What is the current macroeconomic situation in the united states what fiscal poli...

Literature, Russian Literature

Macroeconomic Situation in the U. S. Task: Macroeconomic Situation in the U. S. The U. S. economy is the world's largest national economy, and has been on a constant rise since the global recession that hit the world economies between 2008 and 2009. The economy's growth is aided by a variety of factors, both on the micro and macroeconomic fronts. However, considering the overall sources of economic growth, the macroeconomic aspects of any economy are the main drivers of the economy. This is because such aspects as unemployment rates, inflation, fiscal and money policies directly have an impact on the economy hence influence its overall growth pattern. This also applies for the U. S. economy, especially in regards to its current macroeconomic situation.

In view of the unemployment trends in the U. S., the trends have shown a sharp decline since 2008. The employment rates have steadily risen, with present data from the Labor Department showing that over 140, 000 jobs have been created in the economy. This has led to the rate of unemployment dropping to slightly over 7. 5%. Furthermore, the Bureau of Labor Statistics places the current inflation rates of the U. S. at below 2. 5%. This has been occasioned by the constantly improving economy, with the most significant categories for maintaining the inflation rates low being consumer price index based factors such as shelter and consumer products (Vietor & Weinzieri, 2012). The reduced inflation rates coupled with the low unemployment levels in the U. S. have resulted in an overall increase in the GDP of the country. Furthermore, this is aided further by the diversity of the American economy as shown by the technology, finance and the other sectors that collectively result in the average increase in the rate of GDP increasing gradually. Moreover, such industries such as mining, industrial, farming and construction industry are the chief drivers that are involved in the creation of jobs, hence elimination of poverty and reduction in inflation consequently leading to economic growth occasioned by the GDP levels.

However, in order to constantly maintain a worthy economic environment and hold all factors at economically feasible levels, varieties of factors are considered by the Federal Reserve authority responsible with formulating fiscal and monetary policies for the economy. As such, the Federal Open Market Committee can consider structuring their policies to ensure further economic prosperity. In consideration of the present macroeconomic situation in the U. S., the committee could consider reducing cuts on public goods, as this could eventually increase competitiveness in the economy. This is because competitiveness is directly linked to the overall economic growth, and any action that increases the competitiveness ultimately results in overall economic growth (Vietor & Weinzieri, 2012). Moreover, the FOMC could consider increasing the tax revenues to result in more security and further enhance the productivity level of the economy. This is mainly through such means as VAT since it does depress the asset and output level, but only lays a foundation for a long-term economic growth.

Considering the present macroeconomic situation in the U. S. as show by the relatively reducing inflation and unemployment rates, the economy can be easily described as being on a stable growth trend. However, the FOMC, responsible for coming up with policies and mechanisms of manipulating the way in which the economy is moving ought to consider the aforementioned recommendations. This may further result in better performance of the American economy, hence augmenting the global status of the American economy even further.

References.

Vietor, R. & Weinzieri, M. (2012). Macroeconomic Policy and U. S. Competitiveness. Harvard Business Review. Retrieved from: http://hbr. org/2012/03/macroeconomic-policy-and-us-competitiveness/ar/1