

# Research paper on us economy

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## **MEMORANDUM**

### **RE: US economy at glance**

Understanding US economy clearly has not been an easy task to most people. The fact that US is a superpower nation has been obscuring most of the limitations it has as far as its economy is concerned. If research was to be conducted to determine how people perceive the US economy, the results could have been undoubtedly positive. However, based on the main steering systems of economy, US economy is in a very vulnerable state. This memo is therefore going to explore some of the tenets that support this claim.

The US economy has been characterized by up and down state. The economic systems that were introduced by bush are still playing a lot of roles in the current US economy. Despite the fact that US economy is the mainstay as far as the world's economy is concerned US is still vulnerable because of the colossal unsettled amount overdue. From the financial standpoint, current US economy is characterized by immense shortfall on the current account of the balance of payments (Kelly, 2009).

Furthermore, US have high private and commercial indebtness. The current job growth in US has slowed significantly. The spending by customers has reduced mainly due to the higher gas and food prices. From the domestic standpoint, US are still recovering from the 2008 financial crisis.

Consequently, consumer confidence within the state has been low. On the other hand, potential investors have run away and invested in other states like china. This notwithstanding, the current economic forecast showed that US will soon lose its status as the world's top state (Kelly, 2009).

Other sources showed that the levels of consumer spending in US have

continued to follow a downward curve. Manufacturing sector, a mainstay of the US economy is also declining steeply. The banking sector on the other hand showed negative results as far as the economy is concerned. The quality of credit accessible to families and business enterprises has gone down slightly. This means that getting loan in US has been a little bit difficult. According to the current economic report, the US economy has generally depreciated by more than 6%, which are actually more than the expected value (Kelly, 2009).

In terms of economic system, it is apparent that the US is strongly moving towards the free market system principles. However, the US economy is best described as mixed economy. In this form of economy, the private, public, and international sectors can interact freely. In other words, there is synergic relationship among the private, the public, and the international sectors. Due to this, any change in US economy would lead to far reaching impacts on other economies throughout the globe. In most case, US have been responsible for taking in global savings. Consequently, despite the current economic turmoil, US remains the most heavily reservoir for investment. It is actually a home of the globe's largest stock exchange. It is a home of the world's major financial and economic institution (Kelly, 2009).

Some of the major challenges experienced as far as US economic growth is concerned includes the high rate of unemployment, flat wage rate, inefficient pension scheme and health insurance and high family debt. These are major areas hindering the US economic growth. Other minor causes are the high prices of food, fuel, medical care and school fees (Kelly, 2009).

## **References**

Kelly, N. J. (2009). *The Politics of Income Inequality in the United States*. New York, NY:

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