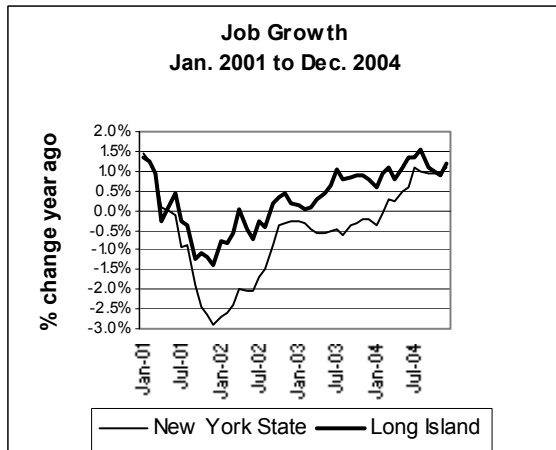


Long Island

The Long Island region comprises Nassau and Suffolk Counties. The region's population of 2.8 million is the second-largest among the state's regions.



Long Island Data Bank			
	LI	NYS	US
Population	2,815,129	---	---
2004 Estimate			
%Change 2000-2004	2.22%	1.32%	4.35%
Employment			
1st Half 2005-2004 (%Chg)			
Nassau-Suffolk	1.11%	0.95%	1.70%
Unemployment			
2005 1st Half(#)	60,917	472,583	---
2005 1st Half(rate)	4.2%	5.1%	5.3%
# of Private business('03)	LI	NYS	
Establishments	93,584	530,527	
Total Payroll (Bil\$)	\$40.2	\$326.0	
Per Capita Income('03)	2003	93-'03 %Chg	
USA	\$31,472	47.4%	
New York State	\$36,112	43.6%	
Nassau-Suffolk	\$43,791	47.1%	

Demography

Between 2000 and 2004, the population of Long Island grew by 2.2% or by 61,200. In 2004, the region's population was estimated to be 2.8 million. Long Island ranked third behind the Capital District (2.4%) and the Hudson Valley (3.6%) in population growth. Nassau, already densely populated, grew by less than half a percent. Suffolk County, which is less densely populated, grew by 4%. Net internal out-migration in both Suffolk and Nassau was offset by natural increases and international in-migration.

Job losses have occurred across a broad range of industries

Manufacturing (13.5%), health care and social services (12.8%), and wholesale trade (11.7%) are the main segments of the Long Island economy. Between 2000 and 2004, the Long Island region lost nearly 12,000 jobs, a decline of nearly 2%, and these losses occurred across a broad range of industries. Manufacturing (-19,000), retail (-3,800), transportation and warehousing (-2,700), wholesale trade (-1,300), and accommodation (-1,000) were the big job losers. These losses were offset by gains in finance and insurance (+4,400), healthcare and

social services (2,800), education services (+2,000) management services (+1,700), and eating and drinking places (+1,000). Arts, entertainment and recreation (+800) was also a job gainer. Between the 1st half of 2001 and the 1st half of 2005, employment in the Long Island MSA grew by 1.7%, a lower rate than Poughkeepsie-Newburgh-Middletown (4.1%) and Putnam-Rockland-Westchester (3.0%), but better than New York City, which dropped 4.3%.

Healthcare and social services, food services and drinking places and administrative services lead recent gains

Between 2003 and 2004, healthcare and social services (+1,700), administrative services (+1,600) finance and insurance (+700), and education service (+600) were major gainers. Manufacturing (-2,500) and transportation and warehousing (-900) were industries with the biggest job losses. Reflecting increased housing activity construction gained about 900 jobs during the recent period. Wholesale trade and retail trade made gains of about +300 each.

SUPERSECTOR	% 2004		Change 2003-2004	% Change 2003-2004
	2004	Total		
Total	1,191,796	100.0%	12,710	1.1%
Private	1,007,892	84.6%	13,350	1.3%
Public	183,904	15.4%	-640	-0.3%
Natural Resources & Mining	175	0.0%	6	3.6%
Utilities	4,503	0.4%	-178	-3.8%
Construction	63,111	5.3%	1,596	2.6%
Manufacturing	86,793	7.3%	-123	-0.1%
Wholesale Trade	65,567	5.5%	48	0.1%
Retail Trade	159,704	13.4%	505	0.3%
Transportation & Warehousing	41,383	3.5%	180	0.4%
Information	27,480	2.3%	-488	-1.7%
Finance & Insurance	63,721	5.3%	166	0.3%
Real Estate and Rental and Leasing	17,783	1.5%	575	3.3%
Professional, Scientific, and Technical Services	69,146	5.8%	616	0.9%
Management of Companies and Enterprises	15,834	1.3%	219	1.4%
Administrative and Support Services	59,289	5.0%	1,588	2.8%
Waste Management and Remediation Services	3,765	0.3%	466	14.1%
Educational Services	27,875	2.3%	-143	-0.5%
Health Care and Social Assistance	160,280	13.4%	3,502	2.2%
Arts, Entertainment, and Recreation	19,936	1.7%	578	3.0%
Accommodation	5,386	0.5%	131	2.5%
Food Services and Drinking Places	68,877	5.8%	2,894	4.4%
Other Services	47,026	3.9%	275	0.6%
Not Elsewhere Classified	7,228	0.6%	266	3.8%

Source: New York State Department of Labor's ES-202 data.

