

AP Microeconomics/ AP Macroeconomics
History of U.S. Recessions (*Post Depression Era*)
Summer PROJECT – 2021 DUE: Friday, September 10th

Objectives

- 1.) Students will understand/identify the causes of the 2007 U.S. Recession.
- 2.) Students will understand/identify the cycles of expansion & contraction within the U.S. economy and be able to compare using the business cycle as a model.
- 3.) Students will use the data collected to make predictions for the future recession cycles of our U.S. economy.

Assignments

Part One

- 1.) Students will create a one-page summary/overview (use a Newspaper Template from Google Templates or Templates from Google Docs) of the most recent recession that began in December 2007. Identify the causes of the recession and the effects it had on the U.S. economy. Include a brief background. You may use an economic graph or chart to illustrate (no more than three can be used) to help illustrate your work.
- 2.) Students will create a **second** one-page summary/overview of a bolded recession from the list below (your choice). Again, use a Newspaper Template from Google Templates or Templates from Google Docs to create. Identify the causes of the recession and the effects it had on the U.S. economy. You may use an economic graph or chart to illustrate (no more than three can be used) to help illustrate your work.

Part Two

- 1.) Write a two page paper comparing & analyzing the two recessions from Part One.
 - a. Point out the similarities & differences within the economy at the time. Are there trends with recessions?
 - b. Identify the causes and how deeply it affected society. (ex. unemployment & consumer spending)
 - c. Make a prediction for what we might encounter in the future based on your research.

Part Three

- 1.) Define the “Key Terms”, “Economic Theories” and the “Recession Specific Terms” from the second page of this document. The terms can be used to help you write the assignments for Parts 1 & 2.

WHY ARE WE DOING THIS? The age-old saying: “To understand the future, we must study the past.”

12 Recessions (according to NBER – National Bureau of Economic Research) since the Great Depression, not including the recent economic downturn in 2020 that is not part of this project.*

- 1.) 1937
- 2.) 1945
- 3.) 1948-1949
- 4.) 1953-1954
- 5.) 1957-1958
- 6.) 1960-1961
- 7.) 1969-1970
- 8.) 1973-1975**
- 9.) 1981-1982**
- 10.) 1991-1992**
- 11.) 2001**
- 12.) 2007

*There have been 32 total recessions in the U.S. since 1850.

Key Terms (please re-type/copy this list)

Law of Demand
Demand-Side economics
Law of Supply
Supply-Side economics
Gross Domestic Product (GDP)
Aggregate Demand
Aggregate Supply
Long Run Aggregate Supply
Full Employment Output
Real Income vs. Nominal Income
Inflation
Inflationary Gap
Inflation Rate
Deflation
Business Cycle
Expansion
Contraction
Recession
Recessionary Gap
Leading indicators
Coincident indicators
Lagging indicators
Federal Reserve Bank & Banking System
Dow Jones Industrial Average
Deficit/ Deficit Spending
Surplus

Economic Theories Defined

Fiscal policies
Monetary policies
Easy money
Tight money
Keynesian economics
Reaganomics

Recession Specific Terms

OPEC
Iranian Revolution
Black Monday
Dot-Com Bubble
Y2K
Housing bubble
Subprime Mortgage Crisis
Mortgage Back Securities
CDO's (Collateralized Debt Obligations)