

Recession Still Resonates

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The numbers said the recession is over and the economy is in recovery now, but the hands said otherwise.

During the Fort Smith Regional Economic Outlook Forum on Friday, economic researcher Kathy Deck displayed a chart indicating the country began climbing out of the recession more than a year ago, based on Gross Domestic Product statistics.

"Show of hands: How many of you feel you have been recovering from the recession for 18 months?" Deck asked.

Everyone in the audience - 100-plus people - kept their hands down.

"Yeah, that's about right," said Deck, director of the Center for Business and Economic Research at University of Arkansas at Fayetteville.

A chart measuring consumer sentiment seemed to fit the room's mood a bit better: The current index is around 70, compared to the late 1990s and early 2000s when it was around 90.

"I am here to tell you, 70 does not equal 90. That is why they called me down," Deck said.

While Deck provided a national perspective on the economy, the regional perspective came from Kermit Kuehn, director of the Center for Business Research and Economic Development at the University of Arkansas at Fort Smith.

Although regional employment in most sectors over the past year was flat or down by 0.9 percent to 5.3 percent, two sectors moved up: Government employment rose by 5.7 percent, and education and health services rose by 0.2 percent.

Kuehn said the government sector includes public schools and the education sector refers to private education.

Other indicators of the regional economy included retail sales, consumer confidence and residential real estate, all of which are

detailed in CBRED's third-quarter regional outlook report, released during the luncheon forum at UAFS.

Kuehn said home construction tracked a surge in sales early in 2010 that was tied to a homebuyer incentive. Both numbers dropped precipitously after the incentive ended.

During a Q&A period, Kuehn said employment has to go up before people will start believing the economy is in recovery. He said the recovery mentality is beginning to show up in shopping trends.

After the forum, UAFS Business College Dean Steve Williams said one sign of recovery is that "things aren't getting worse."

"The whole package needs to be there, but clearly, employment is the key," Williams said.

Craig Rivaldo, president of Arvest Bank, which sponsored the forum, said bankers look to asset quality, meaning fewer people are struggling, and more borrowing by retail and small businesses.

"The trends in both in our industry are slightly positive," Rivaldo said.

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