

Local Economy

Subcommittee Chair: Maureen King

Subcommittee Members: Margot Peter and Kate Farrell

Key Observations:

- The Town experienced a slight increase in the labor force participation rate during the last decade. The major employment industry remains the same - education, health care and social services and professional services industries. However, the number of residents employed in manufacturing and agriculture has declined since 1990. Unemployment levels in the Town in 2000 were higher than the County. Twelve percent of Town residents work outside of Dutchess County.
- Median household incomes at the Town and County level actually decreased when adjusted for inflation between 1989 and 1999 at 6.3% and 6.5% respectively. Per capita income for the Town decreased 17.6%, while the median family income increased 1.9%.
- Washington residents spend more on most products and services than the national average with most spending running about 5% to 25% above national spending estimates.
- There is one state-certified agricultural district in the Town of Washington, and includes approximately 23,000 acres.
- A total of 114 parcels representing 12,990 acres in the Town of Washington are assessed as agricultural, according to 2008 tax assessment records. This represents 36.7% of the total acreage in the Town.
- Agriculture uses are permitted as of right in five of the Town's six zoning districts. Additionally, Washington has an Agriculture Protection Overlay District which helps protect and preserve agricultural areas from the pressures of intense development.

Washington Yesterday and Today

According to the Town of Washington's 1987 Master Plan, "agriculture was the base for Dutchess County's early development. As wheat farmers settled in the area, the agricultural economy grew and prospered. However, the opening of the Erie Canal in 1825 introduced competition from upstate and beyond, and many Dutchess farmers were forced to switch to dairy. The region's economy flourished once again as the century progressed. The creeks and streams of Dutchess County attracted many mills for textile manufacture as well as grist operations. And the coming of the railroads made the New York City market accessible to Dutchess County's dairy products. Washington and the village of Millbrook took part in this economic growth, and the residential community grew, especially in the hamlets of Mabbettsville, Little Rest, Harts Village and Mechanics Village, near mills or important routes."

“However, by the end of the century, textile production began moving to the southern United States. As the mills in the smaller hamlets declined in importance, business and residences centralized in the Village of Millbrook where there was access to the railroad.”

“The early 1900s had also brought the development of manufacturing industries to southwestern Dutchess. Although Washington continued to be mainly an agricultural community, the rural to urban migration that accompanied this new economic trend meant an influx of new residents in the towns south and west of Washington. Eventually, as transportation networks improved, Washington became a more desirable residential area for commuters to the Poughkeepsie-Beacon area. The town grew slowly during the first half of the 20th century, then more rapidly in the 1960s and 1970s. Manufacturing activities have not expanded into the Washington area, while on the other hand, agricultural production is declining in the town and throughout the county.”

Today, agriculture still remains an important part of the local economy. Commercial uses are mostly concentrated in the Village of Millbrook, but there are also some businesses located in Mabbettsville and South Millbrook and scattered throughout the Town.

Labor Force Characteristics

Washington’s civilian labor force consists of individuals aged 16 and older who are employed or looking for work, excluding those enrolled in the armed forces. Approximately 2,553 residents of the Town of Washington, or 67.9% of its working-age population, participated in the civilian labor force in 2000. Between 1990 and 2000, the civilian labor force increased 1.5% overall, when Washington had a resident civilian labor force of 2,516. In comparison, the Village of Millbrook had a civilian labor force participation rate of 63.2%, while the Town outside the Millbrook had a rate of 70.0%.

Table #: Labor Force Data, 2000			
	Town, outside Millbrook	Village of Millbrook	Town of Washington
Total civilian labor force	1,804	749	2,553
Civilian labor force participation rate	70.0%	63.2%	67.9%
Total unemployed	181 (7.0%)	22 (1.9%)	203 (5.4%)

Source: Bureau of the Census.

According to the 2000 Census, 48.6% of Washington residents¹ who are employed work in the service sector (Table #), including 592 (25.2%) in educational, health, and social services. Approximately 9.7% are employed in the retail sector, while 7.5% work in construction. Like the Town, the majority of residents in the Village and the Town outside Millbrook are employed in the services sector.

