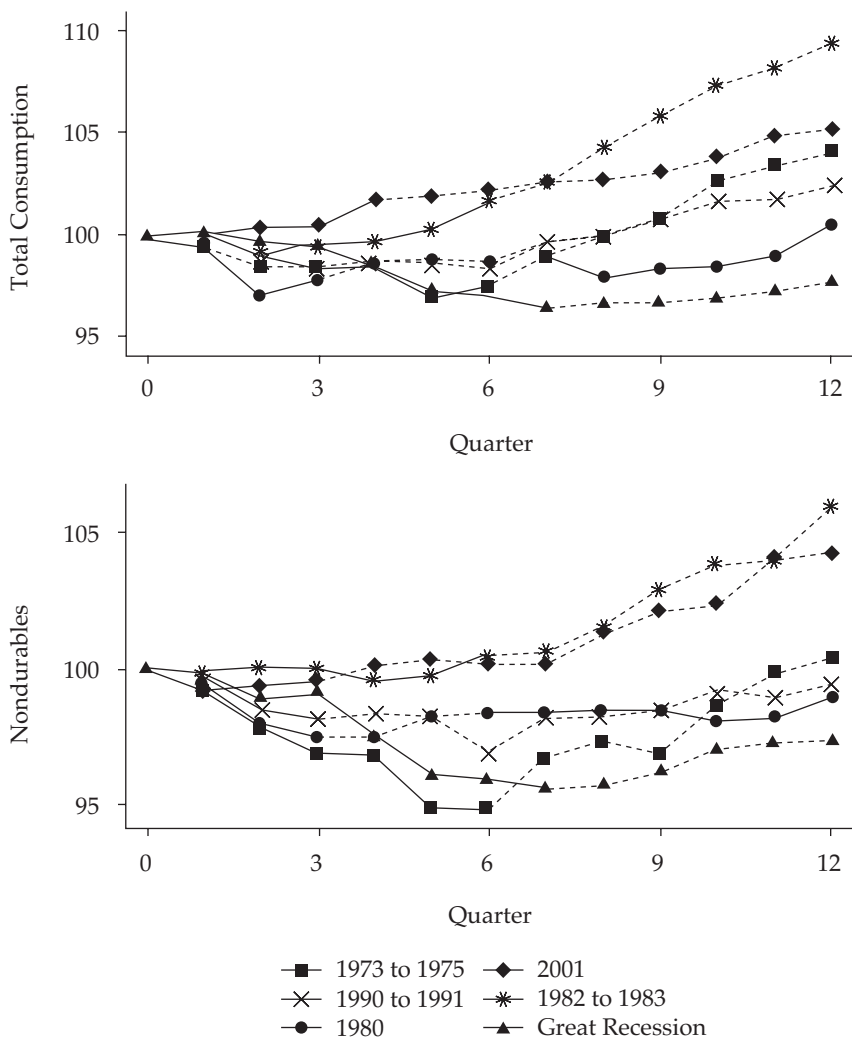
Figure 6.2 **Growth Rate of Consumption Components**



Source: Authors' calculations based on U.S. Department of Commerce, Bureau of Economic Analysis (2011; tables 2.1, 2.3.4, 2.3.5).

Figure 6.3

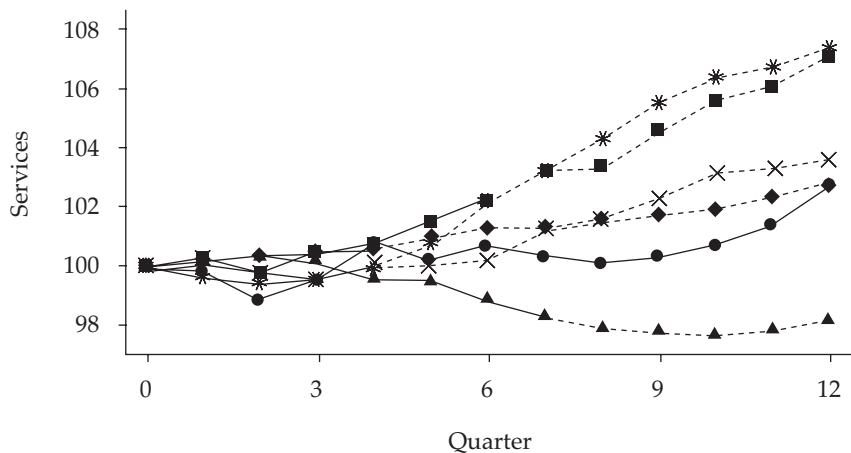
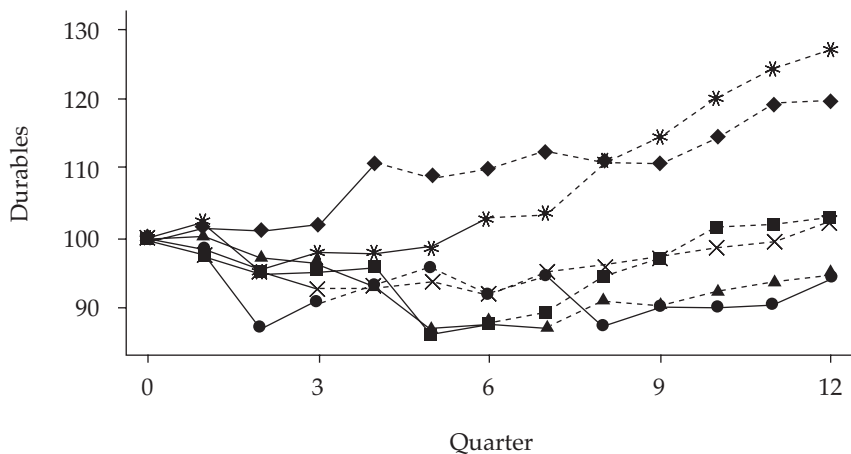
Consumption During Great Recession Versus Previous Recessions, by Quarter from Start of Great Recession



Source: Authors' calculations based on U.S. Department of Commerce, Bureau of Economic Analysis (2011; tables 2.1, 2.3.4, 2.3.5).

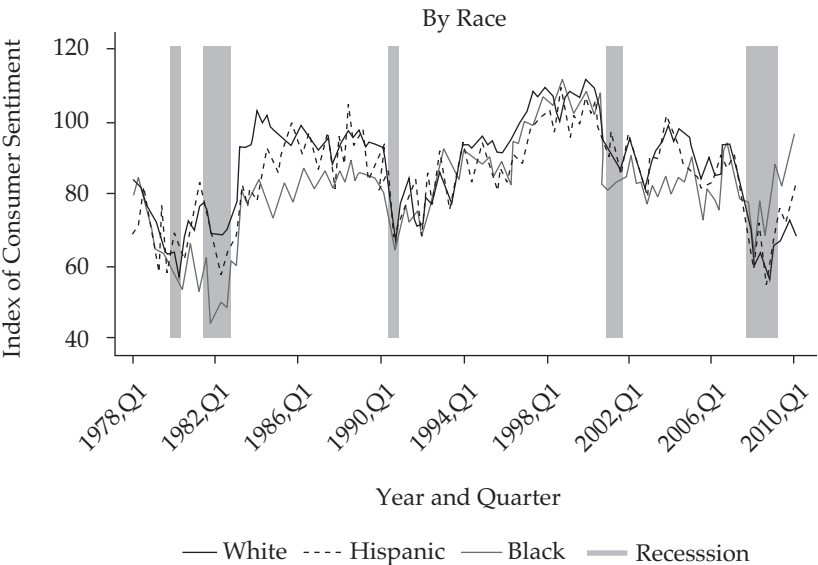
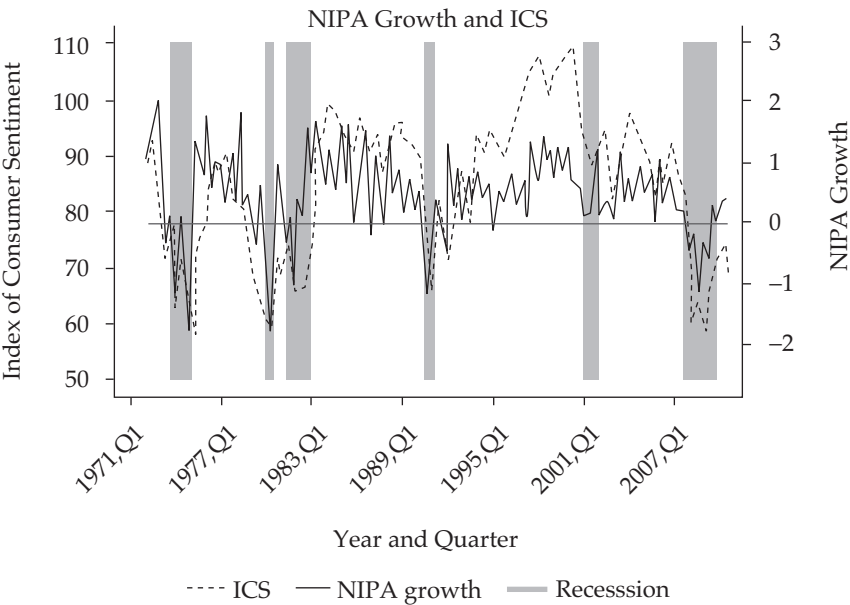
Note: Figures track twelve quarters from onset of given recession, normalized to be 100 in the quarter immediately preceding the start of each recession.

Figure 6.3 (continued)



■ 1973 to 1975 ♦ 2001
 × 1990 to 1991 * 1982 to 1983
 ● 1980 ▲ Great Recession

Figure 6.4 Consumption Growth, Consumer Confidence, and Heterogeneity



Source: Authors' calculations based on data from U.S. Department of Commerce, Bureau of Economic Analysis (2011, table 2.3.1) and Michigan Consumer Sentiment Survey (Souleles 2004).

Note: ICS = Index of Consumer Sentiment; NIPA = National Income and Product Accounts

Figure 6.4 (continued)

