

HORACE HAGEDORN FOUNDATION

**THE ECONOMIC IMPACT
OF THE HISPANIC POPULATION
ON LONG ISLAND, NEW YORK**

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A RESEARCH REPORT PREPARED FOR THE
HORACE HAGEDORN FOUNDATION



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EXECUTIVE SUMMARY

Long Island's Hispanic population has grown dramatically in recent years, led by new immigration from Latin America. Indeed, Hispanics have emerged as the major source of demographic growth for the region—excluding new Hispanic residents, Long Island would have lost, rather than gained, people since 1980. The new Hispanic presence is visible both in cities and villages with established Hispanic populations and in smaller and more remote communities, especially in Suffolk County.

As workers, consumers, entrepreneurs and taxpayers, Hispanics make important contributions to the Long Island economy. Hispanic residents add nearly \$5.7 billion to total Long Island output as a result of their consumer spending. Hispanic employment continues to grow very rapidly—increasing by almost one third from 2000 to 2004 alone—and Hispanic workers are an important presence in diverse regional industries, including Manufacturing, Accommodation and Food Services, Landscaping Services and Construction. Hispanic-owned business is also booming in the region, posting almost \$2 billion in sales in 2002. In addition, Long Island Hispanic residents contribute positively to local government budgets. This study finds that Hispanics contribute \$614 more per resident to local revenues than they receive in local expenditures on education, health care and corrections.

The importance of Hispanic Long Islanders to the regional economy will only deepen as this population continues to grow in the years ahead. This study documents the extraordinary recent changes in the region's Hispanic residents and describes the key demographic characteristics of this population. It then quantifies the Hispanic population's contributions to production, employment and new business creation on Long Island. The report concludes by analyzing the Hispanic contribution to local government revenues and costs.



Among the study's major findings:

DEMOGRAPHICS: The Long Island Hispanic population tripled to nearly 330,000 residents since 1980, and it now represents approximately 12 percent of the general population.

- The rate of increase was far greater than that for the Long Island population as a whole and significantly more rapid than the Hispanic population growth rate nationwide.
- Immigrants from Central America, the Caribbean, and South America accounted for almost half of the growth in Long Island's Hispanic population since 1980.
- Sixty-five percent of Nassau County's Hispanics lived in Hempstead town in the year 2000, while 68 percent of Hispanics in Suffolk lived in either Brookhaven or Islip.
- Almost half of all Long Island Hispanics are in the "prime working age" category of 18 to 44, compared to only a little more than one third of all Long Islanders.

ENTREPRENEURSHIP: From 1997 to 2002, the number of Hispanic-owned businesses in Long Island rose by almost 35%, and total sales and receipts by 21%.

- Growth was especially strong in Suffolk County, where the number of firms increased by 51% and sales by 39%.
- Long Island Hispanic-owned businesses earned almost \$2 billion in sales and receipts, and employed an estimated 25,000 people.

ECONOMIC IMPACT: Long Island's Hispanic population contributed an average of \$614 more per resident than it received in local expenditures on education, health care and corrections.

- The buying power of Long Island Hispanics in 2004 amounted to \$4.4 billion. Hispanic spending produced an economic impact of nearly \$5.7 billion—of which more than \$3.2 billion was in Suffolk County—and created more than 52,000 jobs.
- In 2004 Hispanics contributed about \$925 million in taxes and other government revenues (directly and indirectly), while costing Nassau and Suffolk local governments (counties, towns/cities, villages and school districts) about \$723 million for K-12 education (\$520 million), health care (\$158 million), and corrections (\$45 million). The net benefit to Long Island was about \$202 million.

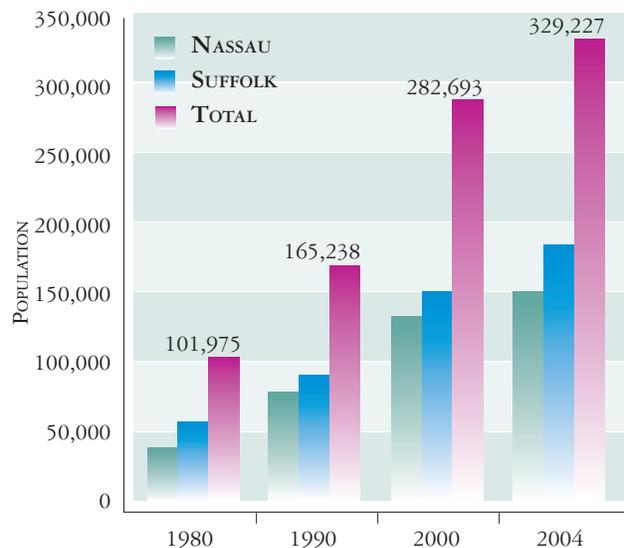
THE LONG ISLAND HISPANIC POPULATION: GROWTH AND CHANGE

Hispanics, people who trace their ancestry from Spanish-speaking countries or regions, have lived in Long Island, New York, in substantial numbers for many decades.¹ As Nassau and Suffolk counties developed into major suburbs for New York City, Long Island naturally absorbed a share of the enormous growth in the metropolitan-area Hispanic population that began in the mid-twentieth century, attracting both first-generation immigrants and later generations of Hispanics joining the great American exodus from city to suburb. Three great historical waves of migration have multiplied the Long Island Hispanic population manyfold. Puerto Ricans arrived in significant numbers beginning in the 1940's and 1950's as part of their epochal wartime and post-war migration to the New York City area and elsewhere in the United States Northeast. Suffolk County's Brentwood Village and the cities of Glen Cove and Long Beach in Nassau County became early centers of the Puerto Rican community in Long Island, which grew substantially with suburbanization and natural increase in subsequent decades.² Passage of the Immigration and Nationality Act of 1965 liberalized national origin immigration quotas and opened the door to large numbers of Dominicans, Ecuadorians, and Colombians, who arrived in the New York metropolitan area, including Long Island, beginning in the 1970's.³ The third great wave of Hispanic immigration began in the 1980's and was led by Salvadorans and other Central Americans fleeing the brutal civil wars, natural disasters and grinding poverty that ravaged the sub-continent during that decade. Settling in Hempstead, Brentwood, Central Islip, Glen Cove City, and other Long Island places with a well-established Hispanic presence, the emerging Central American immigrant communities in turn attracted additional compatriot immigration in

the well-known growth pattern of immigrant enclaves. In recent years, the crest of a fourth wave of Mexican immigration has reached Long Island. While the number of regional residents of Mexican ancestry is still comparatively small, it is growing rapidly and is certain to change the face of Long Island's Hispanic population yet again.

Figure 1 shows the dramatic growth in the total Long Island Hispanic population during the past quarter-century. The region's Hispanic population has tripled to 330,000 residents since 1980, an extraordinary increase that far exceeds the modest six percent growth rate for the Long Island population as a whole and even outdoes the enormous growth in the U.S. Hispanic population as a whole—183%—during the period.⁴

FIGURE 1. GROWTH OF THE LONG ISLAND HISPANIC POPULATION, 1980-2004



Source: U.S. Census Bureau, Decennial Census 1980, 1990, 2000; U.S. Census Bureau, American Community Survey, 2004

1. This study uses the term "Long Island" in its contemporary political sense, referring to Nassau and Suffolk counties exclusively; Long Island as a physical entity also includes New York City's Kings (Brooklyn) and Queens Counties.
 2. Bookbinder, Bernie. 1983. *Long Island: People and places, past and present*. New York: Abrams.
 3. Winnick, Louis. 1990. *New people in old neighborhoods: The role of new immigrants in rejuvenating New York*. New York: Russell Sage Foundation.
 4. Unless otherwise noted, all demographic numerical data are drawn from U.S. Bureau of the Census, Decennial Census, various years; and U.S. Bureau of the Census, American Community Survey, 2004. It should be noted that the American Community Survey samples only the household population, while the Decennial Census counts the entire population, including those living in institutions, college dormitories and group quarters. Hence, the Hispanic population growth rate since 2000 is slightly understated here.

The Long Island Hispanic population grew by a torrid 62% during the 1980's and by an even faster 71% the next decade. U.S. Census Bureau estimates indicate the growth rate has declined somewhat to a still very rapid average annual 3.9% during the present decade. At this rate, the Long Island Hispanic population will increase by almost half again to 413,771 during the 2000 to 2010 period. Hispanics presently comprise about twelve percent of Long Island's population—up from 6.3% in 1990 and 3.9% in 1980—and can be credited for the region's modest net total population growth in recent decades. Excluding new Hispanic residents, Long Island's current population would be almost three percent smaller than its 1980 population.

At the county level, Table 1 shows that the growth rate of the Hispanic population in Suffolk County has caught up with and now substantially exceeds that of Nassau County. While the Hispanic population grew much more rapidly in Nassau during the 1980's compared to its less densely populated eastern neighbor, the growth trends reversed during the present decade, resulting in the greater dispersion of the Long Island Hispanic population (analyzed in more detail below). At current growth rates, Suffolk County receives almost 6,900 new Hispanic residents every year and Nassau almost 4,100.

TABLE 1. GROWTH RATES OF THE HISPANIC POPULATIONS IN NASSAU AND SUFFOLK COUNTIES, 1980-2004

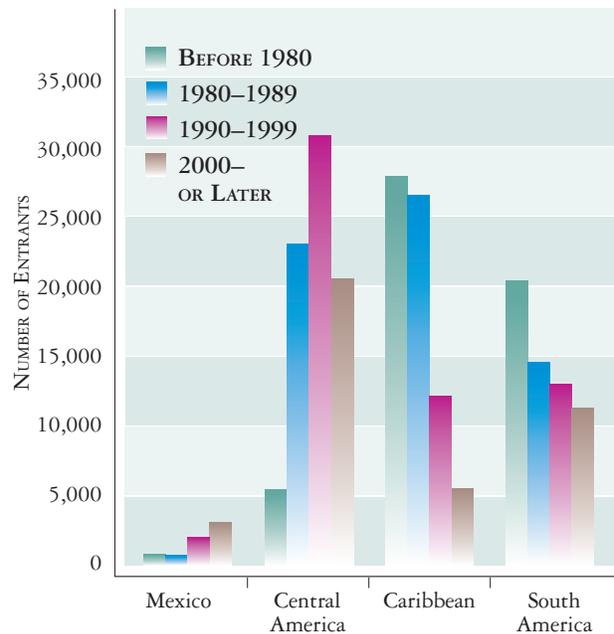
PERIOD	NASSAU	SUFFOLK
1981-1990	78.8	49.7
1991-2000	72.2	70.1
2001-2004	12.8	19.7

Sources: U.S. Census Bureau, Decennial Census, 1980, 1990, 2000; American Community Survey, 2004

Immigration is the primary source of the phenomenal growth of the Long Island Hispanic population. The data in Figure 2, encompassing both Hispanics and non-Hispanics, illustrate the changing composition of Long Island's

foreign-born population. (It should be noted that all Puerto Ricans are U.S. citizens at birth and are not counted as "foreign born" under U.S. Census Bureau definitions.) The figure shows that immigration from the Caribbean dropped dramatically during the 1990's from earlier decades and has sustained its decline. In addition to Dominicans and Cubans, Long Island's Caribbean-born population includes substantial numbers of non-Hispanic Haitians, Jamaicans and Trinidadians. Both Central American and Mexican immigration continue to grow very rapidly (from very different bases), and South American immigration appears to be on the upswing again after declining slightly during the 1990's. Under the reasonable assumptions that 100% of Mexican and Central American immigrants are Hispanic (the contribution from English-speaking Belize is negligible) and 75% of South American immigrants are Hispanic (Long Islanders born in non-Hispanic Guyana and Brazil accounted for about 24% of the region's total South American-born in 2004), net immigration from these three regions alone accounts for almost half of the growth in Long Island's Hispanic population since 1980, or 108,243 out of 227,250 people.

FIGURE 2. REGIONAL ORIGIN OF THE LONG ISLAND FOREIGN BORN POPULATION BY U.S. YEAR OF ENTRY, 2004



Source: U.S. Census Bureau, American Community Survey, 2004

During the 1995-2000 period, El Salvador was the primary source country of Hispanic immigrants to Long Island, as Figure 3 shows. Colombians, Mexicans and Guatemalans also arrived in the region in significant numbers, according to Decennial Census data, followed by Puerto Ricans, Peruvians, Ecuadorians, Dominicans and Chileans.

