

# The Reagan Question: Are You Better Off Now Than You Were Eight Years Ago?

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## Executive Summary

This paper updates Ronald Reagan's famous question during the 1980 presidential election: "Are you better off now than you were four years ago?" by comparing the state of the economy in 2000 and 2008. We use 25 indicators of economic well-being and economic performance and find that 23 of the 25 indicators are worse in 2008 than they were in 2000. Even after we limit comparisons to similar points across the business cycle, the same 23 indicators were worse at the most recent business-cycle peak (2007) than they were in 2000.

The unemployment rate, the inflation rate, and the "Misery Index" (the sum of the first two) are all higher in 2008 than they were in 2000.

Other indicators that capture employment opportunities, wage growth, growth in family incomes, poverty, health-insurance coverage, personal savings rates, the price of gasoline, and college tuition fees, as well as a range of macroeconomic indicators including GDP growth, the trade deficit, the federal debt, and the net foreign debt, are also all worse in 2008 (or the most recent period available) than they were in 2000.

The two indicators that are better in 2008 than they were in 2000 are the inflation-adjusted level of median family income, which is up only 0.4 percent in seven years, and the productivity of the average worker, which has increased faster in the 2000s than it did in the 1990s.

## Introduction

In his closing remarks during the final presidential debate of 1980, Ronald Reagan famously asked the American people: "Are you better off now than you were four years ago?" The combination of high inflation and rising unemployment in the run-up to that election apparently led many voters to conclude that they were, indeed, worse off in 1980 than they had been when Jimmy Carter was elected president in 1976. Reagan went on to beat Carter by almost 10 percentage points in the polls.<sup>1</sup>

In 2008, the United States is holding another presidential election against a backdrop of economic turmoil.<sup>2</sup> Are voters today better off than they were eight years ago? To help answer that question, this report compares a range of economic indicators today with where they were eight years ago. In almost all cases, this collection of standard statistical measures of economic well-being and economic performance are worse today than they were eight years ago.

Voters may judge their economic circumstances in 2008 relative to 2000 using a straightforward comparison of data from the two years. Economists, however, generally assess the underlying performance of the economy by comparing the economy at similar points across the business cycle: peaks with peaks and troughs with troughs. Given this divergence in approaches between the typical voter and most economists, we report all the economic indicators on two bases: first, according to the "electoral cycle" (2008 versus 2000); and, second, according to the business cycle (which peaked in 2000 and again in 2007).

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- 1 In 1980, Ronald Reagan won 50.8 percent of the popular vote; Carter, 41.0 percent; Independent John Andersen, 6.6 percent; Libertarian Edward Clark, 1.1 percent; Barry Commoner of the Citizens Party, 0.3 percent; and others, 0.3 percent. See: <http://uselectionatlas.org/RESULTS/national.php?f=0&year=1980>
  - 2 For a discussion of the current labor-market situation, see Appelbaum, Baker, and Schmitt (2008), the Joint Economic Committee (2008), Mishel, Bernstein, and Shierholz (2008), and Schmitt and Baker (2008).

## Electoral cycle

**Table 1** presents data on 25 economic indicators over the "electoral cycle" from 2000 through 2008 (or the most recent period available). The indicators cover a broad range of measures of economic well-being and national economic performance. Comparing across the "electoral cycle," only two of the 25 indicators were better in 2008 than they were in 2000.

The unemployment rate was 4.0 percent in 2000, but had reached 6.1 percent in 2008 (August). Annual inflation was 3.3 percent in 2000 (August 1999 to August 2000) and rose to 5.4 percent by 2008 (August 2007 to August 2008). Using the same data, the "Misery Index" – the sum of the unemployment rate and the inflation rate – increased from 7.3 percent in 2000 to 11.5 percent in 2008.

Job growth over the eight-year period preceding the 2008 election was much slower than it had been in the eight years before the 2000 election. Total employment increased 21.4 percent between 1992 and 2000 (second quarter), compared to 4.3 percent between 2000 and 2008 (second quarter). Private-sector employment grew more rapidly (23.6 percent) between 1992 and 2000 (second quarter) than total employment did; over the last eight years, however, private-sector employment growth (3.6 percent) was slower than overall employment growth. Manufacturing jobs grew slightly – up 2.9 percent – between 1992 and 2000 (second quarter), only to fall 22.2 percent between 2000 and 2008 (second quarter).

