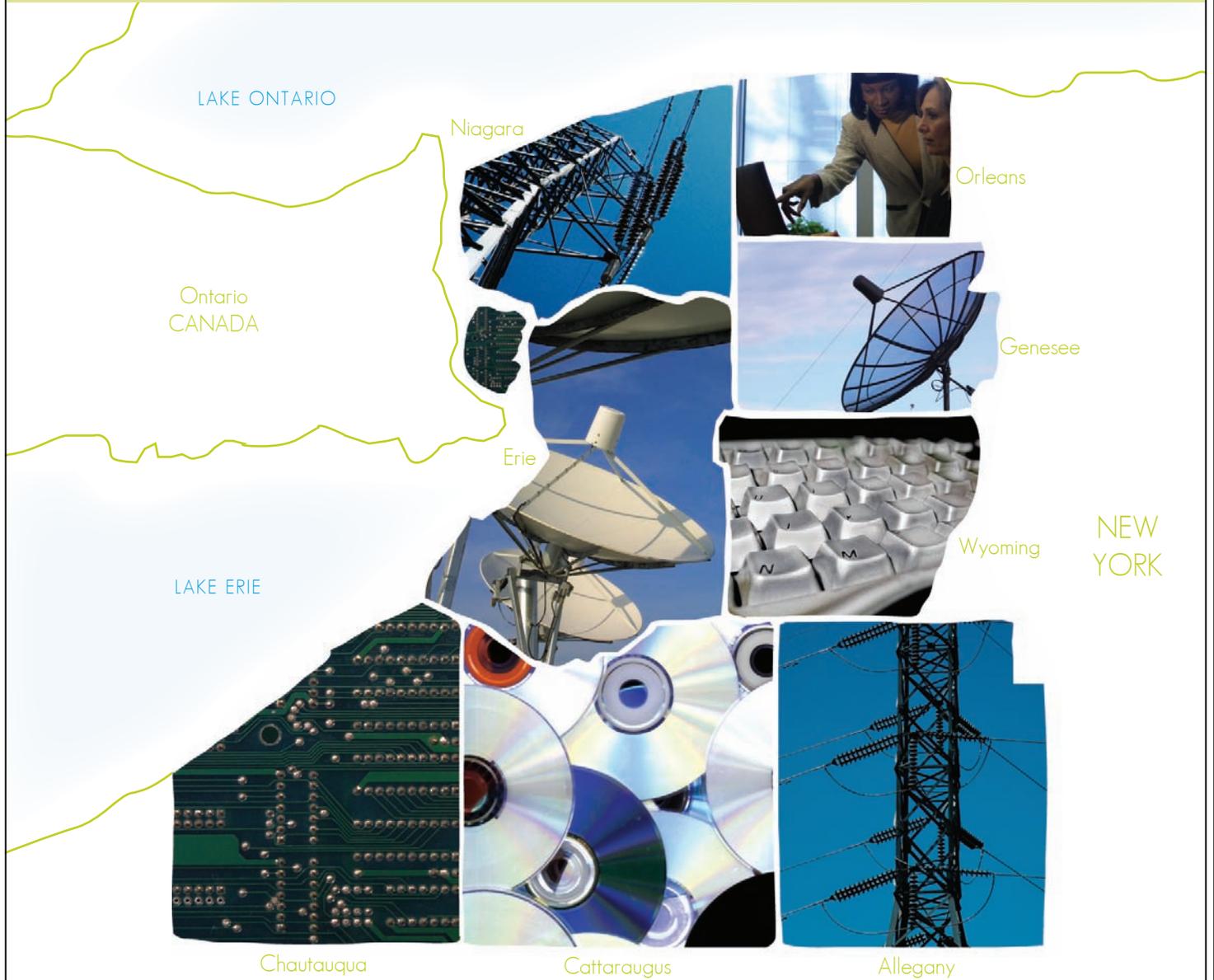


**BUFFALO NIAGARA REGION
INDUSTRY CLUSTER PROFILE**

Information Technology



Business Development. Regional Marketing. Contact Us.

