CONSUMERS FEEL NEGATIVELY ABOUT THE ECONOMY

Confidence in the economy from consumers declined last week. It highlights the challenges presently facing economic recovery, as confidence hits its lowest point since the recession. The prior period on the Bloomberg Consumer Comfort Index stood at minus 48.4. However, last week the Index fell to minus 51.1. A grand 95% of surveyed individuals felt negatively about the nation's economy. This was the highest percentage since April of 2009. Had it been 1% higher, it would have become a record high percentage. A shaky hosing market, limited hiring, and slow growth in the job market has created negative attitudes, a pessimistic viewpoint, and a declining confidence from individuals throughout the nation. Many officials throughout the Federal Reserve and Obama administration believe that creating a more stable housing market would aid in economic recovery. A Senior Economist at Bloomberg LP in New York says, "Consumer sentiment remains mired knee-deep in the big muddy of an epic housing mess, household de-leveraging and a broken labor market. The specter of a European debt crisis and the likelihood of no additional policy support here at home will probably keep sentiment at or near historically low levels." During the third quarter, the United States economy grew at the quickest rate this year, consumer spending helped recovery, and business investment supported the market on the bring of faltering. The nation's GDP rose at an annual rate of 2.5%. According to Commerce Department figures, this matched the median forecast received from economists that were surveyed by the Bloomberg News, and was up from a 1.3% gain during the previous quarter. One of the largest parts of the economy, household purchases, increased this quarter at an surprisingly 2.4% rate. In a separate report, it was shown that less Americans put in applications for unemployment assistance last week. That put the filings at a number the nation has not seen in over three years. This signals an improvement in the labor department of the nation. Positive ratings of the United States economy dropped to 5% from 7.1% last week. The President of Langer Research Associates LLC in New York says, "Indeed, more than two years after the recession officially ended, consumer relief is nowhere sight. Long-term unemployment, underemployment and the still-lagging housing market all help explain the dire state of consumer sentiment." Chief Financial Officer of RadioShack Corp., Dorvin Lively, says, "We see a challenging economy and pressure on consumer spending continuing." Nearly 76% of people believe it is a bad time to buy services and goods they need and want. This percentage is greater than the figures back in 2008, which only showed 70% believed that. Meanwhile, the housing market continues to pose problems for the economy. President Obama released a plan to allow homeowners to obtain refinance mortgages regardless of house value. This is yet another government effort to make progress in the economy's problems, and build back the trust of the nation once more.