

AP Microeconomics/ AP Macroeconomics
History of U.S. Recessions (*Post Depression Era*)
Summer PROJECT – 2020 DUE: Friday, September 11th

Objectives

- 1.) Students will understand/identify the causes of 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 1 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** 1 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 2 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?

1.) 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.

- 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 this sheet)

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

Sub-prime Mortgage Crisis

Mortgage Back Securities

CDO's (Collateralized Debt Obligations)