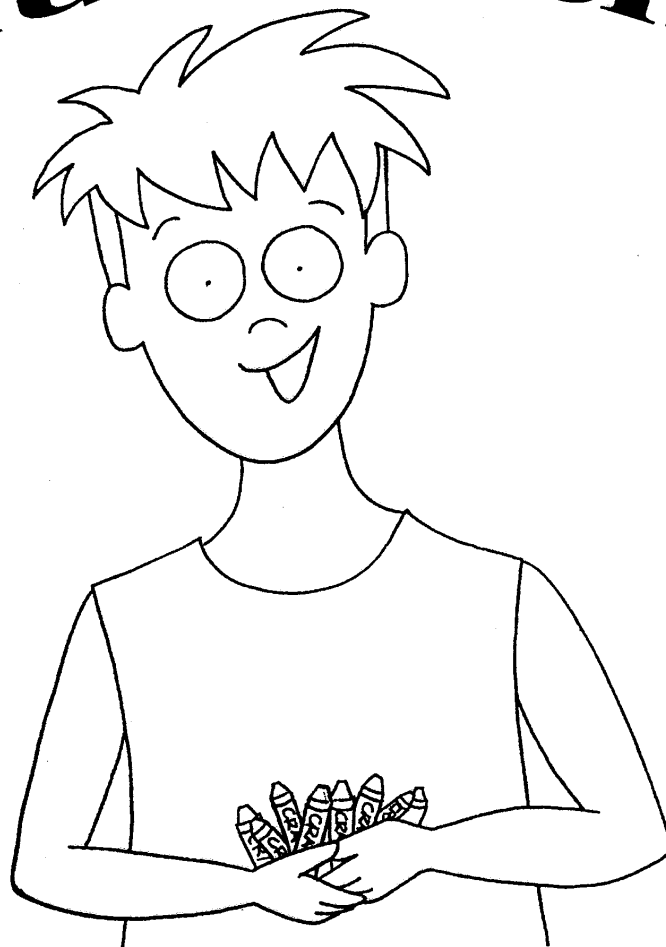


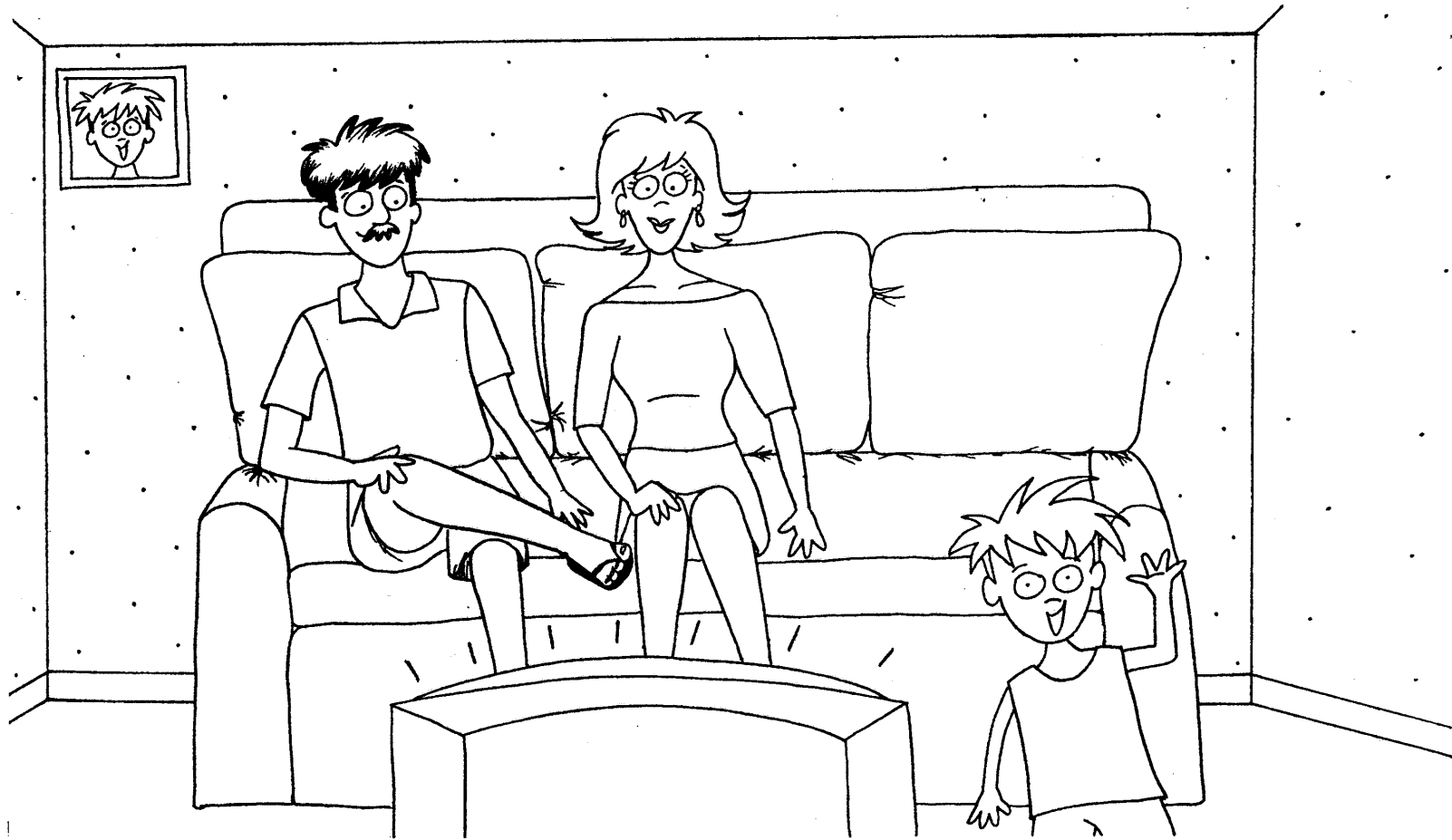
Illustrating



Recession

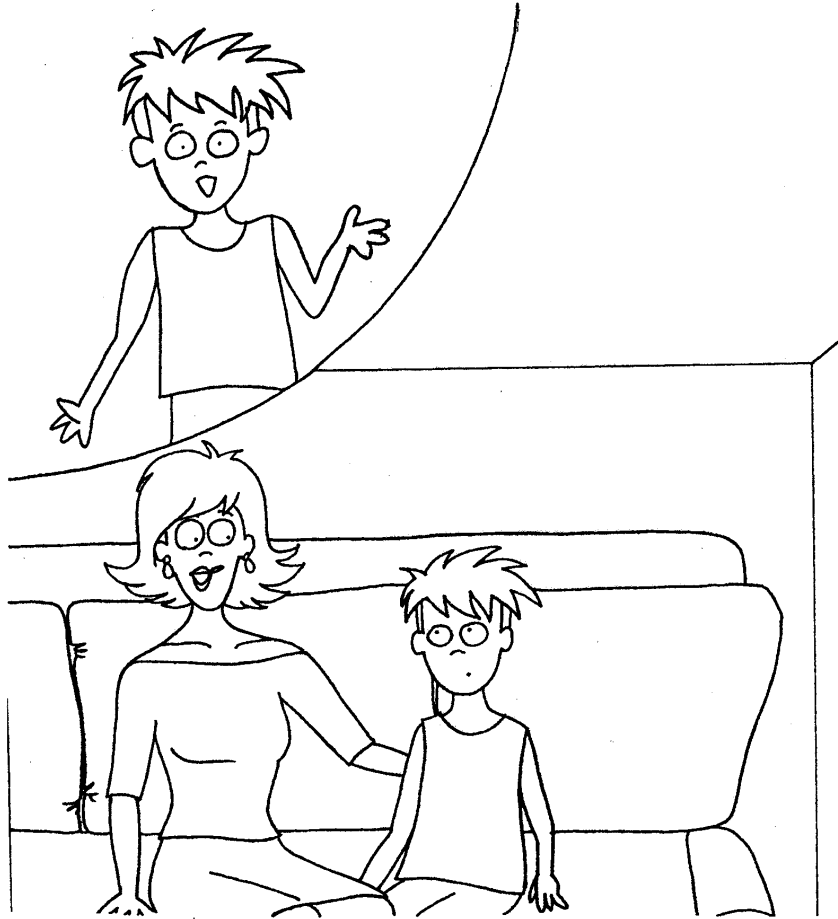


Illustrations by: Renata Saavedra
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Hi! My name is Jacob. I'm 9 years old, and I'm in third grade. Last night, I was watching the TV news with my parents. When the newsman reported our country was in a recession, my parents suddenly looked worried.

