

# **Economic Activity in Downtown Cooperstown, 1979-2003**

## **General Report**

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## INTRODUCTION

A perusal of opinion from the residents of the Greater Cooperstown area reveals a common opinion about the area's economy: it has changed dramatically in a relatively short time. Since 1970, the village's economy has mirrored national trends of becoming more reliant on service industries. The most obvious of these is the area's considerable tourism industry, but financial services and health care have also made great strides since 1980. Nevertheless, many people both within and outside of the village think of Cooperstown as being primarily a "tourist town," most likely because of the industry's dominance in Cooperstown's central business district.

The purpose of this research is to examine the impact of tourism on the central business district of Cooperstown and the Railroad Avenue area nearby. Data on retail activity was collected with the cooperation of the Village of Cooperstown and the Cooperstown Chamber of Commerce.

## METHOD

The focus of this study was on the changeover in the retail landscape since the 1970s specifically for downtown Cooperstown. The study does not cover the area as a whole. For a study of economic change in the entire area since 1997, one should consult the *Retail in Greater Cooperstown* (Thomas & Cardona, 2002). The current study differs in that the focus is on the change in downtown Cooperstown since the 1970s. Although the original goal of the study team was to collect data on storefront occupants since 1970, the data gets particularly unreliable prior to 1979 and as such was rejected. The study therefore examines the changes since 1979. In addition, at the request of the Village of

Cooperstown, the Railroad Avenue shopping area (hereafter referred to as the Railroad District), was added to the study as well.

For the purposes of this study, the downtown area was defined as the commercial area of Main Street extending from near the Otsego County Office Complex to the corner with Fair Street. Small areas of commercial activity extending approximately half a block from each side of Main Street along Chestnut and Pioneer Streets, Hoffman and Stagecoach Lanes, and the Doubleday Field area were also included. The Railroad District was defined as Railroad Avenue and the contiguous commercial area along upper Main Street.

Data was collected on the number of tourists each year since 1970 and the number and type of businesses downtown during this same time period.

Collection of tourism data is incomplete as no reliable studies have been completed on the topic in Cooperstown. A reliable if imperfect indicator, however, is the attendance figures from each of the three museums: the Baseball Hall of Fame, the Farmer's Museum, and the Fenimore Art Museum. The three museums were all well established prior to 1970 and the subsequent study period. Another museum, the Carriage House Museum, closed during the study period. A fifth attraction, the Glimmerglass Opera Company, was started later and was still growing during much of the study period; the Company also built a new Opera House ten miles north of Cooperstown during the 1980s. Opera attendance was therefore rejected as an indicator of annual visitors.

Each of the selected museums has a different orientation and target audience. Fenimore Art Museum is reputed to have the largest collection of American Folk Art in

the world. The Farmer's Museum is an historic reconstruction of a small farming hamlet with demonstrations and exhibits. The Baseball Hall of Fame is a sports shrine and history museum dedicated to that game. As will be discussed, the demand for specialty (non-baseball) goods is driven by the overall number of tourists whereas almost exclusively the Hall of Fame drives the baseball goods market.

The second source of data was more complex. A list of addresses in the downtown area was assembled. For each year at four-year intervals beginning in 1979 the businesses located at each address were recorded. Data was collected with the help of lists supplied by the Cooperstown Chamber of Commerce and permit applications supplied by the Village of Cooperstown. Each business recorded was then coded according to the scheme outlined below. For earlier years, interviews with local residents and members of the business community were interviewed and their answers compared and recorded. Businesses were coded into one of six categories: 1) General; 2) General-swing; 3) General-fuel; 4) Specialty, non-baseball; 5) Specialty, baseball; and 6) Food service.

Businesses classified as "general" sell goods that are of use to the general population on a regular basis. This definition is inclusive of grocery, pharmaceutical supply, and other such general merchandise. Such businesses often sell items related to tourism, but the primary purpose of such stores is the sale of general merchandise. In those cases where a significant portion of the store is given over to the sale of tourism related goods, it is designated as "General-Swing." General merchandise businesses normally rely on tourism to sustain revenues; for example, a grocery store often sells food and supplies for picnicking, camping, and other similar activities, but the primary

purpose of the store is the provision of groceries. In contrast, a “general-swing” business sells general merchandise as well as a significant number of souvenirs and other tourism related merchandise. General stores that supply automotive fuel are designated “General-Fuel.” This category does not include businesses that sell fuel as the primary source of revenue (Thomas, 2003, 163-4).

