

News

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MOODY'S ANALYTICS US MACRO OUTLOOK: STRONGER GROWTH EXPECTED IN 2012

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NEW YORK – January 12, 2012 – Moody's Analytics' Chief Economist Mark Zandi predicts stronger US growth this year depending on decisions by policymakers. In his report, "[US Macro Outlook 2012: A Tentatively Better Year](#)," Zandi projects that real GDP will grow by 2.6% this year, while payroll job gains will improve from 1.6 million in 2011 to close to 2 million.

"The US economy showed some strength as 2011 ended. Job gains accelerated to about 200,000 per month, and real GDP appears to have grown more than 3% in the fourth quarter because of business investment, improvement in construction and strong holiday and vehicle sales," Zandi said.

However, the report notes that, despite the improvements, more work remains to be done, as further progress in reducing unemployment will likely be impeded by pent-up demand in the labor force.

According to the report, there are 6.4 million people who aren't counted in the US labor force but would like to work, and a significant number of students who will be returning to the work force after graduation.

"As long as the economic outlook remains tied to government policy, risks will remain decidedly to the downside. This is especially true in a year of important elections, both in the US and in Europe," said Zandi.

Moody's Analytics expects that the unemployment rate will remain above 8% through 2012 and that the US will not return to full employment -- an unemployment rate no higher than 6% -- until after 2015.

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

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