

# Myron Scholes Global Markets Forum: Evaluating Obama's Proposed Stimulus Package

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“We start 2009 in the midst of a crisis unlike any we have seen in our lifetime – a crisis that has only deepened over the last few weeks.”

“Nearly two million jobs have now been lost, and on Friday we are likely to learn that we lost more jobs than at any time since World War II.”

“If nothing is done, this recession could linger for years.”

Barack Obama  
January 9, 2009

## Peak to Trough Job Loss

Recession	Millions	Percentage
57-58	-2.3	-4.4%
74-75	-2.2	-2.8%
81-82	-2.8	-3.1%
<b>07-08</b>	<b>-2.6</b>	<b>-1.9%</b>

	Peak to Trough	Trough to Previous Peak
Recession	Months	Months
57-58	14	11
74-75	9	10
81-82	17	11
<b>07-08</b>	<b>12</b>	<b>?</b>

	Peak to Trough	
	Increase in	Trough Level
Recession	Unemployment	Unemployment
57-58	3.4%	7.3%
74-75	3.3%	8.8%
81-82	3.6%	10.8%
<b>07-08</b>	<b>2.5%</b>	<b>7.2%</b>

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81-82	-2.8	-3.1%
<b>07-08</b>	<b>-2.6</b>	<b>-1.9%</b>
<b>08-10</b>	<b>-1.6</b>	<b>-1.2%</b>
<b>07-10</b>	<b>-4.2</b>	<b>-3.0%</b>

Recession	Peak to Trough Months	Trough to Previous Peak Months
57-58	14	11
74-75	9	10
81-82	17	11
<b>07-08</b>	<b>12</b>	<b>?</b>
<b>07-10</b>	<b>36</b>	

## Peak to Trough

Recession	Increase in Unemployment	Trough Level Unemployment
57-58	3.4%	7.3%
74-75	3.3%	8.8%
81-82	3.6%	10.8%
<b>07-08</b>	<b>2.5%</b>	<b>7.2%</b>
<b>08-10</b>	<b>1.6%</b>	<b>8.8%</b>
<b>07-10</b>	<b>4.1%</b>	<b>8.8%</b>

$$S^N = I + CA$$