



Economy of the United States

The economy of the United States is the largest national economy in the world. Its gross domestic product (GDP) was estimated as \$14.3 trillion in 2008. The U.S. economy maintains a high level of output per person (GDP per capita, \$46,800 in 2008, ranked at around number ten in the world). The U.S. economy has maintained a stable overall GDP growth rate, a low unemployment rate, and high levels of research and capital investment funded by both national and, because of decreasing saving rates, increasingly by foreign investors. In 2008, consumer spending made seventy-two percent of the economic activity in the U.S.

Since the 1970s, the United States economy has absorbed savings from the rest of the world. The phenomenon is subject to discussion among economists. Like other developed countries, the United States faces retiring baby boomers that have already begun withdrawing from their Social Security accounts; however, American population is young and growing when compared to Europe or Japan. The 2008 estimate of the United States public debt was 73% of GDP, about the same as major European countries.

The United States has been one of the best-performing developed countries, consistently outperforming European countries. American labor market has attracted immigrants from all over the world and has one of the world's highest migration rates. Americans enjoy the highest income per hour worked. The United States tops the overall ranking in the Global Competitiveness Report.

Employment

In May 2009, the unemployment rate was 9.4%. A broader measure of unemployment (taking into account marginally attached workers, those employed part time for economic reasons, and discouraged workers) was 15.9%. Female unemployment continued to be significantly lower than male unemployment (7.5% vs. 9.8%). The unemployment among African-Americans continues to be much higher than white unemployment (at 14.9% vs. 8.6%). It was only recently that the unemployment rate increased steadily. The Congressional Budget Office forecast that the unemployment rate could reach as high as 9% during 2010.

Income and wealth

According to the United States Census Bureau, the pretax median household income in 2007 was \$50,233. The median ranged from \$68,080 in Maryland to \$36,338 in Mississippi.

In 2007, the median annual household income rose 1.3% to \$50,233.00 according to the Census Bureau. The real median earnings of men who worked full time, year-round climbed between 2006 and 2007, from \$43,460 to \$45,113. For women, the corresponding increase was from \$33,437 to \$35,102. The median income per household member (including all working and non-working members above the age of 14) was \$26,036 in 2006.

The recently released US Income Mobility Study showed economic growth resulted in rising incomes for most taxpayers over the period from 1996 to 2005. Median incomes of all taxpayers increased by 24 percent after adjusting for inflation. The real incomes of two-thirds of all taxpayers increased over this period. Income mobility of individuals was considerable in the U.S. economy during the 1996 through 2005 period with roughly half of taxpayers who began in the bottom quintile moving up to a higher income group within 10 years. In addition, the median incomes of those initially in the lower income groups increased more than the median incomes of those initially in the higher income groups.

Energy

The United States is the largest energy consumer in terms of total use, using 100 quadrillion BTUs (105 exajoules, or 29000 TWh) in 2005. The U.S. ranks seventh in energy consumption per-capita after Canada and a number of small countries. The majority of this energy is derived from fossil fuels: in 2005, it was estimated that 40% of the nation's energy came from petroleum, 23% from coal, and 23% from natural gas. Nuclear power supplied 8.4% and renewable energy supplied 6.8%, which was mainly from hydroelectric dams although other renewable are included such as geothermal and solar energy.

Manufacturing

USA is the leading manufacturer in the world with a 2007 industrial output of US\$2,696,880 millions. Main industries are petroleum, steel, motor vehicles, aerospace, telecommunications, chemicals, electronics, food processing, consumer goods, lumber, and mining.

Finance

The New York Stock Exchange is a stock exchange located at 11 Wall Street in lower Manhattan, New York City, New York, (USA). It is the largest stock exchange in the world by United States dollar value of its listed companies' securities. As of October 2008, the combined capitalization of all domestic NYSE listed companies was US\$10.1 trillion.

NASDAQ is an American stock exchange. It is the largest electronic screen-based equity securities trading market in the United States. With approximately 3,800 companies and corporations, it has more trading volume per hour than any other stock exchange in the world.

Expenditure

The United States public sector spending amounts to about a third of the GDP. Each level of government provides many direct services. The federal government, for example, is responsible for national defense, backs research that often leads to the development of new products, conducts space exploration, and runs numerous programs designed to help workers develop workplace skills and find jobs (including higher education). Government spending has a significant effect on local and regional economies—and even on the overall pace of economic activity.

State governments, meanwhile, are responsible for the construction and maintenance of most highways. State, county, or city governments play the leading role in financing and operating public schools. Local governments are primarily responsible for police and fire protection.

Overall, federal, state, and local spending accounted for almost 28% of gross domestic product in 1998.

As of January 20, 2009, the total U.S. federal debt was \$10.627 trillion (an increase of 85.5 percent over the previous eight years). The borrowing cap debt ceiling as of 2005 stood at \$8.18 trillion. In March 2006, Congress raised that ceiling an additional \$0.79 trillion to \$8.97 trillion, which is approximately 68% of GDP. Congress has used this method to deal with an encroaching debt ceiling in previous years, as the federal borrowing limit was raised in 2002 and 2003. As of October 4, 2008, the "The Emergency Economic Stabilization Act of 2008" raised the current debt ceiling to US\$ 11.3 trillion. While the U.S. national debt is the world's largest in absolute size, another measure is its size relative to the nation's GDP. As of January 20, 2009, the debt was 73 percent of GDP, a level not seen in the U.S. since 1955 when the country was recovering from World War II. This debt is still

less than the debt of other industrialized nations such as Japan and roughly equivalent to those of several western European nations.

