

Economic Geography of the Long Island Region

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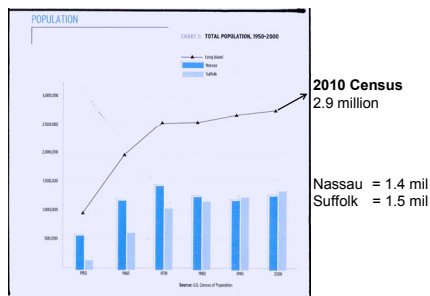
Geography of Data

The geography of economic activity requires:

- the gathering of spatial data
- the location of data geographically
- the analysis of the interrelationship of the data to geographic site and situation, both currently and historically (so as to assess change).

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Total Population Change from 1950-2010 for Nassau/Suffolk



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Economic Development Over Time

- The original inhabitants were hunter-gatherers who later became subsistence farmers.
- The European colonists relied on subsistence farming and fishing to survive.
- For-profit activities - farming, fishing and whaling - came about as a cash economy took hold.
- Early interaction with other parts of LI and NYC was limited by poor transportation.

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Economic Development Over Time

- As a network of boat routes, overland turnpikes and the rail lines were established, trade within areas of LI and outside of LI (NYC and New England) flourished.
- Industries started out locally and were based on nearby resources and people.
- The western end of LI (Brooklyn and Queens) saw the first large-scale industrial development, especially along the East River inlets as Newtown Creek and Gowanus Creek.

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Economic Development Over Time

- In the post-Civil War era, especially in the 1870s, saw the rapid growth of industry along the Brooklyn-Queens waterfront.
- Income generated allowed the wealthy industrialists to build estates on LI's North Shore and the workers to vacation along its South Shore.
- The leisure, vacation, tourism and retail industries developed to support them.

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Economic Development Over Time

- During the early 1900s airplane and related technology industries were established in Nassau County.
- The 1930s-1960s saw defense industries grow and the need for workers increase.
- Workers needed housing: the construction industry grew.
- Workers and their families required goods and services: the retail trade industry grew.

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Economic Development Over Time

- During the 1970s high-technology and service oriented industries were set up in Nassau and western Suffolk counties.
- Nassau's economic and population growth slowed as it began to run out of land.
- Suffolk's increased because of the availability of space. But its agricultural sector suffered as suburbia moved eastward.
- Suffolk acts to preserve farmland (1974) but this affects economic development.

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Economic Development Over Time

- LI residents, especially those in central and eastern Suffolk County who did not work locally, commuted daily to jobs in NYC and Nassau County.
- The LIRR carried workers to NYC.
- The Long Island Expressway, the North State Parkway and the Southern State Parkway became clogged with commuters working in Nassau and Suffolk counties or driving to NYC subway stations.

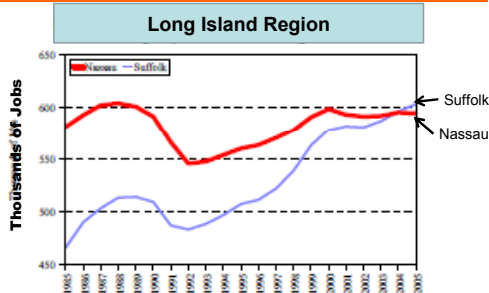
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Economic Development Over Time

- 1990s: Nassau-Suffolk lost many defense-related industry jobs (aviation; electronics).
- Since then, Nassau's growth has been slow while Suffolk's has increased due to a strong research and biotechnology sector (associated with Stony Brook and Brookhaven) and financial services.
- Research and development, wine making and recreation industries helped Suffolk get through the recession of the 2000s.

