

Central New York Economic Outlook

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The Big Picture

While the underlying fundamentals are strong, U.S. economic growth is being disrupted by four key drivers:



LABOR SHORTAGES AND WAGE COSTS

Employers across industries are struggling to find qualified applicants for open positions



SUPPLY CHAIN DISRUPTION

Raw materials shortages, manufacturing backlogs, and shipping delays are affecting both domestic and international supply chains



PENT-UP DEMAND / SAVINGS

Many households had excess savings in 2020/2021 due to reduced expenses or gov't assistance, and will be looking to spend in 2022

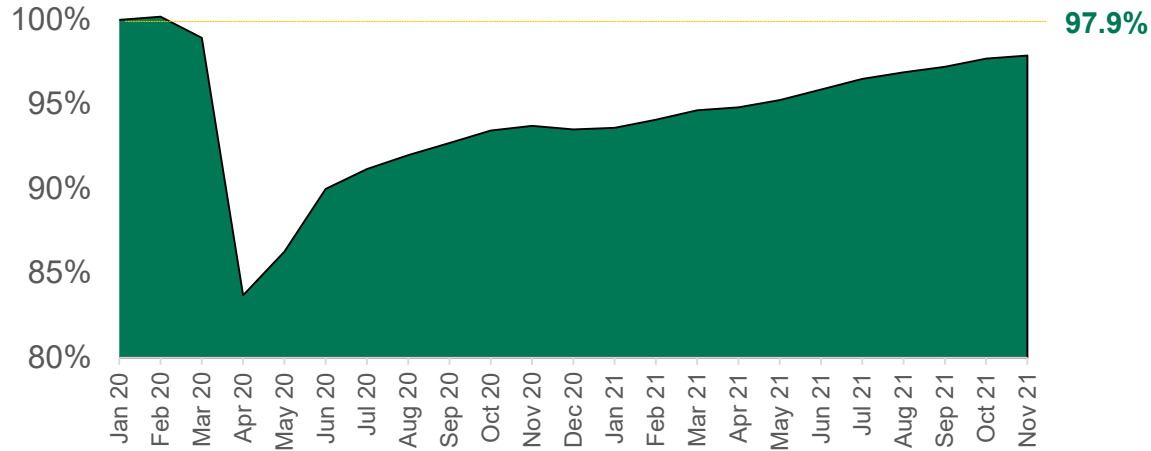


INFLATION

Prices are rising quickly across the economy, hurting both businesses and consumers. Will it be "transitory"?

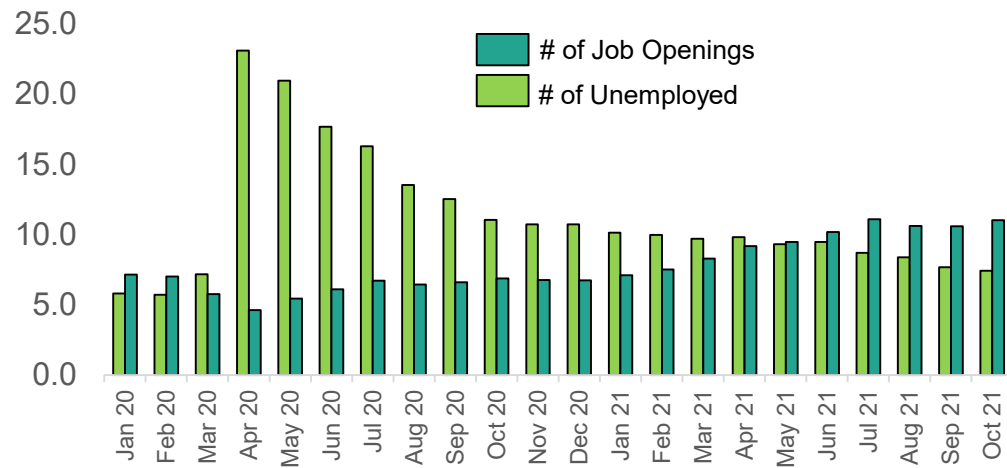
National Labor Market Trends

Total Private Employment
Seasonally Adjusted, Indexed to January 2020



Total U.S. private employment is 2.1% lower than before the pandemic, with nearly 3 million fewer jobs still yet to be recovered...

