



Economic Trends in Suffolk County

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Highlights

- Suffolk is the fourth most populous county in New York State, and its 3.6 percent population gain between 2000 and 2005 outpaced the rate of increase for the State and much of the downstate region.
- Slightly more than half of Long Island's jobs are in Suffolk County, where employment grew by 1.2 percent in 2005. Total employment in Suffolk was virtually unaffected by the early 2000s recession.
- The unemployment rate in Suffolk County has continued to fall since the recession, reaching an average of 4.1 percent in the first half of 2006, which is less than the average rate of 4.8 percent Statewide.
- Nearly 90 percent of the businesses in Suffolk employ fewer than 20 people, but Suffolk is still home to a significant number of large or multinational firms.
- The three largest employment sectors in Suffolk are trade, transportation, and utilities; government; and education and health services. Together these sectors account for over half of all jobs in the county.
- Suffolk generates the highest level of agricultural sales—over \$200 million in 2002—of any county in New York State. Suffolk is the State's leading seller of nursery and greenhouse products and aquaculture products, and it has the second-highest sales of egg and poultry products in the State.
- Wages grew by 5.4 percent in 2004 and another 3.9 percent in 2005. After adjustment for inflation, wages have grown by 2.4 percent since 2000, before the recent recession.
- The median household income in Suffolk was \$71,956 in 2004, significantly greater than the State's \$47,349.
- The median home value in Suffolk reached \$405,000 in 2005. The rate of growth in Suffolk's home values between 1998 and 2005 was the highest in the State.

Suffolk County, which together with Nassau County comprises the area known as Long Island, has a strong economy that has achieved record highs in employment and population in recent years. Although Suffolk and Nassau have shared a common history through the 20th century, their economies have developed at different rates in recent decades.

While the recession of the early 1990s had a significant impact on Suffolk (including the loss of much of the defense-related manufacturing sector), the most recent recession had a much smaller impact. As Suffolk's economy has recovered, it has accounted for a larger portion of economic growth in Long Island than Nassau County—which is often referred to as America's "first suburb" and has already reached economic maturity.

The continued availability of land for development in Suffolk is one factor in the county's current growth. Suffolk is also capitalizing on historically strong research and engineering skills in the community to further develop the biotechnology and high-technology industries. Although such growth is changing the county, it retains a significant agricultural sector, which, along with recreation and vacation destinations, makes Suffolk feel relatively rural.

While Suffolk has many assets that position it well for continued growth, the county also faces challenges. Several communities have older downtown districts that have lost their retail bases and have aging infrastructures. Rising housing costs and property taxes have created a shortage of affordable housing for those looking to move into or remain in Suffolk. In addition, traffic congestion has become a major issue, as the county lacks significant mass transit options, and its population and number of vehicles have increased. A heavy reliance on cars and trucks also increases the impact of higher energy costs on consumer and business spending in Suffolk.

A Brief History

The Algonquin Indians were the original settlers of the area that is now Suffolk County. Europeans reached Suffolk in 1614, when Adrian Block from Holland landed at Montauk. The first permanent European resident was Englishman Lion Gardiner, who purchased what is now known as Gardiner’s Island (located between the north and south forks of Long Island) from the Algonquins in 1639.

The eastern portion of Long Island continued to be settled by the English, who came from Massachusetts and Connecticut, while the Dutch, moving eastward from New Amsterdam (now New York City), settled the western region. In 1650, an agreement divided control of Long Island between the English and the Dutch; the dividing line was almost the same as the current border between Nassau and Suffolk counties.

Dutch control in the area ended in 1664 when Peter Stuyvesant surrendered New Amsterdam to the English. In 1683, Suffolk became one of the 12 original counties of what would become New York State. The new county was named after England’s Suffolk County, from which many of the earliest settlers emigrated.

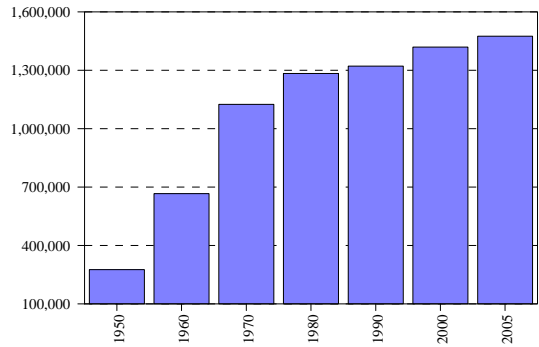
Suffolk’s early economy was centered on farming, fishing, shipbuilding, and whaling. Many parts of the county also developed into vacation centers that attracted city dwellers. During the early part of the 20th century, Long Island became a major aviation center, and the industry expanded rapidly as a result of World War II and the ensuing Cold War. One of the factors in Suffolk’s development was the Long Island Rail Road (LIRR), which today is the country’s oldest and largest commuter railroad. The subsequent suburbanization of Suffolk brought rapid population growth, housing construction, and related infrastructure development (including schools and colleges such as Stony Brook University) beginning in the late 1950s.

Demographics

Suffolk County is the fourth most populous county in the State (behind the boroughs of Brooklyn, Queens, and Manhattan), accounting for 7.7 percent of the State’s total population. U.S. Census Bureau data show that the population of Suffolk had reached 1,474,927 by 2005—an

increase of 434 percent since 1950. As shown in Figure 1, most of Suffolk’s population growth occurred by 1980.

