

ECONOMIC REPORT
of the
HUDSON VALLEY

Third Quarter 2012

MARIST COLLEGE

Dr. Christy Huebner Caridi
Bureau of Economic Research
School of Management
Poughkeepsie, New York 12601

Edited by Leslie Bates

December 2012

This report is available on the Bureau of Economic Research homepage at
<http://www.marist.edu/management/bureau>

The support of student research assistant Sarah Greenberg
is acknowledged and appreciated.

While every effort has been made to ensure that the information in this report is accurate, Marist College cannot be held responsible for any remaining errors.

Hudson Valley Summary

Compared to the third quarter of 2011, labor-force participation in the Hudson Valley region advanced less than one percent, increasing from 1,139,000 participants in the third quarter of 2011 to 1,150,067 in the third quarter of 2012, while regional employment was little changed, rising (2,933) from 1,056,967 jobs to 1,059,900 jobs. Within the region, labor-force participation increased (2,100) from 446,200 to 448,300 participants in the Upper Hudson Valley—Dutchess, Orange, Sullivan and Ulster counties—and (8,933) from 692,800 to 701,733 in the Lower Hudson Valley—Putnam, Rockland and Westchester. Over the same period, employment increased in the Lower Hudson Valley (4,366) from 645,767 to 650,133 and fell (1,434) in the Upper Hudson Valley from 411,167 to 409,733¹. In New York State, labor-force participation increased (68,234) from 9,559,733 to 9,627,967 while employment advanced (12,867) from 8,776,933 to 8,789,800. Over the same 12-month period, the national (civilian) labor force posted a moderate year-over-year increase of 0.80 percent (1.23 million), rising from 153.80 million to 154.91 million as employment advanced 1.90 percent (2.66 million) from 139.80 million to 142.40 million.

Because the regional labor force increased at a faster rate than employment, the regional unemployment rate posted a year-over-year increase of 0.64 percentage points, from 7.20 percent in the third quarter of 2011 to 7.84 percent in the third quarter of 2012. The unemployment rate in the Lower Hudson Valley advanced 0.56 percentage points from 6.79 percent to 7.35 percent, while in the Upper Hudson Valley the unemployment rate advanced 0.75 percentage points from 7.85 percent to 8.60 percent. Statewide, the unemployment rate increased from 8.19 percent to 8.71 percent; nationwide, the unemployment rate fell from 9.05 percent to 8.05 percent.

Taken as a whole, the Hudson Valley labor market is rebuilding at a faster pace than nearby competitor markets. During the first 10 months of 2012 the regional labor force advanced 2.37 percent (26,500) compared to 1.95 percent (10,600) in the Capital region, 1.86 percent (27,000) in the Long Island region and 1.01 percent (40,000) in the New York City region. Over the same period, regional employment increased 1.87 percent (19,400) while employment in the Capital, Long Island and New York City regions increased 1.73 percent (8,700), 1.51 percent (20,400) and .63 percent (22,800), respectively. The statewide labor force increased 1.55 percent (147,000) while employment increased 1.27 percent (110,600).

Compared to the third quarter of 2011, the regional job count advanced 0.87 percent from 906,767 in the third quarter of 2011 to 914,667 in the third quarter of 2012; the private-sector job count increased 1.32 percent from 743,767 to 753,567 as the job count in the public sector continued to fall.

Year over year, the private-sector job count advanced in education and health (4,700), trade, transportation and utilities (3,400), professional and business services (3,133), leisure and hospitality (2,300) and financial activities (1,000). The information sector added (67) new jobs

¹ Numbers do not add to total labor force and total employment due to rounding.

after four years of steady decline. Employment continued to contract in natural resources, mining and construction (3,867) and manufacturing (1,433). Employment in the public sector (government) fell (1,900). Within the Hudson Valley the total job count advanced in the Rockland-Westchester-Putnam, NY, MSA, the Poughkeepsie-Newburgh-Middletown, NY, MSA (Dutchess and Orange counties) and the Kingston, NY, MSA (Ulster County) and fell slightly in Sullivan County.

As of the third quarter of 2012, 95 percent (56,333) of all jobs lost due to the recession (59,200) had been recaptured compared to 80 percent in the Long Island region, 86 percent in the Capital region and 113.00 percent statewide. Regionwide, several sectors—leisure and hospitality, professional and business and the other services—have created more jobs since the trough than were lost as a result of the recession. In contrast, the job count in both the information sector and the manufacturing sector continued to decline. As of the third quarter, the job count in the information sector was down 3,600 relative to the peak and 1,267 relative to the trough; the job count in the manufacturing sector was down 9,366 relative to the peak and 2,233 relative to the trough.

In the Lower Hudson Valley region (Rockland, Westchester and Putnam counties), 97 percent (39,200) of all jobs lost due to the recession (40,267) had been recaptured. The largest recapture rate occurred in the leisure and hospitality sector, followed by other services and professional and business services. In all three cases, more jobs have been created since the trough than were lost to the recession. In contrast, the job count in both the manufacturing sector and the information sector continued to decline. As of the third quarter, the job count in the manufacturing sector was down 5,667 relative to the peak and 2,367 relative to the trough while in the information sector the job count was down 867 relative to the peak and 2,567 relative to the trough.

In the Upper Hudson Valley (Dutchess, Orange, Ulster and Sullivan counties), 85 percent of all jobs lost (20,200) to the recession had been recovered (17,133). The trade, transportation and utilities sector, the professional and business services sector and the other services sector have created more jobs since the trough than were lost to the recession. In contrast, the job count in the information sector has fallen 1,033 below the peak and 400 below the trough.

Year over year, the Average Weekly Wage (AWW) in the private sector—valued in current dollars—advanced in Dutchess (2.60 percent), Sullivan (2.41 percent), Ulster (.48 percent), Putnam (.37 percent) and Orange (.15 percent), was unchanged in Rockland and fell .87 percent in Westchester. Regionwide, the AWW posted a year-over-year decline of .21 percent, falling from \$965 in the second quarter of 2011 to \$963 in the second quarter of 2012. Relative to nearby “regions,” the private-sector wage paid in the Hudson Valley ranked second behind the New York City region (\$1375), but above both the Long Island and Capital regions at \$921 and \$822, respectively. By county, Westchester (\$1,141) ranked second statewide, Rockland (\$927) ranked fourth, Dutchess (\$909) ranked seventh, Putnam (\$823) ranked 15th and Orange (\$690) ranked 30th. Ulster (\$626) and Sullivan (\$595) ranked near the bottom at

46th and 56th, respectively. The statewide average private-sector wage—which is heavily impacted by the New York City region—was \$1,091².