of Unemployed vs. # of Job Openings
Millions, Seasonally Adjusted



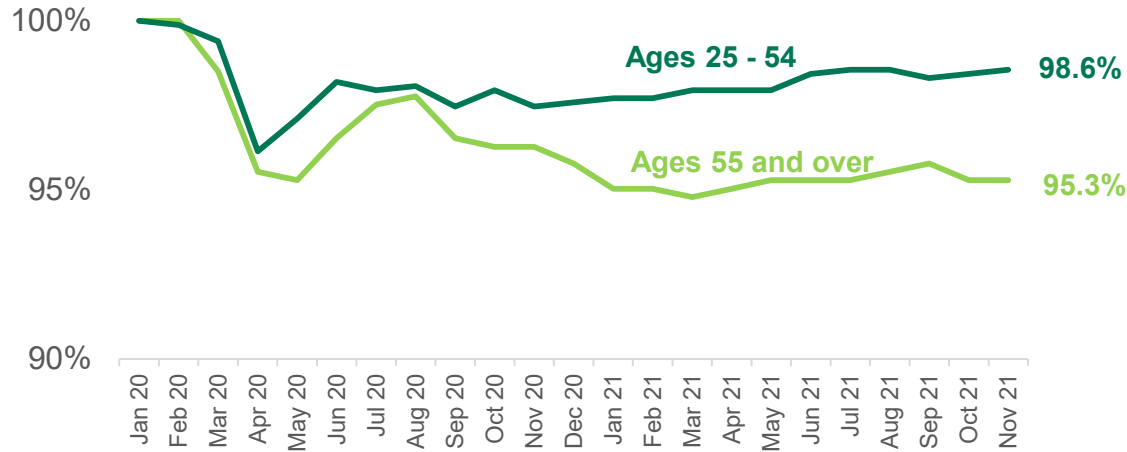
...yet there are not enough workers to fill available jobs. On average, there are 1.5 available jobs for every unemployed person looking for work – a record high



Why Are Workers So Scarce?

Change in Labor Force Participation – By Age Group

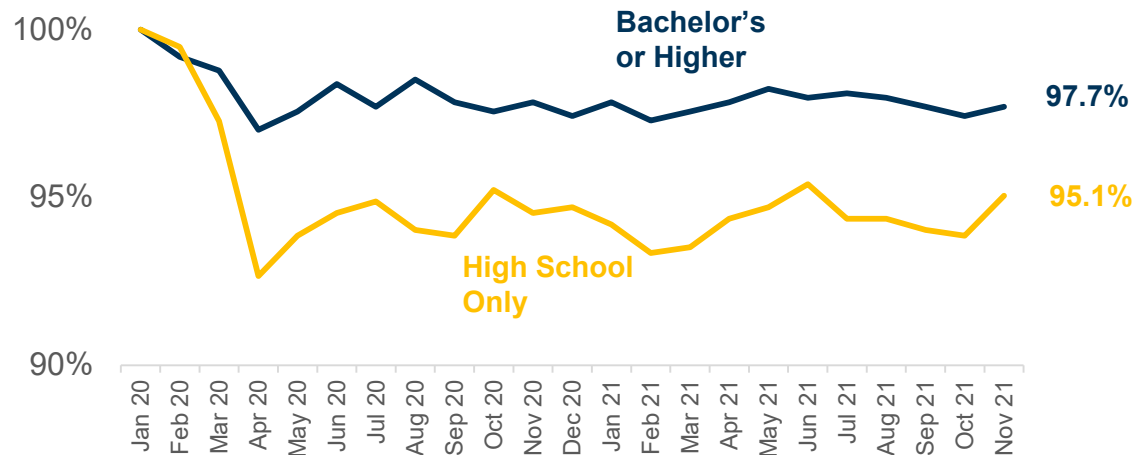
Seasonally Adjusted, Indexed to January 2020



Older workers have been far more likely to leave the labor force, for reasons including health concerns, shifting life priorities, and financial gains (rising stock market)...

