

Roughly four years since the start of the financial crisis, and two years since the official end of the resulting recession, what has taken hold in their wake is a new kind of great moderation — an era of slow growth.

“The problem is that some persistent and deep currents are restraining our progress,” [John C. Williams](#), president of the Federal Reserve Bank of San Francisco, said on Thursday.

Perhaps the most important is the closely linked combination of housing and consumer spending. It is a longstanding pattern that the Americans recover from recessions by building more homes and filling them with things. But there is no need to build homes while millions sit empty.

The San Francisco Fed estimates that construction may not return to the average level of prebubble activity before 2016, sidelining a major industry.

The decline in housing prices has made people feel and act less wealthy. Broad measures of wealth have bounced back from the depths of the recession, but the gains are driven by the stock market, which means they are concentrated in a relatively small share of families. For the vast midsection of Americans who counted their home as their primary investment, there has been no comparable recovery.

Those without jobs are spending even less. The widely quoted unemployment rate of 9.2 percent is also one of the narrowest measures of the problem. The share of people who cannot find full-time work is almost twice as high. Job growth in May and June was basically flat, although there are some signs of increased hiring in July.

The result: The San Francisco Fed estimates that spending per person per month remains about \$175 below its prerecession trend.

“We did a pretty good job of fixing bank balance sheets, but I think that household balance sheets are the ones that have suffered the most,” said Mark Thoma, a professor of economics at the University of Oregon. “We could have done much more to help households.”

environment that already is uncertain, that doesn't help.”

For now, at least, the economy still is growing. Indeed, by historical standards, it's not even growing that slowly. David E. Altig, head of research at the Federal Reserve Bank of Atlanta, notes that the economy has expanded by a little more than 5 percent since the end of the recession, compared with roughly 6 percent during the two years after the last two recessions, in the early 2000s and the early 1990s.

The difference is that this recession was much deeper.

“The current recovery seems so disappointing because we expect the pace of the recovery to bear some relationship to the depth of the downturn,” Mr. Altig wrote.

The International Monetary Fund said in its annual evaluation of the American economy, published last week, that growth would not exceed 3 percent over the next five years, meaning that the losses would not be recovered in the foreseeable future.

Various arms of the American government have predicted that growth will accelerate, but their similar predictions for 2011 so far have proved overly optimistic.

Still economists note that some of the obstacles that have slowed growth this year were specific and temporary, including the spike in oil prices and the disruptions caused by the earthquake in Japan.

Washington, too, could resolve its problems.

James F. O'Sullivan, chief economist at MF Global, pointed to the seminal study of the economic impact of financial crises, the 2009 book “This Time is Different,” which compared the financial crisis in the United States with those in five other advanced economies: Spain, Japan and three Nordic countries, Norway, Finland and Sweden.

Four years after those crises began, he said, the study found that most of those countries were well on the road to recovery.

He paused. “Except for Spain, of course.”

He paused again. “And Japan.”

“Actually,” he said, “It’s just the three Scandinavian countries.”



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