THE LONG ISLAND CENTER FOR SOCIO-ECONOMIC POLICY

A PROFILE OF THE LONG ISLAND SERVICE SECTOR

PREPARED FOR

LONG ISLAND ADVANTAGE PAYROLL SERVICES, INC.

ROB BASSO, PRESIDENT

PREPARED BY

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Introduction

A major factor influencing Long Island's emergence from the Great Recession is the region's growing dependence on the service sector. More jobs are being created in the lower-paying retail, health care and tourism sectors, while the higher-paying manufacturing and construction industries continue to shed jobs.

Thus, while the number of jobs created in the lower-paying sectors is outpacing the number of higher paying jobs lost, the economic impact is smaller. This is because a service sector economy reliant on lower-paying jobs has a smaller multiplier effect, which means that these jobs spin off fewer secondary jobs. Job losses in the higher-paying manufacturing and construction sectors result in an incrementally greater loss of secondary jobs. So, while there has been some economic news lately for the Long Island economy, a look behind the numbers puts the economic news in perspective.

The evolution of Long Island into a service sector economy, while not providing the higher paying jobs to replace those lost in the eroding manufacturing base, does provide jobs for a shrinking regional workforce to access.

Since 2000 the percentage of Long Islanders over 15 years of age dropped 5.5 percent from 62.7 percent to 59.5 percent in 2010. This correlates to Long Islands Labor Participation Rate; that is the percentage of Long Islands Population in the civilian workforce to those actually employed. This rate has decreased from 95.8 percent in 2000 to 91.7 percent in 2010 or a 4.3 percent drop.

Adding to these economic woes, as of February 2013, Long Island has lost 31,345 construction jobs from 2000, a decrease of 38 percent. It is worse for manufacturing jobs which have decreased by 33,711 jobs or 32 percent. The spinoff impact of the devastation in these sectors is 53,952 lost jobs in the financing, insurance and real estate jobs, a 43 percent decrease from 2000. All this has led to an adjusted for inflation decrease in the Gross Regional Product of 2.8 percent since 2005 or 3.3 percent since 2000.

Against this backdrop is the recent decrease in Long Island's unemployment rate caused primarily by the increase in service sector jobs including food and drinking places, health care and social assistance and retail/wholesale. It is these lower paying jobs that are bolstering the regional economy.

So Long Island has a ways to go to just recover the regional activity lost during the Great Recession. For Long Island's economy to grow beyond what we have lost, we have to insure for a robust service sector, prospering and creating new jobs.

The purpose of this study is to determine the current needs of Long Island's sector necessary to sustain their current businesses and employment levels and the future needs the service sector will require to expand and grow their businesses and employment bases here on Long Island and not elsewhere.

This study examined the relationships between service sector companies in the landscaping/building maintenance; legal services; food related/restaurants; medical services/ healthcare related; motor vehicle; financial/insurance/business services; and entertainment and recreation categories with the years operated on Long Island, annual gross revenues, increase or decrease in gross revenues, employees, increase or decrease in employees, wages paid, increase or decrease in wages paid, and whether they had pension plans, health plans, and disability plans.

Also examined were the relationships of these service sector companies and the importance of raising capital, their banking relationships, the importance to their businesses of government, taxes and regulations, energy costs, finding qualified employees, outsourcing, concern over the cost compliance with the Affordable Healthcare Act, their current view of the Long Island economy and service sector, and any relocation plans from Long Island that they might have.

Research Questions

The following questions guided this study.

Research Question One

For the total of returned surveys of the Long Island service sector, what were the relationships between the these service sector companies and the years operated on Long Island, annual gross revenues, increase or decrease in gross revenues, employees, increase or decrease in employees, wages paid, increase or decrease in wages paid, and whether they had pension plans, healthcare plans and disability plans.

Also examined were the relationships of these service sector companies and the importance of raising capital; their banking relationships; the importance to their businesses of government, taxes and regulations, energy costs, finding qualified employees, outsourcing, concern over the cost of compliance with the Affordable Healthcare Act, their current view of the Long Island economy and service sector, and any relocation plans from Long Island that they might have.

Research Question Two

What were the relationships in the service sector between gross revenues, increase in revenues, amount of employees, wages paid, increase in wages, years in business, and increase in employees?

Research Question Three

How did the service sector and the years in business, gross revenues, gross revenue increases, amount of employees, employee wages paid and employee wage increases predict the increase in the amount of employees?

Description of Subjects

This study examined Long Island service sector companies in the industry categories of construction/building maintenance/landscaping, legal services, food related/restaurants, medical services/heathcare related, retail/wholesale, motor vehicle/auto related services, financial/insurance/business services, and entertainment/recreation.

The companies were purposefully selected by amount of employees, with companies having fewer than 10 employees and companies having more than 20 employees. The result was a total population to be sampled of 854 companies in eight industry categories.

The subjects in this study were the chief executive or chief operating officers of each slected company in the 854 purposefully selected industry categories of construction/building maintenance/landscaping, legal services, food related/restaurants, medical services/heathcare related, retail/wholesale, motor vehicle/auto related services, financial/insurance/business services, and entertainment/recreation.

Respondents were contrasted as to their years in business, gross revenues, increase or decrease in gross revenues, amount of employees, increase or decrease in their employees, total payroll, increase or decrease in their payroll, and whether or not they provide a pension plan or health care and disability benefits. Respondent companies remained anonymous and confidential.

Description of the Respondents

Of the 854 surveys mailed to the selected chief executives and chief operating officers of the purposefully selected companies, 6 (less than 1 percent) were returned as unable to be delivered. Of the remaining 848 purposefully selected sample, 52 random responses or 6.1 percent of the sample were received.

