



Update on Economic & Demographic Trends in New York State

Gary D. Keith

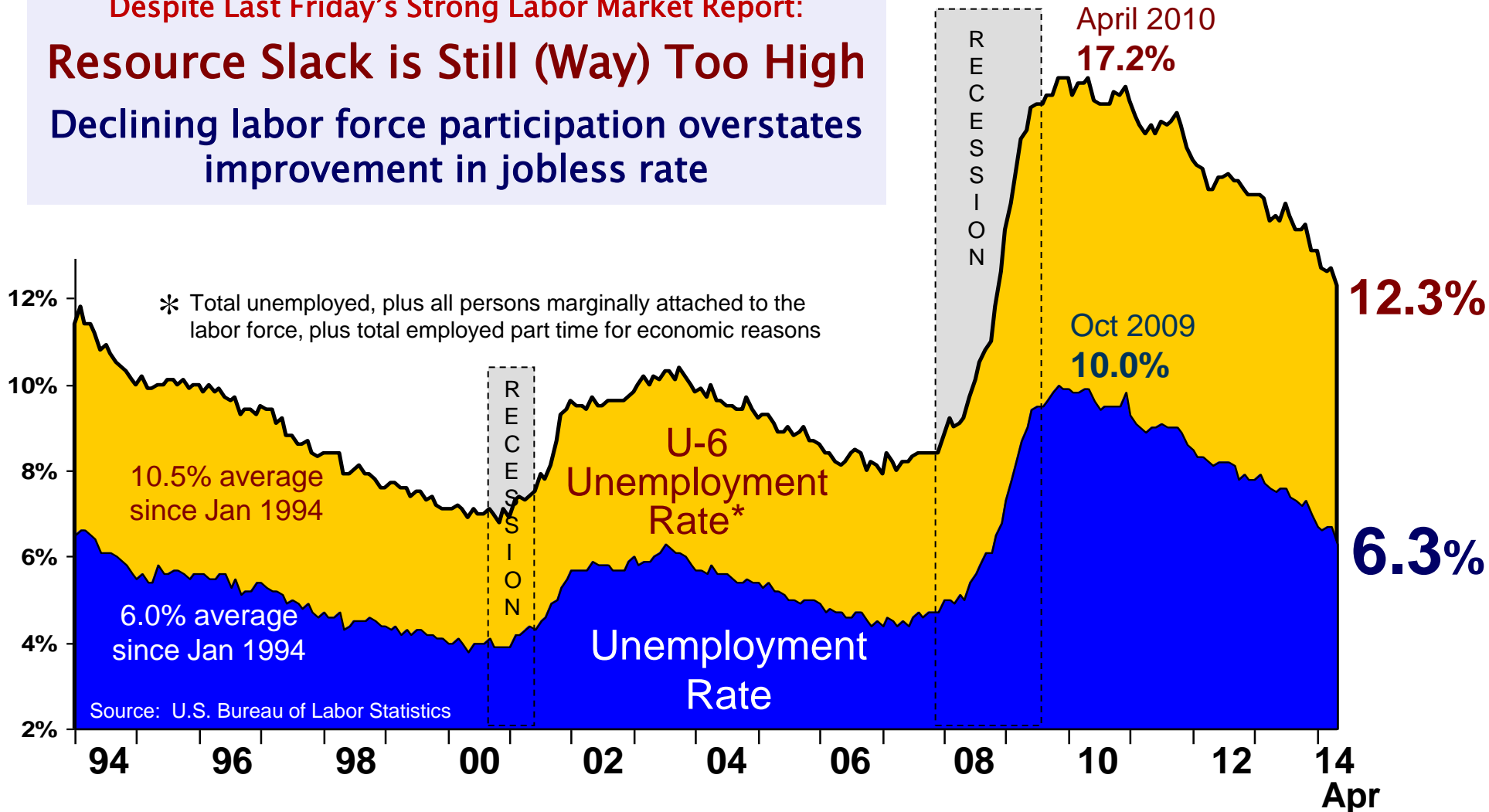
Vice President & Regional Economist

M&T Bank – Commercial Banking Division

May 6, 2014

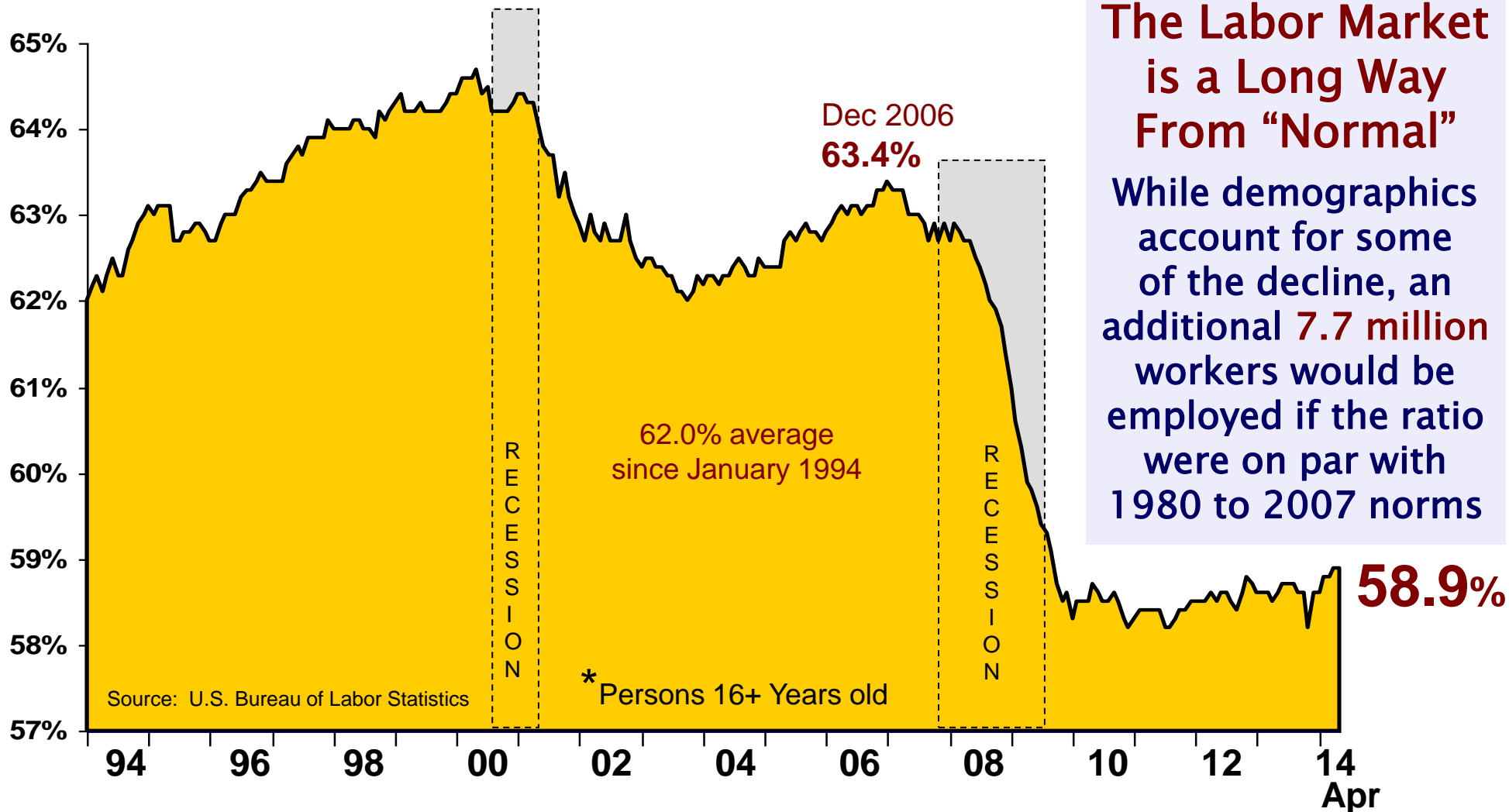
Seasonally Adjusted U.S. Unemployment Rate

Despite Last Friday's Strong Labor Market Report:
Resource Slack is Still (Way) Too High
 Declining labor force participation overstates
 improvement in jobless rate



Seasonally Adjusted

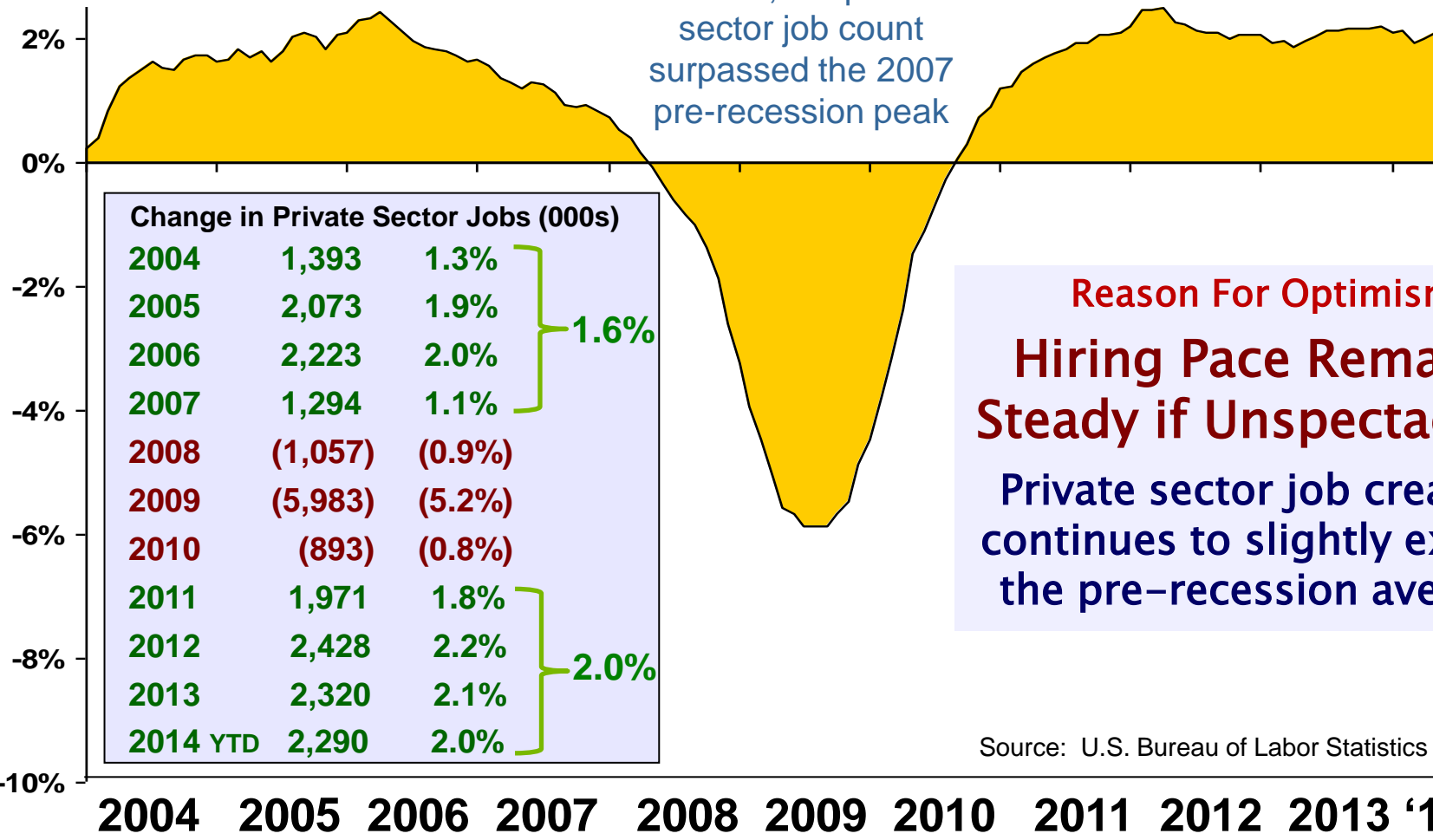
U.S. Employment-to-Population Ratio



Year-Over-Year Percentage Change U.S. Private Sector Job Growth

With the March payroll release, the private sector job count surpassed the 2007 pre-recession peak

2.1%



Reason For Optimism
Hiring Pace Remains Steady if Unspectacular
 Private sector job creation continues to slightly exceed the pre-recession average

Source: U.S. Bureau of Labor Statistics

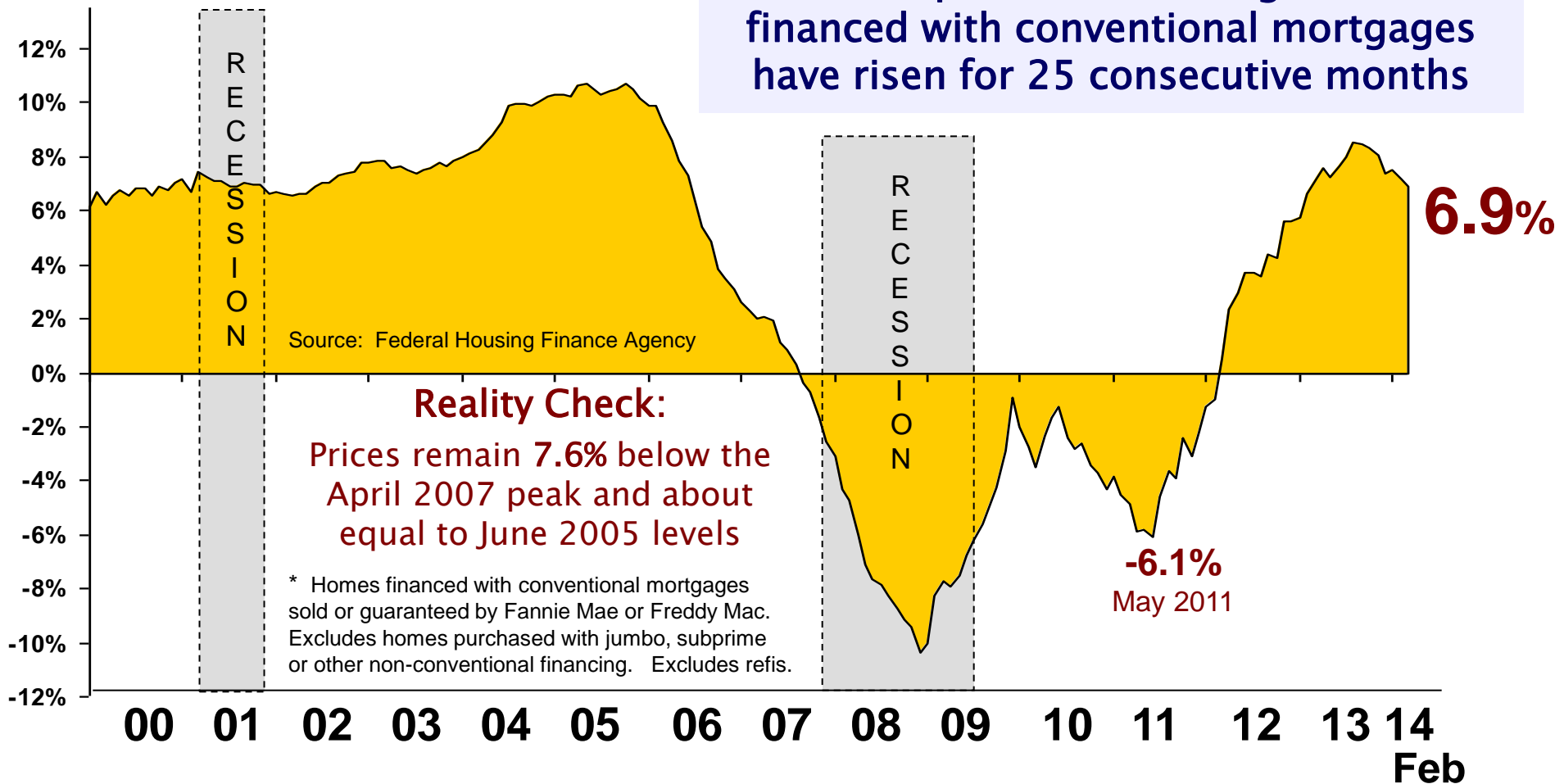
2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 '14
 Apr

Year-Over-Year Percent Change

U.S. Existing Home Resale Price Appreciation*

Housing Drag is Finally Behind Us

Resale prices for existing homes financed with conventional mortgages have risen for 25 consecutive months