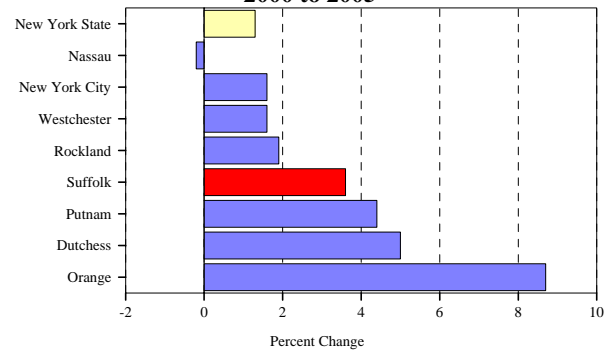
Figure 1
Population in Suffolk County, 1950 to 2005



Source: U.S. Census Bureau

During the 1990s, Suffolk’s population grew by 7.4 percent. In the first half of the 2000s, Suffolk’s population increased by 3.6 percent, which outpaced the growth rate for the State (1.3 percent) and much of the downstate region during this period (see Figure 2). As the 2000s have progressed, however, migration patterns for U.S.-born residents have steadily changed. As of 2004, more of these residents had moved out of Suffolk than moved in.

Figure 2
Population Growth in Downstate New York
2000 to 2005



Source: U.S. Census Bureau

In 2005, whites comprised 75.9 percent of Suffolk’s population, Hispanics or Latinos accounted for 12.6 percent of the population, blacks or African-Americans accounted for 7.1 percent, and Asians accounted for 3.2 percent. The composition of the county’s population has been slowly changing. Between 2000 and 2005, the Asian population increased by 29.6 percent, the Hispanic or Latino population increased by 23.3 percent, and the black or African-American

population increased by 7.8 percent, while the white population declined by 0.5 percent.

In 2005, 12.7 percent of Suffolk’s residents were foreign-born, and 15.8 percent of these residents entered Suffolk since 2000. By comparison, foreign-born residents comprised 20 percent of Nassau County’s residents and 36.6 percent of New York City’s residents in 2005. In Suffolk, more than half of all foreign-born residents were from Latin America and 21.8 percent were from Asia.

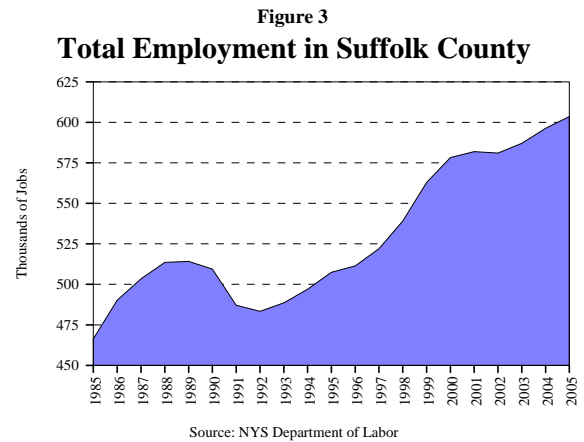
The median age in Suffolk in 2005 was 38 years—an increase of 1.2 years compared with the median age in 2000. This was less than the median age changes in Nassau (2.2 years) and New York City (1.6 years). Suffolk’s median age increase reflects a decline in the share of population between the ages of 25 and 44 (from 31.2 percent in 2000 to 28.4 percent in 2005), and an increase in the share of the population between ages 45 and 64 (from 23.2 percent in 2000 to 26.5 percent in 2005).¹

Overall, Suffolk’s population has become more educated. The percentage of the population aged 25 years and older that had earned at least a high school diploma increased to 89.9 percent in 2005 (from 88.1 percent in 2000). This was significantly higher than the Statewide rate (84.3 percent). The share of Suffolk residents aged 25 and older who had earned at least a bachelor’s degree increased to 31.4 percent and was about equal to the Statewide rate (31.3 percent), and the share of Suffolk’s population that had earned a graduate or professional degree increased to 14 percent in 2005 (from 12 percent in 2000). This was slightly higher than the Statewide share (13.4 percent), and reflects Suffolk’s core of highly educated workers in the computer science, engineering, biotechnology, and other technical industries.

Employment

Long Island experienced severe job losses in the recession of the early 1990s, most notably in the defense-related (aviation and related electronics) portions of its manufacturing sector. Employment in Suffolk, however, recovered by the mid-1990s and has continued to grow since then (see

Figure 3). Except for a slight decline during 2002 due to the recession, employment in the county has grown each year since 1992, with more than 120,000 jobs added by 2005. During 2005, employment in Suffolk reached 603,500 jobs—an increase of 7,180 jobs when compared to 2004.



The strong rate of employment growth has increased Suffolk’s share of the job base in Long Island. In 1985, Suffolk accounted for 44.5 percent of all of Long Island’s jobs, but by 2005 that share had risen to 50.4 percent as employment levels in Suffolk surpassed those of Nassau County by more than 9,000 jobs.

Figure 4 shows the distribution of employment across the sectors in the Suffolk economy. In 2005, more than one fifth of all jobs in Suffolk were in the trade, transportation, and utilities sector, with retail trade accounting for almost 60 percent of these jobs. Government was the next-largest employer, providing almost 17 percent of all jobs. The education and health services sector and the professional and business services sector each accounted for about 13 percent of all jobs. (Within the education and health services sector, almost 90 percent of jobs were in health care). Finally, manufacturing provided nearly 10 percent of Suffolk’s jobs, with computer and electronic products and chemicals (primarily pharmaceuticals) together accounting for over one third of manufacturing jobs.

¹ Between 2000 and 2005, Suffolk experienced only minor changes in the share of the population under age 20 (27.7 percent in 2005) and ages 65 and older (11.8 percent in 2005).