FIGURE 3. MIGRATION FLOWS TO LONG ISLAND BY COUNTRY OF ORIGIN, 1995-2000

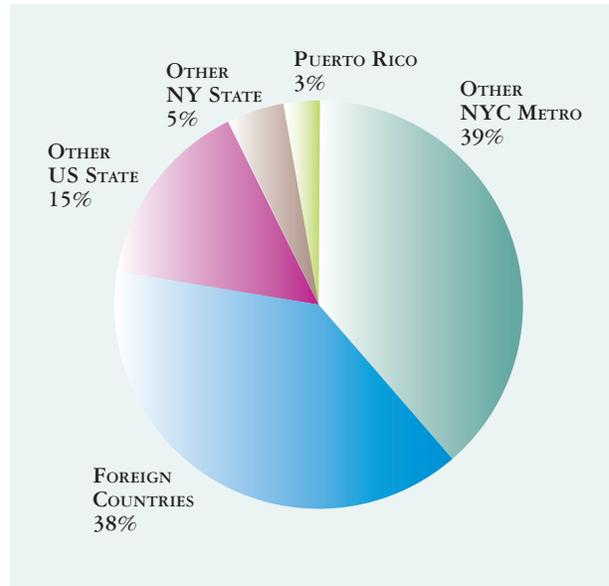


Source: Map by North-Shore LIJ Health System Office of Strategic Planning and Program Development

Long Island also attracts substantial numbers of Hispanic migrants from United States jurisdictions, especially other parts of the New York metropolitan area. Indeed, among movers to the region during the 1995 to 2000 period, 59% migrated from elsewhere in the metropolitan area, other parts of New York State, or other U.S. states, as shown in Figure 4. A large majority of these within-U.S. migrants are United States citizens and are presumably attracted to the region by the same considerations that prompt migration among Americans generally, such as jobs, school quality,

and general quality of life. It should be noted that Figures 3 and 4 depict gross in-migration and do not adjust for people moving out of Long Island during the 1995-2000 period.

FIGURE 4. ORIGIN OF HISPANIC MOVERS TO LONG ISLAND, 1995-2000



Source: U.S. Census Bureau, Decennial Census 2000, Public Use Microdata Samples

NATIONAL ORIGINS AND LEGAL STATUS OF HISPANIC LONG ISLANDERS

As the discussion above suggests, Long Island’s Hispanic population is quite diverse, originating in immigrant flows from many different nations over a relatively long period of time. As part of the greater New York metropolitan region, Long Island is a “continuing immigrant gateway,” and its Hispanic population differs markedly from “emerging gateway” regions such as North Carolina and other South-eastern and Western states with respect to national origins, social class and legal status.⁵ “Emerging gateway” Hispanic populations consist overwhelmingly of recent Mexican immigrants, many of whom are low skilled and lack legal authorization to reside in the United States. By contrast, a majority of Long Island Hispanics—according to Census estimates—are citizens by birth, as Table 2 shows.

5. The terms “continuing gateway” and “emerging gateway” are taken from Singer, Audrey. 2004. *The rise of new immigrant gateways*. Washington, DC: Brookings Institution.

TABLE 2. PLACE OF BIRTH OF LONG ISLAND HISPANICS, 2004

PLACE OF BIRTH	NASSAU COUNTY	SUFFOLK COUNTY	TOTAL LONG ISLAND
NEW YORK STATE	66,728	84,899	151,626
OTHER U.S. STATE	3,608	2,534	6,142
BORN OUTSIDE U.S., CITIZEN BY BIRTH	6,959	13,525	20,484
FOREIGN BORN	73,086	77,888	150,974
TOTAL	150,381	178,846	329,227

Source: U.S. Census Bureau, American Community Survey, 2004. Note: “Born Outside U.S., Citizen by Birth” primarily consists of people born in Puerto Rico. The category also includes children born abroad of American parents.

Moreover, a substantial share of the Long Island Hispanic foreign born are legally authorized to reside and work in the United States, including many Central Americans who arrived during the 1980’s and 1990’s and regularized their status under several special immigration temporary programs protecting refugees from the region’s civil strife and devastating natural disasters.⁶ Many other foreign-born, Hispanic Long Islanders have gained legal permanent residence by means of family ties, the granting of political asylum, the permanent residency lottery system, and the liberal amnesty rules under the Immigration Reform and Control Act of 1986.

That said, it is possible—indeed, probable—that the Census substantially undercounts foreign-born Hispanics who are undocumented, or lack legal authorization to reside in the

United States. It is difficult to count or otherwise estimate the number of undocumented immigrants, who seek for obvious reasons to remain invisible to state authorities. Hence, some knowledgeable observers prefer higher estimates for Long Island’s Hispanic foreign born, believing that the Census count misses large numbers of recent undocumented immigrants, Mexicans in particular. Drawing on multiple data sources and methodologies, we estimate the number of undocumented Hispanic immigrants resident in Long Island at 50,000 to 80,000.⁷

Table 3 shows the 2004 distributions of the Nassau and Suffolk county Hispanic populations—both foreign and native-born—by region and country of ancestry, according to Census data. Puerto Ricans are still the largest national-origin Hispanic group in both Nassau and Suffolk counties,

6. The most important of these programs, Temporary Protected Status, was enacted in 1990 and has been extended until September 2007 for Salvadorans and July 2007 for Hondurans and Nicaraguans. According to the U.S. Citizenship and Immigration Services agency, about 225,000 Salvadorans, 75,000 Hondurans and 4,000 Nicaraguans in the United States are protected from deportation under the program (USCIS press release 23 February 2006). Tens of thousands of Salvadorans, Guatemalans and Nicaraguans have also been granted legal permanent residence in the United States under the 1997 Nicaraguan Adjustment and Central American Relief Act.

7. Our first estimate uses the 2000 Decennial Census and the American Community Survey to estimate the Long Island foreign-born, non-U.S. citizen, Hispanic population at 103,800 in 2004. Multiplying this number by 0.422, Passel’s (2005) national estimate of the fraction of foreign-born non-citizens who are undocumented, yields an estimate of 43,800 Hispanic undocumented in the region. This figure is inflated to 50,000, assuming a 15% Census undercount of the undocumented population. Our second estimate also draws on Passel (2005), assuming 650,000 undocumented immigrants in New York State in 2004, 81% of whom are Hispanic. Assuming Long Island’s share of the undocumented population to equal its share of the state population, this method yields an estimate of 77,900 Hispanic undocumented in the region. Passel, Jeffrey S. 2005. *Unauthorized migrants: Numbers and characteristics*. Washington, DC: Pew Hispanic Center. It should be noted that estimates of state and local undocumented immigrant populations vary enormously. For example, the U.S. Immigration and Naturalization Service agency calculated the undocumented population in New York State in 2000 at 489,000, while Passel calculated a state population of 700,000 that year. U.S. Immigration and Naturalization Service, Office of Policy and Planning. n.d. *Estimates of the unauthorized immigration population residing in the United States: 1990 to 2000*; Passel, Jeffrey S. 2002. “New estimates of the undocumented population in the United States.” *Migration Information Source*, 22 May. Recent press reports cite estimates of the total Long Island undocumented population (including non-Hispanics) ranging from 100,000 to 183,000. Strugatch, Warren. 2004. “The changing face of the Island’s labor force.” *New York Times*, 14 November, p. 14L16; Richter, Allan. 2006. “Drawing workers, and some critics.” *New York Times*, 30 April, p. 14L11.

TABLE 3. DISTRIBUTION OF THE LONG ISLAND HISPANIC POPULATION BY ORIGIN, 2004

HISPANIC ORIGIN	NASSAU COUNTY	SUFFOLK COUNTY	TOTAL LONG ISLAND
PUERTO RICAN	29,379	51,152	80,531
DOMINICAN	18,082	13,319	31,401
MEXICAN	7,156	5,965	13,121
SALVADORAN	28,926	28,998	57,924
HONDURAN	2,401	17,994	20,395
GUATEMALAN	3,754	7,226	10,980
OTHER CENTRAL AMERICAN	12,012	6,403	18,415
ECUADORIAN	9,391	7,343	16,734
COLOMBIAN	4,033	7,835	11,868
OTHER SOUTH AMERICAN	12,426	15,357	27,783
OTHER HISPANIC	22,821	17,254	40,075
TOTAL	150,381	178,846	329,227

Source: U.S. Census Bureau, American Community Survey, 2004

but their number is now surpassed by Central Americans as a group. Among the latter, the Salvadoran population is far the largest in both counties, although Suffolk County is also home to a substantial Honduran population. Additional major Hispanic populations in Long Island include Dominicans, Ecuadorians, Colombians and Mexicans.

GEOGRAPHICAL DISTRIBUTION OF LONG ISLAND HISPANIC RESIDENTS

Long Island’s residential Hispanic population is numerically concentrated in the region’s most populous sub-county divisions, called “towns.”⁸ In Nassau County, these are Hempstead, North Hempstead and Oyster Bay, and in Suffolk County, Brookhaven, Islip, Babylon and Huntington, according to the 2000 Census (see Table 4).

Hempstead Town alone was home to 65% of Nassau County’s Hispanic population that year while 68% of Suffolk County Hispanics lived in either Brookhaven Town or Islip Town. But the 2000 Census data also show substantial variation in Hispanic settlement by national origin. Although the largest numbers of Hispanics from each principal national origin group reside in the seven major population centers identified above, certain nationalities are over-represented (relative to their shares of the total Hispanic population) in some of the smaller, East End Suffolk County towns. For example, Mexicans are a strong presence in East Hampton, Southampton, Riverhead and Southold; Colombians in East Hampton and Southampton; and Ecuadorians in East Hampton. Puerto Ricans, Salvadorans and Dominicans, on the other hand, tend to be over-represented in the major population centers in both counties. Figure 5 shows Hispanic distributions by nationality for selected Long Island towns in the year 2000.

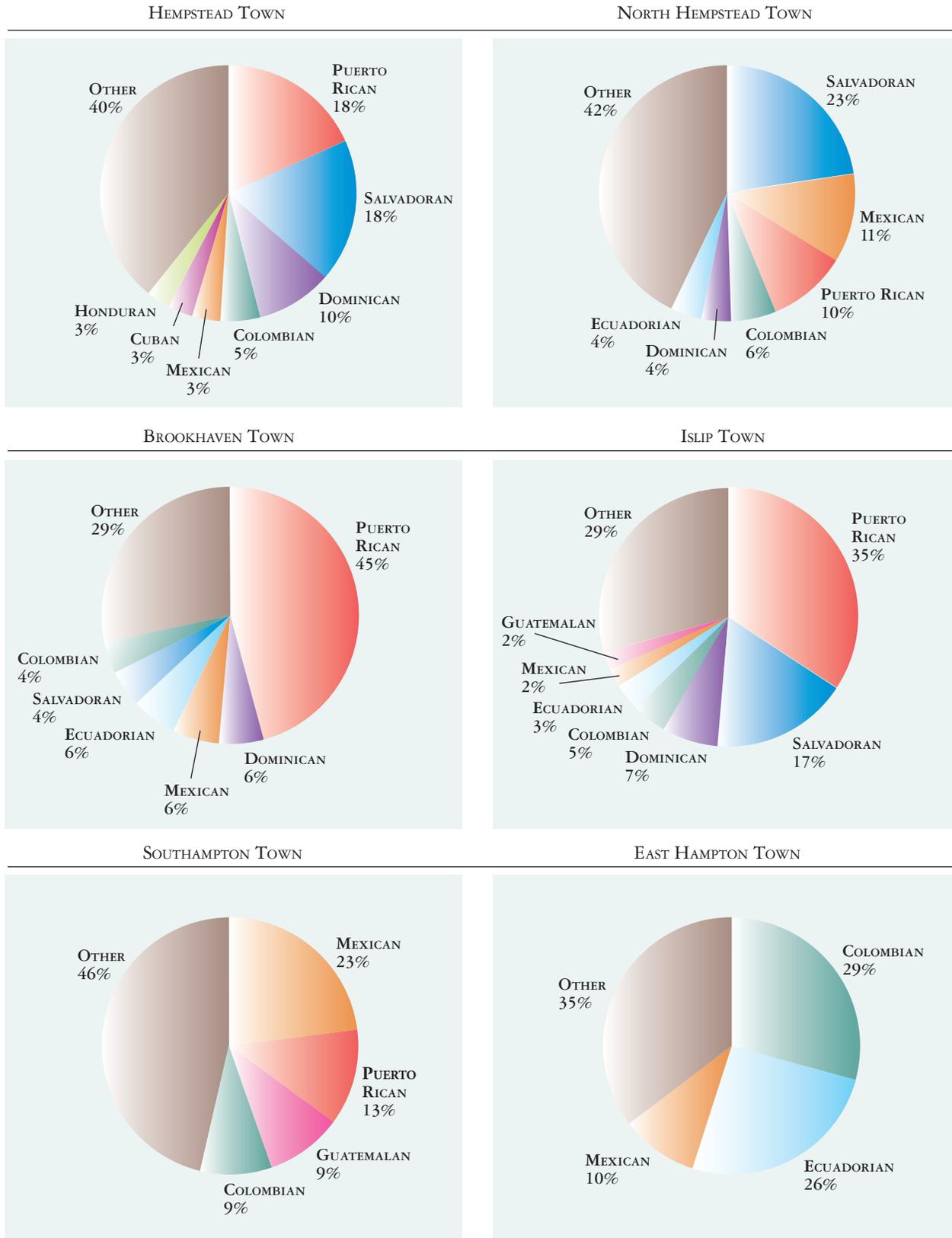
8. As elsewhere in New York State, the primary sub-county division in Long Island is the town, comprising an extensive geographical area. Within the towns are incorporated villages and hamlets and unincorporated areas. Four areas lie outside the town system: Nassau County’s Glen Cove City and Long Beach City, and Suffolk County’s Poospatuck and Shinnecock Native American reservations.

