"Declining population accompanied by eroding tax bases and high levels of socioeconomic stress pose serious challenges to the viability of many cities."

"While some cities have fared quite well in recent years and appear to be improving, most of the State’s cities have experienced decline."

Population Trends in New York State’s Cities

Summary of Findings

• Most of New York’s cities lost population from 1970 to 2000. In 1970, 2.8 million residents lived within the boundaries of the State’s 61 cities (excluding New York City), but only 2.3 million resided in these same cities as of 2000—a decrease of 20 percent. At the same time, the population residing in towns has increased by 16 percent. New York City’s population changed little overall during this period—with decreases in the 1970s offset by recent increases.

• Several factors have contributed to the general decline of the urban population in New York State. Rapid suburban growth from 1950 to 1970 resulted in substantial residential movement away from cities. Additionally, overall declines in manufacturing jobs and movement of these jobs away from the northeast have weakened cities economically. The relocation of jobs to suburban locations has led to a general worsening of conditions in cities that persists today.

• Many cities are continuing a pattern of decline that was evident decades earlier. Only 16 of 61 cities had a population in 2000 that exceeded the 1950 level. Additionally, 25 cities experienced five consecutive decades of population decline since 1950. For these cities, the average population decrease was 26 percent.

• In terms of population loss, the large upstate cities have been particularly hard hit. For example, the City of Buffalo lost approximately half of its population from 1950 to 2000. This population loss is the fourth highest among large cities nationwide. Rochester (34 percent decline) and Syracuse (33 percent decline) experienced significant population reductions for the same period. Like Buffalo, these cities have had five consecutive decades of declining population levels.

• Population trends are regional. Since 1970, Long Island and Mid-Hudson cities have shown growth, while the pattern of decline has been most severe for cities located in the Western New York and Mohawk Valley regions, with cities in these regions losing 32 percent and 30 percent of their total population, respectively.

• For most cities, property values have mirrored population trends, with the Long Island and Mid-Hudson cities experiencing a 64 percent increase in total property values from 1998 to 2003. However, property values for cities in other regions failed to keep pace with inflation and in some cases declined in both nominal and real terms.

• When compared to surrounding towns, cities tend to have greater levels of poverty, higher levels of vacant housing, a greater percentage of female-headed households with children, and more adults lacking a high school diploma.
Upstate cities have been in a persistent state of decline. Increased growth in suburban areas has fueled this trend. As people have left cities in favor of suburban communities, tax bases have eroded and conditions in cities have worsened.

Introduction

In recent decades, many of the State’s cities have experienced serious population losses which have contributed to economic and fiscal decline. As a result, fiscal conditions are becoming extremely poor in many of these once-flourishing cities. This research brief—focusing mainly on demographic trends—is the first of a series that will examine major issues facing local governments in New York State.

Population dynamics over the past several decades have dramatically changed the social and economic structure of cities nationwide. At the conclusion of World War II, cities were booming centers for jobs and housing, having benefited from decades of growth. At that time, 70 percent of the population residing within metropolitan areas lived in the central city. In contrast, by 2000 this trend had reversed with more than 60 percent of the metropolitan population residing in the surrounding suburbs.¹ For many metropolitan areas, population levels in the central cities began to decline in 1950, and have never recovered.

For example, as documented in the 2000 census, the population level of the City of Buffalo is one half of the 1950 level, making it New York State’s hardest-hit city in terms of population loss. Furthermore, when compared to the 100 largest cities in the nation in 1950, Buffalo has experienced the fourth highest rate of population decline—surpassed only by St. Louis, Youngstown, Ohio and Pittsburgh. Detroit and Cleveland also experienced a similar rate of decline. In terms of the other large upstate cities in New York State, Rochester and Syracuse have also had substantial population declines since 1950. Having lost 34 percent of its population since 1950, Rochester ranked 12th highest in population loss among the largest cities in the nation, while Syracuse (33 percent decline) ranks 14th.