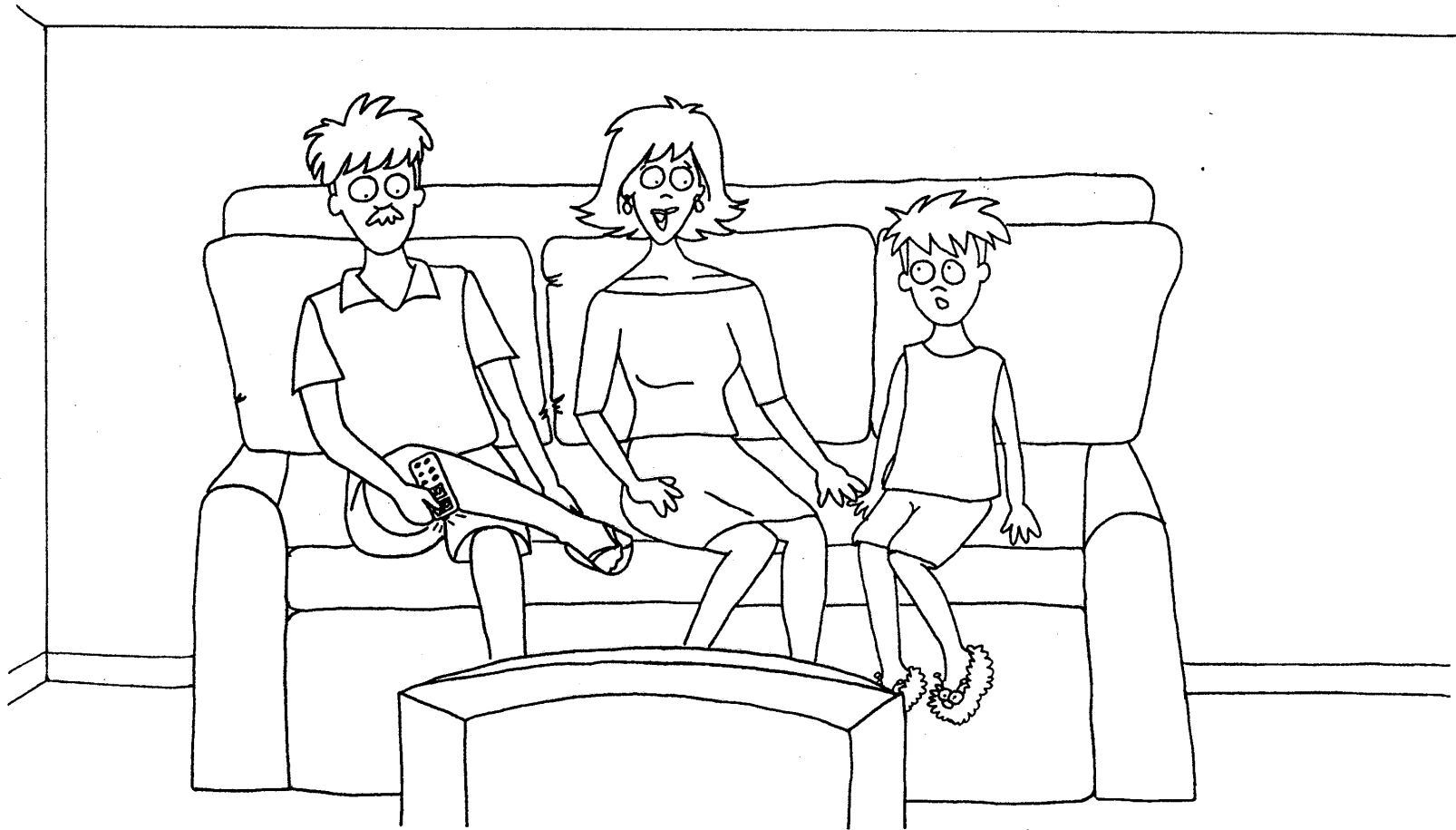
I didn't know why, so I asked Mom, "What's a recession?"



