

Letter for the editor of wall street journal

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Letter to the Editor Dear Editor According to the U. S. Commerce Department, the GDP of the country went down by about 0. 7 percent during the first three months of 2015. Questions have been raised as to whether this figure is overstated or actual. This is because recent trends reveal that consumers are spending more in the recent months, playing a key role in boosting the performance of the U. S. economy. Since consumer expenditure represents about two-thirds in terms of output, many economists in the private sector are revising the estimates they realized in the first quarter. According to Macroeconomic Advisers, which is a forecasting body, the U. S. economy did not fall, but reflected 0. 0 percent in growth in the first quarter. Other firms, especially JP Morgan agree that the economy fell by a minor 0. 2 percent rate, raising questions concerning the validity of quarterly estimates (Mitchell).

As it is the case with all reports about the economy, the government announces employment, retail sales, and GDP estimates early, whose data is incomplete. When other data is introduced, the government should adopt the revised values. For GDP, the government should present first estimates then make two revisions for every quarter. The first GDP reading presented for the first three months of 2015 indicated a growth of 0. 2 percent. The second reading indicated -0. 7 percent growth. This is because it emphasized on data that incorporated a rise in trade deficit, which prevailed at the end of first quarter (Mitchell). Thus, based on these projections, I propose that the first quarter is not horrifying as economists anticipated. This is because the economy is showing signs of growth, particularly because of the growing income, which is fostering consumer spending in diverse industries across the country.

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Sincerely

Work Cited

Mitchell, Josh. Reports of the U. S. Economy's Contraction Have Been Greatly Exaggerated. Wall Street Journal. 11 Jun. 2015, web. 12 Jun. 2015. .