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# U.S. economy on the brink: Layoffs surge, credit card debt soars, and real unemployment nears 10%

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The U.S. economy may be heading from a boom phase characterized by overproduction to a recession marked by rising unemployment and homelessness. This misery is part of the regular capitalist economic cycle, which moves through stages of recession, depression, average prosperity, and boom.

During a boom, industries operate at nearly full capacity, and unemployment is low. However, this leads to overproduction, which is initially hidden by inflated loans, speculation, and selling goods on credit rather than for cash. The approaching crisis is signaled not by falling profits but by a declining “quality” of profit as more people fall behind on their debt payments.

Banks try to keep the boom going by rolling over bad debts and hiding their losses while swindling and Ponzi schemes thrive in this environment. Eventually, credit reaches its limit and dries up, exposing the overproduction and leading to

widespread layoffs, shutdowns, and the failure of banks and finance companies. The economy is then in a recession.

Currently, the U.S. is experiencing the [highest level of layoffs](#) since 2009, particularly in tech, retail, and [healthcare](#). Many major retailers, such as [Macy's](#) and [Dollar Tree](#), are closing stores and cutting jobs. The [U.S. Postal Service](#) is in the process of slashing 50,000 jobs and closing hundreds of facilities.

[Office vacancy](#) rates are rising, while home [rents](#) and [mortgage rates](#) have reached record highs. [Foreclosures](#) and [evictions](#) are increasing, and [homelessness](#) has hit a record level. [Credit card debt](#) has surged to \$1.13 trillion, with more people falling behind on payments as they struggle to make ends meet.

The official unemployment rate is misleading, as it doesn't account for underemployed workers, those who have given up searching for jobs, and prisoners. The real unemployment rate is closer to 10%, affecting millions of people and their families, according to the [National Jobs for All Coalition](#). If prisoners, most of whom are [forced to work for pennies](#), were counted as unemployed, the official jobless rate would rise by another one-half percentage point.

The U.S. economy appears to be at a tipping point, with signs pointing toward a potential recession. Rising debt, layoffs, and homelessness indicate that the current boom may be ending, exposing the underlying problems of overproduction and extended credit.

[Recessions](#) are already sweeping capitalist countries worldwide. Japan, Britain, Ireland, and Finland are in recession, as are Denmark, Luxembourg, Moldova, and Estonia. Near recession are Ecuador, Bahrain, Iceland, South Africa, Canada, New Zealand, Malaysia, Thailand, Romania, Lithuania, Germany, and Colombia. Can the U.S. be added to this list?