Figure 4
Employment Distribution in Suffolk
(in thousands)

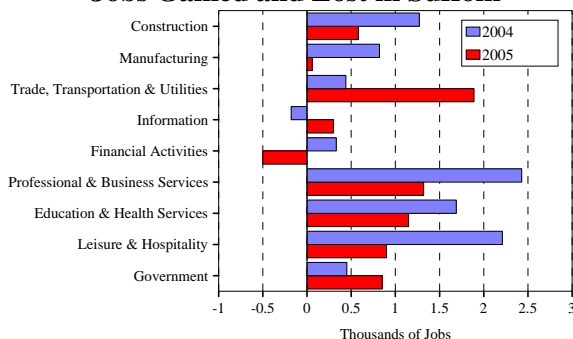
	2005			
	Share in Suffolk	Share in Suffolk	Long Island	L.I.
Mining & Agriculture	2.7	0.4%	2.9	92.7%
Construction	37.1	6.1%	64.1	57.8%
Manufacturing	58.7	9.7%	86.1	68.1%
Trade, Transportation, and Utilities	132.3	21.9%	260.2	50.9%
Information	13.8	2.3%	28.0	49.3%
Financial Activities	29.4	4.9%	80.1	36.7%
Professional and Business Services	77.7	12.9%	152.1	51.1%
Education and Health Services	81.6	13.5%	191.4	42.6%
Leisure and Hospitality	44.0	7.3%	93.9	46.8%
Other Services	21.5	3.6%	47.9	44.8%
Other	3.3	0.5%	7.1	46.0%
Government	101.6	16.8%	184.2	55.2%
Total	603.5	100.0%	1,198.0	50.4%

Source: NYS Department of Labor

Figure 4 also shows that Suffolk provides virtually all of the agricultural jobs in Long Island, and a majority of the jobs in the manufacturing, construction, government, and professional and business services sectors.

During 2005, employment grew in all sectors except financial activities (see Figure 5). There, job increases in securities were offset by losses in insurance, real estate, and rental and leasing services.

Figure 5
Jobs Gained and Lost in Suffolk



Note: Change is from the same period one year earlier.
Source: NYS Department of Labor

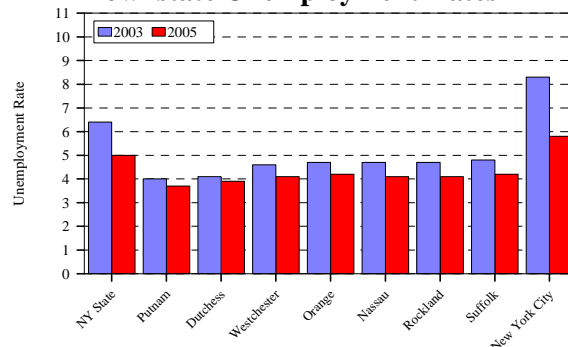
Almost three quarters of the growth in the trade, transportation, and utilities sector (the sector with the largest employment gains) was in wholesale trade. Within professional and business services, job gains in services to buildings and business support services offset losses in legal services, computer systems design, and advertising. More than half of the gains in the education and health services sector occurred in health care, where

gains in home health care services and outpatient clinics offset job declines at hospitals. Almost two thirds of all jobs added in the leisure and hospitality sector were in restaurants. All of the increases in manufacturing employment occurred in durable manufacturing, notably machinery manufacturing and transportation equipment manufacturing.

Labor Force and Unemployment

The annual unemployment rate in Suffolk County declined to 4.2 percent in 2005 (see Figure 6), from 4.6 percent in 2004—the second straight year of decline. The county’s unemployment rate had reached a record low of 3.4 percent in 2000, but the recent recession pushed it up to 4.8 percent by 2003.

Figure 6
Downstate Unemployment Rates



Source: NYS Department of Labor

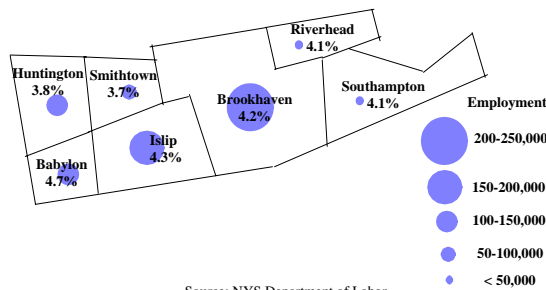
The decline in Suffolk’s unemployment rate has continued through the first half of 2006, falling to 4.1 percent from 4.3 percent during the same period in 2005. Suffolk’s unemployment rate continued to be lower than rates in the State overall (4.8 percent in the first half of 2006) and in New York City, but slightly higher than in Nassau and the other downstate counties.

Among the State’s counties, Suffolk was tied for the sixth-lowest unemployment rate in 2005. The recent decline in Suffolk’s unemployment rate reflects both an increase in the labor force and a decline in the number of unemployed residents²—indicating that many of those entering the labor force in the county are able to find work.

² The unemployment rate is calculated by dividing the number of unemployed residents by the resident labor force, which includes members of the adult population who are either employed or unemployed but seeking jobs.

In 2005, the town of Babylon had the highest unemployment rate in Suffolk, at 4.7 percent, while the rates for the remaining towns ranged from 3.7 percent in Smithtown to 4.3 percent in Islip (see Figure 7).³ Between 2003 and 2005, the unemployment rate for each town fell, driven by growth in employment that exceeded growth in the labor force. The largest decline was in Islip while the smallest was in Riverhead (drops of 0.8 percentage points and 0.4 percentage points, respectively). Despite the recent declines, unemployment rates in most towns remained above the pre-recession lows reached in 2000.

**Figure 7
Town Unemployment Rates
and Employment in 2005**



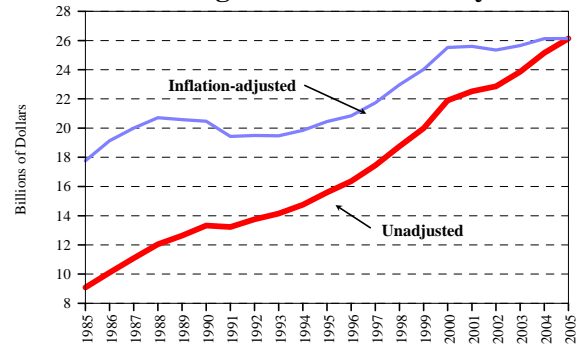
Wages and Salaries

As shown in Figure 8, total wages earned in Suffolk grew by 5.4 percent in 2004 and by another 3.9 percent in 2005 to exceed \$26 billion. Although wage growth in 2005 did not exceed the rate of inflation (which increased that year due to higher energy prices), overall wage growth since 2000—before the start of the last recession—has exceeded inflation by 2.4 percent.

