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2.13.18

Broome County's 2018 Economic Outlook Guide

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Helping businesses thrive is important.

At M&T Bank, we understand that small business is the lifeblood of any thriving community. Which is why we are committed to providing our support and keeping our lending decisions local. [See what we can do for your business at your neighborhood branch or **mtb.com** today.](#)

M&T Bank
Understanding what's important®



STAY ON TOP OF KEY ECONOMIC INDICATORS

PROVIDING RESOURCES TO HELP YOU GROW YOUR BUSINESS

Welcome to the 2018 Economic Outlook Guide for Broome County. We intend this guide to be a valuable asset, whether you are a long-time member of the Greater Binghamton business community or new to business. This guide is designed to supplement your own data sources - having good information at your fingertips is essential to helping you make better business decisions!

Successful companies are always scanning the environment around them to help navigate the marketplace. We know it takes lots of time to stay on top of key economic indicators. The Greater Binghamton Chamber offers this Outlook Guide packed with information, market intelligence and insights to save you time and effort. In addition, M&T Bank's Regional Economist, Gary Keith, provides excellent insight into the year ahead.

The Greater Binghamton Chamber is many things to many people, yet the primary role of our organization is simple - to help businesses get strong and stay strong. We know that

when companies are successful they grow jobs. Job growth profoundly impacts the Greater Binghamton area and our region and is critical to our future prosperity.

Thank you for your interest in and commitment to the Greater Binghamton business community. Please take a moment to let us know how we are doing and what else we can do to help your business - email jconway@greaterbinghamtonchamber.com.

I would like to give a very special thank you to all our sponsors who make this Economic Forecast & Building BC Awards possible. These sponsors include: M&T Bank, Delta Engineers, Architects, & Land Surveyors, Andrew R. Mancini Associates Inc., WNBF News Radio 1290 (Townsquare Media Binghamton), Newman Development Group, and Idea Kraft.

Jennifer Conway, President & CEO
Greater Binghamton
Chamber of Commerce



WELCOME TO THE 2018 ECONOMIC OUTLOOK

Binghamton is blessed with many innovators, creative leaders and people unafraid to take ambitious risks. Driven by inspiration, tireless hard work and an entrepreneurial attitude, they are making meaningful and measurable impacts on our community.

From Binghamton University, an institution internationally known for academic excellence, to Newman Development Group, which is doing tremendous work with the transformation of a long vacant and dilapidated building into a mixed use space with their 50 Front St. project, there are many organizations and individuals working tirelessly to help our communities thrive.

Even so, Binghamton's economy is not yet reaching its potential. Our economic metrics are mixed, with adversities that include population decline and a growing need for employees. As a community, I believe we are working hard to address these needs.

What distinguishes our community is the way in which our local businesses immerse themselves in the community, and that's one of the reasons my colleagues and I at M&T Bank support this Economic Outlook Guide. We understand how important it is to provide information

and insights to local businesses, and to recognize the local leaders driving innovation, growth and making a positive impact.

At M&T Bank, we're committed to helping our neighbors succeed and our communities thrive. It starts with our work to understand what's important to our customers. We get to know them, their needs and their priorities in order to help them achieve their goals. We take a similar approach to serving our communities—working to understand what matters most, so we can do our part to help Binghamton, and the entire Southern Tier region grow even stronger.

The Greater Binghamton Chamber of Commerce shares this community-focused mentality. Together, we will make the future of Binghamton shine bright, and I am honored to congratulate them on another installment of the Economic Outlook Guide and offer our sincere thanks for their dedication to making this community a wonderful place to live and work.

Peter Newman
M&T Bank, Binghamton Regional
President

A photograph of two women in a professional setting. One woman is seated at a desk on the left, looking towards the other woman who is standing on the right. They are both smiling. The background is a bright, out-of-focus office space with large windows. An orange triangle is in the top-left corner of the page.

BUSINESS LEADER OUTLOOK FOR 2018

GREATER BINGHAMTON ECONOMIC OUTLOOK SURVEY

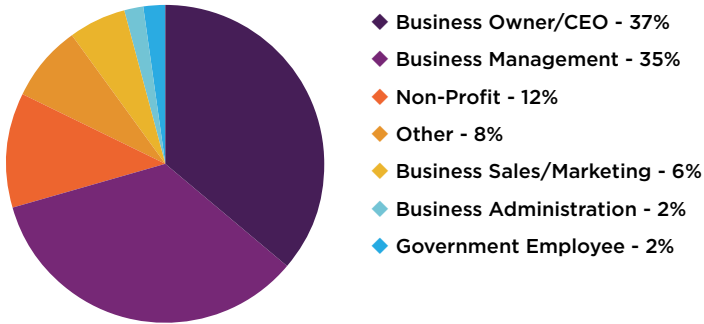
This survey gives the community a sense of the current economic climate in our region. As we conduct this survey each year we will be able to chart the trends year over year and see how accurately the data reflects on what is happening in our business marketplace.

WHO PARTICIPATED IN THE GREATER BINGHAMTON BUSINESS LEADER SURVEY?

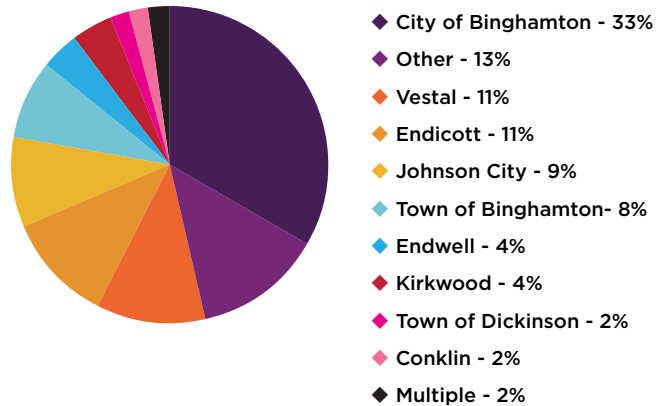
- 72% of respondents were Business Owners/CEOs or the main management decision makers
- 76% of the responders employee 50 or less employees
- Diverse disbursement of different business classifications
- 32% said their business was located in the City of Binghamton; 11% the Town of Vestal; and 2% use multiple locations

