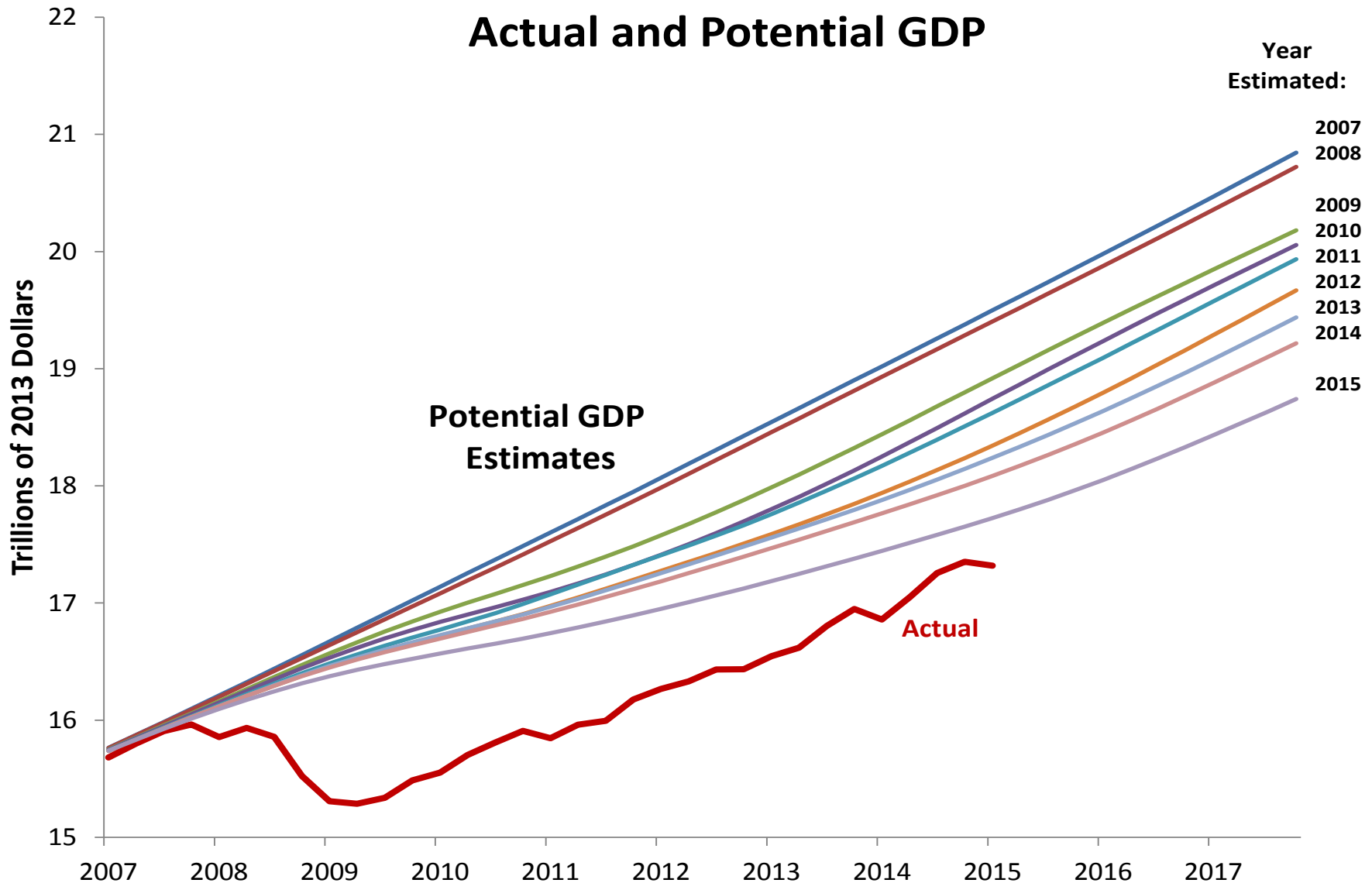


Secular Stagnation

Dr. Lawrence H. Summers

June 18, 2015

