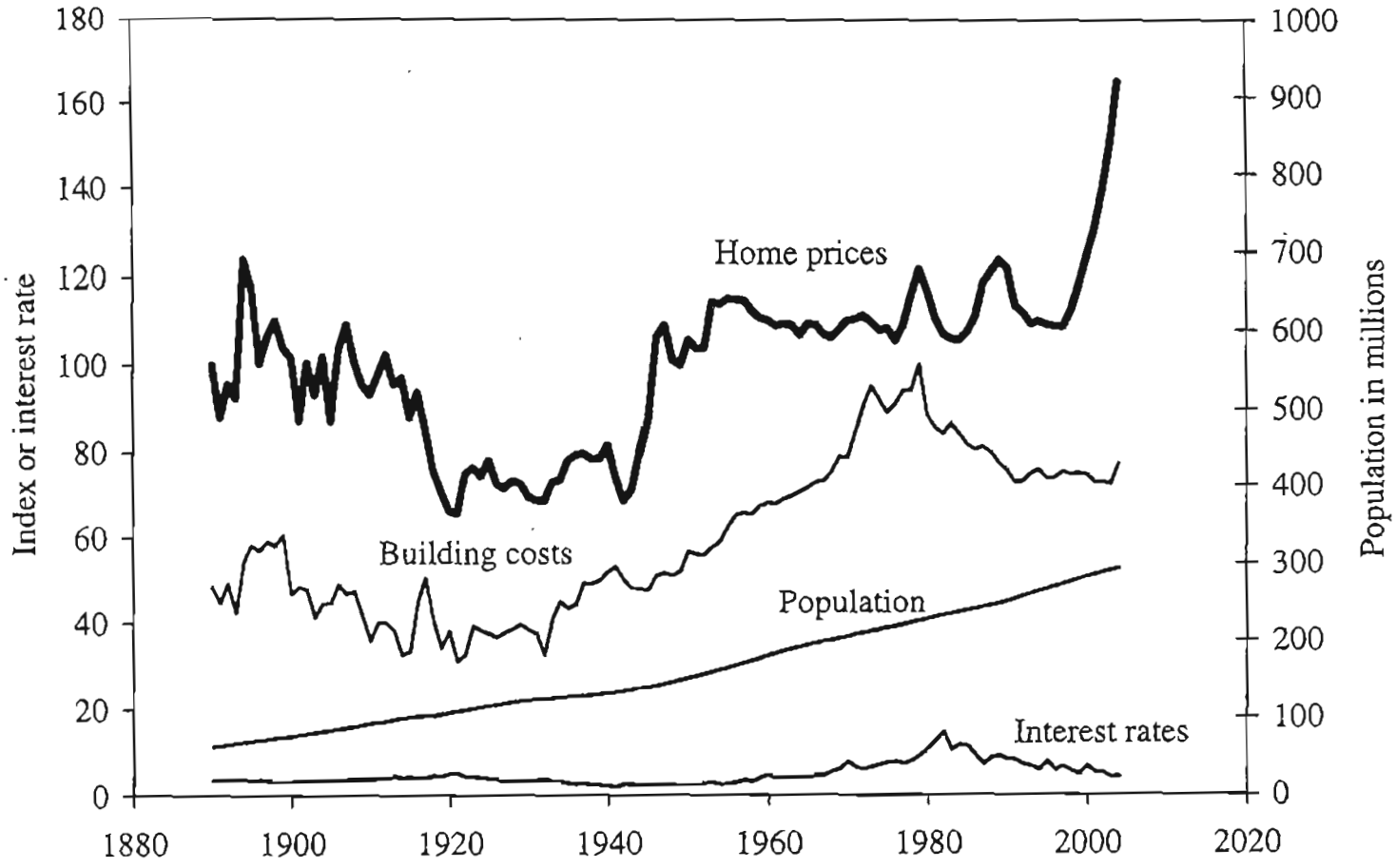
