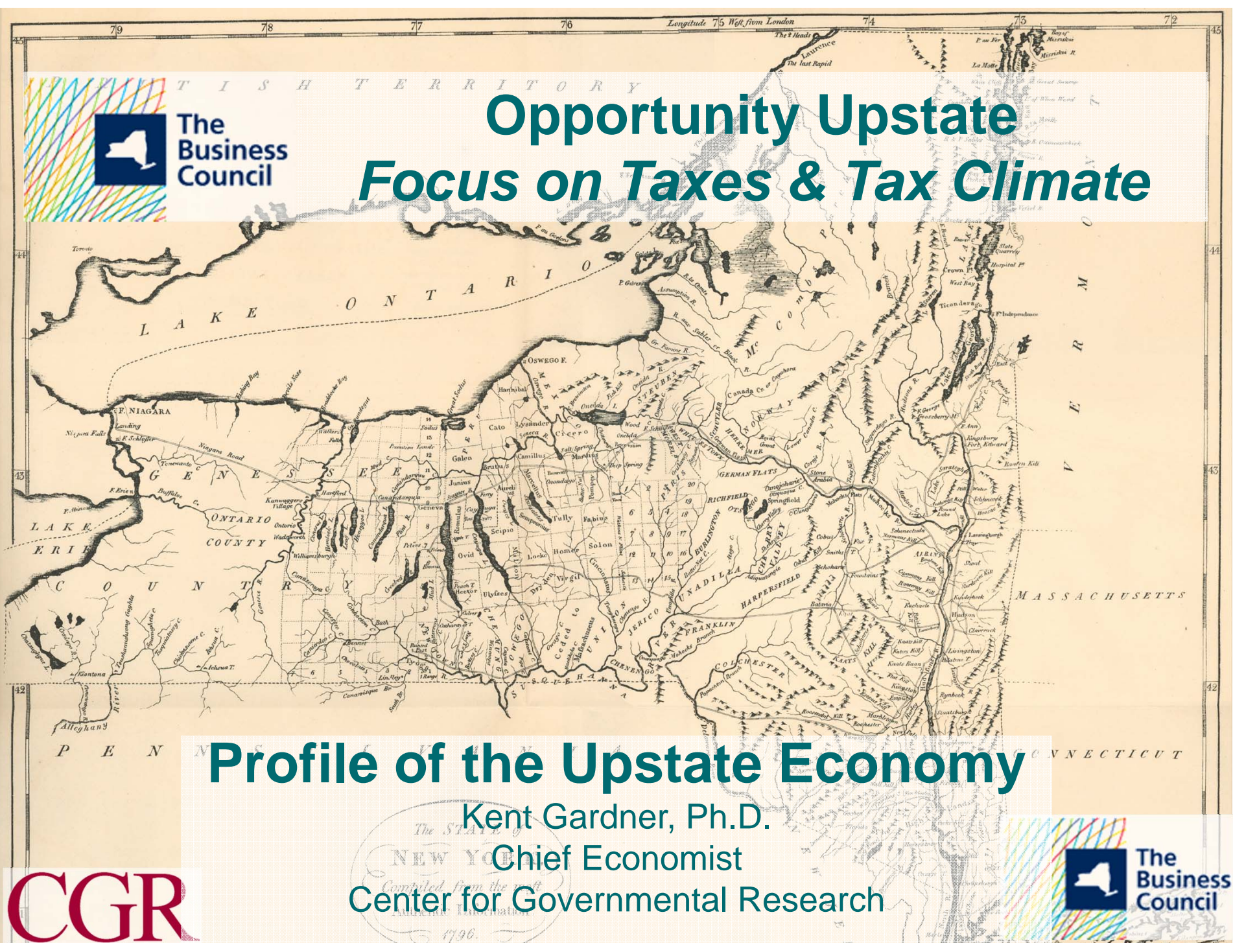




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Opportunity Upstate Focus on Taxes & Tax Climate



Profile of the Upstate Economy

Kent Gardner, Ph.D.

Chief Economist

Center for Governmental Research

CGR



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Center for Governmental Research

- ❖ Founded in 1915 by George Eastman
- ❖ Project-oriented 501(c)(3) serving state & local government primarily in NYS
- ❖ 16 staff members
- ❖ Public sector management consulting, economics & public finance, human services restructuring, education reform, health care



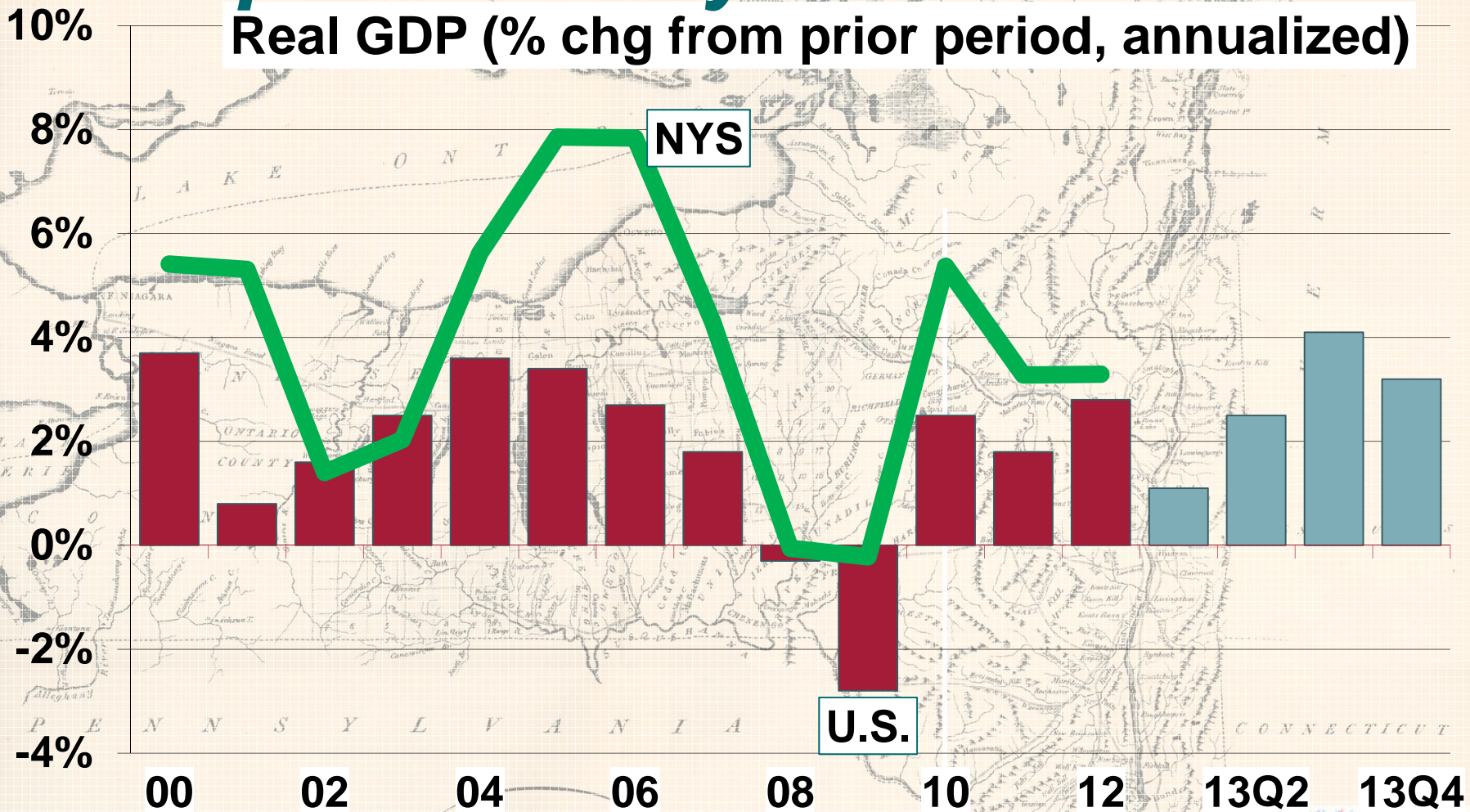
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GDP growth slows; *pos territory since 09Q3*

Real GDP (% chg from prior period, annualized)



