

Economic Analysis

Regional Economic Perspective

The Town of North East is located in the northeastern portion of Dutchess County adjacent to the Connecticut state line. From an economic and labor market perspective, the Town is linked both to Dutchess County in New York and Litchfield County in Connecticut.

Government, health care, retail trade, and accommodation and food services are among the primary drivers of the Dutchess County economy. The largest private employer in the County is Health Quest, which operates Northern Dutchess Hospital and Vassar Brothers Medical Center. Other major employers include Bard College, IBM, Global Foundries, MidHudson Regional Hospital, and Central Hudson.

	Dutchess County, NY		Litchfield County, CT	
	Number	Percent	Number	Percent
Total, Government	19,553	17.7%	8,133	13.4%
Total, Private Sector	90,705	82.3%	42,713	86.6%
Health Care and Social Assistance	18,867	17.1%	9,357	15.4%
Retail Trade	14,446	13.1%	8,498	14.0%
Accommodation and Food Services	9,458	8.6%	5,057	8.3%
Manufacturing	8,382	7.6%	9,249	15.2%
Educational Services	7,853	7.1%	2,427	4.0%
Construction	5,156	4.7%	3,537	5.8%
Personal and Repair Services	4,070	3.7%	2,717	4.5%
Administrative and Waste Services	3,881	3.5%	2,399	3.9%
Professional and Technical Services	3,586	3.3%	1,629	2.7%
Finance and Insurance	2,502	2.3%	1,237	2.0%
Transportation and Warehousing	2,366	2.1%	1,516	2.5%
Arts, Entertainment and Recreation	2,193	2.0%	1,385	2.3%
<i>All Other Industries</i>	<i>7,945</i>	<i>7.2%</i>	<i>3,705</i>	<i>6.1%</i>
Total All Industries	110,258	100.0%	60,846	100.0%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment & Wages.

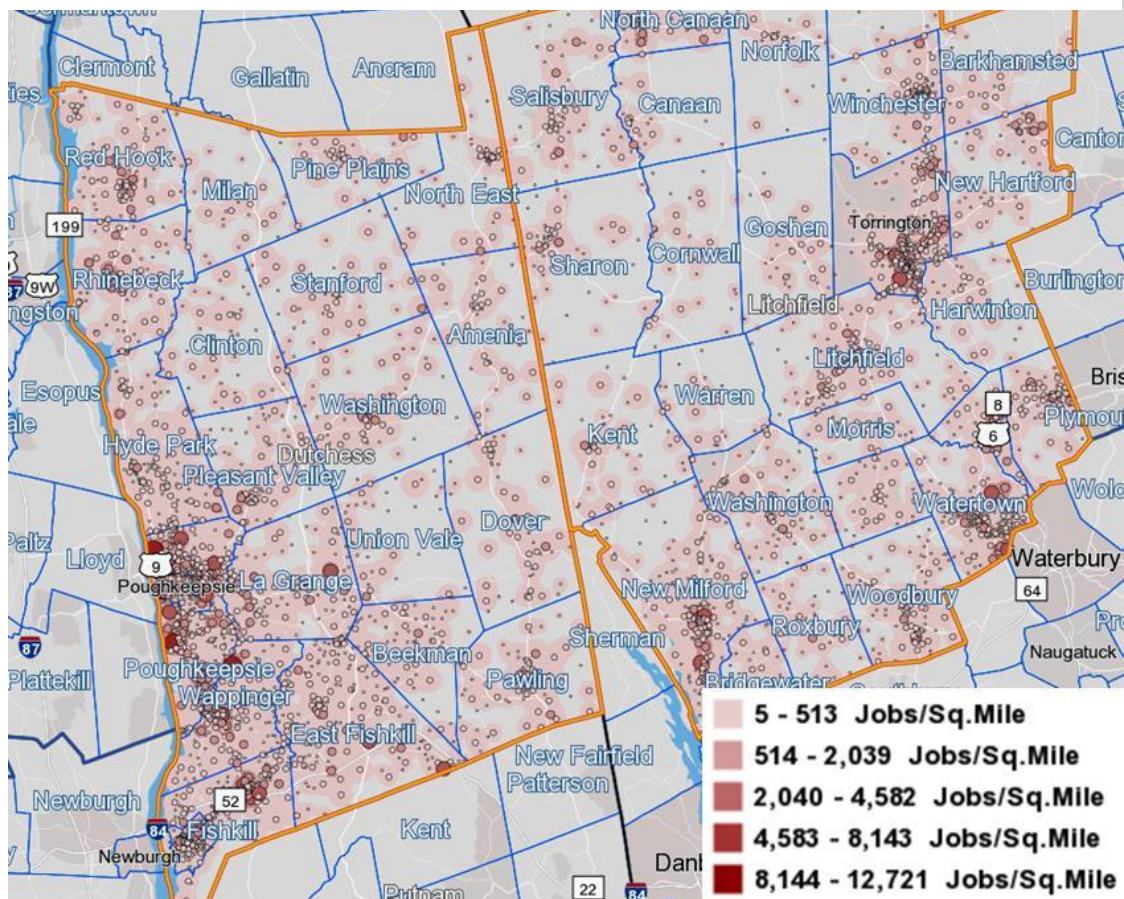
Note: Government employment totals include public education and public health services.

