

**Dutchess County  
Workforce Investment Board**

**The  
Changing Workforce:  
Opportunities & Challenges  
For our Community**

Dutchess County  
State of the Workforce Report  
2005

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# Table of Contents

<b>Project Methodology</b>	1
<b>Challenges facing the Dutchess County Workforce</b>	2
Recruitment and Retention	
Skills Gap	
Lifelong Learning	
<b>Characteristics of the Current workforce</b>	
Aging Workforce	3
Diverse Workforce	4
Education	4
Employment	5
Transportation & Commutation	8
Wages	10
<b>Opportunities for Dutchess County</b>	
The Current Workforce System	14
The Future Workforce System	14
<b>References</b>	15

The mission of the Dutchess County Workforce Investment Board (DCWIB) is to foster a skilled and competitive workforce by promoting an understanding of workforce trends and issues in a dynamic economy and to facilitate lifelong learning for individuals and businesses.

The DCWIB runs successful youth, adult and dislocated worker programs and will continue to do so, but the issues facing our workforce demand a leader in knowledge management, focused on generating community dialogue and assemble resources to maintain a competitive and successful workforce.

The DCWIB has accepted the call to action to become the leader in knowledge management and is taking the initiative to reposition itself as a catalyst for change in light of the dynamic global economy by promoting a community culture of lifelong learning. Lifelong learning encourages responsiveness and flexibility, equally distributing responsibility for economic growth to the individuals, businesses, educators and the community as a whole.

Even though focus was placed on Dutchess County, the DCWIB did not ignore the vital role it plays in the Hudson Valley and the impact other counties have on our economy. The labor shed region shares workers, customers, schools, and leaders, so working with other counties, specifically their WIBs, was pivotal to creating a comprehensive picture of the workforce. As a result, the Mid-Hudson WIB Coalition was formed.

The Mid-Hudson WIB Coalition, lead by a Joint Strategy Committee, is comprised of board members from Dutchess, Orange and Ulster Counties. This committee identified lifelong learning as the keystone of a successful and prosperous community. Focusing on the responsibility that an employer has to communicate training and educational opportunities to current or future employees and what, if any, resources could be provided to help upgrade employee skill sets.

One-on-One interviews were conducted by the board members of each county with selected local business executives. These interviews resulted in a preliminary scanning of the career ladders or lattices available to employees and the most sought after skill sets by the businesses. They also identified what services to management would be of value, such as assistance or training in business strategic planning and employee development practices.

Scanning efforts, in the form of interviews, surveys and data collection are ongoing in order to continuously monitor trends, develop scenarios of future economic and workforce requirements, identify potential labor supply and demand gaps and maintain a clearinghouse of relevant workforce information.

A significant convening portion of this project, done in the form of online focus groups (webinars), brought together individuals representing twenty-four companies and agencies in nine industries. Workforce preparedness, lifelong learning, and industry trends were some of the topics used to guide dialogue, create networking opportunities and support a forum for sharing best practices. As a result, the DCWIB was able to conclude an understanding of how national issues are impacting the local community.

By embracing the philosophy of lifelong learning and understanding the workforce issues and trends of the county, the DCWIB is positioned to unite the community around common concerns and facilitate solution-focused discussions that will keep our workforce healthy, competitive and strong.

The Dutchess County State of the Workforce Report is designed to focus attention on the trends that are impacting our community, raise awareness and generate questions to build partnerships for workforce solutions.

## Recruitment & Retention

Issue: Dutchess County businesses need to attract, retain, and develop skilled employees.

Local anecdotal data tells us:

- It is difficult to fill positions quickly with qualified employees because there is not always a pool of qualified people to choose from
- Some candidates cannot afford to move to this area (i.e. housing costs and lack of transportation)
- Certain positions require experience that is developed over time and sometimes smaller businesses have a difficult time recruiting for these positions from larger ones

National forecasts predict:

- The rate at which the aging workforce retires will impact employers because they will be losing experienced workers with valuable company knowledge
- Employee shortages will be experienced by most employers because the next generation is alarmingly smaller than the retiring generation
- Youth flight will impact communities that fail to attract and retain young people
- Community diversification will require that a variety of services are available to meet the needs of the population

## Skills Gap

Issue: Dutchess County must balance the workforce to ensure that businesses have qualified applicants to hire and skilled workers are not underemployed

Local anecdotal data tells us:

- Job descriptions have to set clear expectations of roles and responsibilities so workers can understand the requirements of the job and seek appropriate training
- An increasing number of applicants speak English as a second language
- A stronger emphasis placed on the importance of basic communication skills including reading, writing and speaking; and basic job skills including work ethic, customer service, and employee reliability is necessary

National forecasts predict:

- Advances in technology will require computer literacy as a fundamental skill
- More occupations than ever before will require an Associate's degree or other technical training of all eligible applicants
- Without a highly skilled workforce the U.S. may experience difficulty in attracting quality jobs

## Lifelong Learning

Issue: Dutchess County must create a community culture of lifelong learning to meet the needs of the businesses and maintain the quality of life for residents

Local anecdotal data tells us:

- There is a need to correlate the relationship between learning and salary to motivate employees to participate in training
- Cross trained employees can effectively fill vacated positions
- It is important to accept that training received with one business may be a stepping stone to advance the employee's career with another business
- There needs to be a greater investment by job seekers, workers, and businesses in lifelong learning.

National forecasts predict:

- Policies and programs will promote the development of a wide range of skills needed for various jobs, including skilled jobs that do not require a 4-year degree
- Career education needs to be emphasized in high school years so that youth understand the linkages between classroom study and workforce skills
- *"Innovation will be the signal most important factor in determining America's success in the 21st Century"*<sup>1</sup> to remain competitive the US must be a leader in the innovation economy

## Aging Workforce

*“By far the biggest challenge of any community is to maintain the community as the place where people want to live. Migration often reflects residents’ desire to leave—and usually the first people to leave are future workers and taxpayers and those who can afford to leave. Those that remain...are individuals who are least likely to be able to support needed services.”*<sup>2</sup>

Dutchess County’s population has grown steadily over the past century. Between 1990 and 2000 it grew at twice the rate of the state average. The region’s rate of population growth on a whole was second only to New York City and it is the third largest region in the state. While the overall population has grown, the patterns when looked at closely are of concern. For example, the Hudson Valley’s seven counties experienced a net loss of 89,912 persons aged 20-34, an 18% decline between 1990 and 2000, which was considerably greater than the 5.4% statewide average.

Although expected, similar age distribution trends exist in Dutchess County but appear to be more severe. The workforce is aging while the number of young people is declining, as reflected in Table 1. Between 1990 and 2000 Dutchess County lost 14,034 people in the 18-29 and 30-34 cohorts, or 23.5% and 16.8% respectively. In the same time period the 35-44 and 45-49 cohorts grew by 13,038 people or 18.8%, and 32.57% respectively. Finally, the 50-64 cohort, in 2000 had grown by 9,063 people; 35.1% between the ages of 50-59 and 4.5% between the ages of 60-64, some of whom today are now retired or near retirement, thus leaving the workforce.

