



An Economic Snapshot of Staten Island

Major Findings

- The population of Staten Island doubled between 1960 and 2000. Since then, it has grown at the citywide rate (8 percent) to reach a record of 479,500 in 2017.
- Immigrants represented nearly one-quarter of the population, with one-third coming from Europe. The foreign-born population grew by 57 percent between 2000 and 2017.
- Employment grew by 13 percent since 2012, reaching a record of 97,000 jobs in 2017.
- The construction sector grew by 66 percent between 2011 and 2017, adding twice as many jobs as were lost during the recession.
- Health care is the largest employer, responsible for nearly one-quarter of all private sector jobs in 2017.
- Employment in the leisure and hospitality sector increased by 19 percent between 2012 and 2017, reflecting growth in tourism.
- The unemployment rate declined from 9.4 percent in 2010 to 4.6 percent in 2017.
- Median household income was \$79,200 in 2017, almost one-third higher than the citywide median.
- Staten Island had the second-lowest poverty rate of the five boroughs, after Queens.
- Staten Island had the highest median age of the five boroughs. Nearly 30 percent of the population is aged 55 or over.
- Two-thirds of commuters drive to work, nearly three times the share in the rest of the City.
- The borough was home to 39 percent of New York City's firefighters, one-fifth of its police officers and one-tenth of its elementary and middle-school teachers in 2016 (the most recent available data).

Staten Island is one of the five boroughs that make up New York City. It is the least populous and most suburban, with one-third of its acreage dedicated to parks and recreation, and is often called the City's "Greenest Borough."

Superstorm Sandy struck New York City on October 29, 2012, causing loss of life and widespread damage to homes and businesses on Staten Island and elsewhere in the City. In the six years since the storm, the borough has adopted innovative solutions to help residents and businesses better withstand the impact of future storms, and more plans are in the works.

Private sector employment grew by 11,000 jobs between 2012 and 2017, setting new records. Three-quarters of the gains were concentrated in four employment sectors: construction, social assistance, leisure and hospitality, and health care. The construction sector alone was responsible for one-third of the job gains.

A number of economic development projects are underway that will boost employment and tourism on Staten Island. For example, the St. George Waterfront Redevelopment Project includes an outlet mall, restaurants and a new 190-room hotel with views of the City skyline. In addition, Amazon and Ikea are opening large warehouse facilities.

Staten Island's rate of home ownership is the highest (70 percent) of the five boroughs, and higher than the national average. Nonetheless, housing affordability remains a challenge, particularly for renters who have a lower median household income than home owners.

With six consecutive years of job growth and record employment, economic development is paying dividends. The Staten Island Economic Development Corporation recently commissioned a boroughwide local needs assessment to help guide future development.

Introduction

Located in New York Harbor, Staten Island comprises three U.S. Census-defined neighborhoods: the North Shore, Mid-Island and the South Shore. The North Shore is the most urban and the South Shore is largely suburban.

One-third of the borough's landmass is parkland, including the Gateway National Recreation Area and the Greenbelt, the second-largest park in New York City. Freshkills Park, built on a former landfill, will be nearly three times larger than Central Park when completed. The borough is also home to the 2.5-mile Franklin D. Roosevelt Boardwalk and several beaches.

The Staten Island Ferry is a vital link to Manhattan as well as a major tourist attraction. The Staten Island Railway runs from the ferry terminal in St. George to Tottenville (the southernmost community). In 2007, the reactivation of the Staten Island Railroad was completed, providing a freight rail link to New Jersey and the national rail network.

The borough is connected to Brooklyn by the Verrazano Bridge and to New Jersey by three bridges. A new \$1.5 billion Goethals Bridge opened in May 2018, and the roadway on the Bayonne Bridge was recently raised and replaced. Funds have been allocated to design a new Outerbridge Crossing.

