

Local economic panel is cautiously optimistic about this year's outlook

Cautious optimism was served up to the Rochester Rotary Club today by a panel of experts looking ahead at business and the economy in 2012.

The panel consisted of Kent Gardner, president and chief economist of the Rochester-based Center for Governmental Research; Steve Babbitt, chairman of the board of the Greater Rochester Association of **Realtors**; Brad McAreavy, president of the Rochester Auto Dealers' Association; and Clayton Millard, first vice president of wealth management at Merrill Lynch.

A consensus among the speakers was that the American economy is emerging slowly but positively from the 2007-09 recession and that Rochester has risen more quickly and especially well from the downturn. Private-sector job growth in the region has been particularly robust, a pattern expected to continue.

"We had the best job performance of any metro in the state with the exception of the much smaller Utica-Roma area," Gardner said. "We've basically recovered everything we lost in the recession. One of the most encouraging aspects of this is that I can't explain it. If I could, if it were one company

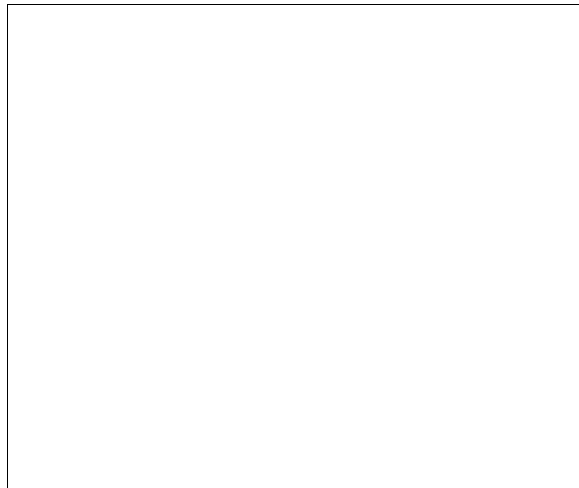
responsible, then there would be concern about that one company faltering. But this has been a very broad-based increase, led by the manufacturing sector."

The one cloud hanging ominously over this picture, the panel said, is the debt crisis in Europe, where red ink in countries like Greece, Italy and Spain remains plentiful and the fate of the common currency, the euro, is, as the year begins, unresolved.

"We expect Europe to get its act together," Millard said. "But all bets are off if they don't and the currency unwinds." He said the risk of that happening is greater today than it was at this time a year ago.

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