

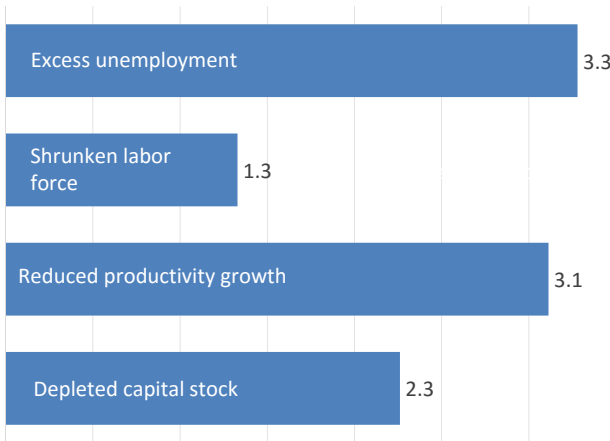
UNDERSTANDING THE STAGNATION OF MODERN ECONOMIES

Robert E. Hall
Hoover Institution and Department of Economics
Stanford University

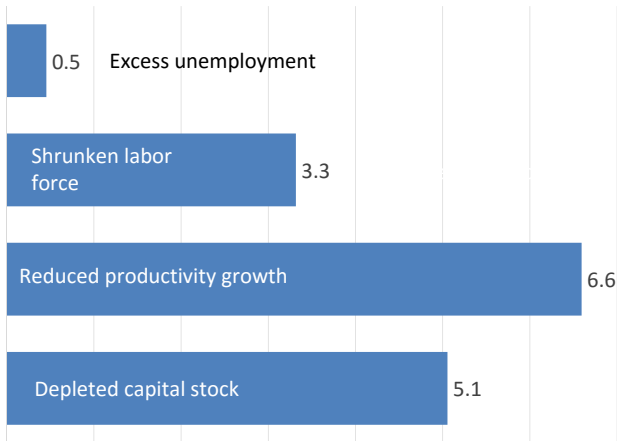
The Phillips Lecture
London School of Economics
28 April 2016

