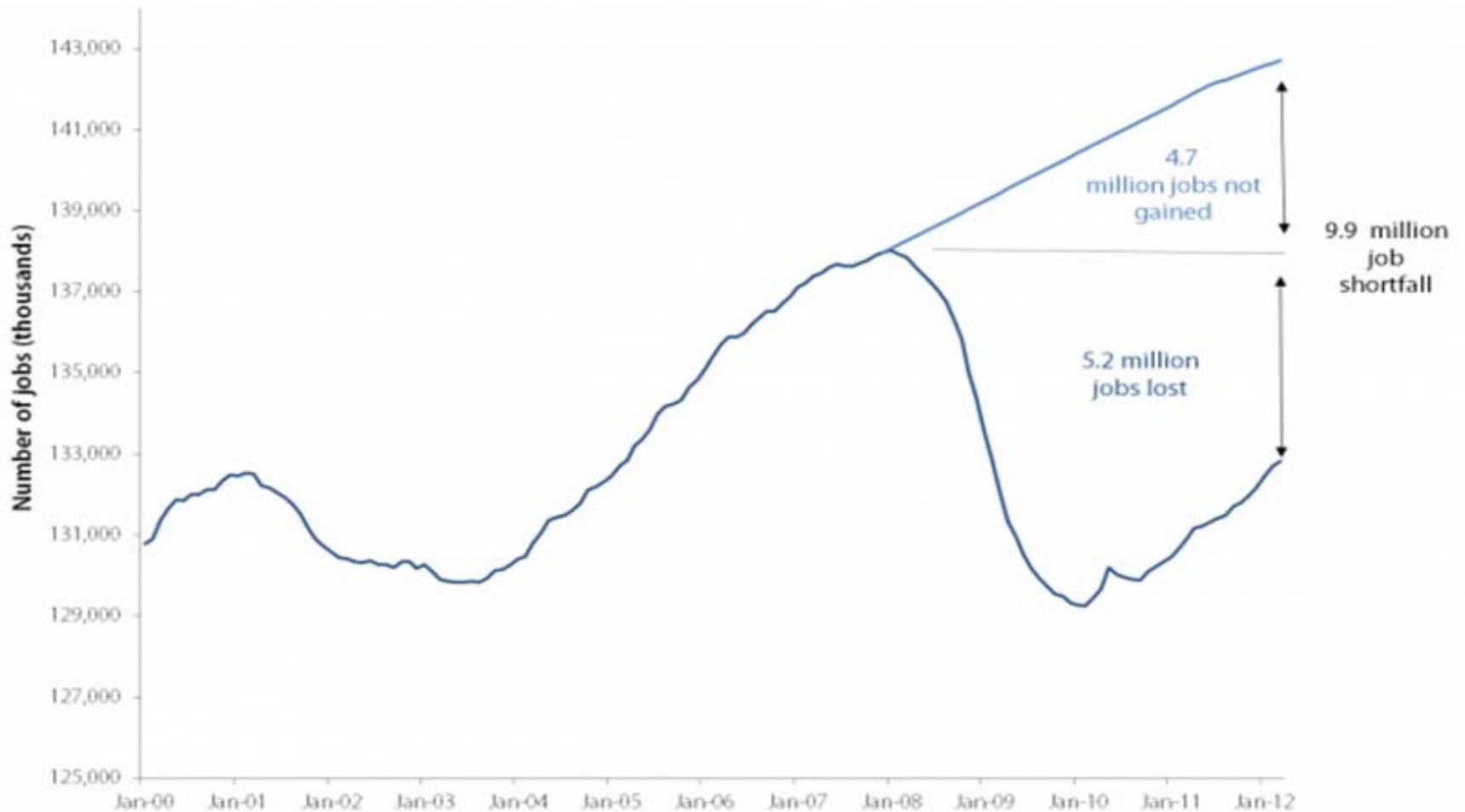


Growth, Inequality, and Fiscal Policy

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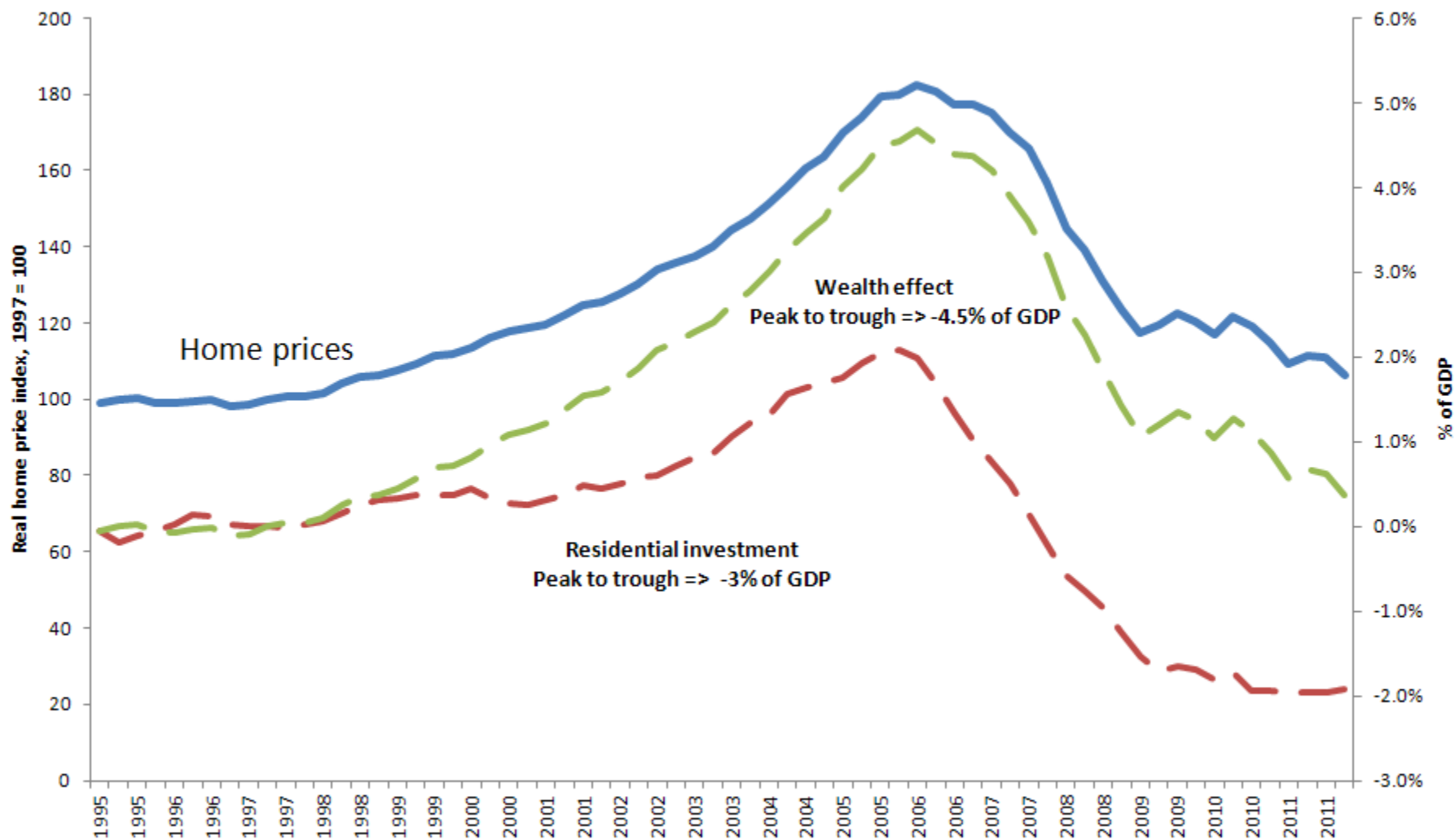
Recession has left in its wake a jobs shortfall of nearly 10 million

Payroll employment and the number of jobs needed to keep up with the growth in the potential labor force

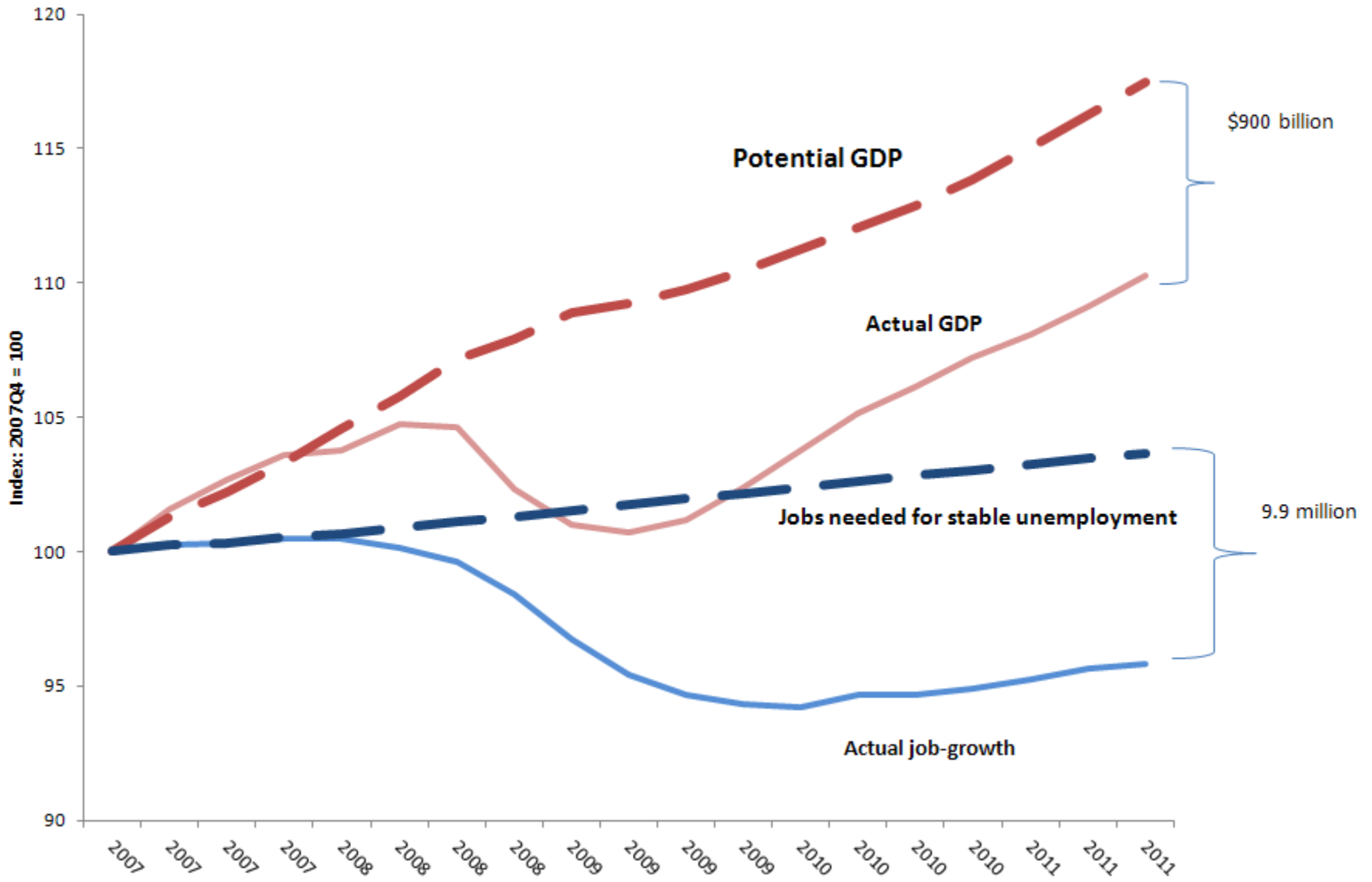


Source: EPI analysis of Bureau of Labor Statistics and Congressional Budget Office data.

