

Teshome gives business forecast to Chamber

CONTINUED FROM C1

about the economy, they'll pretty much say, 'it sucks.' But he told the audience, "But it sucks less here, primarily because the city and region has restructured itself from a production economy to a knowledge economy. In Pittsburgh there are now three knowledge jobs for every production job. The national average is 2-1."

He noted that among six comparably sized markets, Pittsburgh's cost of doing business was the highest, but its cost of living was second lowest.

Locally he expects the economy to grow at around 3 percent next year, driven by the education/health sector and the business and professional service sector. He also expects growth in the energy sector.

"Those six-figure Marcel-lus jobs you've heard stories of—they're out

there," he said. "But there are so few of them, the economic effect will be seeing that money circulate back through the economy."

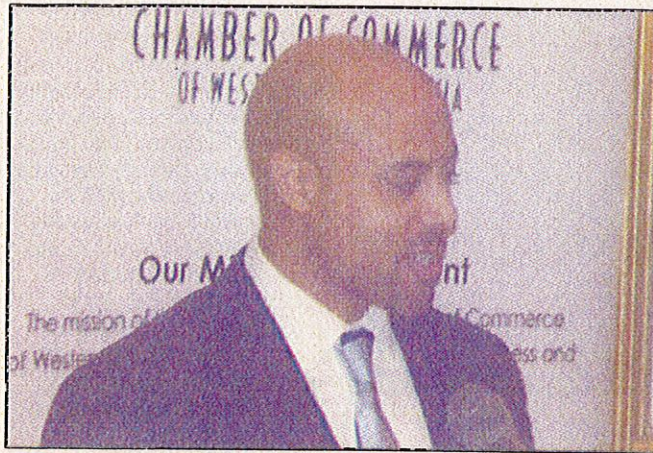
Apocryphal of that, during her closing remarks after thanking Teshome, Chamber President and CEO Doris Carson Williams thanked Chevron, and its 19 company officers who participated in its recent supplier forum at Heinz Field.

She also welcomed new members and reminded everyone that upcoming events include a social media workshop on Oct. 30, the Holiday Dinner on Dec. 2, and the Annual Business Luncheon, featuring a Keynote address from PPG Industries CEO Charles Eunch and a tribute to outgoing US Steel Chair John Surma, on Dec. 4.

(Send comments to enr@newpittsburghcourier.com.)



Inside Conditions
Raven 'stalled'
C3



PREDICTIONS—PNC VP and Market Analyst Mekael Teshome tells the African American Chamber of Commerce's PowerBreakfast audience that he sees modest but positive economic growth ahead. (Photo by Christian Morrow)

BUSINESS

OCTOBER 23-29, 2013

www.newpittsburghcourier.com

Classified
Find what you need
from jobs to cars
to housing
C5-C6



Teshome gives business forecast to Chamber

by Christian Morrow
Courier Staff Writer

As an economist and assistant vice president at PNC, Mekael Teshome's specialty is risk analysis. So it wasn't unexpected that the economic forecast for the coming year he presented at the African American Chamber of Commerce's October 18 PowerBreakfast was relatively conservative, but positive.

"We are not in the cable news Armageddon camp

with respect to the economy," he said. "The long list of crises our government has dragged us into and out of in the last few years have created a lot of volatility, but that volatility actually hides growth. It's only about 2 percent, but that's not entirely horrible."

Nationally, Teshome noted, auto and retail sales have returned to near pre-2008 levels, the housing market—which triggered the collapse—is showing double-digit

growth, and the average household debt, which was 130 percent in 2006, is down to 105 percent.

So the recovery will continue, at a modest pace. Teshome forecasted only a 1.6 percent final growth figure for 2013, but expects to see that increase to 2.5 percent in 2014 and 2015.

On the other hand, there will be little to no income growth, primarily because there is such a huge pool of unemployed workers available. Also, start-up

businesses have largely disappeared. This is due in part to lender risk aversion following the recession, but also due to entrepreneurs having their home equity wiped out—the equity they could have used for investment or collateral.

Locally, Teshome said, the economy weathered the recession much better, and was the first "non oil-based" region to recover.

"If you ask someone

SEE TESHOME C2