

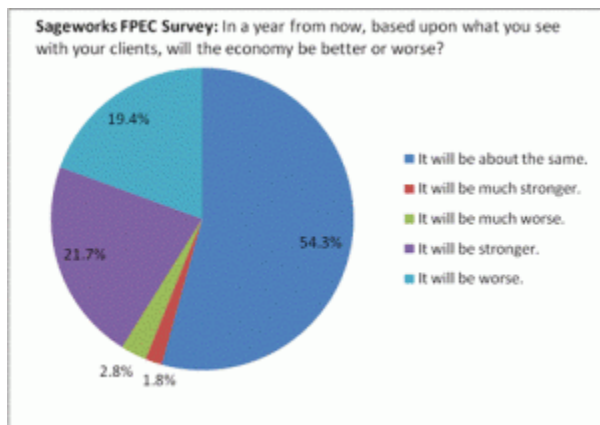
Survey: Bankers, accountants expect little improvement over the year

By Jim Stratton, September 15, 2011

The folks at Sageworks Inc., a Raleigh-based financial information company, dropped this little bit of sunshine into my email yesterday.

The firm surveyed 613 bankers and accountants from across the country between August 19 and September 9, asking them a single question:

What do you think the economy will look like a year from now as compared to today?



The results, though predictable, were pretty grim.

Just 22 percent of respondents said they believe the economy will improve over the next year. About 54 percent said they recovery has stalled and will stay stuck in the muck. Less than 2 percent said the economy will be much stronger.

Here's what makes it doubly gloomy. In January, the company found a widespread sense of optimism that economic conditions were improving. About 89 percent of accountants at the time said they expected businesses to maintain employment levels or hire more people in 2011 than they did in 2010.

The new results reflect the economic spasms of the last few months. Hiring has stalled, growth in GDP is slowing, consumer demand is soft. Add to that a generalized anxiety, fed by bitter — and petty — political posturing.

We are, in some ways, creating the economy we fear.

We seem to be stuck in a negative feedback loop. Despite piling up mountains of profit, the nation's biggest corporations aren't expanding. They're sitting on their money because they're worried — justifiably — that the recovery hasn't yet found its footing.

Consumers, meanwhile, are holding off on purchases and projects because they fear layoffs could be right around the corner.

So, we don't spend, causing demand to fall. Businesses see weak demand and hold off on hiring. We see a stumbling labor market and fret. Worry tamps down spending.

Worry, rinse, repeat

It's a wonderfully efficient way to undermine an economy based on consumer spending — and it's self-sustaining to boot. The cycle will end only when consumers feel some degree of confidence that their job

situation is reasonably secure. At that point, pent up demand should break free, pumping money back into the economy.

For the full story featuring Sageworks' recovery survey, please visit [Orlando Sentinel – Survey: Bankers, accountants expect little improvement over the year.](#)