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UA ECONOMIST: INNOVATION KEY TO RECOVERY

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Economist **Kathy Deck** revealed her quarterly business analysis to a northwest Arkansas audience this morning. **Deck** is our guest on this week's edition of *Talk Business*, which you can catch at one of these [local air times](#).

Deck, the director of the **Center for Business and Economic Research** at the **UA Walton College of Business**, says that Arkansas has fared better than other parts of the country, but that hasn't prevented the recession from hitting the state hard.



"The economic downturn has been much more muted in Arkansas, but we're on the same trend with the rest of the nation," she tells *Talk Business*.

Deck noted that a "broad-based" downturn in employment in so many sectors is what differentiates this recession from others. "Until we see the recovery beginning to take hold in the United States, it's unlikely that we'll see dramatic improvement in Arkansas itself," **Deck** said.

She's keeping her focus on leading indicators to gauge when a strong rebound may develop. **Deck** said that inventory levels – such as physical goods, housing, and automobiles – will be important to watch. Consumer spending and consumer sentiment will also be critical to a recovery.

"All of those are the kind of leading indicators that we can use to get a sense of what's coming forward," **Deck** said.

However, she cautions that consumers won't lead us out of this recession as effectively as in the past. **Deck** said innovation will likely be the determining factor. "What is that next great idea that we don't have any idea about right now?"

Catch more of **Deck's** analysis and opinions on housing, unemployment, construction, consumer spending and more on this week's *Talk Business*.



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