

Responding to Displacement in Appalachian New York: Chemung, Schuyler, and Steuben Counties¹

I. Introduction

The majority of New York counties classified as Appalachian are in the “Southern Tier” of the state, an area that is urban in the east (Binghamton) and rural in the west. The Appalachian New York site visit was conducted in the three adjoining counties of Chemung, Schuyler, and Steuben, a region within the Southern Tier and along or near the Pennsylvania border. These three counties compose one Workforce Investment Area in the New York workforce development system. Using the Appalachian Regional Commission economic classification scheme, each of these counties is classified as “transitional.”

Chemung County comprises the Elmira metropolitan area. The major economic and cultural centers are Elmira, a city of about 30,000, and Corning (population 10,000), located in Steuben County and home to the headquarters of Corning, Inc. The region is about an hour’s drive from Binghamton (also in Appalachian New York). Rochester, Syracuse, and Buffalo are within two to two-and-a-half hours by highway. New highway interchanges and upgrades of existing state highways to Interstate status are expected to be completed within the next few years, improving the region’s accessibility. Several major universities (Cornell, Binghamton, and Alfred) are located in Appalachian New York within an hour’s drive of the region.

In part this region was selected for the case study to understand the impact of the development patterns of an older industrial region within northern Appalachia. Because the counties are located within a major industrial state, the social and economic development of the region followed a course different from that of much of Appalachia, especially Southern Appalachia. Agriculture and timber harvesting were early and successful activities that helped feed and build the growing markets of the eastern seaboard. Owing to the development of the New York canal system after about 1830, the core of the Southern Tier region around Corning and Painted Post were never as isolated as some parts of Appalachia. Indeed Corning developed first as a center of canal- and later railroad-related trade in agricultural products, timber, and coal. By the 1880s Corning was an important railroad hub.

Another important pattern has been the importance of a few large industrial firms to the economic development of the region, notably IBM in the Binghamton area, and Corning Inc. and Dresser-Rand in the west. Corning Inc. and Dresser-Rand both have long histories in the region; the former was founded in 1868, the latter in 1899 as Ingersoll-

¹ This field research report was written by Howard Wial and Peter Wiley as input to Stephen Herzenberg, Suzanne Teegarden, and Howard Wial, *Creating Regional Advantage in Appalachia: Towards A Strategic Response To Global Economic Restructuring* (Harrisburg, PA, Keystone Research Center, 2005) and as part of ARC contract #CO-12884T-03. Questions about the field report should be directed to herzenberg@keystoneresearch.org.

Rand. Both firms became successful multi-national corporations. Corning Inc., still headquartered in Corning, has some 27,000 employees worldwide and had revenues of \$3.85 billion in the fiscal year ending in December 2004, up 25 percent from the year before. Dresser-Rand, with a headquarters and service center in Olean, has manufacturing operations in five countries and had revenues of \$1.3 billion in 2003. Both firms still have major manufacturing operations in the area. Although headquartered in New York City, IBM (founded as the Computing-Tabulating-Recording Company) maintained major manufacturing operations in Endicott and Binghamton from the early 1900s.

The presence of large manufacturing firms has shaped and continues to shape the economic, political, and cultural life of this region.

II. Summary of Key Findings

- ***The presence of a few major employers, Corning Inc. especially, appears to have a significant influence on the development of economic development strategies.*** This influence is of two kinds. The most obvious is that the firms, as anchors of the local economy, have a great deal of agenda-setting power: that is, their business decisions have far-reaching effects that set boundary conditions for the pace and kind of local development that is possible. Second, because Corning has been a very good corporate citizen there appears to be, despite economic ups and downs, a feeling of economic security in the area that mitigates any urgency for undertaking aggressive development efforts. The persistence of Corning and its loyalty to the community have been a reassurance that recovery from dislocation is not only possible, but routine.
- ***While there has been significant loss of manufacturing jobs in the region, key informants claim that this represents a shift from low-wage to high-wage manufacturing employment.*** Manufacturing employment has declined almost 36 percent in the region in the last 10 years.
- ***Area workforce and economic development activities are not strategically aligned, but there are connections and cooperation among workforce and development agencies.*** No overall strategic plan existed for this region nor were there individual strategic plans driving the actions of local agencies. However, the workforce development organizations seek to make their services available to economic development efforts that aim to recruit and retain firms.
- ***Informal largely cooperative relationships among community and business leaders, public office holders, and workforce and economic development practitioners are at least as significant to responses to dislocation as formal state level policy.*** The interviews indicate cooperative, although informal relationships between workforce agencies and between economic and workforce development agencies.

