

Andrew Fish 0:06

Welcome to CenterState CEO's semi monthly podcast, Talk CNY presented by NBT Bank.

Kate Hammer 0:11

On Talk CNY You get an inside look at the people, projects and planning moving Central New York forward.

Andrew Fish 0:17

I'm Andrew Fish, Senior Vice President of Member and Business Experience at CenterState. Central New York's leading business leadership and economic development organization.

Kate Hammer 0:26

And I'm Kate Hammer, business coach and member at CenterState CEO. We are your hosts for Talk CNY. Take a moment right now to subscribe in your favorite listening app for new episodes reminders every other Wednesday.

Jared Shepard 0:38

Data is the foundation for us to ask the right questions, to start asking questions, to begin our conversations, to understand the stories in our community, and understand where people are succeeding and where people need help, and and how we can play a role.

Andrew Fish 0:56

On this episode of our podcast, we talk to CenterState CEO's, Jared Shepard, Director of Research and Planning, about the key indicators we look at to understand the growth that is ahead and develop the strategic plans needed to meet those opportunities and challenges. Jared, thank you so much for joining us. Welcome to Talk CNY.

Jared Shepard 1:10

Thank you.

Andrew Fish 1:13

Yeah, Jared, as an organization, we root so much of our work, the planning, the strategy, development, the impact measurement, all in data, right. And I know data is your thing. Tell us a little bit about what makes data and research so compelling to you.

Jared Shepard 1:27

For starters, it's the factual lens. And roots, a lot of our work and roots are assumptions. But I also recognize that one of the great assets at CenterState and working here is the level of institutional knowledge and intuition that goes into the work the ground proofing. So I think when those things work together, you're you're in the best best situation, I think, to take ideas to take information. And understand the practical application of it. I remember being kind of envious of someone I went to school with who their first job out of grad school was was at Brookings. And you know that that seemed to be the best possible thing to do is go there and, and immerse yourself in data and research. We've kept in touch, but he's always seems more envious of the

work that we get to do. Because the practical application is there. Yeah. So but I mean, I love I love data data in research. I think most people do, you know, ideas excite us, I think ideas, make us human and keep us connected to what's going on in our community.

Kate Hammer 2:36

Yeah, you know, that's a really good point. Because what do we use it for, right, we use it for storytelling. All data has context, right? It always has a narrative. And so what you're talking about that institutional knowledge, it's so important to have that in mind and to have all of that expertise, so that when you're pulling datasets or when you're looking at some sort of visualization, that you have an understanding that it's grounded in something that you feel comfortable to share, right?

Jared Shepard 3:04

Yes, that's absolutely right. There, there's an expression that we sometimes use or try to remember, I don't know where it comes from, but it's no numbers without narrative.

Kate Hammer 3:14

I love that. Yes.

Jared Shepard 3:15

Yeah. And then even when it when it comes just like to what is what is data and maybe some of the differences between qualitative and quantitative data. And actually, maybe that's those are, in some ways, artificial differences. Quantitative data is really just a lot of qualitative data that's been organized in a certain way. And so another, I think, important aspect of data is submerging yourself in understanding of what the limits and the uses are, and where it came from. And understanding that at a certain point, you, you know, percentages, and changes over time are interesting to, again, sort of bedrock, your assumptions, but that's actually derived from a human being who filled out a form. And, and they're actually describing their life. So-

Andrew Fish 4:03

The data is rooted in real people.

Jared Shepard 4:04

Yeah, yeah.

Andrew Fish 4:06

You know, one of the things that I know you're spending a lot of time on is, is housing, right? It's something that we have to address in order to meet this moment. And as a result of that, as an organization, we do, we've done what we know works well. And that's we've convened a group of our members that are experts in this field, and we formed this Housing Taskforce and you're you're doing a great job leading that. Talk to us a little bit about that group, what we're hoping to accomplish in you know, kind of what's ahead, as we kind of work on housing as a as a regional challenge.

Jared Shepard 4:33

The group is made up of the number of community members who who are in touch with more specifically the needs of affordable housing, but also developers and construction companies, builders, and lenders. The ability to bring everybody around around the table and understand that a the perspective of a lender, they see a set of challenges that are, you know, probably the challenges that they're not directly able to influence. It's a barrier and they can offer solutions. But then we'll also speak with somebody on perhaps the the builder or developer side of us. And they maybe have ways of addressing that challenge. But they they have specific concerns that need to be met through developing different access to capital.

Andrew Fish 5:21

Right.

Jared Shepard 5:21

The remarkable thing so far about the group has been how they've worked together. In I think several revenue had three or four meetings. And nobody has asserted that their particular challenge is the challenge, the resources need to be used on. But the benefit is, all of these ideas are discussed in the same room so that you have developers who build towards the upper end of the market, understanding that the in the same room at the same table, someone whose primary concern is providing any type of housing to the unhoused. And then we also have lenders in the room who are who are evaluating what's going on. And they're committed to finding solutions to to financing the development that we need.