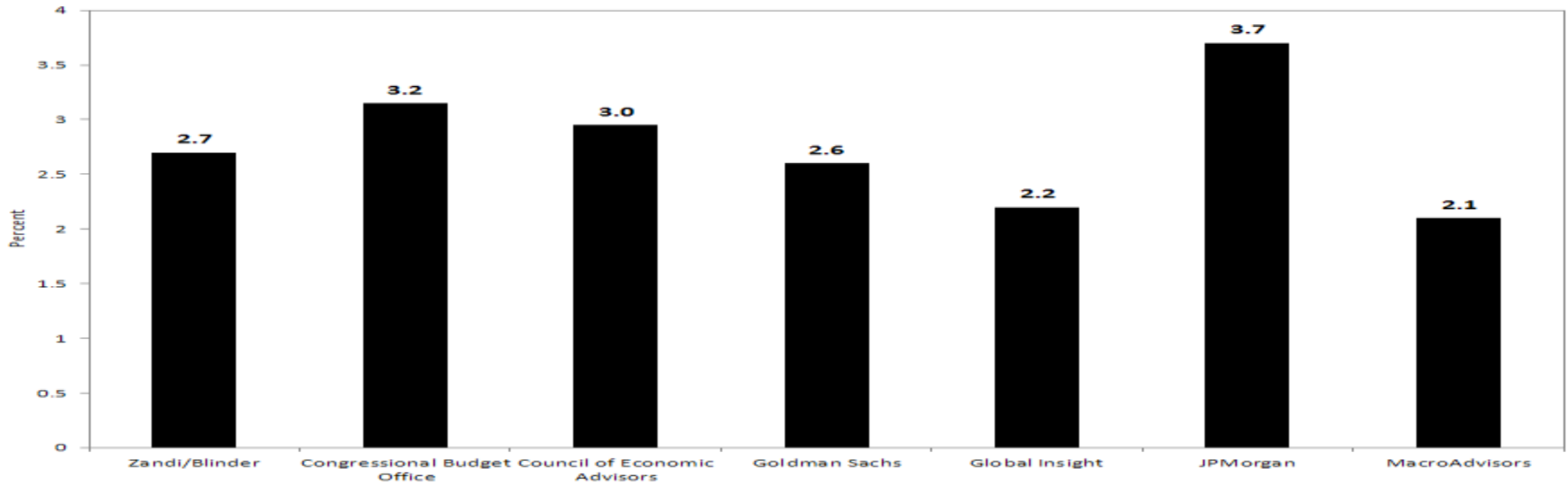
Home prices and macroeconomic effects



Two gaps: Output and Jobs

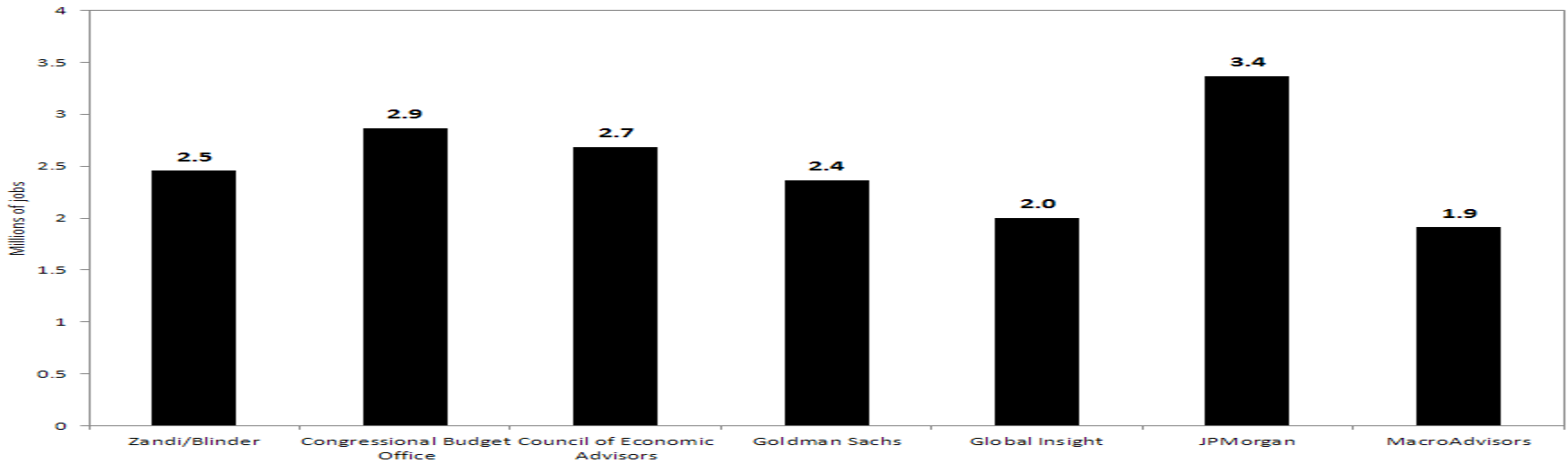


Contribution of Recovery Act to GDP by the second quarter of 2010



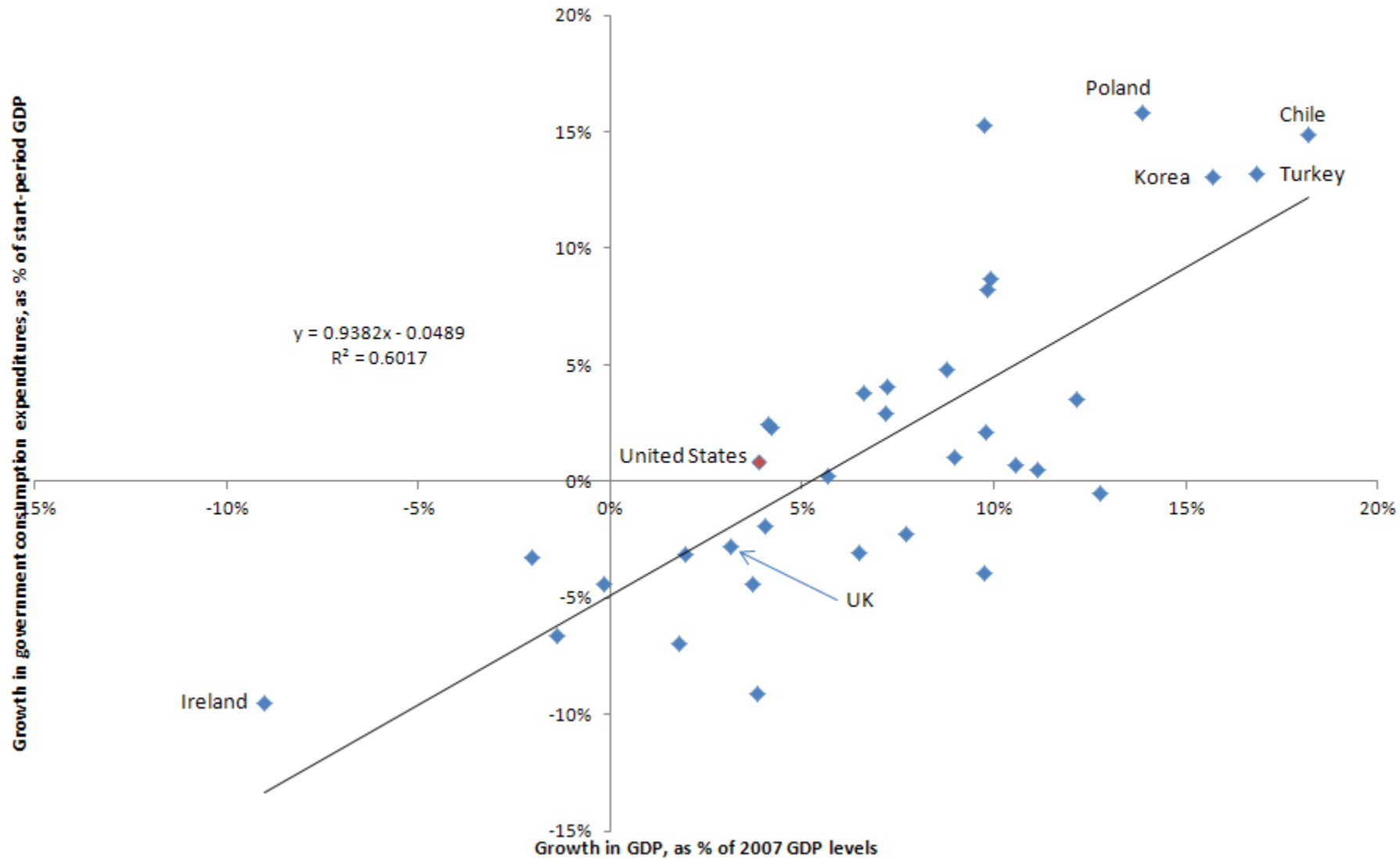
Source: Data from sources listed above.

