



FIGURE I

Changes in Defense and Nondefense Government Purchases, 1914–2006  
(expressed as ratios to the previous year's GDP)

The figure shows the change in per capita real government purchases (nominal purchases divided by the GDP deflator), expressed as a ratio to the prior year's per capita real GDP. The black graph is for defense purchases, and the gray graph is for nondefense purchases by all levels of government. The data on government purchases since 1929 are from Bureau of Economic Analysis and, before that, from Kendrick (1961). The GDP data are described in the online appendix.