

Good example of macroeconomics article review

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



Source: The New York Times

<http://www.nytimes.com/2003/07/28/nyregion/red-ink-in-states-beginning-to-hurt-economic-recovery.html>

The influence of the state government economy is slowly influencing the country economy. The federal government fiscal policies operate under pro-cyclical local policies. The more the federal tax system is managed under pro-cyclical local policies the more the total spending will go up. The impact of cutting the state spending is being felt by the middle income earners who nearly on the state government to regulate on their economy. Cutting the spending meant that people are going to lack basic commodities that have in the past been influenced by the state spending thus calling for the overall government to regulate on policies that will affect distribution of basic need for the jobless and elderly who depend on government on food stamp. Coming to think of it, today, the total state spending has been reduced by \$20-40billion every year.

Looking at the spending of the state government and the policies that affect the distribution of resources, cutting state spending will affect distribution of important resources to our citizen. Millions of citizen depend who depend on government supported hospital will be affect since reduced spending will hurt distribution of Medicaid personnel to serve in this centers. State governments are being forced to come up with creative ways in which they are going to generate revenue to support their economy. A good example is the government of Illinois that has been forced to sell its glass office building in the heart of Chicago and they are renting from the new owner.

Though with the new spending policies state governments were expected to

<https://assignbuster.com/good-example-of-macroeconomics-article-review/>

lay off many worker, some government have come with creative ways to keep their large number of workers by ensuring the reduce hiring of more workers and not filling workers who retire or resign. Members of the state government will now be forced to work on a double role in order to fill all these positions. Through this method, the government has ensured that nobody loses their job despite the harsh fiscal policies. All the funding from the federal government aimed towards development of project within the states comes with policies attached in a uniform manner. The state government can only implement this project through pro-cyclical local policies based on their capacity.

In addition, the state government is slw