



## Press Release

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### Recession in 2008 Will Lead to Grim Economic Realities for Millions in US

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**Contact:** Alan Barber, 202-293-5380 x115

**Washington DC** -- Even a mild recession in 2008 would add 3.2 million workers to national unemployment by 2010, according to a new report from the Center for Economic and Policy Research. A severe recession, the group estimates, could make 5.8 million more workers unemployed by 2011.

["What We're In For: Projected Economic Impacts of the Next Recession,"](#) by John Schmitt and Dean Baker paints a grim economic picture in the event that the United States falls into a recession this year.

Along with a sharp rise in unemployment, a recession in 2008 would eventually result in 4.7 to 10.4 million more men, women, and children living in poverty, at least 4.2 million people losing health-insurance coverage, and a drop in the inflation-adjusted median family income of between \$2,000 and \$3,700 per year. The estimated effects would extend as far as 2010 or 2011, depending on the severity of the downturn.

"For financial markets and employers recessions are fairly short-term events," noted Schmitt. "For labor markets and workers, though, recessions have historically been long and painful."

The [report](#) projects the likely effects of a recession in 2008 based on the experience of the last three recessions -- the severe recession of the early 1980s, and the mild-to-moderate recessions of the early 1990s and the early 2000s.

If the experience of the last three recessions holds for the next economic downturn, the labor-market impacts would last far longer -- three or four years -- than the formal recession itself, which would likely last six to 24 months.

"If our past experience of recessions repeats itself, we may well still be feeling

the effects of a recession as we enter the presidential election cycle for 2012," said Schmitt.

The [full report](#) and comparison point out that even once financial markets begin to recover, workers will suffer the ill effects of a recession for at least the next 3 to 4 years.

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*The Center for Economic and Policy Research is an independent, nonpartisan think tank that was established to promote democratic debate on the most important economic and social issues that affect people's lives. CEPR's Advisory Board of Economists includes Nobel Laureate economists Robert Solow and Joseph Stiglitz; Richard Freeman, Professor of Economics at Harvard University; and Eileen Appelbaum, Professor and Director of the Center for Women and Work at Rutgers University.*

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