

Table 3.1. Business Cycles in the Industrial Countries: Summary Statistics

	Duration ¹			Amplitude ²		
	Recession	Recovery ³	Expansion	Recession	Recovery ⁴	Expansion
All						
Mean (1)	3.64	3.22	21.75	-2.71	4.05	19.56
Standard deviation (2)	2.07	2.72	17.89	2.93	3.12	17.50
Coefficient of variation (2)/(1)	0.57	0.84	0.82	1.08	0.77	0.89
Number of events	122	109	122	122	112	122
By driver of recession						
Financial crises						
Mean (1)	5.67**	5.64**	26.40**	-3.39	2.21***	19.47
Standard deviation (2)	3.15	3.32	24.74	3.25	1.18	20.46
Coefficient of variation (2)/(1)	0.56	0.59	0.94	0.96	0.53	1.05
Number of events	15	11	15	15	13	15
Other⁵						
Mean (1)	3.36**	2.95**	21.09**	-2.61	4.29***	19.58
Standard deviation (2)	1.71	2.52	16.77	2.89	3.22	17.15
Coefficient of variation (2)/(1)	0.51	0.85	0.79	1.11	0.75	0.88
Number of events	107	98	107	107	99	107
By extent of synchronization						
Highly synchronized						
Mean (1)	4.54***	4.19*	19.97***	-3.45*	3.66**	16.24*
Standard deviation (2)	2.50	3.59	15.32	2.96	1.72	11.85
Coefficient of variation (2)/(1)	0.55	0.86	0.77	0.86	0.47	0.73
Number of events	37	32	37	37	34	37
Other⁶						
Mean (1)	3.25***	2.82*	22.52***	-2.39*	4.21**	21.01*
Standard deviation (2)	1.73	2.16	18.94	2.88	3.56	19.33
Coefficient of variation (2)/(1)	0.53	0.77	0.84	1.21	0.85	0.92
Number of events	85	77	85	85	78	85
<i>Memorandum:</i>						
Recessions associated with financial crises that are highly synchronized						
Mean	7.33	6.75	24.33	-4.82	2.82	18.83

Note: The symbols *, **, and *** indicate statistical significance at the 10, 5, and 1 percent levels, respectively. Statistical significance for recessions associated with financial crises (highly synchronized recessions) is calculated versus other recessions.

¹Number of quarters.

²Percent change in real GDP.

³Number of quarters before recovery to the level of previous peak.

⁴Percent increase in real GDP after one year.

Figure 3.8. Recessions and Recoveries Associated with Financial Crises and Other Shocks

(Median = 100 at t = 0; peak in output at t = 0; data in real terms unless otherwise noted; quarters on the x-axis)

Recessions associated with financial crises are longer and more severe than other recessions. During recoveries, private demand, credit growth, and asset prices are particularly weak. Historically, net exports have led the recovery.

