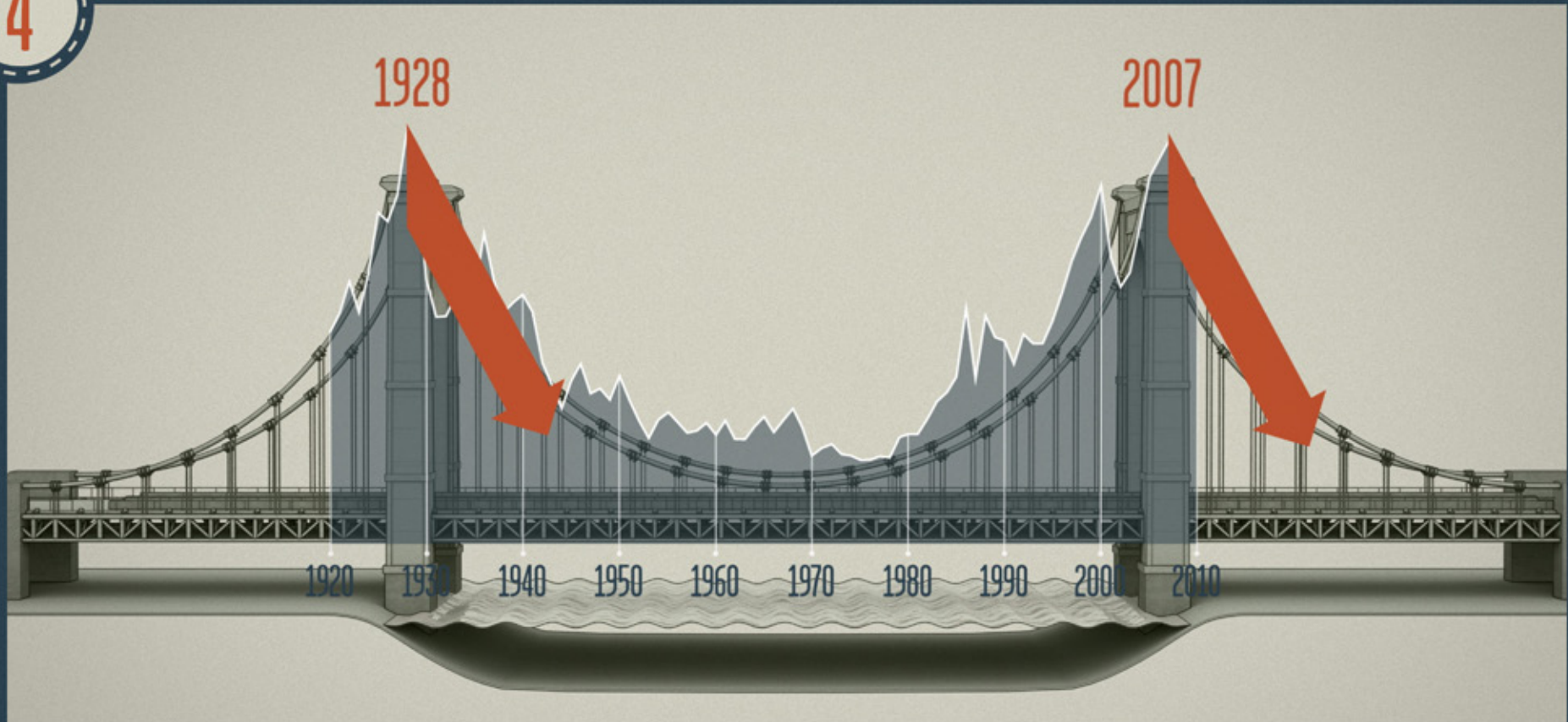


4

What happened after 1928? The Great Crash. What happened after 2007? Another crash.



What were the parallels that led to the crashes? 3 things:

- 1** As income concentrated in fewer hands, the financial sector ballooned in both eras.
- 2** In both eras, capital looked to a limited number of assets: housing, gold, speculative instruments, etc. — and this created a speculative bubble.
- 3** Finally, the middle class in both periods saw their incomes stagnate. They went into debt to maintain their living standards, creating a debt bubble. That debt bubble eventually burst.