

# NBER

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FOR RELEASE: IMMEDIATELY

### BUSINESS CYCLE PEAKED IN JANUARY

CAMBRIDGE, June 03 -- The NBER's Business Cycle Dating Committee met today at the Bureau's headquarters in Cambridge (Massachusetts) and identified January 1980 as the most recent peak in U.S. business activity. Unless there is an extraordinarily sharp and quick reversal of activity, this peak will mark the onset of a recession.

The Committee examined a wide variety of data on the economy in reaching its judgement that the peak occurred in January. Some of the major indicators which reached their cyclical peaks in January are total industrial production, retail sales in constant dollars, and nonfarm employee hours. In addition, the Commerce Department's Index of Coincident Indicators reached its peak in January.

Other indicators reached their peaks just before or just after January. Total real personal income peaked in December 1979. Employment reached its highest value in February 1980. Since February, every cyclical indicator has declined sharply.

The Committee noted that industrial production reached its one-month high in March 1979, early in the year-long slowdown that preceded the business cycle peak. In addition, the unemployment rate reached its low in June and July 1979. However, the Committee felt that the preponderance of evidence favored January 1980 as the cyclical peak.

The Committee observed that no cyclical decline in real GNP has yet been recorded. GNP data are compiled quarterly; real GNP in the first quarter of 1980 was higher than in any earlier quarter. The Committee felt that it was unnecessary to wait for publication of data on real GNP in the second quarter, in view of the widespread declines in monthly series.

The next task facing the Committee will be to identify the trough of business activity which will mark the end of the recession. Committee members are William Branson, Princeton University; Martin Feldstein, Harvard University; Robert Gordon, Northwestern University; Robert Hall, Stanford University; Geoffrey Moore, Center for International Business Cycle Research; Victor Zarnowitz, University of Chicago; and Benjamin Friedman, Harvard University, who did not attend today's meeting.

(June 3, 1980)

