

Recession Not As 'Great' As Previously Thought

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WASHINGTON (AP) — Here's a small consolation: The Great Recession wasn't quite as horrendous as previously thought.

But it was still pretty horrendous: Updated government estimates from January 2009 through December 2011 show that the downturn remains by far the worst recession since the Great Depression.

And growth since the recession officially ended in June 2009 has been slightly less than previous estimates. That's a reminder of how weak the recovery has been.

The revisions were released Friday by the Commerce Department's Bureau of Economic Analysis with its report on April-June growth. Each year in July, the bureau revises the previous three years of data on the nation's gross domestic product, the broadest measure of the economy.

The changes show the economy shrank 4.7 percent from the start of the recession in December 2007 until it ended three years ago. That's 0.4 percentage point less than the previous estimate of 5.1 percent.

The main reason for the revision: State and local governments spent more in 2009 than initially thought.

Still, only two previous recessions suffered contractions greater than 3 percent. One was in 1957, the other in 1973.

Since the Great Recession ended, growth has been modest at best. From July 2009 through the end of 2011, the economy grew a total of 5.8 percent. That's down from an earlier measure of 6.2 percent.

The economy grew at an average annual rate of 0.3 percent from 2008 through 2011, the government said. That's down from an earlier measure of 0.4 percent.

Some quarters were revised significantly. The government says the economy grew at an annual rate of 4.1 percent in last year's fourth quarter, up from a previous estimate of only 3 percent. That was because companies added more to their stockpiles, and governments spent more.

And the first and second quarters of 2010 were revised down sharply, from nearly 4 percent each to 2.3 percent and 2.2 percent, respectively. That reflected much less investment in business equipment and software.

The revisions are based on more complete data from a range of sources, including annual Census surveys of retailers and manufacturers and IRS tax records. The IRS

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data is made available only after a two-year lag. The Census data are also delayed.

Here are the changes the Commerce Department made to the past 12 quarters:
(Figures in percentages)

Period

2009, 1st quarter

2009, 2nd quarter

2009, 3rd quarter

2009, 4th quarter

2010, 1st quarter

2010, 2nd quarter

2010, 3rd quarter

2010, 4th quarter

2011, 1st quarter

2011, 2nd quarter

2011, 3rd quarter

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2011, 4th quarter

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