Since the onset of the Great Recession, wage gains have been muted, with low single digits the norm. Regionwide, private-sector wages have grown at an annualized rate of 1.12 percent. With inflation averaging 2 percent per year, the real AWW has fallen. In contrast, public-sector wages have grown faster (2.77 percent) than inflation, resulting in a slight increase in the real AWW. Within the region, wage growth is as varied as the counties in which the wages are paid. One important similarity: the “average” worker continues to be impacted by the Great Recession.

CAGR*:2008-2012				
Source: New York State Department of Labor: QCEW Series, author calculations				
	Private	Goods	Service	Govern.
Dutchess County	2.08%	3.36%	2.97%	2.21%
Orange County	1.08%	1.41%	1.23%	3.81%
Putnam County	1.88%	0.35%	2.56%	2.69%
Rockland County	1.63%	1.83%	2.19%	3.14%
Sullivan County	0.60%	1.36%	0.69%	2.03%
Ulster County	0.98%	0.42%	1.34%	2.27%
Westchester County	0.87%	1.66%	1.05%	2.59%
*compound average growth rate				

Quarter over quarter, the number of Hudson Valley residents who received monthly food-stamp benefits advanced 1.41 percent (3,172), from 224,854 in the second quarter of 2012 to 228,026 in the third quarter of 2012. Every county in the region experienced an increase in the number of food-stamp recipients, with Westchester County experiencing the largest-level increase at 1,396 followed by Rockland (628), Dutchess (392), Orange (354), Ulster (186), Sullivan (167) and Putnam (48). The largest percentage increase occurred in Putnam County at 2.02 percent followed by Westchester County at 1.81 percent. In New York State, the number of food-stamp recipients posted a 0.69 percent (21,179) quarter-over-quarter increase.

As of the third quarter, Sullivan County was the most dependent on food-stamp benefits at one out of every 6.00 persons, followed by Rockland, Orange and Ulster counties at one out of every 7.20 per persons, one out of every 8.30 per persons and one out of every 8.70 persons, respectively. Putnam County was the least dependent at one out of every 41.00 persons, followed by Dutchess County at one out of every 12.30 persons and Westchester County at one out of every 12.20 persons. In New York State, one out of every 6.30 persons received food-stamp benefits in the third quarter of 2012.

The number of residents who received monthly Temporary Assistance (TA) benefits—which includes Family Assistance (FA)³ and Safety Net Assistance (SNA)⁴—decreased 637 from 33,515 in the second quarter of 2012 to 32,878 in the third quarter. The number of TA recipients

² As of the second quarter of 2012, the New York City region represented 56 percent of all private-sector wages paid statewide.

³ 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.

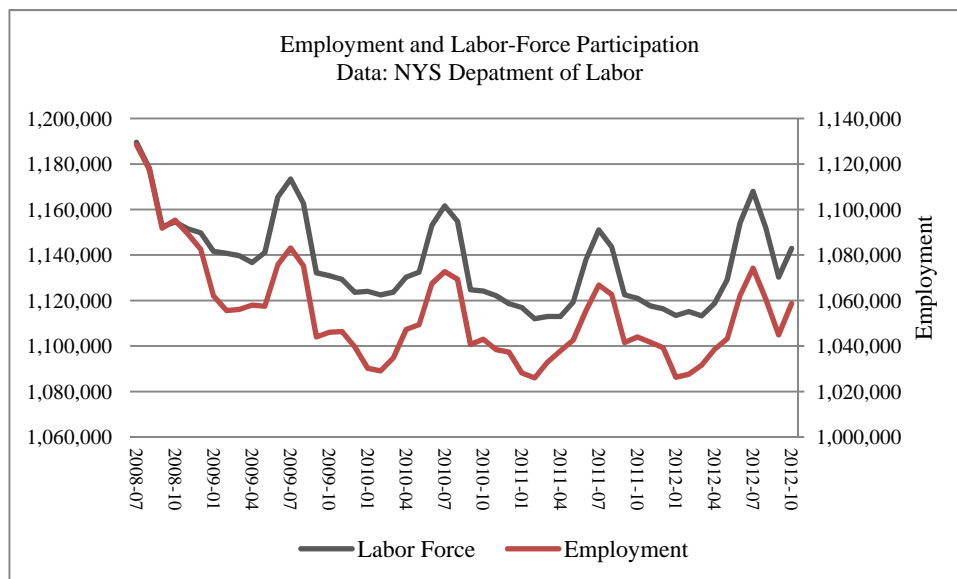
⁴ Safety Net Assistance has a lifetime limit of two years.

declined in all but two counties. The largest-level declines occurred in Westchester (358), Ulster (192), Orange (182), Sullivan (158) and Putnam (2). TA recipients increased in Rockland (137) and Dutchess (119). The largest percentage change occurred in Sullivan County at -6.69 percent followed by Ulster at - 5.23 percent. Within the region, Sullivan County was the most dependent on monthly TA benefits at one out of every 34.80 persons, followed by Ulster and Orange counties at one out of every 52.40 persons and one out of every 52.60 persons, respectively. Putnam County was the least dependent at one out of every 682.90 persons followed by Dutchess, Rockland and Westchester counties at one out of every 96.40 persons, one out of every 92.30 persons and one out of every 71.30 persons, respectively.