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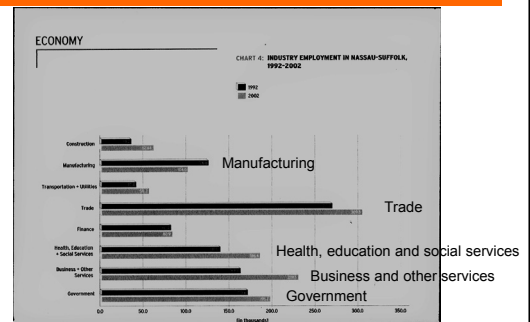
Employment Trend 1995-2005



Source: NYS Comptroller's Office, 2007

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Areas of Employment 2002



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Industry Groups in 2002

US Census of Industry and Manufacturing

Nassau County (47,600 units) **Suffolk County (48,400 units)**

1. Professional, scientific, technical services
 2. Retail trade
 3. Health care and social assistance
 4. Construction
 5. Other services (except public administration)
 6. Wholesale trade
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 2. Retail trade
 3. Professional, scientific and technical services
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Employment by Industry in 2006

NYS Dept of Labor

Industry Cluster Reporting Units, Employment, and Wages, Long Island Region*

*Data are preliminary and subject to change.
**Data may not add to total due to rounding.

Region	Industry Cluster	Reporting Units	Employment**	% Change, 2003-2006	Total Wages (\$ mns)**	% Change, 2003-2006	Average Wage
Long Island	Back Office & Outsourcing	639	20,700	18.7%	\$820.4	35.5%	\$39,630
	Biomedical	448	14,400	2.9%	\$730.7	11.5%	\$50,990
	Communications, Software & Media Services	1,475	32,700	1.6%	\$1,989.9	6.3%	\$55,730
	Distribution	8,113	44,700	-0.6%	\$2,635.1	13.9%	\$58,990
	Electronics & Imaging	199	10,800	-10.4%	\$752.9	5.3%	\$69,480
	Fashion, Apparel & Textiles	585	6,700	0.9%	\$317.7	8.9%	\$47,550
	Financial Services	3,708	50,100	-6.4%	\$4,194.5	13.6%	\$83,680
	Food Processing	205	6,400	-6.6%	\$246.9	2.6%	\$38,830
	Forest Products	361	5,300	6.0%	\$263.0	27.0%	\$49,230
	Front Office & Producer Services	9,786	73,500	3.6%	\$4,633.8	12.4%	\$63,070
	Industrial Machinery & Services	841	22,300	1.3%	\$1,270.2	15.0%	\$56,960
	Information Technology Services	1,857	11,500	3.8%	\$829.5	18.1%	\$71,280
	Materials Processing	335	8,100	-15.6%	\$409.6	-2.6%	\$50,500
	Miscellaneous Manufacturing	235	5,400	-5.0%	\$206.2	3.3%	\$37,930
	Transportation Equipment	142	5,300	7.3%	\$374.0	20.7%	\$71,010
	Travel & Tourism	9,863	38,100	3.0%	\$1,197.2	13.4%	\$31,420
Long Island, Total		38,902	356,600	0.7%	\$20,862.5	12.8%	\$58,500

Percent Employed in 2008

US Census, American Survey

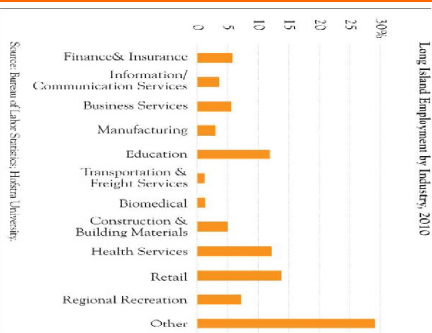
Nassau County

- 27% Education, health care, social services
- 13% Professional, scientific, management
- 11% Retail trade
- 10% Finance, insurance, real estate
- 7% Arts, entertainment, recreation, accommodation, food service

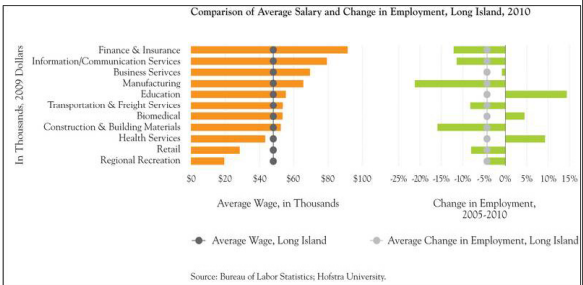
Suffolk County

- 25% Education, health care, social services
- 12% Retail
- 11% Professional, scientific, management
- 8% Construction
- 8% Manufacturing
- 8% Finance, insurance, real estate

