

**BUFFALO NIAGARA REGION  
INDUSTRY CLUSTER PROFILE**

# Transportation Equipment



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## *Transportation Equipment Buffalo Niagara Region Industry Cluster Profile*

The Transportation Equipment industry cluster includes two related but distinct industry subclusters – **Automotive and Aircraft/Aerospace**.

The **Automotive** industry subcluster includes those businesses involved in automotive stampings, vehicular lighting, engine electrical equipment and motor vehicle parts and accessories.

The **Aircraft and Aerospace** industry subcluster includes those businesses involved in the production of aircraft parts and equipment, guided missiles and space vehicles, space vehicle equipment, search and navigation equipment, and space research and technology.

Transportation Equipment industry cluster businesses provide a range of products, from high volume commodity equipment to very specialized, high-tech, high-quality components. Clients are located in the Buffalo Niagara region and world-wide.

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 in “**America’s 50 Hottest Cities**” in **which to do business**. Based on a survey of the industry’s most prominent site location consultants, Buffalo-Niagara Falls ranks as the 44<sup>th</sup> hottest city for manufacturing companies looking for an expansion or relocation site.
- The Buffalo metropolitan area ranks 4<sup>th</sup> 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 14<sup>th</sup> in **academic research and development**, an indicator that 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 18<sup>th</sup> in **workforce education** as a share of the workforce. 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 a recognized leader in the Transportation Equipment industry with the **second highest employment concentration** of Transportation Equipment out of the 50 largest metropolitan areas in the nation. Major Transportation Equipment businesses located in the Buffalo Niagara region include:

*Automotive:*

- ◆ American Axle and Manufacturing, Inc.
- ◆ Delphi
- ◆ Ford
- ◆ General Motors
- ◆ Motorola
- ◆ Prestolite Electric
- ◆ Truck-Lite Co., Inc.

*Aircraft and Aerospace:*

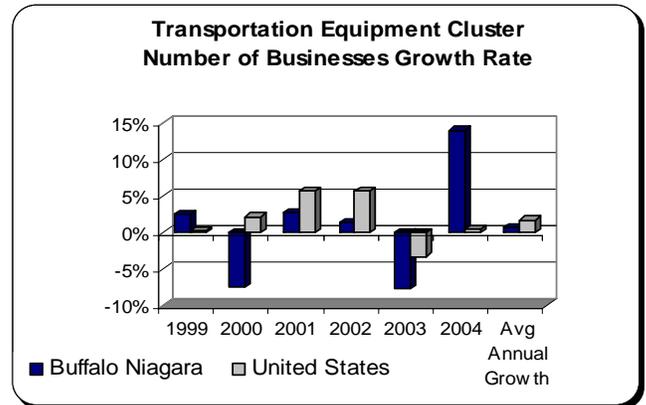
- ◆ Amherst Systems, Inc.
- ◆ Enidine, Inc.
- ◆ Moog, Inc.
- ◆ Sierra Technology, Inc.

## Economic Profile

The Transportation Equipment industry cluster includes two related but distinct industry subcluster – Automotive and Aircraft/Aerospace. The industry cluster is defined by 17 6-digit North American Industry Classification System (NAICS) codes or 14 4-digit and two 8-digit Standard Industrial Classification (SIC) codes.

### Businesses

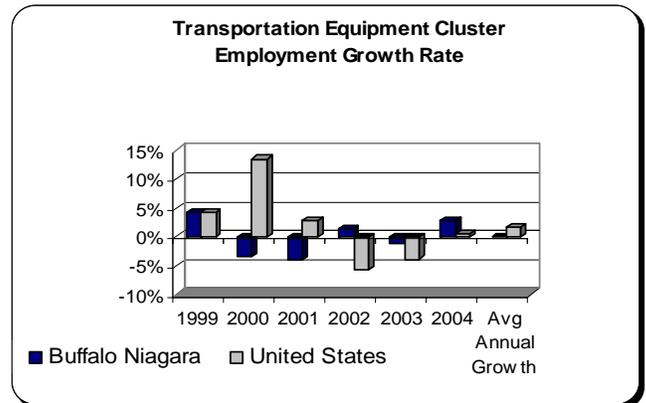
- About **81** Transportation Equipment businesses were located in the eight-county Buffalo Niagara region in 2004, including 52 Automotive businesses and 29 Aircraft and Aerospace businesses.
- The total number of businesses **grew 0.6%** per year from 78 businesses in 1998 to 81 in 2004 compared to a 1.7% average annual increase nationally in this industry cluster.
- **Large businesses** dominate this cluster with 25% of businesses employing more than 100 people compared to 2% for all businesses that employ more than 100 people in the Buffalo Niagara region.
- Based on the number of businesses in each industry sector, the **motor vehicle parts and accessories sector** has the largest number of businesses.
- Over 64% of all Transportation Equipment businesses in the Buffalo Niagara region are in **Erie County**.