Again, even though it is true that the region as a whole is experiencing similar changing demographics, Dutchess County is projected to feel the impact over the next 15 years more severely than neighboring counties as shown in Table 2.

**Table 1: Change in Age Cohorts 1990-2000, Dutchess County & US**

Age	Dutchess 1990	Dutchess 2000	Net Change	Dutchess % Change 1990-2000	US % Change 1990-2000
under 5	18451	17463	-988	<b>-5.35%</b>	4.47%
5 to 9	17337	20410	3073	<b>17.73%</b>	13.54%
10-14	16413	20802	4389	<b>26.74%</b>	19.95%
15 to 17	18515	20655	2140	<b>11.56%</b>	13.89%
18 to 24	20178	17404	-2774	<b>-13.75%</b>	-0.30%
25 to 29	22246	15031	-7215	<b>-32.43%</b>	-9.06%
30 to 34	24077	20032	-4045	<b>-16.80%</b>	-6.19%
35 to 39	21825	24996	3171	<b>14.53%</b>	13.74%
40 to 44	19968	24669	4701	<b>23.54%</b>	27.40%
45 to 49	15862	21028	5166	<b>32.57%</b>	44.84%
50 to 54	12856	18679	5823	<b>45.29%</b>	54.93%
55 to 59	11557	14321	2764	<b>23.92%</b>	27.89%
60 to 64	10494	10970	476	<b>4.54%</b>	1.78%
65 to 69	9221	9793	572	<b>6.20%</b>	-5.72%
70 to 74	7501	8534	1033	<b>13.77%</b>	10.79%
75 to 79	5866	6762	896	<b>15.27%</b>	21.15%
80 to 84	3971	4518	547	<b>13.77%</b>	25.72%
over 85	3124	4083	959	<b>30.70%</b>	37.64%

**Table 2: Projected Change of Workforce in Key-Working Age Categories: 2000 - 2020**

	Cohort 20-24	Cohort 25-44
Dutchess	21.6%	-4.6%
Orange	38.5%	6.4%
Sullivan	29.3%	3.3%
Ulster	22.7%	6.5%
New York State	9.8%	8.4%

## Diverse Workforce

Table 3 highlights the changes in race that have occurred over the past thirteen years in Dutchess County. The White population decreased by 4.7% while the Hispanic or Latino population almost doubled and the number of residents reporting to be a race other than White non-Hispanic or more than one race has increased 8% between 1980 and 2003 to 20% of the population (not shown in Table 3).

According to the State Office for the Aging, it is predicted that New York will gain 3.9 million people through international migration between 1995 and 2025. As a result this will place New York's net international migration gains as 2<sup>nd</sup> largest of the 50 states and District of Columbia. Based on this forecast it is likely that the state's population will continue to diversify thereby impacting the composition of Dutchess County's population. It is critical to acknowledge that diversification is not a single event that occurs at one moment in time, but one that requires ongoing flexibility.

Between 1980 and 2003 the number of foreign born residents increased 4% to 32,581 people. The number of people who speak a language other than English, according to the 2000 Census is 11.9% of the population or 31,359 people. Not all of the foreign born residents speak a language other than English and the residents who speak a language other than English are not all foreign born, therefore, requiring multiple solutions and not a one size fits all approach.

The changing demographics of Dutchess County are going to require that the community address the needs of the individuals and the businesses through trainings, services and assistance. The diverse residents simultaneously make up our community's workforce and customer base therefore it is critical to build a workforce that reflects this community. Additionally, considering the various needs ensures the economic growth of the individual and the business.

## Education

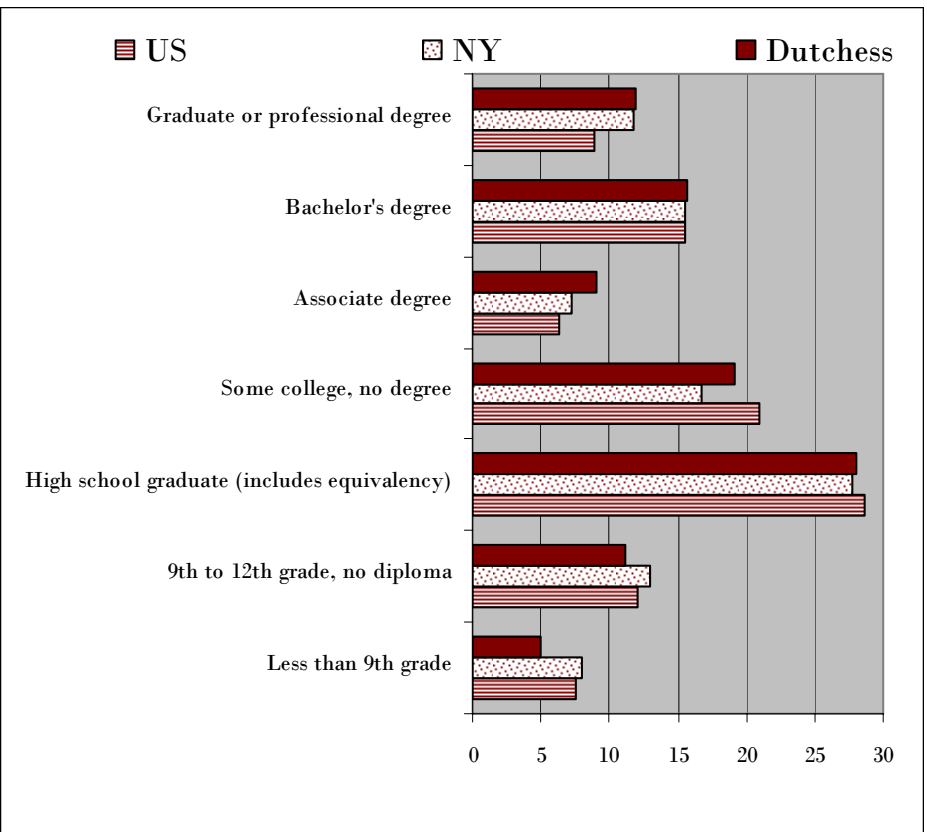
*"It is to be noted that industries that traditionally have not required their workers to obtain postsecondary education...increasingly need employees that have a higher education level and more advanced skills than in the past. Employers need not only workers with strong math skills and good technical skills they also need employees who have mastered the soft skills such as communication and team building."*<sup>3</sup>

The overall education level of the nation is growing as well, but as shown in Graph 1 below, Dutchess County has a smaller percentage of residents age 25 or older that have less than a high school education or its equivalent. Additionally, over half of the county's population, 55.9% has some college experience or an Associate, Bachelor, Graduate or Professional degree. This is 4.5% higher than the state and 4.2% higher than the nation.

