The Economic Reform Imperative: State, Nation, World

John B. Taylor

Keynote Lecture at the Kickoff Event for The Center for Research on the Wisconsin Economy

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Billions of 2009 dollars

Real GDP

2.5%
Pe rcent at an Annual Rate

Real GDP Growth Rate

2009Q3 - 2016Q3 average = 2.1 percent
1983Q1 - 1990Q1 average = 4.5 percent

Quarters Since the Start of the Recovery
Dec 1982 - May 1990

Change in the percentage of population that is working

Jul 2009 - Dec 2016

Months since recession ended
<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>8.07</td>
</tr>
<tr>
<td>1990</td>
<td>8.48</td>
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<tr>
<td>2000</td>
<td>8.65</td>
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<tr>
<td>2005</td>
<td>8.22</td>
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<tr>
<td>2010</td>
<td>7.76</td>
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<tr>
<td>2013</td>
<td>7.68</td>
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<tr>
<td>2014</td>
<td>7.75</td>
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</tbody>
</table>
Productivity Growth in the United States
(Real GDP per hour of work)

Source: "On the Prospects for Higher Economic Growth" 7/18/2017
John F. Cogan, Glenn Hubbard, John B. Taylor, and Kevin Warsh
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Labor productivity growth
Contribution of capital per hour
Total factor productivity

Percent per year

1996 - 2005
2011 - 2015
BLS Forecast made in November 2007

Labor Force Participation Rate

Percent

Actual: 65.5

BLS Forecast: 65.5

ARRA Grants and State and Local Budgets
(change from 2008.4 when ARRA grants were zero)
Net Borrowing
= Net Increase in Liabilities
  - Net Acquisition of Financial Assets
Source: Herkenhoff, Ohanian, Prescott (2017)
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