

USA

United States of America



<https://de.123rf.com/ikone-der-usa-karte-auf-dem-groessen-globus.html>

black: Vanessa (Germany)

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1) Introduction

The USA is a world, political and economic power. After Canada and Russia, the USA is the third largest country in the world. The United States is located between Canada and Mexico in North America. It borders the Pacific Ocean along the west coast and the Atlantic Ocean along the east coast.

The North American landscapes are extremely diverse, from the frozen tundra in Alaska to the wooded areas on the east coast, the barren deserts in the southwest, the winding river systems in the subtropical south and the mighty mountain ranges in the Rocky's to the tropical climate zones of Hawaii. In addition, America has six different time zones.

The flag of the United States is also called „The Star-Spangled Banner” or „Stars and Stripes”. It consists of seven red and six white stripes, representing the 13 founding states. The blue flag field in the upper left area, that currently depicts 50 white stars, represents the 50 states of the USA.

Donald Trump has been the 45th US president since January 2017. His Vice-President is Mike Pence. About 326 million of people live in the 50 states. Washington D.C is the seat of government and has been the capital of the United States since 1800.

The political capital is Washington, but the financial capital is New York since Wall Street, the largest stock exchange in the world, is located there.

The main language is English, but Spanish and other languages are quite common.



2) System of Government

The system of government of the United States of America is a “presidential democracy”; that consists of three areas: Congress (Legislative), President (Executive), Supreme Court (judiciary) and is thus subject to the separation of powers and is therefore also called “the system of checks and balances”. The constitutional organs control each other.

Presidential democracy means that the functions of head of state and head of government unite in one person.

In the USA there are two major parties, the Republicans and the Democrats. For example, the southern states vote for the Democrats and the Rocky Mountain States like Montana, Wyoming, Idaho, Utah, Colorado and Nevada vote for the Republicans.

The fundamental rights of the American Constitution are laid down in the “Bill of Rights”. The president, currently Donald Trump, Republicans, has the most power. He proposes laws, controls the military, appoints judges and other constitutional bodies together with the Senate.

The election in the USA is an indirect election, that means the voters of each federal state elect a member of the Electoral College, who in turn elects one of the presidential candidates.

All the votes of the electors go to the candidate, who receives the majority in that state. This principle is the so called “The-Winner-Takes-It-All-Principle”. If a candidate has a majority of 270 votes, he has won the election.



On this picture you can see on the left Donald Trump, the president of America and on the right his vice president Mike Pence. Both are Republicans.