Andrew Fish 6:06

It's it's a complex problem. And it's great to hear that we have partners around the table who are thinking about the entirety of the issue, and understanding their role in it, but recognize that our solution set is going to be something that doesn't just fit their needs. But as broadly addressing these issues in our community, and trying to make sure that we as we see this growth, inevitable growth happen, that it's happening equitably. And it's happening in a sustainable fashion. There's a lot of barriers to get through. That's there's you know, there's permitting and municipal zoning and all sorts of challenges in addition to the financing, and you know, the cost of construction, all the other stuff that we're facing right now. But it's great to see that that group coming together.

Jared Shepard 6:48

Yeah, that's right.

Kate Hammer 6:49

It's so encouraging to hear that people are finding shared interests and really honoring each other's perspectives. Has there been any thing that surprised you that you've heard from members of the group?

Jared Shepard 7:00

Maybe no specific things, but the general way that that the the group works together is a demonstration of really the way that you get comprehensive and complex problem solving done, and by understanding that, that the outcome that you're going for is going to be the product of some sort of network impact of the increase in connections that you're making, or the quality of those connections that you're growing. So how you are linking builders and funders, and developers not only in terms of the contracts that they sign in the business that they're actually conducting together. But how do they understand each other and understand the challenges? And there's, there's so much about this work at CenterState that is that is tied to creating natural collisions in in the culture or in the economy.

Kate Hammer 7:49

Oh, yeah. Totally the CenterState way.

Andrew Fish 7:52

So, I know that kind of a next step for this Housing Task Force, really kind of a first official step of this Housing Task Force is coming out with a policy memo, this is going to drive kind of what we do kind of that, again, to your to your conversation just now about the complex problem solving, this is going to kind of lay out a path for us. And the ways in which CenterState wants to see this growth happen wants to be involved in this work without giving away too much, because I know that it is still being drafted. And we're hoping that it is released here in the next week or two. Anything you can share from that memo specifically, that is something that you're really excited about really nervous about, really-

Kate Hammer 8:31

Oh, that's a serious sneak peak.

Andrew Fish 8:32

Yeah, right. So anything that you feel is really a great little nugget to share with our listeners.

Jared Shepard 8:38

The most interesting, or maybe the most exciting part of it is, is that there's an there's growth happening in our region, we all know that there's challenges associated with that. And there is an incredible group of people that I've had the privilege of working with, who are extremely intelligent, and thoughtful and are dedicated to working on this. Part of this growth, though, is developing is part of the developing narrative of what this community is now, right. And as a growth community, it means some things that that it hadn't meant in anybody's collective memory. And one of them is that we want to stay here as as, as adults are going to look for a place to downsize to. We have adult children or we will have adult children who we want to be a part of all this growth that's going on, we don't expect them to find a place of better opportunity. So how do we begin this brand new narrative in this brand new culture around why it's good to grow strong new neighborhoods, and new markets, for ourselves for maybe our children, for people we've never met who are going to call this place home and just you know, we will it'll be something entirely new to us to see all the all of these people who, who want to join in what we have been a part of, for so long. So I think that's, that's actually housing. I mean, housing is

definitely the nuts and bolts of talking about how you find land and dig foundations and pay for it and do the policy, right. But it's actually the, the, the idea of, of a changing and growing culture that, that we want to help create.

Andrew Fish 10:24

It's the foundation for how you want your communities to look and where you want them to be, and how they function.

Kate Hammer 10:29

And I love how your process really mirrors the growth that you're seeing outside, that you're seeing, you know, this expansion out there. So you're gonna have your expansion in the way that you process through. And that leaves so much room for an inclusive nature about a thing, right? There's plenty of room and not everything can be irreducibly complex, not everything is a mousetrap, right? Sometimes we have to deal with something that needs room. And so I imagine this is going to be a continued process?

Jared Shepard 10:57

Absolutely. Yeah, that's right. Well, we'll have a period of time over the next few months where we can we can help articulate the the voice that comes through CenterState with our membership and the stakeholders that we've engaged with, but the housing construction that we will anticipate is a growth sector of our economy, actually. So if you took if you took our entire regional GDP-

Andrew Fish 11:21

Gross Domestic Product.

Jared Shepard 11:22

Yeah.

Kate Hammer 11:23

Oh, thank you.

Jared Shepard 11:24

For the the macro peaks, it's going to more than double and its actual portion of that overall economy. So it's, it's going to continue that way. It'll it'll probably peak, but it's going to grow considerably over at least the next 10 years, it'll just be an ongoing area of growth.

Andrew Fish 11:40

And for those that may not understand this, we're talking billions of dollars of development when it comes to our housing market, in this region.

Kate Hammer 11:46

Did you say billions with a B?

Andrew Fish 11:48

I did with a B.

Kate Hammer 11:49

He did.

Andrew Fish 11:49

Yep.

Kate Hammer 11:50

Jared, it's not just about housing, though, is it? What kinds of opportunities do we need to be focused on in order to be successful.

