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Huntington Economist Says U.S. Economic Growth Will Be Slow & Steady

George Mokrzan, Ph.D., Explains that Manufacturing Industry is Key to Midwest Recovery

COLUMBUS, Ohio, Nov. 17, 2010 /PRNewswire/ -- Despite employment worries, the U.S. economy continues to show steady, if unremarkable growth, according to George Mokrzan, Ph.D., senior economist at Huntington (Nasdaq: HBAN) (www.huntington.com).

"We can expect to see a steady 2 percent growth rate for the U.S. economy through the first quarter of 2011," said Mokrzan.

Mokrzan will discuss his perspectives on global, national and Midwestern economic conditions when he hosts a webinar on **Thursday, Nov. 18**, beginning at **12:30 p.m. ET**.

At the webinar, Mokrzan will discuss the signs of improvement that he says can be found in consumer spending, business investment, employment and housing:

- Consumer Spending -Mokrzan noted consumer spending, particularly a 7 percent increase in year-over-year retail sales, is an important indicator.

"Improving consumer spending is a strong indicator of recovery," said Mokrzan. "There has been a modest improvement in disposable income this year, so we should see a better-than-last year holiday shopping season."

- Business Investment -Mokrzan noted that even after businesses' fairly robust equipment investment in the first half of the year, there was continued growth in the second half of the year.

- Employment -Private payroll trends are gradually improving, Mokrzan noted.

"Employment is not robust by any measure," said Mokrzan. "However, it's showing steady improvement."

- Housing -Mokrzan sees improvements in the housing market.

"In general, there are still problems with high inventory, but affordability is the current trend," said Mokrzan. "Affordability and extremely low mortgage rates by long-term historic levels are the silver lining in housing. These factors should help to keep the housing recovery going."

Midwest Well Positioned for Recovery

In the Midwest region, Mokrzan notes that Ohio and its surrounding states are well positioned for the recovery. The manufacturing industry has performed better in the recovery nationally, which bodes well for the Midwest.

Housing didn't go through the boom-bust cycle that other parts of the country went through. In fact, markets like Cleveland out-performed the nation in housing price growth in recent years, Mokrzan added.

"While there has been – and still is – a difficult employment situation, it should improve and, most likely, improve more quickly in the Midwest," Mokrzan said.

Little Risk of Double Dip

Mokrzan explained that after a slowdown in the second quarter, there was a lot of attention and concern about a "double-dip" recession.

"There certainly was some risk, but I never saw that as much more than a one-in-four chance," Mokrzan said. "The economic recovery remains somewhat fragile. I think there are lingering concerns about the sovereign debt crisis in Europe, as shown by the recent headlines focused on Ireland. However, the European Central Bank has shown it can step in to promote liquidity. There is also some policy uncertainty, such as the debates surrounding the renewal of 2001 and 2003 Federal tax cuts."

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