Contribution of Recovery Act to employment by the second quarter of 2010

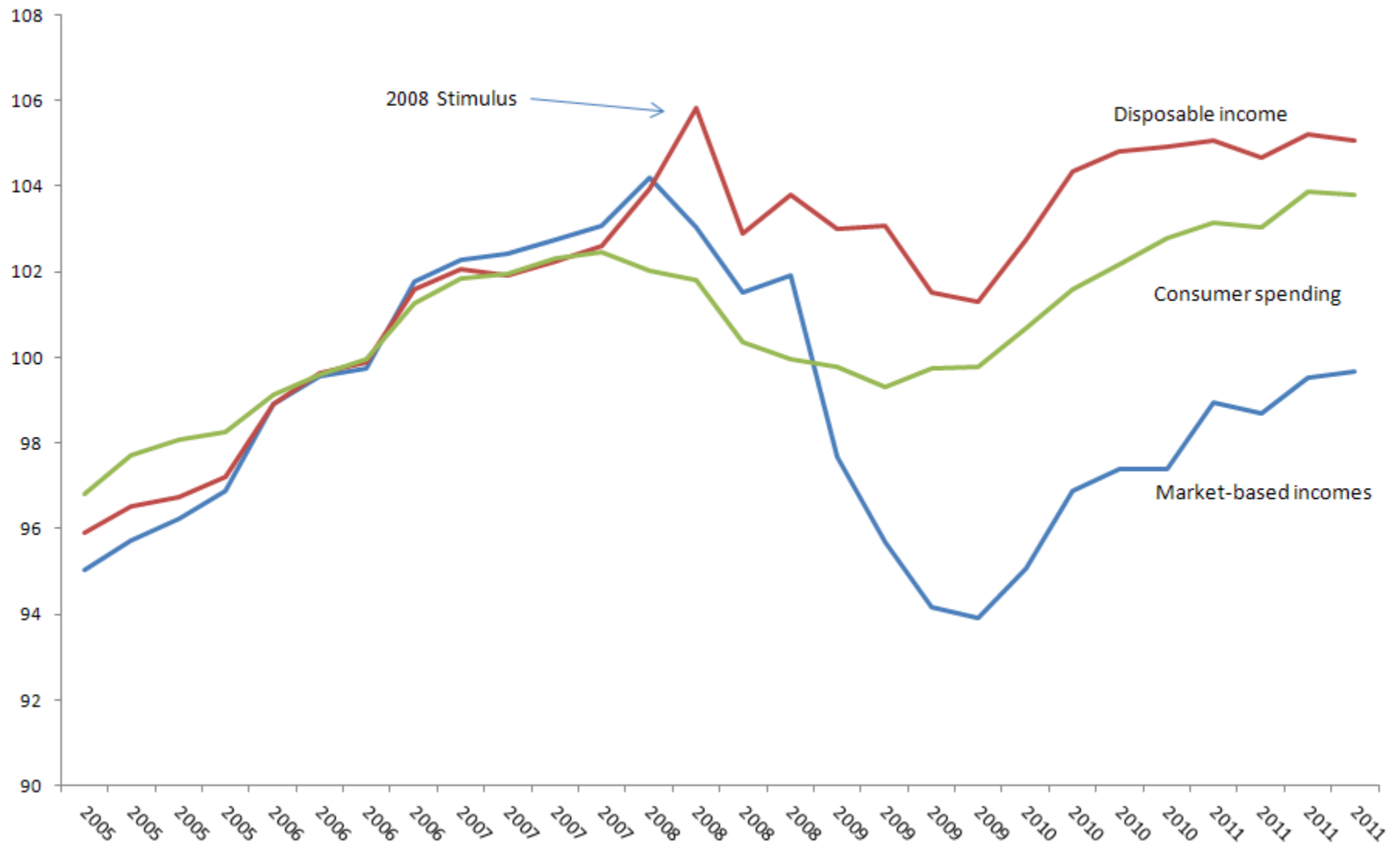


Source: Data from sources listed above.

Government spending and crisis response, 2007-2011

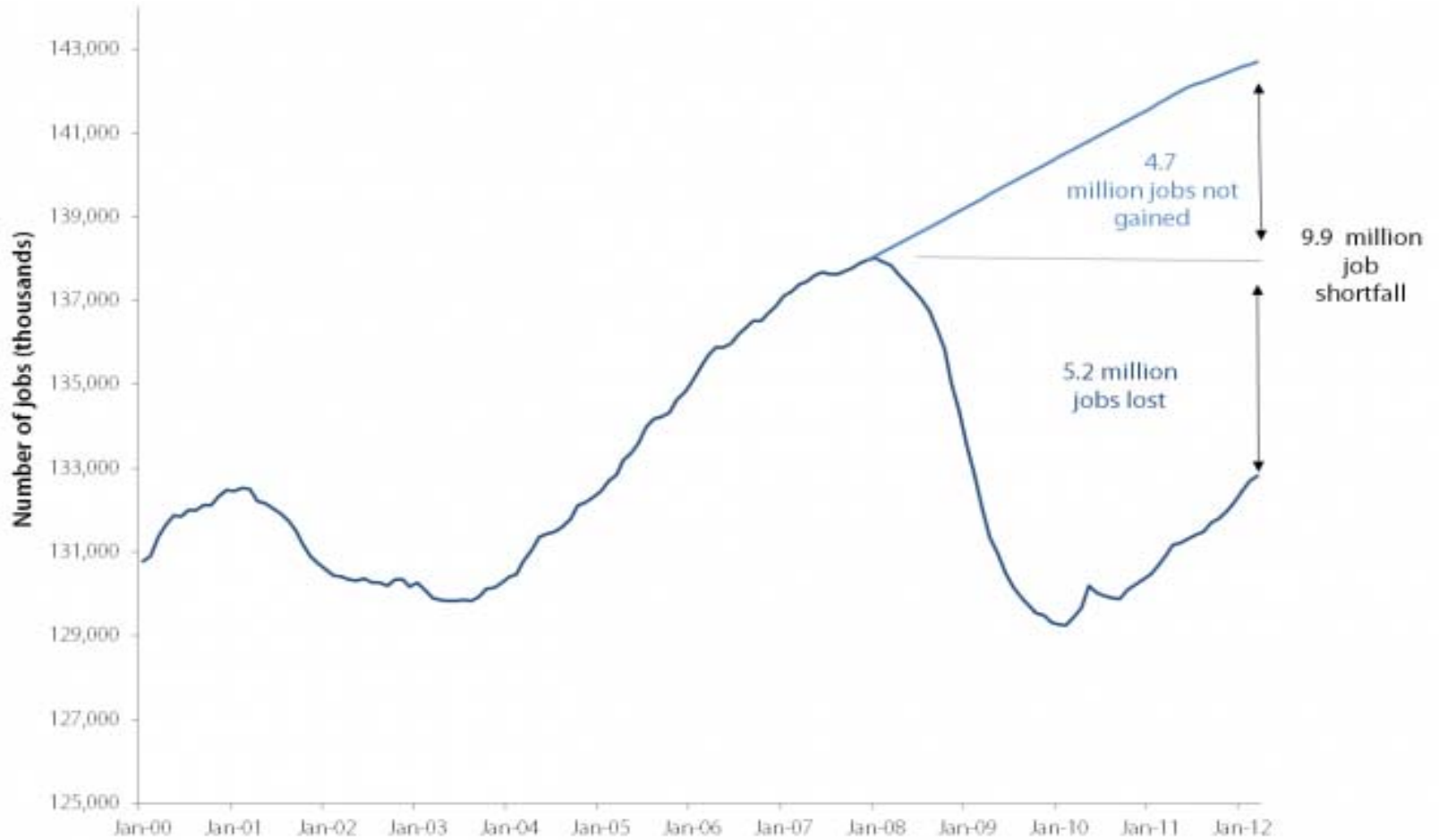


Market-based incomes, disposable incomes, and consumer spending



Recession has left in its wake a jobs shortfall of nearly 10 million

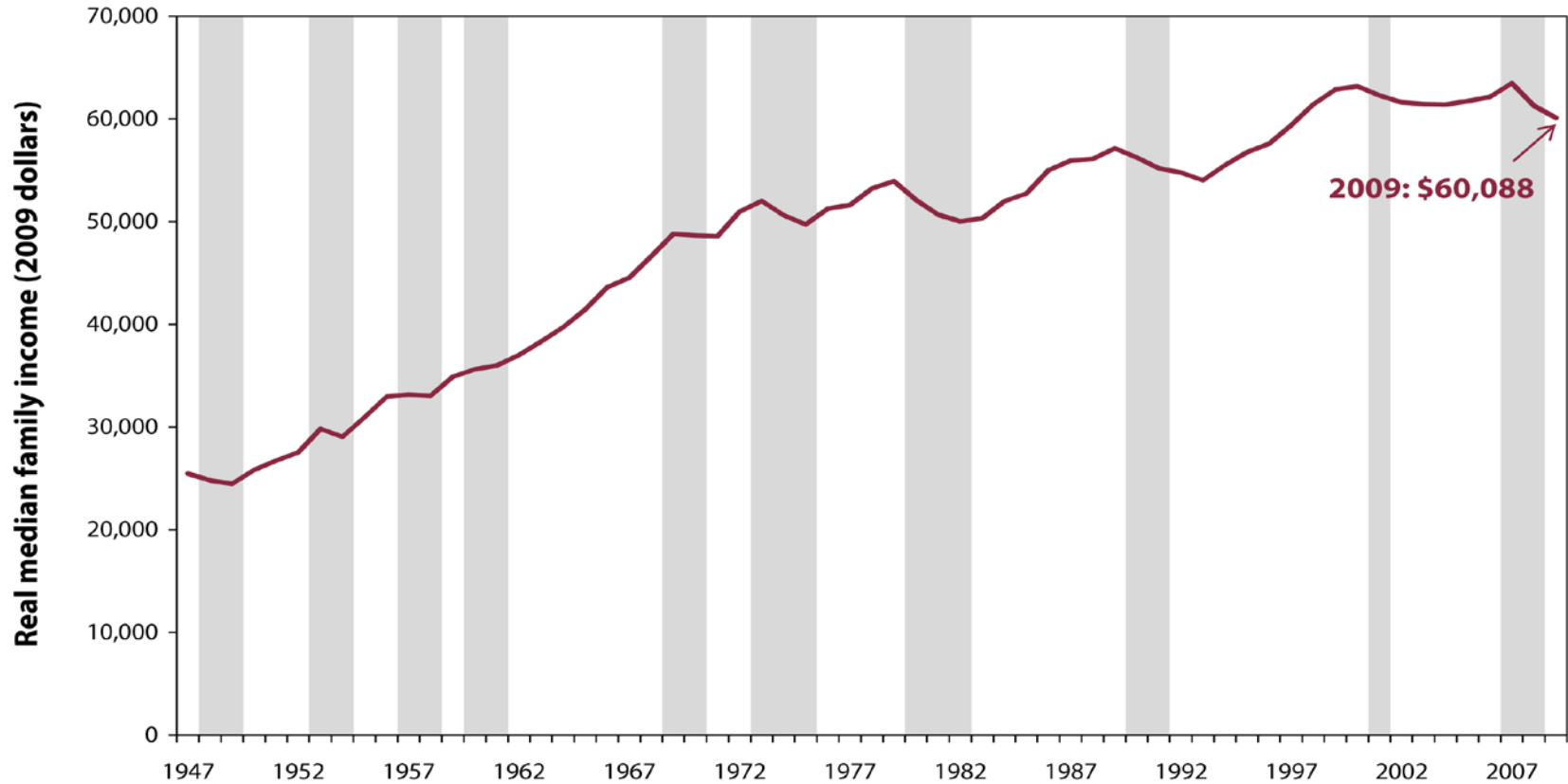
Payroll employment and the number of jobs needed to keep up with the growth in the potential labor force



Source: EPI analysis of Bureau of Labor Statistics and Congressional Budget Office data.