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ALLOCATION OF 10.0 PERCENTAGE POINTS OF SHORTFALL IN REAL GDP, 2010



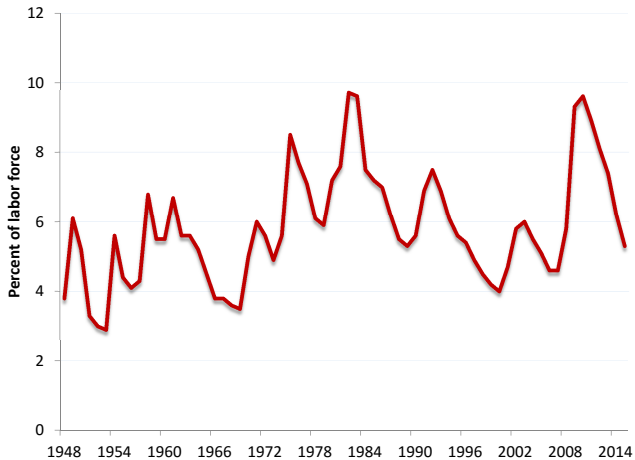
ALLOCATION OF 15.4 PERCENTAGE POINTS OF SHORTFALL IN REAL GDP, 2015



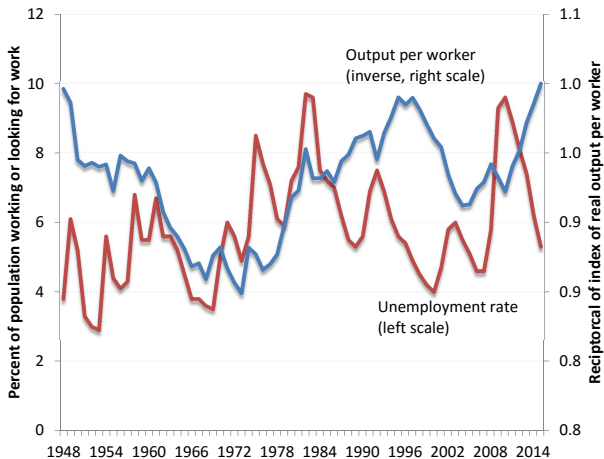
TOPIC 1: OUTPUT



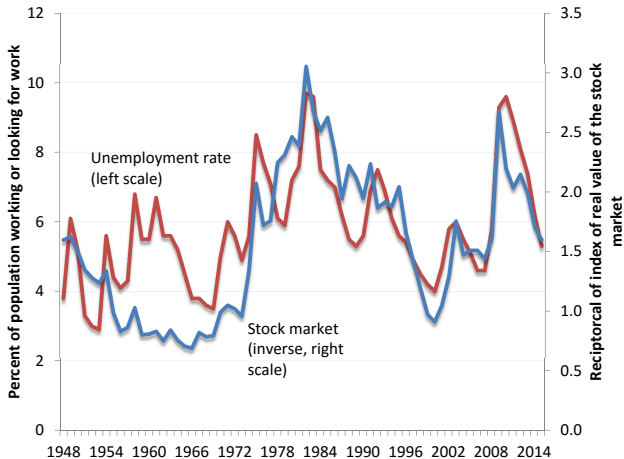
TOPIC 2: UNEMPLOYMENT



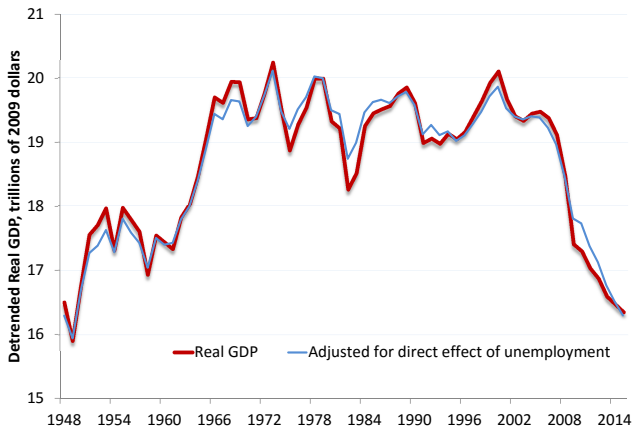
UNEMPLOYMENT AND PRODUCTIVITY



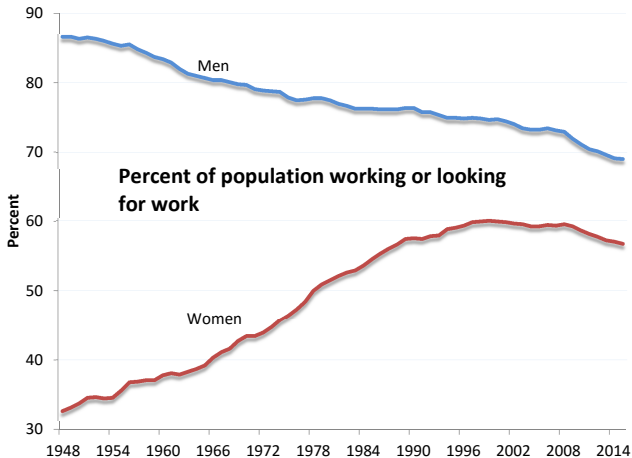
UNEMPLOYMENT AND THE STOCK MARKET



DIRECT EFFECT OF UNEMPLOYMENT



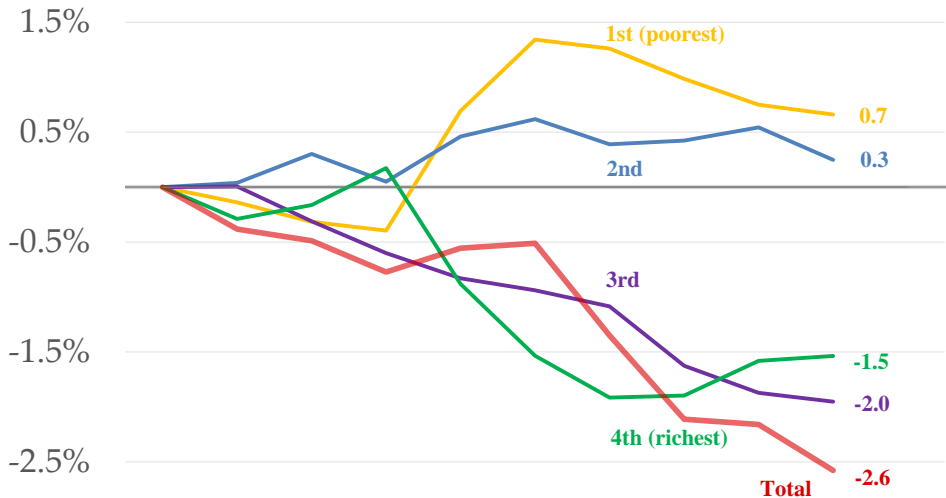
TOPIC 3: SHRINKAGE OF THE LABOR FORCE



ROLE OF FAMILY INCOME

FROM HALL AND PETROSKY-NADEAU (2016)