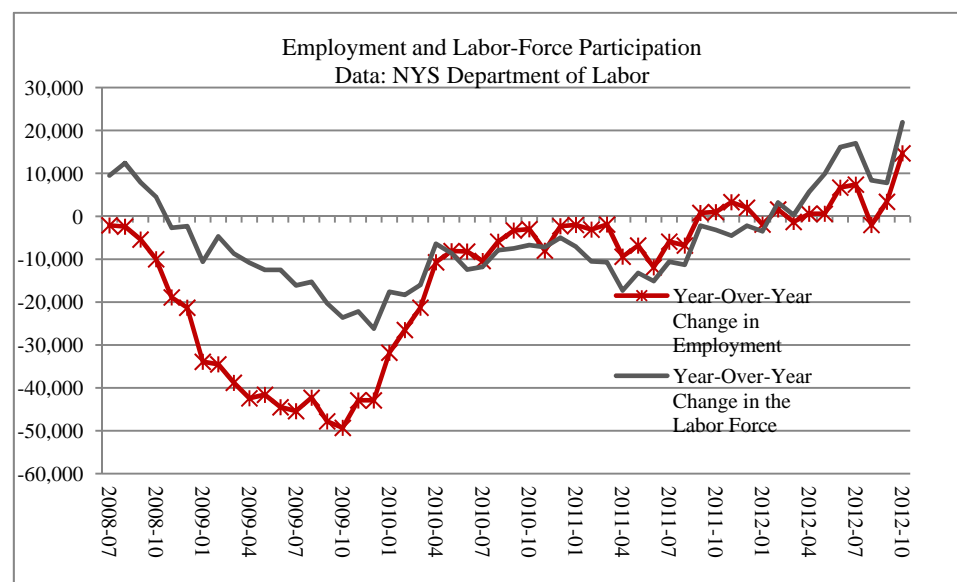
Hudson Valley Labor Force

During the first 10 months of 2012,
the labor force increased by 26,500 while
employment advanced 19,400.

Year over year, labor-force participation in the Hudson Valley region advanced less than one percent (11,067), from 1,139,000 participants in the third quarter of 2011 to 1,150,067 in the third quarter of 2012. In the Upper Hudson Valley—Dutchess, Orange, Sullivan and Ulster counties—labor-force participation advanced (2,100) from 446,200 to 448,300 while in the Lower Hudson Valley—Putnam, Rockland and Westchester—labor-force



participation advanced (8,933) from 692,800 to 701,733. Over the same 12-month period, labor-force participation in New York State increased (68,234) from 9,559,733 to 9,627,967 while participation in the national (civilian) labor force posted a moderate year-over-year increase of 0.80 percent (1.23 million), rising from 153.80 million to 154.91 million.



Year over year, regional employment was little changed (2,933), rising from 1,056,967 jobs in the third quarter of 2011 to 1,059,900. Employment increased in the Lower Hudson Valley (4,366) from

645,767 to 650,133 while employment in the Upper Hudson Valley fell (1,434) from 411,167 to 409,733¹. Over the same 12-month period, employment in New York State advanced (12,867) from 8,776,933 in the third quarter of 2011 to 8,789,800 in the third quarter of 2012. Nationwide, employment advanced 1.90 percent (2.66 million) from 139.80 million to 142.40 million.

Because the regional labor force increased at a faster rate than employment, the regional unemployment rate posted a year-over-year increase of 0.64 percentage points, from 7.20 percent in the third quarter of 2011 to 7.84 percent in the third quarter of 2012. The unemployment rate in the Lower Hudson Valley advanced 0.56 percentage points from 6.79 percent to 7.35 percent while in the Upper Hudson Valley the unemployment rate advanced 0.75 percentage points from 7.85 percent to 8.60 percent. Statewide, the unemployment rate increased from 8.19 percent to 8.71 percent; nationwide, the unemployment rate fell from 9.05 percent to 8.05 percent.

Taken as a whole, the Hudson Valley labor market is rebuilding at a faster pace than nearby competitor markets. During the first 10 months of 2012, the regional labor force

Periods	Hudson Valley			Lower Hudson Valley			Upper Hudson Valley		
	Change in Labor Force	Change in Employment	Change in Unemp. Rate	Change in Labor Force	Change in Employment	Change in Unemp. Rate	Change in Labor Force	Change in Employment	Change in Unemp. Rate
Dec 11-Jan 12	-3,000	-13,000	0.92%	-1300	-6700	0.81%	-1700	-5900	0.99%
Jan 12-Feb 12	1,800	1,300	0.03%	-1300	-1300	0.01%	3100	2400	0.10%
Feb 12-Mar 12	-1,900	4000	-0.52%	-100	3300	-0.50%	-1800	700	-0.53%
Mar 12-April 12	5,400	6,900	-0.17%	4000	5000	-0.19%	1300	1800	-0.14%
April 12-May 12	10,500	4,700	0.45%	7800	4200	0.45%	2800	600	0.45%
May 12-June 12	24,900	19,100	0.34%	16700	13200	0.33%	8200	5900	0.36%
June 12-July 12	13,900	11,900	0.08%	11900	10400	0.09%	2000	1500	0.07%
July 12-Aug 12	-16,100	-13,600	-0.10%	-11700	-10600	-0.03%	-4500	-3100	-0.22%
Aug 12-Sept 12	-21,600	-15,700	-0.37%	-15200	-11700	-0.34%	-6300	-3900	-0.42%
Sept 12-Oct 12	12,600	13,800	-0.19%	7700	8400	-0.18%	4900	5400	-0.20%
YTD level Change	26,500	19,400	0.46%	18,500	14,200	0.45%	8,000	5,400	0.45%
YTD % Change	2.37%	1.87%	6.68%	2.72%	2.23%	6.87%	1.82%	1.33%	5.86%

advanced 2.37 percent (26,500) compared to 1.95 percent (10,600) in the Capital region, 1.86 percent (27,000) in the Long Island region and 1.01 percent (40,000) in the New York City region. Over the same period, regional employment increased 1.87 percent (19,400) while employment in the Capital, Long Island and New York City regions increased 1.73 percent (8,700), 1.51 percent (20,400) and .63 percent (22,800), respectively. The statewide labor force increased 1.55 percent (147,000) while employment increased 1.27 percent (110,600).

Regionwide, employment and labor-force participation peaked in July of 2008—seven months after the start of the **Great Recession**—at 1,128,500 and 1,189,500, respectively, and

¹ Numbers do not add to total labor force and total employment due to rounding.

reached post-recession lows in February of 2011—at 1,026,000 and 1,112,000.² From peak to trough, employment contracted 9.08 percent (102,500) and labor-force participation fell 6.52 percent (77,500). As of October, the region has recaptured 39.87 percent (30,900) of the labor force lost to the recession and 31.90 percent (32,700) of the employment. Within the region, the Lower Hudson Valley has recaptured 39.38 percent of its labor force and 32.20 percent of all jobs lost, while the Upper Hudson Valley has recaptured 40.47 percent and 31.66 percent, respectively.

