About Navigating the New World Order: U.S. Influence and Intervention

The decades after the Cold War were uneasy times of transition for the United States as the world's dominant superpower. As students will learn in this topic, when the Cold War ended, George H. W. Bush and other American leaders envisioned the United States taking on a larger role as a world leader, such as by preventing human rights abuses and delivering humanitarian aid. The United States faced many challenges exercising this leadership and made decisions that were controversial on the domestic and international stages.

The First Gulf War

One of the first tests of what President Bush called the "new world order" involved challenging Iraq's ambitions in the Persian Gulf. Saddam Hussein seized power in Iraq in 1979 after years of rising through Iraq's Ba'ath political party. An ambitious and militaristic dictator who modeled himself after Joseph Stalin, Saddam envisioned that Iraq would lead the Arab world. In the fragile post–Cold War world, the Bush administration and U.S. allies did not want Saddam consolidating regional dominance and gaining greater political and economic power through control of Kuwait's oil. Weapons of mass destruction were another concern. In his September 1990 remarks to Congress, Bush laid out long-term goals for U.S. involvement in the Persian Gulf, including curbing the proliferation of destructive armaments. When Bush announced the start of the Persian Gulf War the following year, he warned that the United States and its allies were concerned about Saddam's possession of chemical weapons and his ambition to develop nuclear arms.

According to some historians and government officials, however, the United States' primary interest in Persian Gulf security was to keep the oil flowing. Ongoing conflict in the Gulf would interrupt the flow of oil around the world and raise the prices of this key energy source, potentially destabilizing the U.S. economy along with other international economies. U.S. policy was also aimed at preventing any hostile foreign or regional power from gaining control or influence in the Gulf, as such dominance would threaten both American and global security interests.

In 1990, Iraq invaded Kuwait and seized its oil fields. In response, President George H. W. Bush organized a coalition of allied nations and launched Operation Desert Storm in early 1991. The coalition's goal was to drive Iraqi forces out of Kuwait, which was accomplished within weeks. Saddam remained in power because removing him was not a stated goal of the operation, and the administration argued that doing so would have required a prolonged and costly occupation, risked regional instability, and potentially fractured the international coalition.

As part of the ceasefire that ended the war, the United Nations (UN) required Iraq to dismantle its weapons of mass destruction programs and submit to international inspections. These inspections, carried out by the United Nations Special Commission (UNSCOM), marked the beginning of years of tense standoffs between Iraq and the international community over compliance and transparency. Inspections did uncover elements of Iraq's prohibited weapons programs, but Saddam repeatedly obstructed and limited the access of inspectors. The United States and the United Kingdom launched air strikes in December 1998, known as Operation Desert Fox, to punish Iraq for its lack of cooperation.

The War's Aftermath

Saddam continued to consolidate power after the First Gulf War, suppressing opposition movements and at different times grooming one of his sons—Uday or Qusay—for succession. He resisted cooperation with UN weapons inspectors. After the U.S.–U.K. air strikes in 1998, Saddam refused to readmit weapons inspectors into the country. The United States would later use this ongoing resistance to justify its 2003 invasion.

Meanwhile, economic sanctions harmed the Iraqi economy. International humanitarian organizations and UN agencies reported that the U.S.-led sanctions had severely damaged Iraq's economy and contributed to widespread shortages of food and medicine, which disproportionately harmed Iraqi civilians, especially children.

Kuwait also sustained significant damage during and after the war. Retreating Iraqi forces burned Kuwaiti oil wells, which created an environmental disaster in the Gulf. While U.S. troops experienced fewer combat deaths compared to other wars, many Gulf War veterans suffered from post-traumatic stress disorder (PTSD) and ongoing physical symptoms sometimes described as "Gulf War syndrome."

Television Journalism in Wartime

Once Operation Desert Storm began, all other media companies in Baghdad, Iraq's capital, lost power and communications systems; CNN was the only news source able to broadcast live reports and was the first to break the news to the world that the war had begun. Its reporters stayed in Iraq despite later pressure from the U.S. government to leave. The war established CNN's reputation as a major source of news.

CNN and other media companies continued to send reporters to cover subsequent wars live, including the conflict in Bosnia. They used satellite transmitters to send images to audiences in real time. Covering war was dangerous to journalists, who often embedded themselves close to combat situations to get footage. Two American journalists were killed by a land mine in 1994 while reporting on the crisis in Bosnia. The Second Gulf War in Iraq was especially deadly for journalists around the world; more than two hundred journalists, including many from the United States, were killed in Iraq between 2003 and 2010.

Media, Policy, and Public Response

Students will learn about the "CNN effect," or media's influence on policy, in Topics 1 and 2. This effect emerged partly because cable news channels, including CNN, could now show developments as they happened, which pressured political officials to respond or make decisions more quickly than in the past.

Public opinion also played a role. It has been argued that public and media pressure are effective at motivating government action for potential humanitarian missions. These interventions are seen as low-risk and low-cost to the United States. By contrast, viewers are less likely to push the administration to act in a potentially high-risk mission that might involve force, such as an international civil war, even if there is extensive media coverage of events.

Foreign Policy of the Clinton Administration

Bill Clinton faced many foreign policy tests during his presidency. In the 1990s and early 2000s, southeastern Europe saw violent ethno-nationalist conflicts as Yugoslavia dissolved into separate states. Formed in 1918 as the Kingdom of Serbs, Croats, and Slovenes, Yugoslavia was renamed in 1929 and eventually included Bosnia and Herzegovina, Croatia, Kosovo, North Macedonia, Serbia, and Slovenia.

Although united after World War II under communist leader Josip Tito, the republics never developed a strong common identity and were ruled as separate entities. After Tito's death in 1980 and the Soviet Union's collapse in 1991, nationalist movements surged. Serbian leader Slobodan Milošević rose to power by promoting ethnic unity among Serbs, stoking the fears of other groups, and consolidating control over Kosovo and the Yugoslav army. In October 1990, intelligence officials warned U.S. policymakers, "Yugoslavia will cease to function as a federal state within a year, and will probably dissolve within two."

Bosnia

Conflict over the future of Bosnia and Herzegovina accelerated the breakup of Yugoslavia. These two regions are geographically distinct but historically linked as a single state, with Herzegovina in the south and Bosnia in the north. After World War II, Bosnia and Herzegovina became a constituent republic of the new Yugoslavia. Its population was ethnically and religiously diverse, reflecting the broader cultural divisions of the Balkans. The neutral term for all citizens of the country is *Bosnian*, while *Bosniak* refers specifically to Bosnian Muslims. Other major groups were Croats, who were mostly Roman Catholic, and Serbs, who were mostly Orthodox Christian. By 1971, Bosniaks made up the largest portion of the population.