Table 3: Dutchess County Population by Race

	1990	2000	2003
White	88.3%	83.7%	83.6%
Black or African American	8.4%	9.3%	8.6%
American Indian and Alaska Native	0.14%	0.2%	0.9%
Asian	2.2%	2.5%	3.2%
Native Hawaiian and other Pacific Islander	< .1%	< .1%	< .1%
Some other race	0.9%	2.4%	1.1%
Hispanic or Latino (of any race)	3.8%	6.4%	7.5%

Graph 1: US, NY & Dutchess County Education Attainment - in 2000



In Dutchess County, the share of White population residents with college degrees and advanced degrees is larger than the share for Hispanic or African American. Still, over one third of African American and Hispanic residents have at least some college experience. The distribution of educational attainment is profound because an increasing number of employers require advanced education, (although not always an advanced degree), to consider a person as a viable candidate for a position.

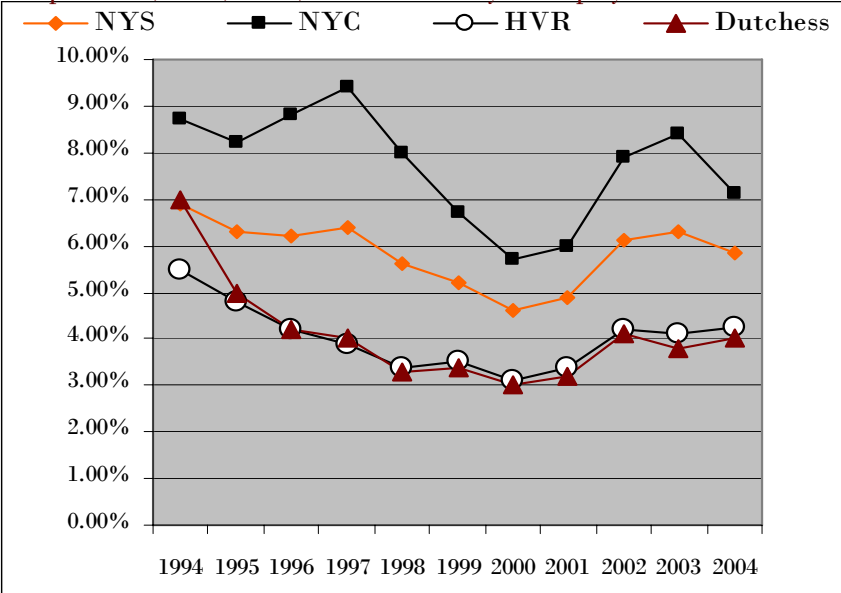
The emphasis on education is not a trend, it is a necessity for Dutchess County and the nation in order to compete in the dynamic global economy. **Some experts have noted that if workers in the US cannot maintain the same skill level as new workers in other countries the US will face a serious skill shortage that will affect the future rate of innovation and productivity<sup>4</sup>**

As a result, the US is moving toward a knowledge-based economy that requires higher skills and higher levels of education than in the past. However, if a community puts too much emphasis on obtaining a college degree then a disservice is being done to those who do not aspire to one, as those who do not go to college will still need to participate in trainings or apprenticeship programs in order to earn gainful employment.

## Employment

The overall growth in employment was 3% for the county as a whole. Because of the relative stability of the employment base in the Hudson Valley, the unemployment rates in the region have matched or exceeded the national and state levels only in two periods, in the mid-1970s and the early 1990s otherwise they have been consistently lower than New York City, New York state and the US as shown in Graph 4.

**Graph 2: NY, NYC, HVR, Dutchess County Unemployment 1994-2004**



The current distribution of firms, employment, and wages by industry in Dutchess County provides an important snapshot into the structure of the economy. The largest growth industries (the industries adding the largest number of jobs) in the timeframe between March 2001 and March 2004 as shown in Table 4 on the following page, are Computer and Electronic Product Manufacturing, Educational Services (both private and public), and Food Services. Collectively, these industries went from 18,665 employees in 2001 to 26,394 employees in 2004 for a total of 7,729 new jobs.

Of the largest growth industries, the fastest growing are Wholesale Electronic Markets and Agents, Computer and Electronic Product Manufacturing, Electronic

and Appliance Stores and Performing Arts, Spectator Sports and Related Activities. The industries that have lost jobs between 2000 and 2004 are Merchant Wholesalers, Durable Goods, Professional, Scientific, and Technical Services and Telecommunications.

There is a greater likelihood of fluctuation when the overall structure of employment is changing. Job gains and losses occur more frequently, and pose challenges especially for those individuals who are employed in declining sectors. A prominent local example, of course, was the downsizing of IBM in 1993-1994. IBM itself fell from 23% of total Dutchess county employment in 1982 to 10% in 2003. As a share of total Dutchess manufacturing, IBM is back to roughly 70%, the same level as 1982. Dutchess county manufacturing employment is still tied to one particular sector. Fortunately this sector, semiconductors, computers, and software, is growing again recently. There is however, a risk that Dutchess County will not remain the location of choice for these industries. With the growth of global markets and trends towards outsourcing, these jobs are the most likely to migrate to other countries. *“We compete and collaborate in a world in which the power of networked communications, the extended manufacturing enterprise and access to low-wage talent has enabled the outsourcing of both low and high-skilled jobs”<sup>5</sup>*

Table 4: Largest Growth Industries in Dutchess County 2001-2004

Industry Description	2004 Firms	2004 March Employment	2001 March Employment	2001 - 2004 Change in Employment	2004 Average Annual Wages
Computer and Electronic Product Manufacturing	25	13,307	8,111	<b>5,196</b>	\$96,386
Educational Services (Private)	104	6,692	5,139	<b>1,553</b>	\$29,778
Food Services and Drinking Places	509	6,395	5,415	<b>980</b>	\$12,578
Educational Services (Public)	102	10,088	9,358	<b>730</b>	\$31,204
Administrative and Support Services	350	4,783	4,184	<b>599</b>	\$25,188
Social Assistance	172	2,876	2,343	<b>533</b>	\$17,789
Nursing and Residential Care Facilities	97	4,776	4,245	<b>531</b>	\$25,930
Construction of Buildings	341	1,565	1,296	<b>269</b>	\$39,979
Religious, Grant making, Civic, Professional Organizations	181	1,314	1,064	<b>250</b>	\$20,176
Hospitals	5	3,670	3,425	<b>245</b>	\$35,936
Electronics and Appliance Stores	37	657	462	<b>195</b>	\$29,071
Amusement, Gambling, and Recreation Industries	71	1,127	936	<b>191</b>	\$12,353
Motor Vehicle and Parts Dealers	86	1,647	1,472	<b>175</b>	\$40,547
Wholesale Electronic Markets and Agents	56	261	89	<b>172</b>	\$47,664
Non-store Retailers	50	632	529	<b>103</b>	\$39,864
Ambulatory Health Care Services	510	5,259	5,158	<b>101</b>	\$39,292

Manufacturing has influenced the Dutchess County economy and workforce for a number of years and therefore understanding the sectoral shifts that have occurred and continue to occur will further establish a foundation from which to encourage the growth of our workforce.

The decline in manufacturing and a growth of services has been a nationwide phenomenon as well. The shift has been particularly dramatic in manufacturing. In 1954, 35% of national employment was in manufacturing, declining to 13% by 2002. Manufacturing jobs are typically more productive with higher wages and more job stability. Service related jobs are more likely to be temporary with no provision for career ladders. The greater productivity in manufacturing is a double-edged sword: higher productivity leads to higher wages but fewer jobs per unit of output. Local services are more likely to remain in the local area but have lower pay levels.

