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Speakers upbeat on region's economy

Growth outpaces manufacturing losses, one says

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The mist that has shrouded the Rochester-area economy because of the loss of manufacturing jobs seems to be clearing, M&T Bank's regional economist said Wednesday.

Gary Keith told an audience of 400 at the Hyatt Regency that the growth of private-sector service jobs is exceeding the decline of manufacturing, resulting in overall job growth.

"I think we're finally getting over this whole hurdle of transition from a manufacturing economy to a service economy," Keith said at the Rochester Downtown Development Corp.'s "Repositioning Rochester" luncheon.

He acknowledged that manufacturing jobs tend to pay more than service jobs, but said Rochester's service growth is concentrated in sectors that pay relatively well: education, health care, financial services and professional and business services. These sectors all are growing faster than the national average, Keith said.

And he said that some manufacturers are adding jobs, just not in large-enough numbers to offset the continued downsizing at companies such as Eastman Kodak Co.

Citing federal government statistics, Keith said manufacturing wages average \$56,500, compared with \$35,400 for nonmanufacturing jobs in the private sector. But financial service jobs pay an average of \$49,400, and professional and business services pay \$48,100 — examples of service jobs that pay well above the overall average.

The general tone at the luncheon was upbeat, with Keith and three other speakers saying that the region's economy is expanding, albeit slowly, because of the growth of small businesses.

But Kent Gardner, president and chief executive of the Center for Governmental Research, said Rochester will need to keep an eye on the national economy, which some analysts say might be headed for a recession because of a long-lasting housing slump that also has led to a credit crunch.

"We can all agree that the nation's economy is in tremendous uncertainty right now," he said, explaining that the credit crunch was caused in part by the creation of highly complex securities that investors are having a hard time evaluating.

Gardner, described as "our singing economist," broke into song during his presentation, using lyrics to the tune of "Home on the Range" to depict the nation's housing woes.

On a more serious note, he said there has been a dramatic change in the credit markets this year, with lenders becoming increasingly nervous about where their money is going.

The other speakers were from the media business: Norm Silverstein, president of WXXI Broadcasting Council; and Neill Borowski, managing editor of the *Democrat and Chronicle*.

Heidi Zimmer-Meyer, president of the downtown development group and the moving force behind the Repositioning Rochester series, said, "I think the most significant outcome of this event is that people understand better what we're dealing with in this economy."

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