



SIENA COLLEGE RESEARCH INSTITUTE

SIENA COLLEGE, LOUDONVILLE, NY

www.siena.edu/scri



For Immediate Release:
Contact:

Friday, January 26, 2018
Dr. Don Levy, 518-944-0482, dlevy@siena.edu
Zack Hutchins, Director of Communications, The Business Council of New York State, 518-465-7511 x238

PDF version; crosstabs; website: www.Siena.edu/SCRI

Siena College: 11th Annual Upstate New York Business Leader Survey Overall CEO Confidence Slips as Future Expectations Fall Revenue & Profits Predicted to Drop Slightly; Hiring Holds at 37%; Fixed Asset Acquisitions Targeted to Increase

**Business Leaders Say Health Care Costs, Regulation Hurt Bottom Line; Growing Number Now Confident Federal Govt. Will Improve Business Climate; Pluralities Say Health of National Economy, Business Taxes on Right Track
Half of CEO's Aware of Disruptive Technologies; 73% See as Opportunity but Aside from Internet and Cloud, Adoption Slow**

Loudonville, NY. Across Upstate New York, CEO confidence fell by over six points this year demonstrating less optimism than pessimism among leaders of private for-profit companies according to the eleventh annual Upstate New York Business Leader Survey from Siena College Research Institute sponsored by the Business Council of New York State, Inc. The Index of Business Leader Confidence, computed based on interviews with 462 business leaders of companies from Buffalo, the Capital Region, Rochester and Syracuse stands at 97.1, down from 103.8 last year, below the breakeven point of 100 at which overall optimism and pessimism towards the current and future economic conditions are balanced. Current confidence was virtually unchanged from a year ago, but confidence in the future among Upstate business leaders fell by close to 14 points

“Across Upstate business leader confidence dropped just below the magic breakeven point this year. Confidence declined in Albany but remains strong, Buffalo fell well below breakeven, Rochester rose and Syracuse sits right at breakeven despite a drop in future confidence. Compared to last year at this time, CEO’s are just not as optimistic as they head into a new year,” said Siena College Research Institute Director Don Levy.

Driven primarily by decreasing confidence in the future, the Capital Region’s overall index was down 4.6 to 107.9, Buffalo fell 18.7 to 87.6 and Syracuse decreased 1.4 to 100.0. Rochester increased 4.7 to 93.4.

Nearly half, 48 percent, of CEO’s expect revenue growth in the coming year, while 39 percent expect growth in profits. Both of these numbers are down slightly from last year when 51 percent expected greater revenue and 43 percent expected increased profitability. More companies plan to hire rather than fire – 37 percent intend to increase their workforce compared to 9 percent that plan on decreases. And 56 percent of Upstate CEO’s, up from 51 percent a year ago, plan to invest in fixed assets in 2018.

Forty-one percent (up from 39 percent) of Upstate CEO’s now say that if they had it to do all over again considering all factors, that they would locate their business in New York and 65 percent expect their business will be in business in New York in ten years.

Views of Government

CEO’s cite health care costs (78 percent), governmental regulation (61 percent) and taxation (61 percent) as challenges that they are concerned about. Twenty-nine percent of CEO’s (up from 19 percent) think local government is doing either an excellent or good job supporting business and only 16 percent (up from 15 percent) are confident in the ability of New York’s government to improve the business climate. But, this year with a full year under the new administration in Washington, confidence in the federal government’s ability to improve business conditions rose again from only seven percent in 2015, 32 percent in 2016, to 39 percent today.

“CEO’s call on state government to cut spending, curtail regulation, reform workers compensation and enact ethics reform. Right now they are disappointed in the results. But, while only 28 percent give the federal government high marks – up from 7 percent a year ago – for creating a successful business climate, almost one in four are confident in the federal government’s ability to help business moving forward. They say that the national economy and business tax reform have us, and them, on the right track,” Levy said.

A plurality of CEO’s say the country is headed on the right track when it comes to the health of our economy and the taxes businesses pay. However, more than half indicate that when it comes to the cost of health care and the federal budget deficit, the country is moving in the wrong direction. As for state issues, majorities of CEO’s think state spending, the regulatory environment, ethics reform, and workers compensation reform are all moving in the wrong direction. Only a quarter believe that infrastructure development is headed on the right track.

