National Economy Essay, Research Paper

National Economy

The U.S. economy has been slowly growing since the spring of 1991, growth increased in 1997 when real gross domestic product rose 3.9 percent from an increase of 2.8 percent in 1996. At the same time inflation in 1997 fell to 2.3 percent decreasing the cost of living. Payroll jobs rose from 121.14 million in January to 124.29 million in December and the national unemployment rate declined over the year by .7%. This combination of events was good news for the businesses and the general public because it increased wealth and lowered prices. On July 2,1997 Thailand started a crisis in Asia which effected U.S. exports to the region. U.S. exports to Asia represent 30% of total exports but were cut in half to 13.4% in 1997. The interest declines offset some of the drag on the American economy from the reduced exports by concentration on construction and real estate. Asia crisis was a threat to the U.S. economy but a strong dollar and the reduced commodity demand helped to keep the low inflation period.

In 1998 the economy experienced further acceleration growth, unemployment decreased faster to lows not seen in 20 years and the price index stayed the same. Falling interest rates and oil prices encouraged consumers. Economists still kept a close eye on the unfolding events in Asia. In 1999 U.S. economy will slow due to weak markets around the world consumer spending will decrease and businesses will slow down their investing. Although inflation has not changed the decline in oil prices and the rising dollar will fade. Nations GDP is excepted to slow growth near 2% and the world economy possibly will stabilize.

Oregon?s Economy

Just like the rest of the county Oregon has been booming since early 90?s but came to a moderate pace in 1997. Oregon only experienced dramatic declines in lumber and wood products production and employment. In 1997 turmoil in Asia started which brought concern to the state due to its great exports to that region. Nike experienced lost sales in Asia and laid of workers in Oregon. Other big companies like Intel, Mitsubishi Silicon, Hewlett Packard, Tektronix, and Sequent saw weakened sales and reduced employment. The number of people moving to Oregon declined and request for residential construction permits were down 2.9%. Oregon?s overall tax burden has declined with capped property taxes and rapid increases in personal income. In1999 economy will continue to grow but increments will diminish. Employment growth in 1998 was 2.4% and will fall in 1999 to 1.5%.

Oregon and the Western Region

Oregon along with Idaho and Utah experienced a decline in the total amount of people coming to their state. In the region all states saw job gains that were above the national average. Nevada, Idaho, California, Washington saw the fastest growth while Oregon and Utah eased. Employment in services the region did better when the nation except in Nevada, Utah and Oregon which slowed down from 1996. Only mining, military, and agricultural sectors saw earnings growth below the national figures in Oregon. Dividends, interest, and rental income rose above the national average of 4.3% in all the states while transfer payments rose more slowly than the nation in Oregon, Washington, and California. Residential permits declined in Nevada, Oregon, Utah, and Idaho but increased by 15.3 % in the ?Northern 34? and 4 % increase in Washington. The Asian crisis has not effected other states in the region as much as Oregon that?s why it is experiencing some economy growth difficulties.