



An Economic Snapshot of Northwestern Queens

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Report 13-2012

November 2011

Highlights

- Private sector employment in the Corona, Elmhurst, East Elmhurst and Jackson Heights area grew by 9.9 percent from 2004 to 2008, a faster pace than in the rest of Queens and the rest of the City.
- In 2009, private sector employment in the area declined by 2.9 percent, comparable to the declines in the rest of Queens and in the rest of the City.
- From 2008 to 2010, the average private sector salary in the area fell by 1.5 percent to \$39,200, compared to \$43,760 in the rest of Queens.
- From 2000 to 2009, the number of businesses in the area grew by 18.1 percent (three times the rate of growth in the rest of the City), but most of the gains occurred early in the decade.
- In 2009, more than 85 percent of the 4,825 firms in the area had fewer than ten employees; less than 1 percent of firms had 250 workers or more.
- In 2010, retail trade, health care, hotels, restaurants and bars accounted for 60 percent of all private sector jobs in the area. Retail trade added jobs during the recession.
- In 2009, immigrants accounted for more than 60 percent of the population in the area—the highest concentration of immigrants in the City.
- The Census Bureau reported that the population in the area rose by 2.4 percent in the past decade, but the City believes growth was even higher.
- Elementary school enrollment in the area rose by 18 percent in the past six years, exacerbating overcrowding. A number of new school facilities are planned for the area to ease the problem.
- In 2008, almost half of all households in the area devoted more than 30 percent of their incomes to rent (the level at which rent is considered burdensome).
- The Queens Center Mall in Elmhurst, with more than 70 stores, is one of the most profitable malls in the United States, with total sales of \$876 per square foot in 2009.

New York City's tradition as a melting pot of cultures is vividly on display in the Queens neighborhoods of Corona, Elmhurst, East Elmhurst and Jackson Heights. These neighborhoods, which are located in northwestern Queens, have the highest concentration of immigrants in New York City.

An earlier report by the State Comptroller found that New York City neighborhoods with large immigrant populations have had stronger economic growth in the past decade than did the City as a whole.

This report finds that during the past decade the number of businesses in this part of northwestern Queens grew three times faster than the rate of business growth in the rest of the City. Job growth was also stronger than in the rest of the City in the years leading up to the recent recession.

The neighborhoods, however, face challenges. Rapid population growth in recent decades has contributed to school overcrowding and a shortage of affordable housing. In addition, household incomes are lower than in many parts of the City. The recession also hit these neighborhoods hard, as it did many communities across the City.

The Willets Point Redevelopment plan promises significant private and public investment, and new job opportunities. It remains to be seen, however, how quickly the redevelopment project progresses and how these communities will benefit.

Neighborhood Overview

Immigrants have come to Corona, Elmhurst, East Elmhurst and Jackson Heights since the neighborhoods were established, and the area has attracted successive waves of people of various nationalities. Elmhurst, the oldest of the neighborhoods, was established in 1652 as Newtown. By World War II, the area had become a middle-class community with large Jewish and Italian populations. After the war, new immigrants transformed it into one of the City's most ethnically diverse neighborhoods.

East Elmhurst and its southern neighbor Corona are often referred to jointly as “Corona/East Elmhurst.” These neighborhoods also grew to have large Jewish and Italian populations until after World War II, when more immigrants from Puerto Rico and the Dominican Republic began to settle there. Corona was home to several legendary jazz musicians, including Louis Armstrong, whose house was opened as a museum in 2003.

Flushing Meadows Corona Park, the second largest park in New York City, was the site of two World’s Fairs. The Billie Jean King National Tennis Center, which hosts the annual U.S. Open, is located there, as is Citi Field, home to the New York Mets baseball team.

The park is also home to the Queens Theatre and two museums. The Queens Museum of Art has embarked on a \$65 million expansion that will double its size. The New York Hall of Science is undergoing a \$25 million renovation in preparation for its 50th anniversary in 2014.

Jackson Heights was formed by real estate developers in 1908. It grew with the opening of the Queensboro Bridge, and the Number 7 and IND subway lines in the 1930s. Beginning in the 1980s, immigration brought new residents, primarily from Colombia, China and the Dominican Republic.

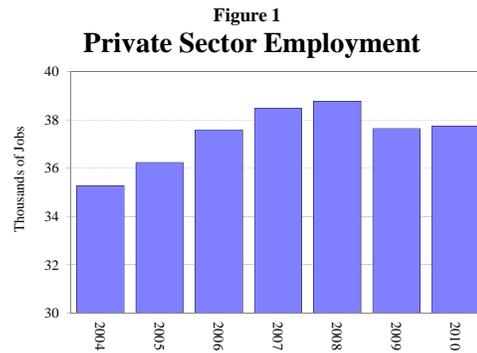
The Queens Center Mall in Elmhurst, with more than 70 stores, is one of the area’s major employers. It is also one of the most profitable malls in the United States, with total sales of \$876 per square foot in 2009.