The share of the adult population in work is lower in 2008 than it was in 2000.<sup>3</sup> In 2000, 64.4 percent of the population age 16 and older was working; in 2008, the figure has declined to 62.6 percent. The share of adult men in work fell from 71.9 percent in 2000 to 69.1 percent in 2008. The share of adult women in work also dropped, from 57.5 percent in 2000 to 56.5 percent in 2008.

The inflation-adjusted wage of the average non-supervisory worker grew more between 1992 and 2000 (August) – 8.2 percent – than it did between 2000 and 2008 (August) –1.8 percent.

Even after legislated increases in the minimum wage in 2007 and 2008, the value of the minimum wage was slightly lower in July 2008 (\$6.55 per hour) than it had been in 2000 (\$6.58 per hour in constant July 2008 dollars).

The inflation-adjusted median family income was slightly higher in 2007 (\$61,355; the most recent year available) than it had been in 2000 (\$61,083). The growth rate in median family income, however, has been much slower over the last two presidential terms than it was over the two terms prior to that. Between 2000 and 2007, the inflation-adjusted median family income increased 0.4 percent. Over the comparable seven-year period in the preceding presidential cycle (1992-1999), real median family income grew 14.7 percent.

The poverty rate was higher in 2007 (12.5 percent; the most recent year available) than it was in 2000 (11.3 percent). Over the same period, the number of Americans living in poverty increased from about 31.6 million to 37.3 million.

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3 The data for 2000 are the full-year average; the data for 2008 are the average of seasonally adjusted data for January to August 2008.

The share of the population that did not have health insurance at any point during the course of the year increased from 14.0 percent in 2000 to 15.3 percent in 2007 (most recent year available). The number of Americans without any health insurance rose from about 38.7 million in 2000 to 45.7 million in 2007 (most recent year available).

Personal savings have also declined over the last eight years, from about 2.3 percent of disposable personal income in 2000 to 0.6 percent in 2007 (most recent year available).

The cost of college tuition was substantially higher for the 2007-2008 academic year than it was for the 2000-2001 academic year. According to the College Board, in 2007-08, annual tuition at a private four-year college was \$23,712 per year, up from \$19,337 per year (in inflation-adjusted terms) in 2000-01. For a public four-year college, inflation-adjusted tuition rose from \$4,221 per year in 2000-01, to \$6,185 per year in 2007-08.

Between the summer of 2000 and the summer of 2008 (gasoline prices tend to peak in the summer), on an inflation-adjusted basis, the price of a gallon of gasoline increased from \$2.03 to \$4.09.

Overall economic growth, as measured by the growth of real gross domestic product, was much more rapid between 1992 and 2000 (second quarter) – 34.2 percent – than it has been between 2000 and 2008 (second quarter) – 19.6 percent.

Growth in labor productivity, meanwhile, has been more rapid in the current presidential cycle than in the preceding one. Between 1992 and 2000 (second quarter), the value of the hourly output of the average worker increased 15.9 percent, below the 21.9 percent increase over the corresponding 2000-2008 (second quarter) period.

The trade deficit was higher in 2007 (5.1 percent of GDP; latest full year available) than it was in 2000 (3.9 percent of GDP).

The federal debt was also higher in 2007 (65.5 percent of GDP; last full year available) than it was in 2000 (57.3 percent of GDP).

The nation's net foreign debt – the outstanding obligations that households, corporations, and the U.S. government have to foreigners – increased from 13.6 percent of GDP in 2000 to 17.9 percent of GDP in 2007 (latest full year available).

## Business cycle

The preceding discussion compares the economic situation in 2008 (or the most recent available period) with the corresponding situation in 2000. While this approach is certainly what Ronald Reagan asked Americans to do back in 1980, economists generally don't like to assess changes in the underlying health of the economy by comparing across just any two years. The preferred economic methodology is to compare across similar points in the business cycle. Comparing economic peaks to peaks and troughs to troughs, for example, helps to remove distortions associated with normal cyclical fluctuations in the economy and gives a clearer picture of the true state of the underlying economy.