A direct comparison between 1990 and 2000 to identify shifts in employment cannot be made with regard to service-related industries because the census altered the definition of industry categories between the decennial census periods. Nonetheless, it is clear that the majority of

¹ The data in Tables 8 and 9 refer to the jobs held by Washington residents, *not* the number or distribution of jobs actually based in the Town. Information on industry relates to the kind of business conducted by the resident’s employer.

employment remains in the services industries. According to the 1990 Census, 40.9% of Washington residents were employed in services followed by manufacturing (14.6%), retail trade (9.7%) and agriculture, forestry and fisheries (8.9%). Persons employed in agriculture has dropped 57.3% townwide and in the manufacturing industry it declined 51.8%.

In comparison, 40.7% of Village residents were employed in the services sector, followed by manufacturing (11.9%), retail trade (11.4%) and construction (9.0%). While in the Town outside Millbrook, 41.0% of residents were employed in the services sector, followed by manufacturing (15.7%), agriculture, forestry and fisheries (9.4%) and retail trade (9.0%). Employment figures also declined over the past decade in the manufacturing and agriculture sectors for residents living in the Town outside Millbrook by 53.8% and 48.2% respectively.

Table #: Resident Employment by Industry, 2000			
Industry	Town, outside Millbrook	Village of Millbrook	Town of Washington
Agriculture, forestry, mining	86 (5.3%)	7 (1.0%)	93 (4.0%)
Construction	126 (7.8%)	50 (6.9%)	176 (7.5%)
Manufacturing	127 (7.8%)	45 (6.2%)	172 (7.3%)
Wholesale trade	20 (1.2%)	10 (1.4%)	30 (1.3%)
Retail trade	149 (9.2%)	78 (10.7%)	227 (9.7%)
Transportation and warehousing, and utilities	66 (4.1%)	24 (3.3%)	90 (3.8%)
Information	43 (2.6%)	35 (4.8%)	78 (3.3%)
Finance, insurance, and real estate	157 (9.7%)	40 (5.5%)	197 (8.4%)
Services, total	745 (45.9%)	396 (54.5%)	1,141 (48.6%)
Professional services	168 (10.4%)	89 (12.2%)	257 (10.9%)
Education, Health and Social Services	389 (24.0%)	203 (27.9%)	592 (25.2%)
Arts, entertainment, and recreation, accommodation and food services	91 (5.6%)	59 (8.1%)	150 (6.4%)
Other services (except public administration)	97 (6.0%)	45 (6.2%)	142 (6.0%)
Public administration	104 (6.4%)	42 (5.0%)	146 (6.2%)
Total	1,623 (100.0%)	727 (100.0%)	2,350 (100.0%)

Source: Bureau of the Census.

According to the 2000 US Census, 2,350 civilian Town residents were employed. The most common occupations were management, professional and related occupations (37.8%) and sales and office occupations (27.4%). The most common occupations among the Village of Millbrook's 727 civilian residents include management, professional and related occupations (40.0%), sales and office occupations (26.4%), and service occupations (17.9%). Similar percentages were found in the Town outside of Millbrook.

Table #: Resident Employment by Occupation, 2000			
Occupation	Town, outside Millbrook	Village of Millbrook	Town of Washington
Management, professional, and related occupations	597 (36.8%)	291 (40.0%)	888 (37.8%)
Service occupations	214 (13.2%)	130 (17.9%)	344 (14.6%)
Sales and office occupations	451 (27.8%)	192 (26.4%)	643 (27.4%)
Farming, fishing, and forestry occupations	64 (3.9%)	4 (0.6%)	68 (2.9%)
Construction, extraction, and maintenance occupations	235 (14.5%)	69 (9.5%)	304 (12.9%)
Production, transportation, and material moving occupations	62 (3.8%)	41 (5.6%)	103 (4.4%)
Total	1,623 (100.0%)	727 (100.0%)	2,350 (100.0%)

Source: 2000 Census

While a direct comparison to 1990 cannot be made as some of the occupation categories have been modified, a general comparison indicates that professional specialty occupations predominated in the Town (20.6%), Village (19.3%) and the Town outside of Millbrook (21.1%). Sales and office occupations followed in the Town (27.4%), Village (26.4%) and the Town outside Millbrook (27.8%).

According to the 2000 census figures, unemployment in the Town of Washington was 5.4%, higher than the County unemployment rate of 3.6%. More recent regional unemployment data is generated by the New York State Department of Labor, however, it should be noted that the Census unemployment rates are not derived from the same data that the New York State Department of Labor uses to determine unemployment rates. Recent statistics from the Department of Labor indicate that Dutchess County had an unemployment rate of 6.1% for December 2008, while the unemployment rate for the Poughkeepsie-Newburgh-Middleburgh, NY MSA was slightly higher 6.3%. Unemployment data for the Town of Washington is unavailable.