Of the 52 (6.1 percent) survey random responses received from the remaining 848 purposefully selected sample, 8 (15 percent) came from construction/building maintenance/landscaping, 4 (8 percent) from legal services, 7 (13 percent) from food related/restaurants, 11 (21 percent) from medical services/heath care related, 6 (12 percent) from retail/wholesale, 4 (8 percent) from motor vehicle/auto related services, 7 (14 percent) from financial/insurance/business services, 2 (4 percent) from entertainment/recreation and 3 (5 percent from other service categories.

Table 1 that follows presents the company service sector category of the random sampled respondents.

Descriptive Statistics

Company Service Sector Category of Respondents

Table 1: Frequency of Responses – Company Industry

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	15.4	15.4	15.4
	2	4	7.7	7.7	23.1
	3	7	13.5	13.5	36.6
	4	11	21.2	21.2	57.8
	5	6	11.5	11.5	69.3
	6	4	7.7	7.7	77.0
	8	7	13.5	13.5	90.5
	9	2	3.8	3.8	94.3
	10	3	5.7	5.7	100.0
Total		52	100.0		

Note: 1=Construction/Building Maintenance/Landscaping, 2=Legal Services, 3=Food Related/Restaurant, 4=Medical Services/Healthcare Related, 5=Retail/wholesale, 6=Motor Vehicle/Auto Related Services, 8=Financial/Insurance/Business Services, 9=Entertainment/Recreation, 10=Other.

Years In Business

Of the 45 companies who reported their years in business, they ranged from three years to 100 years in business, had a mean years in business of 23.02 years and a median years of business of 20 years. 73.4 percent of the respondents had been operating between 10 and 50 years, with 22.2 percent having between in operations between three and ten years. Table 2 illustrates the descriptive statistics of the applicable 45 companies.

Table 2: Frequency of Responses - Years In Business

Years in Business		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	1	1.9	2.2	2.2
	5	2	3.9	4.4	6.6
	6	1	1.9	2.2	8.8
	7	2	3.9	4.4	13.2
	8	2	3.9	4.5	17.7
	10	2	3.9	4.5	22.2
	12	2	3.9	4.5	26.7
	13	2	3.9	4.5	31.2
	15	2	3.9	4.5	35.7
	16	2	3.9	4.5	40.2
	17	2	3.9	4.5	44.7
	18	1	1.9	2.2	46.9
	20	5	9.6	11.1	58.0
	22	1	1.9	2.2	60.2
	23	2	3.8	4.4	64.6
	24	1	1.9	2.2	66.8
	25	2	3.8	4.4	71.2
	26	1	1.9	2.2	73.4
	27	1	1.9	2.2	75.6
	30	3	5.7	6.7	82.3
	32	1	1.9	2.2	84.5
	36	2	3.8	4.5	89.0
	40	1	1.9	2.2	91.2
	44	1	1.9	2.2	93.4
	50	1	1.9	2.2	95.6
	80	1	1.9	2.2	97.8
	100	1	1.9	2.2	100.0
	Total	45	86.5	100.0	
Missing	System	7	13.5		
Total		52	100.0		

Years In Operation		Frequency	Percent	Valid Percent	Cumulative Percent
	3	1	1.0	1.1	1.1
	8	1	1.0	1.1	2.2
	10	1	1.0	1.1	3.4

Data Gathering Techniques

All random survey respondents and their specific responses were kept confidential. The relationships between the these service sector companies and the years operated on Long Island, annual gross revenues, increase or decrease in gross revenues, employees, increase or decrease in employees, wages paid, increase or decrease in wages paid, and whether they had pension plans, health plans, and disability plans were ascertained by way of a survey that was distributed by U.S. Mail.

Other variables for the service sector companies ascertained by the survey were the importance of raising capital; their banking relationships; the importance to their businesses of government taxes and regulations, energy costs, finding qualified employees, the costs associated with the Affordable Healthcare Act, their current view of the Long Island economy and service sector, and any relocation plans from Long Island that they might have.

Included with the mailed survey packet to the chief executives or chief operating officers of the purposefully selected sample of 854 service sector companies in the construction/building maintenance/landscaping, legal services, food related/restaurants, medical services/heathcare related, retail/wholesale, motor vehicle/auto related services, financial/insurance/business services, and entertainment/recreation industry categories was a letter from LI Advantage Payroll Services President Rob Basso asking them in advance for their assistance and instructions on how to complete the survey. The letter of invitation to participate explained the guarantee of confidentiality and anonymity. The survey was individually addressed with preprinted labels addressed to the chief executives and chief operating officers of the purposefully selected service sector companies with a self-addressed return envelope to Long Island Advantage Payroll Service economic consultant Dr. Martin R. Cantor, CPA.

Instrumentation

A survey (Appendix A) gathered data from 52 random chief executives or chief operating officers of the purposefully selected sample of construction/building maintenance/landscaping, legal services, food related/restaurants, medical services/heath care related, retail/wholesale, motor vehicle/auto related services, financial/insurance/business services, and entertainment/recreation service sector companies. A six-point Likert Scale was used by respondents to report their business practices and strategies. The Likert Scale for all items was

1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, and 6=Strongly Agree.

The survey was comprised of two parts. Part one consisted of 24 questions designed to obtain from survey respondents the importance of raising capital; their banking relationships; the importance to their businesses of government taxes and regulations, energy costs, finding qualified employees, outsourcing, cost of compliance with the Affordable Healthcare Act, their current view of the Long Island economy and service sector, and any relocation plans from Long Island that they might have.

Part 2 consisted of six parts designed to obtain from the respondent company the service sector category, the years operated on Long Island, annual gross revenues, increase or decrease in gross revenues, employees, increase or decrease in employees, wages paid, increase or decrease in wages paid, and whether they had pension plans, health plans, and disability plans.

Research Question One

For the total of random returned surveys of the Long Island service sector, what were the relationships between the these service sector companies and the years operated on Long Island, annual gross revenues, increase or decrease in gross revenues, employees, increase or decrease in employees, wages paid, increase or decrease in wages paid, and whether they had pension plans, health plans and disability plans.

