

Activity 1: The Great Recession

Name: _____ Date: _____

GDP, or gross domestic product, increases and decreases based on several factors within an economy. GDP is one of the most important indicators of how well an economy is doing and is usually the signal that the economy is booming or declining. When GDP is declining for at least two quarters in a row (or 6 months) the economy is usually said to be in a recession. When it increases for two quarters in a row (or 6 months), the economy is usually said to be in recovery.

This assignment focuses on what is called “The Great Recession” – a period of economic downturn in the U.S. economy with a slow recovery. Read the article at this link and answer the following questions:

https://www.federalreservehistory.org/essays/great_recession_of_200709

1. How much did GDP drop during the Great Recession?

2. Based on the definition of a recession and the information presented in this article, what evidence is provided showing it was a recession?

3. What other areas of the economy were affected by the drop in GDP?

4. What measures did the government use to help the economy?

5. What traditional measures did the Federal Reserve use to help the economy?

6. Previous to this recession, according to this article, when was the longest recession and recovery period in U.S. history?

7. What happened to unemployment during the Great Recession?

8. Based on data from this article written in 2013, was the economy recovering or continuing to contract? Be sure to use specific evidence from the article to explain your answer.