SURVEY RESULTS

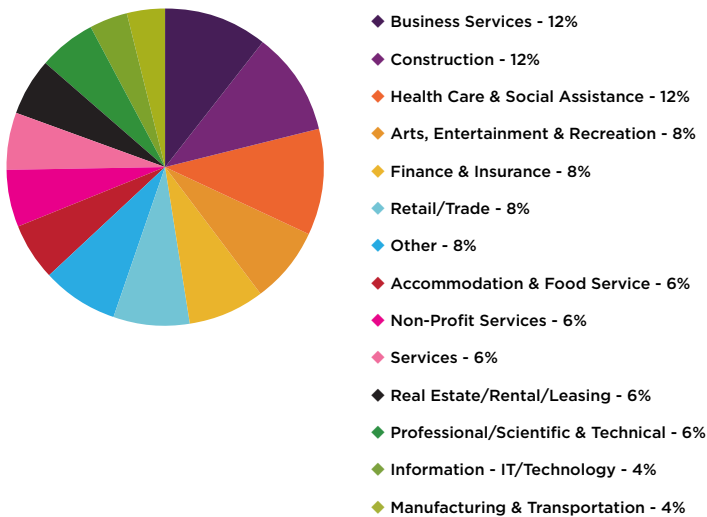
BUSINESS ROLE



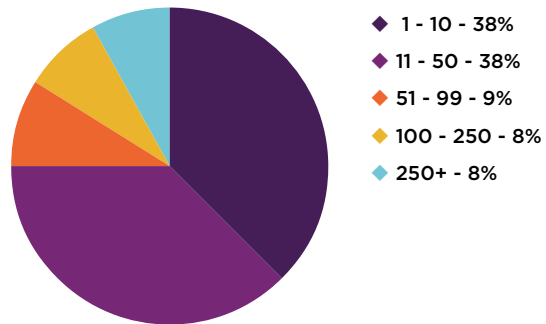
BUSINESS LOCATION



BUSINESS TYPE



NUMBER OF EMPLOYEES



TOP 4 LOCAL BUSINESS CHALLENGES

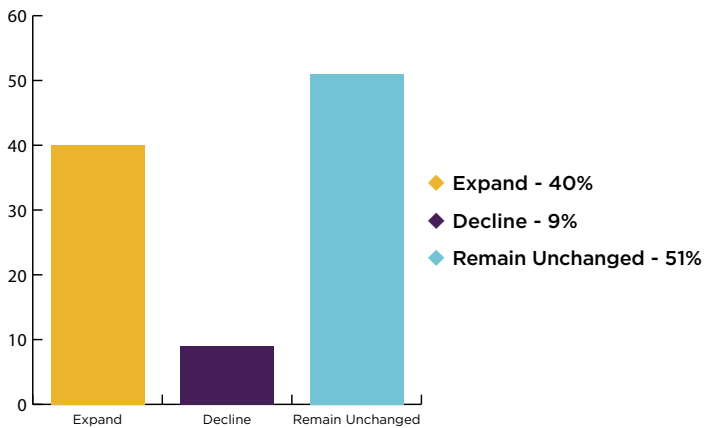
1. Employee health care costs
2. Business taxes and regulation
3. Attracting and retaining employees
4. Regional economic climate

TOP 4 NATIONAL FACTORS THAT IMPACT ECONOMIC OUTLOOK

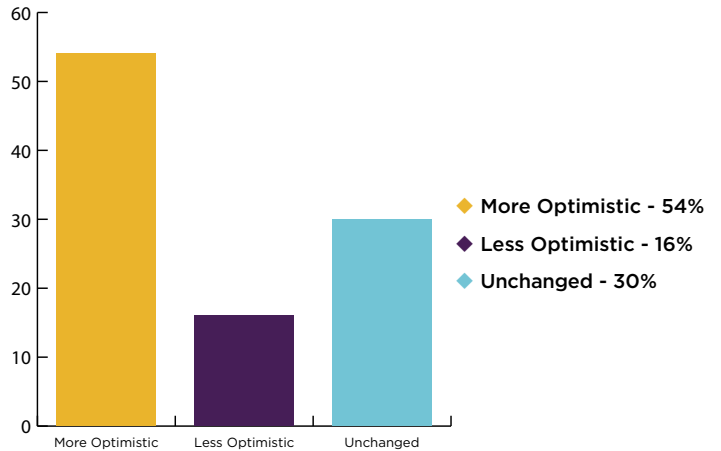
1. Cost of healthcare
2. Access to talent
3. Federal legislation
4. Federal/State wage/hour laws

SURVEY RESULTS

2018 ECONOMY PREDICTION



2017 VS 2018 OUTLOOK



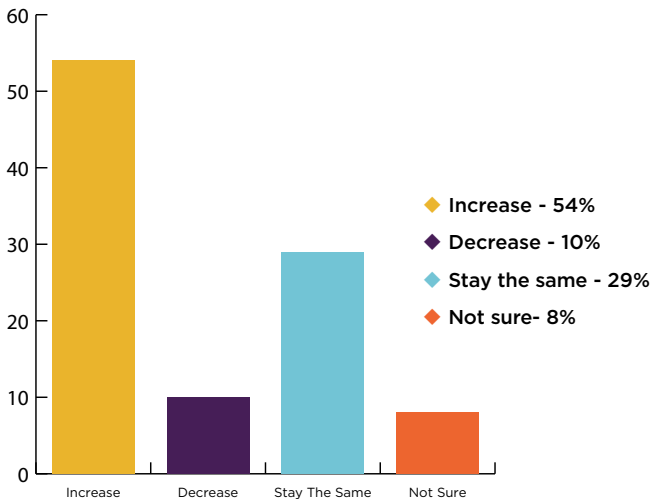
IN 2018, BUSINESS LEADERS EXPECT THE BROOME COUNTY ECONOMY TO:

When asked, over half (51%) the respondents expected the economy to remain unchanged. 40% expected the economy to expand, while only 9% expected a decline.

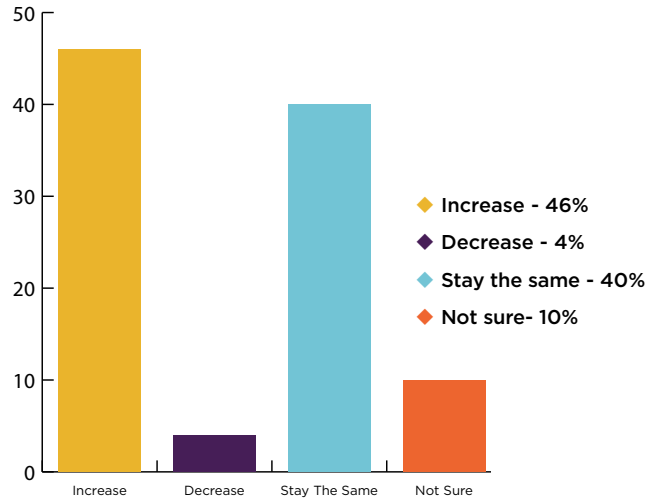
IN 2018, ECONOMIC OUTLOOKS HAVE CHANGED:

When asked, over half (54%) the respondents had an improved outlook from last year. 16% expected a less optimistic future, while 30% were unchanged in their views from 2017.

SALES REVENUE EXPECTATIONS



WORKFORCE EXPECTATIONS



IN 2018, BUSINESS LEADERS EXPECT THEIR SALES REVENUE TO:

When asked, over half (54%) the respondents expected their sales revenue to increase. Only 10% expected a decrease and 29% expected them to stay the same.

IN 2018, BUSINESS LEADERS EXPECT THEIR WORKFORCE TO:

When asked, 46% the respondents expected an increase in workforce. Only 4% expected a decrease in workforce numbers, while 40% expected it to stay the same.