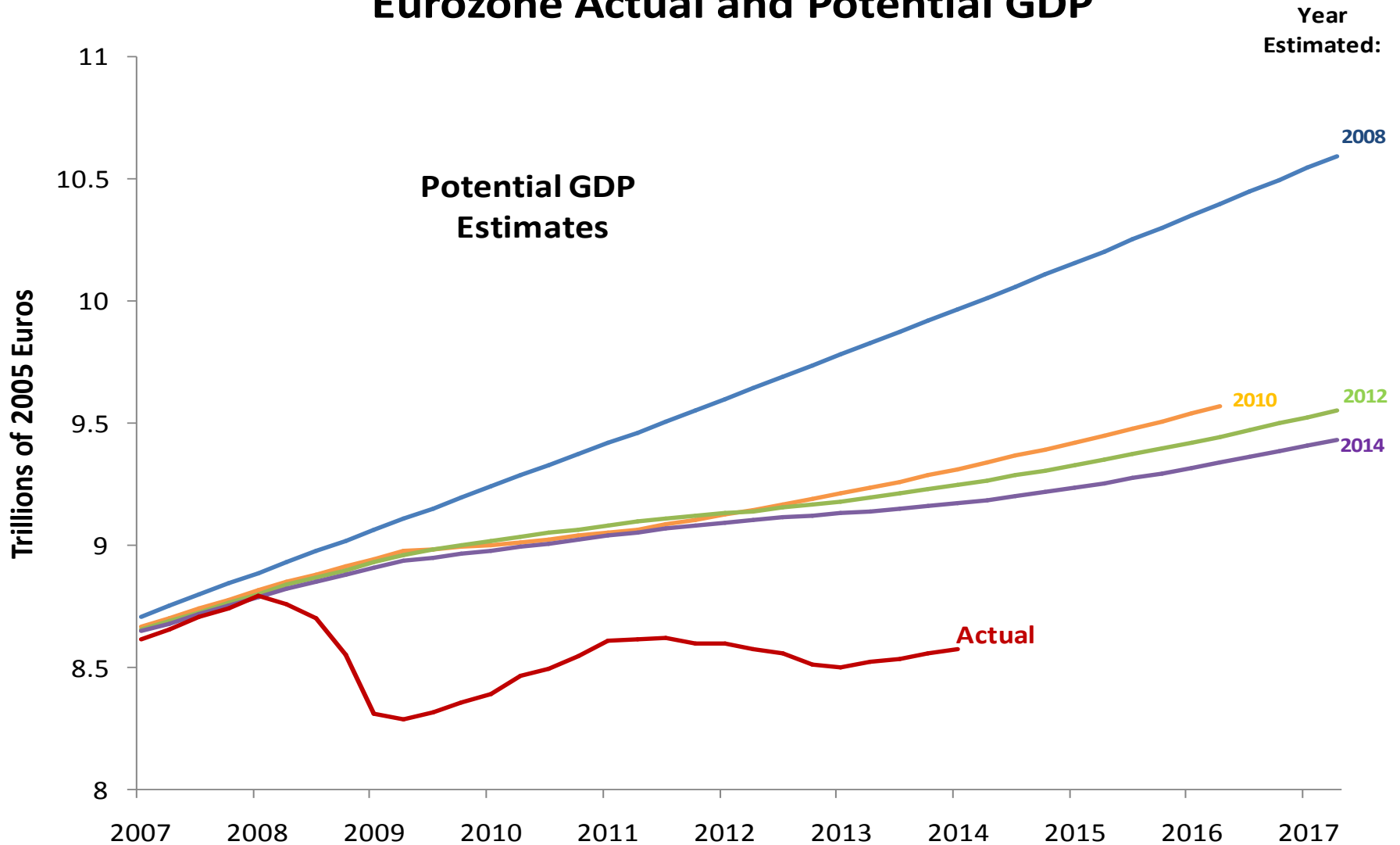
Downward Revision in Potential GDP, USA