III. Regional Economic and Demographic Context

As has been well documented elsewhere,² the Southern Tier has suffered economically, along with much of the United States and Appalachia, from long-term hollowing-out of manufacturing in the wake of globalization. Economic challenge has also come from sources other than the market. In 1972, as the result of a significant flood in the wake of hurricane Agnes, firms in the Corning area suffered tens of millions of dollars in damage to important manufacturing facilities. The flood and its aftermath were important because it renewed and deepened ties between local firms and the community, especially Corning Inc., which offered interest free loans to current and former employees to aid in rebuilding the community.

Table 1 profiles selected economic and demographic characteristics of the New York field visit counties.. These data show the region performing better than much of Appalachia but still disadvantaged in terms of per capita market income, population loss, and educational attainment at the college level.

Per capita market income in the field visit region (Chemung, Schuyler and Steuben) was 73 percent of the statewide average and about 83 percent of the national average according to the 2000 Census. The region's poverty rate, 13 percent, was slightly above that of the nation (12.4 percent) but below that of the state (14.6 percent). Unemployment rates in the region are higher than the state and national averages in recent years. On average about 82 percent of the region's residents have at least a high school diploma, a percentage that exceeds those of the state and nation. The percentage of county residents with college degrees, 18 percent, is substantially below the corresponding percentages for the state and nation.

² Rolf Pendall and Susan Christopherson, *Losing Ground: Income and Poverty in Upstate New York, 1980-2000* (Washington D.C.: Brookings Institution, 2004).

Table 1. A Profile of the New York Field Visit Counties and Comparison Regions Indexed to U.S. = 100

County / Region	ARC County Classification	Three Year Average Unemployment Rate (1999-2001)	Per Capita Market Income (2000)	Poverty Rate (2000)	Labor Force Participation Rate	Labor Force Participation Rate (Women)	Percent Change in Participation of Women (1980-1990)	Percent Population Change (1990-2000)	Percent of Adults with High School Diploma	Percent of Adults with College Degree	Population (2000) - not indexed
United States		4.3	25,676	12.4	64%	59%	27%	13%	80%	24%	281,421,906
Variables Below Are All Indexed to U.S. = 100											
Appalachian United States		109	77	110							
New York		114	115	118	96	96	73	42	98	112	18,976,457
Appalachian New York		112	73	110							
All 3 Counties in FV Region			83	105				-14			209,020
Counties											
Chemung	Transitional	116	79	105	93	97	57	-33	102	76	91,070
Schuyler	Transitional	140	62	95	97	99	89	23	102	64	19,224
Steuben	Transitional	126	92	106	98	98	70	-3	103	73	98,726

Source: Keystone Research Center (KRC) based on Census data and other data downloaded from www.ARC.gov.

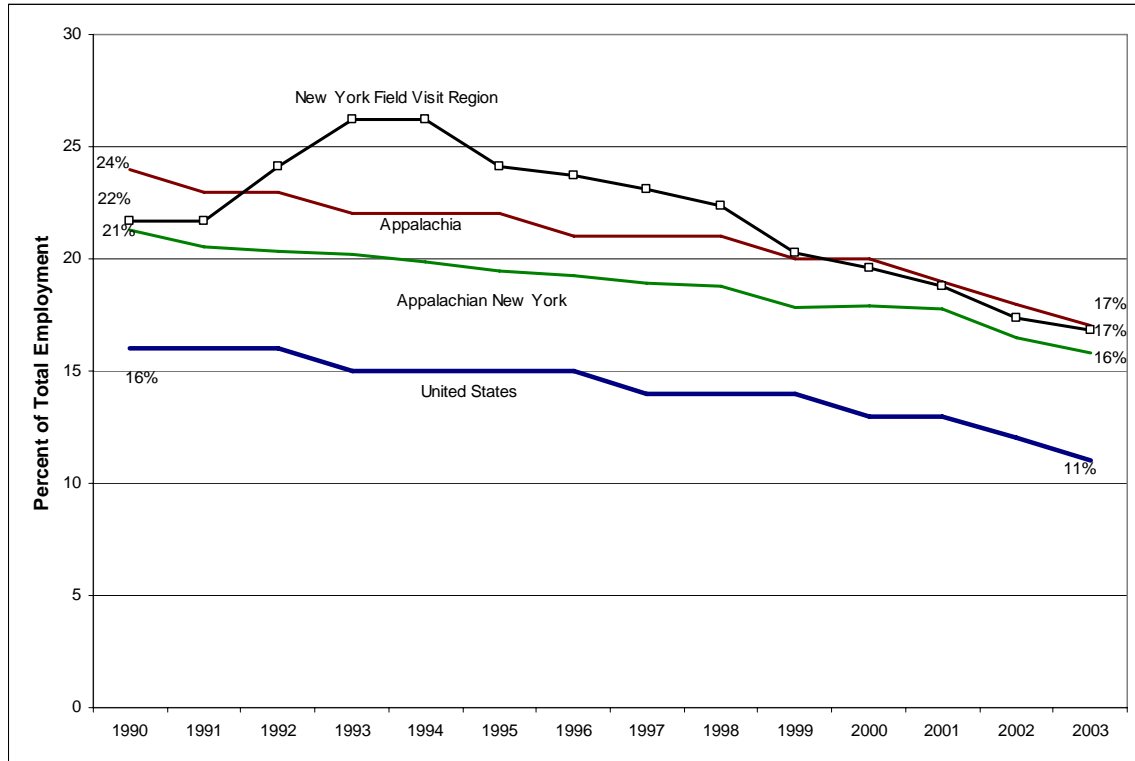
Table 2. Employment by Major Industry in Chemung, Schuyler, and Steuben Counties

