



The Greater Binghamton Chamber of Commerce holds annual Economic Forecast and Building BC Awards

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Binghamton, NY The Greater Binghamton Chamber of Commerce held the annual Economic Forecast and Building BC Awards on Tuesday, February 15.

The Chamber also released their enhanced 2022 Economic Outlook Guide that is filled with information, market intelligence, and valuable insight. This guide gives a sense of the current and future economic climate in our region and key industries, including the results of a recent Business Leaders Survey.

Event sponsors include: Delta Engineers, Architects, & Land Surveyors; Andrew Mancini Associates, Inc.; Newman Development Associates; Greater Binghamton Association of Realtors; Idea Kraft; WNBC; and News Channel 34.

Economist Presentation for 2022

Peter Kneis, group vice president, M&T Bank, gave attendees a big picture overview of how U.S. economic growth is being disrupted by four key drivers including:

Labor shortages and wage costs: Employers across industries are struggling to find qualified applicants for open positions;

Supply chain issues: Raw material 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 government assistance, and will be looking to spend in 2022; and

Inflation: Prices are quickly rising across the economy, hurting both businesses and consumers. Will it be “transitory”?

National Labor Market Trends: Total U.S. private employment is 2.1% lower than before the pandemic, with nearly 3 million fewer jobs still yet to be recovered. 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 – this represents a record high.

Scarcity of Workers: 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). 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.

Binghamton Labor Market Overview: While improving, Binghamton private sector employment is still 4,700 jobs (6%) below the pre-pandemic peak. Yet the number of unemployed is now smaller than before the pandemic, creating intense competition for the available workers. The labor force has shrunk by 4%, due to retirements, structural changes, and lingering COVID pressures.

Binghamton Key Industry Employment Trends: Our area is trending upwards and performing well in the retail trade, transportation and warehousing and manufacturing sectors. We are struggling to recover in other industries such as leisure and hospitality, healthcare and education and business and professional services.

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. Unemployment rates for November 2021 across the State ranged from 5.1% in Binghamton to 4.0% in Albany. Likewise private employment is lagging in pre-pandemic levels – 94.1% in Binghamton vs. 96.2% in Rochester and 92.7% in Syracuse.

Upstate NY Population Growth: A Tale of Urban vs. Rural – While Broome County saw a small population decrease over the past decade (-1%), it still fared far better than surrounding rural areas, which lost up to 9%. All but 11 of the 50 Upstate New York counties experienced a population decline between 2010 and 2020. The Upstate counties that escaped the trend tended to be large counties that are home to the region's big cities: Buffalo, Rochester, Syracuse and Albany.

Business Leader Outlook for 2022

Stacey Duncan, chamber president and CEO, reviewed the results of our local business leaders survey conducted in December 2021. This survey gives the community a sense of the current economic climate in our region. As we conduct this survey each year we will be able to chart the trends year over year and see how accurately the data reflects on what is happening in our business marketplace. Who participated in the Greater Binghamton Business Leader Survey?

57% of respondents were Business Owners/CEOs or the main management decision makers

75% of the respondents employ 50 or less employees

Diverse disbursement of different business classifications

38% said their business is located in the City of Binghamton; 19% the Town of Vestal; and 4% use multiple locations

Businesses cited that the Top Five State and Local Business Challenges include:

NYS Business Regulation
Regional Economic Climate
Attracting and Retaining Employees
Lack of Qualified Workers
COVID

The Top Five National Factors that Impact Their Economic Outlook include:

Inflation/Deflation
Access to Talent
COVID
Federal Legislation
Cost of Healthcare

2022 Economy Prediction: In early 2020, before the pandemic, 47% of businesses surveyed believed the Binghamton economy was expanding. In 2022, as we emerge from the pandemic, more than 30% believe our economy is expanding.

2021 vs. 2022 Outlook: 25% of the businesses who responded are more optimistic this year than last. While this is down over the highs we experienced pre-COVID, we are moving in a positive direction.

Sales Revenue Expectations: Nearly 40% of businesses who responded believe revenues for their business will increase in 2022. 30% believe revenues would hold steady; a considerable increase over 2021.

Workforce Expectations: Nearly 40% of survey respondents anticipate adding employees to their company in 2022, compared to 33% in 2020. 71% of companies with less than 100 employees expect to hire workers this year.

