# Write a brief description of the fiscal policy of the united states.

Countries, United States

2–3 paragraphs Details: During recent political campaigns, taxes and budget policy were key issues. White House budget packages are often designed to stimulate economic growth. From the library or from www. whitehouse. gov, obtain a current summary of government spending and tax legislation signed by the president. •Write a brief description of the fiscal policy of the United States. •Would you describe it as " expansionary" or " contractionary"? •How can American consumers influence decision makers on fiscal policies? Explain and discuss if and how this has changed over the past 5 years For the last several years, the U. S. government has been primarily in an expansionary mode of fiscal policy. President George W. Bush signed a $152 billion stimulus bill to help fight off a recession. This bill primarily resulted in the mailing of $600 rebate checks to millions of Americans to encourage consumer spending. In 2009, President Barack Obama signed the much larger American Recovery and Reinvestment Act, which provided tax cuts, loans and contracts, and new or expanded entitlements.

The Congressional Budget Office estimated that the legislation would increase the U. S. budget deficit over a 10 year period by $787 billion. According to www. whitehouse. gov, this legislation created or maintained almost 700, 000 jobs in the first quarter of 2010. The main way consumers influence fiscal policy is by their spending habits. When citizens become anxious about the economy, they tend to save more and spend less.

This leads to decreased production, lay-offs, and unemployment, which in turn causes even lower spending rates. The Federal reserve usually tries to modulate the effects of these situations by manipulating key interest rates.

For example, right now the federal funds rate is at a 60-year low, making borrowing for investments cheaper than it has been in memory. Until recently, consumer spending saw long-term increases due to the availability of personal credit, but since 2008, as consumer credit markets have tightened, it has dropped.