



2008 GREAT RECESSION

VS.

2030s GREAT DEPRESSION

For many years, ITR Economics has been forecasting that a second Great Depression will occur in the 2030s. How will this event compare to the 2008 Great Recession?

2007

- Bankruptcies begin

2008

- Bankruptcies continue
- Housing market crashes
- Stock market crashes
- Short-term interest rates lowered

2009

- Bank bailouts begin

TIMELINE



Expected to last roughly 6 years

Some signs preceding the Great Depression:

- Severe decline shown in system of leading indicators
- 3–7 years of relative calm
- Profits driven higher by increased prices rather than increased productivity
- Economic system imbalances

DRIVERS



- ☐ Lax credit and lending standards
- ☐ Banking and financial crisis
- ☐ Housing market downturn

- ☐ Aging population and changing demographics
- ☐ Health-care costs
- ☐ Funding for entitlement programs
- ☐ Inflation
- ☐ U.S. national debt

OUTCOME



- ☐ Lost jobs, homes, and businesses
- ☐ New fiscal, monetary, and regulatory policies
- ☐ Dodd-Frank Act
- ☐ Billions in deficit spending

- ☐ Lost jobs, homes, and businesses
- ☐ Inflation and interest rate issues
- ☐ Difficulties borrowing money
- ☐ Opportunities to seize for those who plan in advance

KEY PREPARATIONS



- ☐ Plan for declining growth
- ☐ Build up cash reserves
- ☐ Cut inventory levels
- ☐ Offer lower-priced goods and services
- ☐ Secure lines of credit before needing it

- ☐ Adaptable leadership
- ☐ Plans for various scenarios
- ☐ Focus on competitive advantage, not growth

Sources

¹Prosperity in the Age of Decline by Brian and Alan Beaulieu

²<https://itreconomics.com/depression>

³<https://blog.itreconomics.com/blog/top-5-causes-2030s-great-depression>

⁴<https://blog.itreconomics.com/blog/2008-great-recession-versus-2030s-great-depression>

⁵<https://www.investopedia.com/terms/g/great-recession.asp>

⁶<https://www.history.com/topics/21st-century/great-recession-timeline>