



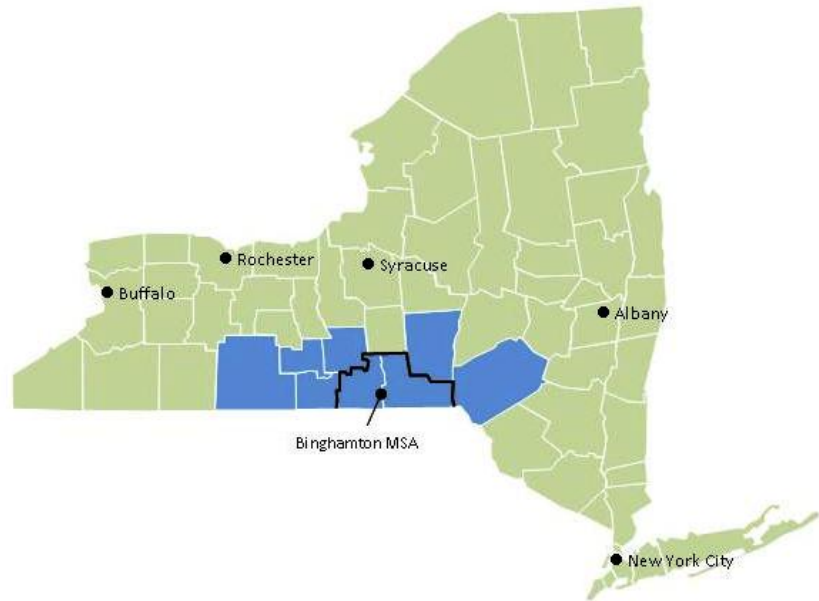
Economic Profile

Introduction

Broome County contracted with E.M. Pemrick and Company to prepare the Economic Analysis Component of the County's Comprehensive Plan. The analysis is intended to update portions of a countywide economic development strategy, adopted in 2002, known as the *BCPlan*. Elements of the scope of work for the Economic Analysis include an economic profile of Broome County, a shovel-ready sites assessment, a profile of the local workforce, a target industry analysis, and an incentive evaluation. This document is the first of five deliverables.

This chapter refers to a number of different geographies for analysis, depending on the availability of data. They are described below:

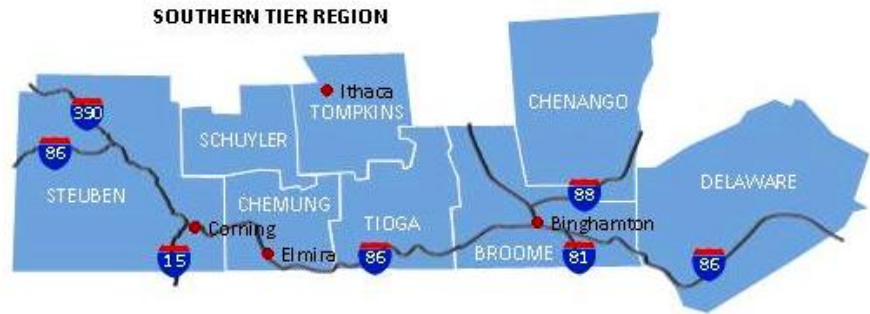
- **Broome County** – With 200,600 residents in 2010, Broome County is the most populous county in New York's Southern Tier region. It is bordered by Tioga County to the west, Delaware County to the east, and Cortland and Chenango Counties to the north; the Northern Tier of Pennsylvania adjoins Broome County to the south.
- **Binghamton MSA** – The Binghamton Metropolitan Statistical Area (MSA) is comprised of two counties: Broome and Tioga. Excluding the vast New York-Northern New Jersey-Long Island, Island, NY-NJ-PA MSA, it is the seventh largest MSA in New York State with a 2010 population of 251,725. Population centers include the Town of Union (56,346), the City of Binghamton (47,376), and the Town of Vestal (28,043) in Broome County and the Town of Owego (19,883) in Tioga County. Together, these four communities comprise 60% of the population of the Binghamton MSA.





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- **Southern Tier Region** – With a 2010 population of 657,909, the Southern Tier region as defined by Empire State Development encompasses the counties of Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga and Tompkins. Major cities in the region, in addition to Binghamton, include Elmira, Corning, and Ithaca.

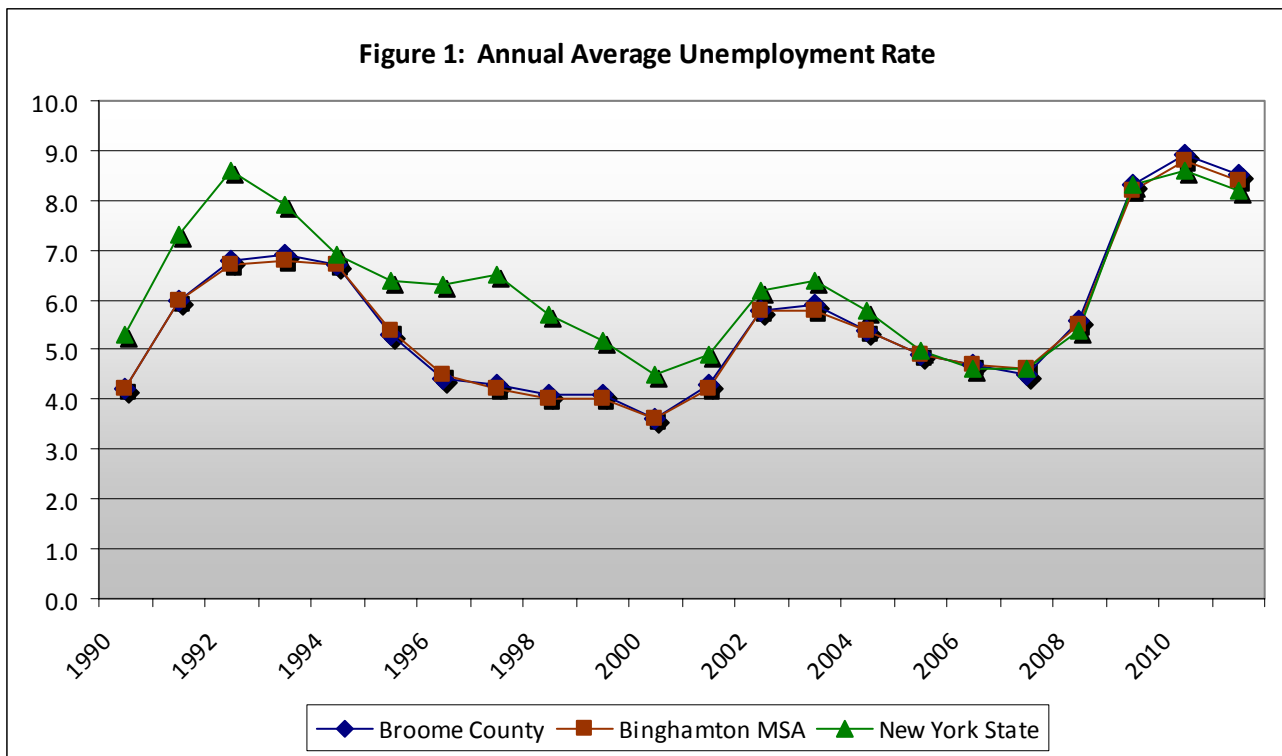


Unless otherwise noted, the analysis draws upon quantitative data from the U.S. Bureau of Labor Statistics and the NYS Department of Labor, including Local Area Unemployment Statistics (LAUS), the Current Employment Survey (CES), and the Quarterly Census of Employment and Wages (QCEW). Annual averages are used to avoid seasonal variations in employment levels during certain times of the year.



Unemployment Trends

As shown in **Figure 1**, unemployment rates in Broome County and the Binghamton MSA over the last two decades have been below the unemployment rate in New York State as a whole. While local unemployment tends to rise and fall with the state, the rate of unemployment in Broome County from 1990 through 2005 ranged from 0.1 to 2.2 percentage points below the state average.



Source: NYS Department of Labor, Local Area Unemployment Statistics, and E.M. Pemrick and Company.
 National recessions occurred July 1990-March 1991, April to November 2001, and January 2008-June 2009.