Change in Labor Force Participation – By Education

Seasonally Adjusted, Indexed to January 2020



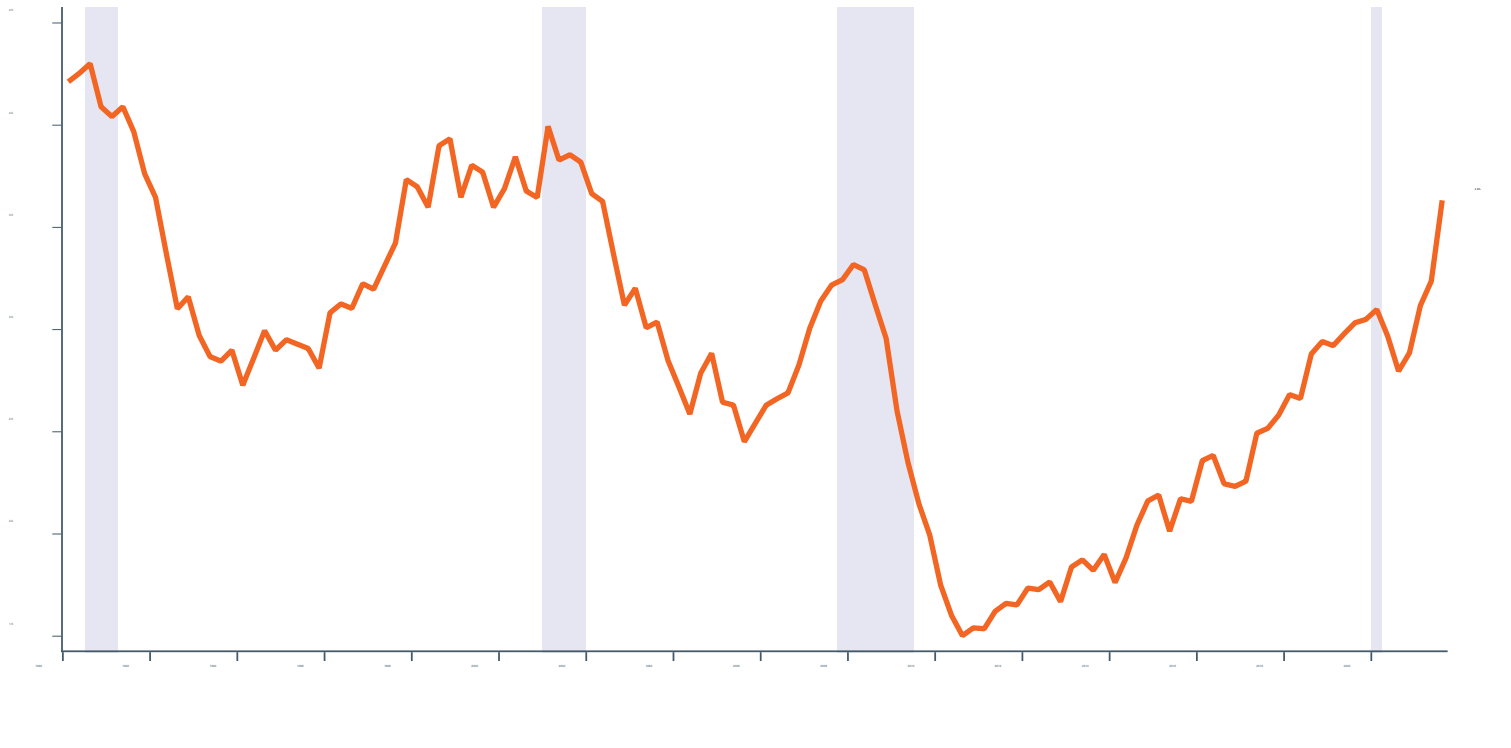
...workers with lower educational attainment are also disproportionately likely to have left the workforce, likely due in part to the heightened disruption the pandemic has had on low-wage industries



