

POSSIBLE 'ARMAGEDDON' LOOMING FOR U.S. ECONOMY



The United States economy could be reaching a boiling point, one that has been described as a possible 'Armageddon' for the country as a whole. According to a new study, automatic budget cuts will cost close to 2 million jobs. The study was released by the Aerospace Industries Association on Tuesday. It warned of job losses, billions of dollars lost in the economy and a major to wages from the 10-year cuts in defense and domestic programs of \$1.2 trillion. The study was conducted by Dr. Stephen Fuller, from George Mason University, along with Chmura Economics and Analytics. It estimated that cuts would drop the nation's gross domestic product by \$215 billion in 2013 as consumer confidence plummets. The president and chief executive officer of the Aerospace Industries Association, Marion Blakey, said in a news conference that cuts would cause an 'Armageddon' for employment and is a "genuine catastrophe waiting to happen." The study shows that there is a potential for over 175,000 job losses per month in 2013. Over the next ten years, the military will be facing cuts of \$492 billion if President Barack Obama and congressional Republicans and Democrats do not agree on how to fend off the cuts. The military will experience a cut of \$55 billion beginning in January, which is just three months into its fiscal year. Over the next ten years, domestic programs will also see a reduction of \$492 billion. The automatic cuts are because of a failure by a congressional panel in 2011 to figure out a plan to cut the deficit by \$1.2 trillion over a decade. If Republicans do not let the tax cuts for Americans making over \$250,000 per year expire, Democrats are prepared to let the automatic cuts occur. The report said that automatic cuts could translate into a 1.5 percentage point increase in unemployment in the country. The current unemployment rate sits at a stagnant 8.2 percent. The data was provided by the study and by analyses from the Congressional Research Service. With the cuts in defense in 2013, the report said that close to 1.09 million jobs would be lost. Almost 70 percent of those jobs would come from the manufacturing and professional business service jobs industries. There could be 1.05 million jobs lost as a result of the cuts in domestic spending by the government. "The federal agencies haven't said what they would cut back," Fuller said during a recent interview about the study. "They don't have too many choices because most of their budget is payroll, where the Defense Department has more choices because most of its budget isn't payroll."

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