	Employment 2003	Percent of total 2003	Location Quotient 2003	Employment Change 1993-2003	Percent Change 1993- 2003
Construction	2,355	3.00%	0.56	549	30%
Education and Health Services	21,448	27.6	1.32	2,733	15
Financial Activities	2,954	3.8	0.61	198	7
Information	1,158	1.5	0.57	-133	-10
Leisure and Hospitality	6,426	8.3	0.84	507	9
Manufacturing	13,414	17.3	1.52	-7,524	-36
Natural Resources and Mining	523	0.7	0.52	110	27
Other Services	2,566	3.3	0.98	567	28
Professional and Business Services	6,685	8.6	0.68	2,326	53
Public Administration	5,358	6.9	1.23	451	9
Trade, Transportation, and Utilities	14,821	19.1	0.92	123	1
TOTAL NONAGRICULTURAL	77,708	100		-93	0

Source: KRC analysis of ES-202 data found on the University of Georgia's "Shift-share Analysis of Regional Employment" Web site: www.rcr.uga.edu/guide/ssshare1.html

Despite cyclical changes, employment in the area was about the same in 2003 as it was 10 years earlier, about 78,000 workers. The Education and Health Services sector is the region's largest major industry, employing more than one in four workers. The region's largest industry concentration, relative to the nation as a whole, is in manufacturing with the percentage of manufacturing workers in the region being about half as large as in the nation as a whole. Corning, Inc., Dresser-Rand and several other large manufacturing companies have production facilities in the area. New York's state manufacturing makeup can be seen in Figures 1a and 1b below. Education, health services, and public administration also have important, but smaller, relative concentrations.

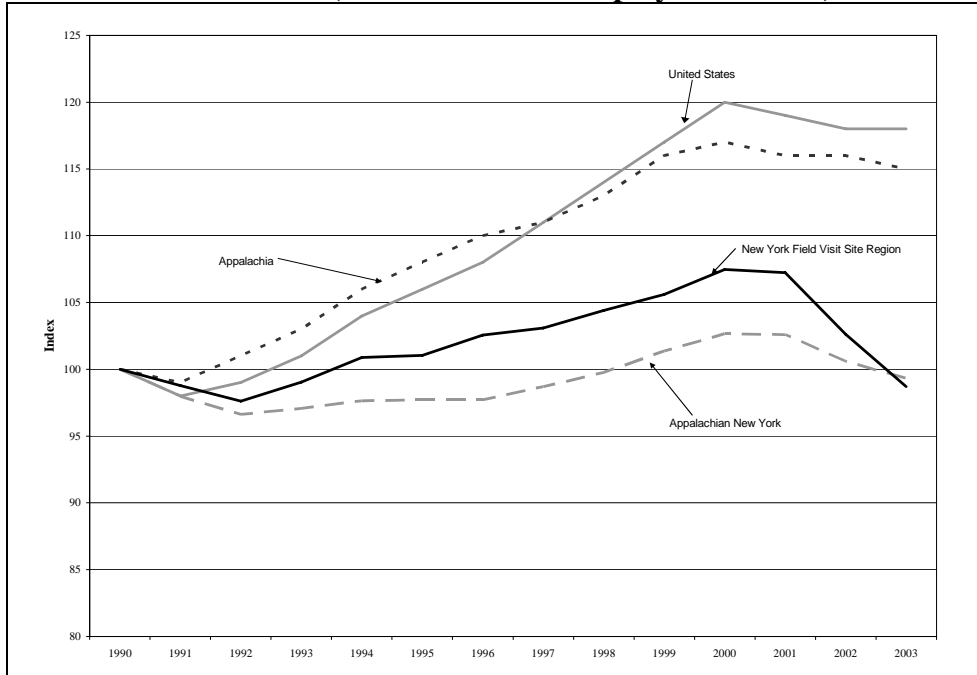
While the overall employment level has remained relatively constant, there has been a change in the industry mix in the region. Like many other parts of Appalachia and of the Northeast, the region has suffered losses of manufacturing jobs while gaining service jobs. Figure 2 below shows the loss in share of employment that manufacturing represents in the field visit area.

