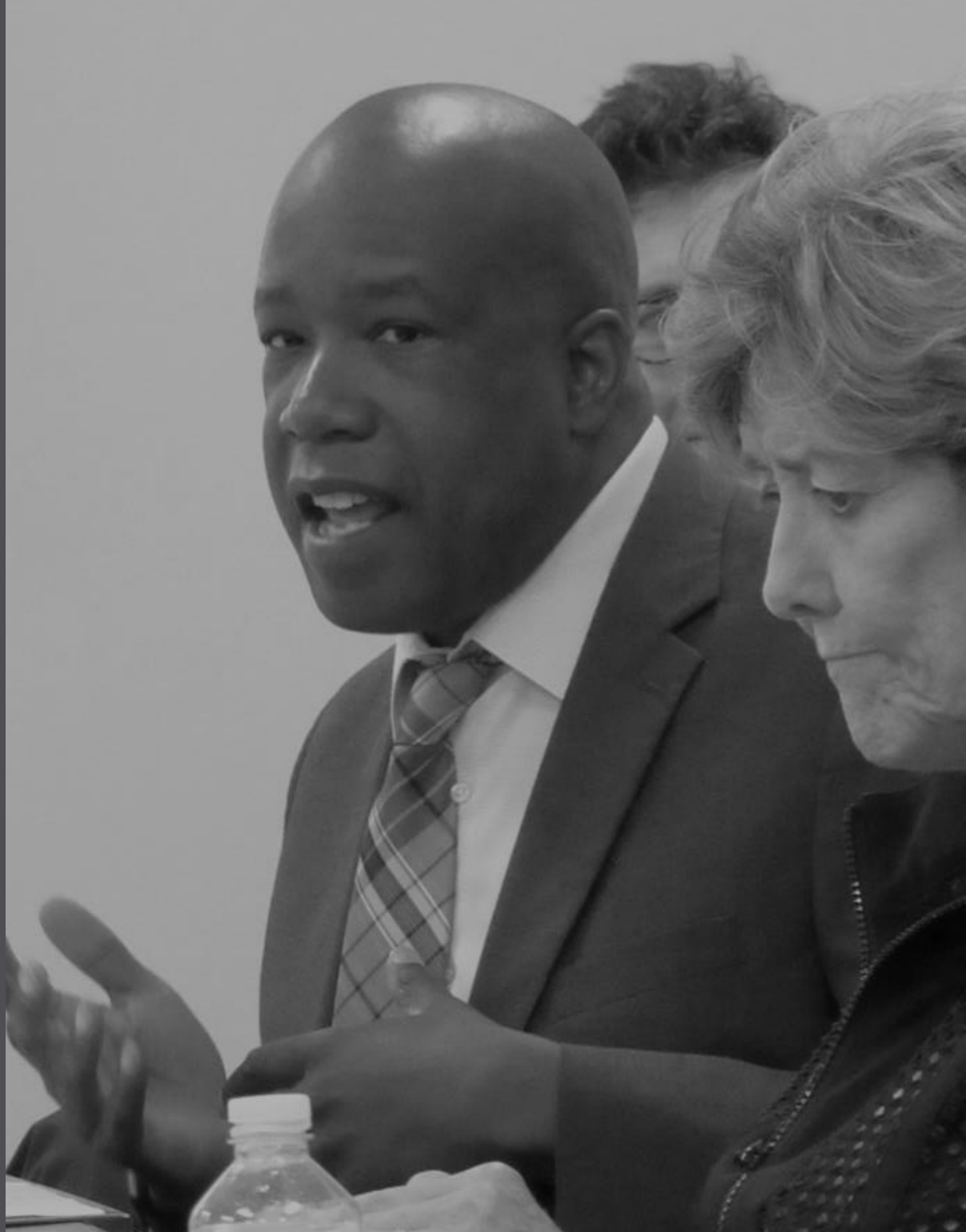


THE WORKER INSTITUTE

ADVANCING WORKER RIGHTS AND COLLECTIVE REPRESENTATION



BUFFALO, NY SINCE THE GREAT RECESSION A WORKSHOP ON ECONOMIC RESTRUCTURING IN THE RUST BELT SINCE THE GREAT RECESSION

BY: DINCER AND WHEATON

AUGUST 14-15 2017
CORNELL IN BUFFALO AND UAW LOCAL 774

PROGRAM

DAY 1, AUGUST 14, Cornell in Buffalo

Welcome, Arthur Wheaton, The Worker Institute, Cornell University
09AM-09.10AM

Introduction: The Contours of Economic Development in the Rust Belt since the Great Recession
Evren Dincer, Uludağ University
09.10AM-09.30AM

