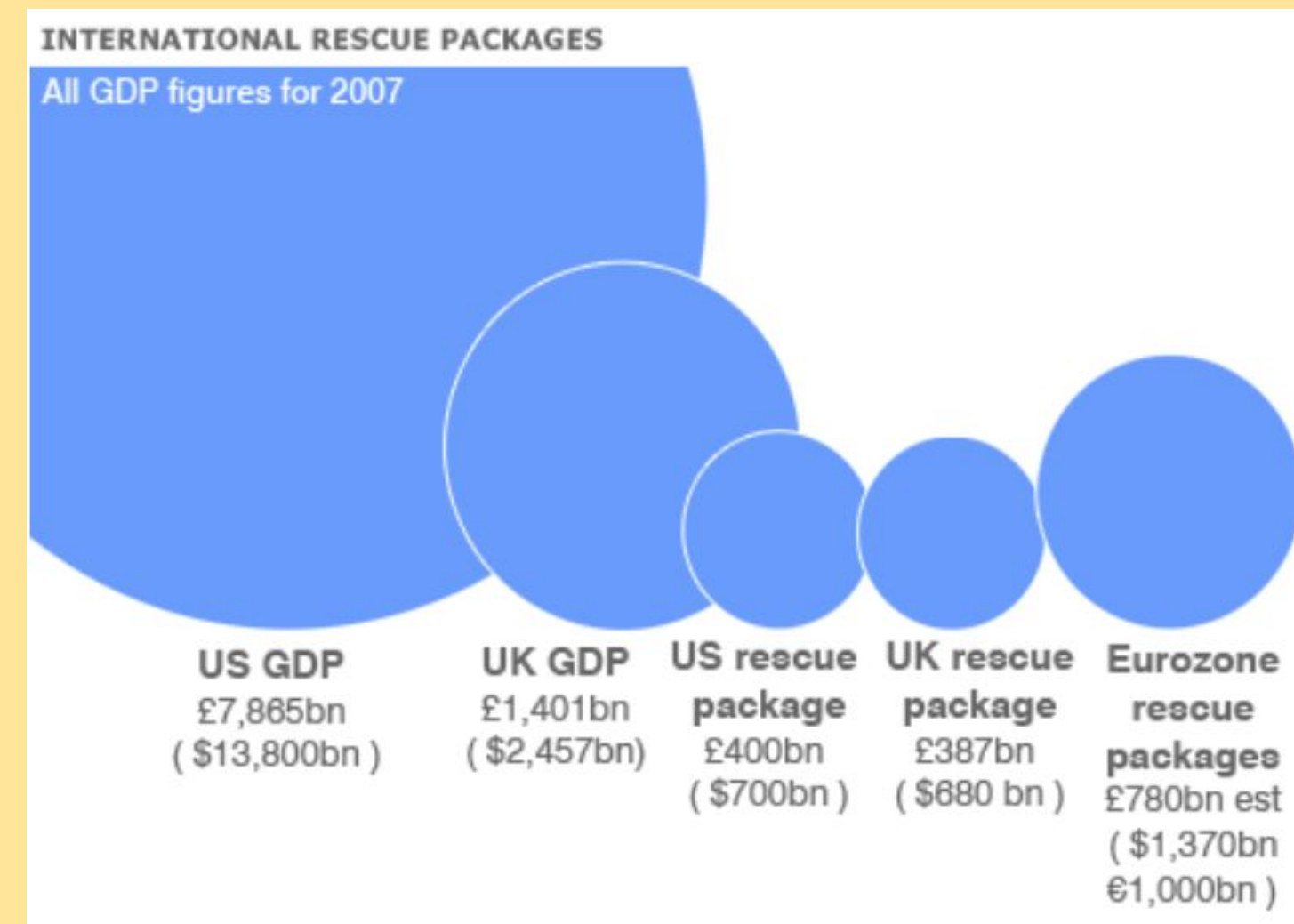
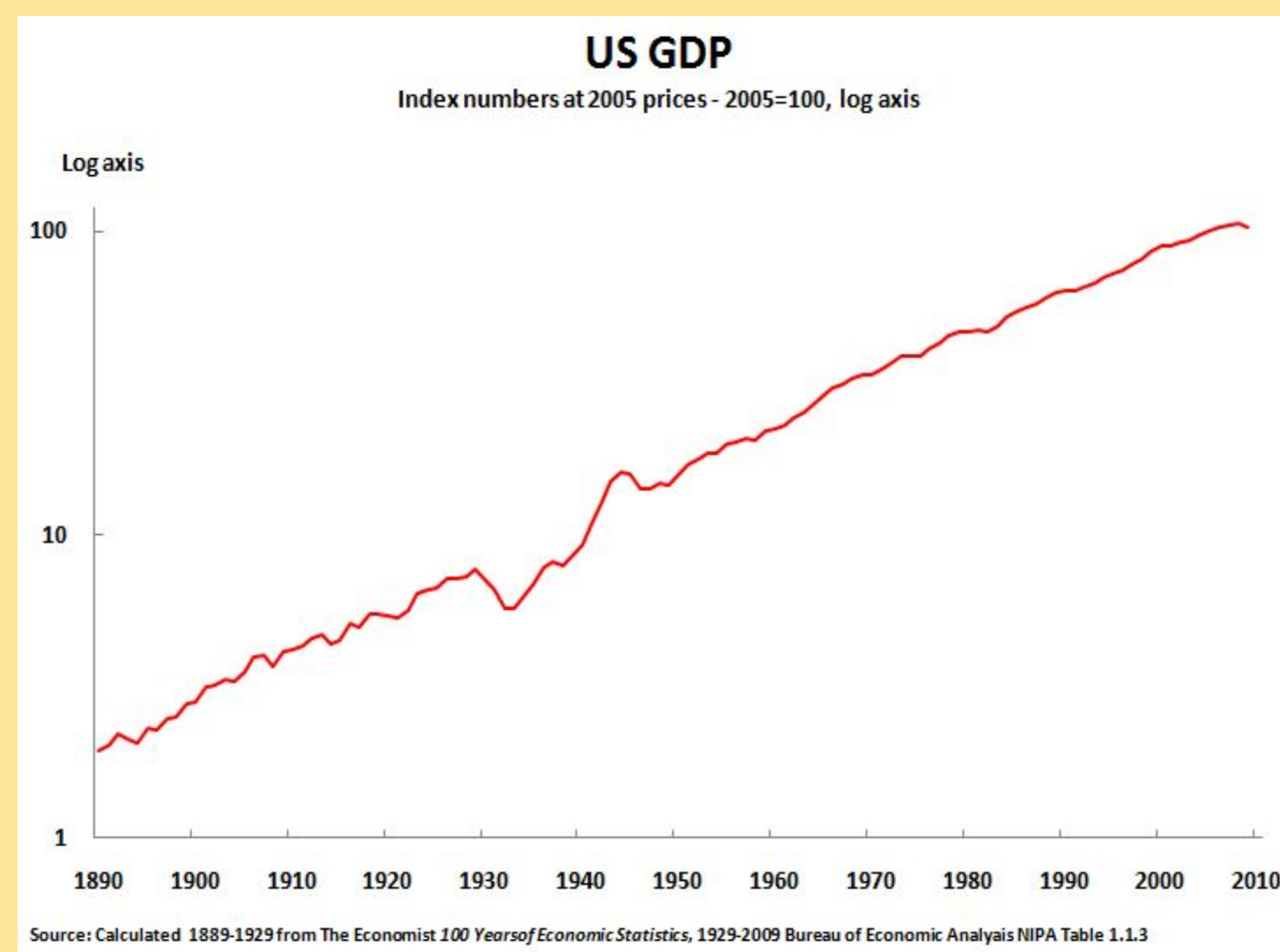


