

Local economy avoids trend

By: Andrew Hellpap

Central Wisconsin Sunday

September 23, 2007

Recent national reports hinted at an economic recession, but national trends don't always apply locally, according to economists.

The subprime mortgage fallout and an August U.S. Department of Labor report that employers across the country cut payrolls by 4,000 put pressure on the Federal Reserve Board. The bank cut the federal interest rate Tuesday by half a percent, to 4.75, in an effort to revive the economy. However, local economic indicators suggest the national housing trend might not be hitting Wisconsin as hard.

Advanced Fiberglass Technologies in Wisconsin Rapids was in the final stages of a relocation and expansion when the news of national job reductions came.

As the flow of money has tightened nationally, Jamie Mancl's fiberglass fabrication company hasn't felt the pinch.

"We have been hiring left and right," said Mancl, who plans to add 10 to 12 employees to his current 73 before the expansion is complete.

University of Wisconsin- Stevens Point economics professor Randy Cray will present a report Oct. 5 in Marshfield on the economic landscape since the first quarter of 2007. Cray also is the director of the Central Wisconsin Economic Research Bureau, which studies economic indicators in Portage, Wood, and Marathon counties.

Cray's first-quarter report showed a 3.1 percent increase in jobs from 145,900 in March 2006 to 150,500 in March 2007. A Research Bureau regional and national report predicted the trend will continue, but a burst in the subprime lending bubble could interfere, the report stated.

"With defaults occurring, there was some concern for the credit market as lenders were less willing to make loans. You are going to get less business expansion; that translates into a curtailment of business activity," Cray said.

The subprime market pressure hasn't shown up in local housing sales, according to Central Wisconsin Multiple Listing Service. Home sales have decreased about 10 percent from 2006, and the dollar value of home sales increased 3.5 percent. The total sales dip followed three very strong sales years, said J.R. Siewert, broker and owner of Coldwell Banker Siewert Realtors, Wisconsin Rapids.

"I am sure (subprime lending) has impacted some individuals here and there, but as far as having a measurable impact, we haven't really seen it," he said.