Region	Recapture Rate	
	Labor Force	Employment
Hudson Valley	39.87%	31.90%
Lower Hudson Valley	39.38%	32.20%
Upper Hudson Valley	40.47%	31.66%
New York City Region	(a)	41.83%
Long Island Region	42.39%	35.36%
Capital Region	27.12%	23.33%
New York State	25.96%	21.95%
(a) The labor force in New York City continued to grow during the Great Recession.		
Data Source: New York State Department of Labor; author calculations		

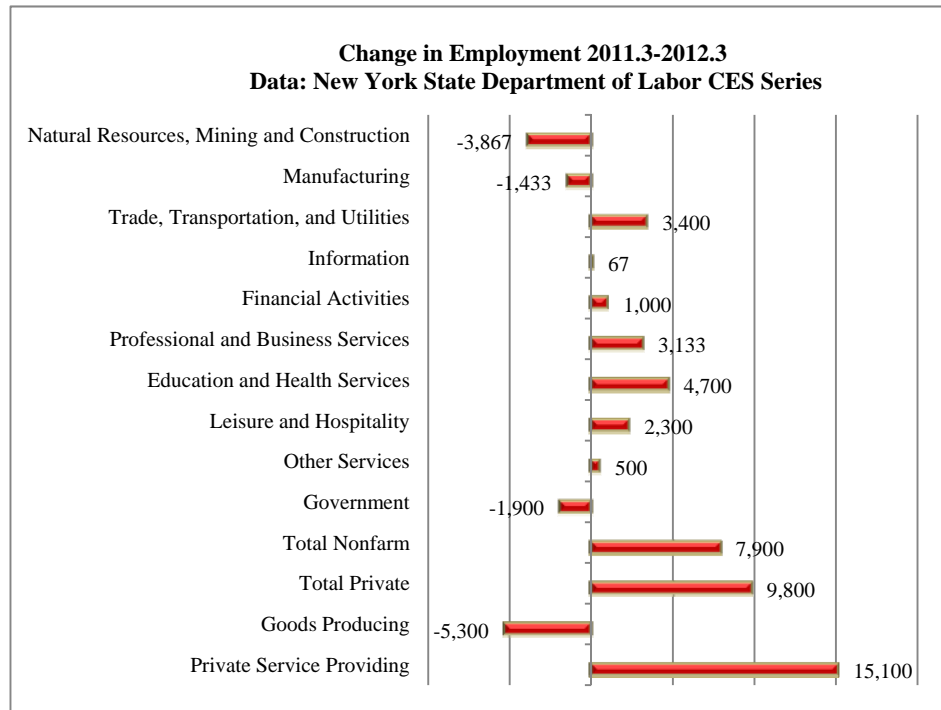
² Revised numbers

Nonfarm Employment by Place of Work³

Year over year, employers in the Hudson Valley added 9,800 jobs while employment in the public sector fell 1,900.

Ninety-five percent of all private-sector jobs lost to the recession have been recovered.

Over the 12-month period ending in the third quarter of 2012, the regional job count advanced 0.87 percent from 906,767 in the third quarter of 2011 to 914,667 in the third quarter of 2012; the private-sector job count increased 1.32 percent from 743,767 to 753,567 while the job count in the public sector fell 1.17 percent from 163,000 to 161,100. As of the third quarter of 2012, one out of every 5.68 jobs in the Hudson Valley was in the public sector



compared to one out of every 5.56 in the third quarter of 2011.

Year over year, the private-sector job count advanced in education and health (4,700), trade, transportation and utilities (3,400), professional and business services (3,133), leisure and hospitality (2,300) and financial activities (1,000). The information sector added (67) new jobs after four years of steady decline. Employment continued to contract in natural resources, mining and construction (3,867) and manufacturing (1,433). Employment in the public sector (government) fell (1,900).

Within the Hudson Valley the total job count advanced in the Rockland-Westchester-Putnam, NY, MSA, the Poughkeepsie-Newburgh-Middletown, NY, MSA (Dutchess and Orange counties) and the Kingston, NY, MSA (Ulster County) and fell slightly in Sullivan County.

In the Rockland-Westchester-Putnam, NY, MSA, the overall job count advanced (7,700) from 568,200 in the third quarter of 2011 to 575,900 in the third quarter of 2012. For the period, the private-sector job count advanced (9,200) as the job count in the public sector fell

³ 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.

(1,500). Job gains were recorded in the health and educational services sector (3,867), the leisure and hospitality sector (2,600), the trade, transportation and utilities sector (2,400), the professional and business services sector (2,267), the financial activities sector (1,033), other services (467) and the information sector (33). Over the same period, the private-sector job count declined in the natural resources, mining and construction sector (2,833) and the manufacturing sector (633). The job count declined (1,167) in the local government sector; however, local education added (433). In the **Poughkeepsie-Newburgh-Middletown, NY, MSA, (Dutchess and Orange counties)**, the private-sector job count advanced (167) to 200,767 in the third quarter of 2012 from 200,600 in the third quarter of 2011; public-sector employment was unchanged at 50,000. Job gains were recorded in the education and health services sector (1,033), the professional and business services sector (667), the transportation and utilities sector (500), the financial activities sector (67) and other services (33). The job count declined in the leisure and hospitality sector (600), the natural resources, mining and construction sector (833), the manufacturing sector (667), and the information sector (33). Local government education advanced (500) while other local government employment fell (67). In the **Kingston, NY, MSA (Ulster County)**, the overall job count rose (133) to 61,033 in the third quarter of 2012 from 60,900 in the third quarter of 2011. For the period, the private-sector job count advanced (367); the public-sector job count retreated (233). Job gains were recorded in the trade, transportation and utilities sector (400), the professional and business services sector (200), the leisure and hospitality sector (233) and the information sector (33). The job count fell in the education and health services sector (233), the financial activities sector (100) and the other services sector (100). The job count declined (33) in both the manufacturing sector and the natural resources, mining and construction sector. Employment in the federal and state government sectors was unchanged but fell (233) in local government and (167) in local government education. In **Sullivan County** the overall job count declined (100). Of this total, the public sector shed (167) jobs; the private sector added (67) jobs.