Coming Soon



50FRONT

LUXURY APARTMENTS

 **NEWMAN**
DEVELOPMENT GROUP LLC

"PROUD TO CALL GREATER
BINGHAMTON HOME"

2017 US & BINGHAMTON AREA ECONOMIC OUTLOOK

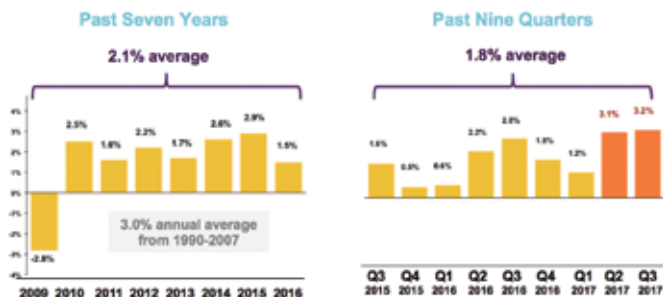
GARY KEITH - VICE PRESIDENT, REGIONAL ECONOMIST, M&T BANK

2018 U.S. and Binghamton Area Economic Outlook

Gary Keith – Vice President, Regional Economist
Greater Binghamton Chamber of Commerce Economic Outlook Breakfast
February 13, 2018

U.S. Real Gross Domestic Product Growth

Recent Signs That Economic Growth is Accelerating
Growth has been sluggish since 2010, averaging 2.1% per year—However, GDP expanded at a 3%+ annualized rate in Q2 & Q3, pointing to better outlook for 2018



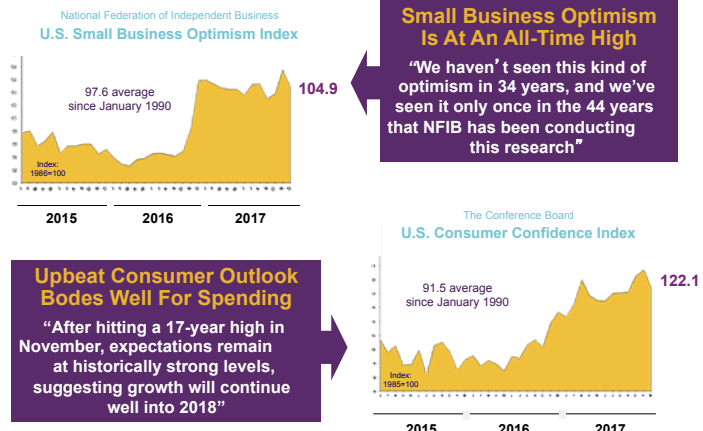
©2018 M&T Bank, Member FDIC Source: U.S. Bureau of Economic Analysis M&TBank 2

Solid Economic Momentum Heading Into 2018



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Sentiment Has Moved Sharply Higher Over Past Year



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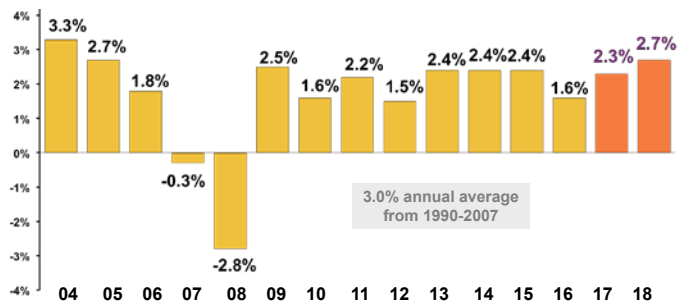
U.S. Real Median Household Income



©2018 M&T Bank, Member FDIC Source: U.S. Census Bureau M&TBank 5

U.S. Real Gross Domestic Product Growth

2018 Growth Should Improve...With Plenty of Wildcards!
The economy is expected to grow at a solid pace in 2018, with continued support from consumer spending, improving global trade and bump from federal tax cuts



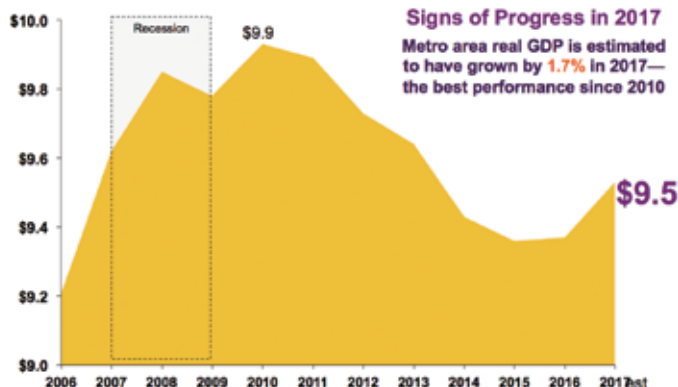
©2018 M&T Bank, Member FDIC Sources: U.S. Bureau of Economic Analysis, Consensus Forecast M&TBank 6

2017 US & BINGHAMTON AREA ECONOMIC OUTLOOK

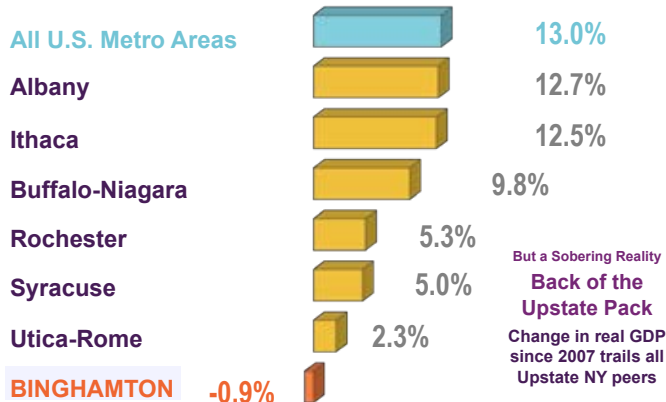
GARY KEITH - VICE PRESIDENT, REGIONAL ECONOMIST, M&T BANK

How's the Binghamton area performing?

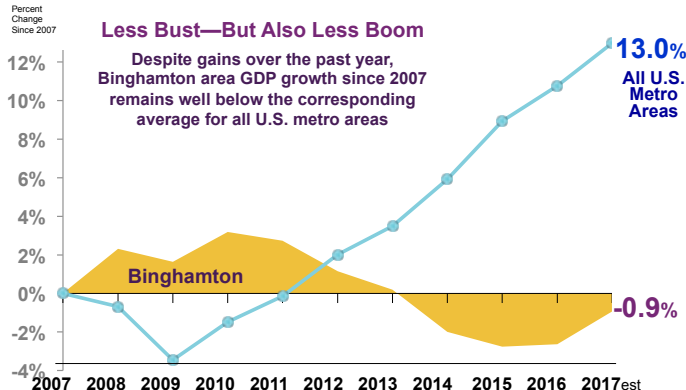
Billions of Constant 2016 Dollars Binghamton Area Real Gross Domestic Product



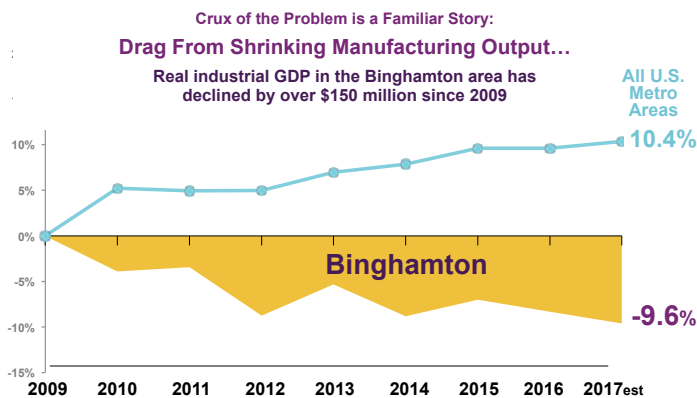
Inflation-Adjusted Percentage Change Since 2007 Real Gross Domestic Product Growth



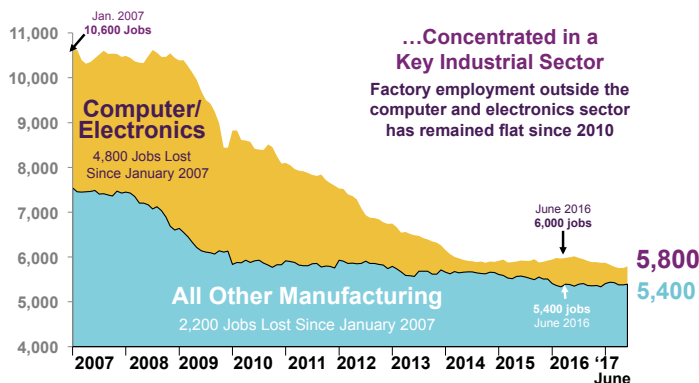
Inflation-Adjusted Relative Change Since 2007 Real Gross Domestic Product Growth



