

# CITY NEWSPAPER

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## BUSINESS: Room for optimism in local economy

By [Tim Louis Macaluso](#) on October 5, 2011

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The one-two punch of Kodak-bankruptcy speculation and the city filing a complaint with the FCC regarding Windstream's purchase of Paetec may be troubling. But there are reasons for optimism about the Rochester region's economic future.

The area's economy is no longer dependent on the "big three" - Kodak, Xerox, and Bausch & Lomb - as it was 20 or 30 years ago. The region is much more diversified now, said University of Rochester President Joel Seligman at the Finger Lakes Regional Economic Development Council on Monday.

Negative news about Kodak has a psychological impact, which may cause people to be cautious about big purchases like a house, says Kent Gardner, president of the Center for Governmental Research. And Kodak retirees who are not yet 65 could lose their health care if the company files for bankruptcy.

But Gardner doesn't foresee a Kodak bankruptcy happening.

And while he says he expects some layoffs to result from Windstream's purchase of Paetec, startups frequently emerge from the talent of companies like Paetec after mergers. From these transactions, owners and upper management often have the money and time to create new ventures, Gardner says. This is one of the reasons areas like Silicon Valley became so successful, he says: there is a recycling of money and experience.

"We could initially lose some jobs, but it could be a net positive," Gardner says.

The Rochester region could always use more people with the experience to start and manage new companies, he says.

The raw talent from Rochester's well-educated workforce is already in place, Gardner says. On a per-capita basis, Rochester ranks first in the number of people with college degrees in math, he says.