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## Niemi: Ga. to lag nat'l recovery through 2011, long-term prospects good

Atlanta Business Chronicle - by [J. Scott Trubey](#) Staff Writer

Georgia's economic recovery will lag behind the rest of the nation in 2010-2011, but the slow start will give way to more robust growth that will outpace the nation in the years ahead, according to Albert Niemi, dean of the Cox School of Business at Southern Methodist University.

Niemi, speaking Tuesday at the 17<sup>th</sup> annual Bank of North Georgia Economic Forecast 2010 at the Cobb Energy & Performing Arts Centre, said unemployment will not peak nationwide until April 2010, when it will crest at 10.5 percent, and remain above 10 percent until late fourth quarter next year.

The United States' economy will grow by only 2.5 percent to 2.7 percent in 2010, he said.

"It is a jobless recovery," Niemi said in an interview following the presentation.

Unfortunately for Georgia, the state will lag behind the recovery experienced by the rest of the nation. Georgia will underperform in jobs and economic growth through 2011.

Niemi, 67, the former dean of the Terry College of Business at the University of Georgia, said it is unprecedented in his lifetime for the Peach State to fall behind the nation in terms of economic growth.

"This is foreign territory," he said.

Georgia maintains the fundamentals necessary for job and population growth, including relatively low costs of labor and land, a high quality of life and a global transportation hub in Hartsfield-Jackson Atlanta International Airport.

But the state's manufacturing base is tied to construction, and both housing and commercial real estate development have fallen off a cliff and the state is choked with a glut of supply.

Housing starts in metro Atlanta that once exceeded 110,000 per year at their peak, have been cut by 80 percent.

Oversupply of housing, retail space and commercial office space will continue to weigh on Georgia until the excess supply has been filled. Cheap real estate will eventually become a plus for the region in attracting investment, but in the short term, it will continue to dog the region.

Long-term, Niemi said Georgia will add 1 million people through 2015, and overtake Michigan as the nation's eighth-most populous state.

Niemi forecasts strong growth after 2012, and Georgia will become one of the nation's Top Five or Six states in terms of economic growth through 2030.

Georgia is also favorably positioned for a return of a manufacturing base; one that is more diverse, as shown by the opening of the **Kia Motors** plant in West Point and the position of a manufacturing plant by **NCR Corp.**

Atlanta and Dallas, Tex., will be among the nation's rising stars for the next two decades. Georgia, North Carolina, Texas and Utah will be among the fastest-growing states post-recession and through 2030.

Niemi's visit to Atlanta is part of a series of lectures, which will continue Dec. 2 at the Atlanta Athletic Club and Dec. 3 at Eagles Landing in Stockbridge.

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