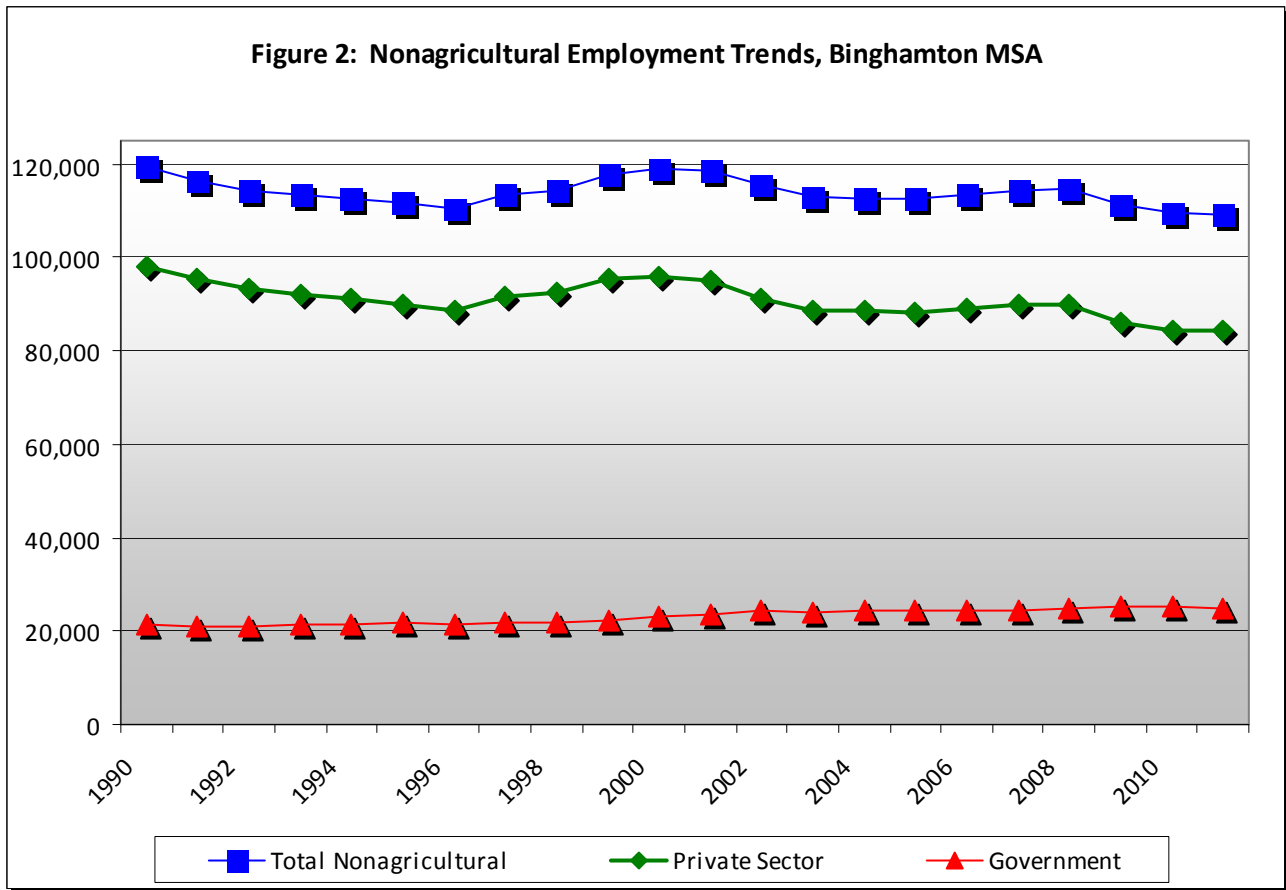
Over the last several years, however, the unemployment rate in Broome County has generally exceeded the state unemployment rate, albeit by less than a percentage point. In 2011, for example, average unemployment for the year was 8.5% in Broome County, compared to 8.2% in New York State.

The latest figures from the NYS Department of Labor show the unemployment rate in the Binghamton metropolitan area climbing to 10.2% in January 2013. Compared to other metro areas in upstate New York, Binghamton performed better than Elmira and Glens Falls (where the unemployment rates were 10.5% and 10.3%, respectively) and tied Utica-Rome.



Employment Trends

Figure 2 below shows nonagricultural employment in the Binghamton MSA. From a long-term perspective, 1990 through 2011, employment in the Binghamton MSA has declined, from a base of 119,300 to 109,200, a net loss of more than 10,000 jobs (-8.5%). Most of the decline took place after 2000, when employment levels reached 119,000.



Source: NYS Department of Labor, Current Employment Statistics, and E.M. Pemrick and Company.

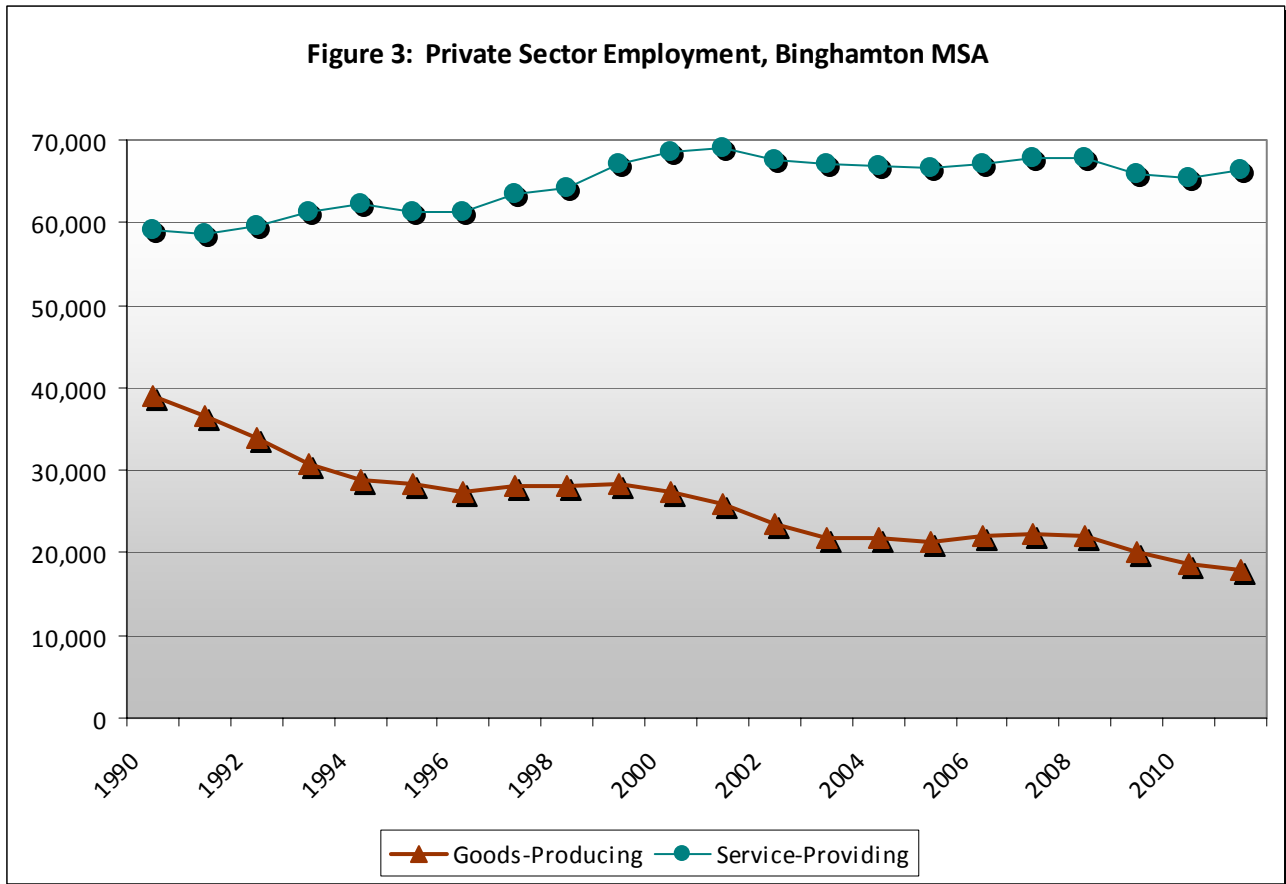
In contrast to the private sector, government jobs increased during this time, from 21,300 in 1990 to a high of 25,300 in 2009, before dropping slightly to 24,900 in 2011.¹ These increases were mainly in the area of education, which had a net employment gain of 3,200.

¹ The distribution of government jobs in 1990 was approximately 5% federal, 31% state, and 64% local; by 2011, it had shifted to 3% federal, 35% state, and 61% local.



The fastest rate of growth in the public sector (33%) was in state government, with most of the increase in educational services – a reflection of growth at Binghamton University. Between 1990 and 2011, the number of state government positions associated with education swelled from 2,800 to 4,700, while the number of other state jobs in the Binghamton MSA increased from 3,600 to 4,100.

Figure 3 depicts the steady decline in the number of goods-producing jobs in the region over the last two decades. In 1990, 32.7% of the private sector employment in the Binghamton MSA was in goods production, the majority of it in manufacturing (other sectors include mining and construction). By the end of the decade, the share had declined to 22.9%, and it was down to 17.1% ten years later. Overall, the MSA shed 21,000 jobs in goods production between 1990 and 2011.