Also what were the relationships of these service sector companies and the importance of raising capital; their banking relationships; the importance to their businesses of government, taxes and regulations, energy costs, outsourcing, finding qualified employees, their current view of the Long Island economy and service sector, the cost of compliance with the Affordable Healthcare act, and any relocation plans from Long Island that they might have.

Respondent Descriptives

Gross Revenue of Survey Respondents

The random respondents were divided into two categories, those with gross revenues less than five million dollars and those with gross revenues more than five million dollars. Of the 50 companies in Table 3.1 identifying their gross revenues, 68.0 percent had gross revenues less than five million dollars and 32.0 percent reported gross revenues greater than five million dollars.

Table 3.1 Gross Revenues of Survey Respondents

Table 3.1: 2012 Gross Revenues of Survey Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	34	65.4	68.0	68.0
	2	16	30.8	32.0	100.0
	Total	50	96.2	100.0	
Missing	System	2	3.8		
Total		52	100.0		

Note: 1= Gross Revnues less than $5 million, 2= Gross Revenues of more than $5 million.

Increase in Gross Revenues

Of the 52 random survey respondents 45 reported whether their companies experience gross revenue increases between 2011 and 2012. Table 3.2 reflects that of the 45 companies, 18 companies or 40.0 percent reported that their gross revenues had decreased from 2011 and 53.3 percent or 24 companies reported that their company gross revenues had increased. Three companies or 6.7 percent of the respondents reported that their 2012 gross revenues had not changed from 2011.

Table 3.2: Year to Year Increase in Gross Revenues from 2011

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	18	34.6	40.0	40.0
	2	24	46.2	53.3	93.3
	3	3	5.8	6.7	100.0
	Total	45	86.6	100.0	
Missing	System	7	13.4		
Total		52	100.0		

Note: 1=Year to Year Decrease in Gross Revenues, 2=Year to Year Increase in Gross Revenues
3=No Change in Gross Revenues

Company Employees

Of the 52 random respondents, 51 companies reported the amount of their employees, ranging from a sole proprietor without any employees to 400. Table 3.3 illustrates that half of the companies have between none and 10 employees and the remaining half have between 11 and 400 employees. The reporting companies represent employed 1,969 persons.

Table 3.3: 2012 Company Employees

Total Employees		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.9	2.0	2.0
	2	2	3.9	3.9	5.9
	3	2	3.9	3.9	9.8
	4	1	1.9	2.0	11.8
	5	4	7.7	7.8	19.6
	6	5	9.6	9.8	29.4
	7	3	5.8	5.9	35.3
	8	3	5.8	5.9	41.2
	9	3	5.8	5.9	47.1
	10	1	1.9	2.0	49.0
	11	1	1.9	2.0	51.0
	12	1	1.9	2.0	52.9
	14	1	1.9	2.0	54.9
	16	1	1.9	2.0	56.9
	17	1	1.9	2.0	58.8
	18	1	1.9	2.0	60.8
	20	1	1.9	2.0	62.7
	22	2	3.9	3.9	66.7
	23	1	1.9	2.0	68.6
	25	2	3.9	3.9	72.5
	27	1	1.9	2.0	74.5
	33	2	3.9	3.9	78.4
	45	1	1.9	2.0	80.4
	50	2	3.9	3.9	84.3
	60	1	1.9	2.0	86.3
	65	2	3.9	3.9	90.2
	125	1	1.9	2.0	92.2
	200	1	1.9	2.0	94.1
	220	1	1.9	2.0	96.1
	225	1	1.9	2.0	98.0
	400	1	1.9	2.0	100.0
	Total	51	98.1	100.0	
Missing		1	1.9		
Total		52	100.0		

Increase in Employees From 2011

Forty-eight random sample companies responded as to their 2012 employee staffing levels as compared to 2011. Twenty or 41.7 percent of the companies reported that their employee workforce decreased from 2011 to 2012, 15 companies or 31.2 percent reported increases in their employees while 13 companies or 27.1 percent of respondents reported no change in their employees.

Table 3.4 Year to Year Employee Increase/Decrease From 2011

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	20	38.5	41.7	41.7
	2	15	28.8	31.2	72.9
	3	13	25.0	27.1	100.0
	Total	48	92.3	100.0	
Missing	System	4	7.7		
Total		52	100.0		

Note: 1=Year to Year Decrease in Employees, 2=Year to Year Increase in Employees 3=No Change in Employees

Total 2011 Wages Paid

Twenty-six or 50 percent of the 52 random companies surveyed responded that they paid $36,766,917 in wages to their employees in 2011. Table 3.5 also illustrates that the total of wages by the median of 12 companies totaled $3,619,072 ranging between $100,000 and $795,877. The 13 companies above the median paid a total of $33,147,845 in wages to their employees in 2011, ranging between $1,000,000 and $4,882,740.

Table 3.5: Total 2011 Wages Paid

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	100000	1	1.9	3.8	3.8
	156000	1	1.9	3.8	7.7
	180000	1	1.9	3.8	11.5
	236000	1	1.9	3.8	15.4
	250000	1	1.9	3.8	19.2
	250126	1	1.9	3.8	23.1
	260000	1	1.9	3.8	26.9
	300000	2	3.9	7.7	34.6
	315000	1	1.9	3.8	38.5
	776069	1	1.9	3.8	42.3
	795877	1	1.9	3.8	46.2
	1000000	2	3.9	7.7	53.8
	1200000	1	1.9	3.8	57.7
	1300000	1	1.9	3.8	61.5
	1500000	1	1.9	3.8	65.4
	1565105	1	1.9	3.8	69.2
	1800000	1	1.9	3.8	73.1
	2000000	1	1.9	3.8	76.9
	2600000	1	1.9	3.8	80.8
	2800000	1	1.9	3.8	84.6
	3900000	1	2.0	3.8	88.5
	4000000	1	2.0	3.8	92.3
	4600000	1	2.0	3.8	96.2
	4882740	1	2.0	3.8	100.0
	Total	26	50.0	100.0	
Missing	System	26	50.0		
Total		52	100.0		

Increase in Employee Wages from 2010

Forty of the 52 random survey respondents reported on Table 3.6 whether the wages of their employees increased from 2011 to 2012. Wages in 13 or 32.5 percent of the 40 responding companies decreased in 2012 while 24 or 60.0 percent of the 40 companies reported higher employee wages. Three or 7.5 percent of the companies reported that the wages of their employees remained unchanged. These results correlate with Table 3.4 which illustrates that 41.7

percent of the responding companies reported employee reductions and 31.2 percent reported employee increases.