665 Main Street, Suite 200 | p 716.842.1330
Buffalo, New York 14203 | f 716.842.1724
www.buffaloniagara.org

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Information Technology Buffalo Niagara Region Industry Cluster Profile

The Information Technology industry cluster includes those companies involved in **computer services, including computer programming services, software development, data processing, internet services and computer facilities management.**

The **Buffalo Niagara region offers many benefits** for existing and new businesses, including a highly acclaimed and productive workforce, a bi-national location, a superior existing infrastructure, progressive business climate, competitive construction costs and an exceptional quality of life.

There are numerous measures of the Buffalo Niagara region's business advantages. Consider, for example, the following rankings:

- *Expansion Management* magazine recently ranked the Buffalo-Niagara Falls area among **"America's 50 Hottest Cities" in which to do business.** Based on a survey of the manufacturing industry's most prominent site location consultants, Buffalo Niagara Falls ranks as the 44th hottest city for manufacturing companies looking for an expansion or relocation site.
- The Buffalo metropolitan area ranks 4th out of the 50 largest metropolitan areas in **degrees granted in science and engineering** as a share of the workforce according to the Progressive Policy Institute's 2001 *Metropolitan New Economy Index*.

The Buffalo metropolitan area ranks 14th out of the 50 largest metropolitan areas in **academic research and development.** This indicator accounts for the combined measure of industry investment in research and development at academic institutions and total academic research and development.

The Buffalo metropolitan area also ranks 18th in **workforce education** as a share of the workforce out of the 50 largest metropolitan areas. The workforce education indicator is a weighted measure of the educational attainment (advanced degrees, bachelor's degrees or some college course work) of the workforce.

The Buffalo Niagara region is poised to grow its Information Technology industry cluster. Major Information Technology businesses located in the Buffalo Niagara region include:

- ◆ Active Intelligence Corp.
- ◆ Advance 2000, Inc.
- ◆ Compsys Technologies, Inc.
- ◆ Comptek Research, a Division of Northrop Grumman
- ◆ Computer Task Group, Inc.
- ◆ Electronic Data Systems Corp.
- ◆ Energecs, Inc.
- ◆ Keystone Solutions US, Inc.
- ◆ PC Computing LLC

Wireless Internet Accessibility

Buffalo-Niagara Falls made Intel's 2005 list of "Most Unwired Cities," which ranks the top 100 U.S. cities and regions for the **greatest wireless Internet accessibility.** At number 56, the Buffalo Niagara area has a significant number of hotspot locations where people can use wireless-enabled notebook PCs without a traditional wired connection.

Also, according to the Beacon Hill Institute's *Metro Area and State Competitiveness Report 2004*, the Buffalo metro area has the 5th highest high-speed broadband lines per 1,000 residents out of the top 50 metro areas. Local wireless networks, wireless email devices and Internet penetration are also significant in the Buffalo Niagara area. This capability is very attractive to computer users and Information Technology businesses.

Venture Capital

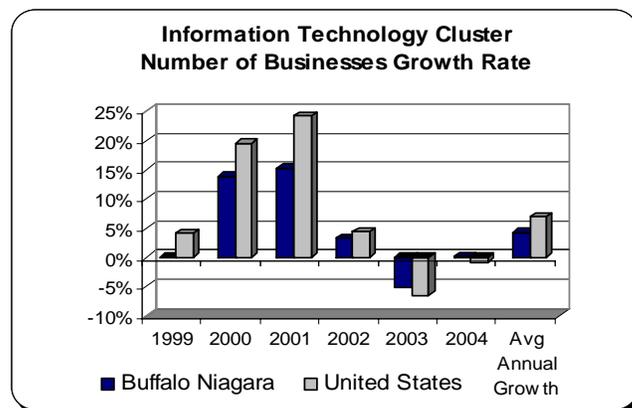
According to the PricewaterhouseCoopers MoneyTree Survey for the fourth quarter 2004, Synacor, Inc. raised \$5.5 million in venture capital investment during the quarter. Synacor, Inc. is located in Buffalo, New York and provides tools that adapt the cable TV model to the Internet.