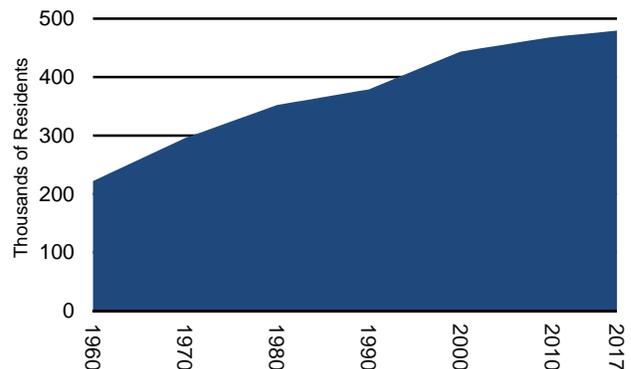
Attractions include the Staten Island Yankees, the National Lighthouse Museum, the Snug Harbor Cultural Center and Botanical Garden, Historic Richmond Town, the Flagship Brewing Company and the St. George Theater. Colleges include the College of Staten Island, Wagner College and St. John's University.

As noted in a report issued by the Office of the State Comptroller in 2016, Staten Island has not been immune to the national opioid crisis. According to the New York City Department of Health and Mental Hygiene, it had the highest rate of overdose deaths (largely from opioids) per 100,000 residents of the five boroughs in 2016. While there was a sharp reduction in overdose deaths in 2017, reflecting the impact of State, City and local initiatives, the crisis continues.

Demographic Trends

The population of Staten Island doubled between 1960 and 2000, growing even during the 1970s when the rest of the City experienced large losses. Since 2000, the Island's population has increased by 8 percent (the same as the citywide rate), reaching a record of 479,500 residents in 2017 (see Figure 1). Nearly two-thirds of the growth occurred in the Mid-Island area.

FIGURE 1
Total Population in Staten Island



Sources: U.S. Census Bureau; OSC analysis

Staten Island is the only borough in New York City where Whites make up the majority of the population. In 2017, Whites accounted for 61 percent of the population, Hispanics or Latinos for 19 percent, and Blacks or African Americans and Asians for 10 percent each. The South Shore is predominantly White, while the North Shore is racially diverse.

Since 2000, the Asian and Hispanic populations have grown rapidly, by 84 percent and 66 percent, respectively. Residents with Italian and Irish ancestry were most numerous, together making up 39 percent of the population.

Growth in the number of immigrants has driven population growth on Staten Island since 2000. The number of immigrants increased by 57 percent between 2000 and 2017 (five times faster than the citywide growth rate), reaching 114,400 residents. Immigrants represented nearly one-quarter of the population (24 percent). While this was much higher than the share in 2000 (16 percent), it was still significantly lower than the citywide share (37 percent).

One-third of Staten Island's immigrants came from Europe, much higher than the citywide share (14 percent). One-third came from Asia (similar to the citywide share) and 26 percent came from Latin America, about half the citywide share.

Staten Island had the highest median age (40.4) of the five boroughs. The number of residents aged 55 and over has increased by 50 percent since 2000, much faster than in any other borough. More than one-quarter (29 percent) of the population was aged 55 and over, the highest share of any borough.

The share of residents with a bachelor's degree or higher rose by 9.9 percentage points between 2000 and 2017 to reach one-third. Nearly 90 percent of residents had a high school diploma, the highest share of any borough.

Residents rely far more heavily on automobiles to commute to work than the rest of the City. Two-thirds drove or carpooled to work, almost three times the share in the rest of the City. While improvements have been made to area bridges and roads, residents remain concerned about road conditions and limited transportation options.

On average, residents spent 46 minutes commuting to work, much higher than the national average of 27 minutes, although only slightly longer than the citywide average (42 minutes). Half work on Staten Island, while one-quarter commute to Manhattan and 15 percent to Brooklyn.¹ Only a small share work in New Jersey (6 percent) or Queens (3 percent).