Table 3.6: Year to Year Increase in Employee Wages from 2011

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	13	25.0	32.5	32.5
	2	24	46.2	60.0	92.5
	3	3	5.8	7.5	100.0
	Total	40	77.0	100.0	
Missing	System	12	23.0		
Total		52	100.0		

Note: 1=Year to Year Decrease in Employee Wages,
2=Year to Year Increase in Employee Wages 3=No Change in Employees Wages

Pension Benefits, Healthcare Benefits and Disability Benefits

Tables 3.7, 3.8, and 3.9 reflect the fringe benefits provided by the randomly surveyed respondents. With 51 of the 52 companies responding, pension benefits were found to be provided by 27 companies or 52.9 percent of those responding, health care being provided by 41 companies or 80.4 percent of respondents and disability benefits provided by 38 or 74.5 percent of the responding companies.

Table 3.7: Pension Benefits Provided by Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	27	51.9	52.9	52.9
	2	24	46.2	47.1	100.0
	Total	51	98.1	100.0	
Missing	System	1	1.9		
Total		52	100.0		

Note: 1=Yes, 2= No

Table 3.8: Health Care Benefits Provided by Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	41	78.9	80.4	80.4
	2	10	19.2	19.6	100.0
	Total	51	98.1	100.0	
Missing	System	1	1.9		
Total		52	100.0		

Note: 1=Yes, 2=No

Table 3.9: Disability Benefits Provided by Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	38	73.1	74.5	74.5
	2	13	25.0	25.5	100.0
	Total	51	98.1	100.0	
Missing	System	1	1.9		
Total		52	100.0		

Note: 1=Yes, 2=No

Capital Formation

With 51 of the 52 companies in the random sample responding, Table Q1 indicates that 44 companies or 86.2 percent of respondents agreed that capital formation was important for their company's growth as compared to 13.8 percent of respondents who didn't.

While capital was important to the responding companies as illustrated in Table Q1, Table Q2 indicates that 28 companies or 53.8 percent of the 52 respondents had not attempted to raise capital while 24 companies or 46.2 percent of the respondents had. One of the indicators why more respondents did not attempt to raise may be the level of difficulty. Table Q3 sheds some light on the difficulty, with only 39 companies responding 17 companies or 43.5 percent disagreed or strongly disagreed that they were successful in raising capital. However, 22 companies or 56.4 percent had been successful in raising capital.

Table Q1: Capital is Important to My Company's Growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.9	2.0	2.0
	2	3	5.8	5.9	7.8
	3	3	5.8	5.9	13.7
	4	7	13.4	13.7	27.5
	5	7	13.5	13.7	41.2
	6	30	57.7	58.8	100.0
	Total	51	98.1	100.0	
Missing	System	1	1.9		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q2: Company Attempted to Raise Capital

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	24	46.2	46.2	46.2
	2	28	53.8	53.8	100.0
	Total	52	100.0	100.0	
Missing	System	0	0.0		
Total		52	100.0		

Note: 1=Yes, 2=No.

Table Q3: Company Successful In Raising Capital

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	19.2	25.6	25.6
	2	7	13.5	17.9	43.6
	4	7	13.5	17.9	61.5
	5	12	23.1	30.8	92.3
	6	3	5.7	7.7	100.0
	Total	39	75.0	100.0	
Missing	System	13	25.0		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agreee, 6=Strongly Agree

Importance of Bank Lending to Company

Tables Q4, Q5 and Q6 illustrate the importance of bank lending to respondent companies growth and the success that the respondents have had in obtaining that financing. Thirty-six or 69.2 percent of respondents reported in Table Q4 that bank lending was important to the growth of their company. Yet the results in Table Q5 reflect that respondents were nearly evenly split as to whether they have tried to obtain bank lending, with 25 companies or 48.1 percent of the 52 respondents saying that they have tried to obtain bank financing with a 27 companies or 51.9 percent saying that they have not.

Shedding light on the complexity of the bank financing issue are the results reflected in Table Q6. Of the 52 survey respondents, 12 companies or 23.1 percent did not respond as to their success in getting bank financing. Of the remaining 40 companies, 20 companies reported their success in obtaining bank financing while 20 companies had not. The 20 companies each represented 38.4 percent of the 52 respondents and 50.0 percent of those companies responding to the question as to their success in obtaining bank financing.

Table Q4: Bank Lending Important to Company Growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	11.5	11.5	11.5
	2	6	11.6	11.6	23.1
	3	4	7.7	7.7	30.8
	4	9	17.3	17.3	48.1
	5	13	25.0	25.0	73.1
	6	14	26.9	26.9	100.0
	Total	52	100.0	100.0	
Missing	System	0	00.0		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4= Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q5: Has Company Tried to Obtain Lending in Past Year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	25	48.1	48.1	48.1
	2	27	51.9	51.9	100.0
	Total	52	100.0	100.0	
Missing	System	0	00.0		
Total		52	100.0		

Note: 1=Yes, 2=No.

