



# Fact Sheet

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## Cost of Inaction: The Financial Crisis by the Numbers

It has been two years since the reckless behavior of big banks and Wall Street CEOs dragged the American economy to the brink of collapse, costing millions of Americans their jobs, homes and life savings. While the economy is rebounding, there is still work to be done to ensure we have a system that puts Americans' homes and retirement before Wall Street bonuses, saves and creates jobs, and prevents another financial crisis and future bailouts. That is why Senate Democrats have brought forward historic reform legislation that would protect American consumers, investors and businesses.

A new report by the Pew Financial Reform Project<sup>1</sup> serves as a reminder of the costs of the financial crisis to American families and illustrates exactly why Senate Democrats are fighting for reform. Senate Republicans, however, have spent the last three weeks scheming to water down legislation on behalf of big banks and Wall Street CEOs.

Republicans seem to have forgotten the devastation caused by the financial crisis:

- ↓ **\$100,000** – The cost to the typical American family in combined losses from declining stock and home values.
- ↓ **\$360 billion** – The estimated loss in wages due to slower economic growth from October 2008 through December 2009 – *\$3,250 on average per U.S. household.*
- ↓ **5.5 million** – The number of additional jobs lost due to slower economic growth during the financial crisis, compared to the September 2008 CBO predictions.
- ↓ **\$3.4 trillion** – The total loss in real estate wealth from July 2008 through March 2009 – *roughly \$30,300 per U.S. household.*
- ↓ **500,000** – The additional number of homes foreclosed upon during the acute phase of the financial crisis.
- ↓ **\$7.4 trillion** – The total loss in stock wealth from July 2008 through March 2009 – *more than \$66,000 per U.S. household.*

↓ **6.4 percent** – The decline in GDP in the first quarter of 2009 – combined with the last quarter of 2008, this marks the worst six months for economic growth since 1958.

## **Endnotes**

<sup>1</sup> *The Cost of the Financial Crisis: The Impact of the September 2008 Economic Collapse*, The Pew Economic Policy Group (April 28, 2010), available at [http://www.pewfr.org/project\\_reports\\_detail?id=0033](http://www.pewfr.org/project_reports_detail?id=0033).