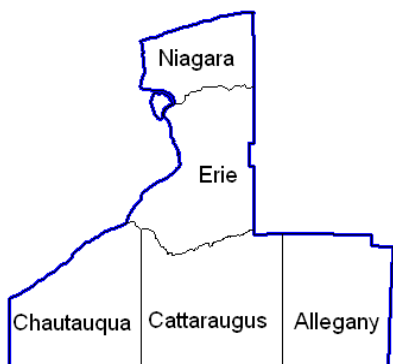


Western New York

Western New York encompasses the Buffalo-Niagara Falls and the Jamestown metropolitan areas, as well as Allegany and Cattaraugus Counties.



Demographics

- Western New York's population declined by 31,009 between 1990-2002, a decline of 2.1% compared to a Statewide increase of 6.5%. The region accounts for about 7.5% of the State's population and is the 4th largest region in the State. It ranked 9th in terms of population growth during the period.
- From 1990 to 2000, Western New York experienced a net loss of 81,549 people aged 20-34 or 23.6% of the 20-34 young adult cohort. The region also experienced a decline of 25,463 people or 2.7% in the 16-64 age cohort compared to a 4.4% statewide.

WESTERN NEW YORK DATA BANK			
	WES	NYS	US
Population			
2002 Estimate	1,434,930	-	-
% Change 1990-2002	-2.1	6.5	15.9
Employment			
2002 Level	625,708	8,116,000	130,376,000
% Change 2000-2002	-2.3	-2.3	-1.1
2000 Level	640,424	8,308,000	131,785,000
% Change 1992-2000	4.8	11.2	20.9
Unemployment			
2003 1st Half (#)	44,526	584,900	8,771,571
2003 1st Half (rate)	6.3	6.3	6.0
%Pt Change 2001-2003 1st Half	0.9	1.8	1.7
2000 (rate)	5.4	4.8	4.0
%Pt Change 1990-2000	-0.3	-0.8	-1.6
Labor Force Participation			
2000 (rate)	62.3	61.0	63.7
%Pt Change 1990-2000	0.3	-2.5	-1.2
Per Capita Income (2002\$)			
2001	23,564	36,449	30,897
% Change 1990-2001	11.5	17.3	18.3
Poverty Rate			
2000	12.3	14.6	12.4
%Pt Change 1990-2000	0.0	1.6	-0.7
Percent of Population Earning less than 200% of Poverty level, 2000	29.4	30.5	29.6
%Pt Change 1990-2000	-0.5	2.7	-1.3
Median Family Income			
	2000 (2002\$)	% Change 1990-2000	
USA	54,011	9.5	
New York State	55,786	0.2	
Allegany	41,636	6.0	
Cattaraugus	42,433	7.5	
Chautauqua	44,306	5.7	
Erie	53,411	8.8	
Niagara	51,605	8.7	

Employment and Labor Force Characteristics

Western New York: 10 Industries with the Largest Employment Gains 2000-2002						
NAICS	Industry	Employment		2000-2002 Change		Avg. Wage 2002
		2000	2002	#	%	
	Total Employment	640,422	625,708	-14,714	-2.3%	\$31,802
92	Government	107,932	110,272	2,340	2.2%	\$36,074
524	Insurance Carriers and Related Activities	8,996	10,731	1,735	19.3%	\$41,257
551	Management of Companies and Enterprises	7,326	8,749	1,423	19.4%	\$51,125
623	Nursing and Residential Care Facilities	18,430	19,844	1,414	7.7%	\$20,168
522	Credit Intermediation and Related Activities	13,583	14,933	1,350	9.9%	\$44,540
517	Telecommunications	3,488	4,549	1,062	30.4%	\$50,300
722	Food Services and Drinking Places	42,183	43,170	987	2.3%	\$10,416
624	Social Assistance	13,413	14,181	768	5.7%	\$17,732
611	Educational Services	11,598	12,251	653	5.6%	\$25,716
424	Merchant Wholesalers, Nondurable Goods	7,431	7,820	389	5.2%	\$36,337
	Total of above industries	234,379	246,500	12,121	5.2%	\$30,273

Source: NYS DOL.

- Between 2000 and 2002, the Western New York Region lost 14,714 jobs 2.3%, the same rate as the state. Between 1992-2000, total employment in the region grew by 4.8% or 29,248 jobs compared to 11.2% for the state. The region ranked 9th in terms of employment growth in the 1992-2000 period.
- Sectors that performed the best between 2000-2002 included insurance carriers and related activities, management of companies and enterprises, and telecommunications. These industries paid well and generally above the average wage of \$31,802 in the region: Insurance \$41,257; Management \$51,125; and Telecommunications \$50,000. The region ranked seventh in terms of job growth during the period.
- Declining industries in the Western New York region were concentrated in manufacturing, including miscellaneous manufacturing, machinery, furniture and transportation equipment. Seven of the ten losing industries paid higher wages than the average annual wage in the region.
- Unemployment rates rose nearly 1 percentage point to 6.3% in 2003, less than the increase of 1.8 percentage points statewide. It ranked second in unemployment change during the period. The labor force participation rate declined slightly to 62.3% in 2000, but it ranked 1st in labor force participation growth.