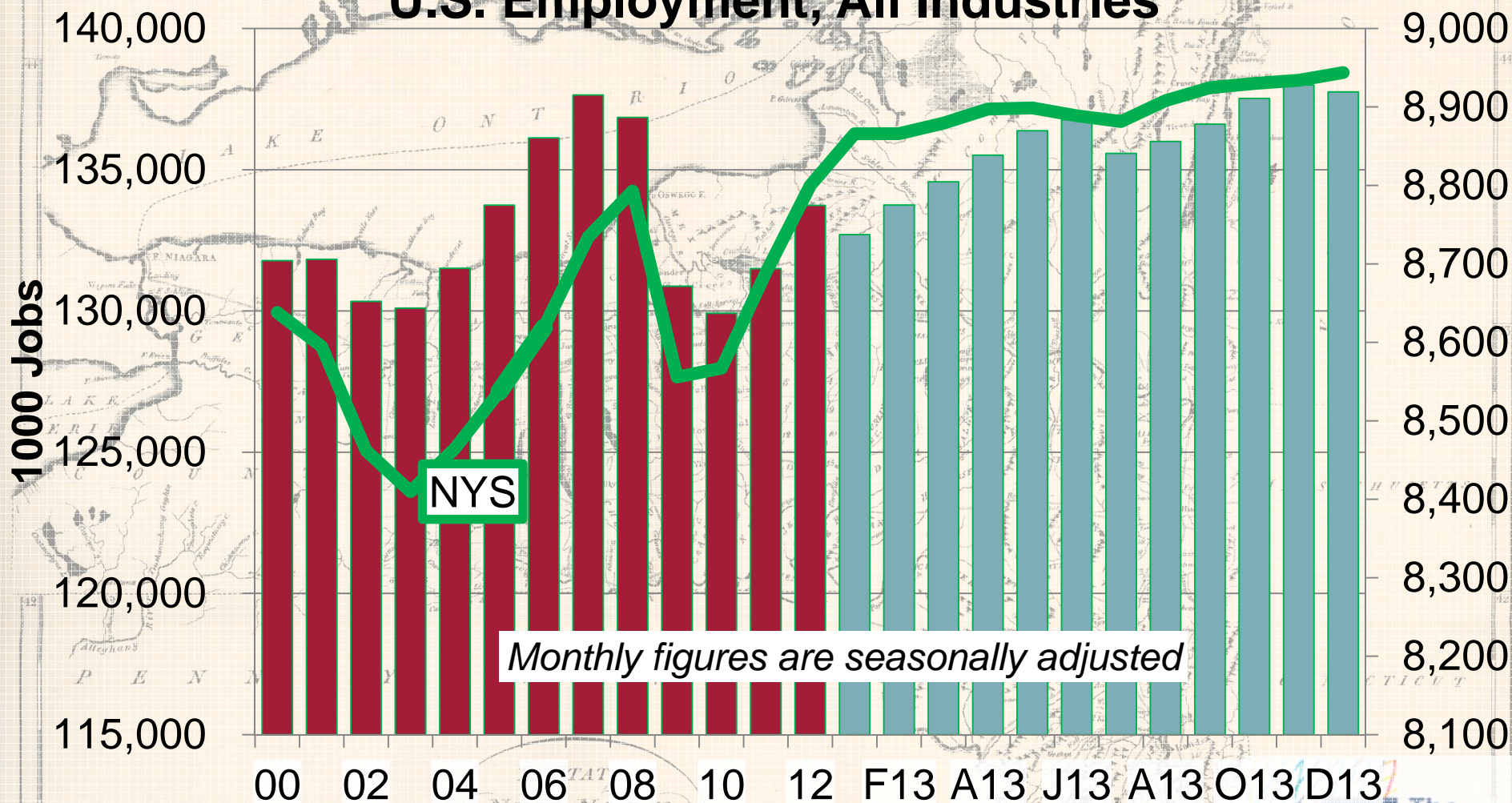
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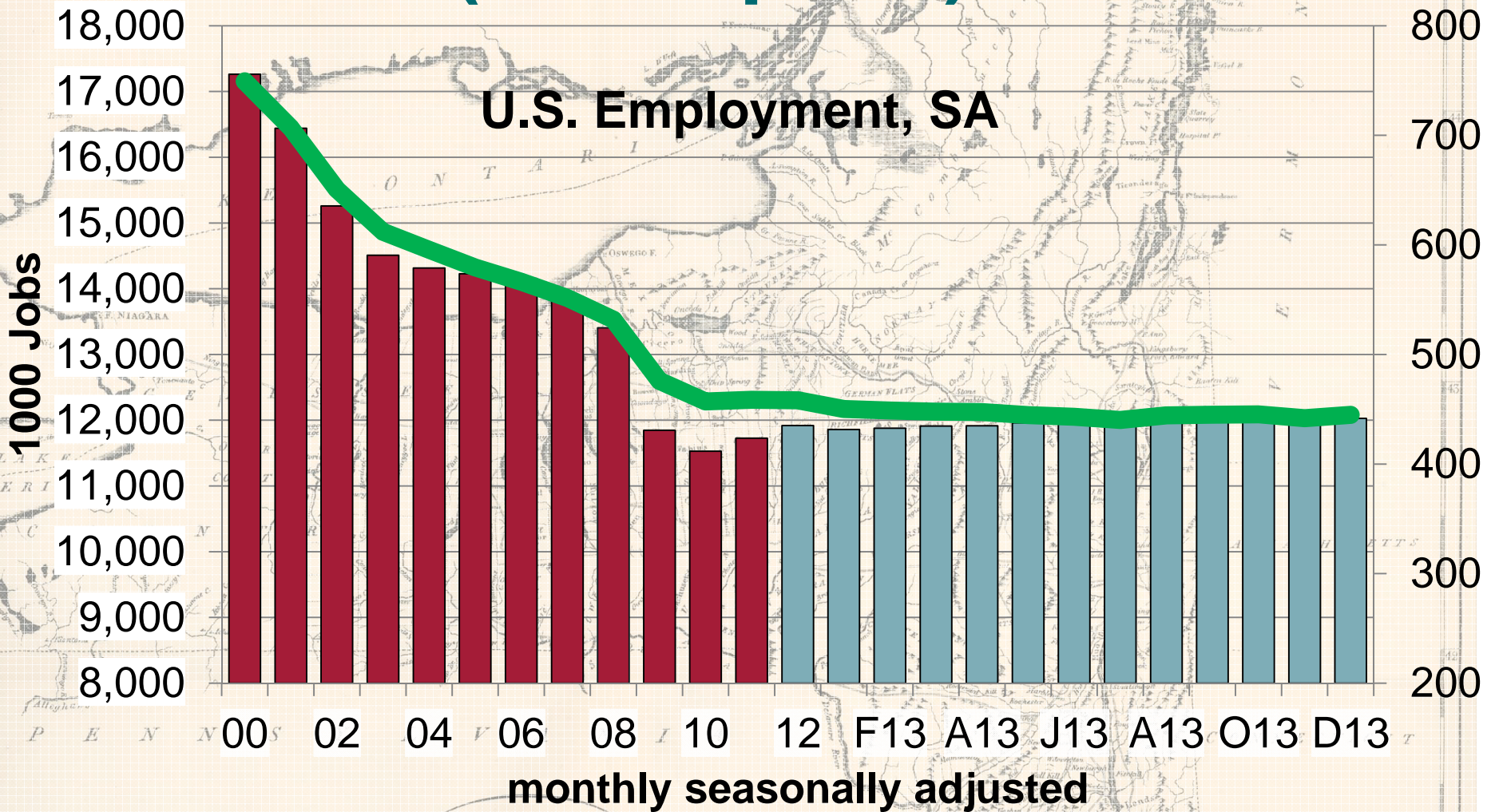
Employment regains pre-recession levels

U.S. Employment, All Industries



Monthly figures are seasonally adjusted

No rebound in manufacturing (no surprise)