More than half of the households (57 percent) were home to long-term residents (those who have lived at their current address for 10 years or more), according to 2016 census data (the latest available). This was higher than in the rest of the City (47 percent).

Although Staten Island residents accounted for only 5 percent of the citywide resident workforce in 2016, they accounted for a disproportionate share of the City's firefighters (39 percent), police officers (20 percent) and elementary and middle school teachers (10 percent).

¹ The latest data for place of work is from 2016.

² Private sector business and employment data are from the New York State Department of Labor's Quarterly Census of Employment and Wages (QCEW) program.

Business Growth

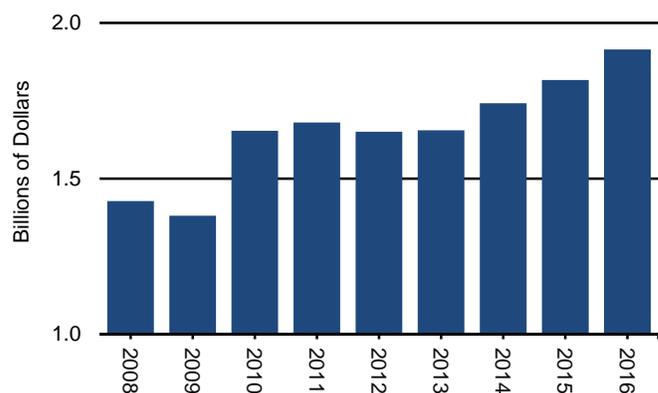
Staten Island had a record 9,500 businesses in 2017, 9 percent more than in 2012.² More than two-thirds had fewer than five employees and 81 percent had fewer than 10 employees. The borough also had four businesses with more than 1,000 employees that were engaged in health care and social assistance activities.

Business services was the largest sector in the borough with 1,400 firms (15 percent of the total), followed closely by the retail sector with 1,300 firms (14 percent). Construction along with leisure and hospitality added the most firms since 2012.

The number of businesses is distributed fairly equally among the three Census-defined neighborhoods in the borough. Since 2012, the South Shore had the fastest growth (13 percent) and added the most businesses (more than 300). It was also the only area in Staten Island with faster business growth than the City overall.

Taxable business sales grew by 16 percent since 2012 (similar to the citywide growth), reaching a record of \$1.9 billion in 2016 (see Figure 2).³ The North Shore had the fastest growth, increasing by 22 percent.

FIGURE 2
Taxable Business Sales in Staten Island



Sources: NYC Department of Finance; OSC analysis

³ The New York City Department of Finance reports annual taxable sales data for the year ending February 28. The Office of the State Comptroller attributes the data to the calendar year that includes the most months.

Employment Trends

Private sector employment on Staten Island peaked in 2008, but then declined in 2009 as the recession set in. While employment picked up in 2010, it fell again in 2011 to the lowest level in five years. Job growth accelerated in 2013 (driven by the construction industry), as Staten Island began to recover from Superstorm Sandy.

Since 2012, the borough has added 11,000 jobs, reaching a record of 97,000 in 2017 (see Figure 3). This represents a gain of 13 percent, only slightly less than the citywide growth rate. Three-quarters of the gains were concentrated in four sectors: construction, social assistance, leisure and hospitality, and health care.

Immigrants represented more than one-quarter of the work force in 2016 (the latest available data) and made up 40 percent of the self-employed entrepreneurs who work in Staten Island.

In 2017, the average annual salary for private sector jobs in Staten Island was \$45,900. Although the average salary was the second-lowest among the five boroughs, Staten Island was one of only two boroughs where the average salary was higher in 2017 than before the start of the recession (after adjusting for inflation).