## INTRODUCTION

In 2008, U.S. households lost an average of over \$102,000 in wealth as a result of an economic crisis, a crisis that could have been prevented by improved economic indicators. Traditional indicators often fail to encapsulate the entirety of the U.S. economy, explicating the need for non-traditional variables.

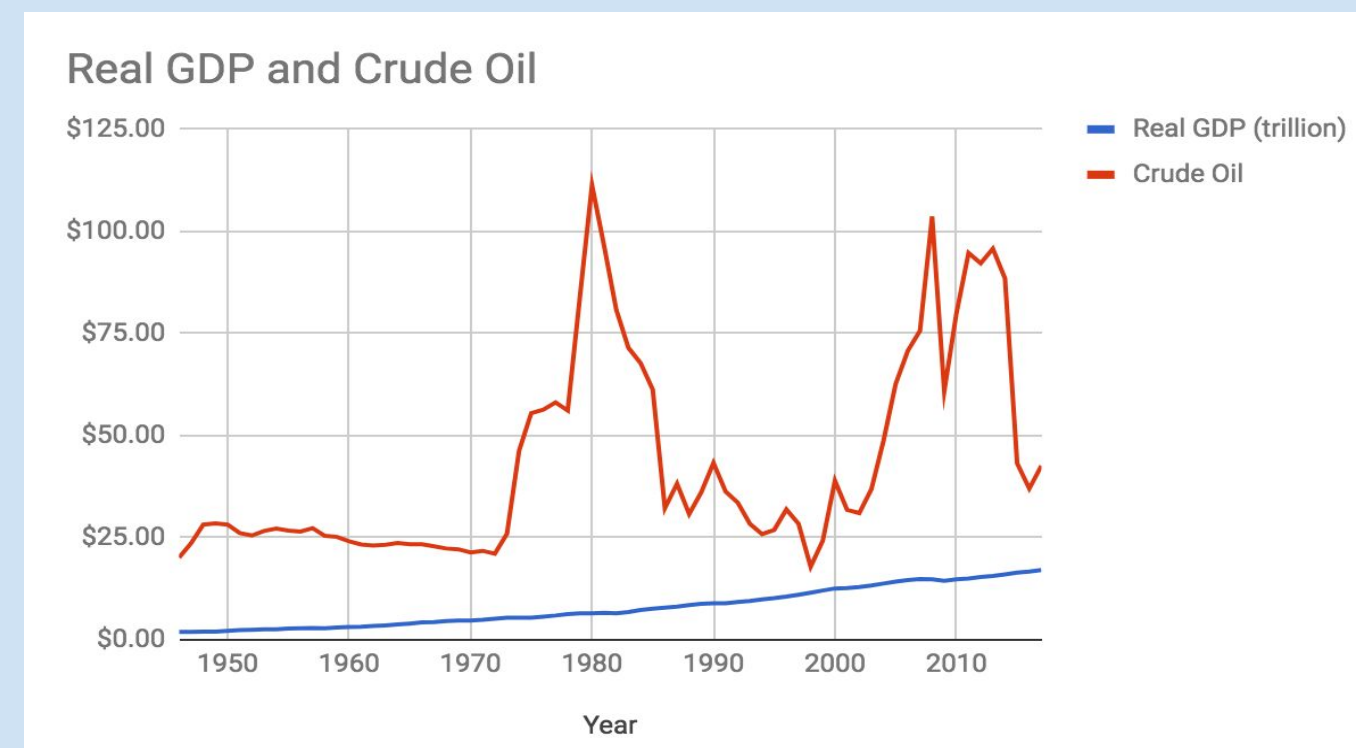
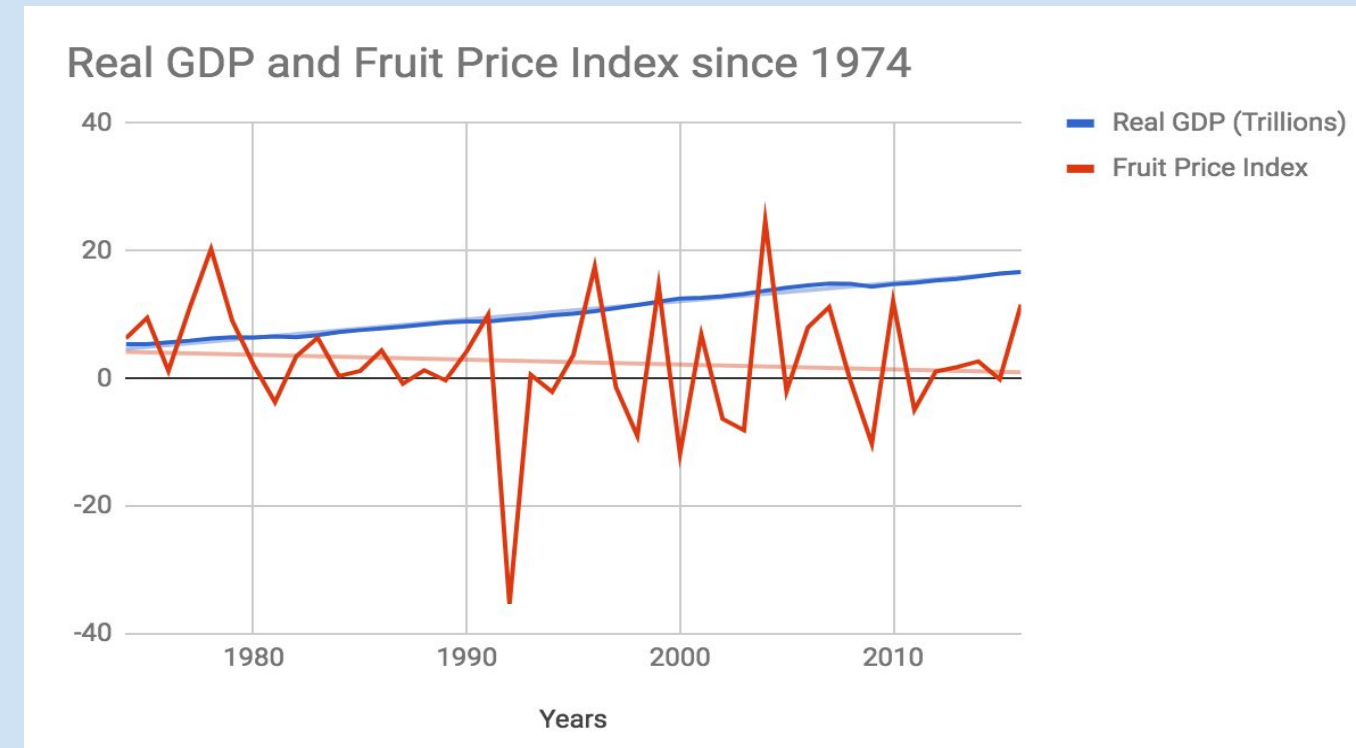
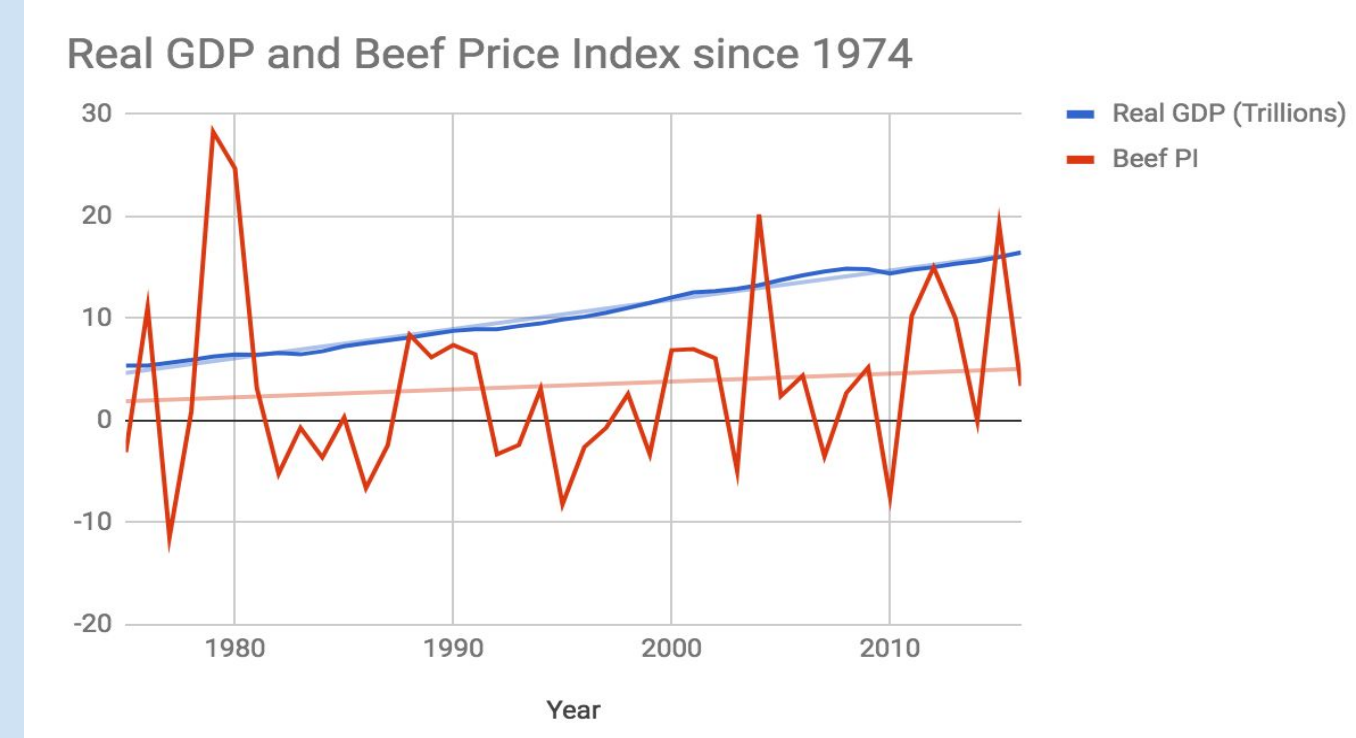
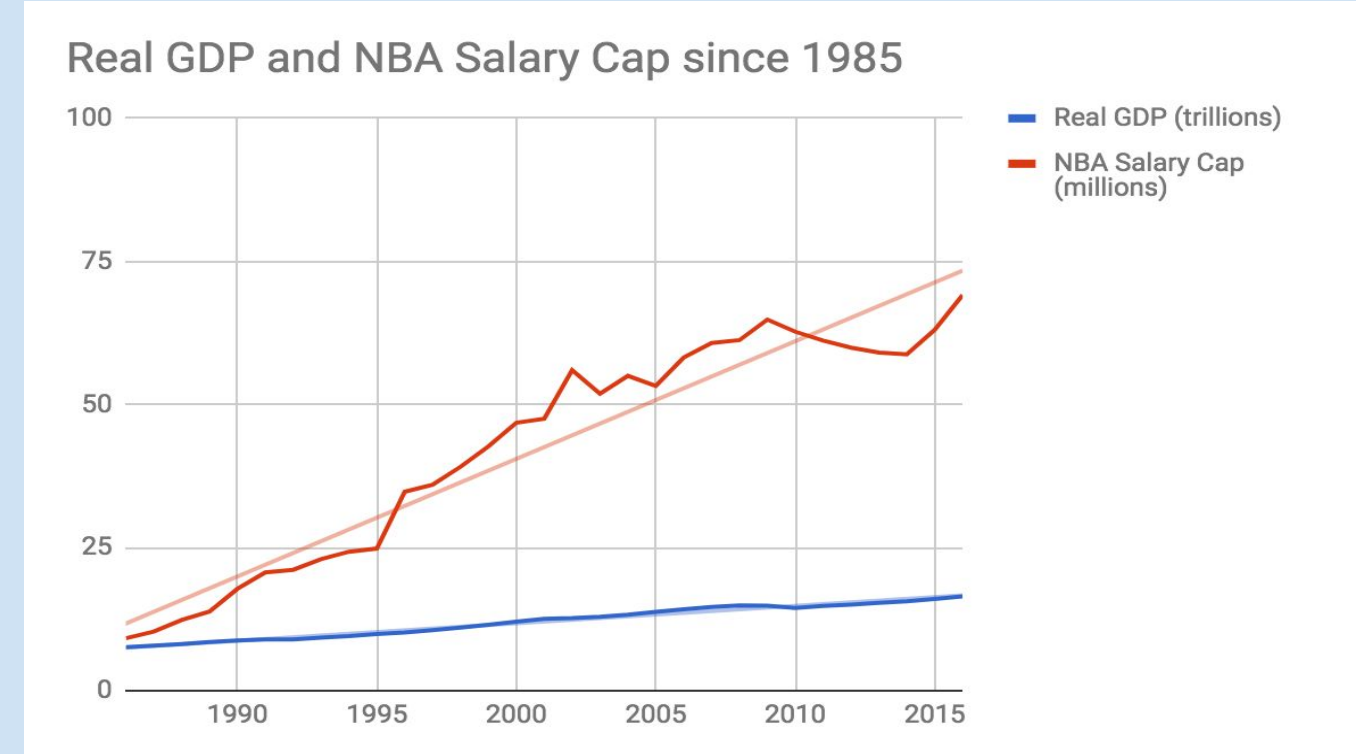