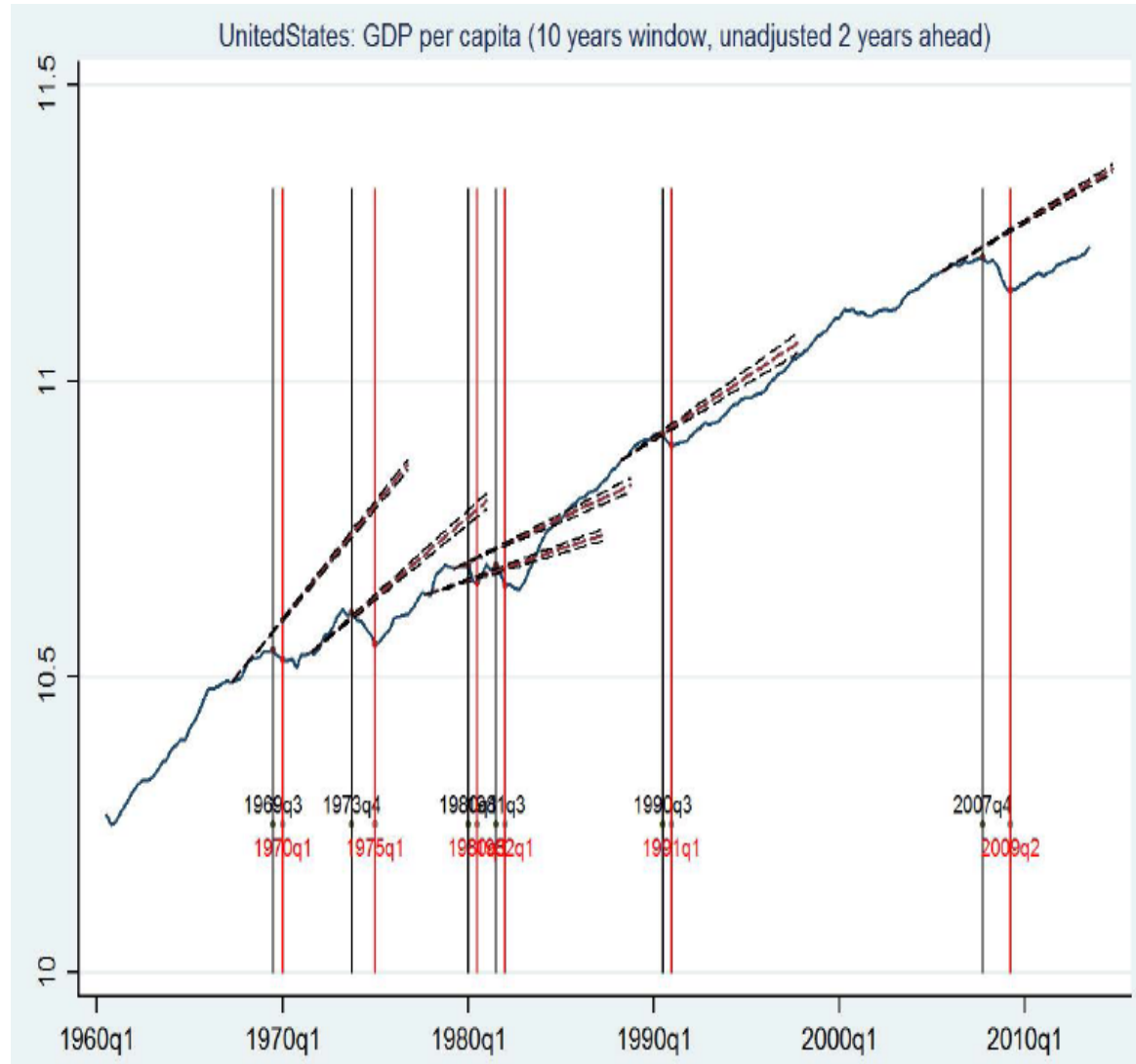
Sources: CBO Budget and Economic Outlooks 2007-2015, Bureau of Economic Analysis

