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- Cornell University Agricultural Experiment Station
- Federal Reserve Bank of New York
- Institute for the Social Sciences, Cornell University
- New York State Center for Rural Schools, Cornell University

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Introduction

CaRDI: The Community & Regional Development Institute

The Community & Regional Development Institute (CaRDI) at Cornell University has provided applied research and educational activities in support of current and emerging challenges and opportunities in community and economic development in New York State for two decades. New Yorkers are living through a period of remarkable change. Among challenges faced are the restructuring of traditional economic bases, changes in age and ethnic composition of populations, increasing local government costs and demands for services, a global recession, land use changes, and pressures to develop new energy resources in the face of climate change. At the same time, new domestic and global markets are emerging, green technologies represent a growing employment sector, land use planning innovations are taking hold, newly recoverable gas resources may spur economic development albeit with social and environmental costs and risks, the local agricultural sector is growing, environmental interests and concerns are influencing policy directions more generally, and communication technologies are bringing people together in new ways. Formerly the Community and Rural Development Institute, CaRDI recently changed its name to reflect the fact that most challenges and opportunities facing communities—rural, suburban, and urban—around New York State increasingly take place at a regional level.

CaRDI supports New York’s communities through its primary focus on community development. Our work is framed by the conviction that community and economic development are mutually interrelated at the local and regional levels. Housed in the Department of Development Sociology, CaRDI’s programs of applied research and outreach are motivated by a concern for understanding the determinants and consequences of societal development, and a desire to produce knowledge and educational programs that contribute to the alleviation of social problems, both regionally within New York and throughout the United States.

In developing and implementing community and economic development projects, CaRDI’s research & education programs seek to enhance outcomes and impacts for the people and communities of New York State. Working with Cornell faculty and staff—including Cornell Cooperative Extension’s network of county offices—and other state regional and local institutions, CaRDI is a center of dialogue about development and collaboration addressing needs at the local, state, and national levels.

Rod Howe (CaRDI Executive Director & Assistant Director CCE), Brian Gilchrist (Executive Director Washington County CCE), & Kathy Scholl (State Extension Specialist, CCE).

Rod Howe (CaRDI Executive Director & Assistant Director CCE), David Brown (Chair, Department of Development Sociology, and CaRDI co-faculty Director, Cornell University), & Ron Seeber (Senior Vice Provost, Cornell University)
In response to the myriad of challenges and changes facing Upstate New York, CaRDI organized a State of Upstate New York (SOUS) conference for June 2011 in Syracuse, New York. In some ways, this 2011 effort is a continuation of a project began in 2005, in collaboration with the NYS Legislative Commission on Rural Resources (LCRR), called The Rural Vision Project (RVP). The project included a series of listening sessions held around NYS, culminating in a conference held in Syracuse, NY in 2006. The project identified the key challenges, opportunities, and potential policy issues facing rural communities in NYS at that time. Since then, CaRDI has expanded to a regional perspective, one that recognizes that communities, as well as the state, must consider local development in the context of broader regional trends and changes. This regional approach is important, whether for economic development, land use, schools, health care, etc.

The State of Upstate New York project focuses on similar issue areas as did the RVP project in 2006. However, while the topical and policy areas are similar, our approach to this project is somewhat different. A central goal for the 2011 conference was to foster a data-driven dialogue around the selected issue areas. In order for conference participants to access relevant and timely data, we conducted a survey of upstate New Yorkers and collected archival and administrative data across all nine issue areas. In collaboration with the Cornell Program on Applied Demographics (PAD), we prepared a data chartbook entitled the Upstate New York in Profile: Trends, Projection, and Community & Economic Development Issues that was distributed at the conference and is available on the CaRDI website (www.cardi.cornell.edu).

Conference attendees were recruited from across upstate New York. They participated in three of nine workshop sessions to examine and explore the major challenges and opportunities facing Upstate regions. Workshop sessions focused on the following topics:

- Economic Development
- Workforce Development
- Income & Poverty
- Local & Regional Governance
- Schools & Youth
- Health Trends
- Environment, Land Use & Natural Resources
- Energy
- Agriculture & Food Systems

Primary data were collected for the Chartbook through a special survey, the State of Upstate Survey. The survey of Upstate New York households was designed by CaRDI and conducted in January 2011 by Cornell University’s Survey Research Institute (SRI). This telephone survey was administered to 600 Upstate households using a random sampling framework. At a 95% confidence level, this survey has a margin of error of +/- 4%.
SOUS Chartbook

The chartbook, *Upstate New York in Profile: Trends, Projection, and Community & Economic Development Issues*, relied on several primary and secondary data sources. Data from the Decennial U.S. Census are provided for the years 1990, 2000, and 2010, and from the American Community Survey (ACS) (pooled estimates 2005-2009). In addition, we include estimates and projections through 2035 produced by the Program on Applied Demographics (PAD) at Cornell University (in collaboration with the NY State Data Center).

