Nordamerikastudienprogramm
Institut für Anglistik, Amerikanistik und Keltologie

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Lecture Series
"Current Issues in North American Studies and Cultural Studies"
Summer Term 2013

Prof. Dr. Moritz Schularick

Institute of Macroeconomics and Econometrics
University of Bonn

"Mind the Gap: The Making of America's Imbalances"

Tuesday • 25 June 2013 • 6:00-8:00 p.m.
Room A • Department of English, American, and Celtic Studies • Regina-Pacis-Weg 5

Shopping bags were full in America in the last two decades – at least before the crisis. But the wages the majority of American households have at their disposal have grown at much more pedestrian rates. While growing inequality – the top 1% have done extremely well while the rest has lagged behind – is one problem, it is not the only one: The contrast between the growth of consumer spending and sluggish incomes is a more general phenomenon. As the gap between spending and wages widened, the savings rate fell and borrowing rose. America's growing financial imbalances became a global phenomenon when emerging markets such as China stepped in to finance American overconsumption. In this paper I track the development of saving and borrowing in the U.S. economy over the past 50 years, showing that the financial imbalances that erupted in the financial crisis of 2008 were long in the making.

Moritz Schularick is Professor of Economics at the University of Bonn. Previously he taught at the Free University of Berlin's John F. Kennedy Institute for North American Studies and was a visiting professor at New York University and Cambridge University. His work focuses on credit cycles and capital flows, the causes and effects of financial crises as well as the history of financial globalization and the international monetary system. With Niall Ferguson, he coined the term "Chimerica" to describe the central role played by the financial relations between the United States and China within world economy. Prof. Schularick's work was published in the *American Economic Review*, the *Review of Economics and Statistics*, the *Journal of Economic Growth*, the *Journal of Economic History*, and several other journals. He is currently working on a book about U.S.-Chinese financial relations which is under contract with Princeton University Press.