TABLE 4. TOWN DISTRIBUTION OF LONG ISLAND HISPANICS, 2000

NASSAU COUNTY TOWN/CITY	NUMBER OF HISPANICS	HISPANIC % OF TOTAL POPULATION
GLEN COVE CITY	5,336	20.0
HEMPSTEAD	86,657	11.5
LONG BEACH CITY	4,540	13.1
NORTH HEMPSTEAD	21,872	9.8
OYSTER BAY	14,877	5.1
NASSAU COUNTY TOTAL	133,282	10.0
SUFFOLK COUNTY TOWN/CITY	NUMBER OF HISPANICS	HISPANIC % OF TOTAL POPULATION
BABYLON	21,275	10.0
BROOKHAVEN	36,041	8.0
EAST HAMPTON	2,914	14.8
HUNTINGTON	12,844	6.6
ISLIP	65,031	20.2
RIVERHEAD	1,678	6.1
SHELTER ISLAND	53	2.4
SMITHTOWN	3,855	3.3
SOUTHAMPTON	4,700	8.6
SOUTHOLD	982	4.8
SUFFOLK COUNTY TOTAL	149,411	10.5

Source: U.S. Census Bureau, Decennial Census, 2000

FIGURE 5. NATIONAL ORIGIN DISTRIBUTION OF THE HISPANIC POPULATION IN LONG ISLAND TOWNS, 2000



At the more disaggregated community level, Table 5 reveals that a large proportion of Long Island Hispanics in both counties reside in a relatively small number of the region's villages and unincorporated communities. Many of these communities also exhibit striking concentrations of Hispanics as a share of total residents. Indeed, Brentwood and North Bay Shore were majority Hispanic communities in 2000

and are almost certainly even more so today. With more than 29,000 Hispanic residents in 2000, Brentwood's Hispanic community is substantially larger than that of any other place in either county. Other leading Hispanic places by population size include Hempstead, Freeport, New Cassel and Uniondale in Nassau County and Central Islip, North Bay Shore and Huntington Station in Suffolk.

TABLE 5. PRINCIPAL HISPANIC COMMUNITIES IN LONG ISLAND, 2000

NASSAU COUNTY TOWNSHIP	PLACE	NUMBER OF HISPANICS	HISPANIC % OF TOTAL POPULATION
HEMPSTEAD	HEMPSTEAD VILLAGE	17,991	31.8
HEMPSTEAD	FREEPORT VILLAGE	14,648	33.5
NORTH HEMPSTEAD	NEW CASSEL CDP	5,467	41.1
HEMPSTEAD	UNIONDALE CDP	5,261	22.9
HEMPSTEAD	ELMONT CDP	4,672	14.3
HEMPSTEAD	VALLEY STREAM VILLAGE	4,463	12.3
OYSTER BAY	HICKSVILLE CDP	3,819	9.3
HEMPSTEAD	LEVITTOWN CDP	3,601	6.8
NORTH HEMPSTEAD	WESTBURY VILLAGE	2,689	18.9
HEMPSTEAD	EAST MEADOW CDP	2,626	7.0
HEMPSTEAD	ROOSEVELT CDP	2,572	16.2

Source: U.S. Census Bureau, Decennial Census, 2000. Note: "CDP" refers to "census designated place," defined by the Census Bureau as "a densely settled concentration of population that is not within an incorporated place but is locally identified by a name."

TABLE 5. PRINCIPAL HISPANIC COMMUNITIES IN LONG ISLAND, 2000 *continued*

SUFFOLK COUNTY TOWNSHIP	PLACE	NUMBER OF HISPANICS	HISPANIC % OF TOTAL POPULATION
ISLIP	BRENTWOOD CDP	29,251	54.3
ISLIP	CENTRAL ISLIP CDP	11,452	35.8
ISLIP	NORTH BAY SHORE CDP	7,608	50.7
HUNTINGTON	HUNTINGTON STATION CDP	6,802	22.7
ISLIP	BAY SHORE CDP	4,738	19.9
BABYLON	COPIAGUE CDP	4,489	20.5
BROOKHAVEN	CORAM CDP	3,314	9.5
BROOKHAVEN	PATCHOGUE VILLAGE	2,842	23.8
BROOKHAVEN	SHIRLEY CDP	2,749	10.8
BROOKHAVEN	MEDFORD CDP	2,373	10.8

Source: U.S. Census Bureau, Decennial Census, 2000. Note: “CDP” refers to “census designated place,” defined by the Census Bureau as “a densely settled concentration of population that is not within an incorporated place but is locally identified by a name.”

Public school enrollment data offer additional and more recent information on the geographical distribution of the Hispanic population. The enrollment figures for 2004 confirm that Hispanics are quite concentrated at the city and village level, a finding consistent with Long Island’s longstanding and well-documented history of rigorous

community segregation by class and race.⁹ Tables 6 and 7 identify the public school districts in Nassau and Suffolk counties with the highest and lowest Hispanic enrollments as percentages of total enrollment; countywide, Hispanic schoolchildren account for 12.6% and 12.3% of total enrollment, respectively.

9. ERASE Racism Initiative of the Long Island Community Foundation. 2002. *Racism and the opportunity divide on Long Island*. Syosset, NY: Author. It should be noted that variation in private school enrollment by racial and ethnic group means public school enrollment shares imperfectly measure geographic residential segregation.

TABLE 6. HIGHEST AND LOWEST SHARES OF HISPANIC ENROLLMENT IN NASSAU COUNTY SCHOOL DISTRICTS, 2004

HIGHEST HISPANIC SHARE DISTRICTS			LOWEST HISPANIC SHARE DISTRICTS		
TOWN	DISTRICT	SHARE (%)	TOWN	DISTRICT	SHARE (%)
N. HEMPSTEAD	WESTBURY	48.8	OYSTER BAY	JERICHO	0.7
HEMPSTEAD	FREEPORT	45.4	HEMPSTEAD	GARDEN CITY	0.9
HEMPSTEAD	HEMPSTEAD	43.0	HEMPSTEAD	MASSAPEQUA	1.3
GLEN COVE	GLEN COVE	34.2	OYSTER BAY	SYOSSET	1.3
HEMPSTEAD	UNIONDALE	28.0	OYSTER BAY	PLAINVIEW	1.4
HEMPSTEAD	VALLEY STREAM 30	24.4	HEMPSTEAD	BELLMORE	2.2
HEMPSTEAD	VALLEY STREAM 24	23.0	OYSTER BAY	BETHPAGE	2.3
HEMPSTEAD	LAWRENCE	23.6	HEMPSTEAD	WANTAGH	2.3
HEMPSTEAD	ISLAND PARK	20.0	HEMPSTEAD	BELLMORE/MERRICK	2.4
LONG BEACH	LONG BEACH	19.5	HEMPSTEAD	SEAFORD	2.5
HEMPSTEAD	WEST HEMPSTEAD	18.5	OYSTER BAY	PLAINEDGE	2.5
HEMPSTEAD	ELMONT	18.1	HEMPSTEAD	MERRICK	2.8

Source: *A report to the governor and the legislature on the educational status of the state's public schools*, New York State Department of Education, 2004, District and County Data Tables. Districts with less than 500 total enrollments are excluded.

TABLE 7. HIGHEST AND LOWEST SHARES OF HISPANIC ENROLLMENT IN SUFFOLK COUNTY SCHOOL DISTRICTS, 2004

HIGHEST HISPANIC SHARE DISTRICTS			LOWEST HISPANIC SHARE DISTRICTS		
TOWN	DISTRICT	SHARE (%)	TOWN	DISTRICT	SHARE (%)
ISLIP	BRENTWOOD	60.4	HUNTINGTON	COLD SPRING HARBOR	0.9
ISLIP	CENTRAL ISLIP	45.0	BROOKHAVEN	MILLER PLACE	1.2
BABYLON	COPIAGUE	28.2	ISLIP	SAYVILLE	1.4
EAST HAMPTON	SPRINGS	27.6	SHELTER ISLAND	SHELTER ISLAND	1.5
EAST HAMPTON	MONTAUK	26.1	ISLIP	WEST ISLIP	1.6
SOUTHAMPTON	HAMPTON BAYS	25.9	SOUTHOLD	MATTITUCK-CUTCHOGUE	1.7
ISLIP	BAYSHORE	23.6	SMITHTOWN	SMITHTOWN	1.7
EAST HAMPTON	EAST HAMPTON	22.0	SOUTHAMPTON	EASTPORT	2.0
SOUTHAMPTON	TUCKAHOE	21.5	BROOKHAVEN	THREE VILLAGE	2.1
HUNTINGTON	HUNTINGTON	21.4	SMITHTOWN	KINGS PARK	2.3
BABYLON	AMITYVILLE	20.1	HUNTINGTON	COMMACK	2.4
			SOUTHOLD	SOUTHOLD	2.4
			ISLIP	BAYPORT-BLUE POINT	2.5
			BROOKHAVEN	ROCKY POINT	2.5
			BROOKHAVEN	SHOREHAM-WADING RIVER	2.5
			BROOKHAVEN	PORT JEFFERSON	2.6

Source: *A report to the governor and the legislature on the educational status of the state's public schools*, New York State Department of Education, 2004, District and County Data Tables. Districts with less than 200 total enrollments are excluded.

The tables show striking concentration of Hispanic schoolchildren in a small number of Long Island's 127 public school districts. More than 44% of Suffolk County Hispanic public school students attend school in just three districts—Brentwood, Central Islip and Copiague—although these districts enroll less than 11% of all county public school students. In Nassau, almost one third of

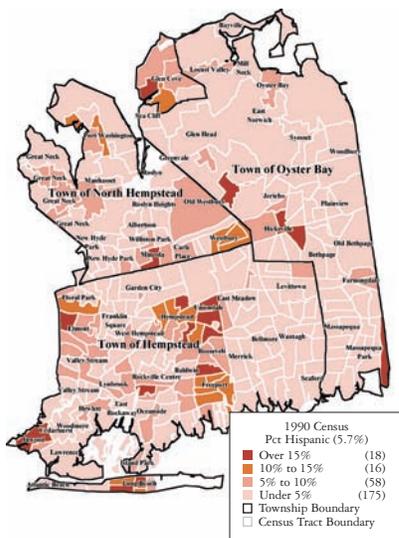
Hispanic students are enrolled in the Westbury, Freeport and Hempstead districts compared to less than nine percent of all Nassau County schoolchildren. The adjacent Hempstead and Garden City districts in western Hempstead Town offer a particularly striking example of segregation, with Hispanic enrollment shares at 43% and less than one percent, respectively.

Mapping census tract data from the 1990 and 2000 decennial censuses reveals a strong concentration of Hispanics in the western portion of Hempstead Town and very low Hispanic densities in the eastern portion of the region (Figure 6). Hispanic residents in Suffolk County

are concentrated in southern Babylon, northwestern Islip, and a swath of southern Brookhaven. Some of the lowest Hispanic densities in Suffolk are found in the northern portions of Smithtown and Brookhaven towns, along the island's north coast.

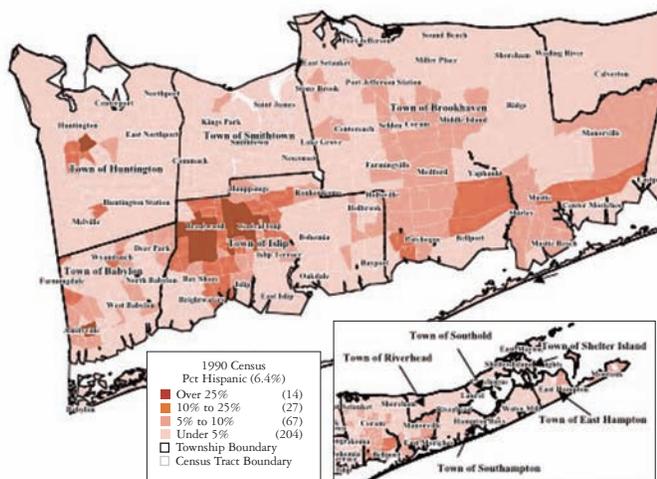
FIGURE 6. NASSAU AND SUFFOLK COUNTY HISPANIC POPULATION

NASSAU COUNTY HISPANIC POPULATION IN 1990



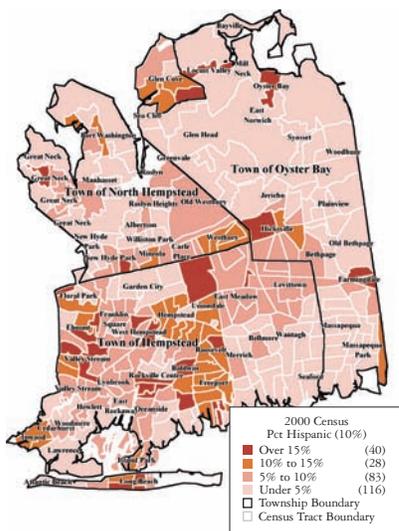
Map by North Shore-LIJ Health System Office of Strategic Planning and Program Development
Source: U.S. Census Bureau, Decennial Census, 1990.

