



HUDSON VALLEY  
**PATTERN**  
*for*  
**PROGRESS**

# THE MATH JUST DOESN'T WORK

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WHY YOUNG  
PROFESSIONALS ARE  
LEAVING THE HUDSON  
VALLEY

**What can we do  
to keep them  
here?**

MAY 2019

# If the future of a region is in its youth, the Hudson Valley must work harder to keep them here.

Across the nine counties north of Manhattan, the number of young people aged 20 to 39 is declining, not only in numbers, but also as a percentage of the population. This decrease is occurring despite the Hudson Valley’s proximity to New York City – a magnet for young professionals – and the presence of many colleges and universities in the region. This development portends a challenging future for the region.

Arguably, this trend is nationwide and the demographics of the Hudson Valley reflect the larger reality in the country where the birth rate is declining and people live longer. But the numbers for the 20-39 age cohort in the Hudson Valley are lower than the national average as well as the average for New York state. The population pyramid, meanwhile, indicates a “silver tsunami” is coming, with people 55 and older making up a much larger portion of the population than they did at the turn of the century.

While 20-39-year-olds make up 27% and 28% of the population in the nation and New York state respectively, that number is a low 24% in the Hudson Valley, down from 27% in 2000.<sup>1</sup> The Cornell Center for Applied Demographics predicts a continued population loss over the next decade in a majority of the communities of the Hudson Valley, which for the purpose of this issue brief include the counties of Westchester, Rockland, Orange, Sullivan, Putnam, Dutchess, Ulster, Greene and Columbia.

## Population Change of 20-39-Year-Olds

	Percent Change		
	2000 to 2007	2000 to 2010	2000 to 2017
<i>Columbia</i>	-6.9%	-13.4%	-8.9%
<i>Dutchess</i>	-1.3%	-8.6%	-5.7%
<i>Greene</i>	8.2%	-10.9%	-5.9%
<i>Orange</i>	8.3%	-2.8%	0.7%
<i>Putnam</i>	-8.5%	-18.2%	-13.7%
<i>Rockland</i>	-8.3%	-2.2%	4.7%
<i>Sullivan</i>	1.8%	-4.3%	-4.8%
<i>Ulster</i>	-2.9%	-9.5%	-8.5%
<i>Westchester</i>	-9.3%	-10.8%	-6.9%
<i>Pattern Region</i>	-4.2%	-8.3%	-4.6%
<i>NYC</i>	-4.0%	0.1%	5.0%
<i>New York State</i>	-4.9%	-4.4%	-0.4%
<i>United States</i>	0.4%	1.6%	6.6%

*U.S. Census Bureau – Decennial Census, 2000; American Community Survey, 2017*

<sup>1</sup> U.S. Census Bureau – Decennial Census, 2000; American Community Survey, 2017

The reasons behind the low numbers are many: declining birth rates; outmigration from the region; high taxes and high cost of living; stagnant wages and a perception there are fewer opportunities for professional growth.

The high cost of living in the Hudson Valley has an impact on all age cohorts. But the millennial generation, which accounts for the largest subset of young professionals, is weighed down by unique economic challenges.

As a group, millennials (those born between 1981 and 1996) are less well-off than their parents were at their age in terms of income, debt, and economic mobility.<sup>2</sup> Many millennials entered the job market during the years of the Great Recession, accepting lower salaries despite having higher levels of education than preceding generations.<sup>3</sup> The economy has improved, but a whole section of millennials has not been able to make up for the lost income in the decade following the recession. Wealth in 2016 of the median family headed by someone born in the 1980s remained 34% below predicted levels based on the experience of earlier generations at the same age.<sup>4</sup> This setback could have a lasting impact on their net worth.<sup>5</sup>

This cohort also carries a significantly higher level of student debt than previous generations. A student completing four years of college from a New York university graduates with an average of \$31,000 in student loans. This translates into a monthly student loan payment of approximately \$360.