Figure 2. New York Manufacturing Employment Share

Source: Table A4.

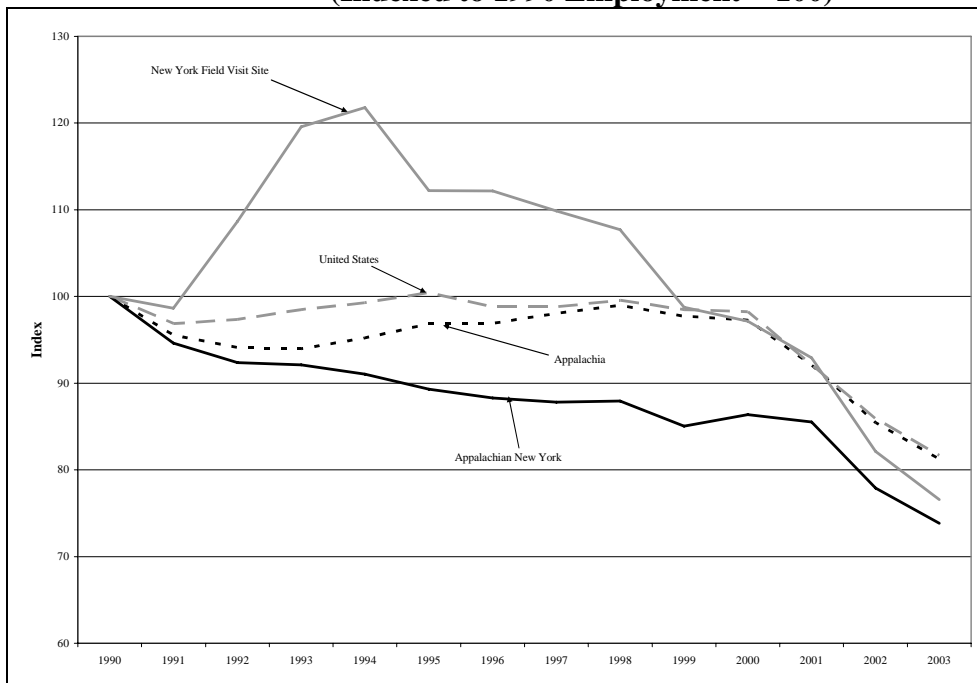
During the period 1993-2003 the area lost more than a third of its manufacturing jobs while jobs in professional and business services increased by more than half, and jobs in “other services” and natural resources and mining each grew by more than a quarter. Figure 3 illustrates the change in total covered employment between 1990 and 2003. The region’s manufacturing job losses during this period exceeded those of the state and the nation in percentage terms (Figure 4). Yet Chemung County experienced manufacturing job growth from 1997-99, as did Steuben County in 2000, although all of these gains were subsequently wiped out during the 2001 recession, and as of 2003 manufacturing jobs had not yet seen post-recession growth.

**Figure 3. New York Total Covered Employment
(Indexed to 1990 Employment = 100)**



Source: Table A1.

**Figure 4. New York Manufacturing Employment
(Indexed to 1990 Employment = 100)**



Source: Derived from Table A2.

It has taken a long time for the area to recover from the recession. The current status of the local economy has been strongly influenced by the decision of Corning Inc. to expand the manufacturing of photonic and related equipment during the technology boom in the 1990s. Anticipating a demand for fiber-optic networking equipment greater than that which ultimately developed, the company built new manufacturing space in the Corning area. Economic developers in the region report that Corning, Inc. went from 4800 jobs to 9000 in three years and then back to 4800 in “three months” as the tech boom went bust. Of the workers that Corning, Inc. laid off have who left the area, many were professionals. The impact of this dislocation on the area both economically and psychologically was clearly significant.

Corning, Inc., Dresser-Rand, and some other local manufacturers have begun to expand once again. In 2004 Corning opened a \$200 million facility to produce diesel engine emission control products. According to Corning the company will employ 250 persons by the first part of 2005. Because of changes in the economics of power production caused by rising oil prices, Dresser Rand is expanding production of electrical generation equipment to meet demand. The returning manufacturing jobs, and those that remained, are high-wage ones. Economic developers in the region report that the manufacturing jobs that the region recently lost have generally been in more commodity-type (lower value-added) production jobs.

IV. Overview of Responses to Displacement

Responding to Dislocated Workers

The three counties make up a single Workforce Investment Area. The area’s Workforce Investment Board (WIB) reportedly works in partnership with neighboring WIBs. There appears to be more cooperation among organizations in workforce development than in economic development.