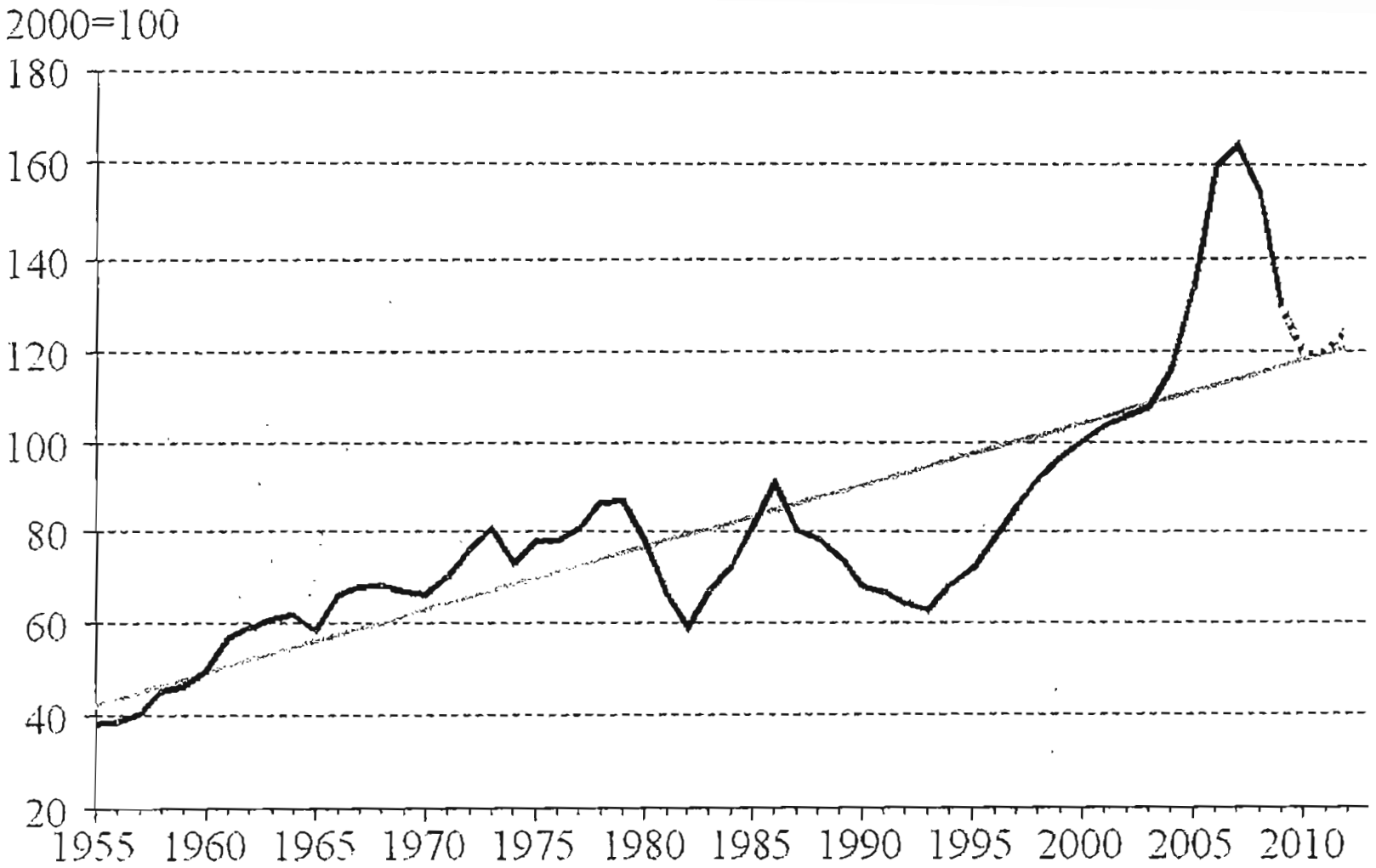