U.S. GDP over the past century

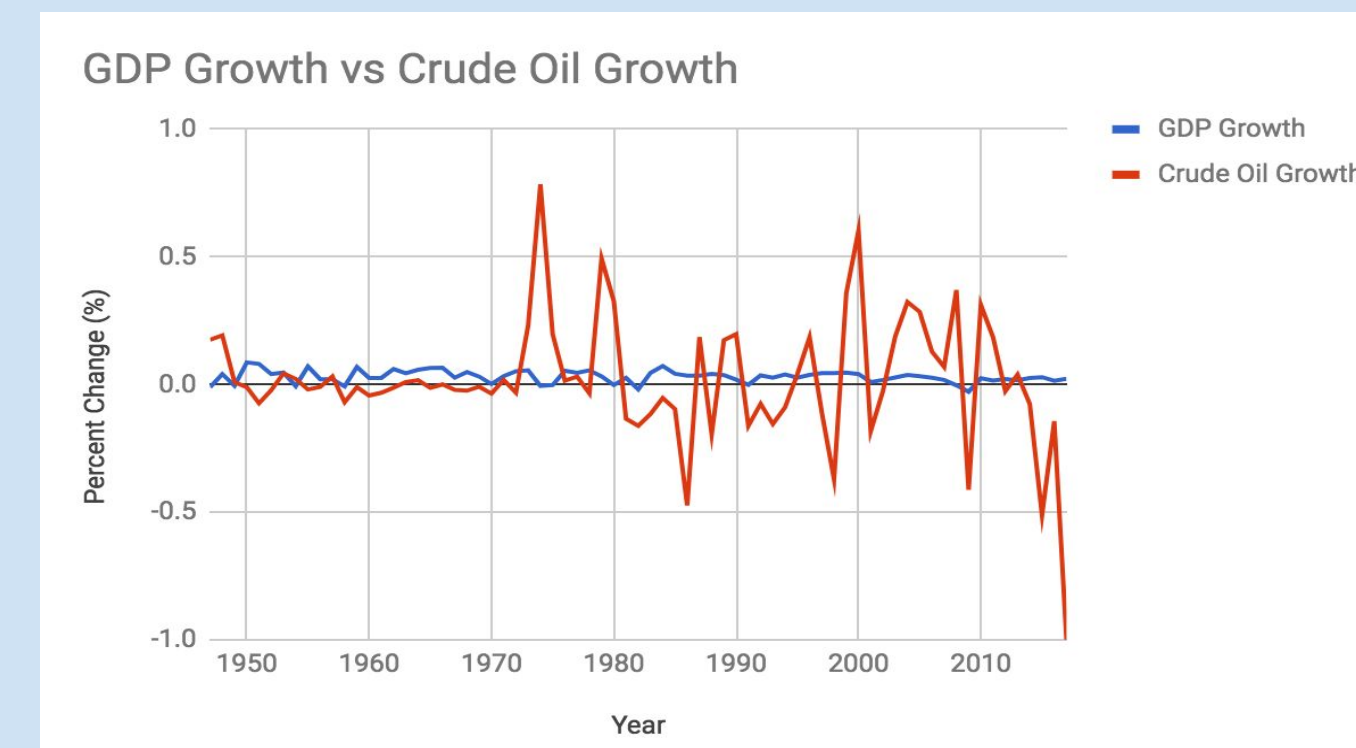
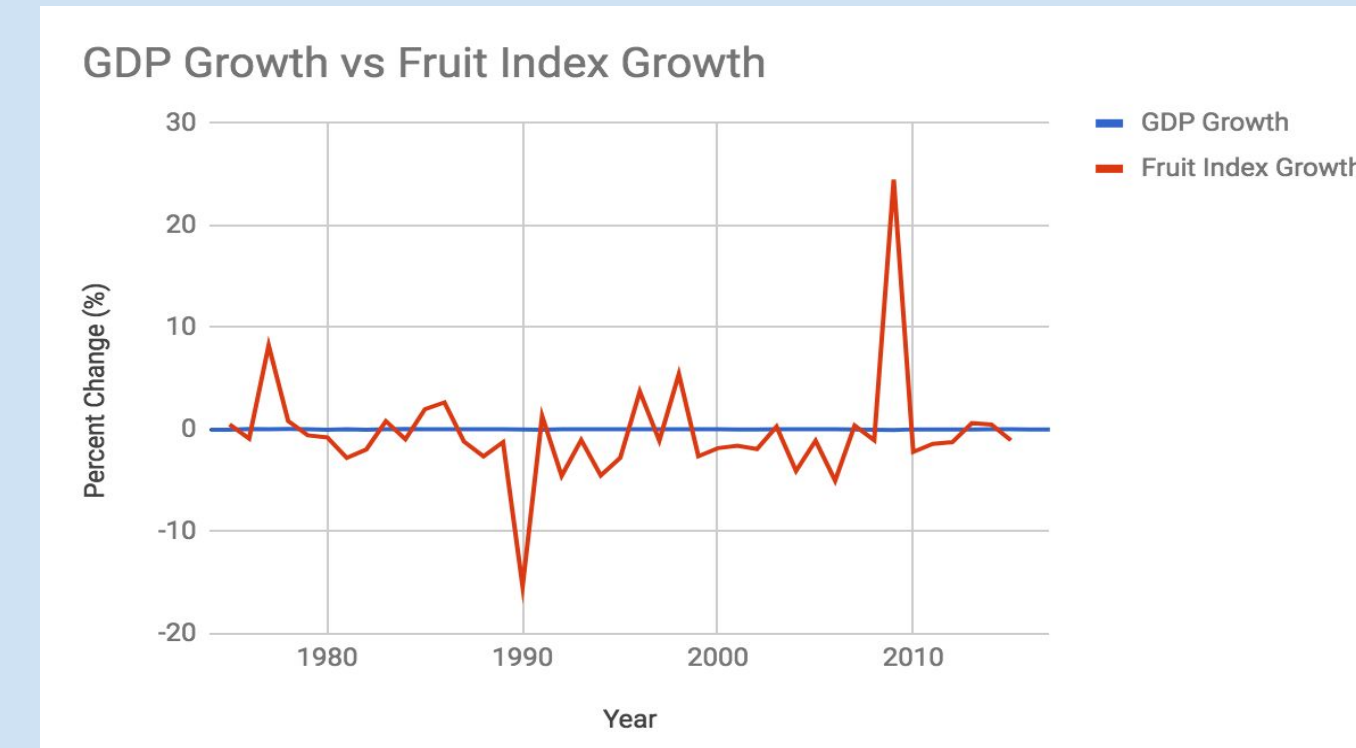