Downward Revision in Potential GDP, Eurozone

Eurozone Actual and Potential GDP

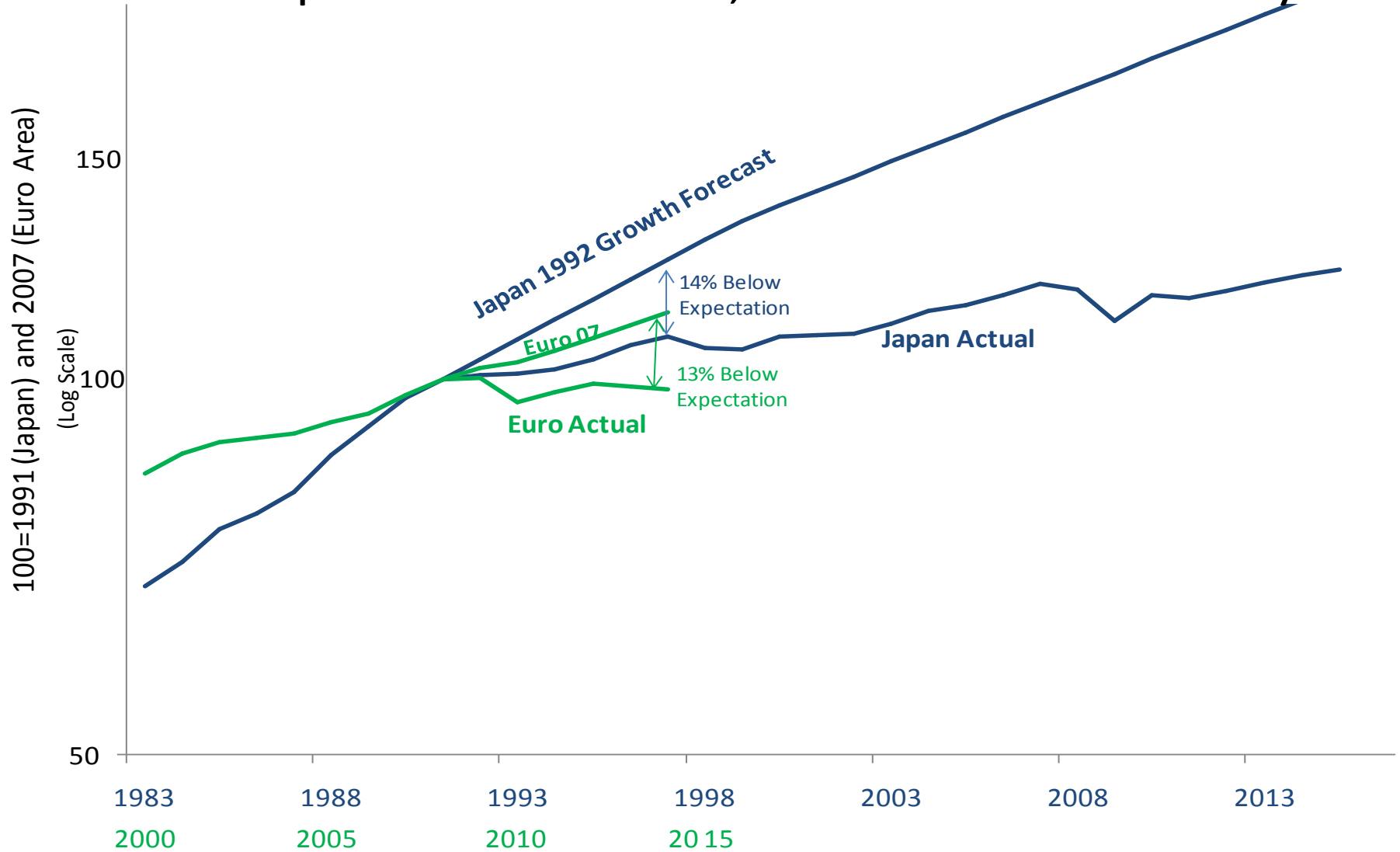


Recessions Can Permanently Impact the Level of Activity, Not Just Its Volatility



