

Forecast against tide

UCLA report: No recession
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LOS ANGELES - It could be worse.

Southern California's financial bigwigs rolled out thousands of dollars to hear that coveted opinion espoused by four economic gurus at UCLA's Anderson Forecast on Wednesday morning.

But it was two words that tingled executives' ears: no recession. Forecasters said America will dodge the dreaded "R" word.

Plenty of experts disagree, such as Christopher Thornberg, a principal of San Rafael-based Beacon Economics who says we're "due for a nasty recession."

Nonetheless, the Anderson Forecast's outlook isn't entirely rosy.

After suffering dismal yet positive economic growth at the end of 2008 and first quarter of this year, don't expect change any time soon, especially in the Inland Empire.

It could be 2010 or even 2011 when the economy starts churning out a healthy supply of jobs needed to raise nationwide gross domestic product to 2percent or 3percent.

San Bernardino and Riverside counties are right in the middle of this.

A vicious, inflated real-estate market is still wreaking havoc on local homeowners who are drowning in debt and bankruptcy.

Manufacturing and wholesale companies are still laying off hundreds of employees at a time.

And a drop in freight containers at the ports of Los Angeles and Long Beach is still hurting logistics firms and brokers who overshot the Inland Empire commercial real-estate market.

"We're not optimistic about the economy. The sluggishness will continue," said Edward Leamer, director of the forecast.

Some say the nation is trudging towards the worst recession since World War II.

Leamer and the gang beg to differ.

"Jobs are hard to find, but we're not getting the layoffs we've had in the last two recessions," he said.

And the housing market?

"By fourth quarter this year, the housing market will bottom out," Leamer said. "Prices will take longer to bottom out."

It sounds a bit optimistic, given the fact that other experts peg their bottom-out bets for Southern California at late 2009 or late 2010.

Forecaster and economist Jerry Nickelsburg explains the recent housing-market job-loss phenomenon a little more.

"In a recession, we lose million jobs (nationwide)," he said. "We just lost 300,000 to 400,000."

The closely linked housing and financial sectors already have taken most of that hit, Nickelsburg insists.

For people who say there's thousands more job layoffs coming down the chute, think again, he says.

"Where will the job loss come from?" Nickelsburg said. "That's the hard pill to swallow for those who would say that."