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Few Economists See Downturn Despite Waning Growth Outlook

Despite waning GDP and employment growth, and frequent financial market volatility stemming from slowing global growth and the "As the World Turns" trade negotiations between the U.S. and China, most economists at last week's National Association of Business Economists (NABE) meeting in Denver were sanguine about the prospects for the U.S. economy.

In a Q&A following his speech at the event, Federal Reserve Board chair Jerome Powell ticked off a list of favorable conditions that included "healthy" job creation, a "solid" consumer sector, wages rising in line with productivity, the rising prime age labor participation rate, and no obvious financial bubbles. Despite questions about the future that include trade, Brexit, growing debt on corporate balance sheets and the amount of reserves in the banking system, the economic growth "feels sustainable," he said.

Powell's speech illustrated the "are-we-or-are-we-not-headed-to-a-recession" nature of the U.S. economy. He touted the enduring strength of the recovery, while at the same time defending Fed actions—including interest rate cuts and increasing its balance sheet—taken to keep the market from further deteriorating. Even his topic, "Data-Dependent