Recession is over, but long road still ahead

BY JESSICA SIBLEY
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CLEMSON — Economic glimmers of hope continue to fall back into the shadows of widespread slumps.



Yandle

From the housing market to consumer spending, things are better, but they are far from good, said Bruce Yandle, economist at Clemson University.

While Yandle states that the recession is officially over, a full recovery could be painful.

"Several key indicators tell us that the economy began to recover from the recession in late summer 2009," he said. "For example, the manufacturing economy began to expand in August. The services economy moved to an expansion phase in September.

"What we aren't seeing, and won't see for a while, is growth in consumer spending," he added. "We are still cautious, as we continue to tuck away money or pay off dept. Retail sales are weak nationwide."

When it comes to the housing market, improvements are only temporary, as a government tax break won't be around forever.

"New housing construction is still in a recession and won't show much recovery nationwide for another 18 or 24 months," he said. "The $8,000 tax reduction for first-time home buyers is making things better, but that's only temporary. On the bright side, housing prices have held relatively steady in the state, which is a sign of strength."

The root of our spending and ability to buy homes

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RECESSION: Economist says we're not out of the woods yet

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stems from our personal revenue, something that far too many people are living without as the unemployment rate keeps going up.

"We are walking on the bottom, and the bottom is bumpy," he added. "The national unemployment rate is above 10 percent, while it's over 14 percent in Oconee. We will likely see higher unemployment rates over the next three months and improved, but still higher than normal rates through 2012."

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Bruce Yandle
Clemson University economist

But even with a stubborn economy, Yandle points to a bright ending.

"There is light at the end of the tunnel," he said. "People want to live in our region and state. Population growth is the ultimate engine of economic growth."

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