Econ 341 - American Economic History
College of William and Mary October 9, 2018
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Empirical Project

This project will be due by **5pm** on **Friday, November 30th**. Assignments should be submitted by email as a pdf document. Any tables or figures you include should be contained within that pdf document. The assignment will be graded on a 20-point scale. A one point deduction will be taken for assignments turned in late. The deduction will increase by one point every 24 hours.

The Big Picture

Perhaps the most studied economic shock in American history is the Great Depression. The Depression had a profound negative impact on the macroeconomy and individual workers and families. The recovery from the Great Depression included a transformation of the federal government's role in the functioning of the national economy and the lives of individual Americans. It also changed the way we regulate the banking sector and pursue monetary policy. The Great Recession provided a modern test of how the policies introduced during the Great Depression and evolving ever since helped or hurt recovery from a major economic downturn.

The goal of this project is to compare the Great Depression with the Great Recession. In doing so, you will gain valuable experience related to finding appropriate economic data and presenting those data in the most useful way. You will be searching for both traditional economic data (think real GDP per capita series) and less traditional but equally useful qualitative data (think stump speeches by politicians). You will also consider the best ways to present these various types of evidence to make the most meaningful comparisons between the Great Depression and the Great Recession.

Project Details

The basic idea is to create a series of comparisons between the Great Depression and Great Recession to understand the similarities and differences between two of the biggest economic downturns in American history.

1. Before you can really compare the two events, it is necessary to decide when each one began and when it ended. There are a variety of ways to define the start and end of any economic downturn. The key here is that you should apply the same approach to both events in order to make meaningful comparisons. Provide your chosen beginning and end dates for the Great Depression and the Great Recession (you only need to specify starting and ending years, you do not need to give specific months or days). In one paragraph, explain the reasoning behind your choices.

2. Create a single graph that compares the performance of financial markets during the Great Depression and the Great Recession. Your graph should have time on the horizontal axis and should begin at least two years before the start of each event and extend to at least two years after the end of each event. Provide one paragraph explaining your choice of variables and interpreting the graph.

3. Create a graph that compares the standard of living for the average consumer or worker during the Great Depression and the Great Recession. Your graph should use the same time periods you used in part 2. Provide one paragraph explaining your choice of variables and interpreting the graph.

4. Identify one major piece of federal legislation aimed at aiding recovery from the economic downturn for the Great Depression and one for the Great Recession. In two to three sentences for each, describe the main features of the legislation. In two to three sentences, explain whether the two pieces of legislation represent a similar approach by federal government to both downturns or different approaches.

5. Find two contemporary quotes from each economic downturn (four in total), one representing the general attitudes of the worker or consumer to the downturn and one representing the general attitudes of manufacturing firms to the downturn. These quotes can come from op-eds, political platforms, interviews, speeches or a variety of other sources. In addition to the quotes, include one paragraph based on your quotes explaining how attitudes toward the downturns differed between the Great Depression and the Great Recession.

The final product should be a single pdf document presenting the evidence you have found through the combination of text and figures asked for in each part. Please number each part. For the figures, be certain to think carefully about the clearest way to present the information. Include all titles, labels, legends, captions, and footnotes necessary for a reader to clearly and correctly interpret the data being presented. All figures should be made by you.

Be certain to cite all of your sources. You are welcome to use any standard citation style (APA, MLA, Chicago, etc.). If you have any questions about when citations are required or exactly what information to include in your citation, feel free to email me or stop by my office hours.

Potentially Useful Links

- Google Scholar: https://scholar.google.com

  Google Scholar has become the easiest way to search for scholarly articles on any subject. Simply search for academic research in the same way that you would search for anything else on Google. When you find a relevant article,

Google Scholar provides several nice features. It can often provide a link to a pdf version of the article, it provides a link to the article in the Swem library database, it can show you articles citing the current article and it provides simple tools for copying citation details for the article.

- Google Books: https://books.google.com

  Google Books provides a wealth of digitized, searchable texts ranging from novels to government reports. If you click on 'Search tools' you will be able to narrow your search to specific dates of publication, to only documents fully available online, and to specific types of documents. Particularly if you are looking at older time periods, Google Books may be a valuable source for the text of political speeches, historical newspaper articles and op-eds, or for published economic data series.

- FRED: Federal Reserve Economic Data: https://fred.stlouisfed.org/

  FRED provides one of the quickest and easiest ways to get time series of various macroeconomic indicators. FRED provides tools for generating graphs of a wide range of macroeconomic variables for the exact time periods you specify and provides options for downloading the data so that you can use it with other spreadsheet or statistical analysis programs.

- Historical Statistics of the United States: https://hsus-cambridge-org.proxy.wm.edu/

  The Historical Statistics of the United States provides a wide range of economic and demographic data series covering the entire history of the United States. The series are easily searchable and can be displayed in tables or downloaded for offline analysis. The volume also provides a series of articles describing the trends in various features of the economy over time. Much of the data is derived from various federal censuses.

- Integrated Public Use Microdata Series: https://www.ipums.org/

  IPUMS is.a tremendous resource for creating individual-level data series from historical census data (as well as Current Population Survey data and a variety of other survey data). The data are cleaned and harmonized across years, well documented, and remarkably easy to use compared to other sources of survey data. This is one of the best places to acquire historical data for economic research and lies at the heart of many of the research articles we discuss in class.

- World Bank Open Data: http://data.worldbank.org/

This is the data portal for the World Bank. You can find a broad range of variables for different countries through this site. Students often find the World Development Indicators particularly useful. These data include detailed statistics on the population, economy, environment, markets and global links of individual countries.

- Various government statistics websites

  Some of the best sources of data for a country are the governmental agencies responsible for gathering and publishing economic statistics. In the United States, these agencies would include the Census Bureau, the Bureau of Labor Statistics, the Bureau of Economic Analysis and many others. If you go to any of these websites, you will find links to detailed datasets.

- Purdue Online Writing Lab: https://owl.english.purdue.edu/owl/section/2/

  This online writing lab provides helpful guides to citation styles including APA style, MLA style and the Chicago Manual of Style. Note that the site also provides useful guides for conducting research and general writing.

- William & Mary Libraries: https://libraries.wm.edu/

  Always remember that we have an excellent library with excellent librarians ready to help you. Research librarians have extensive knowledge about available data sources and can help point you down the right path, making the research process far more efficient. You can even click here to make a research appointment.

- Wikipedia: https://www.wikipedia.org/

  While Wikipedia should never be your final source for information, it is often an excellent initial source for information, particularly for dry economics topics that do not attract contentious edits. A quick trip to Wikipedia can often help you get your bearings, identify key terms to search for on Google Scholar, and provide a few initial citations to track down as a good start to your research.

- Articles, books and blogs on representing data

  There are many articles, books and blogs out there focused on the visualization of data and in particular the visualization of economic data. For a true classic, take a look at Tufte (1983). More recent takes on data visualization can be found in Chen et al. (2007) and Wong (2010) while a short guide more specific to the economist if provided by Schwabish (2014). You may also find inspiration from the variety of data visualization blogs out there including Flowing Data and Junk Charts.

References

Chen, C.-h., Härdle, W. K., & Unwin, A. (2007). *Handbook of data visualization*. Springer Science & Business Media.

Schwabish, J. A. (2014). An economist's guide to visualizing data. *Journal of Economic Perspectives*, *28*(1), 209–34.

Tufte, E. (1983). *The visual display of quantitative information, Second Edition*. Graphics Pr.

Wong, D. M. (2010). *The Wall Street Journal guide to information graphics: The dos and don'ts of presenting data, facts, and figures*. WW Norton.