Low wage occupations are one of the serious challenges of a workforce system. They require little education or experience, often have limited career growth, no health benefits, little job security, and high turnover. Yet as the community grows more low wage jobs will be needed in order to provide the necessary services to residents. Balancing low cost services, that sometimes are taken for granted, and reasonable wages for the individual presents many concerns for all involved, but must be addressed in order to reinforce the infrastructure that is going to support Dutchess County's growth.

There was an increase in the number of private firms and the number of jobs within the private firms between 2000-2003 as shown in Table 5. 49% of the jobs are in firms with 99 or fewer employees.

It was supported in the webinar series and the interview process that small companies do not have the capacity to develop training and succession plans on their own because they lack the internal resources or the vast recruitment pool of a larger corporation. This anecdotal evidence points to the need for assistance in developing such plans so that local business can maintain a competitive edge into the foreseeable future.

Table 5: Number of Private Firms & Private Jobs by Employment Size of Firm, Dutchess County 2000-2003

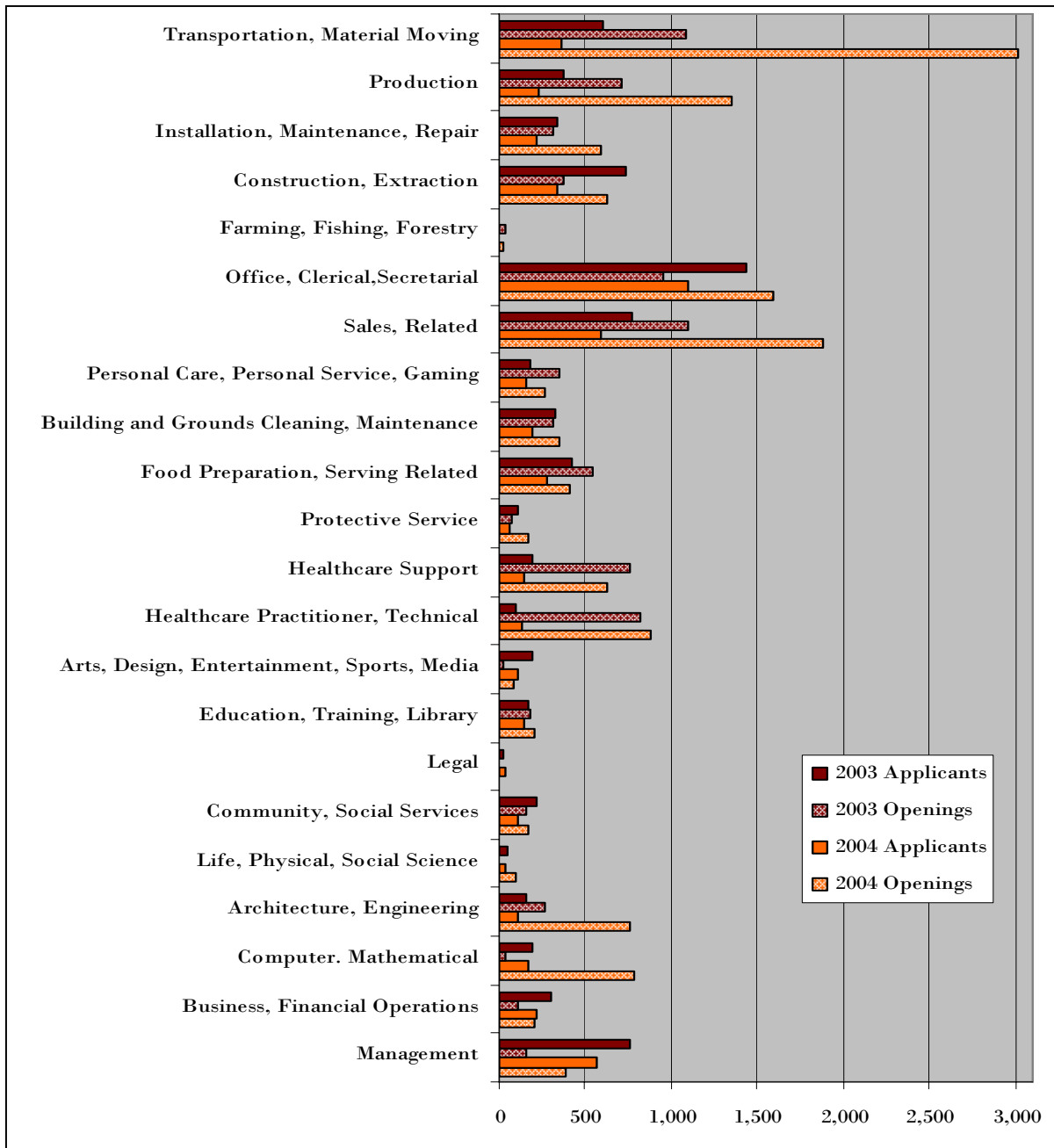
Employment Size of Firm	Number of Private Firms by Employment Size of Firm		Number of Private Jobs by Employment Size of Firm	
	2003 number of firms	% of Total	2003 number of Jobs	% of Total
9 or fewer	5,187	79%	13,560	15%
10-19	684	10%	9,233	10%
49-20	401	6%	11,793	13%
50-99	145	2%	9,955	11%
100-249	85	1%	12,664	14%
250-499	20	0	6,575	7%
500-999	10	0	7,402	8%
1000+	6	0	19,374	21%

Graph 3 below compares the number of new job openings vs. the number of new applicants as registered with the NYSDOL between 2003 and 2004. While two year patterns do not prove a chronic imbalance between the skills of the current workforce and the available jobs, certain patterns emerge that reflect the growth occurring in the Construction, Health Care, Administrative and Support Services, and Computer industries.

Sales and sales related jobs often go unfilled. Since these jobs often constitute the “entry” into the workforce, attracting employees may require a clear career growth path. Providing a clear career ladder may require collaboration among multiple employers. All companies may have to acknowledge that by training an employee, he or she may leave to climb the career ladder elsewhere. The quid pro quo to collaboration is the understanding that another company is currently training a replacement.

One important issue that Graph 3 does not address is whether the applicant pool is qualified. DCWIB’s webinar series uncovered significant anecdotal concerns about the quality of the job seeker. A number of issues including documentation skills, analytical skills, and willingness to participate in training were cited. This may result in positions remaining unfilled notwithstanding any undersupply of applicants.

**Graph 3: New Applicants and Openings Registered with the New York State Department of Labor 2003-2004**



## Transportation and Commutation

Commutation is a mixed blessing in the region. It can contribute to labor market flexibility and optimal sorting of applicants to openings bringing higher skills and incomes to the larger region, but may draw talent away from county employers. To remain attractive to the labor force in a low unemployment environment, county employers may need special competitive strategies because these regional trends and relationships have an impact on the county labor market.

Average commuting time in Dutchess County increased from 25 minutes to 30 minutes between 1990 and 2000. Between 1990 and 2003 the number of people who reported that they work from home increased 70% as shown in Table 6. This suggests that an increased share of workers require the flexibility of a non-traditional workday.