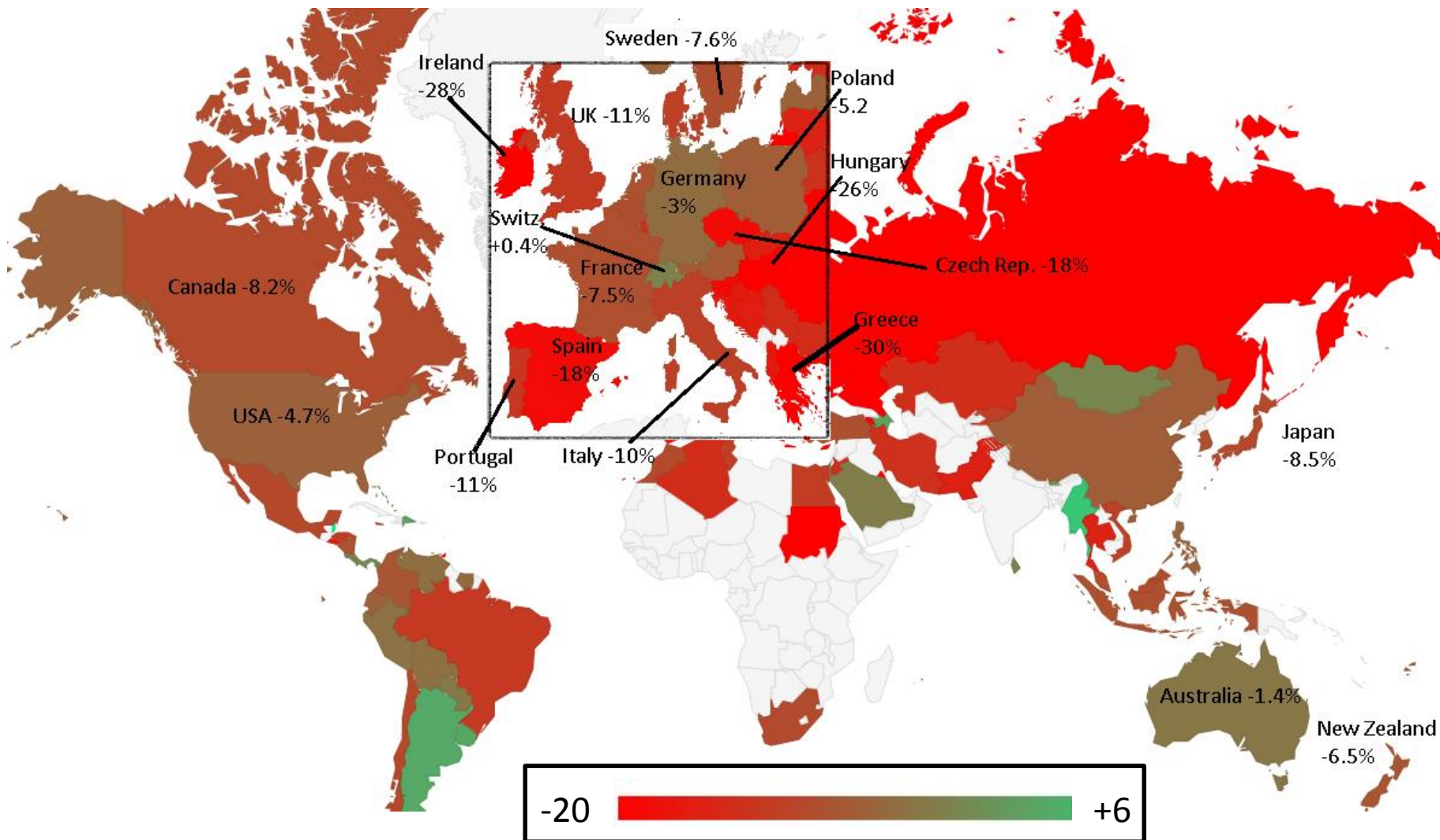
Europe Mirrors Japan's Experience

Japan and Euro Area, Forecast Versus Reality



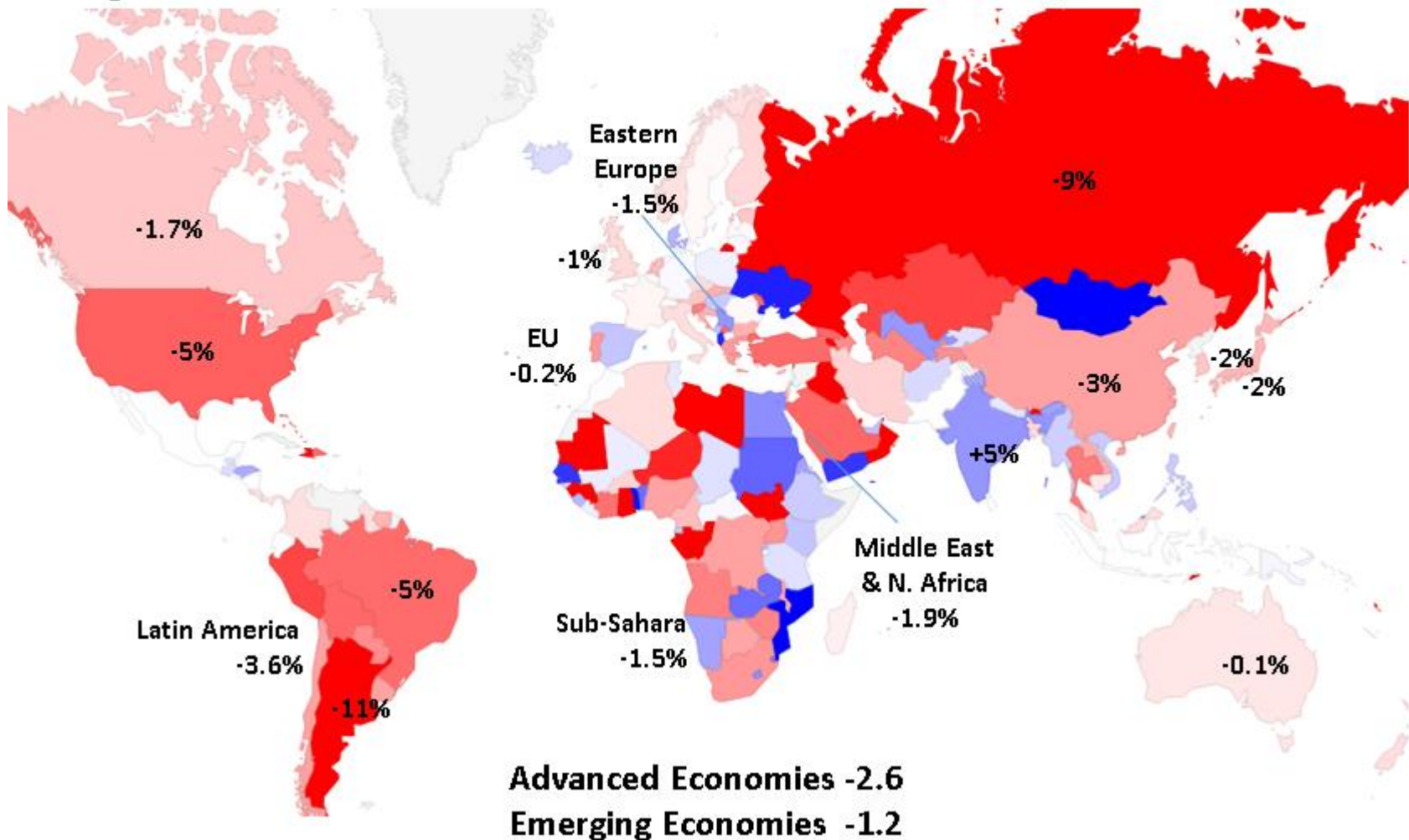
Falling Potential A Global Phenomenon

