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OP-ED CONTRIBUTORS

## Tumbling Dice

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RECESSIONS end, and this one will, too. But the sad truth is, the probability of leaving a recession once you are in one is about the same each month — about 8 percent. It is as if God rolls two dice each month, and the recession ends when he rolls a 10.

We are without question in a deep recession. According to a model developed by one of us that draws on past recession experience and has proved quite useful, the chance that we will be in recession in March is 92 percent, in April 85 percent, and so on.

Many of the key indicators look similar to what we've seen before. The decline in employment is above average for past recessions, but smaller than in the downturns of 1960-61 and 1981-82. Industrial production and manufacturing and trade sales have also slowed more than average, but not nearly as much as during the 1973-75 recession, when they declined by 14 percent. And the drop in personal income has been below the average of previous recessions, and even trended up in the last quarter of 2008. So the history books give us cause for hope.

The good news is that the odds of this recession lasting into the fourth quarter of 2009 are below 50 percent. But the dice will be thrown each month, and we could get lucky and be out earlier — or unlucky and be stuck in the doldrums.

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