

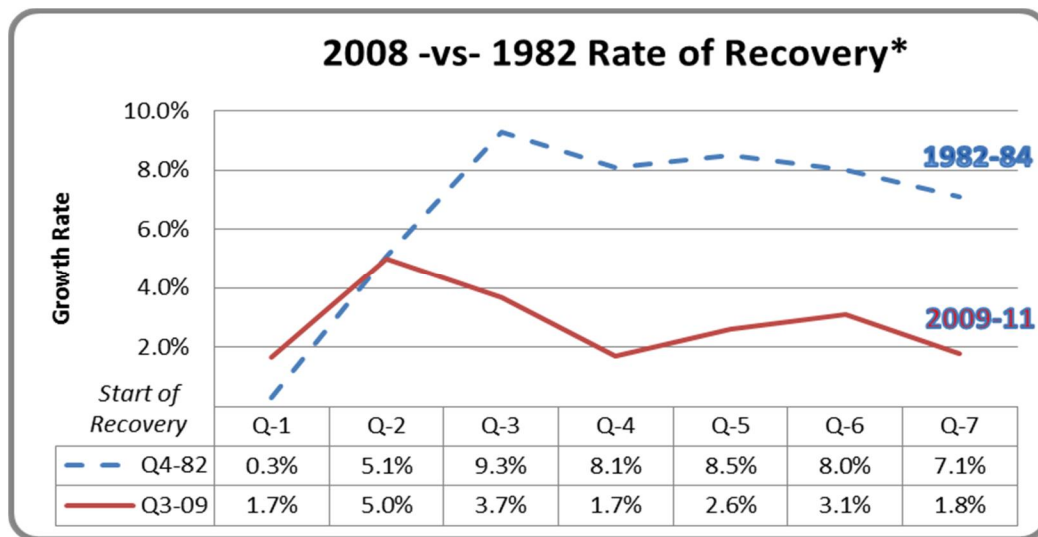


BUST TO BOOM RECOVERING FROM A RECESSION

An economy CAN bounce back quickly and robustly from a recession!

Although it's not often noted, the **Deep Recession of 1981-82**, was worse than our current recession. Unemployment hit **10.8%**, inflation was **13.5%** and interest rates were at **21%**. But the economy bounced back in the **3rd Qtr.** after new policies took effect. Growth exceeded **7.1%** for five consecutive Qtrs. and the economy grew at nearly **4%** for another two years.

If you look at the **Current Recession**, even after 7 **Qtrs.**, The economy was stuck at a low of **1.7%** in the **3rd Qtr** of 2009, only a high of **5%** in the **4th Qtr.** of 2009, and is currently wavering between 1.1% and 2.5% today. An economy as large and diverse as ours can bounce back quickly with the right policies.



*Sources: Commerce Dept., Bureau of Economic Analysis

Policy Differences between 1982 and 2009

1982

- Cut in tax rates
- Reduction in regulations, regulatory costs & uncertainty
- Private economy free to allocate capital

Versus

2009

- Record levels of spending (\$14 trillion)
- Waves of new regulations (113 new commissions for healthcare)
- Government chooses winners & losers

History shows we don't need to see a 7+% unemployment rate and 1% growth as the new normal. Policies make a difference, and we can have a robust economy again!

What you can do

- **Learn more about economic theories & how policies based on these theories affect your life.**

Classical Economics: <http://www.buzzle.com/articles/classical-economics-vs-keynesian-economics.html>,

Keynsian Economics: <http://www.wisegeek.com/what-is-keynesian-economics.htm>

Supply Side Economics: <http://www.econlib.org/library/Enc/SupplySideEconomics.html>