Journey to Work

Approximately 12.0% of Town residents work outside of Dutchess County. The most common mode of transportation is by car, truck or van (74.3%) while 3.3% of workers use public transportation and 6.8% walk to work. Of the 2,113 residents that travel outside the home for work, 42.7% travel less than 19 minutes. Approximately 33.6% travel 20 to 34 minutes. The most common travel time is 30 to 34 minutes (16.6% of all workers).

Table #: Journey to Work, 2000			
	Town, outside Millbrook	Village of Millbrook	Town of Washington
Workers 16 years and over	1,581 (100.0%)	711 (100.0%)	2,292 (100.0%)
Car, truck, or van -- drove alone	1,196 (75.6%)	507 (71.3%)	1,703 (74.3%)
Car, truck, or van -- carpooled	120 (7.6%)	54 (7.6%)	174 (7.6%)
Public transportation (including taxicab)	45 (2.8%)	30 (4.2%)	75 (3.3%)
Walked	78 (4.9%)	77 (10.8%)	155 (6.8%)
Other means	22 (1.4%)	4 (0.6%)	26 (1.1%)
Worked at home	120 (7.6%)	39 (5.5%)	159 (6.9%)
Mean travel time to work (minutes)	n/a	25.2	28.1

Source: 2000 Census

Income

Personal income is one of the most important indicators of the economy and one of the most important variables in creating a vibrant community for the future. Understanding the income characteristics of the community is also important in determining the community's wealth as well as the ability of residents to maintain housing, contribute to the local tax base, and participate in the economy.

According to the 2000 Census, the median household income for the Town of Washington was \$52,104 and per capita income was \$32,561. Dutchess County had a median household income of \$53,086 and per capita income of \$23,940 in 2000. In addition, 336 or 7.2% of Town residents were living below poverty level, according to the 2000 Census. This figure is lower in comparison to Dutchess County (7.5%) and significantly lower than New York State as a whole (14.6%).

The 2000 census asked respondents to report their annual income for 1999. To gain a better understanding of changes in income between the surveys taken in 1990 and 2000, Census income data from 1989 is converted to 1999 dollars using the consumer price indices calculated by the U.S. Bureau of Labor Statistics. This analysis yielded an inflation rate of 34.4% over the 10 year period.

Median household incomes at the Town and County level actually decreased when adjusted for inflation between 1989 and 1999. As Table # indicates, when year 1989 incomes in the Town of Washington were adjusted for inflation, median household income decreased 6.3% from 1989 to 1999, while median family income increased 1.9%. Per capita income decreased 17.6%. In comparison, the County's median household income decreased by 6.5%, while median family income decreased by 6.0%. Per capita income increased by 2.3%.

Table #: Household Income and Poverty Rate Comparison						
	Town of Washington (1989)	Adjusted* Town of Washington (1989)	Town of Washington (1999)	Dutchess County (1989)	Adjusted* Dutchess County (1989)	Dutchess County (1999)
Median Household Income	\$41,368	\$55,580	\$52,104	\$42,250	\$56,765	\$53,086
Median Family Income	\$50,458	\$67,793	\$69,074	\$49,305	\$66,244	\$63,254
Per Capita Income	\$29,404	\$39,506	\$32,561	\$17,420	\$23,405	\$23,940
Individuals Below Poverty Level	4.2%	n/a	7.2%	5.4%	n/a	7.5%
Families Below Poverty Level	2.4%	n/a	2.7%	3.6%	n/a	5.0%

Source: US Census Bureau (1990 and 2000). For purposes of comparison, 1989 dollars have been adjusted for inflation to 1999 dollars.

The Town of Washington comprises a significant proportion of low and moderate income households. Census figures indicate that approximately 44.1% of households in the Town in 2000 were considered low and moderate income households (i.e., households with income less than 80 percent of the Dutchess County, NY MSA² median) as defined by the U.S. Department of Housing and Urban Development (HUD). Further, 25.6% of households in the Town were very low income, earning 50% or less of the Dutchess County, NY MSA median family income. In comparison, 37.1% of County residents were low and moderate income households and 19.6% are very low income.

