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## Local business leaders evaluate economic crisis

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CHARLESTON - The U.S. economy has survived oil market shocks in the 1970s, Japanese economic dominance in the 1980s, job losses to Mexico in the 1990s, dot-com busts in the early 2000s, and much more.

Jack Schultz, chief executive officer of the Agracel industrial development firm in Effingham, said this is why he is confident the national economy will survive and strengthen after the end of current troubles with bad housing mortgages and the Wall Street firms that invested heavily in them.

"As I look to the future, I think the best days of the United States don't lie in the past," Schultz said, adding he is a strong believer in the economic power of young entrepreneurs. "Our best days lie in the future."

Schultz was one of five **local business** and finance professionals who took part in a "Wall Street Bailout/Main Street Fallout" panel discussion Thursday evening at Eastern Illinois University. EIU's Lumpkin College of **Business** and Applied Sciences' School of **Business** and **Business** Solutions Center presented the event.

The speakers express a mixture of optimism about the long-term future of the national economy with serious concerns about what direction the economy will take in the short term.

"This is the most significant economic event of the last 75 years," said panelist Richard Whitaker, a member of EIU's finance faculty. "The final outcome of this is not yet resolved."

Speaking in a nearly full Lumpkin Hall Auditorium, the panel fielded a few questions regarding advice for various age groups of investors. A 30-something questioner asked if he should invest heavily in the stock market. Whitaker said the market is more volatile than ever and he is skeptical it has reached the bottom yet.

"I would not be rushing into major new investments at this point in time. I would let things settle a bit," Whitaker said.

Asked about his advice for investors in their early 20s, Schultz said they could find some investment bargains on the stock market that could become profitable in the long run.

"You are able to buy a lot more stock than what you could buy six months ago," Schultz said. Still, he said the best course for young investors would be to invest in themselves by starting their own **businesses**.

Chuck LeFebvre, executive vice president for trust and wealth management for First Mid-Illinois Bank & Trust, said retirees whose mutual funds are taking a hit should not panic.

LeFebvre said they should lower their spending and inquire about financial assistance for senior citizens, such as Illinois' Circuit Breaker program, so as much of their "nest egg" investments as possible will still be in place when the stock market recovers.

"Historically the stock market has been down for fairly short periods of time," LeFebvre said, adding the stock market was down at its longest for less than three years during the Great Depression. He said the stock market typically recovers before the general economy does.

Schultz suggested that senior citizens invest in Treasury Inflation-Protection Securities to ward off the effects of inflation. He said inflation is likely if the federal government continues providing funds for bailing out a growing list of companies, adding automotive and ethanol manufacturers now are seeking bailouts.

"I don't think it's the government's responsibility to bail out companies. I don't think it should be capitalism on the way up and socialism on the way down," Schultz said.

If Chrysler fails, for example, Schultz said someone else will pick up the pieces from the hedge fund that owns it and do a better job with the automotive manufacturer.

Locally, LeFebvre said East Central Illinois did not experience the growth of real estate bubbles and the subsequent bursts that have plagued large cities. He said the national economic troubles will have effects here, but he is optimistic about the area moving forward economically.

Dan Downs, president of First Neighbor Bank in Charleston, said small **local** commercial banks, as opposed to big investment banks, have remained successful because they have a lot more personal

contact with their customers. He said they thoroughly research a homeowner's financial resources before making a mortgage loan.

"You really have to get to know your borrower before you make that loan to them," Downs said.

Brian Titus, partner and general manager of Lorenz Supply Co. in Mattoon, said Lorenz has cultivated a strong relationship with **local** banks during its 62 years in **business**. Titus said this has helped as Lorenz has dealt with its customers' credit tightening dramatically due to the national economic woes.

Titus said the national economic troubles have caused Lorenz to become a better **business** because it is looking for ways to use additional opportunities that are available, such as marketing products online and seeking advice from the EIU SCORE chapter's **business** advisers.

"We have been here for 62 years and I fully intend for us to be here another 62 years," Titus said.

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