Inflation-Adjusted Relative Change Since 2009 Real Manufacturing GDP Growth

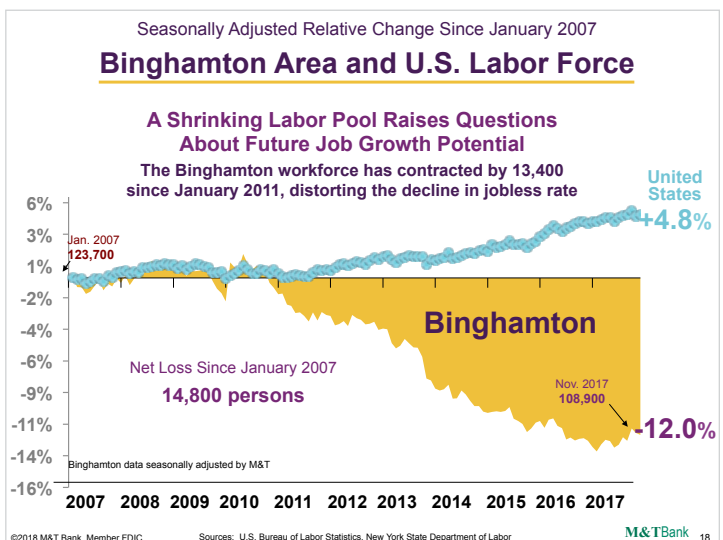
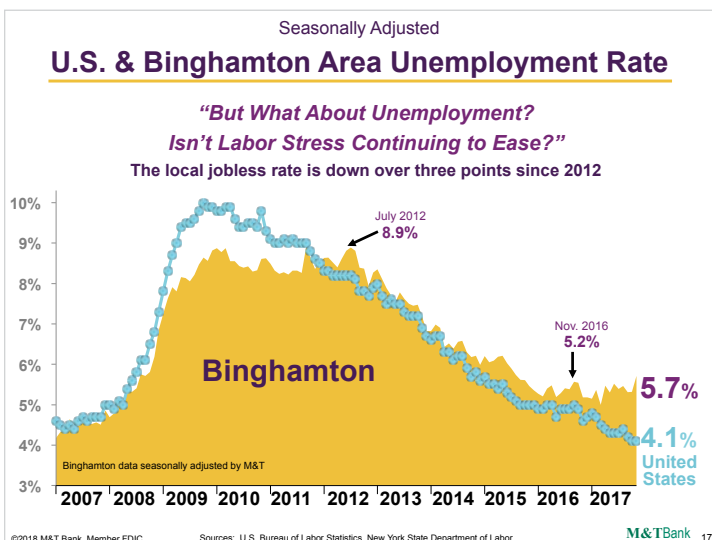
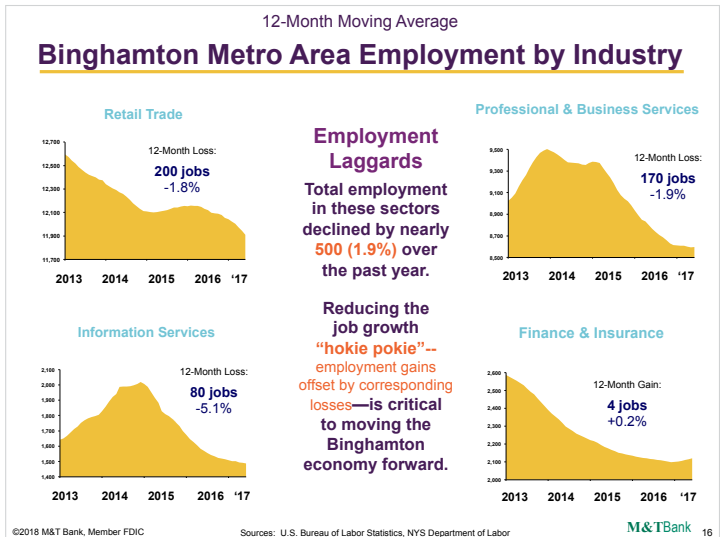
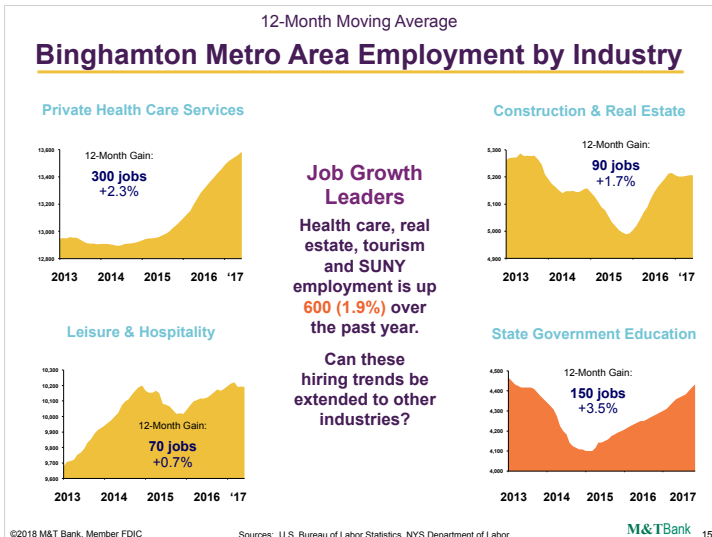
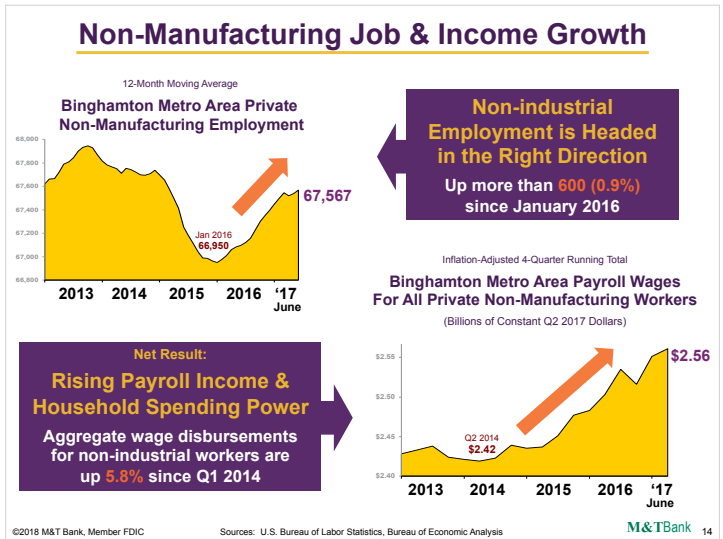
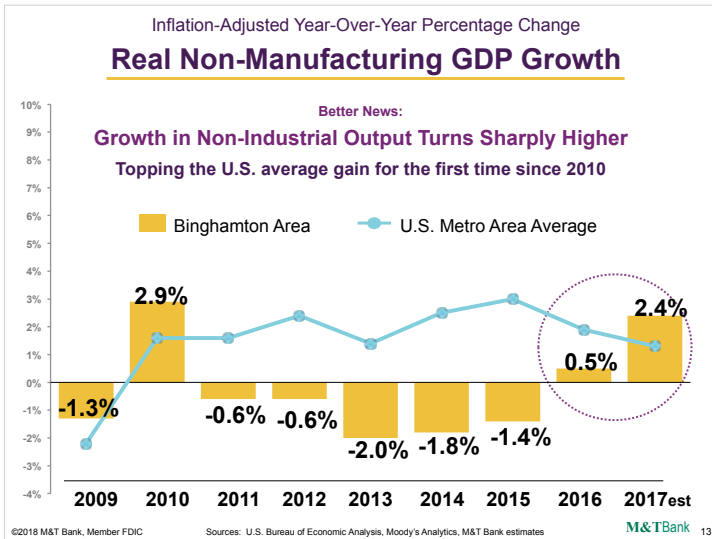