The majority of the population voted for independence from Yugoslavia in 1992, and the United States recognized Bosnia and Herzegovina's independence that April. In response, Bosnian Serb forces, backed by the Yugoslav army, laid siege to the capital of Sarajevo. They claimed to be defending territory they regarded as Serbian land within Bosnia, believing it should remain tied to Yugoslavia or eventually join Serbia. Over the next three years, Bosnian Serb forces carried out a brutal campaign of ethnic cleansing against Bosniaks and Croats, marked by atrocities including torture, rape, imprisonment, and mass killings.

The international community, including the United States, became increasingly involved through the "Contact Group," an informal coalition of the United States, United Kingdom, France, Germany, and Russia that sought to negotiate peace. After a massacre at Srebrenica in 1995, NATO, with U.S. leadership, launched air strikes against Bosnian Serb positions to force an end to the violence. Later that year, U.S. negotiators, led by diplomat Richard Holbrooke, brokered peace talks in Dayton, Ohio. The resulting Dayton Accords ended the war. The agreement preserved Bosnia and Herzegovina as a single state but divided it internally into two semi-autonomous entities: the Federation of Bosnia and Herzegovina, shared by Bosniaks and Croats, and Republika Srpska, controlled primarily by Bosnian Serbs. Each entity maintained a high degree of self-governance but shared certain institutions in a central government. This compromise ended the war, though it left Bosnia and Herzegovina politically fractured.

The U.S. and NATO role in Bosnia set the stage for later interventions in the Balkans, most notably the 1999 campaign in Kosovo.

Kosovo

The United States militarily intervened in Kosovo in the late 1990s. In Kosovo, a small region ruled by the Ottoman Empire until the early twentieth century, ethnic violence against civilians and questions about whether outside powers should intervene to prevent humanitarian abuses became central issues. Incorporated into Serbia after the First Balkan War, Kosovo was an autonomous province of Serbia after World War II, which meant it had an independent government. Partly due to Kosovo's heritage of Ottoman rule, Islam continued to exert a strong influence. By the late twentieth century, most Kosovars were Muslims with ethnic heritage from neighboring Albania, while the minority were Orthodox Christian Serbs.

Milošević brought Kosovo under Serbian rule in 1989, ending its autonomous status. A resistance movement followed, led by ethnic Albanians, who formed the Kosovo Liberation Army in 1997 and launched a rebellion the following year. Milošević responded with a brutal military campaign to crush the insurgency, which included atrocities against civilians.

The United States, under President Bill Clinton, played a leading role in the NATO intervention. American warplanes carried out the majority of the air strikes in NATO's 1999 bombing campaign, and U.S. diplomats helped push for international action to stop Milošević's forces. The campaign forced Serbia to withdraw, and Kosovo was placed under UN administrative mandate. U.S. involvement was controversial at home, with supporters arguing that it prevented ethnic cleansing and critics claiming that the intervention went beyond American national security interests.

Milošević lost power soon afterward; he was arrested in 2001 and charged by the International Criminal Court, with which the United States does not cooperate, for crimes against humanity. In 2008, Kosovo officially declared its independence, which was recognized by the United States and most European countries but not by Russia or Serbia.

NAFTA

Many believe the Democratic Party also underwent a change in the 1990s, shifting rightward with Clinton's centrist agenda that combined traditional Democratic priorities with pro-business policies. The North American Free Trade Agreement (NAFTA) was the clearest symbol of this shift. In previous decades, and especially during the presidency of Franklin D. Roosevelt, the Democratic Party had built strong ties with labor unions by supporting policies such as the right to collective bargaining, minimum wage laws, workplace safety regulations, and Social Security. Republicans, in contrast, were more closely associated with free-market and free-trade policies.

However, Clinton supported NAFTA, a Republican-led initiative, despite concerns from some labor groups that it might affect manufacturing jobs. NAFTA, originally negotiated and signed by Republican president George H. W. Bush in 1992, was supported and actively promoted by Democratic president Bill Clinton, who pushed it through Congress and signed it into law in 1993. By advocating for NAFTA and other centrist policies, Clinton demonstrated a willingness to work across party lines and incorporate pro-business measures into his administration's economic strategy. While some critics viewed this as a move away from traditional pro-labor positions, Clinton also maintained support for key labor and social welfare policies, balancing centrist and progressive priorities.

The Former Soviet Republics

Prior to President Clinton taking office, Russia had become an independent nation, and Boris Yeltsin became its first president. The Bush administration attempted to work with Russia to help shape the other former Soviet republics as they transitioned into independent countries. The role of the United States in this "new world order" was put to the test. Secretary of State James Baker identified U.S. policy priorities in this area, such as recognizing existing borders, respecting international laws, and supporting democracy and human rights. Some former Soviet republics transitioned smoothly to democracy. Ukraine held a peaceful election in 1994, and Lithuania and Latvia later joined both the European Union and NATO. For many countries, however, the transition from a Soviet-aligned government to an independent nation was difficult, and they faced significant challenges.

After Bill Clinton assumed the presidency, his administration worked with Russia to help in its transition from a communist government and economy. The Clinton administration provided resources and expertise to help establish infrastructure for free elections. It worked with the Russian government to establish the rule of law and supported independent media. The Clinton administration also helped Russia dismantle its centrally planned economy and transition to a market system by, for example, working with the Russians to make its privatization process transparent and efficient and establish an independent judiciary.

The collapse of the Soviet Union raised grave concerns over the security of its vast nuclear arsenal. The Clinton administration launched programs to improve security around nuclear sites and account for nuclear materials. It worked with the Russian government to deactivate thousands of Soviet nuclear warheads, missile launchers, bombers, and submarines. The Strategic Arms Reduction Talks, or START, led to agreements to limit stocks of nuclear weapons. These efforts achieved notable successes, but progress was gradual and required ongoing negotiation and oversight.

Despite their willingness to intervene in European conflicts, the Bush and Clinton administrations proved to be less willing to apply similar resources to African conflicts. Debates over U.S. involvement, or lack thereof, in Somalia and Rwanda were ongoing in the 1990s and continue today.

Somalia

The country of Somalia, in eastern Africa, had spent decades under the control of Mohammed Siad Barre, a dictator at the head of an authoritarian military government. When rebel armies forced out Barre in 1991, no one took his place, warfare continued, and the country lacked a centralized government. Chaos resulted as different warring armies fought for control and killed civilians in the process. The conflict as well as a long period of drought destroyed local agriculture, and Somalis soon faced a deadly famine.

