



CEPR Fact Sheet

Recession



The collapse of the housing bubble and the evaporation of trillions of dollars in housing wealth have pushed the nation to the brink of recession. Without this

Some Effects of a Recession in 2008

Unemployment Rate

- Between 3.2 and 5.8 million additional workers unemployed by 2011

Poverty Rate

- 4.7 to 10.4 million additional men, women and children pushed below the poverty line

Health-insurance Coverage

- 4.2 million people losing health-insurance coverage

Median Family Income

- Adjusted for inflation, the median American family's yearly income would drop \$2,000 by 2010 in the case of a mild recession and by \$3,700 by 2011 in the case of a severe recession

source of economic growth, the economy has slowed significantly. A recession, born of this slowdown, would have dramatic, long-term effects on the lives of millions of Americans.

Even if a 2008 recession ends up being relatively short in duration, a large portion of the population would experience added hardships and financial pressures. Many of these conditions would persist in the labor market long after corrections begin in the financial markets, with some of the negative effects of the recession being felt through the next presidential election cycle in 2012.

Such harsh economic realities emphasize the need for Congress to approve an aggressive stimulus package to lessen the toll of a recession on

everyday Americans and put the country back on track towards sustainable economic growth.

A full report of the effects of a 2008 recession can be found in "[What We're In For: Projected Economic Impacts of the Next Recession](#)," by CEPR economists John Schmitt and Dean Baker.

For more on the housing bubble, the underlying source of the current downturn, please see our page on [Housing](#).