Figure 2.1

U.S. Home Prices, Building Costs, Population, and Interest Rates, 1890–2004

Heavy solid line (left scale): real (inflation-corrected) home price index, 1890 = 100, for the United States, constructed by the author from various existing indexes and raw data on home prices;[3] thin line (left scale): real building cost index, 1979 = 100, constructed by the author from two published construction cost indexes;[4] thin line (right scale): U.S. population in millions, from the U.S. Census; lowest line, thin line (left scale): long-term interest rate constructed by the author from two sources.[5]



Note: Den sorte kurve angiver kontantprisen på huse divideret med det generelle forbrugerprisindeks, mens den grå kurve angiver den trendmæssige udvikling. Tallene for 2009-12 (den stiplede del af den sorte kurve) er taget fra prognosen i den seneste vismandsrapport.

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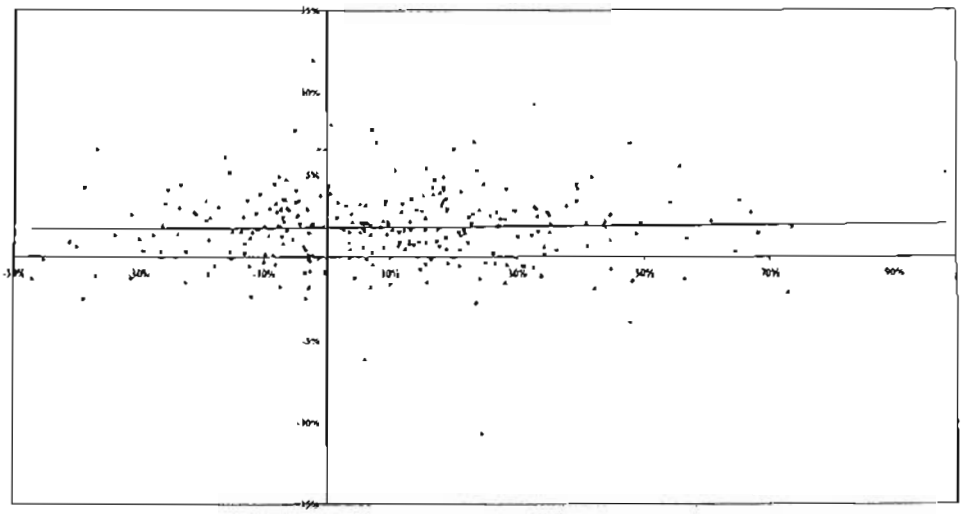
Shiller et al.

Figure 1
Overview of International Data
(All variables are real and are measured per capita)

