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# Economist Fishkind can still attract a crowd

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Published: Thursday, January 22, 2009 at 1:00 a.m.

Despite the economist's predictions being widely off the mark for the past two years, more than 400 political and economic leaders from around Southwest Florida still packed the Bradenton Municipal Auditorium to hear Orlando's Hank Fishkind prognosticate about 2009 and beyond.

Fishkind began by reminding his audience that the nation is in the midst of its worst economic crisis since the Great Depression.

But he said the proposed \$775 billion stimulus plan will be more than enough to pull us out by November.

Florida's recovery, however, will lag the rest of the country because its growth is dependent on migration from other states, Fishkind said.

"Only when housing markets recover in places like Akron, Boston and New York will people be able to move to Florida," he said. "That takes time, and things will not return to normal here until 2011, 2012."

Fishkind made several jokes about how wrong he had been about the economy in recent years, but audience members did not seem to mind.

"He can't be faulted for that because no one got it right," said Judy Shinn, an agent with Michael Saunders & Co. in Bradenton.

Even nationally renowned figures like former Federal Reserve Chairman Alan Greenspan and former Treasury Secretary Robert Rubin were taken by surprise.



A proposed stimulus plan will solve the U.S. crisis, Hank Fishkind says.

"No one saw this coming," agreed Kathy Valente, another Saunders agent.

Fishkind is predicting that 2009 will be a tough at both the national and local level, and "the recovery will be a slow and tortured affair."

He pointed out that \$7 trillion in household wealth was lost because of the drop in the stock market and another \$6 trillion was lost from the drop in real estate prices.

As a result, it is no wonder that retail sales have been dreadful, Fishkind said. But the situation would have been far worse if oil prices had remained high.

The sharp drop from \$130 to \$40 per barrel during the past eight months added \$250 billion in stimulus to the economy, Fishkind said. Now the U.S. government is poised to pump \$775 billion into the economy, he said.

"That's almost \$4,000 per person," he noted.

Though Florida will benefit both from the tax cuts and the infrastructure spending in the stimulus package, its economy will not rebound until the housing sector recovers, Fishkind predicted. That will not happen until economic recovery takes hold in Florida's Midwest and Northeast feeder markets.

Even then, Florida's economic growth will not be as strong as it has been in the past because of a loss of competitive advantage in attracting retirees compared with other Southeastern states.

Manatee County's population only grew by 1,809 people during the 12 months ending June 30, Fishkind said. That was far less than the county's average annual growth rate of 4,100 people.

Though Fishkind said that new homes sales have bottomed out in Manatee and Sarasota counties, the bottom for existing homes sales is a few months away. The condominium market, however, is still badly out of whack, and the commercial market is just beginning to turn negative.

"The office market is the most troubling," he said. "New office buildings are being delivered just as employment is shrinking."

Fishkind is expecting 2009 to be much worse than 2008 on the foreclosure front. He predicts 400,000 foreclosures in Florida this year compared with about 270,000 last year. In Manatee County, foreclosures will shoot past 12,000 from just under 8,000 last year and about 4,400 in 2007.

"2009 will be another tough year," he said.

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