

An Input-Output Analysis of the U.S. Economy Over the Last Seven Decades

Topic: 516D Trade in Value-added

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The U.S. economy has experienced dramatic changes over the past seven decades. The economy experienced an increase in manufacturing and home construction during the post-World War II economic boom in the 1950s; the longest uninterrupted period of economic expansion in history in the 1960s; the problems of the energy shortage, high inflation, and high unemployment in the 1970s; the industrial deregulations in the 1980s; the economic recovery and significant productivity growth in the 1990s, and the new economy dominated by technology expansions that integrated with the global economies in the 21 century. The U.S. economy has been transformed from a goods-producing dominated economy to service-dominated economy; from internal-depended economy to a more-opened economy. Using the recently published U.S. historical input-output tables by BEA, this paper attempts to: 1) find the paths of U.S. economic structural changes through the changes in industry relationships; 2) identify the link of the "hollowing out" processes of the U.S. economy with the trend of globalization; and 3) measure analysis of the "trade in value added" for the U.S. economy over time.