In the Hudson Valley, the impact of these economic challenges is evident in the declining rate of homeownership among younger residents, a lower rate of household formation for residents under 35, and young professionals leaving the region for cities where the cost of living is lower.<sup>6</sup>

## Who are Young Professionals?



They are young men and women ages 20 to 39 who are mostly college graduates, work in fast-growing occupations, and are racially and ethnically diverse. They include teachers, nurses, computer programmers, civil engineers and over 175 other occupations. These fit into 10 occupational groups established by the Bureau of Labor Statistics, including:

- Management
- Business and financial operations
- Computer and mathematical science
- Architecture and engineering
- Life, physical and social science
- Community and social service
- Legal
- Education, training and library
- Arts, entertainment, sports and media
- Healthcare practitioner and technical occupations<sup>6</sup>

<sup>2</sup> <https://dpeaflcio.org/programs-publications/issue-fact-sheets/the-young-professional-workforce/>

<sup>3</sup> <https://www.pewsocialtrends.org/essay/millennial-life-how-young-adulthood-today-compares-with-prior-generations/>

<sup>4</sup> [https://www.stlouisfed.org/~media/files/pdfs/hfs/essays/hfs\\_essay\\_2\\_2018.pdf?la=en](https://www.stlouisfed.org/~media/files/pdfs/hfs/essays/hfs_essay_2_2018.pdf?la=en)

<sup>5</sup> <https://www.pewsocialtrends.org/essay/millennial-life-how-young-adulthood-today-compares-with-prior-generations/>

<sup>6</sup> [https://dpeaflcio.org/wp-content/uploads/Young-Professionals-2017\\_FINAL.pdf](https://dpeaflcio.org/wp-content/uploads/Young-Professionals-2017_FINAL.pdf)

## Stagnant Wages

Catch the evening news or read the front page of any newspaper, and you will hear that the economy is roaring. There isn't a sector in the region that is not in search of additional employees. However, most Hudson Valley residents do not feel it in their pocketbooks. Wages are stagnating in the region even as statewide income has increased by 4.2% between 2000 and 2017.

Younger workers are in a worse state. While a wage differential between younger professionals and those that are older has always existed because of their varying experience levels, the gap has increased over the last 17 years. In the following chart, wages for workers 22-44, and those above 45 years, are broken out and tracked over 17 years.

*Wages for All Sectors by County 2000 to 2017*

	22-44 Age Cohort			45+ Age Cohort		
	2000	2017	% Change	2000	2017	% Change
<b>Columbia</b>	\$36,834	\$35,946	-2%	\$40,325	\$44,718	11%
<b>Dutchess</b>	\$48,071	\$44,709	-7%	\$58,841	\$62,759	7%
<b>Greene</b>	\$42,084	\$38,013	-10%	\$42,013	\$48,288	15%
<b>Orange</b>	\$40,366	\$40,620	1%	\$47,024	\$53,033	13%
<b>Putnam</b>	\$47,496	\$43,423	-9%	\$54,631	\$57,334	5%
<b>Rockland</b>	\$49,542	\$42,467	-14%	\$62,331	\$61,512	-1%
<b>Sullivan</b>	\$37,241	\$35,630	-4%	\$40,325	\$45,273	12%
<b>Ulster</b>	\$36,673	\$38,031	4%	\$42,754	\$50,358	18%
<b>Westchester</b>	\$56,731	\$54,805	-3%	\$73,283	\$83,680	14%
<b>Pattern Region</b>	\$43,893	\$41,516	-5%	\$51,281	\$56,328	10%

*Source: Longitudinal Employer – Household Dynamics; U.S. Census Bureau*

In 2000, the wage difference between the younger and older age cohort was 17%; by 2017 it had more than doubled to 36%. In 2000, workers age 22-44 earned an average of \$43,893 annually in inflation-adjusted dollars. In 2017, they earned \$41,516, a \$2,377 decline, or 5%. Meanwhile workers 45 years of age and older saw their wages go up by 10% over the same period. A worker in that age group earned an average wage of \$56,328.

### Average earnings of workers ages 22-44

2000

**\$43,893**

2017

**\$41,516**

**decrease of \$2,377**

## Workforce

Not only are wages for younger workers declining, the number of jobs held by that age cohort has also decreased over the 17 years from 2000 to 2017.