Table Q6: Company Successful in Getting Bank Financing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	15	28.8	37.5	37.5
	2	1	1.9	2.5	40.0
	3	4	7.7	10.0	50.0
	4	3	5.8	7.5	57.5
	5	11	21.2	27.5	85.0
	6	6	11.5	15.0	100.0
	Total	40	76.9	100.0	
Missing	System	12	23.1		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Local, State and Federal Taxes and Energy Costs Important to Company Growth

Tables Q7, Q8, Q9, and Q10 illustrate how energy costs and property, New York State and Federal taxes impacted the growth of respondents companies. As would be expected there was agreement on the impact of these factors on their businesses. Thirty-four companies or 65.4 percent of the 52 respondents in Table Q7 agreed that property taxes were important to the growth of their company, as did 44 companies or 84.7 percent of the 52 survey respondents in Table Q8 who agreed that New York State business taxes were important to their company's growth. Table Q9 presents the agreement of 45 companies or 86.5 percent of the 52 respondents agreeing that reducing Federal taxes was important to their company's growth, as were the 44 companies or 84.7 of the 52 respondents in Table Q10 who agreed that energy costs financially impact the finances of their companies.

Table Q7: Property Tax Relief Important to Company Profits

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	17.3	17.3	17.3
	2	4	7.7	7.7	25.0
	3	5	9.6	9.6	34.6
	4	8	15.4	15.4	50.0
	5	9	17.3	17.3	67.3
	6	17	32.7	32.7	100.0
	Total	52	100.0	100.0	
Missing	System	0	00.0		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4= Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q8: New York Business Taxes Important to Company Growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	3.8	3.8	3.8
	2	2	3.8	3.8	7.7
	3	4	7.7	7.7	15.4
	4	7	13.5	13.5	28.8
	5	16	30.8	30.8	59.6
	6	21	40.4	40.4	100.0
	Total	52	100.0	100.0	
Missing	System	0	00.0		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q9: Reducing Federal Taxes Important to Company Growth

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	1	1.9	1.9	1.9
	2	2	3.8	3.8	5.8
	3	4	7.7	7.7	13.5
Valid	4	6	11.5	11.5	25.0
	5	14	26.9	26.9	51.9
	6	25	48.1	48.1	100.0
	Total	52	100.0	100.0	
Missing	System	0	00.0		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q10: Energy Costs Financially Impacts Company Finances

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	4	7.7	7.7	7.7
	2	1	1.9	1.9	9.6
	3	3	5.7	5.7	15.3
Valid	4	8	15.4	15.4	30.7
	5	12	23.1	23.1	53.8
	6	24	46.2	46.2	100.0
	Total	52	100.00	100.0	
Missing	System	0	00.0		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Growth Strategies: Finding Qualified Employees

Tables Q11 and Q12 illustrates how important finding qualified employees are to the growth of the responding companies. In Table Q11, 40 or 80.0 percent of the 50 companies responding agreed that finding qualified employees was important to the growth of their company. In the ability to find new employees, 27 or 57.4 percent of the responding companies disagreed that they were unable to find qualified labor on Long Island. However 20 or 42.6 percent of the responding companies responded that they had difficulty finding qualified labor on Long Island.

Table Q11: Qualified Employees Important to Company Growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.9	2.0	2.0
	2	1	1.9	2.0	4.0
	3	8	15.4	16.0	20.0
	4	5	9.6	10.0	30.0
	5	16	30.8	32.0	62.0
	6	19	36.6	38.0	100.0
	Total	50	96.2	100.0	
Missing	System	2	3.8		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q12: Company Unable to Find Qualified Labor on Long Island

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	17.3	19.1	19.1
	2	12	23.1	25.6	44.7
	3	6	11.5	12.7	57.4
	4	8	15.4	17.1	74.5
	5	11	21.2	23.4	97.9
	6	1	1.9	2.1	100.0
	Total	47	90.4	100.0	
Missing	System	5	9.6		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Government Impact on Business Growth

Tables Q13, Q14 and Q15 present the role that New York State and Long Island governments play in creating an atmosphere where business can grow. Table Q13 reflects that 39 or 75.0 percent of the 52 companies who responded to this question agreed that complying with New York State regulations was burdensome to their company. Agreeing that Long Island governments are not business friendly was 25 companies or 52.1 percent of the 48 respondents in Table Q14. However the importance of Long Island government to the growth of their company was agreed to by 36 or 73.5 percent of the 49 respondents in Table Q15.

Table Q13: Complying With New York Regulations Burdensome to Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	5.8	5.8	5.8
	2	4	7.7	7.7	13.5
	3	6	11.5	11.5	25.0
	4	13	25.0	25.0	50.0
	5	13	25.0	25.0	75.0
	6	13	25.0	25.0	100.0
	Total	52	100.0	100.0	
Missing	System	0	00.0		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Agree, 4=Agree, 5=Strongly Agree

Table Q14: Long Island Governments are Business Friendly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	13.5	14.6	14.6
	2	8	15.3	16.7	31.3
	3	10	19.2	20.8	52.1
	4	16	30.8	33.3	85.4
	5	7	13.5	14.6	100.0
	Total	48	92.3	100.0	
Missing	System	4	7.7		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q15: Long Island Government Important to Company Growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	3.4	4.1	4.1
	2	4	6.8	8.1	12.2
	3	7	11.9	14.3	26.5
	4	19	32.2	38.8	65.3
	5	10	16.9	20.4	85.7
	6	7	11.9	14.3	100.0
	Total	49	83.1	100.0	
Missing	System	3	16.9		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

The Long Island Economy: Current and Future Outlook

Respondents were asked whether the Long Island economy had improved during the past year. Table Q16 illustrates that with 48 companies responding, 31 or 64.6 percent disagreed that the Long Island economy had improved during 2011, with another 12 companies or 25.0 percent not having strong feelings that the economy had improved. Only five companies or 10.4 percent of respondents agreed that the Long Island economy had improved. No respondents expressed strong feelings that the economy had improved.

When asked whether the Long Island economy will improve over the next five years, of the 48 companies responding on Table Q17, 16 or 33.3 percent disagreed that the economy will improve while 13 companies or 27.1 percent agreed that the economy will improve. Nineteen or 39.6 percent did not have strong opinions, somewhat agreeing that the economy will improve.