Educational services is an important industry locally. Dutchess County has an unusually high concentration of employment in education, reflecting the presence of a number of prominent private schools and colleges. Among these are Bard College in Amenia; Marist College, Vassar College, and Oakwood Friends School in Poughkeepsie; the Culinary Institute of America in Hyde Park; and the Millbrook School in Millbrook. Olivet University, a private Christian college based in San Francisco, recently opened an educational facility on the site of the former Harlem Valley Psychiatric Center in

Wingdale. The Kildonan School, an independent boarding school for students with dyslexia, is located in the Town of North East.

With the exception of Health Quest, which has medical facilities throughout the Hudson Valley, most of Dutchess County’s largest employers are located in and around population centers like Poughkeepsie and Beacon. State institutions in Amenia and Dover that employed many North East residents years ago have either closed or been significantly downsized. There are, however, numerous small- and mid-sized businesses that provide job opportunities in the area’s towns and villages. The arts have also become an economic engine in communities such as Wassaic and Rhinebeck.

Figure 1. Employment Density in Dutchess and Litchfield Counties (2015)



Like Dutchess County, Litchfield County, Connecticut has a diverse economy anchored by health care, manufacturing, retail trade, and government. Major employers include four manufacturers – Kimberly-Clark, Nicard Enterprises, Siemon Co., and Becton Dickinson & Co. – and three hospitals. Sharon Hospital serves many North East residents, as it is only ten minutes from Millerton and closer than comparable facilities in Dutchess County. Litchfield County is also home to the Hotchkiss School, Kent School, and Indian Mountain School, all private, coeducational, college preparatory schools.

Tourism is a growing sector throughout the region. According to a report by the Berkshire Taconic Community Foundation, tourism directly supports approximately 20,000 jobs within the four counties that make up its service territory, and visitor spending is on the rise.¹ The region is a destination for outdoor recreation, arts and culture, and antiques, and its rural character and historic village centers attract residents and tourists alike.

Resident Commutation and Employment

The table below presents data on where Town of North East residents, including those living in the Village of Millerton, are employed. The information is restricted to those working in primary jobs as of 2015, the most recent year for which data are available.²

Location	Count	Share
Dutchess County	433	40.4%
<i>Town of North East</i>	235	21.9%
<i>Town of Washington</i>	33	3.1%
<i>Town of Amenia</i>	25	2.3%
<i>Town of Pine Plains</i>	19	1.8%
Litchfield County, CT	170	15.9%
Town of Salisbury	95	8.9%
Town of Sharon	35	3.3%
New York County (Borough of Manhattan)	92	8.6%
Westchester County	85	7.9%
Fairfield County, CT	33	3.1%
All Other Counties	259	24.1%
TOTAL	1,072	100.0%

Source: U.S. Census Bureau, LED OnTheMap Origin-Destination Database (2015).

As the table indicates, 40.4% of employed residents work in Dutchess County, including 21.9% with jobs in the Town of North East. Nearly 16% work in Litchfield County in northwestern Connecticut. Other workplace locations include Manhattan, Fairfield County in Connecticut, and the counties of Westchester, Columbia, Orange, and Suffolk in New York. From the Metro-North railroad station in Wassaic, about 12 miles away, local residents can reach New York City by train in about two-and-a-half hours.

¹ Berkshire Taconic Community Foundation, *A Closer Look: The Berkshire Taconic Region Today*, 2017, p. 5. Berkshire Taconic serves a geographic area that includes the northeast portion of Dutchess County, NY and the northwest portion of Litchfield County, CT, as well as all of Columbia County, NY and Berkshire County, MA.

² *Primary jobs* are public- and private-sector positions covered under the state unemployment insurance system. A primary job is the highest paying job for an individual worker for the year.

According to the 2012-16 American Community Survey (ACS), most North East residents (81%) drive to work, although 7.4% are able to walk to places of employment and 6.5% work at home. The majority of residents commute less than 25 miles, with an average travel time of 26.7 minutes.

As shown in Table 3, 15.4% of the jobs held by Town of North East residents, regardless of their location, are in the public sector. This includes jobs in local, state, and federal government as well as public schools, colleges, and universities. Retail trade, health care and social assistance, and accommodation and food services are the top private-sector industries in which residents are employed.