Shifts in global manufacturing, the growth of a more technologically-based economy, and the development of suburban-based lifestyles are underlying causes of these population trends. In many parts of the State, more people now live in suburbs than in cities. As cities decline as population, business and cultural centers, the stability of an entire region’s economy can be threatened.

Despite these trends, cities remain important centers of activity in New York State. Outside of New York City (which has 8 million residents), more than 2 million New Yorkers live within the boundaries of the State’s 61 cities. Roughly 4 million live in suburbs of New York City while another 3.3 million reside within the metropolitan areas surrounding New York’s upstate cities.

With 8 million residents, New York City is the largest city in New York State and in the nation. The greater metropolitan area surrounding the City of New York includes 13 million people, and extends to Long Island, Northern New Jersey, Connecticut, and Pennsylvania. The other 61 cities of New York State are extremely diverse in terms of size ranging from less than 3,200 residents (Sherrill) to approximately 300,000 (Buffalo). In addition to New York City, there are four other large cities (with populations greater than 125,000) that are commonly referred to as the “Big Four” cities (or “Big Five” cities if New York City is included): Buffalo (292,648), Rochester (219,773), Yonkers (196,086), and Syracuse (147,306). In addition to these large cities,

Manufacturing Decline in the Rust Belt

As with other “rust belt” cities, upstate urban centers in New York have continued a pattern of decline that has been evident for decades. These manufacturing-focused cities were booming in the early twentieth century, but have steadily lost ground to lower-cost competitors in other states and foreign countries. The relative importance of manufacturing in the U.S. economy has decreased—accounting for 27.7 percent of GDP in 1959, and declining to 16.1 percent by 1999. In addition to its decline in relative importance nationally, manufacturing has shifted away from the Northeast. While total production employment in the U.S. has remained fairly stable from 1954 to 1997, the number of production workers in the Middle Atlantic Region has decreased by 56 percent, reducing the Middle Atlantic share of total production employment by more than half. Recent studies suggest that the economy of upstate New York continues to change—moving away from manufacturing and toward information-intensive industries.

The steel industry provides a good illustration of the forces behind these trends. While the demand for steel has remained strong, production technology and corporate practices have shifted. The proliferation of “mini-mills” in lower cost, non-unionized regions of the U.S. has enabled smaller start-up companies to produce steel at a more competitive rate. As a result, steel-centered metropolitan areas such as Buffalo, Youngstown and Pittsburgh—areas which were home to the less competitive, larger, integrated and heavily unionized steel production firms—have all experienced a virtual disappearance of their steel production industries. A similar trend holds for the automotive industry, although its effect is less severe than the steel industry. As foreign automobile manufacturers began to move production to the United States, these new “transplants” were located in areas south and west (outside of the rust belt, where labor is cheaper) of the highly unionized Northeast, and closer to the new population centers.

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5 Crandall, 2002.
6 Crandall, 2002.
it also is interesting to note that there are also seven towns with populations greater than 125,000. Of these seven towns, four (Hempstead, Brookhaven, Islip, and Oyster Bay) exceed the population of Buffalo—making them the largest municipalities outside of New York City.

With New York City excluded from the calculation, Plattsburgh (18,816) represents the median-sized city within New York State, and the average (mean) city population is 37,146—largely a result of the four large cities “pulling the average.” More than half of the cities (57 percent) have a population of less than 25,000; thus, the typical city in New York State is small. These small cities account for only 20 percent of the total New York State city population. Subsequent sections of this report will demonstrate the ways in which the large cities are confronted with challenges above and beyond those experienced by the more typical “small” cities of New York State. This difference in population poses challenges for statewide policy makers—most cities are small, but most city residents live in large cities, so policies must account for this diversity.