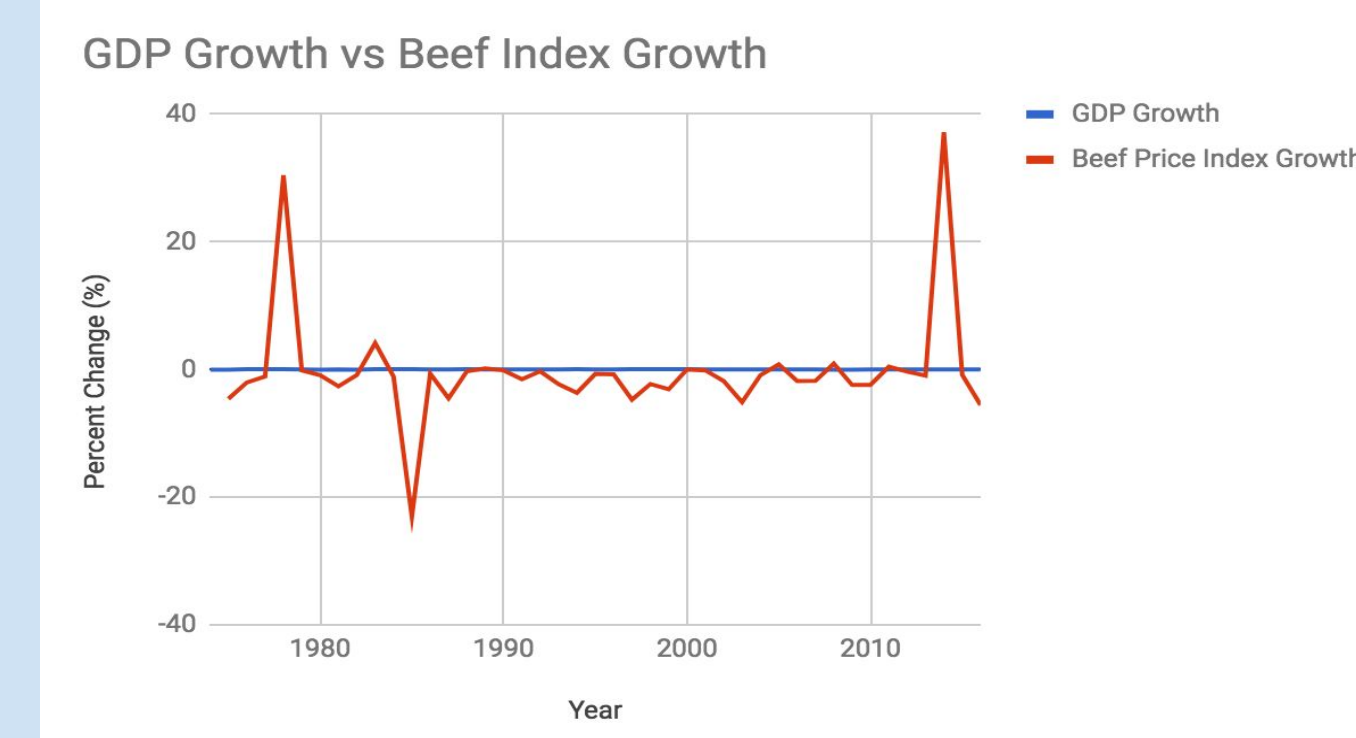
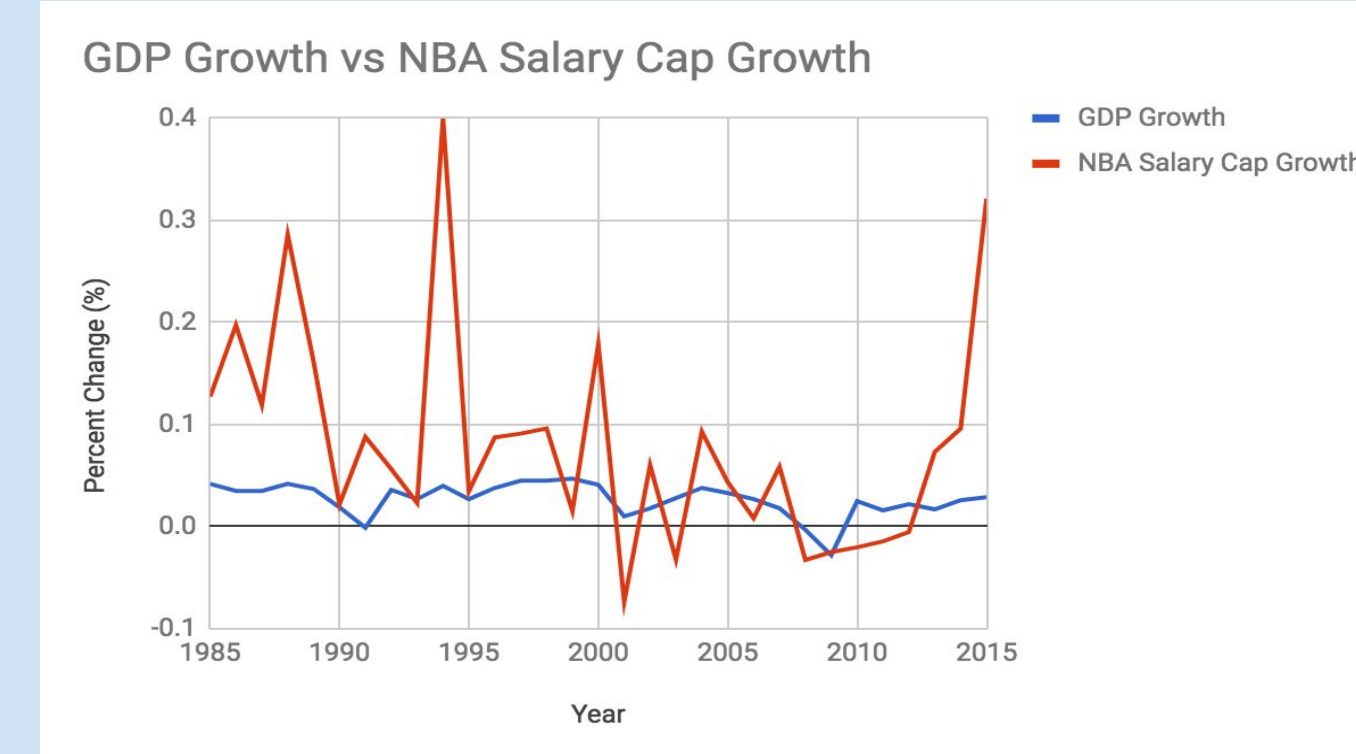


