

**THE GLOBAL ECONOMY'S IMPACT ON
SUFFOLK COUNTY MINORITY ENTREPRENEURSHIP:
A COMPARATIVE ANALYSIS OF SELECTED COMMUNITIES**

Prepared For
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I: INTRODUCTION: THE IMPACT OF THE GLOBAL ECONOMY and CHANGING TECHNOLOGY ON LONG ISLAND

A key element to entrepreneurship is that successful evaluation of business risks is rewarded by the profits that ensue. That is what drives entrepreneurs. The global economy however, has added a new perspective to successful entrepreneurship.

During the last century, emerging entrepreneurs only required a domestic view of business in the business risk and profit equation. That is to assess regional and national differences in manufacturing and labor costs, costs and availability of capital, and the markets where their goods and services would be sold. Today, the global economy alters that equation.

The current global economic climate is based on changes in technology and communications, whereby capital flows, commodity markets, information, raw materials, management and organization have become internationalized and fully interdependent. Contemporary emerging entrepreneurs have to understand these factors, and where the basic business risk and profit equation has not changed, the elements included in the equation have become more complex due to the ramifications of global markets. What follows is a brief discussion of the fundamentals of the global economy, and an analysis of how Suffolk County entrepreneurs and those in selected minority communities fared in this new economic system.

Between 1970 and 1990, the evolution of our industrial system brought with it an economy emphasizing services and finances, and a renewed focus on major cities for specific production, services, marketing and innovation. Furthermore, the internationalization of mergers, acquisitions, and financial transactions made cities the ideal center for management and coordination, for the raising and consolidations of investment capital, and for the formation of an international property market. This demand for financial innovations and specialized financial services continued, even during the period when major developments in computer and telecommunications

technology and their related commercial applications occurred. What evolved was a change in the composition and growth patterns of the economies of major cities, now weighted heavily toward finance and producer services resulting from the above-average growth of these industrial sectors during the 1980's.¹ During this period of globalization, New York City increased its importance as a center of finance and as a center for global servicing and management. The New York City employment base lost 30 percent of its construction jobs, 22 percent of the manufacturing jobs and 20 percent of the transportation jobs. At the same time jobs in the wholesale/retail sector grew by 15 percent, by 21 percent in finance, insurance, and real estate, and respectively by 23, 42 and 62 percent in banking, and business and legal services sectors. Not only did these services sectors report an increase of jobs but their share of the New York City and surrounding employment base also increased.² The result was that jobs earlier workforces could fill now required a higher degree of learning. The same impact was felt in New York City's surrounding suburbs, including Long Island.

This new structure of global economic activity has brought changes in the organization of work, resulting in a shift in the job supply, and causing a polarization of the income and occupational distribution of workers. The growth industries of the global economy show a greater incidence of jobs at the high and low paying ends of the wage scale than do the jobs in the older industries now in decline. Almost half the jobs in the producer services are lower-wage jobs, with the other half in the two highest earning classes. This is in contrast to a large share of manufacturing workers who were in the middle-wage earning jobs during the postwar era. This economic polarization was caused, in part, by the contraction of the manufacturing sector and the increase in the supply of low-wage jobs. This resulted in the decline of the labor market share of unionized shops and in the deterioration of wages, while sweatshops and industrial homework proliferated.

¹ Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton: Princeton University Press, 1991), p.87-88.

² *Ibid.*, p. 126-134.

Additionally, the supply of low-wage jobs in restaurants, hotels, cleaners, luxury housing, boutiques, etc., increased as required to service the new high-wage job holders created by globalization. Important not to be lost is that the growth of jobs in the global economy brings not only higher wage technological jobs but also many low-paying jobs.³ What prevents universal access to the higher paying jobs generated by the global economy, and emergence of entrepreneurs, is that in the United States only college graduates and those few with extra-specialized post-high school training have acquired the skills relevant to the demands of this highly technological marketplace. This differs from Japan and Germany, where most high school and college graduates leave school with the skills required for the global economy.⁴

The emergence of entrepreneurs has been made more difficult by these technological advances, which now favor intellectual over physical attributes of workers, which have transferred skills once provided by workers to machines. Blue-collar, manufacturing jobs, once epitomized by the assembly line, have been replaced by computers with their attendant technical and professional personnel. Further complicating emerging entrepreneurship is evident in what can be called the global assembly line, where production and assembly of goods originate from factories and depots throughout the world wherever labor costs and economies of scale make an international division of labor cost-effective. The globalization of production and assembly has created the need for increased centralization and complexity of management, control, and planning. The complexity of participating in world markets and foreign countries has resulted in diversification of product lines, mergers, and transnationalization of economic activities that require highly specialized skills in top-level management. This has fostered growth and development of higher levels of expertise among producer service firms such as accountants, attorneys, programmers, and financial, banking, public relations and management consultants, now being asked to improve upon their support services to where they now become crucial elements in corporate and entrepreneurship decision making. Thus, emerging entrepreneurs must understand the multinational company with

³ Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton: Princeton University Press, 1991), p. 9-10.

⁴ William Julius Wilson, *When Work Disappears, The World of the New Urban Poor* (New York: Alfred A Knopf, 1997), p.221.

whom they are now competing, with its dispersed manufacturing facilities, which contribute to the development of new types of planning in production and distribution required for its business.⁵ While geographically Long Island, and in particular Suffolk County's minority communities, may be considered to be on the perimeter of the centers of global activity, the proximity to New York City, considered a leading global city, has impacted the Long Island region. The growth of Long Island's finance and banking sectors as well as the presence of many multi-national companies has brought the impact of the global economy to the region.

At the same time that changes in technology were producing new jobs and creating new entrepreneurship opportunities, they were also making others obsolete. The technologically revolutionized workplace was widening the gap between skilled and unskilled workers, primarily because education and training had grown to become more important than ever.

