

**SPECIAL REPORT
INCOME
HUDSON VALLEY
2013**

MARIST COLLEGE

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March 2015

This report is available on the Bureau of Economic Research homepage at
<http://www.marist.edu/management/bureau>

**The support of student research assistant
Kristen Sandberg is acknowledged and appreciated.**

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Total Personal Income

2013

Total personal income (TPI)¹ in the Hudson Valley posted the slowest year-over-year increase in five years, advancing 0.62 percent (\$889.66 million) in 2013 compared to 2.55 percent in 2010, 4.76 percent in 2011, and 6.08 percent in 2012. The primary cause of this slowdown was a significant decline in the growth of earned income—wages, salaries and benefits. For the period, earned income was little changed, increasing 0.26 percent (\$243.09 million) on the year, compared to an average increase of 3.57 percent (\$3.00 billion) over the previous four-year period (2009-2012). Weak to negative wage growth, in concert with the continued substitution of low-wage jobs in place of high-wage jobs, contributed to this outcome. Unearned income—interest, dividends, and rents—reported a similarly weak showing, increasing 1.14 percent (\$356.71 million) on the year, compared to double-digit increases in both 2012 and 2011; in 2010, unearned income fell 2.85 percent relative to 2009. Consistent with both earned and unearned income, transfer payments posted the smallest increase in five years, rising 1.49 percent (\$289.86 million) on the year, compared to 2.79 percent in 2012, 2.61 percent in 2011, and 4.798 percent in 2010. Outcomes in 2013, while certainly a deviation from trend, do not support a change in trend. At this point, the most that can be gleaned from the current data is that 2013 is an outlier relative to recent economic outcomes.

Region-wide, per-capita earned income in Westchester, Putnam, Rockland and Dutchess counties continued to rank in the top ten statewide. In the per-capita unearned income category, Westchester ranked second behind New York County; Rockland and Putnam ranked eighth and tenth, respectively. Ulster County (12th) outperformed Dutchess (16th).

As is the norm, per-capita TPI in Westchester (\$80,363), Putnam (\$58,955) and Rockland (\$56,657) counties exceeded per-capita income in both the U.S. (\$44,765) and New York State (\$54,462). Per-capita TPI in Dutchess County (\$49,627) was above the national level, but fell short compared to the statewide average. Per-capita TPI in Ulster (\$44,527), Orange (\$43,788) and Sullivan (\$41,197) counties was below both the national and statewide levels. All counties in the region ranked in the top 50 percent statewide, with Westchester securing the second-highest rank behind New York County (rank one). Four counties ranked in the top ten: Westchester (2), Putnam (4), Rockland (6), and Dutchess (10). The remaining three counties—Ulster, Orange, and Sullivan—ranked 20, 23, and 26, respectively.

The distribution of income among households is an issue of equal importance. The distribution of earned income continues to favor households reporting adjusted gross income

¹ Total personal income is the sum of net wages, salaries and benefits; income on real and financial assets; and transfer payments. It is the most inclusive definition of regional income.

(AGI) of \$100,000 or more. The Internal Revenue Service (IRS) reports that, as of 2012 (most recent data available), 25.91 percent of all households in the region reported an AGI of \$100,000 and above; these household also accounted for 68.20 percent of all earned income. At \$206,509, the average earned income in the \$100,000-and-over category was six times greater than the average earned income in the less-than-\$100,000 category. This is a nationwide trend with implications on both the regional and county level. Sluggish earned income growth leads to sluggish aggregate demand growth, which in turn negatively impacts employment – and in so doing, earned income growth lags all the more.

As was the case with earned income, the distribution of unearned income is highly skewed in favor of a small group of high-income households. Across the valley, households with AGI of less than \$100,000 accounted for the largest share of tax returns reporting unearned income. However, in all three categories—taxable interest, ordinary dividends, and qualified dividends—it was the households with AGI of \$100,000 and above that reported the largest share of unearned income. Households in the \$100,000-and-above category reported average taxable interest income of \$7,715, which is 6.8 times greater than the taxable interest income reported by households with AGI of less than \$100,000 (\$1,133). Similarly, the \$100,000-and-above category reported average ordinary dividend income 6.5 times greater, and average qualified dividends 7.3 times greater, than the below-\$100,000 category.

There is a significant correlation between unearned and earned income. Unearned income is the return to savings, and the ability to save is highly dependent on earned income. The lower a worker’s earned income, the less he/she is able to save; the ability to make unearned income is diminished as a direct consequence. In addition, lower income households tend to be risk-averse, placing a greater proportion of their savings in low-yielding money market instruments.

Total Personal Income

2013

Total personal income (TPI)¹ in the Hudson Valley posted the slowest year-over-year increase in five years, advancing 0.62 percent (\$889.66 million) in 2013 compared to 2.55 percent in 2010, 4.76 percent in 2011, and 6.08 percent in 2012. The primary cause of this slowdown was a significant decline in the growth of earned income—wages, salaries and benefits. For the period, earned income was little changed, increasing 0.26 percent (\$243.09 million) on the year, compared to an average increase of 3.57 percent (\$3.00 billion) over the previous four-year period (2009-2012). Weak to negative wage growth, in concert with the continued substitution of low-wage jobs in place of high-wage jobs, contributed to this outcome. Unearned income—interest, dividends, and rents—reported a similarly weak showing, increasing 1.14 percent (\$356.71 million) on the year, compared to double-digit increases in both 2012 and 2011; in 2010, unearned income fell 2.85 percent relative to 2009. Consistent with both earned and unearned income, transfer payments posted the smallest increase in five years, rising 1.49 percent (\$289.86 million) on the year, compared to 2.79 percent in 2012, 2.61 percent in 2011, and 4.798 percent in 2010.

