

# U.S. and Upstate New York Economic Trends & Outlook

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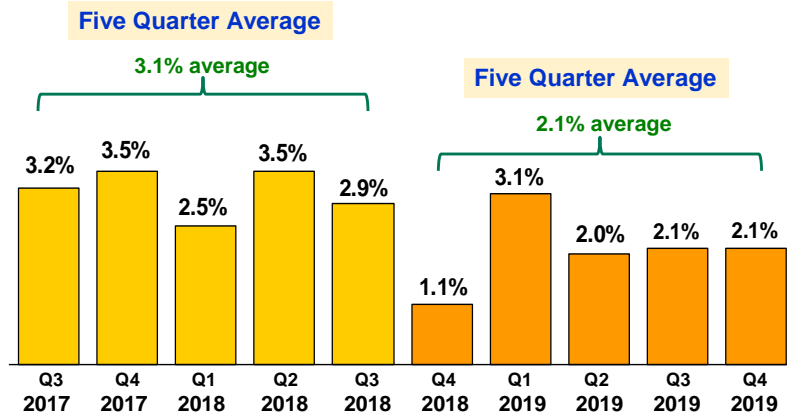
Seasonally Adjusted Annual Rate

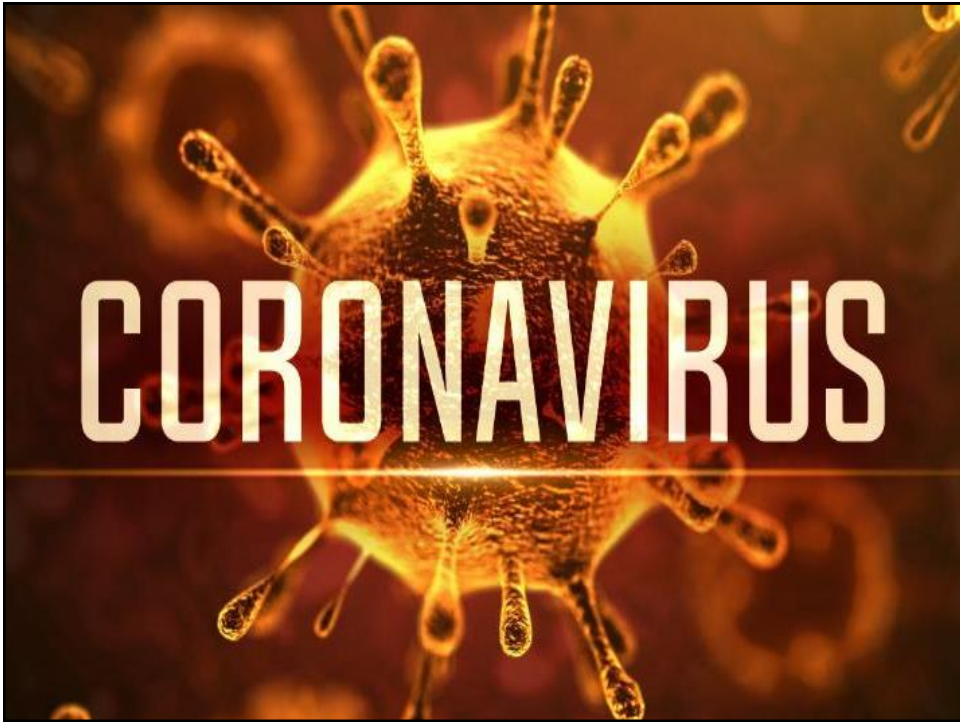
## U.S. Real Gross Domestic Product Growth

A Lot Has Changed in the Past Year

### Growth Has Decelerated...And Faces Multiple Headwinds

On an annualized basis, economic growth has averaged 2.1% over the past five quarters—the slowest pace since mid-2016



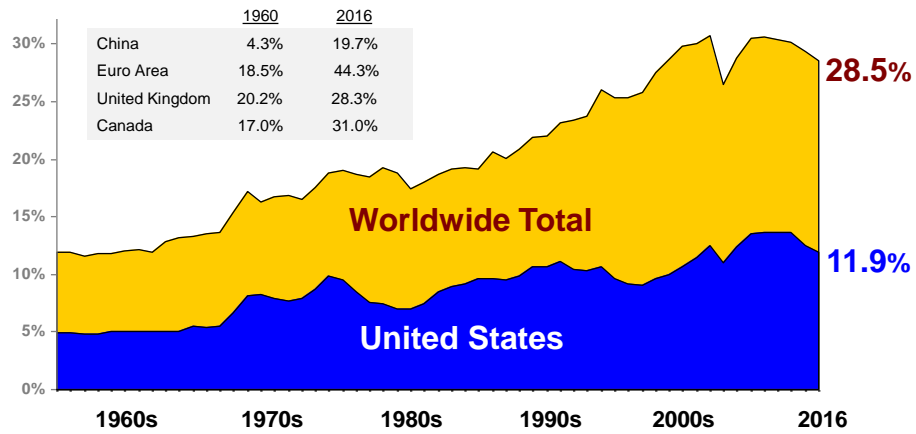


## Exports Share of World Economic Output

Why This Is Such a Concern:

### Foreign Trade Increasingly Drives the Global Economy

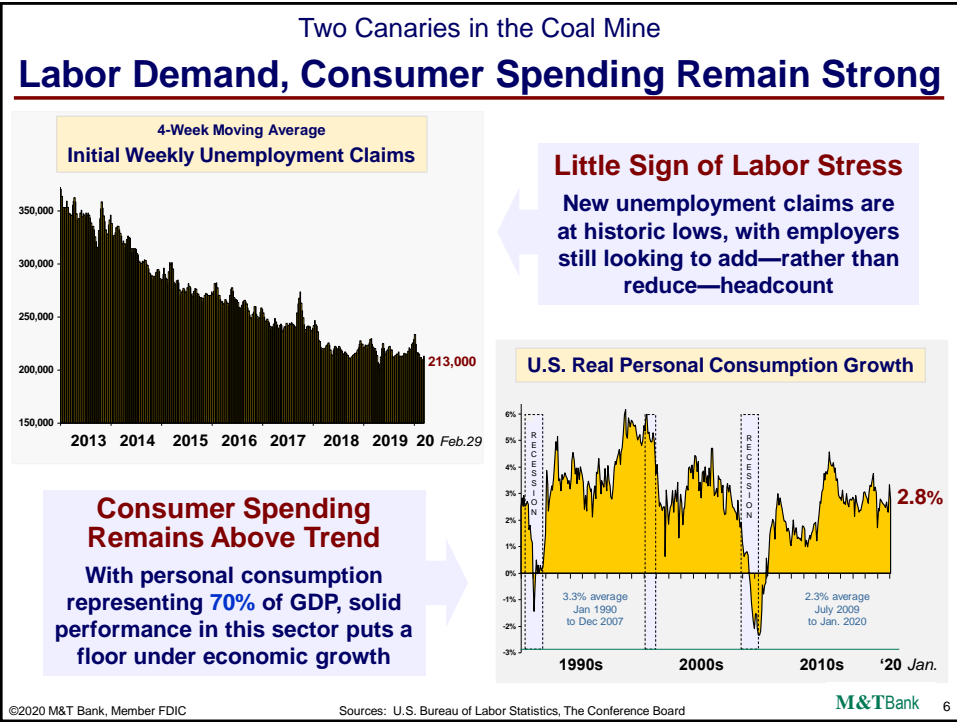
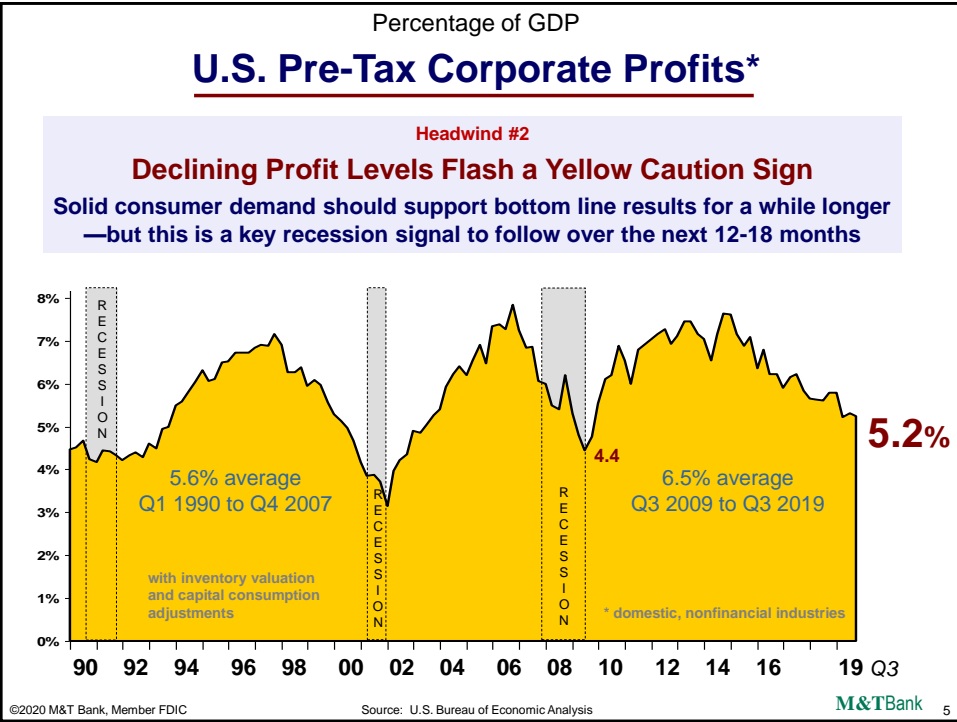
As a share of worldwide GDP, exports have more than doubled over the past fifty years, putting countries—including the U.S.—at greater risk for trade disruptions