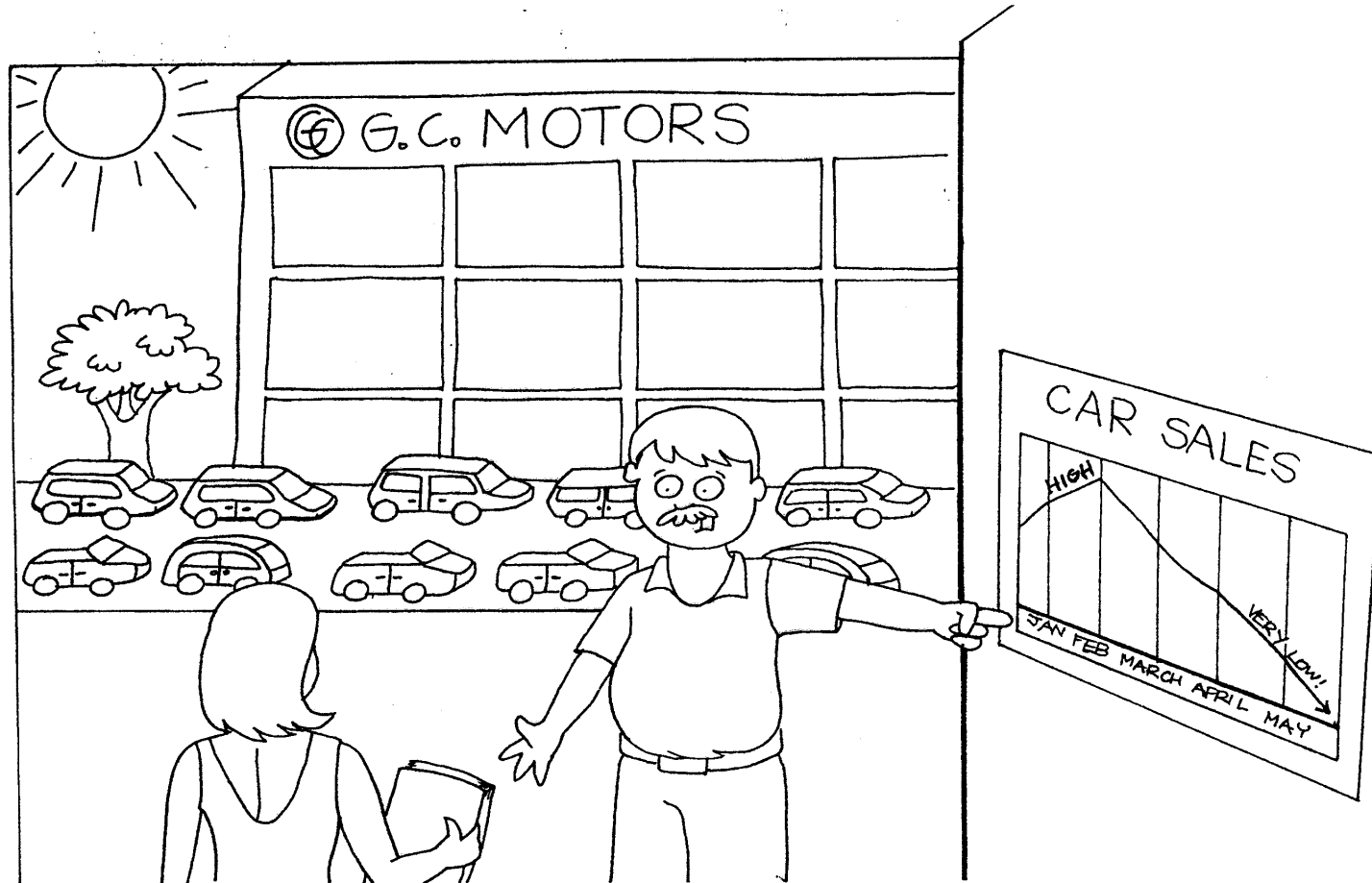
Mom explained, "A recession is a time when people are not spending much money, because they are afraid. Well, adults are afraid they might lose their jobs."



"People without jobs are unemployed, which means they don't earn any money, so they don't have any money to spend. When grown-ups are worried about losing their jobs and not having any money, they buy only things they really need."