Western New York: 10 Industries with the Largest Employment Losses 2000-2002						
NAICS	Industry	Employment		2000-2002 Change		Avg. Wage 2002
		2000	2002	#	%	
	Total Employment	640,422	625,708	-14,714.3	-2.3%	\$31,802
561	Administrative and Support Services	31,355	28,529	-2,826	-9.0%	\$22,178
336	Transportation Equipment Manufacturing	15,718	13,767	-1,952	-12.4%	\$72,904
333	Machinery Manufacturing	10,485	8,795	-1,690	-16.1%	\$44,571
339	Miscellaneous Manufacturing	5,339	4,003	-1,336	-25.0%	\$36,123
621	Ambulatory Health Care Services	24,147	22,820	-1,327	-5.5%	\$35,675
452	General Merchandise Stores	13,332	12,006	-1,326	-9.9%	\$15,556
332	Fabricated Metal Product Manufacturing	14,455	13,129	-1,326	-9.2%	\$43,462
423	Merchant Wholesalers, Durable Goods	15,967	14,756	-1,210	-7.6%	\$40,688
337	Furniture and Related Product Manufacturing	4,951	3,853	-1,098	-22.2%	\$29,277
484	Truck Transportation	6,645	5,806	-839	-12.6%	\$36,114
	Total of above industries	142,393	127,464	-14,929	-10.5%	\$36,617

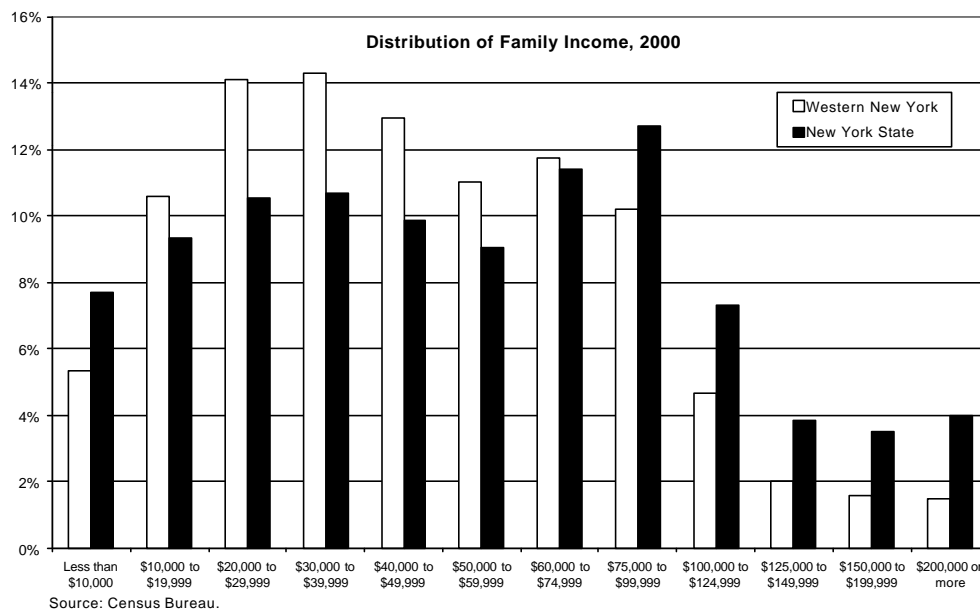
Source: NYS DOL.

Income and Poverty

Western New York - Change in Personal Income and Components, Selected Years						
(in billions of 2002 dollars)						
	Personal Income	Wages & Salaries	Proprietors Income	Dividends, Interest, Rent	Transfer Payments	Residency Adjustment
1980	30.4	17.8	1.8	4.6	4.6	-0.1
1990	35.3	19.6	2.3	6.5	5.8	-0.1
2000	39.2	21.7	2.4	7.0	7.3	0.0
2001	38.8	21.1	2.4	6.9	7.6	0.0
1980-1990						
Change	4.8	1.8	0.5	1.8	1.2	0.0
Ann Avg % Change	1.5%	1.0%	2.6%	3.4%	2.3%	-4.5%
1990-2000						
Change	4.0	2.1	0.1	0.5	1.5	0.0
Ann Avg % Change	1.1%	1.0%	0.4%	0.8%	2.4%	-4.8%
2000-2001						
Change	-0.4	-0.5	-0.1	-0.1	0.3	0.0
Ann Avg % Change	-1.0%	-2.5%	-2.2%	-1.3%	3.6%	-18.3%

Source: BEA. Deflator applied by Fiscal Policy Institute.