Suburban Growth and the “New Neighborhood”

For New York State (and the nation), the period from 1950 to 1970 was characterized by rapid suburban growth. This trend was fueled by a combination of increased demand for housing after World War II and changes made in federal housing policies. The National Housing Act of 1934 led to the creation of the Federal Housing Administration (FHA)—which was aimed at reviving the housing industry after the great depression. By guaranteeing long-term loans made by private lenders, extending loan periods to 30 years, reducing down payments to 10 percent (previously around 50 percent), and eliminating the balloon payment structure of earlier mortgages, the FHA (and later the Department of Veteran’s Affairs) reduced risk to lenders and caused interest rates to drop significantly. These changes made it cheaper to own a home than to rent housing, and by 1972, 11 million families had purchased homes through the FHA. It is noteworthy that FHA standards gave preference to the single-family detached house in a homogeneous residential subdivision and the new affordability—combined with new technology to mass produce homes—gave rise to explosive suburban growth.7

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Mass production of suburban housing spurred substantial economic growth throughout New York State. Located on Long Island, the first Levittown community was completed in 1951 and contained more than 17,000 homes—making Levittown the nation’s largest housing development constructed by a single builder. The Levitt & Sons approach was one of mass production combined with limited options for buyers, thereby maximizing the efficiency of production. Levittown, and developments like it across the nation, quickly became a “new community” for the middle class, offering a desirable setting for families at an affordable price. Following the success in New York, two other Levittown communities were built in Pennsylvania and New Jersey.\(^8\)

From 1950 to 1970 the population levels in towns increased from 3.9 million to 7.5 million—\textit{an increase of 92 percent}. When examining just “suburban” towns (i.e., towns located within metropolitan areas), it is clear that this growth was largely due to a suburban boom. From 1950 to 1970, population levels increased by 110 percent in these suburban towns,\(^9\) whereas population levels in rural towns grew by only 24 percent. During this period—a period that reflects the post-war baby-boom generation—total State population growth mirrored suburban growth. At the same time, the population residing within most cities began to level off or decline while New York City’s population remained fairly stable.

\(^8\) Information on the three Levittown communities was obtained from \url{www.levittown.org}, and the Levittown Historical Society at \url{www.levittownhistoricalsociety.org/history}.

\(^9\) For the purpose of this analysis, suburban towns are those located within metropolitan statistical areas (MSAs), and rural towns are those towns located in non-MSA counties, using the 2000 Census designation.
While the population in cities as a whole remained fairly stable from 1950 to 1960, cities located in larger metropolitan areas were undergoing substantial growth. For example, Glen Cove and Long Beach (suburbs of New York City) increased by 57 percent and 70 percent respectively during the 1950s. Similarly, suburban cities near Buffalo, such as Tonawanda (48 percent increase) and North Tonawanda (41 percent increase) also grew rapidly during the 1950s. At the other end of the spectrum, cities such as Buffalo, Little Falls, and Amsterdam began a pattern of population decline, which became severe from 1970 to 1980 and continues today.

New York City’s population declined in the 1970s along with most other cities statewide, but unlike most other cities, the population of the City has recovered in the 1990s and remains above the 1950 level. Increased immigration has allowed New York City to avoid some of the declines experienced by other cities, and the City continues to be an immigration center. These immigration trends combined with a highly dynamic economy have allowed the City to maintain a stable population in recent decades and have fostered growth in recent years.

Overall, 2.8 million residents lived within the boundaries of the state’s 61 cities in 1970, but only 2.3 million resided in these cities by 2000—a decrease of 20 percent. The greatest degree of decline occurred from 1970 to 1980, when the total population of cities declined by 12 percent. At the same time, population levels in towns continued to grow, although at a much slower rate than in the previous decades—increasing by 16 percent from 1970 to 2000.

In the following table, cities are arrayed according to the largest decrease in population from 1970 to 2000. Buffalo (36.8 percent decline) and Niagara Falls (35.1 percent decline) have had the most striking loss of population. Lackawanna and Tonawanda (also located in Western New York) also are among the fastest declining cities. The decline in population for cities in Western New York amounts to a 32 percent overall decrease in population for the 10 cities located in this region—the worst pattern of urban decline compared to cities in any other region statewide.

Also prominently represented among the most severely declining cities are those in the Mohawk Valley Region. Utica (34 percent), Little Falls (32 percent), Rome (30 percent) and Amsterdam (28 percent) have lost substantial population, and the rate of decline from 1990 to 2000 shows signs of acceleration over the previous decade.