SUFFOLK COUNTY HISPANIC POPULATION IN 1990



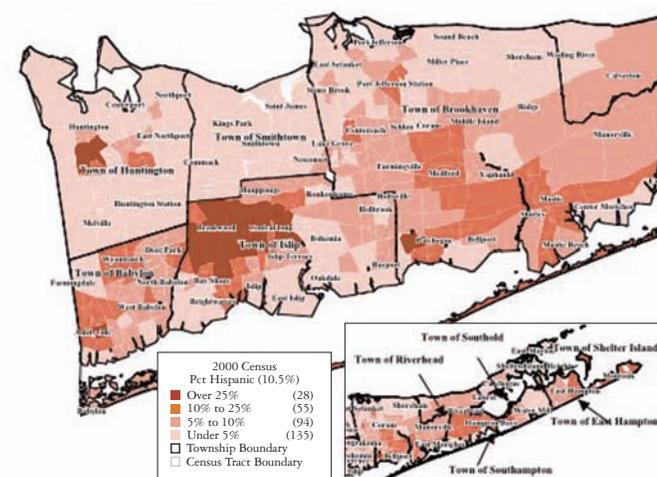
Map by North Shore-LIJ Health System Office of Strategic Planning and Program Development
Source: U.S. Census Bureau, Decennial Census, 1990.

NASSAU COUNTY HISPANIC POPULATION IN 2000



Map by North Shore-LIJ Health System Office of Strategic Planning and Program Development
Source: U.S. Census Bureau, Decennial Census, 2000.

SUFFOLK COUNTY HISPANIC POPULATION IN 2000



Map by North Shore-LIJ Health System Office of Strategic Planning and Program Development
Source: U.S. Census Bureau, Decennial Census, 2000.

TABLE 8. AGE AND SEX: HISPANICS AND ALL LONG ISLANDERS, 2004

	NASSAU COUNTY		SUFFOLK COUNTY	
	HISPANICS	TOTAL POPULATION	HISPANICS	TOTAL POPULATION
MALE (%)	51.2	48.0	51.9	49.4
FEMALE (%)	48.8	52.0	48.1	50.6
MEDIAN AGE, MALE	29.3 YEARS	38.4 YEARS	28.5 YEARS	36.7 YEARS
MEDIAN AGE, FEMALE	32.1 YEARS	41.0 YEARS	29.0 YEARS	38.6 YEARS

Source: U.S. Census Bureau, American Community Survey, 2004

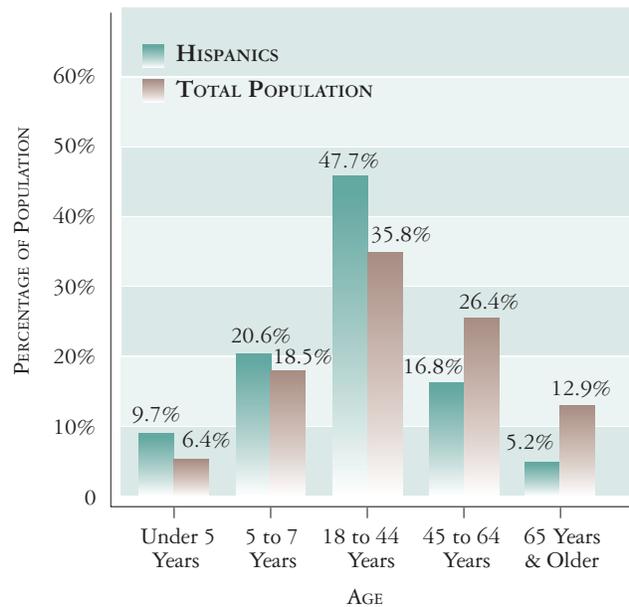
Comparing the 1990 and 2000 maps shows that Hispanic population densities have generally increased substantially in or near areas of existing Hispanic settlement. But the maps also reveal a growing Hispanic presence elsewhere in the region, especially in Suffolk County. Recent evidence from multiple sources indicates Hispanics—especially recent Mexican immigrants—are increasingly settling in smaller and more remote Long Island communities, seeking job opportunities beyond the saturated day labor markets in established Hispanic centers. Hispanic settlement in Suffolk County’s lightly-populated East End has grown very rapidly (from small bases): the Southampton Town and East Hampton Town Hispanic populations respectively grew 294.6% and 258.9% during the 1990’s and anecdotal evidence suggests these communities continue to attract Hispanic newcomers. Hispanics now comprise substantial population shares of East Hampton, Montauk and other iconic Long Island resort communities.

DEMOGRAPHIC PROFILE OF HISPANIC LONG ISLANDERS

Due in part to the new immigrant presence, Long Island’s Hispanic population is much younger on average and slightly more male compared to the region’s population as a whole. Table 8 shows striking Hispanic/total population median age differences for both sexes in both Long Island counties, ranging from 9.6 years for Suffolk County women to 8.2 years for Suffolk County men.

Figure 7 compares the Hispanic and total population distributions by age group in 2004. Almost half of Hispanics fall into the “prime working age” category of 18 to 44 years compared to a little more than one third of all Long Islanders. Only 22% of Hispanics are aged 45 years or older compared to 39% of all Long Islanders, but the percentage of Hispanics who are very young (under five years of age) is substantially larger than that for all Long Island residents.

FIGURE 7. AGE DISTRIBUTION OF THE HISPANIC AND TOTAL LONG ISLAND POPULATIONS, 2004



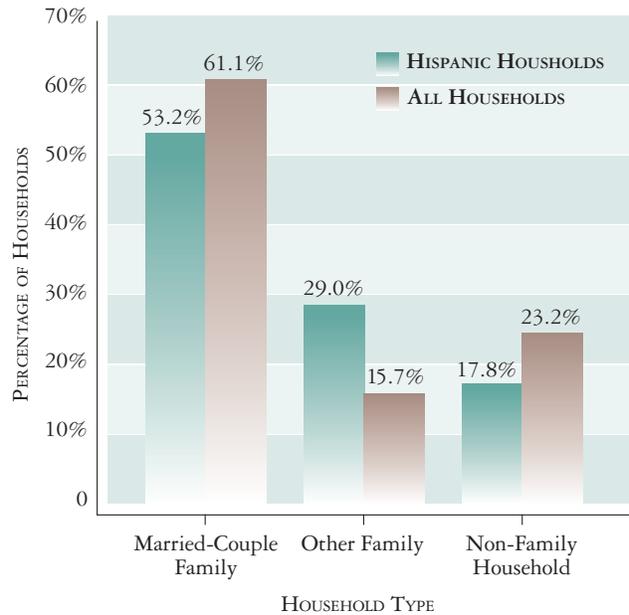
Source: U.S. Census Bureau, American Community Survey, 2004

This last difference reflects both the larger proportion of Hispanic women of childbearing age (15-50) and a higher childbearing rate for Hispanic women. According to the 2004 American Community Survey, the share of Hispanic women aged 15 to 50 who gave birth in the past twelve months was 11.7% in Nassau County and 8.0% in Suffolk. The corresponding shares for all Long Island women in that age group were 6.3% and 6.0%. The relative youth of the region's Hispanic population also means a much higher proportion of Hispanic families include related children less than eighteen years of age: 70.2% compared to 50.7% for all Long Island families, according to the 2000 Census. Hence comparatively many more Hispanic families use the region's schools even though the share of Hispanics in the 5-to-17-year school age group is only slightly larger than that for all Long Islanders (Figure 7).

Compared to Long Islanders as a whole, Hispanic households include a smaller share of married-couple families and a larger share of other family types, as Figure 8 shows.¹⁰ Perhaps surprisingly, given the anecdotal reports of day laborers crowded into makeshift dormitories, the American Community Survey reports that a comparatively small share of Hispanics reside in non-family households. Hispanic households are substantially larger on average than those of the regional population as a whole, according to 2000 Census data: the average Hispanic household in Nassau and Suffolk counties included 4.19 and 4.26 people, respectively, compared to 2.93 and 2.96 for the corresponding total county populations.

Hispanic Long Islanders also differ markedly from non-Hispanics with respect to housing ownership, tenure, and rooms per occupant, as Figure 9 shows. More than one-third of Hispanic households live in rental units compared to only 18% of the regional population as a whole. In part reflecting the high rates of recent immigration, Hispanic household tenure (length of residence in the current housing unit) is much lower than that of all Long Islanders;

FIGURE 8. HOUSEHOLD PROFILE: HISPANICS AND ALL LONG ISLANDERS, 2004

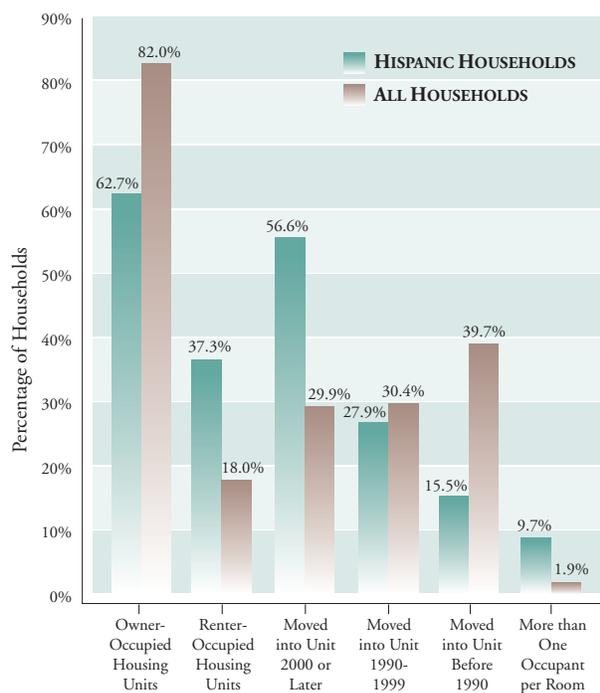


Source: U.S. Census Bureau, American Community Survey, 2004

indeed, a majority of Hispanic households had moved into their current home within the past four years, according to the American Community Survey. Finally, almost ten percent of Hispanic households lived in overcrowded conditions of more than one occupant per room, compared to only two percent of the population as a whole. The high rate of new Hispanic immigration to the region and high Hispanic birth rates will continue to raise demand for Long Island's inadequate stock of affordable rental housing. But Hispanic homeownership is also growing, according to data collected under the Home Mortgage Disclosure Act. Hispanics accounted for 12.1% of conventional home purchase loans originated in Long Island in 2004 compared to just 4.2% in 1999.¹¹

10. The U.S. Census Bureau defines a family as "a group of two or more people who reside together and are related by birth, marriage or adoption."
 11. Federal Financial Institutions Examination Council. 2006. "Aggregate Table 4.2. Disposition of applications for conventional home purchase loans, 1 to 4 family and manufactured home dwellings by race, ethnicity, gender and income of applicant," 2004 and 1999. Accessed at <http://www.ffiec.gov>.

FIGURE 9. HOUSING PROFILE: HISPANICS AND ALL LONG ISLANDERS, 2004

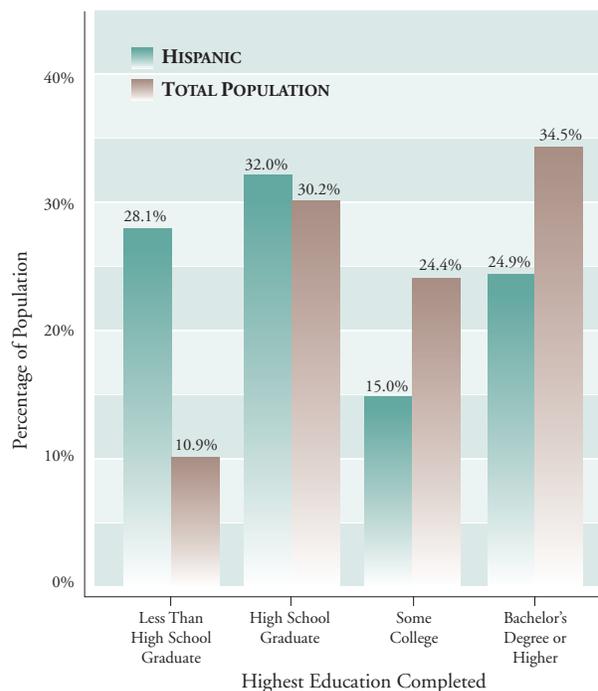


Source: U.S. Census Bureau, American Community Survey, 2004

Hispanic educational attainment substantially lags that of the Long Island population as a whole. As Figure 10 shows, only one quarter of the region’s Hispanics hold a bachelor’s degree or have attained additional education compared to more than a third of all Long Island residents. Moreover, comparatively many fewer Hispanics—40% compared to 59%—have gone to college at all. The most striking feature of Figure 10—and worrisome with respect to earnings opportunities—is the high share of Hispanics with less than a high school diploma or equivalent—more than one quarter compared to little more than a tenth for the population as a whole.