The area’s current WIB director, who has resided in the area for a number of years, came to his position about three years ago after a career in human resource management with a local firm. The director’s human resources experience has clearly shaped his approach to the work of the WIB. He works with the three major economic development agencies in the region and serves on Empire Zone boards for Schuyler and Chemung counties and the Chamber of Commerce board for the city of Hornell in Steuben County. He suggests that he is “at the table on economic development” to offer training and worker placement services and inform businesses about workforce skills and availability. However, the WIB does not appear to have a great deal of input into formulation of regional economic development policy. Rather, it serves as a resource for economic development.

New York’s One-Stop Career Centers differ greatly even within a region and within a county because of differences in local needs. Different organizations, each of which is typically a consortium of Workforce Investment Act partners, operate each One-Stop Career Center in the three-county area. The Corning One-Stop Career Center has job

listings, other job-related information, and computers for job search prominently displayed in a large room at the entrance to the One-Stop Career Center office. Offices and meeting rooms are located alongside of, and in back of this room, and on upper floors of the building.

Workforce Investment Act organizational partners with offices or personnel on-site at the Corning One-Stop Career Center include the New York State Department of Labor, Corning, Inc., Corning Community College, vocational schools, and a vocational rehabilitation program. The partnerships with Corning Community College and the vocational schools are especially strong. A community-based organization and the Appalachian Regional Commission's local development district also work closely with the One-Stop Career Center and WIB, and workers and job-seekers can obtain child care assistance through the One-Stop Career Center. The New York State Department of Social Services is represented on the WIB's board of directors. Unemployment insurance is not available through the One-Stop Career Center since all claims are filed by phone in New York. One-Stop Career Center personnel give general guidance in the filing process for unemployment insurance claims. Detailed assistance can be obtained by phone.

The One-Stop Career Center offers a variety of services to workers. These include job search, resume preparation, career counseling and assessment, classroom training and workshops. The WIB offers layoff aversion assistance to employers. It works closely with local businesses to find out what skills are needed. It surveys local business to find out hiring plans and skill needs over the next three months, six months, and one year. It tries to target its programs to fields in which job growth is occurring or is expected to occur soon. The WIB in this region, in response to an opportunity offered by the state to all local areas, has undertaken a strategic reassessment to help it enhance its services and become more "pro-active" in meeting workforce needs.

Machinists, machine operators, nurses, and certified nursing assistants are currently in great demand in the area. The WIB trains many certified nursing assistants and nursing program enrollments are growing. Employers report a "shortage" of journeyman machinists but have not responded to that shortage by raising wages. Students are unwilling to train as machinists because of low wages, the perception that vocational programs are a dumping ground for those unable to find other employment, and the fact that the public workforce system will no longer pay for machinist training.

Layoffs have been "up and down" in the last few years, according to the current WIB director. He was not able to directly address the public response to the last major Corning Inc. dislocations that occurred before his tenure. The local consensus is that most of the new 5,000-odd people who came into the Corning area in the mid-1990s simply left the area.

The most significant recent episode of job loss was in December 2004 when MT Display closed its Elmira plant. About 817 workers lost jobs in the trade-related closing. Formerly owned by Toshiba, the plant was one of the last in the United States to manufacture glass

cathode-ray tube displays. Because of the declining fortunes of the U.S. television industry, the layoff at MT was widely anticipated in the region.

According to the WIB director, it was difficult for One-Stop Career Center personnel to get into the factory early but they managed to do so. The union that represented the MT workers helped the Career Center staff obtain access to workers in the plant before the closing was complete, although the provision of such assistance does not appear to be a common role for unions in the region. The WIB director regards early access to workers involved in layoffs as an important factor in successful provision of services.

At the time of the interview, about 50 of the workers who lost jobs at MT Display have been placed in short-term training and about 50 in long-term training. It has been difficult for the WIB to help 817 workers, many of whom reportedly have deficiencies in literacy and basic skills, find new jobs quickly. Because the MT plant was highly automated, many of the workers who lost jobs served in relatively low-skilled positions, such as material handling, which were unique to the plant. In addition, workers in this region, unlike in some other parts of Appalachia, are reportedly not willing to commute more than about 50 minutes to work. This may limit the job opportunities available to laid-off workers.

Unlike many other parts of Appalachia and elsewhere in the industrial Northeast and Midwest, more skilled laid-off manufacturing workers in this region have been able to obtain new manufacturing jobs in recent years. Although available data do not show an increase in manufacturing employment in the area through 2003, the comments of local workforce and economic developers suggest that the number of manufacturing job openings may be growing. Corning, Inc., Dresser-Rand, Alstom, and several other major firms are all hiring now. Recently, most laid-off manufacturing workers have not had to take big pay cuts to find new jobs. Corning, Inc. has often recalled laid-off workers, as has Dresser-Rand. These firms are considered stable and unlikely to leave the area. Workers in the area are used to cycles of layoff and recall, and these cycles are expected occur in the region.

