

2010 will be a recovery year, local expert says

By Stephanie Hoops

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Getting through 2010 is going to require patience, patience, and more patience was the repeated message laid out Friday by the UC Santa Barbara Economic Forecast Project.

“Know the fact that 2010 is going to be a recovery year but it’s not going to be fast,” said Brad Kemp, the director of regional research at Beacon Economics, who presented his outlook for Ventura County’s economy at the Serra Center in Camarillo.

Kemp’s overall forecast is a tepid one: “Given the depth of the hole dug by the enormous imbalances in the housing, financial and consumer markets, Ventura County — like most places — is facing a slow, arduous climb back to economic health.”

Ventura County entered the recession in July 2006, and, for that reason, Kemp is optimistic that the region will recover sooner than the state.

“I think it’s going to lead in Southern California,” he said.

Kemp said it’s a statistical fact the worst is behind us but hesitates to paint a rosy picture, pointing out that commercial construction is on the verge of a bust, and some small businesses — “mom and pop shops” — are struggling, having exhausted their reserves.

Two areas that Kemp sees performing well in Ventura County are retail and manufacturing.

The county’s retail sector is going strong, he said. “We’ve turned the corner in terms of taxable sales.”

Although about 3,400 retail jobs have been lost since the last quarter of 2006, Camarillo’s outlet centers have been a “bright spot” and are “drawing in discount seekers.” For that reason, Kemp was not surprised by reports that Simon Property Group Inc., the owner of the Camarillo Premium Outlets, has weathered the economic downturn well enough to make a \$10 billion hostile bid Tuesday to acquire its ailing rival, General Growth Properties.

As for Ventura County’s manufacturing sector, it has a high concentration of both durable goods, those that do not wear out quickly, and nondurable goods or

consumables. Machinery, computers, electronics and pharmaceuticals are among the goods manufactured locally.

The trend nationwide has been to increase production and decrease employment, but area manufacturers have managed to preserve both production and employment.

“Ventura County is maintaining its employment and production base better than the state and the nation,” Kemp said. Ventura County’s unemployment rate was 10.9 for December compared to 12.4 for the state.

Chris Thornberg, principal of Beacon Economics, also spoke Friday, saying it’s going to be an OK year for the state and nation, during which caution is warranted because changing government policies are creating uncertainty.

The good news is the recession is over, consumer spending is up, job losses are leveling off and manufacturing is booming, Thornberg said.

“We have to have patience,” he said, stressing that he’s “still bullish on California.”