Session I

Main Trends and Issues of Economic Development in Buffalo 09.30AM-12PM

The Performance of the Buffalo Economy Since the Great Recession
Jaison Abel, Federal Reserve Bank of New York

Healing Buffalo's Economy: The Buffalo Billion and Priorities for Economic Development
John Slenker, New York State Department of Labor

General Trends in the Labor Market
Cesar Cabrera, New York State Department of Labor

Labor Market and Challenges for Workforce Development
Heather Gresham, Executive Director, Buffalo and Erie County Workforce Investment Board

Labor's Role in Economic Development and Organizing
Richard Lipsitz Jr., Western New York Area Labor Federation

Economic Development from a Social Justice Perspective
Franchelle C. Hart, Open Buffalo

Lunch Break: 12PM-1PM

Session II

Placing Buffalo in its Geographical and Economic Context: Buffalo as part of New York State and the Rust Belt 1PM-2.45PM

The Role of New York City in the Economy of New York State
James Parrott, Center for New York City Affairs at The New School

Buffalo's Economic Relations with Albany
Bruce Fisher, SUNY Buffalo State

The Role of Community Organizations in Buffalo's Economic Revitalization in a Comparative
Perspective
Ronald Applegate, Cornell University

Buffalo's Economic Development Compared: Buffalo as Part of the Rust Belt
Evren Dincer, Uludağ University

Coffee Break, 2.45PM-3.00PM

Session III
Sectors in Perspective I
3PM-5PM

Buffalo's Housing Market since the Great Recession
Sam Magavern, Partnership for the Public Good

Buffalo's Agricultural Economy since the Great Recession
Diane Held, Cornell University Cooperative Extension

The Finance Sector in Buffalo since the Great Recession
Gary Keith, M&T Bank

Buffalo-Niagara Medical Corridor Experiment: Perspectives on a Project for Economic Revitalization
David Scott, Buffalo Niagara Medical Campus (TBC)

The Energy Sector, Community Development and Sustainability in Buffalo since the Great Recession
Rahwa Ghirmatzion, PUSH Buffalo

Concluding Remarks and Reflections on Day One
Rosemary Batt, Cornell University

DAY 2, AUGUST 15, UAW Local 774

Session IV, 09AM-12PM
Sectors in Perspective II
Manufacturing and the Auto Industry

A Historical Review of the Auto Industry in the U.S. and Western New York
Art Wheaton, The Worker Institute at Cornell University

Recent Trends in Auto Manufacturing in Western New York
Ian Greer, Cornell University

Canadian Auto Industry since the Great Recession: A Look at Buffalo from the other side of the
Border
Mathieu Dupuis, School of Industrial Relations, University of Montreal

The Reindustrialization of the U.S.: Tonawanda Powertrain since the Great Recession
Evren Dincer, Uludağ University

Auto Manufacturing in Buffalo since the Great Recession: A Managerial Perspective
Steve Finch, Plant Manager, GM Tonawanda Powertrain

Labor Management Relations and Restructuring in Manufacturing since the Great Recession:
A Union Perspective
Wenceslao Valentin III, President, UAW Local 774

For more information please contact:

