

# Central Wisconsin could weather economic slowdown

By Patrick Thornton

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Central Wisconsin is not immune to the same factors that have experts predicting a downturn in the national economy. Fortunately, the region's conservative business habits will likely lessen the blow.

A sluggish housing market, international competition for manufacturing jobs and rising gas and energy prices will all be felt locally, said Dr. Randy Cray, a professor of business and economics at the University of Wisconsin – Stevens Point and the director of the Central Wisconsin Economic Research Bureau.

Still, unemployment rates in Portage County remain well below the state and national average. According to Cray's economic indicator report for the third quarter of this year, unemployment for Portage County was at 3.7 percent in September compared to 3.5 percent last year. The state rate is at 4.6 percent, while the national rate is at 4.5.

"We have seen significant growth in the financial sector as well as information and business services and health services," Cray said. "Unfortunately, on the flip side, the manufacturing industry is on a downward trend, both across the state and locally, and has been since 2000."

In Portage County, about 1,300 manufacturing jobs were lost last year, with the paper industry hit particularly hard.

The subprime lending collapse will also reverberate in central Wisconsin, but how much is still up in the air, Cray said.

"Housing prices will not shoot up as they have on the coasts and in larger urban areas, but that doesn't mean we will not have some fallout if the national economy does slow down as predicted," he said.

The commercial and residential building industry is already showing signs of problems, Pam Jewell, the president of Blenker Construction in Amherst, said there has been a slowdown in the home market in Portage County.

"There are fewer builders building right now, but you don't see them dumping houses either," she said. "Part of the slowdown is because there is a commercial building boom. It seems that when the commercial side gets busy, residential slows down. If they both are slow, that's when I get worried."

Cray does see a few things on the horizon that could help local businesses. The region tends to benefit when the dollar depreciates against foreign currencies because the economy exports more than imports.

"As our products become more affordable overseas, that is a bright spot, and with the (federal reserve) putting downward pressure on interest rates, our manufacturing sector will benefit," Cray said.

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