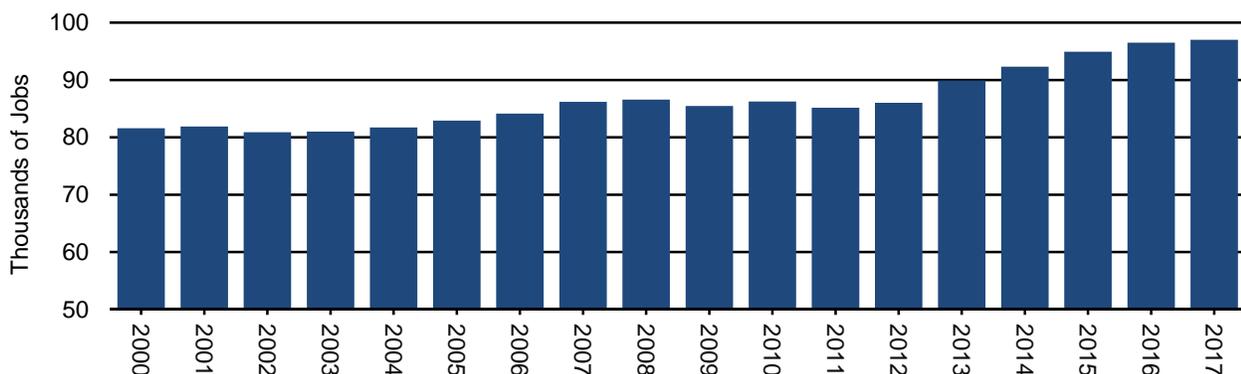
The unemployment rate declined by half from 9.4 percent in 2010 to 4.6 percent in 2017, close to the citywide rate and the record-low reached in 2006 (both 4.5 percent).⁴ The unemployment rate was 4.6 percent in July 2018.

After losing nearly one-quarter of its jobs between 2007 and 2011 because of the recession, the construction sector added twice as many (almost 3,900) over the next six years. This was the largest increase of any employment sector in Staten Island and the fastest rate of construction job growth (66 percent) among the five boroughs.

The construction sector was responsible for one-third of the jobs (3,600) added in the borough since 2012 (see Figure 4). More than half were created in 2013 and 2014 in the aftermath of Superstorm Sandy, which increased the need for construction and repair work. Construction permits increased by 46 percent in the two years after the storm.⁵

Last year, the construction sector grew by 4.4 percent (faster than the citywide growth rate and second only to Brooklyn), reaching a record level of 9,700 jobs. The sector had a relatively high average salary (\$71,800) and accounted for one-tenth of private sector employment, which was the highest share among the five boroughs.

FIGURE 3
Private Sector Employment in Staten Island



Sources: NYS Department of Labor; OSC analysis

⁴ Borough and citywide unemployment rates are from the New York State Department of Labor.

⁵ Permit issuance data are from the New York City Department of Buildings.

The social assistance sector increased by 30 percent since 2012, adding 1,800 jobs, and reaching a total of 7,800 in 2017. The sector accounted for only 7 percent of private sector employment in 2012, but it accounted for 16 percent of the job gains in the past five years.

FIGURE 4
Job Gains or Losses by Sector
in Staten Island, 2012-2017



Note: "Other Sectors" includes utilities and unclassified businesses.
 Sources: NYS Department of Labor; OSC analysis

Employment in the leisure and hospitality sector increased by 19 percent between 2012 and 2017, adding 1,600 private sector jobs. Two-thirds were in restaurants and bars, where employment increased by 14 percent. The sector is responsible for 10,100 jobs (10 percent of private sector employment) with an average salary of \$20,300.

Health care is the largest employer on Staten Island with 22,700 jobs, nearly one-quarter of private sector employment in 2017. These jobs paid an average salary of \$56,500. Major employers include the Richmond University Medical Center, the Staten Island University Hospital (which has two campuses) and the South Beach Psychiatric Center. Since 2012, the sector has added 1,500 jobs, an increase of 7 percent.