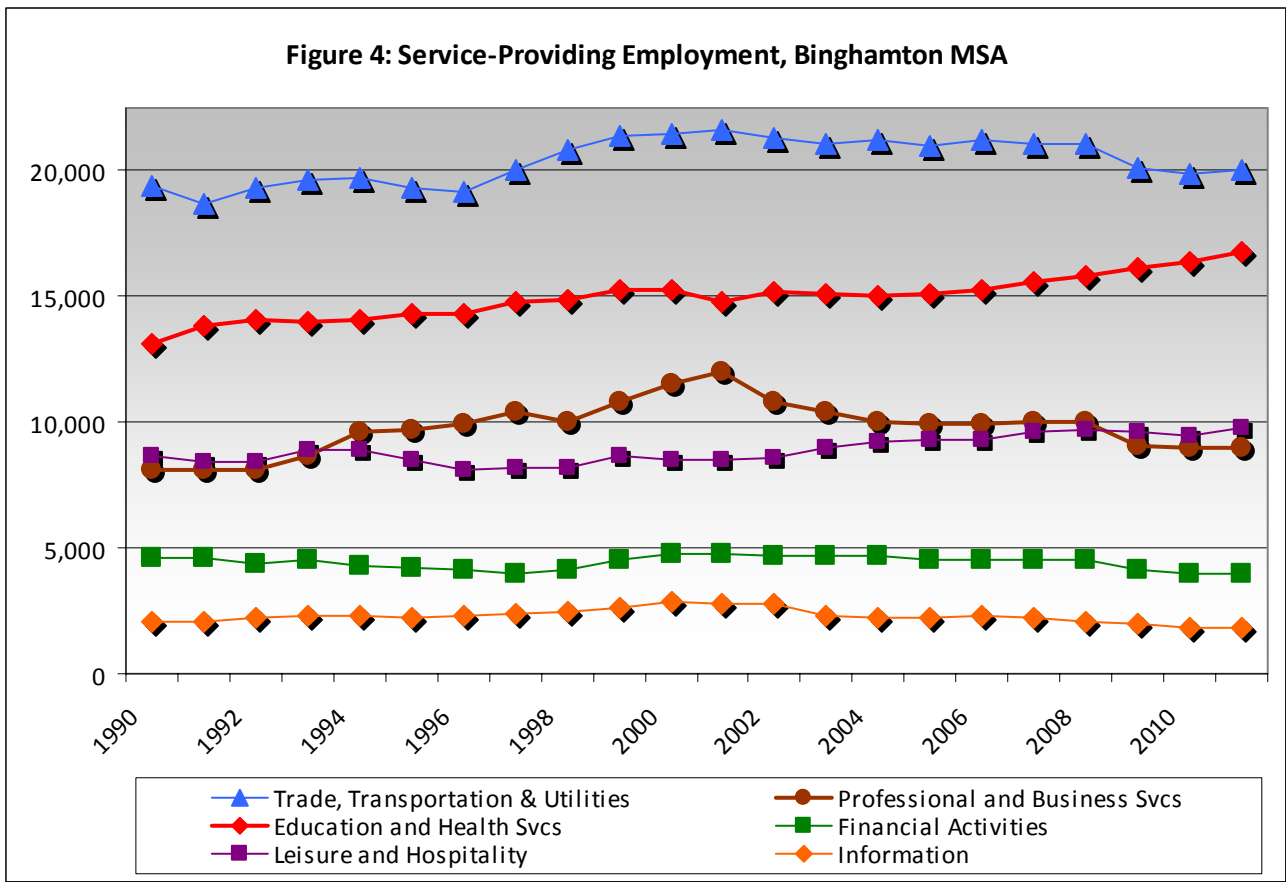
Source: NYS Department of Labor, Current Employment Statistics, and E.M. Pemrick and Company.

In contrast, employment in the service sector increased by 7,300, or 12.4%. However, it was not nearly enough to make up for the losses in higher-paying manufacturing jobs.



Moreover, as shown in **Figure 4**, service sector growth has not been evenly distributed across all industries, nor has it been consistent. Professional and business services, for example, added nearly 4,000 jobs during the 1990s, but the growth was not sustained. By 2011, there were only 900 more professional and business services jobs than there had been twenty years earlier. The number of jobs in both information and financial activities declined over the period. Many service-providing industries grew during the 1990s, only to lose employment in the subsequent decade.

Growth did occur in wholesale trade (+33.3%, or 1,200 jobs) and in leisure and hospitality (+12.6%, or 1,100 jobs). Education and health services - “eds and meds” - led the net gain in Binghamton MSA employment, adding 3,700 jobs between 1990 and 2011, an increase of 28.2%.



Source: NYS Department of Labor, Current Employment Statistics, and E.M. Pemrick and Company.



Employment by Industry

Table 1 below presents employment by industry² in Broome County and the Binghamton MSA. In 2011, the most recent year for which annual averages are available, the total number of jobs in the Binghamton MSA was 103,098, of which 87% were in Broome County.

| Description | Broome County | | Binghamton MSA | |
|--|---------------|---------------|----------------|---------------|
| | Number | Percent | Number | Percent |
| Total, Government | 19,905 | 22.1% | 22,540 | 21.9% |
| Health Care and Social Assistance | 14,389 | 16.0% | 15,475 | 15.0% |
| Retail Trade | 11,174 | 12.4% | 12,477 | 12.1% |
| Manufacturing | 9,678 | 10.8% | 13,684 | 13.3% |
| Accommodation and Food Services | 7,247 | 8.1% | 8,089 | 7.8% |
| Administrative and Waste Services | 4,102 | 4.6% | 4,459 | 4.3% |
| Wholesale Trade | 3,746 | 4.2% | 4,286 | 4.2% |
| Construction | 3,594 | 4.0% | 4,042 | 3.9% |
| Professional and Technical Services | 3,179 | 3.5% | 3,471 | 3.4% |
| Other Services | 3,170 | 3.5% | 3,450 | 3.3% |
| Finance and Insurance | 2,588 | 2.9% | 2,822 | 2.7% |
| Information | 1,612 | 1.8% | 1,703 | 1.7% |
| Transportation and Warehousing | 1,464 | 1.6% | 1,843 | 1.8% |
| Real Estate and Rental and Leasing | 974 | 1.1% | 1,020 | 1.0% |
| Arts Entertainment and Recreation | 880 | 1.0% | 1,322 | 1.3% |
| Management of Companies and Enterprises | 710 | 0.8% | 716 | 0.7% |
| Educational Services | 520 | 0.6% | 584 | 0.6% |
| Agriculture, Forestry, Fishing & Hunting | 160 | 0.2% | 215 | 0.2% |
| Mining | 28 | 0.0% | 69 | 0.1% |
| Total, All Industries | 89,928 | 100.0% | 103,098 | 100.0% |

Source: NYS Department of Labor, Quarterly Census of Employment & Wages, and E.M. Pemrick and Company.

After government, the largest industry sector in Broome County was health care and social assistance, with 16% of total employment. Retail was the next largest sector, supplying approximately 12% of total employment in the County, followed by manufacturing, with 11%.

Broome County employment data is also available at the sub-sector or 3-digit NAICS level. This information allows for a better understanding of the key industries in the area. As shown in **Table 2**, the largest private-sector employer in the County was food services and drinking places, followed by hospitals, and computer and electronics manufacturing. In fact, 7% of the state's nearly 62,000

² Based on the NAICS sectors used for classifying private sector activity, plus total government. NAICS 99, Unclassified, is not shown. NAICS 21, Mining and NAICS 22, Utilities are missing from some tables due to confidentiality issues.



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computer and electronics manufacturing jobs were in Broome County, while 13% were in the Binghamton metro area. Products made locally by this industry include computer and peripheral equipment, semiconductor and electronic components, and electronic instruments.

Another key industry that serves as a source of high-wage employment locally is professional, scientific, and technical services. Nationally, professional services is one of the fastest-growing segments of the economy. In Broome County, the establishments in this sector tend to be small, with an average of 9.7 employees. The largest numbers of jobs were in computer systems design (615), architectural and engineering services (561), legal services (543), and accounting and bookkeeping (341).

Of the industries supplying the most jobs in Broome County, five were in retail, four were in health care, and there were two each in manufacturing and wholesale trade. The remainder were classified in various service categories. Together, these 20 industries comprised approximately 74% of the private-sector employment in Broome County, or 57% of total employment.

Table 2: Largest Industry Employment by 3-Digit NAICS Code, Broome County

| NAICS Code | Description | Employment and Wages, 2011 | | |
|------------|---|----------------------------|-------------|----------------------|
| | | Number | Percent | Average Annual Wages |
| 722 | Food Services and Drinking Places | 6,632 | 9.5% | \$13,568 |
| 622 | Hospitals | 5,613 | 8.0% | \$45,560 |
| 334 | Computer and Electronic Product Mfg | 4,532 | 6.5% | \$75,569 |
| 561 | Administrative and Support Services | 3,828 | 5.5% | \$24,678 |
| 621 | Ambulatory Health Care Services | 3,687 | 5.3% | \$57,652 |
| 541 | Professional and Technical Services | 3,179 | 4.5% | \$47,104 |
| 623 | Nursing and Residential Care Facilities | 2,719 | 3.9% | \$27,071 |
| 445 | Food and Beverage Stores | 2,545 | 3.6% | \$18,482 |
| 238 | Specialty Trade Contractors | 2,400 | 3.4% | \$50,668 |
| 624 | Social Assistance | 2,369 | 3.4% | \$22,471 |
| 452 | General Merchandise Stores | 2,318 | 3.3% | \$18,278 |
| 424 | Merchant Wholesalers Nondurable Goods | 2,067 | 3.0% | \$45,934 |
| 813 | Membership Organizations and Associations | 1,731 | 2.5% | \$17,783 |
| 524 | Insurance Carriers and Related Activities | 1,562 | 2.2% | \$58,319 |
| 423 | Merchant Wholesalers Durable Goods | 1,533 | 2.2% | \$42,425 |
| 332 | Fabricated Metal Product Manufacturing | 1,148 | 1.6% | \$39,351 |
| 441 | Motor Vehicle and Parts Dealers | 1,072 | 1.5% | \$34,701 |
| 522 | Credit Intermediation and Related Activity | 865 | 1.2% | \$41,876 |
| 444 | Building Material Garden Supply Stores | 864 | 1.2% | \$28,215 |
| 448 | Clothing and Clothing Accessories Stores | 858 | 1.2% | \$14,207 |

Source: NYS Department of Labor, Quarterly Employment & Wages, and E.M. Pemrick and Company. Private-sector only. Industries in which annual wages are higher than the average for all industries (\$37,813) are shown in **bold**.