- Per capita income in the Western New York Region rose by 12% to \$23,564 in the period between 1990 and 2001. The gain in personal income was below the 17% gain at the state level and it ranked 9th among regions in the state.
- In the last decade, the poverty rate in the Western New York Region stayed about the same. It ranked 5th among the regions on this indicator. In 2002, 29% of the population earned less than 200% of the poverty wage - a half a percent decline compared to an increase of 2.7% at the state level and 1.3% decline at the national level.
- Every county in the region had median incomes that were below the average for the State. However, every county experienced an increase in median which ranged from about \$2000 to \$4316 compared to a negligible increase for the state.
- In 2000, family income in the region was less equally distributed than in the state. More families had make to do with less than \$50,000.
- Between 1990 and 2000, the region's total personal income increased by \$4 billion or about one percent. Wages and salaries increased by only one percent in contrast to a 2.4% increase in transfer payments.



Prospects

Industry clusters in the region include: biotechnology-pharmaceuticals, food processing, industrial machinery, materials processing, transportation equipment, and wood products.

Manufacturing is important to the region because of its relatively high wage jobs. These industries will continue to be impacted by international competition, low labor costs overseas, and exchange rate fluctuations. Even a pick-up in manufacturing activity does not guarantee that there will be new hiring because reliance on technology, outsourcing, and relocation of facilities will accelerate. The prospects do not appear to be bright. Recent Western New York's manufacturing performance somewhat follows that of the US, and, unlike in the past, job losses have not been as severe. Nevertheless, the region continues to lose manufacturing jobs--Nabisco, Ethan Allen, and Trico have reduced their presence in the region. Small manufacturers have been hit the hardest.

One reason for the relatively lower number of job losses is that the region did not have a major presence of advanced technology manufacturers. Nationwide these industries were hit hard in the recent recession.

Auto parts manufacturers, which form an important part of the economy, have been hit hard in the recession. Auto parts manufacturers—General Motors, Ford, Dunlop Tires—are closely tied to automobile assembly plants in Canada because of the 1965 US-Canada Auto agreement. When Canadian plants slow down they have a severe impact on area auto part manufacturers, and it is not certain that jobs lost in this sector will return.

Older industries continue to invest in the region. Cummins announced plans to open a heavy engine plant in Chautauqua County (250 jobs). Also, General Motors is retooling its engine plant to produce a new car in North Buffalo.

Other major new investments include the Gambling Casino in Niagara (2500 jobs) and another possible Casino investment in Erie. The expansion of Account Management, opening of Capital Mangement, and the M&T Bank merger will create 1375 jobs. The retail sector that had earlier benefited from Canadian shoppers no longer does so because of a weaker Canadian dollar over the last several years. The US dollar is not likely to weaken significantly to alter the trend.

Like some of the other regions in the state, the area is blessed with a strong educational infrastructure including numerous private and public colleges that have contributed to job gains. Increasing and changing demand for healthcare have led to increases in employment, but also led to restructuring in the industry. To some degree there continues to be a skilled worker shortage in the region, either because qualified workers are moving out, work away, or because the most skilled are hired by larger firms who pay more.

Roswell Park, the Multidisciplinary Center for Earthquake Engineering, and the Center for Biometrics are some of the leading science and technology institutions in the region.

Top Employers In Western New York, 2002

- ACC Operations Inc (Adelphia Communications)
- American Axle And Manufacturing Inc
- Buffalo City School District
- Burger King
- City of Buffalo
- County of Chautauqua
- County of Erie
- County of Niagara
- Delphi Auto Systems Srvcs Llc
- Dresser-Rand Co
- Ford Motor Co
- General Motors Corp
- HSBC Bank USA
- Kaleida Health (Group Of Hospitals)
- Kenmore Town Of Tonawanda School District
- Mercy Hospital
- Mfrs & Traders Trust Co
- Moog Inc
- Roswell Park Cancer Institute
- Sisters of Charity Hospital
- SUNY at Buffalo
- SUNY Research Foundation
- The Home Depot
- Tops Markets Inc
- US Postal for Buffalo New York
- US Veterans Medical Center
- Verizon Communications
- Wal-Mart Associates Inc
- Wegmans Food Markets Inc
- Williamsville Central School District

Source: NYS DOL ES-202 Data, Compiled By The New York State Data Center. Unranked.