Median income growth slows substantially since early 1970s

Real median family income, 1947-2009

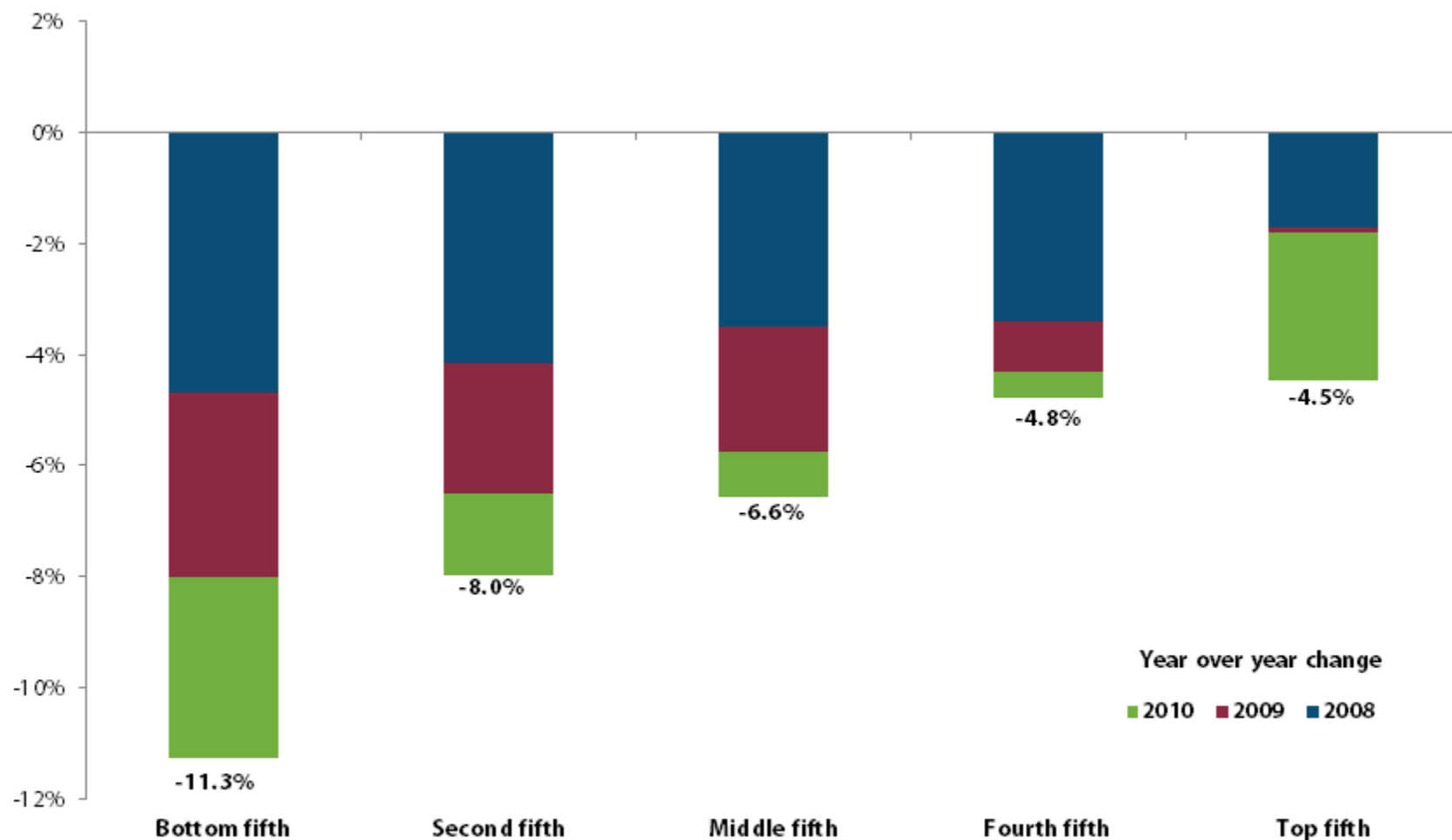


Note: Shaded areas denote recessions.

Source: EPI analysis of U.S. Census Bureau data, *Historical Income Tables*.

Low and middle income families hit hardest by Great Recession

Change in family income across the income distribution, 2007–2010



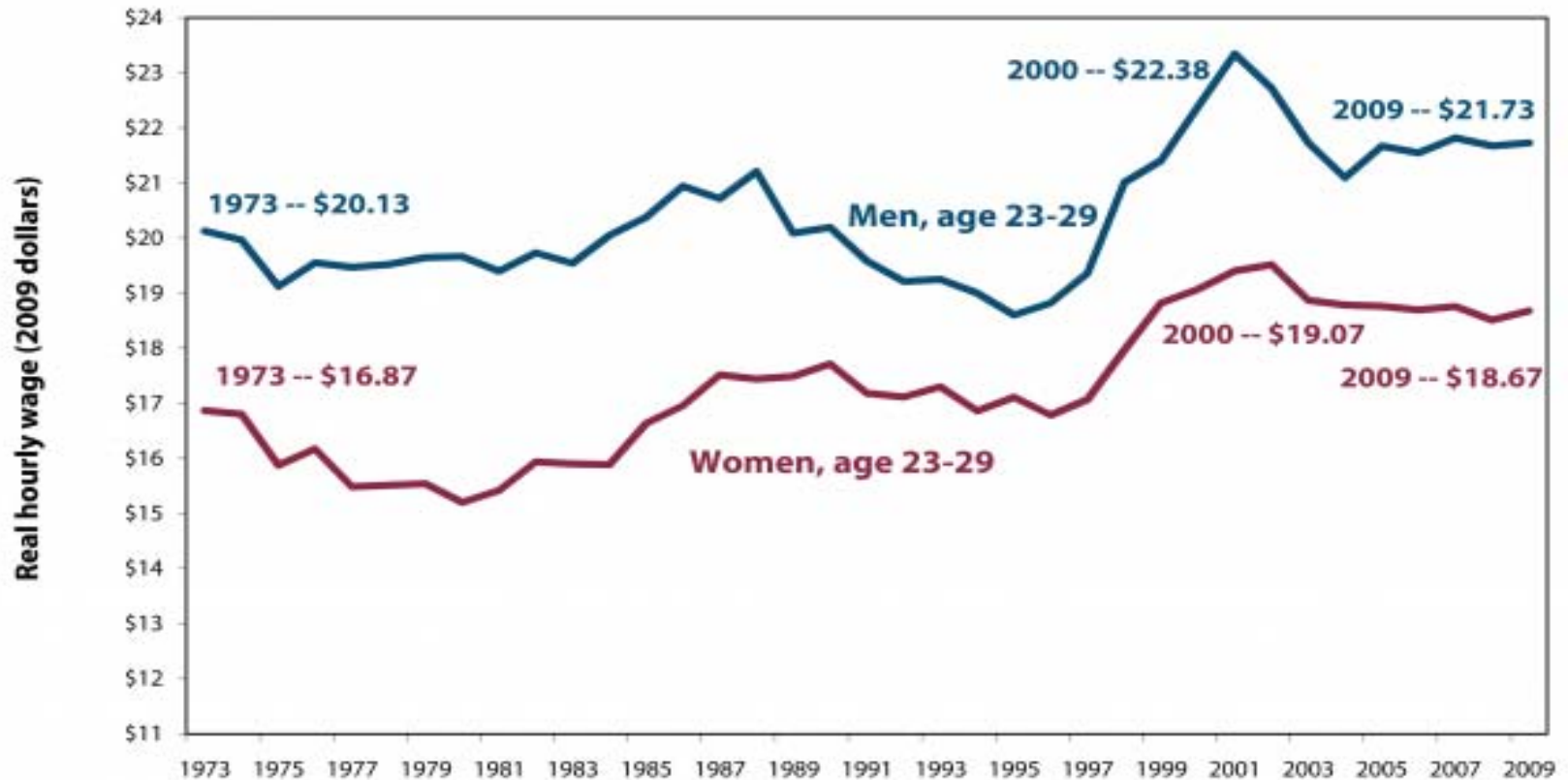
Note: The at the bottom of each bar give the total change from 2007 to 2010, while the stacked bars show the change in each year.

Source: U.S. Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2010 – Historical Income Tables*, Table F3: Mean Income Received by Each Fifth and Top 5 Percent of Families, Excel spreadsheet accessed November 23, 2011.

U.S. Bureau of Labor Statistics, *CPI – All Urban Consumers* database. Accessed November 23, 2011.

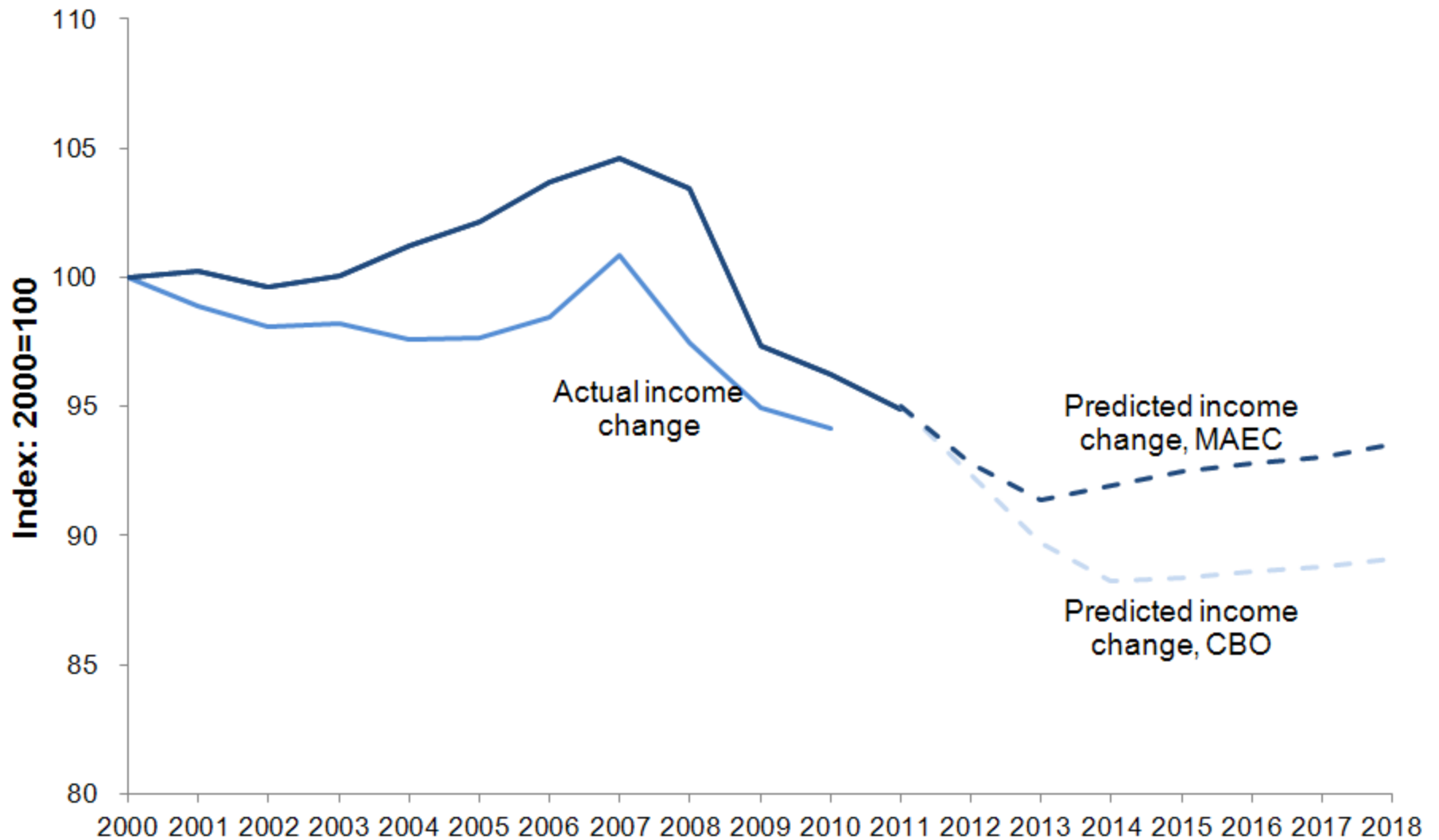
New college grads scarcely earning more

Entry-level wages of male and female college graduates, 1973-2009



Source: EPI's analysis of the Current Population Survey, Outgoing Rotations Group.