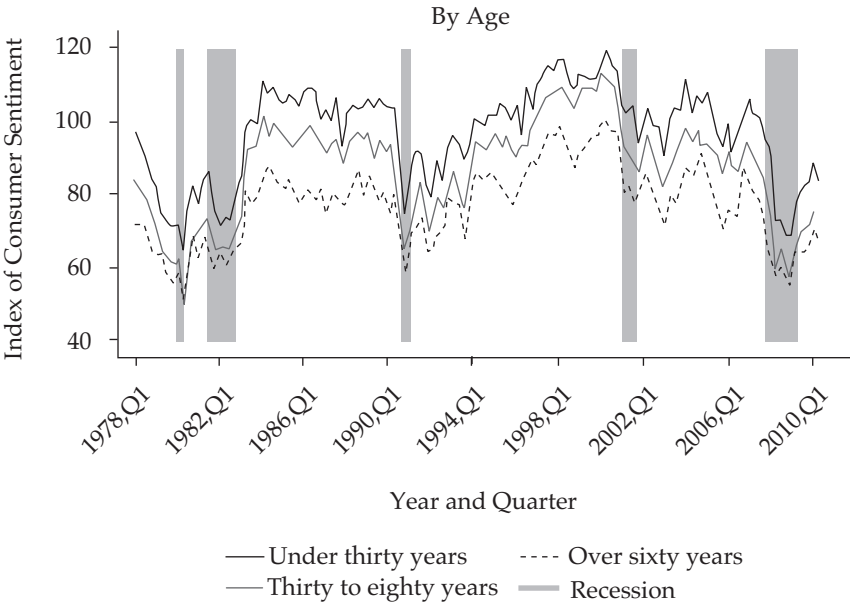
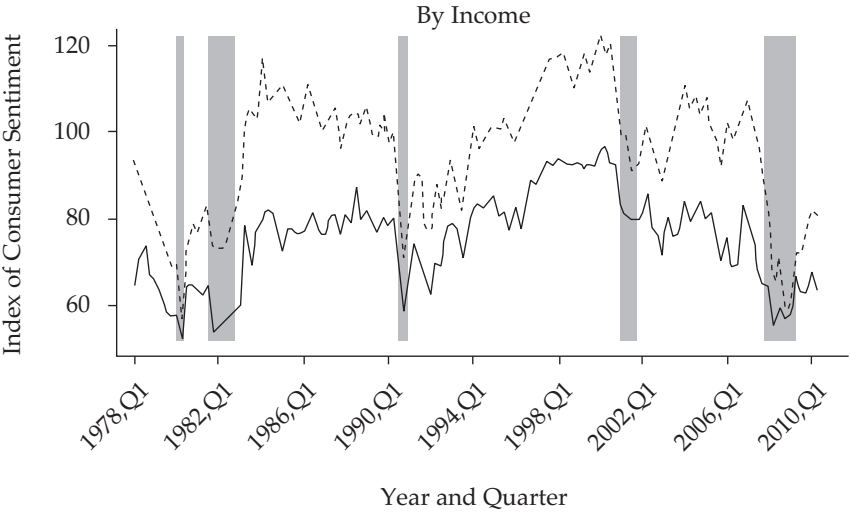
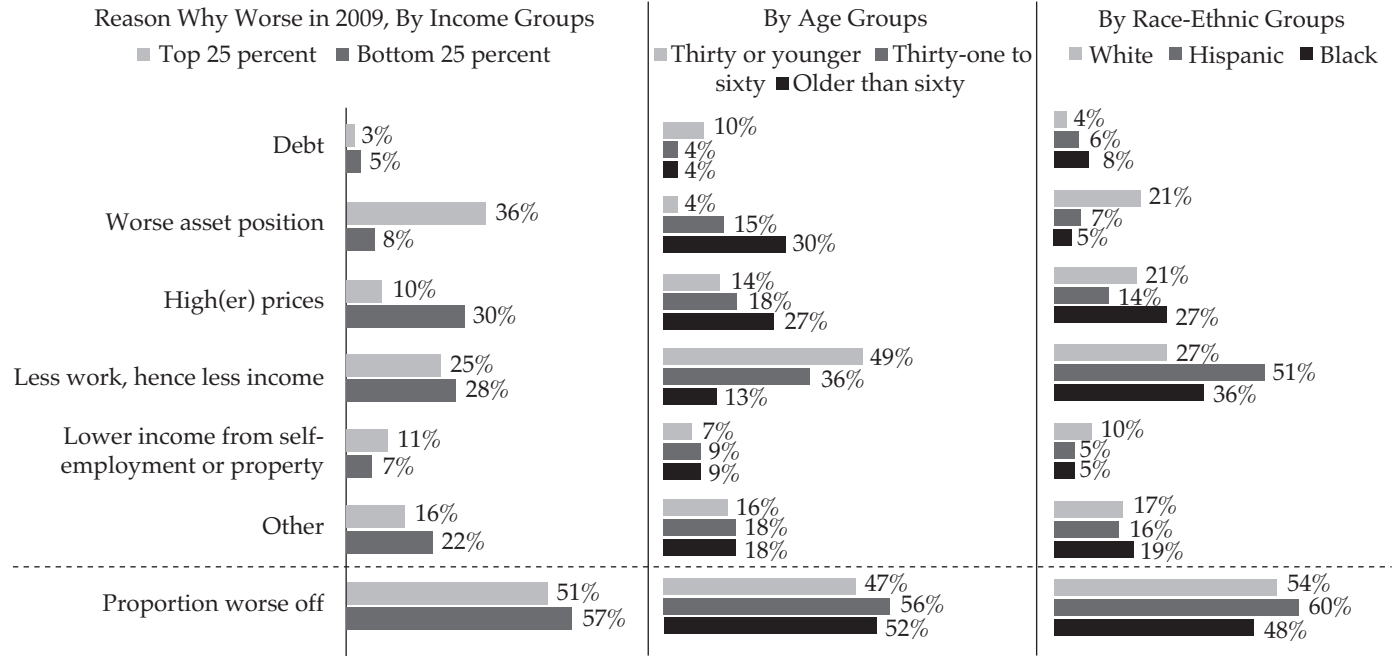
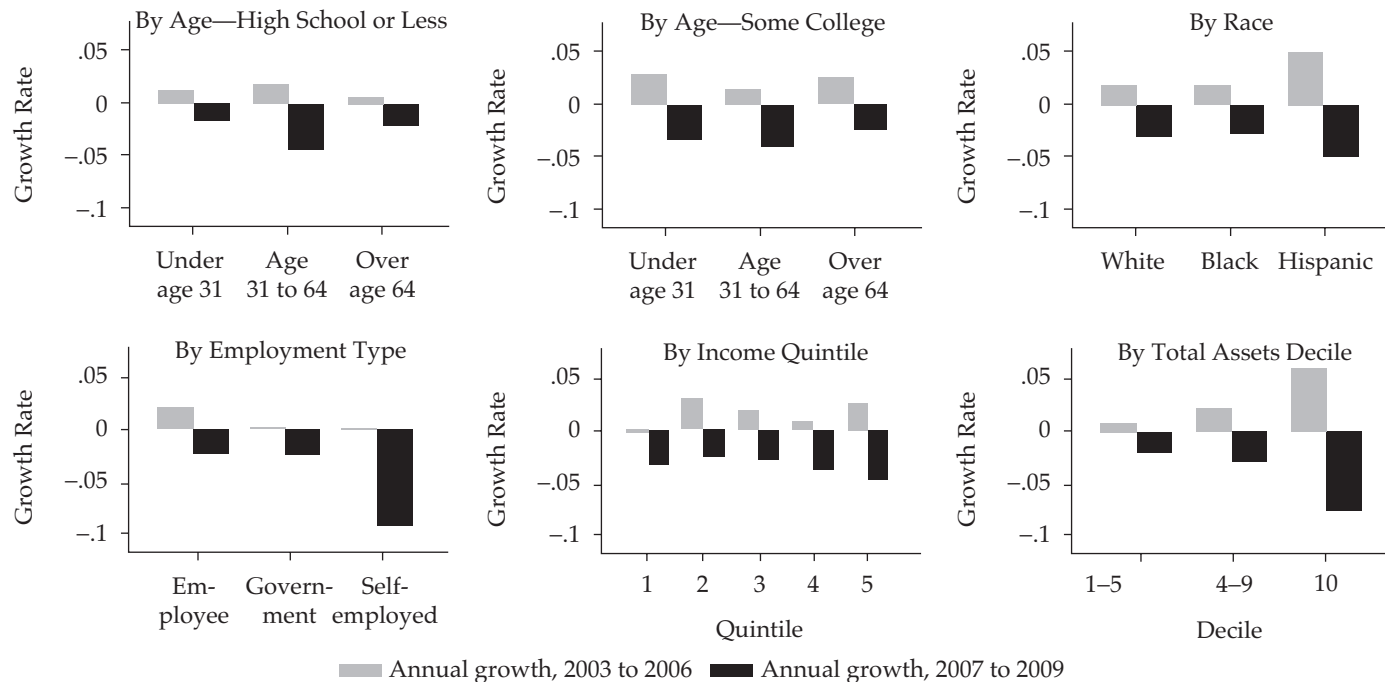


Figure 6.5 Perceptions of Worsening of Financial Situation



Source: Authors' calculations based on data from the University of Michigan Surveys of Consumers (Curtin 2010).

Figure 6.6 Means of Total Consumption Growth, by Group



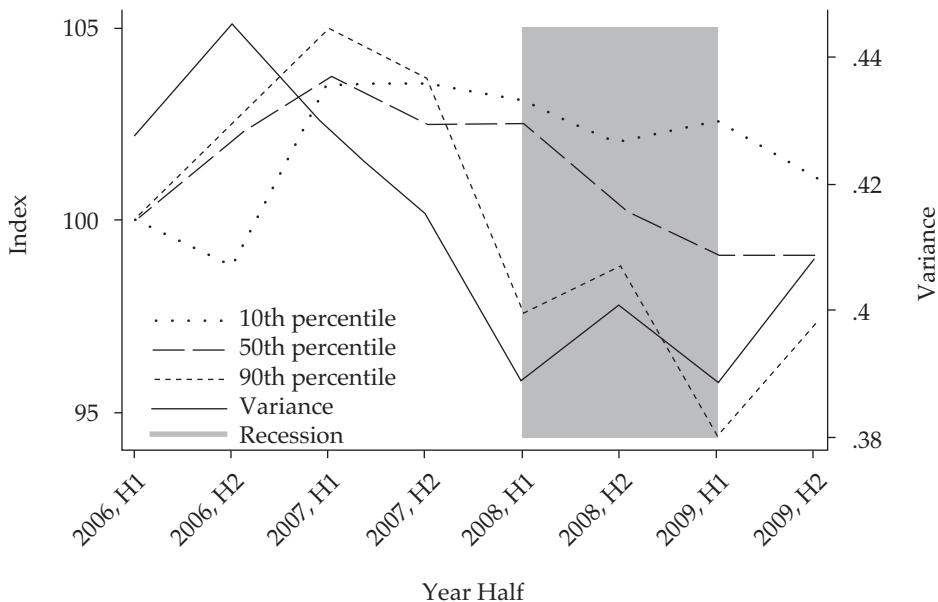
Source: Authors' calculations based on data from the Consumer Expenditure Survey (U.S. Department of Labor, Bureau of Labor Statistics, various years).

Table 6.1 The Wealth Effect for the Top Decile of Financial Assets

Panel A: Weighted means	(1)	(2)	(3)
Estimate of the wealth effect from the literature	0.01	0.04	0.07
Average annual consumption 2009		\$59,528	
Average annual consumption 2007		\$69,718	
Average total wealth 2009		\$717,349	
Average total wealth 2007		\$926,280	
Predicted annualized consumption growth	-1.50%	-5.99%	-10.49%
Actual annualized consumption growth		-7.30%	
Panel B: Medians	(1)	(2)	(3)
Estimate of the wealth effect from the literature	0.01	0.03	0.07
Median annual consumption 2009		\$48,814	
Median annual consumption 2007		\$52,243	
Median total wealth 2009		\$517,082	
Median total wealth 2007		\$673,439	
Predicted annualized consumption growth	-1.49%	-5.98%	-10.48%
Actual annualized consumption growth		-3.30%	

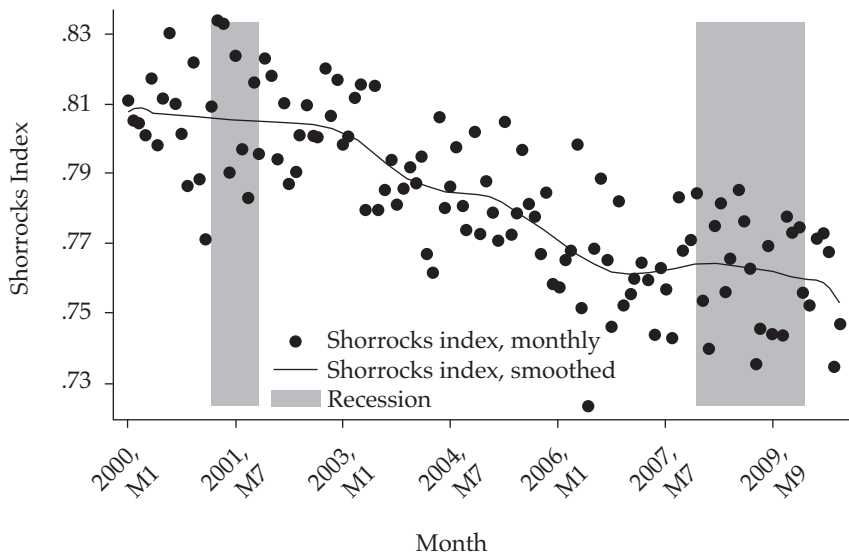
Source: Authors' calculations based on data from the Consumer Expenditure Survey (U.S. Department of Labor, Bureau of Labor Statistics, various years).

Figure 6.7 **Measuring Inequality Using Log (Total Consumption)**



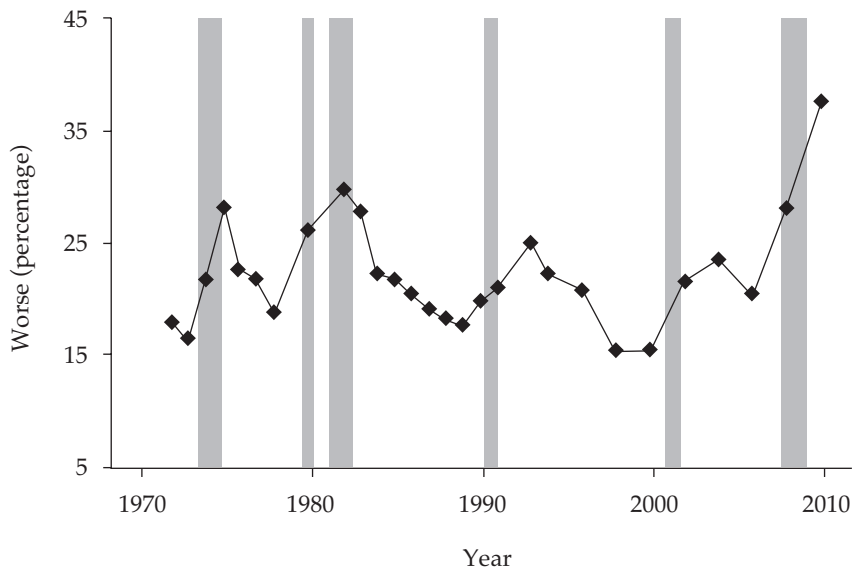
Source: Authors' calculations based on the Consumer Expenditure Survey (U.S. Department of Labor, Bureau of Labor Statistics, various years).

Figure 6.8 **Consumption Mobility**



Source: Authors' calculations based on data from the Consumer Expenditure Survey (U.S. Department of Labor, Bureau of Labor Statistics, various years).

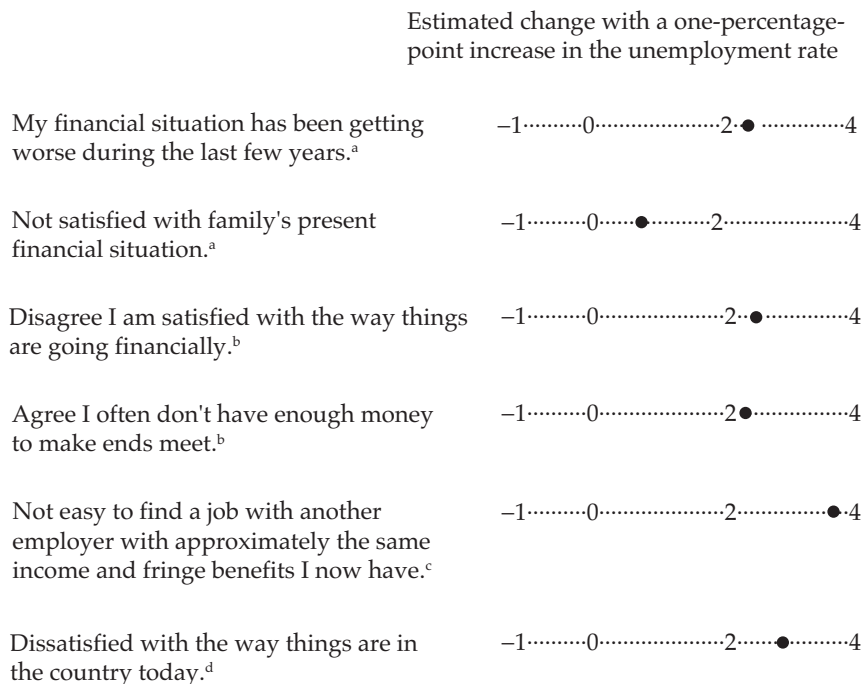
Figure 7.1a Do Americans Notice and Feel Adversely Affected by Economic Downturns?



