

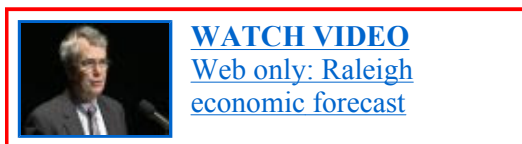
Warm forecast issued for local economy

Posted: Jan. 6 5:23 p.m.

Updated: Jan. 6 6:58 p.m.

Economists said Wednesday that Raleigh is well-positioned for an economic rebound in 2010, but they cautioned that the road to recovery could still be slow.

"Congratulations. You survived the greatest recession of the post-World War II period, and it is truly an achievement," John Silva, chief economist for Wells Fargo, told the audience at the Greater Raleigh Chamber of Commerce's annual economic forecast event.



Silva and Matthew Martin, a member of the Federal Reserve Bank in Richmond, Va., cited several economic indicators that are slowly moving in the right direction, including the housing market, jobless claims and car sales.

"This time last year, we were staring into the abyss. We didn't know how bad it was going to be," Martin said, reminding the audience of how the nation was pummeled by bad economic news on an almost daily basis.

"Raleigh has held up better than the rest of the state. You can actually take bragging rights," he said. "Typically, in past recessions, it was the Raleigh-Triangle area competing with Charlotte for who's holding up the best. Charlotte has fallen behind this time around."

Silva cautioned the crowd of bankers and business people that the current slow growth could be snuffed out altogether if health care reform legislation backfires.

"When you talk about health care reform, as an economist, basically it's price control, basically it's rationing," he said. "There's no way in the world you're going to provide health care for everyone at a lower price. It's just not going to happen."

More government bailouts and imbalances in revenues and spending at the state level also raised red flags for Silva.

"This state cannot print money. Unlike the federal government, we cannot just print money. So we have to figure out, are we going to put a bond issue out there, or are we going to raise taxes?" he said.

Martin told the crowd to remain focused and move slowly toward economic growth.

"For the recovery to continue (and) strengthen, for the U.S. economy to sort of solidify this year, I think it will also begin to feel like a recovery," he said.

Reporter: [David Crabtree](#)

Photographers: [Keith Baker](#), [Mark Simpson](#)

Web Editor: [Matthew Burns](#)

Copyright 2010 by Capitol Broadcasting Company. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.