

Current economic state

[Countries](#), [United States](#)



Current Economic State What is now being called the Great Recession lasted from December 2007- June 2009, it is the longest recession since the Great Depression. Statistically, the current expansion has not been good with major issues circling around weak residential and commercial real estate markets and a high unemployment rate. The current economy in the United States is expanding slowly. Although the economy has grown, it is not growing fast enough to sustain the unemployment rate in America. The prime rate is the interest rate that commercial banks charge. The prime rate affects the lending rates to mortgage, small business, and personal loans. According to bankrate. com, the Wall Street Journal states the current prime rate for the United States for the week of Dec 12, 2012 is 3. 25% and it is holding steady at this rate as it has been the same for a year. According to bankrate. com, the current interest rate on credit cards is 14. 02% fixed and 14. 58% variable. A fixed interest rate means the rate does not change. Under a variable loan, the lender can change the interest rate. In the United States, the current unemployment rate is down to 7. 7 percent according to the U. S Bureau of Labor Statistic. The current number of unemployed persons is at about 12 million. This number has changed very little in the last year. Employment has increased in health care and retail. The inflation rate tells how fast prices change in the economy. Inflation rates are calculated using the current CPI (Consumer Price Index). In October, the inflation rate dropped 0. 4% from October — Nov 2012. Gross Domestic Product (GDP) is defined as the value of all goods and services produced in the United States. This figure is released quarterly. In the third quarter of 2012, The GDP increased at an annual rate of 2. 7%. Government tax policies influence

financial planning. Tax policies shift over time. Unemployment can affect financial plans making it more difficult to budget, save, and meet financial obligations. Slow economic growth can lead to a rise in unemployment rates. Just keep in mind not to live outside your means, life is a cruel teacher, she gives you the test, and then she teaches you the lesson. Don't let this happen to you. . References if~ Bankrate. com. (Sep 2012). Gross Domestic Product. Retrieved from <http://www.bankrate.com/rates/economic-indicators/gdp-gross-domestic-product.aspx> if~ Bureau of Labor Statistics. (Nov 2012). US Inflation rate calculator. Retrieved from <http://www.usinflationcalculator.com/inflation/current-inflation-rates> if~ Thredgold, J. (Jan 2012). www.thredgold.com Retrieved from <http://www.contractingbuisness.com> if~ www.bakrate.com. (2012). Prime Rate. Retrieved from <http://www.investopedia.com> if~ www.bls.gov/news.release/pdf/empisit.pdf. (Nov 2012). The employment Situation. Retrieved from <http://www.bls.gov/news.release/pdf/empisit.pdf> if~ www.sctimes.com. (May 2012). Retrieved from <http://www.sctimes.com>