Table 6: Means of Transportation to Work for Dutchess County Residents 1990-2003

	1990	2000	2003
Drove alone	97935	100776	99045
Carpooled	14247	12347	8561
Bus or trolley bus	1463	1490	1888
Subway or elevated	339	195	0
Railroad	1808	3234	4544
Taxicab	364	408	187
Motorcycle	108	65	0
Bicycle	248	327	202
Walked	5713	4956	2536
Other means	510	477	338
Worked at home	2991	4162	5091

Regarding commuters to Westchester, it appears that the commuter is attracted to higher pay. Note that on Table 7 below Dutchess County's average wages are significantly less than those of Westchester (21.6% lower) and somewhat less than those of Rockland (3.3% less). Otherwise, Dutchess County's wages are on a par or slightly higher than those of our neighbors. New York City's average wage is 55% higher than Dutchess County's wage.

Table 7: Comparative Wages by Major Industry Category  
NYS, NYC, & Hudson Valley Region 2002 Annual Averages

Industry	NYS	HVR	Dutchess	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester	NYC
Total, all industries	\$46,328	\$41,285	<b>\$38,221</b>	\$31,356	\$36,680	\$39,510	\$28,578	\$27,728	\$48,773	\$59,461
Natural Resources, Mining/const	\$6,143	\$46,080	<b>\$37,773</b>	\$38,157	\$40,208	\$51,036	\$28,395	\$29,261	\$52,384	\$56,058
Manufacturing	\$46,295	\$61,508	<b>\$74,568</b>	\$36,995	\$49,000	\$60,077	\$25,479	\$34,066	\$72,516	\$40,392
Trade, Transportation & Utilities	\$35,687	\$34,343	<b>\$29,102</b>	\$28,633	\$33,196	\$33,635	\$23,008	\$24,288	\$40,478	\$42,024
Information	\$66,569	\$55,510	<b>\$38,521</b>	\$38,506	\$50,022	\$49,227	\$44,429	\$21,229	\$67,098	\$78,302
Financial Activities	\$103,744	\$59,390	<b>\$37,967</b>	\$33,909	\$42,228	\$45,433	\$36,818	\$35,380	\$74,180	\$135,397
Professional Business Services	\$58,626	\$58,000	<b>\$36,186</b>	\$37,540	\$39,194	\$46,908	\$26,736	\$27,812	\$70,589	\$73,575
Educational & Health Services	\$34,613	\$34,100	<b>\$31,630</b>	\$27,132	\$32,552	\$32,897	\$29,107	\$27,854	\$38,113	\$37,509
Leisure & Hospitality	\$21,184	\$17,586	<b>\$14,913</b>	\$13,284	\$16,874	\$17,392	\$14,351	\$14,014	\$20,955	\$44,528
Others Services	\$26,307	\$22,416	<b>\$21,769</b>	\$20,432	\$23,797	\$19,414	\$16,346	\$18,831	\$24,450	\$32,540
Government	\$42,947	\$43,283	<b>\$37,921</b>	\$39,074	\$46,773	\$43,860	\$41,012	\$35,321	\$48,593	\$47,581
Unclassified	\$34,647	\$29,189	<b>\$20,944</b>	\$17,444	\$23,512	\$25,805	\$15,260	\$20,356	\$36,525	\$34,919

When discussing commuter patterns, conventional wisdom has been that while in and out commuter populations will cluster around the Hudson River bridges, New York City has a large influence on the workforce. In reviewing the in-commute and out-commute patterns of the Dutchess County workforce, the “bridge bubbles” are present, but the influence of New York City is surprisingly small. Westchester County accounts for 1/3 of the out-commute population while less than one in five cross the bridges to Orange and Ulster Counties.

It is interesting to note that while 30.7% of our population out-commutes, 22.2% of our workforce in-commutes for a net loss of 14,083 workers as shown in Table 8 below. Of the in-commuters, 14.6% come from Ulster and Orange counties. It appears that salary may drive these commuters. Salary disparity between the in-commute counties of Ulster and Orange would imply that workers come to Dutchess for Manufacturing, Information, and Professional Business Services primarily.

Table 8: 2000 Commutation Patterns for Dutchess County

Residents At Work	2000	% of Total	Persons at Work in County	2000	% of Total
Total County Residents at Work	128,437	100.0%	Total Persons Working in the County	114,354	100.0%
Worked in New York State	123,581	96.2%	Lived in New York State	112,344	98.2%
Worked in County	88,963	69.3%	Lived in County	88,963	77.8%
Albany	297	0.2%	Albany	163	0.1%
Bronx	1,085	0.8%	Bronx	176	0.2%
Columbia	617	0.5%	Columbia	2,042	1.8%
Kings	223	0.2%	Kings	118	0.1%
New York	3,963	3.1%	Greene	405	0.4%
Orange	3,828	3.0%	New York	302	0.3%
Queens	497	0.4%	Orange	5,160	4.5%
Putnam	4,494	3.5%	Putnam	1,508	1.3%
Rockland	602	0.5%	Queens	208	0.2%
Sullivan	63	0.0%	Rockland	275	0.2%
Ulster	3430	2.7%	Sullivan	267	0.2%
Westchester	14,903	11.6%	Ulster	10,685	9.3%
Other	616	0.5%	Westchester	1,288	1.1%
			Other	784	0.7%
Worked outside of New York State	4,856	3.8%	Lived outside of New York State	2,010	1.8%
Total out commutation	39,474	30.7%	Total in commutation	25,391	22.2%
(residents working outside county)			(nonresidents working in county)		
<b>Net Loss 14,083</b>					

If we assume that salary drives people to commute and that highly skilled workers command higher wages, then of particular concern is the disparity between Dutchess County and Westchester County wages in the key industries of Information, Professional Business Services, Financial Services and Educational and Health Services. These are high skill careers and if the skills are “leaking” out of the county, this pattern portends a skills gap in the future. It is of particular concern since it is not apparent that the same skill sets are commuting in from other areas. It would also support the projected acceleration of youth flight in Dutchess County as this cohort migrates to higher paying regions for their entry level positions.

