

# **Gold Coast Bank Economic Report**

**What Does the Economic Future Hold?**

**Position Your Business to Grow on Long Island**

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**A Decade Perspective:  
Evolution of Long Island Economy;  
Long Island Retail Space; Retail  
Sales; and Effective Buying Income.  
(EBI)**

Ten Years of Stagnating Economic  
Growth

(Adjusted for Inflation)

# A Decade Perspective of the Evolution of Long Island Economy

## Long Island Retail Space; Retail Sales; and Effective Buying Income (EBI)

	2000	2005	2010	Increase (Decrease)		Increase (Decrease)	
				2000-2010		2005-2010	
				Change	%	Change	%
<b>Nassau Cty Retail Spce</b>	n/a	51,393,000 sq ft	51,628,000 sq ft	n/a	n/a	235,000 sq ft	.46
<b>SuffolkCty Retail Spce</b>	33,999,500 sq ft	37,412,500 sq ft	39,601,500 sq ft	5,602,000 sq ft	16.5	2,189,000 sq ft	5.9
<b>LI Retail Sales</b>	\$41,369,064,000	\$52,357,621,000	\$46,367,520,864	\$4,998,456,864	12.1	(\$5,990,100,136)	(11.4)
<b>LI Sales 2000 Dollrs</b>	\$41,369,064,000	\$45,024,620,860	\$35,307,554,126	(\$6,061,509,874)	(14.7)	(\$9,717,066,734)	(21.6)
<b>Effective Buying Inc</b>	\$59,967,099,000	\$69,381,316,000	\$76,123,326,410	\$16,156,227,410	26.9	\$6,742,010,410	9.7
<b>EBI in 2000 dollar</b>	\$59,967,099,000	\$59,664,044,851	\$57,965,757,440	(\$2,001,341,560)	(3.3)	(\$1,698,287,411)	(2.8)
<b>Retail Sale Per sq ft</b>	n/a	\$507.00	\$387.01	n/a	n/a	(\$119.99)	(\$23.7)
<b>EBI Per SqFt</b>	n/a	\$671.85	\$635.38	n/a	n/a	(\$36.47)	(5.4)
<b>Population of LI</b>	2,753,913	2,754,718	2,832,882	78,969	2.9	78,164	2.8
<b>Per Capita Retail</b>	\$15,021.92	\$16,344.55	\$12,463.48	(\$2,558.44)	(17.0)	(\$3,881.07)	(23.8)
<b>Per Capita EBI</b>	\$21,775.23	\$21,658.86	\$20,461.76	(\$1,313.47)	(6.0)	(\$1,197.0)	(5.5)

# The Aging of Long Island 2000-2010

Long Island's Future Workforce  
Is Leaving the Region

# The Aging of Long Island: 2000-2010

	2000		2005		2010		Increase (Decrease) 2000-2010	
	Long Island	%	Long Island	%	Long Island	%	Change	%
Under 20 yrs	761,405	27.6	746,640	27.1	742,132	26.2	(19,273)	(2.5)
20-60 Years	1,510,784	54.9	1,510,206	54.8	1,522,069	53.7	11,285	.75
Over 60 yrs	481,724	17.5	497,872	18.1	568,681	20.1	86,957	18.1
Total pop.	2,753,913	100	2,754,718	100	2,832,882	100	78,969	2.9

Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) - Sample Data

2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey

2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates

# Workforce Employment Over 16 Years of Age

Fewer Long Islanders Working

# Workforce Employment – Over 16 Years of Age

	2000		2005		2010		Increase(decrease) 2000 -2010		Increase (decrease) 2005 – 2010	
	Long Island	%	Long Island	%	Long Island	%	Long Island	%	Long Island	%
Private Wage and Salary	1,007,966	76.7	1,014,397	76.0	1,040,390	76.4	32,424	3.2	25,993	2.6
Government	230,932	17.6	240,648	18.0	243,761	17.9	12,829	5.6	3,113	1.3
Self-Employed	72,793	5.5	76,815	5.8	76,051	5.6	3,258	4.5	(764)	(1.0)
Unpaid Fam Wrks	2,559	0.2	2,212	0.2	981	0.1	(1,578)	-61.7	(1,231)	(55.7)
Total Employ in LaborForce	1,314,250	100	1,334,072	100	1,361,183	100	46,933	3.6	27,111	2.0
Total Population over 16	2,128,264	-	2,148,619	-	2,253,779	-	125,515	5.9	105,160	4.9
Pct. Population in Labor force		61.8		62.1		60.4				
Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) – Sample Data										
2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey										
2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates										