Employment Cost Index Wage Growth Gaining Steam

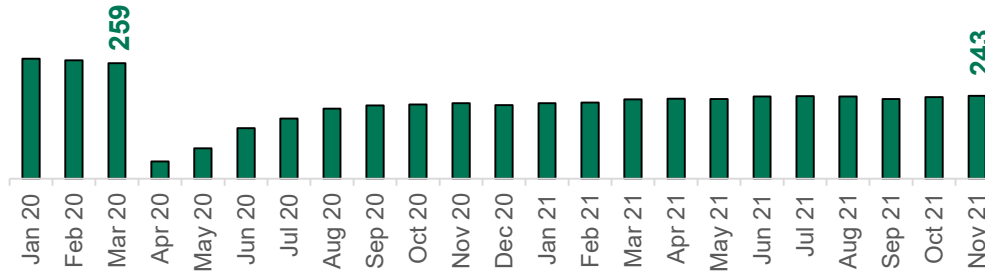
The employment cost index (ECI) is one of the best measures of wage growth because it is comprehensive and accounts for composition effects (but is only released quarterly). This measure suggests wages are growing at their fastest pace since 2002.

Employment Cost Index- Wage and Salary Growth, Private Sector (2-year % change, annualized)



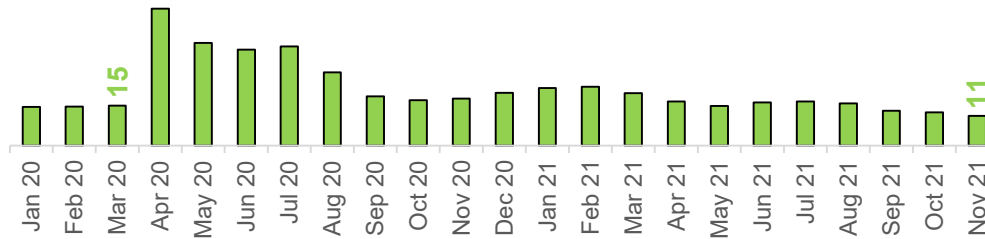
Syracuse Labor Market Overview

Syracuse Total Private Employment
Seasonally Adjusted, Thousands



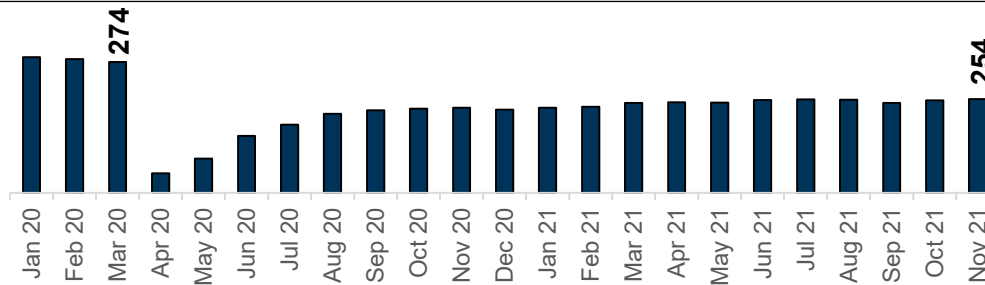
While improving, Syracuse private sector employment is still 16,000 jobs (7%) below the pre-pandemic peak...

Syracuse – Number of Unemployed
Thousands



...yet the number of unemployed is now smaller than before the pandemic, creating intense competition for the available workers...

