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Fed's Pianalto: Recovery unlikely to gather pace soon

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Oct 20 (Reuters) - The U.S. economic recovery has been "painfully slow" and is unlikely to gather pace soon, a Federal Reserve policymaker said on Thursday.

Given the backdrop of weak income growth and the decline in household wealth, consumers are reluctant to spend, Sandra Pianalto, president of the Cleveland Fed, told business leaders in Toledo, Ohio.

A weak housing market, unsettled international markets and a constrained government sector add to the headwinds facing the economy, she added.

Pianalto said she expects real gross domestic product growth of around 2.5 percent in 2012, similar to the last couple of years.

Job growth has been anemic as spending by consumers, businesses and the government "remains uninspiring," she said.

"In order for the U.S. economy to make substantial progress in reducing the unemployment rate, economic growth clearly needs to accelerate," she said.

"Unfortunately, I don't expect the pace of growth to pick up very soon."

Pianalto does not have a vote on the Fed's policy-setting committee this year.

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