# Restucturing of Long Islands Industry Sectors: 2000-2013

Long Island Using More Than It Manufactures:  
Transition From A Producing Economy to a  
Service Sector Economy



# Restucturing of Long Islands Industry Sectors Employment: 2000-2013

	2000		2005		2010		February2013	Increase (decrease) 2000 – 2013		Increase (decrease) 2005 – 2013	
	Long Island	%	Long Island	%	Long Island	%	Long Island	Long Island	%	Long Island	%
Natural Resourc	3,004	0.2	3,100	0.2	3,774	0.3	3,500 est	496	16.5	400	12.9
Construction	83,545	6.4	91,997	6.9	90,742	6.7	52,200(4.2%)	<b>(31,345)</b>	<b>(37.5)</b>	<b>(39,797)</b>	<b>(43.3)</b>
Manufacturing	106,111	8.1	94,982	7.1	86,176	6.3	72,400(5.8%)	<b>(33,711)</b>	<b>(31.8)</b>	<b>(22,582)</b>	<b>(23.8)</b>
Wholesale	56,524	4.3	56,881	4.3	49,847	3.7	67,100(5.8%)	10,576	18.7	10,219	18.0
Retail trade	150,514	11.5	152,399	11.4	151,272	11.1	156,400(12.6).	5,886	3.9	4,001	2.6
Transportation Warehse.Utilit	78,492	6.0	74,459	5.6	74,796	5.5	39,600(3.2%)	(38,892)	(49.5)	(34,859)	(46.8)
Informat Tech.	53,115	4.0	46,168	3.5	37,275	2.7	23,500(1.9%)	<b>(29,615)</b>	<b>(55.8)</b>	<b>(22,668)</b>	<b>(49.1)</b>
Finance, Insur, Real Estate	126,452	9.6	132,313	9.9	116,473	8.6	72,500(5.8%)	<b>(53,952)</b>	<b>(42.7)</b>	<b>(59,813)</b>	<b>(45.2)</b>
Professional & Business Svcs	145,545	11.1	143,187	10.7	157,940	11.6	160,300(12.9)	14,755	10.1	17,113	12.0
Leisure-Hospit	73,918	5.6	90,720	6.8	86,170	6.3	102,100(8.2%)	28,182	38.1	11,380	12.5
Other	58,254	4.4	53,757	4.0	63,882	4.7	54,300(4.4%)	(3,954)	(6.8)	543	1.0
Govt /Educat/ Health//Soc Svc	378,776	28.8	394,109	29.6	442,836	32.5	441,500(35.4)	62,724	16.6	47,391	12.0
Total	1,314,250	100.0	1,334,072	100.0	1,361,183	100..	1,245,400	(68,850)	(5.2)	(88,672)	(6.6)

**Employment Status  
Civilian Males and Females  
2000-2013**

**Civilian Males and Females: 16 Years of Age and  
Older**

**Fewer Are In The Long Island Workforce  
Contributing to the Regional Economy**

# Employment Status - Civilian Male and Female, 16 Years of Age and Older

	2000		2005		2010		Increase (Decrease) 2000-2010		Increase (decrease) 2005 – 2010	
	Long Island	%	Long Island	%	Long Island	%	Long Island	%	Long Island	%
Males Employed	709,880	54.0	719,348	53.9	717,488	52.7	7,608	1.1	(1,860)	(0.3)
Females Employed	604,370	46.0	614,724	46.1	643,695	47.3	39,325	6.5	28,971	4.7
Population 16 and Over	2,128,264	-	2,148,619	-	2,253,779	-	125,515	5.9	105,160	4.9
Population in the Civilian Labor Force	1,366,389	-	1,394,587	-	1,485,067	-	118,678	8.7	90,480	6.5
Employed Population	1,314,250	100	1,334,072	100	1,361,183	100	46,933	3.6	27,111	2.0
Pct. Labor Force Employed		96.2		95.7		91.7				

Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) - Sample Data  
2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey  
2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates

# Median Family Income and Mean Per Capita Income (Expressed in Nominal and 2000 Dollars)

Adjusted for Inflation:

Stagnation of Median Family Income and Mean Per Capita Income Between 2000 and 2010

