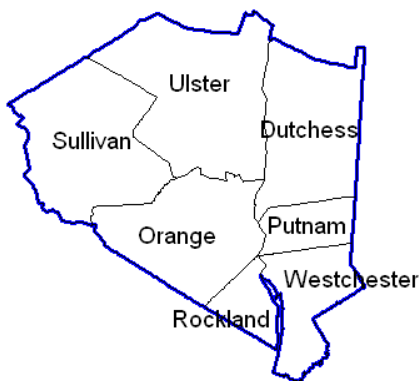


Hudson Valley

The Hudson Valley region consists of seven counties. Orange County comprises part of the Newburgh metropolitan statistical area. The three counties of Putnam, Rockland, and Westchester form part of the New York primary metropolitan statistical area (PMSA).



Demographics

- The Hudson Valley's population increased 200,183 from 1990 to 2002, a 9.9% increase compared to 6.5% growth statewide. The region's rate of population growth over this period was second only to New York City. The region comprises 11.6% percent of the state's total population, making it the 3rd-largest region in the state.
- From 1990 to 2000, the Hudson Valley experienced a net loss of 89,912 persons aged 20-34, an 18.4% decline. This was considerably greater than a statewide 5.4% average decline. The region also experienced population growth of 4.3% in the 16-64 age cohort, compared to 4.4% growth statewide.

HUDSON VALLEY DATA BANK			
	HUD	NYS	US
Population			
2002 Estimate	2,226,155	-	-
% Change 1990-2002	9.9	6.5	15.9
Employment			
2002 Level	856,211	8,116,000	130,376,000
% Change 2000-2002	0.8	-2.3	-1.1
2000 Level	849,376	8,308,000	131,785,000
% Change 1992-2000	9.8	11.2	20.9
Unemployment			
2003 1st Half (#)	42,811	584,900	8,771,571
2003 1st Half (rate)	3.9	6.3	6.0
%Pt Change 2001-2003 1st Half	0.8	1.8	1.7
2000 (rate)	3.2	4.8	4.0
%Pt Change 1990-2000	-0.4	-0.8	-1.6
Labor Force Participation			
2000 (rate)	63.8	61.0	63.7
%Pt Change 1990-2000	-2.7	-2.5	-1.2
Per Capita Income (2002\$)			
2001	35,723	36,449	30,897
% Change 1990-2001	14.3	17.3	18.3
Poverty Rate			
2000	9.3	14.6	12.4
%Pt Change 1990-2000	2.1	1.6	-0.7
Percent of Population Earning less than 200% of Poverty level, 2000	20.7	30.5	29.6
%Pt Change 1990-2000	3.3	2.7	-1.3
Median Family Income			
	2000 (2002\$)	% Change 1990-2000	
USA	54,011	9.5	
New York State	55,786	0.2	
Dutchess	68,265	-1.1	
Orange	65,136	5.6	
Putnam	88,709	7.6	
Rockland	85,049	0.4	
Sullivan	46,901	-1.2	
Ulster	55,804	-0.5	
Westchester	86,209	4.6	

Employment and Labor Force

NAICS	Industry	Employment		2000-2002 Change		Avg. Wage
		2000	2002	#	%	2002
	Total Employment	849,372	856,211	6,839	0.8%	\$41,261
334	Computer and Electronic Product Manufacturing	17,269	21,870	4,601	26.6%	\$91,854
92	Government	151,058	155,495	4,437	2.9%	\$43,413
722	Food Services and Drinking Places	39,249	43,270	4,021	10.2%	\$14,728
561	Administrative and Support Services	32,931	35,202	2,271	6.9%	\$27,981
624	Social Assistance	19,888	21,637	1,749	8.8%	\$21,151
813	Religious, Grantmaking, Civic, Professional Organizations	12,778	13,843	1,065	8.3%	\$22,348
541	Professional, Scientific, and Technical Services	39,832	40,730	898	2.3%	\$63,291
238	Specialty Trade Contractors	28,869	29,750	881	3.1%	\$46,172
713	Amusement, Gambling, and Recreation Industries	11,189	12,054	865	7.7%	\$21,184
221	Utilities	5,332	5,968	636	11.9%	\$82,339
	Total of above industries	358,394	379,818	21,424	6.0%	\$41,722

Source: NYS DOL.