Table Q16: Long Island Economy Has Improved During Past Year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	11.5	12.5	12.5
	2	7	13.5	14.6	27.1
	3	18	34.6	37.5	64.6
	4	12	23.1	25.0	89.6
	5	5	9.6	10.4	100.0
	Total	48	92.3	100.0	
Missing	System	4	7.7		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q17: Long Island Economy Will Improve Over Next Five Yrs.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	3.8	4.2	4.2
	2	3	5.8	6.2	10.4
	3	11	21.2	22.9	33.3
	4	19	36.5	39.6	72.9
	5	12	23.1	25.0	97.9
	6	1	1.9	2.1	100.0
	Total	48	92.3	100.0	
Missing	System	4	7.7		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

The Service Sector: Relocation, Outsourcing, Growth, Contraction

The relocation, outsourcing, growth, and contraction of Long Island's service sector are presented in Tables Q18, Q19, Q20, and Q21.

In Table Q 18, of the 47 companies responding, 31 or 66.0 percent disagreed that Long Island's high costs would force their companies to relocate away from Long Island over the next five years. However 16 companies or 34.0 percent of the respondents somewhat agreed to strongly agreed that they would relocate. The projected loss of service sector jobs is troubling since this sector is leading Long Island out of the recession. However on a positive note, Table Q19 indicates that 41 companies or 82 percent of the respondents said that their company is not considering outsourcing jobs to states with lower labor costs.

Table Q18: Will Relocate From Long Island Over Next Five Years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	16	30.8	34.0	34.0
	2	8	15.3	17.1	51.1
	3	7	13.5	14.9	66.0
	4	7	13.5	14.9	80.9
	5	3	5.8	6.3	87.2
	6	6	11.5	12.8	100.0
	Total	47	90.4	100.0	
Missing	System	5	9.6		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4= Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q19: Consider Outsourcing Labor To Lower Labor Cost States

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	28	53.9	56.0	56.0
	2	9	17.3	18.0	74.0
	3	4	7.7	8.0	82.0
	4	2	3.8	4.0	86.0
	5	5	9.7	10.0	96.0
	6	2	3.8	4.0	100.0
	Total	50	96.2	100.0	
Missing	System	2	3.8		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Disagree, 5=Agree, 6=Strongly Agree

Further evidence of strength in the service sector was found in Table Q20 where 37 companies or 72.5 percent of the 51 respondents agreed that Long Island's service sector will grow over the next five years. Only 14 respondents or 27.5 percent disagreed that the service sector would grow.

Another indicator of the strength in the service sector was found in Table Q21 were 34 companies or 66.7 percent of the 51 respondent companies disagreed and strongly disagreed that Long Island's service sector would contract over the next five years. While 17 companies or 33.3 percent of the respondents felt that the region's service sector would contract, having two-thirds of the respondents feeling that there would be no contraction of the services sector bodes well for Long Island's service sector.

Table Q20: Long Island's Service Sector Will Expand Over The Next Five Years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	3	5.8	5.9	5.9
	3	11	21.2	21.6	27.5
	4	11	21.2	21.6	49.0
	5	18	34.6	35.3	84.3
	6	8	15.3	15.6	100.0
	Total	51	98.1	100.0	
Missing	System	1	1.9		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q21: Long Island's Service Sector-Contract Over Next Five Yrs.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	18	34.6	35.3	35.3
	2	8	15.4	15.7	51.0
	3	8	15.4	15.7	66.7
	4	10	19.2	19.6	86.3
	5	4	7.7	7.8	94.1
	6	3	5.8	5.9	100.0
	Total	51	98.1	100.0	
Missing	System	1	1.9		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

The Affordable Healthcare Act: Concerns of the Service Sector

Tables Q22, Q23, and Q24 quantify the concerns about the anticipated administrative and financial impact of changing Human Resource regulations and the Affordable Healthcare Act. In particular, Tables Q22 and Q24 reflect that the service sector ia concerned about the impact of the Affordable Healthcare Act.

Table Q22 indicates that 29 companies or 56.9 percent of the 51 respondents agreed that they would be unable to keep up with the changing Human Resources regulations and the new Affordable Healthcare Act. Alternatively 22 companies or 43.1 percent of respondents disagreed, saying that they would be able to keep up with the changing regulations and requirements.

When asked if they would consider outsourcing their Human Resources functions or improving their technology to remain compliant with regulations and requirements, 35 companies on Table Q23, or 70 percent of the 50 respondents disagreed. Only 15 companies or 30 percent of respondents agreed that they would.

Overwhelming concern was expressed by respondents in Table Q24 over the cost of compliance with the new Affordable Healthcare Act. Thirty-nine or 78 percent of respondents agreed that they were concerned, with 35 of those companies or 70 percent of all respondents agreeing or strongly agreeing that they were concerned. Disagreeing, indicating that they were not concerned were 11 companies or 22 percent of all respondents.

Table Q22: Unable To Keep Up with HR and Affordable Healthcare Act Regulations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	5.8	5.9	5.9
	2	9	17.3	17.6	23.5
	3	10	19.2	19.6	43.1
	4	11	21.2	21.6	64.7
	5	9	17.3	17.7	82.4
	6	9	17.3	17.6	100.0
	Total	51	98.1	100.0	
Missing	System	1	1.9		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q23: Remaining Compliant With Regulations-Consider Outsourcing HR or Improving Technology

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	19.2	20.0	20.0
	2	13	25.0	26.0	46.0
	3	12	23.1	24.0	70.0
	4	7	13.5	14.0	84.0
	5	7	13.5	14.0	98.0
	6	1	1.9	2.0	100.0
	Total	50	96.2	100.0	
Missing	System	2	3.8		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Table Q24: Concern for Compliance Cost-Affordable Healthcare Act

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	5.8	6.0	6.0
	2	4	7.7	8.0	14.0
	3	4	7.7	8.0	22.0
	4	4	7.7	8.0	30.0
	5	13	25.0	26.0	56.0
	6	22	42.3	44.0	100.0
	Total	50	96.2	100.0	
Missing	System	2	3.8		
Total		52	100.0		

Note: 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Somewhat Agree, 5=Agree, 6=Strongly Agree

Research Question Two

What were the relationships in the companies in Long Island's service sector between gross revenues, increase in revenues, amount of employees, increase in employees, wages paid, increased in wages, years in business, and company category? A Pearson Product Moment Correlation analysis was used to examine these relationships and appears in Table A.

