

# Small Variation in Production

Large Variation in Production

%

Change

in Production







# The Great Depression

Government successfully  
reduced the severity of the  
output fluctuations



Economy Self Adjusts



Government Manages the Economy





-20

-

1

5

-10

-5





5

10

1

5

1870

1880

1890

1900

1910



1920

1930

1940

1950

1960

1970

1980

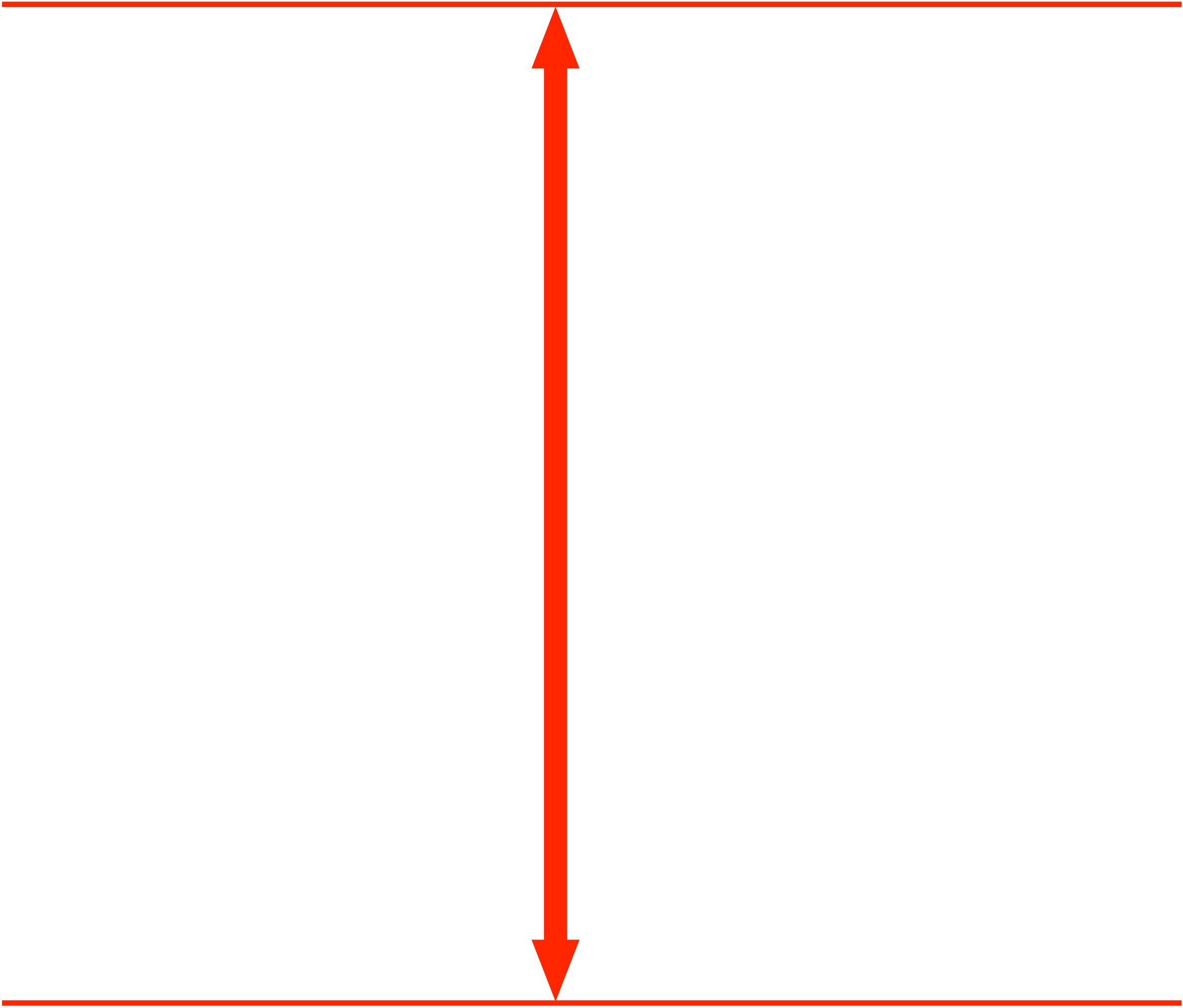
1990

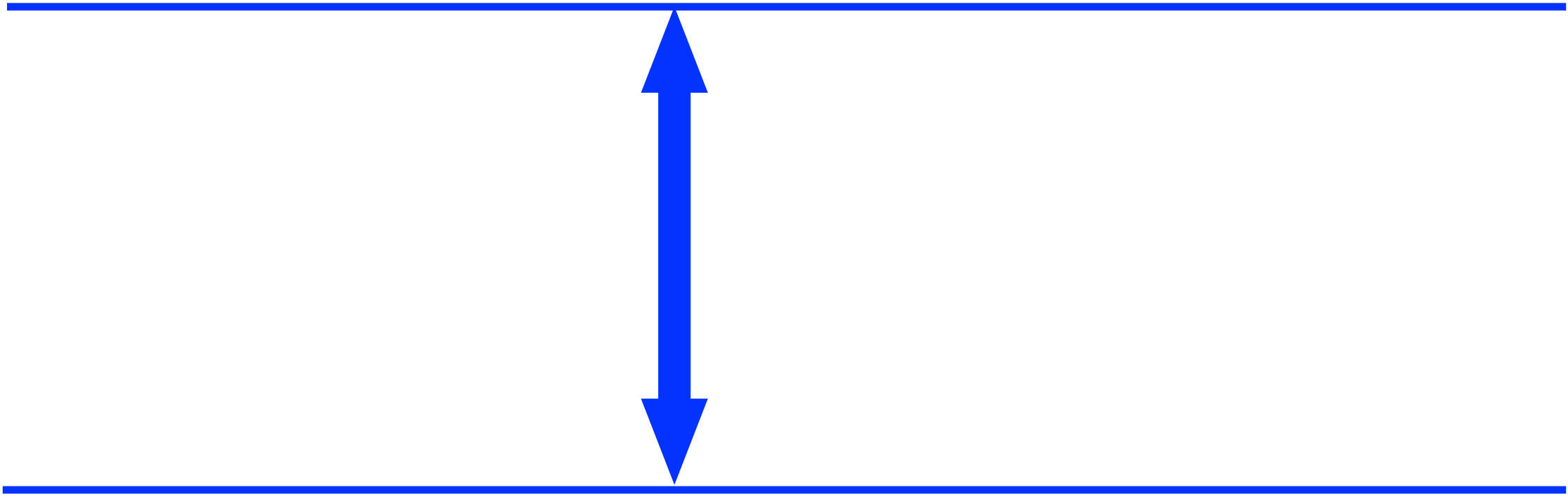


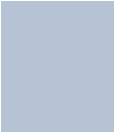