For the specific topic areas covered in this report, we also utilized data from a variety of special sources. For example, in *Section 5: Schools and Youth*, we incorporate data from the New York State Education Department, as well as the National Center for Education Statistics. In *Section 4: Local and Regional Governance*, we reference data from the NYS Office of the Comptroller. In all cases, data sources are supported by appropriate references and weblinks, when available. For an online copy: http://devsoc.cals.cornell.edu/cals/devsoc/outreach/card/i/upload/Chartbook-FINAL-1.pdf

Post-Conference Publication

This post-conference publication is intended to serve as a summary reference of the SOUS initiative to date, including major points raised at the SOUS conference, and highlights of data trends and public opinion. We begin with a summary of the SOUS conference plenary presentation by David L. Brown on the Changing Demographics of Upstate New York. Then, beginning on page 6, we provide a brief overview of the key themes, challenges, opportunities, and policy issues discussed by presenters and participants for each of the nine topic areas. In addition, in each section we highlight a chart from the SOUS chartbook describing a major trend based on secondary data, as well as a chart from the SOUS survey describing public opinion in a related area. Please refer to the Chartbook for a more extensive discussion and more data for each topic area. This combination of data, public opinion, and expert discussion is intended to provide the reader with a broad understanding of the major trends and issues in each of the nine issue areas. This combination of “data”, whether secondary data, experiential, public opinion, or other, all need to be considered when addressing public policy issues.

Todd Schmit (Assistant Professor, Applied Economics & Management, Cornell University)

Linda Dickerson Hartsock (Vice President, Innovation & Technology, Center State Corporation for Economic Opportunity, The Clean Tech Center)
Changing Demographics of Upstate NY

Conference Highlights

Major Trends

Change, not stability, is the normal situation
- Some changes enhance opportunities, while other changes pose challenges for people, communities, and regions

Demographic changes affect, and are affected by, most aspects of society, economy & natural environment
- Demography is not destiny
- The effects of population change are mediated by social and economic structures

Major changes in Upstate’s demography
- NYS population grew by 7.7% between 1990-2010
- Most growth concentrated in downstate areas
- All Upstate growth occurred in metro areas, especially in peripheral areas
- Nonmetropolitan areas lost 100,000 persons
- Population loss was concentrated in small and medium sized cities

Migration is a major component of NYS population change
- International migration has been a source of population growth for NYS, especially for larger cities
- Internal migration has been a source of NYS population loss

Migration is specific of certain ages
- Upstate has been a net exporter of young adults since the 1960s

The aging of the baby boom in Upstate NYS
- NYS median age increased by 1.8 years since 2000
- More rapid aging in Upstate: by 2.3 years
- Percent aged 65+ reached 15% in 2010 in Upstate, estimated to reach 20% by 2030

NYS is ethnically & racially diverse, but not as diverse upstate
- Upstate metropolitan areas are more diverse than nonmetropolitan areas

Chartbook Highlights, pages 6-16
Economic Development

Conference Highlights

Key Themes
- Higher educational institutions act as economic drivers
- Manufacturing is a crucial component of job growth
- Regional clusters stimulate creative, self-generating local economies
- How to best prepare young adults for manufacturing jobs

Opportunities
- Resurgence of manufacturing in U.S. in select locations
- Growth of advanced technology manufacturing
- Upstate cities are among the least affected by the recession
- Manufacturing job growth most likely in small & medium-sized companies

Challenges
- Lack of connectivity and coordination among stakeholders
- Skill shortage in some manufacturing areas
- Few small manufacturing companies are investing in labor skills, information technology, or productivity-increasing process innovations

Policy issues
- Focus on regional industry clusters and on small and medium-sized companies
- Government as a convener, not as a director
- Structural change with regard to the college system of evaluation (e.g., many more community colleges used to support manufacturing type programs, but not many are evaluated on how many students continue on to four year colleges).
- Increase incentives for regional cooperation & for cooperative investment in manufacturing-friendly infrastructure