Specialty stores sell goods that are intended for aesthetic or symbolic use, such as works of art or souvenirs. Boutiques that sell clothes in addition to a number of other specialty items were classified as specialty stores, although the store selling only clothes is classified “general.” Businesses which do not have as a primary orientation baseball related merchandise were classified “specialty, non-baseball.” A “Specialty, baseball” designation is applied to those stores that do have a primary orientation toward baseball related items (Thomas, 2003, 164).

Food Service establishments include businesses whose primary purpose is the preparation and service of food for consumption (Thomas, 2003, 164).

Services include businesses whose primary purpose is to provide a specific service, such as financial services, real estate, or minor production services such as printing, photocopying, or customer service.

A sixth category – art galleries – was also coded.

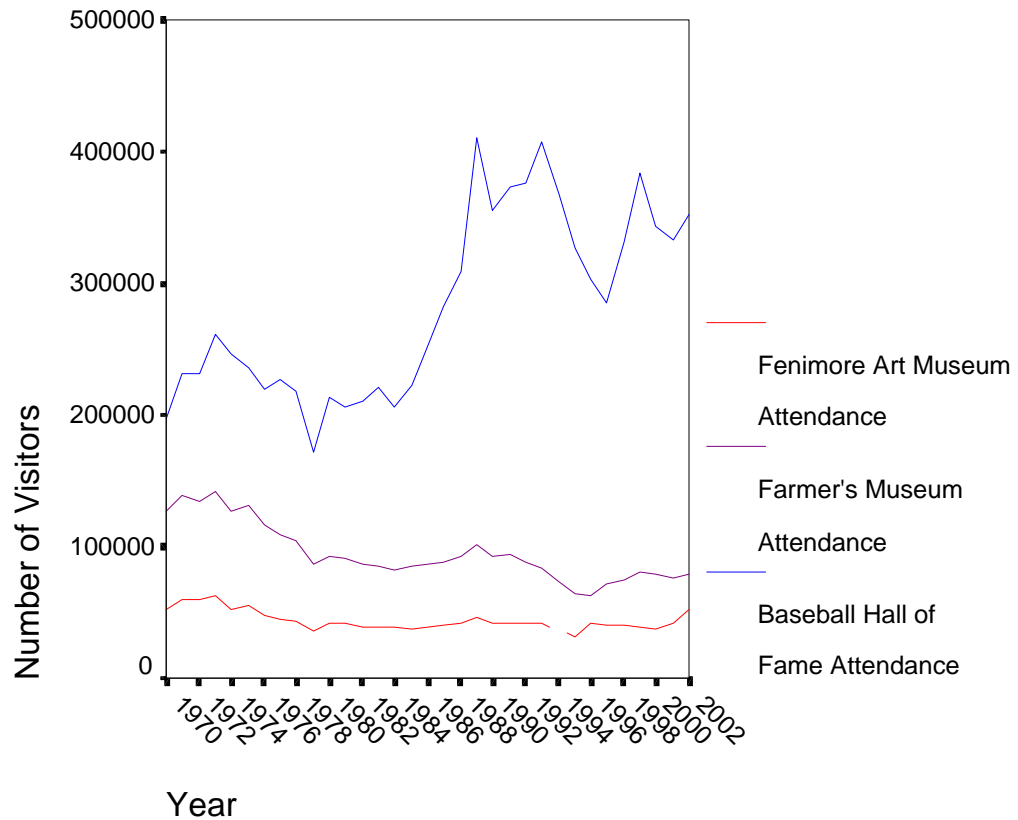
In addition, business names were coded for reference to baseball or the baseball creation myth. For instance, Baseball Nostalgia and Extra Innings are obvious references to the game, whereas Doubleday Dip and Where It All Began are allusions to the Doubleday creation mythology. In addition, allusions to baseball products (e.g., Pioneer Sports Cards) were also coded for a reference to baseball.

Businesses were also coded for whether or not they advertised in the Chamber of Commerce guide for 1979 through 1999. This is an indicator not only of Chamber of Commerce involvement but for community involvement in general.