During 2005, wages grew in all sectors in Suffolk. Growth was particularly strong in the sectors of trade, transportation, and utilities (5.9 percent) and construction (5.6 percent). Total wage growth was somewhat subdued, however, because the trade, transportation, and utilities sector—which had large job gains—paid lower average salaries than the average across all industries in Suffolk (see Figure 9).

³ The unemployment rates for East Hampton, Shelter Island, and Southold were not available because the State Department of Labor does not collect labor force data for localities with populations under 25,000.

**Figure 8
Total Wages in Suffolk County**



Sources: NYS Department of Labor; U.S. Bureau of Labor Statistics; OSDC analysis

The average salary for all industries in Suffolk increased annually from 2000 through 2005, growing by 14.4 percent (see Figure 9). After salaries are adjusted for inflation, however, overall average salaries declined in 2001 and 2002, and saw growth of only 0.2 percent in 2003 and 0.3 percent in 2004 before declining by 1.2 percent in 2005.

**Figure 9
Average Salaries in Suffolk County
in 2005**

	Suffolk	2000-05 Change
Financial Activities	\$72,569	18.3%
Information	\$55,462	1.0%
Government	\$50,424	12.6%
Manufacturing	\$49,609	13.0%
Construction	\$48,727	18.0%
Professional and Business		
Services	\$46,746	19.8%
Average All Industries	\$43,300	14.4%
Trade, Transportation, and		
Utilities	\$38,632	15.0%
Education and Health Services	\$38,060	21.0%
Mining and Agriculture	\$33,600	21.5%
Other Services	\$25,937	20.7%
Leisure and Hospitality	\$18,246	12.9%

Source: NYS Department of Labor

Personal and Household Income

Personal income for Suffolk County reached \$58.7 billion in 2004 (the latest year for which U.S. Commerce Department data are available). This accounted for 8 percent of the State's income. In 2004, Suffolk's personal income increased by 6.5 percent; although this was slightly lower than

the 6.7 percent Statewide gain, it was still ranked in the top half of all counties in the State.

In contrast to the 1990 through 2000 period, when personal income for Suffolk increased at an average annual rate of 5.2 percent, overall growth from 2000 through 2004 slowed to an average annual rate of 2.6 percent. The slowdown reflects the impact of the recent recession, including a decline in income from dividends, interest, and rent. Although income from these sources are a small component of the county's total—13.2 percent—the income they generated fell by a total of \$1.5 billion in 2002 and 2003.

Per capita income in Suffolk was \$39,786 in 2004, which was slightly higher than the State's \$38,264. Suffolk had the sixth-highest per capita income among all the State's counties that year, behind New York (i.e., Manhattan), Westchester, Nassau, Rockland, and Putnam. Similar to its total personal income growth, Suffolk's growth in per capita income totaled only 7.1 percent between 2000 and 2004. When adjusted for inflation, the county's per capita income was 2.3 percent lower in 2004 than it was in 2000.

Household incomes performed better. The U.S. Census Bureau reported that in 2004, the median household income in Suffolk County was \$71,956, significantly higher than the State's level of \$47,349. After being adjusted for inflation, real median household income in Suffolk County in 2004 was 3 percent higher than it was in 2000. By comparison, the State's overall real median household income declined by 1.1 percent between 2000 and 2004.

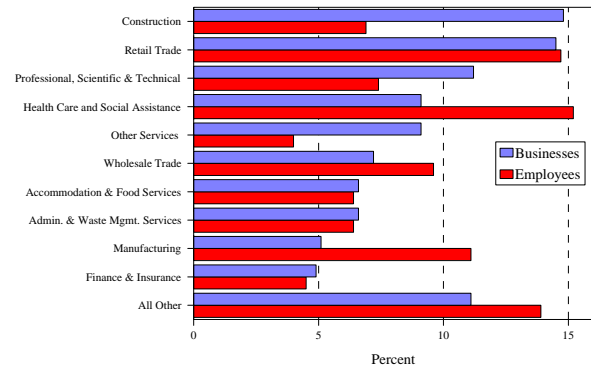
The percentage of individuals in Suffolk with incomes below the poverty level was 6 percent in 2004, significantly lower than the 14.2 percent rate for all of New York State. Of the 236 areas in the nation for which the U.S. Census Bureau measured poverty in 2004, Suffolk ranked 209th.

Businesses

Suffolk County has just under 47,000 business establishments, and more than 40 percent of these are in the three sectors of construction, retail trade, and professional, scientific, and technical services (see Figure 10). These three sectors account for only 29 percent of the jobs in Suffolk, however, as firms in construction and professional services tend to be small.

More than 62 percent of the businesses located in Suffolk are small establishments that employ fewer than 5 employees (see Figure 11). Nearly 90 percent of Suffolk businesses have fewer than 20 employees. Of the county's large firms (those employing 1,000 or more employees), almost half are in the health care and social assistance sector—these include the North Shore Health System, Catholic Health Services, and the Winthrop Health System.

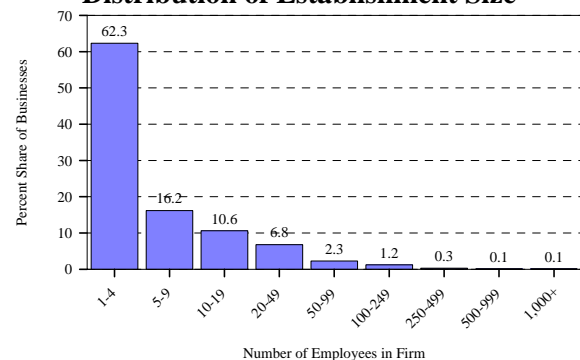
Figure 10
Distribution of Businesses and Employees



Source: U.S. Census Bureau, 2004 County Business Patterns

The county's other large employers include North Fork Bank, Stop & Shop Supermarkets, Brookhaven National Laboratory, Verizon, the Suffolk County government, and the Long Island Rail Road. Among the many larger manufacturers are Henry Schein (medical and dental supplies), Arrow Electronics (electronics and computers), CA (formerly Computer Associates), Symbol Technologies (bar codes, scanning, and tracking systems), and NBTY (nutritional supplements).

