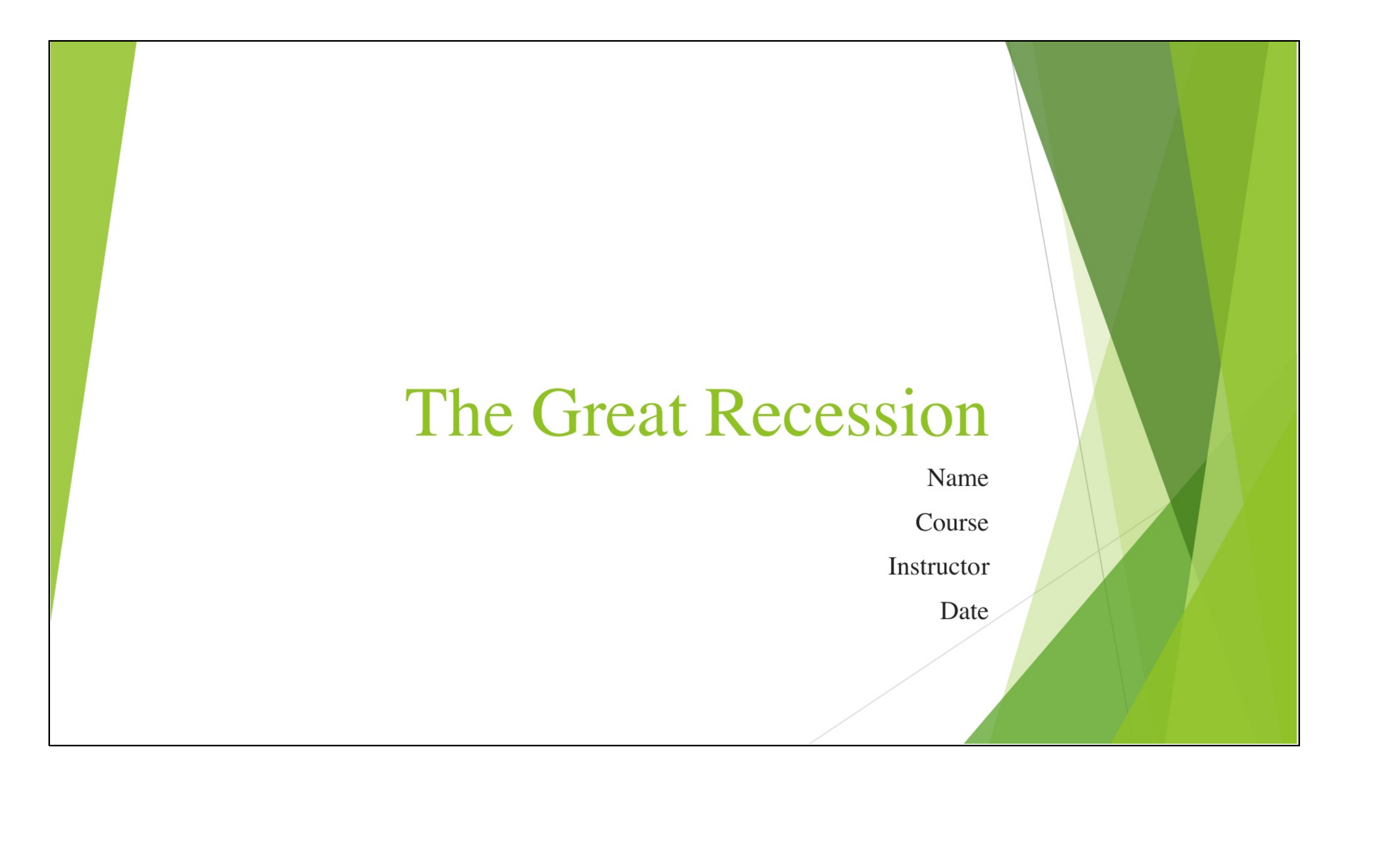


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The Great Recession

Name

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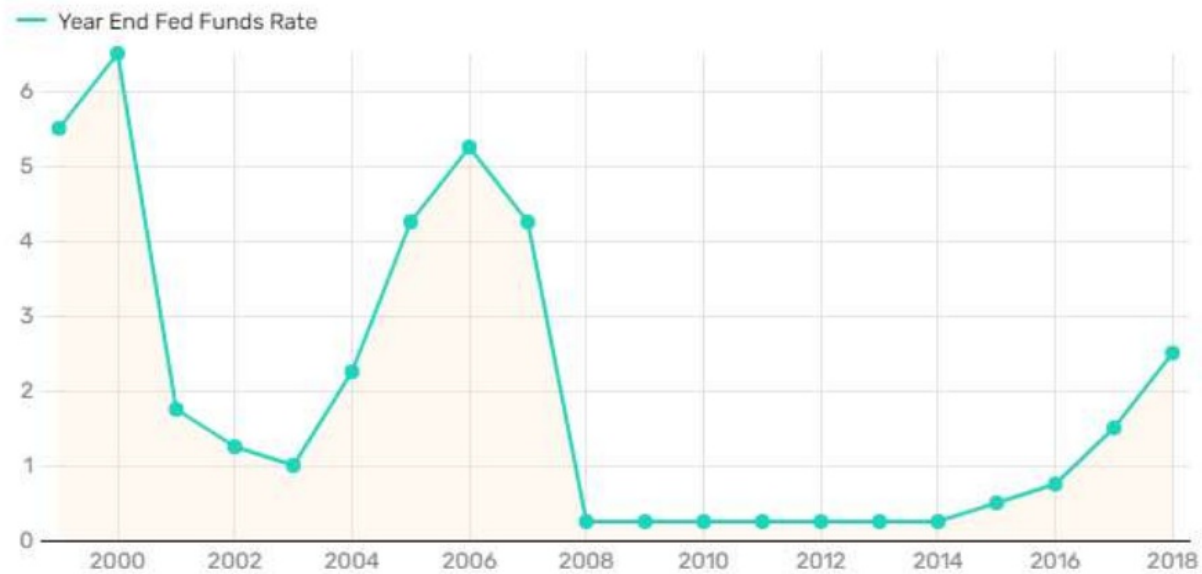
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Introduction

- The great recession is a sharp deterioration in economic activity
- The recession is regarded as the most momentous economic downturn since the great depression
- Several causes led to the occurrence of the great depression
- Fiscal and monetary policies were developed to curb the occurrence of another recession
- The presentation will also recommend economic policies together with actions to avoid future recession

Causes of Great Recession 2008-2009

- Failure of the government in regulating the financial industry (Ponnuru, 2018)
- The development of subprime mortgages
- Securitization
- Increased rates of subprime borrowers (Ponnuru, 2018)



Has the Crisis Changed the Structure of the US Economy?



- The structure of the U.S economy is changed
- An initiative such as extending unemployment insurance is implemented (Tooze, 2018)
- Financial policies are made more accommodative
- More efforts are done to stabilize the financial market
- Expand the job market

Could A Similar Recession Happen in the Future?

- Similar recession can happen in future
- Both fiscal actions and monetary policy are essential in preventing recession (Bivens, 2019)
- The United States is poorly prepared for the next recession
- There is increased inequality in the current economy
- Policymakers are resistant to increase public spending due to increased public debt

(Committee for Economic Development, 2018)

Economic Advice

- Workforce management
- Debt (Ponnuru, 2018)
- Decision-Making
- Digital Transformation



Hypothesized Causes of the Great Recession

- Low-interest rate
- High public debt



Fiscal and Monetary Policies in the Great Recession

- Tax cut (Holland et al., 2018)
- Increase government spending
- Keep interest rates low
- Reduce unemployment



Changes in the US Economy From the Great Recession

- The unemployment rate increased to ten percent (Tooze, 2018)
- The United States ¹Gross Domestic Product (GDP) decreased by 0.3 percent in 2008 and 2.8% in 2009 (Tooze, 2018)
- The United States housing market moved from boom to bust
- There is a possibility for a future recession because of high inequality

Conclusion

- The great recession was expensive to Americans as it led to the loss of income and employment
- Fiscal and monetary policy can manage a recession
- Economic policy to avoid a future recession by targeting higher inflation
- Secondly, guaranteeing financial stability
- Thirdly, devaluation to enhance aggregate demand

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