## FINDINGS

Attendance at the three museums is shown in figure 1.

**Figure 1:** Museum Attendance, 1970-2002



The relationship among the three museums was investigated utilizing attendance data supplied from the three museums and statistically analyzed. The results are shown in figure 2.

**Figure 2: Correlation Matrix for Museum Attendance**

		Fenimore Art Museum Attend.	Farmer's Museum Attendance	Baseball Hall of Fame Attendance
Fenimore Art Museum Attendance	Pearson Corr.	1.000		
	Sig. (2-tailed)	.		
	N	32		
Farmer's Museum Attendance	Pearson Corr.	.866**	1.000	
	Sig. (2-tailed)	.000	.	
	N	32	33	
Baseball Hall of Fame Attendance	Pearson Corr.	-.171	-.413*	1.000
	Sig. (2-tailed)	.348	.017	.
	N	32	33	33

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Attendance at the two museums of the New York State Historical Association, the Fenimore Art Museum and the Farmer’s Museum, are highly correlated ( $R=.866$ ;  $p<.01$ ) reflecting both a similar visitor base and their proximity to one another. Attendance at the Farmer’s Museum is negatively correlated with attendance at the Baseball Hall of Fame ( $R=-.413$ ;  $p<.05$ ). This data suggests that attendance at the Baseball Hall of Fame and the Farmer’s Museum has been working against each other throughout much of the time period under study, calling into question the assumption that increasing numbers of tourists help all attractions and businesses.

Interview data collected from tourists and business owners since 1997 sheds light on this phenomenon. A large proportion of visitors to Cooperstown appear to be “day trippers” who visit for a portion of a day and “weekenders” who stay for one or two nights. In addition, a very large proportion appear to be families. In the past, it seems likely that visitors would attend the Farmer’s Museum and a portion of those would also attend the Fenimore Art Museum. This accounts for the positive correlation between attendance figures at these two museums. As visitors became more likely to visit the Baseball Hall of Fame instead, they often either ran out of time or money to visit the other museums. This trend has been mitigated somewhat since 1995 as the Cooperstown



Dreams Park opened its doors. Since attendees' families tend to spend an entire week in the area, attendance at the two New York State Historical Association museums has improved over that of previous years. Unfortunately, extended-stay visitors also occupy valuable accommodations that could be utilized by other, short-term visitors. This is important, as tourists tend to spend less on each successive day of their stay. Ideally, the goal should be to find the optimal balance between the length of stay that increases attendance at all three museums and that which results in lowered spending by consumers.

As shown in figure 3, the economic landscape has changed dramatically since 1979, reflecting a general pattern of decline for general-community Oriented retail, but increases in specialty stores (non-baseball and non-baseball) and services. Food service has remained quite stable during the time period, reflecting the costs involved with retrofitting a storefront to become a restaurant. The trends become clearer as one examines the data year by year.