Although the job quality has deteriorated, it is better off than other areas in the region

Although the job quality has deteriorated in the region, the jobs gaining employment share are better than those gaining share in New York City or the Hudson regions, or in the state as a whole. Sectors that gained employment share paid an average wage of \$35,400 compared to an average wage of \$51,600 in sectors that lost employment share. The average wages for food services, educational services, health care and social services, and government ranged from \$35,400 to \$50,300. Manufacturing, finance and insurance, information, and utilities were high-paying sectors that lost employment share between 2000 and 2004. The job quality ratio, which is the relationship between jobs gaining share to jobs losing share, was -0.38, not as bad as New York City (-0.63) and the Hudson Valley (-0.49).

Long Island Job Quality 2000-2004 (employment in thousands)							
SUPERSECTOR*	Employment		2004 Average Annual Wage	Change	Job Change	Share Change	
	2000	2004			Gain/Loss	Change (pps.**)	Gain/Loss
Health Care and Social Assistance	143.7	160.3	\$40,818	16.6	gained jobs	1.29	gained share
Food Services and Drinking Places	60.1	68.9	\$16,617	8.7	gained jobs	0.69	gained share
Government	178.8	183.9	\$50,348	5.1	gained jobs	0.31	gained share
Educational Services	24.4	27.9	\$30,877	3.5	gained jobs	0.28	gained share
Construction	59.4	63.1	\$49,183	3.8	gained jobs	0.27	gained share
Arts, Entertainment, and Recreation	18.3	19.9	\$31,005	1.6	gained jobs	0.12	gained share
Other Services	46.0	47.0	\$25,239	1.1	gained jobs	0.06	gained share
Waste Management and Remediation Services	3.7	3.8	\$44,625	0.1	gained jobs	0.00	gained share
Subtotal, industries gaining job share	534.4	574.8	\$35,402	40.4		3.0	
Manufacturing	103.2	87.0	\$49,188	-16.2	lost jobs	-1.43	lost share
Wholesale Trade	69.7	65.6	\$58,809	-4.1	lost jobs	-0.39	lost share
Information	31.1	27.5	\$62,699	-3.6	lost jobs	-0.32	lost share
Professional, Scientific, and Technical Services	71.2	69.1	\$54,039	-2.1	lost jobs	-0.23	lost share
Administrative and Support Services	61.2	59.3	\$31,663	-1.9	lost jobs	-0.20	lost share
Transportation and Warehousing	43.0	41.4	\$41,186	-1.6	lost jobs	-0.17	lost share
Finance and Insurance	64.7	63.7	\$69,282	-1.0	lost jobs	-0.13	lost share
Retail Trade	159.1	159.7	\$28,140	0.6	gained jobs	-0.06	lost share
Utilities	4.9	4.5	\$81,395	-0.4	lost jobs	-0.03	lost share
Real Estate and Rental and Leasing	18.0	17.8	\$50,109	-0.2	lost jobs	-0.03	lost share
Management of Companies and Enterprises	16.0	15.8	\$78,043	-0.1	lost jobs	-0.02	lost share
Accommodation	5.4	5.4	\$24,994	-0.02	lost jobs	-0.01	lost share
Subtotal, industries losing job share	647.4	616.7	\$51,601	-30.7		-3.0	
Total Nonfarm	1,176.8	1,191.8	\$43,115	15.0			
*Analysis excludes natural resources and mining and not elsewhere classified.					Job Quality Ratio -0.38		
** Percentage point change.							
Note: The average wage for the two groups is computed by weighting the industry average wage by each industry's share of the change in the job share for its group.							
Source: New York State Department of Labor Insured Employment series, analyzed by Fiscal Policy Institute.							

Personal income Declined

Between 2000 and 2003, real total personal income in the region decreased at an average annual rate of -0.3%, in comparison to average annual growth rates of 3.5% in the 1980s and 2.2% in the 1990s. Wages and salaries, a component of personal income, grew by only 0.3% in between 2000 and 2003. In contrast, it grew by 4.2% in the 1980s and 1.8% in the 1990s. Transfer payments, which grew by 3.6% in the 1980s and 3.5% in the 1990s, grew by 4.1% between 2000 and 2003.