LI Employment by Industry, 2010



Salary and Change in Employment, 2010



Economic Development, 2011

Labor Statistics for the Long Island Region

Nassau and Suffolk Counties

Recent Developments in the Long Island Labor Market

The private sector job count on Long Island rose over the year by 10,300, or 1%, to 1,002,200 in March 2011.

Job gains were centered in educational and health services (+6,500), leisure and hospitality (+3,400), trade, transportation and utilities (+2,800), and other services (+1,800).

Losses were greatest in natural resources, mining and construction (-3,000), manufacturing (-1,300), and information (-1,000). The government job count fell (-2,300) over the year.

The **Long Island unemployment** rate for March 2011, at 7.1%, is down 0.7% from last year's 7.8%.

SOURCE: NYS Dept. of Labor

LI Industry Clusters

- **Industry clusters** are *geographic concentrations of competing, complementary or independent entities that do business with each other and/or have common needs for talent, technology and infrastructure.*
- They are an **analytic tool** for understanding the characteristics of an economy.
- NYS Department of Labor uses them to **study linkages** between segments of the economy.

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LI Region Industry Clusters

- **Location Quotient:** a measurement of industry employment compared to a base.
- It is calculated by an industry's share of jobs in the local economy divided by its share of jobs in the US economy.
 - If the LQ is greater than 1 it is producing more than is consumed locally (exporting).
 - If the LQ equals 1 it is meeting local demand.
 - If the LQ is less than 1 it is not meeting local needs (importing).

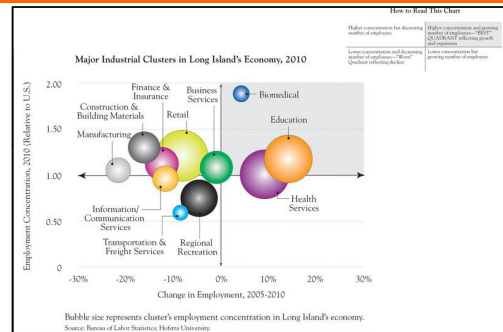
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LI Region Industry Clusters

- LI industry clusters are **"export" oriented**.
- Their services and products are sold to customers outside of their local market.
- This **generates income and jobs locally**.
- The NYS Empire State Development Corporation has identified 16 clusters in the Long Island Region

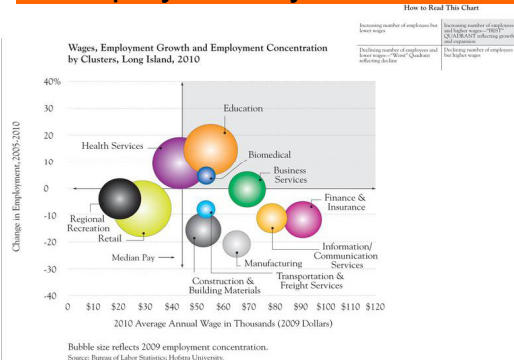
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Major Industrial Clusters, 2010



