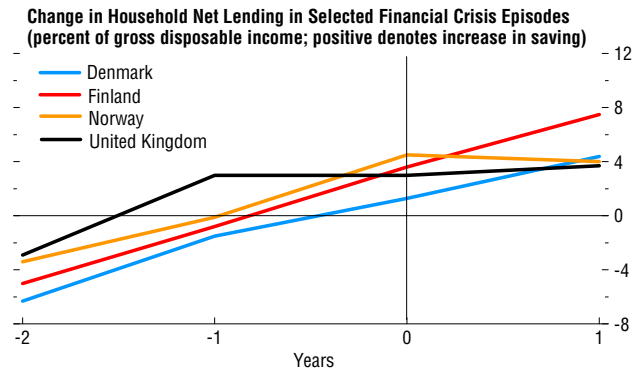
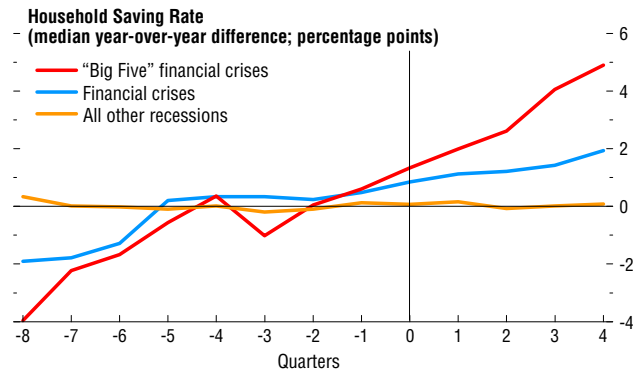


Figure 3.7. Household Saving Rate and Net Lending before and after Business Cycle Peaks

(Peak in output at $t = 0$)

In episodes of financial crisis, households dissave during expansions and restore balance sheets during recessions.



Source: IMF staff calculations.