Outcomes in 2013, while certainly a deviation from trend, do not support a change in trend. At this point, the most that can be gleaned from the current data is that 2013 is an outlier relative to recent economic outcomes. As noted in the chart below, the decline in growth is significant; the more important finding, however, is the decline in the contribution of earned income to total TPI growth. In 2013, the earned income contribution to total growth posted a significant decline, falling from 65.96 percent during the period 2009-2012 to 27.32 percent in 2013. Earned income is not only the largest dollar component of TPI, it is the most important source of income for the majority of Hudson Valley households.

Contribution to the Change in Total Personal Income (TPI)				
Data Source: U.S. Bureau of Economic Analysis, author calculations				
	Percent of Year-over-Year Increase 2012-2013	Year-over-Year Growth 2012-2013	Average percent of previous four-year increase 2009-2012	CAGR 2009-2012
Earned Income	27.32%	0.26%	65.96%	3.57%
Unearned Income	40.10%	1.14%	20.14%	8.00%
Transfer Payments	32.58%	1.49%	13.90%	3.39%

¹ Total personal income is the sum of net wages, salaries and benefits; income on real and financial assets; and transfer payments. It is the most inclusive definition of regional income.

Total Personal Income: Year 2013

Data Source: U.S. Bureau of Economic Analysis, author calculations (in thousands)

Area	Earned Income: Net Wages, Salaries and Benefits	Unearned Income: Interest, Dividends and Rents	Transfer Payments: Government and Private	Total Personal Income (TPI)	CAGR TPI 2009-2013	CAGR TPI 2012-2013
Dutchess	\$9,537,692	\$2,784,797	\$2,412,553	\$14,735,042	3.02%	0.42%
Orange	\$10,732,712	\$2,743,313	\$2,970,241	\$16,446,266	2.95%	0.67%
Putnam	\$4,145,808	\$1,018,236	\$710,576	\$5,874,620	2.82%	0.16%
Rockland	\$11,893,973	\$3,451,046	\$2,836,484	\$18,181,503	2.86%	0.85%
Sullivan	\$1,733,430	\$613,407	\$811,502	\$3,158,339	2.69%	0.62%
Ulster	\$4,614,044	\$1,780,799	\$1,664,420	\$8,059,263	3.34%	0.67%
Westchester	\$50,192,248	\$19,389,195	\$8,273,975	\$77,855,418	3.93%	0.62%
Hudson Valley	\$92,849,907	\$31,780,793	\$19,679,751	\$144,310,451	3.48%	0.62%
New York	\$677,939,459	\$206,942,537	\$185,353,801	\$1,070,235,797	3.69%	1.06%
United States	\$9,066,207,000	\$2,670,719,000	\$2,414,501,000	\$14,151,427,000	4.04%	2.01%

Earned Income *(Net Wages, Salaries and Benefits)* **2013**

Net wages, salaries and benefits is the most significant component of TPI at 64.34 percent of total income, little changed from 64.57 percent in 2012, but below the five-year average of 65.67 percent.

Earned income growth in the Hudson Valley continues to underperform both the state and the nation, advancing 0.26 percent (\$243.09 million) year-over-year compared to a 0.75 percent (\$5.05 billion) increase in New York State and a 1.81 percent (\$160.69 billion) rise nationwide. This outcome is consistent with the five-year trend: in each of the past five years, and on average, earned income growth in the Hudson Valley has trailed both the state and nation.

Between 2012 and 2013, regional employment advanced 0.59 percent; with the exception of Sullivan, every county in the region posted a positive outcome. In contrast, four of the seven counties—Dutchess, Putnam, Sullivan, and Ulster—reported negative earned income growth, with the remaining two counties each reporting positive outcomes of less than 0.60 percent. These outcomes can be directly traced to the continued decline in the number of high-wage jobs relative to low-wage jobs. The movement toward lower-paying jobs is a trend which accelerated with the Great Recession and is evident across the region, state, and nation.

Earned Income Non-Commuter and Commuter 2009-2013

Data Source: U.S. Bureau of Economic Analysis, author calculations

Area	2009 (in thousands)	2012 (in thousands)	2013 (in thousands)	CAGR 2009-2013	CAGR 2012-2013	Per-Capita Earned Income 2013	Per-Capita Statewide Rank 2013
Dutchess	\$8,774,531	\$9,558,010	\$9,537,692	2.11%	-0.21%	\$32,123	10
Orange	\$9,828,058	\$10,724,845	\$10,732,712	2.23%	0.07%	\$28,575	14
Putnam	\$3,797,436	\$4,167,653	\$4,145,808	2.22%	-0.52%	\$41,606	4
Rockland	\$11,099,055	\$11,837,546	\$11,893,973	1.74%	0.48%	\$37,064	5
Sullivan	\$1,636,053	\$1,742,002	\$1,733,430	1.46%	-0.49%	\$22,610	40
Ulster	\$4,313,803	\$4,614,273	\$4,614,044	1.70%	0.00%	\$25,492	23
Westchester	\$43,918,332	\$49,962,491	\$50,192,248	3.39%	0.46%	\$51,809	2
Hudson Valley	\$83,367,268	\$92,606,820	\$92,849,907	2.73%	0.26%	\$40,030	NM*
New York State	\$596,741,344	\$672,885,294	\$677,939,459	3.24%	0.75%	\$34,499	NM*
United States	\$7,791,984,000	\$8,905,517,000	\$9,066,207,000	3.86%	1.80%	\$28,679	NM*

*Not Meaningful

Additionally, the distribution of earned income continues to favor households reporting adjusted gross income (AGI) of \$100,000 or more. According to the Internal Revenue Service (IRS), as of 2012 (most recent data available), 25.91 percent of all households in the region reported an AGI of \$100,000 and above; these household also accounted for 68.20 percent of all earned income. At \$206,509, the average earned income in the \$100,000-and-over category was six times greater than the average income earned in the less-than-\$100,000 category. This is a nationwide trend with regional and county level implications. Sluggish earned income growth leads to sluggish aggregate demand growth, which in turn negatively impacts employment –and in so doing, earned income growth lags all the more.

