

Panelists discuss economy's forecast at breakfast

BY DAVID S. RODOCK

THE VALDOSTA DAILY TIMES

VALDOSTA — Three expert economists gave local business owners little reason to hope for any sudden economic turnaround Thursday morning at the Valdosta-Lowndes County Chamber of Commerce 2012 Business Outlook Breakfast.

Sponsored by Wiregrass Georgia Technical College, the three panelists provided an earnest forecast of what to expect from the economy at a local, regional and national level in the future.

Dr. Thomas Cunningham, vice president, senior economist and regional ex-

ecutive for the Federal Reserve Bank of Atlanta focused on macro-economics and historical trends of sluggish recession recovery.

He pointed out that in the 80's and 90's growth was strong, while debt crippled the economy in the mid-2000's which forced businessmen and economists to realign their expectations.

"There's a lot of uncertainty; there's an awful lot of fear," said Cunningham. "You can't legislate confidence. You can pass legislation that destroys confidence fairly quickly, but it's

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Dr. Cynthia R. Tori, professor of economics at the Harley Langdale Jr. College of Business at Valdosta State University, presents a local economic update for Valdosta-Lowndes County Chamber of Commerce members Thursday morning at the James H. Rainwater Center.



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Local business leaders and chamber members learned about local, regional and national economic forecasts from expert economists Thursday morning at the Valdosta-Lowndes County Chamber of Commerce 2012 Business Outlook Breakfast.

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not symmetric. Rebuilding is a difficult process.”

Part of the problem with changing the rules of business, according to Cunningham, is that no one wants to make changes when the economy is strong and that reactionary reforms during economic downturns can suffocate traditional business relationships and operations.

He then identified two major items that should be monitored: Oil prices and Greece.

The next speaker, Jim Hamilton, is a blogger who demonstrates that recessions typically occur when spikes in oil prices are combined with another factor, such as the dot-com or sub-prime mortgage crash.

In Greece, Cunningham points out that the relatively small market was crushed by the unregulated accumulation of debt and a new currency standard. Greece has become an example for other world regions on how to salvage a national economy without the negative worldwide impacts of a larger economic crash.

America's next recession will be a result of increased federal spending,



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A crowd of local businessmen and women listen to Federal Reserve Bank of Atlanta vice president, senior economist and regional executive Dr. Thomas Cunningham discuss macro-economics at the 2012 Chamber of Commerce Business Outlook Breakfast.

predicts Cunningham.

Next up at the Chamber breakfast was Dr. Jeffrey M. Humphreys, the Director of the Selig Center for Economic Growth at the University of Georgia's Terry College of Business.

Humphreys reminded the audience that Georgia was hit harder by the latest recession, which came as a result of the aforementioned housing market crash.

The construction industry was hit hardest and many manufacturing companies associated indirectly with the market were also impacted.

Five hundred-thousand jobs were lost in 2009 and although job gains have

not existed since, they have at least become more reasonable. Humphreys predicts that 2012 will mark the first time of positive job growth. He expects about 20,000 jobs to be added state-wide this year.

Rebound from both 21st century recessions will take 20 years assuming there are no unforeseen financial disasters, Humphreys stated. The next national recession, he believes, will have less of an impact on Georgia due to less of a reliance on federal funds compared to other states.

Finally, Dr. Cynthia R. Tori, professor of economics at the Harley Langdale Jr. College of Business at

Valdosta State University, discussed the economic outlook from a local perspective.

She discussed one major contributor to the local economy that is not typically included in Lowndes County financial reports: Moody Air Force Base. She stated that in 2010 there were a combined 6,066 civilian and military employees and over \$447 million of economic impact on the area.

With federal military budget cuts a possibility, she asked that business owners and government officials use their influence to keep any personnel adjustments at the base at a minimum.