





The **financial crisis of 2007–08**, also known as the **global financial crisis** and the **2008 financial crisis**, was a severe worldwide [economic crisis](#) considered by many economists to have been the most serious [financial crisis](#) since the [Great Depression](#) of the 1930s, to which it is often compared

It began in 2007 with a crisis in the subprime mortgage market in the United States, and developed into a full-blown international banking crisis with the collapse of the investment bank Lehman Brothers on September 15, 2008.<sup>[5]</sup> Excessive risk-taking by banks such as Lehman Brothers helped to magnify the financial impact globally.<sup>[6]</sup> Massive baillouts of financial institutions and other palliative monetary and fiscal policies were employed to prevent a possible collapse of the world financial system. The crisis was nonetheless followed by a global economic downturn, the Great Recession.