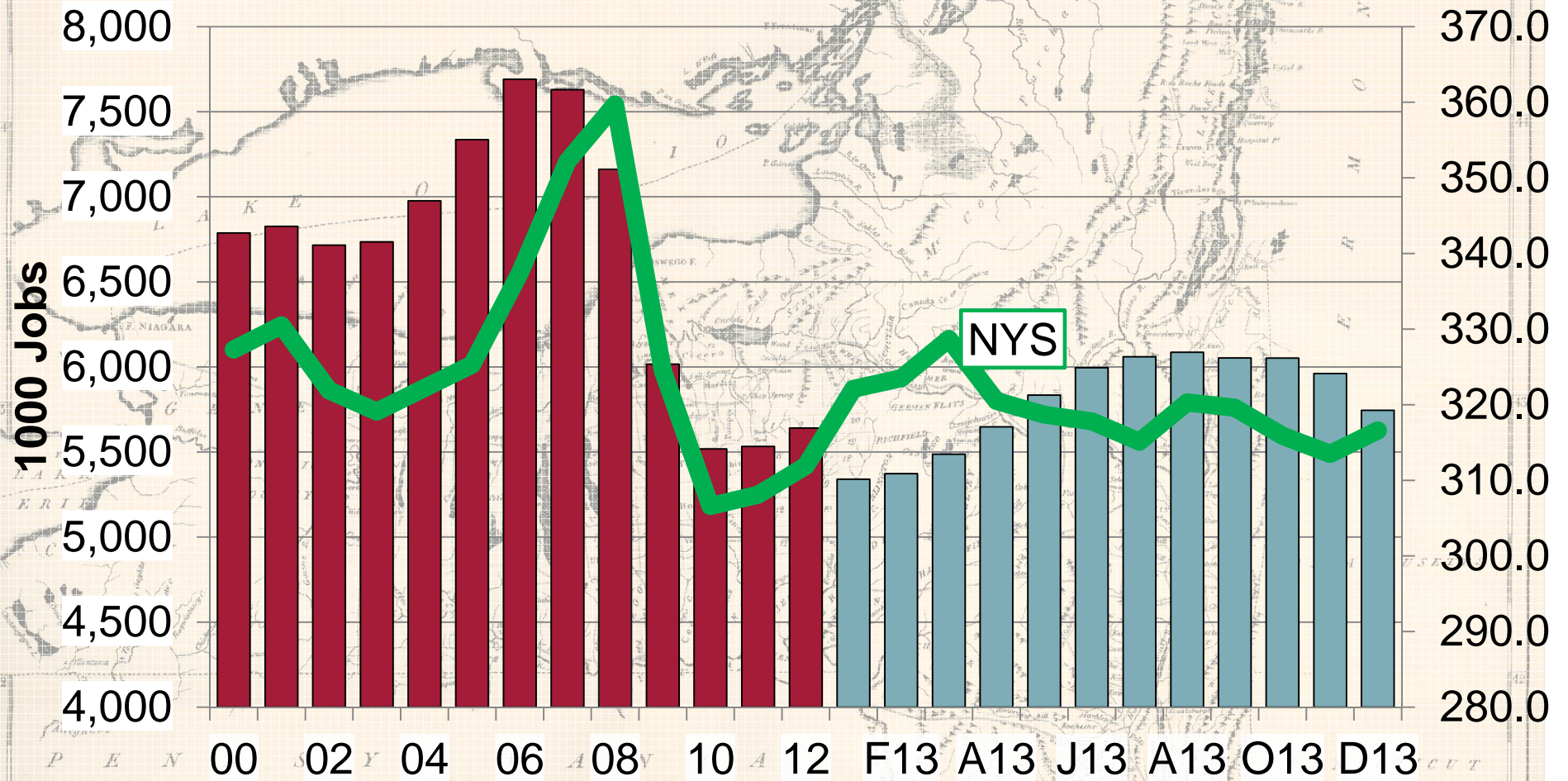


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Construction stuck far below peak