A. Log Annual Change in Consumption vs. Log Change in Stock Market Wealth
Across Countries and Years



B. Log Annual Change in Consumption vs. Log Change in Housing Wealth
Across Countries and Years

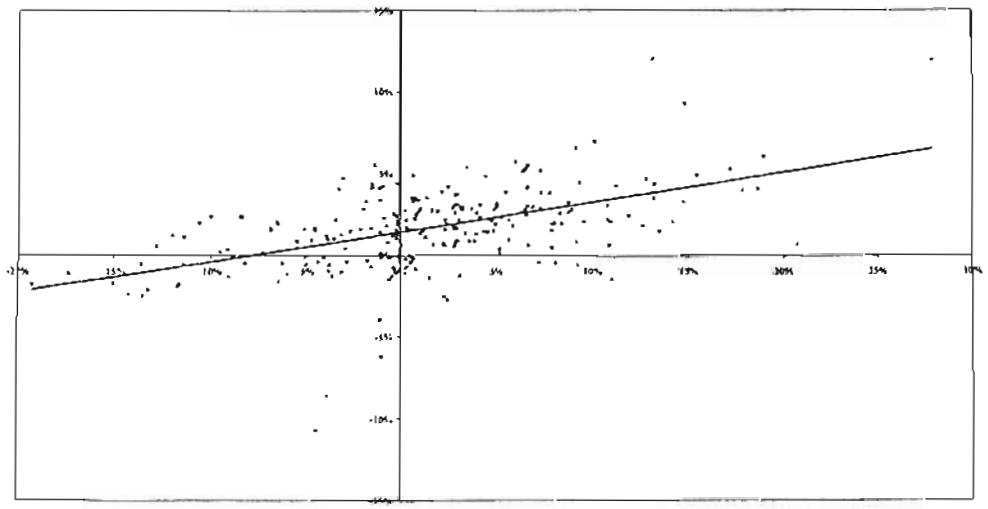
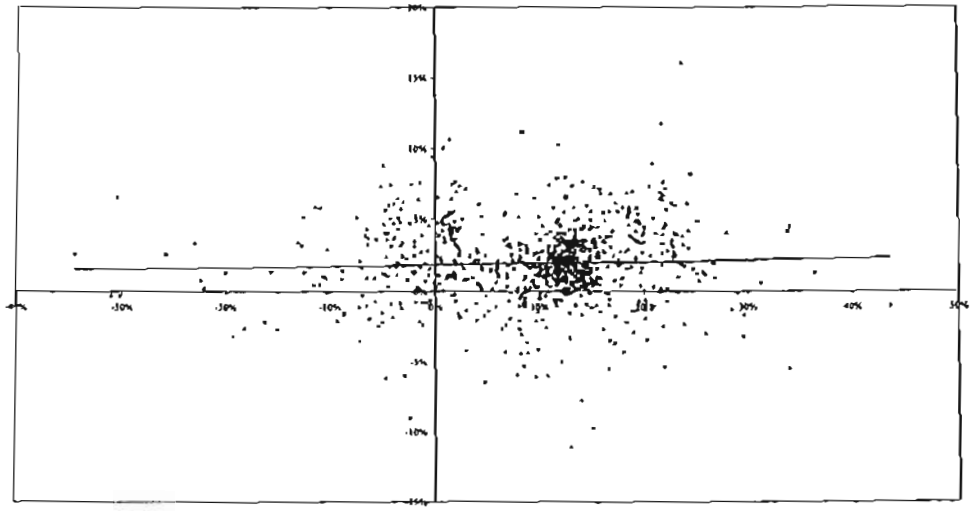
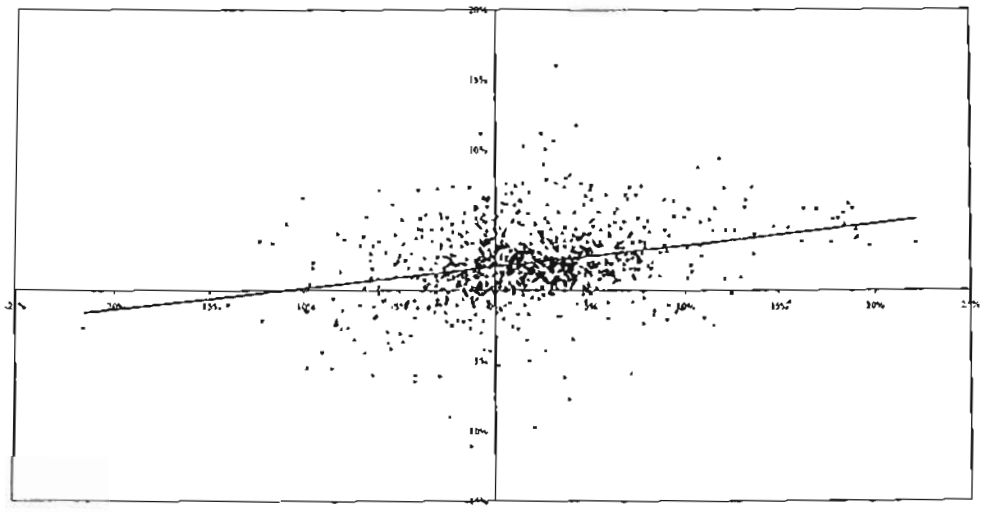


Figure 2
Overview of U.S. State Data
(All variables are real and are measured per capita)

