


Businessweek | The Big Take

# Is a US Recession Near? Making the Call Is Trickier Than Ever

Traditional economic indicators can't predict the timing of a downturn, but newer forecasting methods are untested.

By [Katia Dmitrieva](#)

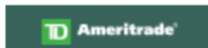
January 24, 2023, 11:01 PM CST


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Most economists predict a downturn in the US this year , precipitated by the Federal Reserve's barrage of interest-rate hikes aimed at combating inflation. Among those surveyed by Bloomberg, the consensus is that the effects of tighter credit on corporate investment and hiring, as well as consumer spending, won't translate into a contraction in gross domestic product until the second quarter. Yet many anticipate the damage—at least from a