Figure 2J Median family income, actual and predictions based on forced future path of unemployment rate, 2000–2018

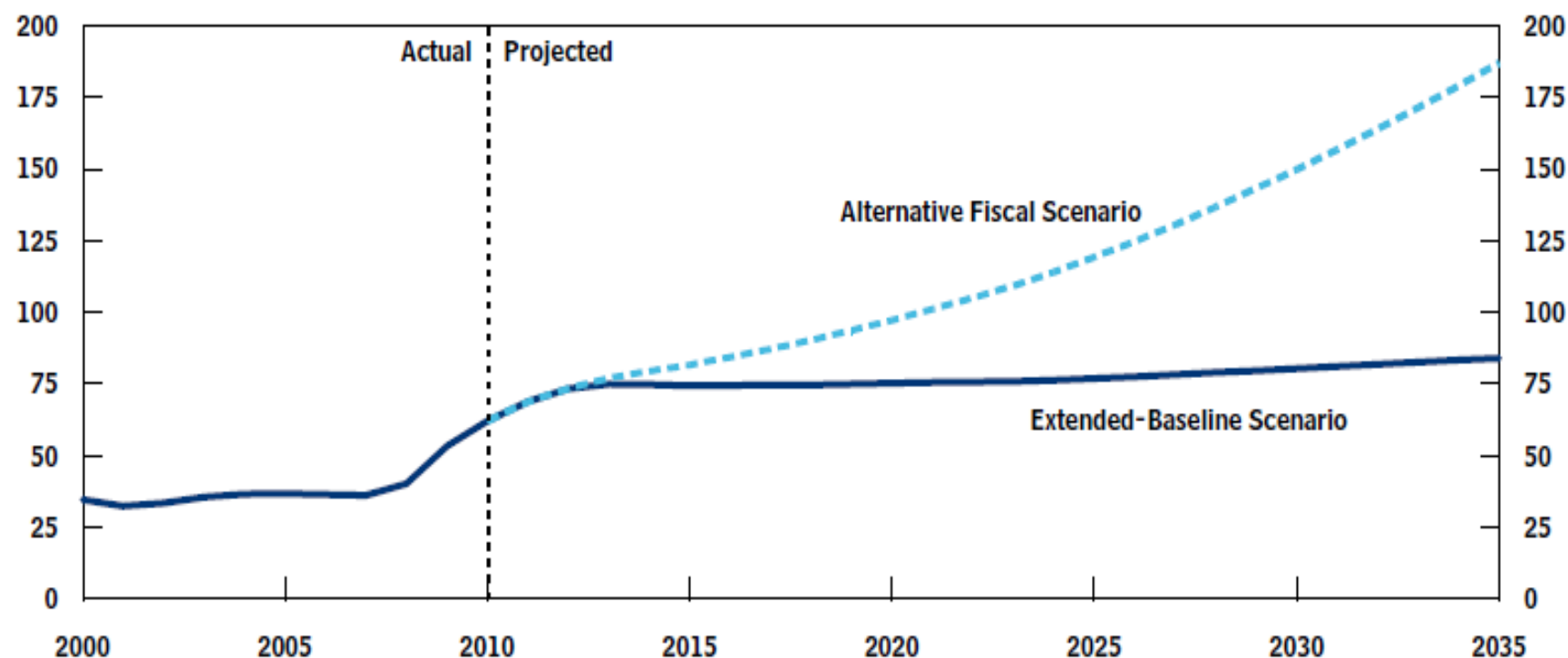


Source: U.S. Census Bureau (2011) and author's analysis based on forecasted unemployment rates from of Congressional Budget Office (2012) and Moody's Analytics (2012)

Summary Figure 1.

Federal Debt Held by the Public Under CBO's Long-Term Budget Scenarios

(Percentage of gross domestic product)

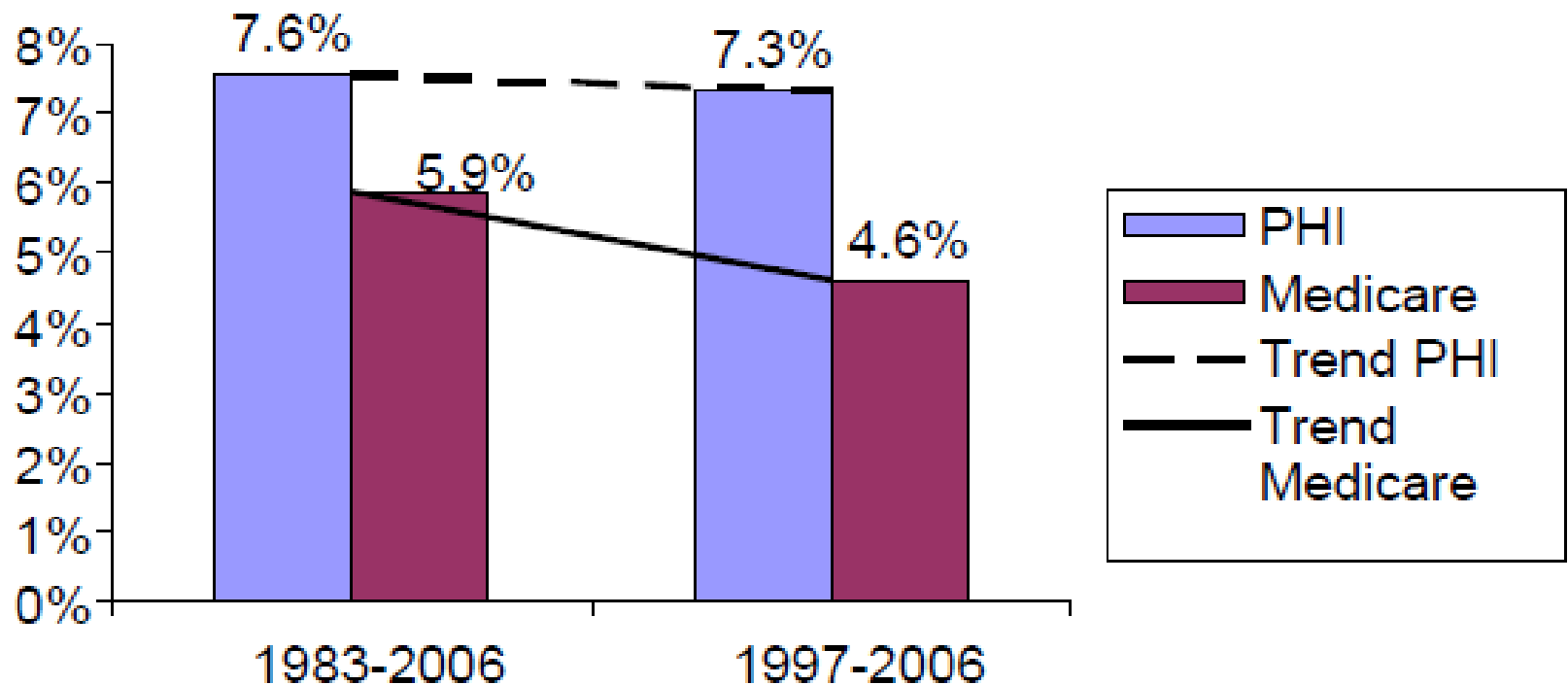


Source: Congressional Budget Office.

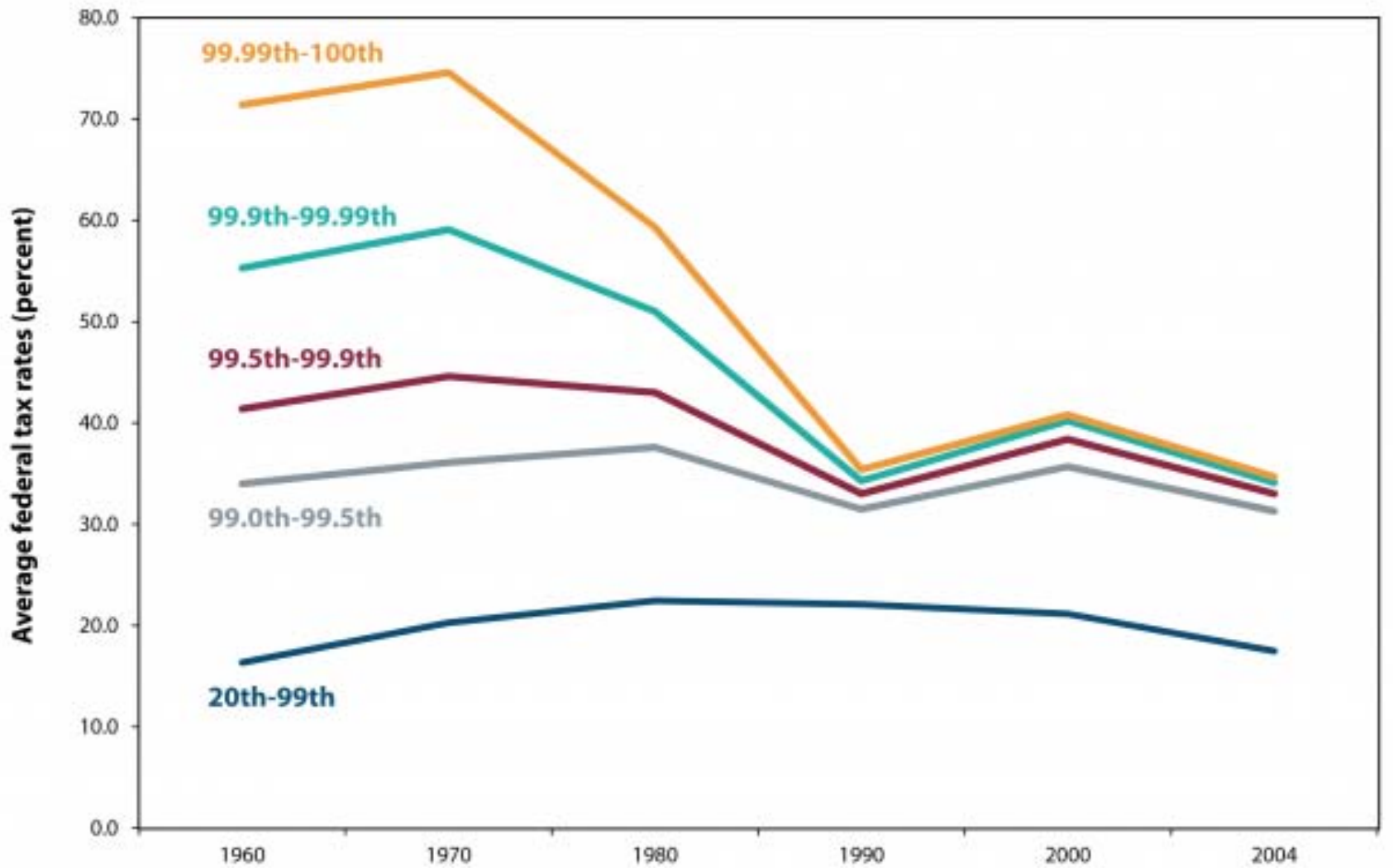
Note: The extended-baseline scenario adheres closely to current law, following CBO's 10-year baseline budget projections through 2021 and then extending the baseline concept for the rest of the long-term projection period. The alternative fiscal scenario incorporates several changes to current law that are widely expected to occur or that would modify some provisions that might be difficult to sustain for a long period.