In terms of population growth, only 13 cities have gained population over the 30-year period from 1970 to 2000. The City of Saratoga Springs had the largest percentage growth (31.5 percent), which was nearly double that of the next fastest growing city (Peekskill at 16.4 percent). For Saratoga Springs, the fastest growth occurred from 1970 to 1980, and its population has been growing steadily (by around 5 percent) over the last
<table>
<thead>
<tr>
<th>Year</th>
<th>Population (U.S. Census)</th>
<th>Percentage Change</th>
<th>50y % Chg</th>
<th>30y % Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
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<tr>
<td>1960</td>
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<td>2010</td>
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<tr>
<td>2020</td>
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</tr>
</tbody>
</table>

### Population Trends

**Amsterdam**
- 2020: 32,240
- 1950: 16,126
- Change: 68.1%
- 50y: 206.7%
- 30y: 121.1%

**Binghamton**
- 2020: 60,074
- 1950: 31,956
- Change: 122.4%
- 50y: 427.2%
- 30y: 197.2%

**Geneva**
- 2020: 17,144
- 1950: 7,385
- Change: 127.7%
- 50y: 361.8%
- 30y: 166.8%

**Lackawanna**
- 2020: 14,617
- 1950: 7,422
- Change: 97.8%
- 50y: 351.5%
- 30y: 154.7%

**Oneida**
- 2020: 13,864
- 1950: 11,721
- Change: 18.4%
- 50y: 344.3%
- 30y: 158.3%

**Poughkeepsie**
- 2020: 32,240
- 1950: 16,126
- Change: 100.0%
- 50y: 298.3%
- 30y: 152.7%

**Rochester**
- 2020: 32,240
- 1950: 16,126
- Change: 100.0%
- 50y: 298.3%
- 30y: 152.7%

**Utica**
- 2020: 32,240
- 1950: 16,126
- Change: 100.0%
- 50y: 298.3%
- 30y: 152.7%

**Watertown**
- 2020: 20,272
- 1950: 10,390
- Change: 100.0%
- 50y: 250.0%
- 30y: 148.8%
two decades. Saratoga Springs is the only city to have population increases in each of the decades examined in this report and, as the fastest growing city in New York State (from 1970 to 2000), sustainable development has become a critical focus for local officials.

Like Saratoga Springs, the City of Plattsburgh experienced population growth (12.5 percent) from 1970 to 1980—a period when most cities were declining. However, this growth was offset by a population decrease of 11.5 percent from 1990 to 2000. This recent decline in population is most likely the result of the 1995 closing of the Plattsburgh Air Force Base, of which 25 percent was located within the City.  

From 1990 to 2000, the majority of cities (44 out of 62) have continued to experience a decrease in population. Furthermore, analysis of more recent Census population estimates suggests that this negative trend is continuing for most cities.  

From 1990 to 2000, Rome and Utica experienced the largest percentage drop in population, most likely due to the closing of an air force base in the mid-1990s. In contrast, cities in the Mid-Hudson region (with the exception of Port Jervis) increased their population from 1990 to 2000. This growth has offset the population declines that occurred in the 70s, indicating recovery and growth in these Mid-Hudson cities.

**Regional Differences**

Regional population trends show a chronic pattern of population decline in upstate New York, and substantial recovery and population growth in the cities located downstate—cities which have benefited from their proximity to New York City. The two Long Island cities (Glen Cove and Long Beach) have experienced a 5.4 percent increase in population from 1970 to 2000, with most of the population growth occurring in the last decade. For the 12 cities located in the Mid-Hudson Valley Region, recent population growth suggests substantial economic recovery for cities in this region. Despite a period of decline from 1970 to 1990, city population in both the Long Island and the Mid-Hudson regions remains well above its 1950 levels.

