

ECONOMIC REPORT  
of the  
HUDSON VALLEY

Third Quarter 2013

MARIST COLLEGE

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January 2014

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The support of student research assistant Kristen Sandberg  
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# Hudson Valley Third Quarter 2013 Summary

**Year over year, labor-force participation was up slightly, employment advanced and the number of unemployed fell.** Because employment grew at a faster rate than the labor force, the regional unemployment rate posted a year-over-year decrease of 1.22 percentage points, from 7.76 percent in the third quarter of 2012 to 6.54 percent in the third quarter of 2013. Overall, labor-force participation increased less than one tenth of one percent (600), rising from 1,138,100 to 1,138,700, while employment rose 1.37 percent (14,433) from 1,049,833 to 1,064,266. For the period, the labor force expanded in Westchester (2,700), Rockland (1,267) and Putnam (333) and fell in Dutchess (-1,533), Orange (-1,400), Sullivan (-433) and Ulster (-333). With the exception of Sullivan County, employment expanded across the region. Counties in the lower Hudson Valley—Westchester, Rockland and Putnam—recorded the highest overall increases at 1.89 percent (8,400), 1.85 percent (2,733) and 1.84 percent (933), respectively. In the upper Hudson Valley, employment increased 1.17 percent (933) in Ulster County, 0.50 percent (667) in Dutchess County and 0.48 percent (767) in Orange County. Employment in Sullivan County was unchanged. Over the same period, labor-force participation in New York State increased 0.69 percent (66,200) from 9,646,300 to 9,712,500 while employment advanced 1.79 percent (157,767) from 8,824,900 to 8,982,667. Participation in the national (civilian) labor force posted a moderate year-over-year increase of 0.46% (700,000), rising from 154.9 million to 155.6 million; employment rose 1.26 percent (1.8 million) from 142.5 million to 144.3 million.

**An important factor when examining labor-force participation and employment trends is seasonality.** On average, regional labor-force participation and employment peak in July and reach a low (trough) in February. Over the 20-year period beginning in July of 1994 and ending in July of 2013, labor-force participation has, on average, contracted 3.14 percent between the July peak and the February trough while employment has declined, on average, 3.52 percent. In a growing economy, each successive peak will be higher than the preceding peak and each trough will be higher than the preceding trough. In a recessionary economy, the opposite occurs: each successive peak and trough will be lower than the preceding peak and trough. An important and promising development in 2013 is a movement away from the contractionary pattern that has dominated the labor market since the inter-recession peak—July of 2008—toward a pattern of growth. In 2013, the February trough was higher than the previous trough (February 2012) and the July peak was higher than the previous peak (July 2012).

**The regional job count is beginning to recover,** with job creation in the private sector outpacing job losses in the public sector by a margin of 3 to 1. For the period, the private-sector job count increased (9,033) from 746,867 to 755,900 while employment in the public sector fell (-2,867) from 156,333 to 153,467. Year over year, trade, transportation and utilities added the most jobs at 3,367 followed by education and health (2,067), leisure and hospitality (1,800), natural resources, mining and construction (1,567), professional and business services (1,300), other services (767) and financial activities (100). The job count continued to decline in the manufacturing (-1,133) and information (-800) sectors. Within the Hudson Valley, the private-sector job count advanced (8,200) in the Rockland-Westchester-Putnam, NY, MSA, 900 in the Kingston, NY, MSA (Ulster County) and 100 in the Poughkeepsie-Newburgh-Middletown, NY, MSA (Dutchess and Orange counties). In Sullivan County the private-sector job count fell (-167).

**Relative to the inter-recession peak (July 2008)**, the private sector has recovered 99.10 percent of all the jobs lost to the recession—58,667 of 59,200 jobs. Recovery rates vary across the region with the Poughkeepsie-Newburgh-Middletown MSA (Dutchess and Orange counties) recovering all jobs lost to the recession (100 percent), followed by the Rockland-Westchester-Putnam, NY, MSA (lower Hudson Valley region) at 97.35 percent, Sullivan County at 85.85 percent and the Kingston, NY, MSA (Ulster County) at 72.00 percent.

**Food-stamp dependency continues to advance, rising** 4.90 percent (11,178) from 228,027 in the third quarter of 2012 to 239,205 in the third quarter of 2013. Food-stamp expenditures increased 4.67 percent (\$1.49 million per month) from \$32.00 million per month to \$33.49 million per month. The average monthly benefit remained relatively constant at \$140.00 per person per month. As was the case in previous quarters, Sullivan County was the most dependent on food-stamp benefits at one out of every 5.7 persons, followed by Rockland, Orange and Ulster counties at one out of every 6.8 per persons, one out of every 7.9 per persons and one out of every 8.4 persons, respectively. Putnam County was the least dependent at one out of every 36.5 persons, followed by Dutchess County at one out of every 11.9 persons and Westchester County at one out of every 11.7 persons. Region-wide, one out of every 9.7 persons receives food stamp benefits.

**The number of Hudson Valley residents who received monthly Temporary Assistance (TA)** benefits was little changed, falling -0.45 percent from 32,878 recipients to 32,730 recipients. Sullivan County continues to be the most dependent on monthly TA benefits at one out of every 37.9 persons, followed by Ulster and Orange counties at one out of every 45.2 persons and one out of every 53.3 persons, respectively. Putnam County is the least dependent at one out of every 538.4 persons, followed by Dutchess, Rockland and Westchester counties at one out of every 114.8 persons, one out of every 95.7 persons and one out of every 70.9 persons, respectively.

**Housing prices have begun to recover.** Each county in the region reported median selling prices that exceeded their inter-recession troughs, a region-wide pattern first established in the second quarter of 2013. Ulster County reported the highest relative increase at 29.38 percent (\$50,750) above the trough, followed by Westchester County at 28.68 percent (\$145,000). The lowest relative increases occurred in Orange and Dutchess at 2.56 percent (\$6,000) and 9.82 percent (\$22,577), respectively. In all cases, the median selling price remains well below the peak evaluations witnessed during the housing boom.

**Improvement in the housing market in concert with a favorable interest-rate environment continues to positively impact the demand for newly constructed single- and multifamily homes.** Year over year, the demand for single- and multifamily construction permits increased 21.68 percent and 11.96 percent, respectively. Total estimated construction costs advanced \$102.57 million, from \$270.81 million in the first nine months of 2012 to \$373.38 million in the first nine months of 2013. The estimated average construction cost of a single-family home advanced from \$270,285 to \$305,428 while the estimated average multifamily per-unit cost advanced from \$118,548 to \$125,196.

## Hudson Valley Labor Force and Employment

Year over year, labor-force participation in the Hudson Valley region was little changed, increasing less than one tenth of one percent from 1,138,100 in the third quarter of 2012 to 1,138,700 in the third quarter of 2013. Region-wide, labor-force participation expanded in Westchester (2,700), Rockland (1,267) and Putnam (333) and fell in Dutchess (-1,533), Orange (-1,400), Sullivan (-433) and Ulster (-333). Over the same period, labor-force participation in New York State increased 0.69 percent (66,200) from 9,646,300 to 9,712,500, while participation in the national (civilian) labor force posted a moderate year-over-year increase of 0.46% (700,000), rising from 154.9 million to 155.6 million.

