OUT OF ALIGNMENT

An Abstract

The Mid-Hudson Valley from the Great Recession to 2030

October 2019
OVERVIEW

The Mid-Hudson Valley is at a crossroads. The aftermath of the Great Recession has shined a light on the region’s fault lines, and it reveals an economy and demographics that have moved out of alignment. While the Mid-Hudson Valley may appear to be thriving, a closer look shows several trends that jeopardize the region’s economic well-being. Given the challenges facing the Mid-Hudson Valley, there is no better time than now to plan for the future.

Nationally, the United States is in a period of unprecedented economic expansion. But that expansion has been uneven and the benefits have not been shared by everyone. Part of the reason is that the country has moved from a manufacturing to a service economy. The same can be said for the Mid-Hudson Valley.

Regionally, the misalignment between the economy and its demographics is of grave concern. Overall population growth is essentially flat, and in many areas is declining, dramatically impacting school enrollment. The rapid decline in K-12 population impacts not just our schools, but the availability of a homegrown workforce. The data reflects that the region is getting older, and people are having fewer children than needed to replace the current population. Young working-age people, if given the opportunity, leave to seek employment elsewhere, and if they stay, are postponing the formation of families due to the cost of living. Furthermore, high-paying jobs lost in the last two decades have made way for low-skill, low-wage jobs often resulting in workers having to hold down two jobs just to balance their budget.

The ramifications of these trends are alarming.

**Being out of alignment** means that by 2028, public school enrollment is projected to decline by 25.8% since 2000/01, even as per pupil costs skyrocket amid disappointing outcomes. As a result, local school taxes will continue to rise, raising questions whether the current system of public education is sustainable.

**Being out of alignment** means that residents 55 and older are projected to become 35% of the population by 2030 – we have not made the necessary social and economic adjustments to prepare for a significantly older population.

**Being out of alignment** means that given the burden of college debt, lack of affordable housing, and the cost of child care and health care, it is not surprising that 48% of the region's 18-34 year-olds live with their parents. The national average is 34%.

**Being out of alignment** means that the jobs being created pay less than what it costs to live here. As many as 8,774 manufacturing jobs with an average salary of $70,000 were lost between 2000 and 2017. Meanwhile, 13,130 additional jobs were created in retail and the accommodation and food services sector, which have average wages of $30,000 and $21,000 respectively in 2017. As a result, at least a third of residents struggle to make ends meet.

**Being out of alignment** means that we have a housing crisis. There is a critical shortage of affordable housing due to a mismatch between the needs, the inventory, and what is being built. The unequal economic recovery has also resulted in a higher number of homeless.

This research was funded by Central Hudson Gas & Electric Corp., which asked Pattern for Progress to explore two questions: What does the recovery from the Great Recession look like, and what can we expect in the next 10 years. For purposes of this study, the Mid-Hudson region is defined as the counties of Columbia, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster.

Following is a summary of Part One of the report. The full version of Part One is available online at [www.hvoutofalignment.com](http://www.hvoutofalignment.com) or by emailing outofalignment@pfprogress.org. Part Two will be issued later this year and will include strategies and recommendations to bring the region closer to alignment in the coming decade.

It is essential that we work together to address these issues and develop strategies to modify our economy so that all residents have the opportunity to achieve a better life in the Mid-Hudson Valley.
POPULATION GROWTH IS STAGNANT

Impact: Declining public school enrollment, a shrinking workforce and fewer taxpayers

Highlights:

- The Cornell projection for the entire study area shows an increase of ONLY 3,833 or 0.3% by 2030, which is primarily fueled by Orange County
- Much of Orange County’s growth can be attributed to the ultra-Orthodox Hasidic demographic, which will continue to become an even greater percentage of the county’s population
- Columbia and Greene declined from 2000 to 2017, and will continue to fall under Cornell’s projection
- Sullivan’s population increased, then declined. Cornell’s projection shows a continued decline.
- Putnam grew very modestly, and Cornell’s projection shows relatively little change
- Ulster increased and then declined in the aftermath of the Great Recession. Cornell's projection shows continued decline.