In August 1992, under President George H. W. Bush, the United States sent troops to Somalia to bring relief supplies and food aid. However, the operation was hindered by warlords and militias raiding warehouses and stealing supplies, so the aid did not reach the people it was meant to help.

The United States decided to take a more forceful approach in December 1992 by sending in ground troops prepared for combat if needed. At its peak, the United States had deployed about twenty-eight thousand troops. They were clear that their mission was humanitarian relief, not war. Operation Restore Hope was meant to be short-term. The goal was to provide humanitarian aid and gradually transfer peacekeeping responsibilities to the United Nations. Many UN members, particularly African countries, criticized the United States for its refusal to commit money or troops for peacekeeping.

Meanwhile, Somali warlords resisted surrendering power to UN leaders, and violence escalated to the point that after reducing its combat presence in early 1993, the United States redeployed its combat forces to Somalia later that year. Muhammad Farah Aydid, one of the most powerful warlords in Mogadishu, was accused of blocking food aid, attacking UN forces, and trying to seize control of the capital. His militia was believed to have killed a group of Pakistani peacekeepers in June 1993, making him the primary target of U.S. and UN operations.

The effort to capture Aydid's top lieutenants culminated in the October 1993 Battle of Mogadishu. U.S. Army Rangers and Delta Force troops carried out a raid in the city, but the operation went badly wrong when Somali fighters shot down two Black Hawk helicopters. A daylong urban battle followed, in which eighteen Americans and hundreds of Somalis were killed. Images of U.S. soldiers' bodies being dragged through the streets shocked Americans watching the news at home.

The battle marked a turning point in U.S. involvement in Somalia. Public support collapsed, and President Clinton soon announced that American forces would withdraw the following year. The failure in Somalia made U.S. leaders more cautious about future humanitarian interventions in Africa, and it shaped debates over how and when the United States should commit troops abroad.

Rwanda

After the failure in Somalia, Clinton began to reevaluate the United States' role as a peacekeeper in world affairs. In 1994, he signed a presidential decision directive (PDD-25) that included sixteen factors for policymakers to consider before sending U.S. troops into other countries to support peacekeeping. The factors were much more restrictive than previous guidelines for foreign intervention. The new guidelines required an assessment of the mission's value to vital American interests, the likelihood that troops would engage in combat, and the exit strategy plan, among other concerns.

At the time PDD-25 was being developed, another crisis was unfolding in the Central African nation of Rwanda. Mass ethnic violence erupted as Hutu extremists targeted the Tutsi minority in a planned genocide.

Hutu extremists had political power and were the aggressors; they butchered Tutsi with heavy knives called machetes, with the goal of "exterminating" the entire Tutsi population. UN peacekeeping forces were already on the ground in Rwanda, but they needed more help. Canadian major general Roméo Dallaire, who led the UN forces in Rwanda, asked the United Nations to send 2,500 troops. The UN response hinged on what the United States would decide; the United States was the only country with a military large and capable enough to quickly deploy that many troops.

Clinton used PPD-25 to guide his decision. Because Rwanda was assessed as having limited strategic or economic interest to the United States, and because of operational constraints and low public pressure, the administration decided not to commit U.S. troops. Other factors included recent lessons from Somalia and concerns about American casualties.

The Hutu killing of Tutsi resulted in the loss of more than eight hundred thousand lives. Clinton later admitted that he had not understood the full scope of the genocide at the time and described his inaction as one of the greatest regrets of his presidency. In 1998, he visited Rwanda and offered a formal apology to survivors. The decision not to intervene was widely criticized internationally and remains a major point of historical debate regarding U.S. foreign policy.

The 9/11 Attacks and the U.S. Response

On the morning of September 11, 2001, President George W. Bush was visiting an elementary school in Sarasota, Florida. Upon being informed of the first plane crashes, he returned to Air Force One. Members of the Secret Service were unsure if and when Bush could return safely to Washington, D.C. Air Force One ended up traveling to a nearby Air Force base where there was both protective security and broadcast equipment. Opened in 1933 as a U.S. Army airfield, Barksdale Air Force Base is located in northwest Louisiana near Bossier City. It earned a new level of national significance on September 11, 2001.

About an hour after landing at Barksdale Air Force Base, Bush spoke from a hastily assembled podium to deliver his first public address about the tragedy. Local television channels in nearby Shreveport helped send Bush's message to networks across the nation. The podium Bush used is now on display at a Barksdale museum.

The terrorist attacks of September 11, 2001, came as a shock to most Americans. However, the global events that set the attack in motion stemmed from developments that had been brewing for many years.

The Rise of International Terrorism and al-Qaeda

In 1979, the Soviet Union invaded Afghanistan, and a ten-year war began. As heavily armed mujahideen, jihadist insurgent groups fighting against communism, resisted the Soviet invasion, volunteers from other Muslim-majority countries joined them. Saudi millionaire Osama bin Laden helped finance not only fighters but also the training camps and infrastructure that supported them, turning local resistance into a broader international jihadist movement. The Soviet Union's defeat proved to bin Laden and others that even global superpowers could be overcome.

The Soviet-Afghan War also led to the formation of al-Qaeda, a name that roughly translates as the base. While it was associated most closely with Afghanistan, al-Qaeda was multinational and decentralized. It operated in hundreds of small groups that worked independently to achieve the same goals: training volunteers as "holy warriors" and establishing a unified Islamic caliphate that would serve as the central authority for Muslims worldwide. After al-Qaeda bombed American embassies in Kenya and Tanzania in 1998, the United States retaliated by bombing al-Qaeda strongholds in Afghanistan. Osama bin Laden promised to avenge these attacks.

After the U.S. intervention in Somalia in the early 1990s, bin Laden claimed that American troops showed low morale and withdrew quickly after suffering losses. He concluded from this experience that the United States

was a "paper tiger"—strong and threatening in appearance, but weak when confronted with force. According to bin Laden, al-Qaeda fighters had expected the Americans to put up more resistance and were surprised by how quickly U.S. troops left the country.

The Bush Doctrine

After September 11, 2001, U.S. foreign policy gained a single, clear focus: counterterrorism. The White House released its National Security Strategy a year later, in September 2002. This strategy guided the early years of the September 11 response and became the basis for what many political scientists and historians called the Bush Doctrine.

One noticeable feature of the doctrine was its emphasis on preventive war. Previously, preemptive military strikes, or anticipatory attacks—strikes made when an enemy attack seemed imminent—had not been part of U.S. foreign policy. With a preventive policy, the United States would act against any nation or group that appeared to pose a future threat, even before any actual attack was imminent. The idea was to deter potential terrorist action or the development of weapons of mass destruction. The doctrine was used to justify military action against countries such as Iraq, which the administration claimed posed a potential threat, although operational links to terrorist groups were disputed. Another principle of the Bush Doctrine was unilateral action, meaning that the United States would act alone without foreign allies if necessary. A third principle was to encourage the growth of democracy and capitalism around the world.