Figure 11
Distribution of Establishment Size



Source: U.S. Census Bureau, 2004 County Business Patterns

Economic Development

Suffolk County has a large, diverse economy, and continues to experience business and job growth.

The county is making efforts to maintain this growth through several initiatives designed to rebuild deteriorating communities and attract new business development and investment.

Several towns in Suffolk are in the process of redeveloping their downtown districts. Riverhead recently began negotiations with a developer who has proposed a \$500 million revitalization of the town's East Main Street. Plans for the first phase of the development include a 14-screen movie theater, a supermarket, and 100 units of residential and office space, at an estimated cost of \$120 million. The plan also calls for 7 acres of parkland along the Peconic River.

In Central Islip, construction has begun on a new 180,000-square-foot building for Touro Law School. The building has an estimated cost of \$33 million and will be located across the street from the \$212 million, 850,000-square-foot Alfonse M. D'Amato U.S. Courthouse, which opened in 1999. Central Islip also has plans for a new shopping center, to be anchored by Home Depot and Target stores; and 223 units of new housing, of which 43 units will be reserved for households with incomes between \$76,000 to \$109,000, depending on family size.

Plans have been announced to develop a 400-acre, county-owned site in Yaphank—250 acres will be developed in the near future and 150 acres will be held for future county growth. Suffolk County has asked private developers to submit proposals for the site.

Suffolk is also trying to maximize the benefits of its airports—the Long Island MacArthur Airport in Islip, Republic Airport in Farmingdale, and the Francis S. Gabreski Airport in Westhampton. MacArthur was the 87th-busiest commercial airport in the nation in 2005, according to preliminary data from the Federal Aviation Administration. Passenger boardings at MacArthur rose 7.1 percent that year, to total nearly 1.1 million, and the airport ranked seventh-busiest in the State (behind airports in New York City, Buffalo, Albany, Rochester, and Syracuse). Compared to other downstate regional commercial airports, MacArthur handled twice as many passengers as Westchester Airport and four times as many as Stewart International Airport in Newburgh. In 2004, MacArthur opened a new

\$55 million concourse, which includes a food court, shops, and four new gates.

Both Republic and Gabreski airports are general aviation facilities used by corporations, private individuals, charters, and air taxi services. Gabreski also serves as the base for the New York Air National Guard 106th Rescue Wing, and 46 acres surrounding the airport have been designated a State Empire Zone. Suffolk County has issued a request for proposals for an office park aimed at attracting high-tech and homeland security enterprises that would benefit from proximity to the airport. The finalized project is expected to provide at least 500 new jobs. Republic Airport, now operated by the State Department of Transportation, began operations in 1927 as part of the Fairchild Airplane factory. Expansion plans in development include new hangars, office space, and parking facilities.

Special initiatives are underway to attract biotech and high-tech companies to Suffolk County. Stony Brook University houses the Long Island High Technology Incubator, which offers office space and state-of-the-art research facilities to small high-tech businesses. Since its inception in 1986, 44 companies have successfully “graduated” from the incubator.

To further facilitate growth, the university has acquired 246 acres of land on which to build a research and development campus, anchored by a Center for Excellence in Wireless and Information Technology (CEWIT). The CEWIT will be a 100,000-square-foot building that will include 22 laboratories. Construction of the building, the first of ten buildings planned for the new campus, is expected to begin in 2006 and is being funded by a \$50 million grant from New York State's Centers of Excellence program. Stony Brook anticipates that as many as 1,900 researchers and employees will work at the research and development campus within ten years. Other buildings will include a Center for Computational Neuroscience and a Nanoscience and Technology Research Center.

Brookhaven National Laboratory, which employs 2,700 people in Suffolk County, is building a new 65,000-square-foot Research Support Building on its Upton campus. At an estimated cost of \$16.5 million, the new building is the first to be built as part of Brookhaven's master plan to

develop its 5,300-acre site. Plans are also underway to develop an \$80 million Center for Fundamental Nanoscience, which will be funded by the U.S. Department of Energy's Basic Energy Sciences program. In addition, OSI Pharmaceuticals in Melville, which currently provides 150 county jobs, is undergoing a \$20 million headquarters expansion project that is expected to generate 250 new jobs.

Suffolk also has several major high-tech/information systems firms and defense contractor firms that contribute to the area's economy. CA (formerly Computer Associates), one of the nation's largest computer software development companies, is headquartered in Islandia and employs over 2,000 people. Other high-tech and defense firms in Suffolk include BAE Systems in Greenlawn, EDO Corporation in North Amityville, and Telephonics Corporation in Huntington. In 2004 these firms, along with others in Long Island, generated \$590 million in defense-related work.

Housing

Despite the high cost of housing, home ownership is a major facet of life in Long Island. In 2004, data from the U.S. Census Bureau showed that Long Island's rate of home ownership was 85.7 percent, the second-highest rate among the top 75 metropolitan areas in the country.⁴ Long Island has traditionally been an area where most residents own their homes, and Census data show annual ownership rates of about 80 percent or more dating back to 1986.

The State Office of Real Property Services has reported that the median home value in Suffolk increased 12.2 percent in 2005 to reach \$405,000—higher than all counties in the State outside New York City⁵ except for Westchester (\$570,000), Rockland (\$483,000), and Nassau (\$475,000). The median value for a home in Suffolk increased at an average annual rate of 14.2 percent between 1998

and 2005—the highest growth rate in the State during this period.