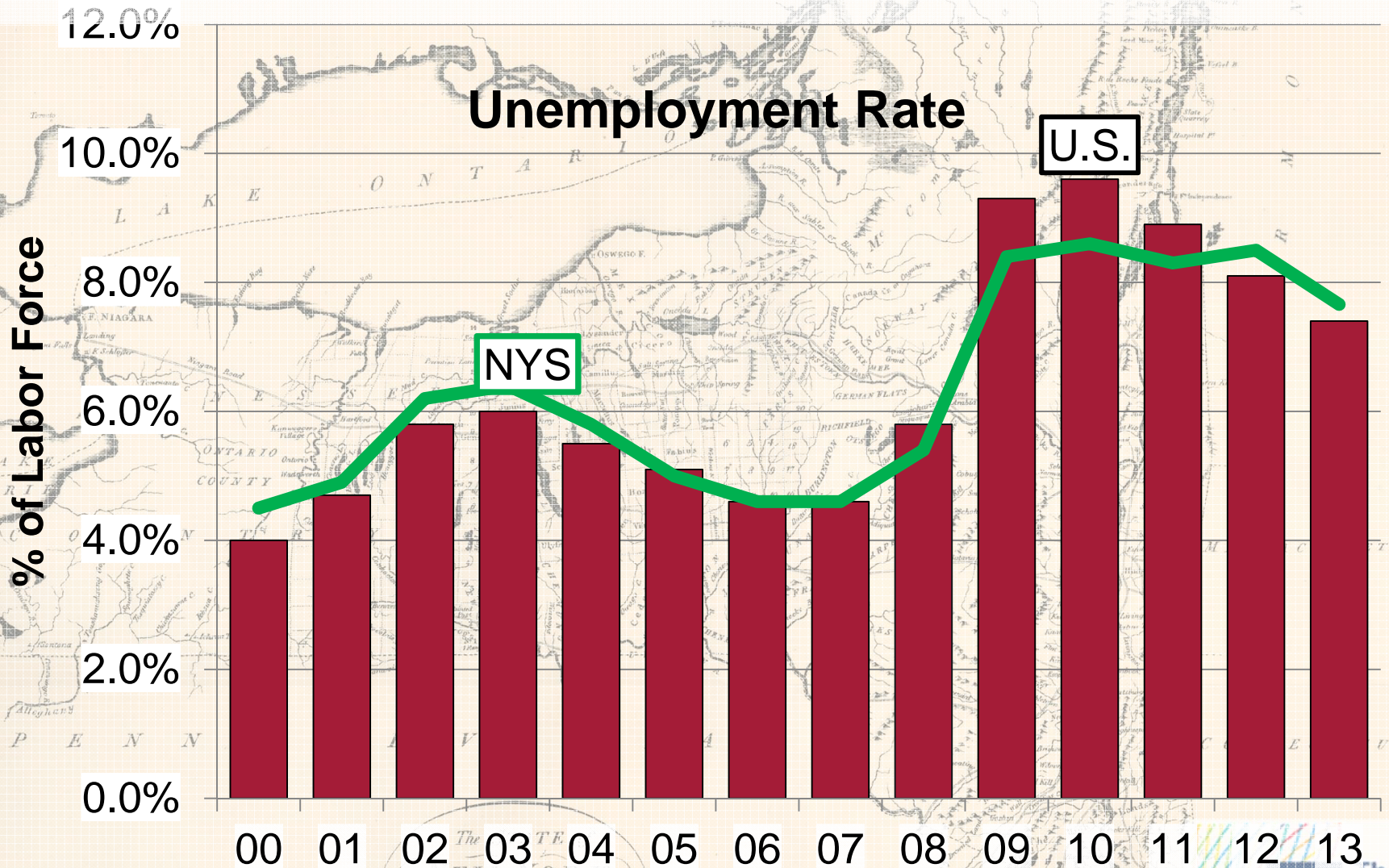
Monthly: seasonally adjusted

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UE Rate Declining Steadily

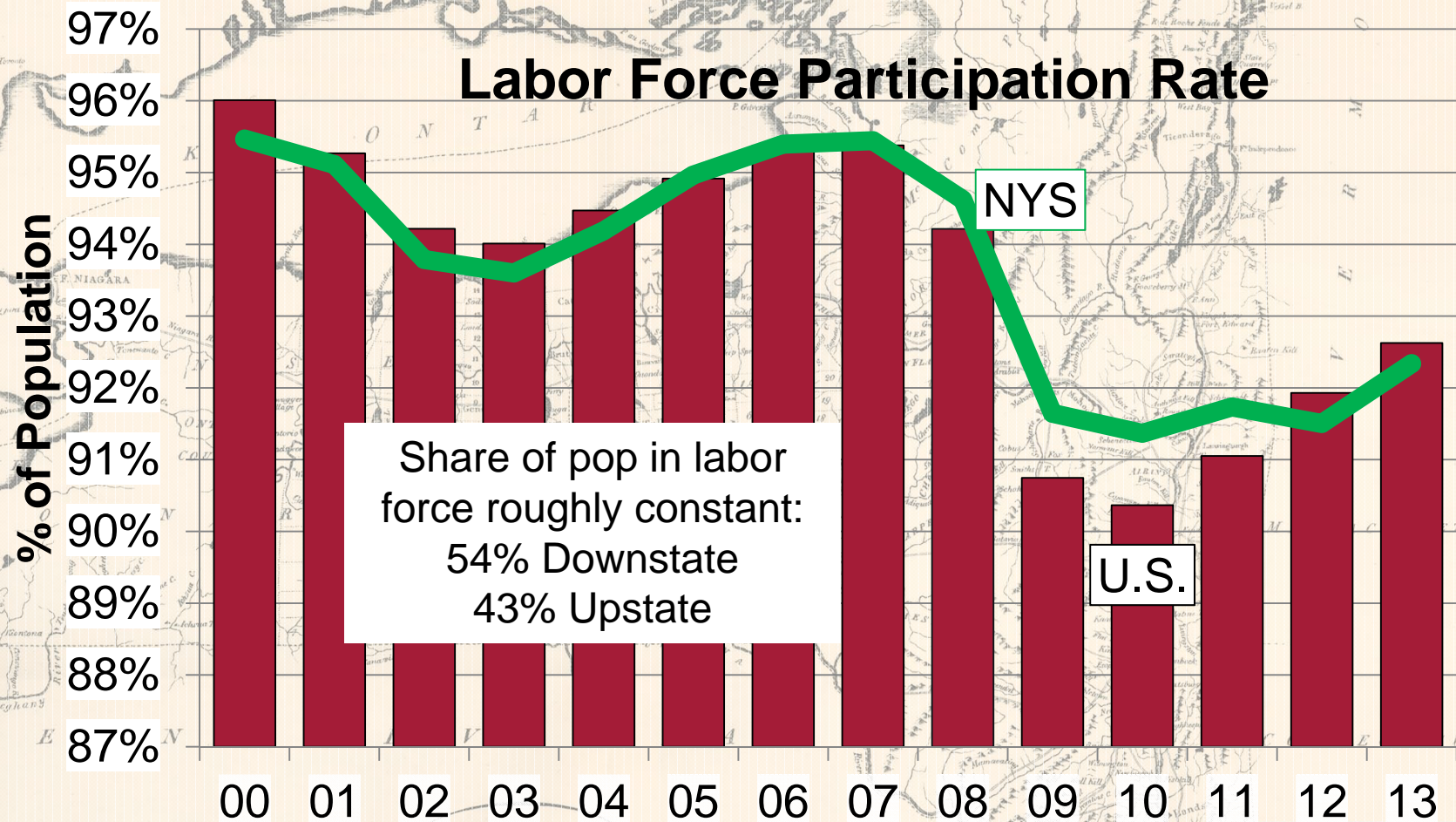


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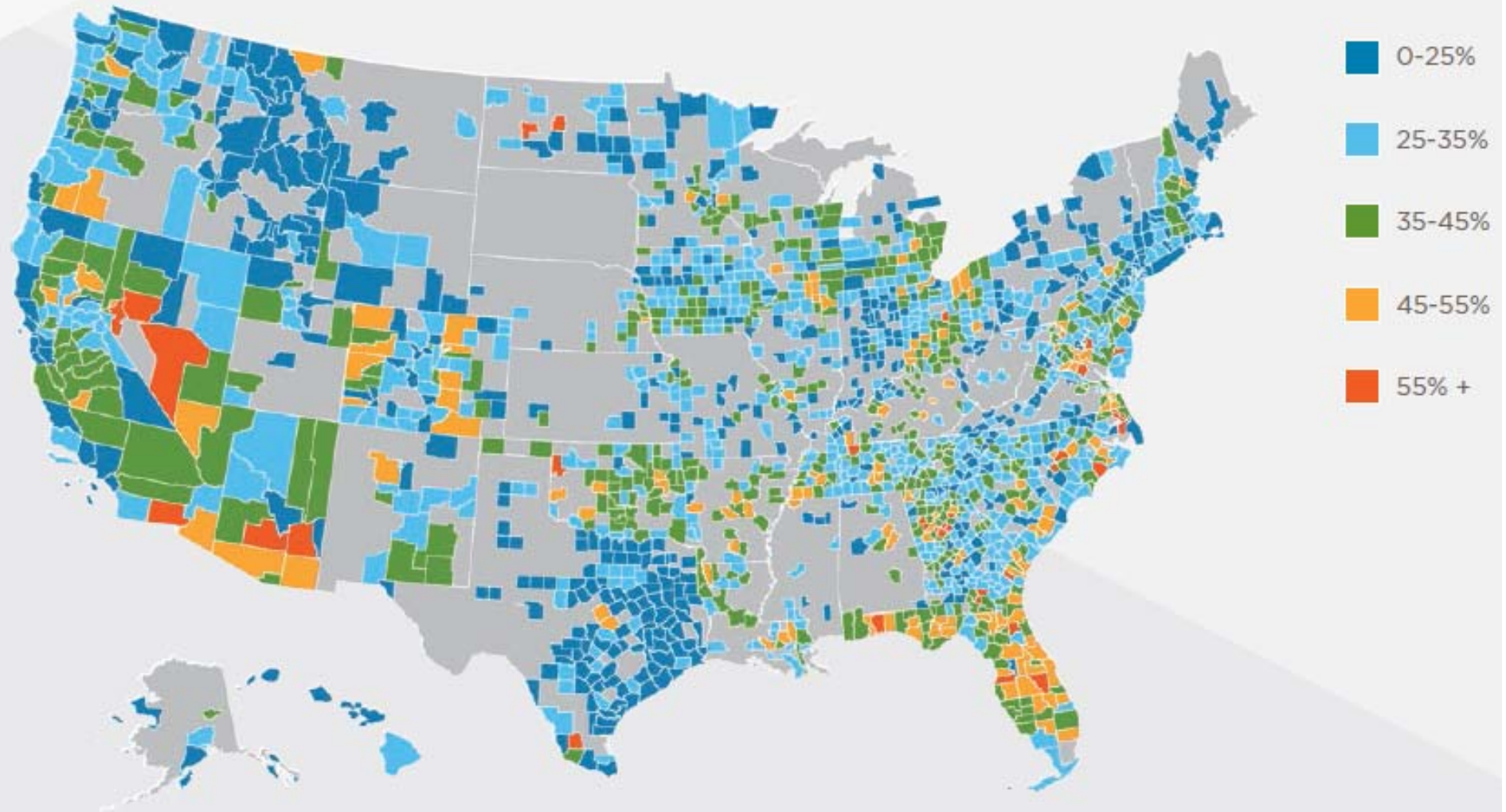
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Labor Force Participation Recovers



