Measuring economic health

Economics, Macroeconomics

Measuring Economic Health Gwendlyon J. Weaver ECO/212 December 1, 2010 Hugh Adamson MEMO: TO: All Team Members FROM: Gwendlyon J. Weaver DATE: December 1, 2010 SUBJECT: Measuring Economic Health This memo is to all team members who have been assigned the task of determining the country's economic health. This memo will explain how the team will recognize and realistically determine the tool is used to determine Gross Domestic Product (GDP) to size up goods and services, which are generated in the United States during a set time frame. The GDP measures the economic output of the country, which is closely monitored by the Federal Reserve to decide whether or not if the economy is growing to slow or fast. The GDP business cycle is determined by the number of people who is legally employed along with everything produced and purchased in the economy. The role of the government individuals who determined the national fiscal policies is to determine whether the amount spent by the government through purchases and taxes will cause these individuals to make changes to government spending and our taxes, which will directly impact our policy and should those designated individual always take into consideration the effects of the changes being made will have on the future of the economy. In order for one to determine how the changes in government spending and taxes positively or negatively affects the economies production and employment the following must be considered. The economic growth that increases the quality and quantity of goods and services will determine the result of hiring more workers and improving productivity. Policy makers should remember that business will expand when the expectation of future and reductions in individuals net pay slows down the growth of the economy because of the number of hours worked, so through the excessive spending of the government it negatively affects the output of goods by reducing business profits and employees take home pay, and this increase in payments is slowing down the growth of the economy. To ensure proper functioning of the economy, government must increase incomes to enforce and provide agreements to defend our national safety against crooks and at a positive level intensify government payouts on manufacturing goods and services. The reckless decision making, causes a negative impact to the economy and the spending causes the society to be poor. Though, it is important for the government to spend tax money in the areas of public investments such as roads, bridges and ports this shows positive sign of private investment to improve economic productivity, this has and always will be a debate over whether or not the effects of higher taxes and budget insufficiencies has a negative or positive impact on our economy, as it grows the government spending is vital for a progressive and working economy. In conclusion, the United States economy, government spends funds extremely carelessly, which reduces economic growth and turns away resources from private businesspersons, employment, stocks and productions tends to weakening and eventually slows down the economy. References (11/28/2010). Government house fiscal budget spending. Retrieved from http://www. house. gov/jec/fiscal/budget/spending/spending. htm Milton, F. (January 4, 1995); Wall Street Journal. Retrieved from http://wallstreetjournal. com