2000

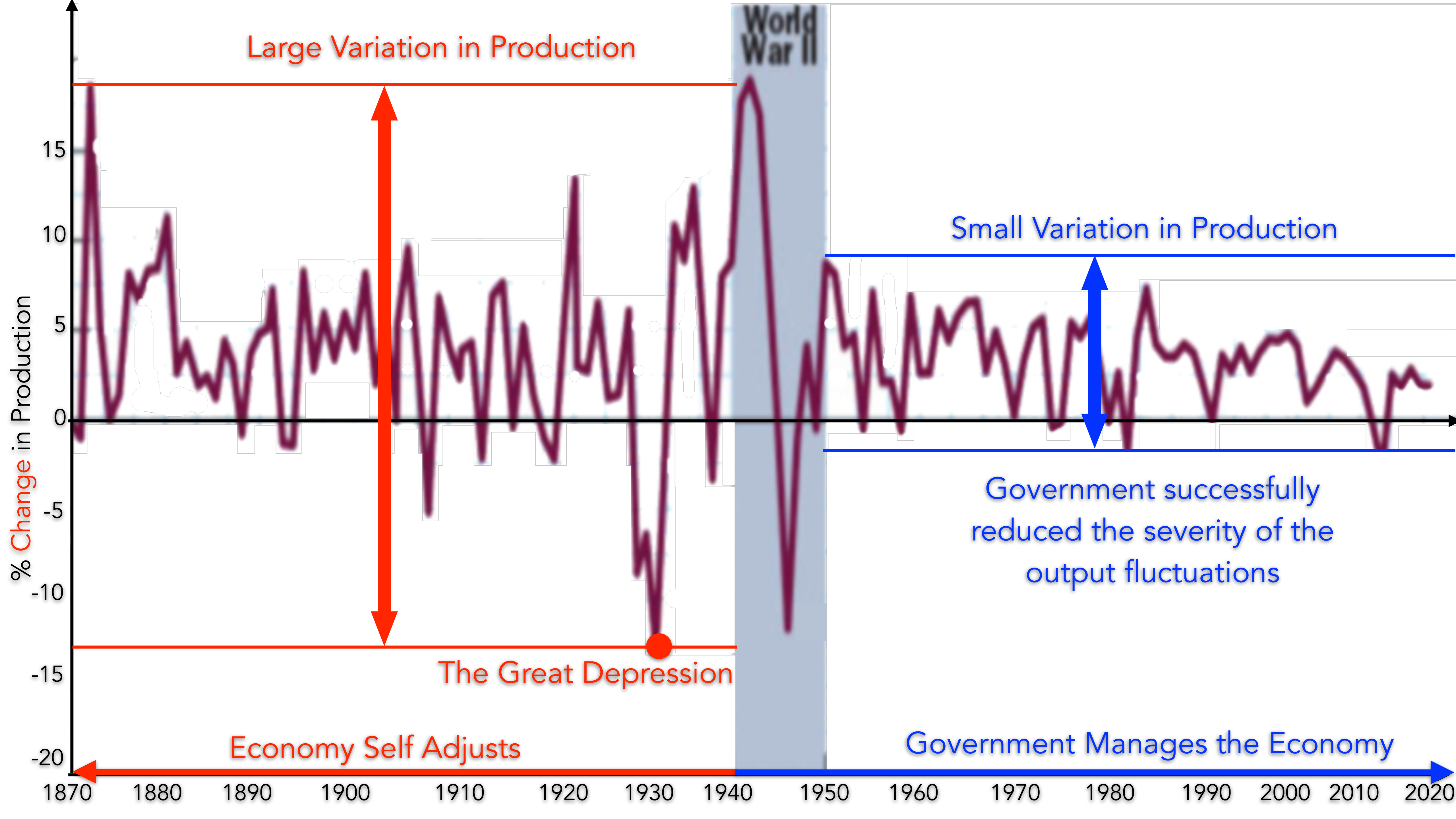
2010

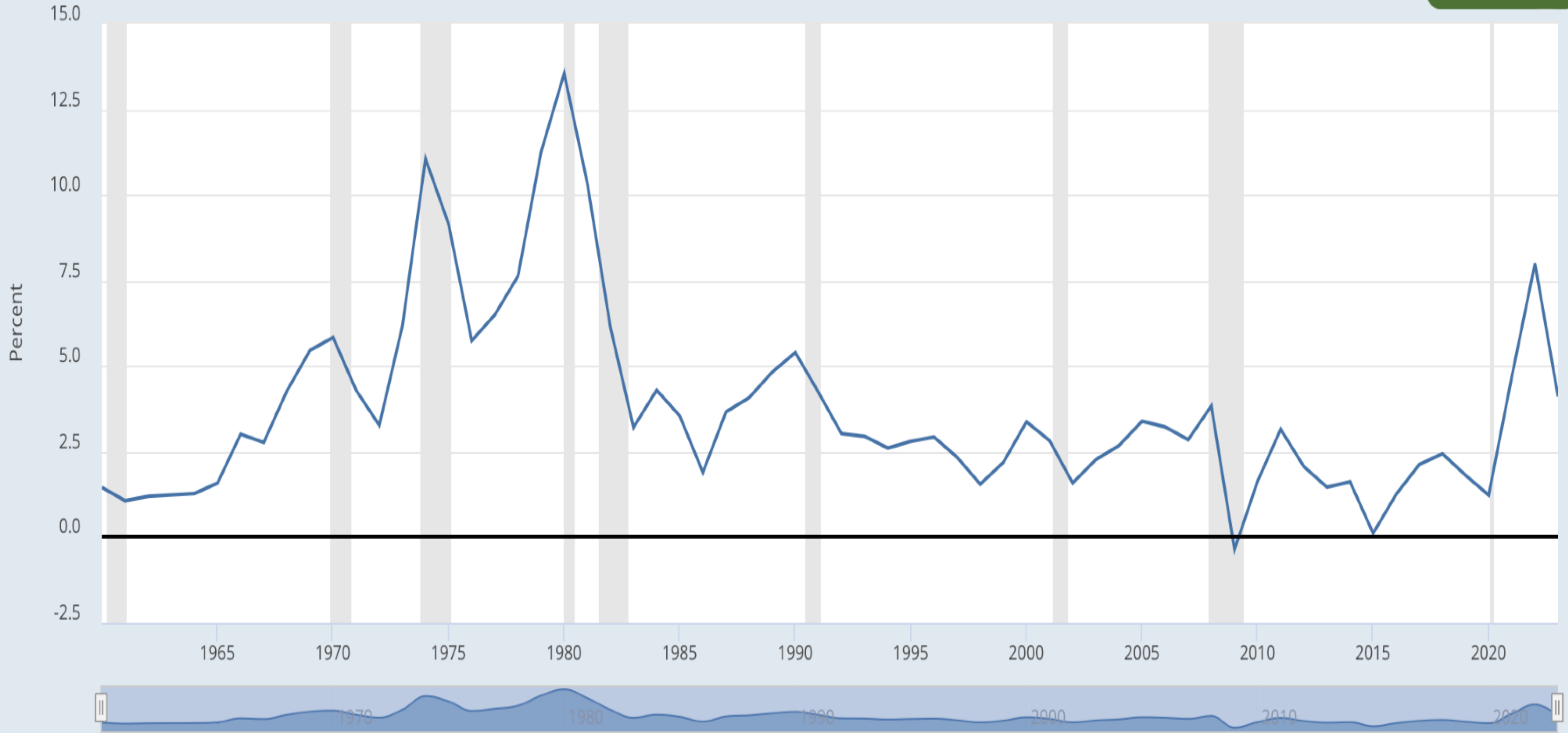
2020











*Shaded areas indicate U.S. recessions.*

Source: World Bank

[fred.stlouisfed.org](https://fred.stlouisfed.org)

