

News

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MOODY'S ANALYTICS US MACRO OUTLOOK: GROWTH WILL PICK UP IN 2013

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NEW YORK, October 11, 2012— Moody's Analytics, a leading independent provider of economic forecasting, today released Chief Economist Mark Zandi's US economic outlook for October. According to "[U.S. Macro Outlook: Slow and Steady Isn't Enough](#)," hiring and economic growth will revive in 2013, assuming policymakers address fiscal issues. By 2014, real GDP growth will approach a 4% annual pace, with job growth of more than 250,000 per month and unemployment declining steadily.

The report notes that, outside of monthly data fluctuations, the job market has produced a surprisingly steady 150,000 jobs per month since early 2010.

"While in normal times this would be healthy and enough to reduce unemployment, it's not good enough when unemployment is high and millions are suffering," said Zandi.

According to the report, the hiring shortfall is evident in nearly every industry, except for energy and healthcare, which are adding jobs at a near pre-recession pace. Although hiring by both large and small firms is slow, the largest companies – those with more than 1,000 employees – are hiring more normally, while small businesses with 20 to 50 workers are lagging.

Additionally, policy uncertainty, as measured in part by Moody's Analytics Business Confidence Survey, remains uncomfortably high. Business respondents are primarily concerned about regulatory and legal issues, with their leading concern being the wave of tax increases set to take effect at the end of the year as part of the fiscal cliff. "As long as businesses are nervous about government policy, hiring will remain depressed and the broader economy will grow slowly," Zandi added.

The report also notes that while the baseline outlook has become more positive, an unfortunate series of events could tilt the outlook sharply to the downside.

For more information, visit Moody's Analytics [Dismal Scientist](#).

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Moody's Analytics helps capital markets and risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By providing leading-edge software, advisory services and research, including proprietary analyses from Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges. Moody's Analytics is a subsidiary of

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