NUMBER OF BIRTHS BY COUNTY

<table>
<thead>
<tr>
<th>County</th>
<th>2007</th>
<th>2017</th>
<th># Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>587</td>
<td>507</td>
<td>-80</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Dutchess</td>
<td>3,087</td>
<td>2,596</td>
<td>-482</td>
<td>-15.7%</td>
</tr>
<tr>
<td>Greene</td>
<td>458</td>
<td>386</td>
<td>-72</td>
<td>-15.7%</td>
</tr>
<tr>
<td>Orange</td>
<td>5,333</td>
<td>5,085</td>
<td>-248</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Putnam</td>
<td>1,036</td>
<td>798</td>
<td>-238</td>
<td>-23.0%</td>
</tr>
<tr>
<td>Sullivan</td>
<td>948</td>
<td>797</td>
<td>-151</td>
<td>-15.9%</td>
</tr>
<tr>
<td>Ulster</td>
<td>1,860</td>
<td>1,468</td>
<td>-392</td>
<td>-21.1%</td>
</tr>
</tbody>
</table>

Source: NYS Department of Health

For the purpose of this study the Mid-Hudson Valley (study area) is defined as the counties of: Columbia, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster
PUBLIC SCHOOL ENROLLMENT IS RAPIDLY DECLINING

Impact: Class sizes are shrinking, costs are rising, resulting in a declining homegrown workforce

STUDENT ENROLLMENT

Highlights:

- Enrollment has steadily declined in each of the counties from 2000/01 to 2018/19 with a decline of 14.5% or 26,485 students
- Columbia and Greene have seen the most dramatic decline as a percentage of enrollment
- Each county is projected to lose more students from 2018/19 to 2028/29, the projected decline indicates another 13.2% reduction in enrollment in approximately half the time than the period from 2000/01 to 2018/19
- Overall the region will lose 25.8% from 2000/01-2028/29, according to Cornell’s projection

ACTUAL AND PROJECTED ENROLLMENT DECLINE FROM 2000/01 TO 2028/29

Highlights:

- Between 2000/01 and 2028/29 Columbia (39%), Greene (36%) and Ulster (33%) are projected to lose a third or more of their student population. Sustained declines in enrollment, project a future loss of skilled workers and a significant impact on community college enrollment.
- Dutchess, Putnam and Sullivan will lose 26% of their enrollment, while Orange will lose 19%
- Total enrollment in the study area is projected to decline by 25.8% from 182,502 in 2000/01, to 135,446 in 2028/29
PUBLIC SCHOOL COSTS ARE INCREASING

Impact: Taxes will continue to rise and per pupil costs will climb further

## COUNTY SCHOOL DATA 2017/18

<table>
<thead>
<tr>
<th>Study Area</th>
<th>New York State</th>
<th>Pupil to Teacher Ratio</th>
<th>Pupil to FTE Ratio</th>
<th>Salary &amp; Benefits as a % of Total Budget</th>
<th>Grade 8 Proficiency</th>
<th>ELA</th>
<th>Math</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Columbia</td>
<td></td>
<td>10.3</td>
<td>2.9</td>
<td>68.2%</td>
<td>40%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Dutchess</td>
<td></td>
<td>12.5</td>
<td>3.6</td>
<td>72.2%</td>
<td>39%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Greene</td>
<td></td>
<td>10.4</td>
<td>4</td>
<td>61.3%</td>
<td>32%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Orange</td>
<td></td>
<td>12.5</td>
<td>4.4</td>
<td>66.7%</td>
<td>42%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Putnam</td>
<td></td>
<td>11.7</td>
<td>3.5</td>
<td>73.7%</td>
<td>47%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Sullivan</td>
<td></td>
<td>10.4</td>
<td>3.6</td>
<td>60.8%</td>
<td>29%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Ulster</td>
<td></td>
<td>11.7</td>
<td>4.2</td>
<td>63.9%</td>
<td>36%</td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

Source: NYS Comptroller - Open Book NY; New York State Department of Education

### Highlights:
- The region spent several billion dollars on education, a majority of which goes to staff salaries and benefits, but student outcomes are poor.
- In 2017/18, only 15% of the region’s 8th graders met or exceeded state proficiency standards in Math and only 38% met the proficiency standard for English. Proficiency is considered met when students score at level 3 or level 4 out of 4 possible levels.