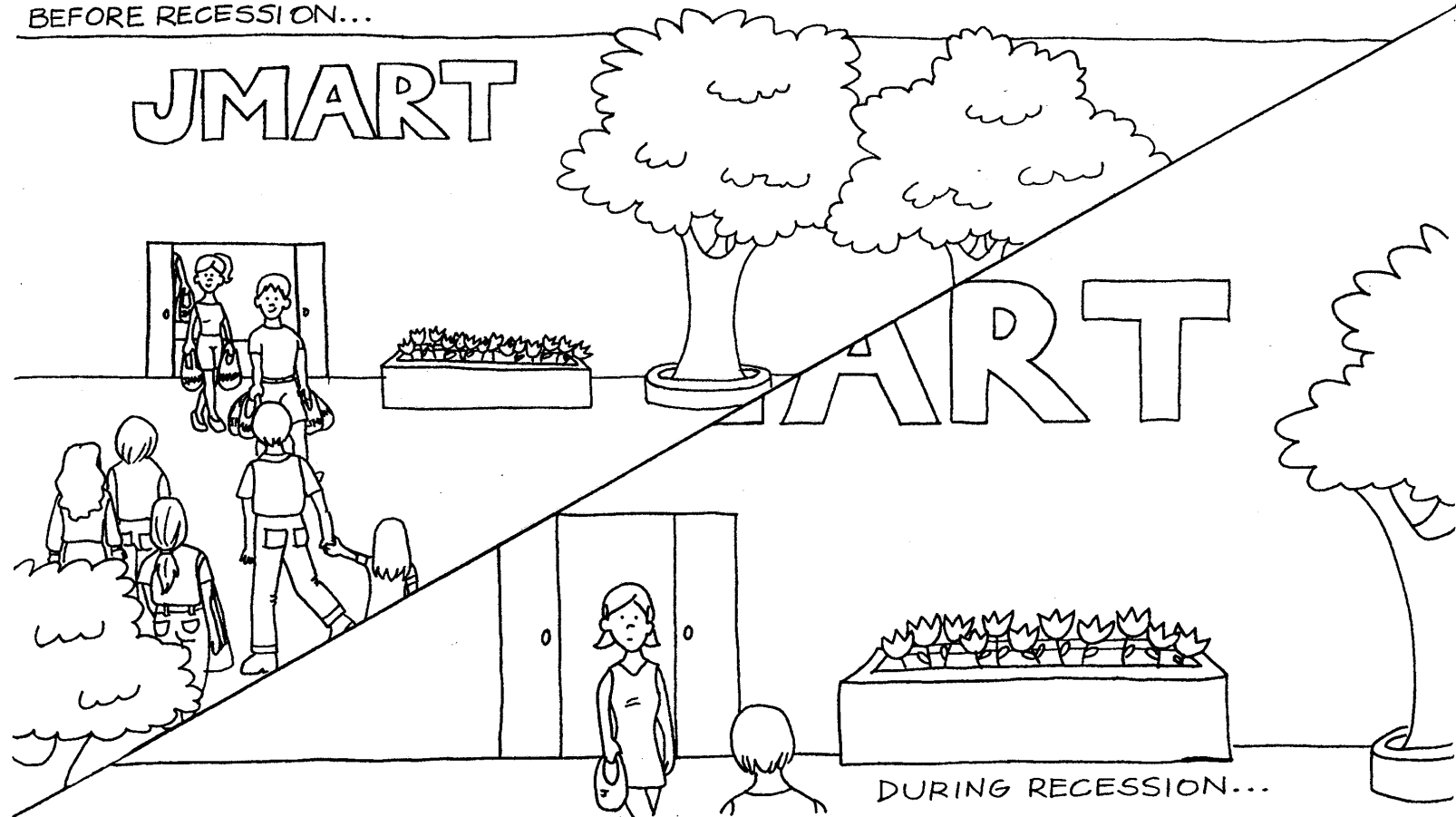


“Does that mean you and Dad are not going to buy me toys anymore?”
Mom answered, “Maybe not as often. We want to save our money, too.”



She explained that if many people become unemployed and stop buying things all at once, grown-ups then say the country is in a recession. Companies have factories that produce all kinds of things, like cars, toys, computers, and games. When people don't buy these new things, companies don't make enough money. This causes them to let some workers go. When adults don't spend their extra money, and more companies have to let workers go, the people who buy things, called consumers, get scared.

BEFORE RECESSION...



DURING RECESSION...