<b>Labor Force and Employment 2012.Q3 through 2013.Q3</b>							
<b>Data Source: New York State Department of Labor LAS Series; author calculations</b>							
<b>Area</b>	<b>Category</b>	<b>2012.Q3</b>	<b>2012.Q4</b>	<b>2013.Q1</b>	<b>2013.Q2</b>	<b>2013.Q3</b>	<b>2012.Q2- 2013.Q3</b>
<b>Dutchess County</b>	Labor Force	145,800	145,000	144,033	144,167	144,267	-1,533
	Emp.	134,033	134,300	132,467	134,433	134,700	667
<b>Orange County</b>	Labor Force	175,433	174,533	173,300	173,600	174,033	-1,400
	Emp.	160,567	160,867	158,667	161,033	161,333	767
<b>Putnam County</b>	Labor Force	54,467	53,467	53,200	53,833	54,800	333
	Emp.	50,767	50,033	49,567	50,700	51,700	933
<b>Rockland County</b>	Labor Force	158,767	155,933	155,100	156,700	160,033	1,267
	Emp.	147,700	145,667	144,233	147,567	150,433	2,733
<b>Sullivan County</b>	Labor Force	35,600	33,433	33,233	33,633	35,167	-433
	Emp.	32,433	30,300	29,633	30,733	32,433	0
<b>Ulster County</b>	Labor Force	87,300	86,867	86,800	87,067	86,967	-333
	Emp.	79,467	79,633	78,767	80,467	80,400	933
<b>Westchester County</b>	Labor Force	480,733	471,600	469,567	473,733	483,433	2,700
	Emp.	444,867	438,800	434,467	444,433	453,267	8,400
<b>Hudson Valley</b>	Labor Force	1,138,100	1,120,833	1,115,233	1,122,733	1,138,700	600
	Emp.	1,049,833	1,039,600	1,027,800	1,049,367	1,064,267	14,433

Regional employment improved, increasing 1.37 percent (14,433) from 1,049,833 jobs held in the third quarter of 2012 to 1,064,266 in the third quarter of 2013. Every county in the region, with the exception of Sullivan, reported a year-over-year increase in employment, with Westchester County posting the largest increase at 1.89 percent (8,400), followed by Rockland County at 1.85 percent (2,733), Putnam County at 1.84 percent (933) and Ulster County at 1.17 percent (933). Employment in Dutchess and Orange counties increased 0.50 percent (667) and 0.48 percent (767), respectively, while employment in Sullivan County was unchanged. Over the same 12-month period, employment in New York State advanced 1.79 percent (157,767) from 8,824,900 in the third quarter of 2012 to 8,982,667 in the third quarter of 2013. Nationwide, employment rose 1.26 percent (1.8 million) from 142.5 million to 144.3 million.

Because employment has been growing at a faster rate than the labor force, the regional unemployment rate posted a year-over-year decrease of 1.22 percentage points, from 7.76 percent in the

third quarter of 2012 to 6.54 percent in the third quarter of 2013. The unemployment rate dropped throughout the region with Dutchess County posting the largest decline year over year (1.44 percentage points), followed by Ulster and Westchester counties at 1.42 percentage points and 1.22 percentage points, respectively. Of the three counties, Westchester was the only county to witness an increase in both labor-force participation and employment. Statewide, the unemployment rate fell 1.01 percentage points from 8.52 percent to 7.51 percent; nationwide, the unemployment rate fell 0.73 percentage points from 8.03 percent to 7.30 percent.

Region-wide, employment and labor-force participation peaked in July of 2008—seven months after the start of the Great Recession—at 1,128,600 and 1,189,600, respectively. Employment reached a post-recession low in February of 2012 at 1,024,400 while the labor force bottomed out a year later (March of 2013) at 1,109,100.<sup>1</sup> From peak to trough, employment contracted 9.24 percent (104,300) and labor-force participation fell 6.77 percent (80,500).

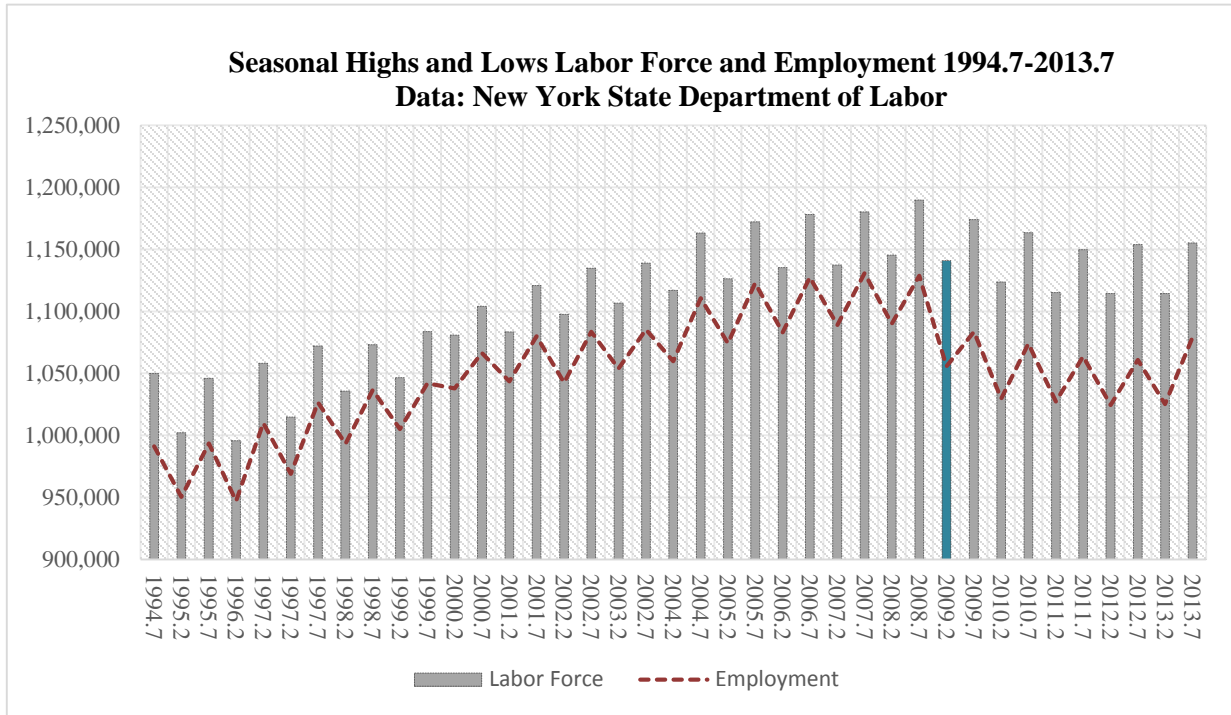
<b>Labor Force and Employment Loss and Recovery</b>						
<b>Data Source: New York State Department of Labor, LAS series; author calculations</b>						
	<b>Recession Labor Force Loss</b>	<b>Recession Employment Loss</b>	<b>Labor Force Recovered</b>	<b>Employment Recovered</b>	<b>Labor-Force Recapture Rate</b>	<b>Employment Recapture Rate</b>
<b>Hudson Valley</b>	80,500	104,300	6,100	18,300	7.58%	17.55%
Dutchess County	7,200	9,800	0	1,200	0.00%	12.24%
Orange County	13,400	16,300	0	700	0.00%	4.29%
Putnam County	4,600	5,600	600	1,300	13.04%	23.21%
Rockland County	10,000	12,300	5,900	7,000	59.00%	56.91%
Sullivan County	5,100	6,100	800	1,300	15.69%	21.31%
Ulster County	6,300	8,900	0	1,100	0.00%	12.36%
Westchester County	41,300	51,200	5,700	10,900	13.80%	21.29%
<b>Capital Region</b>	40,500	55,500	4,200	15,700	10.37%	28.29%
<b>Long Island Region</b>	88,100	123,500	44,800	68,000	50.85%	55.06%
<b>New York Region</b>	97,400	173,000	115,900	147,200	118.99%	85.09%
<b>New York State</b>	352,500	620,100	148,400	256,000	42.10%	41.28%