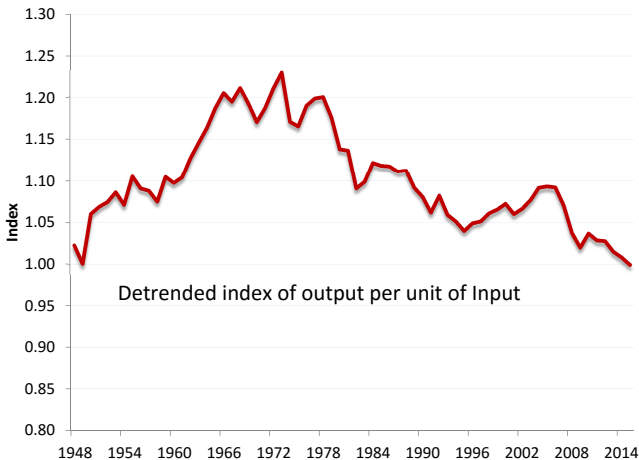
— 1st — 2nd — 3rd — 4th — Total



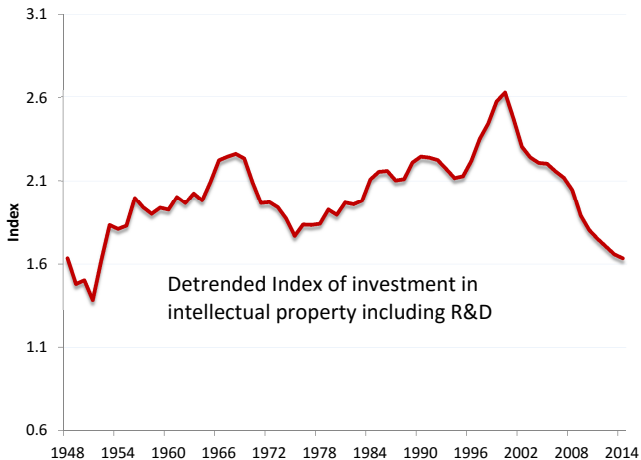
CHANGES IN WEEKLY HOURS OF TIME USE, 2003 TO 2013, PEOPLE 15 AND OLDER

	<i>Personal care</i>	<i>Household work</i>	<i>Market work</i>	<i>Education</i>	<i>Leisure</i>	<i>Other</i>
Men	1.3	0.1	-2.5	0.2	1.3	-0.4
Women	1.6	-0.7	-0.8	-0.1	0.8	-0.8