Reflecting its younger age distribution, a larger share of the Hispanic population is enrolled in school at the nursery school to twelfth grade level compared to the Long Island population as a whole. But much lower proportions of the Hispanic population aged 18 to 29 years are enrolled in college or graduate/professional school compared to all

FIGURE 10. EDUCATIONAL ATTAINMENT: HISPANICS AND ALL LONG ISLANDERS, 2004



Source: U.S. Census Bureau, American Community Survey, 2004

Long Islanders in that age group. Indeed, New York State Education Department statistics show that substantially fewer high school seniors in the school districts with high Hispanic shares planned to enroll in college (see Tables 6 and 7).¹² The comparative school enrollment shares are shown in Table 9.

EMPLOYMENT AND INCOME PROFILE OF HISPANIC LONG ISLANDERS

A salient characteristic of Long Island Hispanics is their high labor force participation and employment rates, especially among men. The Long Island Hispanic population is very much a working population. In both Nassau and Suffolk counties, a Hispanic man aged 20 to 64 years was more likely to be employed in 2004 than a non-Hispanic man in that age group, due partly to the lower Hispanic college enrollment rates discussed above. Labor force participation and employment among Long Island Hispanic women in the 20 to 69 years age group is mixed, according to American

12. See *A report to the governor and the legislature on the educational status of the state's public schools*, New York State Department of Education, 2004, District and County Data Tables.

TABLE 9. SCHOOL ENROLLMENT OF HISPANICS AND ALL LONG ISLANDERS, 2004

NASSAU COUNTY			SUFFOLK COUNTY		
ENROLLMENT SHARES	HISPANICS	TOTAL POPULATION	ENROLLMENT SHARES	HISPANICS	TOTAL POPULATION
NURSERY SCHOOL TO TWELFTH GRADE AS SHARE OF TOTAL POPULATION	21.9	18.8	NURSERY SCHOOL TO TWELFTH GRADE AS SHARE OF TOTAL POPULATION	27.1	20.4
COLLEGE OR GRADUATE SCHOOL AS SHARE OF POPULATION AGED 18-29 YEARS	32.0	49.5	COLLEGE OR GRADUATE SCHOOL AS SHARE OF POPULATION AGED 18-29 YEARS	20.1	45.1

Source: U.S. Census Bureau, American Community Survey, 2004

TABLE 10. LABOR FORCE PARTICIPATION AND EMPLOYMENT OF HISPANICS AND ALL LONG ISLANDERS, 2004

NASSAU COUNTY			SUFFOLK COUNTY		
MEN 20-69 YEARS	HISPANICS	TOTAL POPULATION	MEN 20-69 YEARS	HISPANICS	TOTAL POPULATION
CIVILIAN LABOR FORCE PARTICIPATION	91.1	83.8	CIVILIAN LABOR FORCE PARTICIPATION	89.7	84.2
EMPLOYED/TOTAL AGE GROUP	86.7	80.2	EMPLOYED/TOTAL AGE GROUP	85.2	79.5
UNEMPLOYED/CIVILIAN LABOR FORCE	4.8	4.4	UNEMPLOYED/CIVILIAN LABOR FORCE	5.1	5.6

Source: U.S. Census Bureau, American Community Survey, 2004

NASSAU COUNTY			SUFFOLK COUNTY		
WOMEN 20-69 YEARS	HISPANICS	TOTAL POPULATION	WOMEN 20-69 YEARS	HISPANICS	TOTAL POPULATION
CIVILIAN LABOR FORCE PARTICIPATION	70.2	66.9	CIVILIAN LABOR FORCE PARTICIPATION	65.8	67.7
EMPLOYED/TOTAL AGE GROUP	67.9	63.7	EMPLOYED/TOTAL AGE GROUP	60.5	63.9
UNEMPLOYED/CIVILIAN LABOR FORCE	3.3	4.7	UNEMPLOYED/CIVILIAN LABOR FORCE	8.1	5.6

Source: U.S. Census Bureau, American Community Survey, 2004

Community Survey data, with comparatively high rates in Nassau County and somewhat lower ones in Suffolk. Table 10 shows the estimates.

Reflecting the rapid growth in Long Island's Hispanic population and the high rate of labor force participation among Hispanics, a growing share of the region's jobs are held by Hispanics. Indeed, as total employment in the region grew very sluggishly by 8,056 workers or 0.6% during the 2000 to 2004 period, Hispanic employment grew by 35,138 workers or 30%, according to data from the decennial Census and the American Community Survey. Hence, Hispanics are an increasingly important part of the regional workforce.

The industrial distribution of Hispanic employment differs from that of all Long Islanders, as Table 11 indicates. Hispanics are relatively concentrated in Manufacturing, Accommodation and Food Services, Administrative and Support and Waste Management Services (a diverse category that includes Landscaping Services as a major Hispanic employer) and Other Services (another diverse category that includes domestic and personal care services as major Hispanic employers), according to the most recent reliable data from the 2000 Census. Hispanics are substantially under-represented in Finance, Insurance and Real Estate (FIRE), Educational Services, and Professional, Scientific and Technical Services. Perhaps surprisingly, a slightly smaller share of Hispanics work in Construction compared

TABLE 11. INDUSTRIAL EMPLOYMENT DISTRIBUTION OF LONG ISLAND HISPANICS, 2000

LEADING HISPANIC INDUSTRIAL EMPLOYERS BY SHARE OF TOTAL EMPLOYMENT (%)

INDUSTRY	HISPANICS	TOTAL POPULATION
MANUFACTURING	16.0	8.1
RETAIL TRADE	11.7	11.5
HEALTH SERVICES & SOCIAL ASSISTANCE	10.2	12.8
ACCOMMODATION & FOOD SERVICES	8.8	4.1
ADMINISTRATIVE & SUPPORT & WASTE MANAGEMENT	8.7	3.6
OTHER SERVICES	8.7	4.4
CONSTRUCTION	5.9	6.4

LAGGING HISPANIC INDUSTRIAL EMPLOYERS BY SHARE OF TOTAL EMPLOYMENT (%)

INDUSTRY	HISPANICS	TOTAL POPULATION
FINANCE, INSURANCE & REAL ESTATE	5.4	9.6
EDUCATIONAL SERVICES	5.0	10.6
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES	4.3	7.8
PUBLIC ADMINISTRATION	2.9	5.4

Sources: U.S. Census Bureau, Decennial Census, 2000, Summary File 3 (total population) and Public Use Microdata Samples (Hispanics).

TABLE 12. OCCUPATIONAL EMPLOYMENT DISTRIBUTION OF LONG ISLAND HISPANICS, 2004

LEADING OCCUPATIONAL EMPLOYERS OF HISPANIC MEN BY SHARE OF TOTAL EMPLOYMENT (%)

OCCUPATION	NASSAU COUNTY		SUFFOLK COUNTY	
	HISPANIC MEN	ALL MEN	HISPANIC MEN	ALL MEN
FOOD PREPARATION & SERVING RELATED	20.2	4.7	14.4	5.0
CONSTRUCTION & EXTRACTION	10.4	8.2	14.0	10.9
TRANSPORTATION & MATERIAL MOVING	10.4	7.3	8.3	6.9
OFFICE & ADMINISTRATIVE SUPPORT	9.6	8.5	10.7	7.3
PRODUCTION	8.8	3.3	9.1	6.6
BUILDING & GROUNDS CLEANING & MAINT.	6.7	2.9	8.3	4.3

LAGGING OCCUPATIONAL EMPLOYERS OF HISPANIC MEN BY SHARE OF TOTAL EMPLOYMENT (%)

OCCUPATION	NASSAU COUNTY		SUFFOLK COUNTY	
	HISPANIC MEN	ALL MEN	HISPANIC MEN	ALL MEN
MANAGEMENT, BUSINESS & FINANCIAL	4.8	19.6	8.1	17.0
PROFESSIONAL AND RELATED	8.1	18.6	7.4	15.1
SALES AND RELATED	8.1	13.0	8.9	11.9

LEADING OCCUPATIONAL EMPLOYERS OF HISPANIC WOMEN BY SHARE OF TOTAL EMPLOYMENT (%)

OCCUPATION	NASSAU COUNTY		SUFFOLK COUNTY	
	HISPANIC WOMEN	ALL WOMEN	HISPANIC WOMEN	ALL WOMEN
OFFICE & ADMINISTRATIVE SUPPORT	19.6	25.2	28.6	26.5
PRODUCTION	16.0	2.3	12.5	3.1
FOOD PREPARATION & SERVING RELATED	15.2	4.5	11.8	4.8
BUILDING & GROUNDS CLEANING & MAINT.	7.6	1.5	6.2	2.2

LAGGING OCCUPATIONAL EMPLOYERS OF HISPANIC WOMEN BY SHARE OF TOTAL EMPLOYMENT (%)

OCCUPATION	NASSAU COUNTY		SUFFOLK COUNTY	
	HISPANIC WOMEN	ALL WOMEN	HISPANIC WOMEN	ALL WOMEN
PROFESSIONAL AND RELATED	19.1	37.2	13.4	27.4
MANAGEMENT, BUSINESS & FINANCIAL	9.8	13.1	9.6	12.6
SALES AND RELATED	8.0	12.8	4.6	9.5

Source: U.S. Census Bureau, American Community Survey, 2004

to the general population, according to these data. The continued growth in the Hispanic day labor market in recent years may have further concentrated Hispanic employment in the Construction and Landscaping Services industries.

Employed Hispanics also differ strikingly from employed Long Islanders as a whole with respect to their occupational distribution. Table 12 compares employment distributions in principal occupational categories in 2004.

Hispanic men in both counties are much more likely to work in service occupations and much less likely to work in managerial and professional occupations than Long Island men as a whole. Comparing more detailed occupations shows Hispanic men are very substantially over-represented in food preparation and serving related occupations, the largest occupational employer for this group in both

counties and one that employed more than one-fifth of working Hispanic men in Nassau County in 2004. Hispanic men in both counties are also over-represented in production (manufacturing), construction and extraction, transportation and material moving, building and grounds cleaning and maintenance, and office and administrative support occupations. Comparatively few Hispanic men work in management, business and financial occupations, the category that employs the largest share of Long Island men overall.

The occupational distribution of Hispanic women reveals many similarities with that of Hispanic men. Hispanic women, too, are under-represented in management and especially in professions such as medicine, law, and academia and over-represented in services compared to Long Island women as a whole. Compared to an employed non-Hispanic woman, a Hispanic woman working

TABLE 13. GROWTH OF LONG ISLAND HISPANIC-OWNED BUSINESS, 1997-2002

	ALL FIRMS		FIRMS WITH PAID EMPLOYEES			
	NUMBER	SALES/RECEIPTS (\$1,000)	NUMBER	SALES/RECEIPTS (\$1,000)	EMPLOYEES	PAYROLL (\$1,000)
LONG ISLAND						
2002	16,262	1,956,832	2,166	1,584,936	10,703	360,467
1997	12,090	1,617,782	1,692	1,178,072	7,197	243,634
% CHANGE	34.5	21.0	28.1	34.5	48.7	48.0
NASSAU						
2002	9,151	959,692	1,189	730,442	5,746	205,806
1997	7,373	898,150	1,142	743,197	4,046	131,542
% CHANGE	24.1	6.7	4.1	-1.7	42.0	56.5
SUFFOLK						
2002	7,111	997,140	977	854,493	4,957	154,661
1997	4,717	719,632	550	434,875	3,151	112,092
% CHANGE	50.8	38.6	77.6	96.5	57.3	38.0

Source: U.S. Census Bureau, Economic Census, 2001, 2006. *Minority-Owned Business Enterprises: Hispanic: 1997, Survey of Business Owners: Hispanic-Owned Firms: 2002.*

TABLE 14. INCOME AND POVERTY STATISTICS FOR HISPANICS AND ALL LONG ISLANDERS, 2004

HOUSEHOLD INCOME (\$)	NASSAU COUNTY		SUFFOLK COUNTY	
	SHARE OF ALL HOUSEHOLDS (%) HISPANICS	TOTAL POPULATION	SHARE OF ALL HOUSEHOLDS (%) HISPANICS	TOTAL POPULATION
0 TO 19,999	19.2	12.0	13.2	10.7
20,000 TO 39,999	16.2	11.2	14.8	14.8
40,000 TO 99,999	40.8	39.6	44.6	43.5
100,000 AND HIGHER	23.8	37.3	27.4	31.0
MEDIAN HH INCOME (\$)	HISPANIC HHs	ALL HOUSEHOLDS	HISPANIC HHs	ALL HOUSEHOLDS
	56,208	76,762	68,397	71,956
PER CAPITA INCOME (\$)	HISPANICS	TOTAL POPULATION	HISPANICS	TOTAL POPULATION
	20,051	35,880	20,045	30,542
POVERTY RATE (%)	HISPANICS	TOTAL POPULATION	HISPANICS	TOTAL POPULATION
	10.4	2.1	6.4	6.0

Source: U.S. Census Bureau, American Community Survey, 2004

in either county is much more likely to be employed in a food preparation and serving, building and grounds cleaning and maintenance, or production occupation. At this level of occupational detail, the “administrative support occupations” category employs the largest share of Hispanic women in both counties while the “professional and related occupations” category employs the largest share of all regional women.

