Assessment of the current economic situation in the us

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The Current Economic Situation in the United s The economic situation of a country can be measured by considering aspects such as the level of employment, the economic growth rate, the household spending levels, as well as the interest rates. Following the 2008 worldwide economic crisis, most countries inclusive of the United States are still facing the impacts of the crisis. This paper focuses on the current economic situation in the United States.

United States is considered to have the most technologically advanced economy with an approximated GDP of about $48, 000. The private sector dominates the economic sector with the government purchasing most of its goods and services from the private sector. One of the major disasters facing United States is the high level of unemployment, which is attributable to the 2008-2009 economic recessions. The economic recession is considered to be the worst economic crisis after the 1930 great depression. About 8. 3% people remain unemployed within the United States. The number increased after the 2008 recession as most companies tried to reduce their workforce as an attempt to counteract the inflation. In the attempt to offset the increased unemployment, the federal government enacted the American Jobs Act. The Act aimed at creating ways to prevent the slowed economic growth (Council of Economic Advisers, 2012; Lind, 2012).

The United States financial sector remains fragile with increasing budget deficits. The gross domestic product (GDP) remains delicate. Attempts to cut down on financial spending affected the revenues negatively. However, the GDP growth started improving in 2011 and a survey by U. S. Bureau of Economic Analysis (BEA) showed an increased GPA in 43 states. According to the BEA report, the chief contributors of the GDP included manufacturers of durable goods, information service providers as well as the sectors dealing with technological advances (Censky, 2012; Lind, 2012).

United States economic growth rate declined rapidly in 2008 after which the growth rate slowed down to about 0-2%. The slowed economic growth has the disadvantage of subsequent increase in unemployment but diminished possibility of inflation. Another aspect that demonstrated deteriorating economic situation after the recession is the declined expenditure on software and other business equipment by most companies (Censky, 2012).

Another aspect that characterizes the recent economic situation in the United States is the growing debt which has affected the credit flow in the banks as well as other financial institutions particularly those that offer rending services. The interest rates have declined but the fact that most businesses are facing financial makes it hard for that to acquire loans. Additionally the amount of disposable income as well as the net wealth per household declined (Lind, 2012).

In 2012, the oil and gas prices stabilized slightly, which is expected to increase the spending of most household. However the tax rate remains high, which is expected to continue affecting the level of investments particularly in the business sector. The expected renewal of taxes by the congress will hopefully restore consumers confidence hence increase their spending which will improve the overall economic growth rate (Council of Economic Advisers, 2012; Lind, 2012; Censky, 2012).

In conclusion, the United States economy growth rate has declined considerably, particularly after the 2008 economic crisis. The number of unemployed persons remains high. The slowing economic growth remains a concern due to the negative impacts it has had on the GDP.

References

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