Wages by Industry

Public and private employers in Broome County paid a total of \$3.4 billion in wages and salaries in 2011. Looking at how these wages are distributed by industry provides another perspective in determining the relative importance of particular industries to the County economy. As shown in **Table 3**, several industries accounted for a larger share of total wages than total employment; for instance, manufacturing supplied less than 11% of the jobs but paid 17% of the wages.

Table 3: Total Wages and Average Annual Wages by Industry, Broome County, 2011

| Description | Wages (000s) | Percent of All Wages | Average Annual Wages |
|--|--------------------|----------------------|----------------------|
| Total, Government | \$793,655 | 23.3% | \$39,872 |
| Health Care and Social Assistance | \$595,130 | 17.5% | \$37,813 |
| Manufacturing | \$568,964 | 16.7% | \$58,789 |
| Retail Trade | \$244,095 | 7.2% | \$21,845 |
| Construction | \$185,995 | 5.5% | \$51,751 |
| Wholesale Trade | \$168,670 | 5.0% | \$45,027 |
| Professional and Technical Services | \$149,743 | 4.4% | \$47,104 |
| Finance and Insurance | \$142,733 | 4.2% | \$55,152 |
| Administrative and Waste Services | \$104,875 | 3.1% | \$25,567 |
| Accommodation and Food Services | \$101,390 | 3.0% | \$13,991 |
| Information | \$68,382 | 2.0% | \$42,420 |
| Other Services | \$67,218 | 2.0% | \$21,205 |
| Transportation and Warehousing | \$50,604 | 1.5% | \$34,565 |
| Management of Companies and Enterprises | \$38,146 | 1.1% | \$53,726 |
| Real Estate and Rental and Leasing | \$29,427 | 0.9% | \$30,213 |
| Arts Entertainment and Recreation | \$14,810 | 0.4% | \$16,830 |
| Educational Services | \$10,807 | 0.3% | \$20,784 |
| Agriculture, Forestry, Fishing & Hunting | \$4,040 | 0.1% | \$25,251 |
| Total, All Industries | \$3,400,451 | 100.0% | \$37,813 |

Source: NYS Department of Labor, Quarterly Census of Employment & Wages, and E.M. Pemrick and Company.

Average wages for workers employed across *all* industry sectors were \$37,813 in 2011. Several industry sectors had significantly *higher than average* wages in Broome County including manufacturing, finance and insurance, management of companies and enterprises, construction, and wholesale trade. Industry sectors that pay *lower than average* wages (such as retail trade) are often those in which there is a predominance of part-time employment.

Table 4 lists the industries that paid the highest total wages in Broome County. They include many of the largest employers shown in Table 2; however, four of the industries – machinery manufacturing, heavy construction, management of companies and enterprises, and food



manufacturing – are *not* among the top 20 employers. These are industries that contribute disproportionately to the County economy because they provide high-paying jobs. Together, the 20 industries listed comprise approximately 76% of the private-sector wages paid or 58% of the total wages paid to workers in Broome County.

Table 4: Highest Total Wages by 3-Digit NAICS Code, Broome County

| | | Wages (000s) | Percent of All Wages | Average Annual Wages |
|-----|---|--------------|----------------------|----------------------|
| 334 | Computer and Electronic Product Mfg | \$342,478 | 10.1% | \$75,569 |
| 622 | Hospitals | \$255,730 | 7.5% | \$45,560 |
| 621 | Ambulatory Health Care Services | \$212,561 | 6.3% | \$57,652 |
| 541 | Professional and Technical Services | \$149,743 | 4.4% | \$47,104 |
| 238 | Specialty Trade Contractors | \$121,604 | 3.6% | \$50,668 |
| 424 | Merchant Wholesalers Nondurable Goods | \$94,945 | 2.8% | \$45,934 |
| 561 | Administrative and Support Services | \$94,469 | 2.8% | \$24,678 |
| 524 | Insurance Carriers and Related Activities | \$91,094 | 2.7% | \$58,319 |
| 722 | Food Services and Drinking Places | \$89,982 | 2.6% | \$13,568 |
| 623 | Nursing and Residential Care Facilities | \$73,606 | 2.2% | \$27,071 |
| 423 | Merchant Wholesalers Durable Goods | \$65,037 | 1.9% | \$42,425 |
| 624 | Social Assistance | \$53,233 | 1.6% | \$22,471 |
| 445 | Food and Beverage Stores | \$47,038 | 1.4% | \$18,482 |
| 333 | Machinery Manufacturing | \$45,967 | 1.4% | \$66,426 |
| 332 | Fabricated Metal Product Manufacturing | \$45,175 | 1.3% | \$39,351 |
| 237 | Heavy and Civil Engineering Construction | \$43,627 | 1.3% | \$67,326 |
| 452 | General Merchandise Stores | \$42,368 | 1.2% | \$18,278 |
| 551 | Management of Companies and Enterprises | \$38,146 | 1.1% | \$53,726 |
| 311 | Food Manufacturing | \$37,419 | 1.1% | \$44,178 |
| 441 | Motor Vehicle and Parts Dealers | \$37,199 | 1.1% | \$34,701 |

Source: NYS Department of Labor, Quarterly Census of Employment & Wages, and E.M. Pemrick and Company. Private-sector only. Annual wages higher than the average for all industries in Broome County (\$37,813) are shown in **bold**.

Wage levels in Broome County lagged those in the Southern Tier region and New York State in nearly all private-industry sectors in 2011 (**Table 5**). The exceptions were in the health care and social services and construction sectors, where average annual wages in Broome County were higher than those in the Southern Tier overall. For all sectors, wages in Broome County were 91.9% of those in the Southern Tier and only 61.2% of those in New York State.

The wage levels in Broome County, it should be noted, can be both a blessing and a curse. While lower wages can be an asset in attracting new businesses because of reduced labor costs, they also put the County at a disadvantage in recruiting workers from other locations where salaries are higher. This poses a dilemma, particularly as the supply of skilled labor becomes a critical issue in many industries.



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Table 5: Average Annual Wages for Selected Industries

| NAICS Code | Description | Broome County | Southern Tier region | New York State | % of region | % of state |
|--------------|--|-----------------|----------------------|------------------|---------------|--------------|
| | Total, All Industries | \$37,813 | \$41,164 | \$61,768 | 91.9% | 61.2% |
| | Total, All Private | \$37,228 | \$41,391 | \$63,057 | 89.9% | 59.0% |
| 23 | Construction | \$51,751 | \$47,294 | \$61,495 | 109.4% | 84.2% |
| 238 | Specialty Trade Contractors | \$50,668 | \$46,960 | \$59,437 | 107.9% | 85.2% |
| 31-33 | Manufacturing | \$58,789 | \$58,551 | \$60,059 | 100.4% | 97.9% |
| 332 | Fabricated Metal Product Manufacturing | \$39,351 | \$44,312 | \$51,103 | 88.8% | 77.0% |
| 334 | Computer and Electronic Product Mfg | \$75,569 | \$75,237 | \$89,508 | 100.4% | 84.4% |
| 42 | Wholesale Trade | \$45,027 | \$46,738 | \$73,798 | 96.3% | 61.0% |
| 423 | Merchant Wholesalers Durable Goods | \$42,425 | \$43,977 | \$70,611 | 96.5% | 60.1% |
| 424 | Merchant Wholesalers Nondurable Goods | \$45,934 | \$44,938 | \$71,465 | 102.2% | 64.3% |
| 44-45 | Retail Trade | \$21,845 | \$22,962 | \$30,260 | 95.1% | 72.2% |
| 48-49 | Transportation and Warehousing | \$34,565 | \$37,251 | \$44,479 | 92.8% | 77.7% |
| 51 | Information | \$42,420 | \$44,913 | \$95,978 | 94.4% | 44.2% |
| 52 | Finance and Insurance | \$55,152 | \$56,294 | \$201,442 | 98.0% | 27.4% |
| 522 | Credit Intermediation and Related Activity | \$41,876 | \$46,601 | \$121,108 | 89.9% | 34.6% |
| 524 | Insurance Carriers Related Activities | \$58,319 | \$52,925 | \$97,236 | 110.2% | 60.0% |
| 54 | Professional and Technical Services | \$47,104 | \$64,705 | \$94,054 | 72.8% | 50.1% |
| 541 | Professional and Technical Services | \$47,104 | \$64,705 | \$94,054 | 72.8% | 50.1% |
| 56 | Administrative and Waste Services | \$25,567 | \$33,169 | \$41,931 | 77.1% | 61.0% |
| 561 | Administrative and Support Services | \$24,678 | \$32,826 | \$41,317 | 75.2% | 59.7% |
| 61 | Educational Services | \$20,784 | \$54,703 | \$48,733 | 38.0% | 42.6% |
| 62 | Health Care and Social Assistance | \$41,360 | \$38,064 | \$45,282 | 108.7% | 91.3% |
| 621 | Ambulatory Health Care Services | \$57,652 | \$55,133 | \$50,313 | 104.6% | 114.6% |
| 622 | Hospitals | \$45,560 | \$43,779 | \$63,386 | 104.1% | 71.9% |
| 623 | Nursing and Residential Care Facilities | \$27,071 | \$25,884 | \$33,049 | 104.6% | 81.9% |
| 624 | Social Assistance | \$22,471 | \$22,884 | \$26,175 | 98.2% | 85.8% |
| 72 | Accommodation and Food Services | \$13,991 | \$14,290 | \$22,815 | 97.9% | 61.3% |
| 722 | Food Services and Drinking Places | \$13,568 | \$13,822 | \$19,970 | 98.2% | 67.9% |

Source: NYS Department of Labor, Quarterly Census of Employment & Wages, and E.M. Pemrick and Company. Private-sector only.