**Figure 4:** Economic Types Found in Study Area, 1979

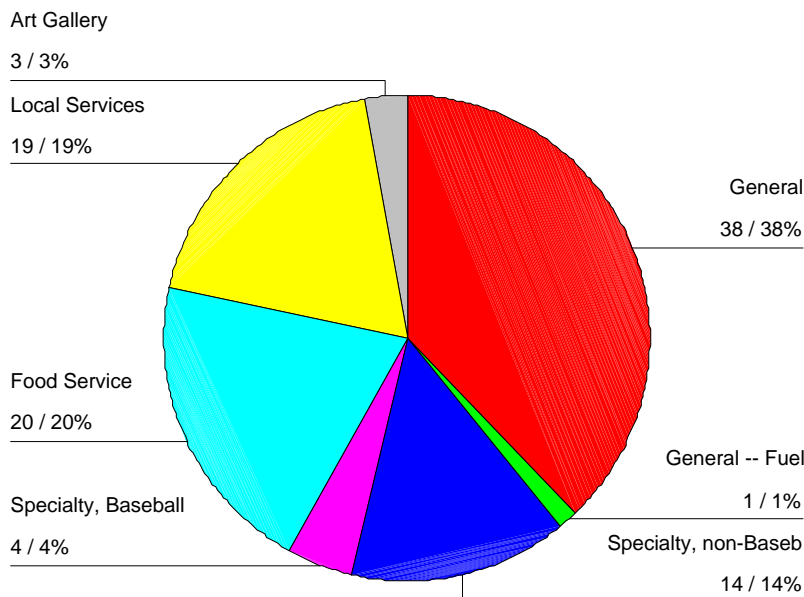
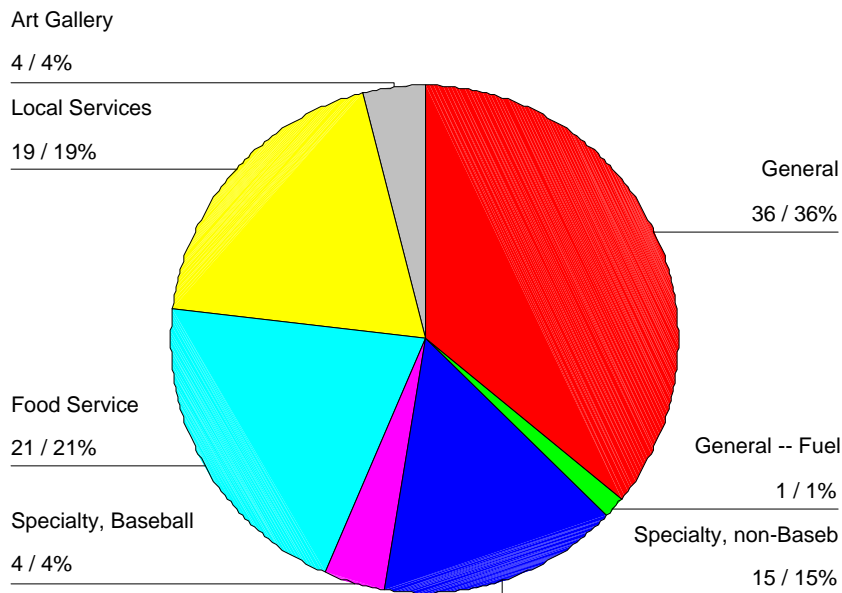


Figure 4 shows the distribution of economic types in the study area in 1979. It is notable that 39 percent of the businesses found in the area were General businesses. When combined with food service establishments and local services, 78 percent of the businesses were heavily dependent upon the patronage of local residents for survival. In contrast, 21 percent of the businesses (specialty stores and galleries) were either partly or entirely dependent upon tourism. These proportions are general. For example, food service establishments tend to benefit from the increased economies of scale created by tourism and many specialty-non-baseball stores often depend heavily upon local patronage as well. These numbers and similar numbers in later years should be taken as approximations. In 1979, only 2 of the 69 businesses (2.9 percent) on record for that year made reference to baseball in their name. In addition, 87 percent advertised in the 1979 Chamber of Commerce guide.

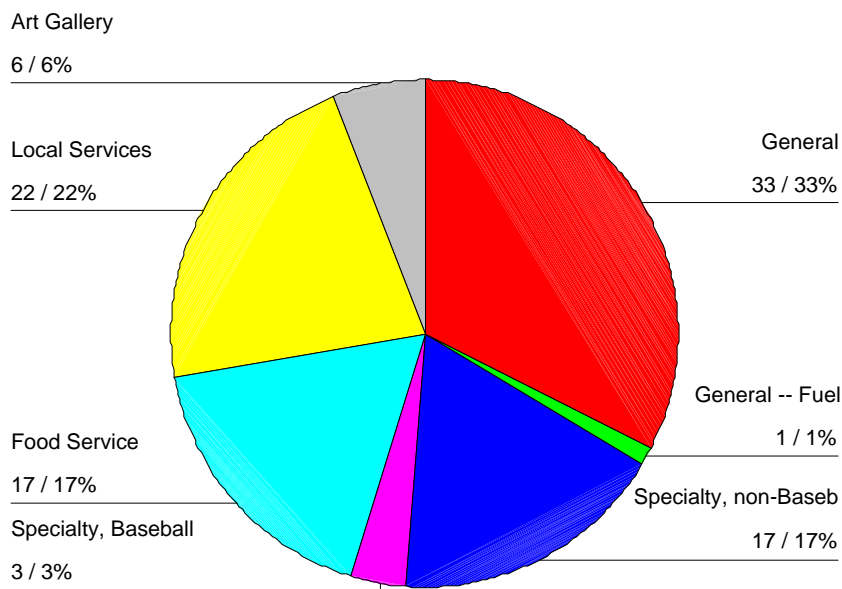
**Figure 5: Economic Types Found in Study Area, 1983**