A. Log Annual Change in Consumption vs. Log Change in Stock Market Wealth
Across States and Years



B. Log Annual Change in Consumption vs. Log Change in Housing Wealth
Across States and Years



Source : Shiller, second ed., 2005
Irrational Exuberance

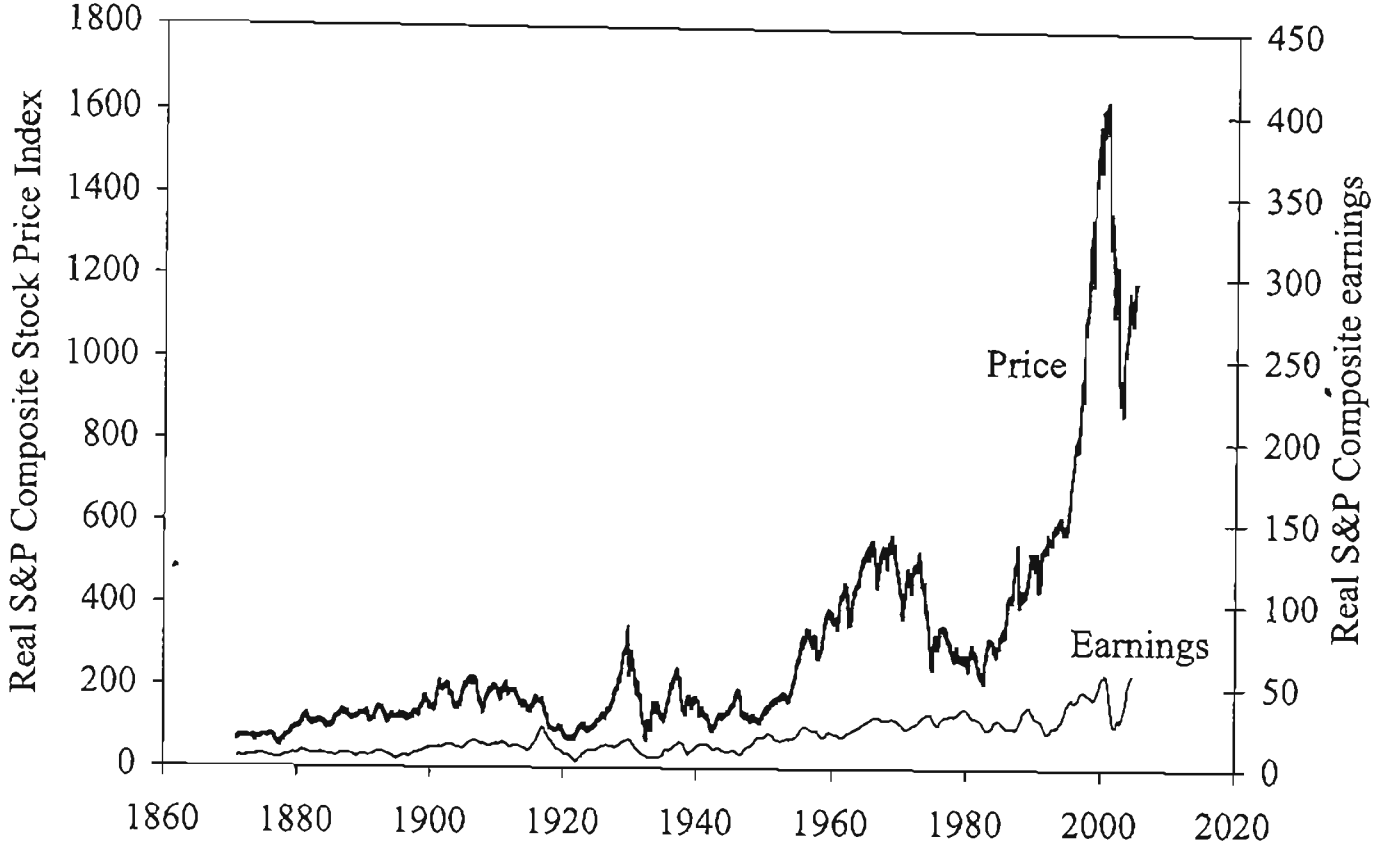
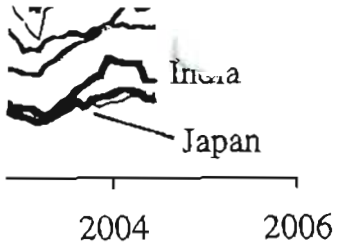


Figure 1.1

Stock Prices and Earnings, 1871–2005

Real (inflation-corrected) S&P Composite Stock Price Index, monthly, January 1871 through January 2005 (upper curve), and real S&P Composite earnings (lower curve), January 1871 to September 2004. *Source:* Author's calculations using data from S&P Statistical Service; U.S. Bureau of Labor Statistics; Cowles and associates, *Common Stock Indexes;* and Warren and Pearson, *Gold and Prices.* See also note 3.