### *Change in Jobs by Industry Sector 2000-2017*

	Change in # of jobs 2000 - 2017		Change in % of jobs 2000 - 2017	
	22-44	45+	22-44	45+
<b>Accommodation and Food Services</b>	7,190	9,179	32%	85%
<b>Administrative and Support and Waste Management and Remediation Services</b>	3,702	9,895	22%	92%
<b>Agriculture, Forestry, Fishing and Hunting</b>	52	761	3%	67%
<b>Arts, Entertainment, and Recreation</b>	459	2,510	7%	57%
<b>Construction</b>	-765	10,971	-3%	96%
<b>Educational Services</b>	2,214	15,027	6%	35%
<b>Finance and Insurance</b>	-6,749	1,853	-37%	17%
<b>Health Care and Social Assistance</b>	7,568	27,839	12%	53%
<b>Information</b>	-7,844	-1,490	-59%	-18%
<b>Management of Companies and Enterprises</b>	-2,742	991	-33%	18%
<b>Manufacturing</b>	-16,463	-2,376	-50%	-9%
<b>Mining, Quarrying, and Oil and Gas Extraction</b>	-44	213	-16%	93%
<b>Other Services (except Public Administration)</b>	1,133	6,899	8%	50%
<b>Professional, Scientific, and Technical Services</b>	-4,250	6,753	-17%	47%
<b>Public Administration</b>	-7,879	4,350	-30%	16%
<b>Real Estate and Rental and Leasing</b>	-423	3,195	-7%	55%
<b>Retail Trade</b>	214	12,615	0%	45%
<b>Transportation and Warehousing</b>	-1,823	6,079	-15%	64%
<b>Utilities</b>	860	976	45%	40%
<b>Wholesale Trade</b>	-12,261	-799	-46%	-5%
<b>TOTAL ALL SECTORS</b>	<b>-37,852</b>	<b>115,441</b>	<b>-9%</b>	<b>38%</b>

*Source: Longitudinal Employer – Household Dynamics; U.S. Census Bureau*

Jobs held by men and women ages 22-44 declined by 37,852 from 2000 to 2017, a drop of 9%. The biggest losses have come in finance and insurance, information, manufacturing, professional and technical services, public administration and wholesale trade. Many of these industries offer moderate to high wages. The biggest gain has been in accommodation and food services, which pay a little more than \$20,000 a year, often with little or no benefits.

Meanwhile, jobs held by workers 45 and older increased by 38%, or 115,441, with gains coming in both high paying industries like professional and scientific services, finance and construction, as well as low-paying ones such as accommodation and food services, and healthcare and social assistance.

## Young Professionals

**ERIC TROIANO, 31**

Resident of: **Staatsburg**

Degree: **Business Administration**



Troiano started working in banking expecting to have a fulfilling and rewarding career. Instead, in the aftermath of the Great Recession, he experienced underwhelming wages that remained flat, stripped benefits and a future that seemed to be going nowhere. He also had \$10,000 in student loans.

“I found I was just spinning my wheels,” said Troiano. “I saw my retirement possibilities, just looking long-term, as not really achievable because there was no way I was going to have enough money to have a life where I could buy a house, have a family, and save for a reasonable retirement.”

After eight years working in the banking industry, Troiano quit his job, moved in with his parents, and went back to school. This time round, he is studying to be a physics teacher, and after he completes his bachelor’s degree, will go on to earn a graduate degree in his field. He also works two jobs – at an auction company and tutoring students in math and science. He has a new set of student loans.

“I really do love the Hudson Valley,” said Troiano. “But I feel like the cost of living is becoming unsustainable. If you want young people to live in this area and continue to have investment in the Hudson Valley, I don’t know how that’s possible unless the jobs are professional jobs that are really well paid.”

**LAUREN BERG, 34**

Resident of: **Newburgh**

Degree: **Journalism**



Berg had a leg up on her classmates when she graduated from college in 2006 with no debt. But it took her a while to land on her feet because of a lack of job opportunities near her hometown on the rural western edge of Orange County. After working at a concrete plant for a while, Berg found a job at RECAP, an antipoverty nonprofit in Orange County.

