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FIGURES: Business Cycle Accounting[†]

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[†] The views expressed herein are those of the author and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

Figures 1–4

Examining the U.S. Great Depression
Annually, 1929–39; Normalized to Equal 100 in 1929

Figure 1
U.S. Output and Three Measured Wedges

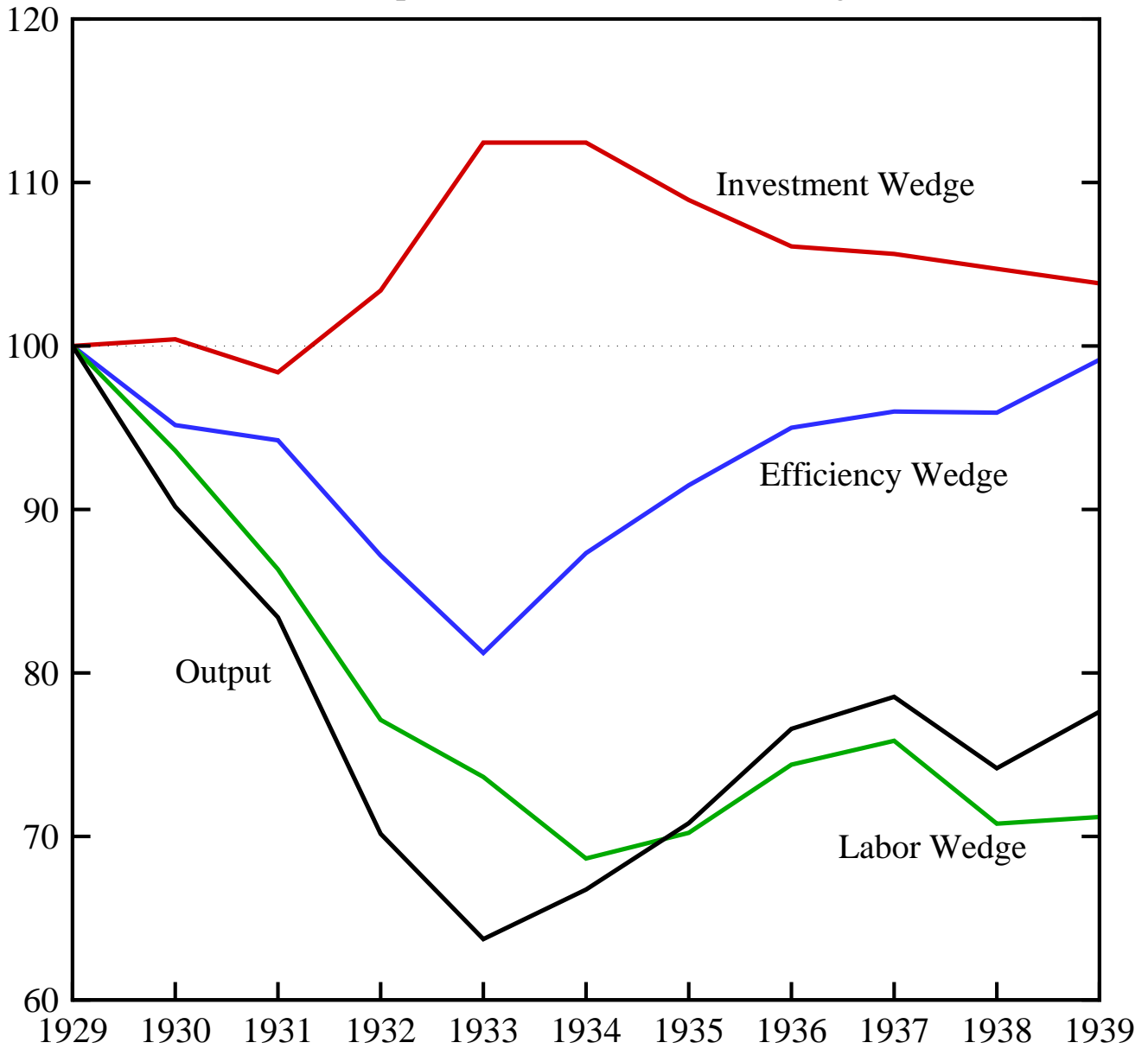


Figure 2

Data and Predictions of Models With Just One Wedge

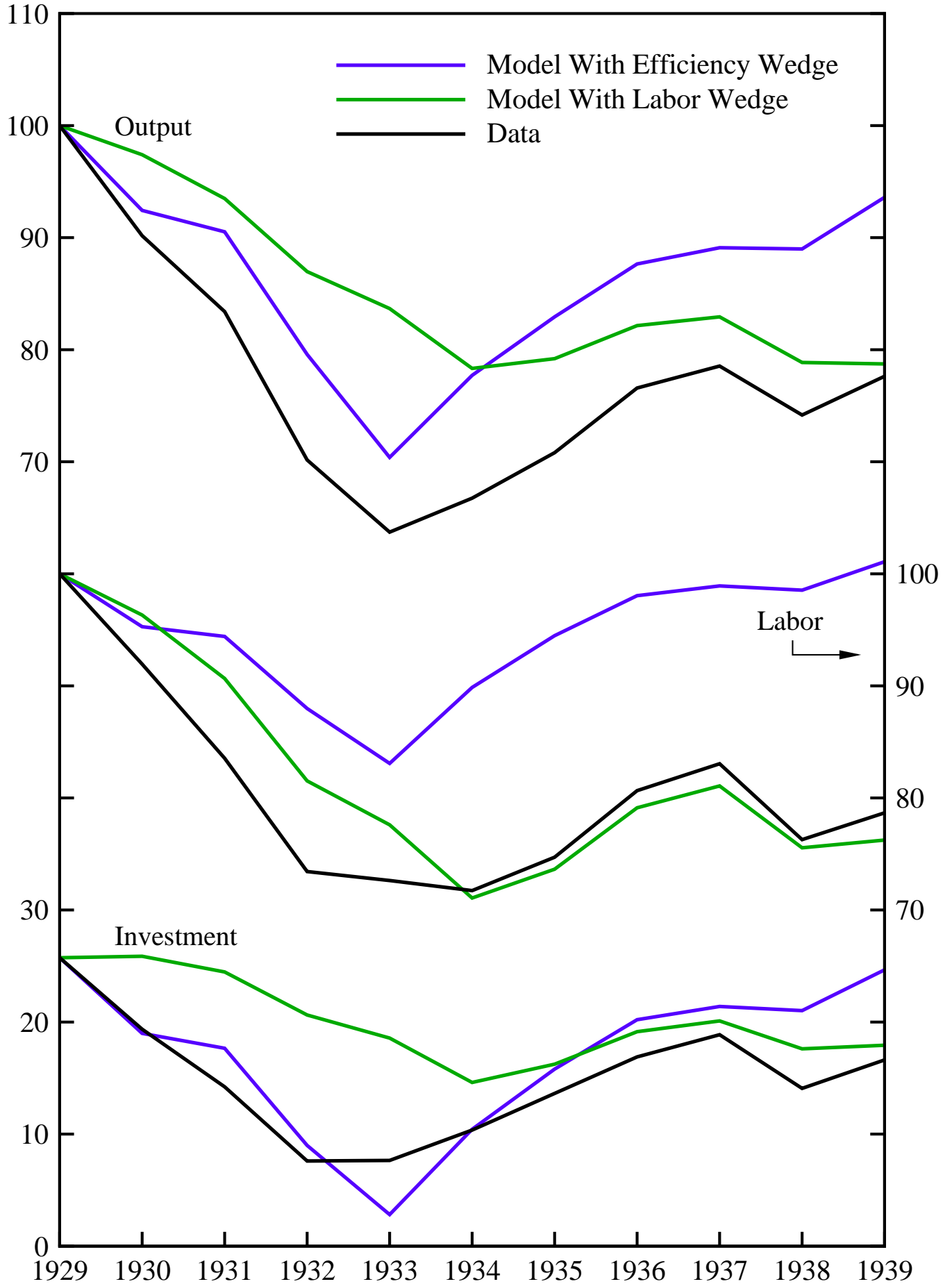


Figure 3

Data and Predictions of a Model With Just the Investment Wedge

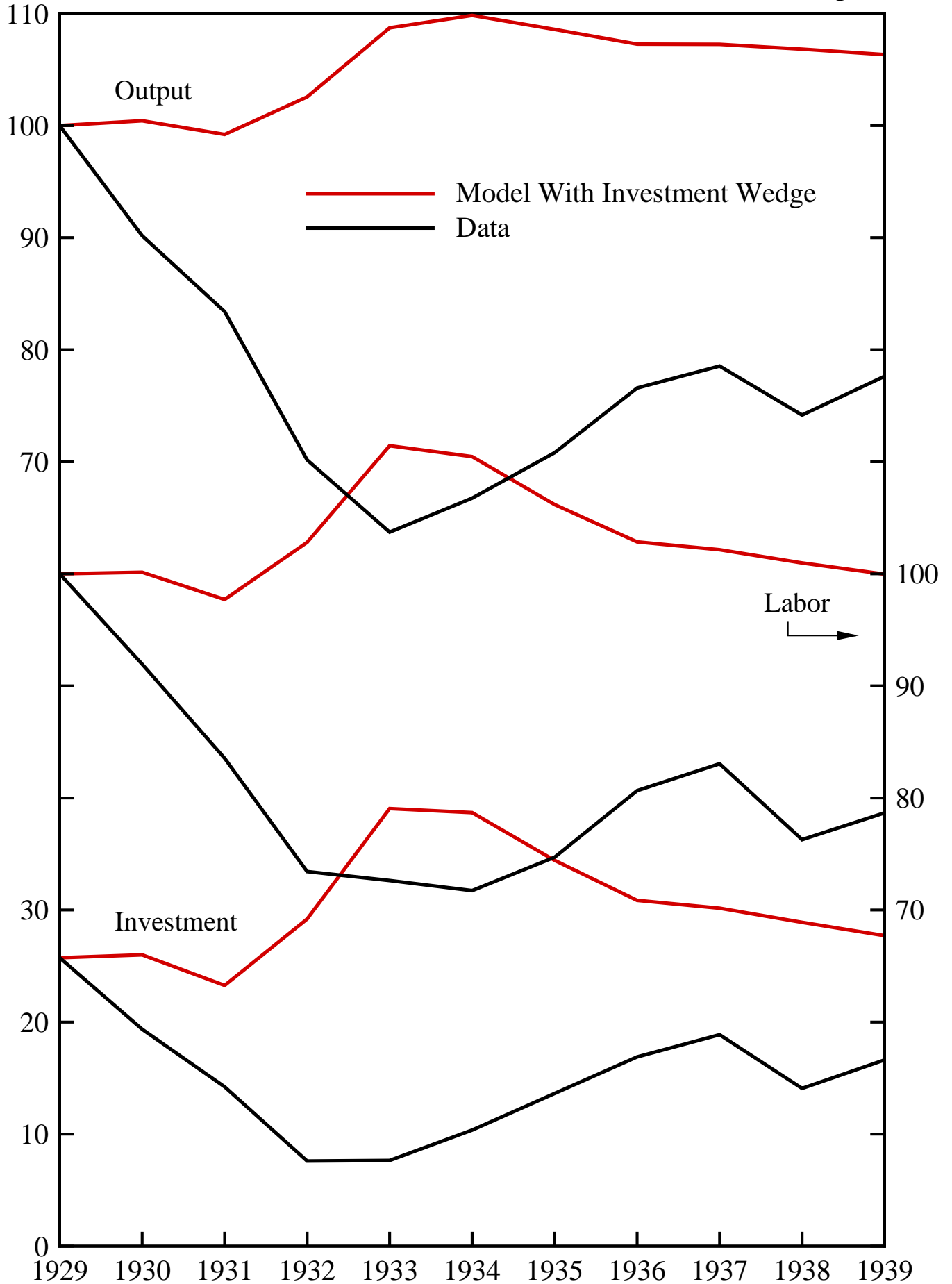
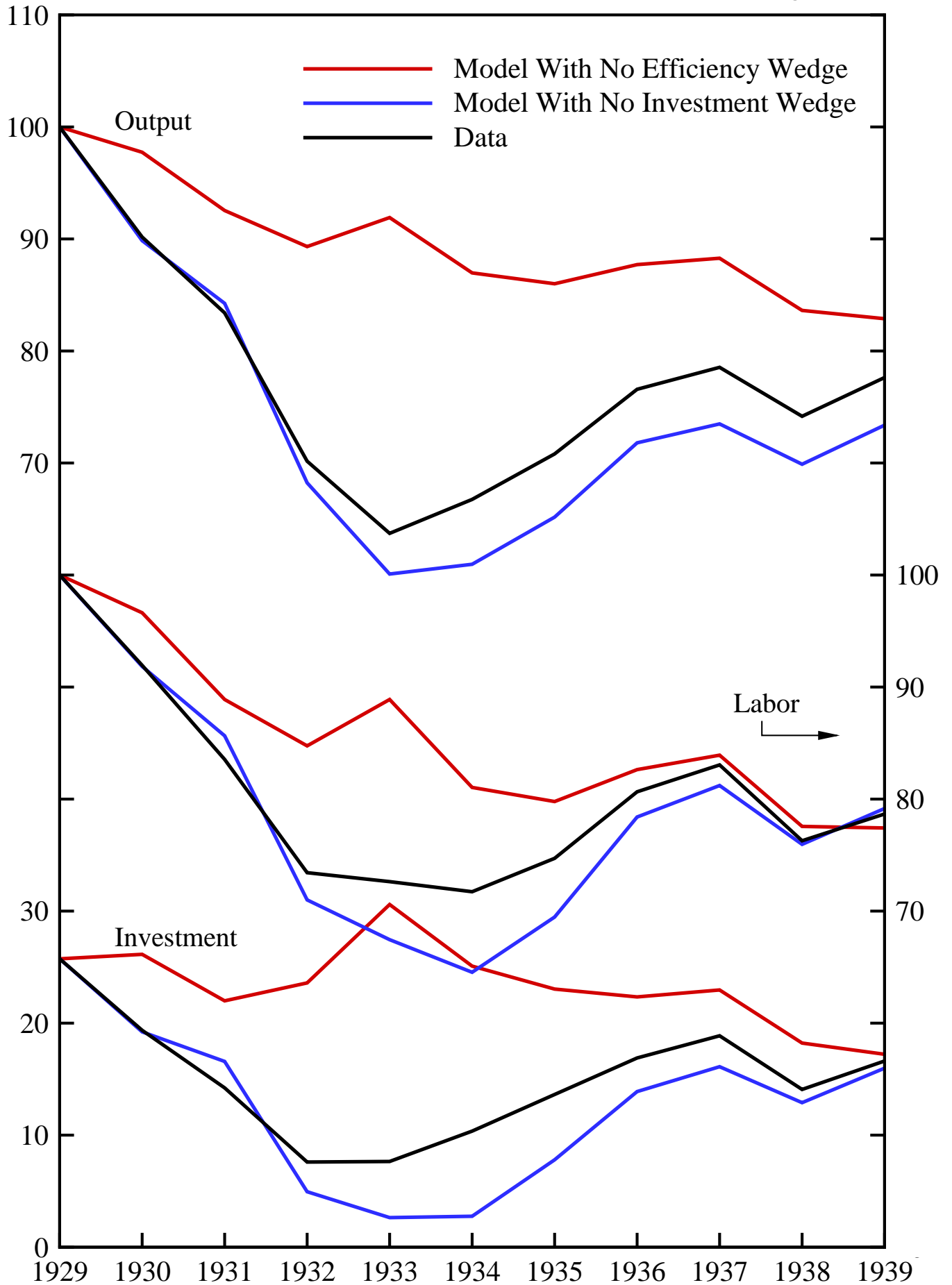