The year 2000 was an economic peak; 2008, on the other hand, marked the first year of a labor-market downturn.<sup>4</sup> As a result, comparing 2008 with 2000 might give an overly pessimistic view of the relative strength of the current economy. If voters are interested in comparing the underlying performance – stripped of normal business-cycle fluctuations – they would do better comparing the 2000 peak with the state of the economy in 2007, the peak of the most recent economic cycle.<sup>5</sup>

**Table 2**, therefore, recalculates all of the "electoral cycle" indicators in Table 1 on a more appropriate business-cycle basis. Since the number of years between business-cycle peaks differs across the two cycles – the first runs from 1989 to 2000, the second from 2000 to 2007 – the table displays annualized growth rates to allow for greater comparability. The switch from an "electoral cycle" to a "business cycle" does improve the relative performance over the current eight-year electoral cycle, but the switch in benchmarks does not change the relative rankings for any of the indicators. As with the "electoral cycle" data, the "business cycle" data show that 23 of the 25 indicators were worse in 2008 than they had been in 2000.

The unemployment rate was higher in 2007 (4.6 percent) than it was in 2000 (4.0 percent), and the inflation rate was higher in 2007 (4.0 percent) than in 2000 (3.3 percent). The resulting "Misery Index" – the sum of the unemployment and inflation rates – was also higher in 2007 (8.6 percent) than it had been in 2000 (7.3 percent).

The annualized growth rate of jobs was substantially higher in the 1990s business cycle than it was in the 2000s. Between 1989 and 2000, total employment grew at an average rate of 1.8 percent per year, with private-sector employment growing slightly faster, at 1.9 percent per year. Between 2000 and 2007, overall job growth and private-sector growth slowed to about 0.6 percent per year each. Manufacturing employment declined about 0.4 percent per year in the 1990s cycle, and 3.1 percent per year in the 2000s cycle.

Employment rates also fell over the current cycle. In 2000, the employment-to-population rate for

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4 The National Bureau of Economic Research's (NBER) Business Cycle Dating Committee is the semi-official designator of U.S. recessions (see: <http://www.nber.org/cycles/recessions.html>). For workers, who are the vast majority of the economy, and for many of the indicators of well-being cited in Table 1, however, labor-market peaks and troughs are generally more relevant than the broader booms and busts defined by the NBER. The unemployment rate reached cyclical low points in 2000 and 2007, marking them as labor-market peaks. The unemployment rate increased sharply in 2001 and 2008, marking them as the starts of labor-market downturns.

5 One caveat here is that the 2000s economic expansion was shorter than the expansion in the 1990s. Voters may also value having long expansions.

the population age 16 and older was 64.4 percent; at the next business-cycle peak, in 2007, the employment rate had fallen to 63.0 percent. Over the same period, for men, the employment rate declined from 71.9 percent to 69.8 percent; for women, the employment rate dropped from 57.5 percent to 56.6 percent.

On a business-cycle basis, the gap in wage performance facing voters in 2000 and voters in 2008 narrows. Real-wage growth, however, was still slightly higher 1989-2000 (0.6 percent per year) than it was 2000-2007 (0.5 percent per year).

The inflation-adjusted value of the minimum wage was lower at the business-cycle peak in 2007 (\$5.85 per hour) than it was at the business-cycle peak in 2000 (\$6.23 per hour in constant 2007 dollars).

The inflation-adjusted median family income was slightly higher in 2007 (\$61,355) than it had been in 2000 (\$61,083). The growth rate in median family income, however, was slower between the business-cycle peaks of 2000 and 2007 (0.1 percent per year) than it had been between the two earlier peaks in 1989 and 2000 (0.9 percent per year).

The poverty rate was higher in 2007 (12.5 percent) than in 2000 (11.3 percent). Over the same period, the number of Americans living in poverty increased from about 31.6 million to 37.3 million.

The share of the population that did not have health insurance at any point during the course of the year increased from 14.0 percent in 2000 to 15.3 percent in 2007. The number of Americans without any health insurance rose from about 38.7 million in 2000 to 45.7 million in 2008.

The data for personal savings in Table 1 were the averages for 2000 (column one) and 2007 (column two). In Table 2, the personal savings rate is calculated as the average over the entire business cycle. The business-cycle-average measure raises the personal savings rate for both periods, but the 1990s cycle still produced a higher personal savings rate (5.6 percent of disposable personal income) than the 2000s cycle (1.8 percent of disposable personal income).

College tuition was substantially higher for the 2007-08 academic year than it had been in 2000-01. According to data from the College Board, in 2007-08, annual tuition at a private four-year college was \$23,712 per year, up from \$19,337 per year (in inflation-adjusted terms) in 2000-01. For a public four-year college, tuition rose from \$4,221 per year in 2000-01 to \$6,185 per year in 2007-08.

