Asking economists: How will the economy grow?

By Mark Hamrick

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The government has said that the U.S. economy, as measured by the gross domestic product, or GDP, grew at an annual rate of 2.4 percent in 2014, up from 2.2 percent in 2013. In the first quarter 2015 Bankrate Economic Indicator survey of leading economists, we asked: At what rate do you expect the economy to be growing four quarters from now? What factors will be driving that growth?

What they said:

"2.4 percent. We will see modest consumption growth in 2015, roughly in line with income growth. Investment will be weak, and net exports will be a drag on the economy."

-- Dean Baker, co-director, Center for Economic and Policy Research

"3.2 percent. Leading the economic charge will be consumers with spending supported by greater job and income security, healthier household balance sheets and the low cost of credit. We also expect business capital spending to rebound as evidence mounts the economic expansion is sustainable."

-- Bernard Baumohl, chief global economist, The Economic Outlook Group

"2.8 percent. Lower gasoline prices should provide a boost to consumer spending growth, but a wider trade deficit (reflecting a stronger dollar) will subtract from GDP growth."

-- Scott Brown, chief economist, Raymond James

"3.1 percent. Consumer spending is a plus, as are (business) capital expenditures and housing. Net exports are positive as well, while government spending is neutral."

-- John Canally, economic strategist, LPL Financial

"3.1 percent. PCE (personal consumption expenditures) will make the biggest contribution, but residential and nonresidential fixed investment also will contribute."

-- David Crowe, chief economist, National Association of Home Builders

"3.04 percent, (driven by) government spending and consumer spending."

-- Amy Crews Cutts, chief economist, Equifax

"2.5 percent. Consumer spending will continue to account for a large part of U.S. economic growth as a stronger dollar and lower oil prices temporarily boost consumer spending, along with wage and job growth. We also expect to see residential investment contribute more significantly, with both home sales and housing starts climbing back towards more typical levels."

-- Michael Fratantoni, chief economist, Mortgage Bankers Association

"2.5 percent. Consumer spending will slow slightly as oil prices rise above their recent rock-bottom levels, although they will not soon return to their pre-collapse levels. Reasonably strong domestic demand will help business investment grow moderately. On the other hand, continuing growth and unemployment weaknesses in Europe and slowed growth in China and the other "BRIC" nations (Brazil, Russia, India and China) will hurt exports and grow imports. Taken as a whole, it's a recipe for disappointingly moderate growth."

-- Seth Harris, former deputy and acting U.S. secretary of labor; distinguished scholar, Cornell University Industrial and Labor Relations School

"2.7 percent. Continued low oil prices will lead to increasing growth in consumption and investment due to increases in real income for consumers and companies (although activity in the U.S. oil industry will be dampened). This will be partially offset by slower growth in net exports and government spending. A stronger dollar and a weakening euro, partially driven by slower growth in Europe and uncertainty of potential default by Greece and Spain on their debt, will reduce U.S. exports and increase U.S. imports, which will lead to lower net exports. A stronger dollar also will be driven by slower growth in China. Government spending will slow in 2015 due to partial sequestration and in anticipation of full sequestration occurring in defense and non-defense discretionary spending for fiscal year 2016, since it is unlikely that budget caps will be raised."

-- Nayantara Hensel, former chief economist, U.S. Navy

"3.1 percent. The primary drivers for change will be consumer spending and gross private investment. Consumer spending is likely to benefit from ... lower gas prices, higher (home) equity and home prices, leading to ongoing increases in consumer sentiment."

-- Hugh Johnson, chairman and chief investment officer, Hugh Johnson Advisors

"2.8 percent. Economic growth will remain on the slow side this year compared to previous recoveries, but will nevertheless accelerate over last year's growth rate as consumers and businesses pick up their spending while the U.S. economic recovery strengthens. Rising optimism, a more robust jobs market and still-low interest rates should bolster both consumer spending and business investment. Also, fiscal drag should continue to diminish, as rising tax revenues combine with an end to sequestration-related cuts."

-- Alan MacEachin, corporate economist, Navy Federal Credit Union

"3.6 percent. The economy should be hitting on all cylinders as wage gains accelerate and as consumer spending increases induce greater business investment."

-- Joel Naroff, president, Naroff Economic Advisors

"3.3 percent. We expect consumer spending to be a driver for growth as the job market continues to improve and consumers take advantage of the lower prices at the gas pump."

-- David Nice, economist, Mesirow Financial

"3 percent. Private domestic spending (will) broadly (drive growth)."

-- Jim O'Sullivan, chief U.S. economist, High Frequency Economics

"2.1 percent, (due to) stagnant investment and limited consumption."

-- Lindsey Piegza, chief economist, Sterne Agee

"2.5 percent. The U.S. economy has the potential to do much better, but risks and disincentives to business fixed investment are holding the economy back."

-- William Poole, former president, Federal Reserve Bank of St. Louis, and senior fellow, Cato Institute

"3 percent. Consumer spending, business investment and construction will power the gains. Job and income gains will drive household spending. A focus on productivity will cause businesses to invest more. Rising incomes for first-time homebuyers will boost housing, while falling vacancy rates will lift nonresidential construction."

-- Lynn Reaser, chief economist, Point Loma Nazarene University

"2.7 percent. Economic growth has not broken out of its 'new normal' trend. A forecast of 2.2-2.5 percent is probably the most prudent, but low oil prices should add a few tenths (of a percentage point) to overall GDP growth over the next few quarters."

-- Jeffrey Rosen, chief economist, Briefing.com

"2.9 percent. The key driver of growth will be consumer spending, as both job growth and income growth continue over the next year. We also expect business investment to grow faster later this year as global growth begins to slowly pick up."

-- John Silvia, chief economist, Wells Fargo

"2.3 percent. Persistent policy uncertainty continues to weigh on business investment, and rising energy prices coupled with still sluggish wage growth will take some of the wind out of consumers' sails."

-- Sean Snaith, director, University of Central Florida Institute for Economic Competitiveness

"2.5 percent, with a balance of consumer and business spending that's neither sizzling nor dreadful, but enough to continue job growth and improvements in consumer confidence."

-- Phillip Swagel, professor of international economic policy, University of Maryland School of Public Policy

"2.8 percent. (Growth will be driven by) positive residential construction along with respectable consumer spending. But net exports will worsen."

-- Lawrence Yun, chief economist, National Association of Realtors

"3.61 percent, (driven by) consumer spending and fixed investment."

-- Mark Zandi, chief economist, Moody's Analytics