Figure 2.1. United States: Strains on Households

U.S. households are coming under increasing strain. So far they have maintained moderate spending growth, but current drags on growth include falling employment, tightening credit, and declining net worth, as well as rising fuel and food prices. However, housing affordability has improved and there are signs that housing valuations are moving closer in line with historical trends.

Sources: Davis, Lehnert, and Martin (2007); Haver Analytics; and IMF staff estimates.

1Quarterly change in total nonfarm payrolls, thousands.
2National Association of Realtors; three-month moving average of 12-month percent change.
3Office of Federal Housing Enterprise Oversight (OFHEO).
4Ratio of OFHEO house price index to personal disposable income per capita.
5Inverse of the rent-price ratio for the aggregate stock of owner-occupied housing.
6Index equal to 100; median family income qualifies for an 80 percent mortgage on a median-priced existing single-family home, reindexed to 1995 = 100.