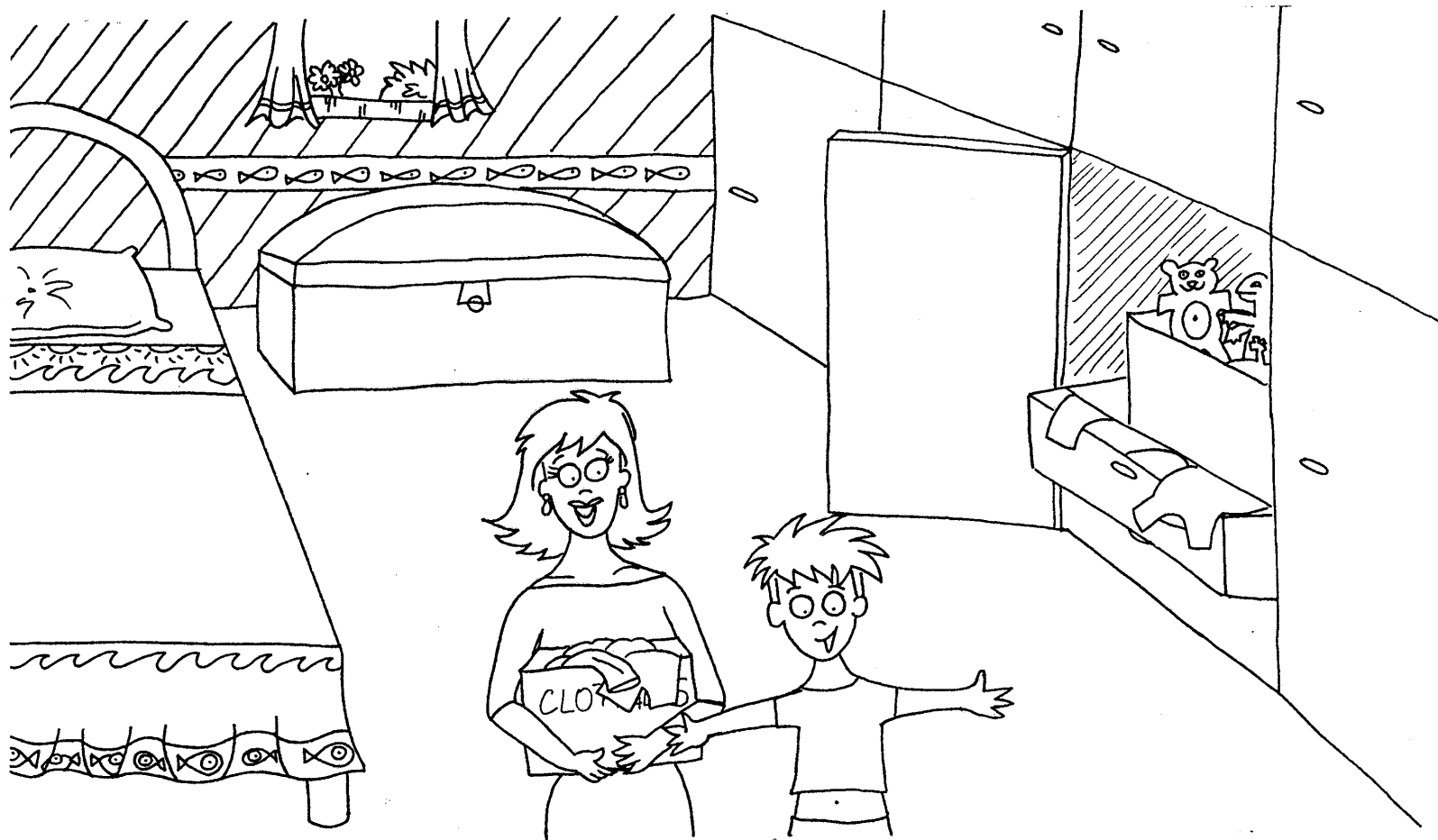
I wondered, "Are you and Dad consumers?"

"Yes, son, we are. You are, too, when you use your allowance to buy things like trading cards or candy. During a recession, we are a little scared of spending money, just like everyone else. When many people are worried, the news people will say that consumer confidence is low. That is not good for our country."



“What happens if the consumer confidence is high?” I asked.

“When many people have jobs, and spend money to buy things they want, the companies will make money again. The news people will report that consumer confidence is high. When this happens the country will not be in a recession, and that is good news.”



“What can kids do to help?” I asked.

“Well, we can try to share with people who don’t have much money. Let’s give the clothes you have outgrown to children who need them,” Mom replied.