One-fourth of the area’s businesses are retail stores. According to Crain’s New York, the 11373 ZIP code in Elmhurst and Corona had the largest number of national retail chain locations in Queens in 2010. Recent zoning changes now permit higher density residential and mixed-use development on Northern Boulevard.

The diversity that characterizes Corona, Elmhurst, East Elmhurst and Jackson Heights is vividly reflected in their retail corridors, which offer many ethnic stores and restaurants. In Jackson Heights, the retail section along 37th Avenue, Roosevelt Avenue and Northern Boulevard is often referred to as “Little India.” The retail shops in Corona along Roosevelt Avenue and National Street cater to the area’s large Hispanic population.

Employment

Until the recession, the area comprising Corona, Elmhurst, East Elmhurst and Jackson Heights enjoyed strong job growth (see Figure 1). During the economic expansion from 2004 to 2008, private employment in the area grew by 9.9 percent (3,510 jobs), a faster pace than in the rest of Queens (6.2 percent) and the rest of the City (8 percent). Most of the growth was concentrated in the Elmhurst and Jackson Heights area. As shown in Figure 2, most of the new private sector jobs in this part of northwestern Queens were in health care and retail trade.



Note: Includes data for ZIP codes 11368, 11369, 11370, 11372, and 11373.
Sources: NYS Department of Labor; OSC analysis

The recession caused private sector employment in the combined area to decline by 2.9 percent in 2009 (a loss of 1,130 jobs). The decline was slightly higher than the decline in the rest of Queens (2.4 percent), but lower than the decline in the rest of the City (3.6 percent). In 2010, private employment stabilized, growing by 0.3 percent to reach 37,750 jobs. The rest of Queens still lost jobs in 2010, while the rest of the City added jobs at a rate of just under 1 percent.

Figure 2
Changes in Private Sector Employment
Number of Jobs

	2004-2008	2008-2010
Health Care & Social Assistance	2,099	-841
Retail Trade	1,531	570
Accommodation & Food Services	307	-50
Other Services	247	55
Transportation & Warehousing	243	-78
Construction	65	-266
Information	61	-65
Educational Services	21	38
Finance, Insurance & Real Estate	12	-109
Arts, Entertainment, & Recreation	-70	230
Wholesale Trade	-194	-3
Business Services	-247	-254
Manufacturing	-383	-254

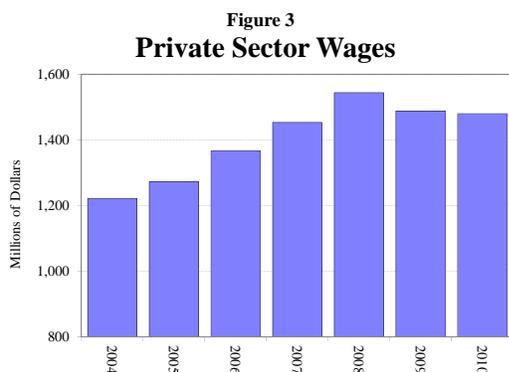
Sources: NYS Department of Labor; OSC analysis

Between 2008 and 2010, job losses in the combined area were concentrated in health care (due to the closing of St. John’s Queens Hospital in Elmhurst), construction, manufacturing and business services. The retail trade sector continued to grow even during the recession, gaining 570 jobs, and is now the largest employment sector.

As of 2010, retail trade (with 9,070 jobs) and health care and social assistance (with 8,540 jobs) together accounted for 46.6 percent of all private sector jobs in the area. Accommodation and food services ranked third with 5,610 jobs (14.9 percent of area jobs)—almost twice the share of jobs this sector has in the rest of Queens.

Wages

Private sector wages in the combined area grew at an average annual rate of 6 percent from 2004 to 2008, which was faster than in the rest of Queens. (Wage growth was fastest in Jackson Heights and Corona.) Over the following two years, wages in the combined area declined (see Figure 3). As a result, from 2008 to 2010 the average private sector salary fell by 1.5 percent to \$39,200, compared to \$43,760 in the rest of Queens.



Sources: NYS Department of Labor; OSC analysis

Population and Demographics

Fueled by immigration, the population in the Corona, Elmhurst, East Elmhurst and Jackson Heights area grew by more than 40 percent from 1980 to 2010, much faster than in the rest of the City. According to the U.S. Census, population growth slowed to 2.4 percent in the past decade, which was still faster than growth in the rest of Queens and in the rest of the City. The City believes the 2010 U.S. Census undercounted its population, and has formally challenged the counts in northwestern Queens and in southern Brooklyn.

The Hispanic population was the largest ethnic/racial group in the combined area, with 58.6 percent of residents. Asian residents were the next-largest group, with 24 percent of the population. The area includes immigrants from 71 different countries, although more than half come from four countries: Ecuador, Mexico, Colombia and China.

