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Expert: 2009 won't be kind

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The end to the bleeding of jobs and slowed housing starts that have marked the most severe recession since the Great Depression will come in November of this year.

Unless it doesn't.

Renowned Florida economist Henry H. Fishkind joked in front of a crowd of about 400 at Wednesday's 2009 Economic Breakfast at the Bradenton Auditorium that he predicted a bottom at last year's event and was wrong.

"If you recall, when I visited with you last year, I said, 'I think the housing markets have bottomed out,'" Fishkind said. "I surely did not see the financial panic in September of 2008 that drove those markets back down again."

But Fishkind said when weekly jobless claims in the nation — reported each Thursday at 8:30 a.m. — dip below 350,000, it will be a sign the bottom has been reached.

"Obviously you would like me to tell you when that would be," Fishkind quipped, getting chuckles from the audience. "And just as obviously, you know that I do not know the answer to that question, because if I did I wouldn't be doing this stand-up shtick for a living. That said, my prediction is: Nov. 19 at 8:30 a.m., you'll know the recession is over."

But Fishkind was serious about the downturn the nation and the state of Florida have been through.

"I thought I would never see a day that the sky was falling. I used to think that this Chicken Little stuff was kind of a joke," Fishkind said. "And then on Sept. 15, Lehman Bros. went bankrupt and the sky really did fall."

Fishkind said the average recession only lasts about 10 months, but the current downturn will have lasted 23 months if his prediction about a November rebound is correct.

The economist said that the economy as a whole probably won't see a full recovery until 2011 or 2012.

"These really are the most difficult economic times, certainly, that I've seen in my career," Fishkind said. "This really is the worst recession that we've seen since the Great Depression."

Manatee County, in particular, has a challenge to create a more diverse economic base, given the sagging housing market and declining home values in the north and other parts of the country that may prevent people from locating here, Fishkind said.

For awhile, Manatee had an advantage because it was more competitively priced versus places like Sarasota and Pinellas counties. But that is less and less the case, he said.

"Some of the competitive advantage that you once had is no longer here," Fishkind said.

But Fishkind said there is good news in efforts that the federal government has undertaken, and plans to take in the future.

"I do believe that the programs put in place will work and are working," Fishkind said.

Manatee County Commissioner John Chappie said he was impressed with Fishkind's presentation.

"I agree with him. I think he's right on," Chappie said. "And the important thing as elected officials, with the economic stimulus package, is to get things moving as quickly as possible and to prepare and plan to situate Manatee County so we are a more attractive community where people can afford to live, where businesses can flourish and where new businesses can relocate. We have to learn from our past mistakes and we have to move forward one step at a time. And we're going to do that."

County Commissioner Carol Whitmore said she saw a light at the end of the tunnel after listening to Fishkind's presentation.

"To me it looks like it can't get any worse than it is," Whitmore said. "So there is going to be some recovery."

Ross Vollmer, vice president of commercial lending with Gateway Bank, said he enjoyed Fishkind's take on the economy.

"I think he always brings a quality perspective and he brings it down locally so that you understand the overlay of the national economy relative to our local environment," Vollmer said. "He does see the bottom. He does have the hard statistical data and we see the trends being positive in 2010 and 2011, so that's very hopeful."

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