As of September 2013, the region has recaptured 7.58 percent (6,100) of the labor force lost to the recession and 17.55 percent (18,300) of the employment. Within the region, the lower Hudson Valley—Westchester, Putnam and Rockland—has recaptured 21.82 percent (12,200) of the labor force lost to the recession and 27.79 percent (19,200) of all jobs lost, while the upper Hudson Valley—Dutchess, Orange, Sullivan and Ulster—has recaptured 2.50 percent (800) and 10.46 percent (4,300), respectively.

An important factor when examining labor-force participation and employment trends is seasonality. On average, regional labor-force participation and employment peak in July and reach a low (trough) in February. Over the 20-year period beginning in July of 1994 and ending in July of 2013, labor-force participation has, on average, contracted 3.14 percent between the July peak and the February

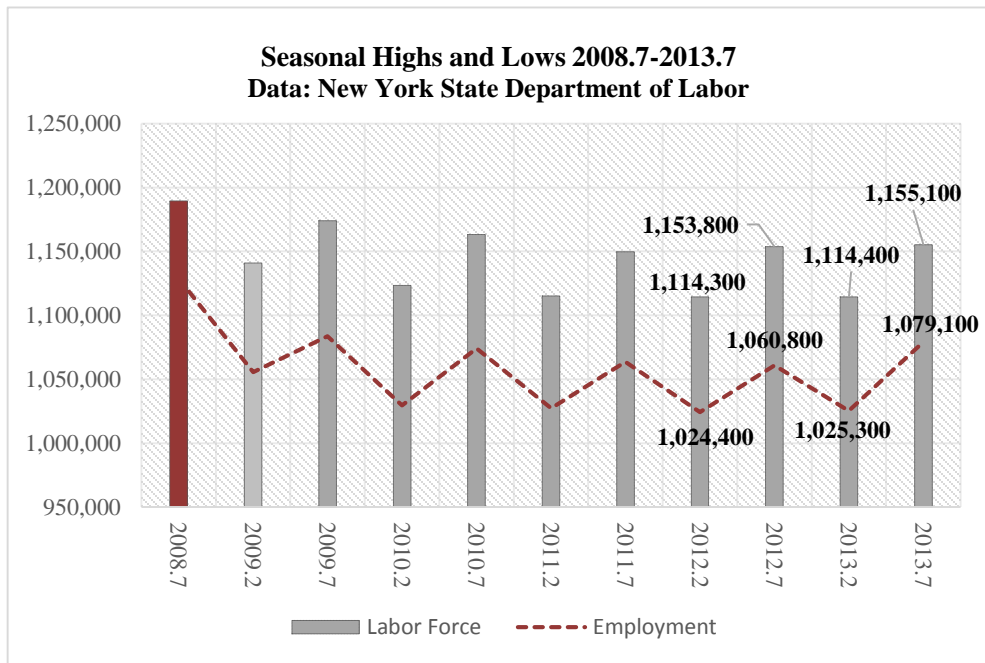
<sup>1</sup> Revised numbers

trough while employment has declined, on average, 3.52 percent. In a growing economy, each successive peak will be higher than the preceding peak and each trough will be higher than the preceding trough.



In a recessionary economy, each successive peak and trough will be lower than the preceding peak and trough.

An important and promising development in 2013 is the movement away from the contractionary pattern that has dominated the labor market since the inter-recession peak—July of 2008—toward a pattern of growth. In 2013, the February trough was higher than the previous trough (February 2012) and the July peak was higher than the previous peak (July 2012).



Overall, while regional employment and labor-force growth remains weak, there are preliminary indications that the market has begun to move into a pattern of sustained, albeit weak growth.

## Nonfarm Employment by Place of Work<sup>2</sup>

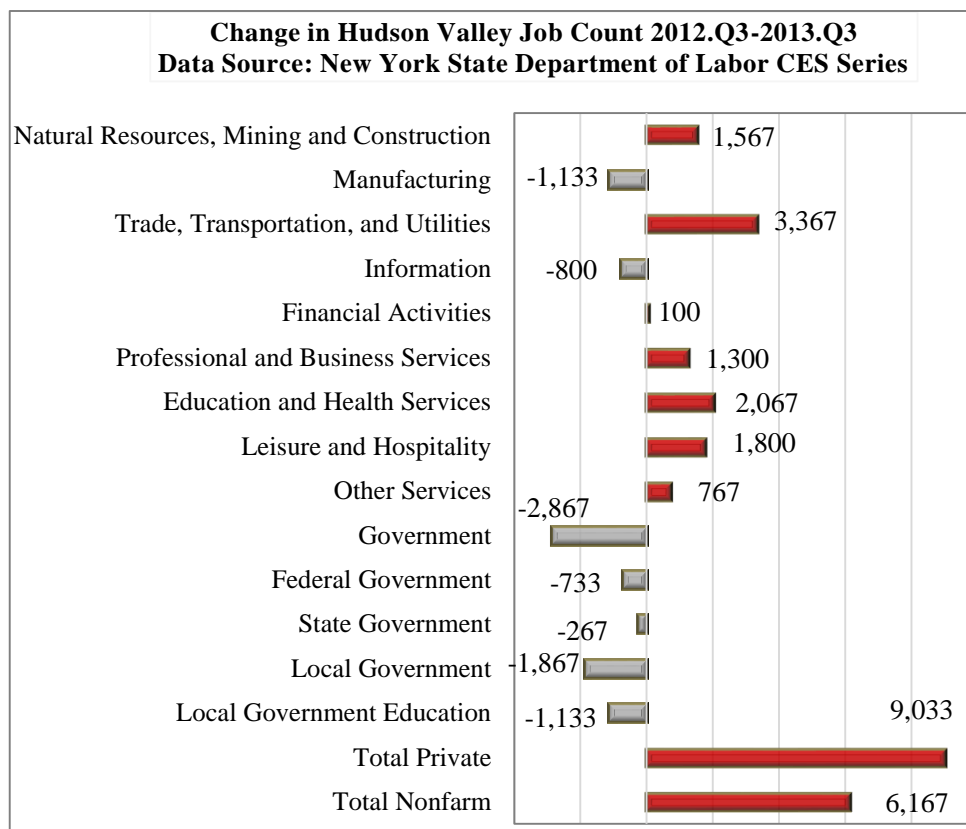
Year over Year, the Private Sector Added 9,033 Jobs  
while Public-Sector Employment Continued to Contract (-2,867).