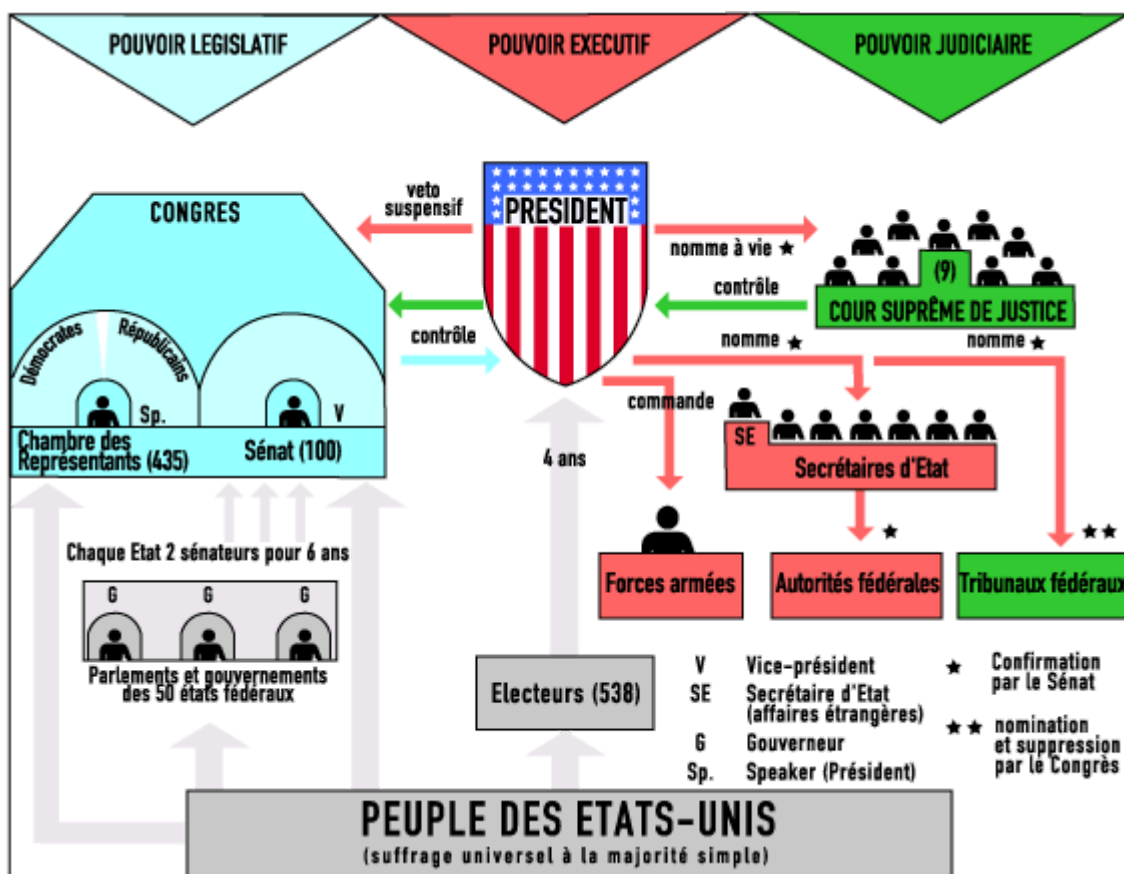
The United States political system is based on three fundamental principles: the Republic, democracy and federalism. It is defined by the United States Constitution of 1787 and its 27 amendments.

Every state in the United States has a governor who often is accompanied by a lieutenant governor whose duties vary. Governors are elected by direct universal suffrage and political parties organize primaries for each vacant post. Each state has a state legislature (a House of Representatives and a Senate) and a Supreme Court. Each state has various elected or appointed functions, including a state attorney general, a secretary of state, a secretary of agriculture, a treasurer and an auditor.

The conditions of the right to vote are: to be of American nationality, to be over 18 years of age and to have civil rights. Suffrage is universal direct for the representatives, indirect for the presidential election.

The president is elected for 4 years and he can't present his candidature more than two terms.

This diagram explains the repartition of the powers in USA and the role that everyone has to play.



3) Economic System :

- The United States has a mixed economy. The most important characteristic of the American economy is that it is a free market. It means there is freedom to buy, sell, and produce in a competitive environment. But the US system also has elements of regulation.

- In the 1870s the USA became the first economic world power.

- In 2017, their GDP (GROSS DOMESTIC PRODUCT) was 19 000 billion dollars. It's about a fifth of global GDP.

It is usually used as an indicator of the economic health of a country, as well as a gauge of a country's standard of living.

- Since the beginning of the XXth century, the United States has been the world's leading economic power. They have the highest growth rates of world and one of the world's highest standards of living for its inhabitants. .

- Apart from the Great Depression of 1929 and the economic crisis of 2008, US institutions have avoided large fluctuations of economic.

- Unlike many European countries, the United States didn't experience a large period when the unemployment rate remained very high in the 1980s and 1990s.

- The principle characteristics of the American economy are: a state-of-the-art scientific development; competition within firms and incentives for innovation; highly developed financial markets that have financed businesses and controlled their activities; a labor market with a very high capacity to employ available labor (immigrants); an active macroeconomic policy favoring the resumption of an activity.