Syracuse – Total Labor Force
Thousands



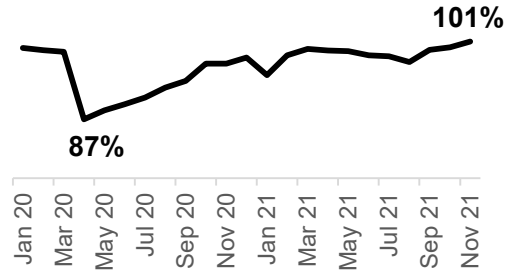
...because the labor force has shrunk by 5%, due to retirements, structural changes, and lingering COVID pressures.



Syracuse Key Industry Employment Trends

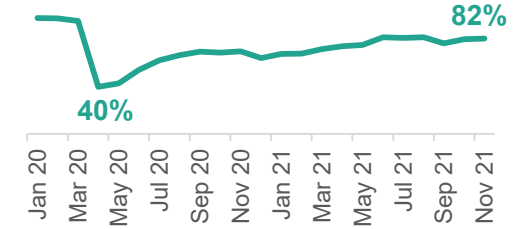
GOOD: Business & Professional Services

“Back Office” jobs have fully recovered, although WFH limits some of the beneficial ripple effects



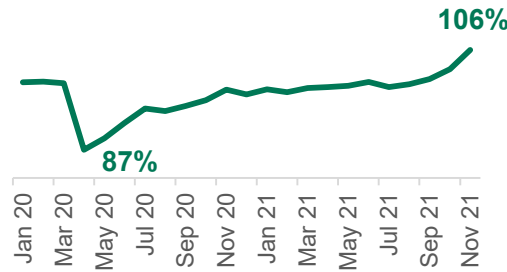
BAD: Leisure & Hospitality

While much improved from Summer 2020, the sector is struggling with labor shortages and COVID restrictions



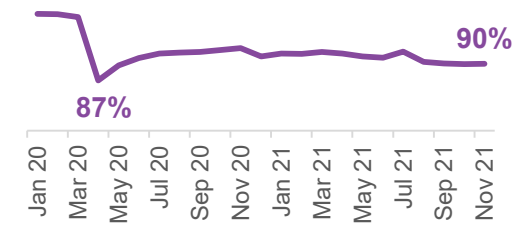
GOOD: Transportation & Warehousing

Accelerated growth in e-commerce has led to hiring in warehousing and logistics



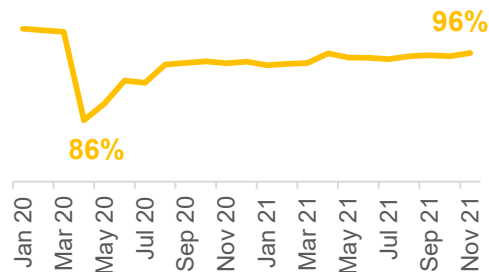
BAD: Healthcare & Education

Healthcare was a major growth engine post-2007, hampering the overall recovery (and straining hospital capacity)



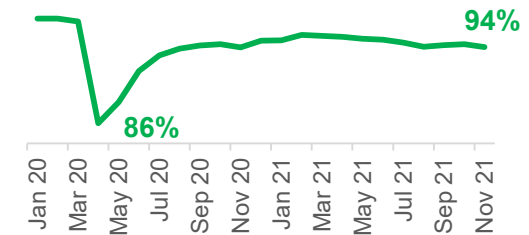
GOOD: Manufacturing

While still below peak, manufacturing employment has held up far better than in prior cycles



BAD: Retail Trade

After quick recovery, retail employment has been nearly flat for the past 18 months



Syracuse Business and Economy Headlines

Labor Shortage impacts Syracuse

Syracuse Economy News

Even Wegmans, one of the country's best places to work, needs employees

SYRACUSE, N.Y. — Now, they will be hosting a virtual hiring event to try and fill more than 200 open positions in Syracuse area stores.

Like many companies Syracuse Wegmans and is feeling the effects of the labor shortage too.

Syracuse area's job shortfall from 'pandemic recession' among worst in nation, feds say

SYRACUSE, N.Y. — The Syracuse area has among the largest job shortfalls in the nation as a result of the pandemic-induced recession, according to a report by the Federal Reserve Bank of New York.