Table A: Pearson Product Correlation Matrix

N=52

	Employee Increase	Wage Increase	Revenue Increase	Years in Business	Gross Revenues	Employee Amount	Wages Paid	Company Category
Employee Increase	1							
Wage Increase	.670**	1						
Revenue Increase	.145	.556**	1					
Years In Business	-.054	-.097	-.190	1				
Gross Revenue	-.036	-.135	-.107	.276	1			
Employee Amount	-.122	-.089	-.014	.283	.438**	1		
Wages Paid	.076	-.044	-.063	.277	.510**	.799**	1	
Company Category(1)	-.041	-.152	-.152	.260	.657**	.355*	.576**	1

**Correlation is significant at the 0.01 level (2 tailed).
*Correlation is significant at the 0.05 level (2 tailed).
Note (1) Company Category: Over 20 employees or under 10 employees.

The results of the Pearson Product correlation matrix appear in Table A. Pearson Product correlation measures the strength of relationships between the variables being compared, with a range between 1% and 100% the greater the variance percent the stronger the relationship. The correlation matrix showed the following relationships; 45% of the reason for company employee growth was increased employee wages paid; 31% of the reason for employee wage increases was increases in revenues; gross revenues accounted for 19% of the reason for the amount of employees; gross revenues accounted for 26% of the reason for the level of wages paid; 64% of the reason for the amount of employees was the wages paid; 43% of the reason for the level of gross revenues was the company category; and 33% of the reason for the level of wages paid was the company category.

Because of the high variance percentages, a conclusion can be drawn that there are strong correlations between increase in employees hired, gross revenues, and an increase in employee wages.

Research Question Three

Regarding Long Island's service sector companies, how did their industry category, years in business, gross revenues, gross revenue increases, amount of employees, employee wages paid, and increase in employee wages predict the increase in the amount of employees?

Table B presents a stepwise multiple regression model that was used to calculate the extent to which the company category, years in business, gross revenues, increase in gross revenues, amount of employees, and employee wage increases predict the increase in the amount of employees. There is greater predictability between the variables as the variance increases from 1% to 100%.

Table B: Stepwise Multiple Regression-Increase in the Amount of Employees

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.603[a]	.364	.330	.666	.364	10.867	1	19	.004
2	.700[b]	.490	.434	.612	.126	4.464	1	18	.049

a. Predictors: (Constant), WagesIncDec
b. Predictors: (Constant), WagesIncDec, CompIndustry

Table B indicates that 49% of the predictability of an increase in employees is due to the increase in employee wages and company industry. With a 36.4% of the predictability of an increase in employees due to the increase in employee wages with 12.6% of the predictability of the amount of employees due to the service sector company industry. Thus there was a strong predictability that increasing wages and the company industry would lead to increasing the amount of employees.

Table C presents a stepwise multiple regression model that was used to calculate the extent to which the company service sector category, gross revenues, and increase in gross revenues, predict the increase in the amount of employees.

Table C: Stepwise Multiple Regression-Increase in the Amount of Employees

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.461[a]	.212	.194	69.458	.212	11.602	1	43	.001

a. Predictors: (Constant), GrossRev2012

Similar to Table B, Table C indicates that there is a correlation with the predictors of increasing the amount of employees and increased company gross revenues. These results are consistent with the results in Table B in that revenue increases provides the funds for wage increases which attracts employees to the company.

Conclusion

This survey reveals that while the service sector is growing within the Long Island economy, there is a definable indication of the service sector's unrest with Long Island's high property taxes and energy costs, high Federal taxes, New York State's burdensome regulations and taxes, lack of government support for business, and difficulty in raising capital and securing bank financing.

Despite respondents agreeing that Long Island's high costs, such as property taxes and energy costs, and New York State Taxes and burdensome regulations are important to their business growth nearly 66 percent of the respondents disagreed that they would leave Long Island over the next five years. Additionally, 82 percent of respondents disagreed that they would consider outsourcing their labor to lower labor cost states. Both of these results are important to the Long Island economy because the one job growth area has been the service sector.

While respondents were evenly divided over whether Long Island's service sector would expand over the next five years, respondents also expressed a sense of optimism in the growth of the service sector with 66.7 percent of respondents disagreeing that the service sector will contract over the next five years.

The respondents also expressed concerns about the anticipated administrative and financial impact from the Affordable Healthcare Act, with 56.9 percent of the 51 respondents agreeing that they would be unable to keep up with the changing Human Resources regulations and the new Affordable Healthcare Act.

When asked if they would consider outsourcing their Human Resources functions or improving their technology to remain compliant with regulations and requirements, 70 percent of the respondents said they wouldn't.

Lastly, overwhelming concern was expressed by respondents as to the cost of compliance with the new Affordable Healthcare Act. Seventy-eight percent of respondents agreed that they were concerned, with thirty-five of those companies or 70 percent of all respondents agreeing or strongly agreeing that they were concerned. Disagreeing, indicating that they were not concerned were 11 companies or 22 percent of all respondents.

The results of the Pearson Product correlation matrix appear in Table A. Pearson Product correlation measures the strength of relationships between the variables being compared, with a range between 1% and 100% the greater the variance percent the stronger the relationship. The correlation matrix showed the following relationships; 45% of the reason for company employee growth was increased employee wages paid; 31% of the reason for employee wage increases was increases in revenues; gross revenues accounted for 19% of the reason for the amount of employees; gross revenues accounted for 26% of the reason for the level of wages paid; 64% of the reason for the amount of employees was the wages paid; 43% of the reason for the level of gross revenues was the company category; and 33% of the reason for the level of wages paid was the company category.