Figure 4

Data and Predictions of Models With All But One Wedge



Figures 5–8

Examining the 1982 U.S. Recession

Quarterly, 1979:1–1985:4; Normalized to Equal 100 in 1979:1

Figure 5
U.S. Output and Three Measured Wedges

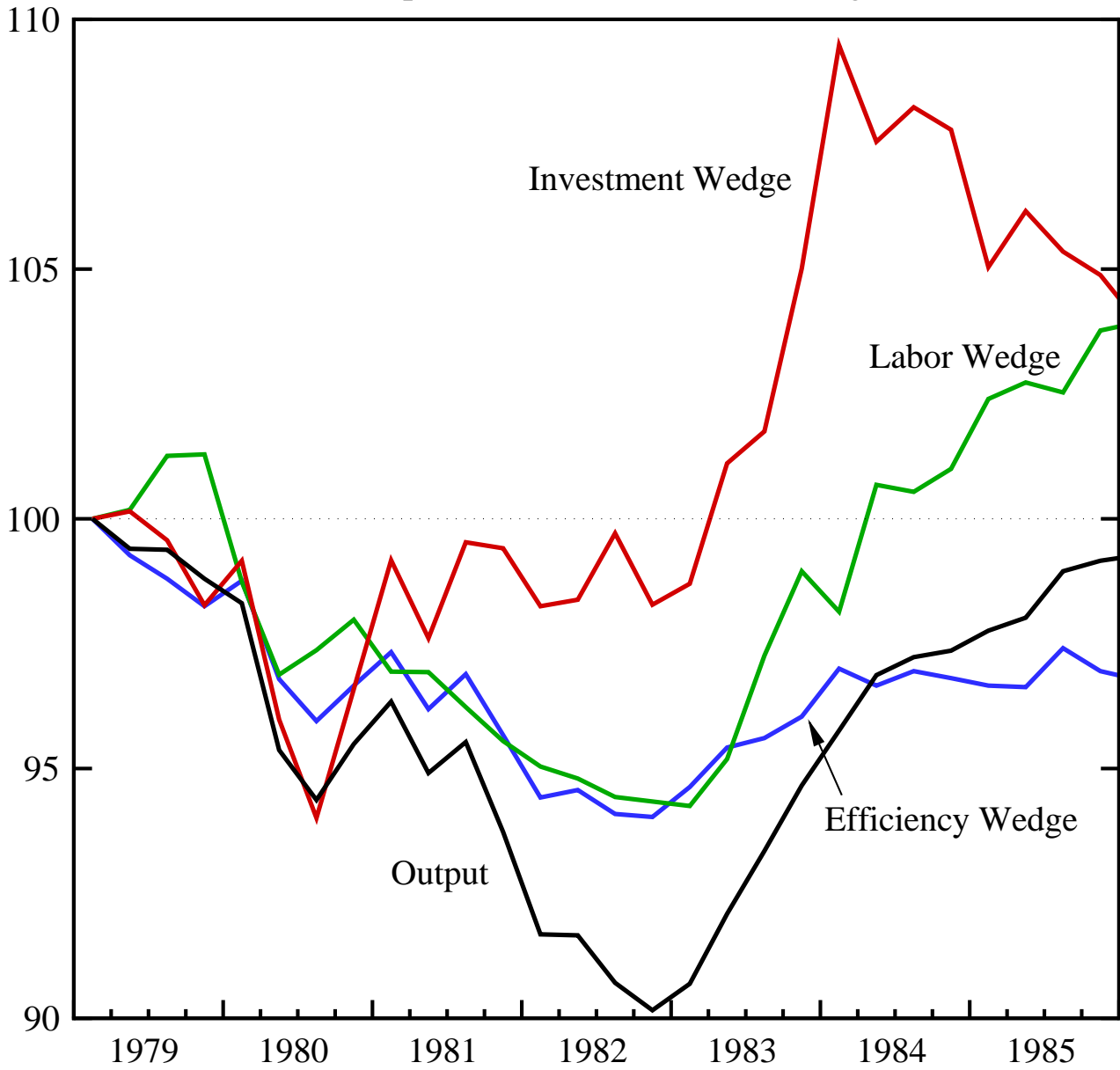


Figure 6

Data and Predictions of Models with Just One Wedge

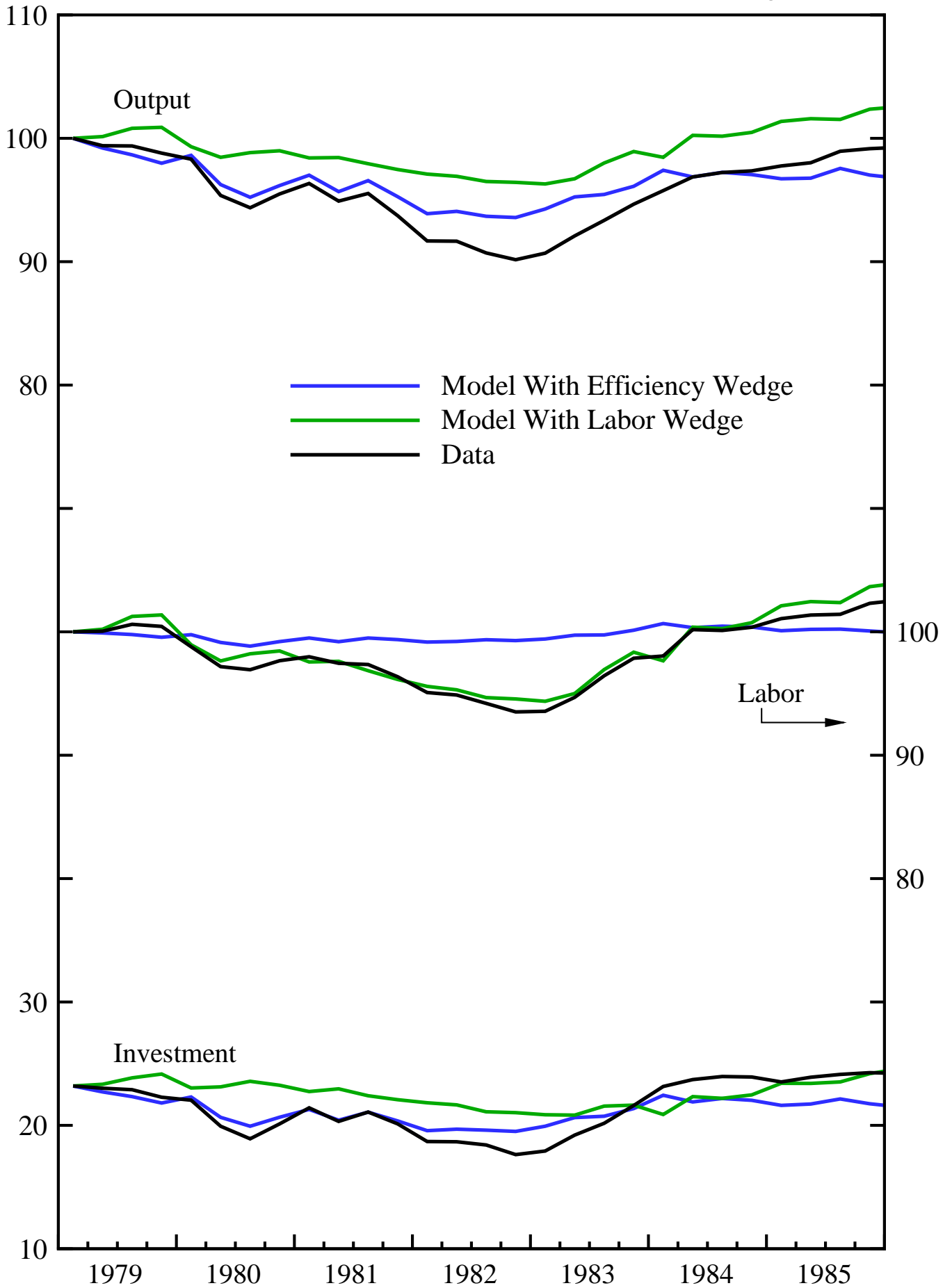


Figure 7

Data and Predictions of a Model With Just the Investment Wedge

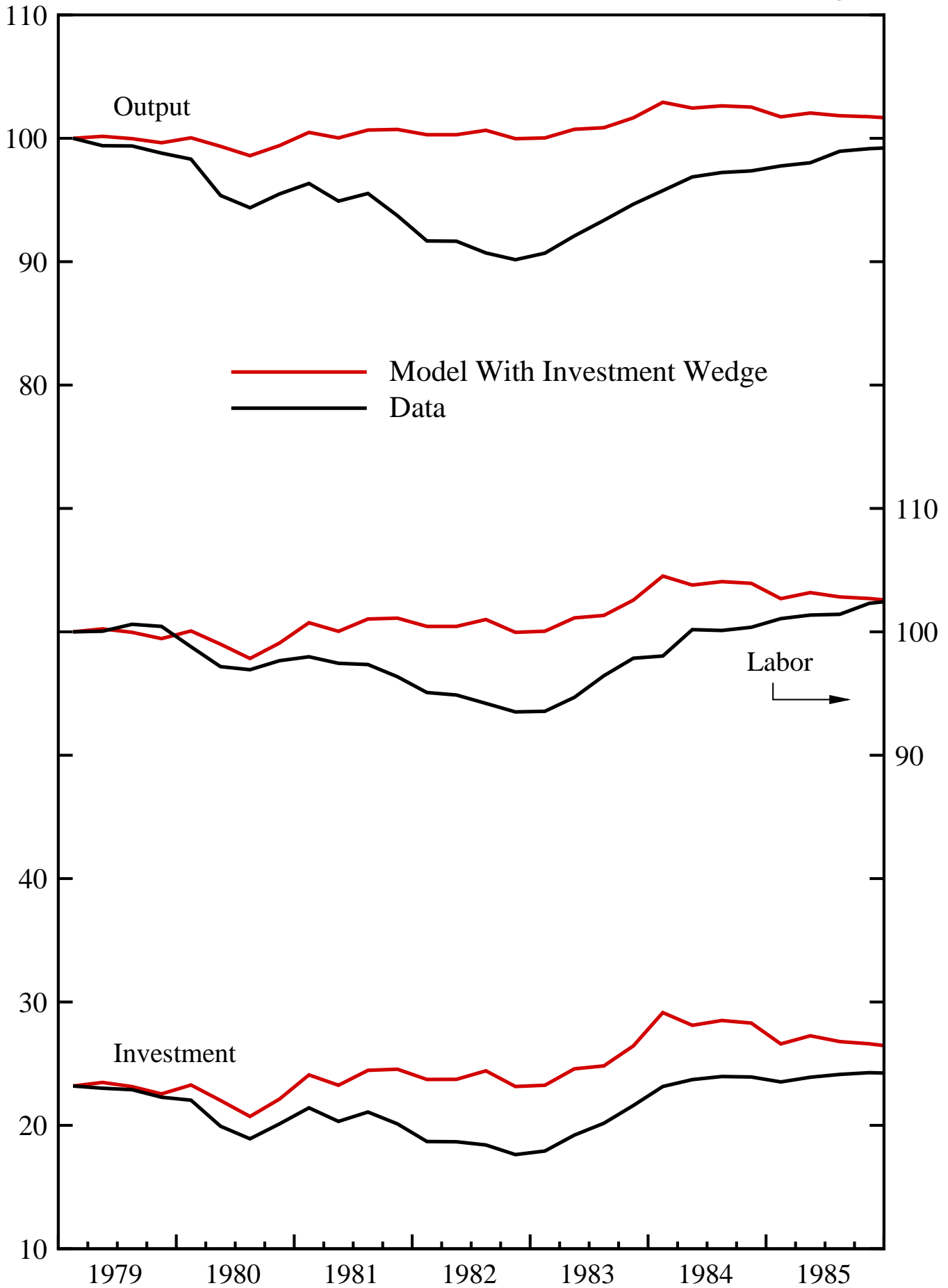