Hudson Valley: Change in the Private-Sector Job Count Since the Recession Low					
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)	5,167	31.32%	-27.87%	9.17%
Manufacturing	(7,133)	(2,233)	-31.31%	-12.05%	-3.96%
Trade, Transportation and Utilities	(12,833)	10,033	78.18%	-21.68%	17.81%
Information	(2,333)	(1,267)	-54.31%	-3.94%	-2.25%
Financial Activities	(5,067)	2,600	51.31%	-8.56%	4.62%
Professional and Business Services	(10,767)	13,600	126.31%	-18.19%	24.14%
Education and Health Services *	6,500	3,600	NM**	NM**	NM**
Leisure and Hospitality	(9,033)	22,200	245.77%	-15.26%	39.41%
Other Services	(2,033)	2,633	129.51%	-3.43%	4.67%
Total Private	(59,200)	56,333	95.16%	100.00%	100.00%
* No cyclical job loss ** Not Meaningful					

The private-sector job count in the Hudson Valley peaked in the second quarter of 2008 at 756,433 and reached a post-recession low in the first quarter of 2010 at 697,233. As of the third quarter of 2012, 95 percent (56,333) of all jobs lost due to the recession (59,200) had been recaptured compared to 80 percent in the Long Island region, 86 percent in the Capital region and 113.00 percent statewide. Regionwide, several sectors—leisure and hospitality, professional and business and other services—have created more jobs since the trough than were lost as a result of the recession. In contrast, the job count in both the information sector and the manufacturing sector continues to decline. As of the third quarter, the job count in the information sector was down 3,600 relative to the peak and 1,267 relative to the trough; the job count in the manufacturing sector was down 9,366 relative to the peak and 2,233 relative to the trough. Manufacturing as a share of total private-sector employment has fallen from 7.43 percent in the third quarter of 2008—peak private sector employment—to 6.25 percent in the third quarter of 2012.

Share Recovered: Private Sector

- * New York City 144.00 percent
- * Capital Region 86.40 percent
- * Long Island Region 80.50 percent
- * New York State 113.00 percent

In the Lower Hudson Valley region (Rockland, Westchester and Putnam counties) the private-sector job count peaked in the second quarter of 2008 at 485,767 and reached a post-

Rockland-Westchester-Putnam: Change in the Private-Sector Job Count Since the Recession Low

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)	4,667	39.33%	-29.47%	11.90%
Manufacturing	(3,300)	(2,367)	-71.72%	-8.20%	-6.04%
Trade, Transportation and Utilities	(8,467)	5,400	63.78%	-21.03%	13.78%
Information	(1,700)	(867)	-50.98%	-4.22%	-2.21%
Financial Activities	(4,033)	2,467	61.16%	-10.02%	6.29%
Professional and Business Services	(8,933)	10,833	121.27%	-22.19%	27.64%
Education and Health Services *	3,633	2,500	NM**	NM**	NM**
Leisure and Hospitality	(4,433)	15,133	341.35%	-11.01%	38.61%
Other Services	(1,167)	1,433	122.86%	-2.90%	3.66%
Total Private	(40,267)	39,200	97.35%	-100.00%	100.00%
* No cyclical job loss ** Not Meaningful					

recession low in the first quarter of 2010 at 445,500. As of the third quarter of 2012, 97 percent (39,200) of all jobs lost due to the recession (40,267) had been recaptured. The largest recapture rate occurred in the leisure and hospitality sector, followed by other services and professional and business services. In all three cases, more jobs have been created since the trough than were

lost to the recession. In contrast, the job count in both the manufacturing sector and the information sector continues to decline. As of the third quarter, the job count in the manufacturing sector was down 5,667 relative to the peak and 2,367 relative to the trough, while in the information sector the job count was down 867 relative to the peak and 2,567 relative to the trough.

In the Upper Hudson Valley (Dutchess, Orange, Ulster and Sullivan counties) the private-sector job count peaked in the third quarter of 2008 at 271,933 and reached a post-recession trough in the first quarter of 2010 at 251,733. As of the third quarter of 2012, 85

Dutchess, Orange, Ulster and Sullivan: 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	(4,900)	500	10.20%	-24.26%	2.92%
Manufacturing	(3,667)	133	3.64%	-18.15%	0.78%
Trade, Transportation and Utilities	(4,000)	4,633	115.83%	-19.80%	27.04%
Information	(633)	(400)	-63.16%	-3.14%	-2.33%
Financial Activities	(1,167)	133	11.43%	-5.78%	0.78%
Professional and Business Services	(1,367)	2,767	202.44%	-6.77%	16.15%
Education and Health Services *	3,767	1,100	NM**	NM**	NM**
Leisure and Hospitality	(7,200)	7,067	98.15%	-35.64%	41.25%
Other Services	(1,033)	1,200	116.13%	-5.12%	7.00%
Total Private	(20,200)	17,133	84.82%	-100.00%	100.00%
* No cyclical job loss ** Not Meaningful					

percent of all jobs lost (20,200) to the recession had been recovered (17,133). The trade, transportation and utilities sector, the professional and business services sector and the other services sector have created more jobs since the trough than were lost to the recession. In contrast, the job count in the information sector has fallen 1,033 below the peak and 400 below the trough.

First-Quarter 2012 Average Weekly Wages

Year over year, the Average Weekly Wage (AWW) in the private sector—valued in current dollars—advanced in Dutchess (2.60 percent), Sullivan (2.41 percent), Ulster (.48 percent), Putnam (.37 percent) and Orange (.15 percent), was unchanged in Rockland and fell .87 percent in Westchester. Regionwide, the AWW posted a year-over-year decline of .21 percent, falling from \$965 in the second quarter of 2011 to \$963 in the second quarter of 2012. Relative to nearby “regions,” the private-sector wage paid in the Hudson Valley ranked second behind the New York City region (\$1,375), but above both the Long Island and Capital regions at \$921 and \$822, respectively. By county, Westchester ranked second statewide, Rockland ranked fourth, Dutchess ranked seventh, Putnam ranked 15th and Orange ranked 30th. Ulster and Sullivan ranked near the bottom at 46th and 56th, respectively. The statewide average private-sector wage—which is heavily impacted by the New York City region—was \$1,091⁵.

The AWW in the goods-producing industries (manufacturing, construction and mining) advanced in all but two counties. The largest percentage increase occurred in Sullivan at 6.56 percent followed by Westchester, Dutchess, Putnam and Ulster at 3.81 percent, 3.10 percent, 2.67 percent and 2.56 percent, respectively. The AWW declined in both Rockland (1.70 percent) and Orange (1.68 percent). As is typically the case, the highest goods-producing wages were paid in Dutchess County at \$1,694 followed by Westchester County at \$1,555. The lowest goods-producing wages were paid in Sullivan County at \$682.