US GDP over the past century

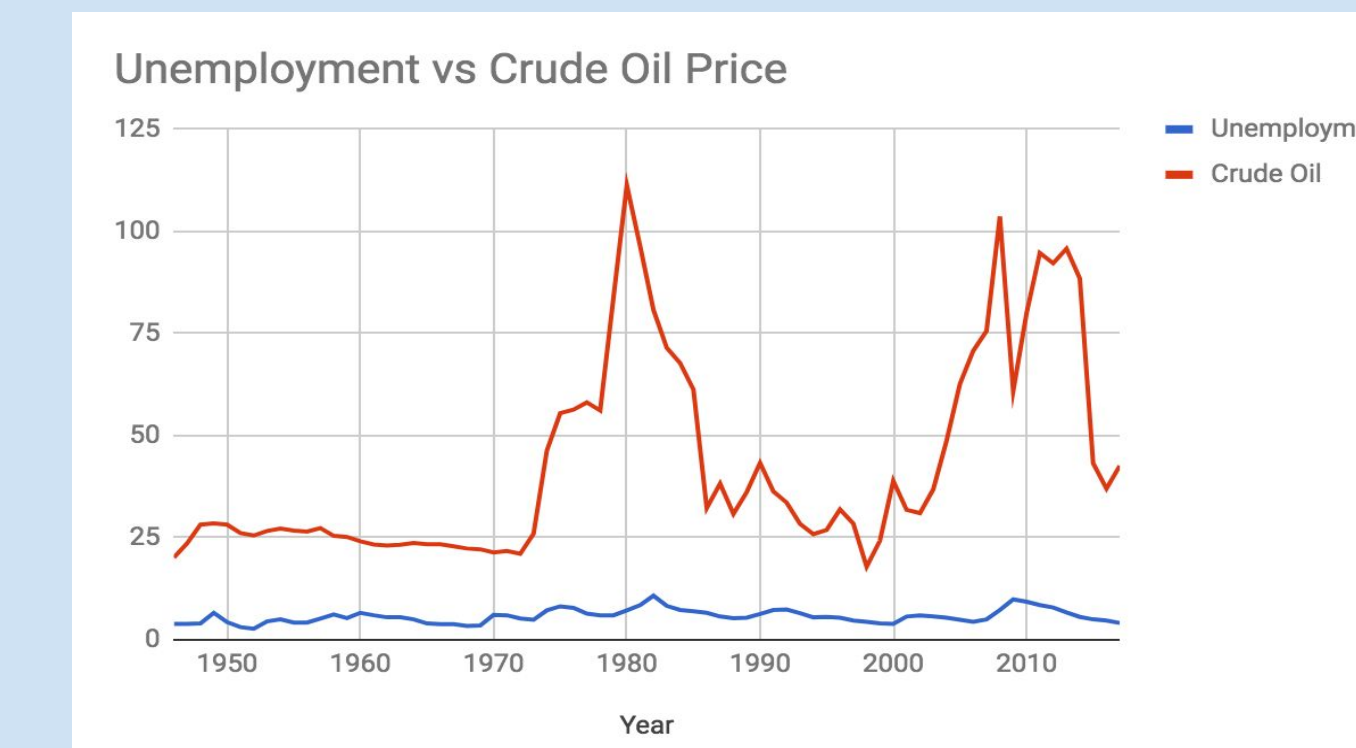
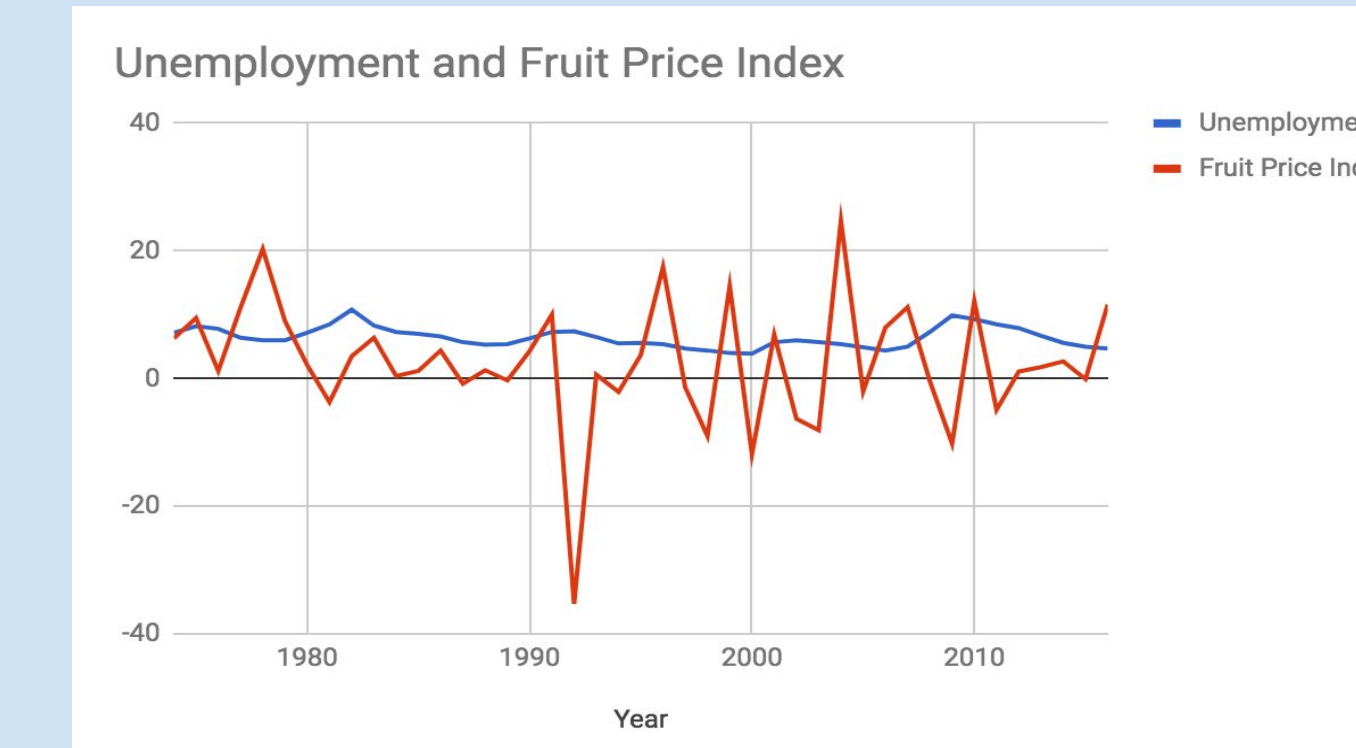
