



An Economic Snapshot of Orange County

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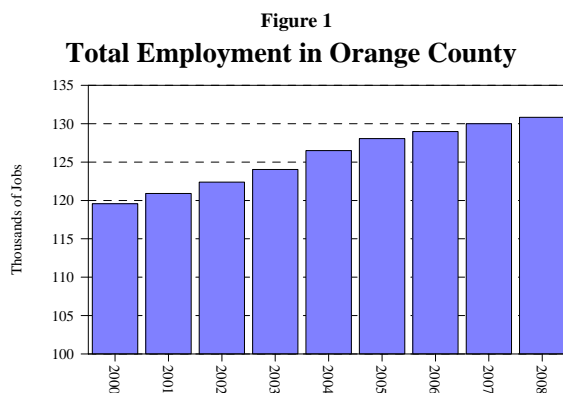
Highlights

- Orange County's population reached 379,647 in 2008, an increase of 10.6 percent (36,528 people) since 2000—the highest rate of growth for any county in New York State.
- Employment in Orange County grew by 11,250 jobs between 2000 and 2008—among the highest rates of growth in New York State.
- Preliminary data show that Orange County lost 2,810 jobs during the first quarter of 2009, and that more recently job losses in the wider metropolitan region have accelerated.
- During the first eight months of 2009, the unemployment rate in Orange County averaged 8 percent, up from 5.2 percent for the same period in 2008.
- While Orange County had the tenth-highest median home sales price among all counties in New York State in the first half of 2009 (\$266,300), Orange also had the highest foreclosure rate in the State.
- Passenger traffic at Stewart International Airport fell by 61.2 percent in the first eight months of 2009, reflecting the impact of the recession and the loss of a major carrier. The volume of freight handled fell by 42.7 percent during this same period.
- Major employers in Orange County include the U.S. Military Academy at West Point, Orange Regional Medical Center, St. Luke's Cornwall Hospital, Elant, SUNY Orange, and Empire Blue Cross/Blue Shield.
- Tourism is an important part of the local economy, with the leisure and hospitality sector accounting for nearly 8 percent of the county's jobs. Major attractions include the U.S. Military Academy, Storm King Art Center, and the Revolutionary War headquarters of George Washington.
- A new toll plaza in Newburgh—part of the Interstate 84/87 Reconstruction Project—now allows motorists direct access between I-87 and I-84, thereby reducing traffic on the local roads that link the highways.

Orange County, located in the central part of the Hudson Valley, experienced strong job growth and the fastest population growth in New York State in this decade. The current recession, however, has been painful for Orange County, and more severe than the recession of the early 2000s. The local unemployment rate has risen sharply, thousands of jobs have been lost, home values have fallen, and the foreclosure rate is high.

Employment

Between 2000 and 2008, employment in Orange County rose by 11,250 jobs (9.4 percent), bringing total employment to 130,830 jobs (see Figure 1). Two-thirds of the increase occurred in trade, transportation, and utilities (the largest employment sector in the county, accounting for nearly 27 percent of its jobs), and in educational and health services (the second-largest sector, with a 15 percent share of jobs).

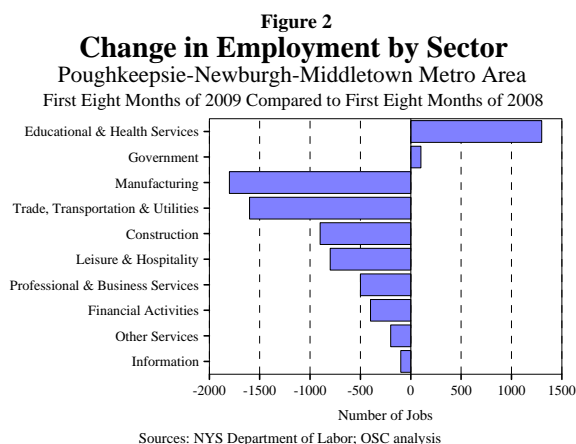


Sources: NYS Department of Labor; OSC analysis

Preliminary data for the first quarter of 2009 show that the recession has had a large impact on employment in Orange County. Compared to one year earlier, the county has lost a net of 2,810 jobs, with most of the losses concentrated in trade, transportation, and utilities; construction; and manufacturing. The educational and health services sector and government added 1,220 jobs.

Although limited data are available for Orange County jobs in 2009, more timely data are available for the metropolitan area that includes Poughkeepsie, Newburgh, and Middletown. Orange accounts for more than half of all jobs in the area (Dutchess County accounts for the rest).

During the first eight months of 2009, the metropolitan area had a net loss of 4,800 jobs compared to the same period one year ago. The losses would have been even greater if not for the significant offsetting job gains in the educational and health services sector (see Figure 2).



Wages

Since 2000, wages in Orange County have increased by nearly 45 percent, with growth recorded in all sectors except manufacturing. Wages totaled more than \$5 billion in 2008. The largest gain between 2000 and 2008 was in the educational and health services sector, where wages rose by 85 percent.

The average salary of workers in Orange County in 2008 was \$38,540, which was lower than the statewide average of \$60,280. The median family income (\$86,600), however, was higher than the statewide median (\$67,880), reflecting the large number of Orange County residents who commute to high-paying jobs outside the County.

Unemployment

During the first eight months of 2009, the unemployment rate in Orange County averaged 8 percent, up from 5.2 percent in the same period in 2008. The county's average unemployment rate in August 2009 (8.3 percent) was half a percentage point lower than the statewide rate.

Real Estate

According to the New York State Association of Realtors, the median home sales price in Orange County was \$266,300 in the first half of 2009—a decline of 11.5 percent compared to the first half of 2008 and 15.9 percent compared to the first half of 2007. The two-year sales price decline was less than the 24 percent decline that was reported statewide. Despite the drop, the median home sales price in Orange was the tenth-highest among all counties in the State, and higher than the statewide median of \$190,000.

Orange County has the most severe foreclosure problem among all the counties in New York State. In the second quarter of 2009, Orange had 643 foreclosure filings, which represented one foreclosure for every 208 households—the highest rate in the State. The number of foreclosures was nearly 50 percent higher than it was a year earlier in Orange County.

Economic Development

The Port Authority of New York and New Jersey (PA), which took over Stewart International Airport in November 2007, plans to invest \$500 million in the facility over the next ten years. The PA spent \$30 million on capital projects at Stewart in 2008, and will spend up to \$20 million in 2009. In addition, the PA is working with the Metro-North Railroad to study the feasibility of constructing a three-mile rail line to connect Stewart to Metro-North's Port Jarvis commuter line, making the airport more accessible to commuters.

In New Windsor, 171 new single- and multi-family homes have been constructed at Stewart Terrace for families of service members stationed at Stewart Air National Guard Base. The development will include a community center, swimming pool, and playgrounds.

The City of Newburgh is working with a private developer to revitalize 30 acres of waterfront land along the Hudson River. The Newburgh Waterfront project will include housing, retail, and commercial space, along with parks and open spaces. The housing will be a mix of single-family homes, duplex cottages, and townhouses, and a portion will be designated as affordable housing.