Financial Experts Say Kodiak Economy Okay

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The Kodiak Chamber of Commerce Monday assembled a panel of local experts on the economy to discuss how the nation's current financial crisis and the recent Wall Street bailout passed by Congress and signed by President Bush is affecting Kodiak. (Photo by Casey Kelly/KMXT).

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Casey Kelly/KMXT

Volatile barely begins to describe the stock market lately. Take for example Monday (yesterday), when the Dow Jones industrial average dipped as much as 800 points before recovering somewhat to close with a loss of 370 points on the day. While that was going on, a group of local financial experts got together to discuss what the current situation on Wall Street means to the average resident of Kodiak. KMXT’s Casey Kelly has more.

The Kodiak Chamber of Commerce sponsored the panel for its monthly Membership Monday’s lunch. The overwhelming consensus amongst members of the panel was that people in Kodiak are in a good position to ride out the current financial crisis. Greg Deal from Wells Fargo Bank in Kodiak is a member of the chamber’s board of directors. He says Wells Fargo’s local branches have experienced strong growth in the past ten years.

(Deal 1 :30s “…it’s, um, very favorable.”)

Craig Johnson, a financial advisor with Edward Jones Investments, points to two indicators as proof of Kodiak’s economic health: unemployment and sales tax revenue. Unemployment in town, he says, is up slightly from last year at about 6.75 percent, but is still below the national average. Johnson says the sales tax numbers surprised him.

(Johnson 1 :16s “…sales tax revenue is higher.”)

He added that even the fishing industry, which drives Kodiak’s economy and is used to seeing boom and bust years, has been relatively stable recently.

(Johnson 2 :37s “…for the local economy.”)

Panelists were split over whether the 700-billion dollar Wall Street bailout bill, passed by Congress and signed by President Bush last week, was a good thing. Deal thinks it was.

(Deal 2 :19s “…will be some recoveries.”)

But Mark Anderson with First National Bank in Kodiak isn’t so sure.

(Anderson 1 :12s “…kids and my grandkids.”)

Everyone on the panel agreed that there’s no reason to panic and pull your money out of banks. One reason cited was that the bailout bill includes an increase in the amount that bank accounts are insured by the Federal Deposit Insurance

Corporation, from 100-thousand dollars to 250-thousand per account. However, Anderson pointed out that it wasn’t like any one of the bankers on the panel was going to say it’s a bad idea to keep your money with them.

(Anderson 2 :18s “…probably from most bankers.”)

Johnson even said that now might be a good time to invest in the stock market.

(Johnson 3 :29s “…right now, at today’s prices.”)

Everyone agreed that the smart thing to do is to invest strategically and diversely. They also said that if you’re willing or able to ride out the current dip in the market, things will improve eventually.

I’m Casey Kelly.

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