The War in Afghanistan

The U.S. war in Afghanistan began in October 2001 as part of the broader "war on terror" launched after the September 11 terrorist attacks. The initial goal was to destroy al-Qaeda, the group responsible for the attacks, and to remove the Taliban government that had sheltered its leaders. The combat mission in Afghanistan, Operation Enduring Freedom, did not officially end until 2014, making it the longest war in U.S. history. The mission itself was divided into phases. The initial combat phase toppled the Taliban within months. The second phase focused on rebuilding Afghan institutions, such as government and infrastructure.

By the mid-2000s, however, the Taliban had regrouped and launched a persistent insurgency. U.S. and NATO forces shifted to counterinsurgency operations, seeking to suppress Taliban fighters and support the new Afghan government. Fighting intensified between 2006 and 2008, and additional U.S. troops were sent to strengthen security efforts. By the time Barack Obama took office in January 2009, the war was still ongoing, and it remained a central challenge of his presidency.

In the years that followed, the United States increased troop levels in an effort to stabilize Afghanistan and target al-Qaeda safe havens across the border in Pakistan. The combat mission officially ended in 2014, but a smaller U.S. presence remained until the final withdrawal of troops in 2021. By then, the Taliban had regained control over much of the country, which generated significant debate in the United States.

The Invasion of Iraq

The decision to invade Iraq in 2003 remains one of the most debated U.S. foreign policy choices of the twenty-first century. The Bush administration had been considering action against Iraq since well before September 11. Saddam's failure to abide by post–Gulf War agreements posed an international concern. However, terrorist attacks on the United States lent the issue of Iraq greater urgency. In his 2002 State of the Union address, Bush cited Saddam's repeated human rights violations and stated that Iraq "is a regime that has something to hide from the civilized world." In contrast to U.S. actions during the 1991 Gulf War, the 2003 invasion of Iraq did include the goal of eliminating Saddam; the initial air campaign included multiple attacks directed at locations where Saddam was believed to be.

To gain support for an invasion of Iraq, U.S. secretary of state Colin Powell addressed the United Nations in February 2003. Powell argued that the United Nations risked becoming irrelevant as an international peacekeeping body if it allowed Saddam to defy its resolutions. He also presented what U.S. intelligence assessments at the time suggested was evidence that Saddam was in the process of building nuclear weapons. Critics argued that the real objective of the invasion was to protect U.S. business interests and follow the Bush Doctrine.

The Iraq War began with a U.S.-led invasion in March 2003, which quickly toppled Saddam's regime. After the initial victory, U.S. and coalition forces faced a growing insurgency made up of former regime loyalists, sectarian militias, and foreign fighters. Violence escalated into a civil conflict between Sunni and Shia groups, with al-Qaeda in Iraq fueling instability. In 2007, the United States launched a "surge" of additional troops that temporarily reduced violence, but political reconciliation in Iraq remained fragile. American combat forces formally withdrew in 2011, though U.S. troops returned a few years later to help fight the rise of ISIS, a militant extremist group that grew out of al-Qaeda in Iraq and declared itself an Islamic state, seizing territory in Iraq and Syria in the mid-2010s. (ISIS formally stands for the Islamic State in Iraq and Syria.) The war left ongoing political, economic, and humanitarian challenges in Iraq, and it reshaped U.S. foreign policy debates for decades to come.

After Saddam's removal, the United States played a central role in Iraq's political transition, including overseeing the drafting of a new constitution. Observers differed in their assessments of this process: Some viewed it as necessary for stability, while others argued the constitution showed signs of excessive U.S. influence and not of Iraqi democracy because it was not written or agreed on solely by Iraqis themselves.

The failure to find weapons of mass destruction in Iraq shook the public's faith in U.S. intelligence analysis as well as its support for the occupation. The bipartisan Robb–Silberman Commission, formally known as the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, was created by President Bush in 2004 to investigate why intelligence about Iraq had been so flawed and to recommend reforms. David Kay, formerly the top U.S. weapons inspector, admitted in 2004 that he and his colleagues "were almost all wrong" about Iraq's weapons threat. Kay, like the Robb–Silberman Commission officials, found no evidence of pressure or inappropriate influence to change findings. Instead, he believed investigators had drawn premature conclusions based on limited information. The Federation of American Scientists (FAS) Intelligence Resource Program's case study on Iraq came to a similar conclusion. The study faulted U.S. intelligence officials for not being honest with policymakers about how thin their evidence was and for not thoroughly testing their intelligence findings, such as by vetting sources. Despite its criticism of these failures, the Intelligence Resource Program's case study admitted that intelligence analysts must often make decisions with limited data and that when investigating a regime's guarded secrets, "failure is more common than success."

Controversies over Human Rights Violations

The United States came under criticism for many of the tactics it used during the war on terror. One source of controversy was the CIA's use of so-called black sites, or unofficial detention and interrogation centers, around the world. In 2002, President Bush gave the CIA greater authority to arrest and detain anyone who appeared to pose a threat to the United States. This directive likely led to an increased use of black sites, and several reports have indicated that these sites used harsh or coercive interrogation methods. News coverage at the time included detailed discussions of whether specific cruel and inhumane acts legally or practically constituted torture and whether torture and cruelty are effective means of extracting information from prisoners.

Also in 2002, the United States constructed a prison complex at its naval base in Guantanamo Bay, Cuba. Guantanamo is the oldest overseas U.S. military installation, established by a 1903 treaty with Cuba. The purpose of the complex was to detain suspected al-Qaeda and Taliban militants. Reports indicated that prisoners were held at the site indefinitely without trial, some without charges. The Bush administration argued that this practice did not violate international law because the Geneva Convention applied only to armies and soldiers in wars between countries, not to "unlawful enemy combatants." Guantanamo was chosen in part because it

was outside U.S. sovereign territory, and the administration argued that American courts and constitutional protections did not extend there. As a result, detainees had few, if any, legal rights, including the right of habeas corpus to challenge their detention. Though the United States denies this, confidential reports suggested that U.S. forces were practicing abuse and torture at the Guantanamo Bay facility. The site remains open in 2025.

Controversy also surrounded U.S. soldiers' treatment of prisoners at the Abu Ghraib facility in Iraq. Saddam's regime had previously used Abu Ghraib to torture political prisoners. During the U.S. occupation, evidence emerged that some members of the U.S. military and CIA personnel physically and sexually abused detainees, used dogs to intimidate them, and forced prisoners into humiliating positions. The mistreatment took place in late 2003, and when photos of the abuse became public in 2004, they provoked worldwide outrage and severely damaged U.S. credibility. Investigators confirmed widespread violations of human rights, and eleven U.S. soldiers were charged and convicted. The Abu Ghraib prison was returned to Iraqi control in 2006 and closed in 2014.

