

The Foundations of the U.S. Economy have been Destroyed

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The vast majority of the talking heads on television are still speaking of the current economic collapse as if it is a temporary "recession" that will soon be over. So far, the vast majority of the American people seem to believe this as well, although for many Americans there is a very deep gnawing in the pit of their stomachs that is telling them that there is something very, very wrong this time around. The truth is that the foundations of the U.S. economy have been destroyed by an orgy of government, corporate and individual debt that has gone on for decades. It was the greatest party in the history of the world, but now the party is over.

The following are 11 signs from just this past month that show that the U.S. economy is headed into the toilet and will not be recovering....

#1) When even Wal-Mart is closing stores you know things are bad. Wal-Mart announced on Monday [that it will close 10 money-losing Sam's Club stores](#) and will cut 1,500 jobs in order to reduce costs. So if even Wal-Mart has to shut down stores, what chance do other retailers have?

#2) Americans are going broke at a staggering pace. 1.41 million Americans filed for personal bankruptcy in 2009 - [a 32 percent increase over 2008](#).

#3) American workers are working harder than ever and yet making less. After adjusting for inflation, pay for production and non-supervisory workers (80 percent of the private workforce) [is 9% lower than it was in 1973](#). But those Americans who do still have jobs are the fortunate ones.

#4) Unemployment is absolutely exploding all over the United States. Minority groups have been hit particularly hard. For example, unemployment on many U.S. Indian reservations [is over 80 percent](#).

#5) Unfortunately the employment situation is showing no signs of turning around. December [was actually the worst month for U.S. unemployment](#) since the so-called "Great Recession" began.

#6) So just how bad are things when compared to past recessions? During the 2001 recession, the U.S. economy lost 2% of its jobs and it took four years to get them back. This time the U.S. economy [has lost more than 5% of its jobs](#) and there is no sign that the bleeding of jobs will stop any time soon.

#7) Can you imagine trying to get your first job in this economic climate? Our young men and women either can't get work or have given up on work altogether. The percentage of Americans 16 to 24 who have jobs [is 13 percent lower than ten years ago](#).

#8) So where did all the jobs go? Over the past few decades we have allowed the corporate giants to ship mountains of American jobs overseas, and there are signs that this trend is only going to get worse. In fact, Princeton University economist Alan S. Blinder estimates that 22% to 29% of all current U.S. jobs [will be offshorable within two decades](#). So get ready for even more of our jobs to be shipped off to Mexico, China and India.

#9) All of these job losses are leading to defaults on mortgages. Over the past couple of years we have seen the American Dream in reverse. According to a report that was just released, delinquent home loans at government-controlled mortgage finance giants Fannie Mae and Freddie Mac [surged 20 percent from July through September](#).

#10) But that is nothing compared to what is coming. A massive "second wave" of mortgage defaults is getting ready to hit the U.S. economy starting in 2010. In fact, this "second wave" is so frightening [that even 60 Minutes is reporting on it](#).

#11) Meanwhile, the Federal Reserve has announced that it made [a record profit of \\$46.1 billion](#) in 2009. Apparently during this economic crisis it is a very good time to be a banker.

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