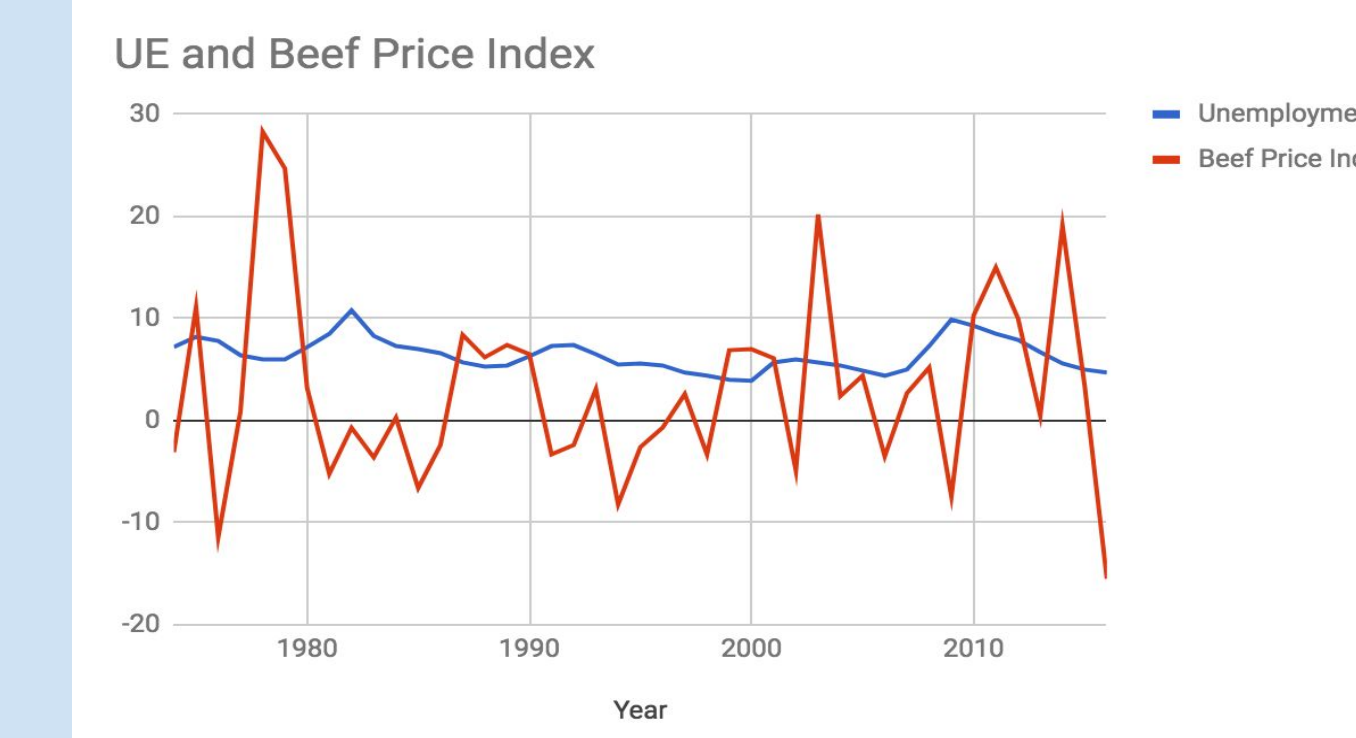
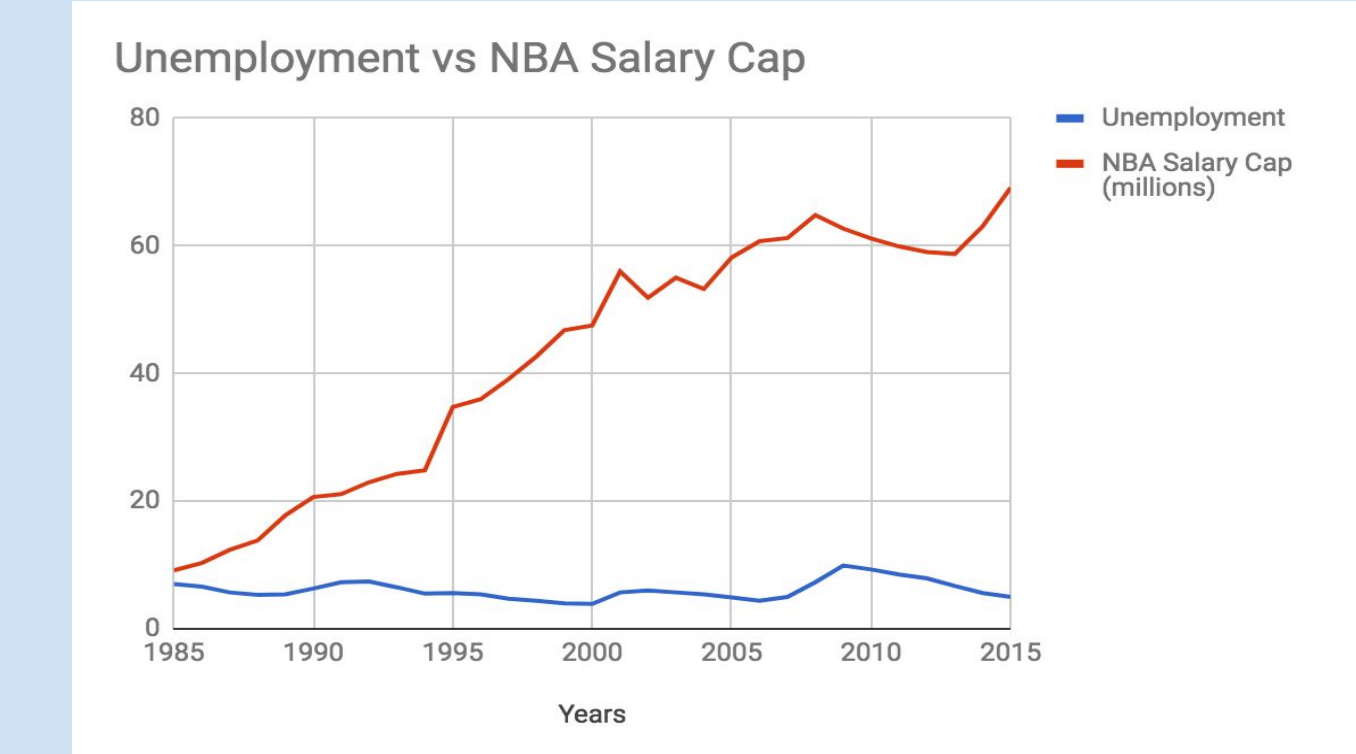
## DATA AND FINDINGS