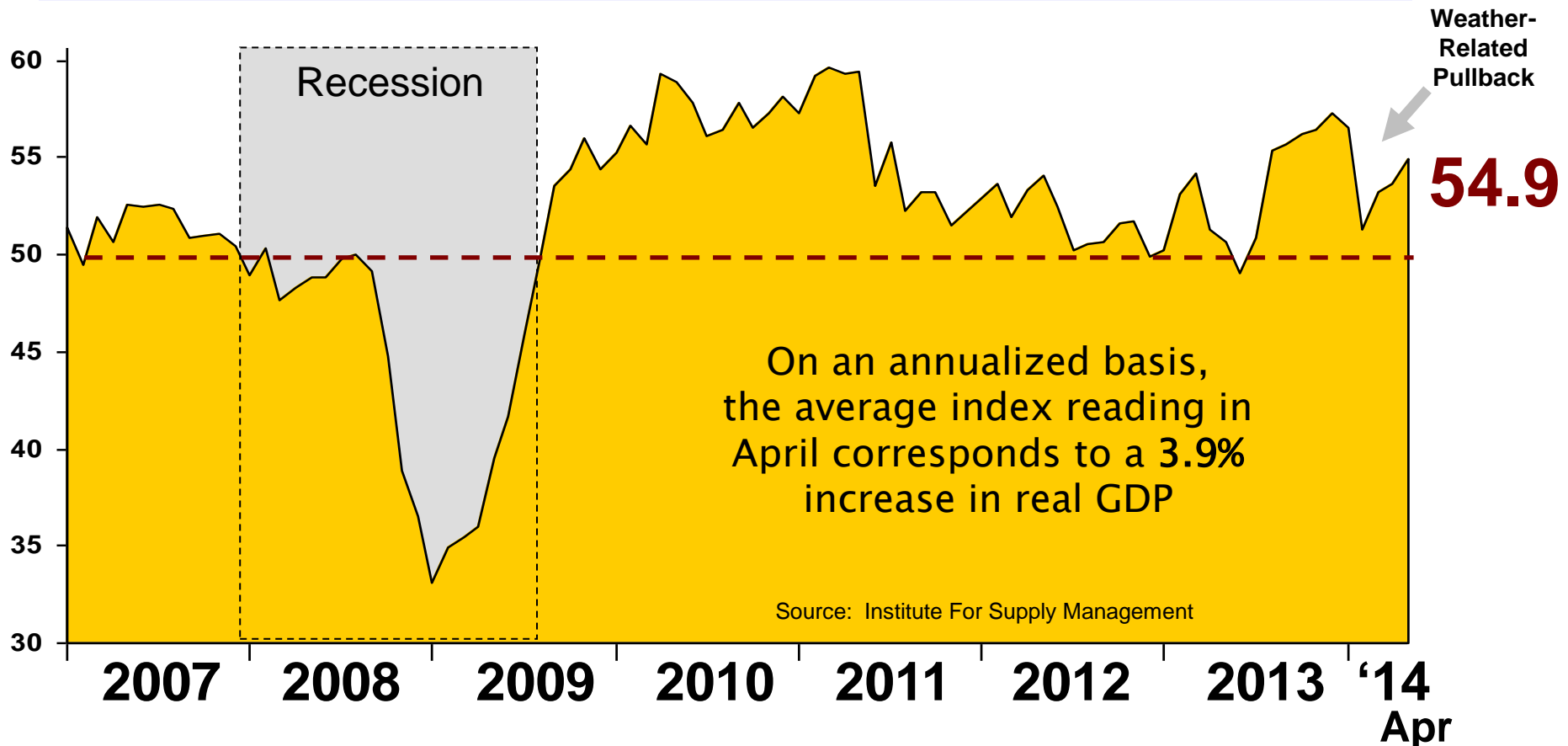


Index Numbers Greater Than 50 = Expansion

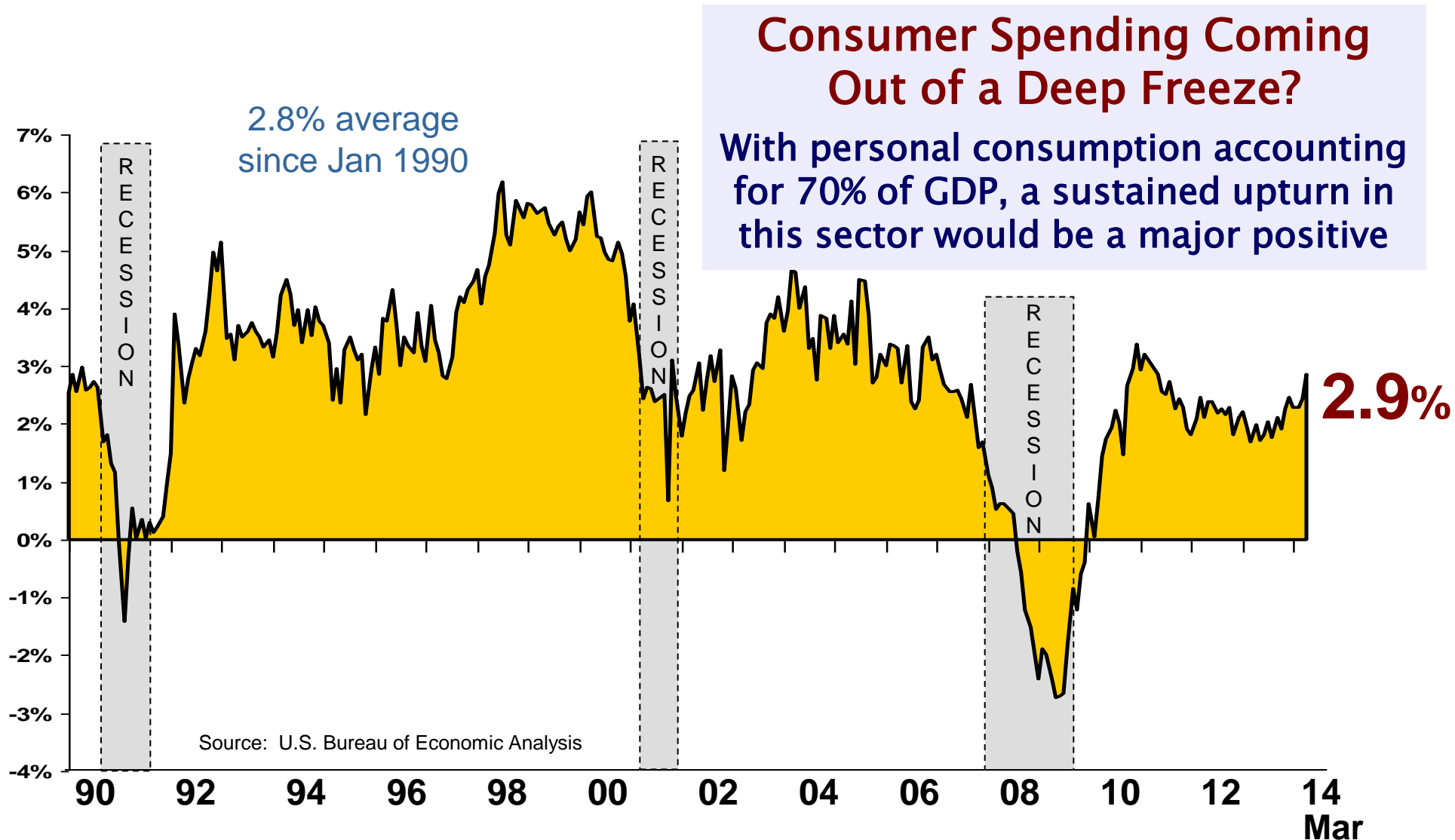
ISM Manufacturing Index

Industrial Sector Shakes Off Winter Weather Disruptions

Activity rebounded in March and April, moving back in line with the robust levels recoded during the second half of 2013

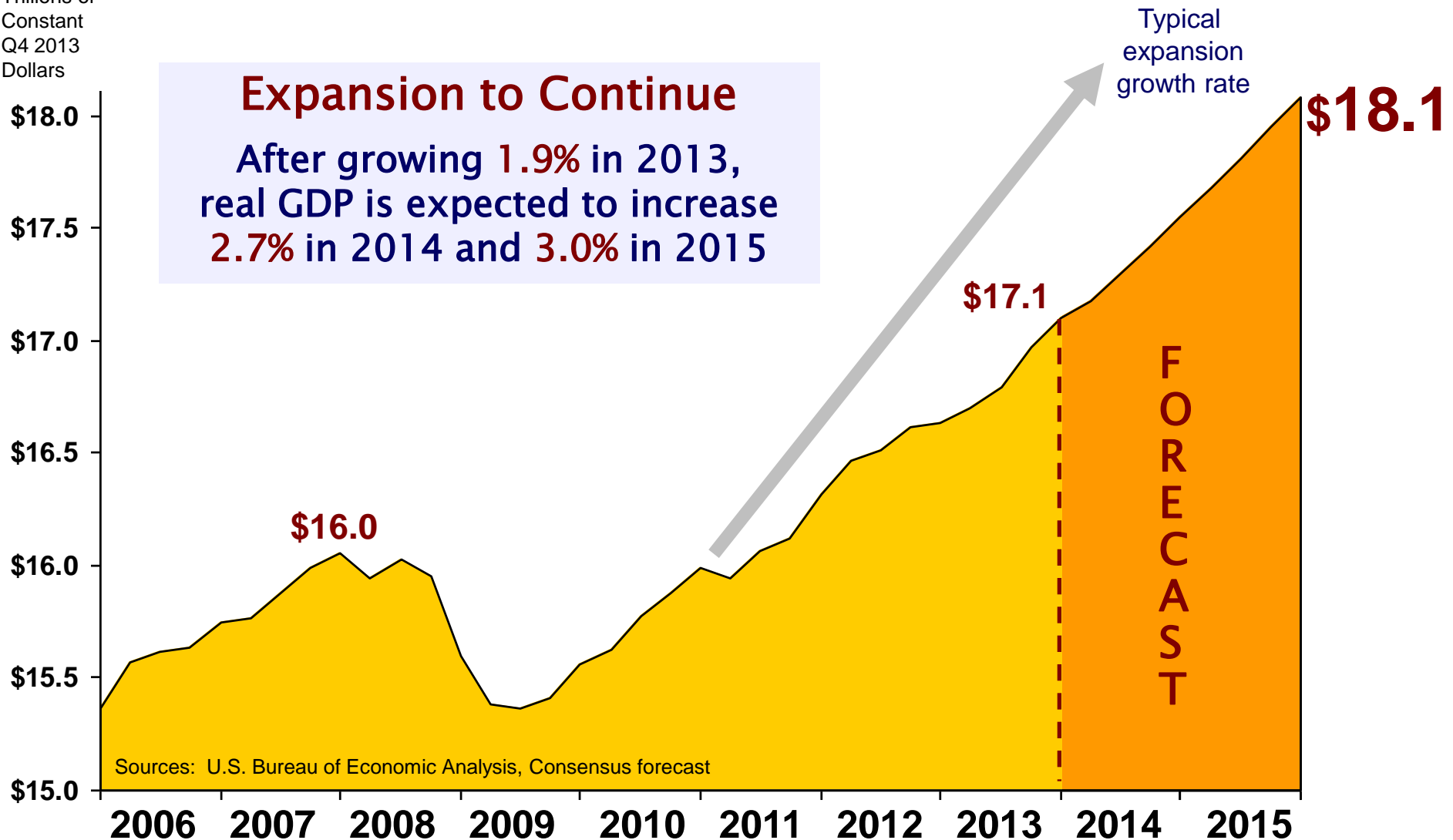


Inflation-Adjusted Year-Over-Year Percentage Change U.S. Personal Consumption Spending Growth



Seasonally Adjusted at Annual Rate U.S. Real Gross Domestic Product

Trillions of
Constant
Q4 2013
Dollars

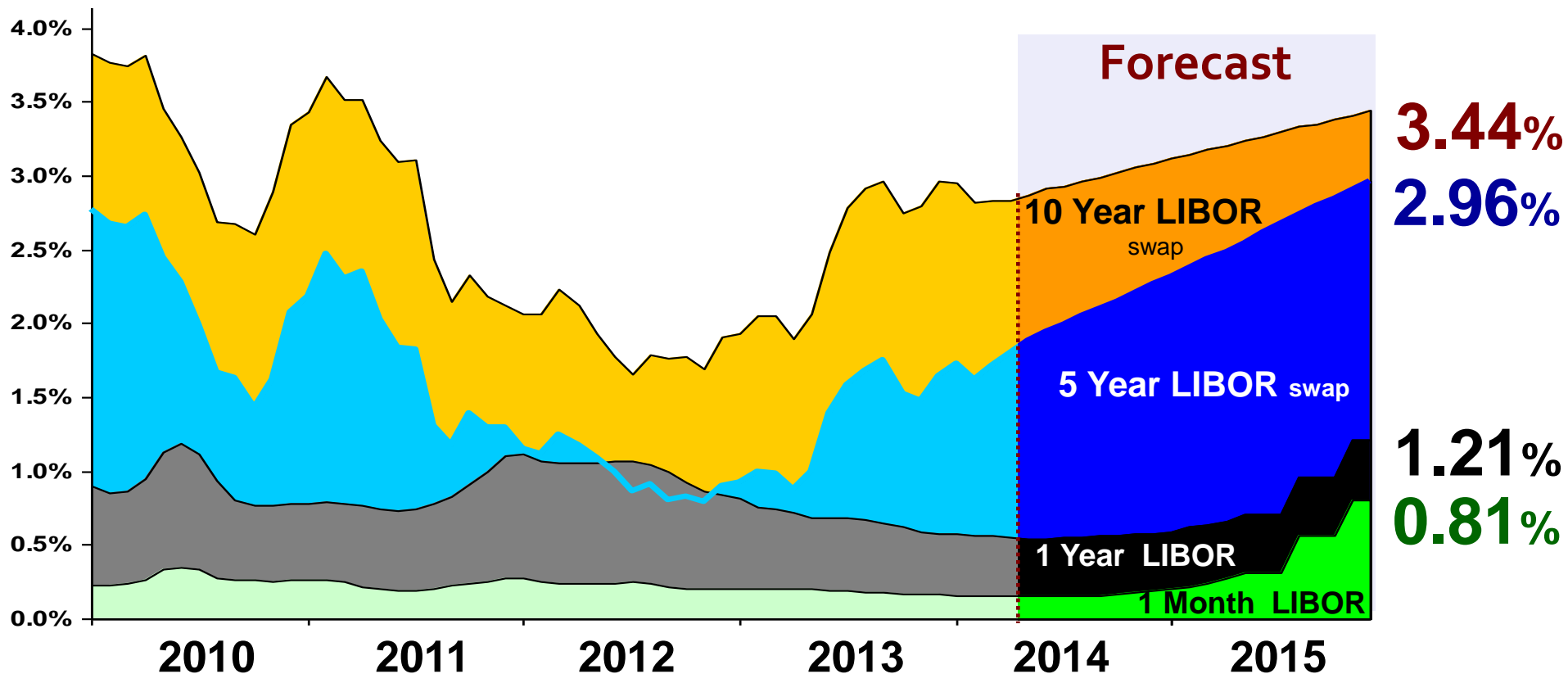


Interest Rate Forecast

As of April 18, 2014

Monetary Policy Will Remain Accommodative...For Now

Short-term rates are expected to remain anchored for another year—while tapering of the Fed’s quantitative easing efforts will cause medium and long-term rates to rise throughout 2014 and 2015

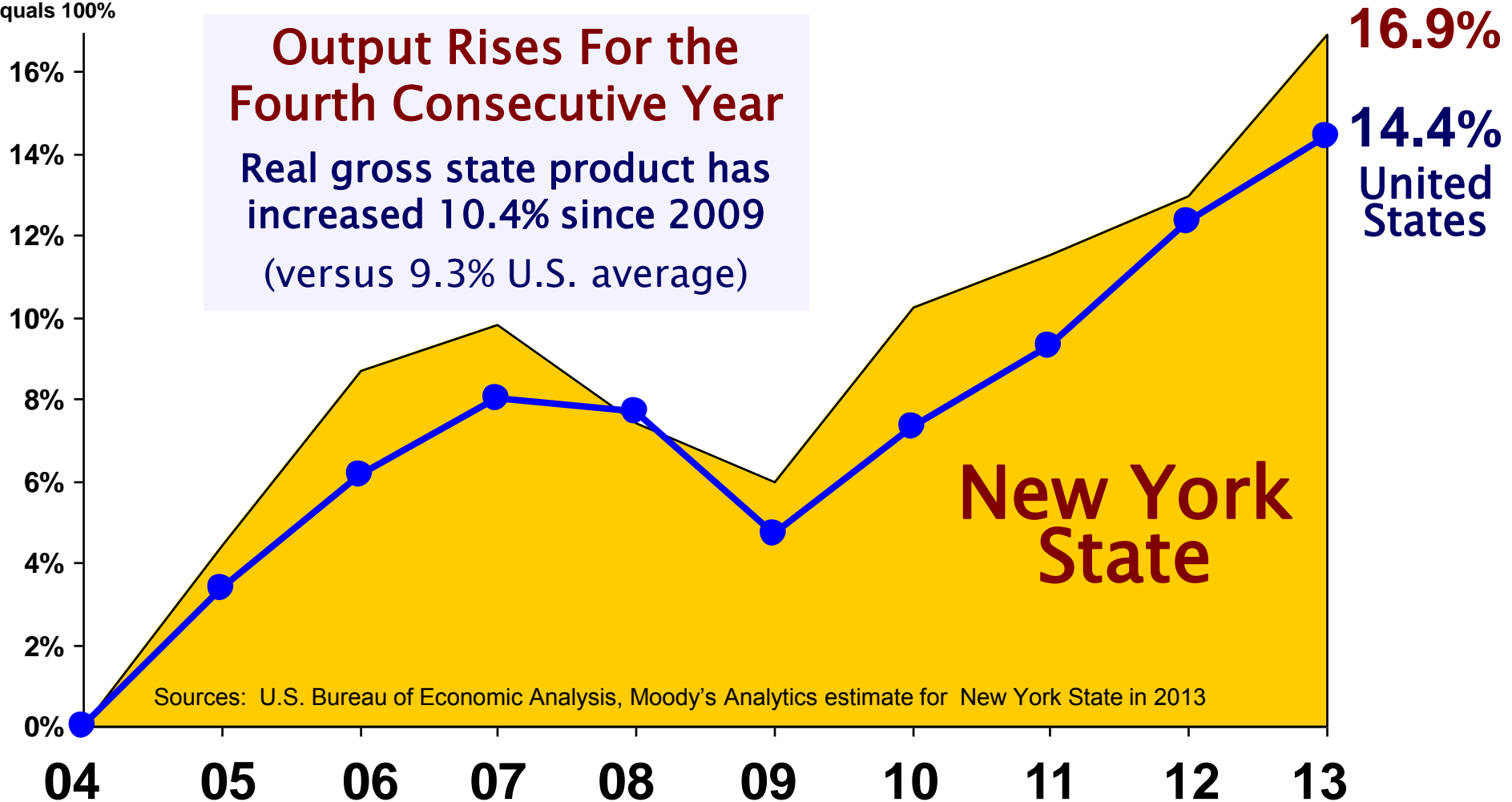


How's New York State performing in this environment?



