Signs Show US Economy on the Upswing

The **U.S. economy** is showing signs of slow improvement. Stocks have been pushing higher, with the Dow Jones industrial average holding above 13,000.

Economists say it’s a direct reflection of American confidence in the economy.

The reason for that confidence? Many of the biggest banks in the United States passed the most recent Federal Reserve stress test.

Also, the Federal Reserve predicts that the U.S. will see moderate **economic growth** and **declining unemployment**.

“Jobs are the number one catalyst for good feelings in America,” Jeff Mackey with *Yahoo! Finance* said.

“If everyone has a job, they tend to go out and spend more money,” he explained. “Basically it’s a self-fulfilling prophesy. The momentum’s starting to build.”

Retail sales posted their largest gain in five months in February—and as Americans start spending, employers could increase their hiring.

“Consumer spending is absolutely everything,” Mackey said. “It’s 70 percent of GDP, which means if the consumer is not spending, the American economy is not improving.”

But there are still factors that threaten the recovery. **Gas prices** continue to rise as tensions in the Middle East increase the cost of fuel, and those high fuel costs are affecting the cost of flying as well.

“I think consumers are going to see fares that they haven’t seen in years. I think consumers have to re-think what a low airfare is,” George Hobica with said.

The **housing market** is another concern. New reports show foreclosures shot up last month. RealityTrac projects foreclosures will rise 25 percent this year to 1 million homes.

While stocks are up, gold is down again. Some analysts believe gold will keep dropping for a while.