

Warm-Up: Reaganomics



Once in office, Reagan quickly moved to persuade Congress to **cut taxes** to stimulate the economy. Reagan felt that by cutting taxes, people would then begin spending more of their money and businesses would again begin to grow. Reagan also hoped people would save more money which would, in turn, help out the nation's banks.

With fewer taxes coming in, Reagan looked for ways to cut **government spending**. Reagan cut back on aid to social programs such as welfare, money to education, Social Security, and food stamps. A third goal of Reagan's plan to improve the economy involved **ending many of the costly regulations** that industries had to follow.

For example, Reagan opposed all laws that required businesses to install costly antipollution devices.

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1. According to the Reagan campaign ad, what did Reaganomics seek to do to the US economy?
2. What did Reagan think would happen if the US cut taxes?
3. What programs did Reagan cut to limit government spending?
4. According to the cartoon, what character from *A Christmas Carol* is Reagan portrayed as? Why do you think the cartoonist did this?