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Wells Fargo Economist Predicts Sluggish Economy for Next Couple of Years

Winthrop University

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Wells Fargo Economist Predicts Sluggish Economy for Next Couple of Years

Quick Facts

- Speaking at the DiGiorgio Campus Center before nearly 125 people during the annual Economic Forecast Breakfast, Vitner said the economy isn't expected to grow more than 2 percent annually.
- Small and medium-size businesses are reluctant to add new workers, Vitner said, because there is too much uncertainty in the economy, in public fiscal policy and the tax code.



Mark Vitner

ROCK HILL, S.C. – The U.S. economy is expected to remain sluggish for the next couple of years as concerns mount about sovereign debt in Europe, the federal budget deficit and the U.S. housing sector, according to [Mark Vitner](#), managing director and senior economist for [Wells Fargo Securities](#).

Speaking at the [DiGiorgio Campus Center](#) before nearly 125 people during the annual **Economic Forecast Breakfast**, Vitner said the economy isn't expected to grow more than 2 percent annually. And there is a **one-in-three chance** the economy will fall into another recession.

Small and medium-size businesses are reluctant to add new workers, Vitner said, because there is too much **uncertainty in the economy**, in **public fiscal policy** and the **tax code**. Also, the fixed cost of adding new workers has risen due to health insurance and other mandated costs so companies find it less expensive to work their current employees longer hours. Vitner also mentioned too much **regulatory zeal** in the Obama administration as a problem.

The **biggest impediment to growth** in the **U.S. housing sector**, Vitner said, is the pending settlement among the federal government and the states with big banks over their mortgage and foreclosure practices. Many foreclosures were halted last fall, so until a settlement is reached, housing will remain stagnant.

Here in **York County**, the **labor force** has shown substantial improvement, with **total payrolls** close to the pre-recession peak, Vitner said. However, the county's unemployment remains high at 13.1 percent, while **South Carolina** with its **large pockets of rural areas** has one of the highest unemployment rates in the nation.

"The longer workers remain out of work, the harder it is for them to find jobs," Vitner said. "This will plague us for awhile."

South Carolina has seen success in attracting new companies to the state, particularly Boeing's decision to put an aircraft plant in Charleston.

The breakfast was sponsored by **Wells Fargo** and the [College of Business Administration](#).

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