Responding to Community Displacement

Although many public and private entities carry out economic development planning and policy in the region, three appear to be the most important:

The Three Rivers Development Corporation, a private, nonprofit organization has operated in the Corning area since 1966. Three Rivers was founded with the support of 13 local businesses to help cope with development issues related to the rapid expansion of Corning Glass and Ingersoll-Rand in the mid 60s. The role and mission of the organization has evolved since then and it now provides various planning services to a number of local municipalities on a contract basis. According to the organization's website, "Over the past 30 years, . . . Three Rivers board members have invested \$5.6 million in supporting its activities, returning an estimated \$1.1 billion in community investment: over \$129 million in housing,

\$760 million in economic development, \$45 million in health and human services, and \$111 million in municipal facilities and transportation. Investment in the Corning area alone has exceeded \$254 million since 1985.” Both Corning and Ingersoll-Rand were among the 13 founding businesses.

The Steuben County Industrial Development Agency, a public benefit corporation with municipal powers of condemnation and the ability to grant tax abatements and negotiate payment-in-lieu-of-taxes agreements, serving most of Steuben County.

Southern Tier Economic Growth (SETG), a quasi-private, nonprofit organization serving Chemung Co. SETG administers the Elmira area “Empire Zone” program, and the SETG director also runs the Chemung County Industrial Development Authority.

Local business leaders serve on the boards of directors of all three organizations, although the latter two boards also include some local elected officials. The organizations provide site development and selection assistance for businesses and zoning/planning consulting for local governments. They also serve as brokers for loans, financial incentives, and technical assistance to businesses.

The Three Rivers Development Corp. and the Steuben County Industrial Development Authority cooperate on projects in the Corning area. In general, however, local economic developers see themselves as competitors with their counterparts in other counties and municipalities in the region. Unlike some of the metropolitan areas of upstate New York, there is no regional economic strategic vision and plan. Regional cooperation has been limited to such clear “win-win” issues as the promotion of tourism and the expansion of the local airport.

The economic development practitioners interviewed sometimes spoke as if the region has no economic development advantages, but they view the region’s cultural and natural amenities and good public schools as strengths. If all other factors are equal, they believe that a company will choose a location on the basis of amenities. They believe that high taxes (due to Medicaid costs, which account for a large and rising share of local property taxes) deter companies from locating in the region. In their view there are a number of factors that bear on the ability of the area to compete vis-à-vis other counties, regions and states. Those mentioned most often are:

Infrastructure. The more rural parts of the area lack public water and sewers. Economic developers see this as a detriment to economic growth and have used available public funding to remedy it. They expect the completion of highway interchanges and upgrades over the next few years to spur growth. Some “big box” retailers and warehousing and distribution centers have expressed interest in locating in the region because of the planned highway improvements.

Locational incentives. Local economic developers do not see the attraction of new firms via locational incentives as a primary goal, but they believe these

incentives are necessary to attract, retain, and expand jobs. According to local economic developers, even Corning, Inc., with a strong preference for maintaining and expanding production in the Corning area, would not have expanded here if it had not received incentives. If the region offers a “competitive” financial package then the firm prefers to expand in the region.

Most economic development incentives come from the state, fewer from the counties, and the fewest from municipalities. New York’s Empire Zone program (similar to enterprise zone programs in other states) provides business attraction incentives that local economic developers see as competitive with any economic development package in U.S. It is because of this program, they believe, that the area is competitive with nearby Pennsylvania.

Empire Zone benefits to firms include property tax reimbursement for 10 years, wage and investment tax credits, and a refund of unused tax credits for businesses new to the state. An Empire Zone exists in almost every county in New York. Each Empire Zone has an acreage limit but local economic development agencies have discretion as to the location of the Empire Zone properties within the county. The program’s tax incentives depend on the number of jobs created and the capital investment made. A business seeking to locate in an Enterprise Zone must inform the state of its job creation and investment expectations, which then become binding commitments. The state may require the firm to repay the tax incentives if it fails to fulfill those commitments. There are no wage standards in the Empire Zone program but some other economic development grant programs have them.

Workforce. Neither workforce developers nor economic developers note any major problems with the quality of the workforce. The combination of (perceived) good public schools, relatively low wages (compared to large metropolitan areas), and many skilled manufacturing workers (such as machinists) as well as many “unskilled” workers make the workforce attractive. Economic developers view workforce-training programs as a “resource,” part of the package of incentives they can offer to employers.

Economic developers interviewed believe that the region’s high taxes, lack of infrastructure, and distance from metropolitan centers make it impossible for them to be very selective in deciding which firms should receive economic development assistance. In particular, they do not believe they can afford to reject firms on account of low wages. But job quality and quantity and the perceived commitment of a firm to the community do enter into their decisions about which firms to pursue most actively. For example, one respondent said that his organization was not interested in pursuing big-box stores actively because of the stores’ lack of long-term commitment to the community and lack of support for the community and local institutions. Those interviewed perceive call centers as having similar disadvantages as well, such as demanding too much economic development assistance. In contrast, they view warehousing and distribution centers as more attractive despite their low wages because they perceive them as willing to make

long-term commitments to the area. Firms located in the region that have received economic development assistance have not left for more profitable opportunities elsewhere, although some have gone out of business or had large layoffs.