Evren Dincer, email: emd224@cornell.edu, call or text (267) 438-9450

Art Wheaton, email: acw18@cornell.edu, call or text (716) 777-0303



BUFFALO'S ECONOMIC DEVELOPMENT COMPARED: BUFFALO AS PART OF THE RUST BELT

EVREN DINCER
DEPARTMENT OF SOCIOLOGY, ULUDAG UNIVERSITY



RUST BELT

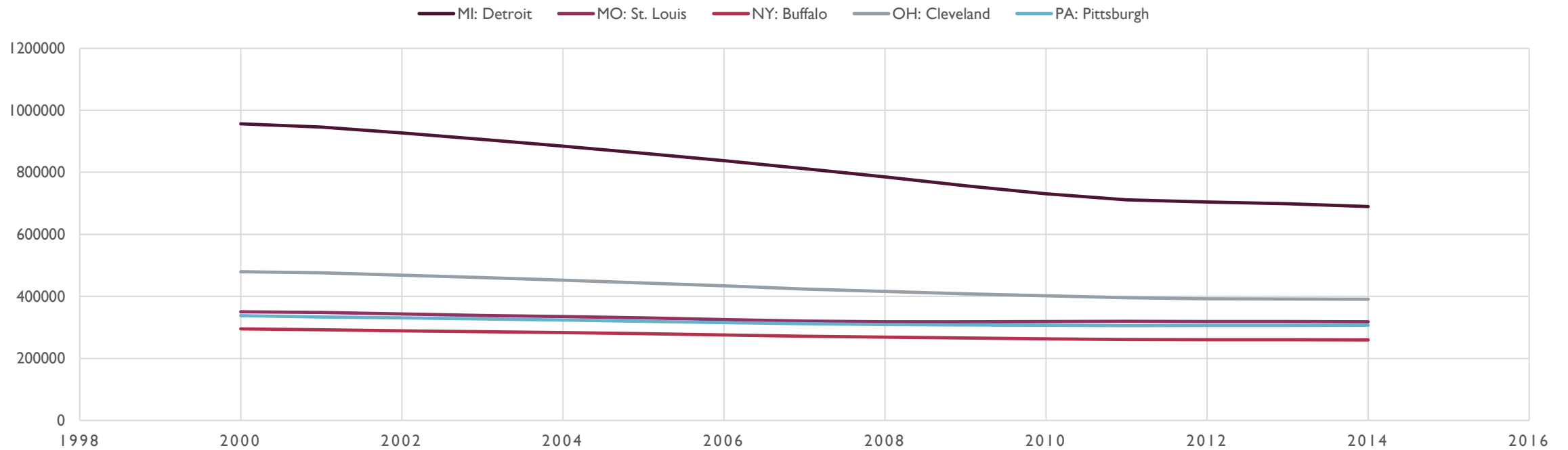
- Played a major role in 2016 presidential elections, PA, OH, MI, WI, IN, IO, MO, KY have all voted for Trump; MN, NY, and IL were the only ones voted for Clinton in the wider Rust Belt region. Results in WI, MI and PA were very close.
- Core Rust Belt regions continue to suffer from manufacturing decline
- Economic revitalization is promoted by all states and cities across Rust Belt
- Providing incentives in various forms is key economic development policy
- Increasing spatial and economic polarization across the board
- “Uncoupling of the economic city” (Mallach 2015) is one of many concepts describing the deepening divide
- Buffalo & WNY share many of the main characteristics with other Rust Belt cities and regions

POPULATION DYNAMICS

- Sustained population loss between 1950-2000
- At least 25% population loss since decline started
- Detroit and Cleveland continue to lose population on a faster pace
- Pittsburgh is stable, Buffalo & St. Louis are closer to Pittsburgh than Detroit & Cleveland