Allowing for some expected variation, 1983 demonstrates relative stability in terms of the representation of the various business types in the study area. There were only nine businesses present in 1983 that were not there in 1979, and only three had changed business type. As in 1979, only two businesses (2.9 percent) made reference to baseball in their names. Eighty-five percent of businesses advertised in the Chamber of Commerce guide.

In general, 77 percent of businesses were oriented primarily at the local market and 23 percent depended heavily on tourism.

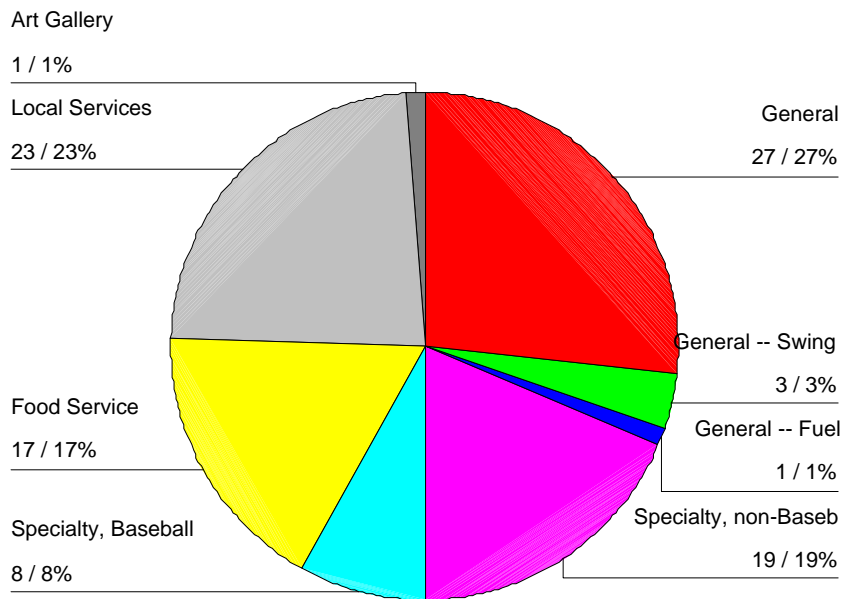
**Figure 6:** Economic Types Found in Study Area, 1987



By 1987, growth in services and specialty-non-baseball businesses is evident although still somewhat slow. Interview data from area residents collected during the late 1990s indicates that by 1987 many area residents, in particular those who lived outside of the village, had begun to shop increasingly in other communities (Thomas, 1999; 2003; see also Thomas et al, 2002). Once again, only nine businesses that were present in 1987 were not present in 1983; however, six of those new businesses were of a different type than what had preceded it at that address. Only two (2.9 percent) businesses made references to baseball in their names and 84 percent advertised in the Chamber of Commerce guide.

In general, 73 percent of businesses were oriented primarily at the local market and 26 percent depended heavily on tourism.

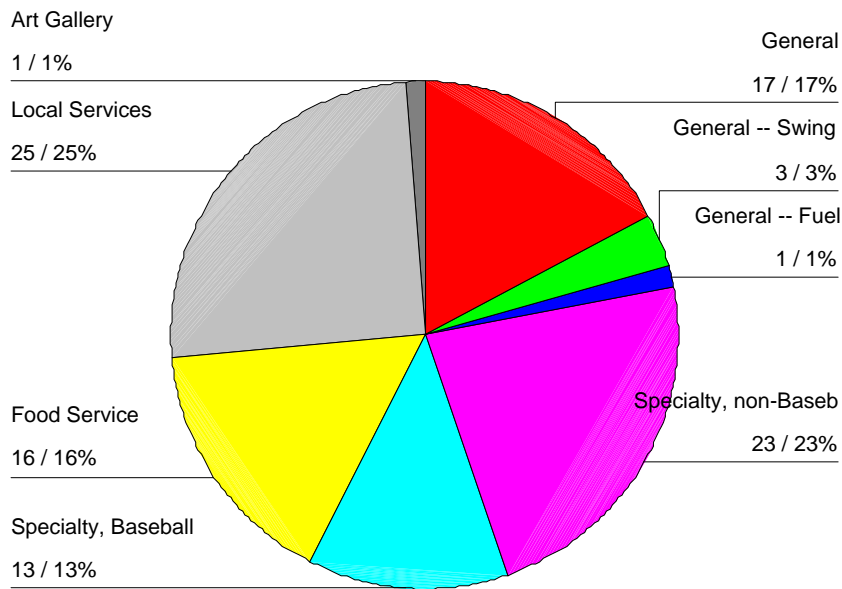
**Figure 7: Economic Types Found in Study Area, 1991**