Because of the high variance percentages, a conclusion can be drawn that there are strong correlations between increase in employees hired, gross revenues, and an increase in employee wages.

Survey results also reflected the extent to which the service company category, years in business, gross revenues, increase in gross revenues, amount of employees, employee wages, and employee wage increases predict the increase in the amount of employees.

In a stepwise multiple regression model, where the greater the variance the greater predictability between variables, 49% of the predictability of an increase in employees is due to the increase in employee wages and company industry. With a 36.4% of the predictability of an increase in employees due to the increase in employee wages with 12.6% of the predictability of the amount of employees due to the service sector company industry. Thus there was a strong predictability that increasing wages and the company industry would lead to increasing the amount of employees. These results are consistent in that revenue increases provides the funds for wage increases which attracts employees to the company or additional wages to hire new employees. Current job creation in the regional economy clearly illustrates this.

What these predictors and correlates suggest is that as the revenues grow in the service sector so will the increase in employees and the wages that they earn. This is good for a strong and continuously growing service sector economy.

APPENDIX A

Advantage Payroll Services
215 North Main Street
Freeport, New York 11520

Long Island Business Base Needs Survey

Part 1

Please indicate (by circling the appropriate number based on the scale below) the degree to which you agree or disagree with the needs and strategic plan of your company. For the questions that require a Yes or No response please circle the appropriate response.

Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6

1.	Capital is important to my company's growth?	1 2 3 4 5 6
2.	Have you attempted to raise capital in the past year?	Yes No
3.	My company was successful in raising capital.	1 2 3 4 5 6
4.	Bank lending is important to my company's growth?	1 2 3 4 5 6
5.	Have you tried to obtain bank lending in the past year?	Yes No
6.	Seeking bank financing was successful.	1 2 3 4 5 6
7.	Property tax relief is important to my company's profits?	1 2 3 4 5 6
8.	New York State Business Taxes are important to my company's growth.	1 2 3 4 5 6
9.	Reducing Federal Business Taxes are important to my company's growth.	1 2 3 4 5 6
10.	Energy costs financially impact my company's finances.	1 2 3 4 5 6
11.	Complying with NY State regulations are burdensome for my company.	1 2 3 4 5 6
12.	Long Island's governments are business friendly.	1 2 3 4 5 6
13.	Long Island governments are important to my business growth.	1 2 3 4 5 6

Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6

14. Long Island's economy has improved during the past year. 1 2 3 4 5 6

15. Long Island's economy will improve over the next five years. 1 2 3 4 5 6

16. My business will relocate off Long Island during the next five years. 1 2 3 4 5 6

17. Long Island's high costs will force the relocation of my company. 1 2 3 4 5 6

18. I expect that my business sector to will expand during the next five years. 1 2 3 4 5 6

19. I expect that my business sector will become smaller during the next five years. 1 2 3 4 5 6

20. My company is considering outsourcing our labor to states with lower labor costs. . 1 2 3 4 5 6

21. Finding qualified labor is integral to my company's growth. 1 2 3 4 5 6

22. My company is unable to find qualified labor on Long Island. 1 2 3 4 5 6

23. My company is unable to keep up with the changing Human Resources regulations and the new Affordable Healthcare Act. 1 2 3 4 5 6

24. My company is considering outsourcing Human Resources Functions or improving technology to remain compliant. 1 2 3 4 5 6

Part 2

Please answer the following questions by filling in the blank.

1. How many years has your company operated on Long Island?

____

2. What were the annual gross revenues for 2012?

Less than $5 million ____ More than $5 million ____

This is an Increase____ Decrease____ from 2011.

3. How many employees did your company employ in 2012?

Employees_________ This is an Increase____ or Decrease___ from 2011.

4. What was the total paid for wages in 2012?

$__________ This is an Increase_____ or Decrease____ from 2011.

5. Did you provide: Pension benefits Yes___ No___

Health insurance Yes___ No___

Disability Insurance Yes___ No___

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Martin R. Cantor has a Bachelor of Science Degree in Accounting from Brooklyn College of the City University of New York, a Master of Arts Degree in Interdisciplinary Studies from Hofstra University focusing on the socio-economic relationships between education, household income, community and workforce development, and a Doctor of Education Degree from Dowling College. He has served as Suffolk County Economic Development Commissioner (New York State's largest suburban county), brought Computer Associates to Suffolk County, and created over 23,000 jobs with an estimated $1.4 billion annual payroll economic impact. He has served as: Chief Economist-New York State Assembly Subcommittee for the Long Island Economy; Senior Fellow at the White Plains, New York based Institute for Socioeconomic Studies - a public policy think tank concentrating on poverty in America and senior citizen quality of life; Chair and Chief Economist of the Long Island Development Corp; a building trades labor/management arbitrator; a consultant to the Nassau Interim Financial Authority; a faculty member in the Brooklyn College Department of Economics; Executive Director of the Patchogue Village Business Improvement District; and Director of Economic Development and Chief Economist for Sustainable Long Island, and the Long Island Fund for Sustainable Development, providing financial, technical assistance to businesses and not-for-profit organizations His work is included in the *National Tax* Rebate-*A New America With Less* Government, and has prepared downtown revitalization plans for Long Island and New York City neighborhoods featuring arts districts, economic restructuring, waterfront projects and community organizing. He was the architect of the Nassau County Comptroller's debt restructuring plan for resolving Nassau County's fiscal crisis; has been a Long Island Business Journal columnist; has authored: federal, state and local legislation; economic impact analyses; analysis of Long Island's economic, demographic, employment, tax, and educational bases; a convention center feasibility study; taxpayer cost of acquiring open space; and health care reform; and Director of Dowling College's Long Island Economic and Social Policy Institute; and an Adjunct Associate Professor of Economics

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