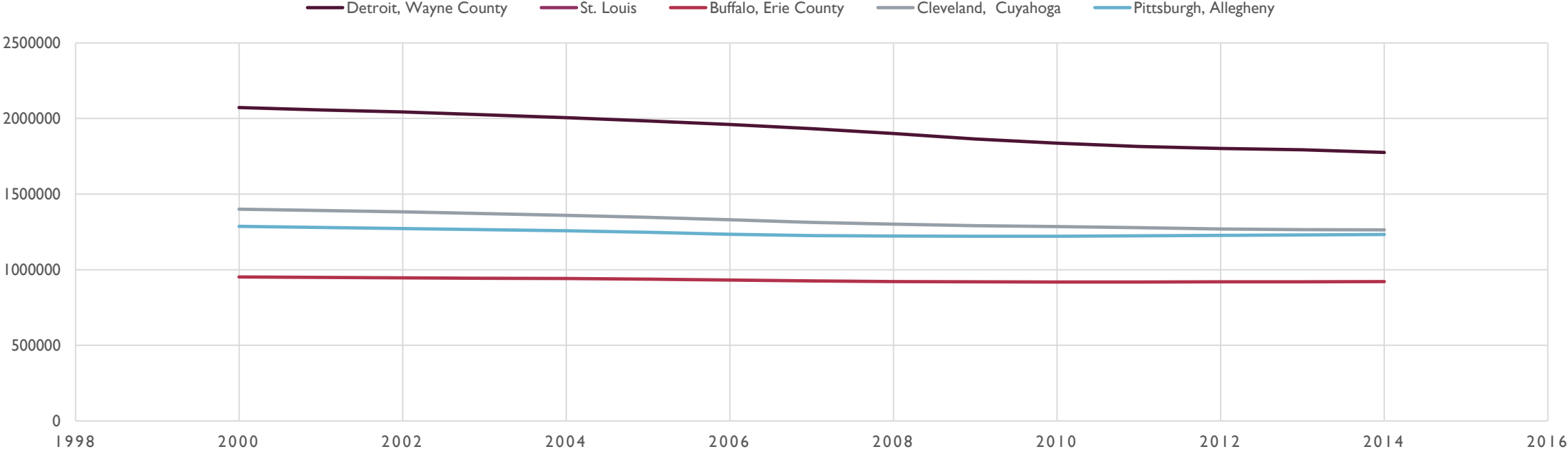
POPULATION DYNAMICS

CITY POPULATION: 2000-2014



POPULATION DYNAMICS

COUNTY POPULATION: 2000-2014



CITY VS SUBURB

- Central city areas see some increase in employment opportunities (Buffalo, Pittsburgh and St. Louis) and relatively less shrinkage than outer circles of the city (Detroit and Cleveland) however studies show these jobs are held primarily by commuters. A trend started in the 1980s and hasn't changed since.
- The chart shows percentage of city jobs held by city residents over time.
- The number of commuters holding jobs in the cities has grown by an average of greater than 10% since 2002. (Mallach 2015)

| | 1960 | 1980 | 2011 |
|-------------------|------|------|------|
| Cleveland | 62.4 | 40.5 | 24.2 |
| Detroit | 65.8 | 51.2 | 28 |
| Pittsburgh | 64.1 | 40.8 | 25.1 |
| St. Louis | 58.7 | 37.1 | 24.7 |

CITY VS SUBURB CONT'D

- As cities lost population the ratio of city residents working in the city shrank significantly in the Rust Belt cities. The ratio of suburban population holding city jobs increased in a steady fashion.
- The chart shows percentage of city residents working in the city over time.
- Reverse commuters (city residents working in suburbs) mostly work in low-skill low wage jobs.

| | 1960 | 1980 | 2011 |
|-------------------|------|------|------|
| Cleveland | 92.3 | 63.1 | 46.9 |
| Detroit | 81.8 | 57.1 | 38 |
| Pittsburgh | 88.1 | 73.6 | 56.6 |
| St. Louis | 91.2 | 67 | 44.1 |

CITY VS SUBURB CONT'D

- The number of total jobs in the city decreased in Cleveland, Buffalo and Detroit: remained stable in St. Louis and slightly increased in Pittsburgh
- However, the ratio of commuters holding city jobs increased in all five cities.

CITY CENTERS VS OUTER CIRCLES: 2002-2011

CLEVELAND, DETROIT, AND ST. LOUIS

| | Citywide Job Change: 2002-2011 | Central Core % of City Land Area | Central Core Job Change: 2002-2011 | Balance of city job change |
|------------------|---|---|---|---------------------------------------|
| Cleveland | -6,106 | 5 | 11288 | -17394 |
| Detroit | -44278 | 2 | -8014 | -36264 |
| St. Louis | 1757 | 5 | 13326 | -11569 |

RACIAL SEGREGATION

African American and white income gap widened, especially between 2000 and 2011; wiped off the relative advances occurred in the previous decade.

