Curves of Interestingness

On Breathing Life Into Data

Amanda Cox / amanda.cox@gmail.com
Graphics Editor
The New York Times
“If it was to come to life, this cleaver-sharp science project would need the rounding influence of storytelling.”

Turning a Corner?

The economy lost 467,000 jobs in June, a deeply discouraging number that reflects long-term trends. The data suggest that the recession may be ending. Recessionary turning points are notoriously hard to identify, especially when a period of data can extend to more than just months. The National Bureau of Economic Research officially determines its endpoint.

Sterling：the business cycle is ending, according to the Organization for Economic Cooperation and Development, which has been working on data from manufacturers, services, and both companies. In the United States, industry’s share of the economy’s output is close to 30 percent, but it is still less than the 35 percent it was in the early 1970s. The chart, explained below, similarly suggests that the economy is poised to turn around, but that the climb out will be a long one.

RECESSIVE BUSINESS CYCLE

Recessionary cycles have three parts: a peak, a downturn, and a turnaround. The economy’s output is falling during the downturn, but then recovers. The entire cycle generally lasts 2 to 10 years.

READING THE CYCLICAL MAP

The chart at right shows industrial production in two ways: the amount produced (in blue) and the amount produced as a percentage of average production (in red). The two curves in turn are shown as a percentage of the economy’s output as a whole. An entire cycle generally lasts 2 to 10 years.

Turning the swing

Cycles are volatile market-wide swings. By the mid-1940s, a period known as the “Great Moderation,” cycles had lost their grip on the economy. Companies helping businesses manage their inventories, just-in-time buying, new traffic management and electronic commerce are all roles of an investment cycle that is mid-life and recession were shadowy.

A period of slip-ups — and one giant fall

Growth was weak earlier this decade, but the economy appears to be much more resilient. There were not only signs when the economy held on as if it were headed into a downturn, but it would then take a long time to be restored. In the late 1970s, a recession was triggered by a sharp drop in oil prices that led to a downturn in the economy. When the recession ended, the economy appeared to be closer to the turning point.

Signals that a recession is ending

This chart shows industrial production during the last seven recessions and in the following six months. In each case, the recession ended around 11 months before the economy’s output. Rebounding growth of the economy’s output was restored well before the recession ended. In the previous recession, the economy appeared to be closer to the turning point.

What leading indicators say

While industrial production is thought to move with the economy, other indicators — like consumer confidence, the length of the manufacturing workweek and interest-rate spreads — generally turn before the economy does. These indicators, which are shown below, can provide clues about when the economy is poised to turn around in a few months.

Source: Organization for Economic Cooperation and Development

Note: The data are seasonally adjusted.
Placing Justices on an Ideological Line

Professors at Washington University in St. Louis and Harvard have used the voting behavior of Supreme Court justices to understand the differences among them and how they change over time. Their research shows Justice David H. Souter, who was appointed by President George Bush in 1990, moving toward the liberal side of the court around 1992, when he disappointed conservatives in a 5-to-4 decision that reaffirmed the constitutional right to abortion.

HISTORICAL PROJECTIONS
Mr. Obama aims to shrink the annual deficit to $533 billion by the end of his term. But 80 percent of past four-year projections have been too optimistic, off by $270 billion, on average.

Obama's 2010 proposal

Larger-Than-Expected Deficit Forecasts

Last February, President George W. Bush’s budget predicted a surplus by 2012.

President Ronald Reagan’s estimates — criticized as too rosy at the time — remained largely unchanged for much of his tenure.

President Bill Clinton’s early budgets did not predict the surpluses from 1998 to 2001, when rising incomes and a booming stock market increased tax revenues.

How Does the Current Downturn Compare with Past U.S. Recessions?

The 350,000 private sector jobs lost from November 2007 to June 2009 pale in comparison with most of the past 10 recessions, but they come on the heels of a relatively weak labor market. The current downturn is expected to be as bad as or worse than one in seven, when 700 million jobs were lost. (About 20 percent of jobs were lost in the Great Depression, making the unemployment rate 25 percent.)

The status of a possible current recession has not been determined; it began in Nov. 2007.

DEFICIT SURPLUS IN TODAY’S DOLLARS
PAST ESTIMATES

Source: Office of Management and Budget

Barry Bonds

762 home runs


Barry Bonds:

A heavy hitter in World Series.


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Turning a Corner?
A chart of industrial production — the output of manufacturers, miners and utility companies — suggests that the economy is poised to turn around, but that the climb out of the current downturn will be a long one.

Looking for turning points
Economic turning points are notoriously hard to identify, especially when a parade of data can seem to contradict itself. To get a feeling for how cycles are evolving, economists at the Organization for Economic Cooperation and Development have been watching a chart that illustrates the business cycle.

Sources: Organization for Economic Cooperation and Development (O.E.C.D.); Federal Reserve; Amanda Cox/The New York Times
Superdelegate Declarations Push Obama Closer to Goal

By JEFF ZELENY and ADAM NAGOURNEY 18 minutes ago

A parade of superdelegates endorsed Senator Barack Obama, placing him on the cusp of clinching the Democratic nomination as the 16-month primary campaign drew to a close.

Obama Looks to Recruit Clinton’s Top Fund-Raisers

By CHRISTOPHER DREW and LESLIE WAYNE 3:44 PM ET

The Obama camp believes Clinton’s team could add a boost to the record amounts it is already raising.
All of Inflation’s Little Parts

Each month, the Bureau of Labor Statistics gathers 84,000 prices in about 200 categories — like gasoline, bananas, dresses and garbage collection — to form the Consumer Price Index, one measure of inflation.

It’s among the statistics that the Federal Reserve considered when it cut interest rates on Wednesday. The categories are weighted according to an estimate of what the average American spends, as shown below.

An Average Consumer’s Spending

Each shape below represents how much the average American spends in different categories. Larger shapes make up a larger part of spending.

Food and beverages 15%
The high price of oil is a factor that has made food prices rise quickly.

Miscellaneous 3%

Recreation 6%

Education/Communication 6%
Cellphones were added to the index in 1997. Because the Consumer Price Index can be slow to add new goods, which are often cheaper, it may overstate parts of inflation.

Housing 42%
In the C.P.I., home ownership costs track rent prices more closely than housing prices. This means inflation may have been understated when home prices were rising faster than rents.

Transportation 18%
Gas is 5.2 percent of spending nationwide, but only 3.8 percent in the New York area.

Health care 6%
As a group, the elderly spend about twice as much of their budget on medical care.

Apparel 4%
The ratio of spending on women’s clothes to that on men’s clothes is about 2 to 1.

- Census Bureau: 852
- B.L.S.: 844
- World Bank: 118
- O.E.C.D.: 52