Economic Indicators Paper details: As part of your coursework, you have to write a term paper for Macroeconomics. You will work as a group; THREE students to a group. Groups will be created in Brightspace. If you want to work with someone you know, please email me the name and I will put you in the same group. (More about team members in “Due Date” section) BACKGROUND: Economic fluctuations or business cycles are nothing new. They are seen as characteristics of every capitalist economy. Nations have endured booms followed by a bust, prosperity and then depression. Although the stock market crash of 1929 is the most notorious event in our history, the memory of which is etched in our collective consciousness, it was by no means unique. Cycles in the American economy can be traced back to the beginning of the 19th century. The 2008 downturn was termed “The Great Recession”, the longest recession since the Great Depression, the lingering effects of which stayed in our economy for years. We recently experienced the worst Pandemic in a century. GDP fell at an unprecedented rate in the early days of Pandemic. Many economists were comparing this time period to the Great Depression. The impact of the pandemic is being felt globally and its effects have not subsided yet. Sometimes outside factors, such as wars (or pandemics) establish the economy’s direction. More often internal factors establish its direction. Economists want to be able to forecast the direction the economy will take in the near future and they rely on different economic indicators. They have never agreed on a single economic indicator to predict the future. Some indicators are better than others, but none is consistently accurate; all give a false signal on occasion. The Business Cycle regulates the rhythmic increase and decrease in GDP that can be summarized as follows GDP Industrial production Capacity Utilization Employment Labor Productivity Unit Labor Costs Producer Prices CPI . GDP Industrial Production Capacity Utilization Employment Labor Productivity Unit Labor Costs Producer Prices CPI . ASSIGNMENT: Your team will create a report about the state of the United States economy based on your observation of six important economic indicators over the course of the semester. You must use economic indicators 1-3 below. 1. Gross Domestic Product 2. Unemployment 3. Consumer Price Index You must also select three additional economic indicators from numbers 4-12 below. 4. Retail Sales 5. Housing Starts 6. Building Permits 7. Institute of Supply Management (ISM) Manufacturing Survey 8. Producer Price Index 9. Durable Goods Order 10. Industrial production. 11. Capacity utilization 12. Survey of Consumer Confidence. Your Term Paper must contain the following: 1. Define the six economic indicators you have chosen and discuss how this data is obtained and calculated. (A useful book on indicators is on reserve in the library. You can also visit “Investopedia” on the internet) 2. Collect the latest data on these indicators as they become available. Data for some indicators is released monthly and for others it is released quarterly. A total of three data points for every indicator is required. For example, three months of the latest unemployment data, three months of CPI and three recent quarters of GDP. 3. Draw a time series graph that shows the monthly or quarterly data you collected. Compare the current level or rate (data from this semester) to the past levels (past 2 quarters or past three months). We are trying to see the data trend in the last three months/quarters 4. Collect the articles/news items on these statistics from the Wall Street Journal. Highlight the points you consider are important for your analysis. You need a minimum of 12 articles (two for each indicator) from the Wall Street Journal that discuss these indicators. You may use more articles for a better and comprehensive analysis. 5. Summarize and discuss the trend that you observed for each of the indicators. For example, if the GDP is rising, why did the GDP rise (or fall) during the past three quarters? If unemployment numbers show an upward trend during the last three months, what factors are causing that? You should choose those WSJ articles which are relevant and which provide you with an economic analysis of your chosen indicators. 6. In the conclusion of your paper, discuss how all these indicators, together, impacted the economy and what your analysis predicts will be the state of the U.S. economy in the next 6 months. SOURCES: Provide a bibliography for the Wall Street Journal articles, any web sites or other resources you use in your term paper. You can either APA or MLA styles for citation.