Source: Authors' compilation based on data from General Social Surveys (National Opinion Research Center 2010).

Note: Response: "My financial situation has been getting worse during the last few years." Other response options: "Better"; "Stayed the same." Gray bars represent recession periods.

Figure 7.1b Do Americans Notice and Feel Adversely Affected by Economic Downturns?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

^a GSS, 1972 to 2010, 28 data points

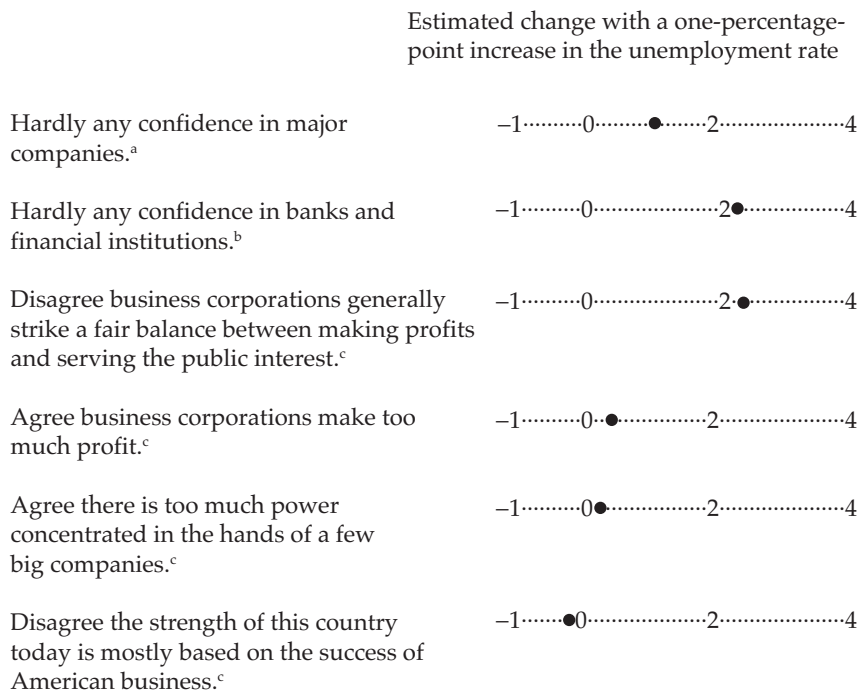
^b Pew, 1987 to 2009, 14 data points.

^c GSS, 1977 to 2010, 20 data points.

^d Pew, 1988 to 2010, 96 data points.

Figure 7.2a

Do Attitudes Toward Business and Finance Sour?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

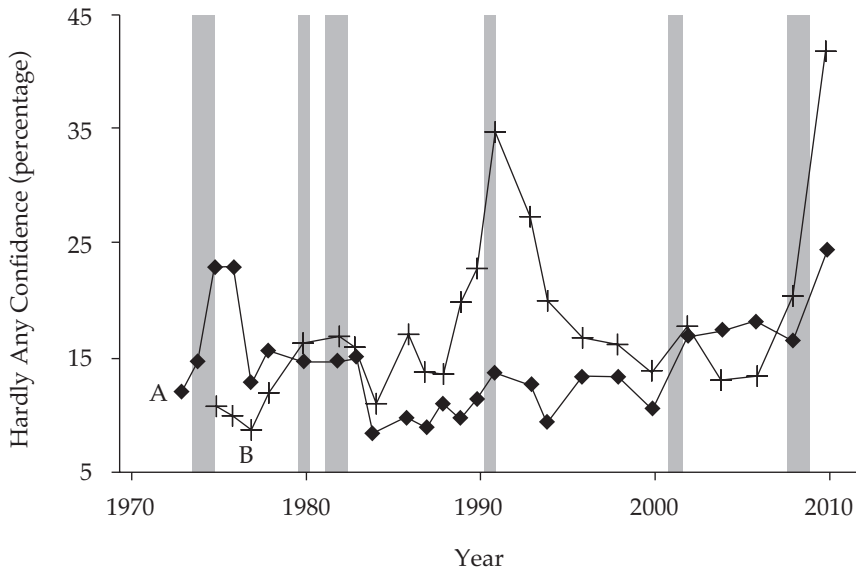
^a GSS, 1973 to 2010, 26 data points

^b GSS, 1975 to 2010, 24 data points.

^c Pew, 1987 to 2009, 14 data points.

Figure 7.2b

Do Attitudes Toward Business and Finance Sour?



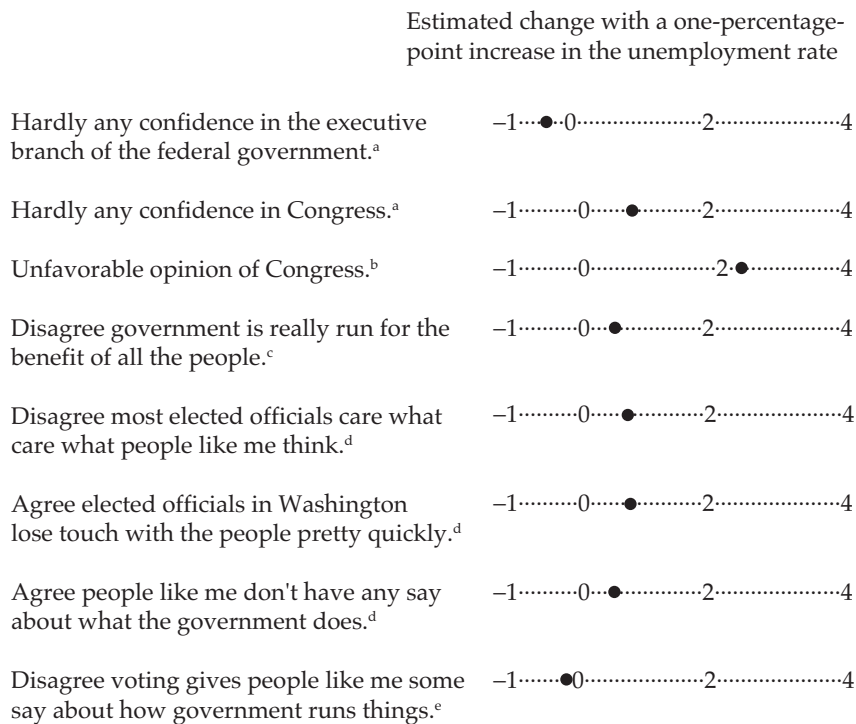
Source: Authors' compilation, based on General Social Survey (National Opinion Research Center 2010).

Note: A: "Hardly any confidence in major companies." Other response options: "A great deal"; "Only some."

B: "Hardly any confidence in banks and financial institutions." Other response options: "A great deal"; "Only some."

Gray bars represent recession periods.

Figure 7.3a Do Attitudes Toward Government Sour?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

^a GSS, 1973 to 2010, 26 data points

^b Pew, 1985 to 2010, 50 data points.

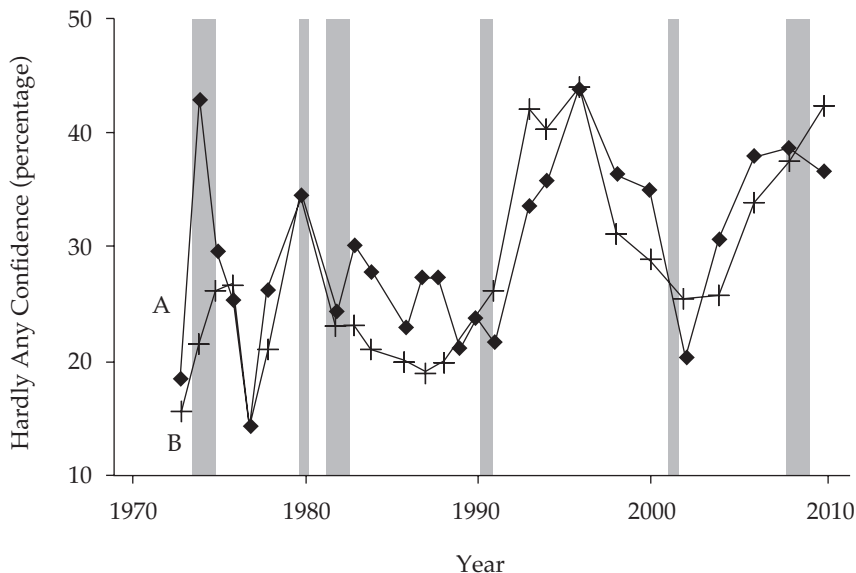
^c Pew, 1987 to 2009, 13 data points.

^d Pew, 1987 to 2009, 14 data points.

^e Pew, 1987 to 2009, 12 data points.

Figure 7.3b

Do Attitudes Toward Government Sour?



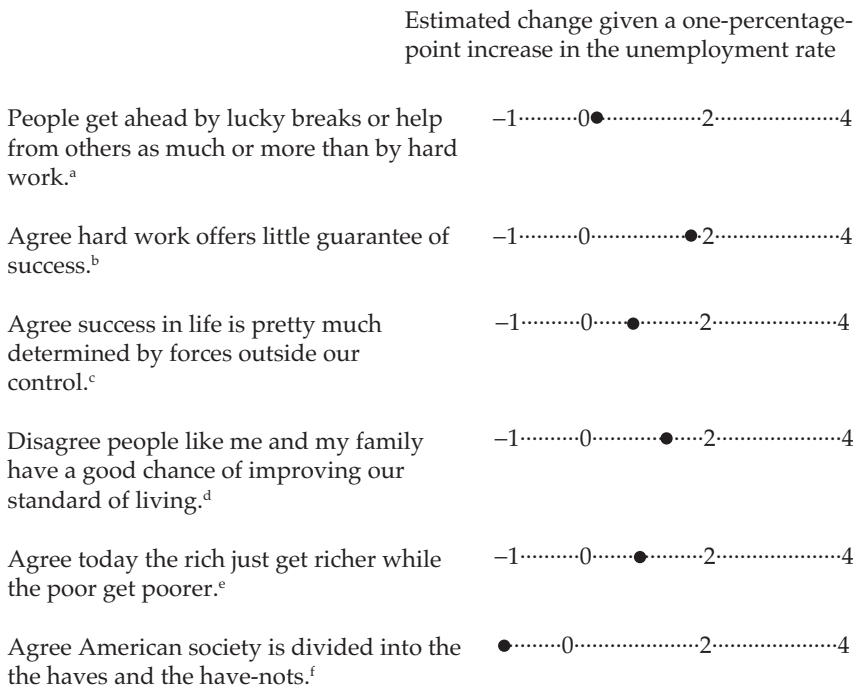
Source: Authors' compilation based on data from General Social Surveys (National Opinion Research Center 2010).

Note: A: Hardly any confidence in the executive branch of the federal government. Other response options: "A great deal"; "Only some."

B: Hardly any confidence in Congress. Other response options: "A great deal"; "Only some."

Gray bars represent recession periods.

Figure 7.4a Do People Perceive Less Fairness, Less Opportunity, More Inequality?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

^a GSS, 1973 to 2010, 23 data points

^b Pew, 1987 to 2009, 13 data points.

^c Pew, 1987 to 2009, 12 data points.

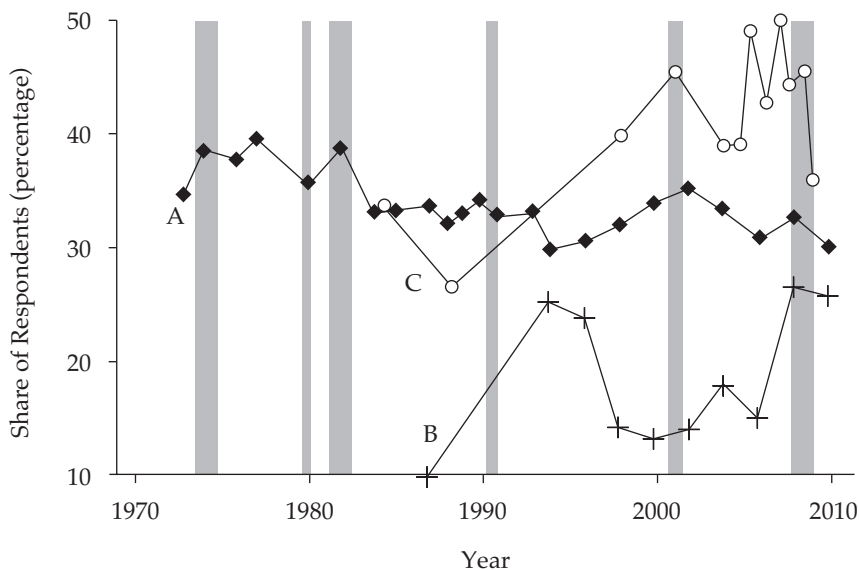
^d GSS, 1987 to 2010, 10 data points.

^e Pew, 1987 to 2009, 14 data points.

^f Pew, 1987 to 2009, 13 data points.