#### ESTIMATED ANNUAL COST PER PUPIL IN 2028/29 AND % INCREASE FROM 2018/19

- Columbia will pay: $41,042 an ↑ of 40.5%
- Dutchess will pay: $36,185 an ↑ of 38.5%
- Greene will pay: $41,302 an ↑ of 41.4%
- Orange* will pay: $37,555 an ↑ of 40.6%
- Putnam will pay: $47,057 an ↑ of 44.7%
- Sullivan will pay: $45,057 an ↑ of 38.7%
- Ulster will pay: $43,966 an ↑ of 41.0%

*does not include Kiryas Joel because enrollment projections are unavailable

Note: Cost per pupil forecasts were based upon the enrollment projections by Cornell PAD and assumed a 2% increase in costs per year based upon the permanent tax cap

### Highlights:
- The projected decline in enrollment will not lead to a commensurate reduction in per pupil costs due to legacy costs and increasing salaries and benefits
- The average cost per pupil is projected to increase by $11,422 by 2028/29, unless school boards take proactive measures
- Per pupil costs will range from a low of $36,185 in Dutchess to a high of $47,057 in Putnam
OUR COMMUNITIES ARE AGING RAPIDLY

**Impact:** A reduced workforce and an increased demand for services, especially healthcare

### AGE 55+ AS A % OF THE TOTAL COUNTY POPULATION

<table>
<thead>
<tr>
<th>County</th>
<th>2000</th>
<th>2017</th>
<th>2030 projection (Cornell)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>27%</td>
<td>35%</td>
<td>38%</td>
</tr>
<tr>
<td>Dutchess</td>
<td>21%</td>
<td>30%</td>
<td>37%</td>
</tr>
<tr>
<td>Greene</td>
<td>25%</td>
<td>36%</td>
<td>40%</td>
</tr>
<tr>
<td>Orange</td>
<td>18%</td>
<td>25%</td>
<td>29%</td>
</tr>
<tr>
<td>Putnam</td>
<td>19%</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>Sullivan</td>
<td>25%</td>
<td>32%</td>
<td>36%</td>
</tr>
<tr>
<td>Ulster</td>
<td>23%</td>
<td>33%</td>
<td>36%</td>
</tr>
<tr>
<td>Study Area</td>
<td>21%</td>
<td>30%</td>
<td>35%</td>
</tr>
</tbody>
</table>

*Source: Census 2000; American Community Survey 2017, Cornell PAD*

**Highlights:**

- By 2030, the 55+ age cohort is projected to increase dramatically in every county as the baby boomers continue to age
- In six out of the seven counties (except Orange), people age 55+ made up 30% or more of the population in 2017
- From 2000-2017 every county’s 55+ population grew
- By 2030, 35% of the study area will be 55 and older, an increase of 17% since 2017
- In Columbia and Greene more than 40% of the population will be age 55 and older by 2030
- By 2030 almost 25% of Columbia will be age 70 or above
- More than 10% of the study area’s population will be 75 and older by 2030

### 2017 MEDIAN AGE BY COUNTY

- **Columbia:** 47.4
- **Greene:** 45.6
- **Putnam:** 43.8
- **Ulster:** 43.6
- **Sullivan:** 42.6
- **Dutchess:** 41.8
- **NYS:** 38.4
- **United States:** 38.2
- **Orange:** 36.9

*Source: American Community Survey 2017*

**Highlights:**

- Median age in six of the seven counties exceeds the New York State and United States averages, with the exception of Orange
- Orange County’s median age is impacted by the residents of Kiryas Joel (with a median age of 13.8), one of the lowest of any municipality in the country

For the purpose of this study the Mid-Hudson Valley (study area) is defined as the counties of: Columbia, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster
OUR COMMUNITIES ARE BECOMING MORE DIVERSE