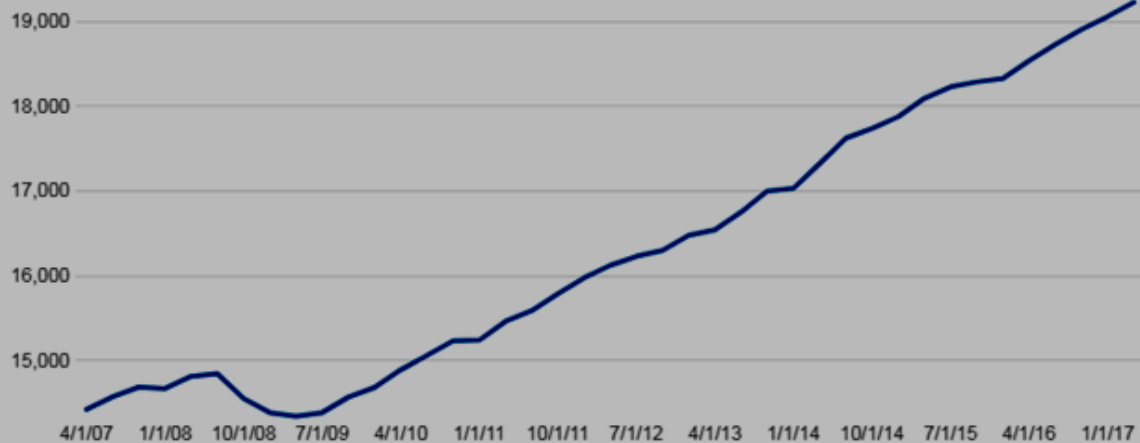
Gross Domestic Product of USA over past 10 years:

You can see on the graph that the US's GDP has known a really high growth since January 2010, its GDP was 15,000 USD.

Nowadays, the GDP OF THE USA is 19,000 USD. So it means that in 7 years its GDP has grown up of 4 billions dollars. It's a really fast and important growth.

U.S. GDP Over Past 10 Years

All figures in \$ billions.



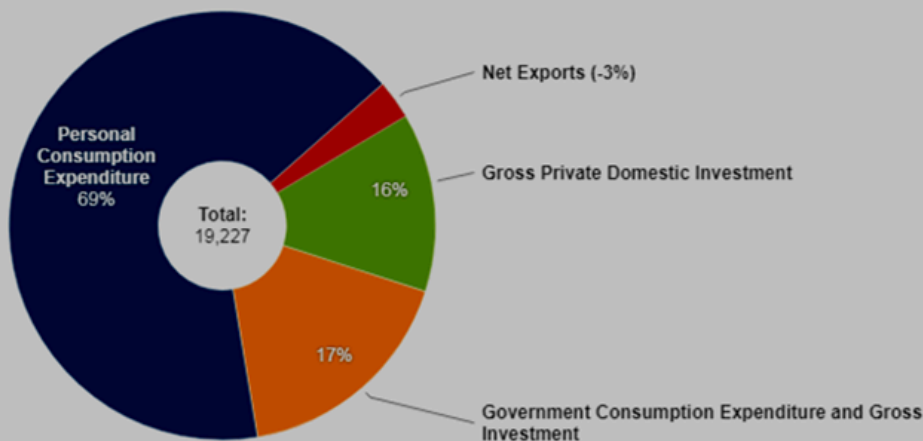
Source: Federal Reserve Bank of St. Louis • Created with Datawrapper