Location Quotients

A location quotient (LQ) is a simple tool used to measure industry specialization, using the U.S. (or another reference area) as a benchmark. It identifies how local industries stack up against national averages, revealing potential economic strengths and development prospects.³

An LQ is a ratio that compares an industry’s share of total employment in a region to the *national* share. A value of 1.00 demonstrates that the share of employment in a particular industry is roughly the same both locally and nationally. An LQ *greater* than 1.00 indicates that the local area is more specialized in that industry relative to the U.S.; it implies an industry that exports products or services, bringing income into the region. An LQ *less* than 1.00 means that the local area is *less* specialized in that industry; it suggests an industry that is not even fulfilling local needs, so those products and services must be imported. As a rule of thumb, location quotients of between 0.80 and 1.20 are not considered significantly different from 1.00.

Table 6: Location Quotients by Industry

| Description | Broome County | Binghamton MSA |
|--|---------------|----------------|
| Agriculture, Forestry, Fishing & Hunting | 0.21 | 0.25 |
| Mining | 0.06 | 0.13 |
| Construction | 1.01 | 0.99 |
| Manufacturing | 1.28 | 1.57 |
| Wholesale Trade | 1.04 | 1.04 |
| Retail Trade | 1.18 | 1.14 |
| Transportation and Warehousing | 0.56 | 0.61 |
| Information | 0.93 | 0.86 |
| Finance and Insurance | 0.73 | 0.69 |
| Real Estate and Rental and Leasing | 0.79 | 0.72 |
| Professional and Technical Services | 0.60 | 0.60 |
| Management of Companies and Enterprises | 0.60 | 0.50 |
| Administrative and Waste Services | 0.80 | 0.80 |
| Educational Services | 0.30 | 0.30 |
| Health Care and Social Assistance | 1.40 | 1.30 |
| Arts Entertainment and Recreation | 0.70 | 0.90 |
| Accommodation and Food Services | 1.00 | 1.00 |
| Other Services | 1.10 | 1.10 |

Source: U.S. Bureau of Labor Statistics, QCEW, and E.M. Pemrick and Company.

³ Although location quotients provide a quick and easy way to identify potential opportunities, they do have a number of shortcomings. For example, the LQ method assumes that productivity levels, consumption patterns, etc. are more or less the same everywhere, which may not be the case. An LQ may be high in an industry because of an inefficient work force or lagging technology. Similarly, an LQ greater than 1.20 does not necessarily mean that the industry is exporting; there may simply be high local demand. For this reason, location quotients are best used as a starting point to enhance one’s understanding of the local economy.



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As shown in **Table 6**, only two industry sectors in Broome County have LQs that exceed 1.20: manufacturing (1.28), and health care and social assistance (1.40). Employment is considerably less concentrated in transportation (0.56), professional services (0.60), arts, entertainment, and recreation (0.70), and finance and insurance (0.73). These may represent areas of opportunity for diversifying the local economy, although additional analysis is needed.

The analysis of disaggregated data at the 3-digit NAICS level helps to further identify local industry strengths. **Table 7** lists industries with location quotients of 1.20 or greater. As the table indicates, Broome County has high levels of employment concentration relative to the nation in the production of computers and electronic products, electrical equipment, textile products, and fabricated metal products. Local employment is also more concentrated than the nation with respect to membership organizations, hospitals, wholesale trade in nondurable goods (e.g., grocery products), nursing and residential care facilities, and several retail industries.

Table 7: Industries at the 3-Digit NAICS Level with Location Quotients Above 1.2

| NAICS Code | Description | Broome County | Binghamton MSA |
|------------|---|---------------|----------------|
| 334 | Computer and Electronic Product Mfg | 6.35 | 9.56 |
| 335 | Electrical Equipment and Appliances | 3.38 | 2.94 |
| 813 | Membership Organizations and Associations | 2.03 | 1.90 |
| 622 | Hospitals | 1.86 | 1.61 |
| 314 | Textile Product Mills | 1.77 | 1.57 |
| 424 | Merchant Wholesalers Nondurable Goods | 1.65 | 1.49 |
| 515 | Broadcasting (except Internet) | 1.56 | 1.36 |
| 442 | Furniture and Home Furnishings Stores | 1.43 | 1.29 |
| 451 | Sporting Goods Hobby Book Music Stores | 1.40 | 1.26 |
| 445 | Food and Beverage Stores | 1.39 | 1.41 |
| 447 | Gasoline Stations | 1.33 | 1.40 |
| 623 | Nursing and Residential Care Facilities | 1.33 | 1.34 |
| 332 | Fabricated Metal Product Manufacturing | 1.32 | 1.22 |
| 443 | Electronics and Appliance Stores | 1.26 | 1.13 |
| 237 | Heavy and Civil Engineering Construction | 1.21 | 1.20 |

Source: U.S. Bureau of Labor Statistics, QCEW, and E.M. Pemrick and Company.

Recent and Projected Industry Trends

Industry Trends, 2005-2011

As described previously, employment levels in the Binghamton MSA have declined precipitously over the last two decades. Broome County alone has had a net reduction of more than 10,000 private sector jobs, 6,800 of them in manufacturing.



Table 8: Employment Change by Industry, Broome County

| Description | Change, 2005-2011 | | Change, 2001-2005 | |
|---|-------------------|--------------|-------------------|--------------|
| | Number | Percent | Number | Percent |
| Manufacturing | -2,664 | -21.6% | -4,145 | -25.1% |
| Finance and Insurance | -615 | -19.2% | -312 | -8.9% |
| Transportation and Warehousing | -551 | -27.3% | -437 | -17.8% |
| Information | -465 | -22.4% | -513 | -19.8% |
| Professional and Technical Services | -424 | -11.8% | -63 | -1.7% |
| Retail Trade | -297 | -2.6% | -668 | -5.5% |
| Administrative and Waste Services | -269 | -6.2% | -2,036 | -31.8% |
| Accommodation and Food Services | -78 | -1.1% | 770 | 11.7% |
| Educational Services | -33 | -6.0% | -95 | -14.7% |
| Arts Entertainment and Recreation | -26 | -2.9% | 153 | 20.3% |
| Wholesale Trade | -12 | -0.3% | 449 | 13.6% |
| Management of Companies and Enterprises | -12 | -1.7% | 0 | 0.0% |
| Agriculture, Forestry, Fishing & Hunting | 6 | 3.9% | 4 | 2.7% |
| Real Estate and Rental and Leasing | 16 | 1.7% | -14 | -1.4% |
| Construction | 143 | 4.1% | -197 | -5.4% |
| Other Services | 258 | 8.9% | -80 | -2.7% |
| Health Care and Social Assistance | 1,339 | 10.3% | 665 | 5.4% |
| Total, All Private Sector Industries | -3,935 | -5.3% | -6,636 | -8.2% |

Source: NYS Department of Labor, Quarterly Census of Employment & Wages, and E.M. Pemrick and Company. Private sector only.

Between 2005 and 2011, private sector employment in Broome County declined by nearly 4,000 jobs, or about 5.3%. Some of these losses were due to the national recession which started in 2008; others appear to be more long-term in nature. Several industry sectors actually added jobs during this period, principally health care and social services and construction. In fact, if not for the growth in health care, the County’s economic situation would have been considerably worse.

New York State also suffered significant employment declines from 2005 to 2011. Although private sector employment statewide grew by a tepid 1.8%, the state lost 21.1% of its manufacturing jobs. Other losses occurred in the state’s construction, wholesale trade, finance and insurance, and information sectors.

In comparing recent industry trends in the County with those in the state as a whole, it appears that Broome County performed *better* than New York State in construction, wholesale trade, and other services, and about the same as the state in manufacturing (jobs lost) and health care (jobs added). The relative stability in the wholesale trade in the County may be due to the fact that many of the jobs are in companies that wholesale food and grocery items, which are more “recession-proof” than companies that distribute other types of products, like machinery and commercial equipment.



