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Business

Seventh inning \$tretch?

Survey: If the economy is like a baseball game, where are we?

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By BRIAN McCULLOUGH

So, are we in the seventh-inning stretch or headed to extra innings?

With spring training in full gear, West Chester Capital decided to gauge its clients' mood on the national economic downturn within the framework of a baseball game.

It asked in its latest survey: If the current economic downturn is a nine-inning baseball game, in your estimation, what inning are we in?

Respondents were given options of inning one for the pessimistic, "going to be a double-header" for the very pessimistic, to inning nine and extra innings for the sunny-siders.

The most popular view among respondents was that the downturn is in the sixth or seventh inning, at 18.9 percent each, while a less sunny outlook — the fourth inning — was next, accounting for 17.5 percent of the responses.

Four percent of respondents said the nation is only in the first inning while 6.7 percent said it's going to be a double header.

Ouch.

"I've never seen fear promoted like this in my life," said Thomas F. McKeon, a principal at West Chester Capital, who believes media

reporting has played a role in creating a panic psychology among investors. "I've never seen businesses and consumers stop spending at the same time just like that.

"It's almost like a game of musical chairs," McKeon said. "If you didn't grab a seat, you're out of a job and the house is on the market."

Noting the responses to the survey — West Chester Capital puts out new ones regularly — McKeon observed that a near majority of responders voted the downturn to be in the fifth, sixth or seventh inning, indicating the country would be halfway to two-thirds of the way through the downturn.

"I'd come down at seven innings," McKeon said. "It depends on whether the stimulus gains traction and people feel they can start spending again."

Commenting on the stock market's precipitous decline, McKeon said some of his clients have pulled out.

"We've had some attrition, sure," he said. "Some people can't take the heat. Others have doubled down. But there's no doubt, there's a lot of angst out there."

To the naysayers of the federal government's attempts to soften the downturn with intervention, McKeon said they need to be more patient.

Since the private sector and consumers aren't in a position to spend right now, "the government is putting up its balance sheet," he said.

"I expect all of what the government is doing will help," McKeon said "The infrastructure investment, energy sustainability, highways, schools and libraries — they're all projects for the common good that will put paychecks in the hands of people.

"The people who are going to fix this economy are the four million people without jobs right now," he said. "When those people are able to buy gas, buy houses ... I think it (the government stimulus) will be constructive."

The investment advisor also believes investors will be back "when they realize they can't finance their dreams on zero or 2 percent returns."

McKeon said there were 75 responses to the survey on the company's Web site, [wccadvisors.com](http://www.wccadvisors.com).

West Chester Capital is a wholly owned subsidiary of AmeriServ Financial, a publicly held bank and trust company headquartered in Johnstown.

To contact business editor Brian McCullough, send an e-mail to business@dailylocal.com.

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