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Economist survey: Recession is on, slow growth ahead

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Nearly all economists surveyed recently by a national trade organization say the U.S. economy is in a recession and their expectations for economic growth next year are meager at best.

The National Association for Business Economics said Monday that 48 of 50 economic forecasters it surveyed say the recession – traditionally defined as two or more consecutive quarters with a shrinking gross domestic product – is under way. **Half of the economists indicated the downturn started in the fourth quarter of 2007 or first quarter of this year, months before the freezing of credit markets spilled over into the general economy.**

The forecasters, who were questioned Oct. 28 through Nov. 7, generally expect inflation-adjusted GDP to shrink 2.6 percent in the fourth quarter, putting total economic growth for the year at 0.2 percent. Looking ahead, economists expect the nation's GDP to grow 0.7 percent in 2009.

If those projections are on target, it would mark the slowest two-year period of U.S. economic growth in nearly 30 years, the Washington, D.C.-based association says.

"Business economists became decidedly more negative on the economic outlook for the next several quarters as a result of the intensification of credit market stresses and evidence of a spillover to the real economy," association President Chris Varvares says.

The economists also expect the nation's unemployment rate to reach 7.5 percent by the end of 2009. The U.S. unemployment rate has jumped more than a percentage point since the beginning of 2008, hitting 6.1 percent in September. If the economists' projections come to pass, it would represent the highest jobless rate since 1992, when the average rate was 7.5 percent.

For more information about the survey, click on the group's Web site [here](#).

Courtesy of JB Goodwin