

Crashing The Party- Final Product Option 02

Step 3:

	1933	What They Share	2008
The state of the economy	The recession caused by a crash in the real estate market, banks, and the stock market	The bankruptcy of banks and a rapid price drop on real estate played a major role in both recesses.	The fall in sales and the crisis in the North American real estate sector caused the bankruptcy of the Lemon Brothers bank and the rapid price drop of houses built in excess, creating a “real estate bubble” that burst in 2008.
How the outgoing president dealt with the challenges facing the economy	Hoover believed that a capitalist economy would self-correct, he thought that government assistance would make people stop working, he was a true believer in laissez-faire economics. To end the depression Hoover used a “laisse fair” approach, which did not work, so by the end of his presidency he gave on the laissez-faire economics and made some interferences in the economy such as the approval of the Reconstruction Finance Corporation to prevent more bankruptcies and disbursed \$2 billion to failing banks, railroads, and a few other businesses.	Both believed in a limited government, with low or no interference, but when the crisis came both had interfered in the economy to get the US out of the recess. One similar measure was helping banks, Roosevelt passed the Banking Act of 1933, which created the FDIC to prevent the possibility of future bank runs. On the other hand, Obama took control of Fannie Mae and Freddie Mac to reconstruct and save them from bankruptcy.	Bush Jr. was elected on the premise of believing in a limited government, but once in charge, Bush made severe interferences in the economy, helping the banks restructure them, take control of Fannie Mae and Freddie Mac, important economic institutions. Also, some taxes were cut to increase the economy.

How the incoming president promised to deal with the challenges facing the economy	Roosevelt during his campaign assured better days ahead but never any specifics on programs or projects. The only time FDR hinted at the creation of the New Deal was in a speech in San Francisco where he outlined the importance of the federal government in resuscitating the economy.	Both governments promise to intervene in the economy, promising to end the crisis as well.	The government promised to cut taxes of 95% of the Americans at the time, create 5 million “green” jobs, and cut some social costs.
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Step 5 (Infographic) : [Infographic Final Product Option 01](#)

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