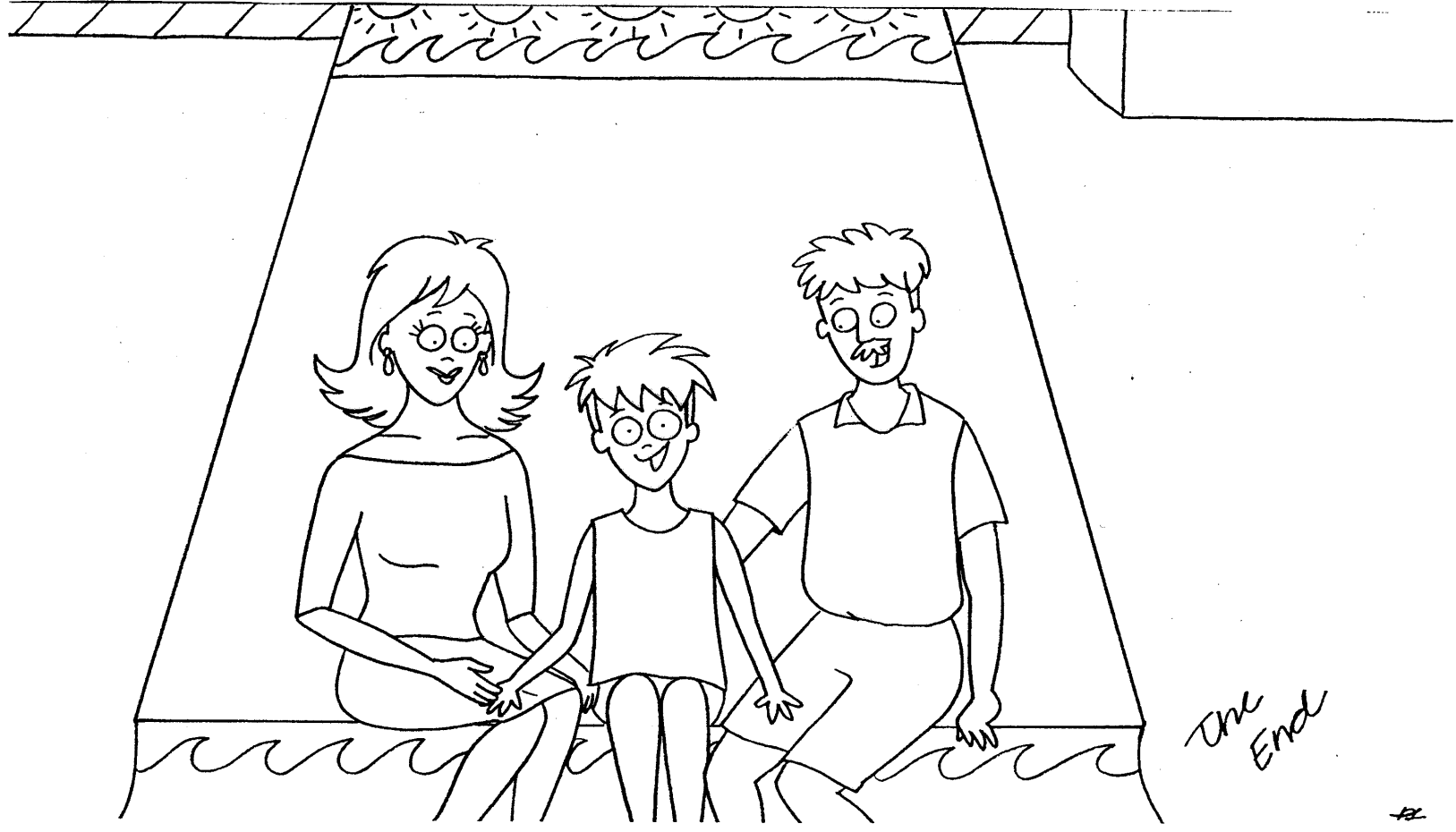


“Hey! Even though I won’t be getting many more toys, can I give away some of my old ones?”

“That’s a fantastic idea, Jacob. You could give your extra toys and clothes to other children who may need them.”

“Great, Mom! Let’s go collect them now.”

Mom smiled and said, “Sure, Jacob. We can start by cleaning out your toy box.”



Dad said, "I am proud that our family is working to help other people and our country!"