Relative Change Since 2004:
Real Gross State Product
New York State vs. United States

2004
 Real GSP
 Equals 100%

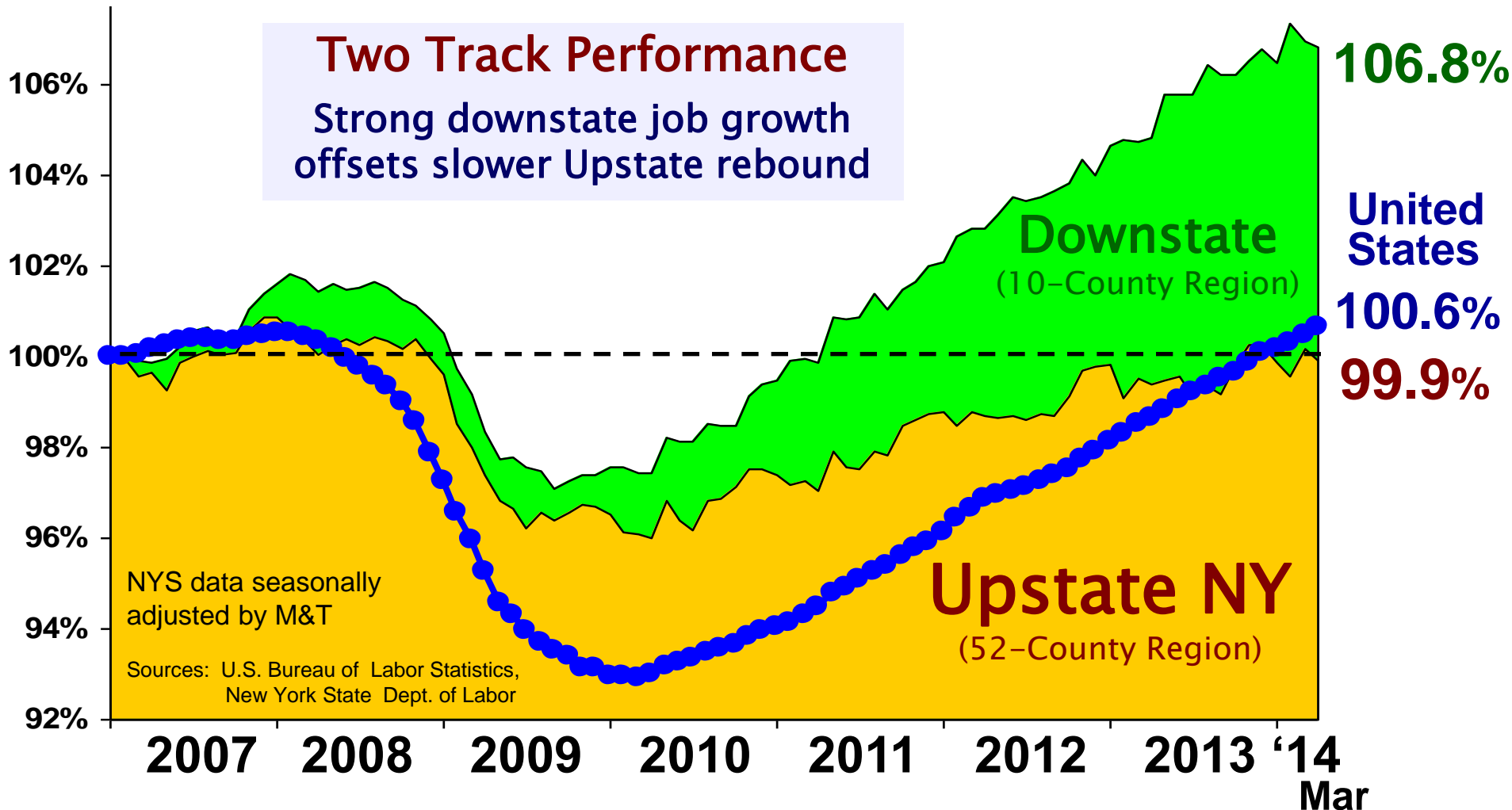


Relative Change Since January 2007:

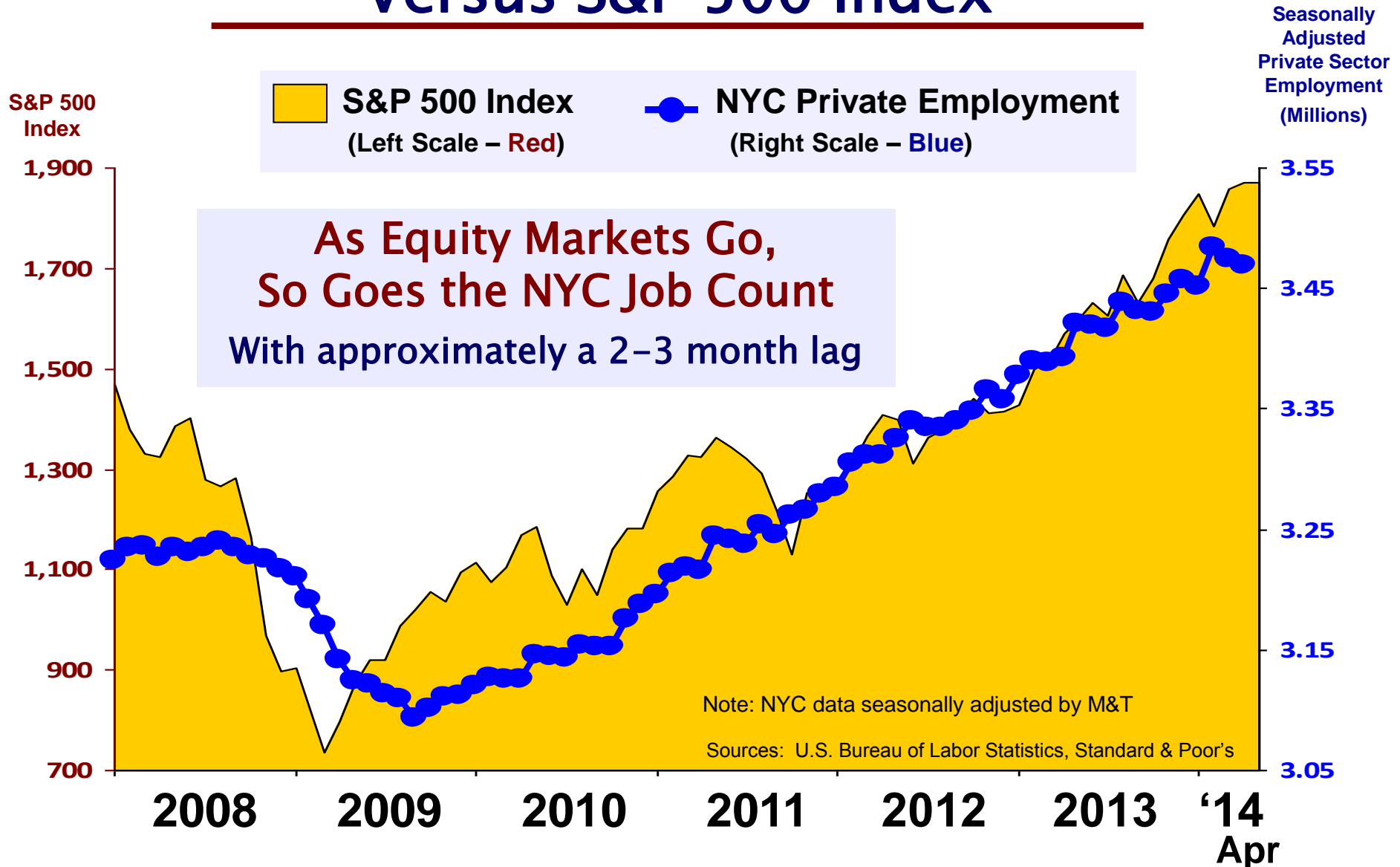
Number of Private Sector Jobs

Upstate & Downstate NY vs. United States

Jan 2007
Employment
Equals 100%

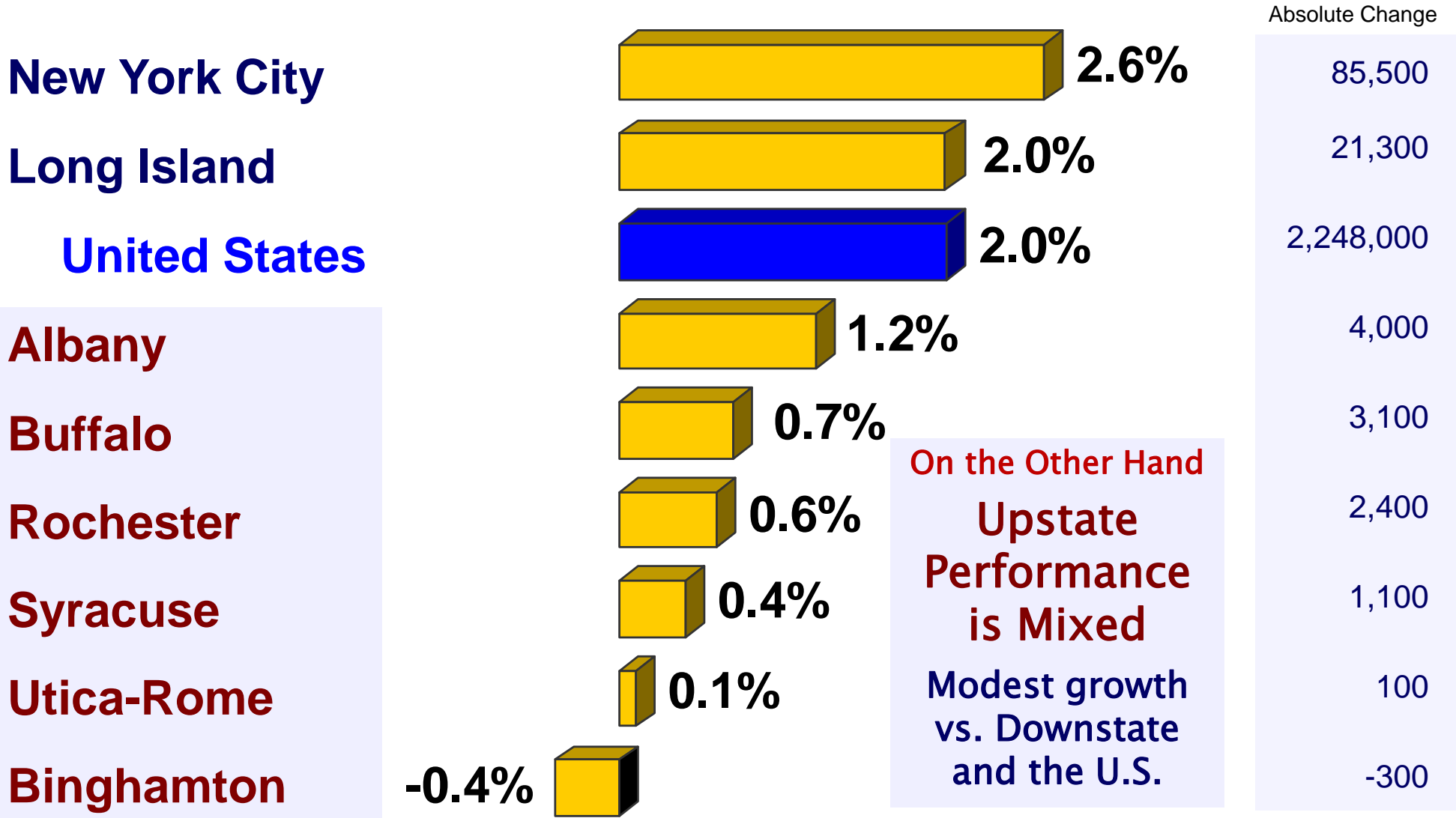


NYC Private Sector Employment Versus S&P 500 Index



Year-Over-Year Percentage Change

Private Sector Job Growth – 2013 Average



Private Sector Job Growth – 2013 Average

Best Performers

Rank	State	2013 Average
1	North Dakota	4.2%
2	California	3.6%
3	Utah	3.6%
4	Texas	3.3%
5	Colorado	3.1%
6	Idaho	3.0%
7	Florida	2.9%
8	Nevada	2.9%
15	DOWNSTATE	2.2%
22	New York	1.7%

Is Upstate Reverting to a Familiar Pattern?

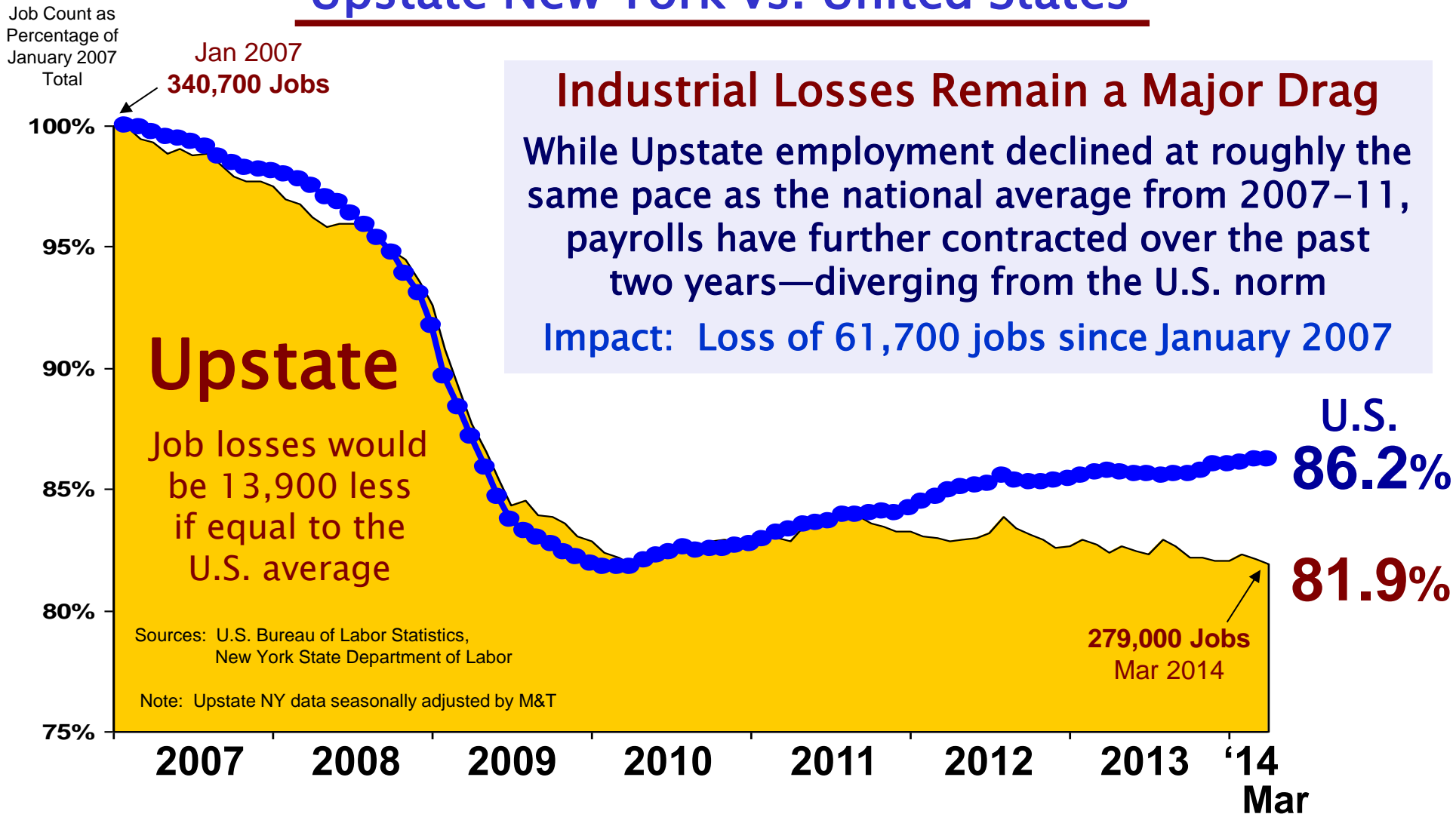
Reversing the favorable rankings recorded immediately following the Great Recession

Worst Performers

Rank	State	2013 Average
42	Kentucky	1.0%
43	South Dakota	1.0%
44	Maine	0.9%
45	Virginia	0.9%
46	Vermont	0.7%
47	UPSTATE NY	0.6%
48	Pennsylvania	0.6%
49	Wyoming	0.6%
50	Arkansas	0.2%
51	West Virginia	-0.4%

United States: 2.0%

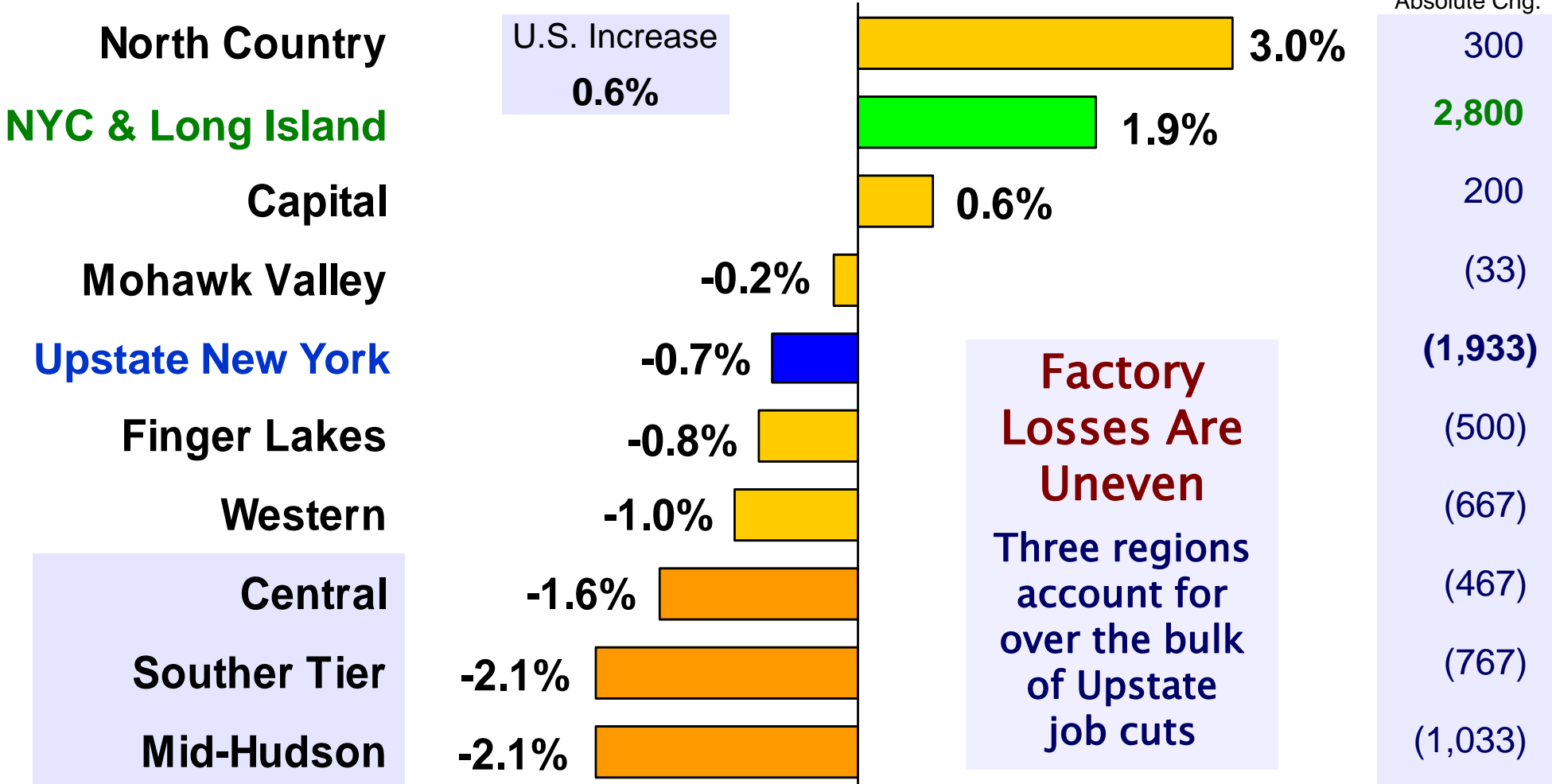
Relative Change Since January 2007 Manufacturing Employment Upstate New York vs. United States



Year-Over-Year Percentage Change - Q1 2013 to 2014

Manufacturing Employment by Region

2013-14
Absolute Chg.