Source: Dun & Bradstreet, Inc., MarketPlace database, July-Sept. 1998-2004.

### Employment

- The Transportation Equipment industry cluster employed about **14,300** people in the eight-county Buffalo Niagara region in 2004, including 10,900 Automotive and 3,400 Aircraft and Aerospace employees.
- Employment has decreased an average of **0.1%** per year from 14,400 employees in 1998 to 14,300 in 2004, compared to a 1.7% increase nationally.
- Employment in this industry cluster comprises about **2.2%** of the Buffalo Niagara region's total employment base, compared to a 1.3% concentration nationally.
- The **engine electrical equipment sector** was the fastest growing industry sector from 1998 to 2004.
- Nearly 71% of the Buffalo Niagara region's Transportation Equipment industry cluster employment is in **Erie County** while another 20% is located in Niagara County.



Source: Dun & Bradstreet, Inc., MarketPlace database, July-Sept. 1998-2004.

### Wages

**Total industry cluster payroll** in the Buffalo Niagara region was **\$887.6 million in 2003**. The average annual wage for employees in the Transportation Equipment industry cluster was \$63,800 in 2003 compared to \$56,800 nationally.

#### Buffalo-Niagara Falls Occupational Salaries, 2003

Occupation	Average Annual Salary
Electrical and Electronic Equipment Assemblers	\$25,760
Engine and Other Machine Assemblers	\$33,530
Tool and Die Makers	\$49,470
Aerospace Engineers	\$72,710
Industrial Production Managers	\$80,270

Source: Bureau of Labor Statistics <http://stats.bls.gov>.

## *Industry Resources*

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

### *Professional Associations*

Aerospace Industries Association of America	<a href="http://www.aia-aerospace.org">www.aia-aerospace.org</a>
Aircraft Electronics Association (AEA)	<a href="http://www.aea.net">www.aea.net</a>
Auto Alliance	<a href="http://www.autoalliance.org">www.autoalliance.org</a>
The Center of Automation Technologies at Rensselaer Polytechnic Institute	<a href="http://www.cat.rpi.edu">www.cat.rpi.edu</a>
General Aviation Manufacturers Association (GAMA)	<a href="http://www.gama.aero/home.php">www.gama.aero/home.php</a>
Insyte Consulting	
Motor & Equipment Manufacturers Association	<a href="http://www.mema.org">www.mema.org</a>
New York State Energy Research and Development Authority	<a href="http://www.nyserda.org">www.nyserda.org</a>
New York State Office of Science, Technology and Academic Research (including Centers for Advanced Technology program)	<a href="http://www.nystar.state.ny.us">www.nystar.state.ny.us</a>
Space Transportation Association (STA)	<a href="http://www.spacetransportation.org">www.spacetransportation.org</a> <a href="http://www.insyte-consulting.com">www.insyte-consulting.com</a>

### *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](http://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](http://www.alfredstate.edu)) offers nearly 60 associate degree programs, 12 baccalaureate degree programs and several certificate programs. Associate degree programs include **drafting/CAD-tool and die/electro-mechanical, electrical engineering technology, electromechanical engineering technology, machine tool technology, mechanical engineering technology, robotics and computerized control technology and welding technology.**
- ◆ Buffalo State ([www.buffalostate.edu](http://www.buffalostate.edu)) has an **electrical engineering technology** program with specialty studies in **electronics or power and machines**. Bachelor degree programs in **industrial technology and mechanical engineering** technology are also offered.
- ◆ Erie Community College ([www.ecc.edu](http://www.ecc.edu)) has associate degree programs in **automotive technology, industrial technology, electrical engineering technology, mechanical engineering technology and for training as an industrial electrician.**
- ◆ Jamestown Community College ([www.sunyjcc.edu](http://www.sunyjcc.edu)) has an associate degree program in **mechanical technology.**
- ◆ SUNY College at Fredonia ([www.fredonia.edu](http://www.fredonia.edu)) has an **industrial management** program designed to prepare students for careers in industry, governmental facilities or other industrial organizations.
- ◆ The University of Buffalo, School of Management ([www.mgt.buffalo.edu](http://www.mgt.buffalo.edu)) has been ranked one of the **top 50 global centers** of research on Management of Technology (MOT), according to the International Association for Management of Technology (IAMOT). A **Master of Science in Supply Chains & Operations Management** provides students with the knowledge to work in the manufacturing and service industries.

Currently in the **top 15%** of the nation's 300 engineering schools, the School of Engineering and Applied Sciences offers programs in **electrical, industrial, mechanical and aerospace engineering.**

## ***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.