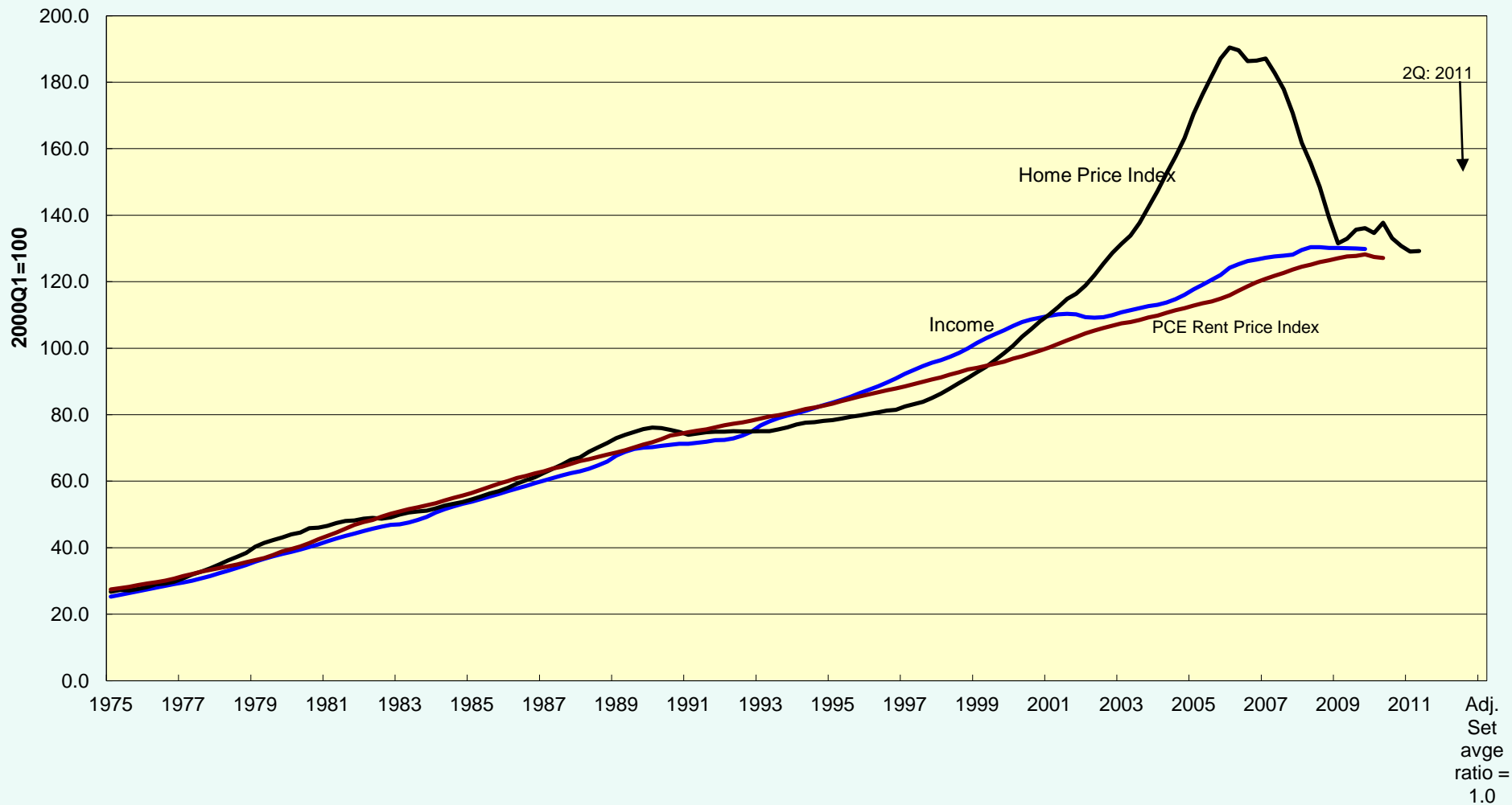


Charles Schultze

Consortium of Social Science Annual Meeting, November 2, 2011

Growth of Home Prices vs. Household Mean Income and Rent

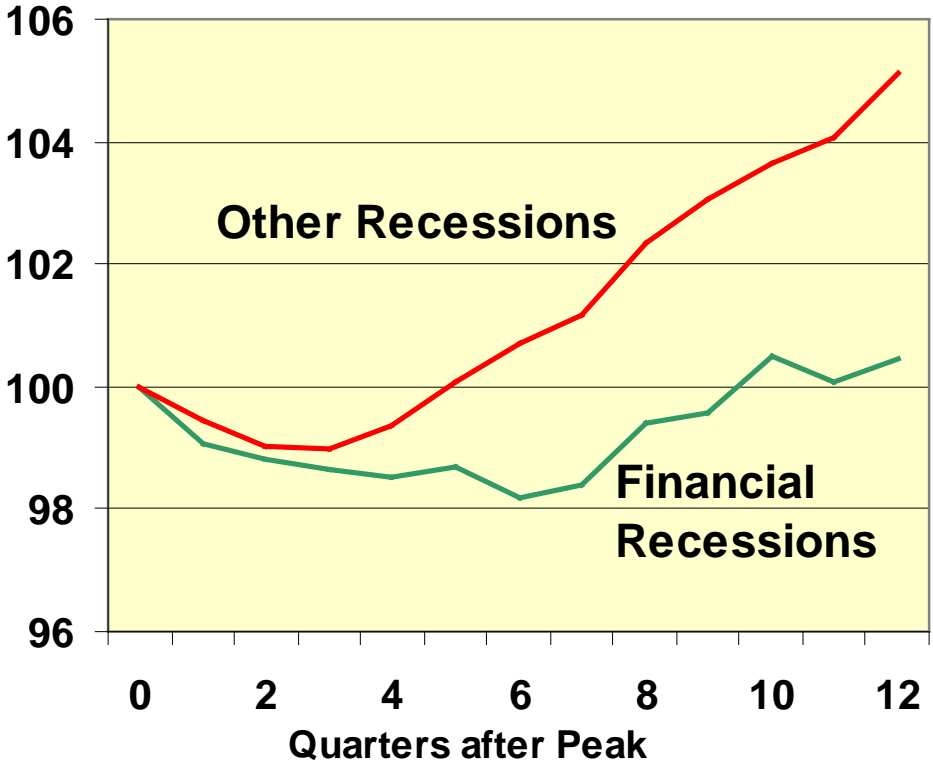


Note: The Home Price index extends the Case-Shiller national price index backwards from 1986 to 1975 using the OFHEO home price index. Quarterly mean HH income is linearly interpolated from Census annual data and then adjusted so that the average over four quarters equals annual income. Indexes of income and rent are created and then adjusted so that ratio of housing prices to income and to rent averages 1.0 over the years 1975 - 2001. The PCE "rent" is rent of owner-occupied dwellings from BEA.

Recoveries from Financial Recessions

GDP

Cycle Peak = 100



Unemployment

Cumulative Percent Change from Cycle Peak