Monthly: seasonally adjusted

Loan to Value Ratio 13Q3



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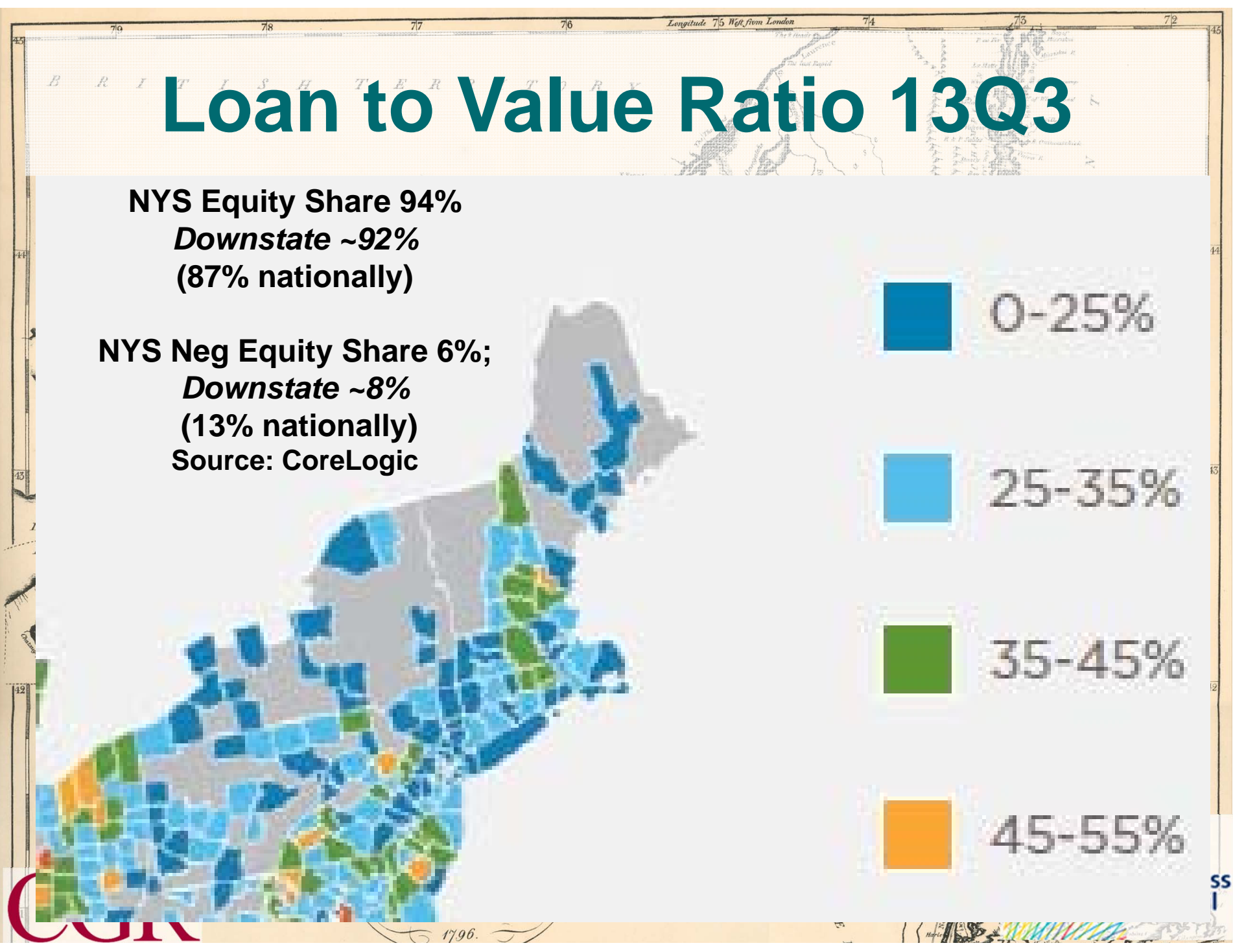
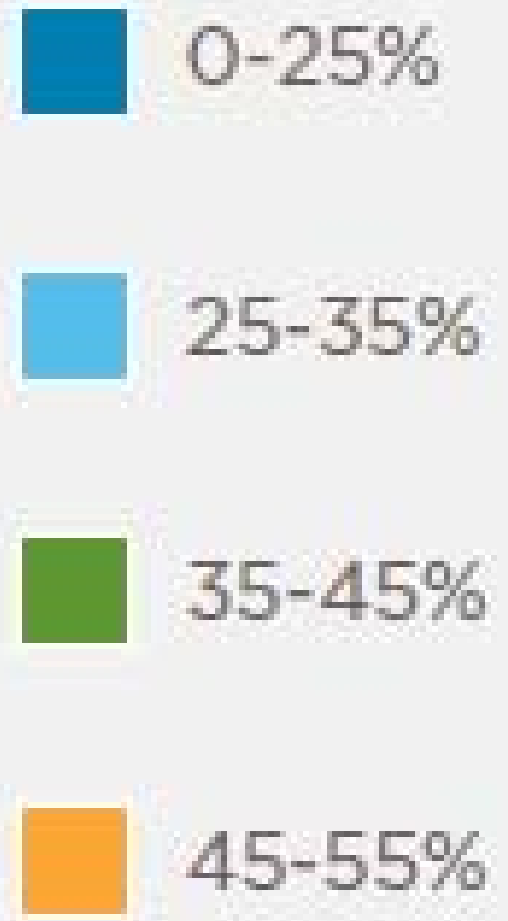
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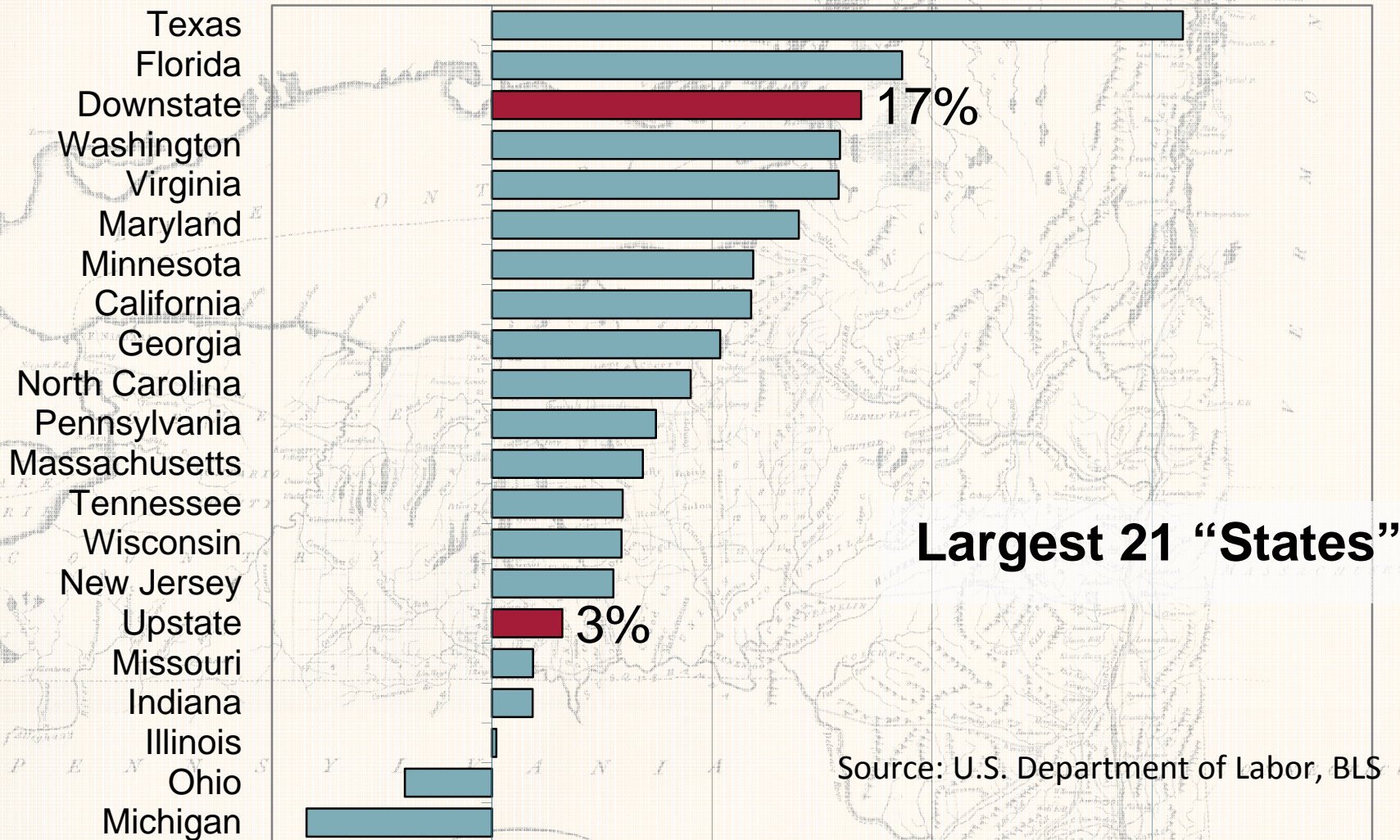
Loan to Value Ratio 13Q3

NYS Equity Share 94%
Downstate ~92%
(87% nationally)