By 1991, changes are becoming more evident. The number of businesses classified as General fell to 28, and an additional three are classified as “swing.” Swing businesses were also heavily oriented toward the tourism market, such as a pharmacy that sold large numbers of baseball paraphernalia. Services and Specialty, non-baseball stores continued to grow, as did baseball stores. Twenty storefronts held different stores than they did in 1987, with 14 of those changing the type of businesses contained. For the first time, 10 percent of businesses made reference to baseball in their names. About 88 percent of businesses advertised in the Chamber of Commerce guide.

In general, 71 percent of businesses were oriented primarily at the local market and 28 percent depended heavily on tourism.

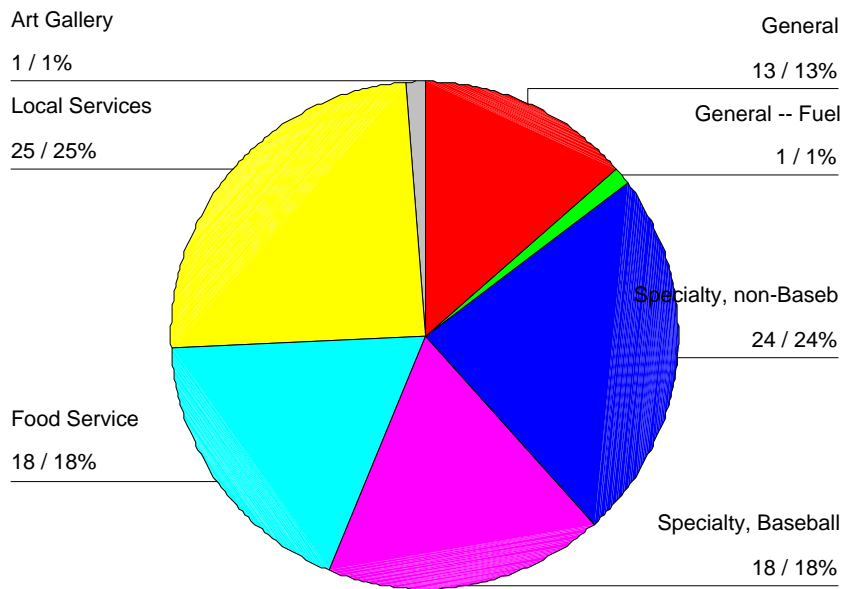
**Figure 8: Economic Types Found in Study Area, 1995**



There was continued change between 1991 and 1995. The number of general businesses dropped to 18 with an additional 3 classified as general swing. Services and Specialty, non-baseball stores continued to grow, as did baseball stores. Twenty storefronts held different stores than they did in 1991, over half of which changed the type of business contained therein. The percentage of businesses alluding to baseball in the business name rose to 13.5 and the percentage of businesses advertising in the Chamber of Commerce guide held steady at 88 percent.

In general, 62 percent of businesses were oriented primarily at the local market and 37 percent depended heavily on tourism.

