

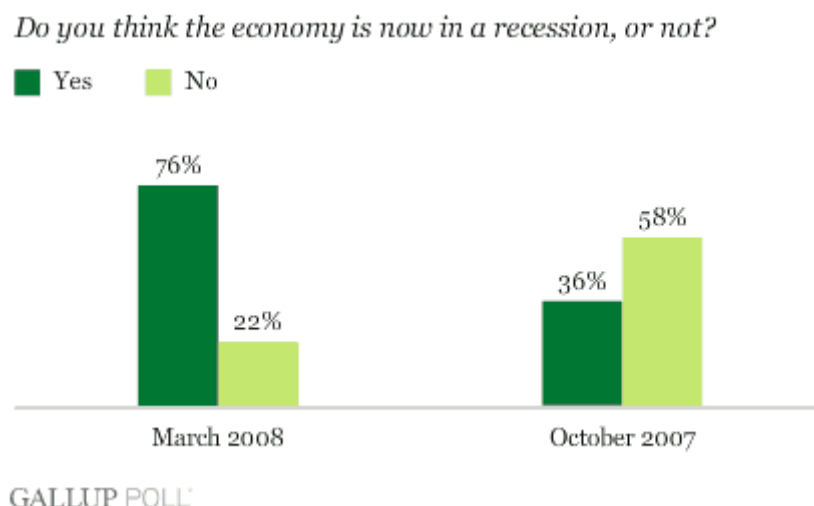
March 19, 2008

## Most Americans Say U.S. Is Now in Economic Recession

Almost half worry “a great deal” about a possible economic depression

by Frank Newport

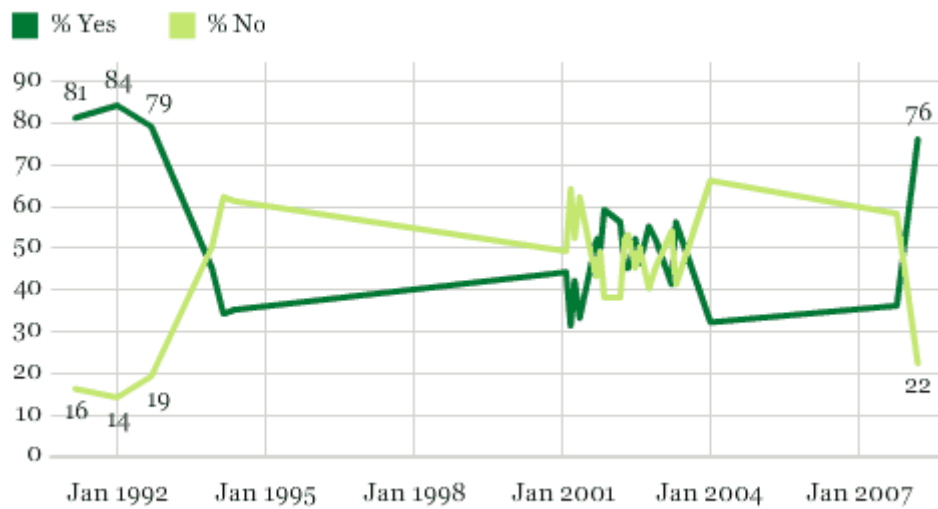
PRINCETON, NJ -- More than three-quarters of Americans say the U.S. economy is now in a recession, more than twice the number who felt that way five months ago.



Gallup's wide-ranging measures of the American public's economic perceptions have documented Americans' increased worry about economic conditions over the last several months, and the degree to which they say the economy is in bad shape. However people may define a recession -- whether by the classic definition of two successive quarters of negative economic growth, some other definition, or more generally just a bad economy -- most Americans believe the country is in one.

The current 76% affirmative response when asked about a recession is not unprecedented. In three polls Gallup conducted in 1991 and 1992, between 79% and 84% of Americans said the economy was in a recession. In other words, on the issue of the United States being in a recession, the public is now about where it was some 16 years ago.

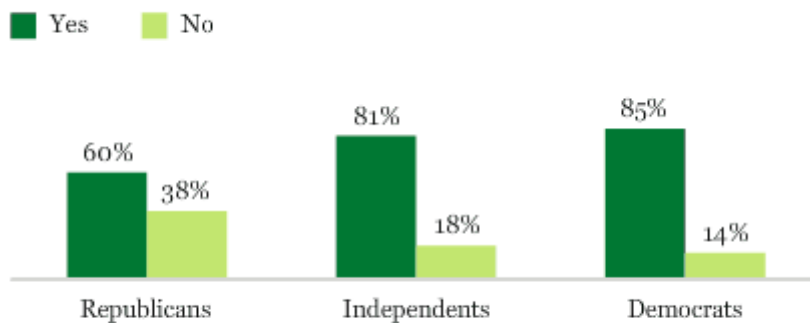
*Do you think the economy is now in a recession, or not?*



GALLUP POLL

Democrats and independents are significantly more likely than Republicans to say the country is in a recession.