NYS Neg Equity Share 6%;
Downstate ~8%
(13% nationally)
Source: CoreLogic



Total Private Job Growth '97-'13

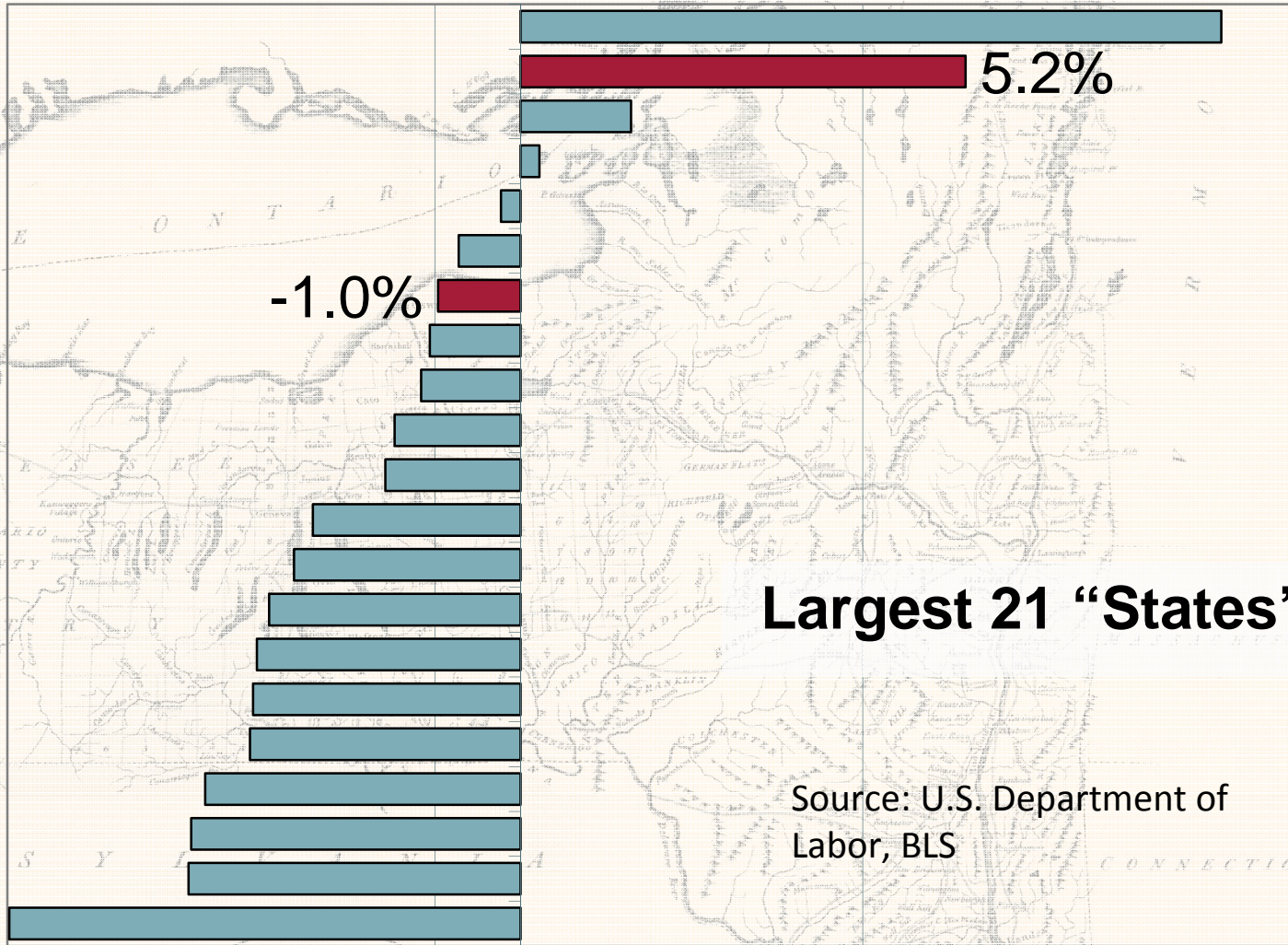


Source: U.S. Department of Labor, BLS

-10% 0% 10% 20% 30% 40%

Total Private Job Growth '07-'13

- Texas
- Downstate Massachusetts
- Minnesota
- Pennsylvania
- Washington
- Upstate Virginia
- Maryland
- Indiana
- Tennessee
- Wisconsin
- North Carolina
- New Jersey
- Illinois
- California
- Georgia
- Missouri
- Ohio
- Michigan
- Florida

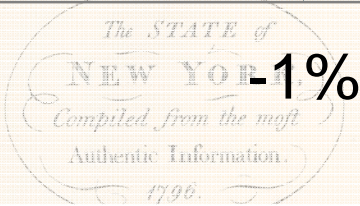


Largest 21 "States"

Source: U.S. Department of Labor, BLS

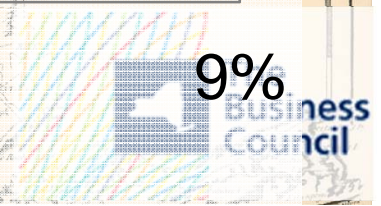


-6%



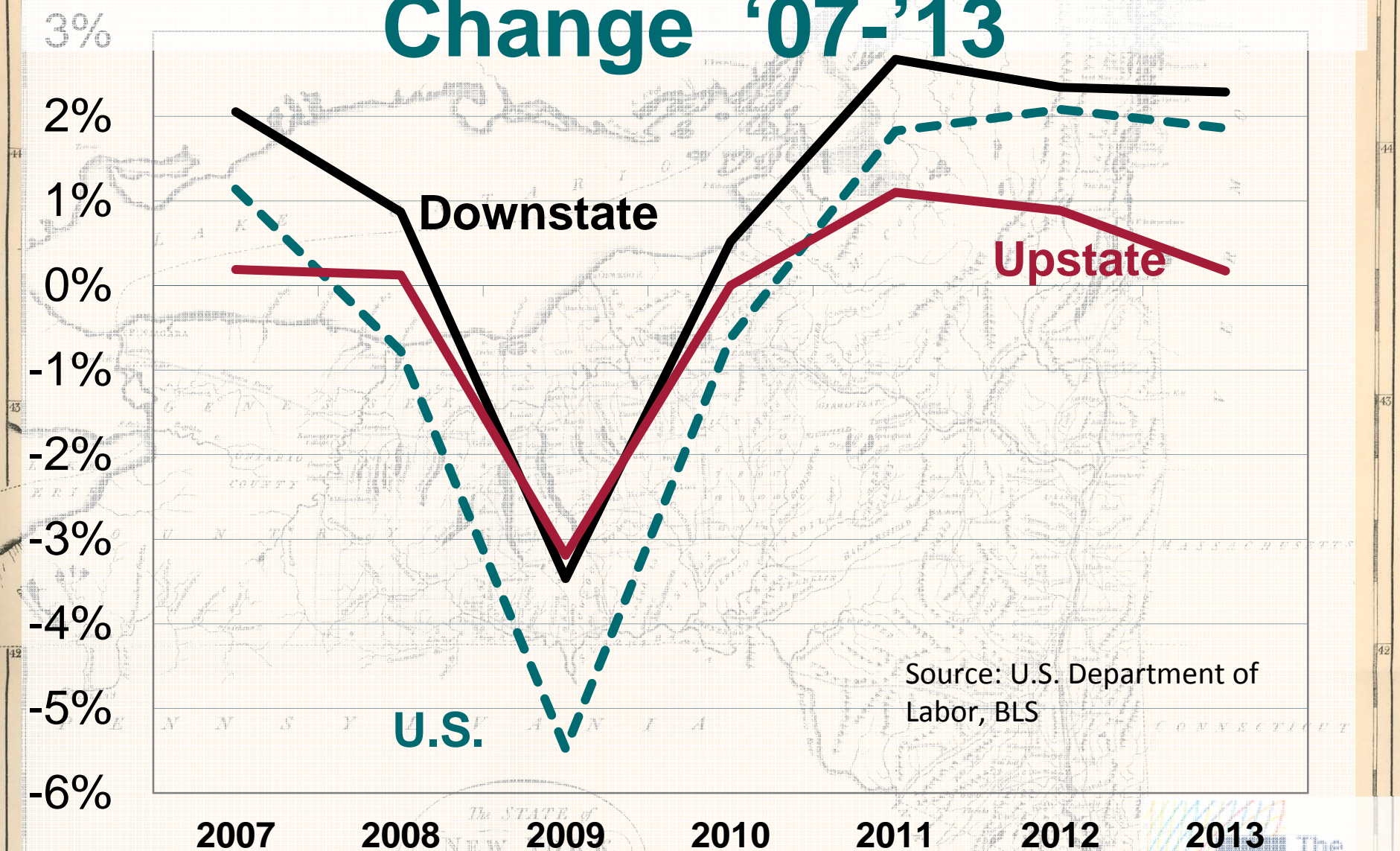
-1%

4%



9%

Annual Private Jobs Change '07-'13



Source: U.S. Department of Labor, BLS

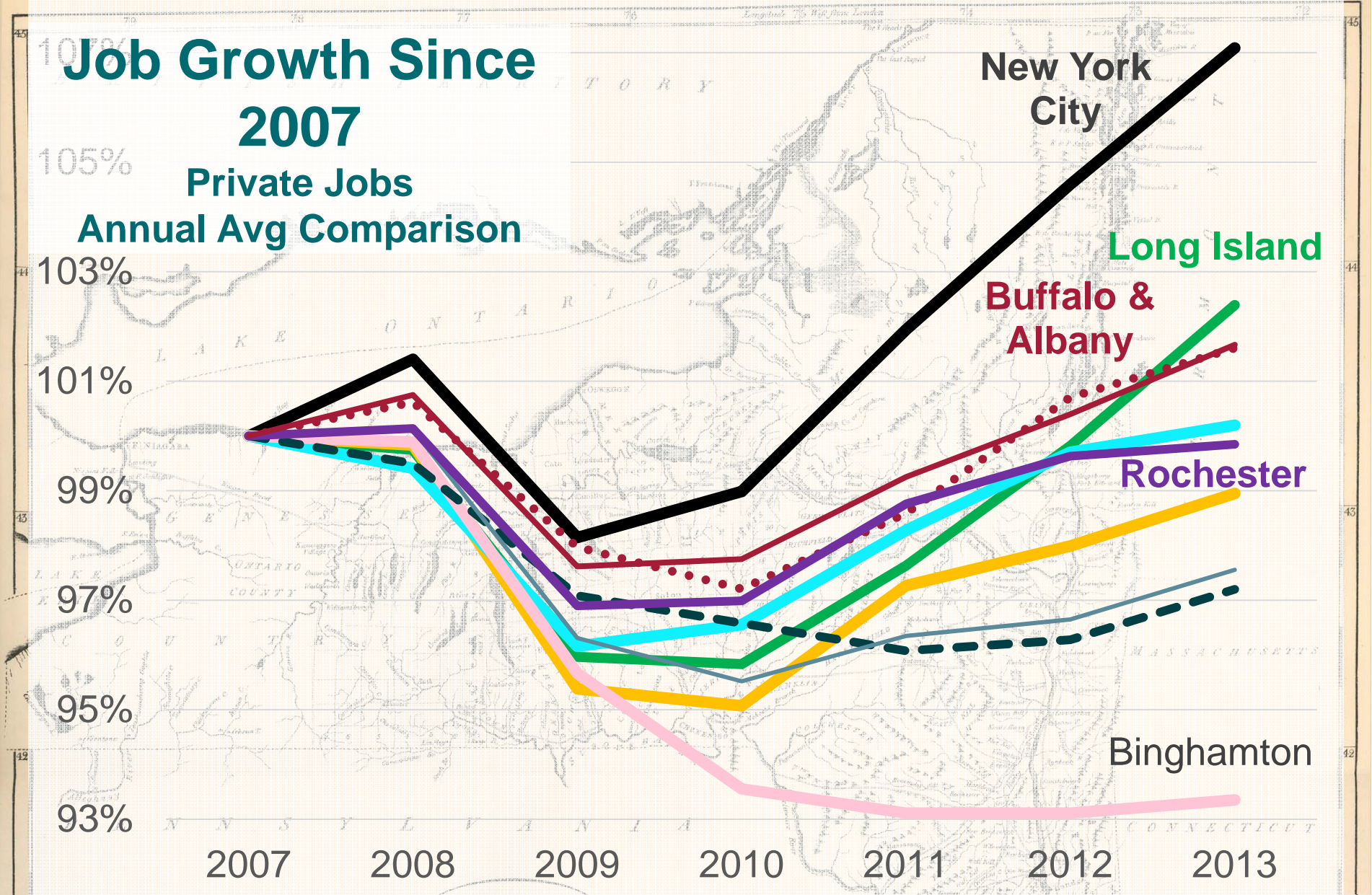
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Job Growth Since 2007