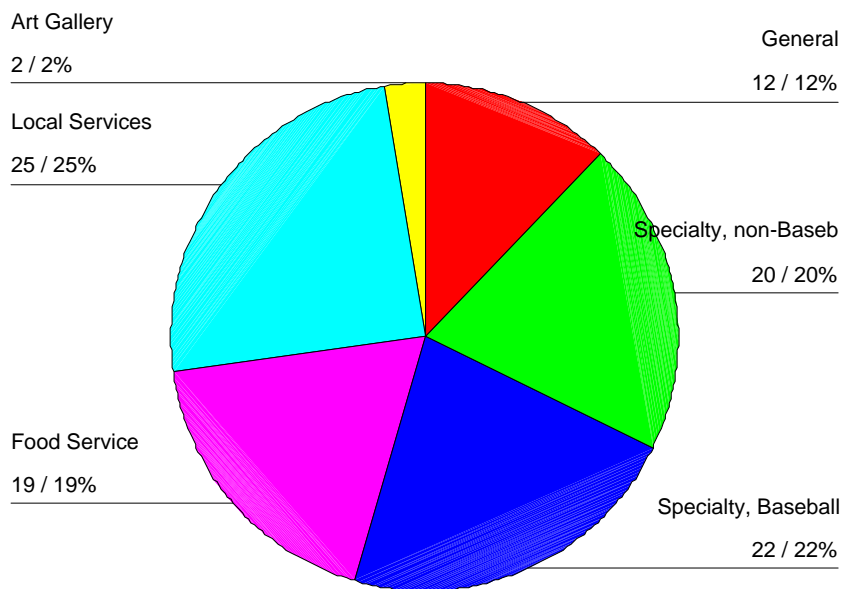
**Figure 9:** Economic Types Found in Study Area, 1999



By 1999, the number of general businesses had fallen dramatically from the 1980s as a result of lower economies of scale produced by the falling proportion during the previous decade. Local services had remained steady since 1995 with the most growth in baseball-oriented stores. Eighteen storefronts had new tenants, eleven of which had switched business type. Eighteen percent of businesses alluded to baseball in their name and the percentage of businesses advertising in the Chamber of Commerce guide continued to hold steady at 88 percent.

In general, 57 percent of businesses were oriented primarily at the local market and 43 percent depended heavily on tourism.

**Figure 10:** Economic Types Found in Study Area, 2003



By 2003, the community-oriented economy had dropped considerably from 1980s levels. Only twelve businesses were classified as general-community oriented, but baseball oriented businesses had increased to 22 – over one fifth of the businesses found in the study area. Local services remained steady from 1999 and food service establishments had been steady throughout the time period under study. Fifteen storefronts had new businesses, eleven of which had changed business type from the previous occupant. The change was reflected in businesses names as well: 24 percent alluded to baseball.

In general, 56 percent of businesses were oriented primarily at the local market and 44 percent depended heavily on tourism.

**Figure 11: Cross-Tabulation between Business Type and Business District, 2003**

<i><b>Business Type</b></i>		<i><b>Business District</b></i>		
		<u>Downtown</u>	<u>Railroad</u>	<u>Total</u>
General	Count	4	6	10
	% within Business District	5.7%	54.5%	12.3%
Specialty, non-Baseball	Count	15	1	16
	% within Business District	21.4%	9.1%	19.8%
Specialty, Baseball	Count	18		18
	% within Business District	25.7%		22.2%
Food Service	Count	15		15
	% within Business District	21.4%		18.5%
Local Services	Count	16	4	20
	% within Business District	22.9%	36.4%	24.7%
Art Gallery	Count	2		2
	% within Business District	2.9%		2.5%
TOTAL	Count	70	11	81
	% within Business District	100.0%	100.0%	100.0%

The Railroad District has experienced some growth over the past five years as several houses have been converted to commercial or office use. The district had 6 businesses in 1979, all of which were general-community oriented. As of the spring of 2003, the area had eleven businesses and there was an expectation of more soon to open. There has been speculation that the Railroad District will become a “new, community-oriented downtown.” This section addresses these concerns.

As shown in figure 11, six of the eleven businesses are general-community oriented and another four are services. This does indicate that community-oriented businesses have found a niche in this area. This trend could continue over the short-term, but long-term projections are more problematic. If the property owners in the area choose to rent storefronts and offices to such businesses, this trend will likely continue. The area is at some distance from downtown and not particularly obvious to tourists.

Given an active commitment to maintain the area as a community-oriented business district, it could continue as such. There are some concerns, however. The area does not have a large number of storefronts and thus achieving the appropriate economies of scale for a healthy business district may be problematic without high levels of community support. Advertising would seem to be a course of action in most communities, but in Cooperstown an advertising campaign in any but the winter months could result in increased tourist traffic in the area and thus economic pressures to follow the lead of downtown.