The Mayor recently announced the opening of a new community health center, the first municipal full-service ambulatory center in the borough. The New York City Economic Development Corporation has proposed transforming the old Seaview hospital campus into a "healthy community" of mixed-use, medical, housing, retail and community facilities.

Retail trade is the second-largest employer with 16,100 jobs (17 percent of private sector employment), paying an average salary of \$29,500 in 2017. The sector added 900 jobs since 2012, an increase of 6 percent.

Although there are currently few warehousing jobs in Staten Island, Amazon and Ikea plan to open large warehouse facilities at the 200-acre Matrix Global Logistics Park on the West Shore in 2018. Amazon alone is expected to employ more than 2,000 workers, and the site is expected to employ more than 4,000 when fully leased.

Broadway Stages, a film and television production company, began filming at the former Arthur Kill Correctional Facility a few years ago, and opened the first of five soundstages in early 2018. According to Empire State Development, the company is expected to create more than 1,300 permanent jobs.

Household Income

The median household income in Staten Island was \$79,200 in 2017, almost one-third higher than the citywide median (\$60,900) and second only to Manhattan (see Figure 5). While household income grew by 12 percent between 2010 and 2017, it was still lower than its prerecession peak when adjusted for inflation.

FIGURE 5
Median Household Incomes and Poverty Rates

	Household Income	Growth Since 2010	Poverty Rate
Bronx	\$37,400	15%	28.5%
Brooklyn	\$56,900	35%	20.2%
Manhattan	\$85,100	33%	15.4%
Queens	\$64,500	22%	12.3%
Staten Island	\$79,200	12%	12.9%
New York City	\$60,900	25%	18.1%

Sources: U.S. Census Bureau, 2017 ACS; OSC analysis

Household incomes were highest in the South Shore (\$96,800, the seventh-highest of the City's 55 Census-defined neighborhoods) and the Mid-Island area (\$81,500, the tenth-highest). While household income was lowest in the North Shore (\$62,900), it was higher than the citywide median.

The median household income of home owners (\$100,900) was more than twice that of renters (\$40,500). While home owner incomes had recovered from the recession, renter incomes remained 4 percent below the prerecession peak (after adjusting for inflation).

Staten Island had the second-lowest poverty rate (12.9 percent) of the five boroughs in 2017. While the poverty rate exceeded the citywide rate in the North Shore (19.3 percent), it was less than half that rate in the South Shore (8.6 percent).

The median household income for senior households (where the householder is age 65 or older) was \$45,800 in 2016 (the latest available data), the highest of the five boroughs. Thus, senior households had the lowest poverty rate among the five boroughs (16.1 percent compared to 21.6 percent citywide).

Superstorm Sandy & Resiliency

Superstorm Sandy caused 23 deaths on Staten Island, as well as extensive damage to homes, businesses, roads, infrastructure, parks and beaches. The East and South shores were the hardest hit. These two areas accounted for nearly one-quarter of the buildings in New York City that were severely damaged or destroyed by the storm.

The Build It Back program was created by the City to help residents rebuild, renovate and elevate privately owned single-family and multifamily homes damaged by the storm. The program suffered from long delays and shoddy workmanship, but the City reports that nearly all of the applicants accepted into the program have now been issued checks or received construction assistance.

The Governor's Office of Storm Recovery reports that \$461 million has been committed for housing recovery initiatives in Staten Island. More than half was devoted to the voluntary New York Rising Buyout and Acquisition program, where the State purchases homes in vulnerable areas to create coastal buffers against future storms.

New York City has proposed nearly \$1 billion in coastal resiliency projects for Staten Island, including a buried seawall along the East Shore. The City continues to expand the Staten Island Bluebelt, an innovative system that uses open space to control stormwater runoff while enhancing the area's wetlands.

Working closely with communities on the East Shore, the City has developed the Resilient Neighborhoods initiative, a long-term plan for shaping land use and development in ways that reduce flood risks and complement other resiliency programs and investments.