Impact: As communities change different challenges are presented

HISPANIC or LATINO

CHANGE IN POPULATION 2000 TO 2017 BY ETHNICITY

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Columbia</th>
<th>Dutchess</th>
<th>Greene</th>
<th>Orange</th>
<th>Putnam</th>
<th>Sullivan</th>
<th>Ulster</th>
<th>Study Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>#</td>
<td>#</td>
<td>#</td>
<td>#</td>
<td>#</td>
<td>#</td>
<td>#</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>1,187</td>
<td>16,602</td>
<td>577</td>
<td>34,905</td>
<td>7,708</td>
<td>4,858</td>
<td>6,773</td>
<td>72,610</td>
</tr>
<tr>
<td></td>
<td>74.3%</td>
<td>91.9%</td>
<td>27.8%</td>
<td>87.8%</td>
<td>129%</td>
<td>71%</td>
<td>61.9%</td>
<td>85.2%</td>
</tr>
<tr>
<td>Non-Hispanic or Latino</td>
<td>-2,800</td>
<td>-1,067</td>
<td>-981</td>
<td>-1,902</td>
<td>-3,989</td>
<td>-3,041</td>
<td>-4,393</td>
<td>-14,369</td>
</tr>
<tr>
<td></td>
<td>-4.6%</td>
<td>-0.4%</td>
<td>-2.1%</td>
<td>0.6%</td>
<td>-4.4%</td>
<td>-4.5%</td>
<td>-2.6%</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

Source: Census 2000, American Community Survey 2017

Highlights:
- From 2000 to 2017, the Hispanic and Latino community has grown by 85.2% or an increase of 72,610
- Non-Hispanic community declined by 1.4% during the same period
- The biggest percentage increase came in Putnam where the Hispanic and Latino community grew by 129%
- The biggest declines in the non-Hispanic population came in Putnam, Sullivan and Columbia

ULTRA-ORTHODOX

POPULATION DENSITY OF KIRYAS JOEL AS COMPARED TO ORANGE COUNTY MUNICIPALITIES

<table>
<thead>
<tr>
<th>Municipality</th>
<th>POPULATION 2000</th>
<th>POPULATION 2017</th>
<th># and % CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiryas Joel</td>
<td>13,138</td>
<td>22,794</td>
<td>9,656</td>
</tr>
<tr>
<td>Orange County</td>
<td>341,367</td>
<td>378,174</td>
<td>36,807</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Municipality</th>
<th># and % CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiryas Joel</td>
<td>73.5%</td>
</tr>
<tr>
<td>Orange County</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

Source: Census 2000, American Community Survey 2017

Highlights:
- Of the seven counties Orange grew the most between 2010 and 2017, Kiryas Joel accounted for 51% of that growth
- The ultra-Orthodox Hasidic community has grown so rapidly that it has resulted in the creation of Palm Tree, New York’s first new town in 40 years

For the purpose of this study the Mid-Hudson Valley (study area) is defined as the counties of: Columbia, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster
HIGHER PAYING JOBS DECLINED, LOWER WAGE JOBS INCREASED

Impact: The middle class is shrinking

TOP 10: NUMBER OF JOBS BY INDUSTRY SECTOR and CORRESPONDING AVERAGE WAGES

Highlights:
- The largest number of jobs are in the government sector, which includes public education. The number of jobs in this sector has declined since 2008.
- Healthcare jobs grew the most since 2000 and at the fastest rate. All industries other than manufacturing and wholesale saw an increase in wages from 2000-2017.
- Retail jobs were stable and tourism related jobs grew, but both have average wages that cannot sustain a family.
- The 10 sectors above represent 84.8% of the region’s total workforce in 2017.

Source: New York State Department of Labor

UNEMPLOYMENT RATE

Highlights:
- The current unemployment rate is comparable to the rate in 2000 and 2007, however now almost every sector of employment is struggling to find workers.
- Although unemployment rates are at pre-Great Recession levels, high paying jobs have declined and have been replaced with lower wage jobs.
- A new metric should be created that measures the number of jobs that offer a living wage rate.

Source: NYS Department of Labor

Note: While not depicted, the labor force participation rate continues to decline.

For the purpose of this study the Mid-Hudson Valley (study area) is defined as the counties of: Columbia, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster
MEDIAN HOUSEHOLD INCOME HAS DECLINED

