State slump should ease in 2010, expert says

SEANNA ADCOX
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COLUMBIA — An economist for the University of South Carolina is cautiously forecasting the state will begin recovering in 2010 — though not by much — barring more financial shocks.

"We have a very, very fragile recovery right now," USC economist Doug Woodward said at the university's 29th annual Economic Outlook Conference. "We've got to be worried there's going to be another surprise, and frankly we're running out of tricks. ... A relapse is possible."

Woodward described job

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People crowd the aisles looking for bargains during the traditional Black Friday shopping day at the Target store in Mayfield Hts., Ohio, early last Friday.

The Journal
12/3/09

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growth in 2010 as "modest, slight, meager."

He said the recession probably ended in September, but uncertainty remains in the financial system. Despite the bailout, small businesses and consumers still can't access credit. He said he expects a continuing lack of access will hold back recovery.

"The banking system in this state is still not where it should be," he said. "It's actually choking private expansion."

He said the government has been holding up the economy, and a lasting recovery is contingent on consumer spending and investment by private business.

"I don't think the American public can really stomach another trillion-

Carolina should see relief during 2010

plus stimulus program," he said. "We've had all the stimulus basically we can stand."

Woodward expects personal income to improve by about 3.3 percent in the coming year, up from -1.4 percent in 2009. It will take several years to bring South Carolina's unemployment rate, currently at 12.1 percent, below double digits. But it should average 11.2 percent for next year, after possibly getting worse in early 2010, depending on spending by consumers and businesses, he said.

The session also includes a panel discussion titled "Outlook for the Economy 2010: Recovery or Relapse." The panel features economists from the College of Charleston, Coastal Carolina University and Clemson University.