The Domestic Response

In the months and years after September 11, 2001, the war on terror led to many domestic policy changes and ignited discussions about the balance between national security and civil liberties.

Among many domestic security policies in the wake of 9/11, one especially controversial policy was the National Security Entry-Exit Registration System (NSEERS) implemented in June 2002. Under this system, male noncitizen visitors to the United States from any of twenty-five designated countries—mostly Muslim-majority countries—were required to undergo additional inspection and screening. Once in the country, they were subjected to additional monitoring. The Department of Homeland Security claimed the countries were chosen "based on an analysis of possible national security threats." Critics argued that the system constituted unfair targeting of people from Muslim-majority countries, and some Muslim Americans reported feeling anxiety and fear as a result. The system ended in May 2011.

The surveillance provisions of the USA PATRIOT Act were controversial as well. Critics argued these provisions violated Americans' right to privacy and gave the government access to information that should have remained confidential. For instance, the PATRIOT Act permitted "roving wiretaps" that allowed officials to monitor multiple devices belonging to a particular suspect (such as phones) without needing individual authorization for each device. The act also allowed covert entry search warrants, sometimes called "sneak and peek" warrants, which allowed law enforcement to search property or seize material without immediately notifying its owner. Additionally, it made it easier for federal agencies to issue national security letters (NSLs) without a court order or probable cause, requiring companies to share customer records related to counterterrorism or counterintelligence investigations. NSLs could include sensitive information such as phone records, Internet activity, or bank account details. The NSL provision of the PATRIOT Act was struck down by a federal court in 2007. While the USA PATRIOT Act expired in 2015, some of its provisions are included in the USA Freedom Act, which remains in force today.

News After 9/11

The September 11, 2001, attacks led to a long-term change in TV news coverage: The news ticker, which had existed before, became a constant and ubiquitous feature of news screens. This scrolling line of text at the bottom of the screen allowed stations to share new information without interrupting live reporting. Because of the catastrophic nature of the events, massive amounts of information poured into newsrooms on September 11 and the days following, and reporters needed to keep the public updated without overwhelming them. As a result, stations put the news ticker feature to wide use. To some observers, this flow of constant updates came to represent the new state of the country: on edge, stimulated, and in "crisis mode" while navigating a stream of information that seemed to confirm fears. Attack coverage also helped 24/7 cable grow in prominence in the weeks after September 11. As a result, cable news channels increased real-time coverage of the war on terror, even after broadcast networks returned to regular programming.

About Domestic Affairs: New Challenges and Polarization

The 1990s and early 2000s in the United States were marked by shifting economic conditions, changes to the Supreme Court, and increased political partisanship. The decade began with a recession in the early 1990s but soon gave way to a period of strong growth fueled by technological innovation, low unemployment, and increased globalization. That prosperity lasted until the Great Recession of 2007–9, which exposed deep vulnerabilities in the U.S. economy. Leaders of both the Republican and Democratic Parties made decisions that would redefine each party's identity at the turn of the century. Many of the issues that emerged during this era, such as the national health care debate and the growing influence of cable television and digital media, continue to shape American politics today.

The Reagan Era

The turn toward social change in the 1960s and 1970s led to a reaction among many Americans. The Civil Rights Movement challenged previous racial hierarchies, and debates about the changing roles of men and women in society accompanied a shift toward more open attitudes about sexuality and same-sex relationships. Anti-war protests also fueled challenges to the status quo, with "question authority" becoming a popular slogan of the era. Many Americans perceived these and other transitions as signs of a nationwide decline in order and morality. A reactionary movement emerged in response to these changes: the "New Right."

By 1980, the New Right was a dominant force in the national Republican Party. Its members tended to oppose social changes like the Equal Rights Amendment, affirmative action, and legal abortion. Beyond social issues, the movement also represented a political and economic shift away from the Democratic Party and liberalism. Due to rising taxes and slow wage growth under Democratic leadership—Democrats controlled both houses of Congress from the 1950s through the 1970s—some working-class Americans felt dissatisfied with these policies. Politicians like Ronald Reagan, once a "New Deal Democrat" himself, came to believe that government should have a more limited role in addressing social problems.

Reaganomics and Its Legacy

"Government is not the solution to our problem; government is the problem," Reagan said in his first inaugural address. Reagan was critical of former president Lyndon B. Johnson's Great Society programs, which he claimed harmed the economy and gave the government too much power. "A government can't control the economy without controlling people," he told audiences in his 1964 speech "A Time for Choosing," which took direct aim at the Great Society in support of Barry Goldwater's campaign against Johnson.

When Reagan ran for president himself, he used public mistrust of regulation and bureaucracy to build a campaign focused on lower taxes and reduced government involvement. He believed that cutting taxes and reducing government barriers would encourage private enterprise and allow Americans to prosper economically. As president, he made budget cuts to many Great Society–era programs (such as food stamps, now known as SNAP benefits). Many critics of welfare programs argued that government assistance discouraged work and personal responsibility. However, Reagan did not make similar cuts to Social Security and Medicare, programs from the New Deal era that directly benefited a large share of Americans and were therefore politically harder to oppose.

The centerpiece of Reagan's economic program was lowering taxes. His Economic Recovery Tax Act (ERTA) drew on the concept known as the Laffer curve, named for economist Arthur Laffer. This theory uses an inverted U-curve graph to show the relationship between federal taxes and federal revenue. The two points of the *U* represent 0 percent and 100 percent tax rates, and at each of these points, the government makes 0 percent in revenue. According to Laffer, if tax rates rise above a certain point, the rates will discourage people from working

and investing, leading to less income for the government to tax. A 100 percent tax rate eliminates the incentive to work, thus eliminating tax revenue.

What made Laffer's argument distinctive was not this general point but his claim that the United States in the late 1970s was already on the downward-sloping side of the curve, meaning that tax rates were so high that they actually reduced government revenue. Reagan and his advisers embraced this idea as justification for sharp tax cuts, believing that lower rates would not only stimulate the economy but also maintain or even increase federal revenue. These ideas became central to "Reaganomics."

The ERTA signaled a longer-term change in Republicans' federal budgetary priorities. Previously, Republicans had not supported tax cuts if those cuts would increase the federal deficit. Under Reagan, they did. The tax cuts, combined with Cold War military spending, led to the biggest deficit in the country's history at the time. According to one estimate, the ERTA cost the government more than $2 trillion during Reagan's time in office. This record deficit growth alarmed some economic experts and carried over to affect the presidency of George H. W. Bush.

