

A

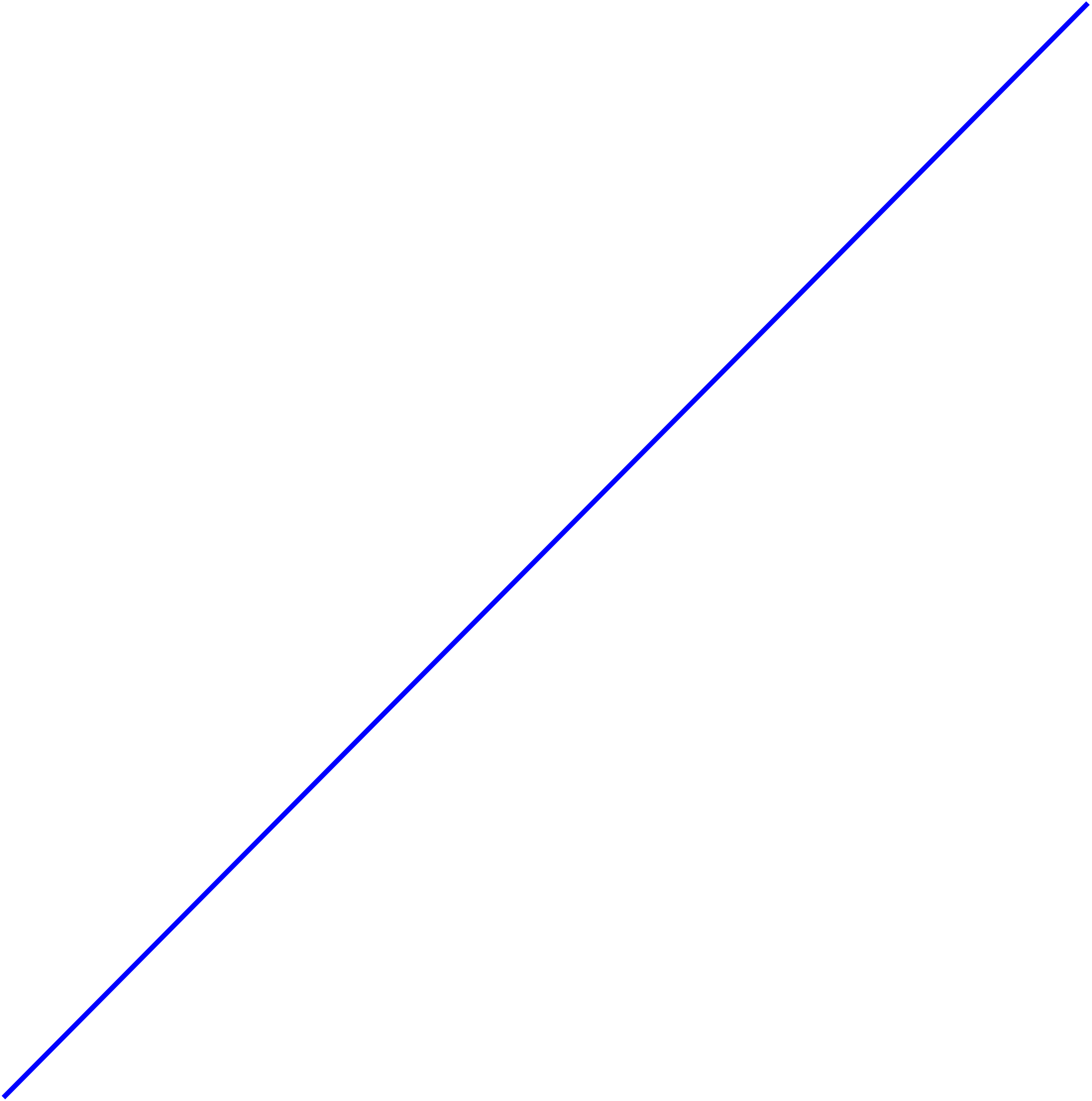
E



Equilibrium

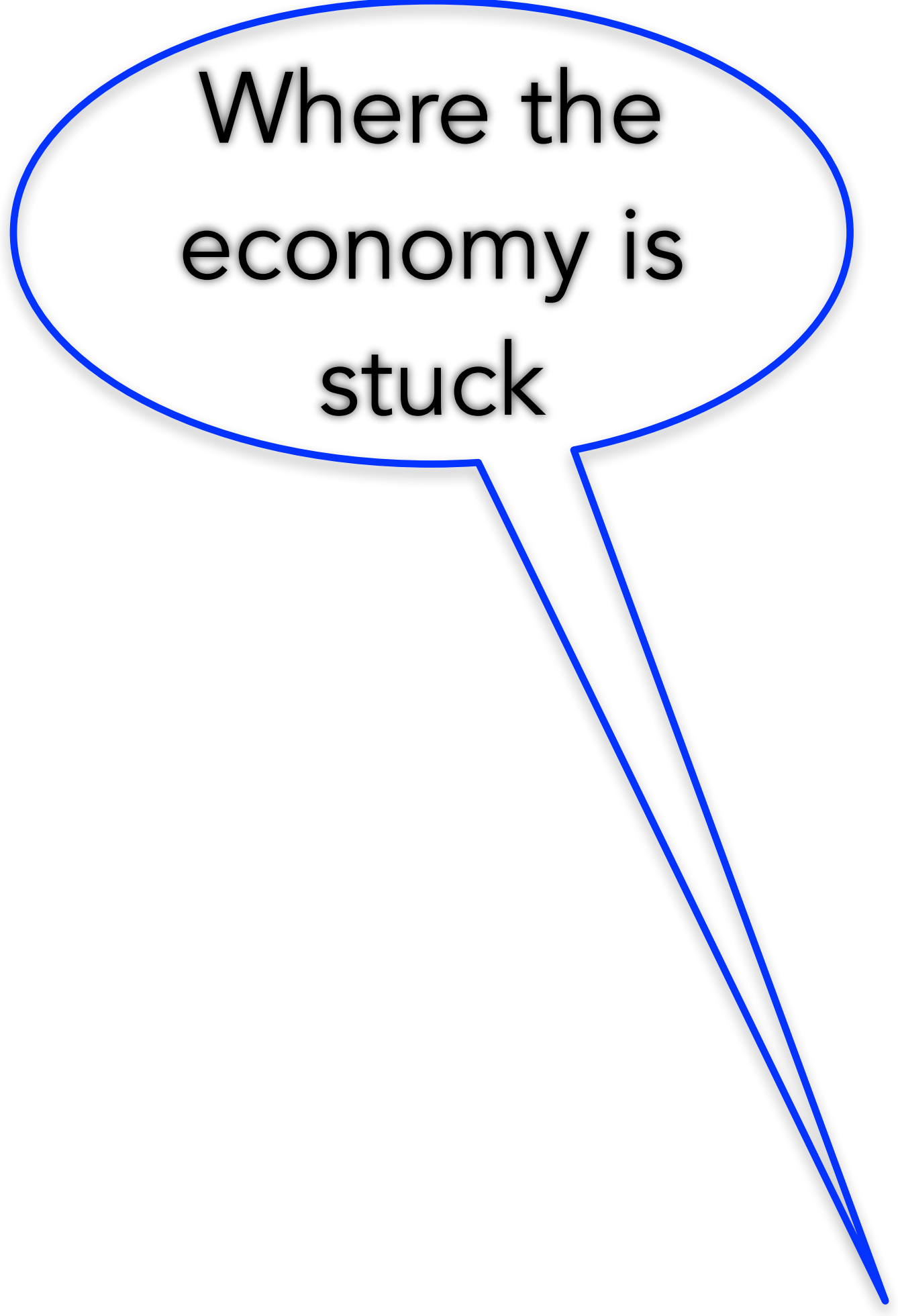
GDP