## Wages

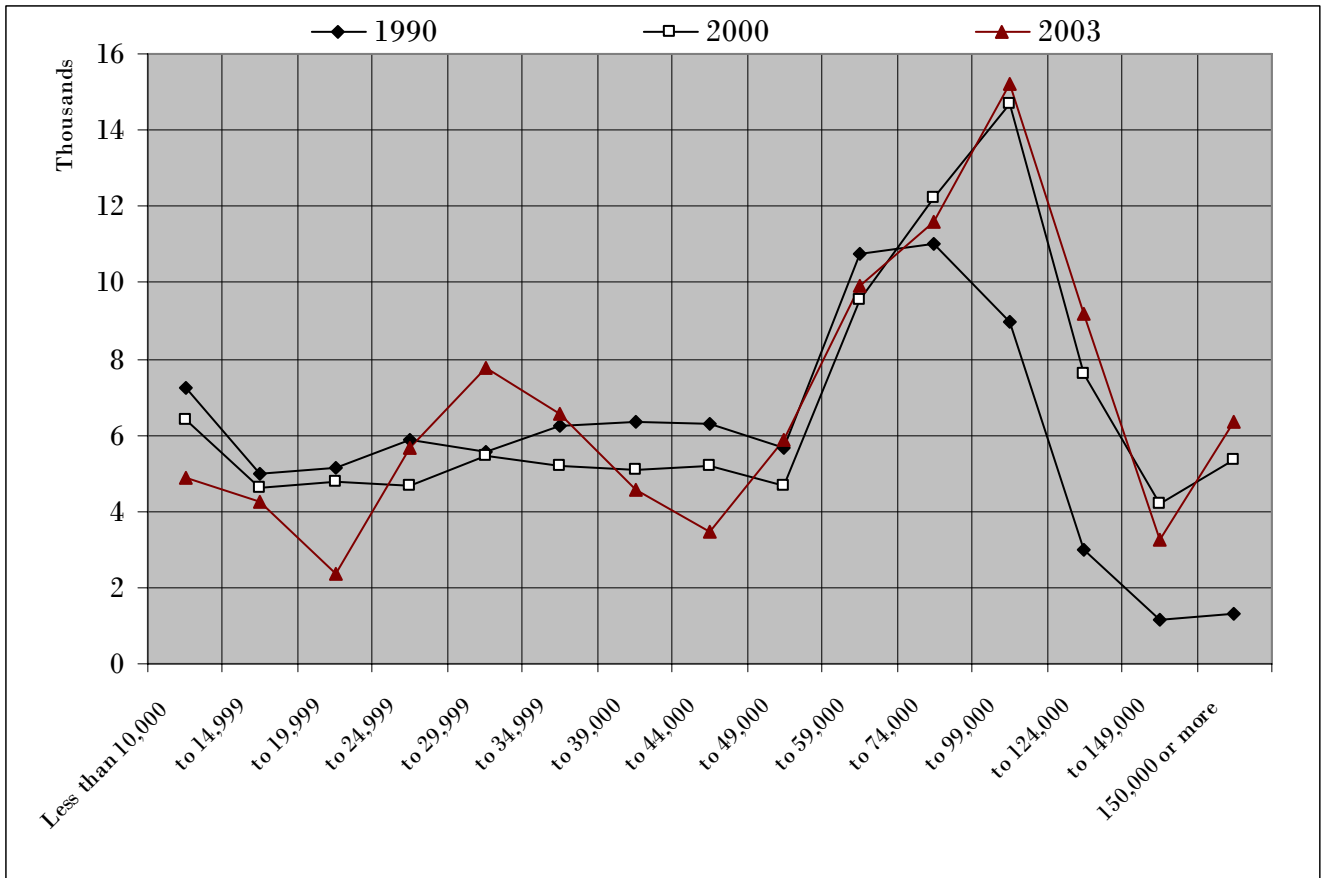
An alarming national statistic says that “for most people, wealth reflects a lifetime of saving. In 2000, overall median wealth among people 65 and older was \$108,885. Most of this wealth is in the form of home equity. Excluding home equity, the median net wealth of the population age 65 and older in 2000 was 23,369.”<sup>6</sup>

Graph 4 provides clear representation of the challenges and opportunities that face the Dutchess County workforce as we plunge into the innovation economy. A cursory analysis of the household income data would show that median household income has risen 2.3% in the last three years, relatively flat, and appearing to be good news. Interesting trends stand out, however, as we drill a little deeper into the data. Of particular interest is what happened to the right and left of the median income level. To the right, (the 50% of the population earning more than the median) there is a modest increase in the number of households earning more than \$75,000, but less than \$200,000. We can take this as a positive trend. Among those households earning less than the median income, we see a rather significant increase in the \$25,000 to \$34,999 range, coupled with a slight decrease in the ranges bracketing this level of income. It implies pressure on the middle class and those aspiring to middle class.

**Table 9: Dutchess County Poverty 1990-2003**

Poverty Level	1990	2000	2003
Persons	12997	19858	15862
Families	2338	3460	3385

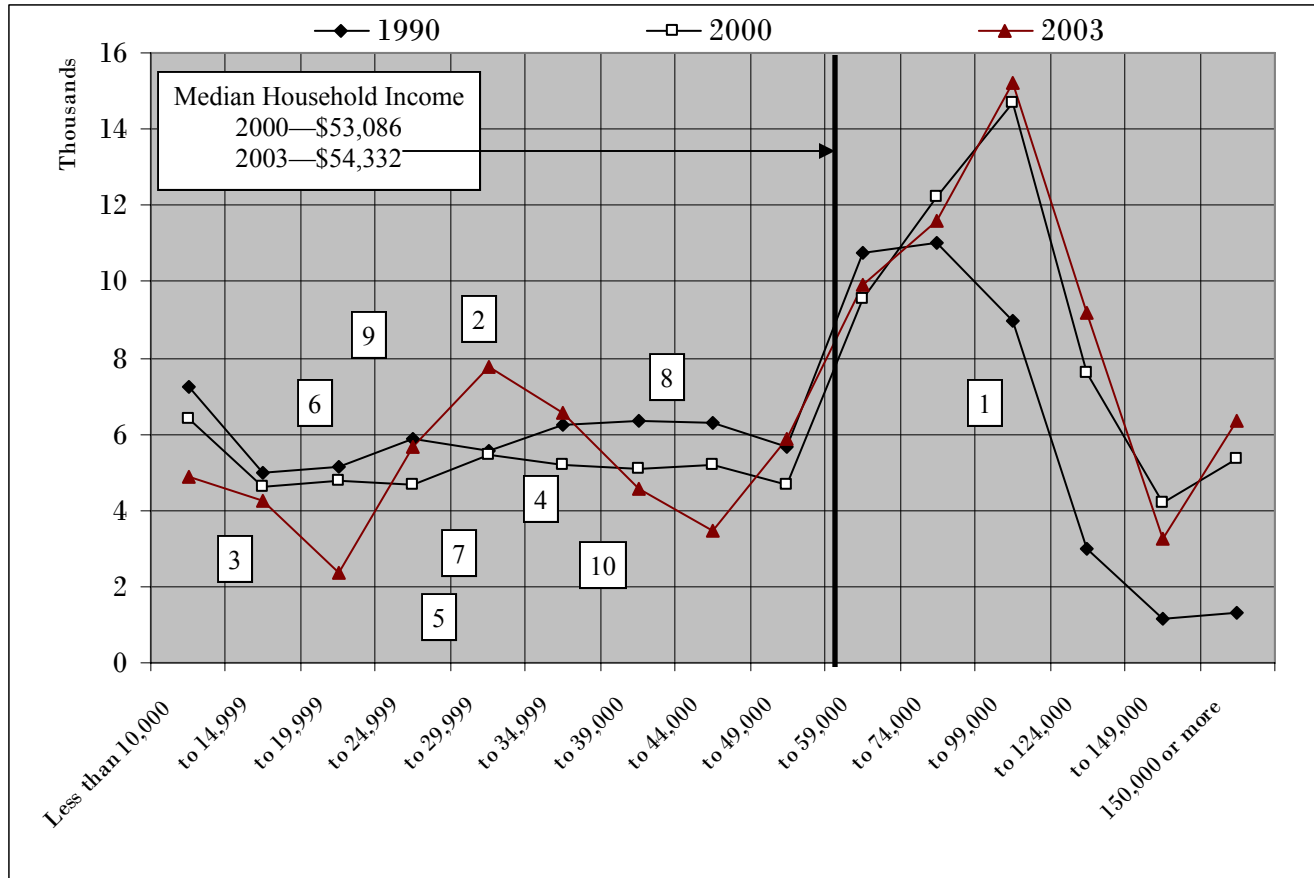
**Graph 4: Dutchess County Household Income 1990-2003**