Earned Income as Reported to the Internal Revenue Service; 2012 Data

Data Source: Internal Revenue Service 1040s by county, author calculations

Area	Under \$100,000			\$100,000 and above		
	Percent of all Households	Percent of all Earned Income	Average Earned Income	Percent of all Households	Percent of all Earned Income	Average Earned Income
Dutchess	76.81%	43.51%	\$34,431	23.19%	56.49%	\$148,052
Orange	78.67%	46.19%	\$32,935	21.33%	53.81%	\$141,499
Putnam	68.05%	31.94%	\$35,171	31.95%	68.06%	\$159,596
Rockland	72.97%	34.25%	\$32,293	27.03%	65.75%	\$167,417
Sullivan	87.50%	63.61%	\$31,013	12.50%	36.39%	\$124,167
Ulster	83.70%	56.08%	\$32,435	16.30%	43.92%	\$130,417
Westchester	69.74%	23.19%	\$34,587	30.26%	76.81%	\$264,129
Hudson Valley	74.09%	31.80%	\$33,681	25.91%	68.20%	\$206,509
New York State	82.41%	44.47%	\$32,670	17.59%	55.53%	\$191,113

Commuter and Non-Commuter Earned Income

Earned income is secured from two sources: non-commuter and commuter. Non-commuter income is paid by Hudson Valley employers to Hudson Valley residents;

Commuter Income 2009-2013					
Data Source: U.S. Bureau of Economic Analysis, author calculations					
	2009 (in thousands)	2012 (in thousands)	2013 (in thousands)	CAGR 2009-2013	CAGR 2012-2013
Dutchess	\$1,853,751	\$2,289,846	\$2,325,399	5.83%	1.55%
Orange	\$2,564,834	\$2,785,399	\$2,808,317	2.29%	0.82%
Putnam	\$2,210,561	\$2,488,486	\$2,445,783	2.56%	-1.72%
Rockland	\$3,060,426	\$3,257,221	\$3,310,416	1.98%	1.63%
Sullivan	\$362,125	\$407,932	\$409,611	3.13%	0.41%
Ulster	\$1,223,907	\$1,316,867	\$1,311,544	1.74%	-0.40%
Westchester	\$10,322,463	\$12,422,526	\$12,724,838	5.37%	2.43%
Hudson Valley	\$21,598,067	\$24,968,277	\$25,335,908	4.07%	1.47%

commuter income is earned by Hudson Valley residents working outside of the Hudson Valley. The earned income data released by the Bureau of Economic Analysis (BEA) is compiled by place of work (the geographical location where the work is performed) and place of residence (where the worker lives). To convert place-of-work data to place-of-residence data, the BEA adds or subtracts commuter income.

Commuter Income as a Percent of Total Earned Income				
Data Source: U.S. Bureau of Economic Analysis, author calculations				
	2007	2009	2012	2013
Dutchess	23.67%	21.13%	23.96%	24.38%
Orange	28.37%	26.10%	25.97%	26.17%
Putnam	61.49%	58.21%	59.71%	58.99%
Rockland	33.36%	27.57%	27.52%	27.83%
Sullivan	23.25%	22.13%	23.42%	23.63%
Ulster	28.44%	28.37%	28.54%	28.43%
Westchester	26.61%	23.50%	24.86%	25.35%
Hudson Valley	29.01%	25.91%	26.96%	27.29%

Between 2012 and 2013, income paid by Hudson Valley employers—to both residents and nonresidents—posted a year-over-year decrease of \$124.54 million (0.18 percent), falling from \$67.64 billion in 2012 to \$67.51 billion in 2013. Conversely, commuter income advanced \$367.63 million (1.47 percent) from \$24.97 billion to \$25.34 billion. With the exception of

Dutchess and Sullivan counties, commuter income as a percentage of total earned income remains below its pre-recession level across the region.

Per-capita Earned Income

Because the population grew (0.49 percent) at a faster pace than earnings from work, regional per-capita earned income posted a slight decline (0.22 percent), falling from \$40,119 in 2012 to \$40,030² in 2013. Within the region, per-capita earned income ranged from a high of \$51,809 in Westchester County to a low of \$22,610 in Sullivan County. And as is typically the case, per-capita earned income in Westchester (\$51,809), Putnam (\$41,606) and Rockland (\$37,064) exceeded per-capita earned income in both the state (\$34,499) and the nation (\$28,679); per-capita income in Dutchess County (\$32,123) outperformed the nation, but fell short relative to the state. Orange (\$29,575), Ulster (\$25,492) and Sullivan (\$22,610) counties continued to underperform both the state and the nation.

