Figure 1.1.1. Evolution of the Labor Share during the Great Recession and Recovery

1. Labor Shares in the U.S. and Advanced Europe¹
   (percent of GDP)

2. Contribution to Change in Nominal GDP:
   Comparison of Historical and Recent Recoveries²
   (percent)

3. Change in the Labor Share between the Output Peak (just before the Great Recession) Data and the Latest Data Available³
   (percentage points)

Sources: Eurostat; Organization for Economic Cooperation and Development; U.S. Bureau of Labor Statistics; and IMF staff calculations.

¹The labor share is defined as the ratio of labor compensation to GDP.

²The peaks and troughs in output are determined using the Harding and Pagan (2002) version of the Bry and Boschan algorithm. Recovery is defined as four quarters following the trough.