Location	Count	Share
Public Administration & Government	165	15.4%
Retail Trade	136	12.7%
Health Care and Social Assistance	125	11.7%
Accommodation and Food Services	89	8.3%
Construction	79	7.4%
Educational Services (private only)	72	6.7%
Professional and Technical Services	62	5.8%
Wholesale Trade	49	4.6%
Manufacturing	42	3.9%
Administrative and Waste Services	37	3.5%
Personal and Repair Services	37	3.5%
Agriculture, Forestry, Fishing, Hunting	35	3.3%
Finance and Insurance	32	3.0%
<i>All Other Industries</i>	<i>112</i>	<i>10.4%</i>
TOTAL	1,072	100.0%

Source: U.S. Census Bureau, LED OnTheMap Origin-Destination Database (2015).

The 2012-16 ACS estimates that 12.8% of North East residents are self-employed and working in their own unincorporated businesses. The rate of self-employment in the Town is more than twice that of Dutchess County as a whole (5.7%). This may be due in part to the number of family farms in North East. Higher than average levels of self-employment are often found in rural communities.

Business Mix

To examine the mix of businesses currently operating in the Town of North East, an inventory was compiled based on various sources. These establishments were broken down into several categories as shown in Table 4. About two-thirds of the businesses in North East – including nearly 75% of the retail stores and restaurants – are located in the Village of Millerton. Businesses are also located outside the Village on Route 44 (The Boulevard), along Route 22 north of the Village, and in other areas of town.

Type of Business	Count	Share
Retail Trade	49	40.2%
Personal and Repair Services	16	13.1%
Food Services (Restaurants)	11	9.0%
Finance, Insurance, and Real Estate	7	5.7%
Professional Services	7	5.7%
Manufacturing	6	4.9%
Construction	5	4.1%
Agriculture (Farm Stands)	4	3.3%
Health Care and Social Assistance	3	2.5%
<i>Other</i>	14	11.5%
TOTAL	122	100.0%

All categories except Other are based on the North American Industrial Classification System (NAICS). Inventory is as of January 2018.

Many local businesses and nonprofit organizations are members of the Millerton Business Association, which was established in the 1980s. The organization has a website with information on businesses, arts and entertainment, outdoor recreation, and services. The Business Association also hosts events that bring residents and visitors to the Village.

According to the most recent Economic Census, retailers in the Town of North East generated \$84.5 million in sales and employed 322 workers in 2012 (Table 5). Gas stations and motor vehicle and parts dealers accounted for nearly 52% of total retail sales, while food stores accounted for 10%.

	Sales (000s)
Total, Retail Trade	\$84,483
<i>Gas Stations</i>	\$25,824
<i>Motor Vehicle and Parts Dealers</i>	\$17,861
<i>Food and Beverage Stores</i>	\$8,434
<i>All Other Retail Categories</i>	\$32,264

Source: U.S. Census Bureau, Economic Census, 2012.

Other industries with significant sales activity in 2012 included food services (\$6.5 million); professional, scientific, and technical services (\$6.4 million); personal and repair services (\$5.2 million); and health care and social assistance (\$2.3 million). However, the Economic Census does not provide sales figures for businesses in all sectors due to the small number of establishments.

Employment in North East

Based on Local Employment Dynamics data from the U.S. Census Bureau, an estimated 1,017 individuals work in the Town of North East. Government, including public education, accounts for 24.1% of the total employment in the Town, followed by retail trade (22.9%). Agriculture (6.9%), private educational services (6.5%), and construction (5.7%) also contribute to local employment.

More than three-quarters of those who are employed in North East live elsewhere, although 45% commute less than ten miles. Most originate from other locations in Dutchess County, Columbia County, or Litchfield County in Connecticut.

Location	Count	Share
Dutchess County	532	52.3%
Town of North East	235	23.1%
Town of Amenia	116	11.4%
Town of Ancram	45	4.4%
Litchfield County, CT	133	13.1%
Town of Sharon	47	4.6%
Town of Salisbury	34	3.3%
Columbia County	120	11.8%
All Other Counties	232	22.8%
TOTAL	1,017	100.0%

Source: U.S. Census Bureau, LED OnTheMap Origin-Destination Database (2015).

Items potentially to be added:

- Commercial and industrial real estate – Based on the 2017 assessment roll, there are 106 parcels in the Town of North East (including 70 in the Village of Millerton) classified as commercial or industrial, *excluding* properties classified as apartments. These parcels have a total assessed value of \$45.6 million. (GIS data could allow for more detailed analysis.)
- Assessment of non-resident markets – users of the rail trail and Rudd Pond
- Local resources to support economic development
- Results of survey re: economic and business development issues