We have overlaid the average wages of the top ten largest growth industries in Dutchess County as shown in Graph 5 on the following page. These are those industries with the greatest number of openings. Nine of the ten have average wages below the median. Furthermore, only three of ten offer average wages above \$35,000. Most cluster around the \$25,000 to \$30,000 range. This data may imply a growing mismatch between growth industries and skill sets in the workforce that cannot be explained by assuming that these are “entry level” wages. The higher paid industries in this data set are in the computer and electronics, construction, education and the hospital industries. The bulk of the remainder are in the service sector. Unfortunately, there is no defined career ladder in these industries leading to higher wages.

With expansion of retail and service sectors in Dutchess County these jobs tend to be the fastest growing. The total number of workers by occupation and income indicates that a sizeable share of the county labor force is employed in low wage occupations. For example, 46,977 workers earn less than \$25,000, or 39.5% of the total. Additionally, a disproportionate number of workers earning less than \$20,000 are minorities with 39.5% of the total minority working population in this wage range. This is in significant contrast to the highest wage bracket where only 1.6% of the total minority workforce earns a wage at or greater than \$100,000 per year.

Graph 5: Dutchess County Household Income 1990-2003 and Average Salary of the Top 10 Largest Growth Industries



	Top 10 Largest Growth Industries as shown in Table 4	2004 Average Annual Wages
1	Computer and Electronic Product Manufacturing	\$96,386
2	Educational Services (Private)	\$29,778
3	Food Services and Drinking Places	\$12,578
4	Educational Services (Public)	\$31,204
5	Administrative and Support Services	\$25,188
6	Social Assistance	\$17,789
7	Nursing and Residential Care Facilities	\$25,930
8	Construction of Buildings	\$39,979
9	Religious, Grant making, Civic, Professional Organizations	\$20,176
10	Hospitals	\$35,936

This environment points to a need for two income households and a rise in youth flight as our emerging workers look elsewhere for early career development. More ominous, though is that there will follow a “skills flight” as those with training and knowledge in technical fields will also be forced to migrate towards other areas for opportunity. Additional anecdotal concern lies with local employers who have left vacant positions unfilled or filled with under qualified employees due to the mismatch in certain industry’s wage scales and the cost of living or inadequate transportation system in Dutchess County.

As we drive towards the innovation economy, a growing mismatch between skills and wages will stifle our opportunities. *“This is the challenge that should inspire community driven responses. Innovation also improves the quality of our lives in countless ways.”*<sup>7</sup>

Table 10 below presents the largest occupations within the largest growing industries in Dutchess County from 2001 – 2004, the typical education and training required for each occupation along with the mean wage as reported by NYS-DOL for the entire state. The largest occupations are in the following industries: Educational Services, Food Services and Drinking Places, Administrative Support Services, Social Assistance, Nursing and Residential Care Facilities, Special Trade, Contractors and Construction and Hospitals.

Even though the importance placed upon education, training and degree attainment is being elevated to meet the needs of the future business operations, there is growth in on-the-job training positions in Dutchess County (or positions that do not require college degrees).

**Table 10: Largest Occupations in the Top 10 Largest Growth Industries in Dutchess County 2001-2004**

Occupation	Mean Wage
<b>Master's Degree</b>	
Rehabilitation Counselors	\$31,940
<b>Work Experience plus a bachelor's degree or higher</b>	
Education Administrators, Elementary and Secondary School	\$112,040
General and Operations Managers	\$121,460
Medical and Health Services Managers	\$89,650
<b>Bachelor's Degree</b>	
Elementary School Teachers, Except Special Education	\$62,920
Employment, Recruitment, and Placement Specialists	\$55,700
Child, Family, and School Social Workers	\$44,030
Construction Managers	\$106,530
Mechanical Engineers	\$68,870
Preschool Teachers, Except Special Education	\$27,660
Recreation Workers	\$20,800
Special Education Teachers, Preschool, Kindergarten, and Elementary School	\$65,110
<b>Associates Degree</b>	
Registered Nurses	\$57,680
<b>Postsecondary vocational training</b>	
Licensed Practical and Licensed Vocational Nurses	\$34,310
<b>Work experience in a related occupation</b>	
First-Line Supervisors/Managers of Construction Trades and Extraction Workers	\$63,210
First-Line Supervisors/Managers of Food Preparation and Serving Workers	\$29,210
First-Line Supervisors/Managers of Personal Service	\$34,300
First-Line Supervisors/Managers of Production and Operating Workers	\$50,440
First-Line Supervisors/Managers of Office and Administrative Support Workers	\$49,800
Food Service Managers	\$48,140

Seventy-five percent of the largest occupations within the largest growing industries in Dutchess County require no post-secondary training beyond on-the-job training and work experience. When identifying potential career lattices for some of these positions it appears that the same requirements exist for advancement to management positions in these industries. However, this table only indicates the typical educational expectations around the state and does not conclude that advanced degrees or training would not be preferred.

This trend seems to contradict national statistics that indicate an increase in occupations requiring advanced training and 2-year college degrees. The total number of workers by occupation and income, indicates that a sizable share of the county labor force is employed in low wage occupations. 73% of the total workforce in these selected occupations earn below \$50,000 per year. 38,226 workers, nearly 32% of the county workforce, earn less than \$20,000 per year, the poverty level for a family of four is \$19,350 per year.

Again, a majority of the growth occupations even those with advancement opportunities are not necessarily connected to formal advanced training or degrees. If promotion depends solely upon experience, there is little incentive to seek further education. However, often, if job loss occurs, those with little training and only work experience will find that re-entering the workforce will take longer and be difficult to obtain without investing in additional training.

For youth (ages 16-21) on the other hand, as part of the emerging workforce, this data all appears to indicate the availability of entry-level job opportunities in the county. 41% of the largest growing industries require only short-term on-the-job training for employment. These represent a number of positions historically held by young people just entering the workforce. For many, this is the first professional experience where foundation job skills are developed.

Anecdotally, it has been stated that there are an insufficient number of job seekers who demonstrate basic skills such as writing, speaking, reading, math literacy, customer service skills, work ethic, reliability, the ability to multi-task, ability to link theory to practice, analytical skills and how to interact with colleagues.

These entry level positions offer any individual, especially youth, the opportunity to build or enhance their transferable skills in order to increase employment opportunities because these are the fundamental skills employers seek. Transferable skills are the skills gathered through various jobs, volunteer work, hobbies, sports, or other life experiences that can be applied throughout a career. It does not matter where skills are learned but that the person is competent with the task and that the skill has value to an employer.