Figure 7.4b

Do People Perceive Less Fairness, Less Opportunity, More Inequality?



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: A: GSS: "People get ahead by lucky breaks or help from other people." Other response option: "Hard work."

B: GSS: "Disagree [that] people like me and my family have a good chance of improving our standard of living." Other response option "Disagree."

C: Pew: "Agree American society is divided into the haves and the have-nots." Other response option: "Disagree."

Gray bars represent recession periods.

Figure 7.5a **What Do Americans Think Government Can and Should Do?**

Estimated change with a one-percentage-point increase in the unemployment rate

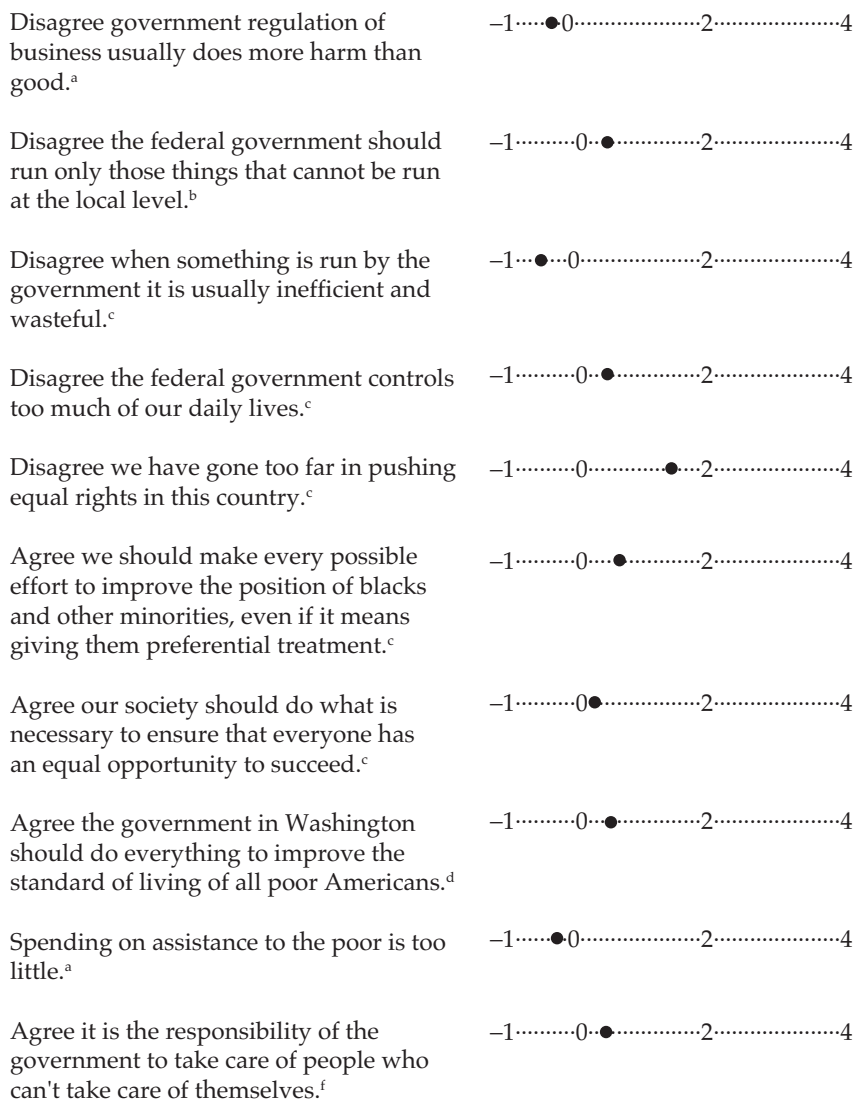
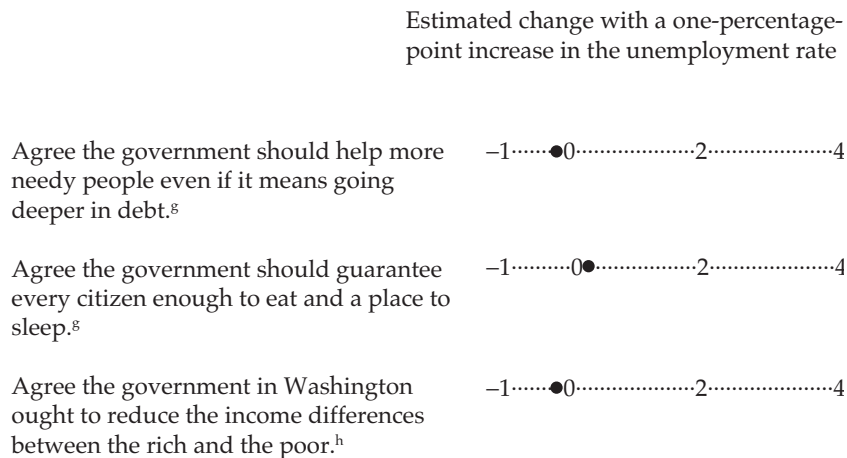


Figure 7.5a (continued)



Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.

^a Pew, 1987 to 2009, 11 data points

^b Pew, 1987 to 2009, 9 data points.

^c Pew, 1987 to 2009, 14 data points.

^d GSS, 1975 to 2010, 19 data points.

^e GSS, 1984 to 2010, 18 data points.

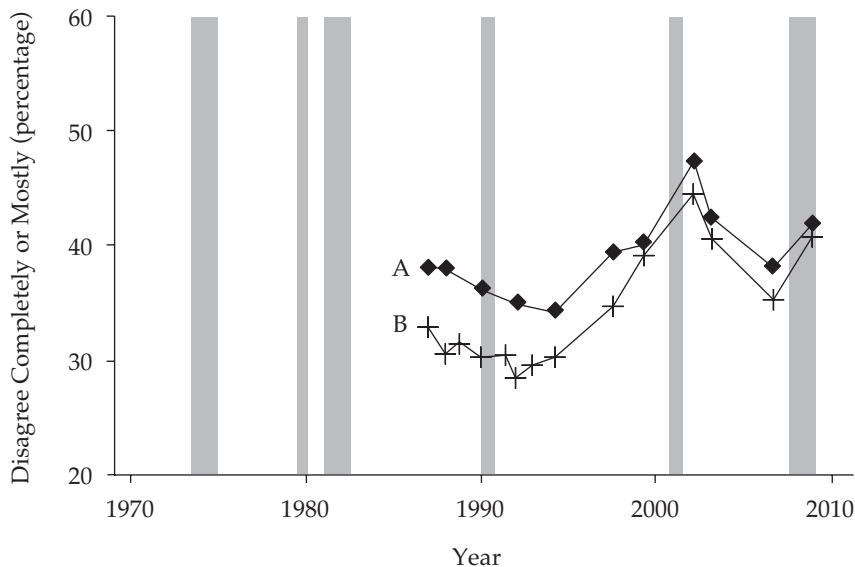
^f Pew, 1987 to 2009, 12 data points.

^g Pew, 1987 to 2009, 13 data points.

^h GSS, 1978 to 2010, 20 data points.

Figure 7.5b

What Do Americans Think Government Can and Should Do?

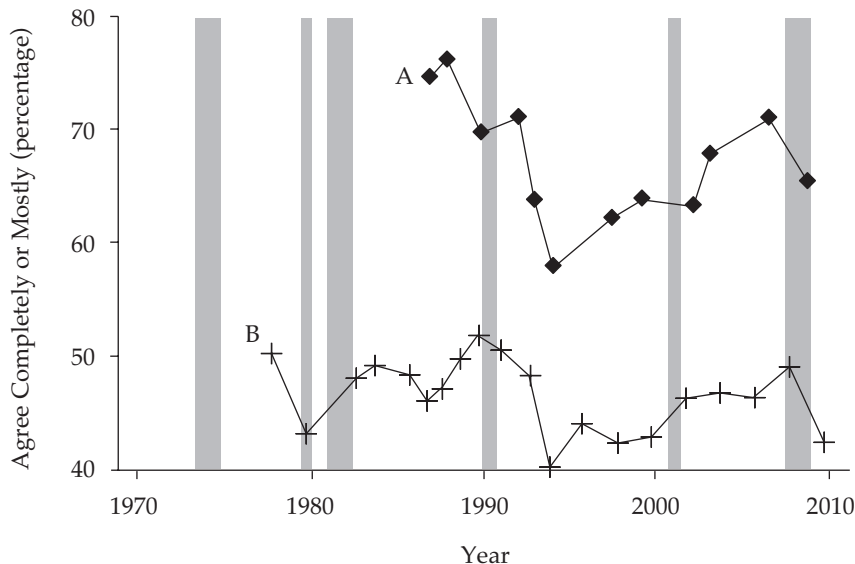


Source: Authors' compilation based on data from General Social Surveys (National Opinion Research Center 2010).

Note: A: "Disagree government regulation of business usually does more harm than good." Other response options: "Agree completely"; "Agree mostly."

B: "Disagree when something is run by the government it is usually inefficient and wasteful." Other response options: "Agree completely"; "Agree mostly."

Gray bars represent recession periods.

Figure 7.5c**What Do Americans Think Government Can and Should Do?**

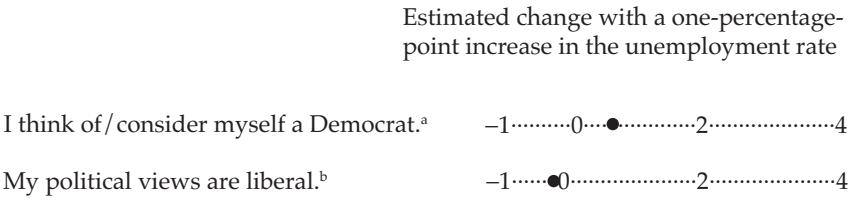
Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).

Note: A: Pew: "Agree it is the responsibility of government to take care of the people who can't take care of themselves." Other response options: "Agree completely"; "Agree mostly."

B: GSS: "Agree the government ought to reduce the income differences between the rich and the poor."

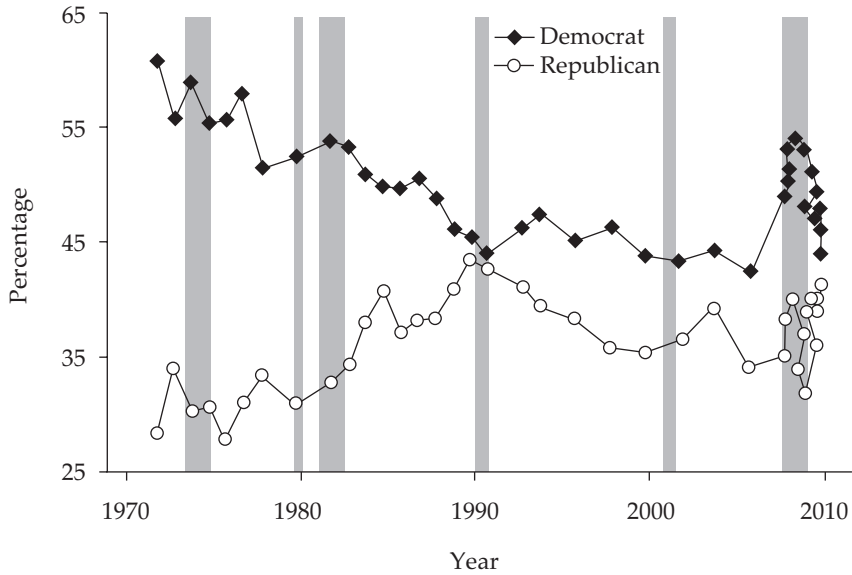
Response options on a scale from 1 to 7. Gray bars represent recession periods.

Figure 7.6a Do Party Allegiances and Political Orientations Shift?



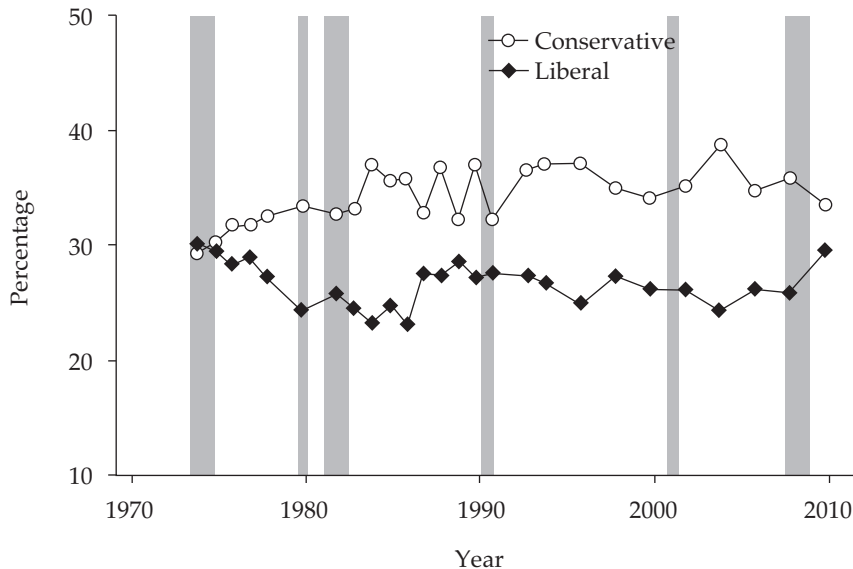
Source: Authors' compilation based on General Social Surveys (National Opinion Research Center 2010) and Pew Research Center for the People and the Press (2009).
Note: Estimated change is from a regression of the survey response on the unemployment rate and a time variable; the data are monthly. For more details, see the online appendix.
^a. GSS and Pew, 1972 to 2010, 51 data points.
^b. GSS, 1974 to 2010, 26 data points.