Over the 12-month period ending in the third quarter of 2013, the regional job count increased less than seven tenths of one percent (6,167), rising from 903,200 in the third quarter of 2012 to 909,367 in the third quarter of 2013. Year over year, the job count in the private sector increased 1.21 percent (9,033) from 746,867 to 755,900 while the job count in the public sector continued to decline, falling 1.83 percent (-2,866) from 156,333 to 153,467. Job losses in the local government sector accounted for the majority of the loss at 1,867. As of the third quarter 2013, one out of every 5.93 jobs in the Hudson Valley was in the public sector compared to one out of every 5.78 one year earlier.

Year over year, trade, transportation and utilities added the most jobs at 3,367 followed by education and

health (2,067), leisure and hospitality (1,800), natural resources, mining and construction (1,567), professional and business services (1,300), other services (767) and financial activities (100). The job count continued to decline in the manufacturing (-1,133) and information (-800) sectors.

Within the Hudson Valley, the total job count advanced (7,100) in the Rockland-Westchester-Putnam, NY, MSA and (600) in the Kingston, NY, MSA (Ulster County). The total job count fell (-1,367) in the Poughkeepsie-Newburgh-Middletown, NY, MSA (Dutchess and Orange counties) and in Sullivan County (-167).



<sup>2</sup> Current Employment Statistics (CES): survey of sample employers *excludes* self-employed, agricultural, domestic workers and the military. Place of Work Series. The employment figures in this section are three-month averages.

In the **Rockland-Westchester-Putnam, NY, MSA**, the overall job count advanced 1.25 percent (7,100) from 566,533 in the third quarter of 2012 to 573,633 in the third quarter of 2013. For the period, the private-sector job count advanced 1.72 percent (8,200) from 476,500 to 484,700 while the job count in the public sector declined -1.22 percent (1,100) from 90,033 to 88,933. Year over year, trade, transportation and utilities added the most jobs at 2,667 followed by education and health services (2,567), natural resources, mining and construction (1,400), professional and business services (1,067), leisure and hospitality (967), other services (533), and financial activities (267). Information lost 667 jobs over the year, while the job count in the manufacturing sector decreased by 600 jobs.

In the **Poughkeepsie-Newburgh-Middletown, NY, MSA, (Dutchess and Orange counties)**, the overall job count fell (-1,367) from 249,867 in the third quarter of 2012 to 248,500 in the third quarter of 2013. For the period, the private-sector job count was little changed, advancing 0.05 percent (100) from 203,200 in the third quarter of 2012 to 203,300 in the third quarter of 2013. Over the same period, the public sector shed an additional 1,467 jobs, falling from 46,667 to 45,200. Overall, leisure and hospitality added the most jobs (467), followed by professional and business services (433), trade, transportation and utilities (233), and other services (67). The job count in manufacturing declined -233 while the financial activities and information sectors lost -133 each. Natural resources, mining and construction lost the least number of jobs at -33. Inconsistent with previous quarters, the job count in education and health services fell (-567).

In the **Kingston, NY, MSA (Ulster County)**, the overall job count increased 600 from 59,700 in the third quarter of 2012 to 60,300 in the third quarter of 2013. For the period, the private-sector job count advanced 900 while the public sector shed an additional 300 jobs. Year over year, trade, transportation and utilities added the most jobs at 567, followed by leisure and hospitality at 467, education and health services at 100, and other services at 33. The job count fell in manufacturing (-133), professional and business services (-100), and financial activities (-33). The job count remained unchanged in both the natural resources, mining and construction sector and the information sector. In **Sullivan County** the overall job count declined (-167). Private-sector employment fell -167; employment in the public sector was unchanged.

**Since the inter-recession peak, private-sector job growth has been sporadic and uneven.** On the one hand, the job count in education and health services has shown steady growth: up 9,733, from 177,333 jobs in the second quarter of 2008 to 187,066 as of the third quarter of 2013. On the other hand, the job count in the manufacturing and information sectors continues to contract. Relative to the inter-recession peak, the job count in manufacturing and information are down 9,933 (17.60 percent) and 4,000 (18.49 percent), respectively. In contrast, leisure and hospitality, other services, and professional and business services have created more jobs since the trough (39,967) than were lost to the recession (21,833). Collectively these three sectors accounted for 36.88 percent of all jobs lost as a result of the recession and, as of the third quarter, 68.13 percent of all jobs recovered.

Region-wide, the job count in the private sector reached an inter-recession peak in the second quarter of 2008 at 756,433 and a post-recession low in the first quarter of 2010 at 697,233. From peak to trough, the private-sector job count fell 59,200 (7.83 percent).

The trade, transportation and utility sector has recovered 91.95 percent of all jobs lost, while job growth in



the remaining sectors—natural resources, mining and construction and financial activities—remains well below its inter-recession peak.

<b>Hudson Valley Region: Change in the Private-Sector Job Count Since the Recession Low</b>					
Data Source: New York State Department of Labor: CES Series, Author calculations					
	Recession Jobs Lost	Recovery Jobs Gained	Share Recovered	Share of all Jobs Lost	Share of all Jobs Recovered
Natural Resources, Mining and Construction	(16,500)	7,100	43.03%	27.87%	12.10%
Manufacturing	(7,133)	(2,800)	-39.25%	12.05%	-4.77%
Trade, Transportation and Utilities	(12,833)	11,800	91.95%	21.68%	20.11%
Information	(2,333)	(1,667)	-71.43%	3.94%	-2.84%
Financial Activities	(5,067)	1,033	20.39%	8.56%	1.76%
Professional and Business Services	(10,767)	13,067	121.36%	18.19%	22.27%
Education and Health Services *	6,500	3,233	NM**	-10.98%	5.51%
Leisure and Hospitality	(9,033)	22,567	249.82%	15.26%	38.47%
Other Services	(2,033)	4,333	213.11%	3.43%	7.39%
<b>Total Private</b>	<b>(59,200)</b>	<b>58,667</b>	<b>99.10%</b>	<b>100.00%</b>	<b>100.00%</b>
* No cyclical job loss ** Not Meaningful					

In the **Rockland-Westchester-Putnam, NY, MSA** (lower Hudson Valley region), the private-sector job count peaked in the second quarter of 2008 at 485,767 and reached a post-recession low in the first quarter of 2010 at 445,500. As of the third quarter of 2013, 97.35 percent (39,200) of the 40,267 private-

