The Business Cycle

Economics

The recurring pattern of expansion and contraction.

Phase and characteristics.

Phase	Output	Typical signs
Expansion	Rising	Employment up, confidence high
Peak	At capacity	Inflation pressure, tight labour
Contraction	Falling	Rising unemployment, weak investment
Trough	Bottom	Spare capacity, low confidence

A technical recession is commonly defined as two consecutive quarters of falling GDP, though official bodies use broader criteria.