Figure 7.6b Do Party Allegiances Shift?



Sources: Authors' compilation based on General Social Survey (National Opinion Research Center 2010) 1972 to 2010; Pew Research Center for the People and the Press (2009) 2008 to 2010.
Note: On a seven-point scale ranging from "strong Democrat" to "strong Republican." Gray bars represent recession periods.

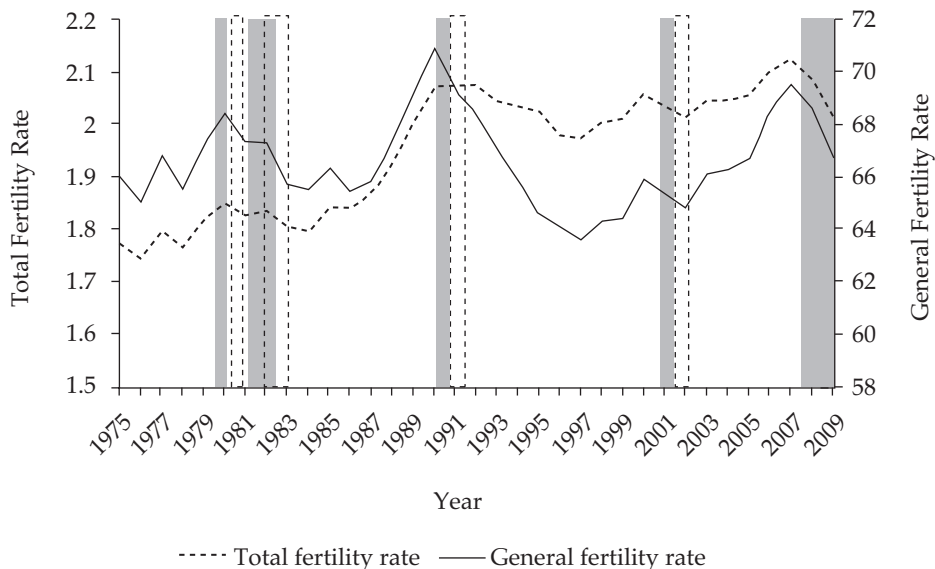
Figure 7.6c **Do Political Orientations Shift?**



Source: Authors' compilation based on data from General Social Surveys (National Opinion Research Center 2010).

Note: On a seven-point scale ranging from "extremely liberal" to "extremely conservative." Gray bars represent recession periods.

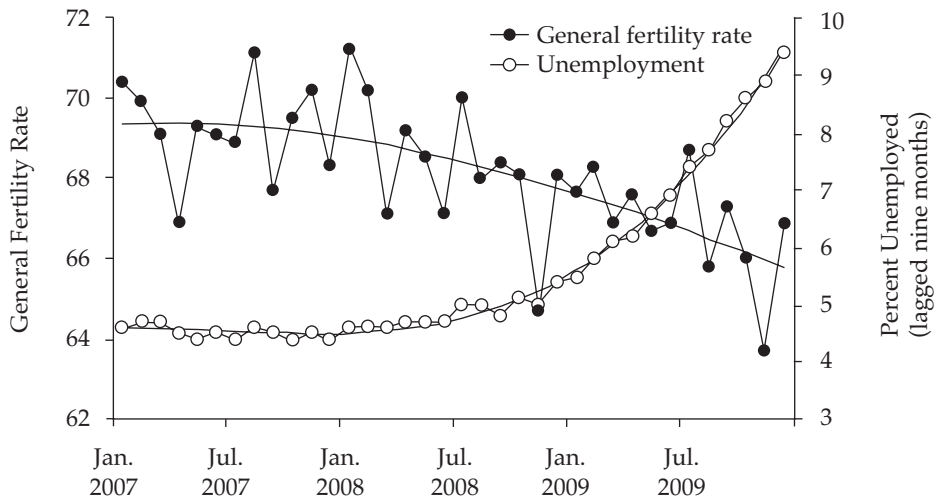
Figure 8.1 The First Drop in Fertility Rate Since 2003



Source: Authors' compilation based on data from the National Center for Health Statistics (Martin et al. 2010; Hamilton, Martin, and Ventura 2010a, 2010b).

Note: The vertical bars shaded gray show recession periods. The vertical bars outlined by dotted border show a nine-month lag to the recession period.

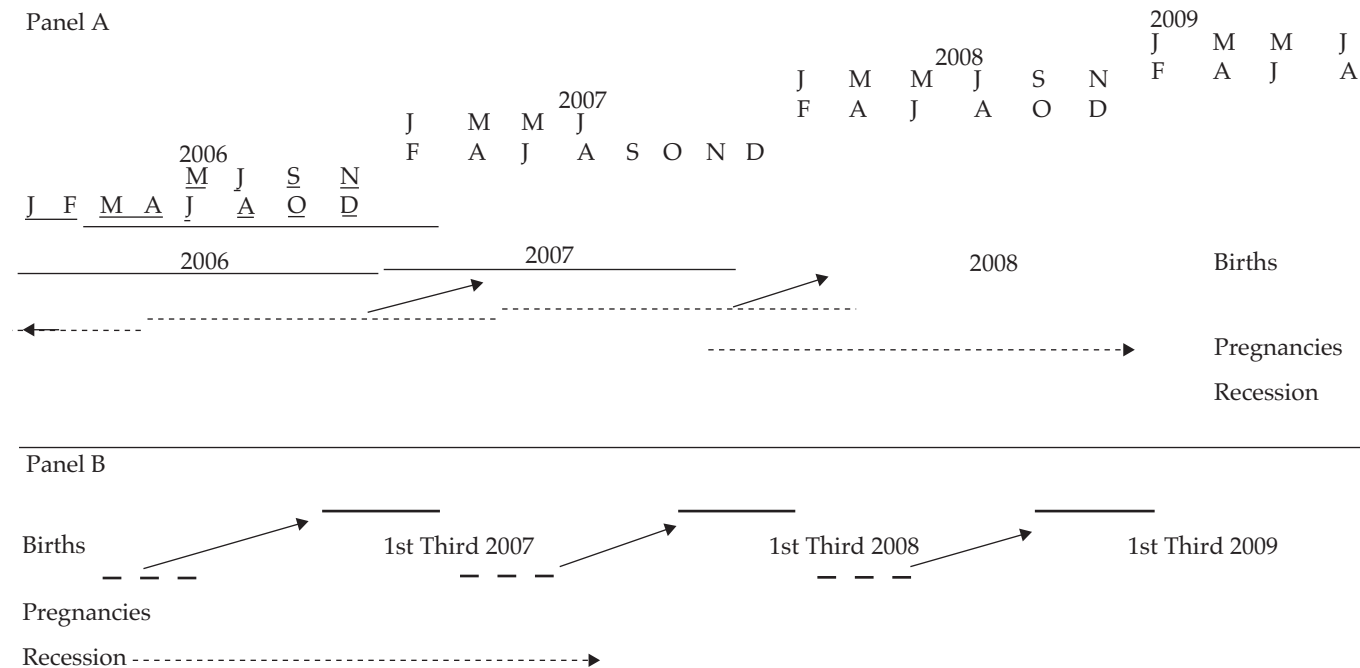
Figure 8.2 Trends in Fertility and Unemployment



Source: Authors' compilation based on data from U.S. Bureau of Labor Statistics (2011a) and the National Center for Health Statistics (Martin et al. 2010; Hamilton, Martin, and Ventura 2010a, 2010b).

Note: Figure shows the general fertility rate published by the National Center for Health Statistics in their monthly National Vital Statistics Report and the official unemployment rate from the Bureau of Labor Statistics (lagged nine months).

Figure 8.3 Timing of Births, Pregnancies, and the 2008-to-2009 Recession



Source: Authors' schematic of appropriate months to estimate effects of recession.

Figure 8.4

Greatest Falls in Fertility in States with Biggest Unemployment Increases



Source: Authors' compilation based on data from the U.S. Bureau of Labor Statistics (2011a) and the National Center for Health Statistics (Martin et al. 2010; Hamilton, Martin, and Ventura 2010a, 2010b).

Note: The fertility ratio is the ratio of the general fertility rates for 2009 and 2007, as reported by the National Center for Health Statistics. Values less than 1.00 indicate lower fertility in 2009, and values greater than 1.00 indicate higher fertility in 2009. The unemployment ratio is the ratio of the unemployment rates from June of 2009 and 2007, as calculated from the Current Population Survey. Values greater than 1.00 indicate higher unemployment in 2009 than in 2007.

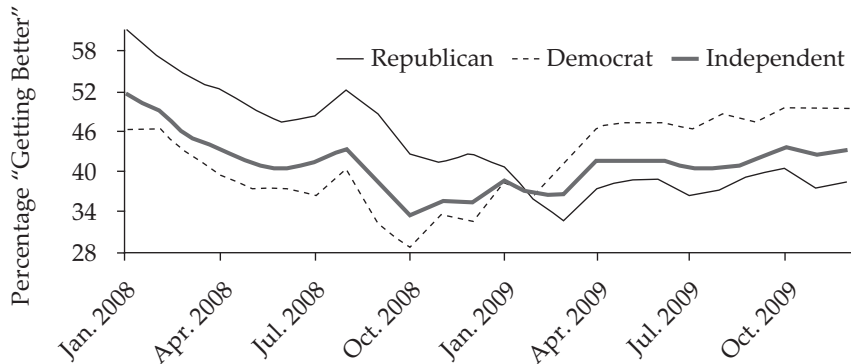
Table 8.1 Recession Effects by State Voting Pattern (Blue Versus Red)

Selected State	Observed Voting Pattern	Predicted Recession Effect
Wyoming	0.50	−0.05
Arkansas	0.75	−0.04
North Carolina	1.00	−0.03
Minnesota	1.25	−0.02
California	1.50	−0.01
Vermont	2.20	0.01

Source: See online appendix 8A.1 for source details.

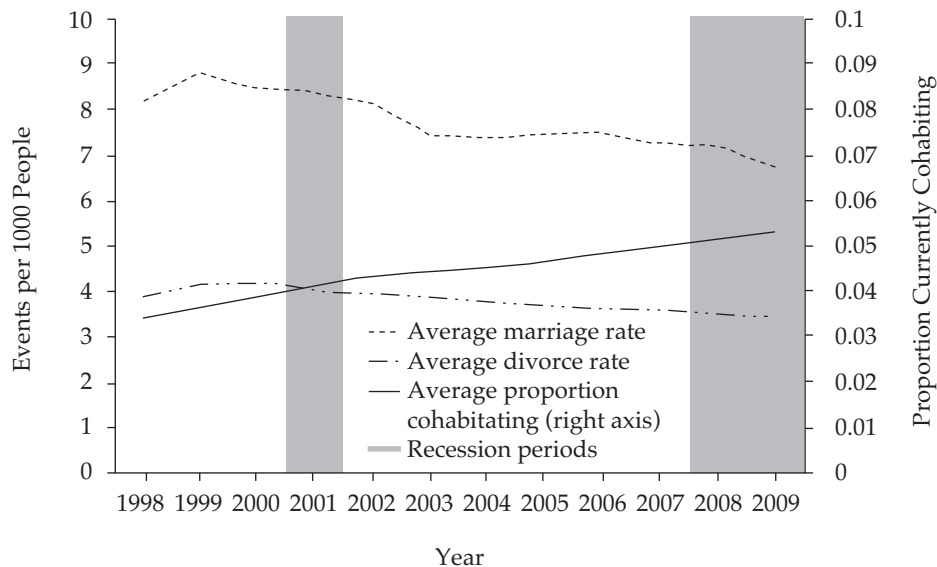
Note: The observed voting pattern is the proportion voting for Barack Obama divided by the proportion voting for John McCain in the November 2008 presidential election. The predicted recession effect is the percent change in fertility that results from a doubling of the unemployment rate. See online appendix 8A.1 (http://www.russellsage.org/great-recession_onlineappendix.pdf for full details of analysis.

Figure 8.5 **Partisan Responses to Question “Right Now, Do You Feel Your Standard of Living is Getting Better or Getting Worse ?” from January 2008 to December 2009**



Source: Gallup (2010). This is direct reproduction from 2nd figure in: <http://www.gallup.com/poll/124928/republicans-life-ratings-drop-democrats-improve.aspx>.

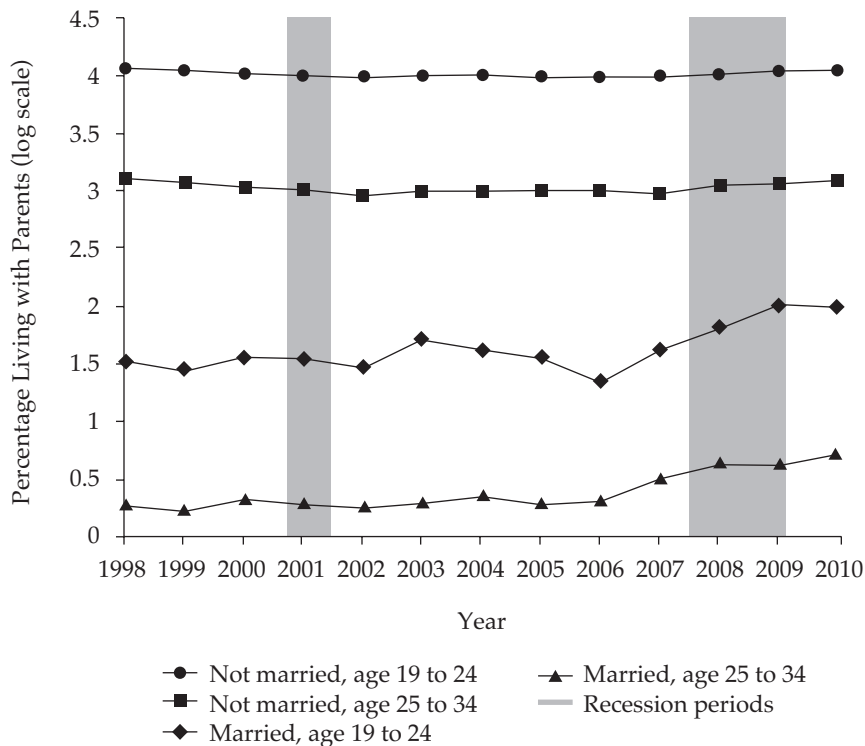
Figure 8.6 Apparent Lack of Recession's Effect on Marriage Rate, Divorce Rate, and Proportion of Those Age Sixteen and Older Cohabiting



Source: Authors' compilation, based on National Center for Health Statistics (1998–2009) and U.S. Bureau of Labor Statistics (2011b).