Long Island Change in Personal Income and Components, Selected Years (in billions of 2003 dollars)									
Year	Earnings by place of work					Contributions for gov't soc. ins.**	Dividends, Interest, Rent	Transfer Payments	Residency Adjustment
	Personal Income	Wages & Salaries	Supplements to Wages & Salaries*	Proprietors Income					
1980	70.7	28.8	6.1	4.9	-3.9	12.7	6.6	15.4	
1990	99.5	43.4	8.4	6.9	-6.8	22.2	9.4	15.9	
2000	124.2	52.0	9.7	8.1	-7.8	24.5	13.3	24.5	
2001	124.9	51.5	9.9	9.0	-8.0	24.1	13.9	24.5	
2002	123.0	51.6	10.7	9.3	-8.2	22.0	14.7	22.8	
2003	123.0	52.4	11.3	9.7	-8.3	21.1	15.0	21.8	
1980-1990 Change	28.8	14.6	2.4	2.0	-2.9	9.5	2.8	0.4	
Ann Avg % Change	3.5%	4.2%	3.3%	3.5%	5.8%	5.7%	3.6%	0.3%	
1990-2000 Change	24.7	8.6	1.2	1.2	-1.1	2.3	3.9	8.6	
Ann Avg % Change	2.2%	1.8%	1.4%	1.6%	1.5%	1.0%	3.5%	4.4%	
2000-2001 Change	0.7	-0.5	0.2	0.9	-0.1	-0.4	0.6	0.0	
% Change	0.6%	-0.9%	2.4%	10.6%	1.8%	-1.4%	4.5%	0.0%	
2001-2002 Change	-2.0	0.1	0.8	0.3	-0.2	-2.1	0.8	-1.6	
% Change	-1.6%	0.2%	8.0%	3.6%	2.2%	-8.9%	5.5%	-6.6%	
2002-2003 Change	0.0	0.8	0.6	0.4	-0.2	-0.9	0.3	-1.1	
% Change	0.0%	1.6%	5.2%	4.6%	2.3%	-3.9%	2.2%	-4.7%	
2000-2003 Change	-1.2	0.4	1.6	1.6	-0.5	-3.4	1.7	-2.7	
Ann Avg % Change	-0.3%	0.3%	5.2%	6.2%	2.1%	-4.8%	4.1%	-3.8%	

* Includes employer contributions to pensions and social security. Supplements are added to earnings by place of work.
** Includes employer and employee contributions to social security. These contributions are subtracted from personal income.
Source: BEA. Deflator applied by Fiscal Policy Institute.

Prospects

The Long Island region is one of the strongest labor market regions in New York State. The region, especially Nassau, is densely populated, and residents of the Long Island region have easy access to jobs in New York City. Thirty-two percent of Nassau residents and twelve percent of Suffolk residents commute to jobs in New York City. The economy is highly diversified, but has several industrial clusters that are especially important to its economic makeup. These include R&D, defense, and high-tech/information systems.

The region has a well-educated workforce that encourages investment by high-technology firms, especially in Suffolk County. Long Island has rebounded since the defense cutbacks in the 1980s by attracting high-technology and biotechnology investments. Major research laboratories anchor high-technology development in the region. They include the Cold Spring Harbor Laboratory (R&D in Biotechnology), the Brookhaven Lab (R&D in environmental and biomedicine). Brookhaven Science Associates—a collaboration between Battle Memorial, the SUNY Research Foundation and SUNY at Stony Brook—manages Brookhaven Labs. The lab works closely with SUNY Stony Brook, which is the major user of the Brookhaven facilities.

Long Island also has a significant collection of major defense contractors and hi-tech/information systems firms, including Northrop Grumman, EDO Corporation, BAE Systems, and Telephonics. Increased defense spending should benefit the region. In 2004, Nassau county firms received \$590 million for defense related work.

The Long Island Association's Millennium Center for Convergent Technology was established to promote technology innovations arising from "the convergence of the biosciences, information technology, and sensors

and electronics,” and holds some promise for future economic development. The program has received both state and federal funding to support its efforts in this area.

Long Island attracts 20 million visitors annually, making tourism a large part of the economy, valued at \$4 billion a year. There seems to some potential here for further development.

High housing prices may act as a constraint on economic growth in the region. Local leaders have called for increased government assistance for affordable housing. Young workers and first time homebuyers may be particularly affected. If not addressed, the region’s affordable housing problem will continue to pose a major impediment to local companies’ ability to attract and retain the workforce they need to grow.

Major Employers on Long Island, 2004	
Brookhaven Science Assoc Llc	Newsday Inc.
Cablevision Systems	North Shore University Hospital
Chase Manhattan Bank	Pathmark Supermarkets
County of Nassau	Pine Park Elementary School
County of Suffolk	Sears Roebuck & Co
GEICO Insurance	Stop & Shop Stores
Good Samaritan Hospital	SUNY at Stony Brook
H B Ward Tech Ctr	SUNY Research Foundation
Hofstra University	Town of Hempstead
Home Depot Stores	U.S. Department of the Treasury
Keyspan Corporation	United Parcel Service Inc NY
King Kullen Grocery Co Inc	Verizon
Macys Department Stores	Waldbaums Supermarkets
Nassau Board of Cooperative Education Services	Wal-Mart Associates Inc
Nassau Health Care Corporation	Winthrop University Hospital
Source: Empire State Development	
Note: Employers are not ranked by size.	