Employment Projections

Long-term industry employment projections to 2020 are currently available from the NYS Department of Labor for the state and each of its ten labor market regions. These projections serve as a valuable resource in identifying future patterns of employment. It is important to note that the projections are *estimates* of employment levels rather than exact counts; they are obtained through regression analysis using historical data with consideration given to demographic and economic factors that impact labor force participation.

Table 9: Long-Term Industry Employment Projections for Selected Industries, Southern Tier

| NAICS Code | Description | Employment | | Change, 2010-2020 | |
|------------|--|----------------|----------------|-------------------|--------------|
| | | 2010 | 2020 | Net | Percent |
| | Total, All Industries | 311,180 | 330,320 | 19,140 | 6.2% |
| 11 | Agriculture, Forestry, Fishing and Hunting | 2,090 | 2,050 | -40 | -1.9% |
| 21 | Mining, Quarrying, and Oil and Gas Extraction | 940 | 1,270 | 330 | 35.1% |
| 22 | Utilities | 1,370 | 1,260 | -110 | -8.0% |
| 23 | Construction | 8,450 | 9,470 | 1,020 | 12.1% |
| 238 | Specialty Trade Contractors | 5,420 | 6,230 | 810 | 14.9% |
| 31-33 | Manufacturing | 36,100 | 34,880 | -1,220 | -3.4% |
| 332 | Fabricated Metal Product Manufacturing | 2,760 | 2,880 | 120 | 4.3% |
| 334 | Computer and Electronic Product Manufacturing | 11,360 | 10,700 | -660 | -5.8% |
| 42 | Wholesale Trade | 7,400 | 8,190 | 790 | 10.7% |
| 423 | Merchant Wholesalers, Durable Goods | 3,320 | 3,690 | 370 | 11.1% |
| 424 | Merchant Wholesalers, Nondurable Goods | 3,250 | 3,600 | 350 | 10.8% |
| 44-45 | Retail Trade | 31,040 | 32,640 | 1,600 | 5.2% |
| 48-49 | Transportation and Warehousing | 4,890 | 5,780 | 890 | 18.2% |
| 51 | Information | 3,820 | 3,600 | -220 | -5.8% |
| 52-53 | Financial Activities | 10,090 | 9,870 | -220 | -2.2% |
| 522 | Credit Intermediation and Related Activities | 3,980 | 3,630 | -350 | -8.8% |
| 524 | Insurance Carriers and Related Activities | 3,200 | 3,180 | -20 | -0.6% |
| 54-56 | Professional and Business Services | 21,320 | 24,530 | 3,210 | 15.1% |
| 541 | Professional, Scientific & Technical Services | 9,840 | 11,230 | 1,390 | 14.1% |
| 561 | Administrative and Support Services | 8,640 | 10,070 | 1,430 | 16.6% |
| 61 | Educational Services | 60,150 | 62,910 | 2,760 | 4.6% |
| 62 | Health Care and Social Assistance | 39,400 | 44,850 | 5,450 | 13.8% |
| 621 | Ambulatory Health Care Services | 8,830 | 11,160 | 2,330 | 26.4% |
| 622 | Hospitals | 12,190 | 13,090 | 900 | 7.4% |
| 623 | Nursing and Residential Care Facilities | 9,320 | 10,450 | 1,130 | 12.1% |
| 624 | Social Assistance | 9,060 | 10,150 | 1,090 | 12.0% |
| 71 | Arts, Entertainment, and Recreation | 2,660 | 3,390 | 730 | 27.4% |
| 72 | Accommodation and Food Services | 19,750 | 21,570 | 1,820 | 9.2% |
| 722 | Food Services and Drinking Places | 17,570 | 19,210 | 1,640 | 9.3% |
| 81 | Other Services | 12,010 | 13,480 | 1,470 | 12.2% |

Source: New York State Department of Labor, Division of Research and Statistics. Employment projections for Government and Self-Employed and Family Workers are not shown.



Broome County is included in the projections for the Southern Tier (**Table 9**). According to the NYS Department of Labor:

- Between 2010 and 2020, total employment in the Southern Tier region is projected to increase by 19,140 or 6.2%.
- The greatest job losses in the Southern Tier will continue to occur in the manufacturing sector where employment is projected to decline by a net 1,220 jobs or 3.4% during the decade. However, growth is currently projected for several manufacturing industries including the production of food, machinery, and fabricated metals.
- Among the industry sectors in which employment is projected to increase the most in the Southern Tier are health care and social assistance (a net increase of 5,450), professional and business services (3,210), educational services (2,760), and accommodation and food services (1,820). Together, these sectors will supply nearly 70% of the net new jobs.

Major Employers

According to the NYS Department of Labor, approximately 95% of the private establishments in Broome County have less than 50 employees and 71% have fewer than 10. The average business has 16.4 employees, although the mean number of employees is much higher (57.6) in the manufacturing sector.

The largest employers in Broome County are presented in **Table 10**. The list includes local and state government, educational institutions, hospitals and other service providers, manufacturing and distribution companies, wholesalers, retailers, banks, and insurance businesses.

| Table 10: Major Employers in Broome County | | | |
|---|-------------------------|-----------------------------------|--------------|
| Company | Local Employment | Sector | NAICS |
| Binghamton University | 5,493 | Government / Educational Services | - |
| United Health Services | 5,428 | Health Care | 621/622 |
| Lockheed Martin* | 2,700 | Manufacturing | 334 |
| Broome County Government | 2,500 | Local Government | - |
| Lourdes Hospital | 2,311 | Health Care | 622 |
| New York State Government | 2,034 | State Government | - |
| Broome Developmental Center | 1,400 | Social Assistance | 624 |
| BAE Systems | 1,300 | Manufacturing | 334 |
| Endicott Interconnect Technologies | 1,100 | Manufacturing | 334 |
| Maines Paper and Food Service | 1,100 | Wholesale Trade | 424 |
| Broome-Tioga BOCES | 1,049 | Local Government | - |
| NBT Bank | 1,039 | Financial Services | 522 |
| IBM | 1,000 | Manufacturing | 334 |



Table 10: Major Employers in Broome County

| Company | Local Employment | Sector | NAICS |
|---|------------------|-------------------------------------|-------|
| Weis Markets | 1,000 | Retail Trade | 445 |
| Sanmina* | 1,000 | Manufacturing | 334 |
| NYSEG | 800 | Utilities | 221 |
| Wegmans | 774 | Retail Trade | 445 |
| Universal Instruments | 700 | Manufacturing | 333 |
| United Methodist Homes | 621 | Health Care | 623 |
| Frito-Lay | 540 | Manufacturing | 311 |
| Nationwide Credit Inc. | 500 | Financial Services | 522 |
| TimeWarner | 500 | Information | 517 |
| Broome Community College | 454 | Government / Educational Services | - |
| Country Valley Industries, Inc. | 383 | Social Assistance | 624 |
| MATCO Electric Corporation | 350 | Construction | 238 |
| Willow Run Foods | 350 | Wholesale Trade | 424 |
| National Pipe & Plastics, Inc. | 350 | Manufacturing | 326 |
| Security Mutual Life Insurance | 330 | Financial Services | 524 |
| Modern Marketing Concepts, Inc. | 300 | Professional and Technical Services | 5416 |
| Endicott Precision | 130 | Manufacturing | 332 |
| Innovation Associates | 130 | Professional and Technical Services | 5413 |
| Johnson Outdoors | 130 | Manufacturing | 339 |
| L-3 Communications (Link Simulation and Training) | 115 | Manufacturing | 333 |
| Endicott Research Group, Inc. | 100 | Manufacturing | 334 |

Source: Broome County IDA and Greater Binghamton Business Journal, with additions by E.M. Pemrick and Company and Moran, Stahl & Boyer based on company interviews and online research.

* - Physically located in Tioga County (part of the Binghamton MSA), but employs many Broome County residents.

Several major employers in Broome County are engaged in patenting activity. Based on data from the U.S. Patent and Trademark Office, Patent Technology Monitoring Team (PTMT), nearly 700 patents were issued to inventors in the Binghamton MSA between 2006 and 2010; approximately 78% of them were from Broome County.⁴ The patents cover a broad range of technology classes, but organizations associated with the most patents in the area during the five-year period included IBM (278), Lockheed Martin (197), and Endicott Interconnect Technologies (87).

Information on recent projects undertaken by some of the County’s leading employers is provided below.

Binghamton University

The largest employer in Broome County, Binghamton University (BU) has an economic impact that extends well beyond full- and part-time jobs directly associated with the school. Recent data published by the university estimates that in fiscal year 2011 alone:

⁴ The geographic distribution of the patents is based on the residence of the inventor whose name appears first on the printed patent (i.e., the first-named inventor).



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- BU's nearly 15,000 students contributed about \$96 million to the local economy.
- More than 225,000 visitors came to campus, spending about \$7 million in the community.
- University-related spending supported 10,500 jobs in Broome and Tioga counties, generating an economic impact of \$965 million. This is an increase from 8,900 jobs and a \$750 million impact in fiscal year 2008.⁵

According to BU administration, student enrollment has increased by 4,000 over the last decade, and a strategic plan has been established to grow the enrollment to 17,000 by 2016. Often cited as a “second choice” for high school graduates applying to Ivy League schools, BU received a record number of applications for undergraduate admissions last fall – about 29,000 applications for 3,000 slots.