The Special Coastal Risk District, approved by the City Council in September 2017, limits density in highly vulnerable areas, protects sensitive natural areas, and ensures that new development is consistent with open space and infrastructure plans.

Housing

According to the U.S. Census Bureau, 70 percent of Staten Island households owned their homes (including cooperatives and condominiums) in 2017, the highest rate of home ownership in the five boroughs and higher than the national average (64 percent).

Zillow Research estimates that the average median value for single-family homes fell by 19 percent between 2006 and 2012 as the recession and Superstorm Sandy pushed down home values. Values have increased by 33 percent since 2012, reaching \$490,000 by 2017, a new record and 8 percent higher than the prerecession peak (see Figure 6). In 2017, values increased by 11 percent, the largest one-year gain in more than a decade.

Median single-family home values ranged from less than \$350,000 in Mariner's Harbor, Stapleton and Park Hill to more than \$1 million in Todt Hill. Home values in almost all of the neighborhoods in the borough have recovered from the recession. Home values in New Springfield and Heartland Village have increased the most (19 percent) since the prior peak in 2006.

More than one-third of households on Staten Island (35 percent) devoted 30 percent or more of their incomes to home ownership costs (the level

at which housing costs are considered a burden), similar to the citywide share but much higher than the national share (22 percent).⁶

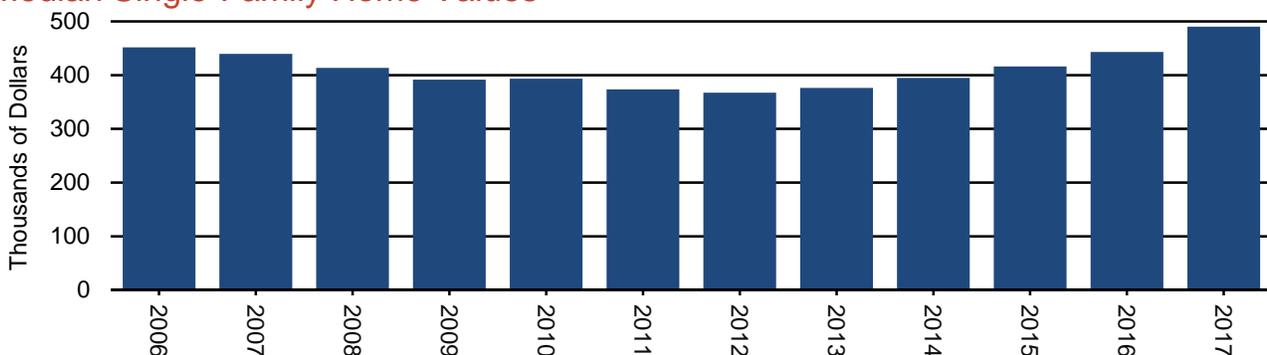
Almost one-third (30 percent) of households rent their homes. Median monthly rent (including utilities) for all apartments grew by 15 percent since 2012, reaching \$1,290 in 2017.⁷ Growth was fastest in the Mid-Island area (31 percent).

There are 10 public housing developments operated by the New York City Housing Authority on Staten Island, and these developments include about 4,500 apartment units. Many of these developments are in disrepair and require large capital investments.

The median income for households that rent was half the boroughwide median. The share of households that devoted 30 percent or more of their incomes to rent was 56 percent in 2017.⁸ One-third of the households faced a severe rent burden, devoting at least half of their incomes to rent (higher than the citywide share of 28 percent).

An estimated 36 percent of senior households devoted at least half of their incomes to rent in 2016 (the latest available data). The redevelopment plan for the former campus of Seaview Hospital includes 160 recently completed affordable senior housing units.

FIGURE 6
Median Single-Family Home Values



Sources: Zillow Research; OSC analysis

⁶ Home ownership costs include mortgages, real estate taxes, utilities and insurance.

⁷ Zillow Research estimates that the median monthly rent for market-rate apartments reached \$2,160 in 2017.