Impact: A growing number of people are finding it harder to live in the region

MEDIAN HOUSEHOLD INCOME 2010 AND 2017

<table>
<thead>
<tr>
<th>County</th>
<th>2010 Median Household Income</th>
<th>2017 Median Household Income</th>
<th>% Change</th>
<th>2010 Inflation Adjusted Median Household Income</th>
<th>2017 Inflation Adjusted Median Household Income</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>$55,546</td>
<td>$61,093</td>
<td>↑ 10.0</td>
<td>$62,424</td>
<td>$61,093</td>
<td>↓ -2.2</td>
</tr>
<tr>
<td>Dutchess</td>
<td>$69,838</td>
<td>$75,585</td>
<td>↑ 8.2</td>
<td>$78,486</td>
<td>$75,585</td>
<td>↓ -3.8</td>
</tr>
<tr>
<td>Greene</td>
<td>$46,235</td>
<td>$53,214</td>
<td>↑ 15.1</td>
<td>$51,960</td>
<td>$53,214</td>
<td>↑ 2.4</td>
</tr>
<tr>
<td>Orange</td>
<td>$69,523</td>
<td>$75,146</td>
<td>↑ 8.1</td>
<td>$78,132</td>
<td>$75,146</td>
<td>↓ -4.0</td>
</tr>
<tr>
<td>Putnam</td>
<td>$89,218</td>
<td>$99,608</td>
<td>↑ 11.6</td>
<td>$100,266</td>
<td>$99,608</td>
<td>↓ -0.7</td>
</tr>
<tr>
<td>Sullivan</td>
<td>$48,103</td>
<td>$53,877</td>
<td>↑ 12.0</td>
<td>$54,059</td>
<td>$53,877</td>
<td>↓ -0.3</td>
</tr>
<tr>
<td>Ulster</td>
<td>$57,584</td>
<td>$61,652</td>
<td>↑ 7.1</td>
<td>$64,714</td>
<td>$61,652</td>
<td>↓ -5.0</td>
</tr>
</tbody>
</table>

Source: Census 2010; American Community Survey 2017

Highlights:
- Incomes appear to have risen between 2010 and 2017, but when wages are adjusted for inflation, all but Greene County saw median incomes decline

POVERTY RATES (Individuals)

<table>
<thead>
<tr>
<th>County</th>
<th>2000</th>
<th>2010</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>9.0%</td>
<td>9.5%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Dutchess</td>
<td>7.5%</td>
<td>8.4%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Greene</td>
<td>12.2%</td>
<td>13.2%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Orange</td>
<td>10.5%</td>
<td>11.1%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Putnam</td>
<td>4.4%</td>
<td>7.0%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Sullivan</td>
<td>16.3%</td>
<td>16.6%</td>
<td>15.9%</td>
</tr>
<tr>
<td>Ulster</td>
<td>11.4%</td>
<td>11.3%</td>
<td>13.2%</td>
</tr>
<tr>
<td>New York State</td>
<td>15.1%</td>
<td>14.2%</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

Note: Federal poverty level for a family of four in 2017 was $24,600

Source: Census 2000, 2010; American Community Survey 2017

Highlights:
- Since 2000, Columbia, Dutchess, Orange and Ulster have seen their poverty rates steadily climb
- Only Greene, Putnam and Sullivan have seen slight declines since 2010
- Putnam has the lowest poverty rates in the region despite a slight uptick in 2010

For the purpose of this study the Mid-Hudson Valley (study area) is defined as the counties of: Columbia, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster
OUR COST OF LIVING IS HIGHER THAN OTHER REGIONS

Impact: We are at a competitive disadvantage

MONTHLY COSTS FOR TWO ADULTS AND TWO CHILDREN

<table>
<thead>
<tr>
<th>Region</th>
<th>Mid-Hudson Valley</th>
<th>Western Connecticut</th>
<th>Growing Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Orange &amp; Dutchess County</td>
<td>Ulster County</td>
<td>Danbury Metro Area</td>
</tr>
<tr>
<td>Housing</td>
<td>$1,321</td>
<td>$1,155</td>
<td>$1,609</td>
</tr>
<tr>
<td>Food</td>
<td>$828</td>
<td>$830</td>
<td>$883</td>
</tr>
<tr>
<td>Child Care</td>
<td>$2,419</td>
<td>$2,239</td>
<td>$1,579</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,273</td>
<td>$1,243</td>
<td>$1,231</td>
</tr>
<tr>
<td>Health Care</td>
<td>$1,330</td>
<td>$1,330</td>
<td>$1,216</td>
</tr>
<tr>
<td>Other Necessities</td>
<td>$867</td>
<td>$801</td>
<td>$1,005</td>
</tr>
<tr>
<td>Taxes</td>
<td>$1,779</td>
<td>$1,549</td>
<td>$1,563</td>
</tr>
<tr>
<td>Annual Cost of Living</td>
<td>$117,804</td>
<td>$109,764</td>
<td>$109,036</td>
</tr>
<tr>
<td>Median Income</td>
<td>$75,350</td>
<td>$61,652</td>
<td>$89,773</td>
</tr>
<tr>
<td>Median Income as a % of Annual Cost of Living</td>
<td>64%</td>
<td>56%</td>
<td>82%</td>
</tr>
</tbody>
</table>