Chartbook Highlights, pages 17-24

Unemployment Rates, Upstate New York County Types, 1990-2009

Q: There are many goals of local economic development. Of the following four goals, please rank these in terms of importance:


Source: SOUS Survey 2011
Conference Highlights

Key Themes
- Manufacturing jobs are continuing to decline
- Greater collaboration & transparency among local governments & regions is needed
- Upstate’s workforce is shifting towards higher skilled & higher human capital jobs
- The Upstate economy has diversified and become more stable the last few decades

Opportunities
- Continuing shift to a knowledge economy, in which jobs increasingly require more skills & knowledge
- Building human capital for new high-skilled jobs
- Higher education plays a key role in workforce development & job creation
- The Upstate economy is increasingly organized around small businesses

Challenges
- Occupations & their required skillsets change considerably over time within industries
- The 2000’s witnessed a polarization of high & low-end jobs & a hollowing out of middle class jobs
- Manufacturing jobs have declined in pay since 1980

Policy issues
- Policies are needed that address the instabilities associated with the market’s supply-demand orientation
- Government’s role is to understand strengths & recent trends, and to take a strategic approach to economic development, focusing on amenities/services that a high-tech workforce seeks (e.g., good schools, affordable housing, etc.)

Chartbook Highlights, pages 17-24

Manufacturing as a percent of total employment, for NYS, Upstate, and Upstate county types, 2000-2009

Q: A major goal of most Upstate Community Colleges is to help their students go on to 4 year colleges. Some argue that Community Colleges should play a bigger role in training students for jobs in advanced manufacturing industries. Which of these two goals do you feel it is most important for Upstate NY community colleges to focus on?

Source: SOUS Survey 2011
Conference Highlights

Key Themes
- Poverty is inter-generational
- Female-headed households face highest levels of poverty
- Poverty rates among elderly are actually at record lows
- Poverty is concentrated in rural Upstate NY
- Significant inter-county income inequality

Opportunities
- Public/private partnerships to address poverty
- Identify and draw on local assets to support business development and job opportunities for those in poverty
- Intergenerational collaboration between young and old to overcome poverty-related issues

Challenges
- Assistance to parents is not always effective; it can be difficult to help poor children
- Regulations may make the costs of developing affordable housing greater than the value of the completed homes
- Poverty is seen as a problem for people in it; not as a shared problem that requires a shared solution

Policy issues
- Geographic concentration of poverty
- The connection between national level public policies and the reduction in elderly poverty rates
- Policies are needed that will reduce poverty and increase incomes such as job training, youth programs, and entrepreneur assistance

Chartbook Highlights, pages 25-28

People of all ages in poverty, percent 2000-2008

Q: Which is the bigger cause of poverty today: people not doing enough or circumstances beyond their control?

Source: U.S. Census Bureau

Source: SOUS Survey 2011
Local & Regional Governance

Conference Highlights

Key Themes
- Full government consolidation vs. functional or service consolidation
- Structural reform
- Government accountability to the public
- State-local government relations
- Importance of local & regional government coordination
- Documenting & sharing success stories

Opportunities
- Rethinking the meaning of effective governance in the face of current challenges

Challenges
- Community identity & government structure often hard to separate
- Resistance to expertise
- Reducing high local property taxes & government inefficiencies
- Technology, etc., makes decentralization more attractive

Policy issues
- When is government consolidation effective in achieving stated goals, when are other means more effective?
- Assessing the full impact of the property tax cap
- Helping policymakers understand why citizens say they favor government consolidation but tend to vote against it locally

Chartbook Highlights, pages 29-34

Change in total Expenditures from 2000 levels, Upstate New York, 2000-2009

Q: What would be most important to you when deciding whether to support or oppose the merging of some of your city, town, or village’s services with those of another city, town, or village?

Source: State of Upstate New York: Post-Conference Proceedings • October 2011
Schools & Youth

Conference Highlights

Key Themes

• Fiscal stress due to cuts in state aid, STAR, & property tax cap
• Declining enrollment Upstate
• Pressure to consolidate school districts
• Regional variation in school resources, needs, and challenges
• Relatively high levels of spending per pupil
• Increased costs of employee benefits (health care & pensions)

Opportunities

• Opportunity to rethink traditional schooling and organization and gain efficiencies in the school system including shared district & municipal services and technology

Challenges

• Efficiency gains require hard tradeoffs and collaboration between state and local entities
• Should consider economic development impacts of reforms
• How to meet high standards with reduced resources