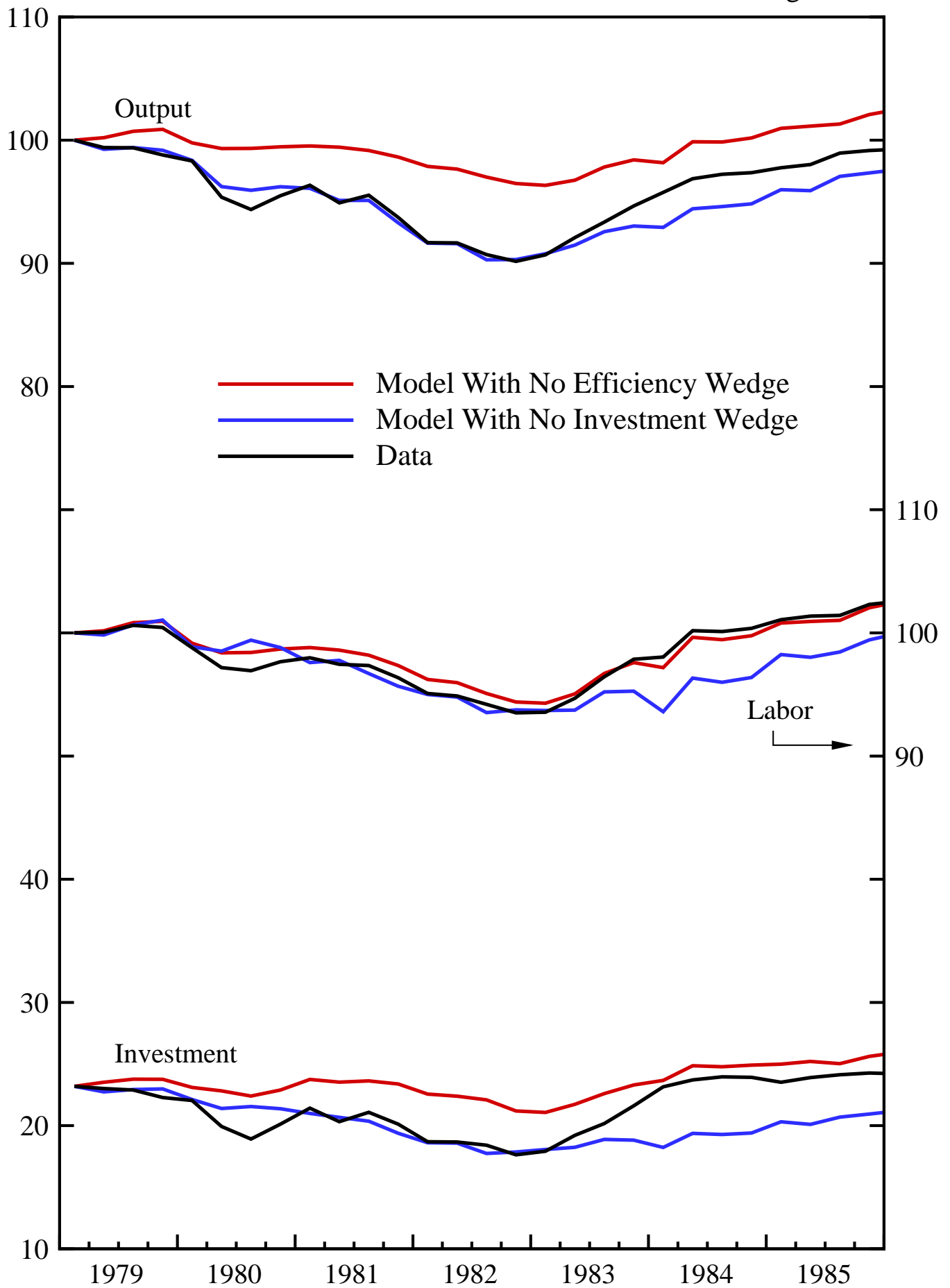


Figure 8

Data and Predictions of Models With All But One Wedge



Figures 9–12

Varying the Capital Utilization Specification
During the Great Depression Period, 1929–39