Local Consumer Spending

The future stability of retail and service spending in the Town depends in part on local consumer spending. Data from Claritas Inc.'s³ Consumer Spending Patterns Report, which provides aggregate, per capita and average household spending patterns on a variety of goods and services, indicates that Washington residents spend more on most products and services than the national average with most spending running about 5% to 25% above national spending estimates. Spending level fluctuations exist for a variety of reasons including income levels, local availability of goods and services, variation in local and regional demand for certain products and the cost of those goods and services. Given the income profile described above, more disposable income appears to be a realistic explanation for local spending above New York State and national levels.

² In 2000, the MSA was called the Dutchess County, NY MSA and included all of Dutchess County. The Census Bureau has since combined Dutchess County and Orange County as the Poughkeepsie-Newburgh-Middletown, NY MSA.

³ Claritas Inc. is a marketing information research company that provides demographic data and target market research. Claritas uses the most current Consumer Expenditure Survey conducted by the Bureau of Labor Statistics and an independent set of national-level expenditure estimates and projections to establish its consumer spending data.

Table #: Consumer Spending Patterns: Town of Washington						
	Per Capita		Avg. Household		Index to USA	
	2008	2013	2008	2013	2008	2013
Annual Expenditures						
Total Apparel	\$2,359	\$2,686	\$5,708	\$6,418	122	122
Total Food at Home	\$2,827	\$3,064	\$6,840	\$7,322	108	108
Alcoholic Beverages at Home	\$444	\$545	\$1,074	\$1,303	114	112
Total Health Care	\$1,885	\$2,615	\$4,560	\$6,247	106	104
Total Household Textiles	\$316	\$362	\$764	\$865	128	129
Total Furniture	\$409	\$488	\$991	\$1,166	123	124
Personal Care Products and Services	\$497	\$567	\$1,204	\$1,356	113	114
Personal Expenses and Services	\$931	\$1,092	\$2,253	\$2,610	134	135
Total Education	\$909	\$1,168	\$2,199	\$2,791	131	131
Day Care	\$148	\$172	\$357	\$412	114	114
Housekeeping Supplies	\$173	\$188	\$418	\$448	115	115
Total Food away from Home	\$2,500	\$3,062	\$6,049	\$7,318	121	120
Alcoholic Beverages away from Home	\$262	\$295	\$634	\$706	135	135
Fuels and Utilities	\$195	\$178	\$471	\$425	231	220
Telephone Service	\$444	\$532	\$1,074	\$1,272	99	98
Total Transportation Expenses	\$3,528	\$4,442	\$8,536	\$10,613	114	113
Total Specified Consumer Expenditures	\$25,028	\$29,825	\$60,552	\$71,266	118	117

Source: Claritas, Inc.

The analysis and Table # provide estimates for expenditures in 2008 and as projected for 2013 on a broad sample of goods and services in the Town. The market index value is the ratio of the annual average household expenditure (AAHE) for the Town as compared to the AAHE for the United States. The AAHE is derived by dividing the number of households by the aggregate spending by the town on each good or service.

Household spending townwide is above the national average in all general categories except telephone services which is slightly below national spending. Housing fuels and utilities are estimated to be more than double the national average. Fuels and utilities (which include all fuels, electricity, water, sewer, garbage pick-up etc.) are traditionally higher in the northeastern United States due to the large number of heating and cooling days.

Town residents also spend more money on alcoholic beverages away from home (35% higher than the national average), personal expenses and services (34% more), total education (31% more) and total household textiles (28% more).

Agriculture

Agriculture has played an important role in the economy of Dutchess County for many years. According to the Census of Agriculture, there were 656 farms⁴, and 102,360 acres of land in farms, in Dutchess County in 2007. This represents a 1.6% decrease in the number of farms and a decrease of 8.9% in farmland acres since 2002. The 656 farms in Dutchess County

⁴ The Census of Agriculture defines a farm as "a place which produced and sold... \$1,000 or more of agricultural products during the year of the census. This may exclude some part-time agriculture-related operations."

generated sales of \$44.9 million according to the 2007 Census. Based on the available data⁵, the top commodities produced in the County were milk and other dairy products; horses, ponies, mules, burros and donkeys; nursery and greenhouse crops; and vegetables, melons, potatoes and sweet potatoes.

Dutchess County has an Agricultural and Farmland Protection Plan which provides an overview of the County's agricultural industry. As part of the plan, five major recommendations were developed to help the County protect its agricultural resources (property tax relief, resource management, municipal planning, agri-business initiative and agriculture education). The Cornell Cooperative Extension (CCE) is hoping to update this plan (which was adopted by the County Legislature in 1998) as funding becomes available. According to CCE, one of the major agricultural issues facing the County is keeping farmland intact, particularly keeping prime soils from being developed. CCE also reports that the equine and livestock industry and hay industry are very strong in Dutchess County, while farms selling value added crops such as fruits and vegetables are also doing well. In comparison, the dairy industry in the County is weak and this trend is projected to continue.

