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UTA economist: What end of recession means

Dallas Business Journal - by [Kerri Panchuk](#) Web reporter

The recession has officially ended, but growth will be more moderate than usual following steep drops in the economy, according to a report issued Monday by the National Association for Business Economics.

North Texas economist Roger Meiners, chairman of the economics department at the [University of Texas at Arlington](#), shared a less rosy assessment and forecast of the nation's economic future.

Below are his responses to questions posed by the *Dallas Business Journal*:

DBJ: What does the NABE mean when it says the recession has ended?

MEINERS: *"Saying the recession has ended means that nationally we have hit bottom and are no longer falling. Individual parts of the country may still be going down, but overall things are not getting worse. That does not necessarily mean they are getting much better; the signs of progress seem pretty small."*

DBJ: How long will it be before we see jobs recovery? What policy or change is needed for that to happen?

MEINERS: *"The [Department of Labor](#) put out an estimate saying it was likely to take five years or more to get back to the place we were before the recession started, in terms of jobs. So the DoL sees pretty slow growth. There are signs that employment is picking up a bit, but few seem to think this will be rapid. Many of the policies of the Bush and Obama administrations are not conducive to growth in the private sector. When the government takes command of hundreds of billions of dollars, the private sector has few resources today and in the future (due to the massive debt hike). The "stimulus" program is very inefficient. Governments are never effective at job creation if you want productive jobs. This may be another reason for slow job growth in the future. Wealth is created by increased in productivity, not by taking money from one group and giving it to another group."*

DBJ: What will future economists do with data taken from the past two years?

MEINERS: *"They will add the data to their data sets and continue to do a bad job projecting economic trends. Not many saw the financial mess that was coming. Macroeconomic models are highly suspect. Predicting the future is dubious business."*

DBJ: What industries or sectors of the economy will pick up first?

MEINERS: *"The health care sector continues to grow. There is some pick up in some manufacturing areas, but employers seem to be cautious and want to be sure they can really justify hiking up the size of their labor forces. Hiring is costly and firing people is a painful process."*

DBJ: Is another slide or economic fallout still possible, with the impact on commercial real estate still unknown?

MEINERS: *"Yes, good point. Most real estate experts seem to think commercial lags behind residential by as much as two years. That seems to be the case here. Builders will be very shy to take on new large construction projects. The surplus of rental space could take years to clean out. Remember the real estate bust in the early 1980s; it took quite a while to get over that."*

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