National Issues	Right Track	Wrong Direction
The health of our economy	48%	27%
The taxes businesses pay	43%	32%
Our immigration system	38%	46%
Safeguarding the environment	23%	39%
The cost of health care	16%	61%
The federal budget deficit	15%	59%
State Issues	Right Track	Wrong Direction
Infrastructure development	25%	37%
Energy costs	14%	36%
Workers compensation reform	13%	56%
Ethics reform	9%	61%
State spending	9%	70%
The regulatory environment	8%	66%

Siena College Research Institute

“This year’s survey shows the dramatic impact specific policies have on Upstate business leaders and highlights their ability to recognize the difference between actions in D.C. and those by the state,” said Heather C. Briccetti Esq., president and CEO of The Business Council of New York State, Inc. “Despite a strong national economy, survey respondents know that upstate is in many ways being left behind. Increased state-level mandates and regulations are clearly having an impact on employers’ outlook and their ability to create jobs, and this survey demonstrates that changes are needed before upstate New York employers will be willing to expand their workforce.”

Disruptive Technologies

Nearly half of Upstate CEO's are familiar with 'Disruptive Technologies' and 73 percent see them as an opportunity rather than a threat to their business. While most currently utilize the internet in their business, very few use (or plan to use) knowledge automation, 3-D printing, advanced robotics, or autonomous vehicles. Additionally, less than a quarter describe themselves as very innovative in production, marketing, information processing, physical space utilization, employee benefits, or employment arrangements.

Buffalo Confidence

The overall index for Buffalo fell 18.7 points from last year to 87.6. Current confidence at 87.4 is down 9 points while Future confidence at 87.8 is down by over 28 points. Forty-eight percent of CEO's expect revenue growth and 37 percent anticipate increases in profitability. More than half, 56 percent, intend to invest in fixed assets over the coming year and more than a third, 39 percent, plan to increase their workforce.

Buffalo CEO's name the Medical sector most often as the single industry that will have the greatest impact on the area's economic vitality in the next three to five years. Forty-five percent describe the workforce suitability as either excellent or good.

Capital Region Confidence

The overall index for the Capital Region was again the highest across Upstate but fell 4.6 points from last year to 107.9. Current confidence at 106.6 is up nearly 3 points while Future confidence at 109.3 is down by close to 12 points. Fifty-four percent of CEO's expect revenue growth and 43 percent anticipate increases in profitability. More than half, 58 percent, intend to invest in fixed assets over the coming year and 40 percent plan to increase their workforce.

Albany CEO's name the Technology sector most often as the single industry that will have the greatest impact on the area's economic vitality in the next three to five years. Forty-six percent describe the workforce suitability as either excellent or good.

Rochester Confidence

The overall index for Rochester increased 4.7 points from last year to 93.4. Current confidence at 89.6 is up nearly 6 points while Future confidence at 97.2 is up by 4 points. Forty-five percent of CEO's expect revenue growth and 37 percent anticipate increases in profitability. More than half, 54 percent, intend to invest in fixed assets over the coming year and nearly a third, 29 percent plan to increase their workforce.

Rochester CEO's name the Medical sector most often as the single industry that will have the greatest impact on the area's economic vitality in the next three to five years. Forty-six percent describe the workforce suitability as either excellent or good.

Syracuse Confidence

The overall index for Syracuse decreased 1.4 points from last year to 100.0. Current confidence at 96.3 is up nearly 9 points while Future confidence at 103.7 is down by more than 11 points. Forty-two percent of CEO's expect revenue growth and 42 percent anticipate increases in profitability. More than half, 56 percent, intend to invest in fixed assets over the coming year and more than a third, 35 percent plan to increase their workforce.

Syracuse CEO's name the Technology sector most often as the single industry that will have the greatest impact on the area's economic vitality in the next three to five years. Forty-nine percent describe the workforce suitability as either excellent or good.