Figure 9

Measured Efficiency Wedges for Two Capital Utilization Specifications

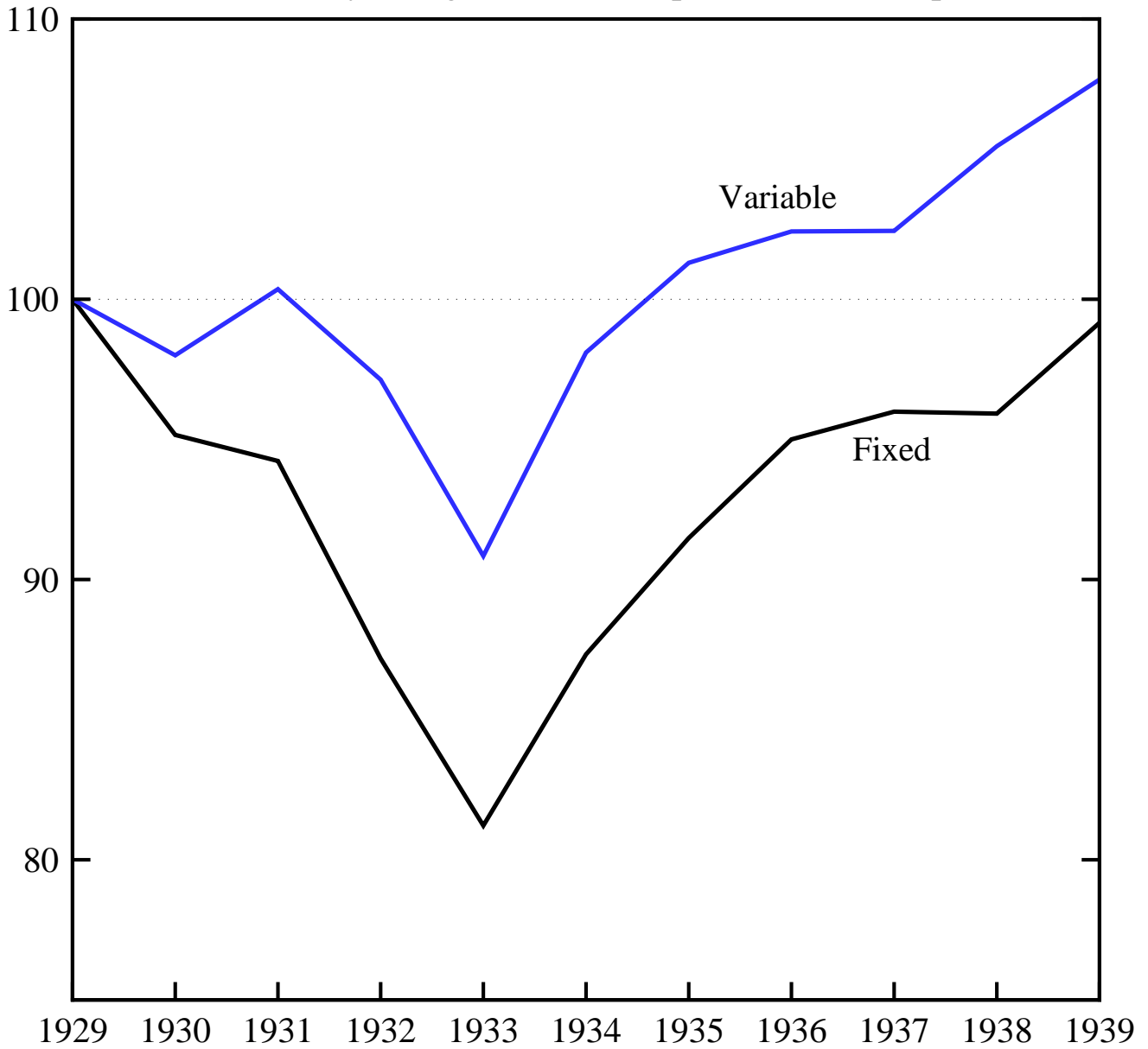


Figure 10
 Data and Predictions of Models With
 Variable Capital Utilization and Just One Wedge

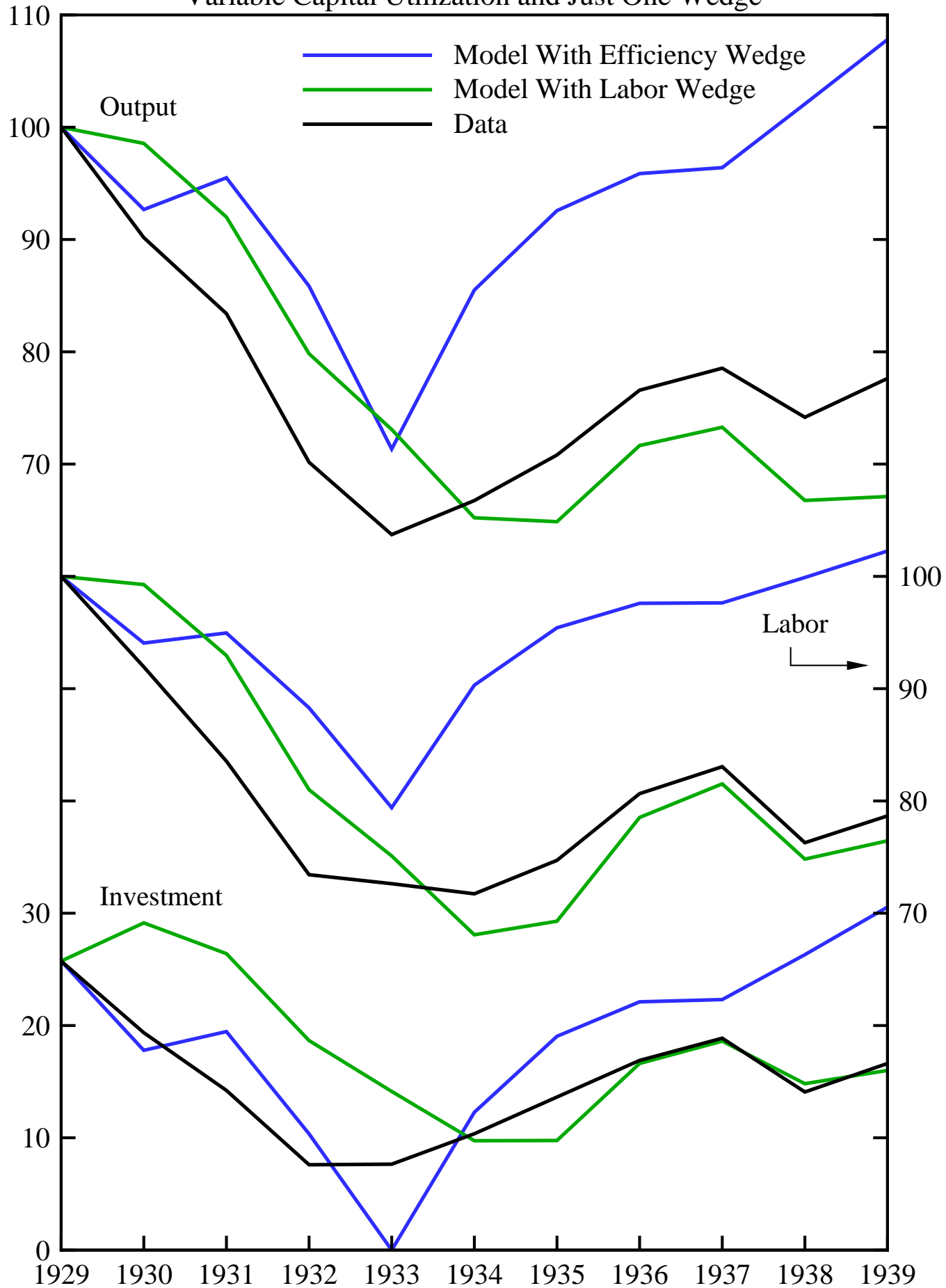


Figure 11
 Data and Predictions of a Model With
 Variable Capital Utilization and Just the Investment Wedge

