

# **JIM C – QUIZ OF THE WEEK**

## **MONDAY – 11/24/08**

**A deep, dark pessimism has taken hold of Wall Street, and the nation has spiraled into a recession due to the general lack of confidence.**

**HOW DID THE TERM “*RECESSION*” ORIGINATE?**

***Definition (National Bureau of Economic Research):* The time when business activity has reached its peak and starts to fall until the time when business activity bottoms out.**

***Origin (Online Etymology):* "Economist," Nov. 2, 1929 - derived from recess from Latin recessus "a going back, retreat."**

**The term recession was developed in this period to help differentiate periods like the 1930s from smaller economic declines that occurred in 1910 and 1913. Thus, a depression is a recession that lasts longer and has a larger decline in business activity.**

***Clarification:* All five Wall Street investment banks that made it through the Great Depression have not made it through 2008.**

**Therefore, a new term may be required to more adequately describe the current financial/economic crisis, which has caused the evaporation of approximately \$60 trillion in real wealth.**

**C W: Recession = Two consecutive quarters of economic downturn**

**M of Z: A major restructure of America is now taking place**