The composition of the USA's GDP

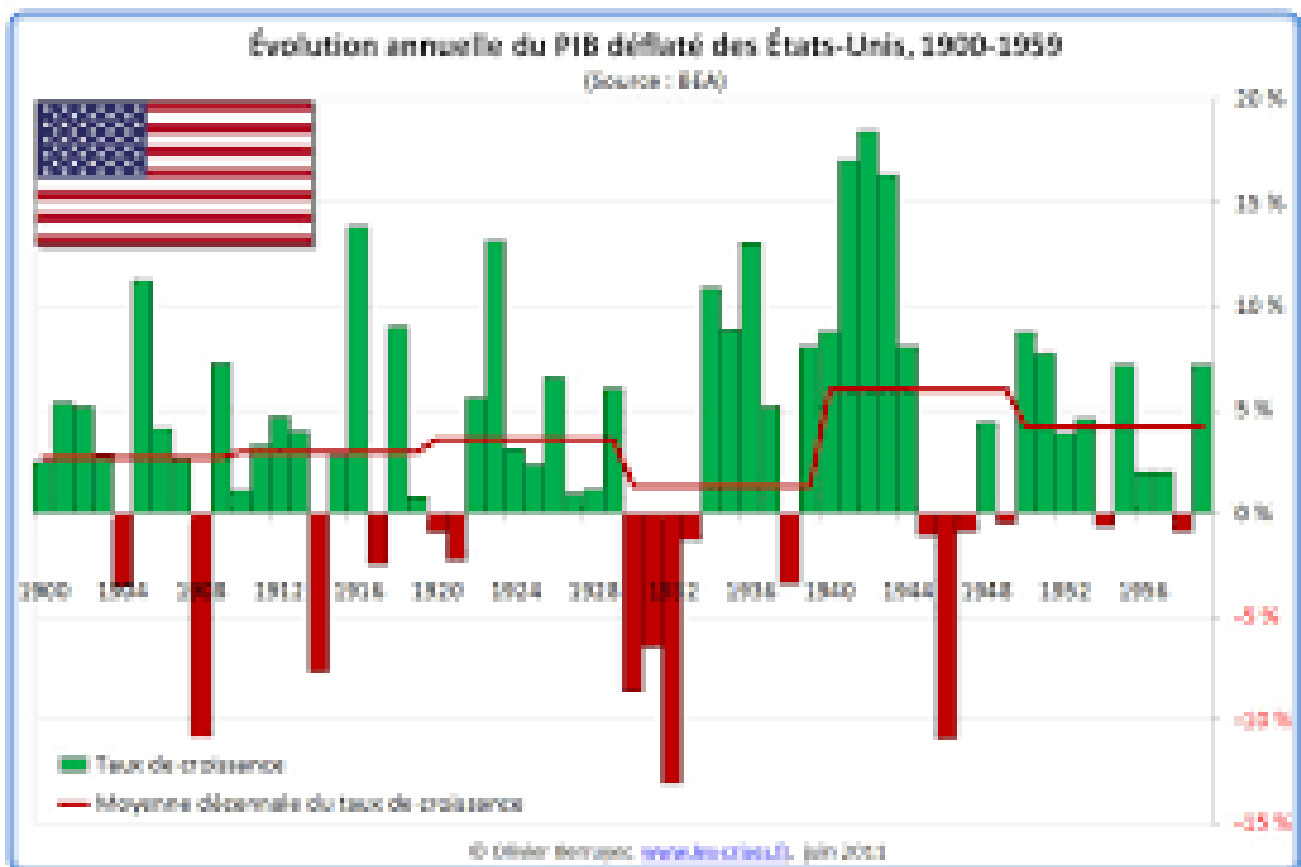
This graph shows us the details of the US's GDP, with its different components. We can see that the biggest part of his GDP (69%) is the personal consumption expenditure. The second part the most important is linked to the economic activity of the Government (17%). in the third place there is the private investment (16%). and the export takes up 3% of the GDP.

U.S. GDP Components

Q2 Figures. Total in \$ billion.



Source: Federal Reserve Bank of St. Louis • Created with Datawrapper



4) SOCIAL SYSTEM :

- Many Americans believe that in the country there are just three classes: the American upper-class; the American middle class; the American lower-class.
- But it is more complex than that. In reality there are approximately a dozen class levels.

In this model there are,

the upper class (3% of the population) is divided into :

- upper-upper class (1% of the U.S. population, earning hundreds of millions to billions per year) and
- the lower-upper class (2%, earning millions per year).

The middle class (40%) is divided into :

