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I’m about to report on a pronouncement from the most brilliant banking minds in America, who also have the power to create money at will – the Federal Reserve. And after carefully analyzing all the data, the Federal Reserve says the US economy is losing strength and that hiring remains weak.

However the economy is not SO weak that the Fed has to print another large pile of money. UNLESS hiring gets weaker, in which case it will TRY to do something, although it doesn’t say what.

I have to confess -- that we are even reporting this is an indication of how desperate we are for even the tiniest indication that some authority somewhere has some plan for doing something to put more people back to work. Because no one seems to know the secret to prosperity. Personally, I have a feeling the secret is buried somewhere in Mitt Romney’s tax returns, but he’s not sharing – so we’ll hear from a couple of other money experts after this:

((SPOT))

With the economy still drifting, financial analysts like Greg McBride of BankRate.com were searching for some hint about whether the Fed is ready to do anything:



Stimulus in this case doesn’t mean creating jobs directly, but lending out more money at almost invisible interest rates and hoping businesses will borrow some of it to expand operations and hire people. Which is how it’s supposed to work, except that they’ve tried it before – and unemployment is still stuck above 8%:

There it is again – we consumers aren’t spending enough. We’re “squirrelling away” money. Five years ago, we were like chain smokers spending ourselves into a recession. So we learn our lesson, change our ways, start saving, and now, just as we’re getting the tobacco smell out of our clothes, they want us to pick up smoking again…

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