COVID-19 Recession: Strongest Impact with Quickest Recovery of the 21st Century

While GDP Recovery Paces of COVID and Dotcom Recessions are Similar, COVID Stands Out with Sharper Unemployment and GDP Falls, Yet Demonstrates a Rapid Rebound, Contrasting 2008's Slower Economic Recovery

COVID-19 Recession Dot-Com Recession Great Recession (March - November 2001) (December 2007 - June 2009) (February 2020 - April 2020) Limited Impact, Steady Improvement Abruptly Severe, Rapid Rebound Prolonged Collapse, Slow Recovery Due to the COVID-19 pandemic, widespread The most severe economic crisis since the 1930s This followed the burst of the Dotcom bubble (late began with the U.S. housing market collapse, which lockdowns and travel bans led to massive lavoffs 1990s-2000), where a surge of investment in was due to a large number of home loans, known as and business closures. To counter this, governments internet-based companies led to a significant subprime mortgages, being given to borrowers who provided financial aid and stimulus packages. correction in the stock market and the failure of struggled to repay them, leading to widespread People adapted to new restrictions by working from numerous internet companies due to unprofitability. foreclosures. home and utilizing more online services. 24 Real GDP Change From Month Prior to Recession (%) 2.82% 20 20 20 6.61% Estimated GDP Percent Change 16 16 16 (%) From Pre-Recession to End of 2.29% 12 12 12 -0.62% Recession 0.85% -3.34% 8 -5.51% 8 8 Estimated GDP Percent Change 4 0 0 (%) From Pre-Recession to Current Month -4 Unemployment Rate (%) 14 9.70% 4.50% **Unemployment Rate Percent** 12 12 12 0.00% -0.10% Difference From Start to End of 1.40% 10 -7.10% 10 10 Recession -9.20% 8 -9.60% 8 8 6 0.10% 6 **Unemployment Rate Percent** Difference From Month 0 (Start of -0.50% Recovery) to Current Month 2 · -1.20% Federal Funds Interest Rate (%) 5 5 Federal Funds Interest Rate 4.08% Percent Difference From Start to 4 30 Months of Low End of Recession 76 Months of Low 21 Months of Low 3 3 Rates Rates Rates 2 **Duration of Low Interest Rates** -1.53% (Estimated Recovery Period) -3.49% 45 2 15 8 35 Created By: Thu Do Months From Beginning of Recovery Months From Beginning of Recovery Months From Beginning of Recovery