Europe's crisis grabs US economy

Globalization effects showing even more

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Economists say it's a mistake for Americans to ignore Europe's economic horror show, even if polls suggest that's exactly what many are doing.

The reason is a global economy that binds nations together as never before and guarantees that what happens in Europe no longer stays in Europe.

"You can't have a large recession in that part of the world and not have it affect us," said economist Steve Wyatt, chairman of the finance department at Miami University in Ohio. "It has a ripple effect. You can't get away from it."

About 20 percent of exports from the U.S. go to Europe with most of that trade involving the eurozone — the 17 nations whose common currency is the euro. So when Europe's economy is hurting — as it has been for most of the last two years — businesses, investors, employees and almost everyone else here feel at least some of the pain.

Sometimes the ties to Europe's troubles are obvious, as when falling European stocks hurt pension funds and 401(k)s. Sometimes they are more subtle, as when reduced air traffic in Italy and Spain cuts demand for spare parts from manufacturers such as General Electric.

"Countries are importing and exporting more than just goods," said Julie Heath, director of the University of Cincinnati's Economics Center. "They're importing and exporting each other's economic problems."