Source: Economic Policy Institute

Highlights:
- Our competition includes small metro areas in southern states
- The cost of living is lower in regions that are considered competitive in attracting a workforce
- Danbury, an adjacent region to the study area, has a higher median income with a similar cost of living
- The higher the percentage of median income to annual cost of living, the easier it is to live

CHILD CARE IS PROHIBITIVELY EXPENSIVE

Average childcare costs* one child in study area: $10,549 family daycare $13,456 daycare center *maximum reimbursable rates

Infant care costs for one child as part of monthly budget 20%

Average childcare cost for two children in the study area: $24,336

NYS Infant Care- Average annual cost: $15,394 NYS ranks 6th in the nation for most expensive infant care

Source: NYS Office of Children and Family Services, Economic Policy Institute

Highlight:
- The cost of childcare is the highest monthly cost item in the Mid-Hudson Valley. This is due to New York State having higher costs than other regions due to education and licensing requirements, lower provider-child ratios, and basic cost of operations.
- The cost of childcare imposes financial stress, reduces the workforce and impacts family size

For the purpose of this study the Mid-Hudson Valley (study area) is defined as the counties of: Columbia, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster
HOUSING IS UNAFFORDABLE
Impact: Housing consumes a large percentage of income and property taxes are high

% RENTER & OWNER OCCUPIED HOUSING – WHO ARE COST BURDENED

Source: US Department of Housing and Urban Development-Comprehensive Housing Affordability Strategy

Note: Housing is considered affordable when a renter or owner spends less than 30% of gross income towards shelter; spending over 30% is considered cost-burdened and spending over 50% is severely cost-burdened

**Highlights:**
- Orange has the highest percentage of renters and owners that are severely cost-burdened
- Lack of resources for down payment and high student debt create barriers to entry for home ownership
- Homelessness is also on the rise

PROPERTY TAXES IN 2017

**Columbia**
Median Home Price: $239,900

- $2,107 (54%)
- $3,747 (46%)

**Dutchess**
Median Home Price: $279,500

- $2,324 (72%)
- $5,977 (28%)

**Greene**
Median Home Price: $171,639

- $1,837 (59%)
- $2,643 (41%)

**Orange**
Median Home Price: $264,237

- $2,708 (72%)
- $6,963 (28%)

**Putnam**
Median Home Price: $355,000

- $3,419 (70%)
- $7,977 (30%)

**Sullivan**
Median Home Price: $128,600

- $2,071 (56%)
- $2,636 (44%)

**Ulster**
Median Home Price: $218,000

- $2,211 (68%)
- $4,699 (32%)

**Highlights:**
- Schools account for the largest share of property taxes
- The rural counties of Sullivan and Greene have the smallest share of property taxes going towards schools

Source: NYS Office of Real Property Services: 2017 Tax Levy and Median Home Price

Note: Village, town, city and county taxes are included in the above municipal tax numbers

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STUDENT DEBT HAS MORE THAN DOUBLED SINCE THE GREAT RECESSION

Impact: This lowers purchasing power, delays household formation and depresses the local economy

**National Student Debt – Q4**

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt 2008</th>
<th>Debt 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$640,000,000</td>
<td>$1,480,000,000</td>
</tr>
</tbody>
</table>

**National Student Debt 90+ Day Delinquency Rate – Q4**

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate 2008</th>
<th>Rate 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>7.8%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

**NYS Student Debt-Per Capita – Q4**

<table>
<thead>
<tr>
<th>Year</th>
<th>Per Capita 2008</th>
<th>Per Capita 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$3,450</td>
<td>$6,090</td>
</tr>
</tbody>
</table>

Source: Federal Reserve Bank of New York

**TUITION, FEES, AND ROOM & BOARD**

**Private Non-Profit 4 Year Institution**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition 2008</th>
<th>Tuition 2018</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$38,700</td>
<td>$48,500</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Public 4 Year Institution**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition 2008</th>
<th>Tuition 2018</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$16,410</td>
<td>$21,370</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: College Board, Annual Survey of Colleges; NCES, Digest of Education Statistics