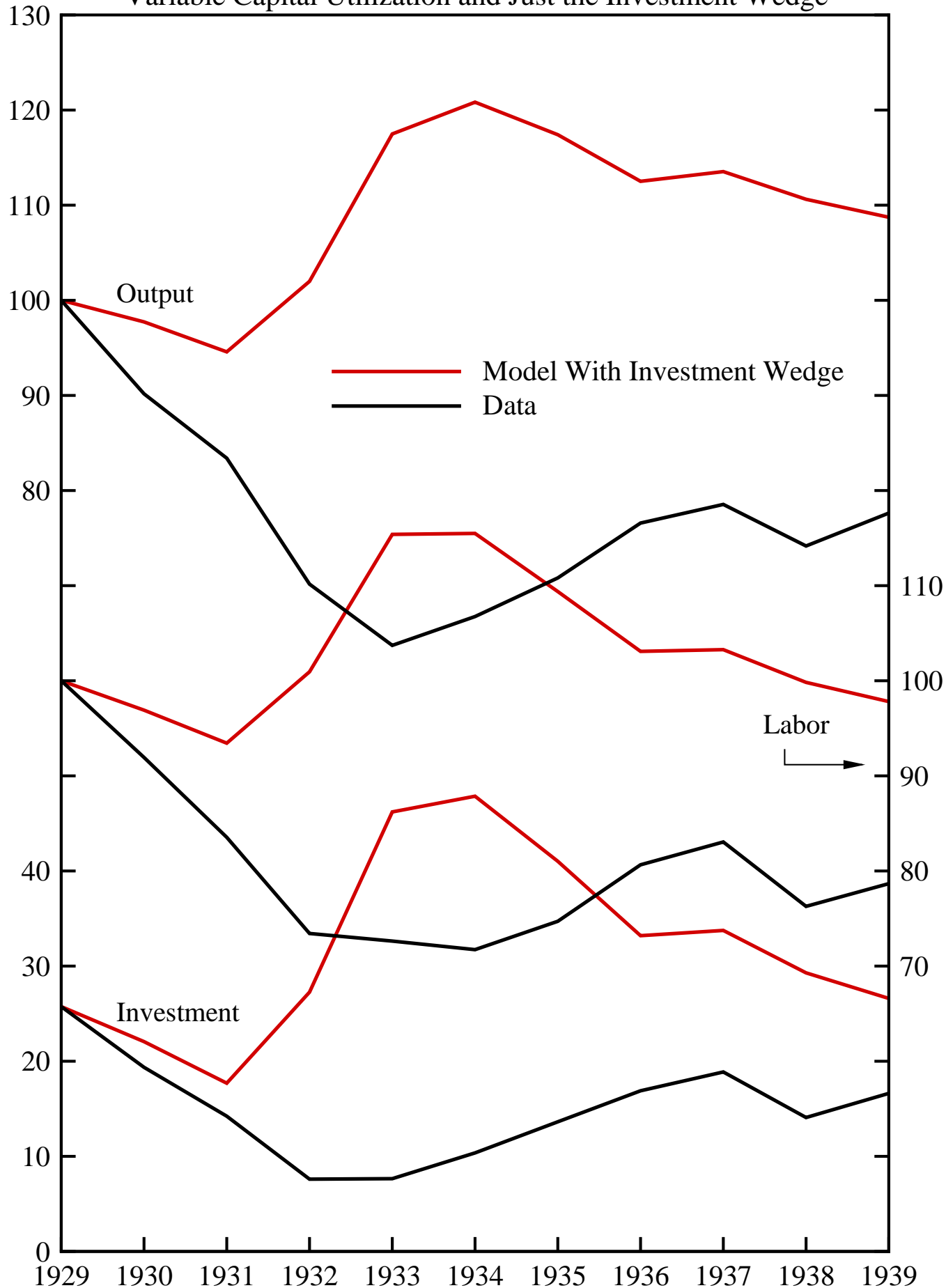


Figure 12
 Predictions of Models with Fixed and Variable
 Capital Utilization and With All But the Investment Wedge

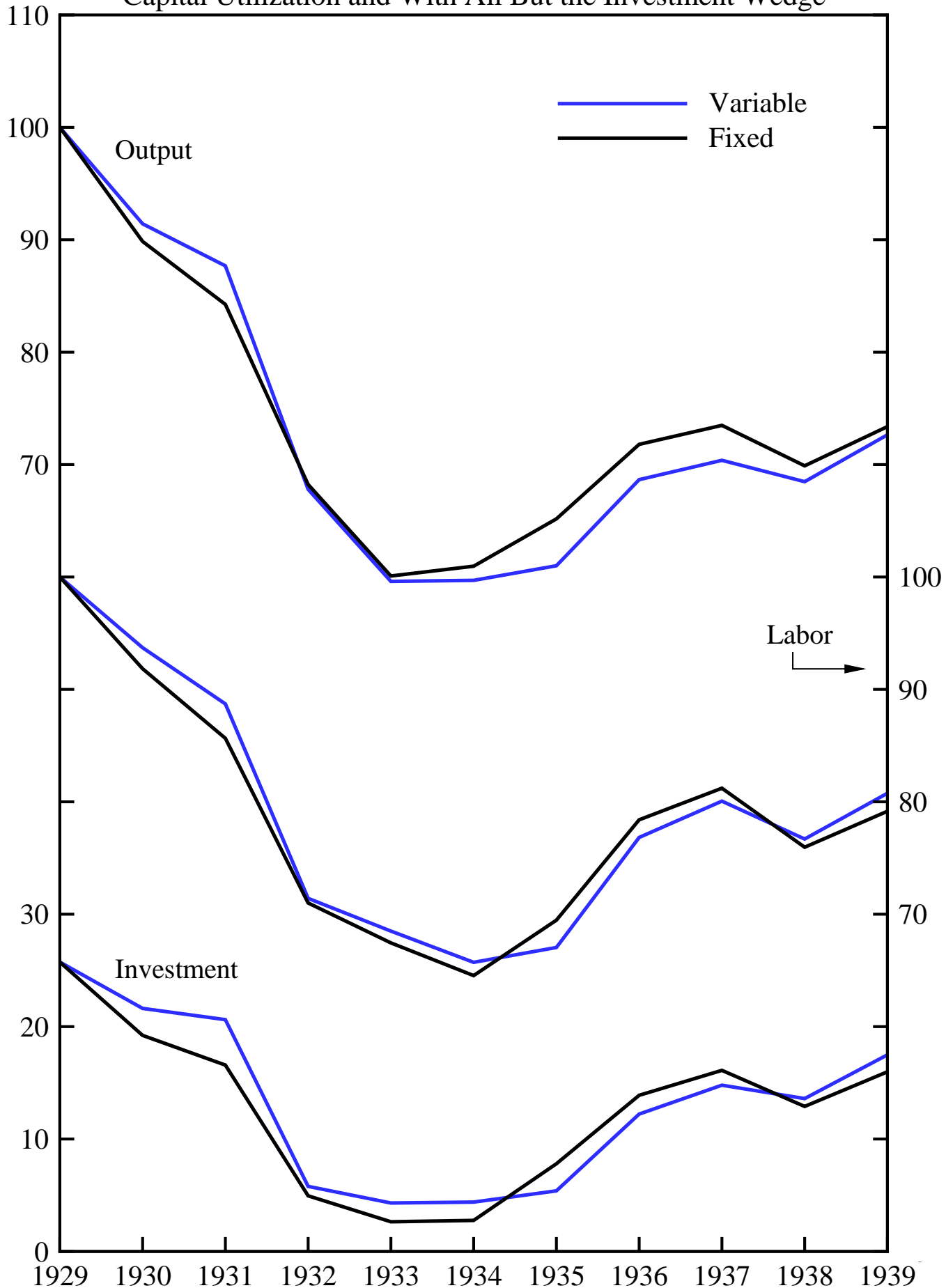


Figure 13
 Measured Investment Wedges for Two Adjustment Cost Specifications
 (Normalized to Equal 100 in 1929 or 1979:1)