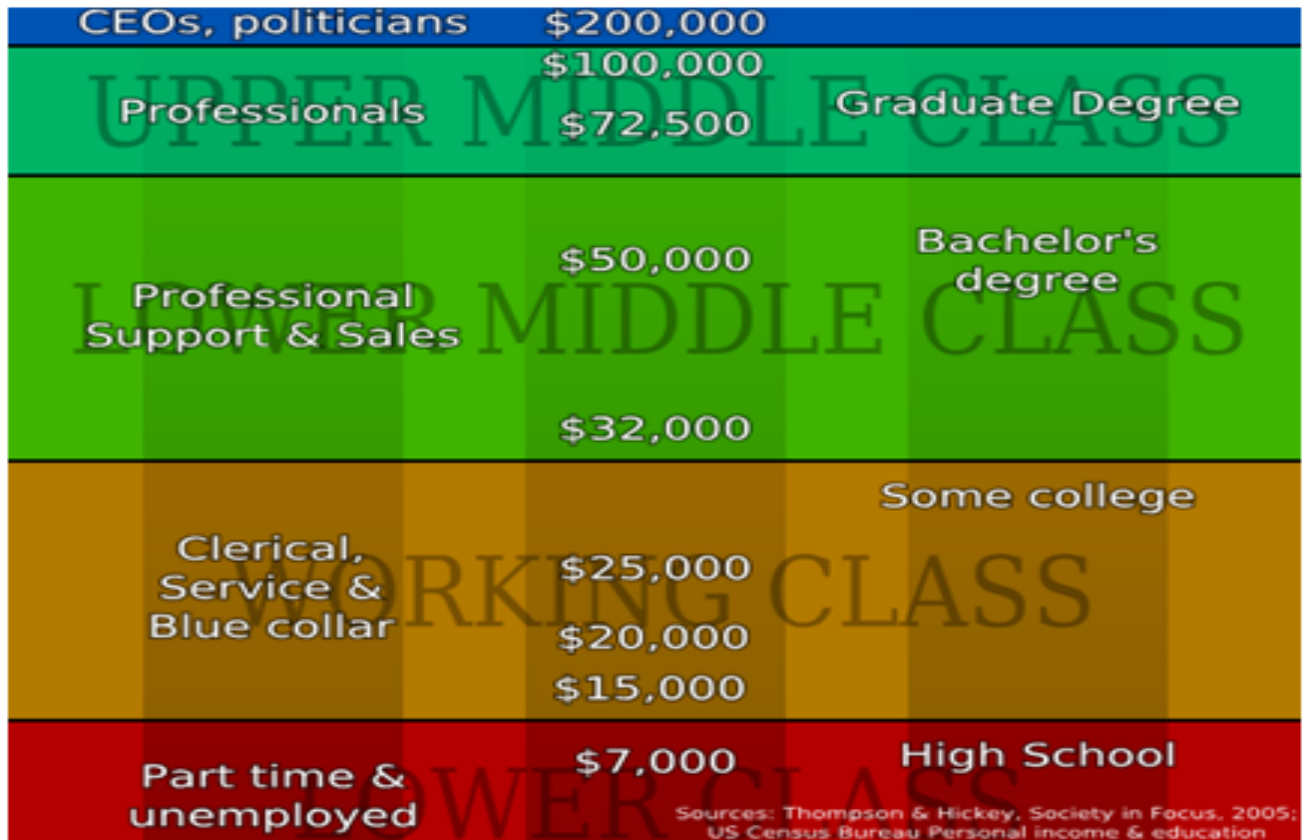
- upper-middle class (14%, earning \$76,000 or more per year) and
- the lower-middle class (26%, earning \$46,000 to \$75,000 per year).

The working class (30%) earns \$19,000 to \$45,000 per year.

The lower class (27%) is divided into:

- working poor (13%, earning \$9000 to 18,000 per year) and
- underclass (14%, earning under \$9000 per year).

The two boards explain the income that people earn according to their level of study and according with their sex, origin or profession in the United States of America



Median income levels

Households			Persons, age 25 or older with earnings			Household income by race or ethnicity			
All households	Dual earner households	Per household member	Males	Females	Both sexes	Asian	Non-Hispanic White	Hispanic (of any race)	Black
\$46,326	\$67,348	\$23,535	\$39,403	\$26,507	\$32,140	\$57,518	\$48,977	\$34,241	\$30,134