What may be lacking is a clear message that opportunity beyond the entry level is present. A culture of lifelong learning with defined training or career paths may offer the incentives that stem the flow of talent to other counties and regions.

Long-term on-the-job training	
Brick masons and Block masons	\$50,720
Computer-Controlled Machine Tool Operators, Metal and Plastic	\$28,730
Carpenters	\$43,680
Cooks, Restaurant	\$26,420
Industrial Machinery Mechanics	\$44,650
Electricians	\$57,560
Machinists	\$33,750
Numerical Tool and Process Control Programmers	\$38,860
Plumbers, Pipe fitters, and Steamfitters	\$52,490
Moderate-term on-the-job training	
Bookkeeping, Accounting, and Auditing Clerks	\$33,030
Construction Laborers	\$41,090
Customer Service Representatives	\$33,870
Executive Secretaries and Administrative Assistants	\$40,960
Painters, Construction and Maintenance	\$38,820
Roofers	\$39,860
Secretaries, Except Legal, Medical, and Executive	\$30,760
Team Assemblers	\$23,710
Short-term on-the-job training	
Bartenders	\$18,490
Bill and Account Collectors	\$32,690
Bus Drivers, School	\$27,390
Cashiers	\$16,590
Child Care Workers	\$20,490
Cooks, Institution and Cafeteria	\$24,770
Dining Room and Cafeteria Attendants and Bartender Helpers	\$17,000
Food Preparation Workers	\$15,840
Food Servers, non-restaurant	\$23,320
Home Health Aides	\$19,930
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	\$24,460
Maids and Housekeeping Cleaners	\$23,890
Nursing Aides, Orderlies, and Attendants	\$26,000
Office Clerks, General	\$25,820
Personal and Home Care Aides	\$17,700
Psychiatric Aides	\$31,100
Receptionists and Information Clerks	\$25,260
Security Guards	\$22,680
Shipping, Receiving, and Traffic Clerks	\$26,130
Teacher Assistants	\$23,470
Telemarketers	\$24,260
Waiters and Waitresses	\$18,530

## Current Workforce System

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In 1998, the Workforce Investment Act (WIA) was signed into law. It represented a fundamental change in the way training and employment services are delivered to customers. The law's vision was to create an integrated, customer-focused and comprehensive workforce investment system. At the center of this process is the Workforce Investment Board (WIB).

The Board membership includes representatives of the education community, labor organizations, community based organizations, economic development agencies, each of the One Stop Partners and local business members. Recognizing that the workforce must respond to the needs of the business community and that the workforce is well served by through policy that is supported by business stakeholders, the DCWIB always is comprised of at least 51% business leaders.

The DCWIB concluded that setting policy and delivering services should be separated to avoid any conflicts that might arise. DCWIB, therefore, began by setting training policy and subcontracted with other organizations such as the Dutchess County One Stop Employment and Training Center, Mill Street Loft, Dutchess County BOCES, Family Services and others to provide services based on the policies DCWIB set. DCWIB was free to contact business, political and education leaders to determine the needs of the community without pressure to fund any of the projects of those they consulted.

The result has been creation of a successful One Stop System for adults and dislocated workers seeking career guidance and advancement and the ongoing evolution of a program to assist eligible youth achieve their education and employment goals. Since their inception, these programs have had positive career or education impacts on hundreds of people every year.

Competition increases the pressure on companies and workers to explore new ways to work and to constantly upgrade skills. Waiting to "catch the wave" will certainly lead to workers suffering through lost jobs and low wages and to firms failing even as the economy creates new jobs and new firms. The current system, as described above, represents the safety net to help workers through transitions. The question is whether this model offers the support and the incentive to thrive in an economy where new skills are in demand and where today's new skills become obsolete faster than ever before.

## Future Workforce System

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This snapshot of the current workforce has identified significant influences from dynamic economic forces around the world. It poignantly identifies the need for a collaborative county-wide response. The DCWIB is committed to creating the workforce we deserve and ideally positioned to become a catalyst for cultural change demanded by global competition.

The new workforce system will continue to support and enhance the well-established and successful One Stop and youth operations, but must be driven by solutions developed and led by the community. The DCWIB promises to facilitate discussions with an ongoing commitment to providing timely information to our stakeholders and through the use of our resources to provide a forum for discussion between all parties. Specifically, we will continue to publish newsletters and white papers, and make them available through a wide distribution. We will also convene all interested parties through webinars, a convenient and time-efficient method for gathering diverse attendees. When appropriate, the DCWIB will hold events designed to assess and evaluate progress. Continuous evolution will be our model.

We will continue to lead the advancement of employment training opportunities for young people through innovative curricula, experiential work training and wage-earning jobs. As the future workforce, we will help guide our young participants through career planning, inspiring them to pursue multiple fields of interest and encourage all career options whether they involve 4-year college or training in a professional trade. Most importantly, we will strive to instill in youth the concept of lifelong learning – that they will effectively navigate the dynamic workforce environment and take advantage of opportunity throughout their lives developing the skills and confidence to guide their own professional success.

We will also launch a new model of business services. The DCWIB will work with County businesses and organizations to assist them in identifying specific company needs. This will be a comprehensive assessment involving connections and influences between organizations and the larger economic environment. This service will assist companies in identifying lifelong learning needs, creating action plans and aligning resources by coordinating linkages with a county-wide lifelong learning collaboration.

The National Innovation Initiative recommended that the federal government create at least ten "innovation hot spots" over the next five years. It is the goal of the DCWIB to build partnerships for workforce solutions that will create the community that deserves to be named as one of those "hot spots."

<sup>1</sup>Council on Competitiveness. Innovate America – National Innovation Initiative Report. December 2004

<sup>2</sup>Summer, Laura, et al. Measuring the Years: State Ageing Trends & Indicators. NGA Center for Best Practices August 2004

<sup>3</sup>United States General Accounting Office – Highlights of a GAO Forum – Workforce Challenges and Opportunities for the 21<sup>st</sup> Century: Changing Labor Force Dynamics and the Role of Government Policies. June 2004

<sup>4</sup>IBID

<sup>5</sup>The State of Working New York 2003: Unbalanced Regional Economies through Expansion and Recession. ([www.fiscalpolicy.org/research\\_02.stm](http://www.fiscalpolicy.org/research_02.stm))

<sup>6</sup>Summer, Laura, et al. 2004

<sup>7</sup>Council on Competitiveness 2004

*Table and Graph data was collected from the 1980,1990 and 2000 Census, the 2003 American Community Survey (The 2003 American Community Survey universe is limited to the household population and excludes the population living in institutions, college dormitories, and other group quarters) and data provided by the New York State Department of Labor, Division of Research and Statistics. Tables and Graphs were compiled by DCWIB, the Bureau of Economic Research at Marist College and the Dutchess County Economic Development Corporation. Table 2 was compiled and used in “the Jobs Revolution”, a PowerPoint presentation by Steve Gunderson October 2004*

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