While there has been improvement in educational attainment in many Suffolk County minority communities, the emergence of entrepreneurs in these communities has been hampered because of low levels of education in the community workforce, with unskilled workers tending to be out of work or poorly paid, while others faced the threat of job displacement. For example, jobs created to develop new computer operated machine tools also eliminated jobs for those trained only for manual assembly-line work.

Similarly, advances in word processing increased the demand for those who not only can type but who also can operate specialized software, often eliminating routine typists and secretaries.⁶ This disappearance of work, caused by the structural changes of the global economy, subsequently impacting the distribution of jobs and the level of education required to obtain employment, resulted in the simultaneous occurrence of increasing joblessness and declining real wages for low-skilled workers. The decline of the mass production system, the decreasing availability of lower-skilled blue-collar jobs, and the growing importance of training and education in the higher-growth industries all have adversely affected the employment rates and earnings of low-skilled black workers.⁷ The skills still taught in the public schools in the United States were principally designed

⁵Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton:Princeton University Press, 1991), p. 10-11.

⁶William Julius Wilson, *When Work Disappears, The World of the New Urban Poor* (New York: Alfred A. Knopf,1997), p.152.

to provide low-income native and immigrant students with the basic literacy and numeracy skills required for routine work in mass production factories, service industries, or farms. The interaction between technological and international competition demanded by the global economy has eroded the basic institutions of the mass production system, which has now become reliant on productivity improvements where human capital costs have been replaced by technology and the few educated professional, technical, and managerial workers necessary for production.⁸

Long Island has been experiencing similar impact. Between 1980 and 2000, Long Island experienced the deindustrialization of its manufacturing base, caused in part by the contraction of the region's defense industry. This contraction, felt especially by Long Island's many machine shops, led to workforce reductions impacting much of the regions less skilled and less educated workers. At the same time, influenced largely by the globalization of economic activity between 1970 and 1990, the demand for more skilled and more educated workers was growing in Long Island's emerging high technology industries, and in the growing financial and banking sector. This analysis discusses how entrepreneurs in Suffolk County, and nine of its most culturally and ethnically diverse African-American, Hispanic and White communities, fared between 1990 and 2000 as compared to the surrounding Suffolk County.

What would be the impact of this period of industrial and economic restructuring on the Suffolk County's minority entrepreneurs? Would minority entrepreneurs be able to achieve parity with their white counterparts in the emerging and higher paid technology sectors, such as specialized financial services, and computer and telecommunication technology and their related commercial applications? Would the global economy and changes in technology, now requiring more intellectual skills from its entrepreneurs, impact the emergence of minority entrepreneurs? Would minority entrepreneurs in the Suffolk County's primarily African-American and Hispanic communities, which tend to have inadequate support structures for families and often having families living in homes where lower property tax bases are inadequate to fund financially strapped educational systems lag behind predominantly white Suffolk County? The result in contemporary

⁷ Ibid, p. 54.

⁸ Ibid, p. 151.

America is that an entrepreneurship gap has developed between communities of color and white communities. Would Suffolk County's primarily minority community have the same experience?

This analysis will explore the above questions by comparing nine multi-cultural African-American, Hispanic, and White communities, with the surrounding primarily white, and economically more prosperous Suffolk County. The effects that globalization and technological change on Long Island's entrepreneurs will be analyzed in part by using census data.

II: ENTREPRENEURSHIP BY RACE

With the perspective of the changes and pressures on the Long Island economy caused by the global economy, and subsequent pressures on Long Island industry sectors, the following analysis will profile the racial distribution of entrepreneurs in Suffolk County, and in particular the communities of North Amityville; North Bellport; Brentwood; Central Islip; Flanders, Riverside, Hampton Bays and Pine Valley; Gordon Heights; Huntington Station; Riverhead; and Wyandanch.

A: SUFFOLK COUNTY:

| <u>Suffolk County</u> | | | | | | |
|--|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|---|-----------------------------|
| Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
| | <u>Total Employed</u> | <u>% of Total Employed</u> | <u>Self- Employed</u> | <u>% of Total Employed</u> | <u>% of Total Self- Employed</u> | <u>% of Race</u> |
| White Alone (Not Hispanic or Latino) | 550,600 | 80.6% | 61,779 | 9.0% | 87.8% | 11.2% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 41,304 | 6.0% | 1,674 | 0.2% | 2.4% | 4.0% |
| Hispanic or Latino (Any Race) | 67,411 | 9.9% | 4,556 | 0.7% | 6.5% | 6.8% |
| Other | 23,747 | 3.5% | 2,369 | 0.4% | 3.3% | 9.9% |
| Total Employed | 683,062 | 100.0% | 70,378 | 10.3% | 100.0% | - |
| **Source: 2000 Census, Summary File 4, Table PCT87 | | | | | | |

Discussion:

Jurisdictional boundaries are used to determine the self-employment rates for Suffolk County. According to the 2000 Census the majority of the employed civilian population are White Alone. 80.6% of the total 683,062-employed population is White Alone (Not Hispanic) followed by Hispanic or Latino of any race at 9.9%, Black or African American

Alone and Combined with Other Races (Not Hispanic or Latino) with 6.1% and other racial categories which were classified as Other representing 3.5%.

The total employed civilian population over 16 years old, was disproportionately weighted towards the White Alone category representing 550,600 persons or 80.6 of those employed in Suffolk County and 9.0% of the total self-employed population. Whites Alone are the highest percentage self-employed when compared to the 683,062 employed in Suffolk County. The 61,779 Whites Alone that are self-employed overshadow the second highest classification, Hispanic or Latino, which represent .7% of the self-employed population. Those classified as Other represent .2% while Black or African American Alone with Other Races (Not Hispanic or Latino) represent .4%.

