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**SLOW RECOVERY AND GROWTH PROSPECTS FOR THE UNITED STATES\***

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**1. Introduction**

In 2008-2009 the United States and other advanced countries faced the most serious financial crisis and recession since the Great Depression of 1929. Growth resumed in the United States and in most other advanced countries in 2010, but the recovery has been slow and so are growth prospects. In this paper, I examine the slow recovery and growth in the United States after the global financial crisis, the monetary and fiscal policies that the United States adopted to overcome the recession and stimulate growth, the reasons that U.S. growth remained anemic, and the conflicting policies that the United States could have adopted and should adopt to accelerate its growth.

**2. Slow recovery and growth in the United States and other advanced countries**

The most recent global financial crisis started in the U.S. housing sector in 2007 as a result of banks giving huge amounts of (sub-prime) loans or mortgages to individuals and families that could not afford them. When many individuals and families defaulted on their loans, U.S. banks fell into a deep crisis, which then spread to the entire financial sector in 2008 and, from there, to the U.S. real sector and to the rest of the world economy. The result was the “Great Recession” (Klein and Salvatore, 2013 and Salvatore, 2010, 2014).

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