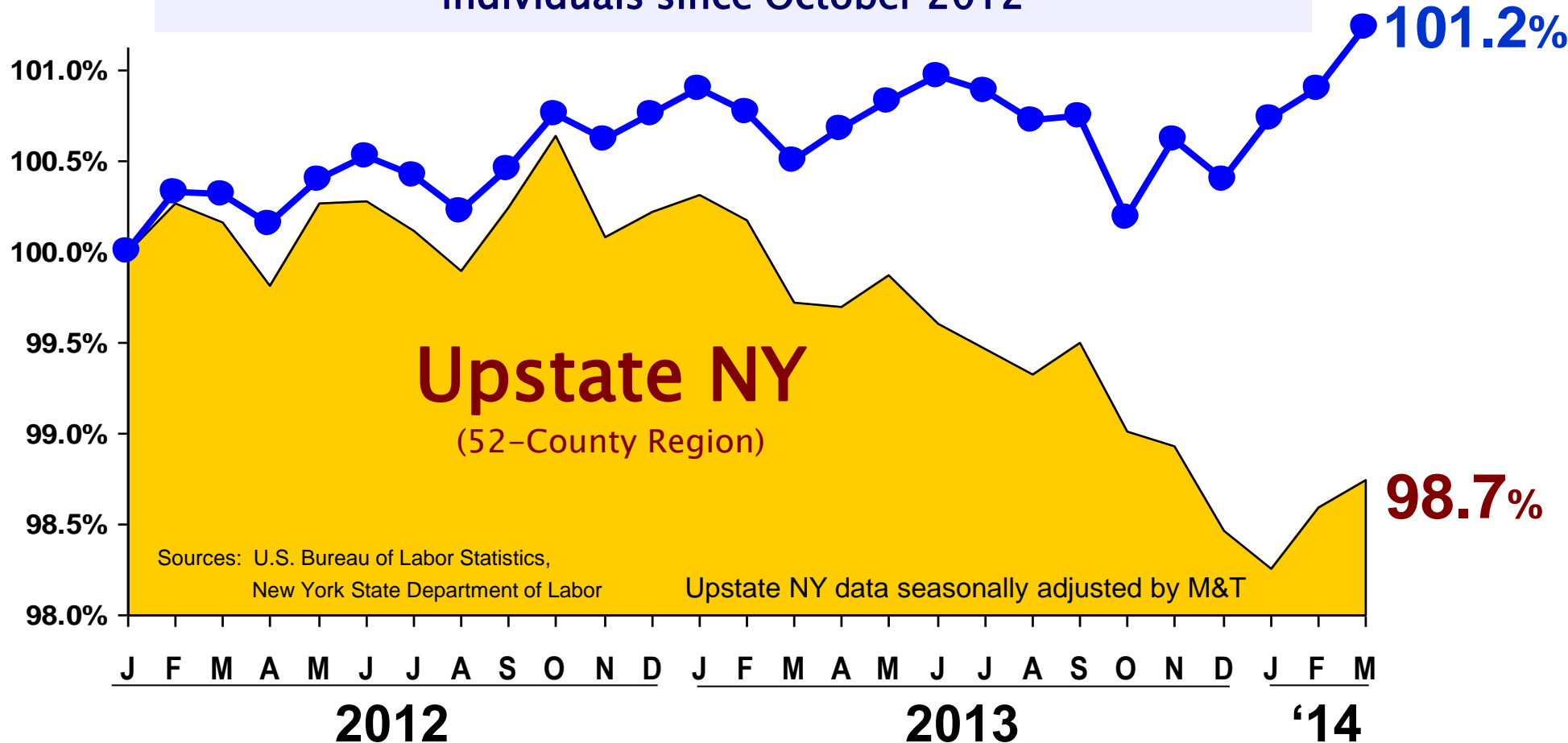


Relative Change Since January 2012

Number of Persons in the Labor Force

Are Ex-Factory Workers Leaving the Labor Pool?

The Upstate workforce has contracted by nearly 70,000 individuals since October 2012

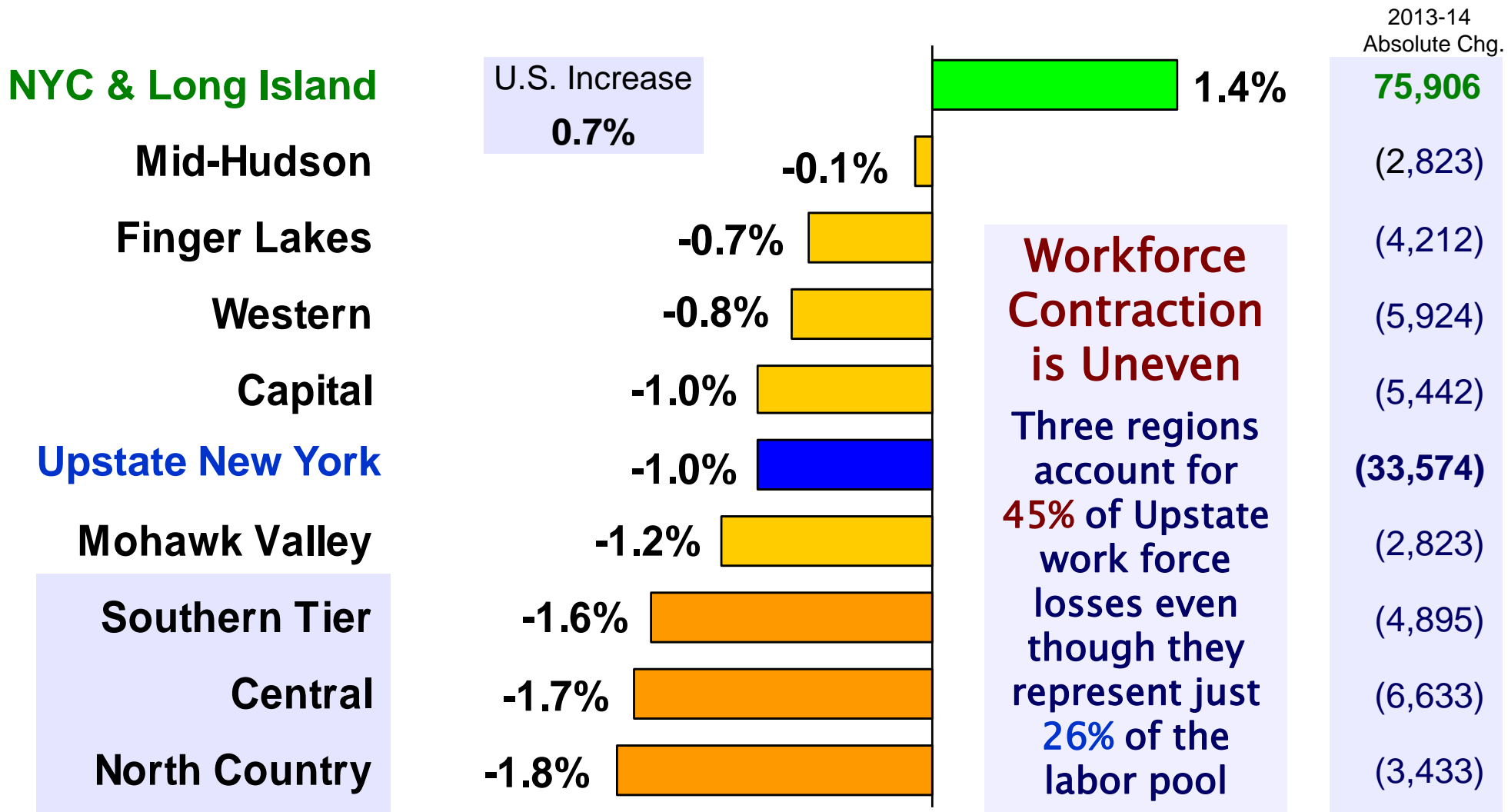


Sources: U.S. Bureau of Labor Statistics,
New York State Department of Labor

Upstate NY data seasonally adjusted by M&T

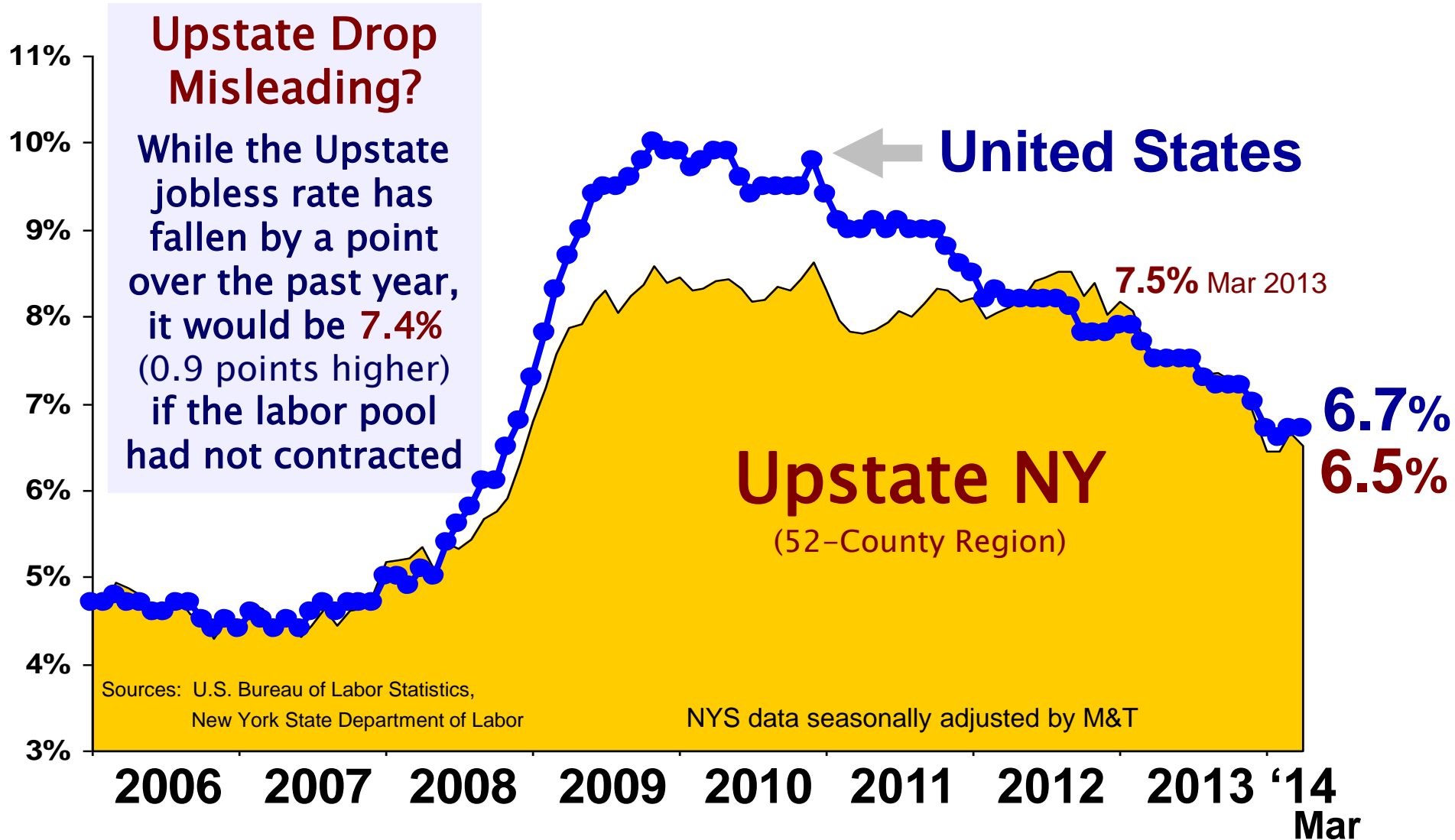
Year-Over-Year Percentage Change - March 2014 to 2014

