Your guide to a changing Buffalo Niagara economy

BUFFALO NEXT

SECTION | C

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SPOTLIGHT | WAGES

Average pay rose by 3.9% in 2024

DAVID ROBINSON

Wages aren't rising as rapidly as they used to across Buffalo Niagara.

The average annual wage across the region grew by 3.9% last year, which was good for workers because it outpaced the 2.9% rise in consumer prices during 2024.

But it was the smallest increase since 2019 and was the first time in the last five years that average annual wages didn't rise by at least 4%.

Still, the rising wages, which reflect how many hours a worker puts in, as well as their rate of pay, are a sign that the local labor market remains competitive, even if it has cooled considerably from the early days of the pandemic when companies had an exceptionally hard time finding workers.

Back then, there was about one available worker for every two job openings, according to national data from the Bureau of Labor Statistics. Now, the market is more in balance, with one worker for one available job, the federal government reported earlier this month.

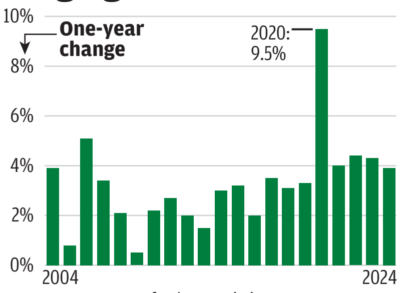
Still, with the local unemployment rate dropping to 3.3% in April – its lowest level since last September and an improvement on the 3.6% jobless rate in April 2024 – the Buffalo Niagara labor market remains tight.

And even though the pace of hiring has slowed since the end of last year, that still means that employers are under some pressure to keep wages competitive in order to hire and keep their current workers from looking elsewhere.

The average annual wage for workers in the Buffalo Niagara region rose to $65,631 last year – a $10,000 increase from 2020, the federal data showed.

But the wage increases for private-sector workers – which excludes government employees – were slightly smaller, rising by 3.7% to an average of $62,128 per year.

Wage growth



Source: U.S. Bureau of Labor Statistics

Lee Enterprises graphic

STARTUPS

Inside FoodNerd's big plans

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PHOTO BY DEREK GEE | BUFFALO NEWS

ENERGY

One year in, Noco CEO keeping company on fast track

Michael Casciano makes an enticing offer to Noco employees who run for the company's team in the J.P. Morgan Corporate Challenge.

If they can beat his finishing time in the 3.5-mile race, they get a day off from work. Only two employees managed to earn that perk last year.

MATT GLYNN

Noco has been moving quickly under Casciano since he became president a year ago. The company has made a series of acquisitions and has continued to diversify with new business segments.

And there's more to come. Noco plans to expand into roofing and windows, through separate acquisitions planned for this year.

It's a lot for Casciano to oversee, but he embraces the challenge. He is the first non-Newman family member to serve as president of the 92-year-old company based in the Town of Tonawanda. James Newman remains active in the business as chairman and CEO.

Noco has rebranded itself as a full-service energy company, a departure from the gas stations and convenience stores for which it was long known. The company generates annual revenues of $500 million to $600 million.

Casciano has been chief operating officer since 2022 and was a consultant to Noco for several years before that. He said Noco has grown more adept at identifying businesses that would make a good fit for acquisitions and at bringing them into the fold:

Identifying prospects. Noco looks for two things in a potential acquisition.

"We want that subject matter expertise, because that's what we're acquiring," Casciano said. "We also are looking at the culture of the company. Do they want to be part of something that's growing?"

Finding a fit. Not every company available for acquisition is necessarily a good fit. Casciano tries to get at that answer when he meets with them.

"The first thing I say is, 'Well, what made you answer our call?' " he said. "And if the answer is, 'Well, you know, I've had enough, I just want to sell my company and go to Bermuda,' which we did have someone say, that's not the right company for us."

Casciano likes businesses whose leaders have a particular mindset.

"When they sit there and say, 'If I had an HR department and an accounting department and marketing department and a credit department, everything that you guys have here, and if all I had to do was sell, I could blow this thing away, I can grow this thing,' " that answer resonates, Casciano said.

Incentivizing growth. Noco uses incentives such as salary bonuses and gain sharing with its divisions.

Gain sharing spreads around the benefit of exceeding agreed-upon profit targets.

Say a business division is expected to generate $500,000 in profit, and exceeds that amount by $100,000. Noco puts $30,000 – that is, 30% – of the additional $100,000 into a gain-sharing pool, which is separate from a salary bonus.

The division leader chooses how to split the funds from the gain-sharing pool among the workers. That method "kind of keeps that entrepreneurial spirit and says, 'I'm still running my own business, I just happen to have Noco as a backdrop and a support center,' " Casciano said.

Keeping tabs. Noco has added 50 employees over the past 12 months, bringing the size of its workforce to about 430. The company just opened an additional facility on Fire Tower Drive in the Town of Tonawanda, to house operations related to its residential business.

With so many business lines to manage, Noco uses a proprietary business intelligence system to track results and identify trouble spots requiring attention.

"I can tell you what the (key performance indicators) are, and if you know something goes off, I can see it, and we talk about it," Casciano said. "That's how you do it, because if you don't have a dashboard scorecard, it's impossible, and it's too late to wait for the profit and loss statement to come out."

There are two indicators he keeps a particularly close eye on. Is the business growing over a year ago? And are its expenses going down on a percentage basis?

Dividing the duties. Casciano and Newman have different roles with Noco, which suits their different personalities.

Casciano specializes in operations. "I would say my focus is probably growing the business, profitably," Casciano said.

Newman, he said, is the "ambassador" to Noco customers for the company and its 18 lines of business, making the case for the company's shift to a full-service energy company.

"He personifies our go-to-market plan, which is to optimize energy, reduce cost, and environmentally friendly solutions."

A business line Noco wants to develop more. "I think our environmental division is just (getting) started," Casciano said. "We're only two years in, and there is plenty of work."

A business line that is thriving. Casciano said Noco's HVAC business is especially robust.

"It's really because we have a very unique methodology of selling that I wouldn't put in writing, but that's there," he said. "We're doing it every day."

DEREK GEE, NEWS FILE PHOTO

"I think our environmental division is just (getting) started," said Michael Casciano, president and chief operating officer of Noco. "We're only two years in, and there is plenty of work."