The Great Stay-In vs the Great Recession: Lessons Learned

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"The GFC was a crisis that began on Wall Street and spread to Main Street. COVID-19 is a crisis that began on Main Street and spread to Wall Street."

That's how one private credit manager compared the two worst downturns since the 1930's. With the coronavirus still in its early stages, this pandemic might end up worse in some respects than any of them.

Most recessions are caused by a misallocation of capital, whether mortgages, high tech, or emerging market debt. The Great Recession began with too much leverage in the system.

This time the banking system was healthier than its ever been. A biological threat forced lock-downs, bringing commercial activity to a stand-still…

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