Number of Persons in the Labor Force



Seasonally Adjusted

U.S. and Upstate NY Unemployment Rate

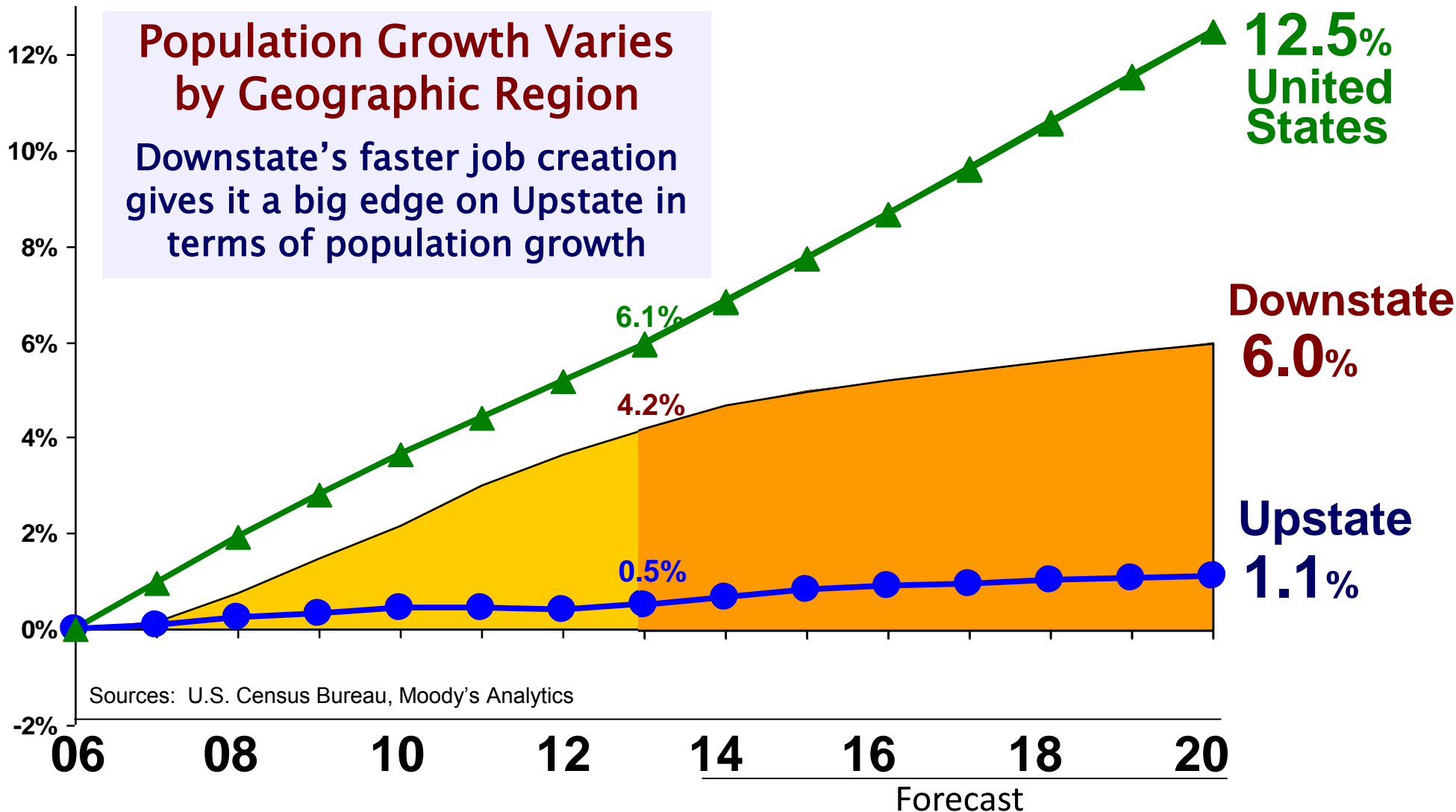


Demographic Trends & Forecast

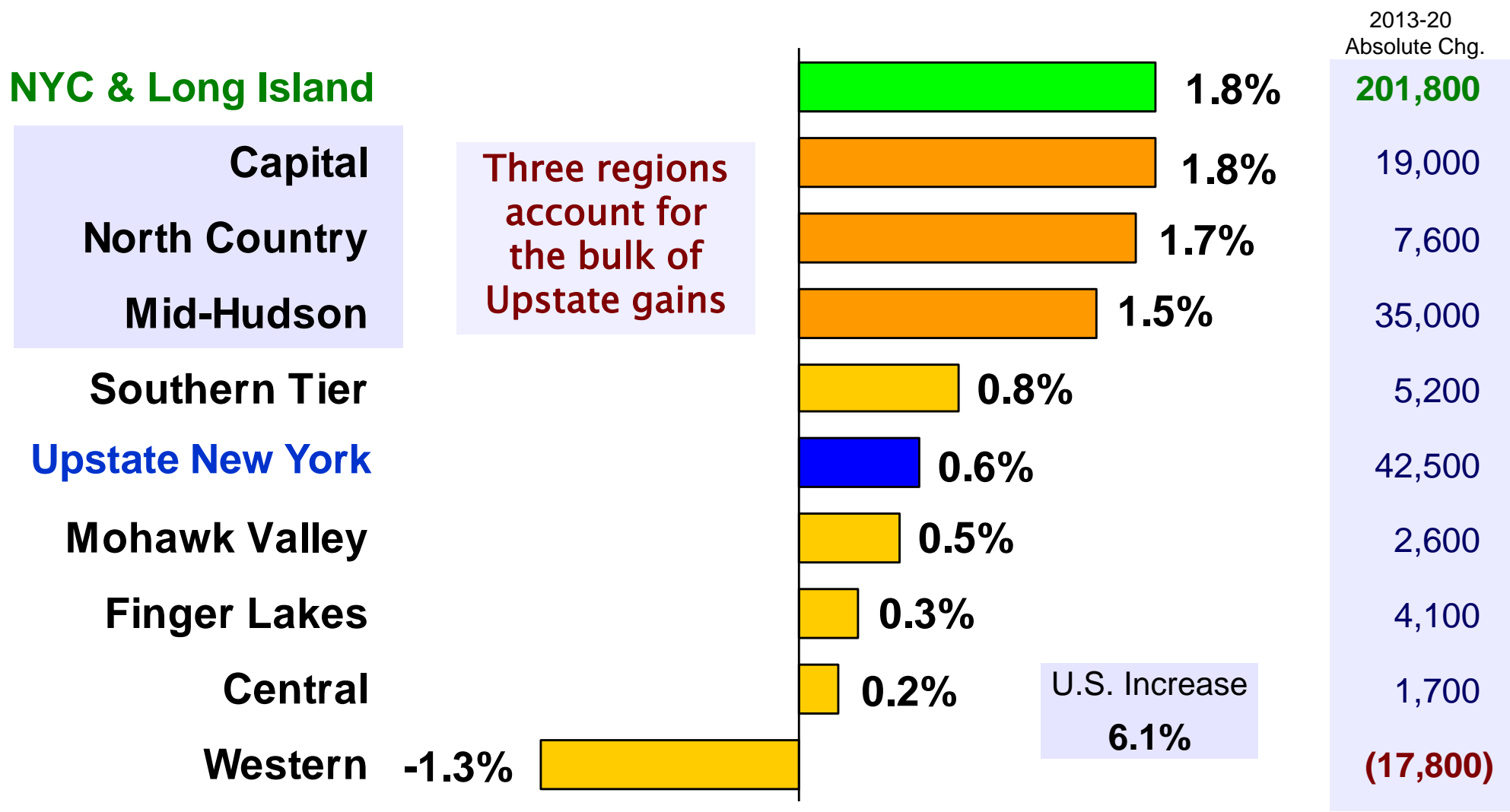


Forecasted Population Growth 2006 to 2020

Upstate and Downstate New York vs. United States



Forecasted Population Growth By New York State Region 2013 to 2020

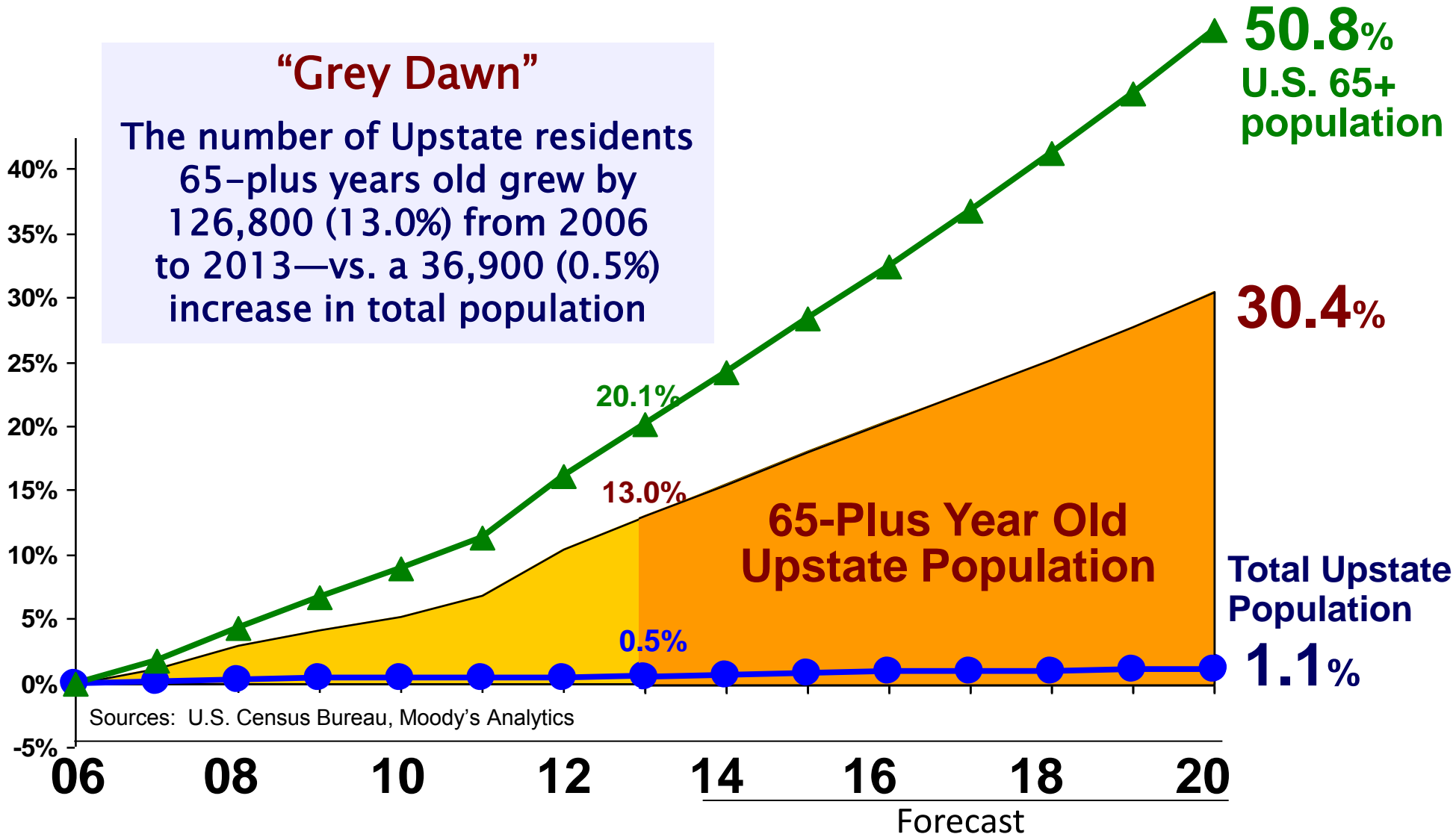


Forecasted Population Growth—Ages 65 & Over

Upstate New York vs. United States

“Grey Dawn”

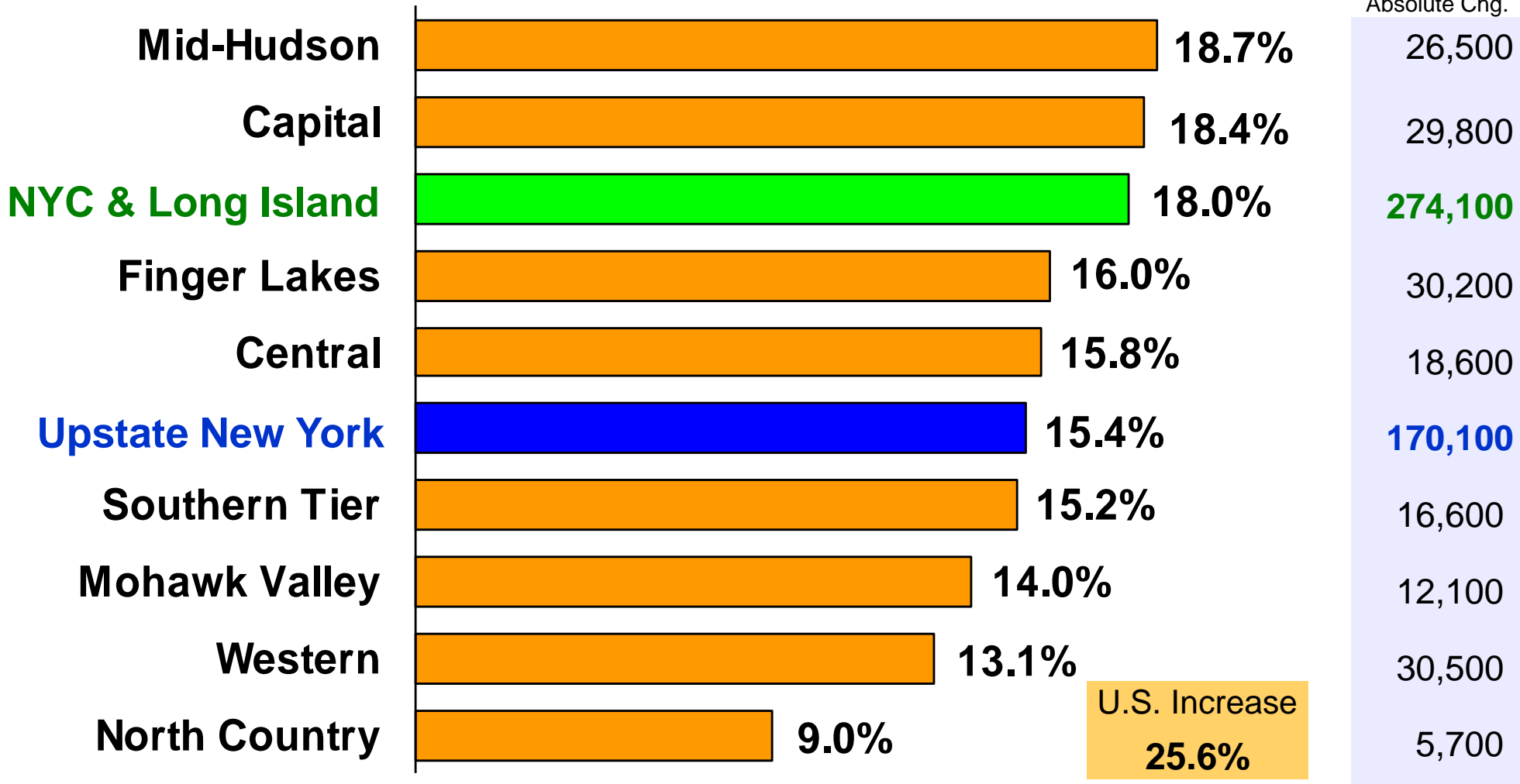
The number of Upstate residents 65-plus years old grew by 126,800 (13.0%) from 2006 to 2013—vs. a 36,900 (0.5%) increase in total population



Sources: U.S. Census Bureau, Moody's Analytics

Forecasted Population Growth—Ages 65 & Over By New York State Region 2013 to 2020

2006-20
Absolute Chg.

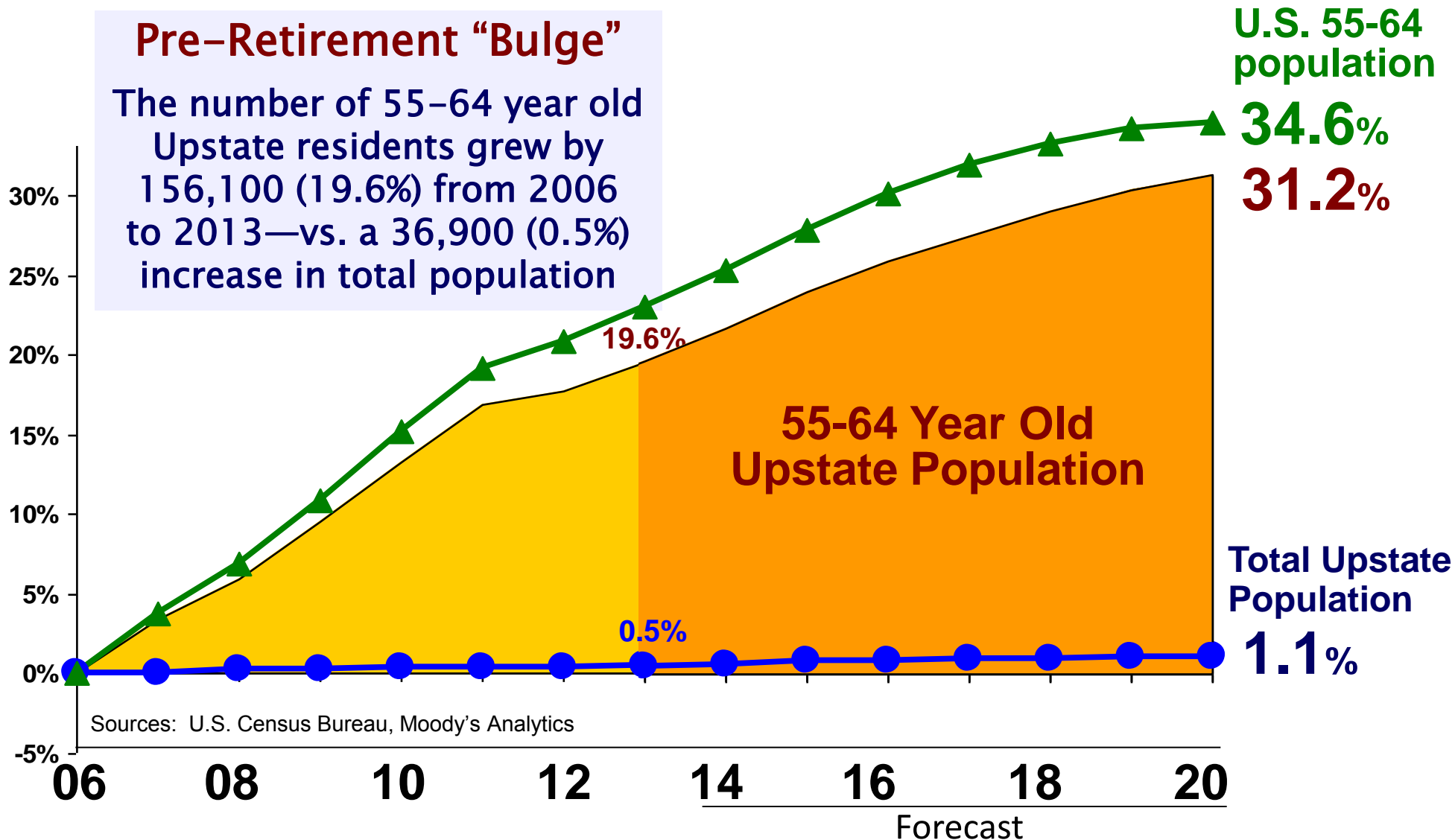


Forecasted Population Growth—Ages 55 to 64

Upstate New York vs. United States

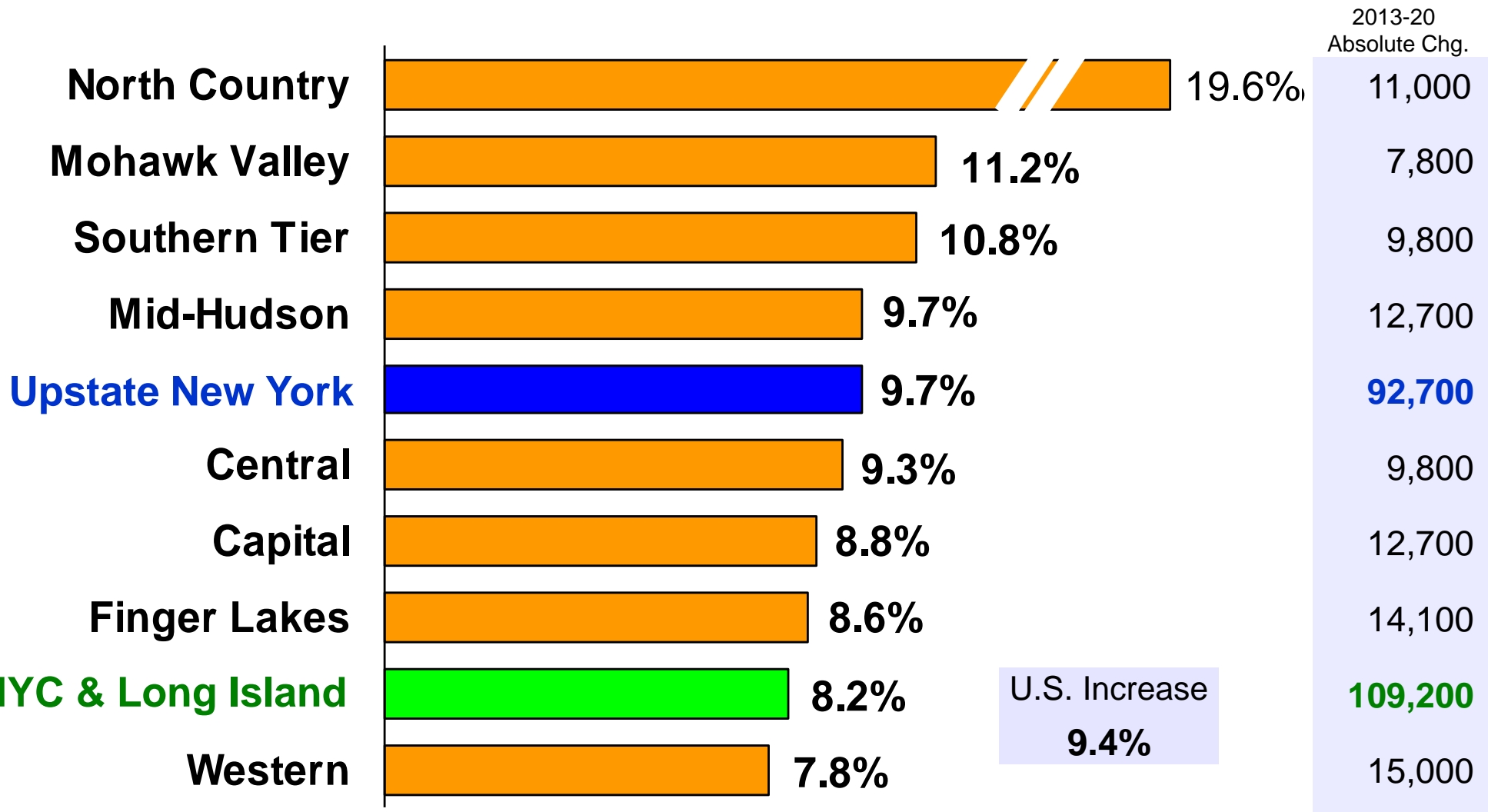
Pre-Retirement “Bulge”

