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Area's future growth tied to our own wits

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Sandy Parker asked panelists discussing the regional economy in 2010 to recall the biggest headline of 2009. Gary Keith of M&T Bank took the first stab:

"The big headline was that we *didn't* have a big headline," Keith said in response to the question from the Rochester Business Alliance CEO at a Rotary Club meeting last week. "We dodged what hit most of the rest of the country right in the face."

Indeed, Rochester's Goldilocks economy — not too hot, not too cold — was a godsend last year. While countless other metro areas saw housing values plunge and layoffs by the tens of thousands, Rochester ambled along with a fairly steady real estate market and modest job cuts.

Not that we're pain-free, not with 40,000 people in the region out of work as of November. But if Rochester's unemployment rate were as high as the nation's, the ranks of the jobless would number 54,000. So it could be much worse.

The big questions looking forward: Can it be much better? Can Rochester rank among the 20 strongest areas in the U.S. as the economy recovers, as it did when the economy was hurting?

While I'd like to believe the answers are yes, I'm skeptical. Where is the growth going to come from? We long ago abandoned hope that the historical Big Three of Kodak, Xerox and Bausch & Lomb (excuse me, it's now Bausch + Lomb) would be engines of growth.

If there's new hope to be found, it almost certainly will be linked to the finding of Greater Rochester Enterprise that we have an unusual concentration of smart people here. GRE looked at the percentage of population enrolled in college, patents issued per 1,000 people, number of workers trained for a knowledge-based economy and number of companies ranked among the best places to work. Conclusion: Rochester scores better than more widely publicized areas such as San Jose, Austin and Washington.

"Where smart people live and smart businesses grow," GRE says of Rochester. We'll be counting on the second half of that description.