

FOR THE EXCLUSIVE USE OF NASIR@UVC.ORG

From the Buffalo Business First:

<https://www.bizjournals.com/buffalo/news/2017/07/12/which-parts-of-upstate-new-york-have-the-strongest.html>

Which parts of Upstate New York have the strongest economies? (And which are trailing the pack?)

➤ SUBSCRIBER CONTENT:

Jul 12, 2017, 10:37am EDT Updated: Jul 12, 2017, 10:58am EDT

Gov. [Andrew Cuomo](#) has been spreading good news about Upstate New York in recent months, trumpeting what he sees as a resurgent economy.

The region's 10 metropolitan areas, **Cuomo said in April**, "are roaring back to life." But the gains have been uneven, as the latest federal statistics make all too clear.

The obvious question is which Upstate markets are enjoying the strongest growth, and which are lagging? Three basic statistical tests can point us toward the answer.

We'll begin with population. The latest [U.S. Census Bureau](#) estimates are for 2016, so we'll match those figures against the bureau's last hard count in 2010.

Here are the (admittedly uninspiring) results:

CHANGE IN POPULATION, 2010-2016

- **Ithaca, 3.2%**
- **Albany-Schenectady-Troy, 1.3%**
- **Rochester, -0.1%**
- **Buffalo-Cheektowaga-Niagara Falls, -0.2%**
- **Syracuse, -0.9%**
- **Utica-Rome, -1.9%**
- **Watertown-Fort Drum, -1.9%**
- **Glens Falls, -2.0%**



Ithaca is the second-smallest metropolitan area in Upstate New York, with just 104,871 residents, and it isn't commonly recognized as an economic hot spot but it is.

- **Elmira, -2.8%**
 - **Binghamton, -3.0%**
-

You might be surprised to see Ithaca in first place. It's the second-smallest metropolitan area in Upstate New York, with just 104,871 residents, and it isn't commonly recognized as an economic hot spot. (The only Upstate metro that's smaller is Elmira at 86,322.)

Yet some people are starting to pay attention. The New York Times **noted a few years ago** that Cornell University and Ithaca College have been working successfully with the private sector to generate new jobs. Local officials **claim to be outpacing expectations** for job growth and retention, something that few of their colleagues in other Upstate cities could say.

The Ithaca area has added nearly 3,300 residents in the past six years, according to the Census Bureau, resulting in a gain of 3.2 percent. The only other Upstate metro to register a population increase is Albany-Schenectady-Troy. The Buffalo area is down 0.2 percent.

The linkage between population and employment is obvious, so it comes as no shock that the two markets posting gains in the former are also the big winners in the latter:

CHANGE IN PRIVATE-SECTOR EMPLOYMENT, 2012-2017

- **Ithaca, 12.3%**
 - **Albany-Schenectady-Troy, 6.9%**
 - **Buffalo-Cheektowaga-Niagara Falls, 4.5%**
 - **Syracuse, 3.6%**
 - **Rochester, 3.4%**
 - **Glens Falls, 2.9%**
 - **Watertown-Fort Drum, 2.6%**
 - **Utica-Rome, 2.1%**
 - **Binghamton, -3.3%**
 - **Elmira, -6.8%**
-

Government has a sizable presence in both Ithaca and Albany, and the natural impulse is to suggest that their employment gains are being subsidized by taxpayers. But the chart above is limited to *private-sector* jobs. Any increases in government employment have been factored out.

The Ithaca area has added 6,300 private-sector jobs in five years, based on U.S. Bureau of Labor Statistics data for the period from May 2012 to May 2017. That's a strong increase of 12.3 percent.

Albany comes next with a growth rate of 6.9 percent, which translates to 23,700 new private-sector jobs. Buffalo gets the bronze medal with a gain of 4.5 percent.

Let's move on to our final statistical test, which also is the most obscure. It is gross metropolitan product (GMP), officially known as gross domestic product by metropolitan area.

GMP is a smaller-scale version of GDP. The latter, as you probably know, measures the total output of goods and services on the national level. GMP plays the same role at the metropolitan area.

The two-county Buffalo metro wields the greatest economic power in this group, as indicated by its 2015 GMP of \$50.0 billion. It's followed by Rochester at \$49.3 billion and Albany at \$45.3 billion.

But we're specifically interested in GMP *growth*, an indicator of a local economy's expanded ability to produce goods and services. And it's here that Albany shines, posting an inflation-adjusted increase of 6.0 percent between 2010 and 2015. (The latter is the most recent year for which data are available from the U.S. Bureau of Economic Analysis.)

Buffalo is a strong second in this category, and Ithaca is third:

CHANGE IN GROSS METROPOLITAN PRODUCT, 2010-2015

- ***Albany-Schenectady-Troy, 6.0%***
- ***Buffalo-Cheektowaga-Niagara Falls, 4.0%***
- ***Ithaca, 1.3%***
- ***Rochester, 0.8%***
- ***Glens Falls, 0.3%***
- ***Syracuse, -1.0%***
- ***Utica-Rome, -1.4%***
- ***Elmira, -2.9%***
- ***Binghamton, -3.4%***
- ***Watertown-Fort Drum, -5.5%***

The remaining question is how to use these three statistical tests to determine an Upstate economic champion. We could opt for the full-blown treatment -- standard deviations and z-scores and the like -- but why go to all that trouble? Our quest is somewhat casual, and a simple point system should suit our needs.

So let's use a 10-point scale in each category, beginning with a single point for 10th place and working up to the maximum score for the top spot:

ECONOMIC RATING POINTS

- **Albany-Schenectady-Troy, 28**
 - **Ithaca, 28**
 - **Buffalo-Cheektowaga-Niagara Falls, 24**
 - **Rochester, 21**
 - **Syracuse, 18**
 - **Glens Falls, 14**
 - **Utica-Rome, 11**
 - **Watertown-Fort Drum, 9**
 - **Elmira, 6**
 - **Binghamton, 5**
-

The outcome is a tie, as only seems fair. Ithaca holds the edge in population and private-sector employment, while Albany is experiencing the fastest rise in productive output. Both metros have earned 28 points on our scale, stamping them as Upstate New York's co-leaders for economic growth.

And what of Buffalo? The local population is stagnant, a problem that does not exist in Ithaca or Albany. But results were much stronger in the other two categories, yielding 24 points and third place in the overall standings.

Significant difficulties remain in the Buffalo area -- especially the age-old dilemma of how to boost the number of local residents. But things could be much, much worse.

Just ask the people in Binghamton and Elmira.

G. Scott Thomas
Projects Editor
Buffalo Business First