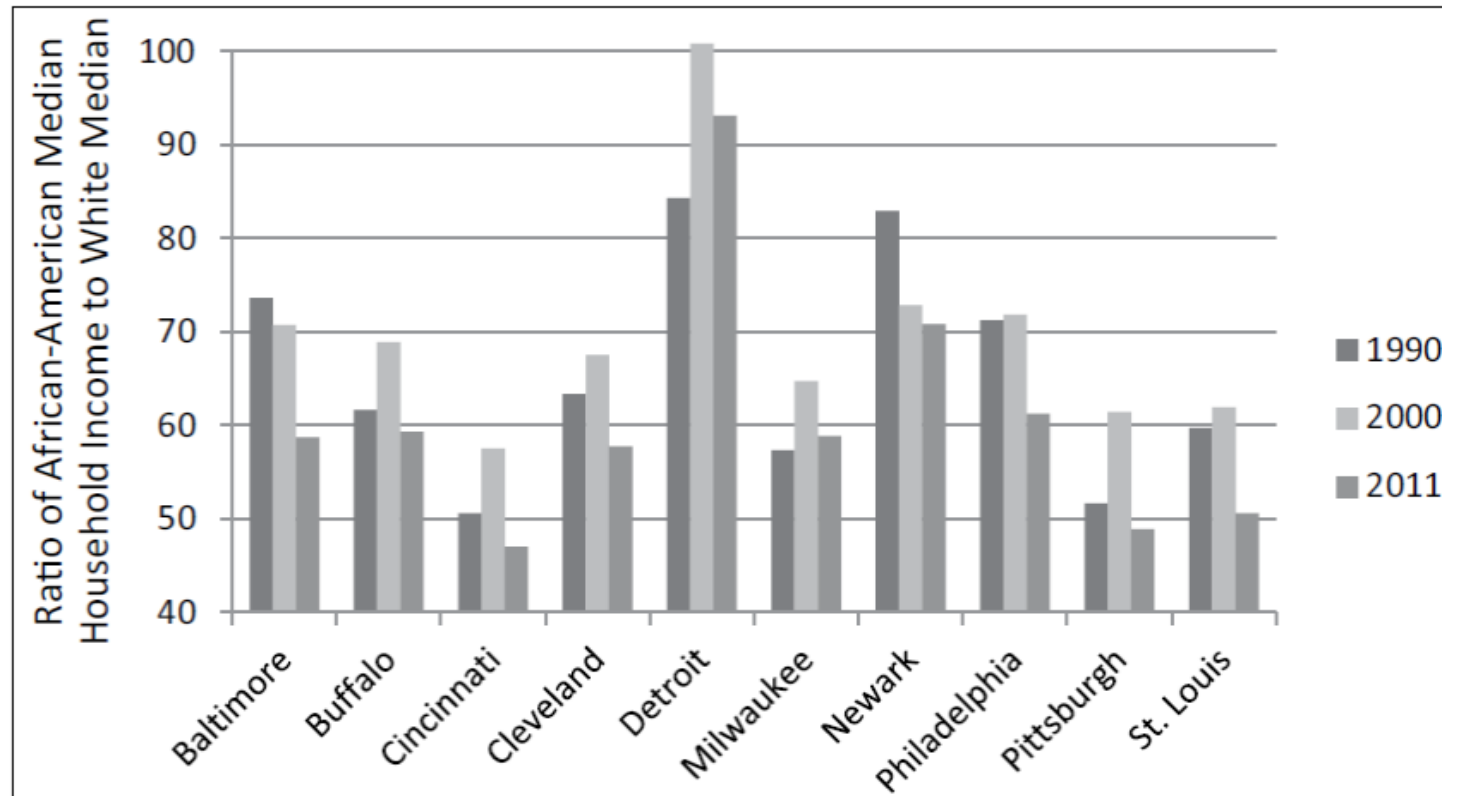
Shift away from manufacturing towards new economy built around healthcare and higher education, sectors that require higher education levels, hurt minorities with disproportionate access to education.