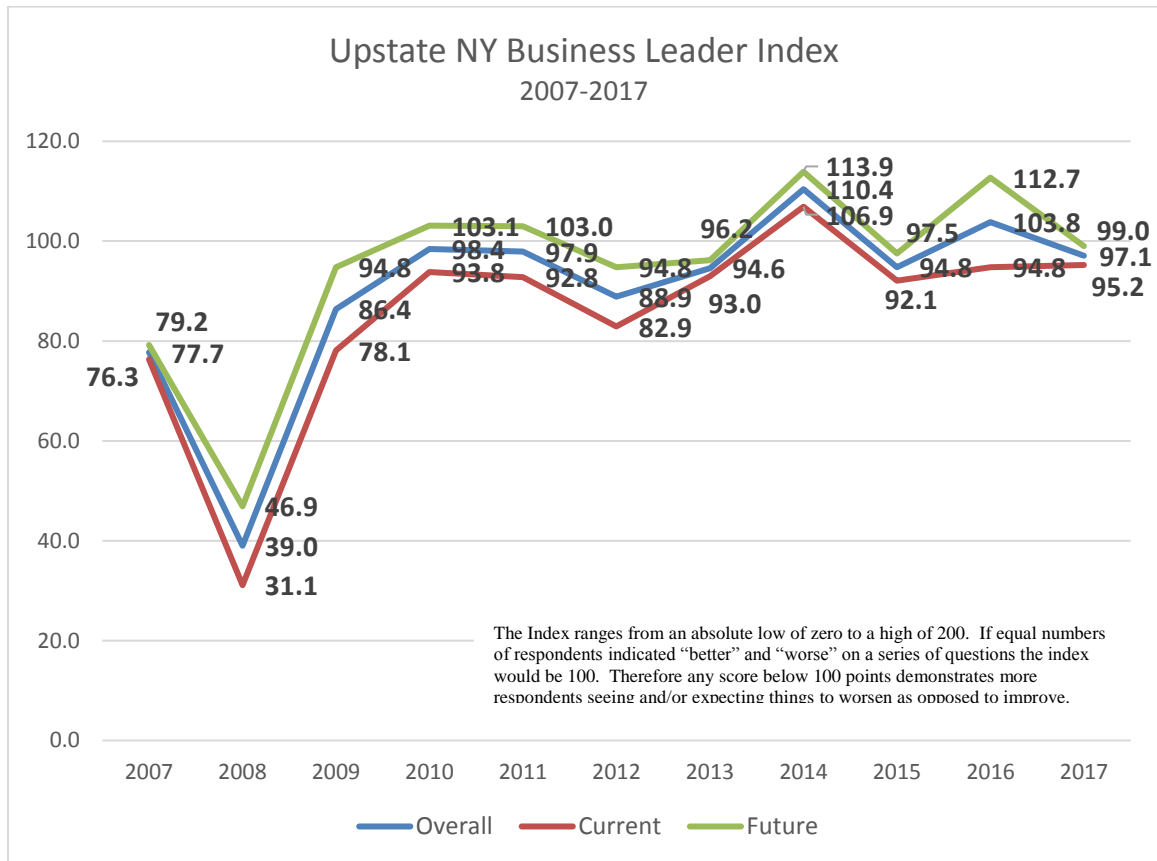
SIENA COLLEGE RESEARCH INSTITUTE

SIENA COLLEGE, LOUDONVILLE, NY

www.siena.edu/scri

11th Annual Upstate New York Business Leader Survey Appendix

This Siena College Poll was conducted October – December 2017 by telephone, mail and internet interviews with 462 Business Leaders from the Albany, Buffalo, Rochester and Syracuse MSA's. Sponsorship for the 2017 Upstate Business Leader Survey was provided by The Business Council of New York State. In each of the four MSA's the study is released in conjunction with the following media partners: Albany: The Albany Business Review; Buffalo: Buffalo Business First; Rochester: The Rochester Business Journal; Syracuse: Business Journal News Network. The Siena College Research Institute, directed by Donald Levy, Ph.D., conducts political, economic, social and cultural research primarily in New York State. SCRI, an independent, non-partisan research institute, subscribes to the American Association of Public Opinion Research Code of Professional Ethics and Practices. For more information, call Don Levy at (518) 783-2901 or dlevy@siena.edu. For survey cross-tabs and frequencies: www.Siena.edu/SCRI



