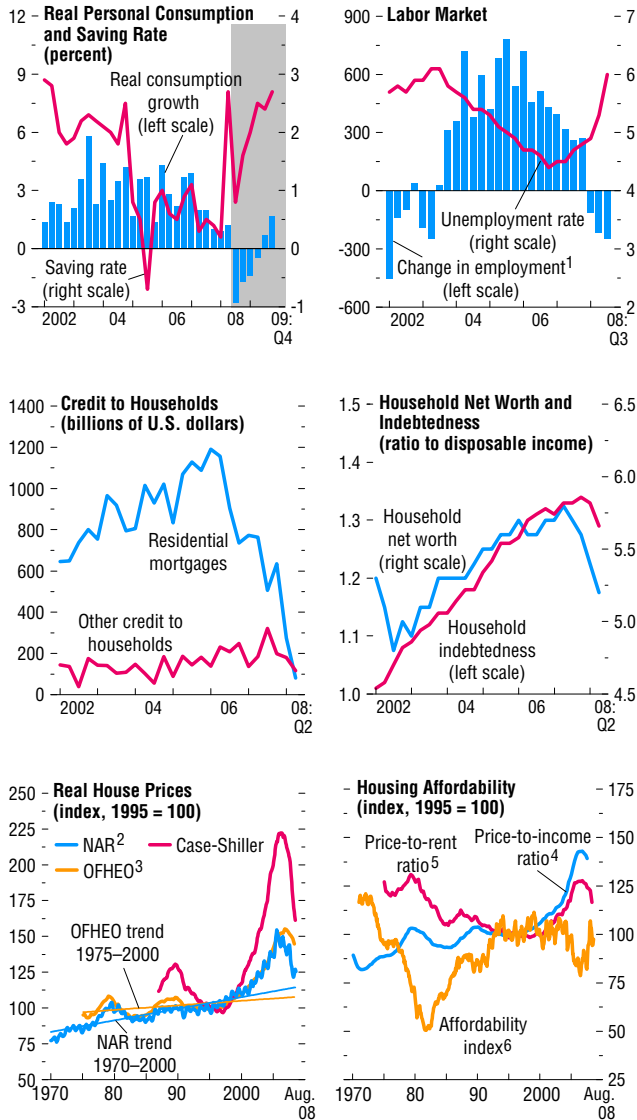


**Figure 2.1. United States: Strains on Households**

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.

<sup>1</sup>Quarterly change in total nonfarm payrolls, thousands.

<sup>2</sup>National Association of Realtors; three-month moving average of 12-month percent change.

<sup>3</sup>Office of Federal Housing Enterprise Oversight (OFHEO).

<sup>4</sup>Ratio of OFHEO house price index to personal disposable income per capita.

<sup>5</sup>Inverse of the rent-price ratio for the aggregate stock of owner-occupied housing.

<sup>6</sup>Index equal to 100; median family income qualifies for an 80 percent mortgage on a median-priced existing single-family home, reindexed to 1995 = 100.