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Source: World Trade Organization

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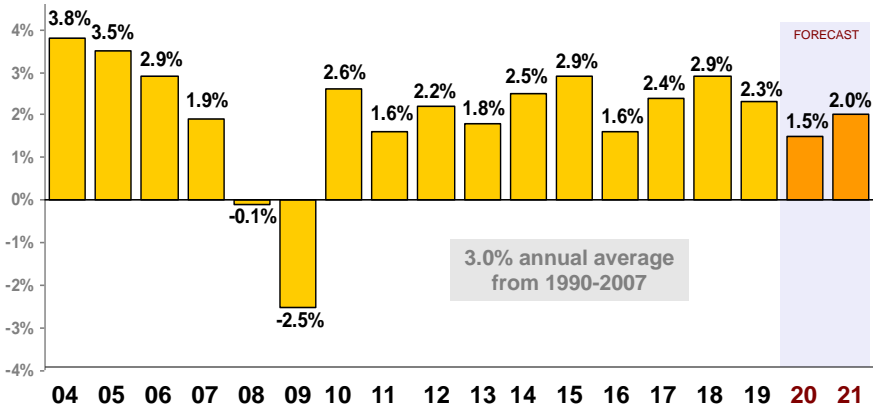


## U.S. Real Gross Domestic Product Growth

Baseline Case—Avoiding a Coronavirus Pandemic

### The Expansion Should Continue, But at a Sluggish Pace

The economy is expected to grow at a slightly slower rate in 2020—with potential drags from a tightening labor market, evolving trade policy and monetary and geopolitical uncertainty



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Sources: U.S. Bureau of Economic Analysis, Moody's Analytics forecast

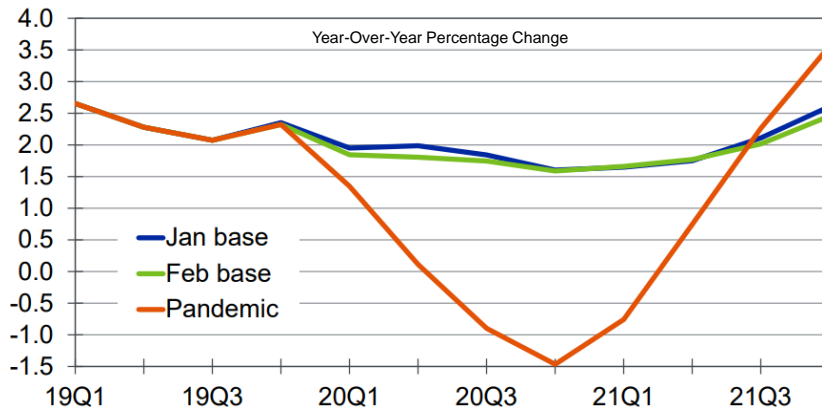
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## U.S. Real Gross Domestic Product Growth

Worst Case—Coronavirus Outbreak Becomes a Pandemic

### A Relatively Short Demand Shock Recession

Economic growth would flatten in Q2, turn negative in Q3 and bottom out in Q4 before rebounding sharply in the second half of 2021



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Source: Moody's Analytics forecast—March 5, 2020

