

# What Caused the Economic Crisis? What Should We Do About It?

Here's what some people are saying...



**Cause:** After 9/11, the government could not ignore terrorism. The U.S. wanted to find Osama bin Laden, and this cost money – lots of money. To find this Osama bin Laden, the government sent troops to Afghanistan. It cost billions of dollars. As more troops went to Afghanistan, it got even more expensive and it began to affect our economy. But no one talked about it. Instead of trying to stop the war in Afghanistan, the government said, “We are going to Iraq.” We are all suffering from the government’s decisions.

**Response:** I believe that under the new president the economy will recover. But it will take time.

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*Reynaldo is a hotel worker and a member of UNITE-HERE, Local 26. He is studying for his GED.*



**Cause:** Since Mexico’s inclusion in North American Free Trade Agreement (NAFTA), many U.S. firms have relocated manufacturing facilities there in order to take advantage of lower wages and reduced benefits. These moves have caused hundreds of thousands of U.S. workers to be laid off. The number of people unemployed directly affects the economy.

**Response:** The government should take steps to keep jobs in the United States.

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*Jerry Breshears was recently laid off from his job at Whirlpool. He is taking classes at the Fort Smith Adult Education Center in Arkansas. He is raising his grandson, and he plans to go to college to prepare for a new career.*



**Cause:** The reason we are having this economic crisis is because our system is dysfunctional. Here is just one example: when people lose their homes, welfare puts them in a shelter or in a hotel. It would be cheaper (and better for the community!) to let them stay in their home and pay whatever rent they can. While regular people suffer, many of the bankers and investors who got us into this crisis are not punished at all. In fact, the government rewards them with big bailouts.

**Response:** To get out of the crisis, we Americans need to come together and strive to create a system that works better.

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*Blanca Gomez, is a student at Project Hope in Boston, MA, and she served on the editorial board of this issue of The Change Agent.*



**Cause:** Our political leaders have not been serving the people. For example, they deregulated the banks. Bankers engaged in predatory lending. All those loans, which the people couldn't really afford, were bundled and sold to investors. They were like ticking bombs, so bankers repackaged them and resold them. Eventually, the bomb exploded.

**Response:** The government should step in and force the banks to rework the loans to prevent foreclosures. Americans should be able to stay in their homes while they try to survive the economic crisis. Americans should pay more attention to what our government is doing. We should demand that they enforce the finance laws already on the books. And we should ask the government to pass new laws that would regulate the banking industry so that this won't happen again.

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*Mark Edwards, originally from Uniontown, PA, is on death row at SCI Greene in Pennsylvania. He is enrolled in the cell study program. He has a 6-year old son.*



**Cause:** The government and banks have a lot of responsibility for this crisis, but the consumer does too. We live in a culture of spending beyond our means. We get loans for things that we can't afford or don't need. We want houses or cars for luxury instead of comfort, and we voluntarily put ourselves in unnecessary debt.

**Response:** We should make wise decisions about borrowing money. We should live within our means.

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*Sterlin Reaves is an athlete and a writer. He was a student in the GED program at SCI Greene in Pennsylvania.*



**Cause:** Capitalism caused this crisis. Capitalists produce as much as they can whether we need all the stuff of not. They need us to buy as much stuff as we can so that they can make a profit. When we weren't buying as much because of falling wages during the 1980s, they loosened up our credit in the 1990s to induce us to buy more houses, cars, and other goods. They didn't care if we couldn't afford this. They created phony investments, such as hedge funds and mortgage securities, to create even more wealth for the bankers. When these schemes failed, they found relief through taking our tax money as bailouts.

**Response:** We need a new economic system. Our economy should be designed to give people what they need, not what they can pay for. We should get together and fight for an economic system that puts workers first and is not based on profit.

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*Karyn L. Pomerantz teaches a pre-GED science course at the Academy of Hope in Washington, DC.*