Further analysis of self-employment in Suffolk County revealed that those identified as self-employed White Alone, represent the highest percentage self-employed in Suffolk County with 87.8%. The second highest racial classification regarding self-employment as compared against the total self-employed in Suffolk County is Hispanic or Latinos with 6.5%. They are followed by those classified as Other with 3.3% and Black or African American Alone and Combined Races (Not Hispanic or Latino) with 2.4%.

When reviewing how each group's self-employment compared to their own rates of employment in the civilian population over 16 years of Age, find slightly less disparity. Whites Alone still represent the highest percentage, with 11.2%, of their overall employed population. They are followed by those classified as Other with 9.9%, Latino or Hispanics with 6.8% and Blacks or African Americans with 4.0%.

Conclusion:

- 10.3% of the employed population in Suffolk County is classified as Self- Employed.
- Those classified as Whites Alone in Suffolk County substantially and disproportionately exceeded those classified as Employed
- Minorities substantially lagged behind Whites with regard to the percent of self-employed when compared to the total employed population, the self-employed population, and to each group's individual amount of self-employed workers, with Hispanics faring better than Blacks.

II B: NORTH AMITYVILLE:

| North Amityville | | | | | | |
|---|---|--|---|--|---|--|
| Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
| | <u>Total</u> <u>Employed</u> | <u>% of Total</u> <u>Employed</u> | <u>Self-</u> <u>Employed</u> | <u>% of Total</u> <u>Employed</u> | <u>% of Total</u> <u>Self-</u> <u>Employed</u> | <u>% of</u> <u>Race</u> |
| White Alone (Not Hispanic or Latino) | 913 | 13.4% | 64 | 0.9% | 22.6% | 7.0% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 4,983 | 73.1% | 181 | 2.7% | 64.0% | 3.6% |
| Hispanic or Latino (Any Race) | 745 | 10.9% | 8 | 0.1% | 2.8% | 1.1% |
| Other | 179 | 2.6% | 30 | 0.4% | 10.6% | 16.8% |
| Total Employed | 6,820 | 100.0% | 283 | 4.1% | 100.0% | - |
| **Source: 2000 Census, Summary File 4, Table PCT87 | | | | | | |

Discussion:

The North Amityville study area encompassed census Tracts: 1232.02, 1233.01, and 1233.02. Unlike the Suffolk County findings, the Black or African American classification represents a higher percentage of those employed in this study area with 4,983 or 73.1%. White Alone follows with 13.4% of the total 6,820-employed population, and then Hispanic or Latino of any race, and those classified as Other representing 10.9% and 2.6% respectively.

When looking at these racial classifications as they pertain to the employed civilian population over 16 years old, we again see a divergence when compared to Suffolk County as a whole. Blacks or African Americans represent the highest percentage of the total self-employed with 181 people or 2.7% of the overall 4.1% or 283 people that comprise the total amount of self-employed in North Amityville. Those classified as White Alone follows with .9%, then Other representing 0.6%, and Hispanic or Latino

with .1% self-employed.

Looking deeper at the issue of self-employment in North Amityville we examined the individual rates of self-employment as compared with the total amount of self-employed for each racial classification. Those identified as self-employed Black or African American represent the highest percentage self-employed with 64.0%. The second highest racial classification regarding self-employment as compared against the total self-employed population in North Amityville is White Alone with 22.6%. They are followed by those classified as Other with 10.6% and Hispanic or Latino with 2.8%.

When assessing how each groups' self-employment rates perform when compared to their own rates of employment for the civilian population over 16 years of Age, what is clear is that the 16.8 % of those classified as Other represent the highest percentage of their category as self-employed. However we also must note that they are also the lowest frequency of the total employed. An interesting point, when looking at the other categories, Whites Alone still represent the highest percentage, with 7.0%, of their overall employed population, despite being only 13.4% of the total employed. They are followed by those classified as Black or African American with 3.6%, despite, representing 73.1% of the total employed, and the highest percentage of those employed.

Conclusion:

- Although, Blacks or African American make up the majority of those employed and those self-employed, when compared to the self-employment totals for themselves as a racial group, their self-employment rate lags far behind both White Alone and Other by 51.4% and 21.4 % respectively.

II C: NORTH BELLPORT:

| North Bellport | | | | | | |
|---|---|--|---|--|---|--|
| Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
| | <u>Total</u> <u>Employed</u> | <u>% of Total</u> <u>Employed</u> | <u>Self-</u> <u>Employed</u> | <u>% of Total</u> <u>Employed</u> | <u>% of Total</u> <u>Self-</u> <u>Employed</u> | <u>% of</u> <u>Race</u> |
| White Alone (Not Hispanic or Latino) | 579 | 33.1% | 46 | 2.6% | 52.9% | 7.9% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 690 | 39.4% | 11 | 0.6% | 12.6% | 1.6% |
| Hispanic or Latino (Any Race) | 414 | 23.7% | 30 | 1.7% | 34.5% | 7.2% |
| Other | 66 | 3.8% | 0 | 0.0% | 0.0% | 0.0% |
| Total Employed | 1,749 | 100.0% | 87 | 5.0% | 100.0% | - |
| **Source: 2000 Census, Summary File 4, Table PCT87 | | | | | | |

Discussion:

Represented by Census Tract: 1591.03, North Bellport employment is characterized by Blacks or African Americans have the highest employment percentages with 690 people or 39.4% out of the total of 1,749 employed. They are followed by 579 White Alone at 33.1% of the total, then by 414 Hispanic or Latino of any race representing 23.7%, and and then by those classified as Other, having the lowest percentage of employed with 66 persons or 3.8%.

When looking at the racial classifications of the employed civilian population over 16 years old, although Blacks or African Americans make up the highest percentage of those employed, they represent the lowest percentage of self-employed in North Bellport with a rate of 0.6% of the total self-employed. Whites Alone, lagging behind Blacks in percentage of employed, have the highest percentage self-employed when compared to the total amount of employed with 2.7%, followed by Hispanic or Latino with 1.7%.

Further review of self-employment in North Bellport, as compared with the total amount of self-employed for each racial classification reveals that those identified as self-employed White Alone represent the highest percentage self-employed with 52.9%. The second highest racial classification regarding self-employment, as compared against the total self-employed are Hispanic or Latinos with 34.5%. They are followed by those classified as Black or African American Alone and Combined Races (Not Hispanic or Latino) with 12.6%.

When looking at how each groups' self-employment rates perform when compared to their own rates of employment for the civilian population over 16 years of Age, we once again find White Alone representing the highest percentage, with 7.9%, of their overall employed population. They are again followed by Latino or Hispanics with 7.2% of self-employed and Blacks or African Americans with 1.6%.

Conclusion:

- Despite North Bellport Blacks and African Americans exceeding Whites with regard to those employed, and with Hispanic or Latinos slightly lagging behind both groups, Whites fair better than both Black or African Americans and Hispanic or Latinos with regards to self-employment rates.
- Furthermore, when self-employed Black or African Americans are measured against both the total self-employed and the total of employed Blacks, they substantially lag behind both Hispanics and Others.

II D: BRENTWOOD:

| Brentwood | | | | | | |
|---|---|--|---|--|---|--|
| Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
| | <u>Total</u> <u>Employed</u> | <u>% of Total</u> <u>Employed</u> | <u>Self-</u> <u>Employed</u> | <u>% of Total</u> <u>Employed</u> | <u>% of Total</u> <u>Self-</u> <u>Employed</u> | <u>% of</u> <u>Race</u> |
| White Alone (Not Hispanic or Latino) | 1,069 | 14.4% | 21 | 0.3% | 8.9% | 2.0% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 899 | 12.1% | 29 | 0.4% | 12.2% | 3.2% |
| Hispanic or Latino (Any Race) | 4,957 | 66.8% | 155 | 2.1% | 65.4% | 3.1% |
| Other | 499 | 6.7% | 32 | 0.4% | 13.5% | 6.4% |
| Total Employed | 7,424 | 100.0% | 237 | 3.2% | 100.0% | - |
| **Source: 2000 Census, Summary File 4, Table PCT87 | | | | | | |

Discussion:

The boundaries of Brentwood are defined by Census Tracts: 1456.03, 1456.04, 1460.01, and 1461.04. According to the 2000 Census, the majority of the total employed are Hispanic or Latino, representing 66.8% of the total 7,424 persons, followed by 14.4 % of White Alone, 12.1 % of Black or African American Alone and Combined with Other Races (Not Hispanic or Latino), and 6.7% of other racial categories which are classified as Other.

The racial composition of Brentwood’s self-employed, when compared to the total employed reflects the highest percentage for Hispanic or Latinos of 2.09%. The Other category, although representing the fewest amount of people in the workforce are the second highest percentage of self-employed with 0.4%. Those classified as Black or African American Alone with Other Races (Not Hispanic or Latino) follow with 0.4% with White Alone at 0.3%.

Further analysis of self-employment in Brentwood finds that of those identified as self-employed Hispanic or Latino, represent the highest percentage self-employed with 65.4%. The second highest racial classification of self-employment, as compared to the total self-employed is Other with 13.5%, followed by those classified as Black or African American Alone and Combined Races (Not Hispanic or Latino) with 12.2% and White Alone with 8.9%.

Despite ‘Other’ having 6.7% of the Brentwood employment over 16 years old, Other self-employed represents the highest percentage of their individual population, with 6.4%, followed by Black and African Americans with 3.2%, Latino or Hispanics with 3.1% and Whites with 2.0%.

Conclusion:

- Blacks or African Americans and Hispanic or Latinos have higher self-employment rates than Whites in all categories of self-employment. This despite White employed and self-employed participating more in the overall Suffolk County employment base.

II E: CENTRAL ISLIP:

| Central Islip Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
|---|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|---|-----------------------------|
| | <u>Total Employed</u> | <u>% of Total Employed</u> | <u>Self- Employed</u> | <u>% of Total Employed</u> | <u>% of Total Self- Employed</u> | <u>% of Race</u> |
| White Alone (Not Hispanic or Latino) | 2,065 | 37.6% | 89 | 1.6% | 55.3% | 4.3% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 1,280 | 23.3% | 11 | 0.2% | 6.8% | 0.9% |
| Hispanic or Latino (Any Race) | 1,872 | 34.1% | 54 | 1.0% | 33.5% | 2.9% |
| Other | 277 | 5.0% | 7 | 0.1% | 4.4% | 2.5% |
| Total Employed | 5,494 | 100.0% | 161 | 2.9% | 100.0% | - |
| **Source: 2000 Census, Summary File 4, Table PCT87 | | | | | | |

Discussion:

Census Tracts: 1457.04 and 1462.03 define the boundaries of the Central Islip study area. 37.6% of the total 5,494 employed are White Alone (Not Hispanic), followed by Hispanic or Latino of any race with 34.1%, then by Black or African American Alone and Combined with Other Races (Not Hispanic or Latino) with 23.3%, with the remaining 5% comprised of other racial categories classified as Other.

The relationship of the aggregate of racial classifications to the employed civilian population over 16 years old reflects a relatively 2.9 percent of self-employed within this study area. Of that low number of 161 employed, the highest amount of self-employed, as compared to the total of employed, are White Alone with 1.6%. Hispanic or Latino, Black or African America, and Other follow them with 1.0%, 0.2% and 0.1% respectively.

Investigating further the issue of self-employment in Brentwood, we examined the rates of self-employment as compared with the total of self-employed for each racial classification. Those identified as White Alone represent the highest percentage self-employed with 55.3% or 89 people. The second highest racial classifications regarding self-employment as compared to the total self-employed population in Central Islip are Hispanic or Latinos with 33.5%. They are followed by Black or African American Alone and Combined Races (Not Hispanic or Latino) with 6.8% and Other with 4.4%

When looking at how each groups' self-employment rates perform when compared to their own rates of employment for the civilian population over 16 years of Age, slightly less stratified percentages result. Whites Alone still represent the highest percentage, with 4.3%%, of their overall employed population. They are followed by those classified as Hispanic or Latino with 2.9%, Other with 2.5% and Blacks or African Americans with 0.9%.

Conclusion:

- Although Whites in the employed population represent a slightly larger percentage than both Hispanics or Latinos and Black or African Americans, they exceed Hispanics or Latinos by 21.8% and African American or Blacks by 48.5% when compared to the overall percentage of those self-employed in the Brentwood

Community.

- When compared to each own racial group, Whites represent a higher percentage of self-employment than any other racial classification.

II F: FLANDERS, HAMPTON BAYS, PINE VALLEY, AND RIVERSIDE:

| <u>Flanders, Hampton Bays, Pine Valley, Riverside</u> | | | | | | |
|---|------------------------------|-----------------------------------|-----------------------------|-----------------------------------|--|-------------------------|
| Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
| | <u>Total Employed</u> | <u>% of Total Employed</u> | <u>Self-Employed</u> | <u>% of Total Employed</u> | <u>% of Total Self-Employed</u> | <u>% of Race</u> |
| White Alone (Not Hispanic or Latino) | 1,891 | 65.6% | 235 | 8.2% | 80.5% | 12.4% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 680 | 23.6% | 2 | 0.1% | 0.7% | 0.3% |
| Hispanic or Latino (Any Race) | 214 | 7.4% | 32 | 1.1% | 10.9% | 14.9% |
| Other | 96 | 3.4% | 23 | 0.8% | 7.9% | 23.9% |
| Total Employed | 2,881 | 100.0% | 292 | 10.2% | 100.0% | - |
| **Source: 2000 Census, Summary File 4, Table PCT87 | | | | | | |

Discussion:

The boundary for the Flanders, Hampton Bays, Pinewood Valley, and Riverside study area is Census Tract: 1904.01. Within this boundary we see the White Alone classification as having the highest percentage of those employed with 65.6%. They are followed by the 23.6% of Black or African Americans, Hispanic or Latino with 7.4%, and other racial categories, classified as Other with 3.4%.

When assessing these racial classifications as compared to the employed civilian

population over 16 years old, we again see a disproportionately high amount of the White Alone category representing 8.2% of the total employed people in the study area. The second highest classification is Hispanic or Latino, which represents 1.1% of the self-employed population when compared to the total employed population. Those classified as Other represent 0.8% while Black or African American Alone with Other Races (Not Hispanic or Latino) represent .1%.

Further analysis of self-employment in Flanders, Hampton Bays, Pinewood Valley, and Riverside finds that those identified as self-employed White Alone, represent the highest percentage self-employed in the study area with 80.5%. Following are Hispanic or Latinos with 10.9%, then those classified as Other and Blacks or African American with 7.9% and 0.7% respectively.

Reviewing how these groups' self-employment rates compare to their own rates of employment for the civilian population over 16 years old, those classified as Other are fewest in number, yet they report the highest percentage of those employed in their category with 23.9%. They are followed by those classified as Latino or Hispanics with 14.9%, White Alone with 12.4% despite being the second highest group in terms of employment, and Blacks or African Americans with 0.3%.

Conclusion:

- Hispanic or Latinos have the third lowest percentage of employment in this study area. However, when measuring the self-employed against Hispanic employment they have the second highest self-employment rate at 14.9% after those classified as others.

- Black or African Americans have the lowest rate of self-employment in all measures.

II G: GORDON HEIGHTS:

| Gordon Heights | | | | | | |
|---|---|--|---|--|---|--|
| Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
| | <u>Total</u> <u>Employed</u> | <u>% of Total</u> <u>Employed</u> | <u>Self-</u> <u>Employed</u> | <u>% of Total</u> <u>Employed</u> | <u>% of Total</u> <u>Self-</u> <u>Employed</u> | <u>% of</u> <u>Race</u> |
| White Alone (Not Hispanic or Latino) | 315 | 24.5% | 30 | 2.3% | 46.1% | 9.5% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 747 | 58.0% | 25 | 1.9% | 38.5% | 3.3% |
| Hispanic or Latino (Any Race) | 173 | 13.4% | 0 | 0.0% | 0.0% | 0.0% |
| Other | 53 | 4.1% | 10 | 0.8% | 15.4% | 18.9% |
| Total Employed | 1,288 | 100.0% | 65 | 5.0% | 100.0% | - |
| **Source: 2000 Census, Summary File 4, Table PCT87 | | | | | | |

Discussion:

The Boundaries for the Gordon Heights study area is Census Tract, 1587.05. 58% of the total 1,288 employed population are Black of African American Alone and Combined with Other Races (Not Hispanic or Latino), followed by the 24.5% of White Alone, Hispanic of Latino (Any Race) with 13.4% and other racial categories classified as Other at 4.1%.

When comparing these racial classifications to the employed civilian population over 16 years old, the White Alone category represented 24.5% of all employed in Gordon Heights, well behind the 58% of the Black and African American labor participation rates. Those classified as Hispanic or Latino had a 13.4% employment rate followed by the 4.1% of Others. Despite Blacks and African Americans exceeding Whites with the largest employment rate, they represented only 1.9% of Gordon Heights self-employed, lagging behind White Alone at 2.3%.

When examining the rates of self-employment as compared with the total amount of self-employed, White Alone represents the highest percentage self-employed, in Gordon Heights with 46.1%. Following were Black or African Americans with 38.5% and those classified as Other with 15.4%.

When looking at how each groups' self-employment rates compared to their own rates of employment for the civilian population over 16 years of Age, Other represented the highest percentage with 18.9%, followed by those classified as White Alone with 9.5%, and by Blacks or African Americans with 3.3%.

Conclusion:

- Blacks or African Americans have the greatest amount of employed people and the highest employment rate. However, they have lower percentages of self-employment, by all measures, when compared to Whites.

II H: HUNTINGTON STATION:

| Huntington Station | | | | | | |
|---|------------------------|--------------------------|------------------------|--------------------------|--------------------------|--------------------|
| Self-employed Population for Employed Civilian Population over 16 Years Old By Race (2000) | | | | | | |
| | <u>Total</u> | <u>% of Total</u> | <u>Self-</u> | <u>% of Total</u> | <u>% of Total</u> | <u>% of</u> |
| | <u>Employed</u> | <u>Employed</u> | <u>Employed</u> | <u>Employed</u> | <u>Self-</u> | <u>Race</u> |
| | | | | | <u>Employed</u> | |
| White Alone (Not Hispanic or Latino) | 9,685 | 65.4% | 764 | 5.2 % | 71.5% | 7.9% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 1,396 | 9.4% | 34 | 0.2% | 3.2% | 2.4% |
| Hispanic or Latino (Any Race) | 3,012 | 20.4% | 204 | 1.4% | 19.1% | 6.8% |
| Other | 714 | 4.8% | 66 | 0.4% | 6.2% | 9.2% |
| Total Employed | 14,807 | 100.0% | 1,068 | 7.2% | 100.0% | - |
| **Source: 2000 Census, Summary Table 4, Table PCT87 | | | | | | |

Description:

The Jurisdictional boundaries of the Huntington Station CDP were used to determine

the Huntington Station study area. Those classified as White Alone comprise 65.4% of the total 14,807 employed, followed by Hispanic or Latino represent 20.4% of the total employed, 9.4% of Black or African Americans, and Other Races comprising 4.8%.

When each racial classification is compared to the employed civilian population over 16 years old, we find a high amount of the White Alone category representing 5.2% of self-employed. The 9,685 Whites Alone that are self-employed substantially exceeded the second highest classification, Hispanic or Latino, which represented 1.4 % of the self-employed when compared to the total employed. Those classified as Other represent 0.4% while Black or African American Alone with Other Races (Not Hispanic or Latino) represent 0.2%.

When comparisons are made between self-employed in Huntington Station and those identified as self-employed, White Alone represented the highest percentage of self-employed with 71.5%. The second highest racial classification of self-employment as compared against the total self-employed is Hispanic or Latinos with 19.1%. They are followed by those classified as Other with 6.2% and Black or African American Alone and Combined Races (Not Hispanic or Latino) with 3.2%.

When evaluating how each groups' self-employment rates perform when compared to their own rates of employment for the civilian population over 16 years of Age, we found that those classified as Other represented 9.2% of its self-employed. They were followed by those classified as White Alone with 7.9%, Latino or Hispanics with 6.8% and Blacks or African Americans with 2.4%.

Conclusion:

- Unlike other minority communities, there is a symmetrical distribution of self-employed between the racial components similar to their racial composition in Huntington Station. Both Blacks or African Americans and Hispanic or Latinos lag behind Whites in measures of self-employment.

II I: RIVERHEAD:

| Riverhead | | | | | | |
|---|------------------------|--------------------------|------------------------|--------------------------|--------------------------|--------------------|
| Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
| | <u>Total</u> | <u>% of Total</u> | <u>Self-</u> | <u>% of Total</u> | <u>% of Total</u> | <u>% of</u> |
| | <u>Employed</u> | <u>Employed</u> | <u>Employed</u> | <u>Employed</u> | <u>Self-</u> | <u>Race</u> |
| | | | | | <u>Employed</u> | |
| White Alone (Not Hispanic or Latino) | 2,798 | 65.1% | 412 | 9.6% | 85.3% | 14.7% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 959 | 22.3% | 58 | 1.3% | 12.0% | 6.0% |
| Hispanic or Latino (Any Race) | 389 | 9.0% | 13 | 0.3% | 2.7% | 3.3% |
| Other | 155 | 3.6% | 0 | 0.0% | 0.0% | 0.0% |
| Total Employed | 4,301 | 100.0% | 483 | 11.2% | 100.0% | - |
| **Source: 2000 Census, Summary File 4, Table PCT87 | | | | | | |

Discussion:

The Riverhead CDP is used as the boundaries for the Riverhead Study Area. Within its boundaries, 65.1% of the total 4,301 employed are White Alone (Not Hispanic) followed by 22.3% of Black or African Americans, Hispanic or Latino with 9.0% and 3.6% other racial categories classified as Other.

When racial classifications are compared to the employed civilian population over 16 years old, we find a disproportionately high amount of the White Alone category representing 65.1% of self-employed people in Riverhead and 9.6% of the total employed. White Alone are the highest percentage self-employed when compared to the total amount of employed people in the Study Area. The 2,798 Whites Alone that are self-employed substantially exceed the second highest classification, Black or African Americans that represent 1.3% of the self-employed and 22.3% of the total employed. Those classified as Hispanic or Latino represent 0.3% of self-employed, while Others do not represent a statistically relevant amount of self-employed.

Further review of the self-employed, reveals that 85.3% identified as self-employed White Alone represent the highest percentage of Riverhead self-employed. The second highest racial classification of self-employment, as compared to the total self-employed are Black or African American with 12.0%, followed by those classified as Hispanic or Latino with 2.7%.

Following a similar pattern, when each racial group's self-employment rate, is compared to their own rates of employment for the civilian population over 16 years of Age, White Alone still represents the highest percentage with 14.7% of their overall employed population. They are followed by those classified as Black or African American with 6.0%, and Latino or Hispanics with 3.3%.

Conclusion:

- Whites in Riverhead reflect a majority of the employed population, percentage of total employed, percent of self-employed, and percent of self-employed in a racial classification.
- Both Blacks or African Americans and Hispanic or Latinos lag behind Whites by all measures of self-employment and total employment, with Blacks exceeding Hispanics.