Seasonally Adjusted Binghamton Area Manufacturing Employment Computer & Electronics vs. All Other Manufacturing



2017 US & BINGHAMTON AREA ECONOMIC OUTLOOK

GARY KEITH - VICE PRESIDENT, REGIONAL ECONOMIST, M&T BANK



2017 US & BINGHAMTON AREA ECONOMIC OUTLOOK

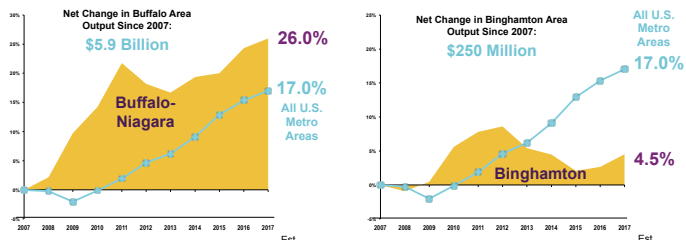
GARY KEITH - VICE PRESIDENT, REGIONAL ECONOMIST, M&T BANK

So, how can the region improve its long-term outlook?

M&T Bank *Understanding what's important.*

Inflation-Adjusted Relative Change Since 2007 Real GDP From "New Economy" Industries

Economic Diversification & Restructuring Are Essential
"New Economy" sectors now make up **60%** of Buffalo area output (up from **51%** in 2007) versus **48%** for the Binghamton Area (up from **46%** 2007)



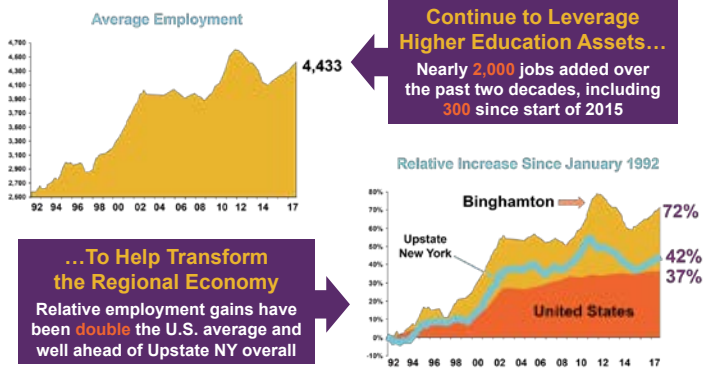
New Economy Industries = Education & Health Care, Information, Business Services, Finance, Insurance, Real Estate, Construction, Retail, Leisure & Hospitality

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Sources: U.S. Bureau of Economic Analysis, M&T Bank estimates for 2017

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12-Month Moving Average Binghamton Area State Government Education Employment



Continue to Leverage Higher Education Assets...
Nearly **2,000** jobs added over the past two decades, including **300** since start of 2015

...To Help Transform the Regional Economy
Relative employment gains have been **double** the U.S. average and well ahead of Upstate NY overall

©2018 M&T Bank, Member FDIC Sources: U.S. Bureau of Labor Statistics Upstate NY = New York State ex. NYC and Long Island M&T Bank 21

"Plan the Work...Work the Plan"

Focus on four key initiatives:

- Building the Greater Binghamton Innovation Ecosystem
- Investing in the Advanced Manufacturing Industry
- Transforming the Food and Agriculture Industry
- Promote the Southern Tier's Innovative Culture

Implementation Priorities:

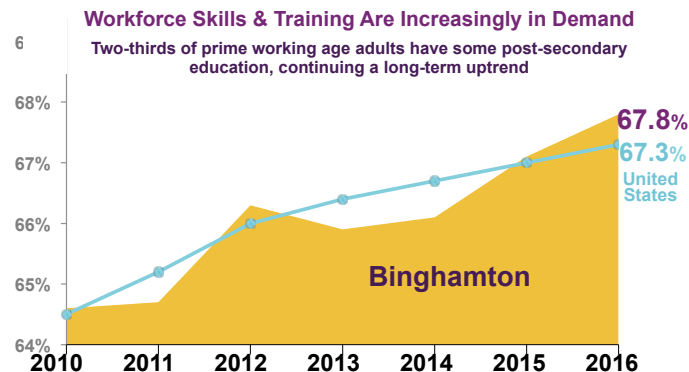
- Identify projects for the State Life Sciences Cluster
- Support Downtown Revitalization Plans
- Identify workforce development strategies and shrink the skills gap through industry and education collaboration



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Individuals 25 to 64 Years Old Share of Binghamton Area Workers With Some College, Associate's Degree or Higher

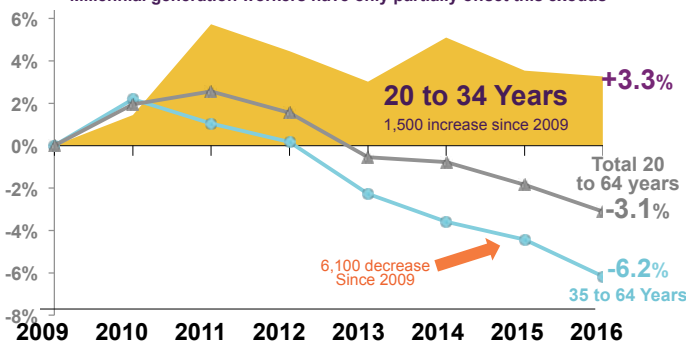


Workforce Skills & Training Are Increasingly in Demand
Two-thirds of prime working age adults have some post-secondary education, continuing a long-term uptrend

©2018 M&T Bank, Member FDIC Source: U.S. Census Bureau—American Community Survey M&T Bank 23

Relative Change Since 2009 Binghamton Area Population by Age Group

Shifting Demographics Create Workforce Challenges
Older individuals are leaving the labor pool while an influx of Millennial generation workers have only partially offset this exodus



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NEWS

WEATHER

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SPORTS

5:30 AM

First News with Roger Neel

9:00 AM

Binghamton Now with Bob Joseph

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- **Pre-Construction**
- **General Construction**
- **Post-Construction**
- **Design and Build**
- **Build to Suit and Lease**



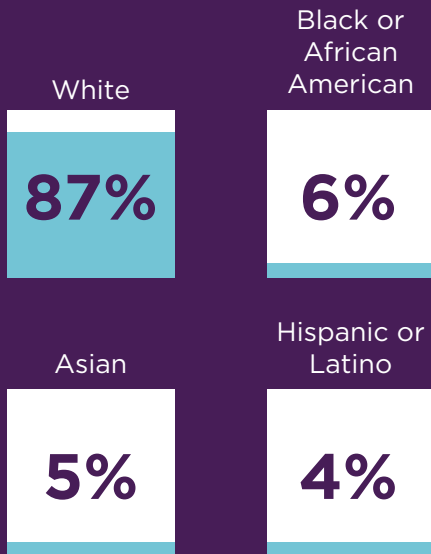
BUILDING TOMORROW

BROOME COUNTY DEMOGRAPHICS

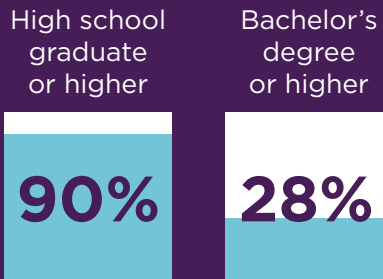
POPULATION

Population.....**195,334**
 Persons under 5 years.....**5.3%**
 Persons under 18 years**19.6%**
 Persons 65 years & over,**18.3%**