In trying to attract new businesses to the area, economic developers appear to think in terms of the “fit” between the company’s Chief Executive Officer (CEO) and the local area’s culture. They market the area mainly to CEOs of small firms and then assemble a package of locational incentives and, if necessary, workforce training incentives. They try to find companies that have a similar “culture” to Corning, meaning firms that are competitive in their industries, and are willing to make long-term commitments to the area and support community institutions. They named particular manufacturing firms as examples of businesses that have such a “culture.”

Economic developers are also interested in some industries that they see as needed in the area or that may have a specific reason to locate in the area. These include manufacturing (considered especially important because of its high-wage jobs and because of the region’s existing manufacturing base), warehousing and distribution, natural gas storage (needed to stabilize price and availability of gas), new ceramics firms (started by former Corning, Inc. employees who have the necessary expertise in the industry), and windmills to generate electricity. Although creating jobs to re-employ laid-off workers is not an explicit economic development priority, the emphasis on manufacturing makes economic development efforts somewhat responsive to those workers’ needs.

Although economic developers see small businesses as more likely to be attracted to the area than large ones, they see the area as difficult to market to outside firms and have had great difficulty in attracting new businesses. For this reason, they believe retaining and expanding existing firms is more important than attracting new ones. Their primary economic development strategy is a second-wave strategy of retaining and growing existing firms. (For discussion of first, second, and third wave economic development strategies see the overview report referenced in the first footnote.) They pursue this strategy using financial incentives, technical assistance, and workforce development assistance as tools.

The region has had mixed success in using second-wave development tools as business incubators and educational institutions as economic development catalysts. Corning Community College, which has a facility in downtown Corning providing technical assistance to small startup businesses, is more involved in economic development efforts than other educational institutions in the area. Universities have done little to assist economic development. Some of the universities located just outside the region have strong ties to businesses in their own counties but not to those in the Chemung-Schuyler-Steuben area. Small business incubators in Corning (for firms with a relationship to Corning, Inc.) and Alfred (in the “ceramics corridor” around Alfred University) are “marginally successful,” according to a local economic developer, with four or five tenants in Corning and six or seven in Alfred.

Economic developers in the area have made relatively little use of so-called “third-wave” economic development strategies. They do appear to consider regional economic strengths in deciding which firms and industries when targeting recruitment, retention, or growth promotion efforts, but they do not do so in as systematic a manner. They do not appear to think specifically in terms of industry clusters, although some Corning, Inc. suppliers are located in the region. Southern Tier Economic Growth is using Appalachian Regional Commission funding to survey businesses in an eight-county area about their customers and suppliers to inform the development of its activities. The three counties’ public regional planning board has done an economic assessment of the region but this does not appear to be connected to any broad development strategy. Consulting reports commissioned by the economic development agencies have advised the agencies about the kinds of firms they should attract and retain, but the agencies seem to react to these reports rather than giving strategic direction to the consultants at the outset. The willingness to defer to outside experts for framing local issues was striking.

Economic development agencies in the area assess their effectiveness on the basis of a variety of indicators, including the amount of investment in the region in which they have some role, the number of development projects they assisted, overall job growth in the area, the number and quality of jobs they attracted or retained or expanded (with number of jobs more important than job quality), and specific feedback from business clients or board members.

Notable for its absence from the interviews was discussion of policy impediments to economic development other than of high taxes or discussion of the impact of local politics on the development process. When respondents were asked to suggest the names of others who might be interviewed, not one volunteered the name of a local elected official or activist. One respondent did describe some opposition to development initiatives but did so in a general way, suggesting that there are always people who will stand in the way of such proposals. Respondents also did not volunteer the names of any individuals at either of the area’s major employers who are known to take a role in local affairs. However the importance of the link between the fact that the (now former) CEO of Corning was born and raised in the area and the company’s approach to various issues was highlighted. When asked more specifically who might be approached at Corning, the view was expressed that “they would be difficult to talk to.”

Also significant was the implication in many interviews that informal (that is, not driven by state policy) personal relationships among community and business leaders, public office holders, and workforce and economic development officials are significant factors influencing economic development activities. Indeed, one of the economic development organizations has a long-standing policy of seeking to place members of its board on the boards of other important community organizations. The explicit purposes of the policy are to gather intelligence on the condition of specific institutions and the community at large, and to build relationships with community leaders that would be useful to the planning and implementation of development initiatives.