*Do you think the economy is now in a recession, or not?*



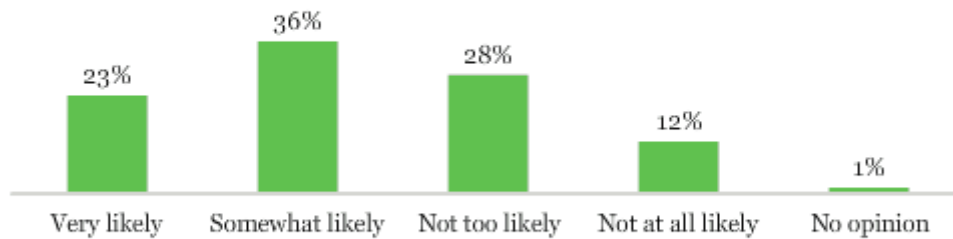
USA Today/Gallup, March 14-16, 2008

GALLUP POLL

This pattern is not unusual. Those who identify with the party in the White House are typically more positive than others about the state of affairs in the country. But in the current environment, it is apparently difficult for even Republicans to muster a great deal of positive thinking about the economy; a clear majority agree that the country is now in a recession.

What's worse than a recession? That would be a depression. The poll asked Americans how likely they thought it would be that the United States will be in an economic depression within the next two years, defining a depression as "an economic downturn that is much more severe than most recessions and would last several years."

*How likely do you think it is that the United States will be in an economic depression within the next two years -- very likely, somewhat likely, not too likely, or not at all likely?*



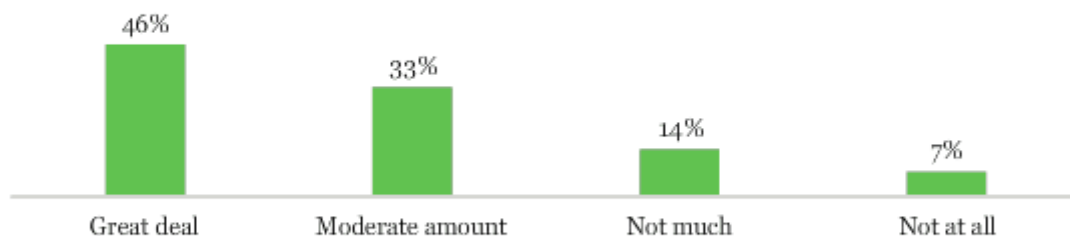
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GALLUP POLL

Just a little under a quarter of Americans say a depression is very likely, although another 36% say it is somewhat likely, yielding a total of almost 60% of Americans who believe a depression is at least somewhat likely.

Of note is the fact that almost half -- 46% -- of Americans say they worry a great deal about the possibility of the U.S. economy going into a depression.

*Regardless of how likely you think it is, how much does the possibility of the U.S. economy going into a depression worry you -- a great deal, a moderate amount, not much, or not at all?*



USA Today/Gallup, March 14-16, 2008

GALLUP POLL

## Implications

A great deal of survey data at this time demonstrate that the American public believes the country is in deep economic trouble. This latest poll shows that three-quarters believe the United States is in a recession, and a majority say it is at least somewhat likely that the country will slip into an economic depression.

The nation's political and economic leaders are aware of the economic challenges the country is facing and the decline in consumer confidence. In recent weeks, their actions to alleviate the situation have included the passing of the economic stimulus package in February, the Fed's decisions to lower interest rates, and government involvement to prevent the collapse of Bear Stearns.

The question is, of course, how long it will take before these and perhaps other measures begin to have an effect. One note of perhaps modest encouragement is that Americans were equally likely to pronounce that a recession was upon the country 16 years ago, and the country recovered, so that by the end of the 1990s, Gallup's economic rating measures were all in strongly positive territory.

### **Survey Methods**

Results are based on telephone interviews with 1,025 national adults, aged 18 and older, conducted March 14-16, 2008. For results based on the total sample of national adults, one can say with 95% confidence that the maximum margin of sampling error is  $\pm 3$  percentage points.

Interviews are conducted with respondents on land-line telephones (for respondents with a land-line telephone) and cellular phones (for respondents who are cell-phone only).

In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls.