



An Economic Snapshot of the Mohawk Valley

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- In 2008, the population of the Mohawk Valley was nearly 400,000, with 74 percent living in the Utica-Rome metropolitan area (which encompasses Herkimer and Oneida counties). Over the past two decades, the population in the region has been slowly declining.
- The economy of the Utica-Rome region has gradually been transforming, with jobs in manufacturing being replaced by jobs in educational and health services, finance, business services, and new technologies.
- Total wages in the Utica-Rome region grew by 28 percent between 2000 and 2008, and the average salary rose by 31 percent, to \$34,960.
- Employment in the Utica-Rome region declined by 1,400 jobs (1 percent) during the first eight months of 2009.
- The unemployment rate in the Utica-Rome region declined to 4.5 percent in 2007—the lowest level since 2000—but averaged 7.8 percent in the first eight months of 2009.
- Large employers in the Mohawk Valley include Turning Stone Resort and Casino (the region's largest employer), Mohawk Valley Network, St. Elizabeth Medical Center, Utica National Insurance Group, and Defense Finance and Accounting Services.
- Home values in the region increased between 2000 and 2007, but since then the real estate market has weakened.
- The Griffiss Business and Technology Park in Rome is a 3,500-acre facility that collectively employs more than 4,000 people. Tenant businesses focus on aviation, education, manufacturing, and technology.
- The Marcy NanoCenter, near Utica, is being developed as part of the growing high-tech research and manufacturing corridor in central New York State.
- Rome has undertaken major efforts to revitalize its downtown area, including the Canal Village residential project. Utica also has a downtown revitalization plan.

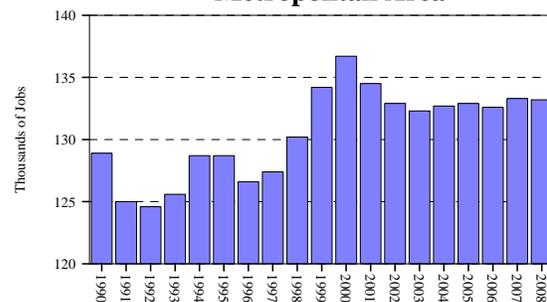
The Mohawk Valley region—the metropolitan area surrounding the cities of Utica and Rome, plus Fulton and Montgomery counties—has a rich history in aviation and manufacturing, and benefits from a low cost of living, a strategic location, and a sophisticated transportation network.

The Mohawk Valley experienced strong job growth between 1996 and 2000, but had regained only a fraction of the jobs lost in the last recession before the current downturn began. Although the region has lost thousands of manufacturing jobs over the past two decades, the losses have been offset by gains in other areas—including health care, financial services, technology, and retail distribution—which are helping to spur a slow transformation in the job mix.

Employment

The metropolitan area surrounding Utica and Rome accounts for more than 75 percent of the Mohawk Valley's jobs. In 2008, total employment in Utica-Rome totaled 133,200 jobs—3,500 fewer jobs (or 2.6 percent less) than the peak reached in 2000 before the start of the last recession (see Figure 1). The Utica-Rome metropolitan area lost 6,300 manufacturing jobs between 2000 and 2008, but at the same time gained 4,300 jobs in educational and health services. Another 5,100 government jobs were added during this period.

Figure 1
Employment in the Utica-Rome Metropolitan Area



Source: NYS Department of Labor

During the first eight months of 2009, employment declined by another 1,400 jobs compared with the same period one year earlier. The largest declines occurred in manufacturing (600 jobs) and professional and business services (400 jobs). Only two employment sectors—educational and health services, and government—grew during this period.

Manufacturing still accounts for 9.4 percent of the jobs in the Utica-Rome area, but this is a much smaller share than in 1990 (17.5 percent). The educational and health services sector now accounts for 19.4 percent of the area's jobs, compared with 12.3 percent in 1990. The financial services and professional services sectors together account for 12.8 percent of employment. In recent years, the Mohawk Valley has become a center of back-office operations, including call centers and insurance claims and check processing.

Unemployment

For most of the 1990s and 2000s, the unemployment rate in the Utica-Rome area was lower than the statewide average. In 2008, as unemployment rates in general began to rise, the local rate (5.6 percent) edged above the statewide rate (5.4 percent). In the first eight months of 2009, the local unemployment rate (7.8 percent) was again lower than statewide (8.2 percent).

Wages and Salaries

Total wages in the Utica-Rome area increased by 28 percent between 2000 and 2008, reaching \$4.4 billion. This was slightly faster growth than the average rate of growth for all of upstate New York. Salaries averaged \$34,960 in 2008, which was lower than the averages statewide (\$60,280) and in upstate New York (\$41,200). The highest average salaries were in finance (\$45,050) and construction (\$41,970), two areas hard-hit by the current recession.

Housing

Home values increased between 2000 and 2007 in each county in the Mohawk Valley, rising at average annual rates that ranged from 4.9 percent in Herkimer County to 7.6 percent in Montgomery County. According to the New York State Association of Realtors, between the first half of 2007 and the first half of 2009, median sales prices in the region have weakened, but have

performed better than in most other parts of New York State. Sales prices now range from \$75,000 in Herkimer to \$110,240 in Montgomery. In the second quarter of 2009, the number of foreclosures in the Mohawk Valley declined by 60 percent, and regional foreclosure rates were among the lowest in New York State.

Economic Development

In the city of Rome, improvements continue to be made at the former Griffiss Air Force Base, now a commercial airport. A terminal building and hangars for the storage of general aviation aircraft are currently under construction. The airfield covers nearly 1,600 acres and features one of the longest runways in the Northeast.

The former airbase also includes the Griffiss Business and Technology Park, which employs more than 4,000 people in aviation, education, manufacturing, and technology. Construction has begun on a \$10 million expansion of the Air Force Research Laboratory that will add 28,000 square feet of new lab and support facilities. Renovations to existing buildings will create about 18,000 square feet of additional lab space. The expansion is expected to be complete in 2011.

The Marcy NanoCenter, located near Utica on the State University of New York Institute of Technology (SUNYIT) campus, is being developed as part of the high-tech research and manufacturing corridor that runs through central New York. SUNYIT has recently entered into a joint venture with SUNY Albany's College of Nanoscale Science and Engineering to develop a nanotechnology research center and to attract a computer chip manufacturing facility to the region. New York State has announced that it will provide initial capital funding, and State and local officials are working on a development agreement.

Rome has begun to revitalize its downtown area. One component—the Canal Village project—will construct and rehabilitate several buildings to provide 33 low-income housing units and a new community facility.

Utica has also undertaken a downtown revitalization plan. In addition, Colonial Square—a new housing development with townhouses, single-family homes, and apartments for residents over 55 years old—has recently opened.