The metro area has the nation's fourth worst job shortfall from the "pandemic recession," Fed economists wrote in their report. The area had 8.1% fewer jobs in October 2021 than it did prior to the pandemic, they said.

Fed up with labor shortage, CNY businesses turn in those on jobless benefits who reject work

Syracuse University economist suggests unemployment bonus is a 'mistake,' causing local labor shortage

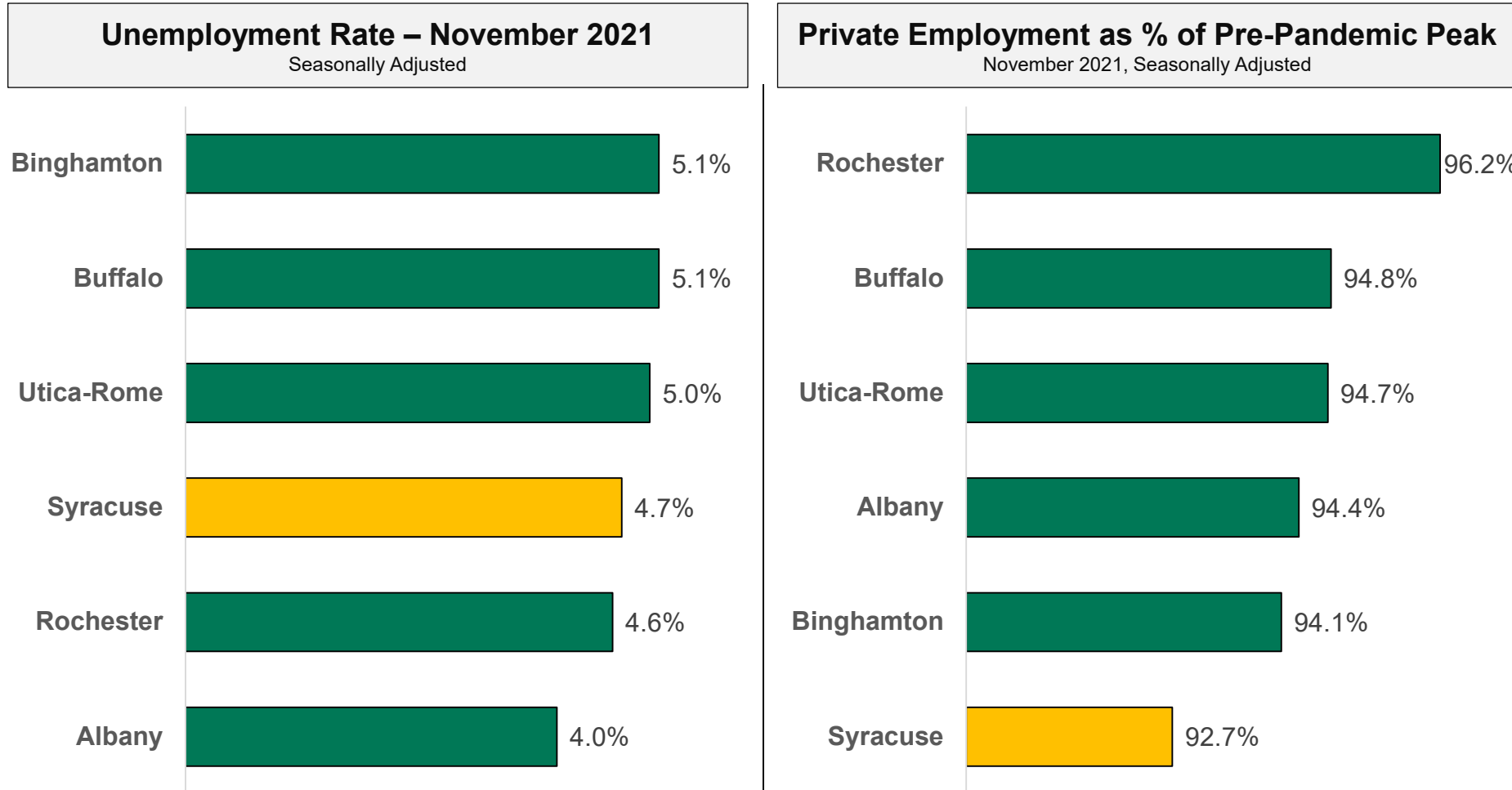
NY worker shortage: Employees retool careers after COVID