Awards

This year, over 150 community members attended our in-person event as we recognized and celebrated the innovation and growth of our community, as well as honored an individual who has made significant contributions towards enhancing the business conditions and economic climate of Broome County via our Building BC Awards. The Greater Binghamton Chamber is pleased to congratulate and recognize the Chamber's 2022 Building BC Award Recipients:

Shailesh Upreti

2022 Building BC Innovative Award

Winner: iM3NY

Accepted By: Shailesh Upreti, Chairman and Founder

This award recognizes a project, product or service that “thinks outside the box” and continues to stretch the boundaries and has proven to be a leader in innovation.

iM3NY is part of the green revolution with a focus on clean energy lithium-ion batteries. They are the first major battery manufacturer to locate to this part of the country proving that our area is well-suited for a supplier of high-tech products.

Their “outside the box” thinking looked at non-traditional battery materials that could provide greater heat management in a lithium-ion cell. Their unique formula will produce a battery with a 20% higher capacity while providing a longer cycle life, higher safety and a low environmental impact. Coupled with the fact that there is no cobalt and no nickel, their batteries are truly a major step forward in creating a greener planet.

We welcome iM3NY to the area as they join other innovative, high-tech companies poised for growth in the energy sector.

Dr. Kevin Drumm

2022 Building BC Restorative Award

SUNY Broome Culinary & Event Center

Accepted By: Dr. Kevin Drumm, President

The Restorative Award recognizes a project that brings new life into an aging building.

The Carnegie Library in downtown Binghamton was constructed in 1903 and was charted as “The Peoples’ University”. The library shut down in 1999 and was left abandoned for over a decade. It was purchased in 2012 by SUNY Broome Community College and they broke ground on the \$21.5 million renovation project in 2016.

The conversion of the library into a culinary arts facility started with an exchange of ideas between SUNY Broome President, Dr. Kevin Drumm and Hospitality Programs Chair, Dr. Rey Wojdat. Binghamton’s resurgence as a culinary destination, fueled by the expanding local restaurant scene downtown, gave the college an opportunity to capitalize on that industry which plays such an important role in our local and state economy.

Today, this historical and much-loved building experiences new life as a cutting-edge facility that provides an educated labor pool for an expanding hospitality industry. The SUNY Broome Culinary and Event Center is a perfect example of restoring an aging, historical building and revitalizing it in a modern and purposeful way.

Dave Culbertson

2022 Building BC Transformative Award

National Pipe & Plastics, Inc.

Accepted By: Dave Culbertson, President and CEO

This award recognizes a project that impacts the entire community and fosters growth of those around it.

This particular project involved the purchase of the former Endicott Johnson Shoe warehouse in 2001 with an eye on the company's future growth. The adjacent EJ factory was purchased in 2018 to make room for their new headquarters.

Work began that year with the demolition of an old six-story building and clean-up of a hazardous waste site which took a year to complete. The next step was building a modern state-of-the art office building with a park-like yard to beautify their corner of Endicott. In the process of the new build, National Pipe and Plastics expanded portions of Page Ave. and Maple St. and donated land to provide extra parking spaces for the children's park across the street. The total cost for the new building was \$7 million.

To mitigate truck traffic through a residential neighborhood, National Pipe built a new road to connect directly to Rte. 17C and constructed one mile of railroad track for the delivery of raw materials. This allowed immediate rail and highway access inside the urban core of Broome County.

This economic development project has certainly transformed the Endicott community in a positive way.

Naima Kradjian

2022 Building BC Individual Award

Naima Kradjian, CEO, Goodwill Theatre, Inc.

This award recognizes an individual whose investment positively impacts the quality of life and job growth to ensure the success of the region's communities and economy.

Since 1987, Naima Kradjian has devoted her efforts to making a difference in the greater Binghamton arts community. For those who don't know, she is the CEO of the Goodwill Theatre Incorporated which operates the Schorr Family Firehouse Stage. Naima had a vision for a Performing Arts Center Complex in Johnson City born when the 1920 National Register historic Goodwill Theatre was put up for sale due to delinquent taxes. Believing strongly in collaboration, Naima involved local partners in her Goodwill Theater Project—nearby UHS hospital, the Village of Johnson City and area cultural partners and, in 2011, the Johnson City Health and Cultural District was created.

In the beginning, people said that no one would come to Johnson City; Naima proved them wrong.

Seven blighted properties surrounding the theater were demolished. As her project moved forward, others joined. Binghamton University chose the former EJ factory site for their Pharmacy School and the Pioneer Shoe Box Factory for the Decker School of Nursing. UHS is expanding their footprint and other partners are advancing their own projects in the surrounding area. The lights from the Schorr Stage parking lot and their day and evening activities-sixty-five shows a year-- have helped to change the neighborhood. And Naima did not let the pandemic slow down progress. In May of 2021, the Summer Performance RestArt Tent was erected in the Schorr Stage parking lot to continue to bring entertainment to all in a safe environment.

Naima says they are “shovel ready” and hope for the completion of the Performing Arts Center Complex in the next five years. As Naima says: “We are here for keeps”

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