

TABLE 3

PRELIMINARY DATA ANALYSIS
 QUARTERLY DATA: 1953:2–1985:3

Average Real Interest Rates and Real Consumption Growth

Variable ^a	Obs.	Mean	Std. Dev.	ρ_1	ρ_2	ρ_3	ρ_4	ρ_8	ρ_{12}
<i>One Quarter Measures 1953:2–1985:2</i>									
Cons. Growth	129	.00462	.00540	.24	.10	.21	.08	-.21	-.01
T.S. Real	129	.00253	.00510	.83	.70	.67	.62	.43	.33
<i>Two Quarter Measures 1959:1–1985:1</i>									
Cons. Growth	105	.00976	.00838	.65	.33	.32	.12	-.11	-.02
T.S. Real	105	.00742	.01103	.84	.71	.69	.61	.43	.31
<i>Three Quarter Measures 1959:4–1984:4</i>									
Cons. Growth	101	.01464	.01118	.82	.61	.33	.17	-.07	-.06
T.S. Real	101	.01189	.01681	.85	.70	.66	.59	.39	.26
<i>Four Quarter Measures 1954:1–1984:3</i>									
Cons. Growth	126	.01811	.01332	.74	.56	.36	.11	-.20	.03
T.S. Real	126	.01408	.02079	.82	.67	.63	.56	.36	.22

^a Cons. Growth = Real per capita growth in Consumption of Non-Durables and Services, T.S. Real = real rate calculated by subtracting IMA(1,1) forecasts on the inflation rate from the nominal interest rate (parameters updated at every point in series).