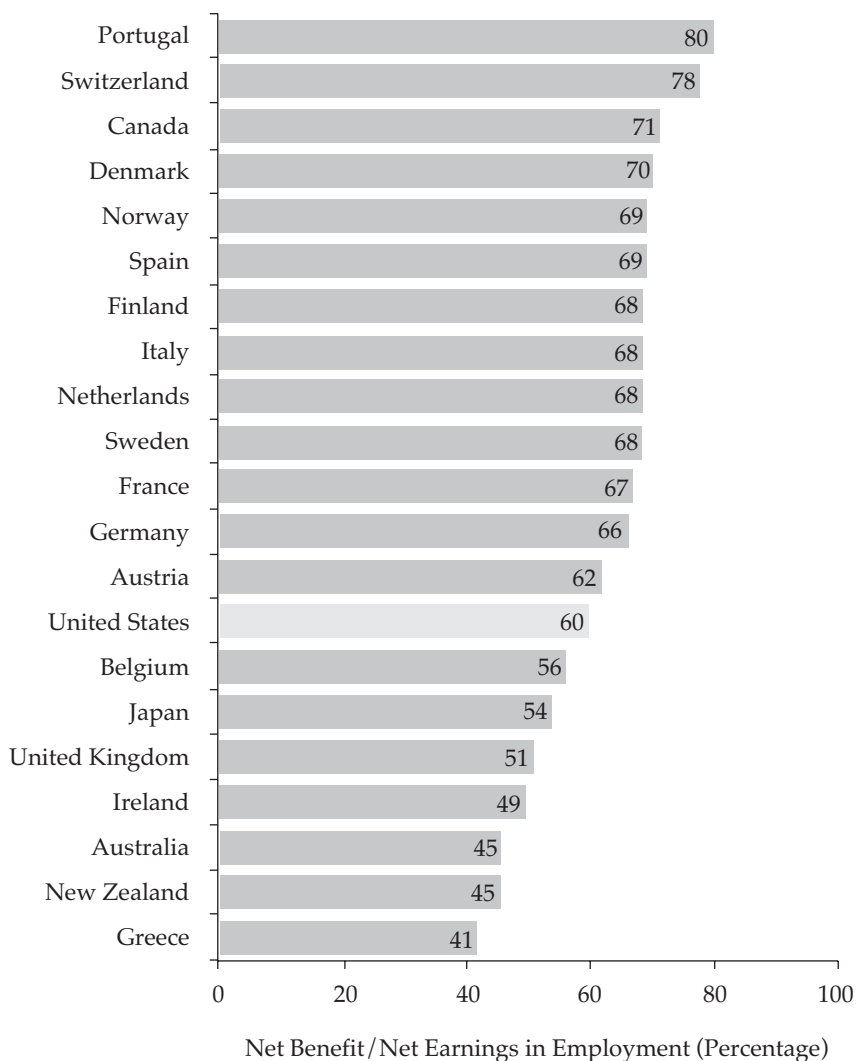
Notes: The marriage (divorce) rate is the number of marriages (divorces) per 1,000 total population. The estimates shown here are provisional estimates published by the National Center for Health Statistics in their monthly National Vital Statistics Report. Each point represents the average of the marriage (divorce) rates for all twelve months in each year. The cohabitation rate is the proportion of people age sixteen and older living with unmarried partners. Estimates are based on the monthly Current Population Survey. Anyone who is either a household head with an unmarried partner in the household or an unmarried partner of the household head is counted as “cohabiting.” (If neither partner in a cohabiting couple is the household head, then they are not included in the measure.) We calculated the proportion cohabiting each month and then averaged the monthly estimates for twelve months, from January to December of each year.

Figure 8.7 Proportion of Population Living with Their Parents, by Age and Marital Status



Source: Authors' compilation based on data from U.S. Bureau of Labor Statistics (2011b).
Notes: Estimates are calculated from the basic monthly Current Population Survey conducted by the U.S. Bureau of Labor Statistics (1998–2009). In the Current Population Survey, each household has a designated reference person, which is someone whose name is on the lease or deed. This figure shows the proportion of nineteen-to-twenty-four-year-olds (logged) who are the children or grandchildren of the reference person. We calculated the proportion for each month and then averaged the monthly estimates for March through September.

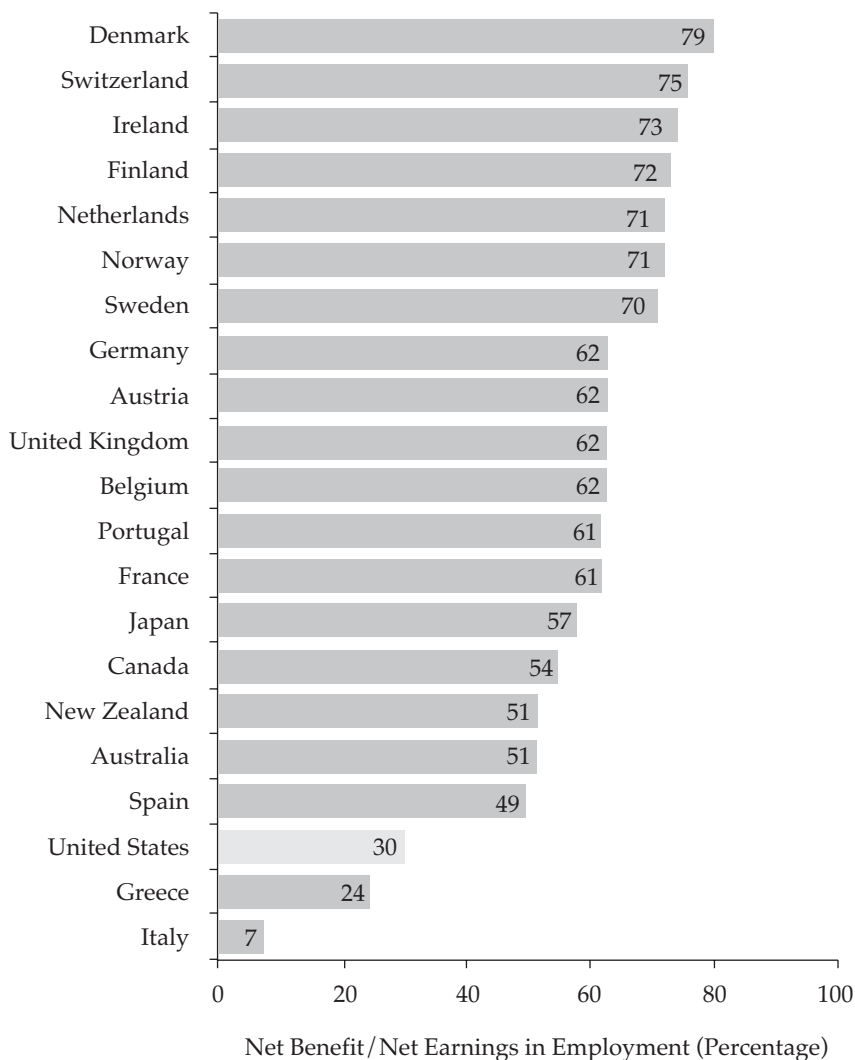
Figure 9.1 Net Income Replacement in the First Year After Job Loss in Twenty-one Countries, 2005^a



Source: Authors' calculations, based on data from Organisation for Economic Co-operation and Development (2007).

^a Average replacement rate of workers earning the national average wage in four types of family situations: single and married, with and without children. The estimates reflect income replacement during the first six months after job loss.

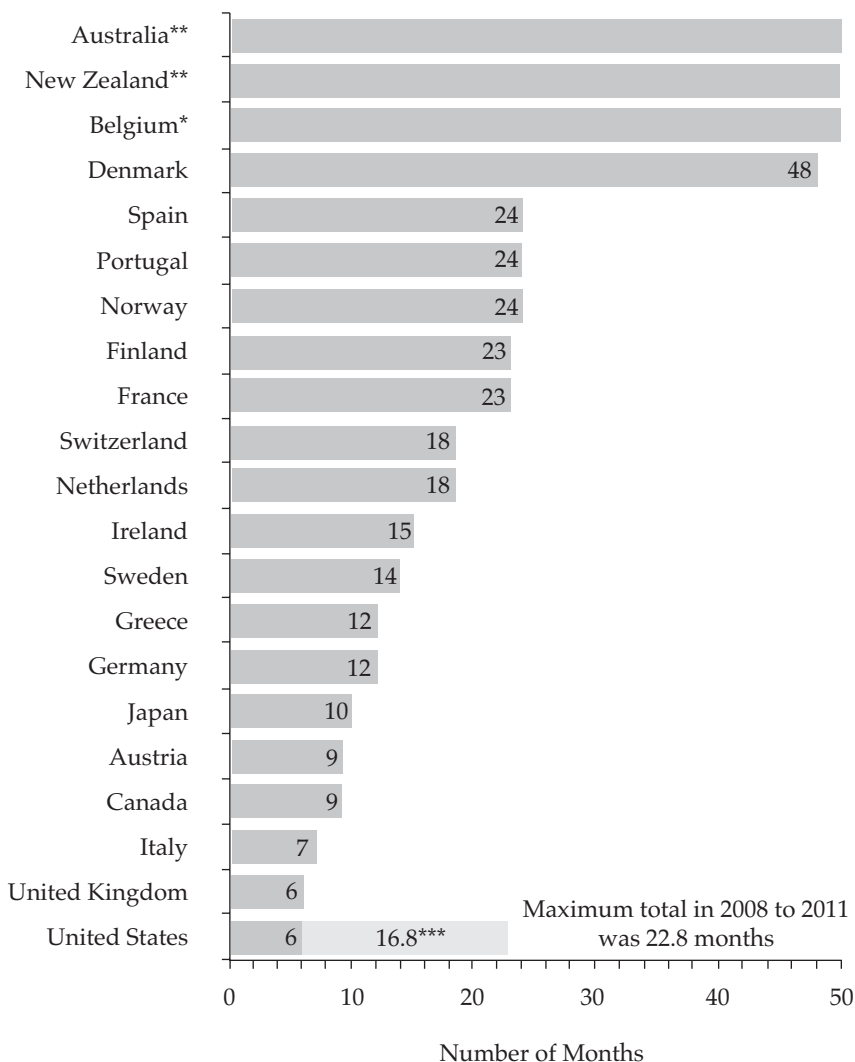
Figures 9.2 Net Income Replacement in the First Five Years After Job Loss in Twenty-one Countries, 2005^a



Source: Authors' calculations, based on data from Organisation for Economic Co-operation and Development (2007).

^a. Average replacement rate of workers earning the national average wage in four types of family situations: single and married, with and without children, respectively, during the first six months after job loss.

Figure 9.3 Maximum Duration of Unemployment Insurance in Twenty-One OECD Countries, 2005, in Months

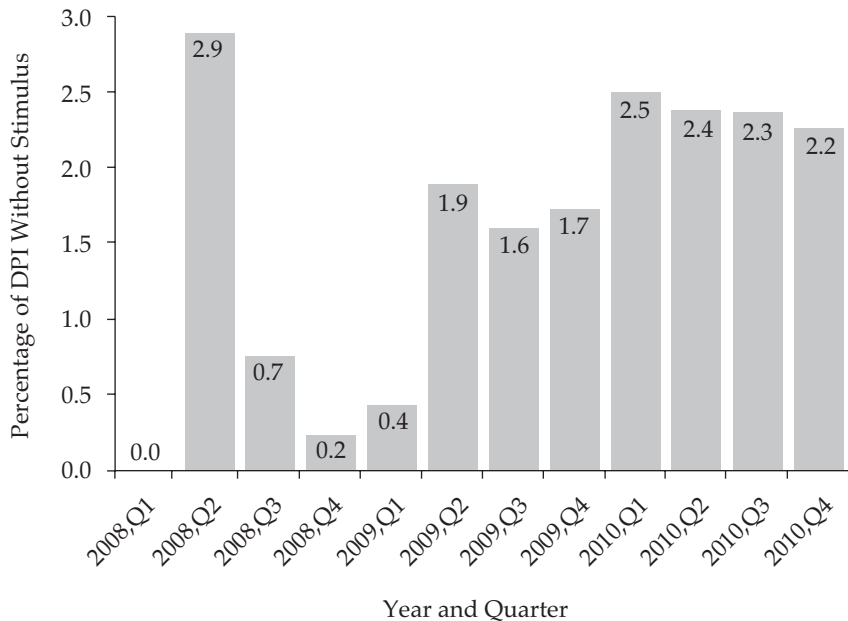


Source: Authors' calculations based on data from Organisation for Economic Co-operation and Development (2007).