RACE & ETHNICITY



EDUCATION



percent of persons age 25 years+, 2012-2016

Number of Public Schools **57**
 Number of Students **31,202**
 Full-Time Teachers.....**2,533**

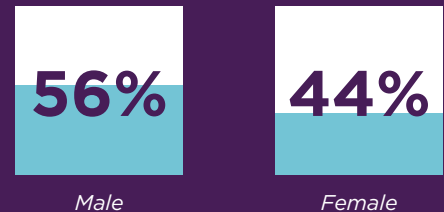
HOUSING

Housing Units**89,607**
 Owner-occupied housing unit rate.....**65%**
 Median value of owner-occupied housing units..... **\$112,300**
 Median selected monthly owner costs with a mortgage **\$1,172**
 Median selected monthly owner costs without a mortgage . **\$487**
 Median Gross Rent..... **\$717**
 Households.....**78,738**
 Persons per household**2.37**

TOP 10 EMPLOYERS IN BROOME COUNTY

- Ascension Health (Lourdes)
- BAE Systems Controls Inc.
- Binghamton City School District
- Binghamton University
- Broome County
- Broome-Tioga BOCES
- Maines Paper & Food Service
- SUNY Broome Community College
- United Health Services
- Wal-mart Associates Inc.

Full-time, year-round civilian employed population 16 years and over, Broome County



Mean travel time to work...**19.6 mins**
 Median household income...**\$47,744**
 Persons in poverty..... **17%**

Source: U.S. Census Bureau

U.S. Census Bureau, 2016 American Community Survey 1-Year Estimates

DELTA

ENGINEERS, ARCHITECTS, & LAND SURVEYORS



Delta Engineers, Architects, & Land Surveyors, DPC delivers a diverse array of engineering, architectural, and land surveying services to public and private clients throughout the United States. We have been providing practical, responsive, and innovative solutions to our clients' challenges since 1976.

ARCHITECTURE

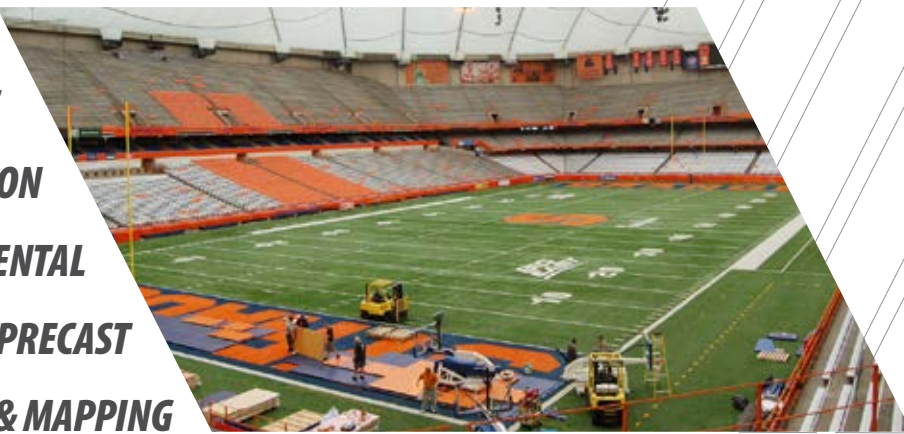
FACILITIES

TRANSPORTATION

ENVIRONMENTAL

SPECIALTY PRECAST

SURVEY & MAPPING



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WORKFORCE STATS

UNEMPLOYMENT RATES

(Not Seasonally Adjusted)

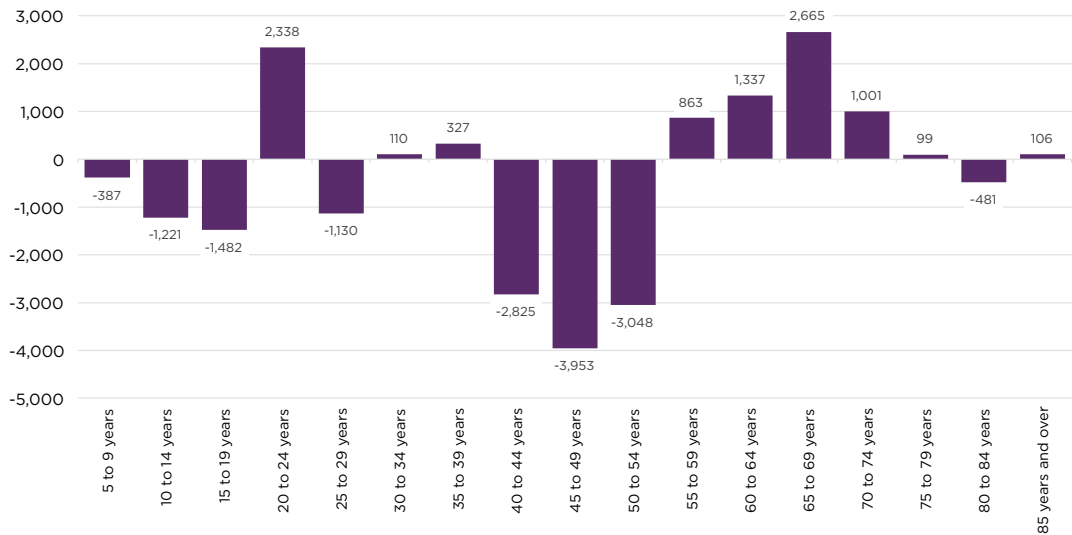
Area	December 2010	December 2017	Net Change
United States	9.1%	3.9%	-5.2
New York State	8.2%	4.4%	-3.8
Broome County	8.8%	5.6%	-3.2

NOTE: not seasonally adjusted

Source: Local Area Unemployment Statistics (LAUS)

NET CHANGE IN POPULATION, BROOME COUNTY, 2010-2017

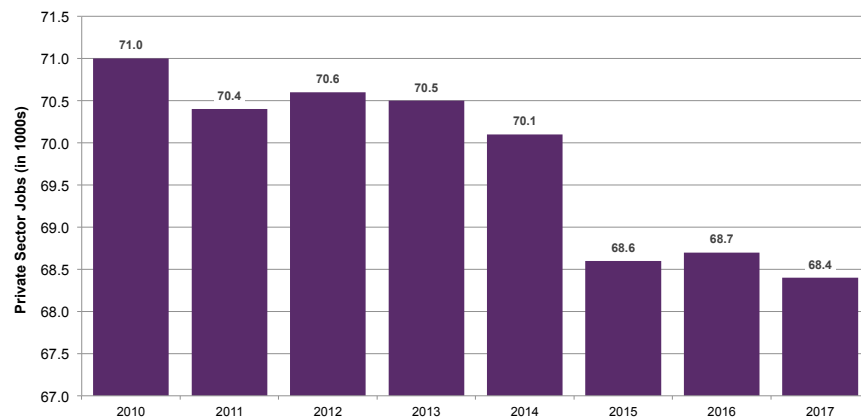
(By Age Group)



Foreboding workforce shortages appear imminent as baby boomers retire out of local labor markets.

