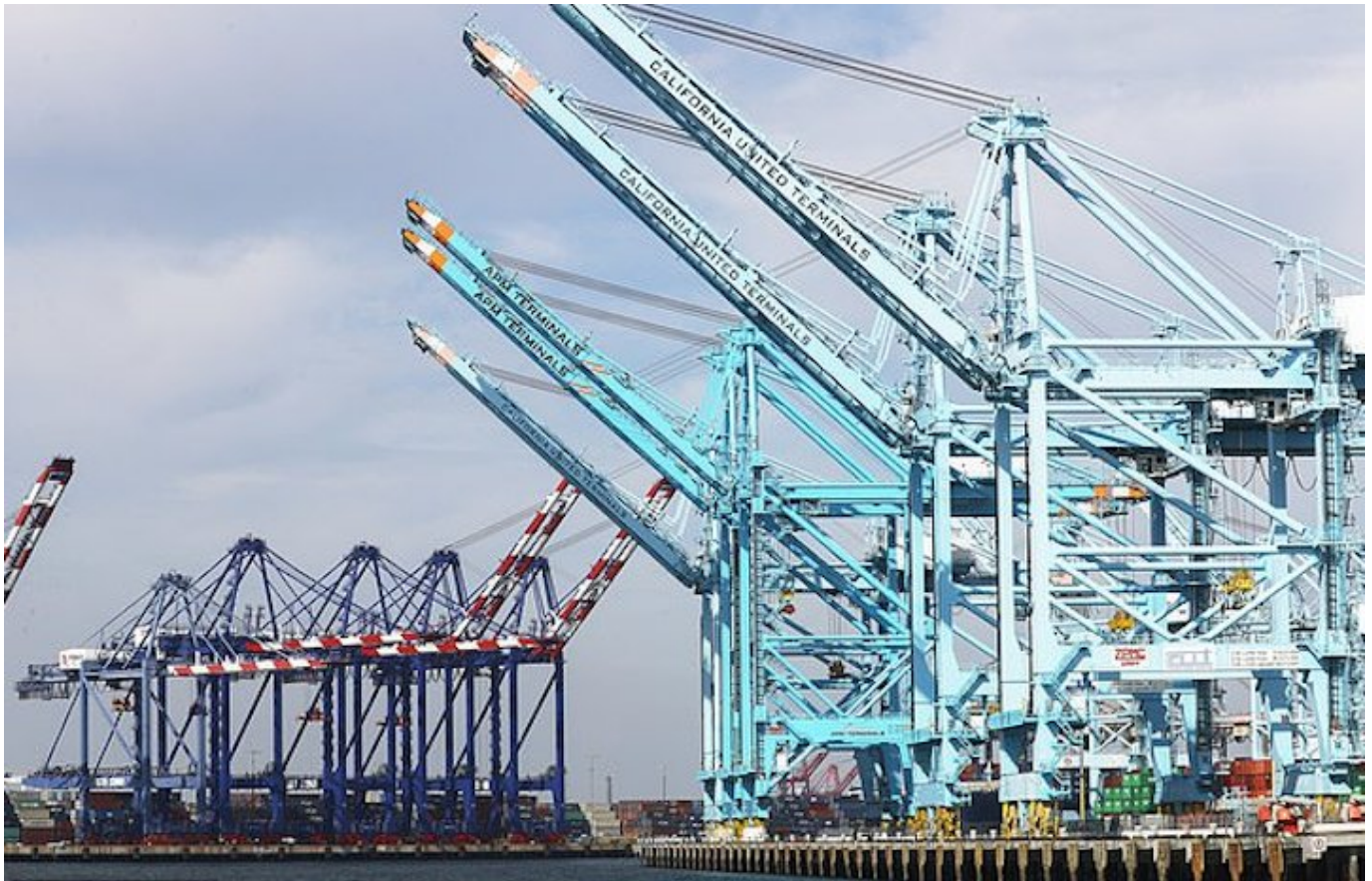


# What is a recession?

written by Gary Wilson

March 18, 2020



Cranes stand idle at the Port of Los Angeles, which is the country's busiest container port, on March 13. Some 145 drivers who transport containers to corporate

warehouses have been laid off as a result of the economic slowdown caused by the coronavirus pandemic.

President Trump said on March 16 that a recession is likely, maybe the only factually correct statement he made that day.

But what is a recession?

Wikipedia says a recession is a business cycle contraction when there is a general decline in economic activity. Huh?

Capitalist economists [use unemployment numbers](#) as the real measure of a recession. Put simply, a recession is when there is a significant rise in unemployment — layoffs, cutbacks, reduced hours, cuts in pay.

The [Washington Post reported](#) on March 11, “The first U.S. layoffs from the coronavirus are here.” Layoffs have started already at airlines, hotels and on the docks.

The airlines have asked for a \$50 billion federal bailout. Airlines employ 750,000 people, and air travel helps support another 10 million jobs across the country.

President Trump told reporters that the airlines will get some federal assistance. Trump said, “We’re going to be in a position to help the airlines very much. We’ve told the airlines we’re going to help them.”

What does that assistance mean? Does it mean no layoffs? An income for those laid off?

No. No assistance goes to the workers — it’s all going to the owners. And the airlines won’t promise no layoffs if they get the \$50 billion.

CNBC reported on March 16, “Millions of Americans could lose their jobs in a

coronavirus recession. Many won't get severance pay."

Using the economists' rule of thumb, [CNBC notes](#) that "the typical post-World War II recession has seen the U.S. unemployment rate increase about 2 to 2.5 percentage points. That would translate to about 3.5 million jobs being lost in today's environment."

The Federal Reserve announced on March 13 that it would inject as much as \$1.5 trillion into Wall Street. President Trump announced an \$850 billion bailout. They call these actions an economic stimulus, but it's really a giveaway to the rich. Making the rich richer has never helped anyone but the rich.

What's needed is a job protection plan. Stop all layoffs! Guarantee employment! That'd be the beginning of what's needed to end a recession.

