



Opened in 2005, the Islamic Center of America in Dearborn, Michigan, is the largest Islamic center in the United States. Photograph, 2008. Wikimedia.

V. The Great Recession

The Great Recession began, as most American economic catastrophes began, with the bursting of a speculative bubble. Throughout the 1990s and into the new millennium, home prices continued to climb, and financial services firms looked to cash in on what seemed to be a safe but lucrative investment. After the dot-com bubble burst, investors searched for a secure investment rooted in clear value, rather than in trendy technological speculation. What could be more secure than real estate? But mortgage companies began writing increasingly risky loans and then bundling them together and selling them over and over again, sometimes so quickly that it became difficult to determine exactly who owned what.

Decades of financial deregulation had rolled back Depression-era restraints and again allowed risky business practices to dominate the world of American finance. It was a bipartisan agenda. In the 1990s, for instance, Bill Clinton signed the Gramm-Leach-Bliley Act, repealing provisions of the 1933 Glass-Steagall Act separating commercial and investment banks, and the Commodity Futures Modernization Act, which exempted credit-default swaps—perhaps the key financial mechanism behind the crash—from regulation.

Mortgages had been so heavily leveraged that when American homeowners began to default on their loans, the whole system collapsed. Major financial services firms such as Bear Stearns and Lehman Brothers disappeared almost overnight. In order to prevent the crisis from spreading, the federal government poured billions of dollars into the industry, propping up hobbled banks. Massive giveaways to bankers created shock waves of resentment throughout the rest of the country. On the right, conservative members of the Tea Party decried the cronyism of an Obama administration filled with former Wall Street executives. The same energies also motivated the Occupy Wall Street movement, as mostly young left-leaning New Yorkers protested an American economy that seemed overwhelmingly tilted toward “the one percent.”²²

The Great Recession only magnified already rising income and wealth inequalities. According to the chief investment officer at JP-Morgan Chase, the largest bank in the United States, “profit margins have reached levels not seen in decades,” and “reductions in wages and benefits explain the majority of the net improvement.”²³ A study from the Congressional Budget Office (CBO) found that since the late 1970s, after-tax benefits of the wealthiest 1 percent grew by over 300 percent. The “average” American’s after-tax benefits had grown 35 percent. Economic trends have disproportionately and objectively benefited the wealthiest Americans. Still, despite political rhetoric, American frustration failed to generate anything like the social unrest of the early twentieth century. A weakened labor movement and a strong conservative bloc continue to stymie serious attempts at reversing or even slowing economic inequalities. Occupy Wall Street managed to generate a fair number of headlines and shift public discussion away from budget cuts and toward inequality, but its membership amounted to only a fraction of the far more influential and money-driven Tea Party. Its presence on the public stage was fleeting.

The Great Recession, however, was not. While American banks quickly recovered and recaptured their steady profits, and the American stock market climbed again to new heights, American workers continued to lag. Job growth was slow and unemployment rates would remain stubbornly high for years. Wages froze, meanwhile, and well-paying full-time jobs that were lost were too often replaced by low-paying, part-time work. A generation of workers coming of age within the crisis, moreover, had been savaged by the economic collapse. Unemployment among young Americans hovered for years at rates nearly double the national average.



VI. The Obama Years

By the 2008 election, with Iraq still in chaos, Democrats were ready to embrace the antiwar position and sought a candidate who had consistently opposed military action in Iraq. Senator Barack Obama had only been a member of the Illinois state senate when Congress debated the war actions, but he had publicly denounced the war, predicting the sectarian violence that would ensue, and remained critical of the invasion through his 2004 campaign for the U.S. Senate. He began running for president almost immediately after arriving in Washington.

In 2008, Barack Obama became the first African American elected to the presidency. Upon meeting the president in May 2009, five-year-old Jacob Philadelphia said, “I want to know if my hair is just like yours.” The White House, via Flickr.

A former law professor and community activist, Obama became the first African American candidate to ever capture the nomination of a major political party.²⁴ During the election, Obama won the support of an increasingly antiwar electorate. When an already fragile economy finally collapsed in 2007 and 2008, Bush’s policies were widely blamed. Obama’s opponent, Republican senator John McCain, was tied to those policies and struggled to fight off the nation’s desire for a new political direction. Obama won a convincing victory in the fall and became the nation’s first African American president.



President Obama's first term was marked by domestic affairs, especially his efforts to combat the Great Recession and to pass a national healthcare law. Obama came into office as the economy continued to deteriorate. He continued the bank bailout begun under his predecessor and launched a limited economic stimulus plan to provide government spending to reignite the economy.

Despite Obama's dominant electoral victory, national politics fractured, and a conservative Republican firewall quickly arose against the Obama administration. *The Tea Party* became a catch-all term for a diffuse movement of fiercely conservative and politically frustrated American voters. Typically whiter, older, and richer than the average American, flush with support from wealthy backers, and clothed with the iconography of the Founding Fathers, Tea Party activists registered their deep suspicions of the federal government.²⁵ Tea Party protests dominated the public eye in 2009 and activists steered the Republican Party far to the right, capturing primary elections all across the country.

Obama's most substantive legislative achievement proved to be a national healthcare law, the Patient Protection and Affordable Care Act (Obamacare). Presidents since Theodore Roosevelt had striven to pass national healthcare reform and failed. Obama's plan forsook liberal models of a national healthcare system and instead adopted a heretofore conservative model of subsidized private care (similar plans had been put forward by Republicans Richard Nixon, Newt Gingrich, and Obama's 2012 opponent, Mitt Romney). Beset by conservative protests, Obama's healthcare reform narrowly passed through Congress. It abolished pre-existing conditions as a cause for denying care, scrapped junk plans, provided for state-run healthcare exchanges (allowing individuals without healthcare to pool their purchasing power), offered states funds to subsidize an expansion of Medicaid, and required all Americans to provide proof of a health insurance plan that measured up to government-established standards (those who did not purchase a plan would pay a penalty tax, and those who could not afford insurance would be eligible for federal subsidies). The number of uninsured Americans remained stubbornly high, however, and conservatives spent most of the next decade attacking the bill.

Meanwhile, in 2009, President Barack Obama deployed seventeen thousand additional troops to Afghanistan as part of a counterinsurgency campaign that aimed to "disrupt, dismantle, and defeat" al-Qaeda and the Taliban. Meanwhile, U.S. Special Forces and CIA drones targeted



Former Taliban fighters surrender their arms to the government of the Islamic Republic of Afghanistan during a reintegration ceremony at the provincial governor's compound in May 2012. Wikimedia.

al-Qaeda and Taliban leaders. In May 2011, U.S. Navy Sea, Air and Land Forces (SEALs) conducted a raid deep into Pakistan that led to the killing of Osama bin Laden. The United States and NATO began a phased withdrawal from Afghanistan in 2011, with an aim of removing all combat troops by 2014. Although weak militarily, the Taliban remained politically influential in south and eastern Afghanistan. Al-Qaeda remained active in Pakistan but shifted its bases to Yemen and the Horn of Africa. As of December 2013, the war in Afghanistan had claimed the lives of 3,397 U.S. service members.

VII. Stagnation

In 2012, Barack Obama won a second term by defeating Republican Mitt Romney, the former governor of Massachusetts. However, Obama's inability to control Congress and the ascendancy of Tea Party Republicans stunted the passage of meaningful legislation. Obama was a lame duck before he ever won reelection, and gridlocked government came to represent an acute sense that much of American life—whether in politics, economics, or race relations—had grown stagnant.

The economy continued its halfhearted recovery from the Great Recession. The Obama administration campaigned on little to specifically address the crisis and, faced with congressional intransigence, accomplished even less. While corporate profits climbed and stock markets

soared, wages stagnated and employment sagged for years after the Great Recession. By 2016, the statistically average American worker had not received a raise in almost forty years. The average worker in January 1973 earned \$4.03 an hour. Adjusted for inflation, that wage was about two dollars per hour more than the average American earned in 2014. Working Americans were losing ground. Moreover, most income gains in the economy had been largely captured by a small number of wealthy earners. Between 2009 and 2013, 85 percent of all new income in the United States went to the top 1 percent of the population.²⁶

But if money no longer flowed to American workers, it saturated American politics. In 2000, George W. Bush raised a record \$172 million for his campaign. In 2008, Barack Obama became the first presidential candidate to decline public funds (removing any applicable caps to his total fund-raising) and raised nearly three quarters of a billion dollars for his campaign. The average House seat, meanwhile, cost about \$1.6 million, and the average Senate Seat over \$10 million.²⁷ The Supreme Court, meanwhile, removed barriers to outside political spending. In 2002, Senators John McCain and Russ Feingold had crossed party lines to pass the Bipartisan Campaign Reform Act, bolstering campaign finance laws passed in the aftermath of the Watergate scandal in the 1970s. But political organizations—particularly PACs—exploited loopholes to raise large sums of money and, in 2010, the Supreme Court ruled in *Citizens United v. FEC* that no limits could be placed on political spending by corporations, unions, and nonprofits. Money flowed even deeper into politics.

The influence of money in politics only heightened partisan gridlock, further blocking bipartisan progress on particular political issues. Climate change, for instance, has failed to transcend partisan barriers. In the 1970s and 1980s, experts substantiated the theory of anthropogenic (human-caused) global warming. Eventually, the most influential of these panels, the UN's Intergovernmental Panel on Climate Change (IPCC) concluded in 1995 that there was a “discernible human influence on global climate.”²⁸ This conclusion, though stated conservatively, was by that point essentially a scientific consensus. By 2007, the IPCC considered the evidence “unequivocal” and warned that “unmitigated climate change would, in the long term, be likely to exceed the capacity of natural, managed and human systems to adapt.”²⁹

Climate change became a permanent and major topic of public discussion and policy in the twenty-first century. Fueled by popular coverage, most notably, perhaps, the documentary *An Inconvenient Truth*,



based on Al Gore's book and presentations of the same name, addressing climate change became a plank of the American left and a point of denial for the American right. American public opinion and political action still lagged far behind the scientific consensus on the dangers of global warming. Conservative politicians, conservative think tanks, and energy companies waged war to sow questions in the minds of Americans, who remain divided on the question, and so many others.

Much of the resistance to addressing climate change is economic. As Americans looked over their shoulder at China, many refused to sacrifice immediate economic growth for long-term environmental security. Twenty-first-century relations with China remained characterized by contradictions and interdependence. After the collapse of the Soviet Union, China reinvigorated its efforts to modernize its country. By liberating and subsidizing much of its economy and drawing enormous foreign investments, China has posted massive growth rates during the last several decades. Enormous cities rise by the day. In 2000, China had a GDP around an eighth the size of U.S. GDP. Based on growth rates and trends, analysts suggest that China's economy will bypass that of the United States soon. American concerns about China's political system have persisted, but money sometimes matters more to Americans. China has become one of the country's leading trade partners. Cultural exchange has increased, and more and more Americans visit China each year, with many settling down to work and study.

By 2016, American voters were fed up. In that year's presidential race, Republicans spurned their political establishment and nominated a real estate developer and celebrity billionaire, Donald Trump, who, decrying the tyranny of political correctness and promising to Make America Great Again, promised to build a wall to keep out Mexican immigrants and bar Muslim immigrants. The Democrats, meanwhile, flirted with the candidacy of Senator Bernie Sanders, a self-described socialist from Vermont, before ultimately nominating Hillary Clinton, who, after eight years as first lady in the 1990s, had served eight years in the Senate and four more as secretary of state. Voters despaired: Trump and Clinton were the most unpopular nominees in modern American history. Majorities of Americans viewed each candidate unfavorably and majorities in both parties said, early in the election season, that they were motivated more by voting *against* their rival candidate than *for* their own.³⁰ With incomes frozen, politics gridlocked, race relations tense, and headlines full of violence, such frustrations only channeled a larger sense of stag-



nation, which upset traditional political allegiances. In the end, despite winning nearly three million more votes nationwide, Clinton failed to carry key Midwestern states where frustrated white, working-class voters abandoned the Democratic Party—a Republican president hadn’t carried Wisconsin, Michigan, or Pennsylvania, for instance, since the 1980s—and swung their support to the Republicans. Donald Trump won the presidency.

Political divisions only deepened after the election. A nation already deeply split by income, culture, race, geography, and ideology continued to come apart. Trump’s presidency consumed national attention. Traditional print media and the consumers and producers of social media could not help but throw themselves at the ins and outs of Trump’s norm-smashing first years while seemingly refracting every major event through the prism of the Trump presidency. Robert Mueller’s investigation of Russian election-meddling and the alleged collusion of campaign officials in that effort produced countless headlines. Meanwhile, new policies enflamed widening cultural divisions. Border apprehensions and deportations reached record levels under the Obama administration, but Trump pushed even farther. He pushed for a massive wall along the border to supplement the fence built under the Bush administration. He began ordering the deportation of so-called Dreamers—students who were born elsewhere but grew up in the United States—and immigration officials separated refugee-status-seeking parents and children at the border. Trump’s border policies heartened his base and aggravated his opponents. But while Trump enflamed America’s enduring culture war, his narrowly passed 2017 tax cut continued the redistribution of American wealth toward corporations and wealthy individuals. The tax cut exploded the federal deficit and further exacerbated America’s widening economic inequality.

