Politicians always shift the blame. So, hearing them say that “no one” could have cleaned up the so-called mess and fixed the economy in just a few years is not surprising.

What else do you say when after three years of recovery the unemployment rate is still at 8.1% -- down only 1.9 points since the peak almost three years ago – and real economic growth has averaged a tepid 2.2% for three years of economic recovery?

Surely, the last recession was a brutal one, which included a nasty financial crisis and a huge decline in housing prices. But the economy has been in the same or worse shape in the past and still rebounded sharply.

The bank crisis of the early 1980s was arguably more severe than in 2008 – the entire S&L industry had negative capital, oil and farm loan losses were massive and default by Latin American countries impaired large bank capital more than during the subprime crisis. Luckily, we did not have strict mark-to-market accounting back then, so multitudes of banks that were technically insolvent did not have to fail all at once.

Unemployment peaked at 10.8%. The US had double-digit inflation and interest rates. Oil prices spiked and energy was a large share of family budgets. “Real” household income was lower in 1983 than 1969. Adjusted for inflation, the S&P 500 fell back to where it was in the early 1950s. Pension funds were in deep trouble. In other words, it’s not true that everything about the current financial and economic troubles is the “worst ever.”

What is true is that policy-makers in the 1980s acted differently. In the 1980s, the US responded to a nasty recession by trimming non-military spending, cutting marginal tax rates, holding the line on the minimum wage, de-regulating energy markets, and creating no new entitlements. In the past few years, we have gone in the exact opposite direction. Federal spending has been increased, regulations have multiplied, and government has grown. So far, tax rates have not been hiked, but everyone knows that if entitlements aren’t trimmed, higher tax rates are eventually on the way.

The differences between the two policy responses are clear. And, so are the results. Three decades ago, the economy skyrocketed into recovery. Real GDP grew at a 6.6% annual rate in 1983-84 and the jobless rate fell 3.5 points in only 21 months. This time…well…family incomes are still falling and the recovery has been tepid.

Not long ago, we would have argued that the US had learned its lesson – that the problems of the 1970s were caused by too much government – and it wouldn’t happen again. But, today, voters stand at the same fork in the road all over again. They must decide what they think of the claim that “no one” could have fixed the economy in the past few years and whether it’s appropriate for politicians to diminish our expectations. Which path will they choose? It is hugely important for the economy and financial markets.