

# Example of research paper on financial crisis of 2008

Countries, United States



During the elections of 2008, it was President Obama's message of hope and change that mostly contributed to him being elected as the American forty fourth president and the first African-American to occupy the oval office. His agenda did not only contain promises, but it also contained specific policy proposals. One of the main issues the president talked about was the financial crisis that gripped the nation and whose effects are still felt to date. This global crisis began in 2007 and supposedly ended in 2009. Considered as the worst crisis involving the American economy since 1930 when the Great Depression occurred, its consequences were great. The many financial institutions that collapsed and the number of jobs that were lost was nothing short of heart wrenching. Though the national bank tried to salvage the matter by bailing out banks and other large financial institutions, the worst still occurred. The main controversies surrounding this subject was that consumer wealth suffered a great loss whereby it declined in an estimated million dollars. Another issue is that stock markets took a down turn in the world and economic activities took a downturn in this recession. In addition, since most of the economies belonging to many countries in the world are pegged on the United States' economy, they were also greatly affected. For example, European sovereign-debt crisis commenced as a result the financial crisis in 2008-2012. This global recession, was a consequently a world recession that shook up most of the world. Since most American companies are global giants, when they got affects in the recession, most world companies were also affected. For example, Dow Jones, which is one of the biggest companies in the world, lost 33. 8 per cent of its value. This led to it closing some of its branches in foreign countries. Thus this recession

enveloped almost the whole globe.

The reason why this issue has remained thorny is due to its effects. The number of financial institutions that were bailed out was many. The number of jobs that were lost as a result of this crisis was many. Some even argue that the president has not done enough. They say that his solution about raising debt ceilings and bailing out these institutions was not enough. That is the reason why even this financial year the congress has been arguing. In fact, the United States Government is facing complete shutdown of its operations because the congress has refused to raise the debt ceiling. The president, together with his democrat supporters want the debt ceiling to be raised, however, their republican opponents will hear none of that. That is why there is a major problem facing the government currently. If these arguments occur, then the president is going to be faced with the greatest problem of his presidential career. A government that is functionless is bizarre to say the least. If state officers do not receive their salaries, the whole US will go down. This is because the most occurrences that will likely occur are a revolution.

Another point to note about this crisis is what most Americans say. Most of the argue that President Obama bailed out the actual culprits that caused the global financial crisis. Although the meltdown affected the livelihoods of mainly the workers in these institutions, they were not put into thought when bailing out their employers. Therefore, the current models in economic terms are not considerate of the plight of these workers.

When he was campaigning for the presidency in 2008, Barrack Obama made a lot of promises. Some even brandished him as an orator who was less of a

doer. In the final years of former President Bush, the nation was facing a lot of financial constraints. Due to expenses in wars like the Iraq War, the country's budget deficits had ballooned. As a result, the financial system of the country was facing total collapse. The president promised to end the war, reduce unnecessary spending and bail out the gigantic financial institutions and other companies that were facing bankruptcy. So far he has completed the former. However, the United States' economic system is still struggling. The president recently acknowledged in an interview that the economy is still struggling in job creation. He also acknowledged that the auto industry is struggling to get back to its feet. In addition, banking was in need of regulation and education opportunities need expansion. In his first term, the president achieved what others probably could not have. Though he also deserves some criticism because of the policies he has formulated, he deserves a heads up for the achievements he has had as far as the financial crisis is concerned. Annual deficits have declined annually ever since President Obama took the reins of power. The healthcare has also become affordable for most poor Americans. President Obama's allies are proud of this. The stimulus program, though unpopular in some quarters, bailed out the auto industry and other companies. As a result of his promises and policies, the unemployment rate fell to 7.3 per cent from a high of 10.1 per cent.

Since credit must give where it is due, we must therefore give President Obama and his administration the much deserved credit. As discussed above, he has managed to reduce the unemployment rate, save that auto industry thereby saving millions of jobs and bail out other financial

institutions. He also ended the war as he promised. His administration consequently has not performed badly in terms of the financial crisis that he inherited from the former president Bush and his administration. So we can successfully deduce that he has kept most of his promises. Nevertheless, he has modified some of his promises. Yet, as far as this subject is concerned, he has achieved what Bush and his administration could not. Public opinion has sometimes not worked in his disposal. For instance, he has had waning support as far as his policies are concerned. The congress has sometimes supported him. Nevertheless, sometimes he lacks support. A good example is the current situation whereby the congress has refused to support his bid to raise the debt ceiling. In fact, some argue that the president has lost his standing and influence in the congress.

Larry Elder in his article in the CNN publication of August 15th 2013 says that President Obama's fiscal, monetary and financial policies have crushed the United States economy. He goes on to say that his policies have hurt the job market for the youth and the new graduates in general. He says that Obama's opinions in taxes and regulations are out of touch with the general facts on the ground about the American economy. He argues that the stimulus program has done more harm to the American economy than good. The raised taxes, Obama care Health plan have had negative gains in the economy. The president's administration has so far produced an average of 97, 020 jobs per month. That is summed up as 4, 657, 000 jobs so far. That is why Larry Elder is ready to admit the administration's rule is not all gloomy and ineffective.

The president's second term campaigns were not marked with glamour and

excitement as his first term campaigns. His budget was also less. The issues were less. War had ended; he had pulled troops out of the Asian nations. That is to say, there were no dollars to be set aside for war purposes. So his campaigns lacked the thrills that were associated with his former first term campaigns. Nonetheless the issue about the United States' financial standing in the world was a great campaign strategy and agenda. Many countries, including China are owed by the American government. China indeed is the great lender of the United States. The bonds, futures and forwards that the Chinese have bought in America have brought a great debate about the ability of America to meet her financial obligations with the financial resources she has. Obama's last campaign only touched a little bit on the issue. After four years of disillusionment in the financial sector, the public was quite skeptical on Obama's ability to solve the American financial crisis. They were tired about hearing about stimulus programs, raised debt ceilings, and raised taxes, bailouts and the general feeling on unemployment. Being the most powerful country both economically and militarily, the country is expected to solve issues that do not belong to her. Therefore, Obama had to promise to check their foreign policies and thus avoid extra spending. The president promised to reform the financial sector and put to an end the slow economic growth that marked his second term campaigns. As noted above, the administration struggled a lot with budgetary matters in its first term. In 2008, most of the public supported the president's bid to save the United States financial face by ending the financial woes facing her. The confidence rating of Obama's first administration was high. The policies that he promised to implement were sweet music to Americans and they were a

hundred percent sure that he would help the American economy stand back to its feet. However, in his second term, Americans had lost confidence in him. Therefore, though he promised to continue trying his best to end American financial crisis. Yes he got re-elected, but the public did not have much confidence in him and his latest policies. That is the reason why the public is not supporting him in this latest case of raising the ceiling. Republicans, like most Americans, are opposed to the latest policy of the Obama administration. They have planned to block any attempt by Obama and his cohorts to raise any more taxes, give stimulus programs and raise the debt ceiling. Obama is determined to move on with the Democrat's stand. He says that it is better to do something than nothing and wait for a miracle from heaven. Compromise is unlikely from both sides because each is stubborn and adamant. This issue will most likely be solved in the near future because the lawmakers will realize that disagreements only hurt the ordinary American and their families. The leaders know that they will both have to budge in one way or another if the country is to move forward.

## **Works cited**

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