Policy issues

• Pension change options:
  • increase employee contributions or reduce benefits
  • change type of pension plan for new employees
• Health care policy options:
  • Remove health care for current & retired employees from local bargaining, enroll in state government plan
  • Increase employee contributions
  • Reduce health care costs or benefits
• Expenditure policy choices:
  • Merge/consolidate so districts have >1000 students
  • Reduce personnel by sharing staff and programs
  • Cooperative service agreements
  • Virtual business services or classrooms

Chartbook Highlights, page 35-43

Percent Change in Enrollment in Public Elementary and Secondary Schools, NYS by County Type, 1997-2007 (1997 as base year)

Source: 2009 New York State Statistical Yearbook

Support for Property Tax Limits with Specific Impacts

Source: SOUS Survey 2011
Health Care

Conference Highlights

Key Themes
- Health care costs are an impediment to economic development
- Cost savings must come from efficiencies, consolidation, &/or standardization
- Incentives realigned to reward quality, not quantity, of care
- Mobility management/health services, especially in rural areas, are key to maintaining independence among the elderly population

Opportunities
- Efficiencies can be achieved through consolidation and mergers
- Health insurance consortiums can save money and increase access to care
- Unions can be engaged to find ways to make health care more affordable

Challenges
- Less funding may have implications for quality & employment in health care
- In 2010, 17% of persons under 65 years of age were uninsured (2.7 million people)
- Only 50% of firms with less than 50 employees provide health insurance for their employees
- Funding for preventative care initiatives is at risk

Policy issues
- Physicians can play a major role in health care policy (but have not done so)
- Information technology can increase efficiencies and should be supported
- Affordable health insurance will benefit people and communities

Chartbook Highlights, pages 44-49

Health Outcomes, Ranking of NYS Counties, 2011

Source: County Health Rankings, 2011 (countyhealthrankings.org)

Q: How big a concern is health insurance when you think about changing or losing your job?

Source: SOUS Survey 2011
Conference Highlights

Key Themes
- Fiscal pressures encourage greater levels of intergovernmental & regional cooperation in land use and development planning
- “Local” is increasingly important
- Sustainability, green technologies, water resources, climate action, alternative energy, walkable communities, & green infrastructure are increasingly important themes
- The need for more smart growth policies
- Increase in quantity & quality of land use data is needed

Opportunities
- Long-term land use & environment planning needs are more feasible now when development pressure is less intense
- Strong public support in NYS for developing more green energy (like solar & wind)
- NYS has abundant wind power & water supply resources

Challenges
- Likely future issues include:
  - Biomass production
  - Geothermal development
  - Carbon sequestration
  - Shale gas development
- Sprawl continues to reduce farmland area & contributes to increasing greenhouse gas emissions
- Residential use comprises a significant portion of total energy consumption in NYS – how to reduce it?

Policy Issues
- Implementation of new Smart Growth Public Infrastructure Act’s Smart Growth criteria
- Public transportation & affordable housing should be located near largest employers to reduce carbon footprint

Chartbook Highlights, pages 50-60

NYS Towns with no Land Use Tools, 2008

Source: NYS LCRR, NYS Land Use Tools Survey, 2008

Level of satisfaction with local community land use planning

Source: SOUS Survey 2011
Conference Highlights

Key Themes
- A national climate strategy is needed
- A national energy policy is needed
- Land use policies should be lined with energy goals
- Energy literacy needs to be increased
- Economical solutions to energy & climate issues are necessary

Opportunities
- Many people are willing to pay more for green energy
- Markets for decentralized biomass production are developing
- Markets for carbon offsets through agriculture & forestry projects are developing
- Increasing the energy efficiency of older homes
- Cap-and-trade policies generate revenues for municipalities
- Revenues can be used to reduce income taxes, compensate low-income households, or invest in clean energy technologies

Challenges
- Optimal production of biomass on farmland can be difficult when the land has been out of production for a long time
- State-level regulation may be ineffective until comprehensive, national climate change legislation is adopted
- Capital can be traded across municipal boundaries without necessary reductions in carbon emissions

Policy issues
- National climate policy must precede any significant regional action
- Examine the impact of the Power New York act’s provisions for on-bill financing and new siting of “major” generating facilities

Chartbook Highlights, pages 61-68

Q: Would you be willing to pay higher energy costs if the source of the energy was considered “green” and/or renewable?

Source: SOUS Survey 2011

Q: To address New York State’s energy needs, would you support or oppose the following policies to be pursued in NYS?

