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# Long Island Is an Unlikely Jobs Engine

## Nassau and Suffolk Counties Have Fastest-Growing Economies in the State

By [LAURA KUSISTO](#)

Long Island has the hallmarks of a declining economy: an aging population, high taxes, a shrinking manufacturing base and car-oriented neighborhoods full of single-family homes that are increasingly unattractive to young people.

And yet, Nassau and Suffolk counties have the fastest-growing economies in New York, according to the state Department of Labor.



*Reuters*

New job growth figures showed that Long Island private-sector jobs grew the fastest of any metro area in the state. Here, a job fair in New York last year.

The surprising distinction was bolstered on Thursday, when the state released new job growth figures showing that Long Island private-sector jobs grew at a rate of 2.9% in April versus the same month last year—the fastest of any metro area in the state. That is the fourth straight month that Nassau and Suffolk counties added jobs at a rate of 2% or more.

New York state's private-sector jobs increased by 1.9% compared with last year and jobs grew by 2.5% in New York City, where a separate report Thursday showed unemployment hitting a four-year low of 8.4%. In Westchester County, a comparable suburban area, private-sector jobs grew by 1% over the same time period.

Long Island's economic recovery comes with caveats. Nearly half of the 30,500 jobs added on Long Island over the past year were in low-wage industries like retail and restaurants. The manufacturing and defense industry jobs that once defined the island aren't likely to return after being trimmed during the most recent recession. And the region has some of the highest property taxes and electricity rates in the nation.

But the area known as the nation's "first suburb" has now gained back all of the jobs it lost after the financial crisis and added more than 20,000 more. Its unemployment rate stood at 6.8% in March, compared with a high of 8.3%. Experts said the strong recovery can be attributed to its proximity to New York City, which also has bounced back quickly from the recession, and to a push by local officials to retool the Long Island economy with aggressive tax breaks and other government incentives.

"We're in a state of flux and adjustment," said Desmond Ryan, executive director of the Association for a Better Long Island. "Overall the region has fared much better than the rest of the state. The future looks bright."

Pearl Kamer, a now-retired economist for the Long Island Association, a business trade group, predicted in a 2011 speech that, "for the first time in many years, Long Island must rebuild its economy by growing entirely new industries."

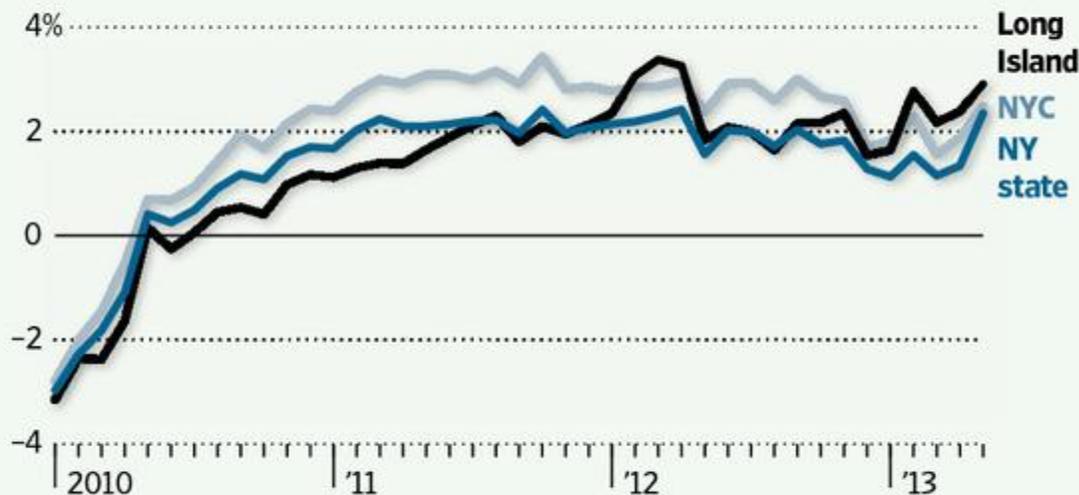
More than two years later, there are early signs of success in that effort, experts said.

Tourism is increasing as New Yorkers have flocked to a budget-friendly option just outside city limits. The surging retail and restaurant sectors added 8,000 jobs in April compared with a year ago, growth attributable in part to Long Island's success attracting visitors to summer resort towns like Montauk.

The education and health sectors also added 7,200 jobs in April compared with last year, thanks in part to the aging population. (Suffolk's population of people older than 64 years old increase 20% from 2000 to 2010, according to the U.S. Census Bureau.) Some said efforts to attract technology and biotechnology startups have been successful.

## Leading the Recovery

Total private sector jobs, change from a year earlier



Note: Non-seasonally adjusted figures

Source: Labor Department

The Wall Street Journal

Construction jobs are increasing in the aftermath of Sandy, in part because generous local incentives have helped stimulate more urban-style developments near significant transit hubs. Health-care jobs catering to the aging population are also growing.

The result has been 35 consecutive months of job growth, but the economy still faces significant challenges in the coming months, experts cautioned.

[Northrop Grumman](#) Corp. announced in March it was planning to lay off or transfer 850 Long Island workers—shrinking its presence further to 550 workers, down from 22,500 in the 1980s. OSI Pharmaceuticals—once heralded as a symbol of the biotech transformation—plans to close its Long Island facility and lay off 115 local employees, its parent company said this week.

The latest layoffs weren't reflected in the state jobs numbers. They are modest in comparison with the 56,000 jobs the area lost in the first two years of the downturn.

There also are challenges such as looming local government budget deficits and a lack of apartment buildings to house recent college grads. Both pose long-term obstacles, especially to attracting cutting edge technology companies, said Mitchell Pally, chief executive of the Long Island Builders' Institute.

"You also have to make sure that the young people who are graduating from our colleges stay," Mr. Pally said. "Unfortunately in many cases they're moving to the city, where there lifestyle is

significantly different and better, and then they get a job with a high-tech company in Brooklyn or Queens or Manhattan."

One reason for the turnaround is that local governments have ramped up the tax incentives to get companies to move to or stay on Long Island, said Shital Patel, a state labor market analyst who studies Long Island.

Nassau County Executive Edward Mangano played down the importance of incentives, focusing on a different aspect of the county's economic development strategy.

"We researched companies that may be moving out of the region. We meet with those companies and explain to them the benefits of coming here to Nassau County," he said.

One such company was [Hain Celestial Group](#), a manufacturer of organic foods and health products founded 20 years ago in Jericho, Long Island. It agreed in 2012 to keep its headquarters on the island, moving to a building in Lake Success that served as the United Nations headquarters from 1946 to 1952.

The company, which employs 250 people in its headquarters and plans to double that, had been courted heavily by New Jersey and other states. It received \$4.5 million in incentives from Empire State Development Corp. and breaks on county property and sales taxes through the Nassau Industrial Development Agency.

Irwin Simon, Celestial's president and CEO, said the incentives weren't his chief consideration. "I had states offering me checks where I could have moved there and been rent-free for quite a few years," he said. Instead he decided to remain in Long Island because it would allow him to keep the same employees. "We had grown from a small company. We had a lot of loyal, competent employees," Mr. Simon said.

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