For years she lived with her parents and saved money so that she would have a cushion for a rainy day. Today she lives with her boyfriend in Newburgh. But she acknowledges that if she didn’t have a roommate, she still wouldn’t be able to afford a place of her own.

“I’d still be renting a bedroom in someone’s home because I don’t want to spend all my money on housing,” said Berg, who, despite the challenges is optimistic about her future. “Not having debt has given me flexibility. I don’t have that weight on my ankle pulling me down.”

**JAKE MICHELS, 31**

Resident of: **Poughkeepsie**

Degree: **Liberal Arts**



When Michels earned his associate's degree in the immediate aftermath of the 2008 Recession, he had two options: transfer to a four-year college or take a unique opportunity to go overseas and play for the Great Britain baseball team. Looking at his job prospects in the existing economic climate, Michels decided to take the latter.

He returned to the U.S. a few years later and worked his way up the ladder in two companies. In 2017 he joined RUPCO, a nonprofit that works to make housing affordable, and now serves as vice president of portfolio management. He is married and owns a home, but acknowledges that many of his peers have not had the opportunities he's had.

"If you're making \$40,000 and your take home is \$1,100 every two weeks, you're pretty much paying more than 50% of your income just to have a place to live and to have internet," said Michels. "To really be able to get involved with the city socially, you don't have a lot of money to be able to function. It makes it challenging for the average young person to get the independence and really progress in life."

**JENNIFER COUGHLIN, 22**

Resident of: **Highland Mills**

Degree: **Public Relations**



Since graduating college in 2018, Coughlin has been looking for a full-time job in public relations but hasn't found one. For a year she worked at the Godiva store at Woodbury Common Premium Outlets where she saw many of her co-workers hold down multiple jobs to support their families. She's lucky because she can rely on her family.

"Living here is really expensive," said Coughlin, who has \$45,000 in student debt that has to be repaid. "I live with my parents because I can't afford to move out. But if I found a job somewhere else, I would move. I am not attached to living here."

Coughlin recently quit Godiva to work part time at a day care center. She also interns part time for the alumni association at the United States Military Academy at West Point and hopes it will turn into a full-time job.

## Housing

The cost of housing is typically the largest monthly expense for residents anywhere in the United States. This reality is exacerbated in the Hudson Valley where the high cost of housing has made it unaffordable for at least a third of its residents, especially in the younger age cohorts.

“Housing is the number one impediment in our county,” Westchester County Executive George Latimer said recently at a panel discussion among county executives. “If we can’t solve the housing problem, it’s going to be difficult to grow the kind of future jobs that we want.”

Westchester isn’t the only county grappling with this problem. Dutchess, nearly 75 miles north of Manhattan, is faced with a similar problem as is every county in the Hudson Valley region.

“Our concern is that we don’t have the housing stock,” Marcus Molinaro, Dutchess County executive said at the same panel discussion. “We’ve got to create workforce-level housing so that college graduates can afford to live there. That’s our challenge.”

Housing affordability has long been measured by the percentage of household gross income spent on housing, whether rent and utilities or mortgage and related homeownership costs. According to the U.S. Department of HUD, housing is affordable when it costs less than 30% of household income, “unaffordable” at 30-50%, and “severely unaffordable” when it crosses 50%. Unfortunately, at least a third of Hudson Valley households are spending over 30% of their income on housing and almost a fifth are spending over 50%, depending on the county.