Reflecting Suffolk's high property values relative to much of the State, county residents also face a high real property tax burden. In a recent report,⁶ the State Comptroller noted that the per capita levy of property taxes in Suffolk in 2005 was \$2,887, exceeding the Statewide average of \$2,022. Suffolk had the sixth-highest per capita levy in the State following Hamilton (\$5,979), which was the most sparsely populated county in the State, Nassau (\$3,772), Westchester (\$3,552), Rockland (\$3,161), and Putnam (\$2,938).

For residents of Suffolk who lived in rental housing, monthly rents were among the highest in the nation. Data from the U.S. Department of Housing and Urban Development show that for a two-bedroom apartment in 2006, the median monthly rent in Long Island was \$1,350, which ranked 11th in the country. (The San Francisco Bay Area had the highest monthly rent, at \$1,685). Within the State, Long Island had the second-highest median monthly rent behind Westchester (\$1,420), and was higher than the New York City area median rent (\$1,222).⁷

Residential development in Suffolk, which primarily consists of single-family homes, has continued in recent years, although the volume of activity slowed somewhat in 2003 and 2004 (see Figure 12). Permit activity picked up in 2005, with the rate of development in Suffolk significantly greater than in the other downstate suburban counties, where permit activity in 2005 ranged from 141 units (Putnam County) to 1,830 units (Orange County).

Since 1969, some parts of Suffolk County have only issued building permits for single-family homes. The towns of East Hampton, Shelter Island, Southampton, and Southold collectively issued an average of more than 900 building permits annually between 1998 and 2005. All of the permits were for single-family houses. By contrast, Islip issued more than 4,300 building permits during this period, with 41.5 percent of

⁴ Nassau and Suffolk counties were reported by the U.S. Census Bureau as a single metropolitan area through 2004. Beginning in 2005, the two counties were combined with the New York City primary metropolitan statistical area, which because of its size and the low rate of ownership in the City had an ownership rate of 54.6 percent—among the lowest in the nation.

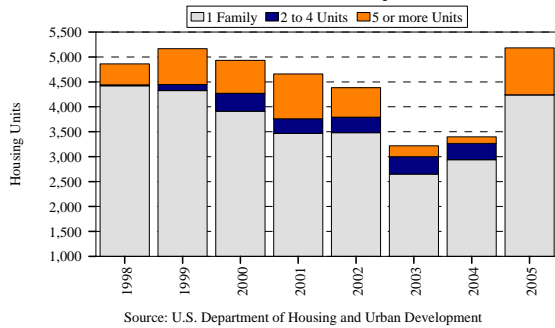
⁵ Data for New York City in 2005 has not yet been released. In 2004, the median value in the City exceeded Suffolk's.

⁶ Office of the State Comptroller, Division of Local Government Services and Economic Development, *Property Taxes in New York State*, April 2006.

⁷ HUD includes the counties of Rockland and Putnam in the New York City area.

these for structures containing five or more units. Overall, Islip accounted for 45.6 percent of all the permits issued in Suffolk for buildings of this size during the 1998 through 2005 period.

Figure 12
Residential Building Permits
in Suffolk County



The preponderance of single-family homes in Suffolk has resulted in a limited supply of housing. In 2004, the U.S. Census Bureau measured the home owner vacancy rate at 0.4 percent and the rental vacancy rate at 3.6 percent—both lower than corresponding rates for the State (1.4 percent and 5.2 percent, respectively).

Low vacancy rates and rising home values and monthly rents are creating housing affordability problems for Suffolk. The U.S. Census Bureau reports that 72.4 percent of the county’s home owners had mortgages, which is higher than the State’s rate of 65.2 percent. Among those with mortgages, 46.3 percent contributed at least 30 percent of their household incomes toward housing, compared to the 37.5 percent share Statewide. For renters, an even greater number paid at least 30 percent of their incomes toward housing—55.7 percent in Suffolk compared to 50.2 percent Statewide.

Affordability may be contributing to recent changes in domestic migration patterns, which now show that more people are moving out of Suffolk than moving in. In addition, the population between ages 25 and 29 showed virtually no growth between 2000 and 2005, while the population between ages 30 and 39 declined by more than 20,000. Older age groups showed increases, especially in the age ranges of 45 to 49 and 55 to 64.

Suffolk County has taken steps to address issues of housing affordability. Among the programs

sponsored by the county’s Department of Economic Development, two provide assistance to first-time home buyers. The Development Assistance Program has assisted more than 900 families in obtaining federal funds that can be applied toward down payments on first homes. (Similar programs are also sponsored by the towns of Babylon and Islip.) Suffolk has also begun a program in conjunction with local businesses to provide assistance with down payments as a tool to help recruit and retain employees. Funds provided by employers to their employees for the purpose of making a down payment on a home are matched by the county. Six businesses currently participate in the program.

Several nonprofit organizations also provide housing assistance, including the Long Island Housing Partnership, the Community Home Purchase Process Initiative, and Community Housing Innovations Inc., which provides assistance to home buyers through grants that enable them to afford down payments, as well as transitional and permanent affordable rental units. The Long Island Campaign for Affordable Rental Housing also provides assistance for affordable rental housing.

Transportation

Commuting Patterns

As the county’s job market has grown, more working residents of Suffolk are employed locally. The proportion of Suffolk residents who work in their home county increased to 73.4 percent in 2000, up from 60.4 percent in 1970. Most residents working in Suffolk were employed in sectors that primarily serve local needs, including government (16.7 percent), education and health care (14.2 percent), and retail trade (12.8 percent).

Of the 26.6 percent of Suffolk residents who worked outside of the county, more than half worked in Nassau County, while most of the rest were employed in New York City. More than half of the City-bound commuters worked in Manhattan. Of these, 22.2 percent worked in the financial activities sector (mostly on Wall Street or in banking). Another 15.3 percent were employed in the professional and business services sector.