Along with the Hispanic workforce, Hispanic-owned business has boomed in Long Island in recent years, catalyzing the revival of moribund business districts in Freeport, Brentwood, Hempstead, Glen Cove and other Long Island communities, according to press reports, political officials, business leaders and community activists.¹³ The Hispanic businesses are active in a broad range of regional industries, including construction, retail trade, restaurants, health and other professional services, landscaping services, and building cleaning and maintenance services. The Economic Census data displayed in Table 13 show very impressive growth in the number of firms, receipts, employees and payroll during

the 1997 to 2002 period, despite the lingering effects of the 2001 recession in the region during the latter year. The boom is concentrated in Suffolk County, where Hispanic-owned firms with paid employees grew a phenomenal 77.6% in number and nearly doubled their sales and receipts in only five years. In 2002, Hispanic-owned firms in Long Island earned almost \$2 billion in sales and receipts and employed an estimated 25,000 people, including self-employed sole proprietors. And there is certainly scope for continued growth—despite the strong recent gains, Hispanic-owned businesses still accounted for less than one percent of the 2002 payroll for all Long Island business establishments, according to the Census Bureau’s County Business Patterns.

Income and poverty statistics reflect the diversity of Long Island’s Hispanic population. As noted above, many Hispanic Long Islanders are long-established, legal residents of the region, fully free to participate in economic life. Hence, Hispanic income levels and poverty rates in Long Island are closer to those of the general population than is the case

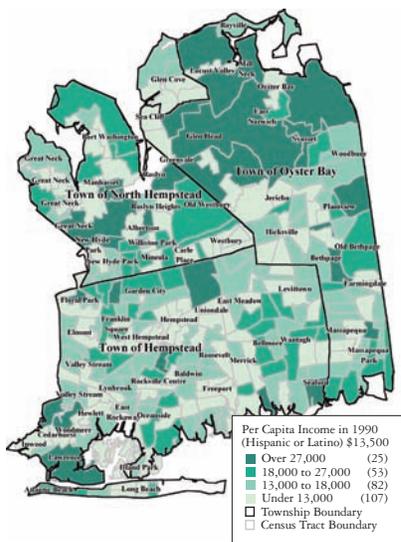
13. See, for example, Lutz, Philip. 2005. “Immigrant entrepreneurs are saving Main Street.” *New York Times*. 25 September, p. 14L11.

in “emerging gateway” regions whose Hispanic populations are dominated by undocumented and low-skilled recent immigrants. Table 14 shows that more than two-thirds of Long Island Hispanic households had incomes of \$40,000 or more in 2004 making most Hispanics solidly middle class. Moreover, approximately a quarter of Hispanic households

in the two counties combined earned over \$100,000. In Suffolk County, the distributions of Hispanics and all county residents in income groups are broadly similar, but differences are more pronounced in Nassau, with substantially higher Hispanic shares in the two lowest income ranges and a much lower Hispanic share in the highest income group.

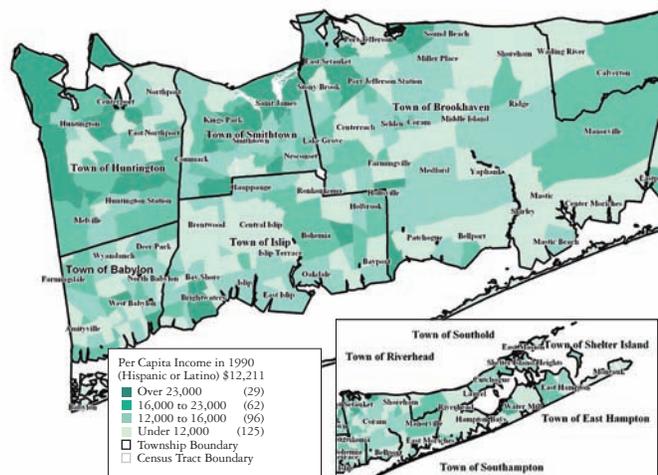
FIGURE 11. NASSAU COUNTY PER CAPITA INCOME FOR HISPANICS

NASSAU COUNTY HISPANIC PER CAPITA INCOME IN 1990



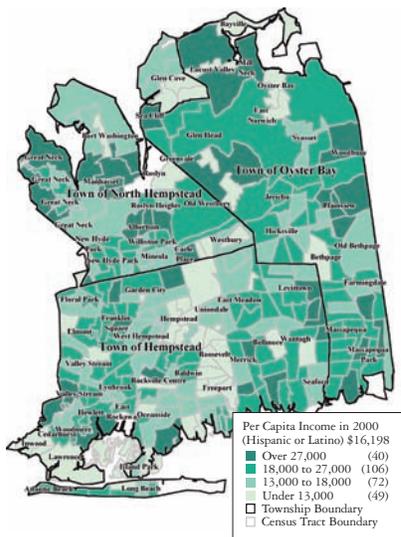
Map by North Shore-LIJ Health System Office of Strategic Planning and Program Development
Source: U.S. Census Bureau, Decennial Census, 1990.

SUFFOLK COUNTY HISPANIC PER CAPITA INCOME IN 1990



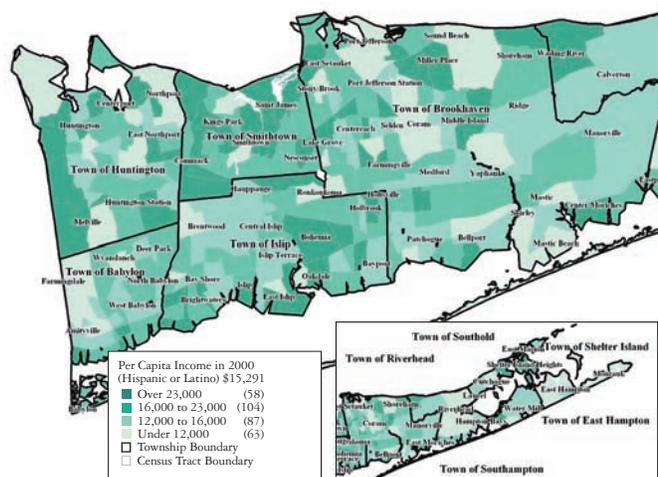
Map by North Shore-LIJ Health System Office of Strategic Planning and Program Development
Source: U.S. Census Bureau, Decennial Census, 1990.

NASSAU COUNTY HISPANIC PER CAPITA INCOME IN 2000



Map by North Shore-LIJ Health System Office of Strategic Planning and Program Development
Source: U.S. Census Bureau, Decennial Census, 2000.

SUFFOLK COUNTY HISPANIC PER CAPITA INCOME IN 2000



Map by North Shore-LIJ Health System Office of Strategic Planning and Program Development
Source: U.S. Census Bureau, Decennial Census, 2000.

Lower levels of schooling among Hispanics (see Figure 10) and the presence of a sizable share of low-skilled recent immigrants, many of them undocumented, are likely to contribute to the substantially lower estimates of median household and per capita income among Hispanics compared to all Long Islanders shown in Table 14. Reflecting in part the larger average size of Hispanic households, the gap in per capita income is much larger than the median household income gap, especially in Nassau County. Nassau County also shows a higher Hispanic/total population poverty gap.

Figure 11 shows the change in nominal per capita Hispanic income by census tract during the 1990 to 2000 period. Nominal per capita income rose in most parts of Suffolk County, but the pattern in Nassau, though also suggesting a general increase, appears somewhat more complex. For example, Glen Head and Syosset in Northern Oyster Bay appear to have experienced a decline in per capita income over the ten year period. This is also true of Great Neck and Lawrence, among several other villages. One possible factor is the migration of some relatively well-off Hispanic families to other towns, particularly in Suffolk County where land is cheaper and relatively abundant. Another reason for reductions in per capita income in some areas may be that the population of lower-income Hispanics grew more rapidly during the period than the general Hispanic population.

THE ECONOMIC IMPACT OF LONG ISLAND'S HISPANIC POPULATION

We now turn to the economic impact of Hispanics on Nassau and Suffolk Counties, an impact doubtless influenced by the demographic, geographic, and workforce characteristics already discussed. Following a similar study for the state of North Carolina by Kasarda and Johnson, we consider both the impact of Hispanic consumer spending on the regional economy and the net balance of the Hispanic population's contributions and costs on local government budgets.¹⁴

We begin with the economic impact analysis. It requires, first, calculating the broad gains to Long Island output, income, employment, and public revenues attributable to Hispanic Long Islanders' consumer spending, which is valued at \$3.8 billion in 2004. As a part of the analysis we will also examine which industries are most affected by the presence of Hispanic workers and consumers on Long Island. We follow this with the local government budget analysis. This requires that we compare the value of the principal tax revenues that Long Island Hispanics contribute directly to local governments (county, city/town, village and school district) to the cost of the major local services that this population receives. We conclude the study with a brief discussion of local policy initiatives to encourage social and economic integration and entrepreneurship among Long Island Hispanics, drawing on suggestions gleaned from interviews with regional policy experts, community activists and business leaders.

For most of our analysis, we use an input-output model known as IMPLAN. It is based on purchasing and consumption patterns, as well as local production and commerce in goods and services across industries. Data are primarily obtained from the U.S. Bureau of Economic Analysis, and the Bureau of Labor Statistics (though other sources are also used). IMPLAN follows consumer spending through over 500 sectors of Long Island's economy in order to estimate any of a variety of impacts that would result from a certain hypothetical change—e.g., in earnings or employment for a particular sector or sectors—to the Long Island economy.¹⁵ The IMPLAN model calculates the direct, indirect, and induced effects on the Long Island economy resulting from Hispanic consumer spending. The indirect and induced effects occur as this spending raises output and incomes in a broad range of industries linked to the industries that directly supply Hispanic consumers.

14. Kasarda, John D. and James H. Johnson, Jr. 2006. *The economic impact of the Hispanic population on the state of North Carolina*. Chapel Hill, NC: Frank Hawkins Kenan Institute of Private Enterprise.

15. Among the many impacts generated by IMPLAN are the number of jobs, labor income, and tax revenue gained or lost. See Lindall, Scott A. and Douglas C. Olson. No date. *The IMPLAN input-output system*. Stillwater, MN: MIG, Inc. Accessed at <http://www.implan.com>.

Following Kasarda and Johnson (2006), we used buying power data as the primary input in the economic impact analysis. In estimating it, our starting point was total income earned by all Hispanics in Long Island. Although buying power is strongly related to income, certain adjustments were necessary to produce a reliable estimate of Hispanic consumption (see Figure 12). First, and most obvious, a portion of household income is diverted to the Federal or State governments in the form of income or payroll taxes. Second, Hispanics—particularly those who are recent immigrants—are known to send sometimes substantial shares of their income back to extended family in their home countries. Third, while it is well recognized that the average Hispanic (indeed like the average non-Hispanic American) does not save a large share of his or her income, we see fit to account for the fact that families typically do not spend all of their disposable income. Fourth, we classified the substantial property taxes paid in Long Island as separate from other consumption expenditures, so that buying power is what remains of disposable income after accounting for these taxes. Finally, we distinguish between buying power and actual spending, to account for the fact that a not insignificant share of Long Island Hispanic spending “leaks out”—i.e., takes place outside—of Nassau and Suffolk Counties.

By our estimate, Hispanics in Long Island spent almost \$3.77 billion locally in 2004. Prior to estimating the overall impact of such spending, however, we must also account for the fact that much money was leaked out through industrial channels—that is, the fact that local companies purchase factors or inputs from outside the region even if the finished goods and services are consumed in Long Island. Such flows in fact account for nearly 87% of total leakages from Long Island. Yet since the production leakages do not reduce consumer spending as such, we account for them separately.¹⁶ After subtracting all leakages, we arrive at the figure to be used in the impact analysis, which represents the portion of the spending that actually remained in Long Island in 2004. The total is \$2.68 billion, of which \$1.24 billion came from Nassau, and \$1.44 billion took place in Suffolk.

FIGURE 12. DESCRIPTION OF OUR ESTIMATE OF HISPANIC SPENDING

HOUSEHOLD INCOME	
MINUS:	INCOME AND PAYROLL TAXES
	REMITTANCES
	SAVINGS
EQUALS:	DISPOSABLE INCOME
MINUS:	PROPERTY TAXES
EQUALS:	BUYING POWER
MINUS:	LEAKAGES
EQUALS:	SPENDING

After accounting for all taxes, remittances, savings, and leakages, Hispanic local spending produced an overall economic impact in 2004 of \$5.69 billion. Of the total, there was an estimated \$2.48 billion impact in Nassau, and an impact of \$3.21 billion in Suffolk (Table 15).

Hispanic consumer spending in Long Island created 54,412 jobs and \$3.68 billion in value added (income paid to all productive factors, including labor) in 2004.¹⁷ At \$2.22 billion, labor income accounts for more than 60 percent of the latter figure. Additionally, the spending produced an estimated \$237.9 million in state taxes and \$355.5 million in federal taxes. As shown, there have been notable increases in all categories from 1990 through 2004, not all—or even most—of which can be attributed to the population increase during the period. The one exception to this is the decline in federal taxes from 2000 to 2004, a direct result of sizable tax cuts under the Bush Administration which reduced taxes for all income groups.

