






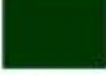





Blogger Survey 2011

Uncertainty still reigns, but the adjectives seem a little more positive.

Economic bloggers see continuing prospects for growth, albeit modest.

**Will the near-term improvement in the CBO's forecast of the budget deficit extend to an improved medium-term outlook? Check all responses with which you agree. (Glenn Hubbard and Tim Kane, [balanceofeconomics.com](http://balanceofeconomics.com))**

	<i>percent</i>	<i>count</i>	
YES, GDP growth will be stronger than expected during the next 10 years.	16%	7	
YES, President Obama will offer a long-term debt-reduction plan during his 2nd term.	9%	4	
YES, the fight over the debt limit will lead to more spending restraint.	16%	7	
NO, the political climate in D.C. is unfavorable for fiscal compromise.	58%	26	
NO, Obamacare will blow a hole in the deficit and hinder economic growth.	27%	12	
NO, the CBO's baseline assumptions are wildly unrealistic.	20%	9	
Irrelevant, the deficits after 2015 are due to transfers which are not problematic.	22%	10	
		45 max	

*Econ Blog Survey, Sep 2013 at [www.balanceofeconomics.com](http://www.balanceofeconomics.com)*





This question provides an interesting combination of economic and political forecasting.

There is logic to this approach. Economic prospects are inextricably linked to fiscal policy.

Recession Odds

The blogging community sees only modest chance of a recession.

**What's the probability that the economy will slide into a new recession within the next three months? (James Picerno, CapitalSpectator.com)**

	<i>percent</i>	<i>count</i>	
Highly likely	0%	0	
Moderately likely	5%	2	
Neutral/Balanced probability	34%	14	
Moderately unlikely	39%	16	
Highly unlikely	27%	11	
	100%	41	

*Econ Blog Survey, Sep 2013 at [www.balanceofeconomics.com](http://www.balanceofeconomics.com)*

This is a little higher than my own group of forecasters who focus on the recession issue in my WTWA economic updates, but it is much more encouraging than the pundit parade you see in the media.

End of QE

What will happen if the Fed quits buying bonds? The question was stated in terms of the 30-year bond. (My own suggestion was a focus on the ten-year note, but this is OK). The expectations are pretty dramatic.

**How would US 30yr T-bond yields change if the Fed abandoned QE4 (i.e., stopped buying \$85B in debt every month)? (Eric Falkenstein - <http://falkenblog.blogspot.com/>)**

	<i>percent</i>	<i>count</i>	
0	16%	6	█
Up 50 basis points	32%	12	██
Up 100 basis points	35%	13	███
Up 200 basis points	16%	6	█
	100%	37	

*Econ Blog Survey, Sep 2013 at [www.balanceofeconomics.com](http://www.balanceofeconomics.com)*

My own view is that the impact would be quite modest. The results expected by my blogging colleagues are more consistent with a complete unwind and selling of the entire Fed balance sheet. There is research on the current QE effects, which are more like 15-20 bps on the ten-year note. Clearly I need to write more on this topic!

And so much more

I have focused on the conclusions most relevant to investors. There are several questions geared to important policy issues including debt limits and ObamaCare. This group takes no prisoners when it comes to hard-headed analysis. The overall conclusions are interesting, and pretty tough.

While my own work avoids policy advocacy – great investors are political agnostics – I know that many readers will enjoy looking at the results from the entire survey.

Editor's note: Nearly 200 participated in the survey, but only 33 are mentioned by name in the report. Eleven of these have contributed to Global Economic Inetrsection. In addition to the author here, Jeff Miller, and GEI managing editor John Lounsbury the other nine are Dean Baker, Menzie Chinn, James Hamilton, Peter Nielsen, Mark Perry, James Picerno, Doug Short, Mark Thoma and Steven Waldman.

Tags: a dash of insight, hudson institute, jeff miller, survey leading economoc bloggers, tim kane, uncertain economic outlook

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