Figure 2

Per Enrollee Average Annual Percent Change in Medicare Spending and in Private Health Insurance Premiums for Common Benefits

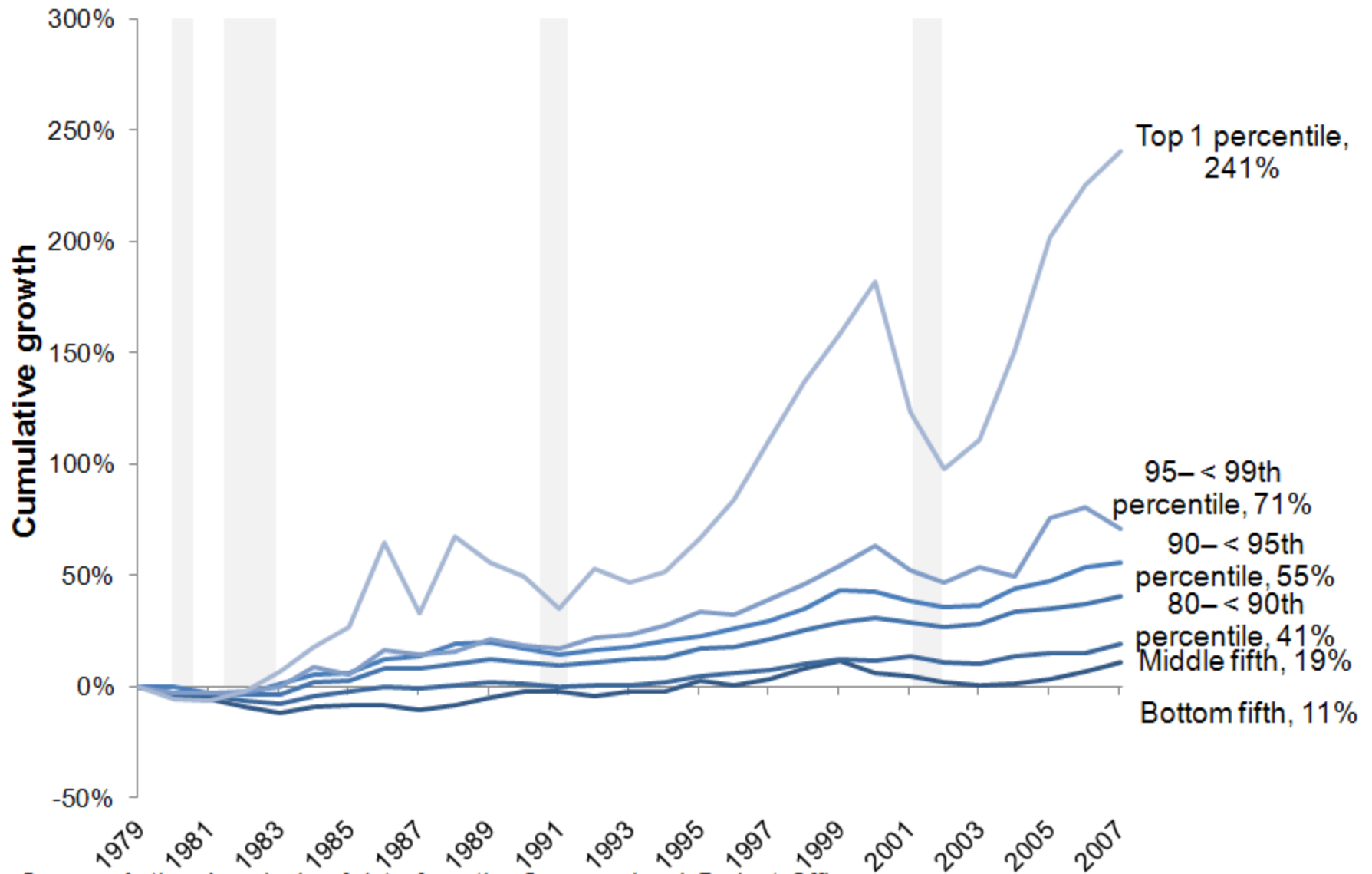


Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group, National Health Expenditures, Table 13, 2008



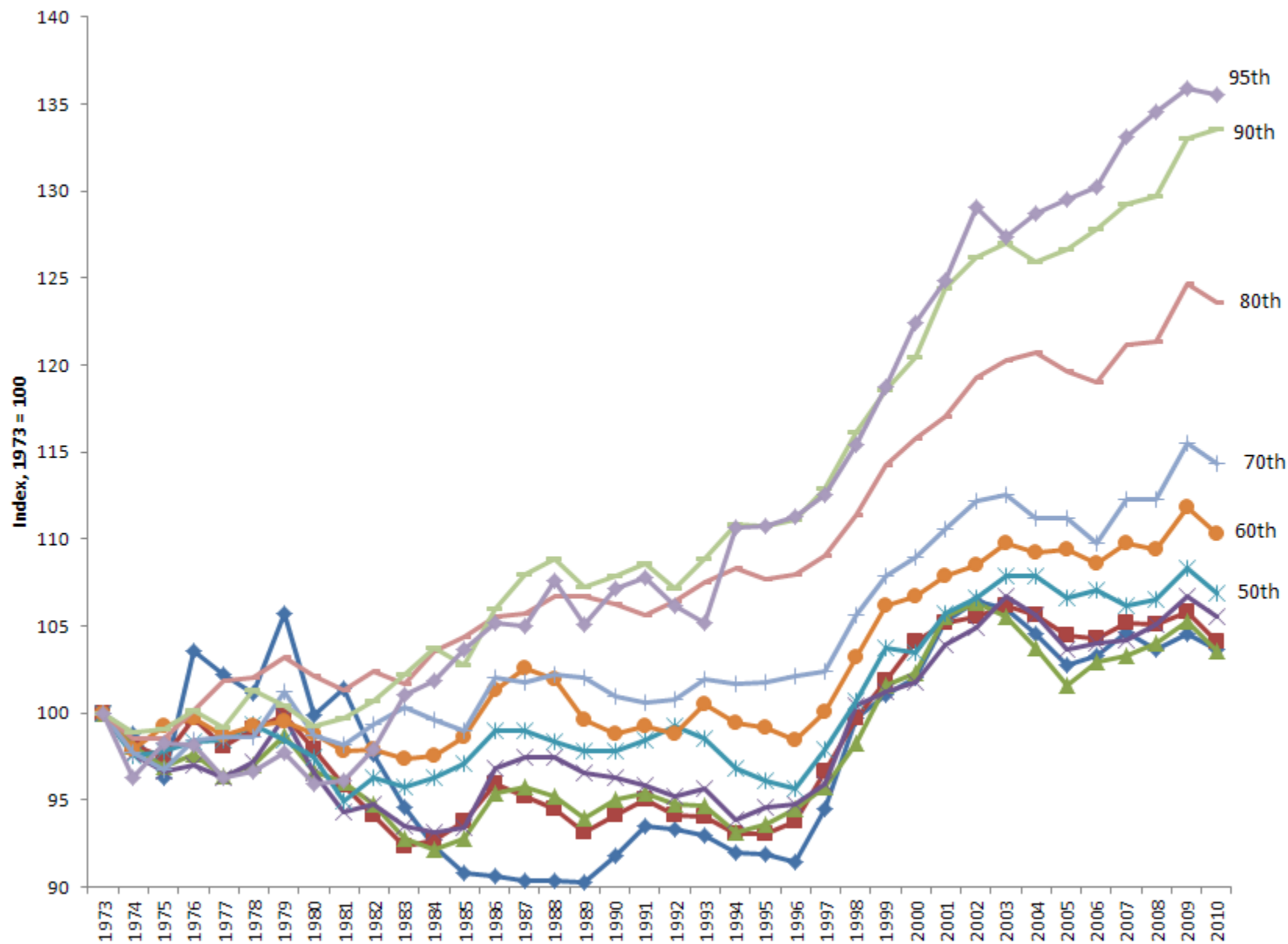
Source: EPI analysis of Pikety and Saez (2007).

