

Extra credit project 1

Due in class on Tuesday, October 19

Fall 2021

Maximum points: 10

For this exercise, please go to the Federal Reserve Bank of St. Louis database (FRED) found through this link: <https://fred.stlouisfed.org/>

Your job is to create a graph of the U.S. Nominal and Real GDP per capita. To do that, type "real gdp per capita" in the search box that appears after you click the link above.

Once you click on the first link that appears, you'll see a graph. Next, click on the "edit graph" option above the top right corner of the graph. Click on the "Add line" option and on the search box, type "nominal gdp per capita". click on the first link that pops up. Then click on "add data series". This should add one more line on your graph for nominal gdp per capita. You can hover the mouse over the lines to see gdp numbers for specific quarter of the year. Now, do the following:

1. Find out Q1 1947 nominal GDP per capita and Q2 2021 nominal GDP per capita. By how many times did nominal GDP per capita increase between these two periods?
2. Find out Q1 1947 real GDP per capita and Q2 2021 real GDP per capita. By how many times did real GDP per capita increase between these two periods?
3. Why did nominal GDP per capital increase so much more than Real GDP per capita? Explain.