Private Jobs
Annual Avg Comparison



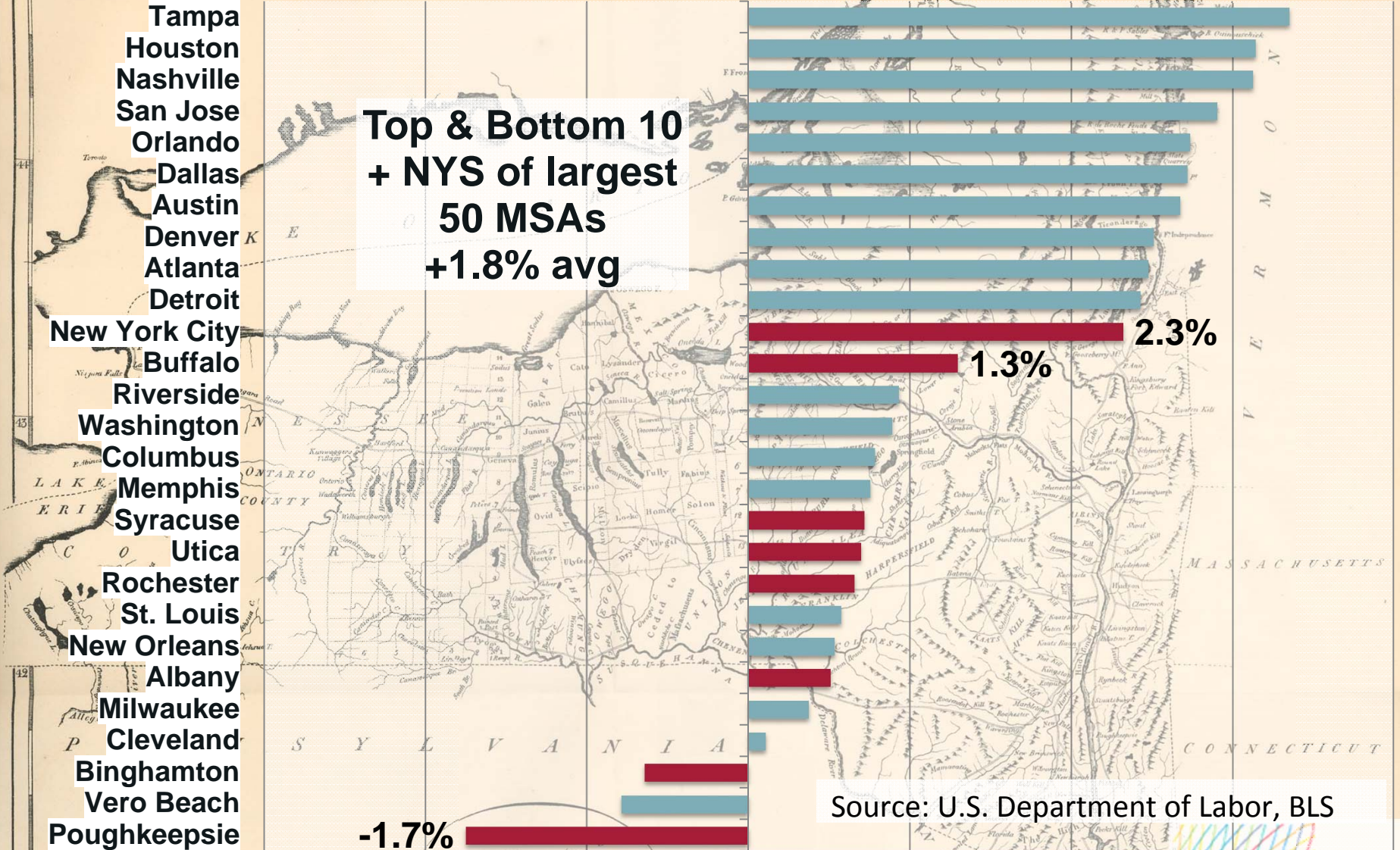
- New York City
- Long Island
- West-Roc-Put
- Albany
- Poughkeepsie
- Binghamton
- Utica
- Syracuse
- Rochester
- Buffalo



Change in Nonag Jobs Nov12-Nov13

- Tampa
- Houston
- Nashville
- San Jose
- Orlando
- Dallas
- Austin
- Denver
- Atlanta
- Detroit
- New York City
- Buffalo
- Riverside
- Washington
- Columbus
- Memphis
- Syracuse
- Utica
- Rochester
- St. Louis
- New Orleans
- Albany
- Milwaukee
- Cleveland
- Binghamton
- Vero Beach
- Poughkeepsie

**Top & Bottom 10
+ NYS of largest
50 MSAs
+1.8% avg**



Source: U.S. Department of Labor, BLS

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-3.0%

-2.0%

-1.0%

0.0%

1.0%

2.0%

3.0%

The
Bl
4.0%
Council

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**Job growth rank Nov 12-Nov
13 (of 374)**

MSA

New York	65
Buffalo	166
Glens Falls	168
Syracuse	243
Utica	245
Rochester	255
Albany	260
Kingston	284
Elmira	335
Binghamton	343
Poughkeepsie	366

Composition of Employment

- ❖ Manufacturing to service is too simplistic
 - “Return to manufacturing” is the result of labor’s declining share of value added
 - Convergence across “sectors”
- ❖ Shift to smaller firms
- ❖ Rise of eds & meds—geographically sticky businesses
- ❖ Rochester as case study

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Rochester's Largest Employers: 1980

EMPLOYER

EMPLOYER	1980	2010
Kodak	53,387	5,909
Xerox	15,470	7,014
U of R/Strong Memorial/Highland Total	14,000	18,028
Delphi (General Motors--including Delco, AC Rochester Products)	8,951	1,350
Rochester General Hospital System (incl Genesee)	5,100	6,072
Gleason Corporation	4,928	575
Bausch + Lomb	4,800	1,500
Nalge Nunc (part of Sybron in 1980)	4,643	1,013
Wegmans	4,490	9,726
Rochester Gas & Electric (now part of Iberdrola)	2,701	865
Pactiv (Mobil Chemical->Tenneco Packaging ->Reynolds)	2,700	840
Frontier/Global Crossing (Rochester Telephone)	2,254	1,255
Rochester Institute of Technology	2,249	3,085
Chase (Lincoln First)	1,895	1,550

Rochester's Largest Employers: 2010

EMPLOYER

1980 2010

EMPLOYER	1980	2010
U of R/Strong Memorial/Highland Total	14,000	18,028
Wegmans	4,490	9,726
Kodak	53,387	7,400
Xerox	15,470	7,014
Rochester General Hospital System (incl Genesee)	5,100	6,072
Excellus BCBS	1,200	3,473
Paychex	<100	3,386
Rochester Institute of Technology	2,249	3,085
Harris RF Communications	1,000	2,300
Sutherland Group	est 1986	2,194
ITT Exelis Geospatial (bought from Kodak in 2004)	part of EK	1,661
Chase (Lincoln First)	1,895	1,550
Ortho-Clinical Diagnostics (purchased by J&J from Kodak in 1994)	part of EK	1,500
Bausch + Lomb	4,800	1,500