⁸ Does not reflect subsidies such as federal Section 8 vouchers.

Neighborhood Focus

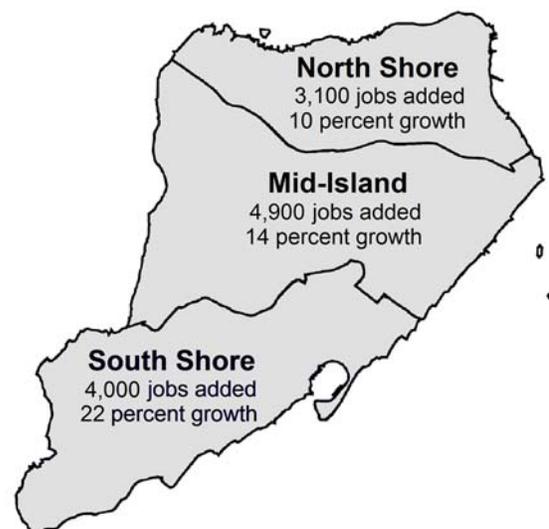
The North Shore area covers 13.5 square miles and had a population of 176,600 in 2017. It is the most densely populated of Staten Island's three Census-defined neighborhoods. The area includes the Howland Hook Marine Terminal, Mariner's Harbor, New Brighton, Port Richmond, the St. George Historic District and the St. Paul's Avenue-Stapleton Heights Historic District. Private sector employment grew by 10 percent (3,100 jobs) since 2012 (see Figure 7), reaching a record of 33,000 jobs in 2017.

The Mid-Island area covers 21.3 square miles and had a population of 143,800 in 2017. It includes Midland Beach, New Dorp, New Springville, South Beach and Willowbrook. The area accounted for the largest share (41 percent) of the borough's jobs. Private sector employment increased by 14 percent (4,900 jobs) since 2012, reaching a record of 40,100 jobs in 2017.

The South Shore area covers 21.5 square miles and had a population of 159,100 in 2017. It includes Tottenville, Great Kills and Annadale. This area had the fastest job growth since 2012, increasing by 22 percent (4,000 jobs), faster than the citywide growth rate (15 percent). Growth was driven by the construction and the leisure and hospitality sectors. Private sector employment reached a record 22,800 jobs in 2017.

While not a Census-defined neighborhood, the West Shore runs the length of the Arthur Kill and encompasses an area of approximately 6,300 acres. Traditionally an industrial area, the Borough President believes the West Shore is ideally suited as a "jobs coast" for manufacturing and new commercial development. The West Shore includes GCT New York (the City's largest container terminal), the Matrix Global Logistics Park and the Teleport (a 100-acre business park).

FIGURE 7
Job Growth in Staten Island by Census-Defined Neighborhood, 2012-2017



Sources: NYS Department of Labor; OSC analysis

Economic Development in the North Shore

The St. George Waterfront Redevelopment Project (a \$1.2 billion, 16-acre project next to the ferry terminal) is expected to create 1,300 permanent jobs and boost tourism. The project includes Empire Outlets (which will be New York City's first outlet mall when completed in 2018), restaurants, event space and a new 190-room hotel with views of the City skyline. Also planned is the 630-foot New York Wheel, which would be the tallest observation wheel in the Western Hemisphere if completed.

The Lighthouse Point project, directly adjacent to the ferry terminal, will include residential and commercial development. The first phase is expected to be completed in 2019.

Farther south, the New Stapleton Waterfront project, on the site of a 35-acre decommissioned naval base, includes housing, retail space and the Stapleton Waterfront Park, a public esplanade completed in 2016. Additional phases of construction are expected to be finished in 2019.

Prepared by the Office of the State Deputy Comptroller for the City of New York

Office of the New York State Comptroller
110 State Street, Albany, NY 12236
(518) 474-4015 www.osc.state.ny.us



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