* Belgium essentially provides unemployment benefits indefinitely.

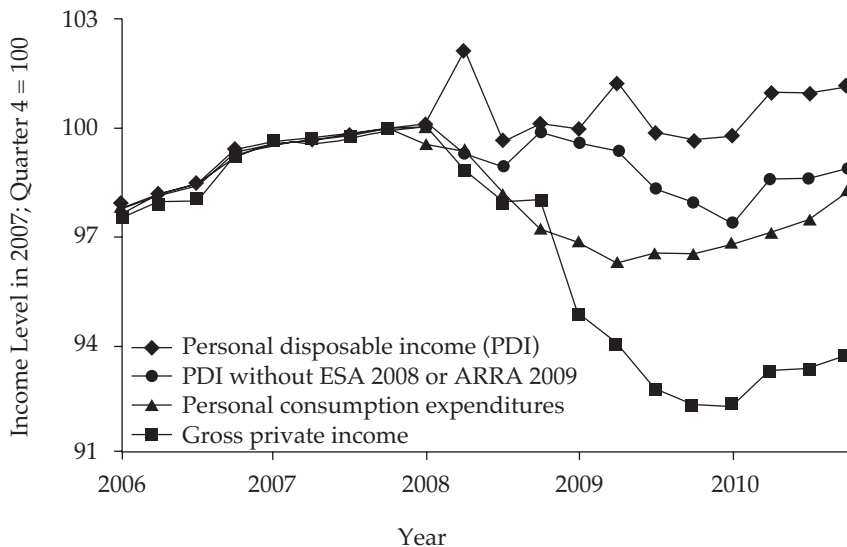
** Australia and New Zealand offer only means-tested benefits. If the eligibility test continues to be met, unemployment benefits can last indefinitely.

*** Maximum additional unemployment insurance weeks temporarily made available in 2009 under the Emergency Unemployment Compensation and Extended Benefits programs.

Figure 9.4**Additions to Disposable Personal Income (DPI) as a Result of Personal Tax and Transfer Provisions of Stimulus Packages, 2008 to 2010**

Sources: Authors' calculations based on data from U.S. Department of Commerce, Bureau of Economic Analysis (n.d., 2011) and U.S. Department of Labor, Employment and Training Administration (2011a, 2011b, 2011c).

Figure 9.5 Per Capita U.S. Income in Constant 2005 Dollars, 2006 to 2010

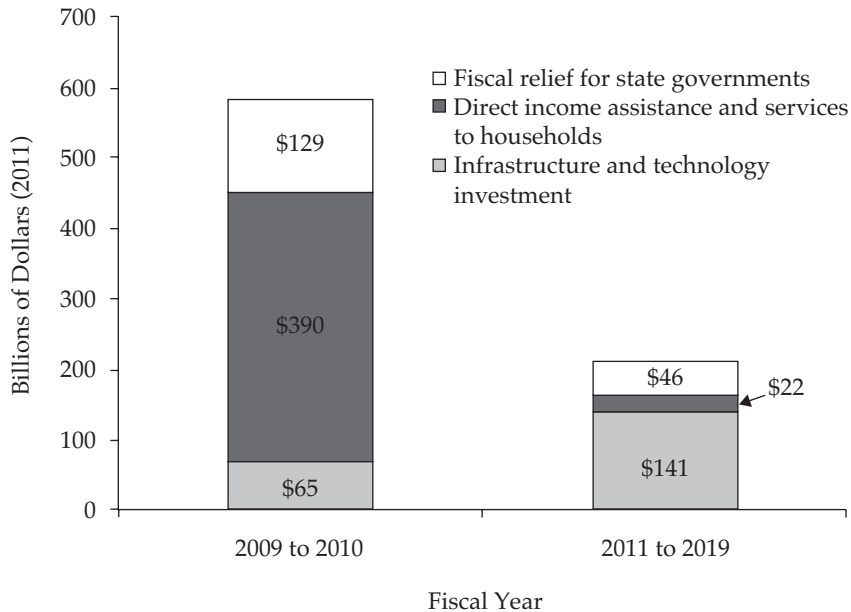


Sources: Authors' calculations, based on data from U.S. Department of Commerce, Bureau of Economic Analysis (n.d., 2011), and U.S. Department of Labor, Employment and Training Administration (2011a, 2011b, 2011c).

Note: ARRA = American Recovery and Reinvestment Act; ESA = Economic Stimulus Act

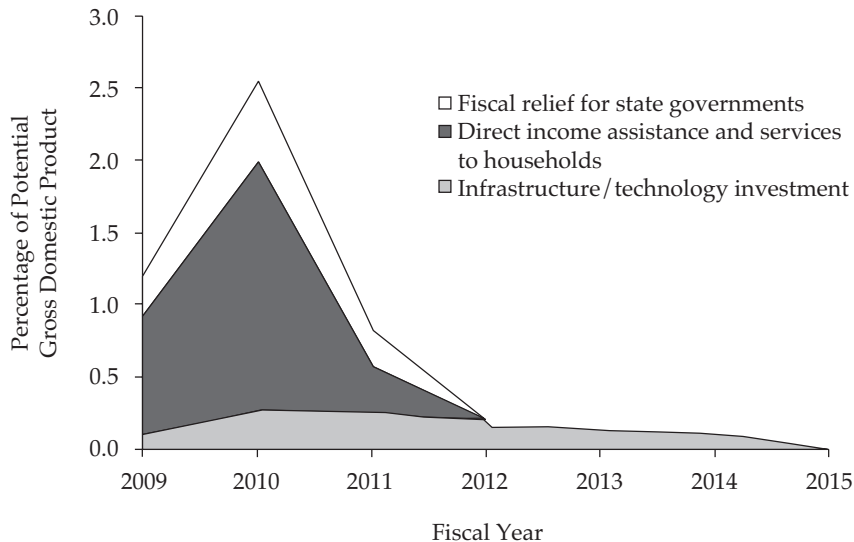
Figure 9.6

Predicted Stimulus Spending Under the American Recovery and Reinvestment Act, 2009 to 2019



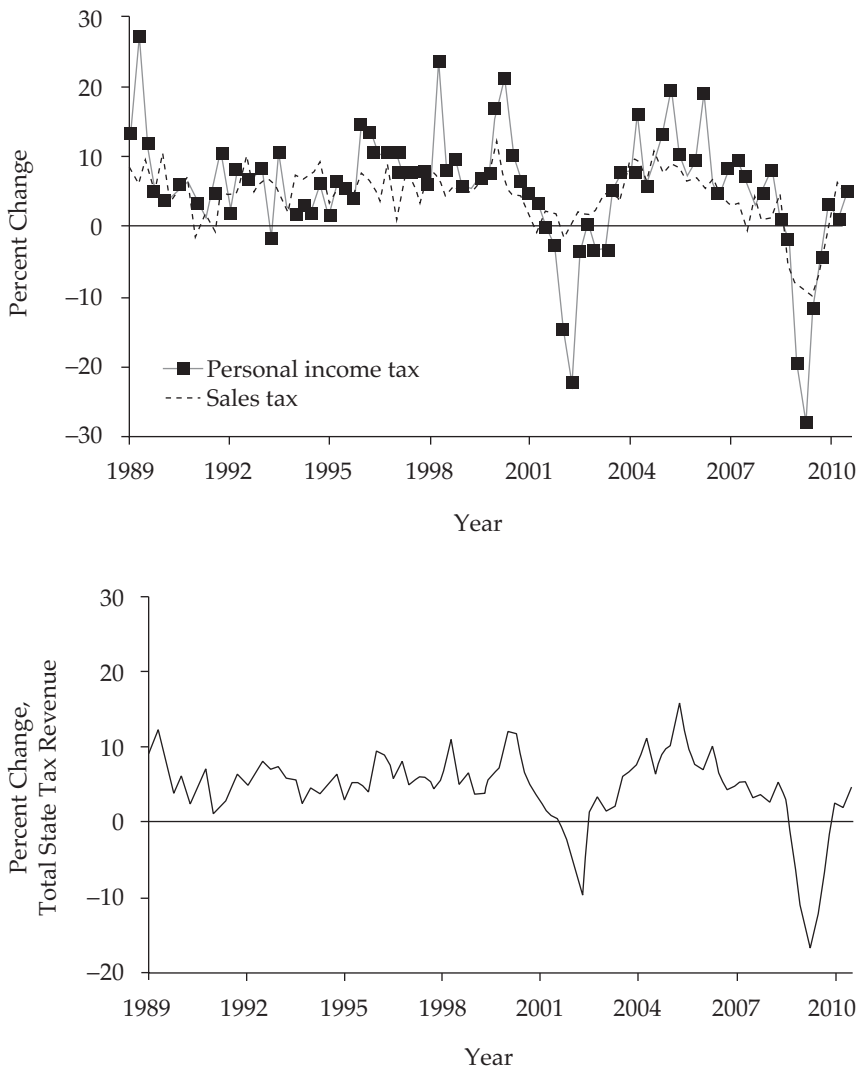
Source: Authors' calculations based on Elmendorf (2009).

Figure 9.7 Predicted Stimulus Spending Under the American Recovery and Reinvestment Act, 2009 to 2015



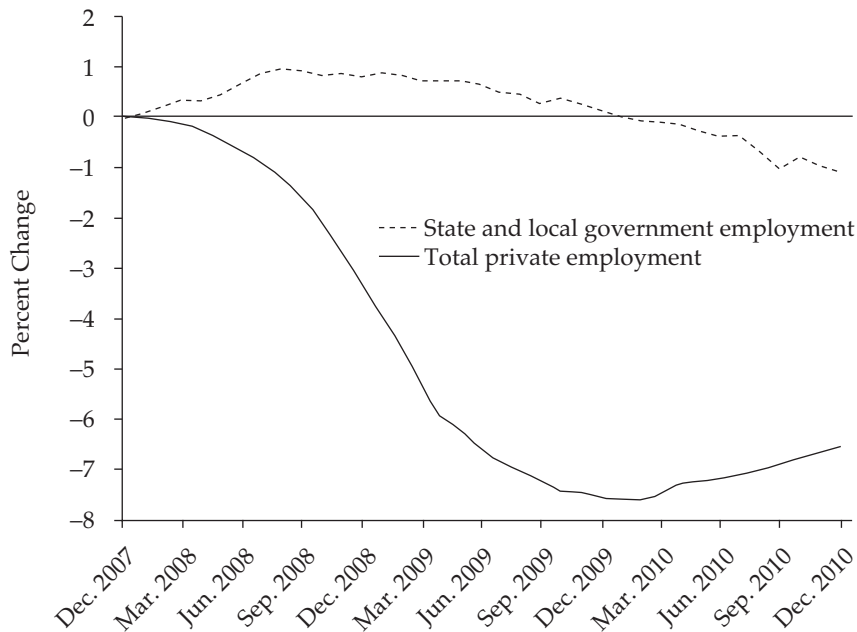
Sources: Authors' calculations, based on Elmendorf (2009) and U.S. Congressional Budget Office (2009).

Figure 9.8 Change in State Tax Revenues Compared with One Year Earlier, 1989 to 2010



Source: Authors' calculations based on data from U.S. Census Bureau (2011).

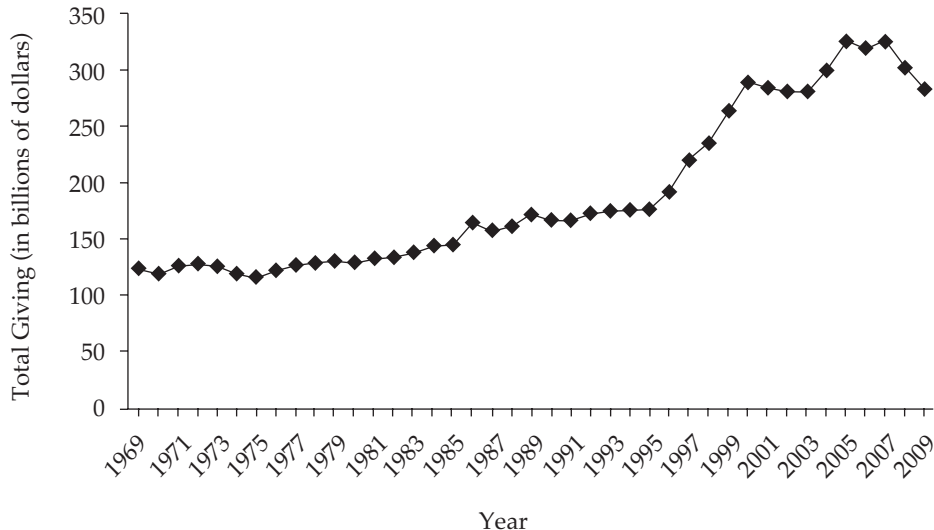
Figure 9.9 **Percent Change in Payroll Employment in State and Local Government and Private Sectors, December 2007 to December 2010**



Source: Authors' calculations based on data from U.S. Bureau of Labor Statistics (2010b).

