

THE 19805

Enacting Change Through Economic Policies

DEFICIT

The \$195.4 billion federal budget deficit in 1983 surpasses 1982's "largest deficit in history" as defense spending soars. The Balanced Budget and Emergency Deficit Control Act (1985) raises the federal debt limit to avoid default.



Photo. President Ronald Reagan addresses the nation on the National Security Defense Initiative nicknamed the "Star Wars program." Everett Collection Inc., Alamy Stock Photo, March 1983



DROUGHT

Farmers face droughts and falling commodity prices and land values. The Agriculture and Food Act (1981) costs \$49 billion more than estimated. The Food Security Act (1985) anticipates spending another \$100.6 billion on farm programs.

Photo. A Wisconsin cornfield. In the 1980s, the state experiences severe drought and crop losses. K. Vreeland, ClassicStock, Alamy Stock Photo, September 1985.

TAXES

The Economic Recovery Tax Act (1981), Tax Equity and Fiscal Responsibility Act (1982), and Tax Reform Act (1986) significantly change the U.S. tax code. The individual top tax rate in 1988 is the lowest since 1931.

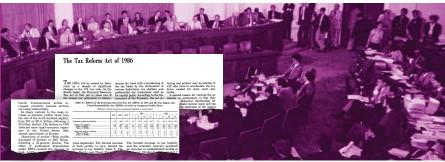


Photo. A joint U.S. Senate and House of Representatives hearing is held on tax reform. Dennis Brack, Alamy Stock Photo, July 1986.



SAVINGS & LOAN

Thrift savings institutions succumb to interest-rate hikes and inflation. The Financial Institutions Reform, Recovery, and Enforcement Act (1989) tackles 511 thrift savings institution insolvencies. The bailout's estimated cost: \$150 billion to \$160 billion.

Photo. The federal government seizes control of the National Bank of Washington, declaring it insolvent. Valentino Visentini, Alamy Stock Photo, April 2015.

Find more Survey history at www.bea.gov/scb/centennial/decades/1980s.htm