June 2004

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Figure 1.3 shows the price-earnings ratio, that is, the real (inflation-corrected) S&P Composite Index divided by the ten-year moving average real earnings

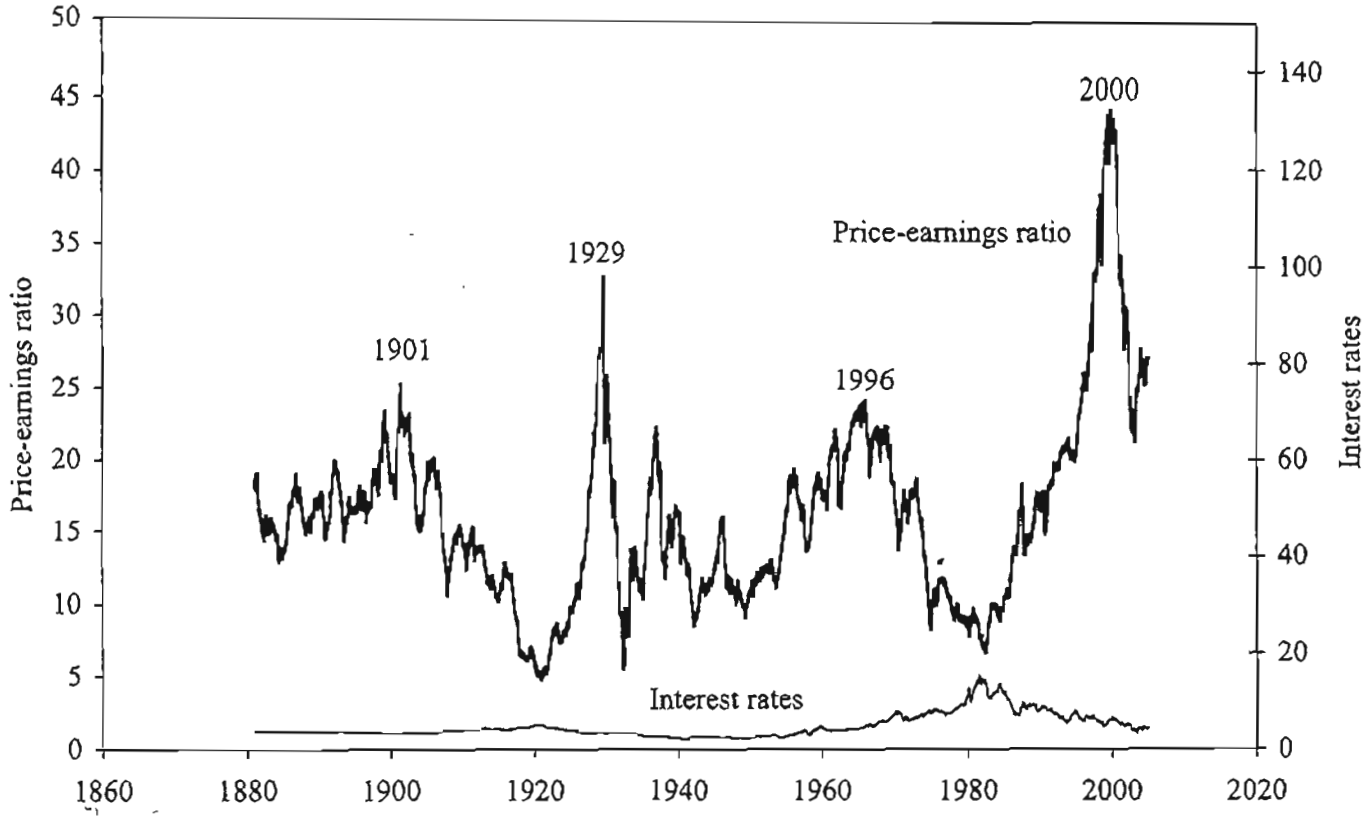

Figure 1.3

Price-Earnings Ratio and Interest Rates, 1881–2005

Price-earnings ratio, monthly, January 1881 to January 2005. Numerator: real (inflation-corrected) S&P Composite Stock Price Index, January. Denominator: moving average over preceding ten years of real S&P Composite earnings. Years of peaks are indicated. *Source:* Author's calculations using data shown in Figure 1.1. Interest rate is the yield of long-term U.S. government bonds (nominal), January 1881 to January 2005 (author's splicing of two historical long-term interest rate series).[5]