**Post 1**

The US economy is one of the most varied national economies in the world and leads the world economy since last many decades. According to BY Kimberly Amadeo, in 2018, USA GDP rate was 3% and expected lower in 2019 as 2.1%. This forecast was provided by Open Market Committee meeting in March 2019. The reason of this decline is blamed due to the trade war of Trump’s economic policy. It was expected that during 2019, the unemployment rate will be 3.7 % and chances are to be slight increase in next years. It was 4.1% in December 2018 and rose 1% from 2017. (Amadeo, 2019).

References

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**Post 2**

I believe Morgan is right who insists that it’s better to adjust the economy through government spending because it is not just to increase taxes but also the spending of government that effects the economy.

There are three key assumptions in neoclassical macroeconomics: the principle of maximization of economic parties, rational expectations, and continuous market clearing. Christensen (2017) explained that the squeeze of neoclassical thoughts rest on the place attained by Keynesian economists in the state in the post-war eras (Christensen, 2017). For Keynes, the market economy is not strange equilibrium, offering full employment. The purpose for this is that people incline to save some money. This directs to inefficiency of cumulative demand: it is fewer than total supply. To control this inclination of individuals to save is impossible. Consequently, the government should control the economy, affecting aggregate demand. Keynes shares investment and consumer demand. The state, increasing the money supply, reduces the interest rate that stimulates the investment activity of entrepreneurs. The lack of consumer demand can be compensated by using public works financed from the budget through the issue of money.

References

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