- Despite a serious recession in the rest of the downstate area, the Hudson Valley region managed to add 6,839 jobs (0.8%) to its economy between 2000 to 2002—more than any other region in the state. Between 1992 and 2000 employment in the region increased 9.8% (75,753)—the 4th-largest percentage increase among the state's regions.
- The region's job gains between 2000 and 2002 were concentrated in the computer/electronic manufacturing (4,601), government (4,437), and restaurant (4,021) industries. While the average wage in the computer/electronic manufacturing industry is high (\$91,854) many of the industries that contributed to the region's recent job growth have average wages well below the statewide average of \$45,888.
- The region's job losses between 2000 and 2002 were concentrated in the merchant durable goods wholesaler industry, which lost 6,796 jobs—a hefty 28.3% decline. Other significant job losses in the region were recorded in the management of companies, insurance carriers, and internet service providers industries. The four industries with the largest employment losses had average wages that were well above the region's overall average of \$41,261.
- Despite its recent job gains, the region's unemployment rate increased during the first part of 2003, edging up to 3.9%—a 0.8 percentage point increase from a first-half 2001 average of 3.1%. The region's unemployment rate remained the lowest among all the state's regions, however, and was significantly below the state's first-half 2003 average of 6.3%.

NAICS	Industry	Employment		2000-2002 Change		Avg. Wage
		2000	2002	#	%	2002
	Total Employment	849,372	856,211	6,839	0.8%	\$41,261
423	Merchant Wholesalers, Durable Goods	23,981	17,185	(6,796)	-28.3%	\$58,991
551	Management of Companies and Enterprises	11,883	10,625	(1,258)	-10.6%	\$134,363
524	Insurance Carriers and Related Activities	15,076	13,844	(1,232)	-8.2%	\$61,800
518	Internet Service Providers, Web Search Portals, and Data Processing Services	5,938	4,838	(1,099)	-18.5%	\$56,252
332	Fabricated Metal Product Manufacturing	5,979	5,144	(835)	-14.0%	\$41,880
445	Food and Beverage Stores	24,971	24,145	(826)	-3.3%	\$21,246
424	Merchant Wholesalers, Nondurable Goods	15,259	14,471	(788)	-5.2%	\$51,658
484	Truck Transportation	4,911	4,271	(640)	-13.0%	\$39,324
811	Repair and Maintenance	7,718	7,085	(634)	-8.2%	\$29,496
335	Electrical Equipment, Appliance, and Component Manufacturing	2,588	2,000	(588)	-22.7%	\$37,871
	Total of above industries	118,305	103,608	(14,697)	-12.4%	\$53,063

Source: NYS DOL.

Income and Poverty

Hudson Valley - Change in Personal Income and Components, Selected Years (in billions of 2002 dollars)						
	Personal Income	Wages & Salaries	Proprietors Income	Dividends, Interest, Rent	Transfer Payments	Residency Adjustment
1980	51.7	22.0	3.4	9.7	5.5	9.4
1990	73.1	32.0	4.2	16.2	7.3	12.0
2000	94.5	36.8	6.4	20.1	10.2	20.0
2001	95.0	37.9	6.2	20.1	10.6	19.1
1980-1990						
Change	21.4	10.0	0.8	6.5	1.8	2.6
Ann Avg %	3.5%	3.8%	2.2%	5.3%	2.9%	2.5%
1990-2000						
Change	21.3	4.8	2.2	3.8	3.0	8.0
Ann Avg %	2.6%	1.4%	4.4%	2.2%	3.5%	5.2%
2000-2001						
Change	0.5	1.1	-0.3	0.0	0.4	-0.9
Ann Avg %	0.5%	3.0%	-4.3%	0.2%	4.1%	-4.5%

Source: BEA. Deflator applied by Fiscal Policy Institute.

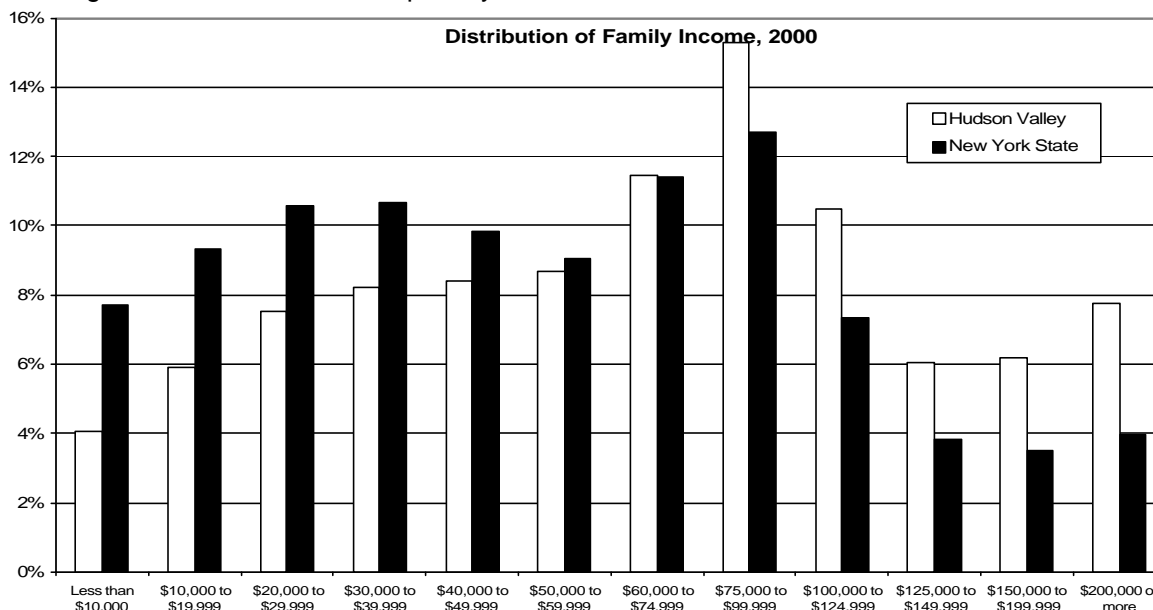
increased 3.3 percentage points to 20.7% of all individuals.

