Okun's Law and U.S. and German Dynamics

(Median annual percent change unless otherwise noted; quarters on x-axis; peak in output at t *= 0)*

Okun's Law around Previous and Current Cycles in Advanced Economies[1]

United States

Change in unemployement rate (percent)

■ Current recession
■ Previous recessions

Change in output (percent)

■■■■ Previous ■■■■ Current ■■■■ 2001

United States

Germany

Output per Hour[2]

Output per Hour[2]

Employment Rate

Employment Rate

Hours per Employee[2]

Hours per Employee[2]
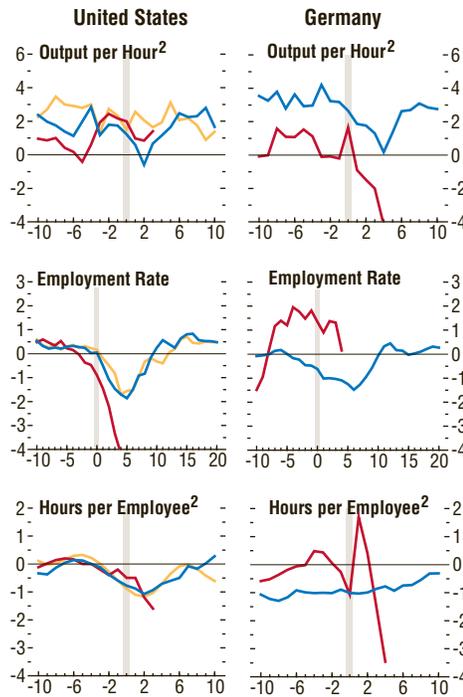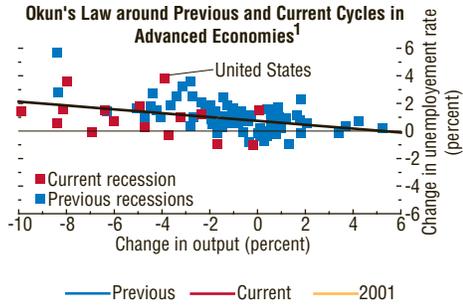
Sources: Haver Analytics; IMF staff calculations; Institute for Employment Research; and Organization for Economic Cooperation and Development (OECD).

[1]Changes in output and the employment rate are defined as year-over-year growth rates at time = 4.

[2]The OECD hours per employee series is used apart from the current period, for which we use Haver Analytics total economy average weekly hours for the United States and Institute for Employment Research total economy quarterly hours per employee for Germany. The series are spliced using year-over-year growth rates of the data used for the current period.