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Employment by Cluster, 2010



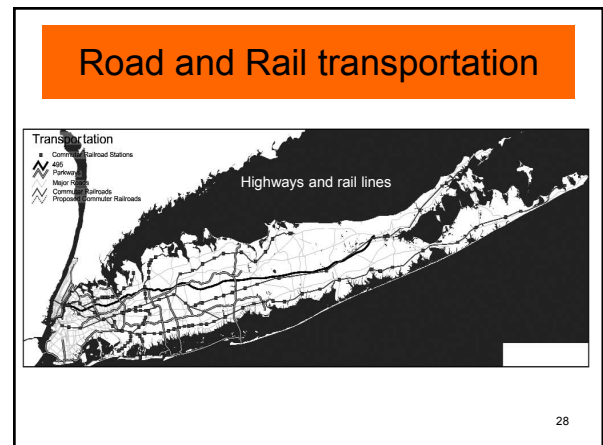
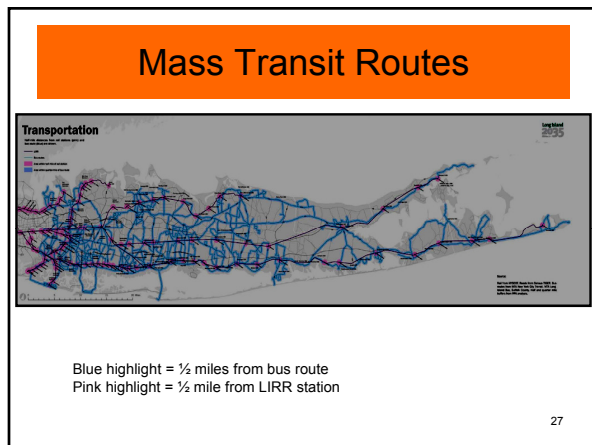
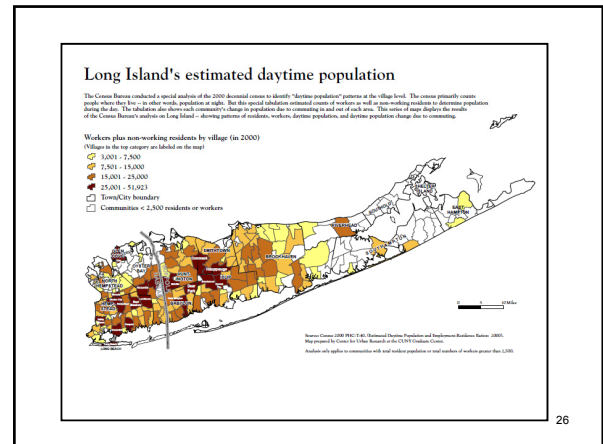
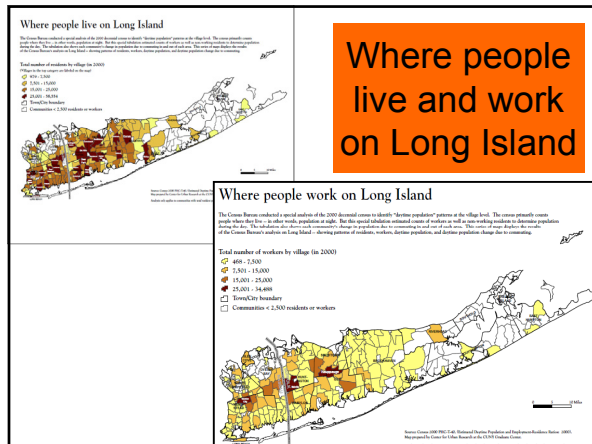
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Top 5 Industry Clusters in the Long Island Region

By Employment	By Total Wages	By Average Wage	By Location Quotient
1. Front Office/producer serv.	1. Financial Serv.	1. Financial Serv.	1. Biomedical (1.71 LQ)
2. Financial Serv.	2. Front Office/producer serv.	2. Info technology	2. Electronics and Imaging (1.37)
3. Distribution	3. Distribution	3. Transportation Equipment	3. Misc. Manufacturing (1.20)
4. Travel/Tourism	4. Communication software, media	4. Electronic and imaging	4. Front Office /producer serv. (1.06)
5. Communication software, media	5. Industrial machinery and services	5. Front Office/producer serv.	5. Communication, software, media (1.04)

Source: NYS Dept. of Labor, 2011

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Question of the Day

Should commercial development in eastern Long Island be encouraged?

Benefits? Drawbacks?

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Compilation of Census Statistics from CityMelt.com

- <http://www.citymelt.com/county/New-York/Suffolk+County-NY.html>
- <http://www.citymelt.com/city/New-York/East+Hampton+Town-NY.html>

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