



ECONOMIC INDICATORS & THE BUSINESS CYCLE

Relating Key Economic Indicators to the Business Cycle

Phase of the Business Cycle	Real GDP	Unemployment Rate	Inflation Rate
Expansion: Period of economic growth	increasing	generally decreasing	generally increasing
Peak: Highest level of economic activity	stops increasing	stops decreasing	stops increasing and may start decreasing
Contraction: Period of economic decline	decreasing	generally increasing	generally decreasing
Trough: Lowest level of economic activity	stops decreasing	stops increasing	stops decreasing and may start increasing