

A recession is coming, but probably not as fast as you fear

BY JANE WOOLDRIDGE

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ALEXIA FODERE

No need to fret about a recession later this year or in 2020, Wells Fargo's chief economist said Tuesday. Ongoing economic growth, strong employment numbers, booming tourism and the Federal Reserve's recent decision to freeze interest rates spell positive conditions for the next couple of years, said Mark Vitner at a Miami Herald Economic Outlook event. The event was held at Miami Dade College.

In the decade since the Great Recession, mobile computing and technological innovation have held inflation at bay, enabling consumers to easily find the best prices for all types of goods, Vitner said. That same technology has made job searching more efficient — meaning workers can more easily keep one job while looking for the next. As a result, today's low unemployment rate of 4 percent may drop even lower, to 3.5 percent, said Vitner, who is also a managing director at the firm.

As for the 2017 tax cuts, their full impacts have not yet been realized, he said. And the economic recovery that had been concentrated in urban areas is now broadening, thanks in

part to the creation of Economic Opportunity Zones, which encourage investment in specific zones across the country.



Mark Vitner, senior economist and managing director at Wells Fargo, at a Miami Herald event on Feb. 12. Jane Wooldridge

Still, economic growth is slowing, and the trade dispute with China comes with risks, Vitner noted. China's disregard for intellectual property rights is a concern, he said, and needs to be addressed. "What's different about Trump is instead of getting together with a group of nations to negotiate, he thinks it better to go one-on-one. Who's right I don't know."

The economic softening in Europe could also cause problems for the U.S., he said. "All expansions eventually end."

JANE WOOLDRIDGE

305-376-3629

Jane Wooldridge, an award-winning journalist and Miami Herald veteran, oversees coverage of real estate, economy, urban development, tourism, cruises, visual arts and Art Basel. She is president-elect of the Society of American Travel Writers. Find her on Instagram @JaneWooldridge.