

See the details

[Literature](#), [Russian Literature](#)



Article summary In an article by the New York Times d 30th April and en d; “ Once More, Economy Exhibits Weakness,” the main issue was on economic growth recovery. The article reported that the economy had registered yet another below per quarterly performance in the year 2014 which shocked many economic analysts. Policy makers at the Fed had indicated that they will stick with their plans aimed at reducing monthly bond purchases in order to stimulate the economy. The announcement was well received by Wall Street despite the fact that not much progress has been achieved at the end of the first quarter. Factors that contributed to low economic growth include slow inventory gains and abnormally cold weather experienced in the second half of the previous year. The pace of growth in domestic demand was found to be 1. 5 percent in the first quarter which was slightly below what it was in the forth quarter of 2013 due to volatile factors such as trade and inventory swings. However, it is evident that fluctuations witnessed in the current times do not portray a different trend from what had been seen in the recovery process since the Great Recession. The average quarterly economic growth rate has stood at 2. 2% since the year 2009.

The bleak future of economic growth is likely to impact negatively on the democrats in the forth-coming congressional elections. The prospects of the Democrats is closely tied to the voter attitudes toward the re-election bid of President Obama in which economic factors played a major role in determining the outcome. Another factor in the economic condition is on wage growth as a result of huge slack in the labor market. A report from the Bureau of Labor Statistics that was released previously on employment index indicated that the private sector wages as well as salaries during the first

quarter had increased at a lower rate since 1980. The article further concurs that the recovery of the housing market were on a declining trend. This was evident on the second quarter of the 2013 in which private residential real estate investment had fallen by 0. 2% of the total economic growth. Weather was found to be the main cause of decline in the recovery in the housing market.

Corporate investment in equipment witnessed a sharp reverse growth in the first quarter of 2014 compared to the growth in the fourth quarter of 2013 leading to the slackening of the overall business investment translating into 0. 4 % decline in the overall economic growth. Other factors resulting in deterioration of business investment include slow buildup in inventories. A surge in health care spending due to the launch of the Obama health care reform resulted in 1. 1 percent growth in the economy. The rise in health care consumption is expected to increase despite the fact the prices for health care services were witnessing slow upsurge.

This article is related to economic growth theory as learnt in class. It outlines the many factors that affect economic growth as well as the key economic indicators. The Fed dictates the key elements such as corporate investment, business conditions and inventories which affect the level of economic growth.

Work Cited