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FEDERAL RESERVE SAYS GROWTH HAS SLOWED

When it comes to the way that the economy is going there are a lot of sources of information out there. Some of them are reliable, and some of them are not. When it comes to information on the US economy the Federal Reserve is a good place to begin on your search for the truth. New information was released by the Federal Reserve this week about the state of the economy. In that release of the report the Federal Reserve said the following about the slowing of the gains to the market, “The information reviewed at the June 19-20 meeting suggested that economic activity was expanding at a somewhat more modest pace than earlier in the year. Improvements in labor market conditions slowed in recent months, and the unemployment rate remained elevated. Consumer price inflation declined, primarily reflecting reductions in the prices of crude oil and gasoline, and measures of long-run inflation expectations continued to be stable.” This kind of a report that is likely to be bad news for the world of employment, as employers are likely to see the slowed growth as a reason to slow down on any current hiring efforts, rather than having to layoff workers in a couple of months. In addition the Federal Reserve expects that the average worker who is currently employed will actually make more in terms of real dollars. In the last couple of months, since April, the income for the average worker has gone up albeit slowly, and the cost index increased only marginally more than the employment cost index over the same period. In the end the issue, at least when it comes to employment, can be nicely summed up in the following thought, “Increases in economic activity were anticipated to narrow the wide margin of slack in labor and product markets only slowly over the projection period, and the unemployment rate was expected to still be elevated at the end of 2014.”