



WalletHub Survey: Economy Will Grow 3 Percent Next year

By Dan Weil

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[Personal finance website WalletHub](#) put together a list of 11 economic/financial predictions for 2015 based on research and interviews with five expert academics.

The forecasts include:

- GDP growth of about 3 percent. "I expect the U.S. economy to continue an upward recovery trajectory — slow and steady growth with maybe a hiccup or two just to keep everyone honest," Richard Feinberg, professor of consumer science at Purdue University, told WalletHub. "GDP growth will probably be between 2 and 4 percent unless there is some unanticipated geopolitical and/or geo-economic catastrophe." The economy grew an average of 2.1 percent in the first three quarters of this year.
- Unemployment will reach 5 percent.
- The S&P 500 index will hit 2,250. "Corporate profits will continue to perform pretty well, and if the Saudis keep pumping at current rates, lower energy costs will support higher levels of consumer spending and boost corporate profits — all good news for a stock market that is establishing new highs," Terry Clower, professor of public policy at George Mason University, tells WalletHub.
- Wages will increase 3 percent.
- Auto sales will top 17 million. In 2014, it is estimated car sales will end the year at 16.5 million units.
- Home sales will post modest increase.
- Oil will fall to \$50 a barrel. "I would expect them to bottom this winter," Robert Kaufman, a professor of energy management and policy at Boston University, tells

WalletHub. "The depth depends on how cold the winter will be. If a cold winter, prices will bottom at about \$60. But if the winter is mild, I could see a bottom in the low \$50s."

- Interest rates will remain near record lows, despite shift in Fed policy.

One way to boost growth is by curbing government regulation, says James Dorn, vice president for monetary studies at the Cato Institute.

"There is a growing body of evidence that bigger government means slower growth of real GDP," he writes in an article for [Forbes](#).

"Once the level of total government spending as a percentage of GDP reaches a tipping point, estimated to be from 15 percent to 25 percent of GDP, additional expansion crowds out private productive investment and slows economic growth."

Government spending, including state and local governments, now totals 33 percent of GDP.