*Average Monthly Income and Average Rent in the Hudson Valley*

	Annual Income All Industry Sectors (BLS)	Monthly Gross Income	Affordable Monthly Rent (30% of income)	Current Zillow Average Rent	GAP
Columbia	\$35,946	\$2,996	\$899	\$1,614	(\$715)
Dutchess	\$44,709	\$3,726	\$1,118	\$2,013	(\$895)
Greene	\$38,013	\$3,168	\$950	\$1,165	(\$215)
Orange	\$40,620	\$3,385	\$1,016	\$1,940	(\$925)
Putnam	\$43,423	\$3,619	\$1,086	\$2,317	(\$1,231)
Rockland	\$42,467	\$3,539	\$1,062	\$2,842	(\$1,780)
Sullivan	\$35,630	\$2,969	\$891	\$1,373	(\$482)
Ulster	\$38,031	\$3,169	\$951	\$1,721	(\$770)
Westchester	\$54,805	\$4,567	\$1,370	\$3,149	(\$1,779)

Source: U.S. Bureau of Labor Statistics; Zillow

As is clear from the chart above, the typical worker earning the average wage in each of the nine counties in the Hudson Valley cannot afford the average rent in his or her home county. The gap in affordability ranges from \$215 in Greene to \$1,780 in Rockland. In Westchester, Putnam and Rockland counties, a renter would have to make more than twice the average wage to afford the average market-rate home in the county.

## Cost of Living

The cost of living, meanwhile, continues to rise. With an average wage of \$41,516, the typical young worker can barely afford to live in the Hudson Valley. After rent, food, and medical and transportation costs are met, there isn't enough left over to save for the future or for a down payment to purchase a home, the biggest indicator of wealth in the United States. This calculation does not take into consideration the approximately \$360 a majority of young professionals must pay monthly to service their student loan debt.

That is one of the reasons why many millennials are delaying forming their own households. In New York, there are 4.5 million young adults between the ages of 18 and 34. Of that group, 40.5% live in a home with their parent(s).<sup>7</sup> The national average is 34.5%, 6% lower than New York state.

Of the 468,668 18-to-34-year-olds who live in the nine counties of the Hudson Valley region, 229,968 live with their parents. That is 49%, nearly 9% higher than the state average and nearly 16% higher than the national average.

Nationally, the average age of marriage has crept up. In 1969, the average age of marriage for men was 23.2 and 20.8 for women. In 2018, the average age of marriage rose to 29.8 for men and 27.8 for women. The fertility rate per woman has also dropped for that period from 2.46 births per woman in 1969 to 1.72 in 2018, leading to smaller family sizes.

The cost of living chart, below, shows the minimum income needed by households of various sizes to live in the nine counties of the Hudson Valley. The calculation only includes basic living expenses such as housing, food, transportation, health and childcare.<sup>8</sup> Note: Housing costs are calculated by U.S. Dept. of HUD estimates, not actual market rent.

### *Annual Wage Needed by Family Size to Live in the Hudson Valley*

	1 Adult	2 Adults	1 Adult-1 Child	2 Adults-2 Children
<b>Columbia</b>	\$25,300	\$39,221	\$55,082	\$80,667
<b>Dutchess</b>	\$28,131	\$43,474	\$60,142	\$85,727
<b>Greene</b>	\$23,618	\$39,645	\$54,631	\$80,216
<b>Orange</b>	\$28,131	\$43,474	\$60,142	\$85,727
<b>Putnam</b>	\$36,308	\$50,325	\$66,541	\$92,126
<b>Rockland</b>	\$36,308	\$50,325	\$66,541	\$92,126
<b>Sullivan</b>	\$24,958	\$39,727	\$55,041	\$80,626
<b>Ulster</b>	\$25,683	\$41,573	\$57,872	\$80,457
<b>Westchester</b>	\$31,74	\$47,945	\$65,146	\$90,731

Source: *LivingWage.MIT.edu*

For many young professionals, the numbers just do not add up to make the Hudson Valley an attractive place to settle down.

<sup>7</sup> <https://overflow.solutions/demographic-data/in-what-states-are-young-adults-most-likely-to-live-with-their-parents/>

<sup>8</sup> <http://livingwage.mit.edu>

This reality is evident in the change in homeowner rates of individuals under the age of 35 in the Hudson Valley. As a region, the percentage of households under the age of 35 who own their homes has dipped by 5 percent, going from 36% in 2000 to 31% in 2017. Meanwhile, the number of households headed by a person under 35 who rent has gone up five percent, from 64% in 2000 to 69% in 2017. The reasons could include lack of savings for down payments, outmigration of young people from the region, or a reluctance by millennials to be held down by a mortgage at a time when they need to move to another area for a better job and wage prospects.