Of the top ten counties statewide, four –Westchester, Putnam, Rockland, and Dutchess—are located in the Hudson Valley region. This reflects in part the Hudson Valley region’s close association with the New York City region. Other counties in the top ten included New York and Richmond counties in New York City, Nassau and Suffolk counties in the Long Island region, and Albany and Saratoga counties in the Capital Region. It is interesting to note that 83.87 percent of all 52 counties in New York State reported per-capita earned income of less than \$30,000, with 14.52 percent (nine counties) reporting per-capita earned income of less than \$20,000. *For a complete listing, see TABLE 1 in the data appendix.*

Earned Income Non-Commuter and Commuter 2009-2013		
Data Source: U.S. Bureau of Economic Analysis, author calculations		
Area	Per-Capita Earned Income	Per-Capita Statewide Rank
New York	\$82,503	1
Westchester	\$51,809	2
Nassau	\$47,016	3
Putnam	\$41,606	4
Rockland	\$37,064	5
Suffolk	\$37,057	6
Saratoga	\$35,101	7
Albany	\$33,695	8
Richmond	\$32,535	9
Dutchess	\$32,123	10

² This decrease is explained by a 0.26 percent increase in earned income in tandem with a year-over-year population increase of 0.49 percent.

Interest, Dividends, and Rents 2013

Interest, dividends, and rents (unearned income) is the second largest component of TPI at 22.02 percent, which is little changed from 2012 but significantly above the five-year average of 20.54 percent.

For the period, unearned income advanced 1.14 percent (\$356.71 million), underperforming both the state (1.99 percent) and the nation (2.05 percent). While every county in the region reported an increase, Sullivan was the only one to outperform both the state and the nation. All other counties fell short, with Westchester posting the lowest increase (0.90 percent) on the year. On a per-capita basis, the region continues to outperform both the state and the nation, with three of seven counties—Westchester, Rockland, and Putnam –ranked in the top ten statewide.

Unearned Income 2009-2013							
Data Source: U.S. Bureau of Economic Analysis, author calculations							
Area	2009 (in thousands)	2012 (in thousands)	2013 (in thousands)	CAGR 2009- 2013	CAGR 2012- 2013	2013 Per-Capita Unearned Income	2013 Per-Capita Statewide Rank
Dutchess	\$2,184,618	\$2,747,656	\$2,784,797	6.26%	1.35%	\$9,379	16
Orange	\$2,199,311	\$2,693,793	\$2,743,313	5.68%	1.84%	\$7,304	31
Putnam	\$834,104	\$1,005,827	\$1,018,236	5.11%	1.23%	\$10,219	10
Rockland	\$2,704,581	\$3,403,768	\$3,451,046	6.28%	1.39%	\$10,754	8
Sullivan	\$475,597	\$598,766	\$613,407	6.57%	2.45%	\$8,001	26
Ulster	\$1,302,758	\$1,757,587	\$1,780,799	8.13%	1.32%	\$9,839	12
Westchester	\$15,242,116	\$19,216,682	\$19,389,195	6.20%	0.90%	\$20,014	2
Hudson Valley	\$24,943,085	\$31,424,079	\$31,780,793	6.24%	1.14%	\$13,701	NM*
New York State	\$157,618,064	\$202,901,122	\$206,942,537	7.04%	1.99%	\$10,531	NM*
United States	\$2,148,084,000	\$2,616,954,000	\$2,670,719,000	5.60%	2.05%	\$8,448	NM*

*Not Meaningful

As was the case with earned income, the distribution of unearned income is highly skewed in favor of a small group of high-income households. Across the valley, households with AGI of less than \$100,000 accounted for the largest share of tax returns reporting unearned income. However, in all

The average across all Hudson Valley households was \$3,852 for taxable interest income; \$11,169 for ordinary dividends; and \$9,160 for qualified dividends.

three categories—taxable interest, ordinary dividends, and qualified dividends—it was the households with AGI of \$100,000 and above that reported the largest share of unearned income.

Region-wide, households in the \$100,000-and-above category reported average taxable interest income of \$7,715, which is 6.8 times greater than the taxable interest income reported by households with AGI of less than \$100,000 (\$1,133). Similarly, the \$100,000-and-above category reported average ordinary dividend income 6.5 times greater, and average qualified dividends 7.3 times greater, than the below-\$100,000 category.

There is a significant correlation between unearned and earned income. Unearned income is the return to savings, and the ability to save is highly dependent on earned income. The lower a worker’s earned income, the less he/she is able to save; the ability to make unearned income is diminished as a direct consequence. In addition –and as noted in the table

Taxable Interest Income Reported 2012 1040's						
Data Source: Internal Revenue Service 1040s by county, author calculations						
Area	Percent of all Households	Percent of all Taxable Interest Income	Average Income	Percent of all Taxable Interest Income	Average Earned Income	Average Earned Income
Dutchess	65.04%	37.40%	\$831	34.96%	62.6%	\$2,587
Orange	64.25%	45.21%	\$719	35.75%	54.8%	\$1,566
Putnam	57.24%	40.47%	\$894	42.76%	59.5%	\$1,761
Rockland	55.62%	30.52%	\$1,119	44.38%	69.5%	\$3,194
Sullivan	77.51%	58.14%	\$962	22.49%	41.9%	\$2,388
Ulster	74.09%	51.66%	\$823	25.91%	48.3%	\$2,201
Westchester	52.36%	11.62%	\$1,529	47.64%	88.4%	\$12,773
Hudson Valley	58.69%	17.26%	\$1,133	41.31%	82.7%	\$7,715

below—lower income households tend to be risk-averse, placing a greater proportion of their savings in low-yielding money market instruments.