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	81.7	38.0	95.4	90.4	102.8	96.3	110.4	111.6	105.2	112.5	107.9
Current	76.3	30.6	85.9	83.9	100.3	90.1	106.7	110.3	103.1	103.9	106.6
Future	87.2	45.4	104.9	96.9	105.3	102.5	114.0	112.8	107.3	121.1	109.3

Siena College Research Institute

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	87.8	37.2	79.6	93.4	94.8	80.6	91.3	106.9	92.2	106.3	87.6
Current	89.3	27.8	71.8	90.9	89.2	78.6	89.8	103.5	90.2	96.6	87.4
Future	86.3	46.5	87.4	96.0	100.5	82.5	92.9	110.3	94.3	116.0	87.8

Siena College Research Institute

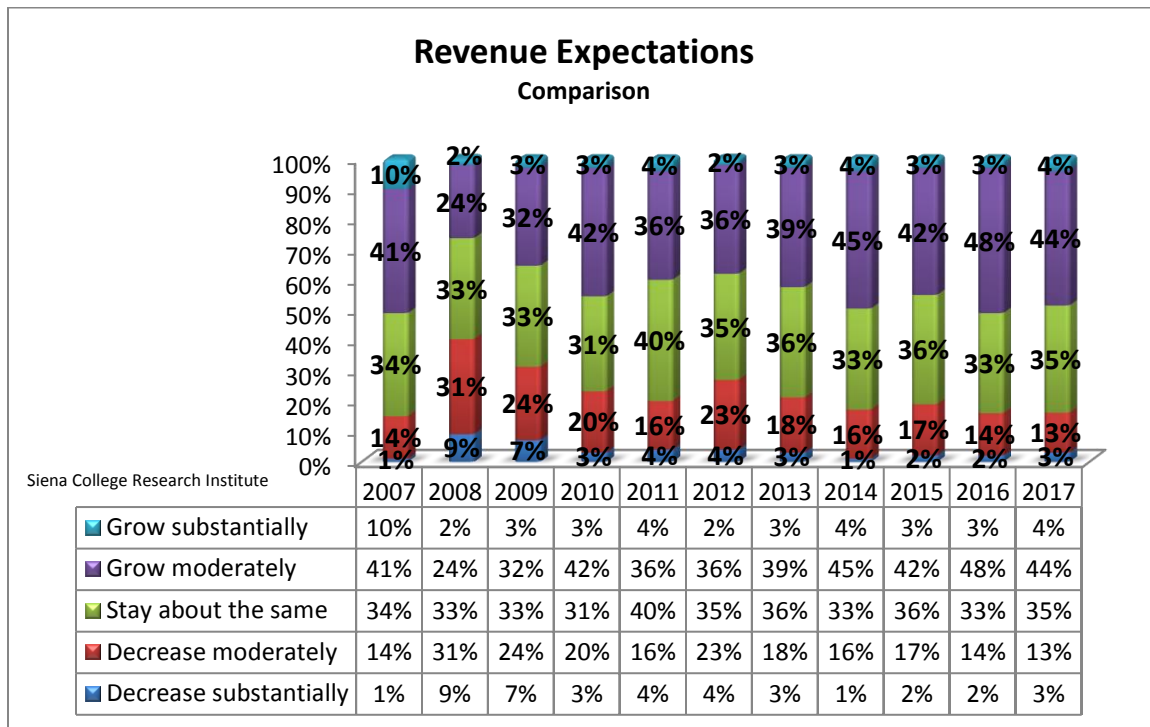
11th Annual Upstate New York Business Leader Survey Appendix