Source: New York State Department of Labor: QCEW Series⁴

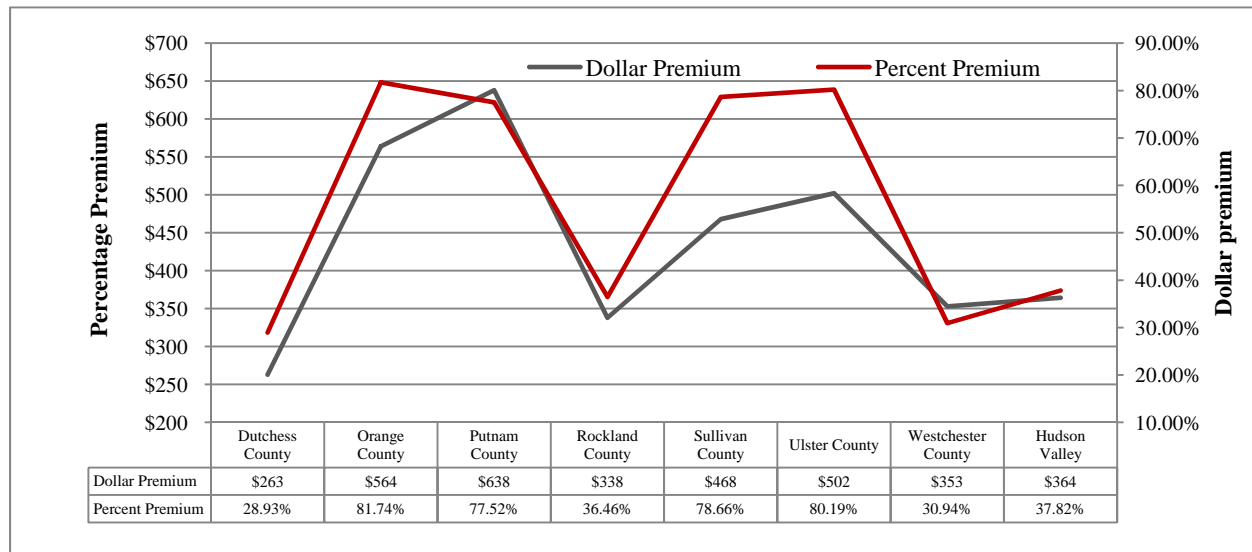
	Private	Goods	Service	Govern.
Dutchess County				
2008	\$837	\$1,484	\$669	\$1,074
2009	\$852	\$1,560	\$687	\$1,078
2010	\$856	\$1,565	\$704	\$1,124
2011	\$886	\$1,643	\$727	\$1,211
2012	\$909	\$1,694	\$752	\$1,172
Orange County				
2008	\$661	\$832	\$638	\$1,080
2009	\$674	\$844	\$654	\$1,130
2010	\$678	\$857	\$659	\$1,154
2011	\$689	\$895	\$667	\$1,248
2012	\$690	\$880	\$670	\$1,254
Putnam County				
2008	\$764	\$987	\$713	\$1,314
2009	\$765	\$968	\$722	\$1,374
2010	\$784	\$982	\$744	\$1,389
2011	\$820	\$975	\$791	\$1,497
2012	\$823	\$1,001	\$789	\$1,461
Rockland County				
2008	\$869	\$1,239	\$785	\$1,118
2009	\$862	\$1,230	\$784	\$1,119
2010	\$901	\$1,316	\$821	\$1,165
2011	\$927	\$1,355	\$849	\$1,282
2012	\$927	\$1,332	\$856	\$1,265
Sullivan County				
2008	\$581	\$646	\$570	\$981
2009	\$573	\$634	\$565	\$989
2010	\$575	\$629	\$569	\$1,011
2011	\$581	\$640	\$575	\$1,087
2012	\$595	\$682	\$586	\$1,063
Ulster County				
2008	\$602	\$827	\$566	\$1,031
2009	\$600	\$800	\$572	\$1,054
2010	\$605	\$795	\$579	\$1,060
2011	\$623	\$820	\$595	\$1,154
2012	\$626	\$841	\$597	\$1,128
Westchester County				
2008	\$1,102	\$1,456	\$1,052	\$1,349
2009	\$1,063	\$1,353	\$1,027	\$1,427
2010	\$1,108	\$1,481	\$1,064	\$1,466
2011	\$1,151	\$1,498	\$1,112	\$1,492
2012	\$1,141	\$1,555	\$1,097	\$1,494

⁴ Data secured by a special request from the New York State Department of Labor

⁵ As of the second quarter of 2012, the New York City region represented 56 percent of all private-sector wages paid statewide.

The AWW in the private service-providing industries posted year-over-year increases ranging from a high of 3.44 percent in Dutchess to a low of -1.35 percent in Westchester. The AWW increased in Sullivan (1.91 percent), Rockland (.82 percent) and Ulster (.34 percent) and fell in Putnam (.25 percent).

After posting numerous year-over-year increases, the AWW paid in the public sector declined in all but two counties. Dutchess posted the largest decline at 3.22 percent followed by Putnam (2.40) percent), Ulster (2.25 percent) and Sullivan (2.21 percent). The public-sector wage declined 1.33 percent in Rockland and increased less than one half of one percent in both Orange



and Westchester. As of the second quarter of 2012, public-sector wages exceeded private-sector wages in all seven counties, with the dollar wage premium ranging from a high of \$638 in Putnam County to a low of \$263 in Dutchess County. Regionwide, the premium was \$364, similar to the dollar wage premium in the Long Island region (\$329) but above the wage premiums in both the Capital (\$188) and New York City (-\$244) regions. Statewide, the public-sector wage premium was -\$23.

Since the onset of the Great Recession, wage gains have been muted, with low single digits the norm. Regionwide, private-sector wages have grown at an annualized rate of 1.12 percent. With inflation averaging 2 percent per year, the real AWW has fallen. In contrast, public-sector wages have grown faster (2.77 percent) than inflation, resulting in a slight increase in the real AWW. As witnessed in the accompanying chart, wage growth is as varied as the counties in which the wages are paid. One important similarity: the “average” worker continues to be impacted by the Great Recession.