Between the summer of 2000 and the summer of 2007, the inflation-adjusted price of gasoline increased from \$1.92 per gallon to \$2.96 per gallon.

Economic growth was faster over the 1990s business-cycle (3.1 percent per year) than it was over the 2000s cycle (2.3 percent). Labor productivity, meanwhile, grew more rapidly in the 2000s business cycle (2.5 percent) than it did in the preceding cycle (2.0 percent).

The trade deficit was higher in 2007 (5.1 percent of GDP) than in 2000 (3.9 percent of GDP).

The federal debt was also higher in 2007 (65.5 percent of GDP) than in 2000 (57.3 percent of GDP). The nation's net foreign debt increased from 13.6 percent of GDP in 2000 to 17.9 percent of GDP in 2007.

## Conclusion

Voters asking themselves Ronald Reagan's famous question appear to have little scope for answering that they are better off now than they were eight years ago. Of the 25 economic indicators presented here, 23 are worse in 2008 (or the closest available period) than they were in 2000. The unemployment rate, the inflation rate, and the "Misery Index" (the sum of the first two) are all higher in 2008 than they were in 2000. Other indicators that capture employment opportunities, wage growth, growth in family incomes, poverty, health-insurance coverage, personal savings rates, the price of gasoline, and college tuition fees, as well as a range of macroeconomic indicators including GDP growth, the trade deficit, the federal debt, and the net foreign debt, are all also worse in 2008 than they were in 2000. The two indicators that are better in 2008 than they were in 2000 are the inflation-adjusted level of median family income, which is up only 0.4 percent in seven years, and the productivity of the average worker, which has increased at a faster rate in the 2000s than it did in the 1990s. Putting the potentially misleading "electoral cycle" comparisons on a more appropriate "business cycle" basis does not alter the preceding picture in any meaningful way.

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## Data Appendix

Unemployment rate	Bureau of Labor Statistics – Current Population Survey (CPS) <a href="http://www.bls.gov/webapps/legacy/cpsatab11.htm">http://www.bls.gov/webapps/legacy/cpsatab11.htm</a> <a href="http://www.bls.gov/webapps/legacy/cpsatab7.htm">http://www.bls.gov/webapps/legacy/cpsatab7.htm</a> Total, 16 years and over, August 2008 data are seasonally adjusted.
Inflation rate	Bureau of Labor Statistics <a href="http://www.bls.gov/cpi/cpirsdc.htm">http://www.bls.gov/cpi/cpirsdc.htm</a> ; <a href="http://www.bls.gov/cpi/cpiurs1978_2007.pdf">http://www.bls.gov/cpi/cpiurs1978_2007.pdf</a> % Change in CPI-U-RS, All Urban Consumers, U.S. City average, All items.
Job growth	Bureau of Labor Statistics – Current Employment Statistics (CES) <a href="http://www.bls.gov/webapps/legacy/cesbtabs1.htm">http://www.bls.gov/webapps/legacy/cesbtabs1.htm</a> Total nonfarm, total private, manufacturing jobs; August data are seasonally adjusted.
Employment rate	Bureau of Labor Statistics – Current Population Survey (CPS). <a href="http://www.bls.gov/data/#employment">http://www.bls.gov/data/#employment</a> Employment-to-population ratio for all (LNS12300000), men (LNS12300001), and women (LNS12300002). Data for 2008 are seasonally adjusted.
Real wage growth	Bureau of Labor Statistics – Current Employment Statistics (CES) <a href="http://www.bls.gov/data/#wages">http://www.bls.gov/data/#wages</a> Average hourly earnings of production workers (CES0500000008).
Minimum wage	U.S. Department of Labor, Wage and Hour Division (WHD) <a href="http://www.dol.gov/esa/minwage/chart.htm">http://www.dol.gov/esa/minwage/chart.htm</a> Federal Minimum Wage rates under the Fair Labor Standards Act, converted to July 2008 dollars for Electoral Cycle Version and July 2007 dollars for Business Cycle Version.
Family income	U.S. Census Bureau – Current Population Survey (CPS) <a href="http://www.census.gov/hhes/www/income/histinc/f06AR.html">http://www.census.gov/hhes/www/income/histinc/f06AR.html</a> All races, per year, median, 2007 dollars.
Poverty	U.S. Census Bureau – Current Population Survey (CPS) <a href="http://www.census.gov/hhes/www/poverty/histpov/perindex.html">http://www.census.gov/hhes/www/poverty/histpov/perindex.html</a> Numbers and shares of population below poverty, all regions.
Health insurance	U.S. Census Bureau – Current Population Survey (CPS) <a href="http://pubdb3.census.gov/macro/032001/health/h01_001.htm">http://pubdb3.census.gov/macro/032001/health/h01_001.htm</a> (2001) <a href="http://pubdb3.census.gov/macro/032008/health/h01_001.htm">http://pubdb3.census.gov/macro/032008/health/h01_001.htm</a> (2007) Health Insurance Coverage Status and Type – Not covered at any time during the year, all races.
Personal savings	Bureau of Economic Analysis (BEA) – National Income and Product Accounts <a href="http://www.bea.gov/national/nipaweb/Nipa-Frb.asp">http://www.bea.gov/national/nipaweb/Nipa-Frb.asp</a> Personal savings as a percentage of disposable personal income (DPI), derived from National Income and Product Accounts and averaged over indicated time period.