The number of 55–64 year old Upstate residents grew by 156,100 (19.6%) from 2006 to 2013—vs. a 36,900 (0.5%) increase in total population



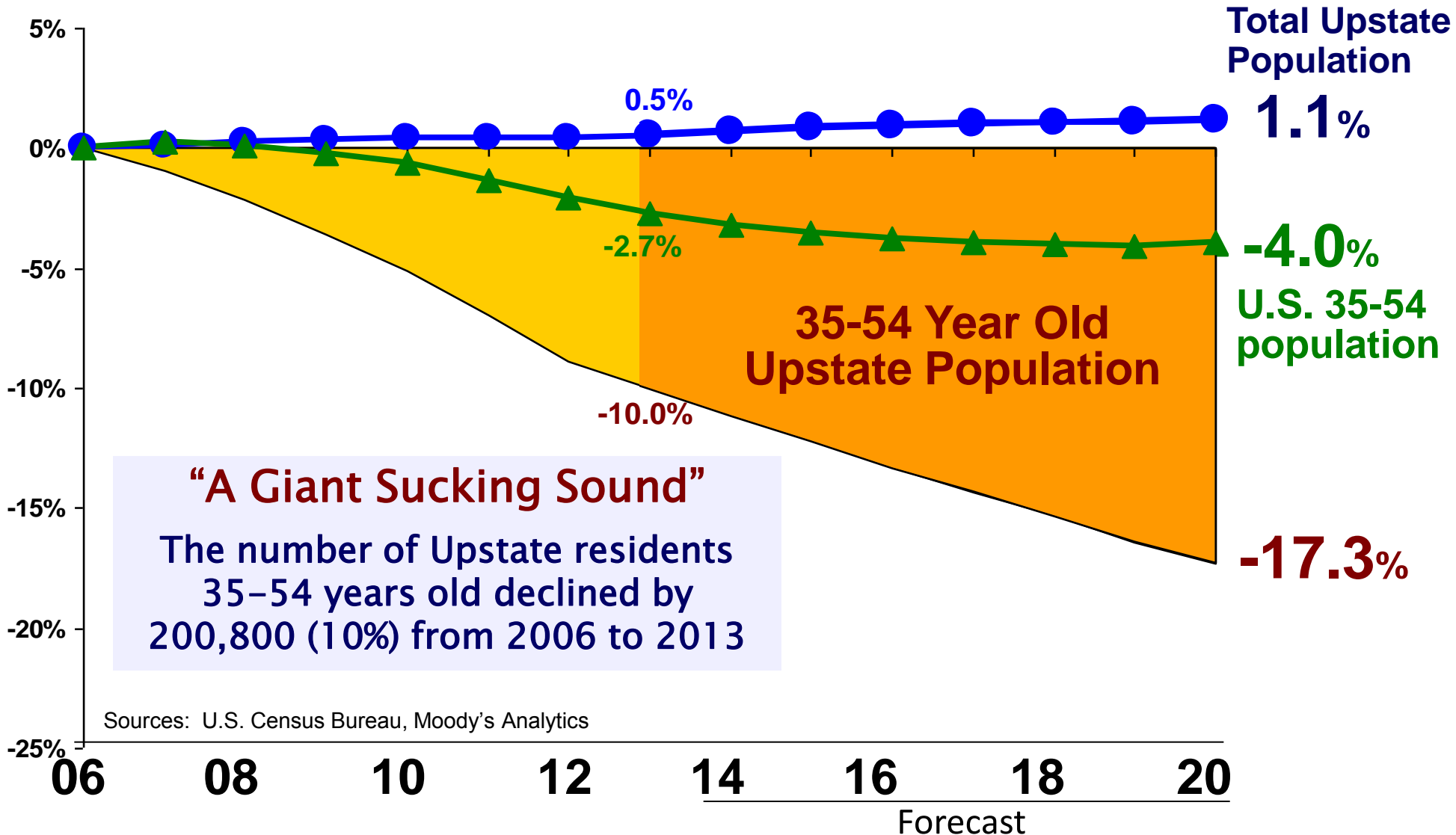
Sources: U.S. Census Bureau, Moody's Analytics

Forecasted Population Growth—Ages 55 to 64 By New York State Region 2013 to 2020

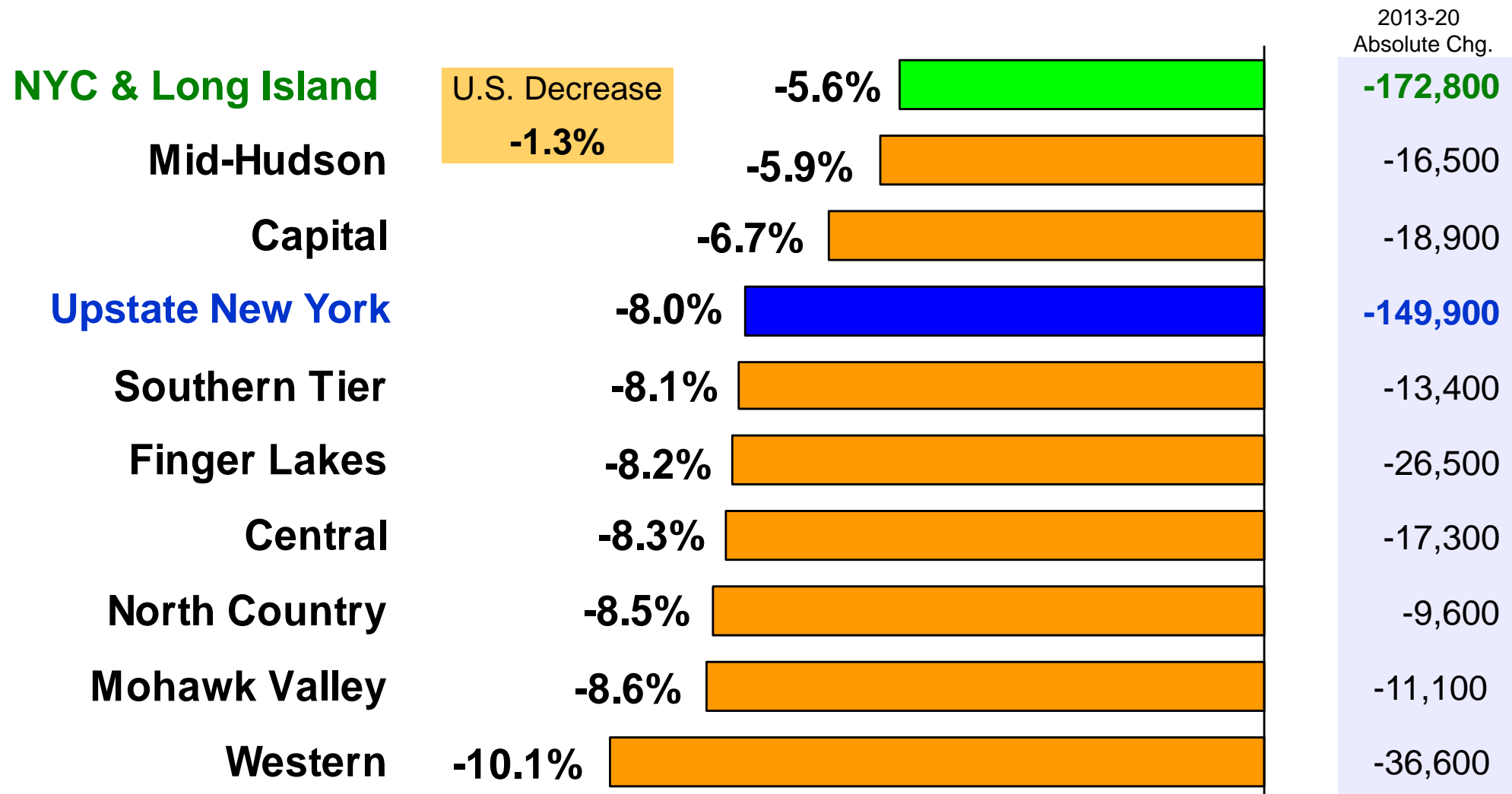


Forecasted Population Growth—Ages 35 to 54

Upstate New York vs. United States



Forecasted Population Growth—Ages 35 to 54 By New York State Region 2013 to 2020

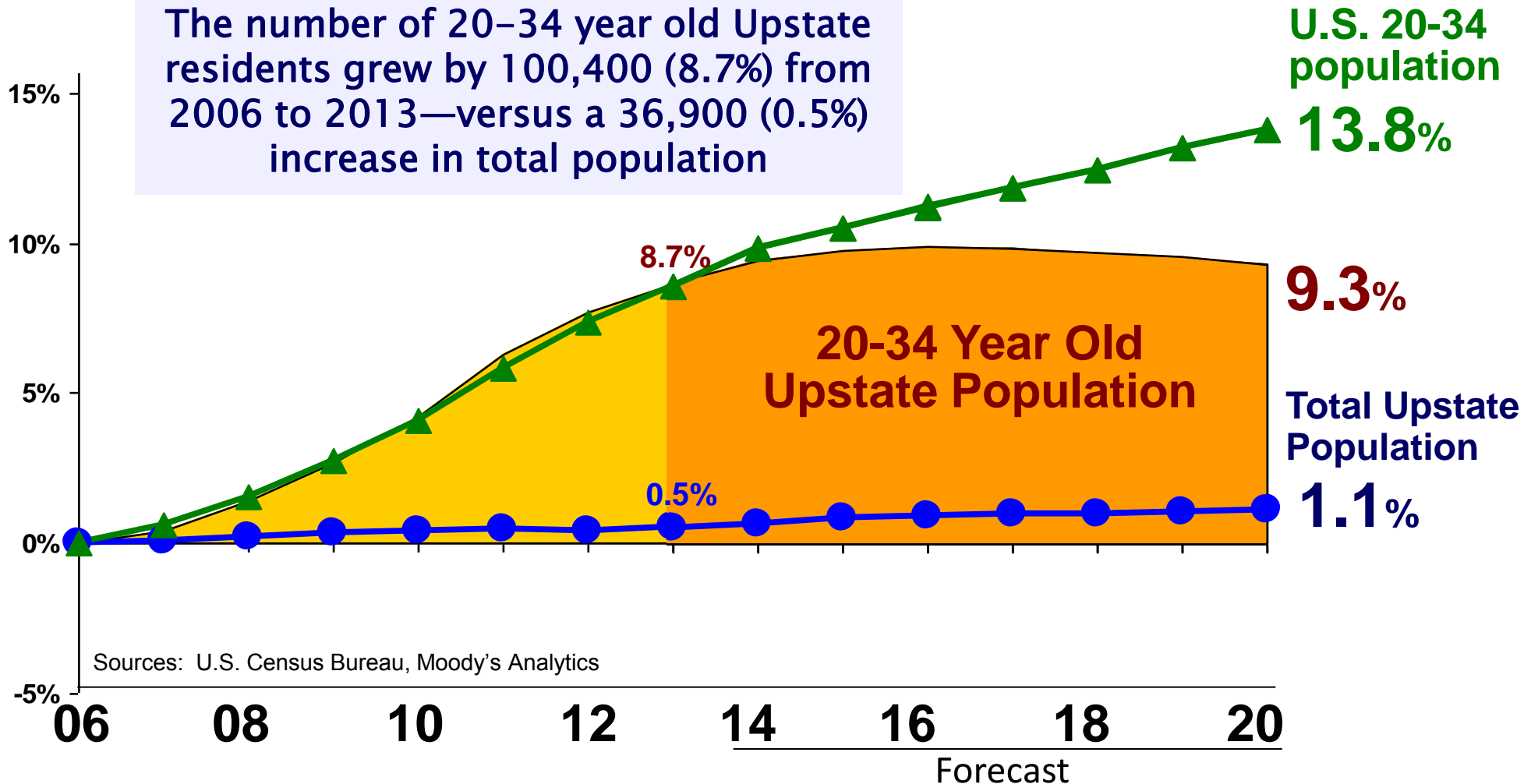


Forecasted Population Growth—Ages 20 to 34

Upstate New York vs. United States

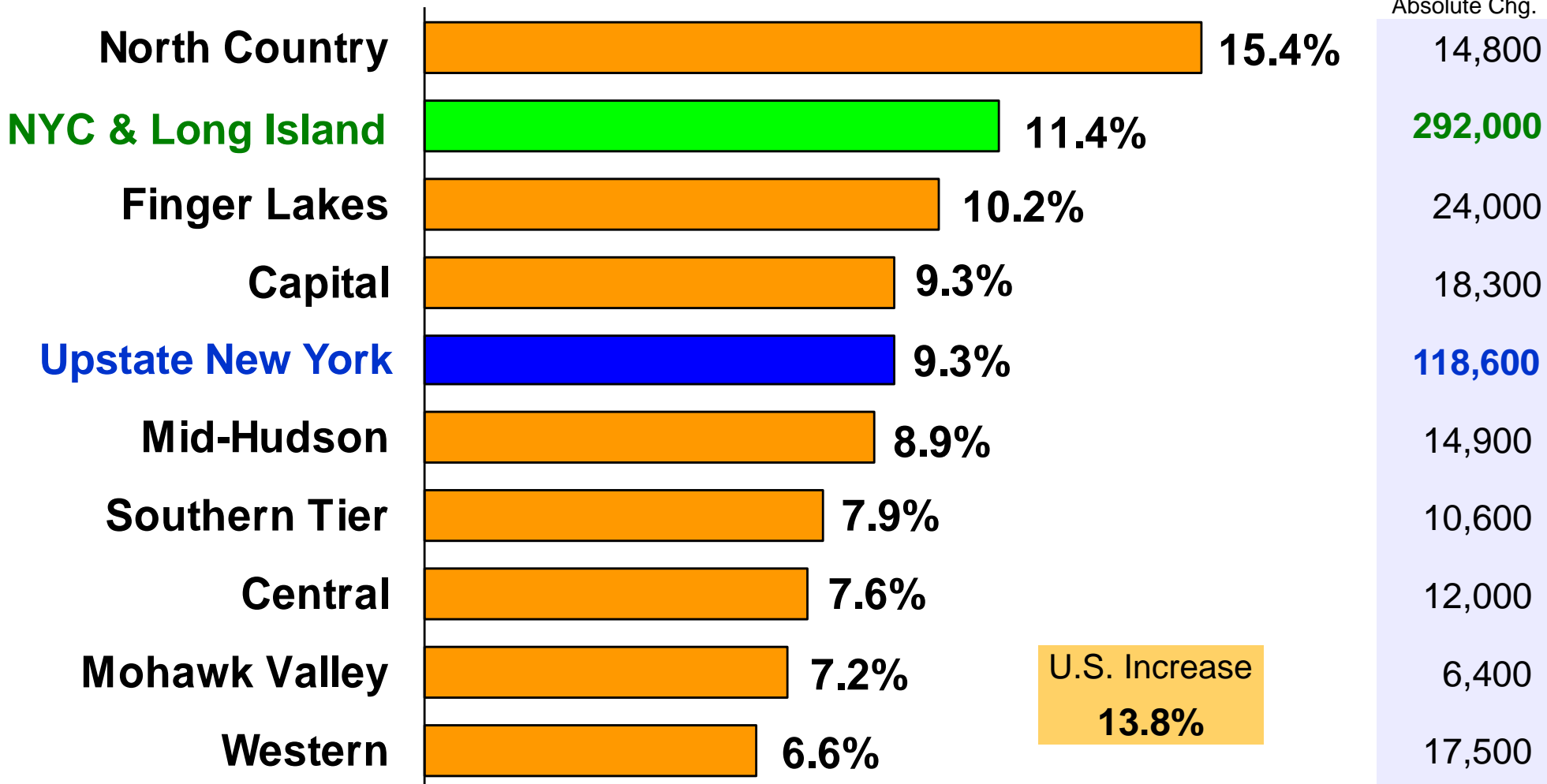
Here Come the “Millennials”