Compares non-traditional indicators against Real GDP



Compares non-traditional indicators against GDP growth



Compares non-traditional indicators against unemployment

## DISCUSSION

- Of all the variables tested for their validity as economic indicators, the price of crude oil and the NBA salary cap proved the most accurate.
- The price indexes for fruit and beef did not correlate strongly with any of the traditional economic variables. They were far too volatile to serve as an effective economic indicator.
- The price of crude oil followed the same general trend as real GDP. However, the price spiked in times of economic depression.
- The price of the NBA salary cap followed the same trend as traditional variables and fluctuated correspondingly.

## RESEARCH METHODOLOGIES

### Correlational Research

determines whether a relationship exists between traditional economic indicators and the experimental variables.

### Descriptive Statistics

determines whether a statistically significant change occurred between periods of prosperity and depression

### Quantitative

values such as price and price index, compared to quantitative traditional values

Experimental variables were determined by the availability of data.

## CONCLUSIONS/FUTURE DIRECTIONS

Non traditional economic variables serve to supplement traditional variables when evaluating the economy. The strong degree of correlation between these non traditional variables and traditional variables suggests their validity and utility.

### In the future, I hope to:

- To diversify the candidates for a potential economic indicator
- Utilize a larger set of data and incorporate big data analysis techniques
- Compare potential economic indicators to a more accurate representation than traditional variables
- Perform high level statistical tests to determine the attain a numerical value for the degree of correlation

## ACKNOWLEDGEMENTS / REFERENCES

Special thanks to Phil Lyons for supporting me throughout the year and providing useful insight along the way. I couldn't have done this without you!

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