Outside the downstate regions, the overall city population in each of the other New York State regions shows a severe and continuing pattern of decline. Nearly all of the other regions experienced three consecutive decades of population decline. As described earlier, this pattern of decline has been most severe for cities in the Western New York and Mohawk Valley regions, with these regions losing 32 percent and 30 percent of their population respectively. Cities located in the North Country (9.6 percent decline) and the Capital Region (16.3 percent decline) have experienced less of an overall decrease when compared to other upstate regions. However, like the other regions, recent trends suggest an acceleration of this negative pattern in these areas.


11 Using these Census Bureau estimates, 45 out of 62 cities show some type of decline during the 2000 to 2003 period, with New York City increasing by 1 percent.

Three Decades of Sustained Decline Upstate vs. Recovery and Growth Downstate

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Upstate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Region</td>
<td>350,165</td>
<td>318,171</td>
<td>309,314</td>
<td>293,221</td>
<td>-9.1%</td>
<td>-2.8%</td>
<td>-5.2%</td>
<td>-16.3%</td>
</tr>
<tr>
<td>Central NY</td>
<td>298,091</td>
<td>266,706</td>
<td>257,893</td>
<td>235,416</td>
<td>-10.5%</td>
<td>-3.3%</td>
<td>-8.7%</td>
<td>-21.0%</td>
</tr>
<tr>
<td>Finger Lakes</td>
<td>340,852</td>
<td>283,996</td>
<td>271,534</td>
<td>260,910</td>
<td>-16.7%</td>
<td>-4.4%</td>
<td>-3.9%</td>
<td>-23.5%</td>
</tr>
<tr>
<td>Mohawk Valley</td>
<td>207,620</td>
<td>177,512</td>
<td>168,108</td>
<td>146,215</td>
<td>-14.5%</td>
<td>-5.3%</td>
<td>-13.0%</td>
<td>-29.6%</td>
</tr>
<tr>
<td>North Country</td>
<td>64,056</td>
<td>61,293</td>
<td>64,205</td>
<td>57,885</td>
<td>-4.3%</td>
<td>4.8%</td>
<td>-9.8%</td>
<td>-9.6%</td>
</tr>
<tr>
<td>Southern Tier</td>
<td>183,103</td>
<td>166,121</td>
<td>159,665</td>
<td>148,115</td>
<td>-9.3%</td>
<td>-3.9%</td>
<td>-7.2%</td>
<td>-19.1%</td>
</tr>
<tr>
<td>Western NY</td>
<td>744,045</td>
<td>607,434</td>
<td>559,481</td>
<td>505,287</td>
<td>-18.4%</td>
<td>-7.9%</td>
<td>-9.7%</td>
<td>-32.1%</td>
</tr>
<tr>
<td><strong>Downstate</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Island</td>
<td>58,897</td>
<td>58,691</td>
<td>57,659</td>
<td>62,084</td>
<td>-0.3%</td>
<td>-1.8%</td>
<td>7.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Mid-Hudson</td>
<td>566,464</td>
<td>533,942</td>
<td>530,546</td>
<td>556,764</td>
<td>-5.7%</td>
<td>-0.6%</td>
<td>4.9%</td>
<td>-1.7%</td>
</tr>
<tr>
<td><strong>All Cities (Excl. NYC)</strong></td>
<td>2,813,293</td>
<td>2,473,866</td>
<td>2,378,395</td>
<td>2,265,897</td>
<td>-12.1%</td>
<td>-3.9%</td>
<td>-4.7%</td>
<td>-19.5%</td>
</tr>
</tbody>
</table>

| Big Five Cities  |       |       |       |       |         |         |           |           |
| New York City    | 7,895,563 | 7,071,639 | 7,322,564 | 8,008,278 | -10.4%  | 3.5%    | 9.4%      | 1.4%      |
| Buffalo          | 462,768  | 357,870  | 328,175  | 292,648  | -22.7%  | -8.3%   | -10.8%    | -36.8%    |
| Syracuse         | 197,297  | 170,105  | 163,860  | 147,306  | -13.8%  | -3.7%   | -10.1%    | -25.3%    |
| Rochester        | 296,233  | 241,741  | 230,356  | 219,773  | -18.4%  | -4.7%   | -4.6%     | -25.8%    |
| Yonkers          | 204,297  | 195,351  | 188,082  | 196,086  | -4.4%   | -3.7%   | 4.3%      | -4.0%     |

