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Area experts have mixed reaction on job report

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MANATEE — Dale Vollrath, president and owner of TRC Staffing Services in Sarasota and Tampa, has a hard time believing that it will take until 2014 for the local economy to rebound as projected in a newly released report by IHS Global Insight.

"I just can't imagine that happening," Vollrath said. "I think we're seeing the movement of real estate in terms of sales increasing. A lot of it is foreclosures and short sales, but it's still moving inventory. We're back down to where prices were 10 or 12 years ago when people were moving down (to live). I think once we start getting that excess inventory out of the way, we'll start to see construction booming."

Vollrath concedes that some manufacturers like boat-builders have left the area, but said he thinks other sectors of the economy will rebound before 2014.

"I think we have lost some manufacturing and some of it is not coming back, but other areas will," Vollrath said. "I have a hard time buying into this (report). I think within nine to 12 months we're going to see some increase in employment. There's just too much activity out there."

Peter Straw, on the other hand, doesn't doubt the 2014 projection.

Straw, executive director of the Sarasota-Manatee Area Manufacturers Association, believes the area has relied too long on the "one-trick pony" of real estate to drive the economy.

Straw says he has seen a slight increase in manufacturing employment, but the full effect won't kick in until durable goods orders start picking up again.

Even then, it may be slow going, Straw said.

In Florida, 80 percent of manufacturing is done by companies with 20 or fewer employees, Straw said.

"So when a company that size decides, 'We need to add to payroll,' a big deal for them is adding one or two people," Straw said. "Adding one or two people to a manufacturing job isn't going to take care of the 100 or 200 construction workers who have nothing to do. So I don't question those numbers at all."

Eric Basinger, the new executive director of the Manatee Economic Development Council, agrees that Manatee County has more damage to overcome because of the real estate boom and bust.

"The reality of it is, in Manatee we were hit harder by the downturn than most because we've been so dependent on the real estate market," Basinger said. "With that in mind, we've been working with the county (government) to diversify the county. We want to come out of this with a more diversified economy. I think that's one of the great things about Manatee County is that there are a lot of different industry segments that could go here."

That said, Basinger feels it's hard to put a time frame on when a full employment recovery will be achieved.

"Nobody can predict when we can see the employment levels prior to this downturn come back," he said. "But right now, we're 100 percent focused on creating new jobs and that's all we can continue to do."

Manatee's unemployment rate hit 11.1 percent in March, the highest level since 1983. It dropped a bit since then, with the current unemployment at 10.7 percent.

Stan Geberer, associate with Fishkind & Associates, an economic and financial consulting firm, said the study presents a reasonable job forecast for the Manatee-Sarasota area.

"The recession has affected employment in construction and finance disproportionately. A lot of those jobs have evaporated with the bubble," Geberer said.

He expects normal levels of employment — those seen in 2003 and 2004 — will return as population levels rise again in the state. But he warned that many jobs lost in real estate sales, mortgage, construction, finance and banking aren't coming back because they won't be sustainable in a normal economy.

— Herald Business editor Jennifer Rich contributed to this report.

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