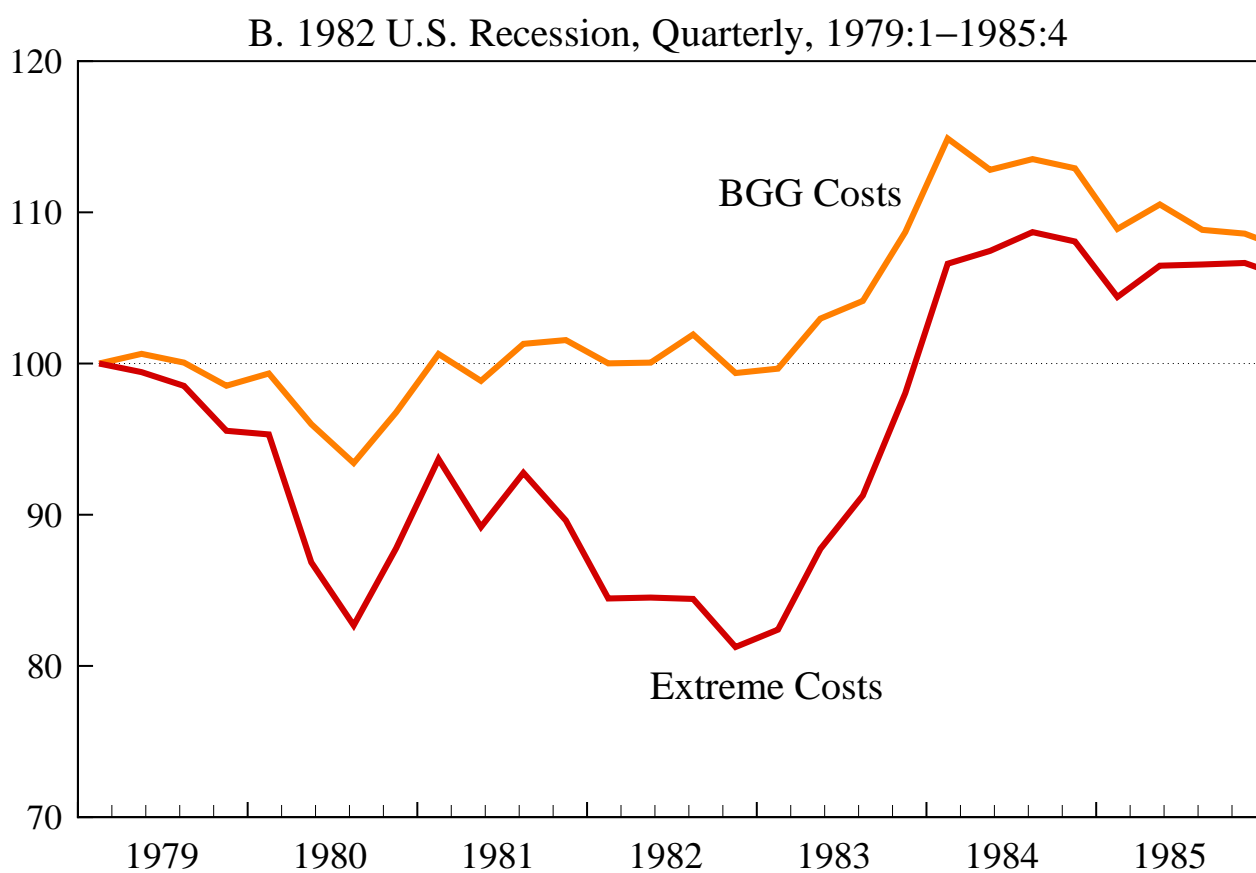
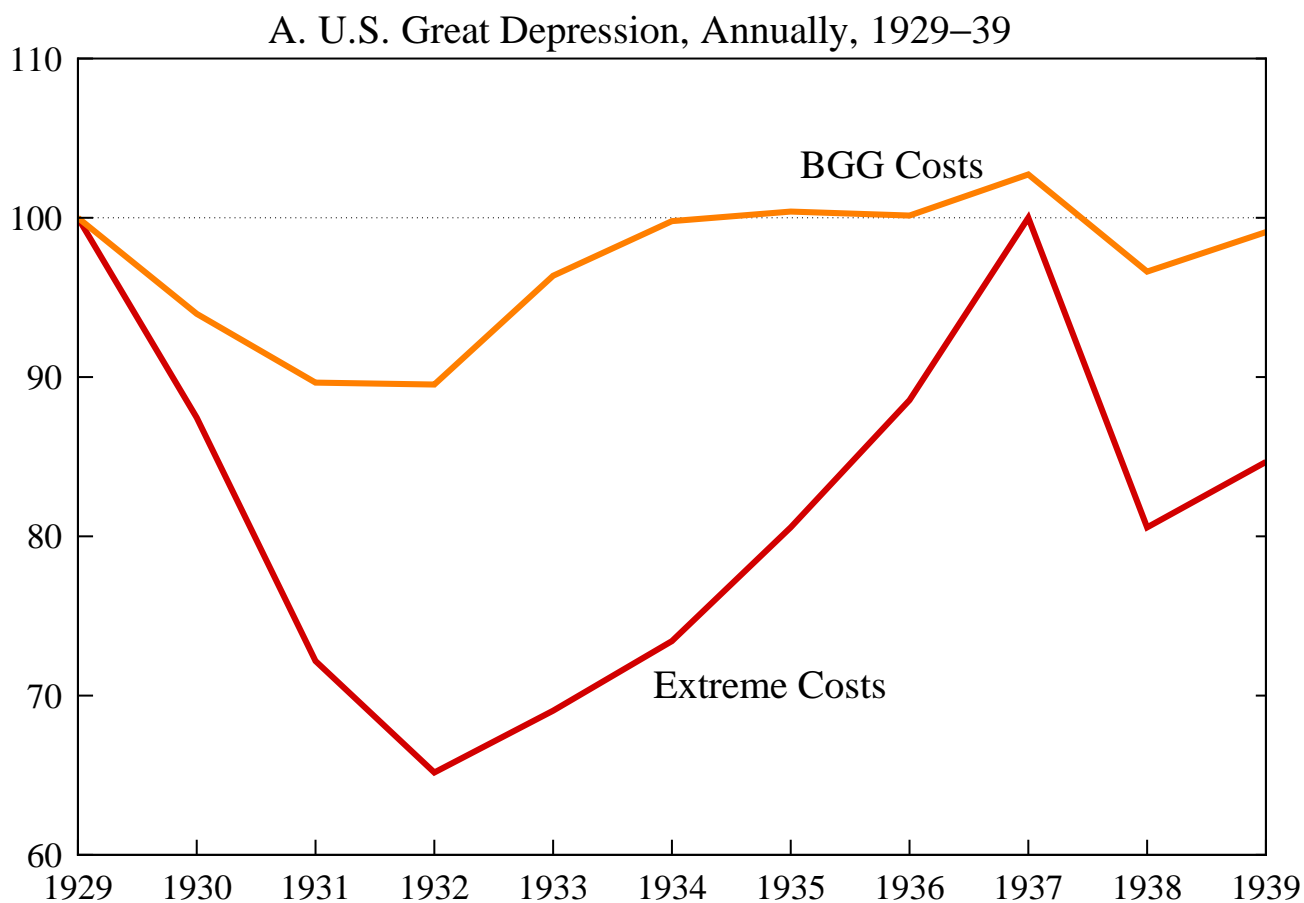


Figure 14. U.S. Output and Predictions of Model With Alternative Adjustment Costs and Just the Investment Wedge (Normalized to Equal 100 in 1929 or 1979:1)

