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## Background Briefing Material on Recessions and Fiscal Stimulus

Debate over a fiscal stimulus package (tax and spending measures intended to stimulate aggregate demand in the economy) has been evolving rapidly in recent weeks. There have been recent signals of a slowdown in economic activity. Given those signals, many legislators, the administration, and the Federal Reserve have all concluded that it is reasonable to consider a fiscal stimulus package to augment economic stimulus already in place from recent Federal Reserve actions.

In relation to the ongoing debate surrounding fiscal stimulus, Senate Republican Staff of the Joint Economic Committee has released the following reports (available for download from the JEC Senate Republican website [jec.senate.gov/republicans](http://jec.senate.gov/republicans)). Click on the links below to open the document.

**[A Primer on Economic Recessions](#)**: Includes a discussion of recent data that suggest a potentially significant slowdown in U.S. economic activity. The report also notes that we do not currently know whether the economy is in a recession and that, while forecasters have concluded that downside risks to economic growth have been rising, most forecasters (including the Federal Reserve, the Congressional Budget Office, and private forecasters) are not forecasting a recession for the U.S. economy.

**[A Primer on Fiscal Stimulus](#)**: Addresses many questions surrounding use of fiscal stimulus measures to lean against contractionary headwinds in the economy.

**[Overview of Alternative Stimulus Options](#)**: Briefly outlines and analyzes various fiscal-stimulus measures under discussion in the current debate over fiscal stimulus.

**[Providing Stimulus Incentives for Businesses](#)**: Focuses on possible measures directed at business investment.