**AGEC 1113—Honors Contracts**

**Understanding the 2008 Financial Crisis with Bailey**

**Assignment due March 21, 2016 by midnight**

**Email assignment in Word document to: bailey.norwood@okstate.edu**

This assignment assumes that your parents do not work in the financial sector. If they do, complete this assignment pretending they do not.

Use [this article](http://fbaileynorwoodagec1113.blogspot.com/p/the-2008-financial-crisis.html)[[1]](#footnote-1) and the material in class to explain to your parents—or any regular person outside the financial sector—what caused the 2008 Financial Crisis. I want you to explain it as

1. Bad bets in the housing market
2. Excessive borrowing
3. Domino effects
4. And 21st century bank runs …

… but to do it using ordinary language and explaining why these things occurred, to the extent that there is a why, and using at least one concrete example for each. For example, when describing the domino effects, give an example of one of the domino effects that occurred.

So this is your paper assignment.

* For each of the 4 factors causing the crisis, describe each in one paragraph at least 100 words, using ordinary language and at least one example. I will not grade the quality of the writing, only the content. So there should be four total paragraphs and a total of at least 400 words.
* Over Spring Break or earlier, read your four paragraphs to your parents. Ask them if anything was confusing or unclear, and document no more than two of them by describing their question or source of confusion, adding it to the end of your paper.
* Email your paper to me at [bailey.norwood@okstate.edu](mailto:bailey.norwood@okstate.edu) by midnight on March 21. Include the contact name and info of the parent(s) you talked to. I will randomly choose one or two to verify that you did talk to them.

1. http://fbaileynorwoodagec1113.blogspot.com/p/the-2008-financial-crisis.html [↑](#footnote-ref-1)