*Percentage of Heads of Household Under 35 that Own or Rent*

	HOMEOWNERS under 35 years of age			RENTERS under 35 years of age		
	2000	2017	2000 to 2017 Difference (Percentage Points)	2000	2017	2000 to 2017 Difference (Percentage Points)
Columbia	40%	36%	-4%	60%	64%	4%
Dutchess	39%	33%	-6%	61%	67%	6%
Greene	42%	38%	-4%	58%	62%	4%
Orange	40%	33%	-7%	60%	67%	7%
Putnam	62%	57%	-4%	38%	43%	4%
Rockland	42%	32%	-10%	58%	68%	10%
Sullivan	40%	28%	-12%	60%	72%	12%
Ulster	36%	30%	-6%	64%	70%	6%
Westchester	30%	27%	-3%	70%	73%	3%
Region	36%	31%	-5%	64%	69%	5%

*U.S. Census Bureau – Decennial Census, 2000; American Community Survey, 2017*

## The Future of Young Professionals in the Hudson Valley

The decline of young professionals in the Hudson Valley coincides with the retirement of a majority of baby boomers, creating a challenge for employers to fill the thousands of jobs available. As many members of the millennial generation continue to leave the Hudson Valley, the consequences will likely cascade across the region, impacting not only the economy but school systems, healthcare, the housing market, government services and the regional identity.<sup>9</sup>

Come 2020, millennials will have surpassed the baby boomers in numbers and will comprise more than 50% of the available workforce in the United States.<sup>10</sup> Whether or not this is reflected in the Hudson Valley remains to be seen.

Prescient leaders faced with a challenge rush to confront it before the problems it augurs become inevitable. Pattern for Progress recognizes that the shifts occurring in the Hudson Valley are to a great extent the result of both demographic and economic challenges that disproportionately affect young professionals. Because the viability of the region’s economy depends on its ability to attract an educated and diverse workforce, Pattern is working with elected, business and nonprofit leaders to nurture the conditions that will attract and retain the talent of the future.

<sup>9</sup> <https://www.pewresearch.org/fact-tank/2018/03/01/millennials-overtake-baby-boomers/>

<sup>10</sup> <https://www.pewresearch.org/fact-tank/2018/03/01/millennials-overtake-baby-boomers/>

As part of that effort, Pattern for Progress will create a regional initiative dedicated to promoting the interests of young professionals in the Hudson Valley.



**LIFT/HV** or **L**eading the **I**nitiative for **F**uture **T**alent in the **H**udson **V**alley will be housed in Pattern for Progress and will focus on nurturing, building and growing the number of young professionals for the benefit of the entire region. The effort will also create programming and initiatives focused on engaging young professionals in the region and providing them with a voice, opportunities and the ability to shape the future of the region.

More specifically, Pattern's **LIFT/HV** initiative will:

- dedicate staff time to conduct research on issues that are central to young professionals, including best practices for communities/municipalities to attract young professionals that will drive the economy of the future
- work with area colleges and employers so that graduating seniors find jobs locally and remain in the Hudson Valley. It will also work with local high schools to track seniors when they go to college, and then work with local businesses to offer the students internships during the summer
- take a regional approach to attracting young professionals from outside the state to settle in the Hudson Valley
- partner with local young professional organizations on events, research, outreach and best practices
- host educational, professional development and networking events for young professionals in the Hudson Valley, including an annual summit

Pattern for Progress is the Hudson Valley's public policy and planning organization that creates regional solutions to quality-of-life issues by bringing together business, nonprofit, academic and government leaders from across nine counties to collaborate on regional approaches to affordable/workforce housing, municipal sharing and local government efficiency, land use policy, transportation and other infrastructure issues that most impact the growth and vitality of the regional economy. To read this report and others please go to <http://www.pattern-for-progress.org/what-we-do/libraries/reports/>

Join Pattern and be part of the solution!

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