Supply Shortages Impacts Marshall St. Businesses

Labor shortage weighs heavy on restaurant industry during holidays

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Upstate NY Peer Comparison



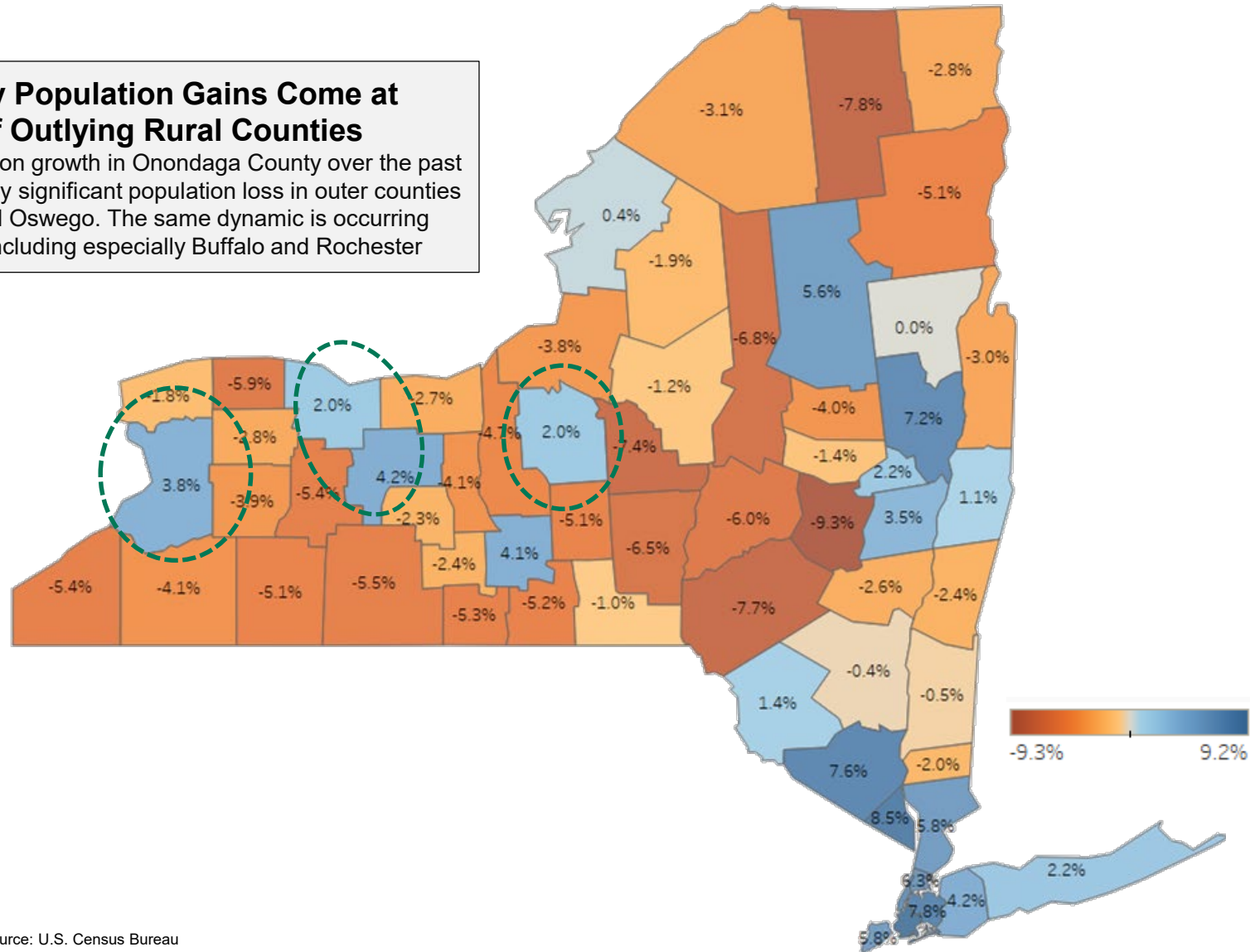
While there is some variation between major Upstate NY cities, the overall story is the same – employment remains below pre-pandemic peak, and will be slow to recover further until labor force returns to pre-pandemic levels

