America’s economy depends on how good or how bad other countries economy is because we buy and sell good to and from others. For example majority of the products we own/have are from China. Hawaii’s main income is from tourism so when Europe’s economy went down people didn’t have money to fly to Hawaii which ruined Hawaii’s economy.

The UnitedStates has integrated dramatically into the world economy over the past half century. The share of international transactions in our national economy has more than tripled.  It now exceeds 30 percent of total output. We are more dependent on external economic developments than the European Union as a group or Japan, the other large high-income parts of the world, which have traditionally been regarded as much more engaged in global competition than the United States. Like any dynamic economic change, *globalization generates costs* as well as benefits.  About half a million workers (of a total labor force of 150 million) lose jobs annually, most for temporary periods, as a result of increased imports. Some have to accept lower paying jobs for the longer run, suffering lifetime earnings losses. These effects *total about $50 billion per year*, a substantial amount in absolute terms but only one-twentieth of the annual payoff from globalization.

Over half of our oil, the world’s most important single product, is imported. Almost half the revenues of the top 500 companies based in the United States derive from their international operations. About half of publicly held US government debt is owned by foreign investors.  Foreign capital finances much of the domestic investment required to maintain decent economic growth.

The United States has thus joined the world, in two critical senses. We are highly dependent on global developments for our own prosperity and stability. And we are now much more like other countries, for virtually all of whom such international engagement has been a given throughout their histories. The *United States* has gained enormously from this globalization. Our country *is more than $1 trillion per year richer as a result of its trade integration*. This equates to over 10 percent of our entire national income and more than $10,000 per household. Additional benefits accrue from the financial globalization that has accompanied increased trade flows.  The trade gains occur through three distinct channels. Increased imports hold down prices and thus help limit inflation and provide a greater variety of attractive products to consumers and industrial users. Increased exports enable us to do more of what we do best and enhance wages by 15 to 20 percent for workers in those industries. Increased international competition stimulates productivity improvement in our own economy and thus helps provide the foundation for higher incomes.

In conclusion United State’s economy depends on how other countries economies are. United States share 30 percent into the world economy. Its has been said that United States is the worlds largest national economy. After World war 2 Americas economy was untouchable leaving Europe’s economy in the dust.