During his State of the University Address in January, President Harvey Stenger said that BU plans to “get bigger” by adding 400 undergraduate students, at least 100 graduate students, 33 tenure-track faculty members and 35 staff members in 2013.⁶ The university is studying the feasibility of creating a pharmacy school on campus that would offer doctoral degrees. The pharmacy school would complement BU programs in the life sciences, biomedical engineering, nursing, and chemistry, among others, while supporting the region’s health care sector.

BU’s power as an engine for economic growth in the region is fueled not only by the attraction of students, faculty, and staff, but also by extensive research activities and partnerships with local businesses. BU operates the **Center for Advanced Microelectronic Manufacturing (CAMM)** at the Huron Campus in Endicott, and works closely with industry partners such as Endicott Interconnect, Lockheed Martin, and BAE Systems to help them compete in the global marketplace.

Construction is currently underway on the **NYS Center of Excellence in Small Scale Systems Integration and Packaging (S3IP)** at BU. Expected to open in 2014, the \$30 million, 114,000 square-foot building will provide space for expansion and consolidation of S3IP and its team of scientists and engineers. The facility will undertake research and commercialization efforts in energy-efficient electronic systems, systems integration and packaging, flexible electronics, autonomous solar power, advanced materials and sensors, and health care and life sciences.

BU’s NYSUNY 2020 Challenge Grant was approved in 2012. The grant will enable the development of a \$70 million **Smart Energy Center**, scheduled for completion in 2016, that will help revitalize the

⁵ David Robinson, “Binghamton University’s economic impact: \$965 million,” *Press Connects*, October 28, 2012. <http://www.pressconnects.com/article/20121028/NEWS01/310280014/Binghamton-University-s-economic-impact-965-million?odyssey=tab|topnews|text|News>

⁶ Eric Coker, “Stenger, VPs outline goals for 2013,” *Inside Binghamton University*, January 22, 2013. <http://www.binghamton.edu/inside/index.php/inside/story/stenger-vps-outline-goals-for-2013>



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Southern Tier economy and create more than 840 university and private sector jobs. Under the plan, Binghamton University will hire new researchers and faculty, expand its academic offerings and facilities, foster public/private research partnerships, and expand technology development in high-tech fields. In addition to creating the Smart Energy Center, new tuition revenue will allow BU to increase student enrollment and hire 150 new faculty members.

Also in 2012, the **Southern Tier High Technology Incubator** – a collaboration between BU and the regional economic development community – received \$7 million in state funding through the Southern Tier REDC to construct a high-technology incubator in downtown Binghamton. The incubator is expected to help make the vital link between research at local academic institutions and the resources needed to develop new companies and long-term careers in the region. The Broome County IDA has pledged an additional \$2 million to support the project. The County has also applied for \$4 million in grant funding from the U.S. Economic Development Administration.

The incubator facility will be located on a 2.1-acre site near the intersection of Carroll Street and Lisle Avenue. Most of the property is owned by the Broome County IDA. Initially, the incubator will be 22,000 square feet, with room to expand upwards as funding allows; it will include specialized laboratories, such as wet labs, a battery and supercapacitor enablement lab, a solar cell fabrication lab and, potentially, a hospital smart room demonstration facility.

The incubator will be a partnership between BU, Broome County, the Broome County IDA, Broome Community College, and other private and public stakeholders. Incubator tenants are expected to focus on smart energy, healthcare and electronic systems integration and packaging.

United Health Services (UHS)

UHS is a comprehensive regional health care system that operates two hospitals in Broome County: Binghamton General Hospital, a full-service hospital founded in 1888, and Wilson Medical Center, a teaching hospital that provides a range of medical and surgical services, in Johnson City. UHS also has primary care centers, walk-in clinics, and medical offices throughout the Southern Tier; serves as a leading provider of home care services; and offers nursing care, assisted living, and private apartments at its Ideal Senior Living Center in Endicott.

In 2011, UHS completed an expansion of its Cardiac Rehabilitation Program at Binghamton General Hospital, and initiated a fundraising campaign for a \$5 million expansion of the ICU at Wilson Medical Center in Johnson City. The latter is the first major upgrade to the unit since the mid-1970s. In addition, construction was completed on a \$29 million project to build a new state-of-the-art primary care center in Vestal, across from Binghamton University.

Lockheed Martin



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Despite the cancellation of major military programs that resulted in workforce reductions at Lockheed Martin's Owego facility between 2009 and 2012, the company has won several new contracts, positioning itself for growth over the next five to ten years.

In November 2012, for example, Lockheed Martin won a \$30 million contract from the U.S. Naval Air Systems command to integrate new avionics and software on multiple C-130T aircraft. The project is part of the C-130T's avionics upgrade program.

The following month, the U.S. Navy announced that the Danish government had signed an agreement formalizing its intent to buy nine MH-60R Seahawk helicopters and comprehensive logistics support for its Maritime Helicopter Replacement Program. Valued at \$686 million, the aircraft will be procured through the U.S. government's Foreign Military Sales program.

Under the terms of the agreement, Lockheed Martin's Owego plant will supply avionics and logistics support for the helicopters to be produced by Sikorsky Aircraft of Connecticut. Other major members of the team include General Electric and Raytheon corporations.

Broome County Community College

Located on a 223-acre campus on the outskirts of the City of Binghamton, Broome Community College (BCC) broke ground on a \$21 million, state-of-the-art Natural Science Center in spring 2012. The facility is scheduled to open in time for the 2014-15 academic year. Also under development is a new, 320-bed student housing complex that will allow BCC to accommodate more students from outside the County.

BCC is currently working to acquire the old Binghamton Public Library downtown and converting the structure to a downtown campus that would be used primarily for its growing popular hospitality program. Among the options under consideration are the addition of a gaming program (Tioga Downs, in neighboring Tioga County, is pursuing a casino license) and a culinary school to train students for employment at area restaurants.

Lourdes Hospital

Lourdes Hospital is a Catholic hospital founded in Binghamton in 1925. Since 1999, Lourdes has been a member of Ascension Health, a Catholic health network with more than 100,000 employees in 20 states.

The main campus of Lourdes Hospital in Binghamton recently completed a three-year, \$70 million expansion project. Hospital services include a hospice program, an ambulatory surgery center, and a regional cancer center. Lourdes has established a network of 15 primary care centers throughout the region, and offers a variety of other health services off-site.



BAE Systems

BAE Systems in Broome County makes flight and engine controls for defense and commercial applications in addition to heavy-duty hybrid electric motors. After sustaining \$135 million in damages to its facility in Johnson City due to Tropical Storm Lee in 2011, BAE relocated its operations to the Huron Campus in Endicott. It occupies two buildings, one of them a brand-new production facility.

Endicott Interconnect (EI)

A world-class supplier of advanced electronic packaging solutions. Endicott Interconnection (EI) underwent a reorganization in late 2010 and early 2011. At that time, the company shed about 250 jobs as a result of delays in government contracts and suppliers having a difficult time getting products that were needed for manufacturing. Some non-government contracts were also delayed. Despite these actions, the company had a strong year in 2011, with promising products like tamper-proof packaging and package shrink capabilities driving its business.

EI has established strong relationships with both Broome Community College and Binghamton University. In 2011, EI launched the Binghamton Center for Emerging Technologies (BCET). This joint initiative with BU and local commercial, academic, and government agency members aims to accelerate the commercialization of new and improved electronics systems and to attract funding and contracts to the region. EI also continues to collaborate with BU on microelectronics manufacturing, research, and design. In 2012, EI and BU received \$616,470 in state funding through the Southern Tier REDC to purchase additional roll-to-roll processing equipment for the Center for Advanced Microelectronic Manufacturing. According to the funding application, EI will invest \$4.1 million and create 20 new jobs as part of this project.

Maines Paper & Food Service

Headquartered in Conklin, Maines Paper & Food Service is a third-generation company that has continued to grow and further solidify its standing as one of the leading independent food service distributors in the country. In 2010, Maines acquired the primary assets of Acme Pre-Pak Corp., which supplied produce, dairy and grocery products. The following year, Maines acquired David Puccia & Company, a fresh fruits and vegetable distributor from Watertown.

Maine also operates an award-winning distribution center for Darden Restaurants, a national leader in the full service restaurant industry. The Darden family of restaurants includes Red Lobster, Olive Garden, and Longhorn Steakhouse, among others. Based at the Broome Corporate Park, Darden Direct Distribution completed an expansion in 2011 that added 24,000 square foot to the facility.

Willow Run Foods



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Willow Run Foods is a premier fast food system distributor serving customers in 14 states, providing one-stop shopping for chain restaurant operators. The company is located in a state-of-the-art facility in Kirkwood.

According to a July 2012 news article, Willow Run Foods secured a \$1.3 billion contract with Wendy's restaurants. The five-year contract includes service to nearly 500 Wendy's restaurants throughout the northeastern U.S. Willow Run will provide the restaurant's food, as well as its paper and cleaning products. The company is expected to hire up to 75 employees, including truck drivers, warehouse workers and office personnel.

