2007-2008 Financial Collapse in the United States

Your Name (First M. Last)

Date

2007-2008 Financial Collapse in the United States

Introduction

Many incidents in the history of the United States of America can be recognized as a tragic event. Proper consideration of these events is helpful to measure the negative impact of these incidents on the society as the whole. It is worthy to mention that the financial crisis in the United States during the period of 2007-2008 is one significant event that changed the lives of the citizens in a great manner. The impact of this particular event is immensely massive as it is recognized as the one global financial crisis. The early symptoms of distress financial started from the point when interest rates started rising, and the domain of the homeownership start to become problematic. Here the particular focus is to critically explore different dimensions of the tragic event of 2007-2008 financial collapse referring to the main idea of the ethical concerns.

Discussion

The financial crisis of 2007-2008 characterized as the one most dangerous economic crisis in the history of the country after the great depression. This specific problem started with the immensely high prices of home prices in the country that ultimately influence the overall domain of the financial sector of the country. The financial crisis of housing market causes different forms of damages for the entire global economy. The role of the mortgage dealers was crucial in the whole scenario who issues an immense form of mortgages with the terms which ultimately never favored the domain of borrowers at a vast level. It is also crucial to identify and critically explain the different ethical concerns associated with the event of the financial crisis of 2007-2008.

Comprehensive consideration of the ethical domain referring to the financial crisis is essential to evaluate the actions of the individuals. Ethical domains of the business organization can observe through the assessment of the specific code of conduct. The overall system of the ethical code of conduct helps to assess and evaluate the ethical actions consider by the organization (Archer, 2008). This specific phenomenon is also essential to determine in case of a tragic event of a financial crisis of 2007-2008. It helps to determine the specific actions of the people and organizations that directly or indirectly become the reason of the issue of the financial crisis. Deep analysis of the whole event of the financial crisis indicates that adoption of the unethical human behavior is one major reason for the financial calamity for the country. Organizations in both forms of public and private fail to implement the significant idea of a code of conduct with its true prospect.

The self-interest of the lending institutions referring to the shareholders’ equity identify as the main reason for the ethical concern involves in the entire scenario of the financial crunch that hit the entire economy. Fraud, lying, and management practices are the main aspects associated with the tragic paradigm of the financial issue of 2007-2008 (Flynn, 2012). The drastic impact of the financial crisis can observe in different dimensions such as the prospects of unemployment, gross domestic product (GDP), and the feature of the mortgage crisis. These two domains strongly hit the economic and social structure of the country. Ethical failure in many forms influence the economic structure of the country ultimately turns as the financial crisis. It is observed that brokers never consider the approach of the borrowers concerning the idea of thoughtful transactions (Schoen, 2017). Formulation of the specific practical approach in the form of Troubles Asset Relief Program (TARP) is one major action referred to effectively deal with the issue of the financial crisis. This particular program provides assistance to recapitalize the domain of the financial sector. Upgradation of the financial mechanism is one main aspect that is proposed to deal with the tragic consequences of the financial issue of 2007-2008.

Proper implementation of the recommended strategies to address the financial issue is one key paradigm to deal with the tragic scenario effectively. Economic institutions faced different forms of pressure when it comes to the establishment of the proposed strategies. The major reason for the entire financial collapse is that the Institute of FED ignores the warning signs. The idea of subprime mortgage never identifies as enough solution to deal with the chronic issue of the financial crisis of 2007-2008. It is viable to critically differentiate between the aspects of social responsibility, integrity, and simple form of business ethics. Identification of all these features ultimately helps to analyze the financial crisis of 2007-2008 on ethical grounds. The idea of social responsibility comprises on the domain adopted by the business organization to consider the approach of the entire environment (O’ Brien, 2013). Integrity is another major feature that helps individuals to adopt ethical behavior in their business dealing. The perspective of business ethics helps to identify the principles and moral considerations of the business. All the domains are closely linked with the tragic event of a financial crisis of 2007-2998. All the features reflect the importance of the ethical practices.

Conclusion

Lastly, it is significant to explore the impact of the financial crisis 2007-2008 on the entire ethical culture of the country. Arousal of this financial issue identify the domains of the fraud and the approach of the unethical behavior adopted by people and financial institutes at different levels. It is one alarming time for the economic sector of the country to revisit the adopted domain of corporate ethics with the objective of profit maximization.

References

Archer, D. (2008). Ensuring an Ethical Organization.

Flynn, E. (2012). Ethics Matter. Retrieved from http://www.themontrealreview.com/2009/Ethical-Lessons-of-the-Financial-Crisis.php

O’ Brien, G. (2013). Lessons Learned from the Financial Crisis. Retrieved from http://business-ethics.com/2013/09/16/1202-lessons-learned-from-the-financial-crisis/

Schoen, E. J. (2017). The 2007–2009 financial crisis: An erosion of ethics: A case study. *Journal of Business Ethics*, *146*(4), 805–830.