

Buffett: Rebound tied to housing

By Josh Funk

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OMAHA, Neb. — Billionaire investor Warren Buffett said Friday the nation's employment picture will improve significantly once residential housing construction rebounds.

Buffett spoke to Bloomberg Television Friday as the Labor Department released a weaker-than-expected monthly jobs report. He said the report shows the economy is still a long way off from where it should be, but Buffett remains optimistic about the recovery and sees no danger of a second recession.

"I would bet very heavily against that," Buffett said.

Most of Buffett's comments were focused on the long-term outlook. Buffett said he expects unemployment to fall to about 6 percent within a few years, and the



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Warren Buffett said Congress is playing a dangerous game by considering not raising the U.S. debt ceiling.

2.5 million jobs lost in the recession will be replaced. The June unemployment rate rose to 9.2 percent.

The chairman and CEO of the conglomerate Berkshire Hathaway Inc. said he thinks people will be surprised how quickly employment improves once the excess houses are bought and normal levels of construction resume.

"We will come back big-time on employment when residential construction comes back," Buffett said.

For a time, Buffett said the housing industry was building about 2 million homes a year while roughly 1 million households were being formed, and the nation is still working off that excess created during the housing bubble.