Ordinary Dividend Income Reported 2012 1040's						
Data Source: Internal Revenue Service 1040s by county, author calculations						
Area	Percent of all Households	Percent of all Ordinary Dividends	Average	Percent of all Ordinary Dividends	Average Earned Income	Average Earned Income
Dutchess	62.03%	31.11%	\$2,803	37.97%	68.9%	\$10,137
Orange	62.29%	37.36%	\$2,186	37.71%	62.6%	\$6,054
Putnam	55.46%	29.26%	\$2,582	44.54%	70.7%	\$7,771
Rockland	55.28%	28.30%	\$2,807	44.72%	71.7%	\$8,790
Sullivan	75.45%	44.89%	\$2,580	24.55%	55.1%	\$9,734
Ulster	71.94%	45.12%	\$3,377	28.06%	54.9%	\$10,531
Westchester	49.56%	11.01%	\$3,879	50.44%	89.0%	\$30,795
Hudson Valley	55.61%	16.10%	\$3,234	44.39%	83.9%	\$21,112

Qualified Dividend Income Reported 2012 1040's						
Data Source: Internal Revenue Service 1040s by county, author calculations						
Area	Percent of all Households	Percent of all Qualified Dividend	Average	Percent of all Qualified Dividend	Average Earned Income	Average Earned Income
Dutchess	60.97%	28.36%	\$2,179	39.03%	71.64%	\$8,598
Orange	61.27%	31.93%	\$1,506	38.73%	68.07%	\$5,077
Putnam	54.59%	27.46%	\$1,911	45.41%	72.54%	\$6,072
Rockland	54.21%	25.24%	\$1,999	45.79%	74.76%	\$7,011
Sullivan	74.66%	40.85%	\$1,964	25.34%	59.15%	\$8,378
Ulster	70.78%	37.41%	\$2,221	29.22%	62.59%	\$9,004
Westchester	48.51%	9.82%	\$2,899	51.49%	90.18%	\$25,068
Hudson Valley	54.49%	14.13%	\$2,375	45.51%	85.87%	\$17,283

Transfer Payments 2013

Transfer payments accounted for 13.64 percent of TPI, little changed from 2012 (13.52 percent). This is below the five-year average of 13.86 percent, up from 11.16 percent in 2007—the last full year before the onset of the Great Recession.

Transfer payments include –but are not limited to–old-age, survivors' and disability insurance benefits (Social Security); Medicare benefits; Medicaid benefits; income maintenance benefits (principally temporary assistance, safety net assistance, and food

Transfer Payments 2009-2013							
Data Source: U.S. Bureau of Economic Analysis, author calculations							
Area	2009 (in thousands)	2012 (in thousands)	2013 (in thousands)	CAGR 2009- 2013	CAGR 2012- 2013	Per-Capita Transfer Payments	Per-Capita Statewide Rank 2013
Dutchess	\$2,121,632	\$2,367,581	\$2,412,553	3.26%	1.90%	\$8,125	51
Orange	\$2,615,250	\$2,917,808	\$2,970,241	3.23%	1.80%	\$7,908	53
Putnam	\$625,601	\$691,573	\$710,576	3.24%	2.75%	\$7,131	60
Rockland	\$2,435,710	\$2,786,943	\$2,836,484	3.88%	1.78%	\$8,839	30
Sullivan	\$729,058	\$798,256	\$811,502	2.71%	1.66%	\$10,585	5
Ulster	\$1,449,035	\$1,633,438	\$1,664,420	3.53%	1.90%	\$9,196	24
Westchester	\$7,568,084	\$8,194,293	\$8,273,975	2.25%	0.97%	\$8,540	39
Hudson Valley	\$17,544,370	\$19,389,892	\$19,679,751	2.91%	1.49%	\$8,484	NM*
New York State	\$171,343,233	\$183,266,721	\$185,353,801	1.98%	1.14%	\$9,432	NM*
United States	\$2,140,155,000	\$2,350,690,000	\$2,414,501,000	3.06%	2.71%	\$7,638	NM*

*Not Meaningful

stamps); state unemployment insurance compensation; veterans' benefits; and federal training and educational assistance.

Total transfer payments continued to advance, posting a 1.49 percent (\$289.86 million) year-over-year increase, which is above the state outcome of 1.14 percent (\$2.09 billion) but below the nationwide increase of 2.71 percent (\$63.81 billion). Over the five-year period ending in 2013, transfer payments grew at an annual rate of 2.91 percent per year, significantly greater than the growth reported by New York State (1.98 percent) but in line with the national trend (3.06 percent).

Region-wide, per-capita transfer payments advanced 1.00 percent, from \$8,400 in 2012 to \$8,484 in 2013³. Consistent with previous findings, Sullivan County recorded the highest per-capita transfer payments at \$10,585, followed by Ulster and Rockland counties at \$9,196 and \$8,839, respectively. Putnam County recorded the lowest amount, at \$7,131.

Statewide, per-capita transfer payments averaged \$9,432—above both the regional and national average— and ranged from a high of \$11,278 in Richmond County (Staten Island) to a low of \$5,881 in Tompkins County. Relative to state outcomes, Sullivan was the only county in the region to rank in the top ten. Other counties in this group included Cattaraugus, Fulton, Hamilton, and Montgomery, along with the five New York City counties.

Across the region, state, and nation, the most important components of total transfer payments are Social Security benefits and Medicare, followed by income maintenance payments and Medicaid. In 2013, Social Security benefits and Medicare accounted for 58.18 percent of all transfers region-wide and 7.93 percent of per-capita TPI, compared 48.80 percent of all transfers and 8.45 percent of per-capita TPI in New York State and 56.80 percent of all transfers and 9.69 percent of per-capita TPI nationally. Income maintenance payments and Medicaid accounted for 31.18 percent of all regional transfer payments and 4.25 percent of per-capita TPI compared to 40.92 percent and 7.09 percent statewide, and 29.91 percent and 5.10 percent nationwide.

Across the region, state, and nation, 2013 outcomes are consistent with the five-year trend, but are markedly different from 2007—the last full year before the Great Recession. Since the onset of the Great Recession, Social Security, Medicare, income maintenance and Medicaid have increased in significance, accounting for a larger share of per-capita TPI relative to pre-recession levels. There are three factors at play: the movement of the baby boomer generation away from work toward retirement; increasing medical costs; and restructuring in the labor markets.