Figure 2M Growth in annual income, by income group, 1979–2007



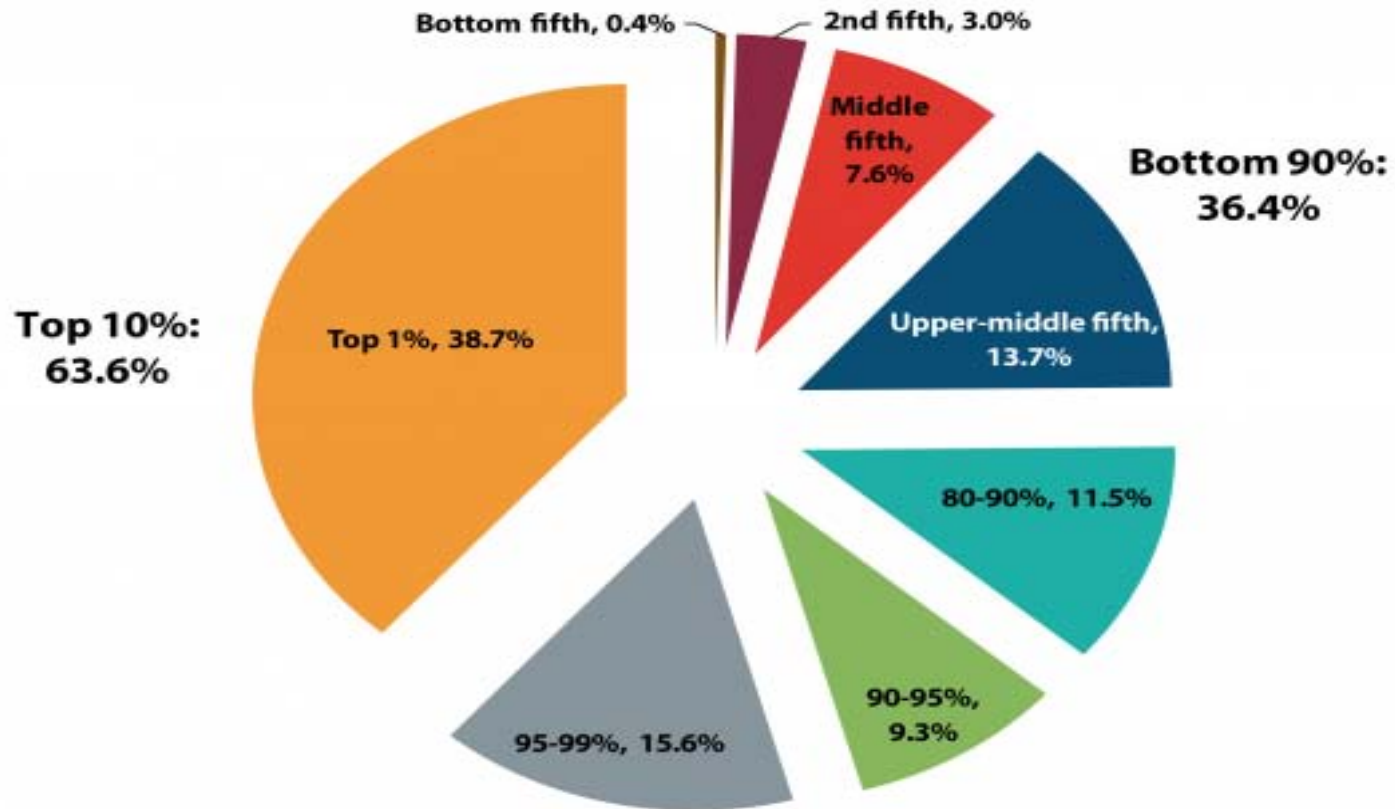
Source: Authors' analysis of data from the Congressional Budget Office

Real wage-growth by percentile, 1973-2010



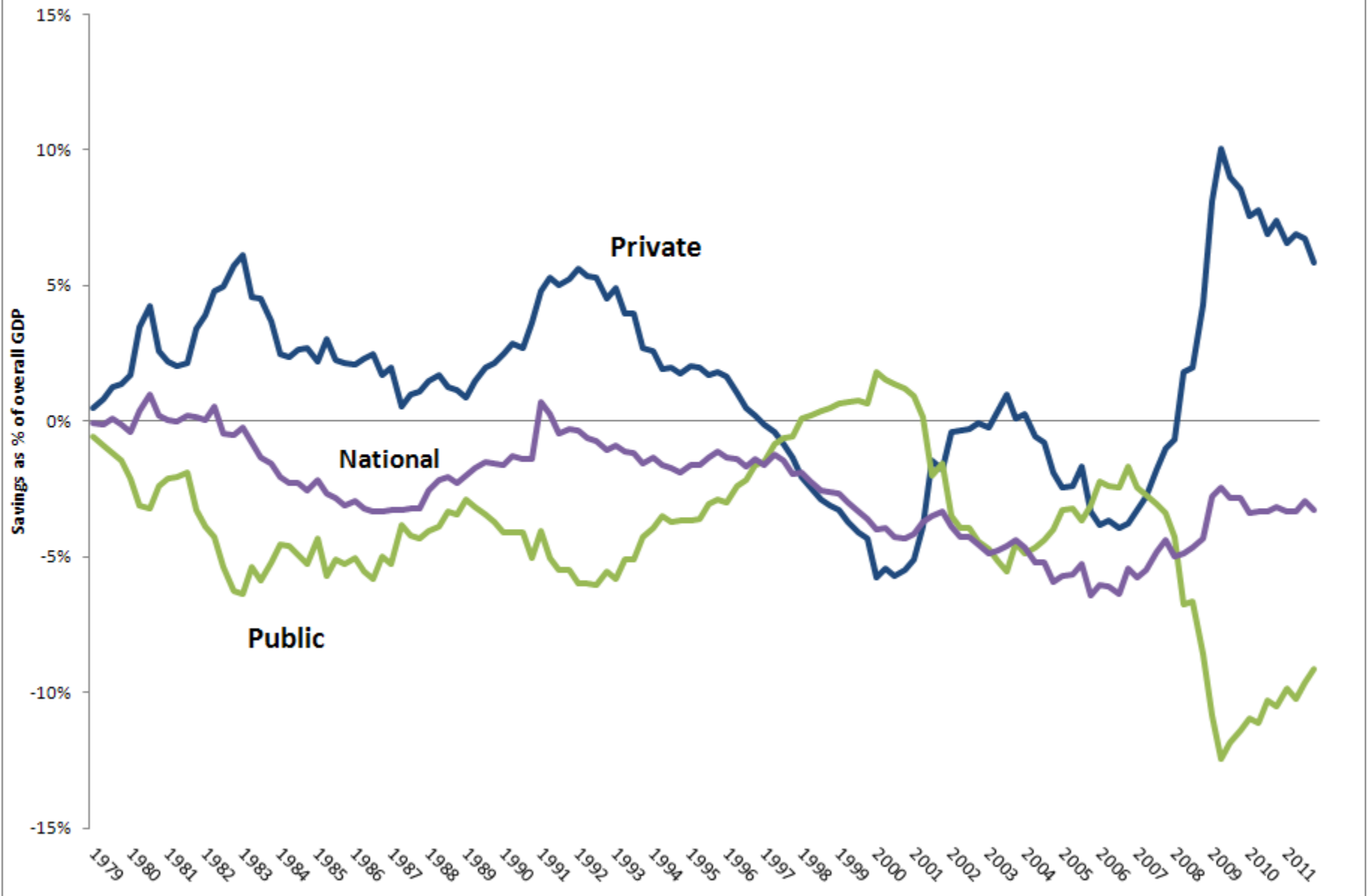
Where did the growth go?

Share of pre-tax income growth, 1979-2007

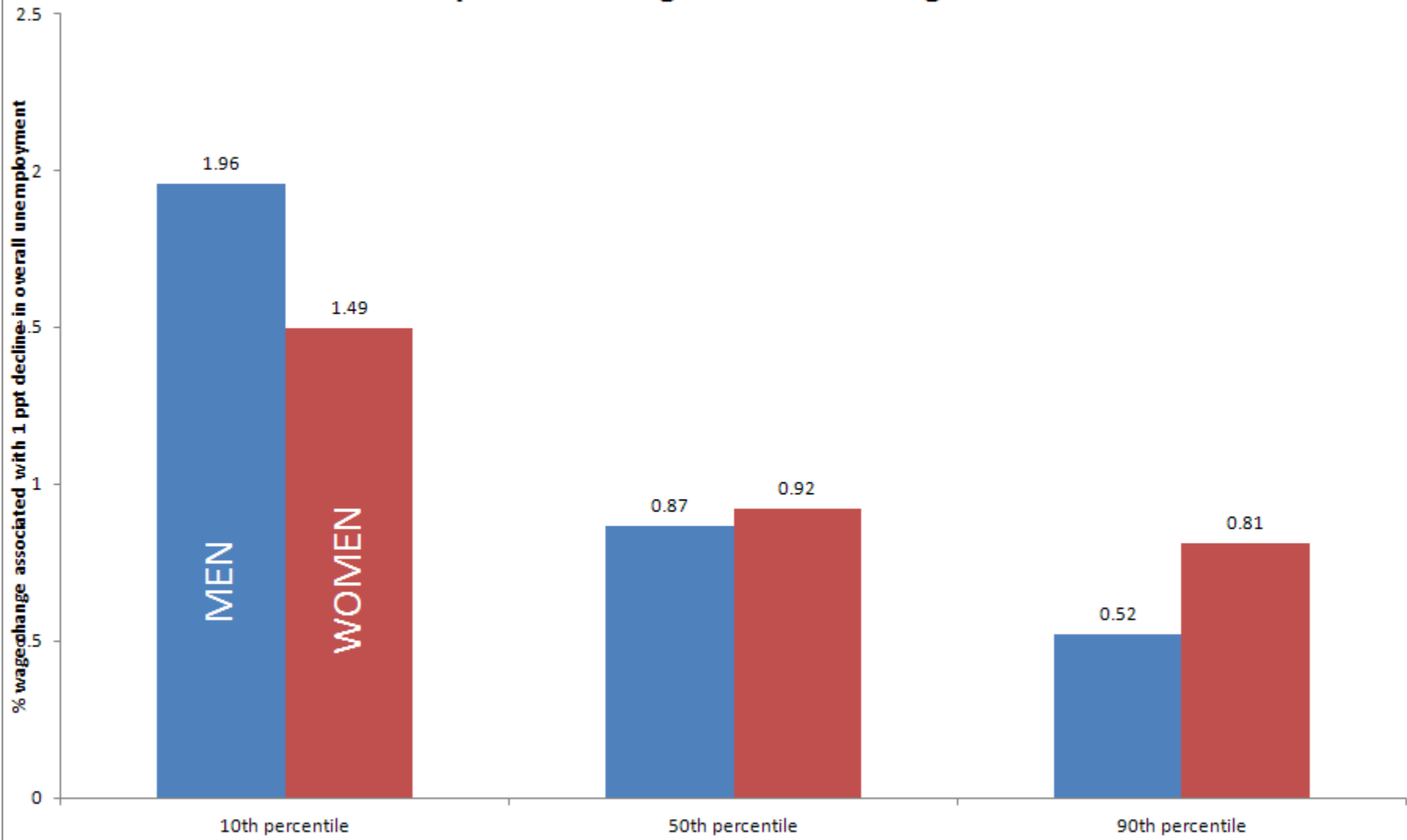


Source: EPI analysis of CBO Average Federal Tax Rates and Income, 2010.

