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China looms over Rochester's financial future

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While the Chartered Financial Analyst Society of Rochester invited Kent Gardner, president and chief economist of the Center for Governmental Research, to give a forecast of the local economy, China loomed large over his speech and the discussion afterwards.

At a Thursday afternoon event at Oak Hill Country Club, Gardner said the Rochester area will need to leverage its intellectual capital and higher education resources to confront many coming economic challenges, among them the surging Chinese economy.

His presentation included a song sung to the tune "Brother, Can You Spare a Dime?" and written from the perspective of American business people with the refrain "comrade, can you spare a yuan?" It expressed concern about competition from China and America's growing debt to the Asian nation.

Seth Tenenbaum, a 22-year-old member of the Rochester Young Professionals, asked if Gardner expected China to pass the United States as a global economic power and how such a possibility could be avoided.

Gardner said one possibility is to encourage democracy in China because as long as the country is able to maintain a totalitarian government and free-enterprise economy, it will have an advantage. "(Chinese leaders) didn't have to worry that every province got a piece of the stimulus money, they sent it where it would do the most good," he said.

He decried U.S. stimulus efforts as wasteful and pork-laden.

"Every time someone in Congress suggests another stimulus act, I cringe in horror," said Gardner, who added that the country must invest in education and skills training to stay competitive.

He also expressed concern about New York state government, saying there is a "breathtaking" vacuum of leadership in Albany. He said he expects upstate to be hurt by the shift in power that occurred in the Senate, from Republican senators who represented districts spread throughout the state to Democratic senators who are concentrated in the New York City region.

Gardner said the state must deal with the high-cost issues of school aid and Medicaid or "we're going to continue to have red ink."

Despite these challenges, he said the Rochester economy fared relatively well during the recession, citing employment and foreclosure statistics that were among the best in the nation.

"I feel we're sailing into a headwind," he said. "But we are well positioned."

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