NUMBER OF PRIVATE SECTOR JOBS, BROOME COUNTY, 2ND QUARTER OF EACH YEAR

(Not Seasonally Adjusted)

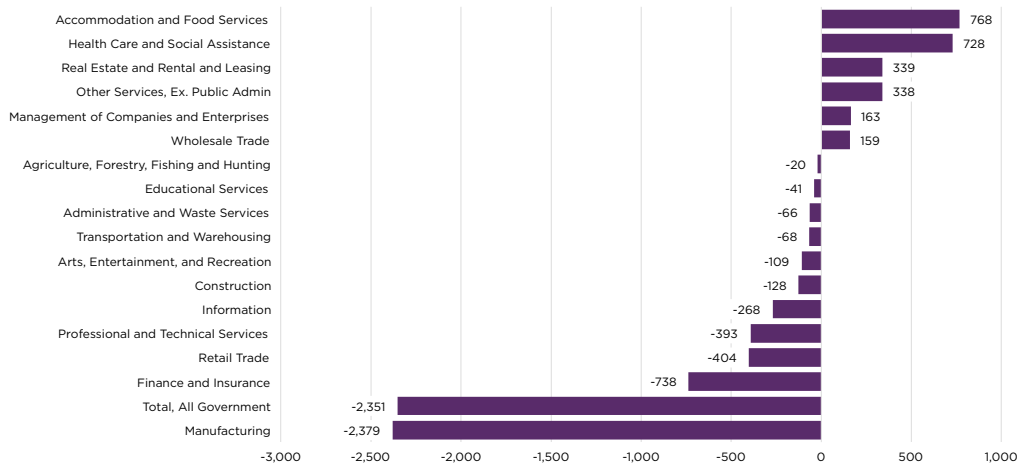


Source: Current Employment Statistics (CES)

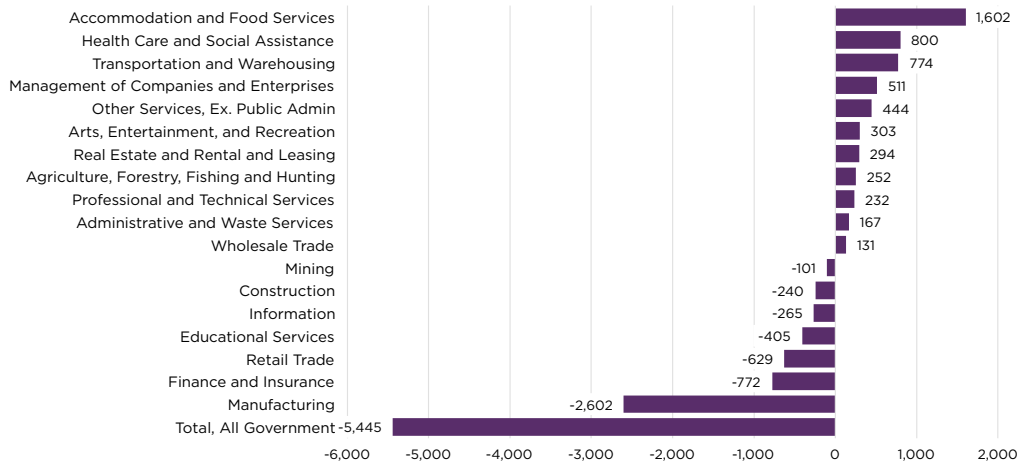


WORKFORCE STATS

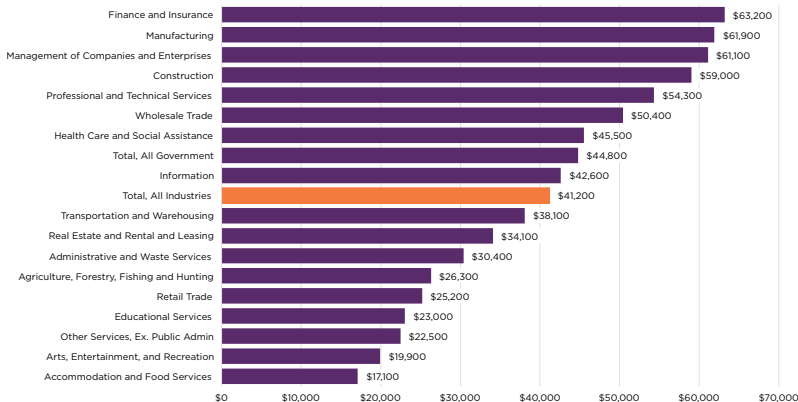
CHANGE IN EMPLOYMENT BY INDUSTRY, BROOME COUNTY, 2010-16



CHANGE IN EMPLOYMENT BY INDUSTRY, SOUTHERN TIER REGION, 2010-16



AVERAGE INDUSTRY WAGES, BROOME COUNTY 2016

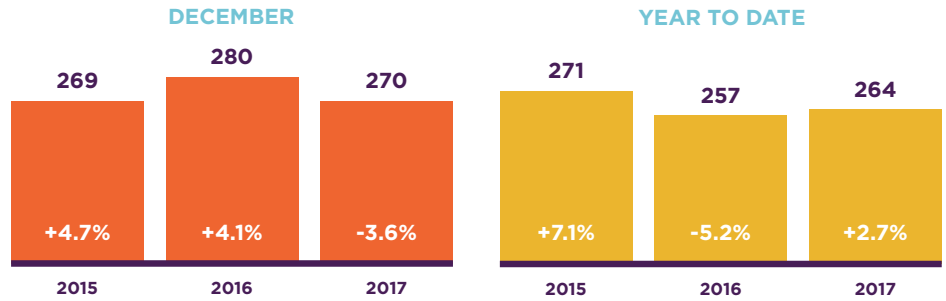


Source: Quarterly Census of Employment and Wages (QCEW)

RESIDENTIAL REAL ESTATE

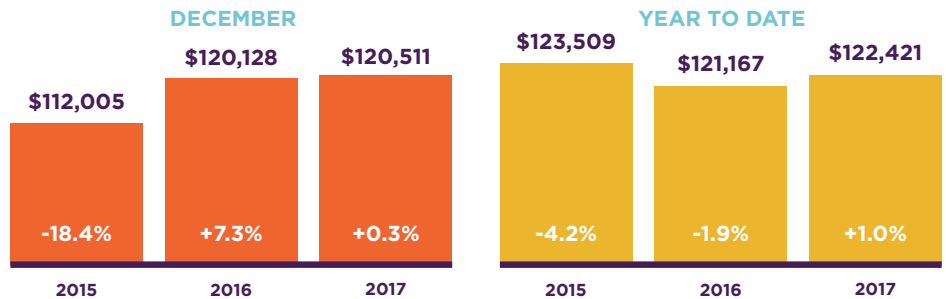
HOUSING AFFORDABILITY INDEX YEAR TO DATE

This index measures housing affordability for the region. For example, an index of 120 means the median household income is 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.



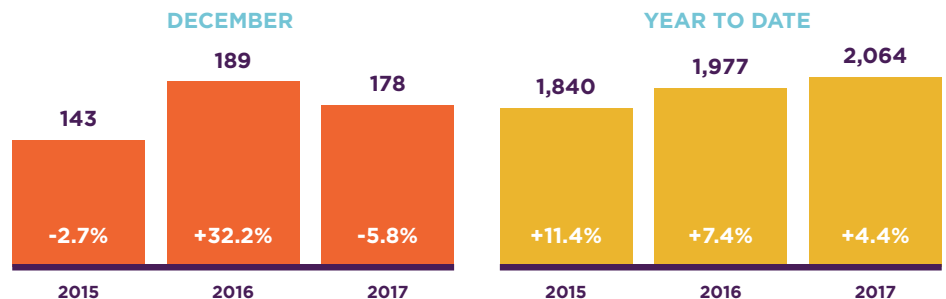
AVERAGE SALES PRICE

Average sales price for all closed sales, not accounting for seller concessions, in a given month.