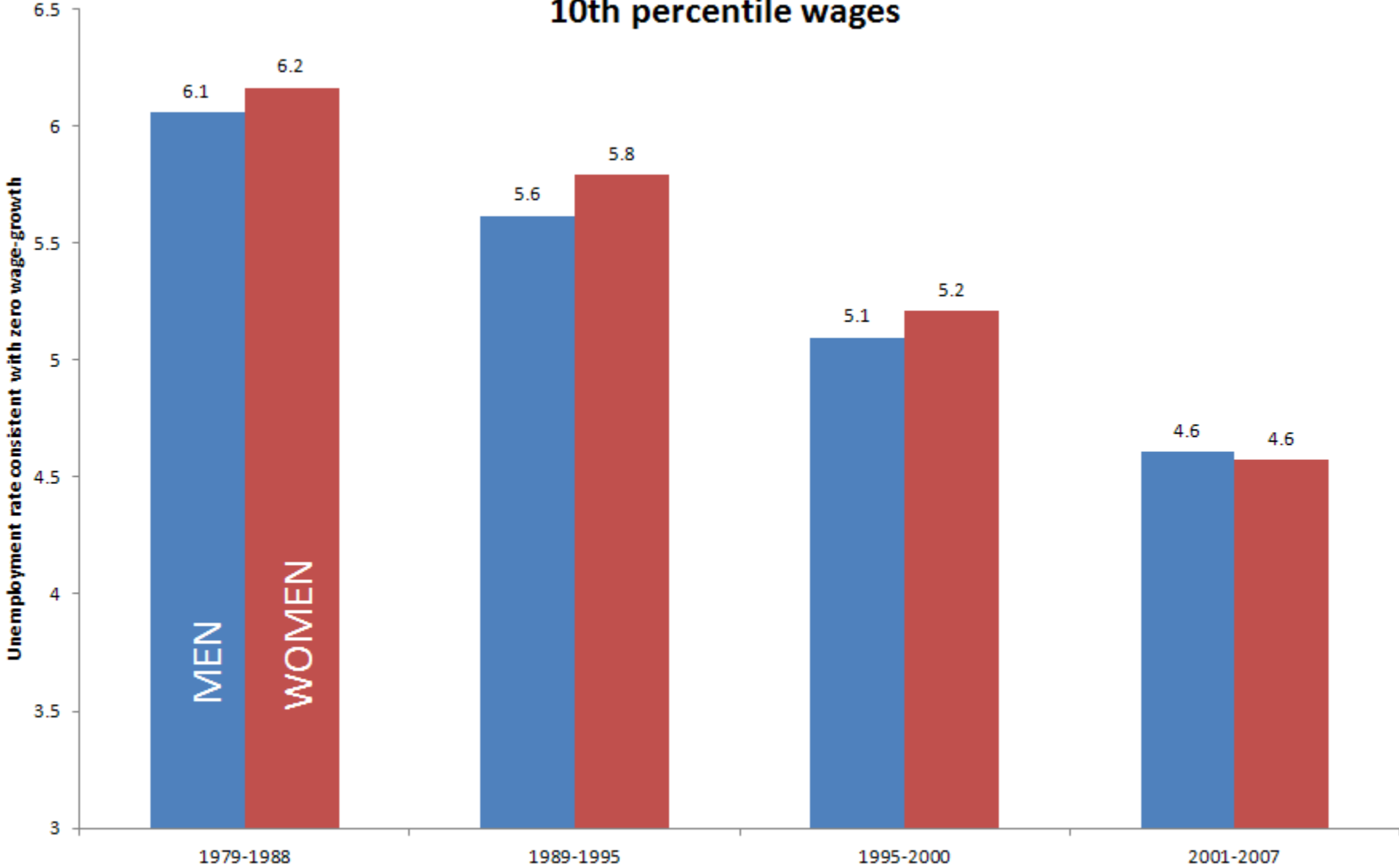
Savings: Private, Public and National



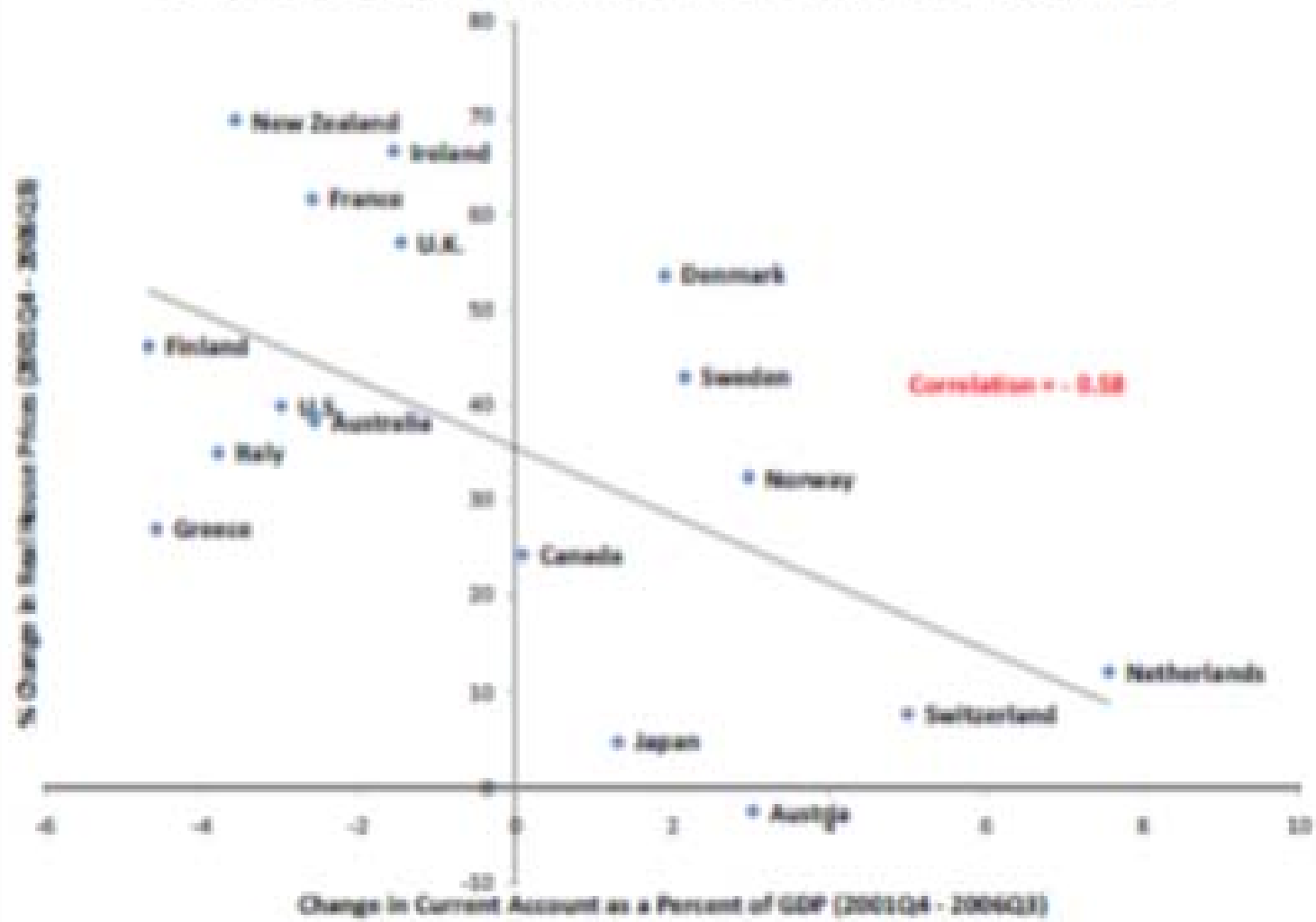
Effect of one percentage point reduction in unemployment on annual percent change in nominal wages

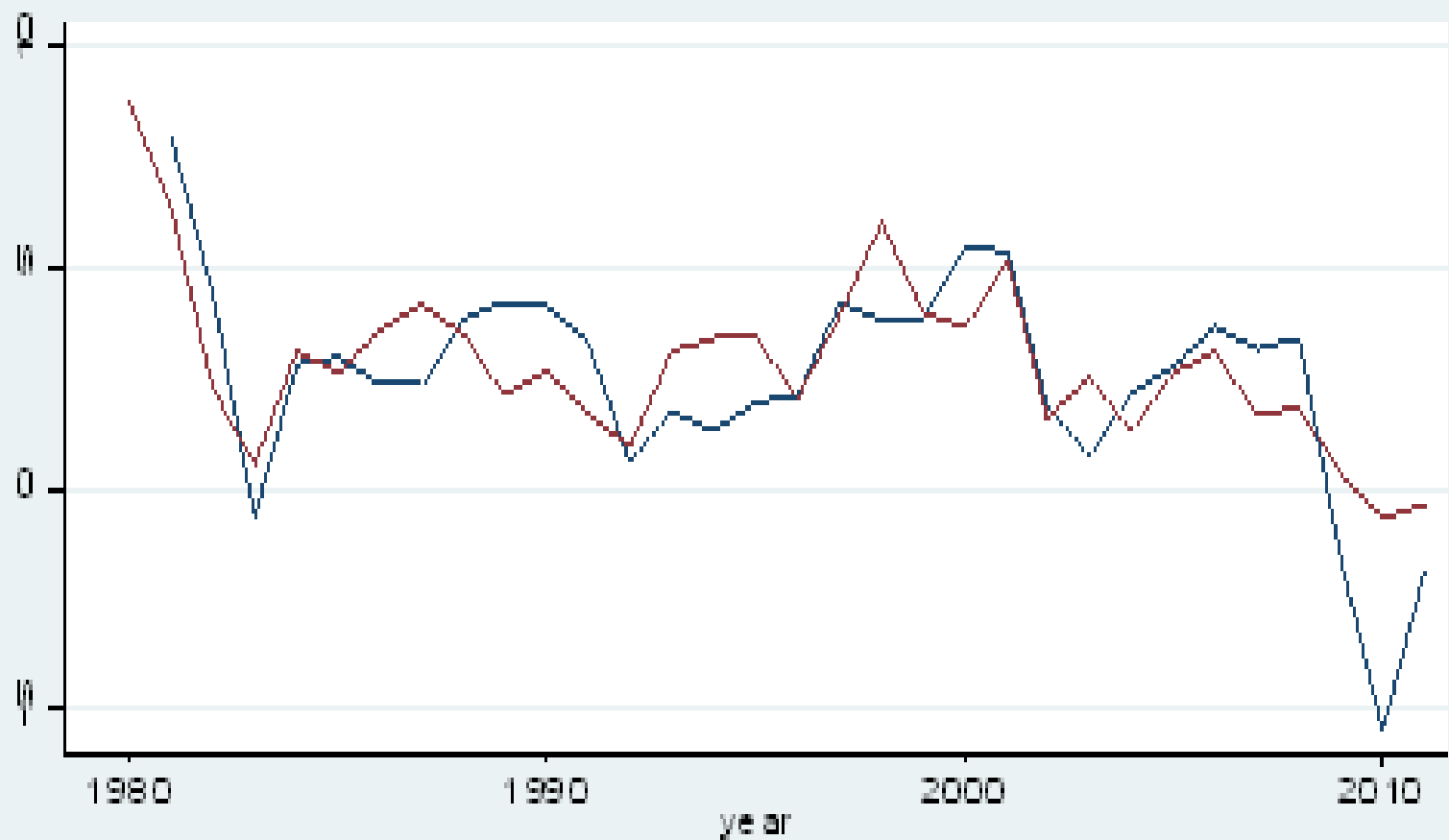


Maximum unemployment rate consistent with positive wage-growth for 10th percentile wages



Current Accounts and House Prices in Advanced Economies





Fitted values men20 ch