

Survey: Economists More Bleak About Economy

WASHINGTON (AP) — Fewer U.S. companies expect to hire new workers in coming months, as business economists grow increasingly pessimistic about the overall economy's growth in the coming year.

Nearly 85 percent of economic experts surveyed expect the economy to grow at a meager 2 percent or less over the next 12 months, according to the National Association for Business Economists. In July only 23 percent of the survey's respondents predicted such slow growth.

Additionally, the number of companies that plan to hire more workers fell from 42 percent to 30 percent, while the number of companies laying workers off rose. The group reports that 13 percent of respondents have reduced their staff, up from 8 percent in July.

One-fifth of the economists say the European debt crisis has hurt sales, with the average estimate around 10 percent, and 30 percent expect the squeeze to continue into the first quarter of 2012.

The quarterly survey includes the views of 70 economists for private companies and trade groups who are NABE members. The data are reported by broad industry group.

About one-quarter of respondents reported increased profitability since the last quarter, compared with 16 percent who reported declines. Companies that reported improved profit margins include those in the food, transportation, utilities, information and communications sectors.

On Sunday, European leaders yet again put off tough decisions which economists say are needed to save the continent from its debt crisis. Earlier in the weekend officials said the leaders were nearing agreement on slashing Greece's debts and strengthening the continent's banks, many of which are awash in Greek bonds.

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