Despite the record deficits, the economy improved during Reagan's presidency. When he took office in January 1981, the unemployment rate was 7.5 percent. It spiked at 10.8 percent in 1982, but when he left office, it had declined to 5.4 percent. Real median family income rose from $67,760 to $76,460 (in 2023 dollars) while Reagan was in office.

Another piece of legislation that would impact the next president, George H. W. Bush, was the Balanced Budget and Emergency Deficit Control Act of 1985. Passed to deal with the rapidly growing deficit, the act set budget reduction targets for the next five years. If these targets were not met, another law required automatic federal spending cuts, including cuts to Social Security and Medicare. Bush eventually compromised with the Democrats who controlled Congress, many of whom wanted to increase taxes rather than limit domestic spending. However, the tax increases and the brief recession of the early 1990s harmed Bush's reelection chances.

The Moral Majority

Reagan was supported by the social and cultural influence of the New Right, particularly a movement called the Moral Majority. This movement included Christians concerned about the perceived decline of "traditional family values." For instance, Supreme Court decisions of the 1960s banned prayer and Bible reading in public schools, and the women's rights movement challenged traditional ideas of gender roles. Many Americans embraced the message of a Baptist minister named Jerry Falwell, who founded the Moral Majority movement in 1979. He promised a political agenda that was "pro-life, pro-family, pro-morality, and pro-American." The Moral Majority included people of many faiths but is usually associated with Protestant Christianity.

Moral Majority members, like Reagan, were often critical of high taxes and the federal welfare system. As they saw it, high taxes forced women to work rather than raise families, and welfare discouraged work and self-sufficiency. They also tended to oppose government regulations and communism.

One social issue very important to the Moral Majority was abortion, to which they were staunchly opposed. After *Roe v. Wade* made abortion legal nationwide in 1973, the anti-abortion, or "pro-life," movement strengthened, becoming more politically active and more partisan. By 1976, the Republican Party had added an anti-abortion stance to its platform. Many Republican politicians were critical of Reagan's decision to nominate Sandra Day O'Connor, who was known to support abortion rights, to the Supreme Court.

During its ten years of operation, the Moral Majority became a powerful conservative political lobby at the state and national levels and included robust political action committees. Its lobbyists contributed to efforts in some states to prevent the ratification of the Equal Rights Amendment. According to some historians, the Moral Majority's influence on voters was responsible for each of Reagan's election victories. While the movement disbanded in 1989, it had already achieved many of its goals, and its agenda had been absorbed into the

Republican Party, making the separate organization less necessary. It permanently reshaped the Republican Party's political priorities.

The Clinton Era

Economic partisanship impacted Bill Clinton as he worked to reshape the economic policies of Reagan and Bush and handle the deficit. Clinton's 1993 Omnibus Budget Reconciliation Act, which he called "the largest deficit reduction plan in history," relied on tax increases for the wealthiest taxpayers and, with the Cold War over, reductions in defense spending. It passed without a single Republican vote; five years later, the U.S. government recorded its first budget surplus in nearly thirty years However, Clinton understood that the public was less trusting of "big government" after the Reagan years. He admitted that government programs could not fix every problem but argued that they could be reformed to offer better, more efficient support.

The Contract with America

According to some historians, the 1994 Republican midterm success and Newt Gingrich's Contract with America demonstrated—and contributed to—a lasting shift toward deep partisan divides in the American electorate.

Compared to previous elections, voters who chose Republican candidates in the midterm election were more likely to identify as conservative themselves, and more self-described liberals chose Democratic candidates. Clearer "red" and "blue" demographic groupings began to emerge. The ideas in the Contract with America, their differences from Clinton's policies, and the nature of Gingrich's campaign signaled a new Republican strategy and a "party versus party" mentality.

The Impact of Anti-Crime Laws

The Violent Crime Control and Law Enforcement Act of 1994 also contributed to widespread, controversial changes. The act increased both police presence in schools and the use of "zero-tolerance" policies, which imposed strict punishments, often including prison sentences, for minor, even nonviolent, offenses. Young people who received prison sentences often received long terms; between 1990 and 2000, there was an increase in the number of young people sentenced to life without parole. African American youth were subject to disproportionate punishments, arrests, and sentences and disproportionately suffered long-term effects from them. Some members of the Congressional Black Caucus, a group of Black members of Congress, believed the bill focused on punishment and incarceration over crime prevention and opposed it for this reason. However, two-thirds of the Congressional Black Caucus voted for it, arguing that crime disproportionately harmed African American communities.

On the legislative side, the Violent Crime Control and Law Enforcement Act was a chance for Democrats to show that they, like the Republicans, could be tough on crime. They also wanted to be tough on drugs. The 1994 act reinforced Reagan's 1984 Anti-Drug Abuse Act—the earlier legislation's penalties for drug use made 1990s incarceration rates even more severe.

Welfare Reform and TANF

Clinton's welfare initiative Temporary Assistance for Needy Families (TANF) replaced Aid to Families with Dependent Children (AFDC), the New Deal welfare program created as part of the 1935 Social Security Act. Under AFDC, states provided cash welfare payment benefits to eligible recipients and received matching federal funds as reimbursement. One original goal of AFDC was to allow mothers to stay home with their children. As more women entered the workforce beginning in the 1960s, "welfare-to-work" or "workfare" amendments were added. However, parents often could not find jobs that paid enough to cover childcare and their children's other needs.

TANF's funding model limited access to welfare by distributing funding in fixed block grants to states. Rather than matching states' welfare payments in full, as AFDC did, TANF limited federal reimbursements for payments—even if the state determined that it needed more funding for residents. State policymakers were given broad discretion to define benefit levels, eligibility, and what "financial need" entailed. As a result, welfare benefits varied widely from state to state, and in many cases, the support available was sharply reduced compared to what AFDC had provided.

Both AFDC and TANF evaluated their program's success by reduced welfare caseloads rather than by declining rates of poverty. Accordingly, work requirement reforms to these programs were considered successful because they did reduce welfare dependency; however, they did not reduce poverty. In many cases, people's needs simply went unmet. Many former welfare recipients were only able to find low-wage or unstable work. Studies in the mid-1990s found that work requirements did not increase the average income of AFDC recipients.

