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Sandy will strike LI's economy hard, say experts

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Photo credit: Getty Images | A bicyclist makes his way Monday along Main Street in Huntington, a zone of many small businesses that could be hammered by the losses to megastorm Sandy. According to one economist Long Island could see \$1 billion or more in short-term harm.

Superstorm Sandy is likely to hit [Long Island](#)'s economy harder than any natural disaster in the region's history, experts said Tuesday.

The storm could wreak \$1 billion or more in short-term harm throughout [Nassau](#) and [Suffolk](#) counties in property damage and lost business and wages, said Irwin Kellner, [Port Washington](#)-based chief economist for financial news organization MarketWatch.

The total economic impact of the storm throughout its path, from [North Carolina](#) through [Rhode Island](#), could add up to \$10 billion to \$20 billion, according to preliminary estimates from Eqecat Inc., a catastrophic-risk modeling firm in Oakland, Calif. Another forecaster, [IHS Global Insight](#), estimated costs of \$30 billion to \$50 billion. The broad range indicates these estimates are very early and not definitive.

In [Nassau](#) and [Suffolk](#) counties, more than 60,000 homes valued at almost \$26.6 billion were at risk of storm surge damage from a storm like Sandy, reported CoreLogic, a data and analytics firm in California.

In addition to property damage, Kellner said, "stores and other businesses will lose business, and in the case of a restaurant, for example, you are not able to make up the meals that you didn't serve."

Another analyst said the [Long Island](#) impact could be greater. Fixing the shorelines is likely to cost roughly \$1 billion, and repairing cars and homes could add another \$1 billion, said Martin Cantor, director of the [Long Island Center for Socio-Economic Policy](#), a private think tank in [Melville](#).

The economic impact of the devastating 1938 hurricane known as the [Long Island Express](#), as well as more recent storms such as last year's Tropical Storm Irene, pale in comparison, Kellner and Cantor said, even after adjusting for inflation. The 1938 storm, for instance, hit a largely agrarian region with many fewer homes and businesses.

"Sandy is in a class all by itself," Richard Guardino, executive dean of the Wilbur F. [Breslin Center](#) for Real Estate Studies at [Hofstra University](#), said in an email.

There may be a silver lining to the storm over the coming year. The [Federal Emergency Management Agency](#) is expected to help fund some storm recovery costs, and homeowners will collect insurance payouts to cover repairs.

Plus, business is booming at home repair stores, and local contractors and landscapers will be hired to fix storm-scarred homes.

The coming flurry of activity might not only make up for the short-term financial hit, but also add another \$500 million to the local economy, Kellner and Cantor said.

Still, "You want to be able to say we're growing for good reasons," Cantor said, "not because people are in pain." With