CAGR*:2008-2012, author calculations				
	Private	Goods	Service	Govern.
Dutchess County	2.08%	3.36%	2.97%	2.21%
Orange County	1.08%	1.41%	1.23%	3.81%
Putnam County	1.88%	0.35%	2.56%	2.69%
Rockland County	1.63%	1.83%	2.19%	3.14%
Sullivan County	0.60%	1.36%	0.69%	2.03%
Ulster County	0.98%	0.42%	1.34%	2.27%
Westchester County	0.87%	1.66%	1.05%	2.59%
*compound average growth rate				

Monthly Income Maintenance Benefits (Social Assistance)

Quarter over quarter, the number of Hudson Valley residents who received monthly food-stamp benefits advanced 1.41 percent (3,172), from 224,854 in the second quarter of 2012 to 228,026 in the third quarter of 2012. Every county in the region experienced an increase in the number of food-stamp

recipients with Westchester County experiencing the largest-level increase at 1,396 followed by Rockland (628), Dutchess (392), Orange (354), Ulster (186), Sullivan (167) and Putnam (48). The largest percentage increase occurred in Putnam County at 2.02 percent

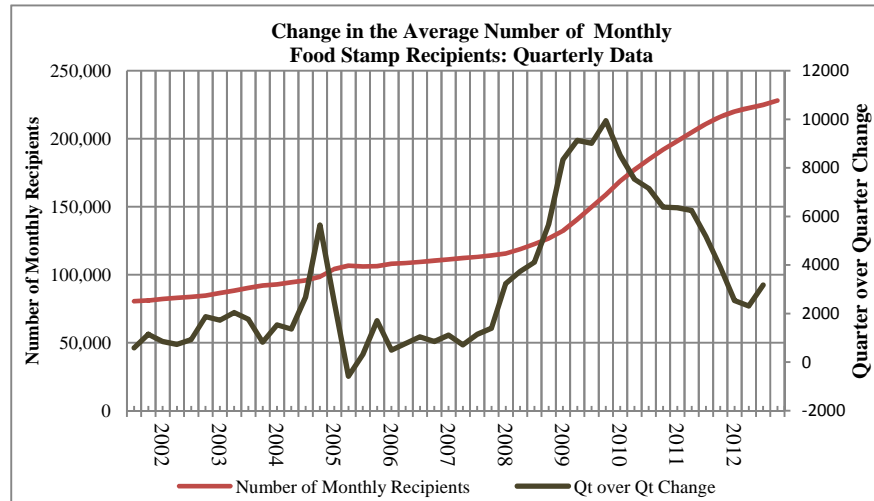
followed by Westchester County at 1.81 percent. In New York State, the number of food-stamp recipients posted a 0.69 percent (21,179) quarter-over-quarter increase.

Regionwide, food-stamp expenditures increased 1.19 percent from \$31.62 million per month in the second quarter of 2012 to \$32.00 million in the third quarter. The average monthly benefit was little changed, falling from \$140.62 per recipient in the second quarter to \$140.32 per recipient in the third quarter.

By county, Sullivan was the most dependent on food-stamp benefits at one out of every 6.00 persons, followed by Rockland, Orange and Ulster counties at one out of every 7.20 per persons, one out of every 8.30 per persons and one out of every 8.70 persons, respectively. Putnam County was the least dependent at one out of every 41.00 persons, followed by Dutchess County at one out of

every 12.30 persons and Westchester County at one out of every 12.20 persons. In New York State, one out of every 6.30 persons received food-stamp benefits in the third quarter of 2012.

Year over year, food-stamp recipients increased 5.52 percent from 216,094 persons per month in the third quarter of 2011 to 228,026 persons in the third quarter of 2012. Over the same



Food-Stamp Recipients: Data Source OTDA NY, author calculations				
		Change 2012.3 over 2012.2	Change 2012.3 over 2011.3	
Dutchess	392	1.64%	1,527	6.72%
Orange	354	0.79%	994	2.25%
Putnam	48	2.02%	345	16.45%
Rockland	628	1.45%	3,669	9.11%
Sullivan	167	1.33%	1,494	13.28%
Ulster	186	0.89%	829	4.12%
Westchester	1,396	1.81%	3,074	4.08%
Hudson Valley	3,172	1.41%	11,932	5.52%
New York City	16,364	0.90%	8,227	0.45%
New York State	21,179	0.69%	54,367	1.78%

one-year period, the monthly expenditure for food stamps increased \$1.16 million from \$30.84 million per month to \$32.00 million per month.

Across the Hudson Valley, the number of residents who received monthly Temporary Assistance (TA) benefits—which includes Family Assistance (FA)⁶ and Safety Net Assistance (SNA)⁷—decreased 637 from 33,515 in the second quarter of 2012 to 32,878 in the third quarter. The number of TA recipients declined in all but two counties. The largest-level declines occurred in Westchester (358), Ulster (192), Orange (182), Sullivan (158) and Putnam (2). TA recipients increased in Rockland (137) and Dutchess (119). The largest

As of the third quarter of 2012: one out of every 10.1 persons in the Hudson Valley received food-stamp benefits; one out of every 70.1 received temporary assistance benefits and one out of every 21.5 received home-energy assistance.

percentage change occurred in Sullivan County at - 6.69 percent followed by Ulster County at - 5.23 percent. Over the same three-month period, total TA expenditures decreased by 3.15 percent from \$13.80 million per month to \$13.36 million per month. The average monthly per-person SNA and FA benefits were \$457.10 and \$364.24,

respectively, down from \$491.85 and up from \$354.21 in the second quarter. Within the region, Sullivan County was the most dependent on monthly TA benefits at one out of every 34.80 persons, followed by Ulster and Orange counties at one out of every 52.40 persons and one out of every 52.60 persons, respectively. Putnam County was the least dependent at one out of every 682.90 persons followed by Dutchess, Rockland and Westchester counties at one out of every 96.40 persons, one out of every 92.30 persons and one out of every 71.30 persons, respectively.

Year over year, TA recipients decreased 3.28 percent from 33,993 persons per month in the third quarter of 2011 to 32,878 persons in the third quarter of 2012. Over the same one-year period, monthly expenditures decreased 6.59 percent from \$14.30 million per month to \$13.36 million per month.

Quarter over quarter, the number of Hudson Valley residents who received home-energy assistance⁸ increased 0.39 percent from 106,881 persons per month in the second quarter of 2012

Temporary Assistance Payments Data Source OTDA NY, author calculations				
	Change 2012.3 over 2012.2		Change 2012.3 over 2011.3	
Dutchess	119	4.02%	46	1.50%
Orange	-182	-2.49%	-297	-4.00%
Putnam	-2	-1.13%	-17	-10.22%
Rockland	137	4.17%	9	0.25%
Sullivan	-158	-6.69%	210	10.50%
Ulster	-192	-5.23%	-89	-2.48%
Westchester	-358	-2.60%	-977	-6.79%
Hudson Valley	-637	-1.90%	-1,114	-3.28%
New York City	-1,801	-0.52%	2,961	0.86%
New York State	-5,024	-0.88%	2,642	0.47%

⁶ 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.