Health Care Reform

While Clinton's 1993–94 health care initiative failed, its legacy lasted by setting the stage for the debate over, and eventual passage of, the Patient Protection and Affordable Care Act (ACA) of 2010, known colloquially as "Obamacare." President Clinton's plan, often called "Hillarycare" because of First Lady Hillary Clinton's central role in developing and promoting it, was crafted by a task force she led, which drew on input from policy experts and interest groups. The proposal would have required businesses to offer health care coverage or pay a tax penalty and created regional insurance exchanges where insurers could sell coverage to consumers. Despite initial support, the plan was opposed by Republicans, some moderate Democrats, and powerful lobbying groups such as the health insurance industry and the American Medical Association. After months of partisan debate, the bill never came to a vote in Congress, leaving the initiative effectively dead by 1994.

The Affordable Care Act of 2010 built on similar ideas but went further. Like Clinton's proposal, it required businesses to provide coverage or face penalties and created insurance exchanges. However, the ACA also introduced an individual mandate requiring all Americans to purchase coverage or pay fines, and it expanded Medicaid eligibility for those unable to afford insurance. These mandatory features were especially controversial, with critics arguing that the government should not dictate health care choices. Passed without bipartisan support, the ACA has remained a target of political criticism, but efforts to repeal it have repeatedly failed.

The Supreme Court

It may be helpful to ensure students understand the difference between a judicial philosophy and a political ideology because justices' philosophies impact their decisions in politically charged cases. A judicial philosophy specifically relates to how a justice interprets and applies the law. A political ideology involves beliefs and values surrounding political issues. As students learn in the text, the Supreme Court is intended to be neutral and impartial in politics. This way, the court can effectively "check" legislative and executive power and decisions, where politics have a larger influence. However, political partisanship still plays a role in the court's composition.

The Supreme Court and Partisanship

Politics have always impacted the president's Supreme Court appointments, as the text explains. However, the 1990s and early 2000s saw an increasing ideological divide between Republican-appointed and Democrat-appointed justices. Sandra Day O'Connor was a notable exception to this trend. She was a lifelong Republican, but on the Supreme Court, she was often described as a moderate because her votes sometimes departed from traditional conservative positions. She was known as a flexible justice who tried to build consensus among the court when possible. Her votes on cases involving abortion, the separation of church and state, and women's rights often departed from traditional Republican views.

Around 2010, according to some scholars, the court became more openly partisan, and its liberal and conservative ideological "blocs" began to form along political party lines. This shift is widely attributed to increased polarization of the two major parties in general. Presidents became more invested in appointing, and senators more invested in confirming, justices who shared their political philosophies. Newly appointed justices tended to be more consistently aligned with the political philosophy of the appointing president. Moderate justices who would make a deciding vote, such as O'Connor, became less common.

The Legacies of Scalia and Ginsburg

Antonin Scalia, the Supreme Court's best-known originalist, focused on the "original public meaning" of legislative texts (as opposed to "original intent," which could not always be known). He believed the original public meaning of the Constitution best reflected the majority will of the people because the Constitution was ratified through a majority-building process. Textualism, a concept Scalia helped establish, worked in tandem with "original public meaning" by focusing on the common understanding of a text when it went into effect. Some scholars argue that because of Scalia, justices now pay more attention to the text and wording of laws than trying to determine a law's purpose.

It has also been argued that the justice most committed to originalism and original intent was not Scalia but Clarence Thomas, the Supreme Court's longest-sitting justice as of 2025. Thomas often questions or challenges previous court rulings and emphasizes strict adherence to the Constitution's text. Thomas's political views, such as opposition to abortion, affirmative action, and some other civil rights protections, also place him among the most conservative justices on the bench and contributed to the controversy over his nomination in 1991.

In contrast to Scalia, Ruth Bader Ginsburg interpreted law based on the idea of a "living Constitution," which has expanded civil rights for Americans. Even before Ginsburg, Supreme Court decisions often involved extending the potential meaning of the Constitution to cover social issues it does not explicitly address. For instance, while the Constitution does not use the words "right to privacy," the Supreme Court has interpreted the Bill of Rights as protecting this right (*Griswold v. Connecticut,* 1965). And as Ginsburg pointed out in the 1970s, before she joined the Supreme Court, the Constitution does not clearly state that men and women have equal rights as citizens. Critics of the "living constitutionalism" philosophy note that because of growing partisanship, judges may be more likely to deliver rulings based on their own political views, making the Constitution less secure over time.

Known as a strong supporter of civil rights, Ginsburg supported fairness for groups whose rights lacked full legal protection, such as women and people with disabilities. In fact, she is most known for her work to end gender discrimination. And she faced career-affecting gender discrimination herself; in 1959, Supreme Court justice Felix Frankfurter rejected Ginsburg for a clerkship because she was a woman. As cofounder of the ACLU Women's Rights Project, Ginsburg argued and won several gender bias cases before the Supreme Court. Often, she represented male plaintiffs in these cases, believing that gender stereotypes had negative effects on both men and women. For instance, Ginsburg defended a man who wanted Social Security survivor benefits to help him take on a caregiving role for his child.

Ginsburg is often compared to Thurgood Marshall, the first African American Supreme Court justice. Known for his role in the 1954 *Brown v. Board of Education* case that ended legal racial segregation in schools, Marshall, like Ginsburg, applied a "living Constitution" philosophy when he joined the court. Ginsburg saw Marshall as a role model and adopted his strategy of litigating cases that would eventually erode the legal foundations on which discrimination was based.

Despite their opposing views, Scalia and Ginsburg had a lasting friendship, which began when they worked as federal circuit court judges in Washington, D.C. "We were best buddies," Ginsburg recalled after Scalia's death. Ginsburg has stated that Scalia's written dissents often helped make her own written opinions sharper and more persuasive. For instance, because of his different views, Scalia could identify weaknesses in Ginsburg's arguments.

The Media and Polarization

As discussed in the topic, new media technologies impacted U.S. politics in various ways. One impact was the increasing advantage of media access for candidates and campaigns. Ross Perot's use of primetime television slots during the 1992 presidential campaign and Barack Obama's use of social media channels, for instance, helped each candidate influence public perception on a large scale.

Another impact, more extensively discussed, is the way technology interacted with and contributed to increased political polarization in the media. According to some, the elimination of the Fairness Doctrine of the Federal Communications Commission (FCC) also played a role in growing polarization. This doctrine was established in 1949, when three television broadcast channels had a monopoly over audiences. The FCC wanted to prevent these channels from showing one-sided, biased programming and ensure they offered editorial balance. The doctrine, formed by the FCC and backed by Congress, required radio and television broadcasters to give equal time to opposing or contrasting views when discussing issues that were important to the public. Some argue that this requirement led many channels to avoid controversial issues entirely.

When Reagan took office in the 1980s, he included the media in his push for deregulation, arguing that the Fairness Doctrine violated First Amendment rights. And with the rise in available cable and satellite channels, it was argued that the three networks no longer had a monopoly on programming. The doctrine was formally repealed in 1987. Politically biased programs, such as radio and television talk shows, were already on the rise before the doctrine was repealed; however, many argue that the repeal itself contributed to polarization.