Where the
economy is
stuck

A

E

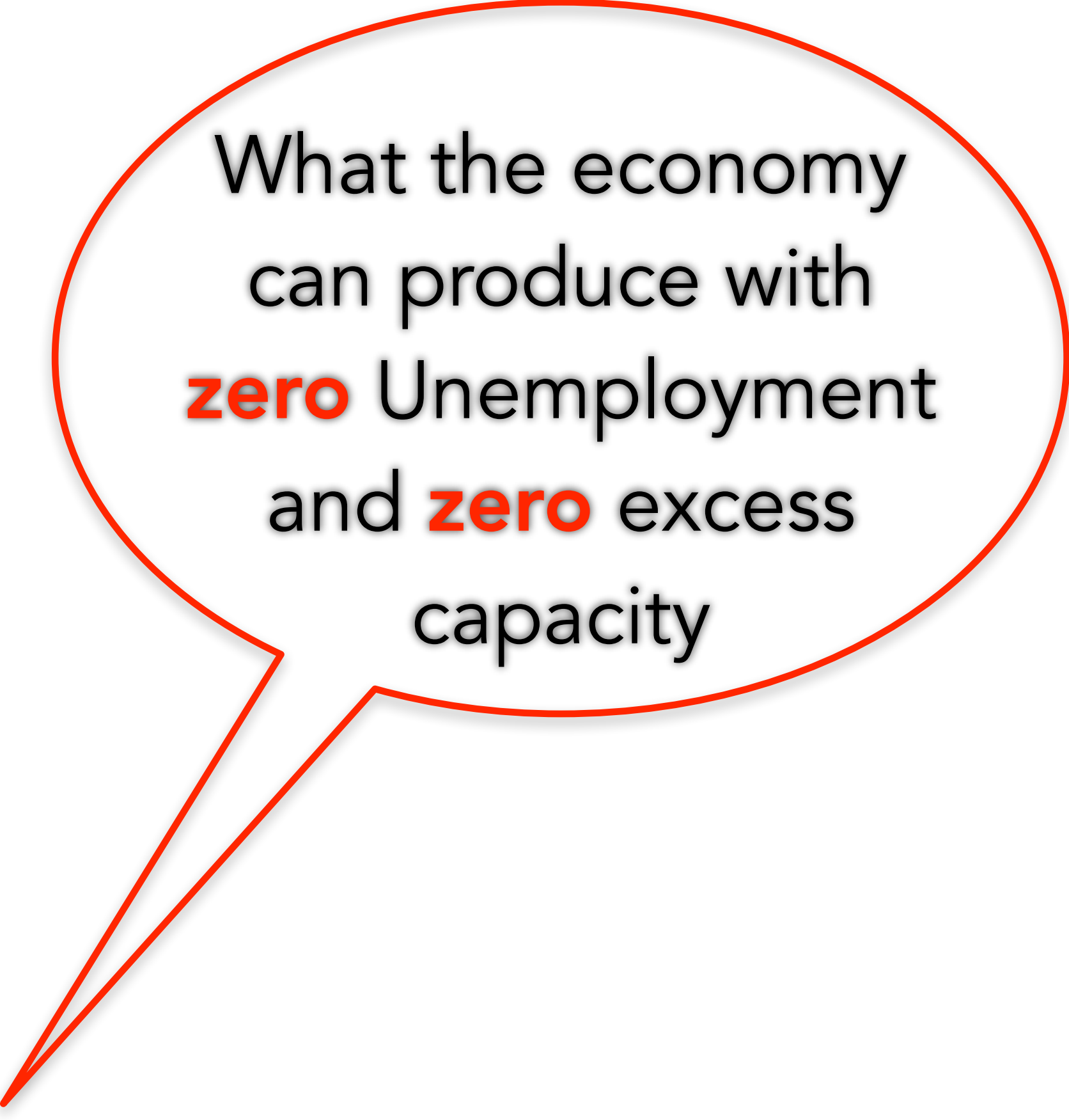
Potential

GDP


Potential
GDP



450



What the economy
can produce with
zero Unemployment
and **zero** excess
capacity



Where we
want to be