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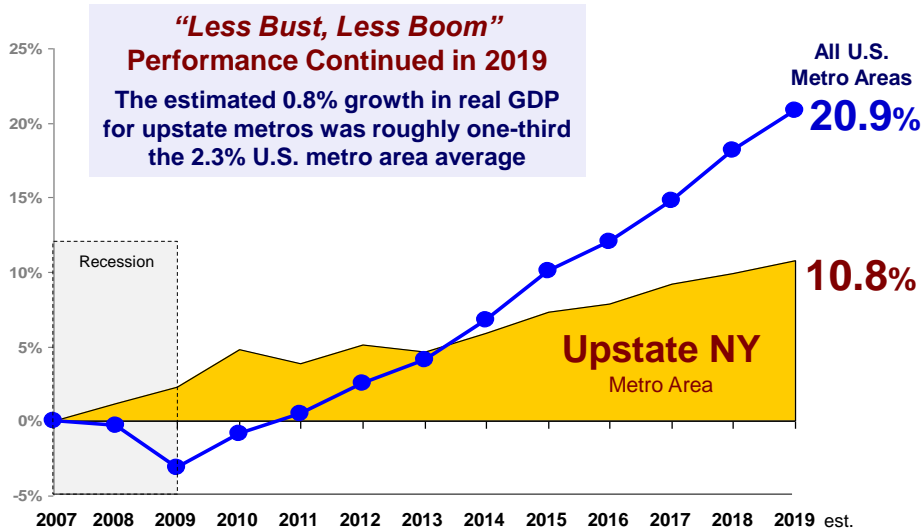
# Upstate New York Economic Trends

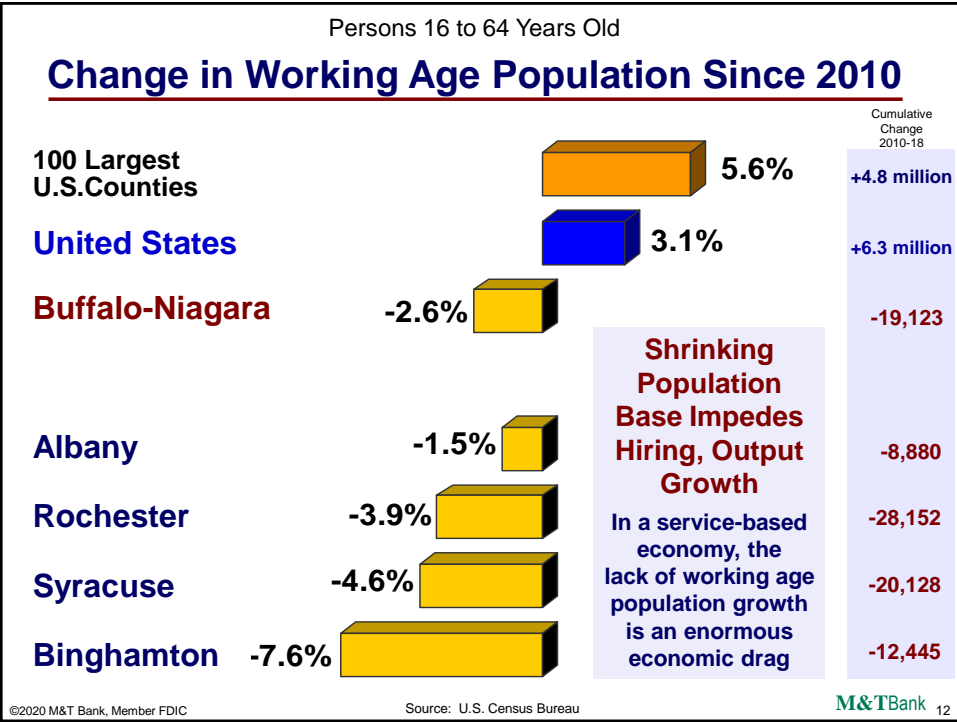
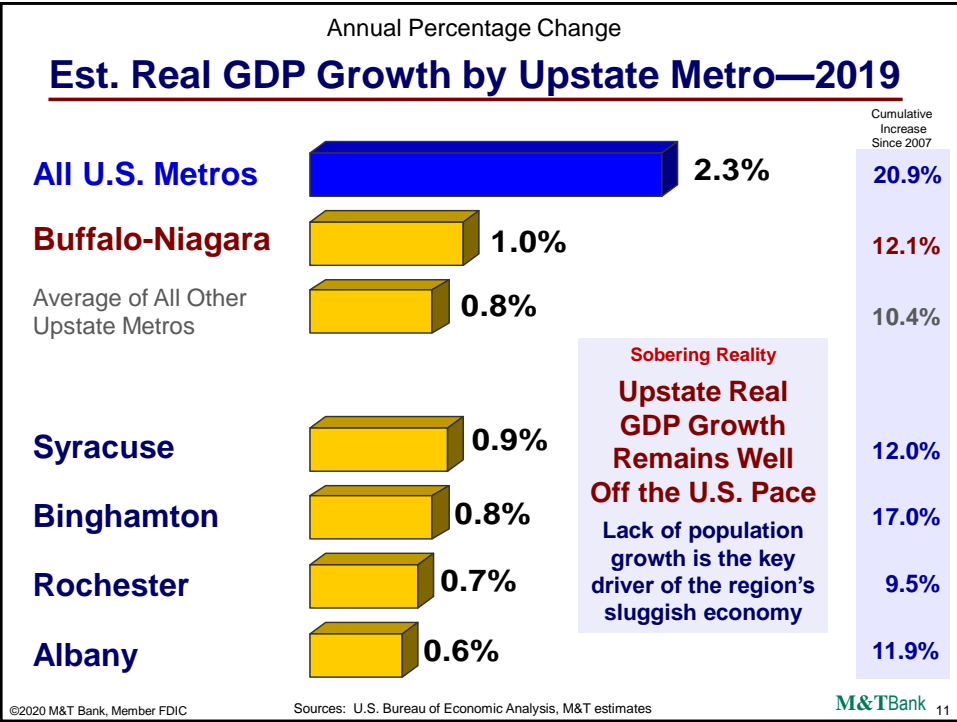