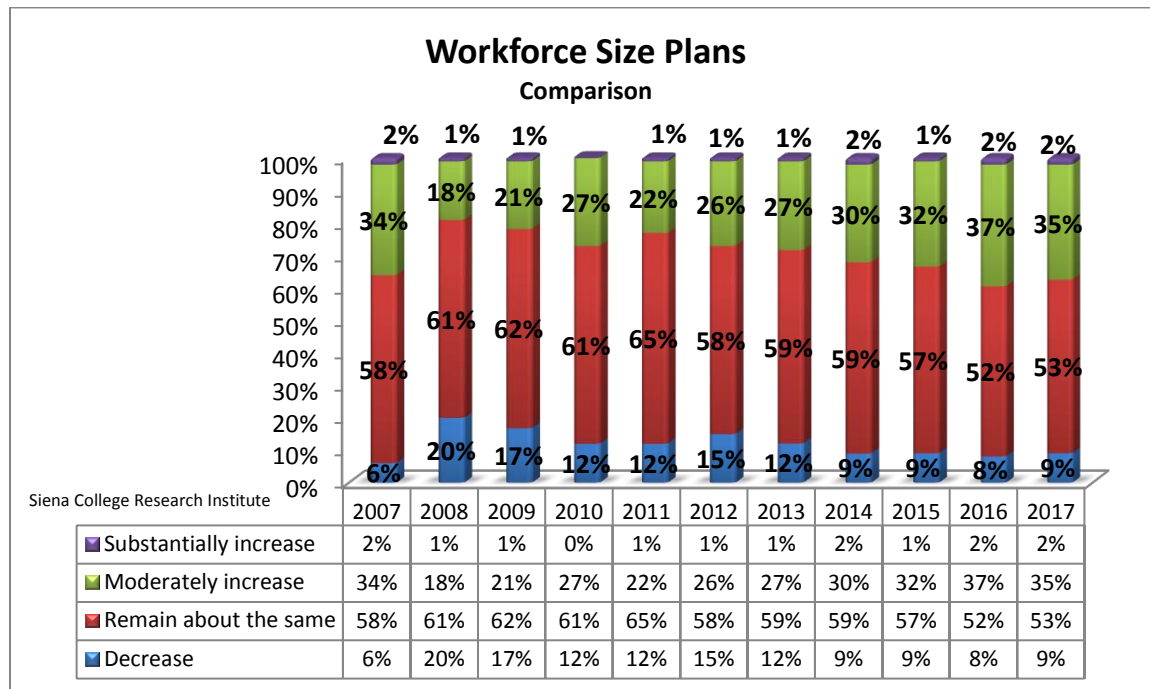
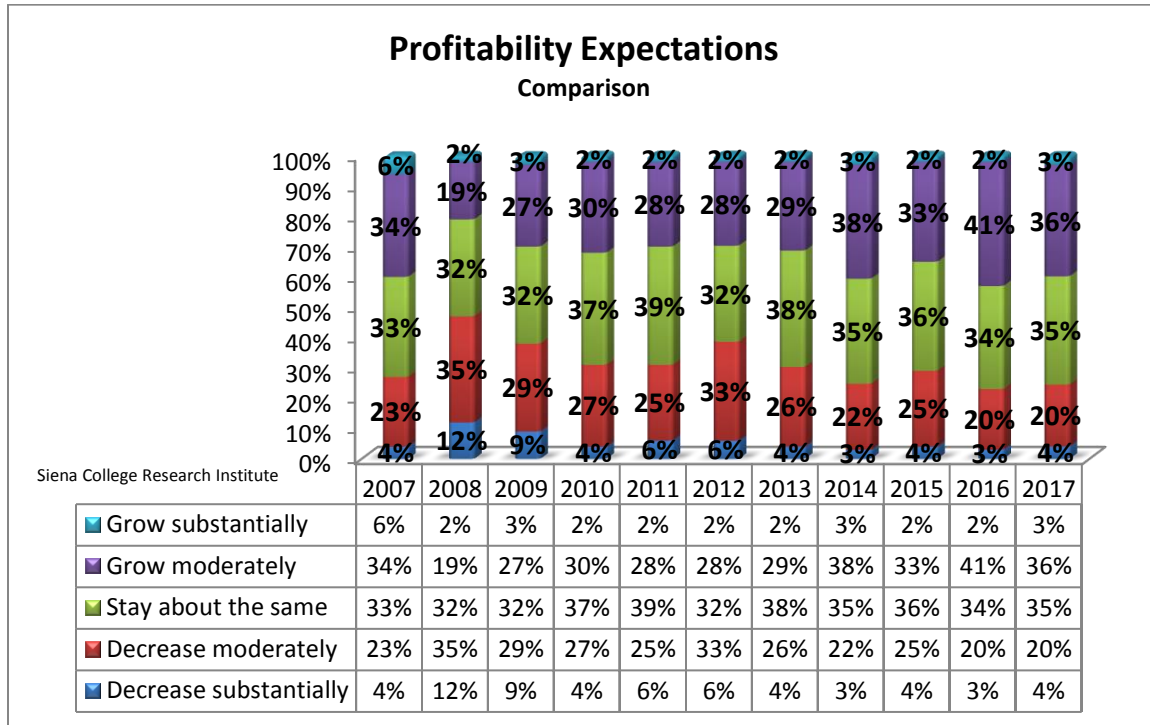
Rochester Business Leaders Index											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	76.3	41.2	83.8	109.1	99.6	91.8	85.7	113.3	89.4	88.7	93.4
Current	76.0	31.4	77.2	103.7	92.4	82.0	83.3	109.2	84.6	84.0	89.6
Future	76.7	51.1	90.5	114.6	106.7	101.6	88.1	117.3	94.2	93.3	97.2