<b>Rockland-Westchester-Putnam, NY, MSA: Change in the Private-Sector Job Count Since the Recession Low</b>					
Data Source: New York State Department of Labor: CES Series, Author calculations					
	Recession Jobs Lost	Recovery Jobs Gained	Share Recovered	Share of all Jobs Lost	Share of all Jobs Recovered
Natural Resources, Mining and Construction	(11,867)	5,633	47.47%	29.47%	14.37%
Manufacturing	(3,300)	(2,433)	-73.74%	8.20%	-6.21%
Trade, Transportation and Utilities	(8,467)	6,700	79.13%	21.03%	17.09%
Information	(1,700)	(1,267)	-74.51%	4.22%	-3.23%
Financial Activities	(4,033)	1,467	36.36%	10.02%	3.74%
Professional and Business Services	(8,933)	10,600	118.66%	22.19%	27.04%
Education and Health Services *	3,633	2,200	NM**	-9.02%	5.61%
Leisure and Hospitality	(4,433)	13,800	311.28%	11.01%	35.20%
Other Services	(1,167)	2,500	214.29%	2.90%	6.38%
<b>Total Private</b>	<b>(40,267)</b>	<b>39,200</b>	<b>97.35%</b>	<b>100.00%</b>	<b>100.00%</b>
* No cyclical job loss ** Not Meaningful					

sector jobs lost to the recession have been recaptured, the second-highest recovery rate in the region. Overall, leisure and hospitality, professional and business services and other services have created more jobs since the trough than were lost to the recession. The largest recapture rate occurred in leisure and hospitality at 311.28 percent (13,800 jobs recovered compared to 4,433 jobs lost), followed by other services at 214.29 percent (2,500 jobs recovered compared to 1,167 jobs lost) and professional and business services at 118.66 percent (10,600 jobs recovered compared to 8,933 jobs lost). In contrast, the job count in trade, transportation and utilities, natural resources, mining and construction and financial activities remains below the inter-recession peak at a recapture rate of 79.13 percent, 47.47 percent and 36.36 percent, respectively. The job count in both manufacturing and information continues to decline. As of the third quarter, the job count in manufacturing was down 5,733 jobs relative to peak and 2,433 jobs relative to the trough, while in the information sector the job count was down 2,967 relative to peak and 1,267 relative to the trough. The job count in education and health services continues to expand, rising from 112,933 in the second quarter of 2008 to 118,767 in third quarter of 2013, an overall gain of 5,834 jobs.

**In the Poughkeepsie-Newburgh-Middletown MSA (Dutchess and Orange counties),** the private-sector job count peaked in the fourth quarter of 2008 at 203,300 and reached a post-recession trough in the first quarter of 2010 at 189,800. As of the third quarter of 2013, the MSA has recaptured all of the (13,500) private-sector jobs lost to the recession, the highest recovery rate in the region.

<b>Poughkeepsie-Newburgh-Middletown MSA: Change in the Private-Sector Job Count Since the Recession Low</b>					
Data Source: New York State Department of Labor: CES Series, Author calculations					
	Recession Job Loss	Recovery Job Gain	Share Recovered	Share of all Jobs Lost	Share of all Jobs Recovered
Natural Resources, Mining and Construction	(3,033)	1,067	35.16%	22.47%	7.90%
Manufacturing	(2,633)	(133)	-5.06%	19.51%	-0.99%
Trade, Transportation and Utilities	(4,633)	4,367	94.24%	34.32%	32.35%
Information	(433)	(400)	-92.31%	3.21%	-2.96%
Financial Activities	(500)	(200)	-40.00%	3.70%	-1.48%
Professional and Business Services	(933)	2,300	246.43%	6.91%	17.04%
Education and Health Services *	533	300	NM**	-3.95%	2.22%
Leisure and Hospitality	(1,400)	5,100	364.29%	10.37%	37.78%
Other Services	(467)	1,100	235.71%	3.46%	8.15%
<b>Total Private</b>	<b>(13,500)</b>	<b>13,500</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
* No cyclical job loss ** Not Meaningful					

Overall, professional and business services, other services and leisure and hospitality have created more jobs (8,500) since the trough than were lost to the recession (2,800). Trade, transportation and

utilities has recaptured 4,367 of the 4,633 jobs lost to the recession for a recapture rate of 94.24 percent while the natural resources, mining and construction sector has recaptured a little over one third (1,067 jobs) of the 3,033 jobs lost. The job count in manufacturing, information and financial activities continues to contract, remaining below the inter-recession trough. The job count in education and health services has risen from 50,133 in the fourth quarter of 2008 (trough) to 50,967 in the third quarter of 2013.

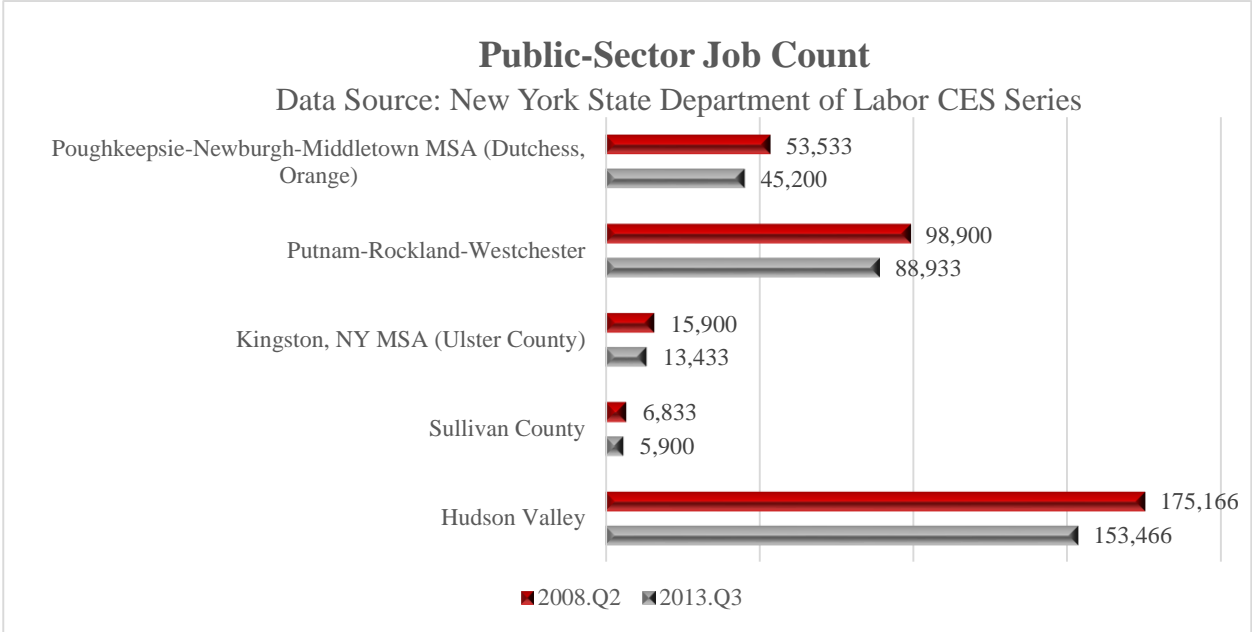
In the **Kingston, NY, MSA (Ulster County)**, the private-sector job count peaked in the second quarter of 2008 at 48,033 and reached a post-recession trough in the first quarter of 2011 at 43,867. As of the third quarter of 2013, 72.00 percent (3,000) of the 4,167 private-sector jobs lost to the recession have been recovered, the lowest recovery rate in the region. Leisure and hospitality reported the highest recapture rate at 171.43 percent and is the only sector in the county to create more jobs since the trough (2,000) than were lost to the recession (1,167). The information sector secured the second-highest recapture rate at 100 percent. In contrast, the job count in natural resources, mining and construction and trade transportation and utilities remains below the inter-recession peak at 59.26 percent (533 jobs recovered compared to 900 jobs lost) and 80.00 percent (800 jobs recovered compared to 1,000 jobs lost), respectively. The job count in manufacturing, financial activities and professional and business services continues to contract.