The number of 20–34 year old Upstate residents grew by 100,400 (8.7%) from 2006 to 2013—versus a 36,900 (0.5%) increase in total population

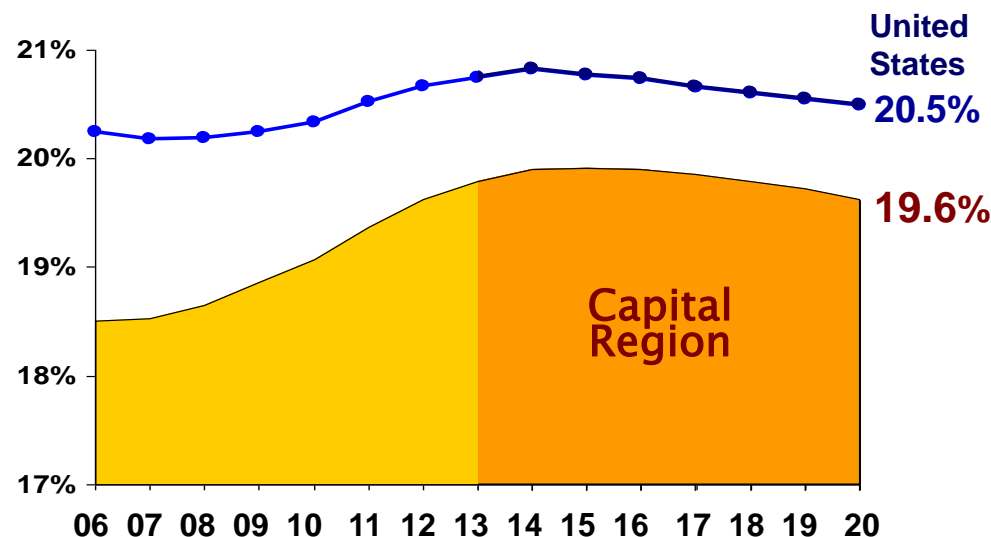
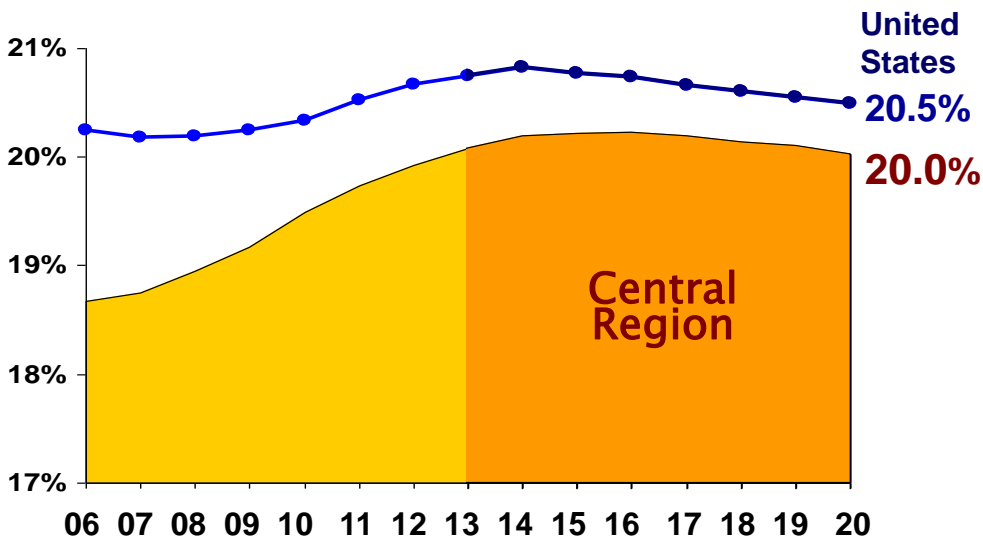
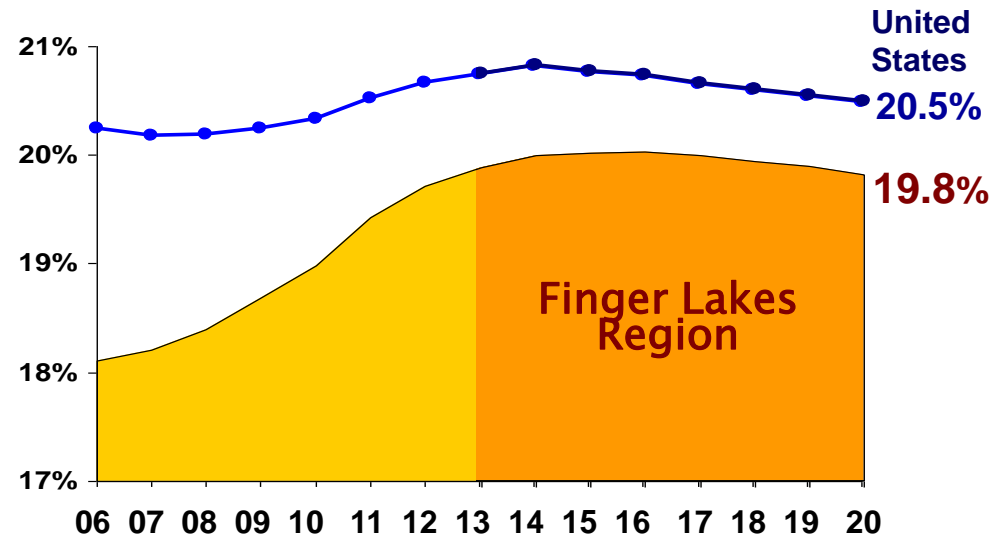
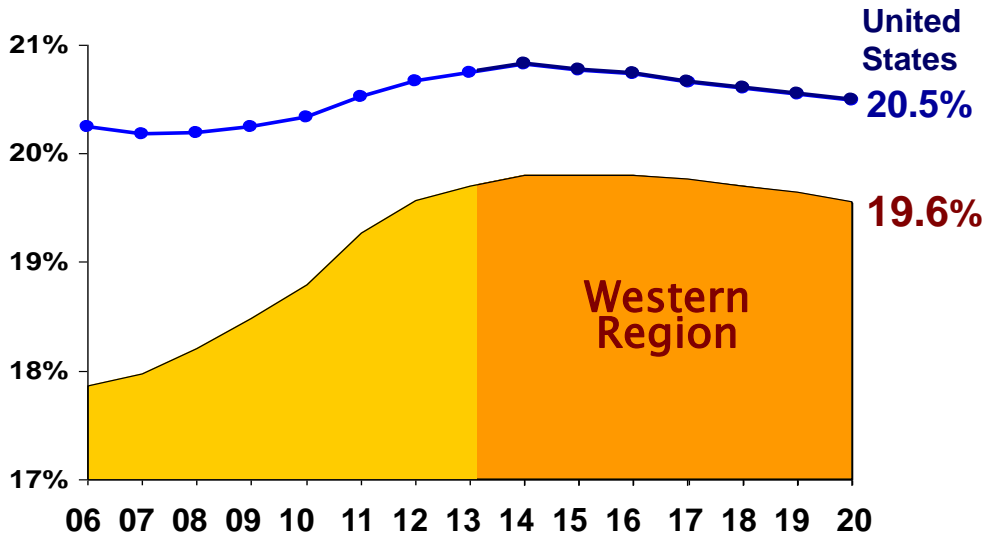


Forecasted Population Growth—Ages 20 to 34 By New York State Region 2006 to 2020

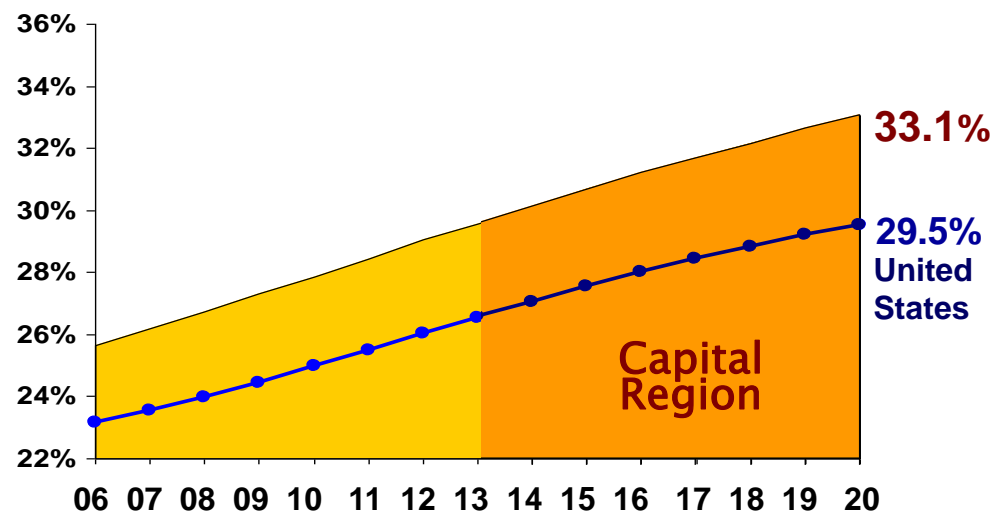
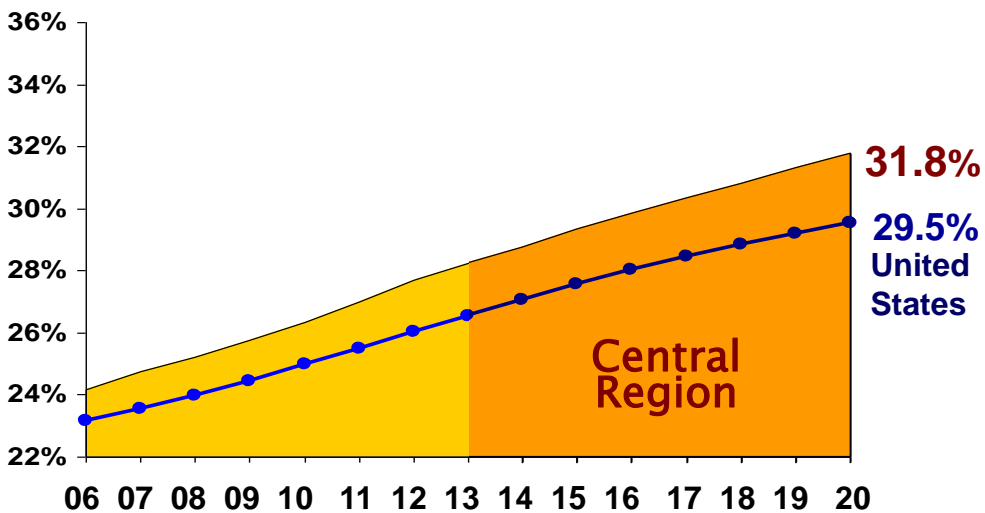
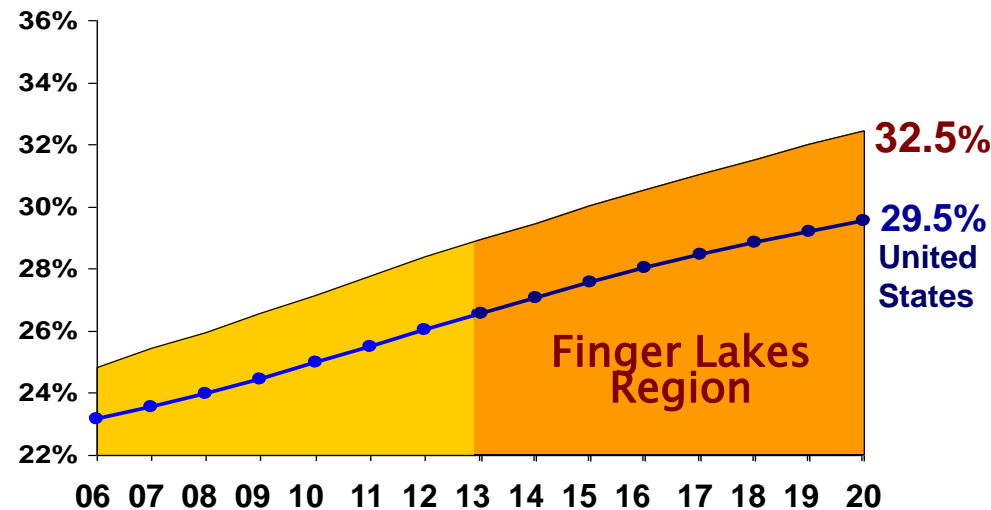
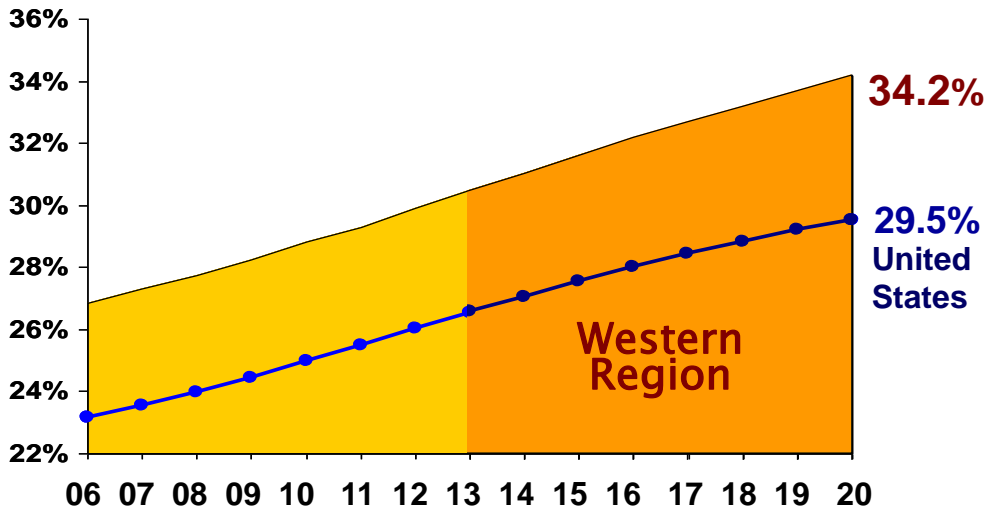
2006-20
Absolute Chg.



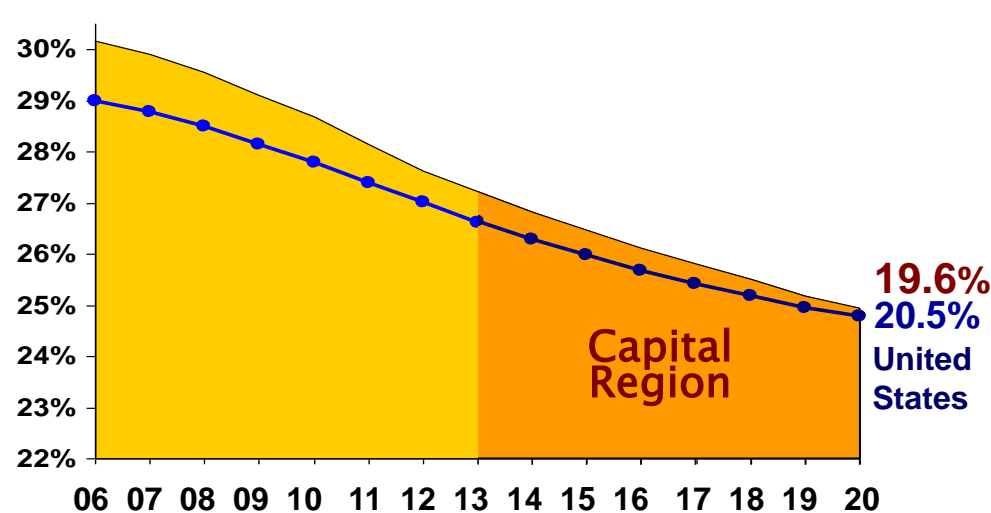
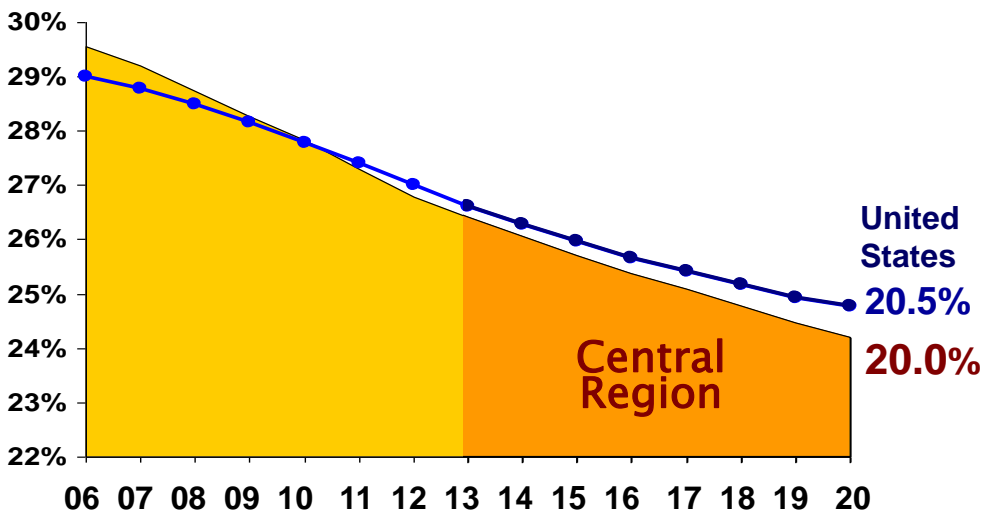
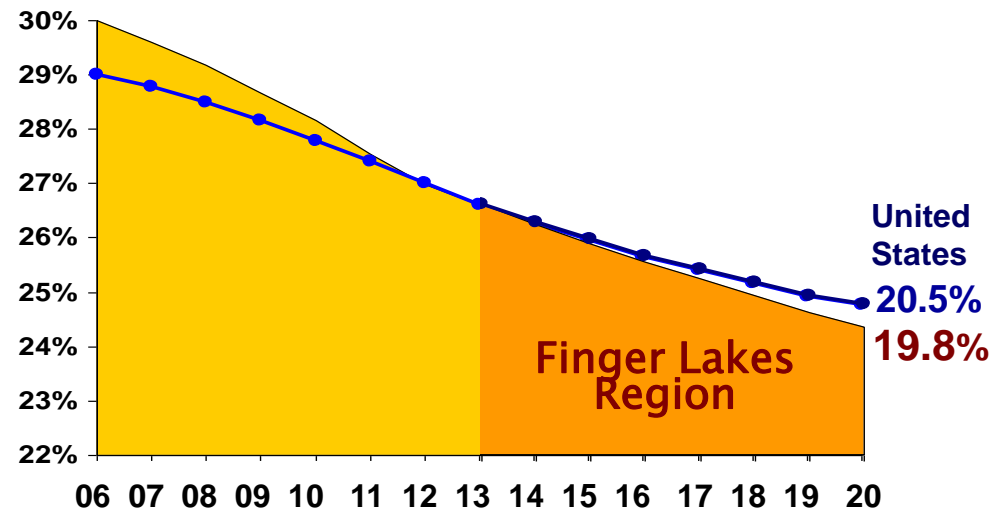
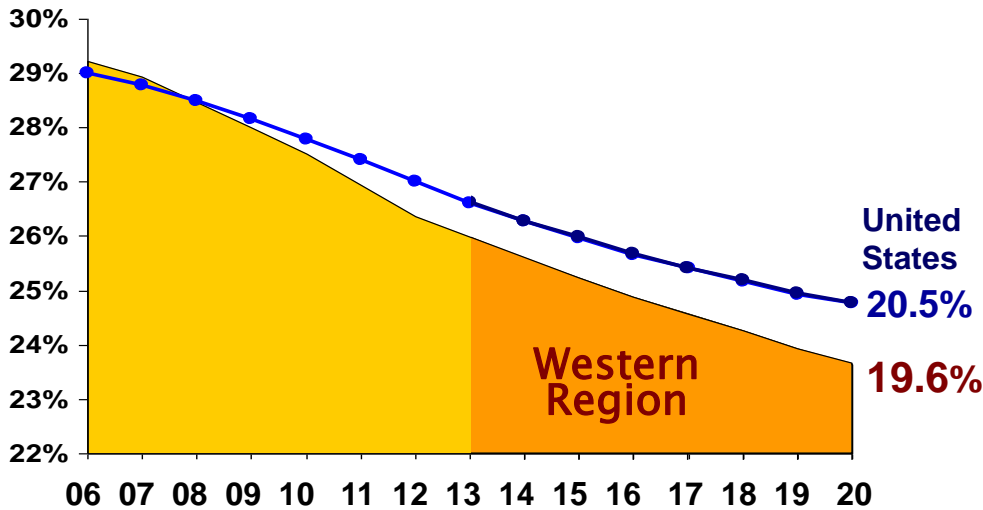
Forecasted Population Share—Ages 20 to 34 By New York State Region 2006 to 2020