Understanding what's important.



## Relative Change Since 2007 Upstate NY Metro Area Real GDP Growth



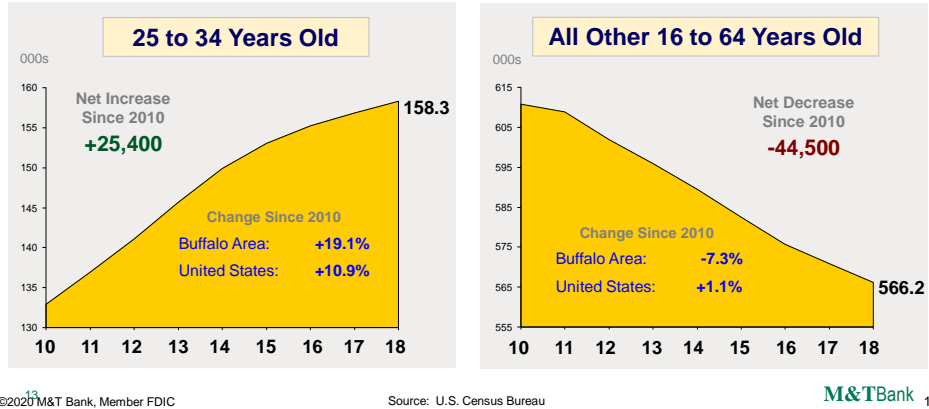


Number of Persons 16 to 64 Years Old

## Buffalo Area Population by Age Group

### The Workforce is Undergoing Significant Change

The increase in “Millennial” age workers, a majority of whom have college degrees, bring new skills and vitality to the workforce—helping to offset the decline in other working age participants



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Source: U.S. Census Bureau

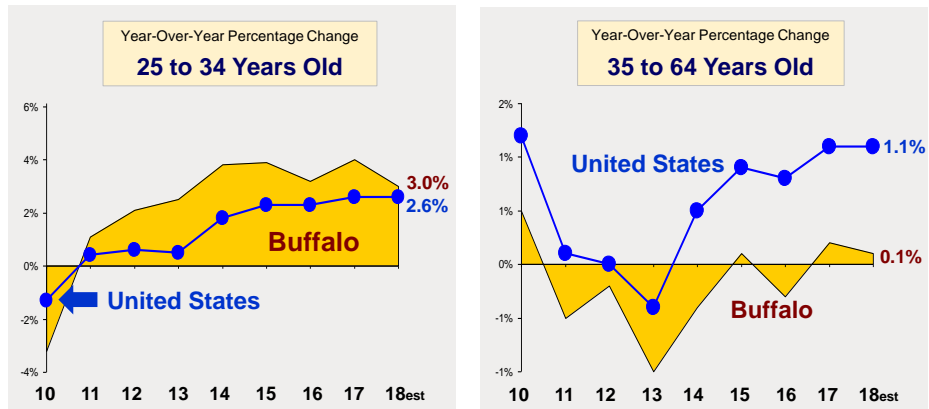
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Year-Over-Year Change in Number of Employed Residents

## Buffalo Area Employment Growth by Age Group

### Millennials Have Been Responsible For Bulk of Local Job Growth

Virtually all of the increase in Buffalo area employment since 2010 has gone to individuals in the 25-34 year old age group—23,300 of the 24,600 net gain



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Source: U.S. Census Bureau—American Community Survey, M&T estimate for 2018

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