College tuition	College Board, <i>Trends in College Pricing 2007</i> <a href="http://professionals.collegeboard.com/data-reports-research/trends/college-pricing-2006">http://professionals.collegeboard.com/data-reports-research/trends/college-pricing-2006</a> Using 2007 dollars, weighted by same-year full-time undergraduate enrollments except 2007-08, which is weighted by 2006-07 enrollments.
Gasoline	Energy Information Administration <a href="http://tonto.eia.doe.gov/dnav/pet/pet_pri_top.asp">http://tonto.eia.doe.gov/dnav/pet/pet_pri_top.asp</a> Monthly Motor Gasoline Retail Prices, U.S. City Average, Unleaded Regular Gasoline, converted to July 2008 dollars for Electoral Cycle Version and July 2007 dollars for Business Cycle Version.
GDP growth	Bureau of Economic Analysis (BEA) – National Income and Product Accounts <a href="http://www.bea.gov/national/index.htm#gdp">http://www.bea.gov/national/index.htm#gdp</a> Real GDP in chained 2007 dollars, seasonally adjusted where appropriate.
Productivity growth	U.S. Department of Labor, Bureau of Labor Statistics <a href="http://www.bls.gov/lpc/">http://www.bls.gov/lpc/</a> Nonfarm Business, Output Per Hour, Indexed at 1992 = 100, seasonally adjusted where appropriate.
Trade balance	U.S. Census Bureau – Foreign Trade Statistics <a href="http://www.census.gov/foreign-trade/statistics/historical/index.html">http://www.census.gov/foreign-trade/statistics/historical/index.html</a> U.S. International Trade in Goods and Services, Annual totals – Balance of Payments (BOP) Basis, Balance Total, as share of GDP.
Federal debt	Economic Report of the President <a href="http://www.gpoaccess.gov/eop/tables08.html">http://www.gpoaccess.gov/eop/tables08.html</a> Gross Federal debt, as share of GDP
Net foreign debt	Bureau of Economic Analysis (BEA) – International Economic Accounts <a href="http://www.bea.gov/international/index.htm#iip">http://www.bea.gov/international/index.htm#iip</a> Net international investment position of the United States, as share of GDP.

**TABLE 1**  
**Electoral Cycle Version**

	Then	Now
Unemployment rate	4.0%	6.1%
<i>Period</i>	2000 (average)	2008 (Aug)
Inflation rate	3.3%	5.4%
<i>Period</i>	Aug 1999-Aug 2000	Aug 2007-Aug 2008
Job growth		
Total nonfarm employment	21.4%	4.3%
Private sector employment	23.6%	3.6%
Manufacturing employment	2.9%	-22.2%
<i>Period</i>	1992-2000 (Aug)	2000-2008 (Aug)
Employment rate (in population)		
All, age 16 and older	64.4%	62.6%
Men, age 16 and older	71.9%	69.1%
Women, age 16 and older	57.5%	56.5%
<i>Period</i>	2000 (average)	2008 (Jan-Aug)
Real wage growth	8.2%	1.8%
<i>Period</i>	1992-2000 (Aug)	2000-2008 (Aug)
Minimum wage (July 2008\$)	\$6.58	\$6.55
<i>Period</i>	2000	2008 (Jul 24)
Family income		
Level (median, 2007\$)	\$61,083	\$61,355
<i>Period</i>	2000	2007
Growth	14.7%	0.4%
<i>Period</i>	1992-99	2000-07
Poverty		
Rate (% of population)	11.3%	12.5%
People in poverty (millions)	31.6	37.3
<i>Period</i>	2000	2007

