1. Based on the graph's data on unemployment, I would say that all together we are in a healthy state of unemployment. Even though COVID caused an unnatural shift in the trends of unemployment, I would say that we are in a Frictional unemployment stage that is close to a full unemployment threshold. This is due to people adapting to business going hybrid and even closing completely, but the adaptation of those businesses is being adopted by the market decreasing the Frictional portion. The cyclical portion also is decreasing due to the effects of COVID are finally being handled.
2. Yes and No. The Fed should *try* to reduce the unemployment rate to zero in the sense of increasing spending to counteract the consequences of the times we live in with COVID, this would be doing their job as a government to provide employment opportunities to all. No in the sense of a zero unemployment rate cannot happen in a healthy free market.
3. From the graph data Inflation has been rising at a steady pace since the beginning of COVID.
4. Inflation is bad due to it preventing us from getting a clear picture of the market, decreasing our currencies buying power, and making it difficult to function in the fiscal world. Inflation is a cause and effect of the market, without it the market is broken thus the need for some inflation in our lives. We should desire a low and stable inflation rate to allow for a clearer picture of our economy, which allows for consumer behavior to stay at the norm that was established before COVID.
5. No not at all, current inflation is too high. This inflation is caused by many factors like supply chain issues, but the economy cannot actually grow in these conditions. Profits are not true and consumers do not feel as confident to spend.
6. The graph's data suggests that the GDP is healthy due to growth. It has currently peaked over the GDP that was established before COVID.
7. I would say of course, from a purely economic standpoint we can never expect to truly grow and have a healthy market if the deficit elicits negative effects. The deficit only can bring about inflation and recessions from the negative net that the government puts upon the economy. Albeit it is good for times like the COVID era economy, but this is a country and we must look to the future and not the present thus the deficit is threat number one.

For the GDP growth rate in the next 12 months I see an increase of +1.8% from its current 2.8% as of March 2022. This increase is due to the workforce expanding, industry going back to full capacity, and health restrictions reenabling maximum efficiency. For the Inflation rate for the next 12 months I see a composite decrease of -2.5% from its current 8.5% per March 2022. This decrease is due to supply chain problems being solved and COVID outbreaks in major trade countries have decreased. For the Unemployment Rate in the next 12 months I see a decrease of -1.2% from its current 3.6% as of March 2022. This decrease is due to industry opening back up completely from COVID, and the Frictional/Cyclical portion of unemployment would be decreasing some. A shock that could affect all three together would be another deadly COVID strain that could cripple the US again as in 2020. The new outbreak of COVID in China is starting to create a snowball that we will see in the future. This will decrease the amount of raw resources we have to work with which will decrease GDP, in turn will increase Unemployment, and increase Inflation for goods that we receive from them. Another shock that could spell ill from my predictions is another housing crash. Albeit this crash would not be as bad as the one in 2007, it still would increase Inflation, decrease GDP, and cause several decimal points of unemployment. A final shock that I can see that would affect my predictions would be the sudden collapse of oil. Since the price hike of early April oil prices have steadily stayed at the 95-105 dollar range. If several factors lined into place, such as worldwide shipping becoming stable again, or the sudden mass influx of oil into the economy from our national reserves, I could see oil prices plummet. This crash would ruin my predictions on the increase of the GDP, decrease of inflation and unemployment due to oil having such an impact on our everyday human lives (since the whole world runs on this stuff).

For the next 12 months the Fed should increase their rate to the near edge of 0.40%, which is a +.07% increase from March 2022. This is due to if the GDP grows at the rate that it is, inflation will grow with it. If the Fed increases the rate slowly with the GDP's upward progression it should limit the increase of inflation creating a safeguard against unsolicited inflation. This countermeasure paired with the healing of the supply chain and health mandates will decrease inflation. Policy makers should both cut and raise taxes. Cut in the sense of limiting healthcare taxes, and certain quality of life taxes (property and income). These cuts inspire more spending in markets, which in turn reduces unemployment and increases healthy inflation. By lowering personal taxes giving people more money to spend it allows for consumer confidence to build, but in turn inflation rises a slight bit due to the influx of spending (demand-pull). Raise taxes in the sense of imposing a stricter tax on carbon emissions, slight increase of corporate taxes, and an increase of taxes upon those that face lax tax laws. These tax increases should promote a cleaner, more cost effective industrial landscape, which would attract foreign businesses increasing the GDP. This increase in taxes in this area enables almost the same amount of taxes to be collected, just they are drawn from other sources than the general population. Policy makers should decrease military spending and increase non-military spending by a small portion. Decrease the military budget in the sense of implementing a check on what gets spent to counteract the egregious spending that takes place. Also decreasing the military spending will release the necessary funds which can be used on non-military spending. Non-military spending should increase since it is an investment in our country. This allows for the GDP to progress since it has federal backing, inflation to be kept in check due to appropriate spending, and unemployment to stay at a nominal rate. The deficit in spending can start to come closer together without losing any substance of the GDP, due to what they decrease on the military most will be put towards building up the country. With minimal loss in government spending promotes a stable GDP to then be affected by industrial increases. Since these policy's roots cannot alter, these changes can only, as the text quotes, “tinker around the edges”. These tinkerings allow for the necessary adjustments to structure an upward shift towards a healthy market for the future.