Willow Run Foods also received a \$1 million funding award through the NYS Energy Research and Development Authority (NYSERDA) to offset the incremental purchase cost of 20 Compressed Natural Gas (CNG) tractor trucks. The CNG vehicles will travel throughout the metro New York area. Upgrades to the facility are also necessary to house these vehicles.

National Pipe & Plastics, Inc.

Relocation and expansion plans are underway for the PVC pipe extruder National Pipe & Plastics, Inc. The company is moving its business from Vestal to Endicott. The new building will give the company the opportunity to update its equipment and improve productivity and efficiency. The project began in 2002, and since then, the company has worked to prepare the site and install equipment in the 235,000-square foot plant, formerly owned by Endicott Johnson. National Pipe & Plastics Inc. will move all 16 extrusion lines from Vestal, and is expected to add 45 employees over three years.

Innovation Associates

After years of experience helping the U.S. Air Force fill prescription medications with automated systems, Innovation, a Johnson City company that builds machines that help pharmacies fill prescription orders, won a contract from the U.S. Navy worth up to \$49 million. The Navy plans to install Innovation's work-flow software, Symphony Systems, which incorporates quality control and guides pharmacists through filling orders accurately.

L-3 Communications

The Link division of L-3 recently recommitted to its location by extending its lease with the Broome County IDA in the Kirkwood Industrial Park. L-3 Communications, Link Simulation & Training, is a global design and engineering company providing full flight simulation and training support services. Its Kirkwood facility is home to simulation programs supporting some of the nation's leading military aircraft.



Significant Industries

A recent report by the NYS Department of Labor examines the 16 industry clusters identified by the Empire State Development Corporation for each of the state’s 10 labor market regions as well as the state overall.⁷ Industry clusters are important because they are export-oriented, selling products and services to customers outside local markets. They also tend to pay above-average wages.

According to the report, cluster industry employment in the Southern Tier region totaled more than 78,000 in 2011, generating \$4.2 billion in wages. Annual cluster wages averaged \$53,200. With 178 establishments providing 12,600 jobs, industrial machinery and services had the most employment of any industry cluster in the Southern Tier in 2011. Jobs in this cluster are in the production of electrical equipment, fabricated metal, instruments, and machinery. Industrial machinery and services ranked highest in the region in terms of total wages as well, with \$838.9 million. Other high-ranking industry clusters in the Southern Tier included travel and tourism, front office and producer services, and electronics and imaging.

The NYS Department of Labor has identified 11 “significant industries” in the Southern Tier region based on various criteria (see **Table 11**).⁸ Eight of the eleven employed at least 4,000 people in the region in 2011. According to the NYS DOL, these industries share one or more of the following characteristics:

- Above-average job growth, on an absolute or percentage basis, between 2006 and 2009;
- Higher-than-average wages; or
- Strong expected growth through 2016.

Table 11: Significant Industries in the Southern Tier Region

| NAICS Code | Industry Name | Job Count (Private Sector Only), 2011 | | |
|------------|--|---------------------------------------|---------------|------------------------------|
| | | Southern Tier Region | Broome County | Broome County As % of Region |
| 238 | Specialty Trade Contractors | 5,404 | 2,400 | 44.4% |
| 327 | Nonmetallic Mineral Product Manufacturing | 2,250 | 142 | 6.3% |
| 334 | Computer and Electronic Product Manufacturing | 10,606 | 4,532 | 42.7% |
| 336 | Transportation Equipment Manufacturing | 4,492 | 15 | 0.3% |
| 523 | Securities and Commodity Contracts | 561 | 155 | 27.6% |
| 541 | Professional, Scientific, and Technical Services | 9,728 | 3,179 | 32.7% |
| 551 | Management of Companies and Enterprises | 2,173 | 710 | 32.7% |
| 611 | Educational Services | 17,249 | 520 | 3.0% |
| 621 | Ambulatory Health Care Services | 8,866 | 3,687 | 41.6% |
| 622 | Hospitals | 11,717 | 5,613 | 47.9% |
| 623 | Nursing and Residential Care Facilities | 9,167 | 2,719 | 29.7% |
| | TOTAL, All Private | 209,742 | 70,023 | 33.4% |

Source: NYS Department of Labor, Quarterly Census of Employment & Wages, and E.M. Pemrick and Company.

⁷ NYS Department of Labor, Division of Research and Statistics. *Industry Clusters in New York’s Economy: A Statewide and Regional Analysis*. October 2012. www.labor.ny.gov/stats/PDFs/Industry-Clusters-report-2011.pdf

⁸ NYS Department of Labor, Division of Research and Statistics. *Significant Industries: A Report to the Workforce Development System, Southern Tier 2011*. www.labor.ny.gov/stats/PDFs/Significant-Industries-Southern-Tier.pdf



Not all of these industries has a major presence in Broome County. To identify significant industries in Broome County, similar criteria were applied using county-level employment data at the 3-digit NAICS level; retail industries were excluded from the analysis. The 21 industries listed in **Table 12** below employed at least 500 people in 2011, and shared one or more of the following characteristics:

- Above-average job growth, on an absolute or percentage basis, between 2005 and 2011;
- Higher-than-average wages; or
- Strong expected growth through 2020.

Table 12: Significant Industries in Broome County

| NAICS Code | Description | Employment Change, 2005-11 | | Avg. Annual Wage | Proj. % Change, 2010-2020 | Why Industry is Significant |
|---------------------------|--|----------------------------|--------------|------------------|---------------------------|-----------------------------|
| | | Net | Pct | | | |
| 237 | Heavy and Civil Engineering Construction | 71 | 12.3% | \$67,326 | 0.8% | G, W |
| 238 | Specialty Trade Contractors | 173 | 7.8% | \$50,668 | 14.9% | G, W, P |
| 311 | Food Manufacturing | -282 | -25.0% | \$44,178 | 38.8% | W, P |
| 332 | Fabricated Metal Product Manufacturing | 8 | 0.7% | \$39,351 | 4.3% | W |
| 333 | Machinery Manufacturing | -226 | -24.6% | \$66,426 | 9.5% | W, P |
| 334 | Computer and Electronic Product Mfg | -952 | -17.4% | \$75,569 | -5.8% | W |
| 424 | Merchant Wholesalers Nondurable Goods | 92 | 4.7% | \$45,934 | 10.8% | W, P |
| 484 | Truck Transportation | 47 | 8.6% | \$45,295 | 9.1% | G, W, P |
| 517 | Telecommunications | -132 | -18.1% | \$57,929 | -12.8% | W |
| 522 | Credit Intermediation and Related Activity | -111 | -11.4% | \$41,876 | -8.8% | W |
| 524 | Insurance Carriers and Related Activities | -479 | -23.5% | \$58,319 | -0.6% | W |
| 531 | Real Estate | 175 | 38.7% | \$29,071 | 8.7% | G, P |
| 541 | Professional and Technical Services | -424 | -11.8% | \$47,104 | 14.1% | P, W |
| 551 | Management of Companies and Enterprises | -12 | -1.7% | \$53,726 | 10.4% | P, W |
| 621 | Ambulatory Health Care Services | 127 | 3.6% | \$57,652 | 26.4% | G, P, W |
| 622 | Hospitals | 1,068 | 23.5% | \$45,560 | 7.4% | G, P, W |
| 623 | Nursing and Residential Care Facilities | 110 | 4.2% | \$27,071 | 12.1% | G, P |
| 624 | Social Assistance | 33 | 1.4% | \$22,471 | 12.0% | G, P |
| 713 | Amusement Gambling Recreation Industries | 8 | 1.6% | \$14,017 | 31.9% | G, P |
| 722 | Food Services and Drinking Places | 74 | 1.1% | \$13,568 | 9.3% | G, P |
| 813 | Membership Organizations and Associations | 297 | 20.7% | \$17,783 | 12.0% | G, P |
| TOTAL, All Private | | -3,935 | -5.3% | \$37,228 | 6.9% | - |

Source: NYS Department of Labor, Quarterly Census of Employment & Wages, and E.M. Pemrick and Company. Retail trade excluded. All industries had 500 or more jobs in Broome County in 2011, and one or more of the following:
 G: Industry experienced above-average job growth; can be net or percentage growth.
 P: Above-average growth projected in the Southern Tier for 2010-2020.
 W: Industry pays above-average wages.



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Of interest is the fact that all four industries included in the health services and social assistance sector are on the list of significant industries. Health care has become a pillar of the Broome County economy, but it is unclear whether the dramatic growth in health care jobs will be sustainable. Cuts in Medicaid and Medicare reimbursements, increasing costs, and the implementation of the federal Affordable Care Act or ACA (popularly known as “Obamacare”) are changing the economics of medicine. Hospitals, physicians’ offices, nursing homes, – all will be required to adapt and become more efficient.

Also on the list of significant industries in Broome County are several manufacturing segments. Despite the long-term decline in the number of manufacturing jobs in the County, the jobs that still exist in this sector tend to be high wage and high value. Manufacturing jobs today also demand a significantly higher level of skill than decades ago, when high school graduates could walk into an Endicott-Johnson factory and get a job for life.