³ This increase is explained by the 1.49 percent increase in payments in tandem with a year-over-year population increase (0.49 percent).

Select Transfer Payments as a Percent of Total Per-Capita TPI						
Data Source: BEA, author calculations						
	2007		2013		Average 2009-2013	
	Social Security and Medicare	Income Main. and Medicaid	Social Security and Medicare	Income Main. and Medicaid	Social Security and Medicare	Income Main. and Medicaid
Dutchess	8.34%	3.69%	10.08%	4.39%	9.71%	4.43%
Orange	8.20%	4.98%	9.76%	6.21%	9.33%	6.24%
Putnam	6.20%	2.17%	8.36%	2.27%	7.91%	2.36%
Rockland	6.98%	4.00%	8.78%	5.33%	8.44%	5.27%
Sullivan	12.16%	8.87%	13.37%	10.07%	12.95%	10.16%
Ulster	10.31%	5.69%	12.01%	6.64%	11.61%	6.60%
Westchester	5.22%	2.87%	6.27%	3.23%	6.27%	3.39%
Hudson Valley	6.51%	3.56%	7.93%	4.25%	7.77%	4.35%
New York State	7.48%	6.68%	8.45%	7.09%	8.38%	7.42%
United States	8.38%	4.27%	9.69%	5.10%	9.59%	5.18%

Transfer Payments as a Percent of Per-Capita TPI				
Data Source: BEA, author calculations				
	2007	2009	2013	Average 2009-2013
Dutchess	13.44%	16.22%	16.37%	16.37%
Orange	14.81%	17.86%	18.06%	18.02%
Putnam	9.51%	11.90%	12.10%	12.03%
Rockland	12.07%	15.00%	15.60%	15.47%
Sullivan	22.84%	25.66%	25.69%	25.78%
Ulster	17.56%	20.51%	20.65%	20.58%
Westchester	8.94%	11.34%	10.63%	11.01%
Hudson Valley	11.16%	13.94%	13.64%	13.85%
New York State	15.48%	18.51%	17.32%	17.92%
United States	14.37%	17.72%	17.06%	17.49%

Per-capita TPI 2013

Year-over-year per-capita TPI in the Hudson Valley advanced 0.13 percent, rising from \$62,132 in 2012 to \$62,216 in 2013. This increase is explained by a 0.62 percent increase in TPI coupled with a 0.49 percent increase in population. Over the same one-year period, per-capita TPI in the U.S. and New York State advanced 1.28 percent and 0.67 percent, respectively.

Within the region, per-capita TPI in Westchester (\$80,363), Putnam (\$58,955) and Rockland (\$56,657) counties exceeded per-capita income in both the U.S. (\$44,765) and New York State (\$54,462). Per-capita TPI in Dutchess County (\$49,627) was above the national level, but fell short compared to the statewide average. Per-capita TPI incomes in Ulster

Per-capita TPI 2009, 2012 and 2013						
Data Source: U.S. Bureau of Economic Analysis, author calculations						
Area	2009 (in thousands)	2012 (in thousands)	2013 (in thousands)	Percent Change 2009-2013	Percent Change 2012-2013	Statewide Rank 2013
Dutchess	\$44,060	\$49,378	\$49,627	12.64%	0.50%	10
Orange	\$39,354	\$43,665	\$43,788	11.27%	0.28%	23
Putnam	\$52,748	\$58,865	\$58,955	11.77%	0.15%	4
Rockland	\$52,614	\$56,746	\$56,657	7.69%	-0.16%	6
Sullivan	\$36,585	\$40,863	\$41,197	12.61%	0.82%	26
Ulster	\$38,686	\$44,045	\$44,527	15.10%	1.09%	20
Westchester	\$70,672	\$80,505	\$80,363	13.71%	-0.18%	2
Hudson Valley	\$55,157	\$62,132	\$62,216	12.80%	0.13%	NM*
New York State	\$47,946	\$54,099	\$54,462	13.59%	0.67%	NM*
United States	\$39,379	\$44,200	\$44,765	13.68%	1.28%	NM*
*Not Meaningful						

(\$44,527), Orange (\$43,788) and Sullivan (\$41,197) counties were below both the national and statewide levels.

Across the state, per-capita TPI ranged from a high of \$121,632 in New York County (Manhattan) to a low of \$31,362 in Allegany County. All counties in the region ranked in the top 50 percent, with Westchester securing the second-highest rank behind New York County (rank one). Four counties ranked in the top ten: Westchester (2), Putnam (4), Rockland (6), and Dutchess (10). The remaining three counties—Ulster, Orange, and Sullivan—ranked 20, 23, and 26, respectively.

Table 1**Per-capita State Ranks 2013 (1 of 2)–****Data Source: Bureau of Economic Analysis, author calculations**