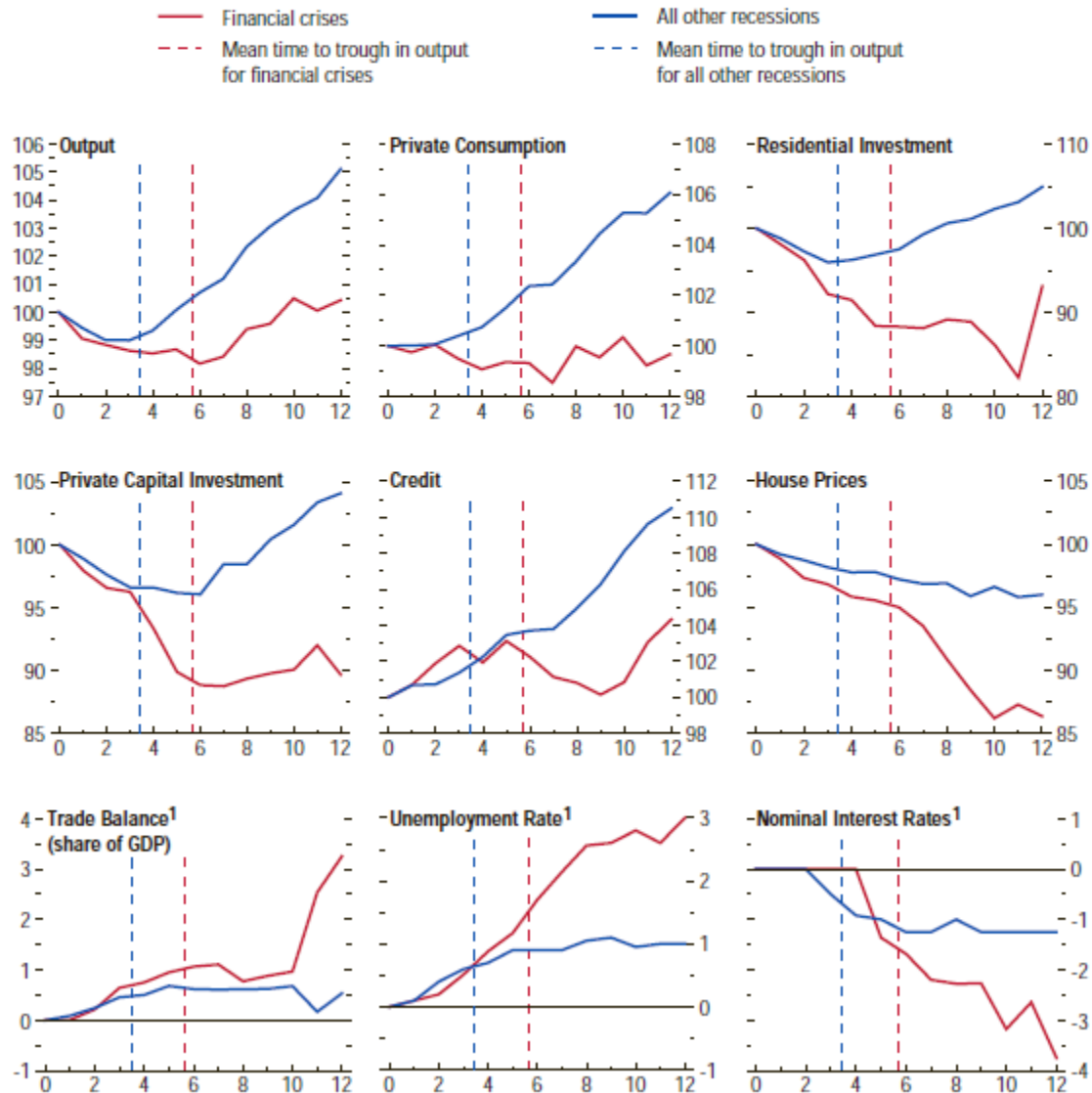


Figure 3.9. Highly Synchronized Recessions

(Percent of countries in recession; shaded areas denote U.S. recession)

Highly synchronized recessions are rare events that typically are preceded by or coincide with a U.S. recession.

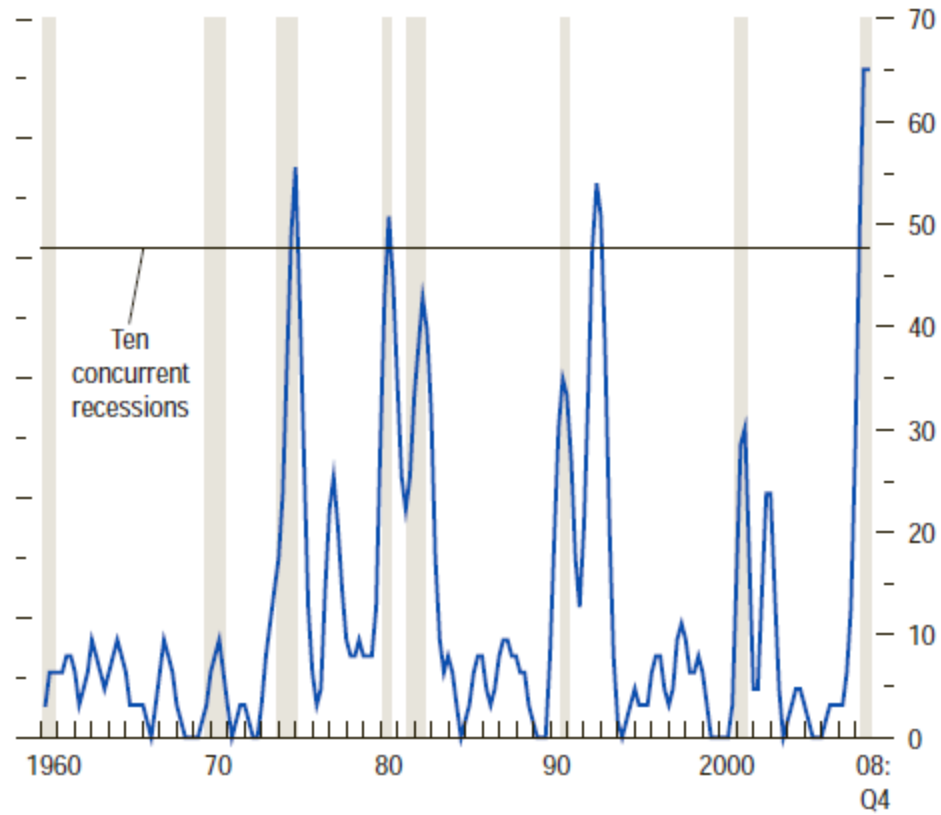


Figure 3.10. Are Highly Synchronized Recessions Different?

(Median = 100 at $t = 0$; peak in output at $t = 0$; data in real terms unless otherwise noted; quarters on the x-axis)

Highly synchronized recessions are more protracted and severe than other recessions. Recoveries from these recessions are typically weak.