<b>Kingston, NY, MSA (Ulster County): Change in the Private-Sector Job Count Since the Recession Low</b>					
Data Source: New York State Department of Labor: CES Series, Author calculations					
	Recession Job Loss	Recovery Job Gain	Share Recovered	Share of all Jobs Lost	Share of all Jobs Recovered
Natural Resources, Mining and Construction	(900)	533	59.26%	21.60%	17.78%
Manufacturing	(400)	(433)	-108.33%	9.60%	-14.44%
Trade, Transportation and Utilities	(1,000)	800	80.00%	24.00%	26.67%
Information	(167)	167	100.00%	4.00%	5.56%
Financial Activities	(367)	(100)	-27.27%	8.80%	-3.33%
Professional and Business Services	(567)	(100)	-17.65%	13.60%	-3.33%
Education and Health Services*	400	(33)	NM**	-9.60%	-1.11%
Leisure and Hospitality	(1,167)	2,000	171.43%	28.00%	66.67%
Other Services	0	167	NM**	0.00%	5.56%
<b>Total Private</b>	<b>(4,167)</b>	<b>3,000</b>	<b>72.00%</b>	<b>100.00%</b>	<b>100.00%</b>
* No cyclical job loss ** Not Meaningful					

In **Sullivan County**, the private-sector job count peaked in the third quarter of 2008 at 21,533 and reached a post-recession trough in the first quarter of 2010 at 18,000. As of the third quarter of 2013, 85.85 percent (3,033) of the 3,533 private-sector jobs lost to the recession have been recovered, the second-lowest recovery rate in the region.

Sullivan County Change in the Private-Sector Job Count Since the Recession Low					
Data Source: New York State Department of Labor: CES Series, Author calculations					
	Recession Job Loss	Recovery Job Gain	Share Recovered	Share of all Jobs Lost	Share of all Jobs Recovered
Natural Resources, Mining and Construction	-433	67	15.38%	12.26%	2.20%
Manufacturing	-100	0	0.00%	2.83%	0.00%
Trade, Transportation and Utilities	-433	200	46.15%	12.26%	6.59%
Information	-67	0	0.00%	1.89%	0.00%
Financial Activities	-267	67	25.00%	7.55%	2.20%
Professional and Business Services	-300	200	66.67%	8.49%	6.59%
Education and Health Services	267	533	-200.00%	-7.55%	17.58%
Leisure and Hospitality	-1,933	1,533	79.31%	54.72%	50.55%
Other Services	-267	433	162.50%	7.55%	14.29%
Total Private	-3,533	3,033	85.85%	100.00%	100.00%

As noted throughout the report, **employment in the public sector** continues to contract. Since the onset of the Great Recession in December of 2007 the job count in the public sector has fallen 12.39 percent (21,700), from 175,166 jobs in July of 2008 (inter-recession peak) to 153,466 jobs in the third quarter of 2013. Overall, the lower Hudson Valley—Putnam, Rockland and Westchester counties—shed



9,967 jobs while in the upper Hudson Valley—Dutchess, Orange, Ulster and Sullivan counties—11,733 jobs were lost.

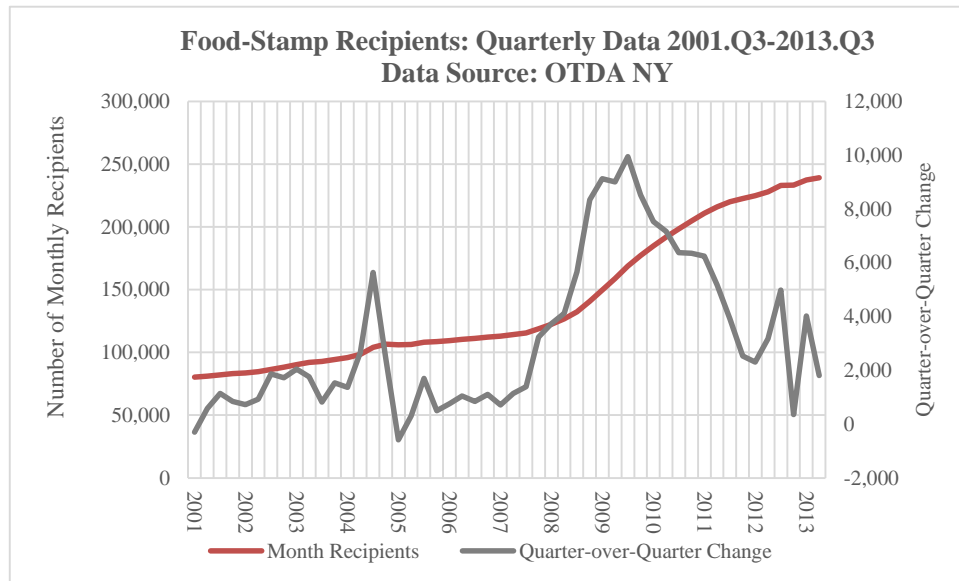
## Monthly Income Maintenance Benefits (Social Assistance)

Year over year, food-stamp dependency advanced 4.90 percent (11,178), increasing from one out of every 10.1 residents in the third quarter of 2012 to one out of every 9.7 in the third quarter of 2013. Over the same period, food-stamp dependency in New York State advanced 2.63 percent (81,687), from one out of every 6.3 residents to one out of every 6.2 residents.

Every county in the region recorded a year-over-year increase in the number of food-stamp recipients with Westchester County experiencing the largest-level increase at 3,771 followed by Rockland (2,601), Orange (2,424), Dutchess (765), Ulster (685), Sullivan (646) and Putnam (286).

Putnam County reported the largest-percentage change at 11.72 percent, followed by Rockland at 5.92 percent. Food-stamp expenditures increased 4.67 percent (\$1.49 million per month) from \$32.00 million per month in the third quarter of 2012 to \$33.49 million per month in the third quarter of 2013. The average monthly benefit remained relatively constant at \$140.00 per person per month.

Quarter over quarter, the number of food-stamp recipients posted a slight increase (0.76 percent), rising from 237,392 recipients



Food-Stamp Recipients: Data Source OTDA NY				
	Change 2013.3 over 2013.2		Change 2013.3 over 2012.3	
Dutchess	109	0.44%	765	3.15%
Orange	424	0.90%	2,424	5.36%
Putnam	6	0.23%	286	11.72%
Rockland	365	0.79%	2,601	5.92%
Sullivan	(309)	-2.26%	646	5.07%
Ulster	61	0.28%	685	3.27%
Westchester	1,157	1.43%	3,771	4.81%
Hudson Valley	1,813	0.76%	11,178	4.90%
New York City	(3,945)	-0.21%	29,074	1.58%
New York State	(310)	-0.01%	81,687	2.63%

in the third quarter of 2012 to 239,205 recipients in the third quarter of 2013. Monthly expenditures increased .65 percent from \$33.27 million per month to \$33.49 million per month.

As was the case in the previous quarter, Sullivan County was the most dependent on food-stamp benefits at one out of every 5.7 persons, followed by Rockland, Orange and Ulster counties at one out of every 6.8 per persons, one out of every 7.9 per persons and one out of every 8.4 persons, respectively. Putnam County was the least dependent at one out of every 36.5 persons, followed by Dutchess County at one out of every 11.9 persons and Westchester County at one out of every 11.7 persons. As noted above, in New York State, one out of every 6.2 persons received food-stamp benefits in the third quarter of 2013.