16. Unlike the case with the other adjustment items, the IMPLAN system is itself able to calculate the leakage amounts for any region in the U.S., given the primary input which is buying power. The total domestic leakage—that is, money leaving Long Island and spent anywhere in the U.S.—comes out to almost \$1.1 billion, and the foreign leakage (money leaked to other countries) is approximately \$177 million. These figures include the consumption leakage as well.

17. Total economic impact includes both new value created and the value of the non-labor inputs used in production.

Looking at the industry level employment effects, we notice only minor differences between Nassau and Suffolk Counties (Table 16). Services relating to health, food, and education are by far the most affected by Hispanic spending in Long Island, with, respectively, 6,514, 6,271, and 4,552 jobs created. The sector involved in motor vehicle repair and parts also is affected to a significant degree, with a

total of 2,043 new jobs created. In sectors of more minor importance we observe greater differences between Nassau and Suffolk Counties. For example, sectors in which more jobs were created in Suffolk than in Nassau were religious organizations (687 as against 480), and commercial and institutional building, for which Suffolk created 538 new jobs and Nassau only 252 (not making the list).

TABLE 15. ECONOMIC IMPACT OF HISPANIC SPENDING IN LONG ISLAND, 1990-2004

LONG ISLAND	1990	2000	2004
TOTAL ECONOMIC IMPACT	\$1,116,706,687	\$4,010,312,632	\$5,688,974,636
JOBS CREATED	17,016	42,680	52,412
VALUE ADDED	\$754,079,746	\$2,610,279,472	\$3,682,851,600
LABOR INCOME	\$491,961,096	\$1,646,793,517	\$2,221,045,064
STATE TAXES	—*	\$146,571,899	\$237,922,114
FEDERAL TAXES	—	\$492,285,114	\$355,450,251
NASSAU COUNTY	1990	2000	2004
TOTAL ECONOMIC IMPACT	\$537,841,407	\$1,882,421,321	\$2,482,714,895
JOBS CREATED	8,080	19,663	22,658
VALUE ADDED	\$363,438,853	\$1,239,924,637	\$1,628,065,273
LABOR INCOME	\$236,630,796	\$779,720,918	\$971,214,134
STATE TAXES	—	\$68,530,801	\$105,231,200
FEDERAL TAXES	—	\$234,408,261	\$157,962,812
SUFFOLK COUNTY	1990	2000	2004
TOTAL ECONOMIC IMPACT	\$578,865,280	\$2,127,891,311	\$3,206,259,741
JOBS CREATED	8,936	23,017	29,754
VALUE ADDED	\$390,640,893	\$1,370,354,835	\$2,054,786,327
LABOR INCOME	\$255,330,300	\$867,072,599	\$1,249,830,930
STATE TAXES	—	\$78,041,098	\$132,690,914
FEDERAL TAXES	—	\$257,876,853	\$197,487,439

* Not available

TABLE 16. INDUSTRIES EXPERIENCING THE GREATEST EMPLOYMENT IMPACT FROM HISPANIC SPENDING

NASSAU COUNTY	NUMBER OF JOBS	SUFFOLK COUNTY	NUMBER OF JOBS
HOSPITALS, NURSING, GENERAL HEALTH	2,922	HOSPITALS, NURSING, GENERAL HEALTH	3,592
FOOD AND FOOD SERVICES	2,799	FOOD AND FOOD SERVICES	3,472
EDUCATION (INCLUDING POST-SECONDARY)	1,840	EDUCATION (INCLUDING POST-SECONDARY)	2,712
MOTOR VEHICLE REPAIR AND PARTS	922	MOTOR VEHICLE REPAIR AND PARTS	1,121
SOCIAL ASSISTANCE	654	RELIGIOUS ORGANIZATIONS	687
RELIGIOUS ORGANIZATIONS	480	REAL ESTATE	587
REAL ESTATE	454	COMMERCIAL AND INSTITUTIONAL BUILDINGS	538
CLOTHING AND ACCESSORIES	408	SOCIAL ASSISTANCE	528
INSURANCE	354	CLOTHING AND ACCESSORIES	507
LEGAL SERVICES	324	CHILD DAY CARE	475

In contrast, despite the fact that 31% more total jobs were created in Suffolk (see Table 15), many more jobs in the area of social assistance were created in Nassau than in Suffolk (654 against 528).

All of the economic activity described above produces substantial local tax revenue through both direct and indirect channels. Yet it is important to consider whether the total revenue generated by the Hispanic contribution exceeds the cost to Long Island in terms of the services of which the Hispanic population avail themselves. It is to this question that we now turn.

**LOCAL TAXES AND SPENDING:
THE HISPANIC CONTRIBUTION**

Long Island local government is fragmented, comprising 901 separate entities, according to a recent count, each with separate revenue and spending streams.¹⁸ Such fragmentation complicates efforts to precisely quantify the taxes and fees paid and the cost of services received

by a specific population, such as Hispanics, that is dispersed throughout the region. For example, the property tax—a principal source of local revenue—may be levied, at different rates, at the county, city, town, village and school district level of government. Spending also varies enormously among local governments; for example, in Nassau County total current spending for instruction per pupil in elementary and secondary public schools in 2004 ranged from \$7,282 in the Elmont school district to \$13,987 in the Island Park district, both of which have high Hispanic student concentrations.¹⁹

To make our analysis more tractable, we follow the practice of other researchers and limit our domain to the principal sources of local revenues and spending. When more disaggregated analysis is not feasible, we generalize from average values. On the revenue side, we calculate the Hispanic contribution to property taxes, local sales taxes, and a broad residual category of “other local revenues,” primarily composed of the utility gross receipts tax and miscellaneous user

18. *Long Island Index 2006*. 2006. Garden City, NY: Long Island Index.

19. U.S. Census Bureau. 2006. “2004 Public Elementary-Secondary Education Finance Data.” Accessed at <http://www.census.gov/govs/www/school04doc.html>.

fees. Since we are looking only at local government budgets, we ignore the many additional revenues that Hispanic Long Islanders contribute to federal and state coffers, such as personal income and payroll taxes, business taxes, and the state share of the sales tax. On the expense side, we calculate the local cost of the Hispanic population's use of public elementary and secondary schools, health services (including the local share of Medicaid spending) and corrections (expenditures related to the Long Island inmate population). These are the principal tax-supported local expenditures that can be reasonably allocated to Hispanics on the basis of their share of consumption and are the cost categories most often analyzed in similar budgetary impact studies, including the earlier-cited North Carolina study by Kasarda and Johnson.

PRINCIPAL LOCAL PUBLIC REVENUE CONTRIBUTIONS FROM HISPANIC LONG ISLANDERS

PROPERTY TAX

We use a comprehensive analysis of the regional revenue base prepared by the Center for Governmental Research (CGR) for the annual report Long Island Index 2006 as a starting point for our research.²⁰ To estimate the Hispanic property tax contribution to all levels of local government (county, city/town, village and school district), we calculate the per-household real property tax revenue raised from all households in each county in 2003 (the most recent year analyzed by CGR) and multiply this number by the ratio of Hispanic average household income to average household income of all groups in 2004 (71% and 72% for Nassau and Suffolk counties, respectively).²¹ We then multiply this product by the number of Hispanic households in each county. We estimate that Hispanic households in Nassau and Suffolk counties respectively contributed \$241.3 million and \$219.0 million in property tax payments in 2004. This

sum is equivalent to about 6.4% of the total property tax revenue raised annually in Long Island, according to CGR.

SALES TAX

We calculate the Hispanic sales tax contribution to local revenues straightforwardly by multiplying our estimate of regional Hispanic household consumer spending by the share of spending on taxable goods and services and again by the local sales tax rate of 4.25%. As noted earlier, to estimate regional Hispanic consumer spending, we calculate and subtract from aggregate household income the estimated values of state and local income tax payments, other payroll taxes, personal savings, international remittances (immigrants' payments to family and other recipients in their home countries) and extra-regional consumer spending (whether in neighboring New York City or in distant Colombia, for example). These adjustments are made as follows:

Federal and state income and other payroll taxes

We estimate the average Hispanic household income tax obligations to the United States and New York State by calculating the mean Hispanic household income in each county and assuming that the typical household is married with two dependent children, files a married, joint return, takes the standard deduction, and has \$10,000 in additional adjustments to gross income. We also assume (conservatively, with respect to our local revenue calculation) 100% taxpayer compliance. We estimate that Long Island Hispanic households paid combined federal and state income taxes of \$274.1 million in Nassau County and \$266.6 million in Suffolk County in 2004. In addition, we estimate Hispanics in Nassau and Suffolk counties respectively contributed \$203.1 million and \$226.4 million in Social Security and Medicare payroll taxes, under the simplifying assumption that the average household contributes at the employee rate of taxation (i.e., we ignore self-employment).

20. Center for Governmental Research. 2006. *Long Island Index 2006 Special Analysis Report: Analysis of Government Expenditures and Revenues on Long Island, 1998-2003*. Rochester, NY: Author. CGR compiles and analyzes detailed local expenditure and revenue data provided by the Office of the New York State Comptroller.

21. We encountered difficulty using the published American Community Survey aggregate Hispanic household income estimates in that the ACS estimate of \$4.066 billion for Suffolk County is incredibly high, 48.7% higher than 2003. A Census Bureau income analyst consulted by telephone acknowledged the imprecision caused by an unusually small sample size for this data item. (Telephone interview with Mr. Kirby Posey, U.S. Census Bureau, 7 August 2006.) We determined to estimate the 2004 figures from the growth trend from 1990 to 2003, adjusting for inflation. Our analysis yields 2004 income figures of \$2.655 billion and \$2.960 billion in Nassau and Suffolk counties, respectively.

Personal savings

There is no reliable data source to calculate the percentage of household income that Long Island Hispanics save. Nationally, Americans saved 1.8% of their after-tax income in 2004.²² National research suggests that Hispanic saving, excluding remittances, is quite low²³ but Hispanic saving rates may be higher in Long Island, with its comparatively high proportion of higher-income Hispanic residents born in the United States and Puerto Rico and of legal, well-established foreign-born residents. In the absence of better data, we apply the national after-tax saving rate to Hispanic Long Islanders, reducing household income dedicated to consumption by \$39.2 million and \$44.4 million in Nassau and Suffolk counties, respectively.

Remittances

As a recent U.S. Government Accountability Office (GAO) report notes, estimates of remittances of money from foreign-born workers to their home countries vary substantially among reputable researchers.²⁴ Studies suggest remittance senders tend to be young, recently-arrived men with low incomes.²⁵ Because of the demographics of Long Island's foreign-born Hispanic population noted above, we expect regional remittances to be relatively low. Following U.S. Bureau of Economic Analysis estimates described in the GAO study, we assume that 54% of the regional adult, Hispanic foreign-born population remits an annual average of \$2,076. This yields estimates of \$77.5 million and \$79.4 million in 2004 remittances from Nassau and Suffolk counties, respectively.

Extra-regional spending (leakages)

As a large, affluent suburb with very diverse and extensive service and retail trade industries, Long Island absorbs the great bulk of residential Hispanic consumer spending.

Two major spending categories—shelter and household utilities—are necessarily purchased locally and two others—food for home consumption and motor vehicles and associated expenses—are apt to leak only negligibly from the region. At the same time, of course, Hispanics and other Long Islanders are embedded in the broader New York metropolitan area economy, primarily as suppliers of labor to New York City; they also travel and spend elsewhere and make online purchases. Lacking data on Hispanic spending outside the region, we substitute what we believe is a reasonable, upper-limit estimate of such leakage resulting primarily from spending by Hispanic Long Islanders commuting to work in New York City. We calculate this leakage as 20% of spending in the health care, entertainment, apparel and services, and food away from home categories and 10% of public transportation spending. Referring to the consumer spending pattern in the New York metropolitan region, we calculate this leakage as 3.0% of before-tax income, or \$79,662,605 and \$88,789,312 in Nassau and Suffolk counties, respectively.²⁶ Recall that it is only a small fraction of the *total* leakage, which amounts to over 29 percent of all spending.

Having estimated the value of income and payroll taxes paid, personal savings, remittances, and spending leakages, we deduct these quantities from Hispanic Long Islanders' aggregate gross household income in 2004 to calculate the value of the population's regional consumption spending.²⁷ These deductions total \$673.6 million (25.4% of gross income) in Nassau County and \$705.6 million (23.8 of gross income) in Suffolk County, yielding regional consumption spending values for sales tax calculation purposes of \$1.98 billion and \$2.25 billion respectively.

22. U.S. Department of Commerce, Bureau of Economic Analysis. 2006. *Survey of Current Business* 86(7) (July), p. D-18, Table 2.1. "Personal Income and its Disposition."

23. Kochnar, Rakesh. 2004. *The wealth of Hispanic households: 1996 to 2002*. Washington, DC: Pew Hispanic Center. Kochnar finds Hispanics hold only one-tenth of the wealth of non-Hispanic white Americans.

24. U.S. Government Accountability Office. 2006. *International remittances: Different methodologies produce different results*. Washington, DC: Author.

