

# Economic Outlook panel: Better conditions by 2Q

Wichita Business Journal - by [Mark Story](#)

Parts of the Wichita economy may see a 20 percent drop in activity in 2002, say panelists for the 2001 Economic Outlook Conference. But things are likely to look better by the second quarter of 2002, most say.

The conference Oct. 17 at the Wichita Marriott will focus on four key questions drafted by moderator Randy Brown, **Wichita State University** visiting assistant professor in communications:

- How have terrorist attacks impacted an already weakened economy?
- Does Wichita have the vision and leadership to capitalize on its strengths?
- How can businesses create the necessary vision to capitalize on strengths?
- How can business participation in local government help develop leadership?

Without exception, panelists say, **Boeing** layoffs and reduced consumer confidence will underscore flat trading in 2002 -- with some businesses down by as much as 20 percent.

The Wichita Business Journal asked panelists to give readers a preview of what they will be talking about. Here's what they said:

**Robert Bach, national director for market analysis, Grubb & Ellis Co.**

Most people believe declining consumer confidence, triggered by the Sept. 11 disaster, has pushed us into recession, Bach says. But lower interest rates, increased government spending and pent-up demand will set the stage for a sharper recovery by second quarter 2002.

Commercial real estate has lagged this year. The office market will continue to struggle nationally, he adds. But smaller markets, including Wichita, have held up better due to the absence of Fortune 500 companies. The defensive nature of the apartment market should attract strong institutional demand. Other sectors with strong defensive qualities include: grocery-anchored shopping centers and net-leased industrial property linked to a strong single tenant.

**Janet Harrah, director, Center for Economic Development and Business Research at WSU**

We're now in the fourth consecutive decade in which the aircraft industry has been hit by an economic downturn early in the decade. Despite these difficulties, we need to balance that with those sectors that will continue to do well, namely:

health care and commercial construction (driven off public works and retail developments currently under construction).

Sectors that support hospitality are directly wired to the economic downturn. But they rely largely on regional patronage, and most local attractions shouldn't be hit as hard.