As of the third quarter of 2013: one out of 9.7 persons in the Hudson Valley received food-stamp benefits, one out of every 70.6 received temporary assistance benefits

Year over year, the number of Hudson Valley residents who received monthly Temporary Assistance (TA) benefits—which include Family Assistance (FA)<sup>3</sup> and Safety Net Assistance (SNA)<sup>4</sup>—was little changed, falling -0.45 percent from 32,878 recipients in the third quarter of 2012 to 32,730 in the third quarter of 2013. Monthly expenditures increased 1.53 percent from \$13.36 million per month to \$13.56 million per month. The average monthly per-person SNA and FA benefits were \$466.23 and \$367.62, respectively, up from \$457.10 and \$364.24 in the third quarter of 2012. In New York State, the number of recipients increased 1.29 percent while expenditures advanced 2.81 percent.

Quarter over quarter, the number of monthly TA recipients fell in every county with the exception of Putnam County, which posted a quarter-over-quarter increase (3). Westchester County posted the highest-level decline (-195); Dutchess County reported the highest-percentage decline at -3.74 percent. Total TA expenditures fell 7.15 percent from \$14.61 million per month to \$13.56 million per month.

Within the region, Sullivan County is the most dependent on monthly TA benefits at one out of every 37.9 persons,

followed by Ulster and Orange counties at one out of every 45.2 persons and one out of every 53.3 persons, respectively. Putnam County is the least dependent at one out of every 538.4 persons, followed by Dutchess, Rockland and Westchester counties at one out of

<b>Temporary Assistance Recipients: Data Source OTDA NY</b>				
	Change 2013.3 over 2013.2		Change 2013.3 over 2012.3	
Dutchess	(101)	-3.74%	(501)	-16.21%
Orange	(106)	-1.49%	(104)	-1.46%
Putnam	3	1.46%	39	26.42%
Rockland	(42)	-1.26%	(93)	-2.71%
Sullivan	(102)	-4.79%	(181)	-8.19%
Ulster	(96)	-2.34%	535	15.35%
Westchester	(195)	-1.42%	157	1.17%
Hudson Valley	(640)	-1.92%	(148)	-0.45%
New York City	(11,270)	-3.16%	(1,489)	-0.43%
New York State	(12,679)	-2.16%	7,299	1.29%

every 114.8 persons, one out of every 95.7 persons and one out of every 70.9 persons, respectively.

<sup>3</sup> As of December 1996, Family Assistance is limited to 60 months per lifetime. To be eligible for Family Assistance, the household must include (care for) a minor child.

<sup>4</sup> Safety Net Assistance has a lifetime limit of two years.

## Home Sales, Single- and Multifamily Building Permits

Year over year, the median selling price of a single-family home advanced in every county in the region, with the exception of Sullivan County, which witnessed a year-over-year decline of 10.15 percent, and Orange County, which witnessed no year-over-year change. Ulster County posted the highest year-over-year increase at 11.75 percent followed by Rockland and Dutchess counties at 5.97 percent and 5.24 percent, respectively.

<b>Home Sales Data 2009.Q3-1013.Q3</b>						
<b>Data Source: MLS</b>						
	2009.Q3	2010.Q3	2011.Q3	2012.Q3	2013.Q3	% Change 2012.Q3 to 2013.Q3
<b>Dutchess</b>						
Total Closed Sales in Quarter	481	361	471	461	559	21.26%
Average Selling Price in Quarter	308,319	302,694	298,688	275,708	289,275	4.92%
Median Selling Price in Quarter	275,000	265,000	250,000	240,000	252,577	5.24%
<b>Orange</b>						
Total Closed Sales in Quarter	628	444	460	545	646	18.53%
Average Selling Price in Quarter	272,515	286,608	279,848	259,188	263,903	1.82%
Median Selling Price in Quarter	260,000	264,600	255,000	240,000	240,000	0.00%
<b>Putnam</b>						
Total Closed Sales in Quarter	159	132	144	192	226	17.71%
Average Selling Price in Quarter	367,037	396,970	379,625	373,599	378,304	1.26%
Median Selling Price in Quarter	330,000	330,000	328,750	316,500	332,750	5.13%
<b>Rockland</b>						
Total Closed Sales in Quarter	377	310	333	408	524	28.43%
Average Selling Price in Quarter	462,533	466,211	462,020	417,120	459,519	10.16%
Median Selling Price in Quarter	433,200	425,000	418,000	386,913	410,000	5.97%
<b>Sullivan</b>						
Total Closed Sales in Quarter	153	137	142	154	176	14.29%
Average Selling Price in Quarter	148,941	159,693	156,365	152,867	153,482	0.40%
Median Selling Price in Quarter	130,000	140,000	126,100	137,650	123,673	-10.15%
<b>Ulster</b>						
Total Closed Sales in Quarter	289	230	256	261	326	24.90%
Average Selling Price in Quarter	248,759	257,472	233,912	250,072	261,737	4.66%
Median Selling Price in Quarter	210,000	220,000	205,000	200,000	223,500	11.75%
<b>Westchester</b>						
Total Closed Sales in Quarter	1,190	1,218	1,324	1,536	1,998	30.08%
Average Selling Price in Quarter	818,793	923,930	884,853	800,299	861,310	7.62%
Median Selling Price in Quarter	630,000	730,000	684,005	629,500	650,500	3.34%

Median home prices advanced 5.13 percent in Putnam County and 3.34 percent in Westchester County. Sales volume rose across the region with Westchester and Rockland counties posting the highest year-over-year increases at 30.08 percent and 28.43 percent, respectively.

As of the third quarter, each county in the region reported median selling prices that exceeded their inter-recession troughs, a pattern first established in the second quarter of 2013. With the steady increase in sales volume and continued availability of credit, there is reason to believe that the worst is over and the housing market will begin to rebuild and in the process provide increased stability in the household sector—an overall encouraging sign that may lead to improved consumer confidence and as a byproduct an increased willingness by households to spend and firms to hire.

Ulster County reported the highest relative increase at 29.38 percent (\$50,750) above the trough, followed by Westchester County at 28.68 percent (\$145,000). The lowest relative increases occurred in Orange and Dutchess at 2.56 percent (\$6,000) and 9.82 percent (\$22,577), respectively. In all cases, the median selling price remains well below the peak evaluations witnessed during the housing boom.