CLOSED SALES

A count of the actual sales that closed in a given month.



All data from the Greater Binghamton Multiple Listing Service. Provided by the New York State Association of REALTORS®. Report © 2018 ShowingTime.

COMMERCIAL REAL ESTATE

A number of significant commercial real estate projects have come to fruition over the past few years. This is a list of a few that are either in progress or have been completed:

FIVE South College Drive
50 Front Street Luxury Apartments
Century Sunrise Redevelopment, LLC
Regional Agriculture Development Center



FIVE SOUTH COLLEGE DRIVE

Total Project Cost: \$4,350,000

(Including PILOT assistance provided by The Agency)

Est. FTE Jobs: None

A newly constructed economic and business development center, just off the interchange of Interstates 81, 88 and the future Interstate 86. This facility, which is owned by The Agency and is the anchor tenant, will enhance efforts to drive economic growth in Broome County. A strong coalition of partners occupy the building including the Alliance for Manufacturing and Technology, the Greater Binghamton Chamber of Commerce, the National Development Council, Visions Federal Credit Union, and the New York Business Development Corporation. Together it is well-positioned to attract new business investment in Broome County.

COMMERCIAL REAL ESTATE



50 FRONT STREET LUXURY APARTMENTS, A PROJECT BY NEWMAN DEVELOPMENT GROUP, LLC

Total Project Cost: \$31 Million (Including PILOT assistance provided by The Agency)

Est. FTE Jobs: 3 – Retail space will create additional jobs

50 Front will be instrumental in providing high-end apartments for professionals and active adults and will contribute to the revitalization of a historic area of Binghamton. More than 120 one, two and three-bedroom units will be available by 2019. The positive impact of the 50 Front Street Luxury Apartments in our area will be undeniable.

COMMERCIAL REAL ESTATE



CENTURY SUNRISE REDEVELOPMENT, LLC

Total Project Cost: \$29 Million (Including PILOT assistance provided by The Agency)

Est. FTE Jobs: 11 (But will have retail space that will create additional jobs)

This signature project will redevelop and rehabilitate two blighted industrial buildings with the goal of bringing back the live-work atmosphere upon which this community thrived under Endicott-Johnson. Century Sunrise Redevelopment will create residential rental units available to individuals and families at multiple income bands, from market rate to affordable rent levels. The Century Sunrise project also includes approximately 10,000 square feet of commercial space currently available.



REGIONAL AGRICULTURE DEVELOPMENT CENTER

Total Project Cost: \$2 million

Est. FTE Jobs: 5 jobs

(The Ag Center is expected to grow the Agriculture workforce by providing training and assisting current producers in scaling up which creates a ripple effect of job creation.)

The Agriculture Development Center will provide a space for educational training's and workshops for local farmers and producers, area students and the public. The Taste NY store on Upper Front Street provides our community and travelers with another opportunity to purchase local agricultural products and highlights our small businesses from the regions of New York. The economic impact as a result of the Taste NY has created business growth and sustainability to small businesses and local farmers.

Over \$1,250,000 in funding was secured from New York State Agriculture and Markets, Assemblywoman Donna Lupardo, the Ahearn Foundation and Stewart W. and Willma C. Hoyt Foundation.

The Taste NY initiative has created retail jobs in addition to expanding production of local products and creating new small businesses. The generated income from Taste NY sales make a significant impact on our economy.

December sales at the Front Street location exceeded \$20,000 and \$28,425 in sales at the Welcome Center.



THIS AWARD RECOGNIZES
A PROJECT THAT BRINGS
NEW LIFE INTO AN AGING
HISTORICAL BUILDING.

THE RIVERDALE BANQUET HALL

You are ready to host the perfect event, now it's time to pick the perfect venue. The Riverdale Banquet Hall is Broome County's newest event venue for wedding receptions, wedding ceremonies, celebrations, graduations, anniversaries, retirements, reunions, birthdays, holiday parties, sports banquets and much more.

Let us exceed your expectations with a memorable event in our newly renovated banquet hall and special events venue.

The Anastos family are the proud owners of the private and intimate event venue, the Riverdale Banquet Hall. This location, formerly known as Brothers 2, has been fully renovated and is one that has it all, a little sparkle, class, elegance, delicious food, and superior service.

Our facility has everything you can imagine to accommodate your event. With a glamorous bridal suite and complimentary champagne toast for our brides, the Riverdale is sure to make a lasting impression and memorable experience! Start your planning by visiting us today to discuss your event



BINGHAMTON PHILHARMONIC

THE BINGHAMTON PHILHARMONIC

The Binghamton Philharmonic is dedicated to Building Community Through the Power of Live Music. The orchestra strives to take on new challenges that propel the organization in a positive direction and has resulted in sold out performances of Star Wars, Harry Potter, Cirque Musica Holiday and the Mac & Cheese Fest. These new initiatives are the building blocks that assist in revitalization and generate an economic impact for our community. The Binghamton Philharmonic will continue to be a community leader in facilitating the growth and development of our region.

THIS AWARD RECOGNIZES
A PROJECT THAT IMPACTS
THE ENTIRE COMMUNITY
AND FOSTERS GROWTH OF THOSE
AROUND IT OR A PRODUCT/
SERVICE THAT HAS INFLUENCED
YOUR INDUSTRY IN A
CUTTING-EDGE WAY.





THIS AWARD
RECOGNIZES A PROJECT,
PRODUCT OR SERVICE THAT
“THINKS OUTSIDE THE BOX”
AND CONTINUES TO STRETCH
THE BOUNDARIES AND
HAS PROVEN TO BE
A LEADER IN
INNOVATION.

Union-Endicott CSD
TIGER VENTURES

TIGER VENTURES

Tiger Ventures is a high school fully integrated with a new venture incubator. Created by the school district, it will serve as a site to assist in the economic growth and sustainability of the community and as an educational partner - providing both internships for students as part of their school day and professional development for teachers and staff.

The partnership between a new venture incubator housed in the school and the students' full participation in tackling real world opportunities and problems will transform their high school experience as well as helping the new ventures expand and thrive.



JOHN HUGHES

Under John Hughes' guidance, the Binghamton Rumble Ponies presence in the community has skyrocketed to heights the organization has not touched in more than a decade. Eighteen months after taking the reins of the franchise, John has transformed the team into something worthy of, in his words, the "great Southern Tier". Leading by example, John has instilled in the Rumble Ponies the spirit, passion, hard work and relentless pursuit of a great organization.

In August 2017, John Hughes announced that after a successful proposal and campaign to "#BingItHome," Binghamton, NY secured the 2020 Eastern League All-Star Game.

THIS AWARD RECOGNIZES AN INDIVIDUAL WHOSE INVESTMENT OF TIME, TALENT AND MONEY POSITIVELY IMPACTS THE QUALITY OF LIFE AND JOB GROWTH TO ENSURE THE SUCCESS OF THE REGION'S COMMUNITIES AND ECONOMY.



BRAND STRATEGY

We create a consistent brand experience that is aligned with your vision, including logo design, messaging and brand collateral.

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We specialize in all aspects of web design and development - focusing on creating simple and engaging user experiences.

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