Project Proposal

Predict upcoming recessions and booms signals of US economy

using Multi Linear Regression Model

Main Topic: Booms and Recessions in US

Specific question: Does low interest rates causes a Higher chance in upcoming Recession

Motivation: From my Econ 130 class last semester with Amanda Lindsay, I learned an interesting idea about interest rate and debt. I notice that with Trump’s and some central banks’ effort to cut down interest rate to nearly 0, which would expect to increase investment and economic growth but also raises a threat of an upcoming big recession and huge debt. I want to get more in depth of this issue and make an analysis to actually see if the low interest rate actually would cause a recession.

Data Sources: I would try to dig in multiple banking datasets and maybe some stock markets, and social data to gather the major key variables that would cause a recession or boom.

Ideally, I may collect a Panel data of randomized banks’ before they start to cut down interest rates combine with another collected datasets of the same banks after the trend and compare

Some sources would be: GlobalFinancial data, VisualizingEconomics, Kaggle, etc.

Model: I plan to use both Simple and Multiple Linear Regression models to predict the relations between the variables and the recession, boom rates. If I can get some geographical data, I can make a visualization of how the recessions would be focused in US states.

Extra Milestone: If I have enough time I would make a website for users to interact and predict recessions and booms using frontend and backend servers