Financial stress in advanced economies is currently more widespread across countries and sectors of the financial system than in earlier stress episodes.

**Share of Advanced Economies in High Stress**

High stress defined as a stress index level of one standard deviation above its trend. WorldCom, Enron, and Arthur Andersen.

**Intensity of Stress during Episodes of Widespread Financial Stress**

Widespread stress is defined as periods during which 50 percent of advanced economies’ GDP was in high stress. A total of seven episodes were identified with peak stress dates in 1982, 1987, 1990, 1992, 1998, 2000, 2002, and 2008. See Table 4.1 for a description.

**Source:** IMF staff calculations.

**Note:** DBL = Drexel Burnham Lambert; ERM = European exchange rate mechanism; LIBOR = London interbank offered rate; LTCM = Long-Term Capital Management.

1. High stress defined as a stress index level of one standard deviation above its trend.
2. WorldCom, Enron, and Arthur Andersen.
4. Non-overlapping averages of three quarters before, around, and following peak stress. The peak in the 2008 episode is assumed to be quarter four.