

Upstate New York's Population Plateau: The Third-Slowest Growing 'State'

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An analysis of population and migration data for the 52 counties of Upstate New York between 1980 and 2000 finds that:

Upstate New York's population grew by a mere 1.1 percent in the 1990s, slower than the growth rate of every state but West Virginia and North Dakota. Upstate is part of a larger stagnant region, stretching from parts of New England to northern West Virginia that grew less than 1 percent, compared to over 13 percent in the U.S. as a whole.

Within Upstate New York, only two regions grew in the 1990s. Extending north of New York City through Albany and Saratoga, the Hudson Valley region is Upstate's fastest growing area, followed by the Rochester/Finger Lakes region. In contrast, Western New York, home of Buffalo-Niagara Falls, continues to decline, evidenced by a loss of over 22,000 residents during the decade.

Overall, more people moved out of Upstate than moved in during the 1990s. Between 1990 and 2002, over 1.7 million people moved out of Upstate New York, while only 1.3 million moved in. The majority of out-migrants moved to states in the South and Northeast. The biggest migration flows into Upstate's regions came from within the state.

Nearly 30 percent of new residents in Upstate New York in the 1990s were prisoners. Upstate gained 21,000 new prisoners during the decade, an increase that was accompanied by a growing number of prison staff, as well as inmates' relatives. Upstate has a larger share of prisoners than the nation as a whole—1.1 percent of its population in 2000, compared to just 0.7 percent of the U.S. population.

Upstate's large senior citizen population increased in size and share, especially in its slow growing regions, in the 1990s. Fourteen percent of Upstate's residents in 2000 were 65 or over, compared to 12 percent nationwide. Western New York had the largest share of seniors, at 16 percent, up from 15 percent in 1990. Newburgh, in the Hudson Valley region, was the only Upstate metropolitan area where the share of seniors actually fell in the 1980s and 1990s.

Upstate's small racial and ethnic minority population is unevenly distributed among its metropolitan areas and segregated within them. Though Upstate New York remains primarily white, its share of black and Hispanic residents increased by 17.6 and 54 percent, respectively, during the 1990s, reflecting trends in much of the country. Beyond the metropolitan areas closest to New York City, Buffalo and Rochester are Upstate's most diverse regions, though their racial and ethnic minorities are highly segregated.

Sprawl Without Growth: The Upstate Paradox

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An analysis of growth and development trends and population in Upstate New York finds that:

Despite slow population growth, 425,000 acres of Upstate New York were urbanized between 1982 and 1997, resulting in urban sprawl in the form of declining density. The total amount of urbanized land in Upstate grew by 30 percent between 1982 and 1997, while its population grew by only 2.6 percent, reducing the density of the built environment by 21 percent.

Compared with other Upstate regions, Western New York sprawled less between 1982 and 1997, and Central New York sprawled more. All Upstate regions have falling population density, but Western New York's density dropped only 16 percent between 1982 and 1997. Meanwhile, Central New York—which includes Syracuse, Utica/Rome, and surrounding counties—urbanized over 100,000 acres even though it lost 6,500 residents, resulting in a 32 percent decline in its density.

People, jobs, and businesses are leaving cities and villages and moving to towns. Upstate cities lost over 40,000 households in the 1990s alone, while unincorporated town areas gained over 160,000 households; businesses have also disappeared from cities while growing in towns.

Sprawl hits Upstate cities hard. City tax bases fell in the 1990s, vacant housing increased, and home ownership slipped. Towns remained comparatively prosperous.

Continued decentralization of people and jobs away from Upstate New York's cities and villages is undermining the economic health and quality of life of the region. State and local leaders need to understand that these trends are not inevitable. Explicit state reforms in fiscal policy, annexation laws, and planning can go a long way toward fostering a better future for Upstate New York.