VIII. New Horizons

Americans looked anxiously to the future, and yet also, often, to a new generation busy discovering, perhaps, that change was not impossible. Much public commentary in the early twenty-first century concerned the millennials, the new generation that came of age during the new millennium. Commentators, demographers, and political prognosticators continued to ask what the new generation will bring. *Time*’s May 20, 2013, cover, for instance, read *Millennials Are Lazy, Entitled Narcissists Who*



Still Live with Their Parents: Why They'll Save Us All. Pollsters focused on features that distinguish millennials from older Americans: millennials, the pollsters said, were more diverse, more liberal, less religious, and wracked by economic insecurity. “They are,” as one Pew report read, “relatively unattached to organized politics and religion, linked by social media, burdened by debt, distrustful of people, in no rush to marry—and optimistic about the future.”³¹

Millennial attitudes toward homosexuality and gay marriage reflected one of the most dramatic changes in the popular attitudes of recent years. After decades of advocacy, American attitudes shifted rapidly. In 2006, a majority of Americans still told Gallup pollsters that “gay or lesbian relations” was “morally wrong.”³² But prejudice against homosexuality plummeted and greater public acceptance of coming out opened the culture—in 2001, 73 percent of Americans said they knew someone who was gay, lesbian, or bisexual; in 1983, only 24 percent did. Gay characters—and in particular, gay characters with depth and complexity—could be found across the cultural landscape. Attitudes shifted such that, by the 2010s, polls registered majority support for the legalization of gay marriage. A writer for the *Wall Street Journal* called it “one of the fastest-moving changes in social attitudes of this generation.”³³

Such change was, in many respects, a generational one: on average, younger Americans supported gay marriage in higher numbers than older Americans. The Obama administration, meanwhile, moved tentatively. Refusing to push for national interventions on the gay marriage front, Obama did, however, direct a review of Defense Department policies that repealed the Don’t Ask, Don’t Tell policy in 2011. Without the support of national politicians, gay marriage was left to the courts. Beginning in Massachusetts in 2003, state courts had begun slowly ruling against gay marriage bans. Then, in June 2015, the Supreme Court ruled 5–4 in *Obergefell v. Hodges* that same-sex marriage was a constitutional right. Nearly two thirds of Americans supported the position.³⁴

While liberal social attitudes marked the younger generation, perhaps nothing defined young Americans more than the embrace of technology. The Internet in particular, liberated from desktop modems, shaped more of daily life than ever before. The release of the Apple iPhone in 2007 popularized the concept of smartphones for millions of consumers and, by 2011, about a third of Americans owned a mobile computing device. Four years later, two thirds did.³⁵

Together with the advent of social media, Americans used their smartphones and their desktops to stay in touch with old acquaintances, chat with friends, share photos, and interpret the world—as newspaper and magazine subscriptions dwindled, Americans increasingly turned to their social media networks for news and information.³⁶ Ambitious new online media companies, hungry for clicks and the ad revenue they represented, churned out provocatively titled, easy-to-digest stories that could be linked and tweeted and shared widely among like-minded online communities,³⁷ but even traditional media companies, forced to downsize their newsrooms to accommodate shrinking revenues, fought to adapt to their new online consumers.

The ability of individuals to share stories through social media apps revolutionized the media landscape—smartphone technology and the democratization of media reshaped political debates and introduced new political questions. The easy accessibility of video capturing and the ability for stories to go viral outside traditional media, for instance, brought new attention to the tense and often violent relations between municipal police officers and African Americans. The 2014 death of Michael Brown in Ferguson, Missouri, focused the issue, and over the following years



Just weeks after seventeen students were murdered at Stoneman Douglas High School in Parkland, Florida, more than two million Americans across the country participated in the March for Our Lives demonstration to advocate for more effective gun control laws. Several Stoneman Douglas students emerged as prominent national activists in the wake of the shooting. This photo of the demonstration, taken from the Newseum in Washington D.C., captures a graphic on the exterior of the museum listing five protections of the First Amendment. Phil Roeder, via Flickr.

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