

GREAT DEPRESSION VS. 2008 RECESSION

The economic devastation suffered during the Great Depression of the 1930s dwarfs the economic damage incurred so far in the current recession, which began in December 2007. In fact, the U.S. economy will actually show positive growth in 2008 compared to 2007.

Great Depression	Current recession
Peak unemployment rate	
24.9 percent (1933)	6.7 percent (Nov. 2008)
Gross Domestic Product	
-13 percent (1932)	+1.2 percent (2008)*
-32.3 percent (1930-1933)	
Industrial production	
-45 percent (1929-1932)	-5.6 percent
Bank failures	
10,763 (1929-1933)	25 (2008)
Dow Jones Industrial Average	
-89.2 percent (9/3/29-7/8/32)	-46.7 percent (10/9/07-11/20/08)
Peak budget deficit	
5.9 percent of GDP (1934)	3.2 percent of GDP (fiscal year 2008)
Peak annual inflation	
3.6 percent (1937)	1.1 percent (last 12 months)
Peak annual deflation	
-9.9 percent (1932)	Does not apply
-28.8 percent (1930-1933)	
Top individual income tax rate	
25 percent (1931)	35 percent
63 percent (1932)	
75 percent (1935)	

* assumes that the 4th quarter GDP in 2008 will decline at an annual rate of 5 percent

Sources: Bureau of Labor Statistics, Bureau of Economic Analysis, Office of Management and Budget, FDIC, Federal Reserve

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