Today, the debate persists over whether and to what extent the Internet drives political polarization. Topic 2 includes examples of how the Internet can enable democratic participation, such as the Obama campaign's use of websites and social media to mobilize supporters. However, it also discusses how the wealth of Internet media outlets can encourage partisan "bubbles" that ensure people rarely see content that challenges their views.

Students may be aware of ongoing discourse about social media platforms (such as TikTok, YouTube, X, and Facebook) and their use of automated algorithms that determine the content users see based on information gathered about what users spend money on and what content and groups they interact with. Platforms develop and store information about a user's income, hobbies, preferences, habits, and political beliefs. Students may also know that controversial content gets "clicks" and drives engagement; as a result, platforms may promote hyper-partisan political content over more moderate content. While it is widely acknowledged that such platforms rarely cause political divisiveness on their own, social science research is still determining how much they increase existing political divisiveness and polarization.

Hurricane Katrina and Louisiana

In August 2005, Hurricane Katrina devastated coastal areas in the Gulf of America and the New Orleans metropolitan area. However, the entire state felt the impact or fallout of the storm to some degree. Less than a month after Katrina, Hurricane Rita came from the Gulf of America and hit near the Louisiana–Texas border, affecting multiple Gulf Coast states, causing about 120 deaths across four states, and leaving behind extensive property damage.

A Failed Response

Following Katrina, the state's disorganized hurricane protection system, with responsibilities divided between agencies at the federal, state, and local levels, came under scrutiny. A congressional investigation into the Katrina response titled its 2006 report *A Failure of Initiative* and criticized disaster preparedness at all levels of government. Additionally, the demand for statewide reform included calls to protect levees from erosion and to restore Louisiana's barrier islands, which provide natural protection.

President George W. Bush and Louisiana governor Kathleen Blanco were criticized for their recovery efforts. Critics noted that the Bush administration's policies permitted oil and gas leasing in wetlands, which critics argue contributed to erosion. Blanco was criticized for not surrendering power to federal authorities in time for them to respond to Louisiana's immediate needs. In 2007, Blanco declined to seek reelection, a decision many attribute to Katrina's fallout.

Louisiana established a federally supported fund for disaster victims, known as the Road Home program. At the time, it was the largest rebuilding program in U.S. history, financed with $9 billion from the federal Department of Housing and Urban Development. This program later drew criticism for offering inadequate amounts of aid to lower-income households and forcing those households to shoulder more personal costs in repairs they could not afford. Critics also pointed out that debt collectors targeted many low-income recipients, claiming their grants had not been used properly.

The Impact on New Orleans

The damage to New Orleans exposed the city's existing socioeconomic and racial divisions. Much of the flooding occurred in lower-elevation neighborhoods located closer to canals and Lake Pontchartrain, while many wealthier and commercial areas, such as business districts and tourism zones, sat on higher ground and remained relatively dry. Because many low-lying neighborhoods were home to generally low-income residents, the disaster highlighted broader issues of racialized wealth inequality, residential segregation, and underinvestment in vulnerable communities. Ray Nagin, then mayor of New Orleans, faced sharp criticism for failing to have a workable evacuation plan for residents who could not leave on their own. In later years, he was convicted of bribery, fraud, and money laundering for actions taken while in office.

Hurricane Katrina led to a complete redesign of the New Orleans education system, resulting in the nation's first all-charter school district. The storm destroyed 100 of the city's 128 public school buildings, forcing temporary closures. Local and state officials used this as an opportunity to reform a system that had been underperforming nationally. The state of Louisiana converted most schools into independently run, publicly funded charter schools, creating the first all-charter system in a major U.S. city.

In the years that followed, student performance improved, with higher test scores, better attendance, and increased graduation rates compared to pre-Katrina levels. Many observers have cited these gains as evidence of successful urban school reform. However, debates about equity and access persist. Some families have struggled to navigate admissions processes or secure placement in top-performing schools. In 2024, the Leah Chase School opened as the first traditional, district-run public school in nearly two decades.

The Great Recession

Topic 2 describes the immediate impact of the Great Recession in 2007–9, but there were also longer-lasting ripple effects: ongoing loss of industrial jobs and a rise in long-term unemployment. Employment levels did not return to pre-recession levels for ten years. Overall, households headed by younger adults lost more wealth than households headed by older adults, contributing to a new generational trend: Young people in the early 2000s were likely, in the long term, to be less well off than their parents were at the same age.

To restore the country's financial system, President Bush signed the Emergency Economic Stabilization Act in October 2008, which included the Troubled Asset Relief Program (TARP). Most of the money from TARP went to subsidize banks, such as by purchasing their mortgage-backed securities to reduce their losses. Some money was used to bail out the auto industry and the large insurance company AIG. A smaller amount went to programs that helped families avoid foreclosure.

Economists largely agree that this government intervention was necessary. However, it attracted its share of criticism from leaders and members of the public. Some felt the so-called bank bailout rewarded banks for the irresponsible behavior that led to the crisis rather than holding them accountable for risky investments. Others believed it gave a disproportionate amount of money to institutions and gave far too little to individual Americans and small businesses.

Obama's Campaign

Due to the recession, the economy again became a central issue of concern to many voters in 2008. Barack Obama capitalized on Americans' worries and anger about the financial crisis in his campaign. He claimed the financial system's failure was partially a result of Republican free-market policies, which he attributed to "the whole trickle-down, on-your-own, look-the-other-way crowd in Washington who have led us down this disastrous path." He criticized John McCain, his Republican opponent, for calling for less government regulation of the economy. Soon after Lehman Brothers declared bankruptcy, Obama pointed to "seven years of incomes falling for the average worker while Wall Street is booming." He proposed plans to rescue small businesses and reform Wall Street financial practices.

Obama's approach to economic recovery contributed to his appeal. He was also able to gain the support of many voters with moderate political views, partially by focusing campaign organizing on so-called battleground or swing states—those that lacked a consistent Democratic or Republican majority and could theoretically go either way in an election. And many found his message, which emphasized connections in a time of political division and possibility in a time of financial despair, inspiring. To Obama, the United States was exceptional partially because it brought people from diverse backgrounds together and gave them opportunities to succeed. In his 2004 Democratic National Convention speech, Obama described how his own unconventional family was a uniquely American product. His father, born in Kenya, grew up herding goats and came to the United States on a scholarship; his mother came from a working-class background in Kansas; and his parents gave him an African first name, "believing that in a tolerant America your name is no barrier to success."