Area	TPI	Rank	Earned Income	Rank	Unearned Income	Rank	Transfer Payments	Rank
Albany	\$53,515	7	\$33,695	8	\$10,807	7	\$9,013	26
Allegany	\$31,362	62	\$17,496	62	\$5,328	59	\$8,538	40
Bronx	\$32,852	60	\$18,609	58	\$3,891	62	\$10,352	8
Broome	\$39,315	33	\$21,999	44	\$8,058	25	\$9,259	23
Cattaraugus	\$38,429	42	\$21,575	48	\$6,273	47	\$10,582	6
Cayuga	\$38,666	39	\$23,611	30	\$6,694	36	\$8,360	46
Chautauqua	\$34,533	57	\$18,563	59	\$6,186	51	\$9,784	12
Chemung	\$39,096	36	\$22,882	36	\$6,780	34	\$9,433	18
Chenango	\$38,571	41	\$22,689	38	\$6,491	38	\$9,391	20
Clinton	\$38,831	38	\$23,520	31	\$6,332	43	\$8,979	28
Columbia	\$47,101	13	\$26,357	21	\$10,986	6	\$9,758	13
Cortland	\$36,092	51	\$21,858	46	\$6,165	52	\$8,069	52
Delaware	\$37,186	46	\$20,009	54	\$7,904	27	\$9,273	22
Dutchess	\$49,627	10	\$32,123	10	\$9,379	16	\$8,125	51
Erie	\$45,496	16	\$27,792	19	\$8,563	20	\$9,141	25
Essex	\$39,309	34	\$20,722	52	\$8,786	19	\$9,801	11
Franklin	\$34,111	58	\$19,846	56	\$5,562	57	\$8,703	34
Fulton	\$39,083	37	\$22,374	42	\$6,291	46	\$10,419	7
Genesee	\$37,465	45	\$22,674	39	\$6,396	41	\$8,395	44
Greene	\$41,978	25	\$24,125	29	\$8,278	23	\$9,575	16
Hamilton	\$47,868	12	\$22,503	41	\$14,761	4	\$10,604	3
Herkimer	\$36,871	48	\$21,014	51	\$6,236	49	\$9,621	15
Jefferson	\$44,968	18	\$28,588	13	\$9,142	17	\$7,238	59
Kings	\$42,306	24	\$26,339	22	\$5,844	55	\$10,123	10
Lewis	\$34,873	55	\$21,059	50	\$6,422	40	\$7,392	58
Livingston	\$36,117	50	\$22,109	43	\$6,241	48	\$7,767	55
Madison	\$37,628	44	\$23,132	34	\$6,966	32	\$7,531	56
Monroe	\$48,162	11	\$29,026	12	\$10,141	11	\$8,996	27
Montgomery	\$35,310	53	\$18,430	60	\$6,292	45	\$10,588	4
Nassau	\$72,549	3	\$47,016	3	\$16,933	3	\$8,600	37
New York	\$121,632	1	\$82,503	1	\$28,095	1	\$11,034	2
Niagara	\$39,169	35	\$23,247	33	\$6,512	37	\$9,410	19
Oneida	\$40,145	29	\$22,734	37	\$7,723	28	\$9,688	14

Table 1 Continued**Per-capita State Ranks 2013 (2 of 2)****Data Source: Bureau of Economic Analysis, author calculations**

Area	TPI	Rank	Earned Income	Rank	Unearned Income	Rank	Transfer Payments	Rank
Onondaga	\$45,093	17	\$28,129	16	\$8,228	24	\$8,736	33
Ontario	\$46,723	14	\$29,429	11	\$8,936	18	\$8,357	47
Orange	\$43,788	23	\$28,575	14	\$7,304	31	\$7,908	53
Orleans	\$33,473	59	\$19,968	55	\$5,224	60	\$8,281	49
Oswego	\$34,976	54	\$21,331	49	\$4,949	61	\$8,697	36
Otsego	\$37,181	47	\$20,439	53	\$8,306	22	\$8,436	42
Putnam	\$58,955	4	\$41,606	4	\$10,219	10	\$7,131	60
Queens	\$44,966	19	\$27,863	18	\$6,958	33	\$10,145	9
Rensselaer	\$44,152	22	\$28,431	15	\$7,316	30	\$8,404	43
Richmond	\$51,328	9	\$32,535	9	\$7,515	29	\$11,278	1
Rockland	\$56,657	6	\$37,064	5	\$10,754	8	\$8,839	30
Saratoga	\$51,878	8	\$35,101	7	\$9,666	14	\$7,111	61
Schenectady	\$46,502	15	\$27,933	17	\$9,702	13	\$8,867	29
Schoharie	\$40,894	27	\$26,943	20	\$6,151	53	\$7,800	54
Schuyler	\$38,630	40	\$23,015	35	\$6,317	44	\$9,299	21
Seneca	\$36,606	49	\$21,964	45	\$6,370	42	\$8,272	50
St. Lawrence	\$32,692	61	\$18,238	61	\$5,755	56	\$8,699	35
Steuben	\$39,572	31	\$24,293	27	\$6,458	39	\$8,821	31
Suffolk	\$56,940	5	\$37,057	6	\$11,306	5	\$8,578	38
Sullivan	\$41,197	26	\$22,610	40	\$8,001	26	\$10,585	5
Tioga	\$40,213	28	\$25,078	24	\$6,766	35	\$8,370	45
Tompkins	\$39,592	30	\$24,142	28	\$9,569	15	\$5,881	62
Ulster	\$44,527	20	\$25,492	23	\$9,839	12	\$9,196	24
Warren	\$44,364	21	\$24,381	26	\$10,506	9	\$9,477	17
Washington	\$37,888	43	\$23,387	32	\$6,191	50	\$8,310	48
Wayne	\$39,372	32	\$24,579	25	\$5,975	54	\$8,818	32
Westchester	\$80,363	2	\$51,809	2	\$20,014	2	\$8,540	39
Wyoming	\$34,849	56	\$21,852	47	\$5,555	58	\$7,441	57
Yates	\$35,997	52	\$19,006	57	\$8,553	21	\$8,437	41
New York State	\$54,462	NM*	\$34,499	NM*	\$10,531	NM*	\$9,432	NM*

Table 2**Per-Capita State Ranks 2012-2013 (1 of 2)****Data Source: Bureau of Economic Analysis, author calculations**

