

ECONOMIC ANALYSIS

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Introduction

The objective of this economic analysis is to gain an understanding of the factors that affect the economic opportunity and the general welfare of the citizens of the Town of Rochester. This report will discuss the regional and local factors relating to those activities which provide employment and income for its citizens.

The Region

The Town of Rochester is located in the center of the Mid-Hudson Area. The regional is defined by the New York State Department of Commerce as the seven counties of Columbia, Dutchess, Green, Orange, Putnam, Sullivan and Ulster. The area's key position between two large centers of population and industry--the New York metropolitan region to the south and the Albany-Schenectady-Troy metropolitan area to the north--has stimulated substantial growth in recent years. Between 1950 and 1960, the Mid-Hudson Area grew in population by 23%--a rate exceeding that of the nation, the State or any other upstate economic area. Similarly, the economy has undergone significant change in the past decade.

Traditionally the Mid-Hudson area has depended on agriculture and tourism for its economic vitality, but in recent years manufacturing has begun to play an important role. In 1963, 1,100 establishments reported \$463 million in value added by manufacture and employed approximately 60,000 persons--compared to \$384 million and 59,100 employed in 1958 and \$181 million and 43,000 employed in 1947. In 1954, Ulster County claimed 13.5% of the total value added by manufacture in the Mid-Hudson Area, and by 1958 this figure had risen to 25.2%. In 1963 the percentage decreased to 21.2% even though the value added by manufacture in Ulster County increased from \$96.9 million to over \$98 million. The reason for the percentage decrease was the significant increase in value added by manufacture in Orange and Dutchess Counties between 1958 and 1963.

About a third of the area's manufacturing workers are employed in the non-electrical machinery industries. The largest single employer in this category--as well as in the entire Mid-Hudson Area--is IBM, with plants at Poughkeepsie and Kingston. In addition to this relative

new-comer, there are many longer established firms manufacturing ball bearings, cooling devices, metal-working machinery and dairy equipment.

In 1965 the total employed in the Mid-Hudson Area covered by Unemployment Insurance in New York State in Manufacturing was 66,853. Of these persons 20,112 or 30% were in the Machinery (except electrical group), 16.5% or 11,054 were in the Electrical Machinery group, 6,940 or 10.4% in the Apparel, Cloth Products group and 3,301 or 4.9% and 2,944 or 4.4% in the Food and Food Products group. Other principal groups were leather products - 2,835, fabricated metal products - 2,288, chemical products - 2,835, paper and paper products - 1,787 and petroleum and coal products - 1,141*.

In 1965 in Ulster County the total employed covered by Unemployment Insurance in manufacturing was 13,709. The leading manufacturing groups were Machinery (except electrical) - 5,906, Electrical Machinery - 2,380 and Apparel, Cloth Products - 1,746*.

Agriculture continues to be an important segment of the economy of the combined counties of the Mid-Hudson Area and of Ulster County. Dairy and poultry products lead in the farm products in Ulster County, but the County is best known for apples. Between 1959 and 1964 both the dairy and poultry products and fruits and nuts crops sold increased by 1 million dollars. Of the value of farm products sold in 1964 in Ulster County fruits and nuts constituted 32%, Poultry and Poultry Products - 27%, dairy products - 20.8% and vegetables - 7.5%** The remaining 12.7% was composed of field crops other than vegetables and fruits and nuts, forest products and horticulture and livestock and livestock products other than dairy and poultry products.

Tourism and recreation facilities in the region are well known nationwide. The Catskills, Shawangunks and Palisades are major attractions offering a whole range of activities. Heavy vacation spending has resulted in high retail and service trade sales figures. An example of the importance of tourism is illustrated by the fact that the total receipts for hotels, motels, tourist courts and camps compared to total sales for selected services as reported by the 1963 U. S. Census of Business was 8% for the State of New York, but was 50% for the Mid-Hudson Area and 60% for Ulster County.

* Source: Business Fact Book, 1967 Supplement, New York State, State of New York, Department of Commerce

** Source: 1964 U. S. Census of Agriculture

Labor Force

The labor force is defined as the total number of persons 14 years old and over who are employed or are actively seeking employment. In 1960 the labor force was 1,138 of the total population of 3,012. The labor force participation rate--the percentage of the total population 14 years old and over who are in the labor force--was 52.4%. This was similar to the percentage for Ulster County (53.7%), the Mid-Hudson Area* (52.9%) but somewhat lower than New York State (56.5%).

Females accounted for 29.8% of the labor force in the Town of Rochester compared to 32.2% for Ulster County, 32.9% for the Mid-Hudson Area and 34.5% for New York State. In general, a rural community will tend to have a lower percentage of women in the labor force than a more urbanized area.

The unemployment rate for the Town of Rochester in 1960 was 7.2% which was higher than the 6.0% in Ulster County, 5.5% in the Mid-Hudson Area and 5.2% in New York State. The higher unemployment in Ulster County has resulted in part from a general decline in the manufacturing of apparel and related products.

TABLE 1: LABOR FORCE 1960 TOWN OF ROCHESTER

Total population 14 years old and over	2,173	
In Labor Force	1,138	
% Labor Force		52.4%
 Total males 14 years old and over	1,125	
In Labor Force	799	
% Labor Force		71.0%
 Total females 14 years old and over	1,048	
In Labor Force	339	
% Labor Force		32.3%
 Total Employed Workers	1,056	
Unemployed Workers	82	
Unemployment Rate		7.2%
 % of females in total labor force		29.8%

Source: Business Fact Book, 1963, Mid-Hudson Area, Part 2, Population & Housing, New York State Department of Commerce

* includes Columbia, Dutchess, Green, Orange, Putnam, Sullivan and Ulster Counties.

TABLE 2: OCCUPATION GROUP, 1960
(by percentage of employed persons)

	<u>Town of Rochester</u>	<u>Ulster County</u>	<u>New York State</u>
Professional, Technical	6.0%	13.9%	12.5%
Farmers, Farm Manager	7.0	2.6	0.9
Officials, Proprietors (excl. farm)	8.2	8.7	9.0
Clerical	10.5	12.7	18.1
Sales	3.1	5.9	7.3
Craftsmen, Foremen	16.6	13.8	12.4
Operatives	12.3	21.4	18.1
Service (private household)	2.0	1.9	2.1
Other Service	10.9	8.7	9.3
Laborers (incl. farm foremen)	14.7	6.1	4.2

NOTE: percentages add to less than 100.0 because "occupations not reported" is not included.

Source: Business Fact Book, 1963, Mid-Hudson Area, Part 2, New York State Department of Commerce

The above table reflects the agricultural economy of the Town of Rochester. The occupation group of farmers and farm managers and laborers (including farm foremen) were higher percentages of the employed persons compared to Ulster County and New York State. The category--craftsmen, foremen--was also a higher percentage of the employed persons. The category includes brickmasons, carpenters, electricians, painters, etc. Conversely the occupation groups--professional technical, clerical, sales and operatives--were smaller percentages.

TABLE 3: CLASS OF WORKERS 1960
(be percentage of employed persons)

	<u>Town of Rochester</u>	<u>Ulster County</u>	<u>New York State</u>
Private Wage & Salary Workers	69.4%	72.8%	77.9%
Government Workers	14.4	12.0	11.7
Self-Employed Workers	13.8	13.9	9.8
Unpaid Family Workers	2.4	1.3	0.6

Source: Business Fact Book, 1963, Mid-Hudson Area, Part 2, New York State Department of Commerce.

In 1960 private wage and salary workers were a lower percentage than Ulster County and New York State. The converse is true of unpaid family workers. Self-employed workers in both the Town of Rochester and Ulster County are a higher percentage of employed persons than in New York State. These relationships again tend to reflect the agricultural economy of the Town where farmers are self-employed with unpaid family workers working on the farm.

The reason for the government workers being a higher percentage in the Town than in Ulster County or New York State cannot be pinpointed. However, the reason could possibly be teachers or other employees of the Rondout Valley High School in Rochester who reside in the Town.

TABLE 4: INDUSTRY GROUP 1960
(by percentage of employed persons)

	<u>Town of Rochester</u>	<u>Ulster County</u>	<u>New York State</u>
Manufacturing, Durable	17.7%	21.4%	14.0%
Manufacturing, Non-durable	5.4	12.4	14.6
Wholesale Trade	2.8	2.5	4.4
Retail Trade	11.2	14.2	13.9
Agriculture	14.2	5.0	1.8
Mining	0.4	0.3	0.2
Construction	10.8	7.0	4.9
Business, Repair Services	1.0	2.1	3.2
Personal Services	14.8	6.1	5.4
Professional, Related Services	5.7	12.1	12.8
Entertainment and Recreation	n. a.	0.5	1.0
Finance, Insurance, Real Estate	n. a.	2.8	6.2
Transportation, Communication			
Utilities	2.3	6.4	7.7
Public Administration	5.2	3.7	4.8
Industry Not Reported	8.6*	3.8	5.3

n. a. - not available

* includes entertainment and recreation and
finance, insurance, real estate

Source: Business Fact Book, 1963, Mid-Hudson Area, Part 2, New York
State Department of Commerce

Industry groups of employed workers are classified by the business of their principal employer as opposed to occupation groups (Table 2) which are based on the duties of the employed workers, and not on the class of his employer nor on the industry in which his employer is classified.

Table 4 reflects again the influence of the agricultural economy on the Town. 14.2% of the employed persons residing in the Town were in the agriculture group as compared with 5.0% for Ulster County and 1.8% for New York State. The construction group, personal services group and public administration group were also higher percentages. The personal services category was particularly higher than Ulster County and New York State and reflects the resort economy of the Town and the region. Personal services group includes persons employed in hotels and lodging places, etc. The public administration group again could possibly be higher because some of the teachers or other employees of the Rondout Valley High School who reside in the Town. Persons employed in manufacturing groups and professional and related services group (include lawyers, physicians, engineers, etc.) were lower percentages.

Income

The distribution of family income reflects the type of employment and the extent of employment. It is also an index of the purchasing power of the residents. The median family income in the Town of Rochester in 1959 was \$5,201. This was lower than Ulster County (\$5,746) and New York State (\$6,371).

TABLE 5: INCOME OF FAMILIES, 1959
(by percentage of families)

	<u>Town of Rochester</u>	<u>Ulster County</u>	<u>New York State</u>
Under \$2,000	16.5%	10.0%	7.7%
\$ 2,000- 3,999	17.4%	17.5	14.4
\$ 4,000- 5,999	30.6	26.1	23.6
\$ 6,000- 7,999	16.2	21.2	21.1
\$ 8,000- 9,999	9.3	11.6	13.3
\$10,000-14,999	7.3	10.2	13.2
\$15,000-24,999	1.6	2.2	4.8
\$25,000 & over	1.1	1.1	1.9
MEDIAN FAMILY INCOME	\$5,201	\$5,746	\$6,371
No. of Families	752	30,604	4,336,041

Source: Business Fact Book, 1963, Mid-Hudson Area, Part 2, New York State Department of Commerce.

Table 5 indicates that a much higher percentage of families had income of less than \$6,000 in 1959 compared to Ulster County and New York State. Conversely, of course, a smaller percentage of families had incomes of \$6,000 or more. The higher number of families in the lower income groups is at least partially attributable to the high number of persons in the 55-64 and 65 & over age groups. Some of these persons are retired and would normally have lower annual income. Other reasons are the high number of persons who were unemployed in 1960 - 7.2% of the total labor force and the fact that more persons in the Town are in the lower paying occupation group of agriculture and fewer persons are in the professional occupation group.

Agriculture

Agriculture has traditionally been the main stay of the economy of Ulster County and of the Town of Rochester and presently continues to be an important factor. However, in Ulster County the number of farms decreased by 62% between 1950 and 1964 from 2,552 to

964*. The percent of total land area of the County in farms decreased from 31% in 1950 to 18% in 1964. The average size of a farm increased from 89 acres in 1950 to 136 acres in 1964. This is due to the fact that the number of small farms has significantly decreased. This trend is due partly to the change of definition of a farm but mostly due to the regional trend of a diminishing number of small farms. The number of poultry farms in the County decreased in number from over 500 in 1950 to 115 in 1964. During the same period dairy farms decreased from over 500 to 218. The amount of cropland harvested decreased from 76,354 acres in 1950 to 50,951 in 1964, a decrease of 33%.

The number of milk cows decreased in Ulster County between 1950 and 1964 from 12,043 to 8,541. Thus the rate of decrease in number of dairy farms was greater than the number of milk cows. The number of hens and chickens four months old and over increased from approximately 460,000 in 1950 to over 685,000 by 1964 in Ulster County.

Ulster County is a prominent producer of several agricultural commodities: apples and sweet corn and egg production.

The Town of Rochester in terms of agriculture followed trends very similar to Ulster County. The following table indicates that the number of farms and amount of land area in farms decreased between 1950 and 1964 but the number of acres per farm increased.

* In 1959 the U. S. Census Bureau changed the definition of a farm. Thus for 1959 and thereafter, a farm was defined as any place 10 acres or more under the control of one operator or partnership if estimated sales of agricultural products amounted to \$50 or more in the year. Also, places of less than 10 acres if estimated sales amounted to \$250 or more. Previous to 1959, a farm was any place of 3 acres or more if annual value of agricultural products for home use or for sale amounted to \$150 or more. Also, places of less than 3 acres if the annual value of sales of agricultural products amounted to \$150 or more.

TABLE 6: NUMBER OF FARMS, LAND AREA IN FARMS & ACRES
PER FARM, 1950, 1959, 1964 TOWN OF ROCHESTER

	<u>1950</u>	<u>1959</u>	<u>1964</u>	<u>% Change 1964 from</u>	
				<u>1950</u>	<u>1959</u>
Number of Farms	206	132	88	-57%	-26%
Land Area in Farms (acres)	26,744	19,344	14,428	-46%	-25%
Acres Per Farm	130	147	164	+26%	+12%

Source: 1964 U. S. Census of Agriculture, U. S. Bureau of Census
1959 U. S. Census of Agriculture, Ulster County, prepared by
C. A. Bratton, Department of Agricultural Economics, New York
State College of Agriculture, Ithaca, New York

The following table indicates selected agricultural statistics from the U. S.
Census of Agriculture for the years 1959 and 1964.

TABLE 7: SELECTED AGRICULTURAL STATISTICS 1959, 1964
TOWN OF ROCHESTER

	<u>1959</u>	<u>1964</u>
Number of		
Cattle and Calves	2,356	2,564
Hens and Pullets of Laying Age	n. a.	247,964
Milk Cows	1,352	1,459
Cropland Harvested (acres)	6,782	5,145
Acres of		
Alfalfa and Mixtures for Hay	753	1,185
Clover-Timothy and Grass Mixtures for Hay	1,894	1,581
Grains Cut for Hay	87	105
All Hay	2,985	3,113
Corn for Silage	678	749
Grass Silage	230	85
All Corn	1,274	1,024
Corn for Grain	579	224
Wheat	136	98
Oats	130	46
Sweet Corn	1,700	n. a.

n. a. = not available

Source: 1964 U. S. Census of Agriculture, U. S. Bureau of Census
1959 U. S. Census of Agriculture, Ulster County, prepared
by C. A. Bratton, Department of Agricultural Economics,
New York State College of Agriculture, Ithaca, New York

The predominant types of agricultural activity in the Town of Rochester is the raising of hay, corn and livestock farming (particularly dairying and chicken farming). Between 1959 and 1964 the amount of cropland harvested decreased by 24%. The amount of area devoted to the raising of hay increased as well as the number of cattle and calves and number of milk cows. Land area devoted to the raising of corn except sweet corn which is considered a vegetable decreased between 1959 and 1964. In 1959 there existed 3 farms in Rochester devoting 1,700 acres to the raising of sweet corn. This 1,700 acres was the largest area devoted to the raising of sweet corn of any municipality in Ulster County and represented approximately 42% of the land area devoted to sweet corn in Ulster County. In 1964 only 2 farms raised sweet corn and information as to the acreage is not given by U. S. Bureau of the Census in order to avoid disclosure.

In 1964 the Town of Rochester was the third largest producer of hay in Ulster County; the second largest producer of corn in Ulster County and contained the greatest number of hens and pullets of laying age of any Town in Ulster County. The number of hens and pullets of laying age in Rochester in 1964 was 36% of the total number in Ulster County.

Soil types and topography, of course, are important factors in local agriculture and the farming pattern reflects these conditions. The mountainous western portion of the Town and the Shawangunk Mountains are too steep for cultivation. It is along the Rondout Creek Valley that the soils are excellent for corn crops and on which the corn crops within the Town are located.

The Town of Rochester contains 88 square miles which is sufficient area to accommodate the expected population increase and still retain agricultural activity. This is particularly true of the Rondout Creek flood plain area which is excellent agricultural land, but which is subject to periodic flooding and not acceptable for residential development purposes.

Resorts

As previously noted the labor force data reflects the resort importance to the economy of the Town of Rochester. Specific statistical data are not available for the resort industry within the Town of Rochester. However, the following table shows a comparison between the 1958 and 1963 U. S. Census of Business for a portion of the selected service establishments for Ulster County, Mid-Hudson Area* and New York State.

* Redefined as Columbia, Dutchess, Greene, Orange, Sullivan and Ulster Counties but not including Putnam County

TABLE 8: SELECTED SERVICE ESTABLISHMENTS 1958-1963
ULSTER COUNTY
 (Hotels, Motels, Motor Hotels, Tourist Camps, Trailer
 Parks, Camps)

	1958		1963		% Change 1958 - 1963	
	Number	Receipts \$000	Number	Receipts \$000	Number	Re- ceipts
Hotels	187	11,691	142	16,939	-24	+45
Motels, Motor Hotels, Tourist Camp	65	802	57	1,423	-12	+77
Trailer Parks, Camps	35	815	49	1,257	+40	+54
Total (Ulster County)	287	13,308	248	19,619	-14	+47
Mid-Hudson Area*	1,374	80,589	1,245	93,001	- 9	+15
New York State	5,849	596,223	5,491	712,744	- 6	+20

Source: U. S. Census of Business & Business Fact Book 1963, Part 2, Mid-Hudson Area, New York State, Department of Commerce

The above table indicates a similar trend in Ulster County, the Mid-Hudson Area* and New York State of a decreasing number of establishments in the hotels, motels, motor hotels, tourist camps, trailer parks and camp group. However, even though the number has reduced the annual receipts increased. In Ulster County the only exception to this trend was trailer parks and camps which increased in number and increased by 54% in receipts.

Within the Town of Rochester are located several large resort hotels and resort areas. The 1960 U. S. Census of Housing indicated that 1659

* Redefined as Columbia, Dutchess, Greene, Orange, Sullivan and Ulster Counties but not including Putnam County

housing units* existed in the Town. 891 housing units were occupied and 768 were unoccupied which includes seasonal and vacant non-seasonal housing units. 24 housing units of the 768 unoccupied were either for sale or for rent leaving 744 which were primarily seasonal, many of which were in bungalow colonies.

According to U. S. Bureau of the Census occupied rooms or suites of rooms in hotels, motels and similar places are classified as housing units only when occupied by usual residents, i. e. , persons who consider the hotel as their usual place of residence or have no usual place of residence elsewhere. Vacant rooms or suites of rooms were classified as housing units only in those hotels in which 75 percent or more of the accommodations are occupied by usual residents. Thus it is doubtful that a significant amount of hotel units if any at all were classified as housing units.

Although U. S. Census figures are not available the trend in luxury hotels and in number of vacation homes is increasing while the trend in bungalow colonies is lessening in their use by vacationers. Some of the bungalow colony units in the Town are deteriorating and dilapidated. As the society has become more affluent, people are demanding more facilities and more luxurious accommodations during their vacation periods.

Some of the hotels in the Town of Rochester are the Granit - 800 capacity, the Brookside - 175, Pine Grove Hotel - 250, Chaits Hotel - 180, Pine Hill Hotel - 200, Lake Minnewaska and Lake Mohonk.

Several large hotels are located in adjacent towns, such as the Nevele Country Club - 750 capacity; Tamarack Lodge - 700, Pioneer Country Club - 700, Hom-O-Wack Lodge - 650.

Traditionally the Ulster County resorts have been a summer vacation area and are still primarily. However, the winter activities have been increasing. Many of the larger resorts now remain open year round and ski centers are being established.

* Housing Unit - A house, an apartment or other group of rooms, or a single room is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters, that is when the occupants do not live and eat with any other persons in the structure...

Considering the locations of the County and the Town approximately midway between the New York City Metropolitan area and the Albany-Troy-Schenectady area and considering its scenic topography and improved means of transportation from these metropolitan areas there is no doubt that the resort activity will continue to be an important part of the economy of Ulster County and the Town of Rochester.

Local Employment

Very few industrial uses exist within the Town of Rochester. The 1966 Ulster County Data Book lists the Accord Machine and Tool Company and the Schwab Lumber Company as industrial uses in the Town as a result of a 1965 survey of industrial establishments.

Employment within the Town is provided primarily by the local business establishments, agriculture and the resort activities. As a result undoubtedly many of the residents are employed outside of the Town of Rochester.

Summary and Conclusions

Traditionally Ulster County has relied on agriculture and tourism for its economic vitality, but in recent years manufacturing has begun to play an important role. The 1960 labor force figures for the Town of Rochester reflect the importance of the agricultural and resort economy on the Town. The number of farms and land area in farms decreased in the Town between 1950 and 1964 but the land area per farm has increased reflecting a trend toward fewer but larger farms. The resort industry in the Town is important, irrespective of the decreasing bungalow colony activity. Several large luxury resorts are located in the Town. Winter resort activities are increasing in the County and Town. Very little industrial employment is provided in the Town and undoubtedly many residents are employed outside of the Town.

Future Employment Resources

It is expected that resort activity and agriculture will continue to be important segments of the economy of the Town in the future. However, with the declining bungalow colony activity and the decreasing number of farms coupled with the trend of larger farms toward mechanization it is possible that fewer persons will be employed in these activities in

the future*. For these reasons plus the fact that as the Town grows its residents will require additional services such as schools, recreation and fire protection it is recommended that the Town give consideration to a policy designed to attract more industry into the area. Industrial development within the Town will not only broaden job opportunities but will also broaden the tax base to help pay for the increased services and facilities which will be required in the future.

Performance standards, site plan review and buffers can insure that industrial uses will be compatible in the Town.

Increased business activity in the Town in addition to providing local residents with goods and services will also provide a source of ratable and employment.

It is recommended that the Town as part of a zoning ordinance establish a floating industrial district which has the advantage of making many areas of the Town available for industrial use. Through review of proposals for industrial development by the Planning Board and Town Board planning standards set forth in the Development Plan and zoning ordinance can be realized.

* However, it should be noted that the Development Plan and Zoning Ordinance will permit a full range of agricultural and resort activities in many areas of the Town.