V. Conclusion

The Chemung, Schuyler, and Steuben County region of Appalachian New York on many indicators – level of poverty, average wages, and education levels – is doing better than most of Appalachia. Major firms that provide high wages appear to have a continuing commitment to the region and there is a healthy mix of other types of industries. However, the data also suggests that Northern Appalachia – that previously was above national averages -- is now coming closer to these national averages of poverty, wages and education. This may suggest a stagnation that could portend problems especially if restructuring again challenges local economic anchors.

On the basis of the interviews conducted, one cannot conclude that economic and workforce development officials in Chemung, Schuyler, and Steuben counties are pursuing activities informed by a broad strategic vision of what the region should or could become. Many practitioners appear to be pursuing a largely implicit default strategy rooted on their own assumptions about what promotes workforce and economic development and their own experience of working in the area. They draw on external studies of various issues by consultants, but these are not determinative. While local practitioners understand that workforce and economic development are related, there does not seem to be a close connection between economic and workforce planning. It appears that local practitioners have become adept in the science of muddling-through and are focused on responding to immediate challenges. This approach may remain effective if economic conditions remain stable, but may leave the region vulnerable to another wave of restructuring.

Table A1. Total Employment in New York Field Visit Counties and Comparison Regions (Indexed to 1990)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
United States	100	98	99	101	104	106	108	111	114	117	120	119	118	118
Appalachia	100	99	101	103	106	108	110	111	113	116	117	116	116	115
Non-Appalachian New York	100	96	94	94	95	96	96	98	100	102	104	106	104	103
Appalachian New York	100	98	97	97	98	98	98	99	100	101	103	103	101	99
All 3 Counties in Field Visit Region	100	99	98	99	101	101	103	103	104	106	107	107	103	99
Individual Counties														
Chemung	100	97	96	96	99	99	102	103	105	105	104	103	99	97
Schuyler	100	97	93	92	93	96	98	96	97	100	100	100	102	107
Steuben	100	101	100	103	104	103	104	104	104	107	112	113	106	99

Source: KRC analysis of QCEW data.

Table A2. Manufacturing Employment (1000s), New York Field Visit Counties and Comparison Groups

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
United States	17797	17007	16756	16725	16950	17235	17245	17448	17617	17391	17314	16386	15209	14460
Appalachia	1826	1769	1778	1798	1814	1835	1805	1804	1818	1799	1794	1682	1569	1491
Non-Appalachian New York	816	759	727	698	684	674	658	655	647	629	615	619	576	542
Appalachian New York	90	85	83	83	82	80	79	79	79	76	77	77	70	66
All 3 Counties in Field Visit Region	18	17	19	21	21	20	20	19	19	17	17	16	14	13
Individual Counties														
Chemung	8.8	8.5	8.3	8.2	8.9	8.6	8.8	9.0	9.3	9.0	8.1	7.5	6.9	6.6
Schuyler	0.9	0.8	0.7	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.5
Steuben	7.8	8.0	10.0	12.0	11.6	10.3	10.0	9.4	8.9	7.6	8.2	8.1	7.0	6.3

Source: KRC analysis of QCEW data.

Table A3. Manufacturing Employment Indexed to 1998=100, New York Field Visit Counties and Comparison Groups

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
United States	101	97	95	95	96	98	98	99	100	99	98	93	86	82
Appalachia	100	97	98	99	100	101	99	99	100	99	99	93	86	82
Non-Appalachian New York	126	117	112	108	106	104	102	101	100	97	95	96	89	84
Appalachian New York	114	108	105	105	104	102	100	100	100	97	98	97	89	84
All 3 Counties in Field Visit Region	93	92	101	111	113	104	104	102	100	92	90	86	76	71
<i>Individual Counties</i>														
Chemung	95	92	90	89	96	92	95	98	100	97	88	81	74	71
Schuyler	123	113	96	106	109	114	119	109	100	98	96	91	79	72
Steuben	88	90	113	135	131	116	113	106	100	86	92	91	78	71

Source: KRC analysis of QCEW data.

Table A4. Manufacturing Employment Share, New York Field Visit Counties and Comparison Groups

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
United States	16	16	16	15	15	15	15	14	14	14	13	13	12	11
Appalachia	24	23	23	22	22	22	21	21	21	20	20	19	18	17
Non-Appalachian New York	11	10	10	10	10	9	9	9	9	8	8	8	7	7
Appalachian New York	21	21	20	20	20	19	19	19	19	18	18	18	16	16
All 3 Counties in Field Visit Region	22	22	24	26	26	24	24	23	22	20	20	19	17	17
<i>Individual Counties</i>														
Chemung	22	22	22	21	23	22	22	22	22	21	20	18	17	17
Schuyler	20	19	17	19	19	20	20	19	17	16	16	15	13	11
Steuben	21	22	27	32	31	27	26	25	23	20	20	20	18	17

Source: KRC analysis of QCEW data.