Transition and Renewal: The Emergence of a Diverse Upstate Economy

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An analysis of economic trends in Upstate New York finds that:

The economy of Upstate New York, by nearly all major measures, worsened in the 1990s, lagging both the nation and its own performance in the 1980s. After growing 26 percent in the 1980s, for example, Upstate's total real personal income in the 1990s increased by only 9 percent, compared to 29 percent nationwide. Upstate's earnings and employment growth also slipped in the 1990s, and overall growth rates for each were considerably lower over the two decades than those experienced by U.S. as a whole. All this came despite significant improvements in the share of Upstate residents with college educations.

Upstate's economy is diversifying as its information sector grows, but the region still depends heavily upon manufacturing. After dropping considerably since 1980, the goods producing and distribution sector now contributes 30 percent of Upstate's overall earnings—compared to 26 percent nationwide—while earnings from the information sector have climbed to 28 percent. This diversification will provide a more stable employment base, but at a cost: Upstate's information jobs pay much less than Upstate's goods-producing jobs and less even than information jobs on average nationwide.

Higher education is a key contributor to Upstate's economy, but many students leave when they graduate. Upstate's ratio of educational institutions to residents is 24 percent higher than the nation's, and 27 percent higher than downstate. But while Upstate attracts substantial numbers of college students from elsewhere, many more young working-age adults leave the state.

Health care is the fastest growing sector in Upstate and now employs a larger share of Upstate residents than the national average; however, average wage growth in this sector lags the nation. Private sector employment in the region's healthcare sector increased 75 percent between 1980. In 2000 over 9 percent of its jobs were in health services, compared to 7 percent nationwide. Average annual wages per job in this sector are only three-quarters of the national average, however.

Upstate's regional economies do better when they are based upon diverse economic activities and when major employers have incentives to offer wages high enough to attract and retain highly skilled workers. Only when these conditions are in place will Upstate get both more jobs and improvement in wages per job, both of which are critical to Upstate's prosperity.

In sum, long-term structural changes in the Upstate economy have weakened the region's economic health, and necessitate policy changes to ensure the region renews its drifting economy. Such adjustments offer good promise of the region leveraging its strengths in higher education, health care, and manufacturing into long-term growth and job-creation in both established and emerging industries.

Losing Ground: Income and Poverty in Upstate New York, 1980-2000

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A study of income and poverty data for Upstate New York finds that:

Personal income in Upstate grew at just half the national rate in the 1990s, and by 2000 lagged the country by 11 percent. Over half of Upstate's meager income growth was accounted for by increases in government transfer payments from such sources as Social Security, Medicare and Medicaid, and the earned income tax credit.

Hour for hour, Upstate workers receive lower wages than people of similar age, race, sex, and educational backgrounds nationwide. Upstate's workers also work fewer hours, and a smaller share of Upstate adults participates in the workforce, contributing to Upstate's comparatively low wages per capita.

Upstate's highest-income households earn substantially lower incomes than the national average. Upstate's 80th-percentile household—whose income is higher than 80 percent but lower than 20 percent of all households—earned about \$74,300 in Upstate in 1999, compared with over \$81,100 nationwide.

Upstate's lowest income households experienced little income growth in the 1990s. These households saw slow relative earnings growth and a substantial decrease in welfare income over the decade so that by 1999, their income had fallen from about 8 percent above the national average to about 1 percent below it.

Upstate poverty rates grew for families, individuals, and children during the 1990s, while they decreased for all three of these groupings nationwide. Traditionally a low-poverty region, by 2000 Upstate's poverty rate was 11 percent, closing in on the national average of 12.4 percent.

Concentrated poverty is on the rise in Upstate even as it declines across the nation. The share of concentrated poverty neighborhoods in the United States, and the share of poor households living in such neighborhoods, dropped in the 1990s. The opposite was true for Upstate.

Upstate has two income problems requiring two sets of responses. Policies are needed to create better income opportunities for well-educated workers, who otherwise leave the region. Also, policies are needed that will directly improve the income of low-income households and low-wage workers and reduce their residential concentration in Upstate cities.