Forecasted Population Share—Age 55 & Over By New York State Region 2006 to 2020



Forecasted Population Share—Ages 35 to 54 By New York State Region 2006 to 2020



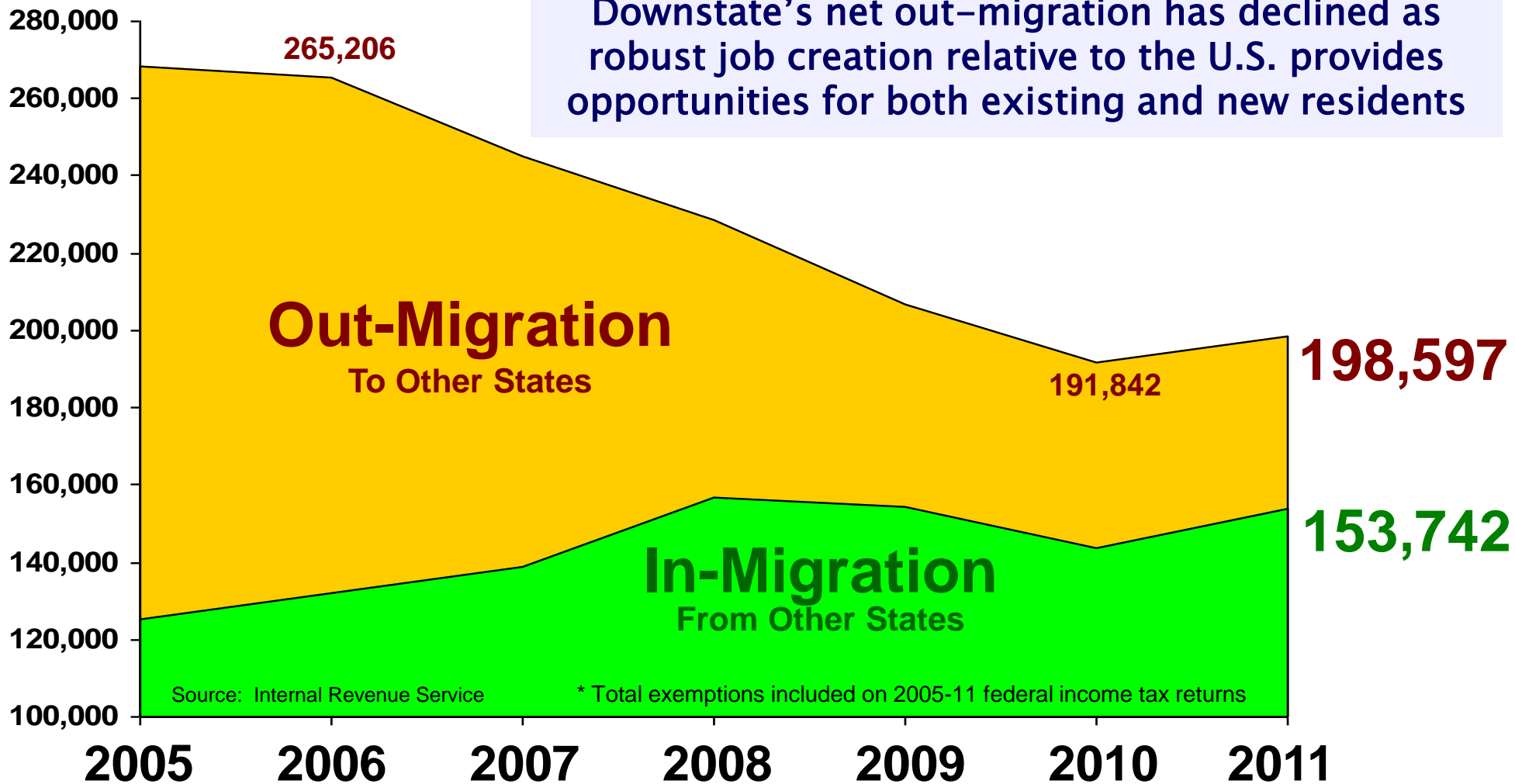
Population Migration Trends



Downstate NY Domestic Population Migration*

“When The Jobs Grow, Fewer People Go”

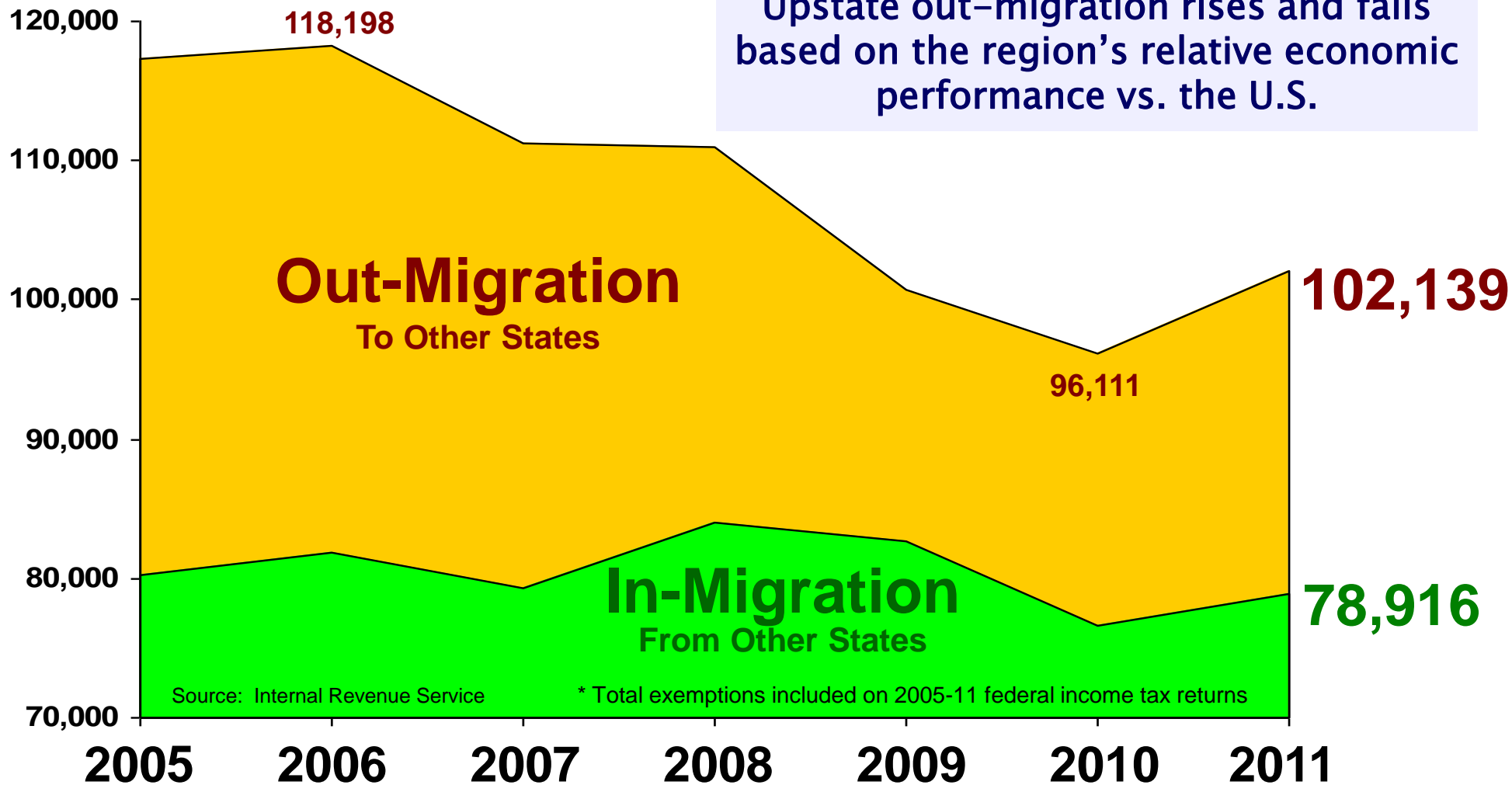
Downstate’s net out-migration has declined as robust job creation relative to the U.S. provides opportunities for both existing and new residents



Upstate NY Domestic Population Migration*

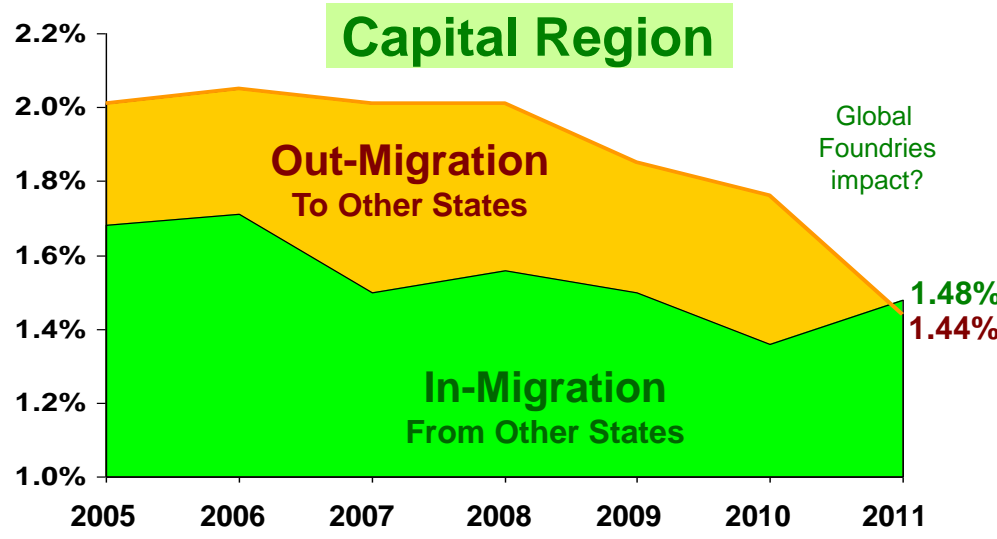
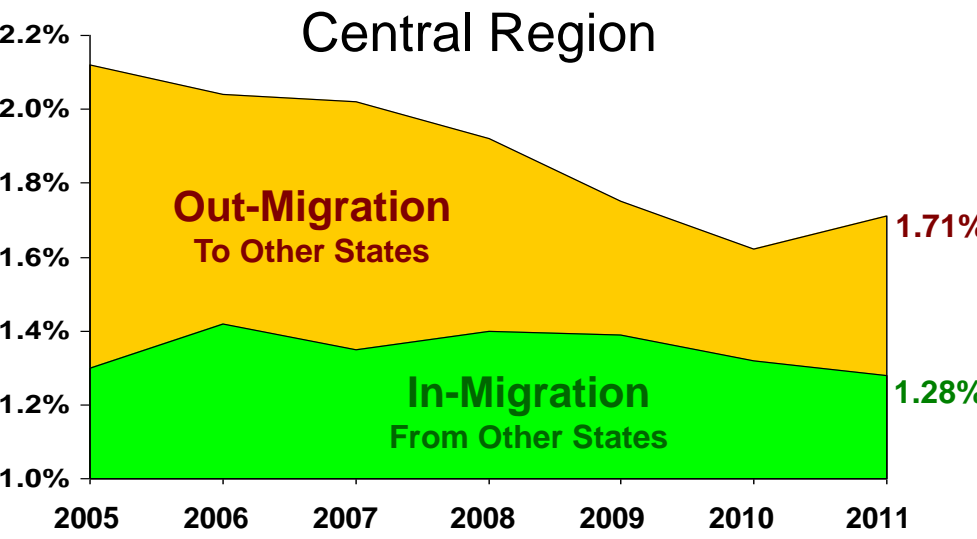
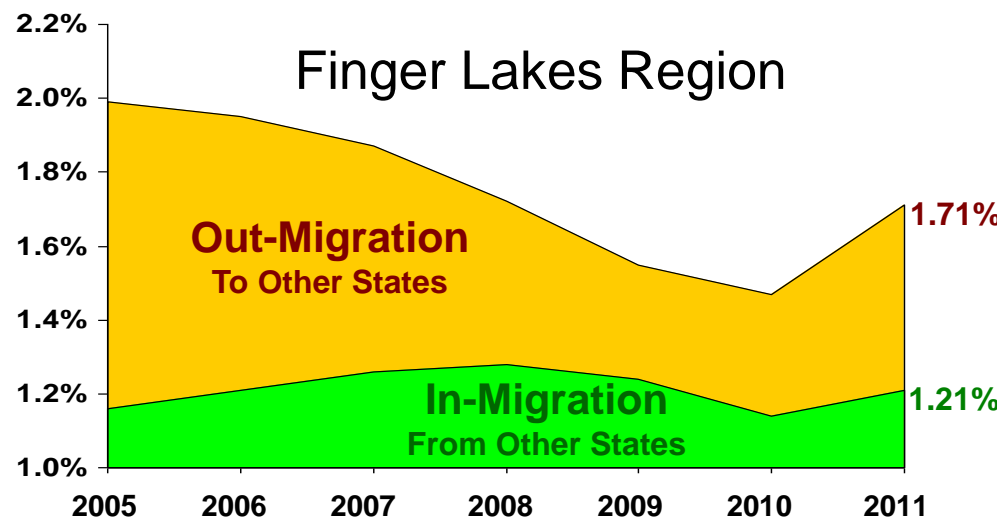
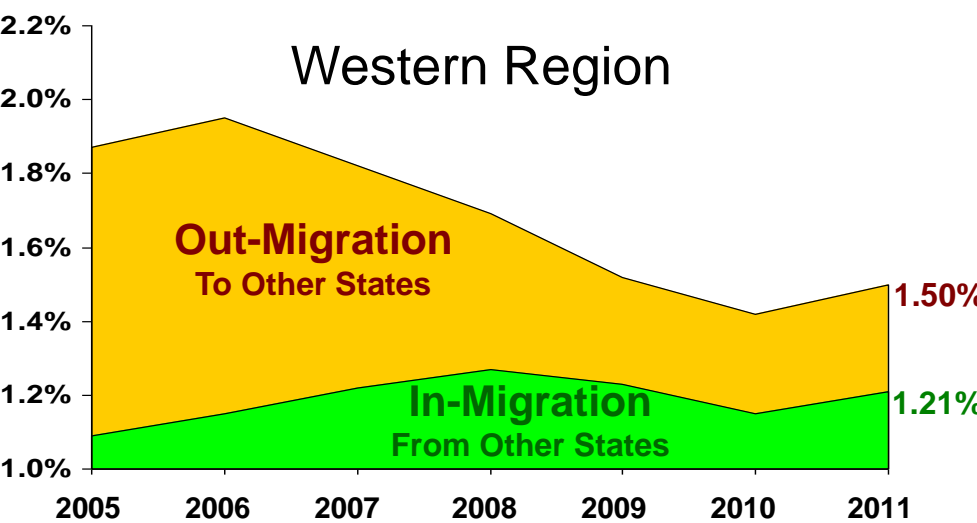
How Green is the Upstate Grass?

Upstate out-migration rises and falls based on the region's relative economic performance vs. the U.S.



As a Percent of Non-Migrant Population

Domestic Population Migration by Upstate Region*



Questions?

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