<b>Median Housing Values: Peak-Trough-2013.Q3</b>							
<b>Data Source: MLS</b>							
<b>County</b>	<b>Dutchess</b>	<b>Orange</b>	<b>Putnam</b>	<b>Rockland</b>	<b>Sullivan</b>	<b>Ulster</b>	<b>Westchester</b>
Year-Quarter Peak	2006.Q3	2007.Q3	2006.Q2	2007.Q3	2007.Q2	2007.Q3	2007.Q3
Peak Median Price	\$352.00	\$330.00	\$437.14	\$517.00	\$202.50	\$265.00	\$729.00
Year-Quarter Trough	2011.Q4	2012.Q4	2012.Q1	2011.Q4	2012.Q1	2012.Q1	2012.Q1
Trough Median Price	\$230.00	\$234.00	\$277.50	\$370.00	\$110.00	\$172.75	\$505.50
Dollar Change Peak to Trough	(\$122.00)	(\$96.00)	(\$159.64)	(\$147.00)	(\$92.50)	(\$92.25)	(\$223.50)
Percent Change Peak and Trough	-34.66%	-29.09%	-36.52%	-28.43%	-45.68%	-34.81%	-30.66%
Median Price 2013.Q3	\$252.58	\$240.00	\$322.75	\$410.00	\$123.67	\$223.50	\$650.50
Dollar Change 2013.Q3 and Peak	(\$99.42)	(\$90.00)	(\$114.39)	(\$107.00)	(\$78.83)	(\$41.50)	(\$78.50)
Percent Change 2013.Q3 and Peak	-28.25%	-27.27%	-26.17%	-20.70%	-38.93%	-15.66%	-10.77%
Dollar Change 2013.Q3 and Trough	\$22.58	\$6.00	\$45.25	\$40.00	\$13.67	\$50.75	\$145.00
Percent Change 2013.Q3 and Trough	9.82%	2.56%	16.31%	10.81%	12.43%	29.38%	28.68%

Year over year, the demand for single-family construction permits rose 21.68 percent, from 655 construction permits with an average cost of \$270,285 per permit during the first nine months of 2012 to 797 construction permits with an average cost of \$305,428 per permit during the first nine months of 2013. Total construction costs for single-family homes advanced \$66.39 million from \$177.04 million in 2012 to \$243.43 million in 2013. For the period, Orange County issued the largest number of single-family permits at 247, followed by Westchester and Rockland counties at 195 and 85, respectively. Putnam County issued the least at 46. The largest year-over-year increase—number of permits—occurred in Westchester County at 58 followed by Rockland County at 45.

The demand for multifamily permits witnessed a similar increase, rising from 92 multifamily buildings with 791 units in the first nine months of 2012 to 103 multifamily buildings with 1,038 units during the first nine months of 2013. Total budgeted construction cost increased (\$36.18 million), rising from \$93.77 million in 2012 to \$129.95 million in 2013. The average cost per unit increased 5.61 percent (\$6,648) from \$118,548 per unit in 2012 to \$125,196 in 2013.



**Year-over-Year Single-Family Housing Permits**  
**Data Source: U.S. Census Bureau: Preliminary Numbers**

Area	January-September 2013*			January-September 2012		
	Permits	Total Construction Costs	Average Construction Cost per Permit	Permits	Total Construction Cost	Average Construction Cost per Permit
Dutchess	78	\$21,200,192	\$271,797	69	\$20,874,003	\$302,522
Orange	247	\$50,870,410	\$205,953	236	\$46,056,616	\$195,155
Putnam	46	\$14,392,730	\$312,885	30	\$9,816,814	\$327,227
Rockland	85	\$24,836,705	\$292,197	40	\$13,769,906	\$344,248
Sullivan	90	\$16,191,062	\$179,901	85	\$15,886,842	\$186,904
Ulster	56	\$13,546,989	\$241,911	58	\$9,836,972	\$169,603
Westchester	195	\$102,388,098	\$525,067	137	\$60,795,257	\$443,761
<b>Hudson Valley</b>	<b>797</b>	<b>\$243,426,186</b>	<b>\$305,428</b>	<b>655</b>	<b>\$177,036,410</b>	<b>\$270,285</b>

**Multifamily Construction Permits January–September 2013\***

	Buildings	Units	Total Construction Cost	Average Construction Cost per Permit
<b>Orange County</b>				
Kiryas Joel village	14	159	\$19,659,860	\$123,647
Maybrook village	6	56	\$5,760,001	\$102,857
Minisink town	1	2	\$200,000	\$100,000
Montgomery village	17	104	\$5,630,605	\$54,140
New Windsor town	6	93	\$9,440,784	\$101,514
	<b>44</b>	<b>414</b>	<b>\$40,691,250</b>	<b>\$98,288</b>
<b>Putnam County</b>				
Carmel town	5	35	\$5,537,582	\$158,217
<b>Rockland County</b>				
New Square village	3	14	\$2,200,000	\$157,143
Ramapo town	20	98	\$9,594,096	\$97,899
Sloatsburg village	1	2	\$250,000	\$125,000
Spring Valley village	3	6	\$1,060,000	\$176,667
	<b>27</b>	<b>120</b>	<b>\$13,104,096</b>	<b>\$109,201</b>
<b>Ulster County</b>				
Saugerties village	1	4	\$300,000	\$75,000
<b>Westchester County</b>				
Briarcliff Manor village	1	3	\$600,000	\$200,000
Eastchester town	1	5	\$750,000	\$150,000
Mount Vernon	1	2	\$143,574	\$71,787
New Rochelle	12	241	\$39,567,165	\$164,179
Port Chester village	1	2	\$200,000	\$100,000
Rye Brook village	1	4	\$757,500	\$189,375
Somers town	2	72	\$3,390,000	\$47,083
White Plains	1	7	\$900,000	\$128,571
Yonkers	6	129	\$24,012,500	\$186,143
	<b>26</b>	<b>465</b>	<b>\$70,320,739</b>	<b>\$151,227</b>
<b>Hudson Valley</b>	<b>103</b>	<b>1,038</b>	<b>\$129,953,667</b>	<b>\$125,196</b>

\*Counties not included posted no multifamily permits for January-September 2013

## Sales-Tax Collection

An important indicator of retail sales activity and state and county revenue is sales-tax collection. Year over year, total sales-tax collection increased 6.42 percent, from \$311.66 million in the third quarter of 2012 to \$331.67 million in the third quarter of 2013. The largest year-over-year dollar increase occurred in Rockland County at \$3.80 million (8.72 percent), followed by Westchester and Orange counties at \$7.88 million (6.97 percent) and \$3.75 million (5.96 percent), respectively. Sales tax collection also increased in Putnam County at \$747,307 (5.66 percent), Dutchess County at \$2,215,225 (5.28 percent), Sullivan County at \$467,488 (4.71 percent), and Ulster County at \$1,150,664 (4.27%).

<b>Sales Tax Collection: Source New York State Department of Finance ( in \$100,000's)</b>							
	2013.Q3	2012.Q3	2011.Q3	2010.Q3	2009.Q3	2008.Q3	2007.Q3
<b>Dutchess</b>	\$441.65	\$419.50	\$403.19	\$403.14	\$357.97	\$415.84	\$394.11
<b>Orange</b>	\$666.53	\$629.04	\$620.87	\$572.24	\$542.33	\$597.78	\$568.59
<b>Putnam</b>	\$139.58	\$132.11	\$129.90	\$124.96	\$120.86	\$137.03	\$117.89
<b>Rockland</b>	\$473.68	\$435.70	\$431.10	\$414.50	\$416.70	\$444.74	\$431.95
<b>Sullivan</b>	\$103.83	\$99.16	\$96.62	\$94.95	\$96.30	\$112.52	\$102.64
<b>Ulster</b>	\$280.99	\$269.48	\$271.53	\$254.67	\$244.27	\$270.08	\$258.98
<b>Westchester</b>	\$1,210.40	\$1,131.56	\$1,113.64	\$1,097.62	\$1,047.75	\$1,189.80	\$1,152.49
<b>Hudson Valley</b>	\$3,316.67	\$3,116.55	\$3,066.85	\$2,962.09	\$2,826.18	\$3,167.78	\$3,026.64

