

Master of Liberal Arts 60643
Economic Controversies
Homework Assignment #2 (2018)
DUE: January 30

INSTRUCTIONS: Yet again, you are to see if fact is stranger than fiction. On this one, see if investment spending is a major determinant of changes in real GDP. You'll need to figure out direction of causation from lecture.

Year	GDP	Invest
1980	5,834.0	715.2
1981	5,982.1	779.6
1982	5,865.9	670.3
1983	6,130.9	732.8
1984	6,571.5	948.7
1985	6,843.4	939.8
1986	7,080.5	933.5
1987	7,307.0	962.2
1988	7,607.4	984.9
1989	7,879.2	1,024.4
1990	8,027.1	989.9
1991	8,008.3	909.4
1992	8,280.0	983.1
1993	8,516.2	1,070.9
1994	8,863.1	1,216.4
1995	9,086.0	1,254.3
1996	9,425.8	1,365.3
1997	9,845.9	1,535.2
1998	10,274.7	1,688.9
1999	10,770.7	1,837.6
2000	11,216.4	1,963.1
2001	11,337.5	1,825.2
2002	11,543.1	1,800.4
2003	11,836.4	1,870.1
2004	12,246.9	2,058.2
2005	12,623.0	2,172.3
2006	12,958.5	2,231.8
2007	13,206.4	2,159.5
2008	13,161.9	1,939.8
2009	12,703.1	1,454.2
2010	13,088.0	1,714.9
2011	13,313.4	1,795.2

GDP is Gross Domestic Product in billions of chained 2005 dollars (*Economic Report of the President*).
Invest is physical investment spending in billions of chained 2005 dollars (*Economic Report of the President*).