II J: WYANDANCH:

| Wyandanch Self-employed Population for Employed Civilian Population over 16 Years Old by Race (2000) | | | | | | |
|---|----------------------------------|---|----------------------------------|---------------------------------------|---|-----------------------------|
| | <u>Total Employed</u> | <u>% of Total Population</u> | <u>Self- Employed</u> | <u>% of Total Employed</u> | <u>% of Total Self- Employed</u> | <u>% or Race</u> |
| White Alone (Not Hispanic or Latino) | 105 | 2.6% | 5 | 0.1% | 3.1% | 4.8% |
| Black or African America Alone and Combined with Other Races (Not Hispanic or Latino) | 2,984 | 75.1% | 119 | 3.0% | 73.5% | 4.0% |
| Hispanic or Latino (Any Race) | 807 | 20.4% | 38 | 1.0% | 23.4% | 4.7% |
| Other | 76 | 1.9% | 0 | 0.0% | 0.0% | 0.0% |
| Total Employed | 3,972 | 100.0% | 162 | 4.1% | 100.0% | - |

****Source: 2000 Census, Summary File 4, Table PCT87**

Discussion:

The Jurisdictional boundaries of the Wyandanch CDP are used to determine the self-employment rates for the study area. According to the 2000 Census, 75.1% of the 3,972 total employed are Black or African American Alone and Combined with other Races (Not Hispanic or Latino), followed by 20.4% of Hispanic or Latino of any race, White Alone with 2.6%, and other racial categories classified as Other at 1.9%.

Analysis of the racial classifications as they pertain to the employed civilian population over 16 years old, those classified as self-employed represent 4.1% of Wyandanch employed. Black self-employed represent 3% of total employed, followed by Hispanic or Latino representing 1%, and White Alone with 0.1%.

Further examination of self-employed finds that Black or African American represents the highest percentage self-employed people in Wyandanch with 73.5%, followed by Hispanic or Latinos with 23.4%, and White Alone with 3.1%.

Despite White Alone having the lowest employment rate and lowest percent of self-employed, they represent the highest percentage of self-employed of any racial category with 4.8% of White Alone employed. Hispanic or Latino follows them with 4.7%, and Blacks or African American with 4%.

Conclusion:

- Despite Black or African American representing the majority of those employed within the study area, and having the highest percent of self-employed when measured against total self-employment, Blacks have lowest percent of self-employed among all racial groups in Wyandanch.

III. CONCLUSION:

The analysis of the minority districts discussed in this report, and as presented in the

following Table III-A, reflects that:

- The racial distribution of White, Black, Hispanic and Other entrepreneurs in the local communities analyzed follows a distribution pattern similar to their racial composition of the Suffolk County employment base as a percent of race.
- Whites, regardless of their representation in the local community employment base, have a larger representative of entrepreneurs as a percent of their race.
- Other, which is primarily comprised of Asians, where they have representation in the local community employment base have a greater percentage of entrepreneurs as a percentage of their race.
- Hispanics or Latinos have a greater representation of entrepreneurs as a percentage of their race, in six of the nine profiled communities.
- Black entrepreneurs, as a percent of their racial component of the local community employment base lag behind all racial categories.

Table III: COMPARISON OF SELF-EMPLOYED PERCENTAGE BY RACE
(2000)

| | <u>Suffolk</u> <u>County</u> | <u>North</u> <u>Amity-</u> <u>ville</u> | <u>North</u> <u>Bellport</u> | <u>Brent-</u> <u>wood</u> | <u>Central</u> <u>Islip</u> | <u>Flanders</u> <u>Riversde</u> <u>HptnBay</u> | <u>Gordon</u> <u>Heights</u> | <u>Huntingtn</u> <u>Station</u> | <u>River-</u> <u>head</u> | <u>Wyan-</u> <u>Danch</u> |
|---|---------------------------------|---|---------------------------------|------------------------------|--------------------------------|--|---------------------------------|------------------------------------|------------------------------|------------------------------|
| White (Not Hispanic or Latino) | 11.2% | 7.0% | 7.9% | 2.0% | 4.3% | 12.4% | 9.5% | 7.9% | 14.7% | 4.8% |
| Black or African American Alone and Combined with Other Races (Not Hispanic or Latino) | 4.0% | 3.6% | 1.6% | 3.2% | 0.9% | 0.3% | 3.3% | 2.4% | 6.0% | 4.0% |
| Hispanic or Latino (Any Race) | 6.8% | 1.1% | 7.2% | 3.1% | 2.9% | 14.9% | 0.0% | 6.8% | 3.3% | 4.7% |
| Other | 9.9% | 16.8% | 0.0% | 6.4% | 2.5% | 23.9% | 18.9% | 9.2% | 0.0% | 0.0% |

The analysis reveals that there may be untapped entrepreneurs in each of the presented communities, which indicates that there is growth potential in Suffolk County's entrepreneurial class, each representing a potential business. Experience indicates that

many entrepreneurs begin by operating out of a home, garage, or a single building, dispersed, uncentered, disconnected and unrooted. Providing incentives that not only encourage cultivation of Suffolk County minority entrepreneurs, but also concentrates their economic activity in their respective business district, will provide an important economic spark that can contribute to revitalizing their individual downtowns. By attracting entrepreneurs to underserved central business districts, storefronts will become occupied; vacant land built upon, and dilapidated buildings rehabilitated. Customer and pedestrian traffic increases, and new economic activity is generated. As a critical mass of economic activity evolves, the downtown eventually becomes stronger than its individual parts. One way to accomplish this is with the creation of business and technology incubators in minority community business districts.

Nurturing the development of minority entrepreneurs will provide residents in minority communities with the job opportunities to access the jobs that are being created in the Long Island economy.