Upstate NY Population Growth – A Tale of Urban vs. Rural

% Change in total population between 2010 and 2020

Urban County Population Gains Come at Expense of Outlying Rural Counties

Relatively strong population growth in Onondaga County over the past decade has been offset by significant population loss in outer counties including Madison and Oswego. The same dynamic is occurring across Upstate NY, including especially Buffalo and Rochester



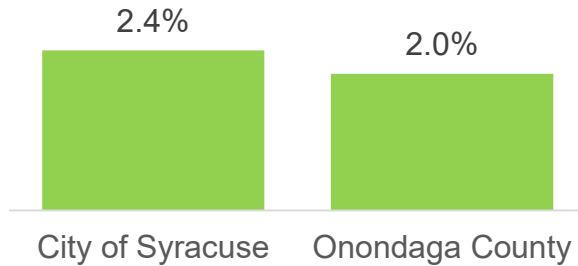
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Upstate Cities vs. Their Suburbs

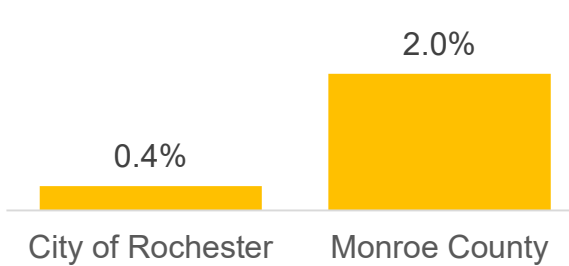
Change in Population, 2010-2020

In contrast to prior decades, most Upstate cities grew over the past 10 years, including several that grew more quickly than their suburbs. While the pandemic remains a near-term headwind for downtown cores, the longer-term trend may still be favorable for cities, including Syracuse

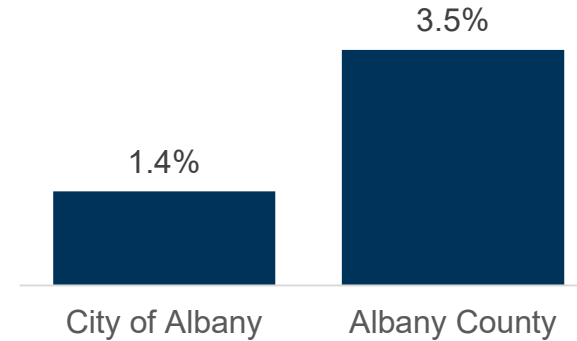
Syracuse/Onondaga



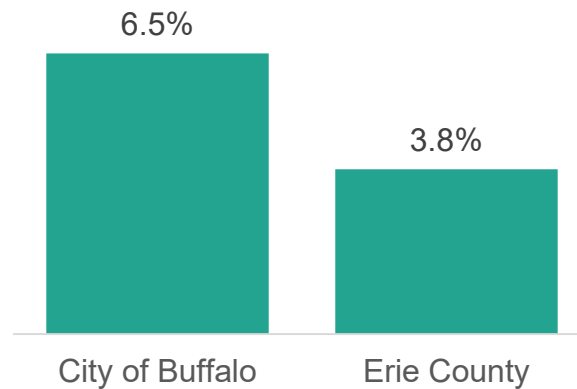
Rochester/Monroe



Albany/Albany



Buffalo/Erie



Binghamton/Broome