**% OF 18 TO 34 YEAR OLDS LIVING WITH PARENTS**

<table>
<thead>
<tr>
<th>County</th>
<th>2008</th>
<th>2018</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>41%</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Dutchess</td>
<td>48%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greene</td>
<td>50%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Orange</td>
<td>50%</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Putnam</td>
<td>46%</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Sullivan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ulster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>34%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>NYS</td>
<td>34%</td>
<td>48%</td>
<td></td>
</tr>
</tbody>
</table>

Source: American Community Survey 2017

**Highlights:**

- The percentage of 18-34 year-olds living with their parents in the study area in 2017 was 48%
- In New York State, 40% live with their parents. US-wide, that number is 34%
- Student debt is a contributor to the large percentage of those 18-34 year-olds living with their parents

For the purpose of this study the Mid-Hudson Valley (study area) is defined as the counties of: Columbia, Dutchess, Greene, Orange, Putnam, Sullivan and Ulster
TOURISM IS GROWING BUT DOES NOT OFFER A LIVING WAGE

Impact: The industry provides large revenues to the region despite low wages for most employees

TOURISM SPENDING

<table>
<thead>
<tr>
<th>County</th>
<th>2010 Traveler Spending</th>
<th>2017 Traveler Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>$101,550,000</td>
<td>$154,625,000</td>
</tr>
<tr>
<td>Dutchess</td>
<td>$451,584,000</td>
<td>$601,563,000</td>
</tr>
<tr>
<td>Greene</td>
<td>$139,589,000</td>
<td>$170,762,000</td>
</tr>
<tr>
<td>Orange</td>
<td>$384,560,000</td>
<td>$492,488,000</td>
</tr>
<tr>
<td>Putnam</td>
<td>$138,589,000</td>
<td>$54,619,000</td>
</tr>
<tr>
<td>Sullivan</td>
<td>$345,107,000</td>
<td>$63,356,000</td>
</tr>
<tr>
<td>Ulster</td>
<td>$349,711,000</td>
<td>$386,983,000</td>
</tr>
</tbody>
</table>

Highlights:
- Every county saw an increase in traveler spending. Ulster had the largest dollar increase ($156,000,000) and Columbia the largest percentage increase (52.2%)

% OF TOURISM JOBS AS A % OF TOTAL JOBS IN COUNTY

<table>
<thead>
<tr>
<th>County</th>
<th>2010</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>6.6%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Dutchess</td>
<td>4.6%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Greene</td>
<td>11.6%</td>
<td>22.0%</td>
</tr>
<tr>
<td>Orange</td>
<td>4.1%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Putnam</td>
<td>2.3%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Sullivan</td>
<td>15.7%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Ulster</td>
<td>10.1%</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

Source: Oxford Economics

Highlights:
- Every county saw an increase in the percentage of jobs that are tourism related between 2010-2017
- Tourism spending and its secondary impacts, such as the purchase of second homes and growth of new businesses linked to tourism, have been critical to the economy. The problem remains that the majority of tourism jobs created do not offer a living wage.
- Tourism sector jobs are typically covered by Accommodation & Food Services, Arts, Entertainment, & Recreation, and Retail Trade. Average annual wages in these sectors range from $20,000 to $30,000.
WHAT'S NEXT?

The tectonic plates have shifted and are continuing to move further out of alignment.

The best time to plan is when you are not in crisis. While we are not forecasting when a recession will occur, a contraction has historically followed periods of economic expansion. It is harder to adjust to new realities during a period of contraction. The time to prepare for the future is now.

In the coming months, Pattern seeks input on issues such as:

- How do we address the projected 25.8% decline in K-12 enrollment, the ever-increasing school property tax and the disappointing outcomes of student performance?
- How do we attract higher paying jobs to make living in the Mid-Hudson Valley more affordable?
- How do we attract and retain the 20-39 demographic?
- How do we create housing that is affordable?
- How do we refocus our resources to both provide for and integrate an aging population?
- How do we plan for a region that is more diverse?

These and other questions need to be discussed now.

Read the full Part One report and join the conversation at hyoutofalignment.com

For a presentation, contact Pattern at outofalignment@piprogress.org
MINI BRIEFS – AN ANALYSIS OF TRENDS

The full report contains a more detailed discussion of 23 trends that Pattern has identified as having changed in the study area from the Great Recession.
IN PARTNERSHIP FOR A BETTER HUDSON VALLEY