# Median Family Income and Mean Per Capita Income: 2000-2010 (Expressed in Nominal and 2000 Dollars)

	2000		2005		2010		Increase(Decrease) 2000-2010		Increase(Decrease) 2000-2010	
	Nassau County	Suffolk County	Nassau County	Suffolk County	Nassau County	Suffolk County	Nassau County	%	Suffolk County	%
Family Income (nominal)	81,246	72,112	91,349	86,677	106,838	93,164	25,592	31.5	21,052	29.2
Median (2000 \$)	81,246	72,112	78,555	74,537	81,354	70,942	108	.1	(1,170)	(1.6)
PerCapit (nominal)	32,151	26,577	37,195	33,222	39,935	34,582	7,784	24.2	8,005	30.1
PerCapit (2000 \$)	32,151	26,577	31,986	28,569	30,407	26,333	(1,744)	(5.4)	(244)	(.9)
Source: 2000 Census, Table DP-3 Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 3 (SF-3) - Sample Data										
2005 Census, Table DP-3, Selected Economic Characteristics - 2005 American Community Survey										
2010 Census, Table DP-3, Selected Economic Characteristics - 2010 American Community Survey 1-Year Estimates										

# The Future of Long Island's Manufacturing base

Long Island Manufacturers Respond to A Long  
Island Forum for Technology Survey

# Unrest In The Manufacturing Sector

- 34 percent of survey respondents agreed or strongly agreed that they would relocate away from Long Island within the next five years.
- Over half of the respondents cited Long Island's high costs as factors for their considering relocating.
- New York State's burdensome regulations and taxes, lack of government support for business.
- Difficulty in raising capital and securing bank financing.
- Pessimism in the growth of the manufacturing sector-56 percent of respondents agreed that sector will contract over the next five years.
- 70 percent of respondents disagreed that Long Island's manufacturing sector will grow over the next five years
- Manufacturers evenly divided whether Long Island economy will improve over the next five years.
- Manufacturing is critical to Long Island economy because this sector has the highest job spinoff economic multiplier and the wages paid to manufacturing employees are some in the region's

# What The Future Holds For The Long Island Economy

## CHANGING CONSUMER SPENDING HABITS (in \$ billions)

Source: Euromonitor Via A.T. Kearney (Clark, 2012)

Category	2010	2020	Increase (Decrease)
Health/Medical Svcs	\$2,030	\$2,760	\$730
Transportation	968	1,408	440
Leisure/Recreation	928	1,340	412
Hotels and Catering	620	800	180
Household Gds/Svcs	421	563	142
Communications	231	368	137
Education	243	327	84
Food/Beverages	676	788	112
Alcohol/Tobacco	210	242	32
Apparel/Footwear	351	344	(7)
Other	1,406	2,123	717
<b>Total</b>	<b>\$8,084</b>	<b>\$11,063</b>	<b>\$2,979</b>



# What The Future Holds For The Long Island Economy (cont)

- Hurricane Sandy- Nearly \$2 billion in short term spending  
-multiplier of \$1 billion = \$3 billion economic activity.
- LI housing prices have bottomed out-dropping 56 percent between 2005 and 2012: Sales prices increased by 1% since 2010.
- LI home sales fell from 49,000 homes selling for \$30.3 billion in 2005 to 21,487 homes selling for \$12.9 billion in 2012 (first 11 months)
- LI foreclosure notices increased from 6,249 in 2005 to 13,132 in 2012.
- New York City/Long Island Gross Regional Product 2011 increase of .08% (to \$1.28 trillion) lags behind national 1.66% increase

# What The Future Holds For The Long Island Economy (cont)

## CONCLUSION

- The Long Island Economy is struggling to recapture the 3.3% of its Gross Regional Product lost during the Great Recession. Until that happens where the economy is today is where it will be for the next five years.
- The process will be long because:
  - Long Island has become a service sector economy creating lower paying primary jobs which in turn spin off a lower multiplier lower paying secondary jobs.
  - Higher paying manufacturing jobs (now only 5.8% of the workforce) will continue to leave the region for less expensive places in the South, causing loss in the secondary jobs that they create.
  - Fewer Long Islanders are in the workforce and fewer Long Islanders working
- -Per Capita income producing lower household income in high cost region.
- The housing market will take time to rebound because prospective purchasers are earning less income and young people are leaving the region.