⁷ Safety Net Assistance has a lifetime limit of two years.

⁸ The Home Energy Assistance Program (HEAP) is a federally funded program that helps low-income households pay for the cost of home heating and the repair and replacement of home-heating equipment.

to 107,302 persons in the third quarter. The average benefit paid in the third quarter was \$221.94 per recipient per month, up from \$220.94 per recipient per month in the second quarter. Within the region, the number of home-energy recipients increased in each county, including Orange (632), Dutchess (238), Rockland (140), Ulster (135), Putnam (56), Sullivan (34) and Westchester (27). The largest percentage increase occurred in Putnam County at 1.04 percent. Over the same three-month period, home-energy expenditures increased 0.85 percent from \$23.61 million per month in the second quarter to \$23.81 million per month in the third quarter of 2012.

Single and Multifamily Building Permits

For the first nine months of 2012, the demand for single-family construction permits rose 1.71 percent, from 644 construction permits with an average cost of \$366,978 per permit during the first nine months of 2011 to 655 construction permits with an average cost of \$270,285 per permit during the first nine months of 2012. Total construction costs in the first three quarters of the year fell \$59.3 million from \$236.33 million in 2011 to \$177.04 million in

Year Over Year, Single-Family Housing Permits U.S. Census Bureau					
January-September 2012			January-September 2011		
Area	Permits	Construction Costs	Permits	Construction Costs	
Dutchess	69	\$20,874,003	89	\$30,424,383	
Orange	236	\$46,056,616	188	\$35,284,001	
Putnam	30	\$9,816,814	37	\$11,848,419	
Rockland	40	\$13,769,906	77	\$17,061,862	
Sullivan	85	\$15,886,842	76	\$7,986,873	
Ulster	58	\$9,836,972	43	\$12,171,947	
Westchester	137	\$60,795,257	134	\$121,556,504	
Hudson Valley	655	\$177,036,410	644	\$236,333,989	

2012. For the period, Orange County issued the largest number of single-family permits at 236, followed by Westchester and Sullivan counties at 137 and 85, respectively. Putnam County issued the least at 30. The largest year-over-year incline in the period occurred in Orange and Ulster counties at 48 and 15, respectively.

The demand for multifamily permits was unchanged at 92 multifamily permits in 2011 and 2012 but decreased in the number of multifamily units from 909 multifamily units in 2011 to 791 multifamily units in the first nine months of 2012. Year over year, the total budgeted construction cost in the first three quarters rose 18.23 percent (\$14.46 million) from \$79.31 million in 2011 to \$93.77 million in 2012. However, the average cost per unit increased 35.87 percent (\$31,294) from \$87,254 per unit in 2011 to \$118,548 in 2012.

Multifamily Construction Permits January—September 2012

Source: U.S. Census Bureau: Preliminary Numbers

County	Town/Village	Number of Buildings	Number of Units	Value of Construction Permit	Average Construction Cost per Unit
Dutchess	Total	0	0	\$0	\$0
Orange					
	Kiryas Joel village	18	191	\$21,272,288	\$111,373.24
	Montgomery village	11	68	\$3,470,828	\$51,041.59
	New Windsor town	8	121	\$12,283,170	\$101,514
	Total	37	380	\$37,026,286	\$97,438
Putnam					
	Carmel town	5	43	\$6,515,257	\$151,518
	Philipstown town	1	2	\$350,000	\$175,000
	Total	6	45	\$6,865,257	\$152,561
Rockland					
	New Hempstead village	2	4	\$760,000	\$190,000
	New Square village	2	6	\$843,333	\$140,556
	Ramapo town	18	88	\$8,568,343	\$97,368
	Spring Valley village	4	8	\$1,500,000	\$187,500
	Total	26	106	\$11,671,676	\$110,110
Sullivan					
	Fallsburg town	2	4	\$162,666	\$40,667
	Total	2	4	\$162,666	\$40,667
Ulster					
	Plattekill town	1	2	\$85,000	\$42,500
	Shawangunk town	1	2	\$250,000	\$125,000
	Total	2	4	\$335,000	\$83,750
Westchester					
	Briarcliff Manor village	4	14	\$2,800,000	\$200,000
	Eastchester town	1	10	\$1,500,000	\$150,000
	New Rochelle	7	164	\$26,925,374	\$164,179
	Peekskill	1	2	\$349,000	\$174,500
	Port Chester village	1	2	\$200,000	\$100,000
	Somers town	1	8	\$986,301	\$123,288
	White Plains	3	50	\$4,700,000	\$94,000
	Yonkers	1	2	\$250,000	\$125,000
	Total	19	252	\$37,710,675	\$149,646

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 1.62 percent, from \$306.69 million in the third quarter of 2011 to \$311.65 million in the third quarter of 2012. The largest year-over-year dollar increase occurred in Westchester County at \$1.79 million (1.62 percent), followed by Dutchess and Orange counties at \$1.63 million (4.04 percent) and \$0.82 million (1.32 percent), respectively. Ulster County experienced a year-over-year decline of \$205,036 (.76 percent).

Sales-Tax Collection: Source New York State Department of Finance						
	2012.Q3	2011.Q3	2010.Q3	2009.Q3	2008.Q3	2007.Q3
Dutchess	\$41,949,888	\$40,319,496	\$40,314,043	\$35,797,119	\$41,583,570	\$39,410,874
Orange	\$62,904,418	\$62,087,297	\$57,224,096	\$54,232,791	\$59,777,665	\$56,859,224
Putnam	\$13,210,736	\$12,989,628	\$12,496,269	\$12,086,192	\$13,702,969	\$11,788,835
Rockland	\$43,569,625	\$43,109,819	\$41,450,316	\$41,670,303	\$44,473,849	\$43,194,708
Sullivan	\$9,915,641	\$9,662,365	\$9,495,109	\$9,629,777	\$11,251,801	\$10,263,866
Ulster	\$26,948,076	\$27,153,112	\$25,467,066	\$24,427,327	\$27,008,397	\$25,898,073
Westchester	\$113,156,367	\$111,363,663	\$109,761,933	\$104,774,825	\$118,979,962	\$115,248,658
Hudson Valley	\$311,654,751	\$306,685,380	\$296,208,832	\$282,618,334	\$316,778,213	\$302,664,238