Population trends for each of the Big Five Cities are displayed at the bottom of the table, and reflect a similar upstate/downstate pattern. New York City and Yonkers have shown signs of recovery following decline in the 1970s, while population levels have steadily decreased in Buffalo, Rochester and Syracuse. Population levels in these three cities alone have declined by roughly 300,000 residents since 1970. In fact, the decline experienced by Buffalo, Rochester and Syracuse accounts for 54 percent of the total population loss for all cities since 1970.

**Property Value Trends**

Population and property-value trends are related: Declines in population tend to be accompanied by declines in property values. Similarly, increases in population tend to be accompanied by increases in property values. A city in decline faces a reduced capacity to raise revenue, but may not necessarily be able to reduce all types of operating costs.

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12 The property value measure used in this report is the taxable real property full value. This measure is intended to represent the full market value of property located within the city; however, it does not include tax exempt properties such as churches, schools, and properties that make payments in lieu of taxes.

13 In fact, 44 percent of the variability in the full-value change measure can be accounted for using the 1970 to 2000 population change variable.
## Full Value Trends for Cities by Region (1970 to 2000)

<table>
<thead>
<tr>
<th>Region</th>
<th>Full Value (1970 Constant Dollars)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Region</td>
<td>$1,515</td>
<td>$1,330</td>
</tr>
<tr>
<td>Central NY</td>
<td>$1,458</td>
<td>$1,407</td>
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<td>Finger Lakes</td>
<td>$2,062</td>
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<tr>
<td>Mohawk Valley</td>
<td>$772</td>
<td>$638</td>
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<tr>
<td>North Country</td>
<td>$250</td>
<td>$222</td>
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<tr>
<td>Southern Tier</td>
<td>$887</td>
<td>$725</td>
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<td>Western NY</td>
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</tr>
<tr>
<td>Long Island</td>
<td>$449</td>
<td>$376</td>
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<tr>
<td>Mid-Hudson</td>
<td>$4,141</td>
<td>$3,454</td>
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<td>All Cities (Excl. NYC)</td>
<td>$15,074</td>
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<tr>
<td>New York City</td>
<td>Not Available</td>
<td>$39,765</td>
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<tr>
<td>Buffalo</td>
<td>$1,857</td>
<td>$1,467</td>
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<tr>
<td>Syracuse</td>
<td>$997</td>
<td>$793</td>
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<tr>
<td>Rochester</td>
<td>$1,839</td>
<td>$1,470</td>
</tr>
<tr>
<td>Yonkers</td>
<td>$1,507</td>
<td>$1,149</td>
</tr>
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</table>

In real terms, property values have increased by 3 percent from 1970 to 2000 (excluding New York City). For most regions, growth in the 1980s has offset declining property values in the 1970s. While property values for cities have been fairly stable overall during the 30-year period, there has (and continues to be) substantial variation between regions. Cities in the Finger Lakes and Western New York Regions have decreased the most in real terms, while property values in Capital Region and North Country cities have grown from 1980 to 2000. The Western New York Region is the only region to experience real declines in property values in each of the decades examined in this analysis.

In constant dollars, property values have declined from 1970 to 2000 for each of the large upstate cities, with Rochester experiencing the largest decrease (38 percent decline). As outlined in the previous sections, this decline in property values coincides with substantial population losses for these cities.