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Eds & Meds: Upstate's Largest Employers

Syracuse

Upstate University Health System

Syracuse

Syracuse University

Buffalo

Kaleida Health

Buffalo

University at Buffalo

Binghamton

Binghamton University

Binghamton

United Health Services

Rochester

University of Rochester Medical Center

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Eds: Degrees Conferred Per Capita 2010-11

Field of Study & Rank (of 51 largest metros)

All Fields	Buffalo: 2 Rochester: 3
Biological & Life Sciences	Rochester: 2 Buffalo: 9
Physical Sciences	Rochester: 1 Buffalo: 14
Mathematics	Rochester: 1 Buffalo: 10
Engineering & Related Degrees	Rochester: 3 Buffalo: 8
Computer & Info Sciences	Rochester: 6 Buffalo: 10
Visual & Performing Arts	Rochester: 1
Music	Rochester: 1

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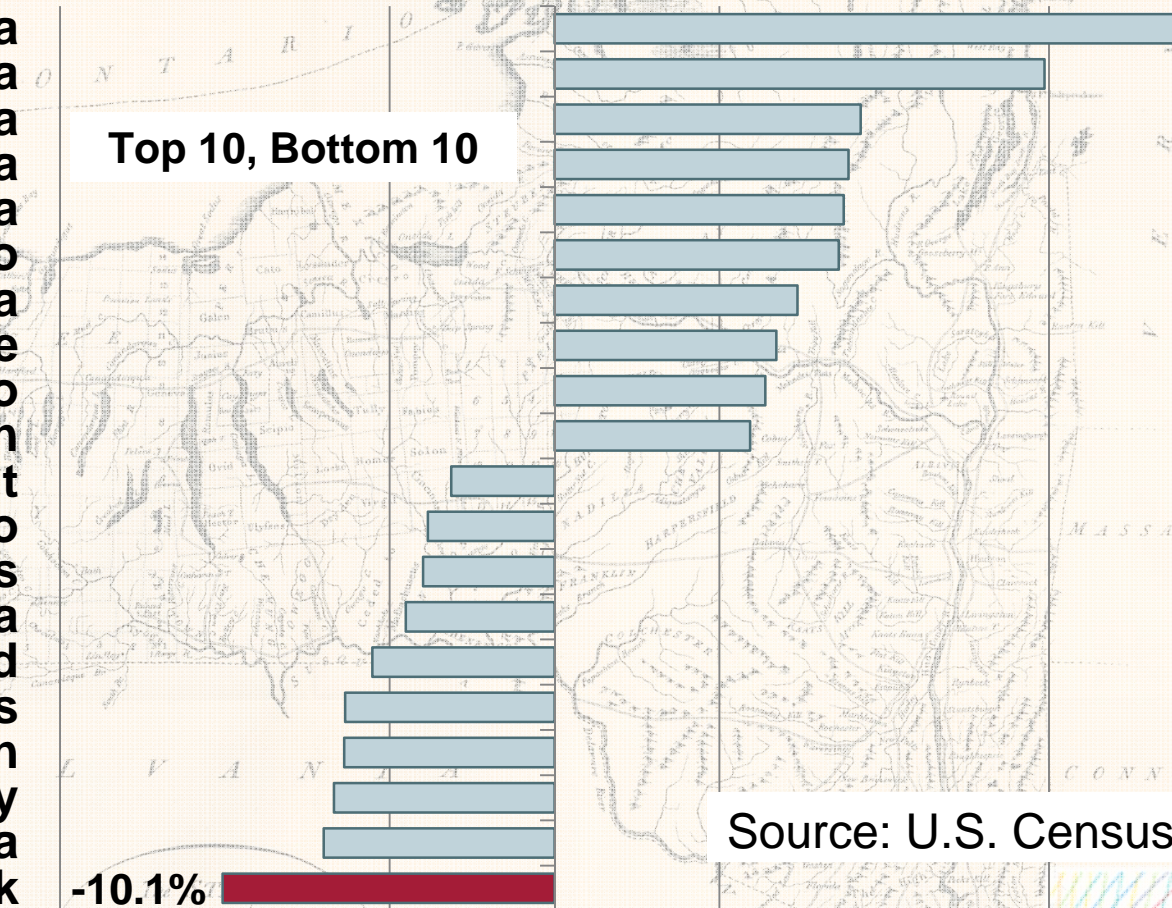


Voting with Their Feet

Migration to Other States 2000-12 as % of 2000 Population

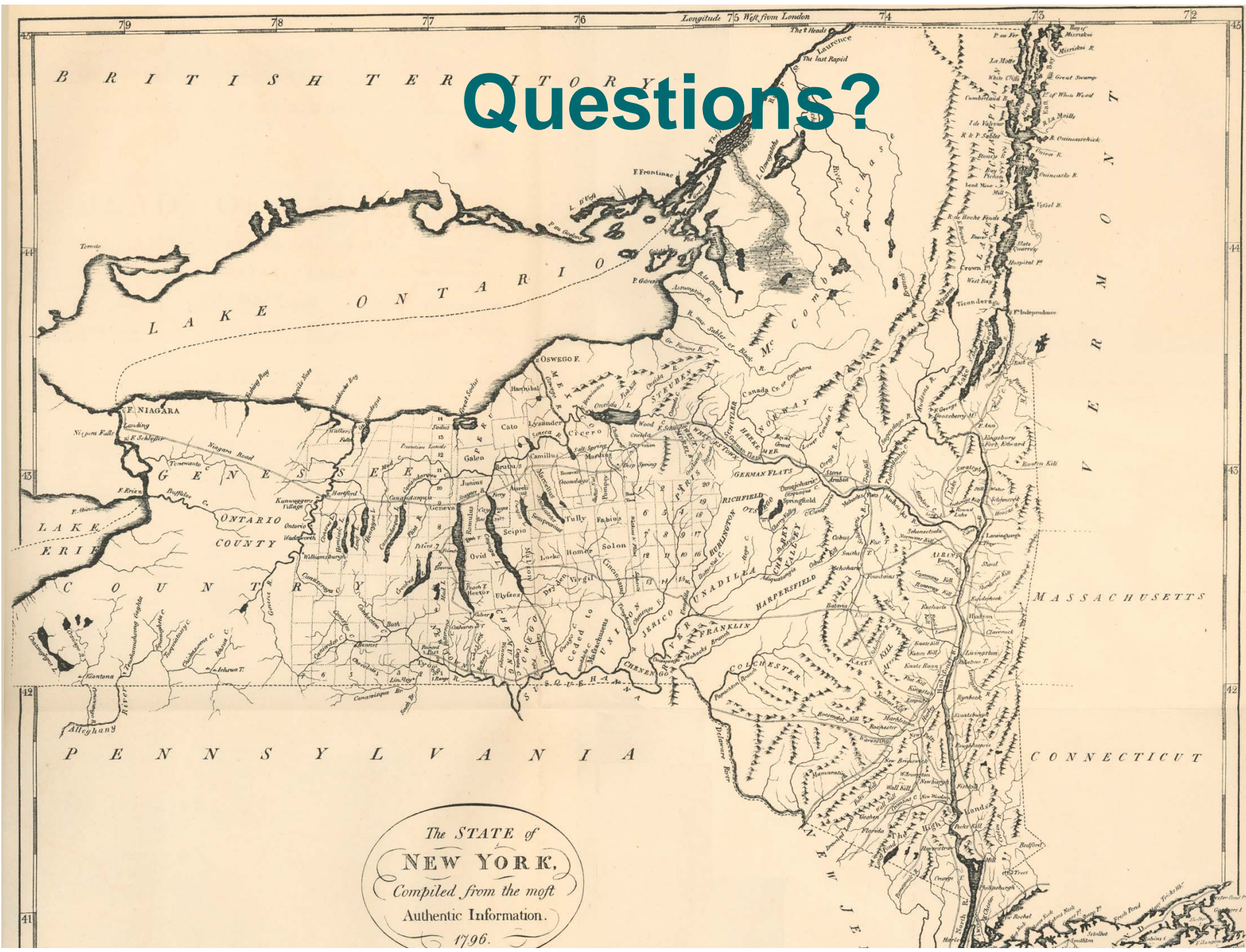
- Nevada
- Arizona
- North Carolina
- South Carolina
- Florida
- Idaho
- Georgia
- Delaware
- Colorado
- Oregon
- Connecticut
- Ohio
- Massachusetts
- California
- Rhode Island
- Illinois
- Michigan
- New Jersey
- Louisiana
- New York

Top 10, Bottom 10



Source: U.S. Census

Questions?



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