According to the U.S. Census Bureau, only about two-thirds of the adults in the combined area have obtained a high school diploma or higher, compared to nearly 80 percent for those residing in Queens and in New York City overall. Similarly, a much lower percentage of adults in the combined area obtained a college degree (20 percent, compared to about 30 percent in Queens and in the City overall.)

Strong population growth has contributed to school overcrowding. The number of elementary school students in the combined area rose by more than 18 percent between the 2004-2005 and 2010-2011 school years, much faster than in the rest of Queens (an increase of 5.2 percent) and in the rest of New York City (a decline of 4.3 percent). Student enrollment continued to grow last year, even as enrollment declined in the rest of Queens and in the rest of the City. Despite the opening of three new elementary schools in the past three years, 19 of the 22 elementary schools in the area last year operated above capacity.

Of the 55 City neighborhoods defined by the U.S. Census Bureau, the Elmhurst and Corona area had the highest concentration of foreign-born residents in 2009 (65.5 percent), and the Jackson Heights and East Elmhurst area had the second-highest concentration (61.8 percent). These percentages far exceeded the City’s overall share of foreign-born residents (36.6 percent).

Poverty is higher in these neighborhoods than in the City overall. For example, 16 percent of the people who lived in the East Elmhurst and Jackson Heights area and 22.3 percent of the people who lived in the Corona and Elmhurst area had incomes below the federal poverty level in 2009, compared with 12.6 percent of all people in Queens. The shares of children in poverty were also higher, at 17.5 percent in the East Elmhurst and Jackson Heights area and 30.1 percent in the Corona and Elmhurst area, compared with 15.4 percent of all the children in Queens.

In a January 2010 report, the State Comptroller found that New York City neighborhoods with large immigrant populations had stronger economic growth than did the City as a whole. In the area comprising these four neighborhoods, the number of businesses grew by 18.1 percent from 2000 to 2009 (to reach 4,825 firms). This was three times faster than the rate of business growth in the rest of the City.

Small businesses fueled this growth, with most new businesses employing fewer than ten people. In 2009, only 18 firms had 250 or more employees; these firms included large department and big box stores, food service contractors, hospitals and home care firms.

Crime

Between 2001 and 2010, the number of reported felonies in this part of northwestern Queens fell by 36 percent. While the decline was comparable to that in the rest of the City (34.8 percent), it was much lower than the decline in the rest of Queens (almost 60 percent). These figures, however, do not include prostitution, which remains a problem on Roosevelt Avenue between 69th and 112th Streets in Jackson Heights and Corona.

Housing

Almost 70 percent of households in the combined area rent their homes, comparable to the citywide rate but greater than the share in the rest of Queens (52 percent). Median rents in the combined area grew by 25 percent from 2002 to 2008 to reach \$1,000. Although rent grew more slowly than in the rest of Queens, it still grew much faster than income, making housing less affordable.

Housing is considered affordable if it requires no more than 30 percent of the occupants' incomes. From 2002 to 2008, the share of the combined area households that devoted more than 30 percent of their incomes to rent rose from 43 percent to 48 percent. (Housing was less affordable in the Jackson Heights and East Elmhurst area than in the Corona and Elmhurst area.) Nearly one-fourth of area households faced a severe rent burden, devoting more than 50 percent of their incomes to rent in 2008.

Home owners and home buyers saw the median sales price for one-, two- and three-family homes in the combined area fall by about one quarter between 2007 and 2010, from a peak of \$700,000

to \$520,000, but prices stabilized in 2010. Over the three-year period from 2008 to 2010, there were 2,365 foreclosure filings in the combined area, which represented 70.7 filings per 1,000 homeowners—a higher rate than in the rest of Queens and the rest of the City.

Willets Point Redevelopment

During much of the early 20th century, the 60-acre peninsula on the Flushing River in Northern Queens (known as Willets Point) was used as an ash dump for burned refuse. More recently, the land area between the Flushing River and Citi Field has been used by small machine shops, automobile repair shops and garages.

The Willets Point Redevelopment project envisions more than 5,500 units of mixed-income housing, 1.7 million square feet of retail and entertainment space, convention center facilities, office space, a hotel, community facilities and new open space improvements (see Figure 4). The project also calls for extensive environmental remediation, including the Flushing River. The entire project is expected to cost billions of dollars and be completed in phases by 2022.

Figure 4
Willets Point Redevelopment Site



Source: New York City Economic Development Corporation

Phase 1, a 12.7-acre parcel adjacent to Citi Field, will include up to 680,000 square feet of retail space, up to 400 units of housing (35 percent of which will be classified as affordable), a hotel, two acres of open space and parking. The City estimates that this phase would create 1,800 permanent jobs and 4,600 construction jobs. The City is evaluating proposals by prospective developers for Phase 1. The City expects to break ground shortly on off-site infrastructure work, including construction of new sanitary and storm water sewers and a new water main.

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