Black migration to suburbs

WIDENING INCOME GAP

- Change in the white/African-American income gap 1990–2000 and 2000–2011

Source: Mallach 2015



DEEPENING EDUCATIONAL GAP

- Change in Educational Attainment for White and African-American Adults

- Source: Mallach, 2015

| City | White Non-Latino Adults % with BA/BS or Higher Degree | | | African-American Adults % with BA/BS or Higher Degree | | | Ratio | | |
|-------------------|---|------|------|---|------|------|-------|-------|-------|
| | 1990 | 2000 | 2011 | 1990 | 2000 | 2011 | 1990 | 2000 | 2011 |
| Baltimore | 23.5 | 39.6 | 47.1 | 8.6 | 8.8 | 13.2 | 0.366 | 0.222 | 0.280 |
| Buffalo | 18.2 | 23.0 | 30.4 | 10.1 | 10.2 | 12.6 | 0.555 | 0.443 | 0.413 |
| Cincinnati | 28.9 | 36.4 | 44.8 | 7.9 | 10.0 | 11.7 | 0.273 | 0.274 | 0.261 |
| Cleveland | 10.2 | 15.9 | 20.5 | 5.0 | 6.5 | 7.9 | 0.490 | 0.409 | 0.385 |
| Detroit | 12.1 | 21.8 | 18.6 | 8.4 | 10.1 | 11.6 | 0.694 | 0.463 | 0.618 |
| Milwaukee | 17.6 | 24.8 | 33.6 | 6.9 | 9.1 | 10.4 | 0.392 | 0.367 | 0.309 |
| Newark | 8.2 | 11.6 | 16.2 | 8.3 | 8.9 | 13.4 | 1.012 | 0.767 | 0.827 |
| Philadelphia | 19.0 | 22.8 | 34.7 | 9.1 | 10.3 | 12.2 | 0.479 | 0.452 | 0.352 |
| Pittsburgh | 22.6 | 28.9 | 37.5 | 8.8 | 12.0 | 13.6 | 0.389 | 0.415 | 0.363 |
| St. Louis | 20.2 | 28.2 | 42.0 | 8.0 | 8.8 | 11.7 | 0.396 | 0.312 | 0.279 |
| The United States | 21.5 | 27.0 | 31.3 | 11.4 | 14.3 | 18.0 | 0.530 | 0.530 | 0.575 |

ECONOMIC DEVELOPMENT

Pittsburgh

- Downtown revitalization
- Over \$4.3 billion in subsidies in PA were allocated in over ten thousand awards since 1976 but mostly since 2009
- Healthcare and higher education, PITT, & CMU have more than \$11 billion research budget
- Retained finance & insurance sectors; 27% of downtown jobs are in finance sector
- Pittsburgh Downtown Partnership, Urban Redevelopment Authority (over \$334 million in investment in 2014-2016), The Center for Innovation & Entrepreneurship

St. Louis

- Downtown revitalization: over 51% of the jobs are located in St. Louis central corridor which constitutes about 5% of city's land area (2011)
- Downtown population rose from 3539 to 8155 between 2000 and 2010, 130% increase
- University and healthcare employment replacing lost jobs
- Over \$5.5 billion in subsidies in MO were allocated in 3942 awards since 1990, but mostly since 2006
- Unemployment 3.8 in MO, 4% in St. Louis metro area
- North (predominantly black) South (predominantly white) divide worsened in the last two decades (Tighe and Ganning)

ECONOMIC DEVELOPMENT

Cleveland

- Downtown revitalization limited
- Over \$4.1 billion in subsidies in MI were allocated in over seventeen thousand awards since 1983 but mostly since 2011
- \$8 billion between 2011 and 2015 invested in the city (CED)
- The Health-Tech Corridor Attraction Fund, Job Creation Incentive Program, Municipal Small Business Program, Brownfield Redevelopment, JOBS Ohio and Revitalization Grant (Department of Economic Development)
- Unemployment rate 5% in OH, and 6.4% for Cleveland Metro

Detroit

- Move towards service economy, shrinking manufacturing employment
- Detroit Economic Development Corporation
- Downtown revitalization
- Both downtown and outer circles declined, but the latter decline much faster highlighting the spatial divide
- Over \$14.1 billion in subsidies in MI were allocated in over seventeen thousand awards since 1975 but mostly since 2004
- Unemployment rate 3.8% in MI, 3.7 in Detroit

CONCLUSIONS

- Economic revitalization exists but it is distributed among certain sectors and locations while excluding others
- It does not yield city-wide results, instead deepening existing racial and economic divides
- City vs suburb divide is also on the rise as commuters benefit more from economic revitalization than urban residents
- Economic revitalization policies do not directly target educational attainment gap, though there is some interest in workforce development
- Education is a major problem; STEM focused investments have not been successful yet

CONCLUSIONS

- “A tale of two cities,” “divergent city theory,” “uncoupling of economic city”
- Public funds play a key role in promoting and sustaining development in all Rust Belt cities
- Revitalization efforts focusing on select sectors give negative results
- Buffalo & the metro area shares many characteristics with other major Rust Belt cities & metro areas