(Continued)

**TABLE 1, CONTINUED****Electoral Cycle Version**

	Then	Now
Uninsured (health insurance)		
Rate (% of population)	14.0%	15.3%
People without insurance (millions)	38.7	45.7
<i>Period</i>	2000	2007
Personal savings (as % of disposable personal income)	2.3%	0.6%
<i>Period</i>	2000	2007
College tuition (average per year, 2007\$)		
Private four-year college	\$19,337	\$23,712
Public four-year college	\$4,221	\$6,185
<i>Period</i>	2000-01	2007-08
Gasoline (gallon; July 2008\$)	\$2.03	\$4.09
<i>Period</i>	2000 (Jul)	2008 (Jul)
GDP growth	34.2%	19.6%
<i>Period</i>	1992-00 (2nd quarter)	2000-08 (2nd quarter)
Productivity growth	15.9%	21.9%
<i>Period</i>	1992-00 (2nd quarter)	2000-08 (2nd quarter)
Trade balance (% of GDP)	-3.9%	-5.1%
<i>Period</i>	2000	2007
Federal debt (% of GDP)	57.3%	65.5%
<i>Period</i>	2000	2007
Net foreign debt (% of GDP)	13.6%	17.9%
<i>Period</i>	2000	2007

Notes: CEPR analysis of government and other data; see text and Data Appendix for details.

**TABLE 2**  
**Business Cycle Version**

	Then	Now
Unemployment rate	4.0%	4.6%
<i>Period</i>	2000 (average)	2007
Inflation rate	3.3%	4.0%
<i>Period</i>	Dec 1999-Dec 2000	Dec 2006-Dec 2007
Job growth (annualized)		
Total nonfarm employment	1.8%	0.6%
Private sector employment	1.9%	0.6%
Manufacturing employment	-0.4%	-3.1%
<i>Period</i>	1989-00	2000-07
Employment rate (in population)		
All, age 16 and older	64.4%	63.0%
Men, age 16 and older	71.9%	69.8%
Women, age 16 and older	57.5%	56.6%
<i>Period</i>	2000	2007
Real wage growth (annualized growth rate)	0.6%	0.5%
<i>Period</i>	1989-2000	2000-2007
Minimum wage (2007\$)	\$6.23	\$5.85
<i>Period</i>	2000	2007 (Jul)
Family income		
Level (median, 2007\$)	\$61,083	\$61,355
<i>Period</i>	2000	2007
Annualized Growth	0.9%	0.1%
<i>Period</i>	1989-00	2000-07
Poverty		
Rate (% of population)	11.3%	12.5%
People in poverty (millions)	31.6	37.3
<i>Period</i>	2000	2007

(Continued)

**TABLE 2, CONTINUED**  
**Business Cycle Version**

	Then	Now
Uninsured (health insurance)		
Rate (% of population)	14.0%	15.3%
People without insurance (millions)	38.7	45.7
<i>Period</i>	2000	2007
Personal savings (as % of disposable personal income, avg.)	5.6%	1.8%
<i>Period</i>	1989-00	2000-07
College tuition (average per year, 2007\$)		
Private four-year college	\$19,337	\$23,712
Public four-year college	\$4,221	\$6,185
<i>Period</i>	2000-01	2007-08
Gasoline (gallon, July 2007\$)	\$1.92	\$2.96
<i>Period</i>	2000 (Jul)	2007 (Jul)
GDP growth (annualized)	3.1%	2.3%
<i>Period</i>	1989-00	2000-07
Productivity growth (annualized)	2.0%	2.5%
<i>Period</i>	1989-00	2000-07
Trade balance (% of GDP)	-3.9%	-5.1%
<i>Period</i>	2000	2007
Federal debt (% of GDP)	57.3%	65.5%
<i>Period</i>	2000	2007
Net foreign debt (% of GDP)	13.6%	17.9%
<i>Period</i>	2000	2007

Notes: CEPR analysis of government and other data; see text and Data Appendix for details.