**Effect of Unemployment rate on the US economy**

Unemployment have a significant effect on the US economy whether it's increasing or decreasing. At the moment the unemployment rate is at eight years low. This means that there is a possibility of increase in wages. As the unemployment rate drops meaning more possibilities of job in the market so the employers have to pay more to keep hold of their current employees. “That gain in average hourly earnings is significant,” said Diane Swonk, an independent economist in Chicago. Sustained increases are still needed to make up for years of stagnation, she added, “but it’s a move in the right direction, and that’s reassuring.”According to the economists the new figures predicted that the American economy was holding its position despite a downward trend in Chinese economy, growing risks in emerging markets and turmoil in the stock market. This have been possible due to the policies of the obama administration. According to president Obama the United States economy is “the strongest, most durable” in the world, showing a rise in wages and a decline in unemployment.Meaning more good things for the us economy in the coming years.

source

Nelson. "Wages Rise as U.S. Unemployment Rate Falls Below 5%." *The New York Times*. The New York Times, 2016. Web. 08 Feb. 2016.