Area	TPI	Rank	Earned Income	Rank	Unearned Income	Rank	Transfer Payments	Rank
Albany	1.76%	16	1.78%	9	2.13%	40	1.29%	47
Allegany	0.96%	36	0.09%	37	2.94%	20	1.56%	35
Bronx	0.53%	44	-0.13%	41	5.53%	1	-0.07%	61
Broome	0.67%	41	-0.23%	43	2.35%	33	1.38%	44
Cattaraugus	1.44%	22	0.97%	24	2.73%	26	1.65%	31
Cayuga	0.59%	42	-0.41%	49	2.57%	30	1.94%	16
Chautauqua	0.12%	59	-1.43%	62	3.07%	16	1.31%	46
Chemung	1.09%	31	0.24%	34	2.92%	21	1.89%	21
Chenango	2.62%	3	2.97%	2	3.00%	17	1.55%	36
Clinton	0.43%	50	-0.50%	53	1.90%	48	1.88%	23
Columbia	1.83%	12	1.61%	13	2.01%	45	2.21%	7
Cortland	2.14%	6	1.86%	7	3.65%	7	1.76%	29
Delaware	2.84%	2	2.48%	3	3.75%	3	2.83%	1
Dutchess	0.50%	48	-0.13%	40	1.44%	52	1.98%	14
Erie	0.96%	35	0.53%	30	2.28%	34	1.07%	53
Essex	2.39%	4	2.38%	4	2.85%	23	1.99%	13
Franklin	0.74%	40	-0.50%	54	2.18%	38	2.73%	3
Fulton	1.93%	9	1.85%	8	3.35%	12	1.27%	50
Genesee	1.86%	11	1.36%	18	3.37%	11	2.09%	11
Greene	1.70%	17	1.37%	17	2.44%	32	1.93%	17
Hamilton	2.16%	5	1.26%	20	3.75%	4	1.91%	19
Herkimer	1.19%	28	0.29%	33	3.68%	5	1.59%	34
Jefferson	0.40%	51	-1.06%	59	3.83%	2	2.07%	12
Kings	0.22%	53	-0.46%	52	3.68%	6	0.10%	59
Lewis	1.05%	33	0.15%	35	3.20%	13	1.79%	28
Livingston	0.79%	38	-0.05%	38	2.14%	39	2.16%	8
Madison	0.52%	46	-0.25%	44	2.01%	44	1.52%	38
Monroe	1.09%	32	1.02%	23	1.13%	55	1.28%	48
Montgomery	1.94%	8	1.75%	10	3.52%	9	1.36%	45
Nassau	0.12%	58	-0.16%	42	0.68%	60	0.59%	57
New York	1.04%	34	1.22%	22	0.89%	58	0.10%	60
Niagara	1.49%	21	0.92%	25	3.08%	15	1.81%	27
Oneida	1.13%	29	0.50%	31	2.22%	36	1.75%	30

Table 2 Continued**Per-Capita State Ranks 2012-2013 (2 of 2)****Data Source: Bureau of Economic Analysis, author calculations**

Area	TPI	Rank	Earned Income	Rank	Unearned Income	Rank	Transfer Payments	Rank
Onondaga	0.52%	47	-0.10%	39	1.93%	47	1.21%	52
Ontario	0.58%	43	0.11%	36	1.24%	53	1.53%	37
Orange	0.28%	52	-0.31%	46	1.44%	51	1.40%	43
Orleans	1.81%	14	1.38%	16	2.99%	18	2.10%	10
Oswego	0.75%	39	-0.35%	48	3.65%	8	1.88%	24
Otsego	1.30%	25	0.88%	26	2.18%	37	1.48%	41
Putnam	0.15%	56	-0.53%	58	1.22%	54	2.74%	2
Queens	1.20%	27	1.26%	21	2.94%	19	-0.09%	62
Rensselaer	1.80%	15	1.62%	12	2.86%	22	1.52%	40
Richmond	0.20%	55	-0.53%	57	2.57%	31	0.80%	55
Rockland	-0.16%	60	-0.53%	56	0.38%	61	0.76%	56
Saratoga	1.55%	20	1.66%	11	1.08%	56	1.63%	32
Schenectady	1.58%	18	1.56%	14	1.94%	46	1.26%	51
Schoharie	3.56%	1	4.09%	1	3.42%	10	1.88%	22
Schuyler	0.52%	45	-0.51%	55	2.23%	35	1.98%	15
Seneca	0.15%	57	-1.12%	60	1.74%	49	2.40%	4
St. Lawrence	1.58%	19	1.29%	19	2.72%	27	1.43%	42
Steuben	1.96%	7	1.94%	5	2.61%	29	1.52%	39
Suffolk	0.21%	54	-0.42%	50	1.05%	57	1.89%	20
Sullivan	0.82%	37	-0.29%	45	2.65%	28	1.86%	25
Tioga	0.45%	49	-0.45%	51	2.05%	43	1.91%	18
Tompkins	-0.41%	62	-1.20%	61	0.79%	59	0.94%	54
Ulster	1.09%	30	0.41%	32	1.74%	50	2.32%	6
Warren	1.28%	26	0.73%	29	2.08%	41	1.85%	26
Washington	1.43%	23	0.82%	27	2.85%	24	2.12%	9
Wayne	1.31%	24	0.78%	28	3.12%	14	1.60%	33
Westchester	-0.18%	61	-0.34%	47	0.10%	62	0.17%	58
Wyoming	1.91%	10	1.53%	15	2.78%	25	2.37%	5
Yates	1.82%	13	1.94%	6	2.08%	42	1.28%	49
New York State	0.67%	NM*	0.37%	NM*	1.60%	NM*	0.75%	NM*

NM* Not Meaningful