Jared Shepard 11:58

So the growth of the economy that we really have our attention on, or at least gets the most airtime is certainly and rightfully so the major historic investment from Micron, and the jobs that are created through the its construction and the suppliers that go with it. The broader and I think more I don't want to say more important, but but the more integral to to the, to the long range growth of any region is how it grows businesses internally, its business dynamism. And how startups and how r&d feeds into the growth of new businesses. And those businesses represent opportunities for the people who live here now that people are moving to our region. But if that type of dynamism and and that growth of of our ability as a community to grow businesses, changes, that that will be that will be many generations of transformation.

Andrew Fish 12:53

We've talked about this before as the not losing sight of the need to invest in our innovation, right. Not just innovation from a technology standpoint, but being an innovative community and making sure that we have more business starts that we have more opportunities for people to spin out ideas from existing companies. And I think, you know, Rob said this before, and this is this is, you know, I think one of the maybe most succinct ways to say what you just talked about, and that is: 20 years from now, if we're just Micron down, we've missed the boat. Right? It has to be more than that. It has to be about all the rest of that ecosystem and that community and community growth and business growth, business dynamism. So yeah, that is that is super exciting. We are gonna take a short break. We'll be right back with our conversation with Jared Shepard. Talk more about Central New York's progress. But first, a note from our presenting sponsor of Talk CNY, NBT Bank.

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Kate Hammer 14:14

This is Talk CNY and we are continuing our conversation with Jared Shepherd. Jared, you have also been really digging into the numbers of our regional economy, which will be released through CenterState's 2024 Economic Forecast Report later next month, right?

Jared Shepard 14:29

Yes.

Kate Hammer 14:30

Great. Can you tell us a little bit about what stands out?

Jared Shepard 14:33

We're really definitely for any macro geek. This is probably the most interesting time to be alive and in watch the macro economy because everybody's watching for the so called soft landing. And the most recent economic data for that came out I think a couple days ago showed that unemployment went down again, it had gone up I think for a month and I think that Nationally it's 3.7%. And then the fed a day or two later said they were going to they're going to pause rates and they may be second In themselves up for even maybe some rate cuts, but fed watchers don't know that either. But it's all interesting to speculate on. And I think that would be the story of of the macro economy in 2024 is what those impacts are going to look like. And whatever they are, we will experience them certainly on our on a regional level. And we will see, we have already seen our unemployment crept up a little bit in the last few months. We don't know what it is in November yet regional employment numbers are a little bit behind national numbers, but we'll probably follow that in some way. But we're we as a region are coming off 3.1% unemployment in in the summer, probably close to the lowest on record, like our labor force in over that period. It's its peak in the last 10 years nearly, and labor force participation as well. And as we saw the labor force number grow. Throughout this year, we saw the the actual number of participants or the growth in the overall labor force, I guess that's what already said. But we saw people coming off the sidelines, in other words, and in you could also directly see that it was taking place in sectors like construction, and even even as early as so we're talking about the need for housing growth and development. And that's a workforce that's required, even in what we've seen already, which is sort of the start of that there's been a growth in our construction workforce in the last few months.

Andrew Fish 16:18

And it's great. So when you think about kind of the the metrics and the benchmarks of what we're working towards, and you know, we've got our economic forecast breakfast coming up at the end of January, that report is going to be coming out. As an organization, we're always rooting our work and in focusing on, are we improving the region for everyone, right? Equitable growth. Our mission is to create a region where business thrives and all people prosper. Is there anything that we're seeing or any indicators that we're seeing along those lines that, you know, some of that work is having an impact on those on those bottom line numbers?

Jared Shepard 16:51

I think the I think the most exciting place to look in terms of like new businesses, is looking at the growth of businesses the size of the number of workers and startup businesses. So we can track how many people are working at startups. The growth in employment was was strongest in BIPOC individuals. And if you go back even further, so if you go back to I think I mentioned 2000, maybe 2003, when we had the most, the highest employment at that time, in startup businesses, BIPOC individuals represented less than 10% of the workforce in startups. That number is over 20%.

Andrew Fish 17:26

Significant.

Jared Shepard 17:27

Now that's a double in their share of the workforce. That's great.

Andrew Fish 17:31

And I think that that's important to understand that, you know, going back to our earlier point, data is one thing, but that is a real person's experience, a qualitative experience in someone's household and someone's life. And really, that's why we read all of our work and data is because it comes back to that is all built upon the experiences of people within our region. Jared, it's been great having you as a guest. I've learned so much from you, as a colleague and friend in this episode was more of the same of that. And I appreciate your your expertise and your insight. Thank you for joining us.

Jared Shepard 18:05

You're welcome. Thank you!

Kate Hammer 18:06

Yeah, yeah, and I haven't heard much from you as I'm not your colleague, but it has been awesome. And for the listeners who don't get to work with you every day too, great insight. Thank you.

Jared Shepard 18:16

Thank you.

Kate Hammer 18:17

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Andrew Fish 18:26

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Kate Hammer 18:31

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Andrew Fish 18:37

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Kate Hammer 18:44

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Andrew Fish 18:49

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