

Financial experts say DuPage in good shape

By Jake Griffin | Daily Herald Staff
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Diane Swonk



John Calamos

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Financial forecasting

Financial experts were asked to give one prediction about the economy a year from now.

Diane Swonk, Mesirow Financial chief economist: Unemployment will still be above 8 percent.

John Calamos, CEO Calamos Investments: Dow Jones industrial average will be above 13,000 points.

Joe Gregoire, Regional President PNC Bank: More banks will merge.

David Petersen, COO NAI Hiffman: DuPage County's vacancy rate for commercial properties will be below 15 percent and below 10 percent for industrial properties.

James Snyder, Ice Miller partner: Federal stimulus programs will be extended.

Tom Wiffler, President and CEO United Healthcare of Illinois: Cubs in 5 or White Sox in 6.

DuPage County is positioned well to take advantage of a rebounding economy because of the area's investment in technology industries, according to financial experts speaking to business leaders Tuesday.

Panelists and speakers at the inaugural Regional Business Outlook and Executive Briefing painted a cautiously rosy outlook for the financial future of the area. The overlying message of the event, hosted by the county's economic development wing Choose DuPage, Chicago-based law firm Ice Miller and Chicago investment firm Mesirow Financial, was that the nation needs to shift from a consumer-based economy to a production-based one.

"We want to make the world consumers of the American product," said keynote Speaker Diane Swonk, a chief economist at Mesirow. "Right now, 60 percent of the scientists we educate in this country come from somewhere else, and we send them back home after they're done with school to pay their taxes and innovate there. We should be keeping them."

Swonk called the financial crisis of 2008 the "worst by all measures in history," but said government intervention worked and the country's economy is now seeing a slow rebirth on the back of a second technology revolution she said is based the portability of products.

Panelists from various fields agreed job growth would remain slow with companies likely to be gun-shy about hiring until there is evidence of a long-term return to normalcy.

"They're unsure if any hiring is sustainable," said Anne Edmunds, a regional director at ManPower.

In the meantime, regions should focus on "building talent pools" and training workers for the types of industries leaders want to attract to the area, she said.

But with corporate moves such as Peerless Industries in Aurora and the possible creation of Navistar's world headquarters in Lisle, DuPage could buck the trend of delayed job growth.

Naperville-based Calamos Investments CEO John Calamos said his company is "short-term bullish and long-term scared." The country's debt is worrisome to him.

"The wall of worry has to do with if we have to inflate," he said. "We still think this rally has legs to go though. If inflation comes back, that's not going to be good news."

Calamos also echoed the sentiments of other panelists regarding production versus consuming.

"What we really want to do is produce intellectual capital," he said. "Look at this iPhone. It says, 'Designed in California' and 'Assembled in China.' Do we really want it the other way around? No."

Other speakers included PNC Bank Regional President Joseph Gregoire, David Petersen of the commercial real estate management group NAI Hiffman, Ice Miller partner James Snyder and United Healthcare of Illinois President and CEO Tom Wiffler.

Wiffler said the issues to watch for in his industry in the coming years include a growing doctor shortage, childhood obesity and massive increases in expensive medical tests and prescription drugs.

Snyder, who specializes in bond counsel, said federal stimulus programs have been successful in the public arena and now private companies are beginning to take advantage as well.

Petersen reported that the county's 17 percent commercial space vacancy rate and near 14 percent industrial space vacancy rate could shrink and the window of free rental days is closing.