



CENTERSTATE
CORPORATION FOR ECONOMIC OPPORTUNITY

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Economic Forecasters Predict Continued Economic Progress Through 2019

*CenterState CEO: focused strategies and collaboration necessary to
achieve our full economic potential during period of economic expansion*

SYRACUSE, NY – More than 600 people attended CenterState CEO's 2019 Economic Forecast Breakfast to gain insights into the economic climate of the region from the perspective of their peers and experts.

The event's keynote speaker, M&T Bank Regional Economist Gary Keith, provided an analytic assessment of national and regional economic trends from the past year, and an outlook into 2019. According to Keith, the Central New York region can expect another year of modest but steady growth relative to the national norm.

"Although the U.S. economy is expected to slow from 2018's robust performance, growth should remain positive in the coming year, helping to propel the region forward once again in 2019," said Keith. "However, with local and national unemployment rates dipping toward generational lows, competition for talent will continue to intensify. Expanding the pool of productive, well-trained workers available to meet employer needs will be critically important. Collaborative public and private sector efforts to address labor supply shortages and workforce skill gaps is essential to continuing the region's economic progress."

In his remarks, CenterState CEO President Rob Simpson challenged the audience to embrace a civic leadership role to help ensure continued growth in the year ahead.

"A robust year of growth and investments in 2018 has set the stage for a strong 2019," said Simpson. "The challenge now is how we react to and maximize this opportunity, while bringing more people in our community into the workforce to be part of our economy's growth. It will require a collaborative, multi-dimensional approach, and acknowledgement that attracting and retaining talent is as critical to our economic success as attracting and retaining business. It will also require us to deploy innovative solutions to expand our existing labor pool. With a shared vision there is much reason for optimism in 2019."

The event marks the release of the **2019 Economic Forecast for Central New York**. The report includes the perspectives and projections of CenterState CEO members and business leaders from 18 industry sectors, and includes data from Manpower Inc. and CenterState CEO on exporting, industry and employment trends.

Through a survey and focus groups conducted by third-party research firm Research & Marketing Strategies, Inc., forecasters reflected on the growth they experienced in 2018 and shared their predictions for 2019:

- 74% described their business in 2018 as being strong or very strong.
- 75% described their outlook for the strength of their business in 2019 as strong or very strong.
- 75% anticipate increased sales or revenue in 2019; down 1% from 2018 projections.
- 60% expect to expand product and services in 2019, up 7% from 2018 projections.
- 49% expect to increase capital investments, up 5% from 2018 projections.
- 55% expect an increase in jobs and hiring in 2019, down 3% from 2018 projections.

The **2019 Economic Forecast for Central New York** also identified several environmental factors expected to have impact in 2019.

“Innovation and Technology” - innovations within an industry, the advancement of technology and their impact on business operations - was noted as the top positive environmental factor in 2019 by forecasters.

“Government Policy and Regulatory Issues” – such as existing laws, policies, government procedures or the current political environment – and “Workforce and Talent” – including the ability to attract and retain the right people in the right positions, and/or the ability to invest in and develop the skills of the existing workforce, were noted as the top factors expected to negatively impact business in 2019.

Forecasters contributing to the **2019 Economic Forecast for Central New York** additionally acknowledged several opportunities and challenges that they say impact their projections for their business and the regional economy.

Opportunities include:

- 77% of businesses will grow their exporting opportunities in the coming year.
- Businesses and organizations can embrace technology as a means to attract new clients, as well as skilled and younger workers; some are looking for opportunities to better manage big data, track analytics, and increase process improvement to stay relevant in the marketplace.
- Businesses and organizations see the targeted support for the unmanned aircraft systems industry and artificial intelligence as a driver of significant growth and jobs for the region.
- An overall strong economy has created job opportunities and opened new markets for businesses.
- Diversifying products and revenue streams, and making investments to improve performance, efficiency and profitability creates opportunity.

Challenges include:

- Attracting and retaining skilled talent, a top pressure for businesses and organizations.
- Navigating an increasingly complex local, state and national regulatory environment.
- Managing the increasing costs of benefits, minimum wage increases and new technologies.
- High poverty remains a concern; forecasters believe businesses need to do more to address the issue, including creating opportunities for training and employing the impoverished; solutions are also needed to address transportation and child care barriers to greater participation in the labor force.
- Tariffs are expected to result in increasing consumer prices across industries, from the price of the product to the cost of shipping.



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The **2019 Economic Forecast for Central New York** can be found at CenterState CEO's website www.centerstateceo.com/Economic-Forecast-Report.

The CenterState CEO Economic Forecast is presented by **M&T Bank** and **St. Joseph's Health**. Corporate Sponsors include **Dermody, Burke & Brown, CPAs, LLC; Exelon Generation; C&S Companies; Novelis, Inc.;** and **Research & Marketing Strategies**; Media Sponsors are **News Radio 570 WSYR Now on 106.9 FM; Business Journal News Network;** and **Visual Technologies**.

About CenterState CEO

CenterState CEO is an independent and forward thinking economic development strategist, business leadership organization and chamber of commerce; dedicated to the success of its members and the prosperity of the region. We serve as an advocate and resource for smart business, catalyze and facilitate regional growth, and promote community prosperity through results-driven partnerships, planning and problem-solving. www.centerstateceo.com

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