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Signature:

**Article Title:** “Economy Dives as Goods Pile Up”, Kelly Evans, The Wall Street Journal, January 31, 2009

**Summary:** Economists speculate that the economic recession is going to continue and may only worsen for at least the next several months. The decline in GDP in the 4th quarter of 2008 was the largest decline since 1982, though economists expected it to fall even further. All companies are now trying to figure out what to do to get through the year. This means cutting jobs, decreasing production, cutting prices, and more that is causing businesses a lot of troubles. Chrysler, for example, shut-down all production in mid-December and only recently restarted production despite the persistently failing market. Exports fell along with business spending and investments. All of this is causing the unemployment rate to increase and consumers are changing their spending habits. Consumers are holding on to their money in fear of making bad investments. Imports are also decreasing because of the changes in consumer and business spending and economists are doubtful that the Obama’s administration can do anything to fix the problem. However, it may boost confidence in the market and persuade consumers to invest.

**Comments:**

The rise in unemployment is decreasing the government revenue because the government cannot receive income tax for those not working.