## CONCLUSION

It is tempting to suggest that the general trends found in the area economy were inevitable, but there were many factors that contributed to the change. Cultural factors encouraged people to shop for name brands not found in Cooperstown. Economically, “big box” stores and shopping malls drew customers away from the village to Oneonta, Utica, and Albany. Whereas in the past village merchants could rely on the local population for their business, the local population increasingly shops elsewhere for a wide array of goods (Thomas et al, 2002; Thomas, 2003). In addition, Cooperstown merchants face competition from Hartwick Seminary – a trend likely to continue. If a renaissance of community-oriented business is to take place in Cooperstown, it will require a redoubled commitment to downtown on the part of Cooperstown residents and those who live in neighboring communities. Given past trends, this appears unlikely.

The widely held notion that baseball has driven the relative decline of general community-oriented business is not accurate. The decline of this business sector is the

result of the longer term trends discussed above. As area residents began to shop increasingly out of the area, the economies of scale that supported such businesses declined before finally collapsing in the years before and after 1990 (see also Thomas et al, 2003). This allowed for an increased presence of baseball and other tourism related businesses. It is thus likely that a severe curtailing of the local tourism industry would result in business failures and higher vacancy rates.

In the short to intermediate term, the most logical course of action would be to pursue policies and practices that improve upon the existing tourism infrastructure. Goals should revolve around increasing the numbers of visitors and encouraging a stay in accord with a multiple attraction tourist destination. Such an approach should be implemented regionally in order to minimize negative effects on quality of life on any one community. An increase in the number and diversity of attractions would likely accomplish this goal, though such an outcome is not necessarily guaranteed.

Efforts to extend the active tourist season should be continued, perhaps with a renewed emphasis on winter sports. In addition, the utilization of the Hartwick Seminary strip could include new attractions that would not fit aesthetically in the village but could provide an added incentive for tourists to visit the area, specifically a water or amusement park and factory outlets. Such attractions are often found in Cooperstown's competitors, notably Lake George. Such efforts in Hartwick Seminary could be utilized to provide a modernized infrastructure while preserving the character of the village and other parts of the area. To this end, arrangements should be made to preserve the greenbelt surrounding the village.

Cooperstown has experienced tremendous change since the 1970s. For some, the changes are frightening; for others, they are exciting. However, change is ultimately not positive or negative, but rather it is an invitation to discover new opportunities.

#### FURTHER READING

There are additional resources that area residents might find helpful. Three books have examined the development of tourism in the Cooperstown area. *A Legend for the Legendary* (Vlasich, 1990) examines the origins and growth of the Baseball Hall of Fame. An analysis of the cultural impact of baseball tourism in Cooperstown and Dyersville, Iowa is found in *From Cooperstown to Dyersville* (Springwood, 1996). More recently, the causes and impact of tourism and more general changes in the area economy is discussed in *In Gotham's Shadow* (Thomas, 2003). Fitchen's (1991) *Endangered Spaces, Enduring Places* examines changes in the way rural upstate New Yorkers experience community, and Thomas' (1999) article *Untowning Hartwick* does the same more locally.

More broadly, there are certain books that would be of interest for one seeking to understand more about the nature of recent changes in rural communities around the country. The root causes of economic changes are presented in the edited reader, *Forgotten Places* (Lyson & Falk, 1993). Another reader, *Changing Rural Social Systems* (Johnson & Wang, 1997), discusses such changes with an eye toward how communities from are adapting to new challenges. Young's (1999) *Small Towns in Multilevel Reality* examines the impact of recent demographic changes on the sense of community found in small towns generally. Two good books that examine the role of the museum in tourism

and the economy are Handler & Gable (1997) *The New History in an Old Museum* and Kirshenblatt-Gimlet's (1998) *Destination Culture*. There are numerous studies of retail shopping patterns that are worth reading, including Pinkerton et al (1995) *Inshopping by Residents of Small Communities*, Brown et al (1996) *Outshopping and the Viability of Rural Communities as Service/Trade Centers*, and Miller & Kean (1997) *Factors Contributing to Inshopping Behavior in Rural Trade Area: Implications for Local Retailers*. A similar but more limited survey about where residents of Hartwick shop was conducted in 2001 (Thomas et al, 2002).

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