TOPIC 4: TOTAL FACTOR PRODUCTIVITY

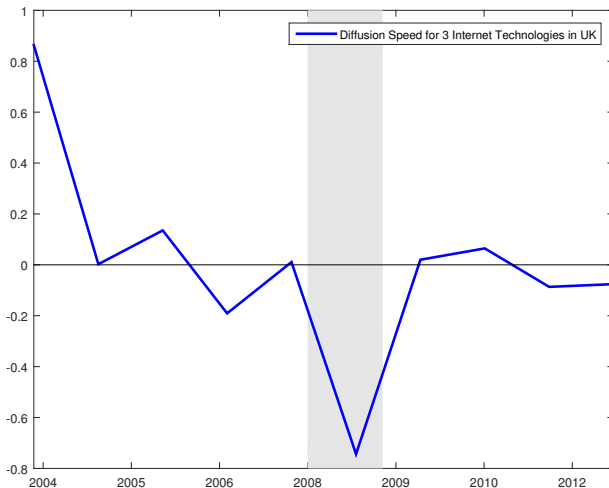


DECLINING IP INVESTMENT

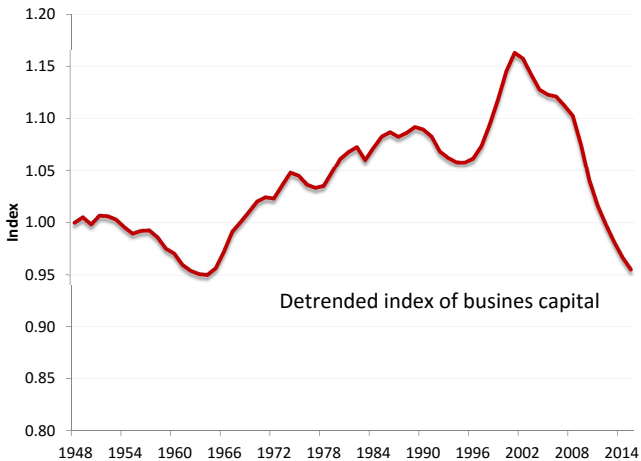


TECHNOLOGY DIFFUSION IS SENSITIVE TO MACRO CONDITIONS

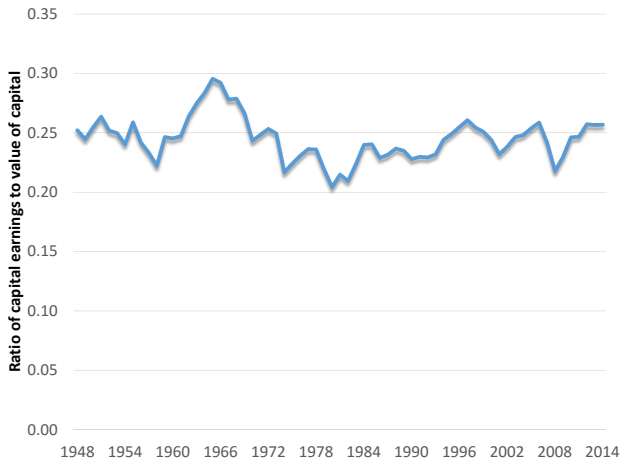
FROM ANZOATEGUI ET AL.



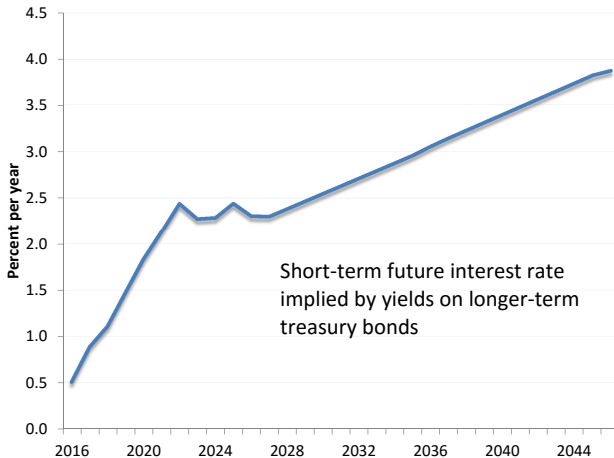
TOPIC 5: CAPITAL DEPLETION



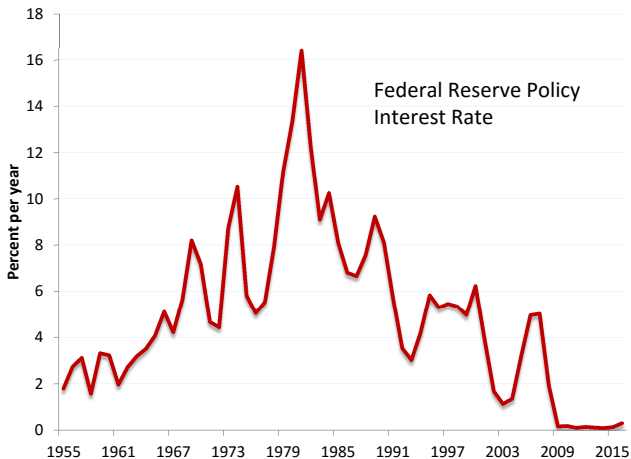
BUSINESS EARNINGS AS A RATIO TO THE VALUE OF CAPITAL



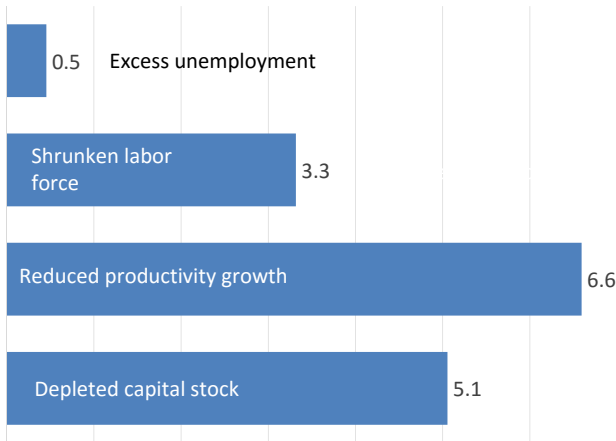
TOPIC 6: THE LOWER BOUND ON THE NOMINAL INTEREST RATE



MONETARY POLICY HAS MUCH LESS SCOPE FOR STIMULUS



ALLOCATION OF 15.4 PERCENTAGE POINTS OF SHORTFALL IN REAL GDP, 2015



SOURCES

- ▶ Diego Anzoategui, Diego Comin, Mark Gertler, and Joseba Martinez, “Endogenous Technology Adoption and R&D as Sources of Business Cycle Persistence”, February 2016
- ▶ Robert Hall, “High Discounts and High Unemployment”, “Understanding the Decline in the Safe Real Interest Rate”, “Macroeconomics of Persistent Slumps” (chapter for new *Handbook of Macroeconomics*)
- ▶ Robert Hall and Nicolas Petrosky-Nadeau, “Changes in Labor Participation and Household Income”, *FRBSF Economic Letter* 2016-02, February 2016

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