Suffolk residents filled 87.3 percent of the jobs located in Suffolk, while commuters from Nassau filled 8.8 percent and commuters from New York

City filled 3 percent. The share of Suffolk jobs held by commuters has risen slightly since 1980, as Suffolk's economy has grown.

Most commuters use automobiles to get to work in Suffolk because of the dispersion of population and job centers, and the insufficient capacity of public transportation. In 2005, 78.8 percent of Suffolk residents drove alone to work, 9 percent carpooled, and only 6.3 percent took public transportation.⁸ On average, residents spent 30.3 minutes commuting to work—but 14.9 percent spent more than one hour commuting.

Almost all Suffolk residents who worked locally commuted by car (92 percent) with an average commute time of 22 minutes.⁹ Similarly, almost all Suffolk residents who commuted to work in Nassau also drove; these workers had an average commute time of 39 minutes. Commuters to Manhattan took an average of one and a half hours to get to work, with most (70 percent) riding public transportation, usually the Long Island Rail Road (LIRR).

Traffic congestion is a major problem in Long Island. According to the State Department of Motor Vehicles, 158 fatal auto accidents occurred in Suffolk during 2004—more than in any other county in the State. This is equivalent to 10.7 fatal crashes per 10,000 residents, which ranks Suffolk seventh among the 30 most populous counties in the nation for fatal crashes, and first among the most populous counties in New York State.¹⁰ In response, the State Department of Transportation (DOT) instituted several initiatives to relieve traffic congestion and ensure a safe and efficient commute throughout Long Island—one initiative was to establish high-occupancy-vehicle lanes on the Long Island Expressway. The DOT also proposed a long-range transportation plan including a bus-like mass transit system that would use priority lanes to meet the rising needs of intra-island commuters. However, critics contend that these efforts—including highway

⁸ Another 3.3 percent worked at home, 1.7 percent walked to work, and 0.9 percent used other means (taxis, bicycles, etc.).

⁹ Commuting data by work destination is for 2000.

¹⁰ Some of the State's smaller counties had higher rates of fatal crashes per 10,000 residents. The highest rate (40 per 10,000 residents) was for Delaware County, which had 19 crashes.

widening and roadway expansion—may not encourage commuters to carpool or take public transit, but will instead result in increased traffic.

Freight Rail Operations

According to a study by the New York Metropolitan Transportation Council, about 85 percent of freight in Long Island is carried by trucks, 15 percent is carried by waterway, and less than 1 percent is carried by railroad. In order to improve its limited rail freight operations, in 1997 the LIRR contracted the operation of this service to the New York and Atlantic Railway. The freight trains share tracks with passenger trains and run from Brooklyn and Queens to Southold and Montauk in Suffolk. The railway currently services 112 customers with an annual volume of 20,000 carloads of goods including lumber, paper, building materials, plastics, and food products.

Lack of yard and terminal facilities is one of the factors limiting the rail freight market in Long Island. In response, the DOT has proposed building the Long Island Truck and Rail Intermodal Facility at the Pilgrim State Hospital site in Islip. Freight would be delivered by trains on the existing LIRR tracks and then transferred to trucks for local delivery.

A preliminary study found multiple potential benefits of rail freight compared with truck freight. For example, rail is four times more fuel-efficient; rail offers about six times the capacity; rail shipping costs are about one half of truck shipping costs; and the use of rail results in 60 percent fewer accident fatalities. The DOT projects that the Intermodal Facility is expected to service three trains daily (i.e., 4,000 tons of freight) by 2020.

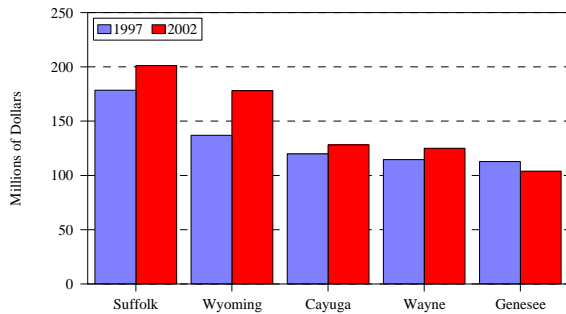
Agriculture

Although Suffolk's private sector economy is dominated by trade, health care, and business services, agriculture remains a significant industry as well, and the county plays a major role in the State's agricultural activities. The State Department of Labor reports that in 2005 Suffolk had nearly 2,500 agricultural employees, or 11.3 percent of all agricultural employees in the State. Suffolk's share of Statewide agricultural wages—14.2 percent—is higher than the employment share, as the average salary in the county exceeds the Statewide average.

Agricultural employment in Suffolk has increased only marginally since 2000.

As shown in Figure 13, Suffolk was the leading agriculture-producing county in New York State, with total sales of \$201.2 million in 2002 (the most recent year for which the U.S. Department of Agriculture’s census is available). Compared with the prior census in 1997, Suffolk had a 12.7 percent increase in total sales (slightly more than the rate of inflation in this period), which was nearly twice the 6.4 percent rate of increase for all of New York. Suffolk’s share of total sales in the State increased from 6.1 percent in 1997 to 6.4 percent in 2002.

Figure 13
Total Agricultural Sales
Top Five Counties in New York State



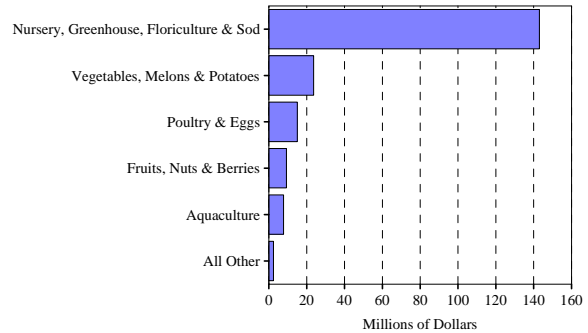
Source: U.S. Department of Agriculture, Census of Agriculture

Though the market value of Suffolk’s agricultural products has increased, the amount of acres farmed has decreased. The U.S. Department of Agriculture identified 651 farms with a total of 34,127 acres in 2002, down from 725 farms and 35,858 acres in 1997. (The decline in land devoted to farms has been a long-term trend as Suffolk has become more suburbanized. In 1950 in Suffolk, 2,187 farms covered 123,346 acres.) According to the Long Island Farm Bureau, this transition has been accompanied by a shift from low-value crops such as potatoes to high-value crops such as wine grapes and nursery and greenhouse products. This trend has enabled the value of agricultural sales to continue to rise.