Source: SOUS Survey 2011
Agriculture & Food Systems

Conference Highlights

Key Themes
- Agriculture is an important sector of NYS economy
- Manufacturing & agriculture are linked
- The agriculture industry has diversified
- Growing importance of local food movement
- State & federal regulations strongly affect agriculture

Opportunities
- The beverage manufacturing sector has prospects for growth
- Increasing demand for local & environmentally-friendly foods
- Supply-chain innovations with distributors are increasing
- Grain & oilseed production is growing
- Dairy & milk production account for the largest (43%) monetary output of all agricultural production in NYS

Challenges
- Barriers to growth & competitiveness in the food & beverage manufacturing sector include:
  - High state taxes & insurance costs
  - State licensing & inspection fees
  - Regulations on labor & wages
  - Availability & retention of motivated workforce
- Food manufacturing contributions to NYS's GDP have declined
- Employment in food & beverage manufacturing has declined, even though output has increased
- Regulatory compliance can be costly

Policy issues
- Regulatory relief may enhance economic viability
- The connection between mainstream economic development and agriculture and food systems development should be strengthened
- Support for infrastructure development is needed

Chartbook Highlights, pages 69-73

NYS top 5 agriculture commodities, 2009

<table>
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<th></th>
<th>Value of receipts thousand $</th>
<th>Percent of state total farm receipts</th>
<th>Percent of US value</th>
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<tr>
<td>1. Dairy product</td>
<td>1,685,312</td>
<td>45.9</td>
<td>6.9</td>
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<tr>
<td>2. Greenhouse/nursery</td>
<td>355,438</td>
<td>9.7</td>
<td>2.2</td>
</tr>
<tr>
<td>3. Corn</td>
<td>266,853</td>
<td>7.3</td>
<td>0.6</td>
</tr>
<tr>
<td>4. Apples</td>
<td>226,059</td>
<td>6.2</td>
<td>11.4</td>
</tr>
<tr>
<td>5. Cattle and calves</td>
<td>3.3</td>
<td>3.3</td>
<td>0.3</td>
</tr>
<tr>
<td>All commodities</td>
<td>3,675,505</td>
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Source: USDA National Agricultural Statistics Service

What is most important when choosing the food you eat?

Source: 2011 SOUS Survey
Next Steps

The State of Upstate Conference was only the first step in CaRDI’s latest long-term strategy for contributing to discussions of Upstate’s future as a place to live and work. Next steps of the SOUS initiative include regular media updates (the first Upstate Update was released in mid-July: http://devsoc.cals.cornell.edu/cals/devsoc/outreach/cardi/upload/UU-July-11-draft-05.pdf) and our regular publications (the CaRDI Research & Policy Brief Series and the New York Minute). Over the next nine months each of the topic areas covered in the SOUS initiative will be the focus of publications in these series. We are organizing a legislative briefing in Albany this fall to strengthen links between Cornell’s applied research on Upstate development and state policy makers on the issues covered in SOUS. This publication provides highlights of the initiative to date, focusing on the conference workshops and the challenges and opportunities identified in each of the issue areas. We hope that it will generate further dialogue and lead to integrated outreach, research, and policy. As with the Rural Vision Project it is clear that the nine issues are closely intertwined.

Governor Cuomo has recently established ten regional economic development councils around the state focused on job creation, economic development, and long-term regional sustainability. CaRDI, Cornell Cooperative Extension and Cornell are playing important roles in the Southern Tier region in this effort, with CaRDI and the Program on Applied Demographics supplying the council workgroups with data collected and analyzed for SOUS as well as providing new data and links to relevant research.

What do you plan to do as a result of this conference?

Anonymous responses from conference attendees

“Use the Upstate New York Profile in trainings, studies, and meetings with regional decision-makers. I have already reached out to several presenters to ask for advice, opinions, and ideas on future projects together.”

“I came away even more committed to working to assist Upstate and the whole State to re-establish itself as the Empire State!”

“Look into the things that my campus is doing to promote partnerships with the community and other campuses in the area.”

“I have already shared the links to the State of Upstate report with people in our community and with national level organizations. I intend to use the data collected in grant applications.”

“Think more deeply about the work we are doing in the region to investigate where we can have greater impacts.”

“Use this material for planning for my organization - include a wider regional approach.”

John Traylor (Director of Enterprise Shared Services, NYS Division of the Budget) and Rod Howe (CaRDI Executive Director & Assistant Director CCE)

SOUS 2011 conference attendees