Change in 2014 Potential Output Estimate Since 2007



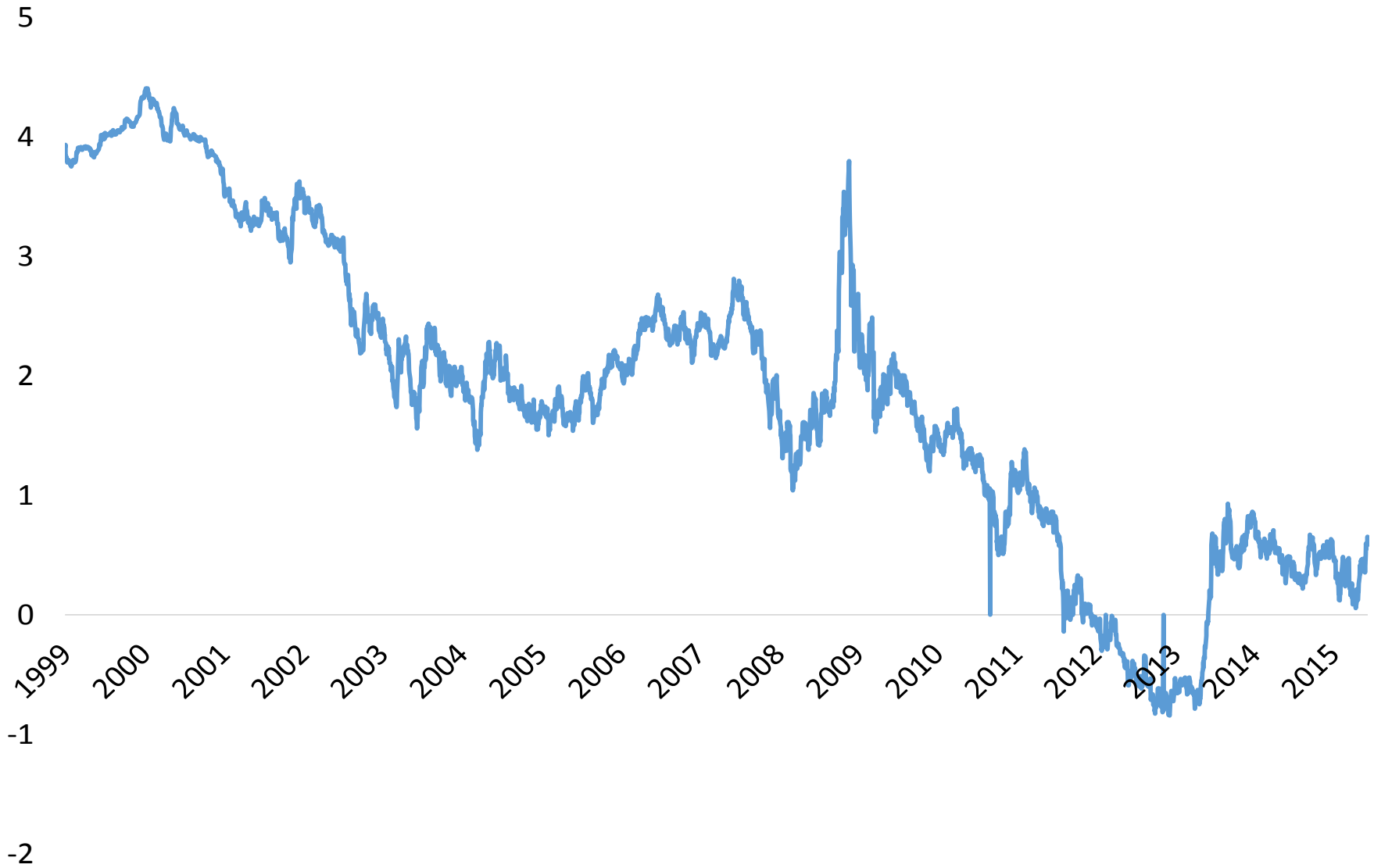
With Downward Revisions Continuing

Changes To Medium Term GDP Forecast Since Oct 2013, Five Year Effects



TIP Real Rates Have Fallen Steadily

US TIPS Ten Year Real Yield



Along With Rates In The Rest Of World

Rest of World Real Rate

(10 Year Yield - 5 Year Prior Inflation, Weighted By PPP GDP)

