

Marshfield economic indicators show area stable

By Liz Welter

Marshfield News-Herald

September 20, 2008

While turmoil roils through large financial institutions across the United States, the economic outlook for the Marshfield area is stable based on statistics for the first half of the fiscal year, said Randy Cray, director of the Central Wisconsin Economic Research bureau at the University of Wisconsin-Stevens Point.

The Marshfield Area 2008 Economic Indicators report was presented to area community and business leaders Friday morning.

Comparing national statistics with those for central Wisconsin and Wood County, local figures show the community is remaining stable -- as is Wisconsin in general, Cray said.

"This is a fair amount of good information," said Cray, describing the report. "The area has held up surprisingly well given the problems in the financial sector in other parts of the country."

As in past reports, the negative side of the economy for the area remains in manufacturing. "For the last five to seven years the troubles lie in the manufacturing side. Historically they have provided good jobs at good wages," he said.

Now growth in the job market is primarily in health services, according to the report. Also running counter to national reports, the Marshfield area's residential construction grew and value of the new homes increased when compared to last year, Cray said.

While the nation will probably not recover from the current economic upheaval until 2009 or 2010, Cray said, good news is coming out of Washington to address the crisis.

Friday morning, U.S. Treasury Secretary Henry Paulson said the government was creating a temporary program to assume the bad debt from the nation's money market mutual fund industry.

The program may be similar to one established to deal with the Savings and Loan crisis of the 1980s, said Cray.

Following the presentation, Marshfield business owner Jim Reigel asked, "Are the fundamentals of the economy still strong?"

It depends on how the economy is measured, Cray answered.

Based on gross domestic product, or the amount of goods produced in the United States, the country is OK, he said.

"Clearly the economy is still producing," Cray said. "What makes this difficult to answer is that there are variables incapacitating the nation that have nothing to do with goods and services, like stagnant incomes, higher energy prices and lower home values.

"People are being squeezed right now. ... There is a very different conclusion if you look at the effect on people."