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Lewis Ebert, president and CEO of the North Carolina Chamber, talks at the Catawba County Chamber of Commerce Outlook Breakfast on Thursday morning.

Local, N.C. economy still facing tough road

■ Reducing government spending, regulation is key; there's hope in technology, entrepreneurship.

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HICKORY

If Catawba County is to rebound from its current economic doldrums, it will be a long road back. The troubles that confront the Greater Hickory area are systemic, national, even multinational, and economically complex. However, solutions are out there.

That's what about 180 people heard Thursday morning at the Catawba County Chamber of Commerce Legislative Issues and Economic Outlook breakfast at the Crown Plaza Hotel.

Yet the speakers, including Scott Millar of the Catawba County Economic Development Corp., Appalachian State professor and economist Harry Davis, chamber president Danny Hearn, and state and U.S. chamber officials, were somewhat optimistic, despite the prolonged recession.

"Based on our record attendance, it's apparent that jobs and the economy are priority one for this county," said Hearn. "How

CHAMBER: Hearn says several initiatives to incubate small businesses will begin this year

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could it be anything else? What's frustrating is we can do a good job of growing our own economy and creating jobs. It's just the undisciplined government bureaucracies of Raleigh and Washington that hold us back from prosperity that we so desperately need right now."

State Sen. Austin Allran, R-42nd District, and Rep. Mark Hilton, R-96 District, spoke briefly to the audience about legislative priorities that align with business interests, such as balancing the state budget, the discontinuation of the state's temporary taxes and regulatory reform.

Lewis Ebert, CEO of the N.C. Chamber, sees a dramatic shift in how legislative business will be conducted in the General Assembly because of the Republican majority in both houses. He said because of chamber initiatives taken over the last few years there will be more representatives who are pro-business, and willing to work to help lower taxes, create jobs and reduce the budget deficit.

The task, though, will not be easy because of four numbers Ebert gave that detail how deep the problems run: 34, 300, 300,000 and \$3.7 billion.

It's been 34 years since unemployment has been as high as it was in North Carolina in 2010, 12 percent; only 300 jobs were created in the state in the last decade; 300,000



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Lewis Ebert, (left) president and CEO of the North Carolina Chamber, talks with North Carolina State Rep. Mark Hilton (center) and Scott Millar, president of Catawba County Economic Development Corp.

jobs were lost in the last decade in North Carolina; and the state budget deficit is \$3.7 billion.

Millar struck a more upbeat tone because of his role in bringing new businesses to Catawba County. A key to that, he said, was continuing to offer incentives for businesses to locate here, and having up-to-date facilities and development plans so companies can move quickly to build.

He thinks opportunity lies in Catawba County and the surrounding area becoming a data center corridor, where more computing complexes such as the Apple and Google data centers in Maiden and Lepoir will be attracted. Millar also thinks that we can take advantage of Catawba County's Eco-

Complex as energy sector business gravitates to this region because of Duke Energy's presence in Charlotte. He said the proposed merger between Duke Energy and Progress Energy will make Duke Energy the largest utility in the country, and fuel more possibilities here.

Hearn thinks the way back for Catawba County is through entrepreneurship and building the infrastructure that will bring new ideas, people and growth to the county. He offered as an example Michael Neely, whose firm blindsquirreldigital.com creates animation for movies and other digital products.

Hearn announced at the breakfast several initiatives that are begin-

ing, a future-focused think tank and an effort to better coordinate Internet marketing for the county.

Neely said he moved to Newton about three years ago because of the area's quality of life and started the business with his wife. He works virtually with people from around the country. But he said he has found fertile ground in the area for his business, partly because Western Piedmont Community College teaches courses in digital effects and animation. He already has hired an employee and an intern from there.

Davis, an economist with the N.C. Bankers Association, provided the most global view of the economy. Most surprising was his explanation of why the nation is so

slow in recovering from the recession. Normally, he said, residential housing construction and sales pull the economy out of the downturn, but not this time. Because of the housing market problems, regulatory uncertainty, a mountain of unprecedented consumer debt and slow economic growth, he predicts it will be 5 to 10 years before the millions of jobs lost during the recession return.

Two bright spots Davis cited: Multinational corporations, such as Coca-Cola, Caterpillar and Microsoft, are very profitable and making tens of millions of dollars overseas. Plus, many Fortune 500 companies are sitting on billions of dollars of cash, ready to invest in plants, equipment and hiring, when the time is right.