M&A Player's Prediction: Recession Will End by June

Michael Alcamo says economy will begin to rebound by end of Q2.

By [Jason Fell](#)

02/10/2009 -12:43 PM

Get your proverbial crystal ball—and your pocketbook—ready.

In a press release issued today, Michael Alcamo, president of a New York City-based investment banking firm, boldly predicted that there is a "95 percent chance" the economic recession will end on or before June 1. Alcamo based the prediction on evaluations he conducted of empirical data collected by the National Bureau of Economic Research.

"The NBER data show that we have had 11 recessions since World War II, and that the average post-war recession lasted 10.3 months," Alcamo said in the release. "This recession may be different in character and causes than prior recessions, but we do not believe that this cycle will be fundamentally atypical."

When contacted by FOLIO:, Alcamo said his prediction of economic recovery has major implications for magazine publishers.

Trade publishers serving sectors linked to President Obama's stimulus package—including civil engineering, roads and bridges, home-building/ lumber, hydroelectric, electrical grid, etc.—are "likely to do well," he said. Also, he predicts an increase in the allocation of advertising dollars by the fourth quarter.

"I would see shelter books doing better, and trade publishing that focuses on retail, including giftware, gourmet food, foodservice, and city and regional publishing, which depends on major regional retail advertisers."

But isn't it a bit risky to publicly predict the end of a recession? What if he's way off?

"We feel that it is important and valuable to maintain a sense of the cyclical nature of history," he said. "The depth of a recession can be a result of psychology … I think there now is a natural inclination to be optimistic and confident in Washington, and this will work to our advantage."

RELATED LINKS

- [A Recession is a Terrible Thing to Waste](#)