Figure 10.1

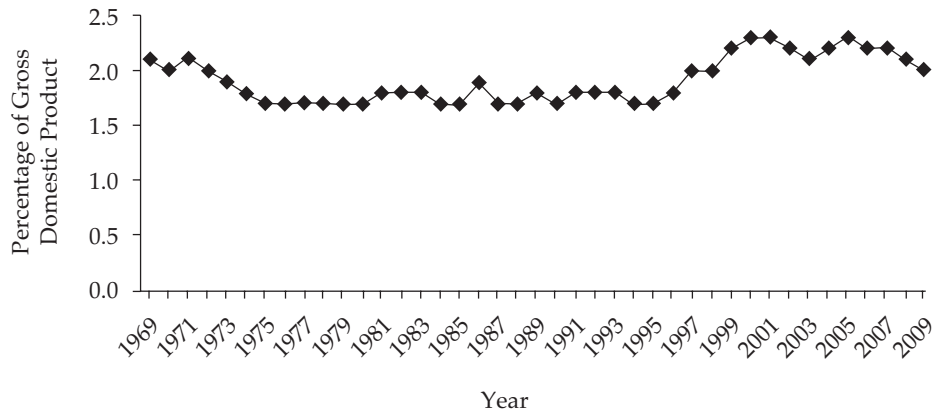
Charitable Giving Declines with Economic Downturn



Source: Authors' compilation based on data from Giving USA Foundation (2010).

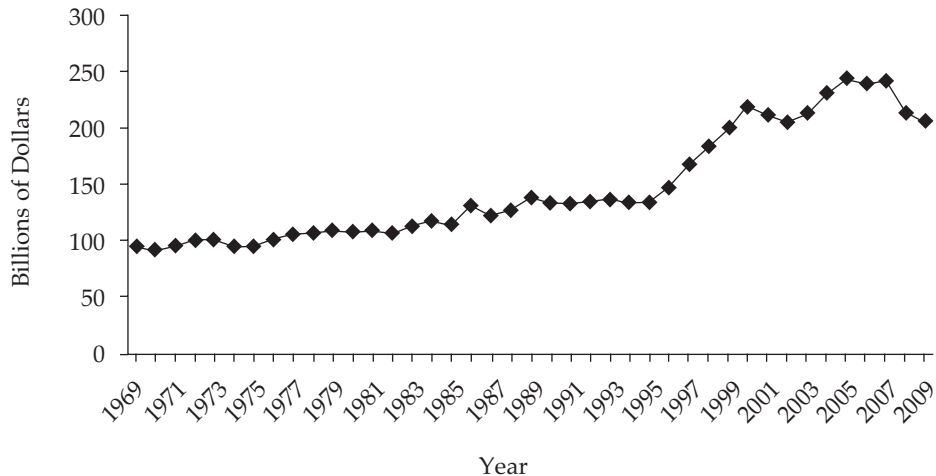
Note: Amounts are in inflation-adjusted dollars.

Figure 10.2 **Declines in Giving Attributable Mostly to Declines in Available Money**



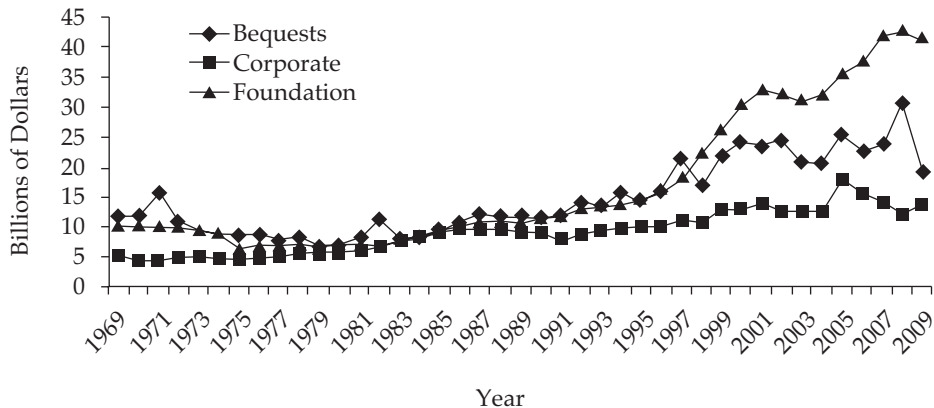
Source: Authors' compilation based on data from Giving USA Foundation (2010).

Figure 10.3 **Decline in Individual Giving in 2008**



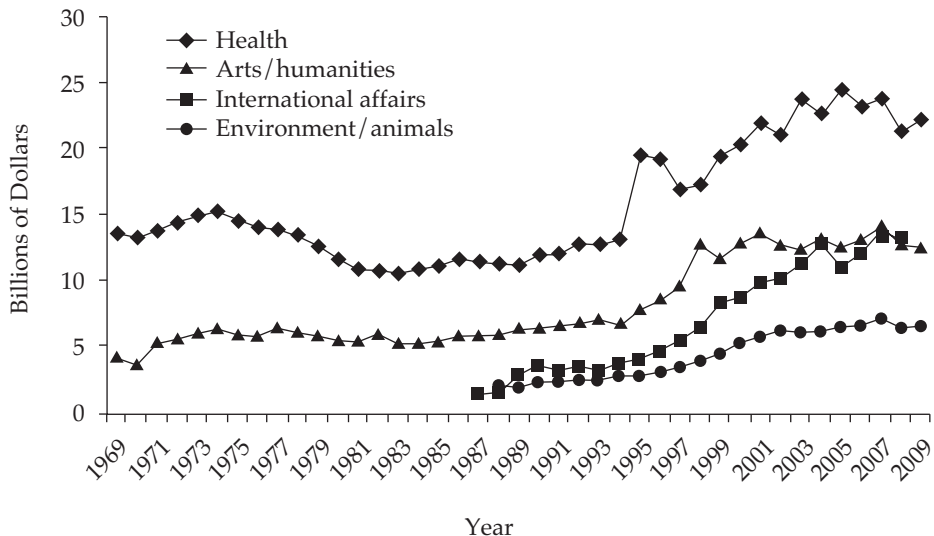
Source: Authors' compilation based on data from Giving USA Foundation (2010).

Figure 10.4 Corporate, Bequest, and Foundation Funding Drop During Great Recession, 2007 to 2009



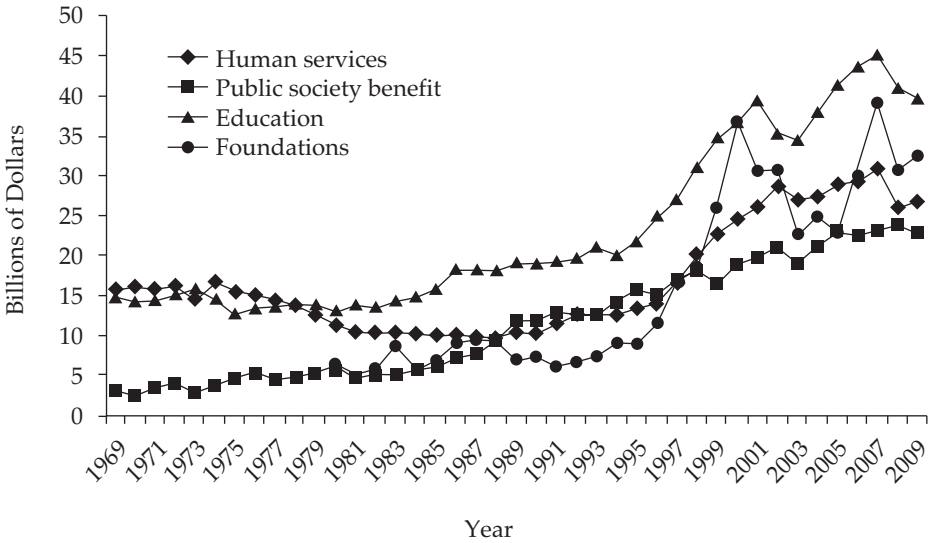
Source: Authors' compilation based on data from Giving USA Foundation (2010).

Figure 10.5 Declines in Giving Experienced by Most Types of Charitable Organizations, by Category, Part One



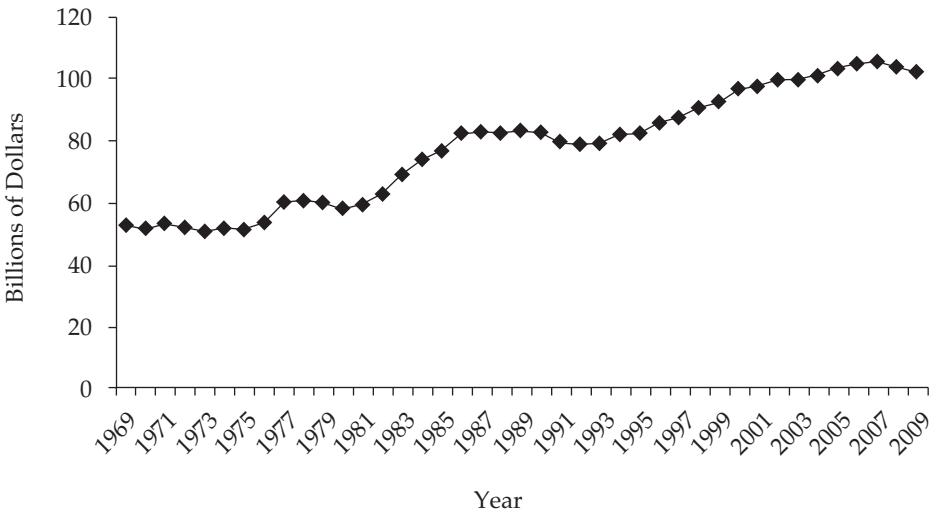
Source: Authors' compilation based on data from Giving USA Foundation (2010).

Figure 10.6 Declines in Giving Experienced by Most Types of Charitable Organizations, by Category, Part Two



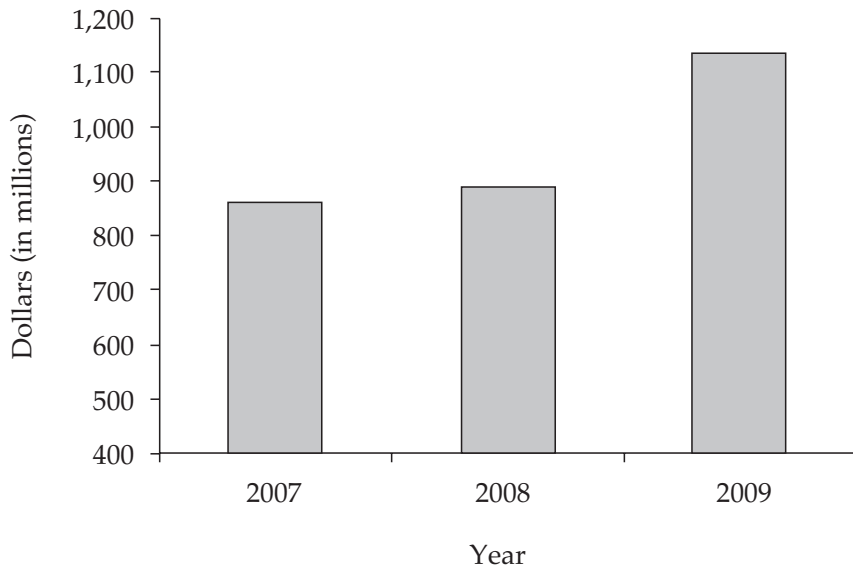
Source: Authors' compilation based on data from Giving USA Foundation (2010).

Figure 10.7 The Persistence of Giving to Religious Organizations



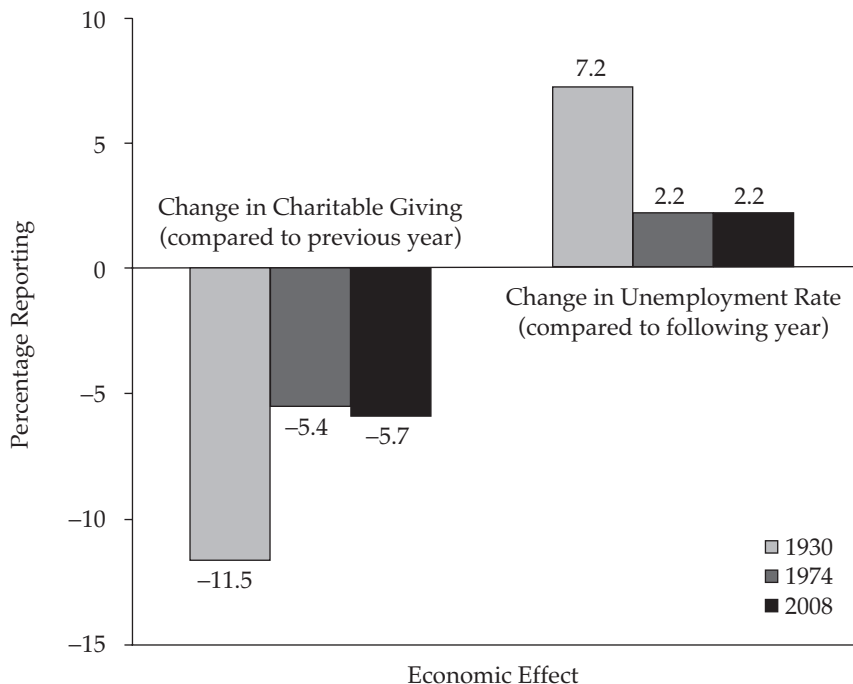
Source: Authors' compilation based on data from Giving USA Foundation (2010).

Figure 10.8 **The Surge in Total Food Bank Donations in Forty of the Largest U.S. Cities, 2009**



Source: Authors' tabulations based on data collected by the authors from multiple sources, including contribution and grant records from food banks' annual reports, Internal Revenue Service Form 990s, and GuideStar/Charity Navigator records.

Figure 10.9 **Percent Change in Giving and Unemployment After Three Economic Shocks: 1930, 1974, and 2008**



Source: Authors' calculations based on data from Andrews (1950), Giving USA Foundation (2010), and U.S. Bureau of Labor Statistics (2011).