Economic Profile

The Information Technology industry cluster includes those companies involved in computer services including computer programming services, software development, data processing, Internet service and computer facilities management. The industry is defined by eight 6-digit North American Industry Classification System (NAICS) codes or seven 4-digit Standard Industrial Classification (SIC).

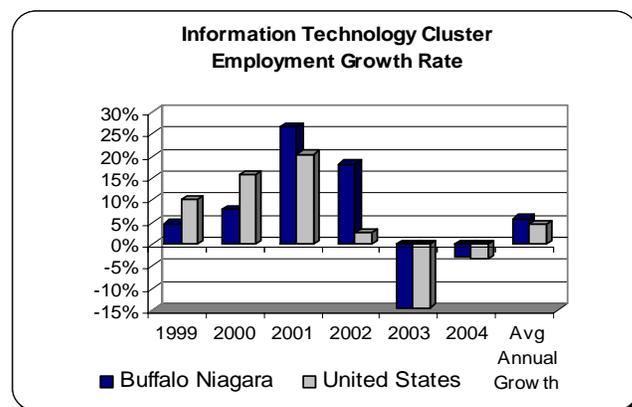
Businesses

- About **650** Information Technology businesses were located in the eight-county Buffalo Niagara region in 2004.
- The number of businesses grew **4.3% per year** from 506 businesses in 1998 to 651 in 2004 compared to a 6.9% average annual increase nationally.
- Over **83%** of Information Technology businesses employ less than 10 people compared to 75% of all businesses that employ less than 10 people in the Buffalo Niagara region.
- Based on the number of businesses in the NAICS-defined industry sector, the **computer related services and computer programming services** sectors have the largest number of businesses.
- Over 74% of all Information Technology businesses in the Buffalo Niagara region are in **Erie County**.



Employment

- The Information Technology industry cluster employed about **5,400** people in the eight-county Buffalo Niagara region in 2004.
- Employment has grown an average of **5.8%** per year from 3,850 employees in 1998 to 5,408 in 2004, faster than the 4.5% per year growth nationally.
- Employment in this industry cluster comprises about **0.8%** of the Buffalo Niagara region's total employment base, compared to a 1.7% concentration nationally.
- **Computer integrated systems design and computer related services** were the fastest growing industry sectors from 1998 to 2004.
- About 90% of the Buffalo Niagara region's Information Technology industry cluster employment is in **Erie County**.



Wages

Total Information Technology industry cluster payroll in the Buffalo Niagara region was **\$216.1 million in 2003**. The average annual wage for employees in the Information Technology industry cluster in the Buffalo Niagara region was \$38,900 in 2003 compared to \$66,900 nationally in this industry cluster.

Buffalo-Niagara Falls Occupational Salaries, 2003

Occupation	Average Annual Salary
Computer Support Specialists	\$34,280
Computer Programmers	\$53,280
Computer Software Engineers	\$63,840
Database Administrators	\$64,990

Source: Bureau of Labor Statistics <http://stats.bls.gov> and Dun & Bradstreet, Inc., MarketPlace database, July-Sept. 1998 - 2004.

Industry Resources

The infrastructure to support the Information Technology industry cluster comes from a variety of sources including private companies, professional associations, higher education and government. This list includes some of the industry resources found in the eight-county Buffalo Niagara region.

Professional Associations

New York Software Industry Association	www.nysia.org
InfoTech Niagara	www.infotechniagara.org
Insyte Consulting	www.insyte-consulting.com

Education

The higher education system in the Buffalo Niagara region provides an excellent support system for businesses in the region. There are approximately 30 two-year and four-year institutions in the Buffalo Niagara region. Of these, there are 15 regional higher education institutions with a total enrollment of more than 1,000 students each, including eight institutions that are part of the State Universities of New York (SUNY) system and seven independent or private institutions. All 30 institutions have a combined enrollment of over 100,000 students and more than 20,000 graduates annually. A directory of all higher education institutions with corresponding web sites may be accessed via www.highered.nysed.gov. The following information provides highlights of some regional higher education institutions and programs:

- ◆ Alfred State College in Alfred, New York (www.alfredstate.edu) offers nearly 60 associate degree programs, 12 baccalaureate degree programs and several certificate programs. Associate degree programs in information technology include computer & electronic systems technician, computer information systems, applications software development, network administration and web development.
- ◆ Genesee Community College (www.genesee.edu) offers certificate programs in computer end-user support, computer repair, database support and web development. Associate degree programs are available in computer information systems, computer systems and network technologies and information technology.
- ◆ Jamestown Community College (www.sunyjcc.edu) has associate degree programs in computer information systems, digital/computer technology and information technology.
- ◆ Niagara County Community College (www.sunyniagara.cc.ny.us) provides certificate and associate degree programs in math and computer science including computer information systems, computer science and local area networks studies.
- ◆ The University of Buffalo, School of Informatics (www.informatics.buffalo.edu) combines the fields of communications, information science, library science and information technology with the application of technology (mostly computing) to communicate and access information. Bio-informatics refers to the application of computers to the analysis of complex biological structures. A Master of Arts in Informatics program is available through the school of Informatics. The University of Buffalo also offers degree programs in computational science and computer engineering.
- ◆ Most colleges and universities provide general computer science programs.

The Buffalo Niagara Region Business Advantage

The Buffalo Niagara region offers many benefits for existing and new businesses, including a highly acclaimed and productive workforce, a bi-national location, a superior existing infrastructure, progressive business climate, competitive construction costs and an exceptional quality of life.

Workforce

With a labor force of nearly 795,000 people, the Buffalo Niagara region's workforce represents one of New York's greatest assets. The region enjoys a large, well-educated population and an abundant supply of entry-level and experienced labor. Indeed, 86.4% of the adult population has graduated from high school, ranking the region #24 out of the 45 largest metropolitan areas. The region boasts a diverse employment base that is highly productive and brings with it a very strong work ethic.

Location

The Buffalo Niagara region is a strategically located and affordable region in which to do business. It is located in geographic proximity to the major trading centers of the Northeast and is a bi-national gateway for commerce. Uniquely positioned to facilitate the movement of goods between the United States and Canada, no other region provides such easy and convenient international air, ground, shipping and water access infrastructure. The Buffalo Niagara region's extensive infrastructure and strategic border location keeps it at the forefront of the nation's international trade with Canada.

Commercial/Industrial Space

Construction costs compare favorably with those of competing markets. The commercial and industrial real estate markets within the Buffalo Niagara region offer some of the most attractive prices in the nation, and the attention towards growing the economy makes it an especially lucrative region for investment.

Cost of Living

The Buffalo Niagara region ranks slightly below the national average for the cost of living and well below many other major cities. According to the ACCRA Cost of Living Index, Buffalo-Niagara Falls has a composite index of 96.5 for the first quarter of 2005 (100 = U.S. average). The region boasts some of the lowest housing costs compared to similar metropolitan areas, with an ACCRA housing cost index of 84.5.

Housing

The Buffalo Niagara region offers a wide range of housing options, ranging from executive housing to entry-level homes and apartments. Further, the region offers the second lowest median home price out of the 133 metropolitan areas included in the National Association of Realtors' quarterly report. The median home price in the Buffalo Niagara region rose to \$93,000 in 2004 compared to the national median price of \$184,100. Prices rose 5.0% in Buffalo Niagara in 2004 compared to the 8.3% rise nationally.

Quality of Life

One of the least known facts about the Buffalo Niagara region is its great quality of life. Those not personally familiar with the Buffalo Niagara region often perceive it as a community covered in snow, without much going on. The reality is much different. While the region does receive an average of 94 inches of snow each year, temperatures tend to be more moderate due to the lake effect. With an annual average temperature of 48° F, the region has a four-season climate with temperatures ranging from an average of 25° F in January to 71° F degrees in July.

The Buffalo Niagara region offers numerous entertainment venues ranging from major league sporting events to theatre and other cultural attractions to a wide variety of winter and summer outdoor recreational activities. Independent rankings put Buffalo Niagara on par with much larger cities in cultural and entertainment rankings. For example, *AmericanStyle*, a nationally distributed lifestyle magazine aimed at art enthusiasts and collectors, named Buffalo one of the nation's Top 10 Arts Destinations for the third consecutive year in its annual readers' poll in 2004.