

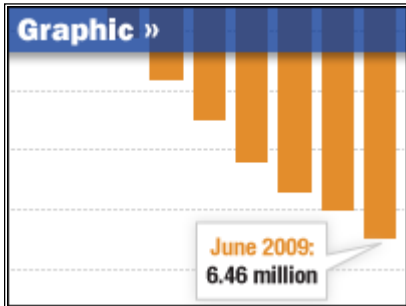
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July 7, 2009

Economy

Is The Worst Over? Most Economists Say Yes

by Marilyn Geewax

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Weekend Edition Sunday, July 5, 2009 · At the beginning of 2009, many Americans feared an economic depression was at hand. In January alone, U.S. employers slashed nearly three-quarters of a million jobs.

Now, as the year's second half begins, most economists are saying the worst of the recession is over, and that slow growth will begin in the fall.

"The hemorrhaging has peaked," said Bernard Baumohl, chief global economist for the Economic Outlook Group, a forecasting firm. "We're on the other side of the recession now."

Baumohl believes the recession, which began in December 2007, may already have ended, and a feeble recovery begun.

Hopes for a faster recovery cooled Thursday when the Labor Department said another 467,000 jobs disappeared in June. In total, 14.7 million people are now unemployed in the United States — or 9.5 percent of the work force.

"The heavy loss of jobs in June is a warning that the road to recovery will be bumpy," Nigel Gault, chief U.S. economist for IHS Global Insight, a forecasting firm, said in a written analysis. "We expect job losses to continue throughout 2009, and the unemployment rate to peak at 10.3 percent in the first half of 2010."

Still, Gault sees the second half of 2009 turning brighter. Despite the gloomy June news, the jobs report "doesn't yet indicate that we have gone off the track" for a recovery, he wrote.

One of the reasons economists believe the year's second half will show progress is the slight improvement in sales of existing homes. Last week, the National Association of Realtors said that in May, pending sales of existing homes ticked up for the fourth consecutive month. Another good sign: New data on manufacturing showed activity is stabilizing after a long, hard slide.

A few economists are still hoping for vigorous growth in 2010 because they see pent-up demand growing for cars and houses. Others have grown more pessimistic, fearing that continuing job losses soon will cause very high rates of credit card defaults, or trigger another spike in home foreclosures.

Until U.S. companies start creating larger numbers of jobs, those big risks will linger. Heidi Shierholz, an economist with the Economic Policy Institute, a left-leaning research group, is among those who fear that the labor outlook will continue to be an enormous drag on the economy.

"Unemployed workers are getting stuck in unemployment for long periods," she said in a written analysis. "In June, 4.4 million people, 2.8 percent of the labor force, had been unemployed for at least six months, surpassing the record high of 2.6 percent set in the early 1980s."

But optimists like Baumohl say economic historians will look back on this summer as a turning point for the better. He notes that average weekly overtime at factories was up to 2.8 hours in June, suggesting that while companies aren't yet ready to hire, they are getting healthier.

"Manufacturing overtime hours is one of the best leading indicators to monitor if you want to understand where the economy stands in the business cycle," he said.

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Fred M (turnip) wrote:

Socialism is the system of choice for those unwilling or incapable of making their own way in the world.

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Tom Connell (User843839) wrote:

DAN A wrote: "If Capitalism is like a nuclear reactor, then socialism is a nuclear winter where nothing grows. I am assuming that you are a socialist because you talk negatively about Capitalism. Socialism is basically the destruction of person rights. I don't believe you don't understand your individual rights and are freely willing to give up your rights because you been brainwash in believing that you and others in society can not and never will be able to make a better decision on how your life should be spent. You have giving up on the American Dream and you want others to do it to.

We can argue of Trickle Down / Deregulation / Private Sector lifts all boats because 3 decades before was the 1970 which was the worst decade in American history. That was the biggest American failure and we should never ever want to repeat that. In 3 decades, we have change from a has been country to the only and best country driven by the free market."

Where do you get your "information"You Tube? Stop reading comic books and listening to Limbaugh before your brain is fried.

No matter what you think, no Govt has ever given rights, they have always taken it away.

Tuesday, July 07, 2009 1:25:47 PM

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Dan a (Guinnessman) wrote:

Dave Olsen,

How wrong can you be that the conservatives created "economic collapse of THEIR making. This problem was because of the Liberal policy of affordable low income no document loans. Congress ignore calls from the conservatives to watch freddie and frannie but no Liberal wanted to do that. Understand as much as we put all the office of the POTUS, it's is their responsibility to CARRY out the laws that only CONGRESS passes. POTUS can not do anything except power given by Congress. And Democrat Congress did nothing about Subprime mortgage, ZIP NOTHING - NOT ONE DARN THING until mid 2008.

Tuesday, July 07, 2009 11:04:28 AM

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[Dan a \(Guinnessman\)](#) wrote:

@ Mike Walker

If Capitalism is like a nuclear reactor, then socialism is a nuclear winter where nothing grows. I am assuming that you are a socialist because you talk negatively about Capitalism. Socialism is basically the destruction of person rights. I don't believe you don't understand your individual rights and are freely willing to give up your rights because you been brainwash in believing that you and others in society can not and never will be able to make a better decision on how your life should be spent. You have giving up on the American Dream and you want others to do it to.

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No matter what you think, no Govt has ever given rights, they have always taken it away.

Tuesday, July 07, 2009 10:51:01 AM

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[Becky Mundt \(eesa\)](#) wrote:

Just who do you guys work for?

Green shoots? worst over? get a clue - the world as you know it just changed forever. they call it a credit bubble and then a massive withdrawal of cash flow - never heard of it?

well do some more reading ... start here: <http://tinyurl.com/nz8835>

Then wake up and walk outside and talk to people who are losing their jobs and homes and being hounded by lenders on underwater homes that only the lenders will not write down - 125% LTV on loan mods? what are you on crack????

Yeah, let me pay some new option arm teaser rate for five more years on something the lender insists on valuing at 6gazillion dollars while it is worth 10cents and then they can tack all that crap ont he back and and hit me up again in five years what drugs are you smoking?

oh and if they won't do it - then we go to short sale and they rape me for a "required homeowner cash contribution' in cash or promissory note and won't do the the short sale without it aka B of A - so I have to go to foreclosure (only way I avoid paying deficiency on purchase money mortgage) totally illegal but no bank police to stop it - OR lucky me - I file BK and get some time to figure it out and destroy my credit before the lender gets the house. The house they overinflated the value on with easy money that I will now pay for one way or the other, is that it?

Worst over? Is this like telling children who are dying that they'll be fine in the morning? pretty much. Well they will. They'll be dead.

Tuesday, July 07, 2009 3:07:12 AM

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