- Family income in the Hudson Valley is less evenly distributed than in the state, with proportionally more families falling into higher income brackets and fewer falling into the lower and middle income brackets.

- From 1990 to 2000, real personal income in the Hudson Valley increased \$21.3 billion, or 2.6% per annum. This rate of growth

- Per capita income in the Hudson Valley rose 14.3% (to \$35,723) between 1990 and 2001. This increase was slightly below the statewide increase of 17.3% (to \$36,445) over the same period. The region's per capita income ranks as the third-highest among the state's regions.
- The poverty rate in the Hudson Valley rose to 9.3% in 2000, remaining below the state's 14.6% poverty rate. At the same time, this represented a 2.1 percentage point increase on the region's 1990 poverty rate—the largest increase among the regions. During the same period the share of the region's population earning less than 200% of the poverty level

was the second-fastest among the regions, barely trailing New York City's 2.65% annual rate of growth. Between 1994 and 2000 (the period roughly corresponding to the state's 1990s economic expansion), the region's 4.0% average annual growth in personal income topped all other regions. Over the same period, the Valley led all regions in the growth of both the dividends/interest/rents and transfer payments components of personal income. While the former grew 4.2% per annum, the latter grew 1.9%.



Source: Census Bureau.

Prospects

The Hudson Valley is strategically located on the banks of the Hudson River, within commuting distance from both New York City and Albany.

Although well known as a center of the electronics manufacturing industry, due to IBM's presence, the region also boasts a diversified economic base that includes pharmaceutical and biotechnology clusters.

Located in East Fishkill, IBM serves as the anchor of the Hudson Valley region's high tech industry cluster, and is the region's largest private employer. In the early 1990s, IBM laid off thousands of workers in the area as it underwent a significant restructuring phase. In 2000, the company announced that it will make the largest private-sector investment in New York State history by building the world's most technologically advanced chip-making plant in East Fishkill, Dutchess County.

The \$2.5 billion plant will create 1,000 new permanent jobs at the Hudson Valley Research Park. The approximately \$660 million made available to IBM in incentives, grants, loans, and sales tax and local benefits/exemptions translates into \$660,000 per employee.

Recent layoffs at IBM suggest that the high tech industry continues to pose both up- and downside risks to the region's growth prospects. Importantly, IBM is currently examining the possibility of moving 3,000 service jobs (including software design jobs) to foreign countries by 2015.

The region also boasts an important pharmaceutical manufacturing cluster. Major firms include: Wyeth, Bayer, and Novartis. Wyeth, which employs 2,900, is among the largest private employers in the region.

Reflecting the presence of Readers Digest Association Inc.'s corporate headquarters in Pleasantville, the periodical publishing industry represents an important component of the region's economic base.

Top Employers in the Hudson Valley, 2002

- American Cyanamid Co
- Bank of New York
- Bayer
- City Of Yonkers
- Clarkstown Central School District
- County of Dutchess
- County of Orange
- County of Rockland
- County of Ulster
- County of Westchester
- East Ramapo Central School District
- Entergy Nuclear Operations Inc
- International Business Machine Corp
- Lord & Taylor
- Manpower Temp Service Inc.
- Newburgh City School District
- Novartis Corporation
- NYS Office of Mental Retardation
- Pepsico Inc
- Readers Digest
- Sears Roebuck & Co
- Shop-Rite Of Newdrop & Richmomd
- St Francis Hospital
- St Johns Riverside Hospital
- Stop & Shop
- The Gap Inc
- The Home Depot
- US Dept of Defense - West Point
- Verizon Communications
- Wal-Mart Associates Inc
- Wappingers Falls Central School
- Westchester Medical Center
- Wyeth
- Yonkers City School District

Source: NYS DOL ES-202 data, compiled by the New York State Data Center. Unranked.