

Survey of economists finds optimism for growth rebound after anemic 2016

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WASHINGTON - Business economists are generally optimistic about the U.S. economy, with most expecting stronger growth than last year's poor performance.

Economists surveyed by the National Association for Business Economics also expect improved or unchanged sales and profits at their companies in the second quarter, with most reporting no changes in hiring or investment in response to policy changes expected after the November election.

Nearly two-thirds of economists in the poll released Monday expect gross domestic product growth of 2.1 percent to 3 percent in the next

four quarters. That would be a significant improvement from anemic growth of 1.6 percent in 2016, the weakest showing in five years. Since the Great Recession ended in June 2009, the economy has averaged annual GDP growth of just 2.1 percent, the slowest recovery since the end of World War II. Only 1 percent of the economists expected no growth or a decline in GDP during the next year.

President Donald Trump has pledged to boost GDP growth to 4 percent or better, though private economists are doubtful he can achieve that goal given the headwinds the economy faces from an aging workforce and disappointing productivity growth.

The survey also found that 91 percent of those polled expect rising or unchanged inflation-adjusted sales in the second quarter. That's down slightly from the results in January. Fifty-three percent expected sales to rise, down 4 percentage points from January's survey.

In part due to better pricing, 89 percent expected profits to rise or stay unchanged this quarter, up 4 percentage points from January. Thirty-one percent expected profits to grow, down 1 point from January's survey.

The survey of 97 economists on business conditions with their firms or industries was taken between March 21 and April 6.