The leading agricultural sector in Suffolk is nursery products, which includes greenhouses, floriculture, and sod (see Figure 14). In 2002, this sector had sales of nearly \$143 million, or 71 percent of the county’s total agricultural sales. Suffolk had more nursery production than any other county in the State, and accounted for nearly 42 percent of sales Statewide.

The potato crop (a component of the vegetable production sector) used to dominate agriculture in Long Island. At the end of World War II, potatoes covered about 75,000 acres in Nassau and Suffolk counties. In 1980, about 23,000 acres in Suffolk were devoted to potatoes, and by 2002 that had been reduced to about 5,000 acres. The decline occurred as the economics of farming changed—land was more valuable for alternate uses, such as housing; and farming regulations and costs, which also spurred the move to more profitable crops, such as nursery products. Suffolk’s vegetable crops, which also include corn, pumpkins, cabbage, tomatoes, and many other crops, generated sales of \$23.7 million in 2002—or 11.8 percent of Suffolk’s agricultural sales. Suffolk was ranked third in the State for vegetable sales, accounting for more than 7.3 percent of all sales.

Figure 14
Suffolk County’s Agricultural Sales in 2002



Source: U.S. Department of Agriculture, Census of Agriculture

Suffolk is the second-largest producer of eggs and poultry products in the State, with 14.1 percent of Statewide sales in 2002. Ducklings are a chief component of this segment; the county’s six farms produce a total of 2.5 million ducks annually. In addition, Suffolk’s coastal location and maritime heritage contribute to its aquaculture sales—primarily shellfish and finfish. Suffolk was ranked first in the State for total aquaculture sales, accounting for 51 percent of State sales in 2002.

Wine Industry

In 1973, the first vineyard—covering 17 acres—was established in Suffolk. By 2004, Suffolk had 60 vineyards covering 3,000 acres. The majority of grape production is of the European *vitis vinifera* variety, for use in premium wines, and Suffolk accounts for the bulk of this grape’s production in the State.

In 2004 the State was the second-largest domestic producer of wine behind California, which dominates the domestic industry. (U.S. Treasury data show that California accounted for 89 percent of domestic wine production in 2004). New York had a 5 percent share in 2004, which represented 114.3 million liters. The Long Island Wine Council reports that Long Island's 38 wineries (37 of which are in Suffolk) produce 4.5 million liters annually. This amounts to about 4 percent of Statewide output. Because Long Island's vineyards mostly produce the *vitis vinifera* grape, however, Suffolk produces 90 percent of New York's premium wine.

Wineries have helped develop Suffolk's tourism industry. The Long Island Wine Council estimates that the area's wineries attract 500,000 visitors annually. The industry sponsors a wine trail that links 32 wineries open to the public and provides information on nearby lodging, restaurants, and other attractions.

Culture and Recreation

Along with its proximity to New York City, Suffolk's cultural and recreational activities—beaches and parks, golf courses, wineries, resorts, museums, and historic sites—attract millions of visitors annually.

During summer months, people flock to Suffolk's beaches, especially those along Long Island's East End. East Hampton, Fire Island, Montauk, Sag Harbor, Southampton, and other areas draw thousands of visitors and seasonal residents each year. In towns such as East Hampton and Southampton, where wealthy entertainers and business executives own multimillion-dollar homes, the population nearly doubles during the summer months.

Suffolk's beaches and parks cover more than 46,000 acres of parkland. Long Island's oldest park, the Robert Moses State Park on Fire Island, has 5 miles of ocean beach, a fishing marina, and an 18-hole golf course. Other outdoor attractions in Suffolk include the Long Island Game Farm Wildlife Park, and Splish Splash, a 96-acre water park located in Riverhead.

The Long Island Philharmonic Orchestra holds performances at the Staller Center for the Arts at Stony Brook University, also home to the annual Stony Brook Film Festival. The center has a 1,100-seat theater, a 380-seat recital hall, and a 4,700-square-foot art gallery. Concerts and theatrical performances are also presented at Guild Hall in East Hampton and at Theatre Three Productions in Port Jefferson. The Hamptons Shakespeare Festival presents free outdoor performances during the summer at Theodore Roosevelt County Park in Montauk. East Hampton presents an annual film festival.

Suffolk's museums include the Brookhaven National Laboratory Science Museum in Upton, the Atlantis Marine World aquarium in Riverhead, the Railroad Museum of Long Island with sites in both Greenport and Riverhead, and the Long Island Museum of American Art, History & Carriages in Stony Brook. This is Long Island's largest privately supported museum, and possesses a permanent collection of 40,000 items that date from as far back as the late 1700s and include more than 250 historic carriages.

Suffolk residents and visitors can learn more about the history of the county from a broad selection of historic sites and museums. The Shinnecock Indian Reservation in Southampton is home to about 300 descendants of the Shinnecock Indians and includes a cultural center and museum. It also hosts the annual Shinnecock Powwow every Labor Day weekend, which is attended by more than 10,000 people. Also in Southampton is the Old British Fort, used during the Revolutionary War in 1777 during the British occupation of Southampton; and the North End Graveyard and the Old Burying Ground, where many soldiers of the Revolutionary War are buried. Another of Suffolk's historic sites is the Thomas Halsey Homestead, built in 1648 and considered the oldest English frame house in New York State.

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