Recent data suggest that property values in Long Island and Mid-Hudson cities continue to outpace upstate cities, with total property value in downstate cities increasing by 64 percent (in nominal terms) from 1998 to 2003. However, in other regions property values in cities failed to keep pace with inflation. And, in some cases, city property values in these regions declined in both nominal and real terms. In the following table, cities are arrayed according to the percentage change in their property values (in nominal terms) from 1998 to 2003. Many of the patterns that are evident in the population data also are evident in property value trends. For example, Saratoga Springs (42 percent increase) is

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14 For this analysis, full-value numbers were converted to 1970 constant dollars using the CPI-U (all items and all urban consumers) supplied by the Bureau of Labor Statistics. CPI data can be obtained from the following website: [http://stats.bls.gov/cpi/](http://stats.bls.gov/cpi/).
the only upstate city with a substantial rate of property value growth, while the other high-growth cities are all located downstate.

Recently, the rate of growth in these downstate cities has been substantial. Property values in the City of Rye increased by 96 percent from 1998 to 2003—a rate of growth roughly eight times that of the average city. New Rochelle also showed tremendous growth (82.9 percent). The two cities located in the Long Island Region (Glen Cove and Long Beach) experienced substantial increases in property values as well. Like Saratoga Springs, these cities face critical concerns regarding sustainable development and will need to continue to focus on managing this growth.\(^{15}\)

Two cities (Oswego and Dunkirk) experienced severe declines in property values. For both of these cities, the transfer of a power plant to the Industrial Development Agency (IDA) moved a substantial portion of the tax base to an exempt status. In both cases, the power company made payments to the city in lieu of taxes to offset the reduction in tax revenue.

In terms of the Big Four Cities, Yonkers experienced population growth which helped produce substantial increases in property values in recent years (67.5 percent). The large upstate cities fared much worse. In Buffalo, substantial decreases in population levels and property values have negatively impacted the financial condition of the City, forcing the State to intervene and provide oversight. Syracuse and Rochester also have experienced population losses and declining property values. Researchers from the Brookings Institution who focused on neighborhood-level population trends found that many U.S.

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\(^{15}\) The Institute for Sustainable Development at Long Island University, “Measuring the Quality of Life in the City of Glen Cove: Indicators of Community Sustainability,” July, 2000; and City Manager Glen L. Spiritis, Ph.D., “6-Month Report to the City Council and Long Beach Community,” August, 2004.
cities struggled to manage deteriorating inner-core populations with rapidly expanding outer-ring neighborhoods. Buffalo and Rochester not only experienced overall declines, but these declines were more heavily concentrated in the inner-core and middle-ring city neighborhoods—suggesting that the downward trend occurring in the inner-city portion of these larger cities is accelerating.¹⁶

**Socio-Economic Conditions**

The middle-class exodus over the past few decades has led to a general worsening of socio-economic conditions in cities. In general, cities tend to have greater levels of poverty, higher levels of vacant housing, a greater percentage of female headed households with children, and a higher percentage of adults with less than a high school diploma when compared to surrounding suburban neighborhoods. These factors reflect the effects of out-migration patterns and home-purchasing decisions, particularly where conditions within a city are significantly worse when compared to outer-fringe and suburban neighborhoods.¹⁷

![Conditions Are Much Worse in Cities Compared to Towns](image)

Additionally, research suggests that a high degree of socio-economic disparity between cities and suburbs can result in a general worsening of conditions for the suburbs in the surrounding areas. In other words, urban decline not only causes migration between cities and suburbs, it can also threaten the metropolitan region as a whole.¹⁸

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### Summary of Socio-economic Stress Indicators for New York State Cities (2000)

<table>
<thead>
<tr>
<th>City</th>
<th>Region</th>
<th>Population Trend (1870 to 2000)</th>
<th>Socio-economic Stress Indicators¹</th>
<th>Percentage of...</th>
<th>Index of Social Stress²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Residents Below Poverty</td>
<td>Female-Headed Households with Children (no husband present)</td>
<td>Vacant Housing Units</td>
<td>Adults with no High School Diploma</td>
</tr>
<tr>
<td>Summarized Values</td>
<td></td>
<td>25.56%</td>
<td>25.57%</td>
<td>7.93%</td>
<td>39.11%</td>
</tr>
<tr>
<td>All Cities (Mean)</td>
<td></td>
<td>-12.7%</td>
<td>-17.28%</td>
<td>16.44%</td>
<td>5.25%</td>
</tr>
</tbody>
</table>