For example, technology, bio-technology, and business incubation has proven to be a successful economic development strategy that can be leveraged to facilitate academic, government and business collaborations at the community and regional levels.

One example of a successful business incubator is Esperanza Unida, Inc. a business incubator in Milwaukee, Wisconsin. A presence for over 30 years, Esperanza Unida has continuously upgraded and expanded its services to help people linked by poverty and unemployment.⁹

Milwaukee is a city with a smaller population than Suffolk County. Yet, similar to Suffolk County, it has felt the economic effects of industrial restructuring from globalization and setbacks to its significant industry. For Suffolk County it was the shrinkage of the defense industry, for Milwaukee, it was the contraction of beer-brewing and industrial machinery. Those most impacted were minority workers, with those

⁹ Association of Metropolitan Planning Organizations.

unemployed having severely limited work-ready skills further hampered by a language barrier. With a grant from the Economic Development Administration, Esperanza Unida was able to acquire a building and prepare it for rehabilitation. A business that it had nurtured, an asbestos removal training business, removed the asbestos and trained 15 people in the process. Some of those 15 people now operate a business of their own. Furthermore, when Esperanza Unida entered into a contract with a construction firm to renovate the building, one of the stipulations was that the crew hire people from the community to work with them. This particular part of the project focused on youth skills, with several young people from the area able to join the crew and train to reach union apprenticeship.¹⁰

Esperanza Unida's training business infrastructure enables the City of Milwaukee to address a problem similar to that existing in Suffolk County's minority communities. That is, to connect employers with skilled workers from economically lagging communities. This targeted approach to developing training businesses and workers allows Esperanza Unida to focus on quality jobs, which offer graduates living wages, benefits, and the potential for advancement.¹¹

While any incubator would conform to zoning regulations, Esperanza Unida's business incubator has almost five floors occupied. Offered are a variety of services, including a local bank's bilingual home mortgage office, a copy shop (which is also part of the incubator's Graphic Arts Training program), a restaurant operated by community residents, and office space. Other occupants are training programs and government agencies.¹² An important dividend of the incubator's training program is that it has spawned successful businesses that are integral to the incubator's curriculum. While the size of the facility is important, it is not as important as the tenants occupying the space.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

Incubator tenants should be synergistic with the higher paying jobs being created in the regional economy.

Another business incubator initiative is that of Rural Enterprises of Oklahoma, Inc. (REI), a private not for profit organization that provides financial services and technical assistance to businesses in Oklahoma communities, with the ultimate result of job creation. The U.S. Small Business Administration designated REI as the State's first One-Stop-Capital Shop and a Certified Development Company. REI received a grant to construct a business incubator and Foreign Trade Zone facility. The 21,000 plus square foot multi-tenant facility includes space for both manufacturing assembly and start-up, and expanding small businesses. REI manages 11 of Oklahoma's 16 incubators with a 70 percent occupancy rate.¹³

Why REI is relevant is that the city targeted for incubator tenancy businesses whose primary activities were compatible with the FTZ needs. Thus, incubator tenants became an efficient source of assembly and manufacturing services. The role of matching tenant businesses to companies needing their services is similar to Esperanza Unida, which also played a role in identifying revenue sources for its businesses incubator tenants. The HEDC could also function in this capacity.

REI also focuses on entrepreneurial development, where on-site technical support services are available to tenants. Such assistance includes management, marketing, financing, exports, engineering and plant layout. Available to provide additional individual assistance is the State Department of Commerce, a broker/agent of the Oklahoma Alliance for Manufacturing Excellence, and a member of the Governor's International Economic Development Team, all of which are headquartered in the incubator. An initial incubator tenant was Telecommunications Systems, which specializes in telecommunications.¹⁴ Apparent to success is not only providing reasonable

¹³ Ibid.

¹⁴ Ibid.

rents and business opportunities for tenants, but also providing access to technical assistance and entrepreneurial development mentoring, elements that can be replicated in Suffolk County minority communities.

Successful Long Island incubators have been affiliated with either government or academic institutions. This is necessary because the resources critical to an incubator's success are beyond the ability of a community to absorb. Where some have been more successful than others, an example of such a relationship was the 6,000 square foot light-manufacturing incubator at SUNY, Farmingdale. Of the 6,000 square feet in the SUNY Farmingdale incubator, 4,200 square feet was allocated for 7 companies, with the remaining 1,800 square feet consisting of common space including conference rooms. This incubator, operated by the Long Island Forum for Technology (LIFT), recently moved its operations to Main Street in Bay Shore where it now occupies a 10,000 square foot building. This new space was designed for six companies, each occupying 1,000 square feet, with common area of 4,000 square feet. At Briarcliff College, located in Bethpage, is another incubator operated by LISTnet, which houses companies occupying approximately 500 square feet. The total usable space is approximately 8,500 square feet, with nearly 4,000 square feet of common area. Such a facility, providing 250-500 square feet of space for emerging companies, with expansion potential to 1,000 square feet, could be accommodated in the discussed Suffolk County minority communities. Another example is the State University at Stony Brook, which operates the 48,000 Long Island High Technology Incubator, and the 20,000 square foot Software Incubator which contains 2,000 square feet of common area and 18,000 square feet for individual companies. Stony Brook also operates a 20,000 square foot incubator in Calverton, which will have 18,000 square feet available for companies with 2,000 square feet of common area.¹⁵ Another initiative is the North Amityville incubator. When completed, this 12,000 square foot building, will provide 5,000 net rent-able spaces available for

¹⁵ Carl Hanes Personal Interview.

emerging minority business. The project is collaboration between the Town of Babylon, which is providing the land, Suffolk County which is providing infrastructure improvement financing, and the North Amityville Community Economic Council which will manage the facility.

What is evident is that Suffolk County can encourage minority entrepreneur development by supporting incubators in communities that have lagged behind the economic growth that the greater Suffolk County has experienced.

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