Median personal income by educational attainment

Measure	Some High School	High school graduate	Some college	Associate's degree	Bachelor's degree or higher	Bachelor's degree	Master's degree	Professional degree	Doctorate degree
Persons, age 25+ w/ earnings	\$20,321	\$26,505	\$31,054	\$35,009	\$49,303	\$43,143	\$52,390	\$82,473	\$70,853
Male, age 25+ w/ earnings	\$24,192	\$32,085	\$39,150	\$42,382	\$60,493	\$52,265	\$67,123	\$100,000	\$78,324
Female, age 25+ w/ earnings	\$15,073	\$21,117	\$25,185	\$29,510	\$40,483	\$36,532	\$45,730	\$66,055	\$54,666
Persons, age 25+, employed full-time	\$25,039	\$31,539	\$37,135	\$40,588	\$56,078	\$50,944	\$61,273	\$100,000	\$79,401
Household	\$22,718	\$36,835	\$45,854	\$51,970	\$73,446	\$68,728	\$78,541	\$100,000	\$96,830

Household income distribution

Bottom 10%	Bottom 20%	Bottom 25%	Middle 33%	Middle 20%	Top 25%	Top 20%	Top 5%	Top 1.5%	Top 1%
\$0 to \$10,500	\$0 to \$18,500	\$0 to \$22,500	\$30,000 to \$62,500	\$35,000 to \$55,000	\$77,500 and up	\$92,000 and up	\$167,000 and up	\$250,000 and up	\$350,000 and up

6) Economic and Financial Indicators

GDP

The USA has a GDP of 20.66 trillion dollars. This translates to 20,660,000,000,000 dollars. This is the highest GDP in the world.

The GDP per capita is 59,531.66 USD, but appearances can often be deceiving; many American citizens live below the poverty line.

Price stability/inflation

While in 2011 inflation stood at 3,2%, last year, prices rose 2,5% relative to the preceding year. This means the US dollar is quite stable.

Unemployment

Under president Trump's presidency, +/- 140,000 jobs were created and the unemployment rate has decreased to 3,7%, what roughly translates to 12 million people.

Distribution of income and wealth

The GDP per capita is 59,531 USD, and the average income equals 31,099 USD. This is a clear example of wealth that is most definitely not evenly distributed.

Government debt

The USA also has the world's highest national debt; 21.6 trillion USD. A quick comparison: The Netherlands national debt (in USD) is 'only' 472,838 billion USD, Germany's is 1.9 trillion USD and France's is 2.3 trillion USD

Interest Rate Level

The Federal Reserve aimed to keep 2018's interest rate at 2 to 2.25%, and so far they've done a pretty good job as it's currently at 2% and predicted to increase up to 2,25%.

Exchange Rates

Exchange rates come into being because of supply and demand. The more sought-after a currency is, the more its value rises. If you were to convert 1 USD, you would have 0.82 EUR, 0.74 GBP, 1.26 AUD or 71.51 INR.

Size and importance of the domestic market

The USA's domestic market is the world's leading market. Take a look at the world's first trillion dollar company Apple with its American roots.

Import and Export

Annually, the USA imports goods valued at 2.74 trillion USD while exporting goods valued at 2.21 trillion USD; there is a negative trade balance.

7) Conclusion :

After our analysis of the USA we've come to the conclusion that the USA has a healthy economy despite an unbalanced division of wealth.

Unemployment is going down, more and more jobs are being created, the welfare level is rising since the GDP per capita is growing more than the inflation does.

Indeed, the economy of USA is directed by the government and the multitude of economy market. The US economic growth has been boosted by consumption, with growth reaching 4.1% in the second quarter of 2018. This is a growth rate worthy of an emerging country. This is its largest increase, year-on-year, since the fourth quarter of 2014. This is almost double the expansion observed in the first quarter (revalued at 2.2%).

Incidentally, the gross domestic product of the United States exceeded, for the first time in its history, the symbolic bar of 20,000 billion dollars.

In detail, the US economy was driven by private consumption, which jumped 4%. Stimulated by the tax cuts, the marginal rate of the highest bracket has increased from 39.6 to 37%, for example, consumption contributes 2.7 points to GDP (accounting for two-thirds of The second largest contributor is net exports. Indeed, they rose by 9.3% to participate 1.1 percentage points in GDP growth,

Justine's work review :

VERY GOOD WORK but no sources quoted. A very good share of work, your analysis is well-organised, well-written and complete !

Economic facts and explanations : A

Economic analysis : A+

English : A+

Efforts to cooperate : A+

Mrs MESTRE : Justine's grade 19/20