¹Source: U.S. Census Bureau, Census 2000

²The socio-economic stress index was computed by taking the average of the standardized scores for the four subcomponents, and developing a series of ranges above and below a standard score of “0,” which would be the mean or an “average” score on the socio-economic stress index. An index value of between 0.50 and 0.00 was labeled “average,” a value below 0.50 to -1.25 was considered “below average,” a value above 1.25 was considered “far above average,” a value below -1.25 was considered “far below average.”
Populations residing within cities differ dramatically when examining indicators of socio-economic need. In the accompanying table, cities are arrayed according to their score on the socio-economic index. As shown, three of the Big Four Cities (Buffalo, Syracuse and Rochester) and the cities of Hudson and Newburgh were found to have the highest relative levels of socio-economic stress. With the exception of Newburgh, which has gained population in recent decades, these high-stress cities have all experienced high rates of population decline since 1970. Utica, Elmira, Poughkeepsie, Niagara Falls, Binghamton, Schenectady, Gloversville and Troy also were found to have above-average levels of socio-economic stress. These cities also have experienced large decreases in population in recent decades, and many have experienced fiscal difficulties (see the accompanying box).

On the other side of the socio-economic stress scale are the cities that fall below average on the social indicators. For these cities, performance on the socio-economic indicators is much better than the average city. Conditions in these cities, particularly those that rank far below average on the socio-economic stress measures, compare quite favorably to those observed in suburban locations. These cities tend to be more suburban in nature—existing as urban areas within a larger metropolitan area.

19 Four socio-economic stress indicators were examined using 2000 census data: the percentage of residents living below poverty, the percentage of female-headed households with children, the housing vacancy rate, and the percentage of adults with less than a high school diploma.

20 The index reflects an equally weighted combination of the four indicators and is based on standardized scores. This approach is similar to that used by researchers from the Rockefeller Institute, but for this analysis we have used a somewhat different (and smaller) set of indicators and benchmarked against the average for cities in New York State only. See for example, Lisa Montiel, Richard P. Nathan and David J. Wright, “An Update on Urban Hardship,” The Nelson A. Rockefeller Institute of Government, August, 2004.
Conclusions and Directions for Future Research

This report has highlighted demographic trends among the cities in New York State in recent decades. While some cities—particularly downstate cities—have fared quite well in recent years and appear to be improving, most of the State’s cities have experienced decline. Declining population levels accompanied by eroding tax bases and worsening socio-economic conditions pose serious challenges to the viability of these cities. The trends highlighted in this report all point to the need for improving conditions in New York State’s urban centers.

Conditions are particularly poor in the large upstate cities. Buffalo has experienced one of the highest rates of population decline—surpassing all but a few cities nationwide. As a result of declining population and high levels of socio-economic distress, financial conditions in Buffalo (and other large cities) have worsened significantly. Buffalo, Rochester and Syracuse currently rank among the highest of all cities statewide on measures of socio-economic stress.

In contrast to cities, suburbs in the State grew most rapidly in the 1950s and have continued a pattern of growth. New York City’s population growth in recent decades has offset its 1970s decline, with the City continuing to benefit from favorable immigration patterns.

The trends highlighted in this report point to the need for a better understanding of the changing characteristics of central-city, suburban and outer-ring neighborhoods in New York State, and the need to review the structure and boundaries for municipalities, which were generally established in the 19th century and are in many ways outdated. Cities are no longer centers of population and wealth, and many towns and villages have urban characteristics (with some exceeding cities in size). Areas for study include similar characteristics among naturally occurring clusters of municipalities, the differences in treatment for different classes of municipalities (e.g., services provided to towns, but not cities, by county governments), and a review of the State’s municipal structures and incorporation/annexation procedures in comparison with other states and regions.

Finally, this report highlights the need for an urban agenda in New York State, and an examination of policies that can foster fiscal stability and economic recovery within our urban centers. A number of recent studies have begun to focus on this topic and more research is warranted.21
