



An Economic Snapshot of Dutchess County

Thomas P. DiNapoli
New York State Comptroller

Kenneth B. Bleiwas
Deputy Comptroller

April 2008

Highlights

- The number of jobs in Dutchess County grew to 117,555 in 2006, an increase of more than 7,000 jobs since 2000. Manufacturing employment accounted for more than 4,000 of these new jobs.
- The educational and health services sector is the largest employment sector in Dutchess, providing one fifth of all jobs. From 2000 to 2006, employment in this sector grew by 17.9 percent and accounted for the rest of the net overall job increase (after manufacturing).
- Total wages increased by 27.7 percent in Dutchess County from 2000 to 2006. Although the manufacturing sector provided 12.6 percent of the county's employment, it accounted for more than one quarter of all wages.
- Nine establishments in the county employ 1,000 people or more: four colleges, three semiconductor and electronic components manufacturers, and two hospitals.
- Small businesses are an important component of the county's economy, making up almost 90 percent of all business establishments in Dutchess.
- Median home values in Dutchess more than doubled between 2000 and 2006, to reach \$330,000—the sixth-highest value in the State outside of New York City.
- In 2006, the number of crimes per 1,000 people in Dutchess County was 20.2, well below the statewide rate of 24.7 crimes per 1,000 people.
- Several economic development projects are underway, particularly in areas along the Hudson River.

Dutchess County has contributed to the Hudson Valley region's vibrant growth in recent years. Since 2000, more than 7,000 jobs have been added in Dutchess. Over half of those new jobs are in manufacturing, and several large educational and health services companies in the county have also expanded, providing a degree of economic diversification. While Dutchess County has experienced strong wage growth, increasing home values, and a rising population, the local economy will be adversely affected by the subprime mortgage crisis, the credit crunch, and the resulting national economic slowdown.

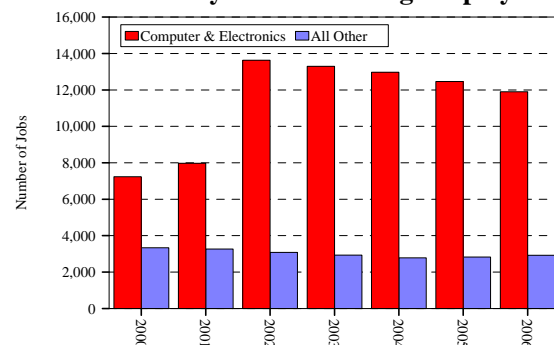
Employment

The number of jobs in Dutchess grew to 117,555 in 2006. Employment has increased annually since 2000, with more than 7,000 jobs added during the period for an overall increase of 6.9 percent. Job growth in the county slowed markedly in 2006, however, to only 0.1 percent, and in the first half of 2007 employment declined by 0.4 percent compared with the same period in 2006.

Manufacturing employment surged in 2002, driven by gains in the computer and electronic products industry (see Figure 1). Although manufacturing employment has since declined, it still provides 4,000 more jobs than it did in 2000.

Figure 1

Dutchess County Manufacturing Employment



Source: NYS Department of Labor

Wages and Average Salaries

Total wages increased by 4.1 percent in Dutchess County in 2006—the fourth consecutive year of growth. Overall, wages grew by 27.7 percent between 2000 and 2006, to reach \$5.1 billion. Helping this strong growth was a 43.8 percent rise in wages for the educational and health care services sector, which experienced a 12.2 percent gain in 2006 alone.

In 2006, the average salary in Dutchess rose by 4 percent to \$43,090. The average salary in manufacturing grew by 3.5 percent to \$84,980—the highest among all the major sectors. Within the manufacturing sector, the average salary for workers in computer and electronic products was even higher, at \$94,950.

Businesses

Almost 90 percent of all businesses in Dutchess employ fewer than 20 people. However, nine establishments in the county employ 1,000 people or more: four colleges, three semiconductor and other electronic components manufacturers, and two hospitals. The large employers in the county include IBM, Health Quest, Vassar College, St. Francis Hospital, and Marist College.

Unemployment

In 2007, the average unemployment rate for Dutchess County was 3.9 percent (unchanged from 2006), which was lower than the rate for New York State (4.5 percent). During the first two months of 2008, however, the average unemployment rate in Dutchess rose to 4.8 percent, from 4.2 percent in the same period one year earlier. In the city of Poughkeepsie, the unemployment rate is higher than in the county, with the average rate for 2007 at 4.9 percent and for the first two months of 2008 at 5.9 percent.

Housing

Home values more than doubled between 2000 and 2006, rising at an average annual rate of 12.6 percent to reach \$330,000. In 2006, however, the county's housing market began to soften, and the median home price increased by only 1.2 percent from 2005. The use of subprime mortgages has increased in Dutchess, with the subprime share of all mortgages doubling between 2004 and 2006 to 24.3 percent. Compared to the

county overall, Poughkeepsie had a much greater concentration of subprime mortgages and a larger increase in their use—from 17.1 percent of all mortgages in 2004 to 44 percent in 2006.

Demographics

The population in Dutchess County increased by 11,935 people (or 4.3 percent) between 2000 and 2007 to reach 292,746. This growth rate was the eighth-highest in the State. The growth in Dutchess has benefited from an increase in people moving into the county. Between 2000 and 2007, 1,312 more U.S. residents moved into the county than moved out of it. In Poughkeepsie, the population increased only slightly, growing by 0.6 percent between 2000 and 2006 to reach 30,050.

Economic Development

Like many counties located along the Hudson River Valley, Dutchess is seeking to take advantage of its waterfront location along the Hudson River with new development projects.

Metro-North Railroad is planning to expand platforms at its Beacon station to accommodate 8-car trains, make the station handicapped-accessible, and build a garage facility. Next to the station, a waterfront mixed-use development is being planned. Metro-North is also exploring options to expand service in Dutchess to include a train from Pennsylvania Station to Poughkeepsie, which is the fastest-growing station on Metro-North's Hudson line.

In Poughkeepsie, the riverfront Schmidt Piano Hammer Factory, which was built in 1880 and is listed on the National Register of Historic Places, is being converted into 13 loft condominiums. Hudson Pointe, a residential development of 60 waterfront luxury condominiums, is being constructed next to new waterfront restaurants, shops, a hotel, and a park. Also, Marist College plans to build the Hancock Center for Emerging Technologies on its Poughkeepsie campus.

Furthermore, the Town of Dover is in talks with a private developer to convert the former Harlem Valley Psychiatric Center, which closed in 1994, into an 850-acre, mixed-use development consisting of single-family homes, higher-density residential buildings, offices, and stores.