

Best, worst of times

Local economy 'right in sync' with rest of state, nation

The new headquarters building for the 1st Brigade Combat Team is one of many construction projects at Fort Stewart. The Hinesville Metropolitan Statistical Area saw the highest growth in the Southeast and the second-highest growth in the nation. Data showed the spike was linked to government spending.

Savannah Morning News file photo



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Hinesville makes strides

The Hinesville Metropolitan Statistical Area, which includes Liberty and Long counties, saw the highest growth in the Southeast and the second-highest growth in the nation. Data showed the spike was linked to government spending.

"That's similar to other areas of the state with military installations," Humphreys said. "Columbus should have similar numbers for next year because of (Base Realignment and Closure)."

Gains early in the year probably kept many parts of the state out of negative territory in 2008, but that probably won't be the case for next year, Humphreys added.

"2009 will be a negative year for Georgia and prob-

ably the Savannah area as well," he said. "We rely so heavily on the housing market for manufacturing, the ports and construction that when that bubble burst, it hit us really hard."

But by the time the numbers are out, the recovery will be well under way, he added.

"I believe the recession ended in June 2009 and recovery began in July 2009," Humphreys said. "The recovery is so slow, however, that 2009 won't feel like a recovery."

He cited the "Cash for Clunkers" program and the first-time homebuyers credit as coupons that kept the plummeting economy aloft. Once those end, the declines surely will come about in the fourth quarter of 2009.

But the lessons learned probably will be repeated in another few years.

"Memories are short," Humphreys said. "Who knows what the next bubble will be, and it will probably be a bumpy ride once it occurs."

CHANGES IN GROSS DOMESTIC PRODUCT

Area	2005	2006	2007	2008
United States	10,037,528	10,335,892 (3.0)	10,542,473 (2.0)	10,622,056 (0.8)
Southeast	2,439,468	2,508,382 (2.8)	2,530,978 (0.9)	2,529,929 (0)
Georgia	322,625	326,469 (1.2)	331,339 (1.5)	329,782 (-0.6)
Savannah	9,822	10,451 (6.4)	10,687 (2.3)	10,709 (0.2)
Hinesville	1,957	1,969 (0.6)	2,017 (2.4)	2,197 (9.0)

Note: Figures are in millions of dollars; amounts in parentheses are percent of change from previous year. Source: U.S. Bureau of Economic Analysis

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Economic growth in the Savannah Metropolitan Statistical Area, which includes Chatham, Bryan and Effingham counties, significantly slowed in 2008, according to data released Thursday by the U.S. Department of Commerce's Bureau of Economic Analysis.

Out of 366 metropolitan areas, Savannah ranked 144 with a Gross Domestic Product growth rate of 0.2 percent.

"These statistics suggest that the Savannah area profile is right in sync with the rest of the state and the nation," said Jeffrey Humphreys, director of

the University of Georgia's Selig Center for Economic Growth. "This recession was really tough on the entire region, and recovery will be slow."

The slowdown in economic growth didn't just affect this region, data showed. About 60 percent of metropolitan areas saw economic growth slow down or reverse. Real Gross Domestic Product growth slowed in 220 of the nation's 366 metropolitan statistical areas last year, from 2 percent in 2007 to 0.8 percent in 2008.

Downturns in construction, manufacturing, finance and insurance restrained growth in many metropolitan areas, including Savannah, with gov-

ernment spending showing the most growth.

"No one was really surprised by the data," said Chris Morrill, Savannah assistant city manager. "We knew the recession hit us harder and later than a lot of areas."

And although it's down from previous years, the city is doing better than the state as a whole, which saw slightly negative growth at -0.6 percent.

"We're investing our very limited resources in economic growth and quality of life," Morrill said, "and what's a more important quality of life issue than jobs?"