Dutchess County has four certified Agricultural Districts, 20, 21, 22, and 23. Approximately 23,000 acres in the Town of Washington is located in Agricultural District 21. The Dutchess County Agricultural Districts were created as a result of the Agricultural Districts Law enacted by New York State in 1971. This law was passed to encourage the protection of farmland by providing incentives to farmers to keep their land in production. A key benefit for farms within an Agricultural District is a tax benefit for owners of seven or more acres which generate at least \$10,000 in gross sales during the preceding two years or less than seven acres and average gross sales \$50,000 or more in the preceding two years. The Agricultural Districts Law also provides other protections to limit restrictions on agricultural operations other than those necessary to protect health and safety.

There are 114 parcels of agricultural land comprising 12,990 acres in the Town of Washington. Agricultural land accounts for 36.7% of the land in the Town (second highest behind residential uses in the Town). According to the assessor's database, 37.4% of agricultural land is in cattle farms followed by horse farms (17.8%) and field crops (12.6%).

Agriculture uses are permitted as of right in the five of the Town's six zoning districts (a description of each district is summarized in the Land Use and Land Management Section). Additionally, Washington has an Agricultural Protection Overlay District. The purpose of this district is to preserve agricultural land for food and fiber production; protect agriculturally productive farms; maintain a viable agricultural base to support agricultural processing and service industries; prevent conflicts between incompatible land uses; reduce costs of providing public services to scattered non-farm uses; pace and shape the growth of the Town; protect agricultural land from encroachment by non-agricultural uses, structures, or activities; and maintain the rural, natural, and scenic qualities of the Town.

In addition to the uses permitted in the underlying use district, including any and all types of agricultural production, other uses permitted as of right in the Agricultural Protection Overlay District include: Forest, wildlife, and game management; Equestrian trails; Nature trails and walks; Greenhouses; Composting of manure and vegetative wastes; One roadside stand per

⁵ Certain records gathered by the USDA may not be made public for reason of maintaining privacy for operators filing the reports.

farm, selling agricultural products, and containing not more than five hundred (500) square feet, in which at least fifty percent (50%) of the products sold are produced on the premises or adjoining premises.

Local Economic Development Organizations and Programs

Millbrook –Town of Washington Business Association

The Millbrook - Town of Washington Business Association is a volunteer organization dedicated to serving as a resource to its members and the community while enhancing their economic vitality. The Millbrook - Town of Washington Business Association has been representing the interests of the local business community for over 50 years and unites local retailers, service providers and professional firms, thus creating a central agency working to improve business and build a better community.

Farmer's Market

The Millbrook Farmers' Market provides a wide selection of locally-grown, fresh produce (including Organic), plants, prepared foods, farm products, and other hand-made goods in an open-air setting. It is open on Saturday mornings from 9:00 AM to 1:00 PM from Memorial day weekend through the end of October.

Population and Economic Subcommittee

In preparation for the Town's Comprehensive Plan, the Steering Committee established separate subcommittees each charged with direct responsibility for data collection, analysis, and making recommendations to the Steering Committee on topic areas typically covered in a Comprehensive Plan. The Population and Economic Subcommittee was charged with the responsibility of updating Demographic and Economic data of the 1987 Town of Washington Master Plan. Some observations on the local economy from the Subcommittee include the following:

- In doing this research, we recognize there are three separate business communities in the Town: The Village of Millbrook, Mabbettsville and Washington Hollow.
- There is a delicate balance between preserving the rural character of the Town of Washington and encouraging a vital local economy.
- Since the last Master Plan update, technology has allowed more people to work from home. Some jobs that were only available in metropolitan areas are now done anywhere.
- Increase in percentage of school-aged children puts financial pressure on local public schools.
- According to the 2000 Census, the percentage of professional jobs has increased while farm jobs have decreased. The category "crafts" comprised 10% of total jobs in the Town in 1980, but the category was deleted in the 2000 census.
- There are a growing number of people who work from home.
- Since last master plan, farm services/services to farmers (such as machinery equipment repairs and markets to sell products) has declined in the Town of Washington, which has hastened the departure of dairy farms in the area.