Siena College Research Institute

Syracuse Business Leaders Index											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	54.6	41.5	80.8	101.0	94.4	89.0	97.4	109.9	91.8	101.4	100.0
Current	55.6	38.7	72.0	95.9	88.0	81.4	98.3	102.6	91.1	87.5	96.3
Future	53.7	44.3	89.6	106.2	100.9	96.6	96.6	117.1	92.4	115.3	103.7

Siena College Research Institute





11th Annual Upstate New York Business Leader Survey Appendix

Page 7

Engineering & Construction Business Leaders Index										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	41.2	84.4	98.4	87.0	86.3	113.6	124.7	121.3	113.1	100.9
Current	44.6	79.2	92.6	86.1	89.9	113.6	122.0	121.8	97.4	96.8
Future	37.7	89.6	104.2	88.0	82.7	113.6	127.5	120.7	128.8	105.1

Siena College Research Institute

Manufacturing Business Leaders Index										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	40.6	83.8	106.7	106.9	82.6	91.4	105.2	90.9	107.7	108.3
Current	28.8	70.1	107.3	101.5	72.6	90.8	100.5	89.3	96.2	103.9
Future	52.4	97.4	106.0	112.4	92.5	92.0	109.9	92.5	119.2	112.8

Siena College Research Institute

Retail Business Leaders Index										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	28.6	93.2	101.5	98.1	80.7	95.0	103.8	89.2	91.5	76.1
Current	22.7	82.4	91.4	88.3	76.1	86.3	90.0	84.6	79.8	75.6
Future	34.5	104.1	111.7	107.8	85.3	103.8	117.7	93.8	103.2	76.7

Siena College Research Institute

Service Business Leaders Index										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	46.5	89.7	92.9	99.4	86.9	89.0	116.3	89.6	105.1	89.5
Current	35.6	85.5	91.3	93.9	81.1	88.0	115.8	86.2	101.8	88.2
Future	57.4	94.0	94.5	104.8	92.7	89.9	116.7	92.9	108.5	90.9

Siena College Research Institute

Wholesale & Distribution Business Leaders Index										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Overall	36.0	86.3	88.2	95.6	88.6	82.7	102.5	87.9	92.3	107.7
Current	28.9	75.0	78.2	92.9	82.5	77.6	100.0	80.8	83.3	106.4
Future	43.0	97.7	98.3	98.2	94.6	87.8	105.1	95.0	101.2	109.0

Siena College Research Institute

About Siena College Research Institute



Founded in 1980, the Siena College Research Institute conducts regional, statewide and national surveys on business, economic, political, voter, social, academic and historical issues. The surveys include both expert and public opinion polls.

About The Business Council of New York State



The Business Council of New York State, Inc., is the leading business organization in New York State, representing the interests of large and small firms throughout the state. Its membership is made up of thousands of member companies, as well as local chambers of commerce and professional and trade associations.