Figure 3.9. Decomposition of the Cumulative Change in the Unemployment Rate during the Great Recession
(Peak-to-trough percentage point change, selected economies)

- Predicted component from Okun’s law
- Increase owing to financial stress\(^1\)
- Increase owing to house price bust
- Adjustment for short-time work programs\(^2\)
- Unexplained component

Source: IMF staff calculations.
\(^1\)The Financial Stress Index is not available for Ireland.
\(^2\)Detailed data on short-time work programs that allowed for the computation of full-time-equivalent employees were obtainable only for Germany and Italy.