25. Congress of the United States, Congressional Budget Office. 2005. *Remittances: International payments by migrants*. Washington, DC: Author.

26. U.S. Bureau of Labor Statistics. 2006. Consumer Expenditure Survey 2003-2004. Table 21. "Selected Northeastern Metropolitan Statistical Areas: Average Annual Expenditures and Characteristics." Accessed at <http://stats.bls.gov>.

27. Property tax payments are not deducted from gross income because these payments are considered part of the cost of consuming shelter. In any case, most shelter-related consumption is not subject to the New York sales tax and is excluded from our sales tax revenue calculation.

The U.S. Bureau of Labor Statistics's Consumer Expenditure Survey cited above shows that the average consumer in the New York metropolitan statistical area devotes 45.86% of total spending to purchases of goods and services subject to the sales tax in New York State.²⁸ We therefore calculate Hispanic Long Islanders' contribution to local sales tax revenues as \$38.6 million and \$43.9 million in Nassau and Suffolk counties, respectively. This sum is equivalent to about 4.4% of the local sales revenue raised annually in Long Island, according to the CGR.

OTHER LOCAL REVENUES

In the report cited above, the Center for Governmental Research finds that small and medium revenue streams from more than one hundred different sources account for about one-quarter of local government revenues in Nassau and Suffolk counties.²⁹ As noted, there are over 900 independent government entities in Long Island, making reliable estimates of the total Hispanic contribution to revenue extremely difficult to come by. As an approximation, we made use of the fact that the amount of revenue raised in 2004 classified in this "other" category amounted to 40.8% of the property taxes raised (Long Island Index, 2006). We multiplied the property tax amount calculated earlier by 40.8% and reduced this by one third in order to err on the side of being too conservative. The figures for all the revenues raised in this "other" category are \$65.8 million for Nassau County and \$59.7 million for Suffolk.

Added to the above tax revenues are the property, sales, and other taxes generated as an indirect result of Hispanic consumer spending. These are calculated by the IMPLAN

system and are added to direct revenues already discussed.

The total tax revenues attributable to the Hispanic population come out to \$461.1 million in Nassau County and \$464.1 million in Suffolk County. Table 17 lists the tax revenue flows by category.

PRINCIPAL LOCAL PUBLIC COSTS OF HISPANIC LONG ISLANDERS

K-12 Public School Education

In Long Island, as in most communities, the principal expenditure borne by local government is public elementary and secondary school education. We use the U.S. Census Bureau's school finance database and the New York Department of Education's statistics on public school enrollment by district and ethnicity to calculate the share of this cost attributable to Hispanic Long Islanders.³⁰ For each school district, we multiply total current spending by the share of total revenues from local sources and then multiply again by the share of Hispanic enrollment. This calculation yields estimates of the Hispanic public education costs borne by local governments of \$289.1 million in Nassau County and \$231.0 million in Suffolk County, respectively, representing about 11.6% and 10.6% of total local current spending on public school education.

Healthcare

Medicaid, the public health insurance program for low-income families, absorbs the greatest share of health-related spending by Long Island local governments. In most states, Medicaid is funded entirely by state and federal governments, but counties bear a significant share of the cost in New York.³¹ The distribution of county Medicaid spending by

28. We choose to model Long Island Hispanic consumer spending on the metropolitan area pattern (for all groups) in preference to the national Hispanic spending pattern (also produced by BLS) because we believe regional Hispanic spending is more likely to approximate the metropolitan pattern (reflecting relatively high housing costs, for example).

29. CGR, *op. cit.*, p. 16.

30. U.S. Census Bureau. 2006. "2004 Public Elementary-Secondary Education Finance Data." Accessed at <http://www.census.gov/govs/www/school04doc.html>; New York State Department of Education. 2004. *A report to the governor and the legislature on the educational status of the state's public schools*, District and County Data Tables. Albany, NY: Author.

31. Medicaid for children under 18 in New York State is now called Child Health Plus A. The state also started the Family Health Plus insurance program several years ago to cover low-income adults who exceed regular Medicaid income limits. Both of these programs are financed like regular Medicaid, requiring a 25% county contribution, and are categorized as Medicaid expenditures. Child Health Plus B covers low-income children not eligible for Child Health Plus because household income limitations are exceeded or other reasons. This program is entirely funded by the federal and state governments and does not require a county contribution. Undocumented immigrants are barred from receiving Medicaid and Child Health Plus A benefits but may receive Child Health Plus B benefits. New York City Office of Citywide Health Insurance Access. Accessed at <http://www.nyc.gov>. Public Policy and Education Fund of New York. 2004. *Half a million and one broken promises*. Accessed at <http://www.citizenaction.org>.

TABLE 17. NASSAU AND SUFFOLK COUNTY TAX IMPACT ESTIMATES, 2004

LONG ISLAND	DIRECT	INDIRECT		TOTAL
	CONTRIBUTIONS	FROM BUSINESS	FROM PERSONS	CONTRIBUTIONS
PROPERTY TAX	\$460,347,000	\$153,549,083	\$1,576,545	\$615,472,628
SALES TAX	\$82,557,859	\$31,367,320	\$31,367,320	\$145,292,498
OTHER TAXES & FEES	\$125,508,680	\$16,302,167	\$22,584,216	\$164,395,063
TOTAL	\$668,413,539	\$201,218,570	\$55,528,081	\$925,160,199
NASSAU COUNTY				
PROPERTY TAX	\$241,303,000	\$69,202,405	\$684,623	\$311,190,027
SALES TAX	\$38,625,950	\$14,136,809	\$14,136,809	\$66,899,568
OTHER TAXES & FEES	\$65,788,679	\$7,347,157	\$9,847,265	\$82,983,101
TOTAL	\$345,717,629	\$90,686,370	\$24,668,696	\$461,072,696
SUFFOLK COUNTY				
PROPERTY TAX	\$219,044,000	\$84,346,679	\$891,922	\$304,282,601
SALES TAX	\$43,931,909	\$17,230,511	\$17,230,511	\$78,392,931
OTHER TAXES AND FEES	\$59,720,001	\$8,955,010	\$12,736,951	\$81,411,962
TOTAL	\$322,695,910	\$110,532,200	\$30,859,384	\$464,087,494

ethnicity is not available, so we estimate the Hispanic share of costs by evaluating Hispanic demographic and income characteristics that bear on program eligibility. Factors suggesting Hispanic over-representation among Medicaid beneficiaries include a larger share of low-income households, larger average household size, a higher birth rate, and a larger share of families with underage children compared to all Long Islanders, as detailed in the demographic section of this report. On the other hand, the younger age distribution of Hispanics will tend to reduce their share of program costs because almost eighty percent of statewide Medicaid

spending is for nursing home residents and other care for the aged, blind and disabled.³² Moreover, Hispanics with undocumented immigration status are generally ineligible for Medicaid, with the exception of pregnant women and those who require hospital treatment for an emergency medical condition.³³ Weighing these factors, we determined to risk erring on the side of budgetary caution by assigning 18% of total county Medicaid costs to Hispanics, well above their 2004 population shares (11.4% in Nassau and 12.4% in Suffolk). Using the New York State Comptroller's estimates of county Medicaid spending,

32. Public Policy and Education Fund of New York, *op. cit.*

33. In other states, most *legal* immigrants are also ineligible for Medicaid for a five-year period after entry into the United States under the Personal Responsibility and Work Opportunity Act of 1996. In New York State, however, the state Court of Appeals has ruled that Medicaid must be provided to all qualifying legal immigrants. See Legal Aid Society. 2003. *An advocate's guide to government benefits for immigrants.*

we estimate county- borne Medicaid costs attributable to the Hispanic population at \$46.6 million and \$52.7 million in Nassau and Suffolk counties, respectively.³⁴

Long Island local governments also spend significant sums on public health services, including child immunization, child development early intervention programs, county health clinics, ambulance services, and environmental health programs, among many other services.³⁵ Because some of these programs are means tested, we again assign Hispanics 18% of total spending in the “Public Health” and “Other Health” categories for all Long Island local governments estimated by the Center for Governmental Studies in the 2006 report cited above. We calculate these expenditures as \$23.6 million and \$35.4 million in Nassau and Suffolk counties, respectively.³⁶

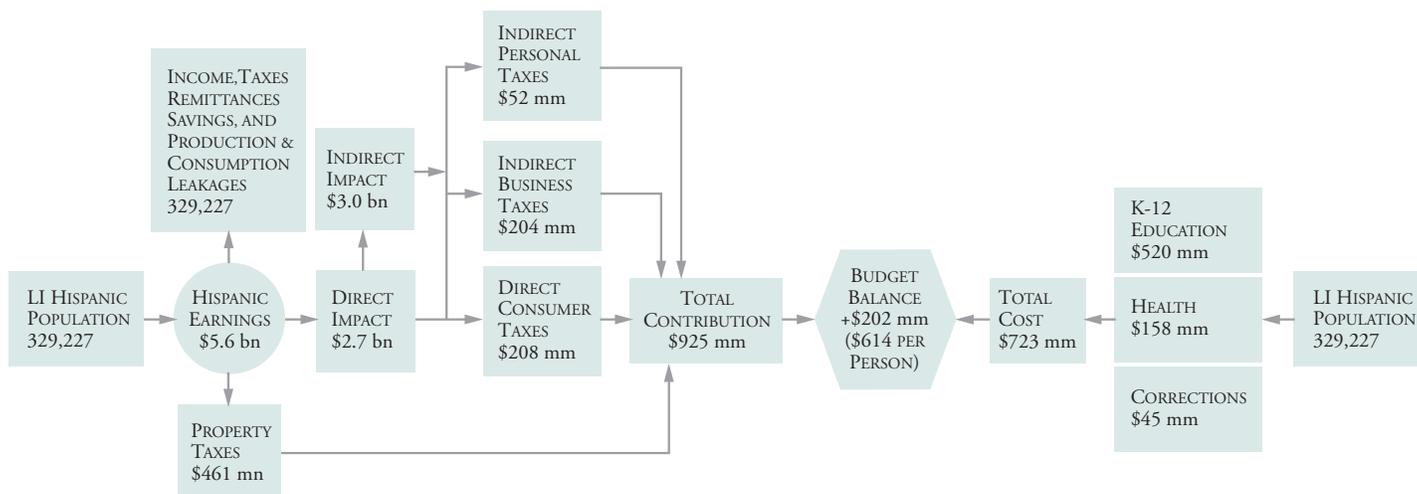
Hence, we estimate total local government healthcare spending for the Hispanic residential population at \$70.1 million in Nassau County and \$88.2 million in Suffolk County.

Corrections

The Nassau and Suffolk County governments spend a not insignificant share of their annual budget on services related to their respective inmate populations. In 2004, \$128 million were budgeted for corrections in Nassau County, and a bit more than \$78 million were allocated to Suffolk County corrections. We base the Hispanic share of corrections expenditure on the Hispanic representation among Long Island inmates. Hispanics accounted for 22.5% of the inmate population in Nassau County in 2004; in Suffolk County the number was 19.8%.³⁷ We therefore estimate that the corrections expense related to the Hispanic population is \$28.8 million in Nassau County and \$15.7 million in Suffolk County.

Summing the three cost categories, we estimate that the Long Island Hispanic population contributed \$722.9 million in costs to Long Island local governments in 2004.

FIGURE 13. FRAMEWORK FOR ASSESSING THE HISPANIC IMPACT ON THE NASSAU AND SUFFOLK COUNTY BUDGETS



34. Office of the New York State Comptroller. 2005. “County Medicaid Costs.” Accessed at <http://search1.osc.state.ny.us/localgov/pubs/research/medicaid.htm>. The 2005 estimates are deflated to reflect the average annual growth in Medicaid costs in each county.

35. Office of the State Comptroller. 2005. *2005 Annual Report on Local Governments*; Nassau County Department of Health. 2004. *Annual Report*. Accessed at: <http://www.nassaucountyny.gov>; Suffolk County Operating Budget. 2005. Hauppauge, NY: Author.

36. The 2003 expenditure figures in the CGR report are inflated by 2.9% in Nassau and 4.4% in Suffolk, reflecting the average annual increase in general fund expenditures. Office of the New York State Comptroller, “County Medicaid Costs,” *op. cit.*

37. These numbers, as well as the annual budget figures, were obtained through direct communication with the respective Sheriff’s offices.

SUMMARY: THE HISPANIC IMPACT ON LOCAL GOVERNMENT BUDGETS

Figure 13 summarizes the principal Hispanic contributions and costs to local government budgets in 2004. We begin, on the left side, with the contributions. The Long Island Hispanic population of 329,227 earned \$5.6 billion in 2004, of which \$2.5 billion went to federal and state taxes, remittances, savings, and leakages (of both types, as discussed), and \$460 million went to property taxes. In addition to producing sizable tax revenue, the remaining \$2.7 billion also generates spin-off income that itself yields additional revenue. The total tax revenue raised by the local governments of Long Island in 2004 is \$925 million, of which \$668 million is directly related to Hispanic income and spending. The remaining \$257 million represents taxes on all the spin-off income.

Total costs appear on the other side of the diagram. As noted earlier, we estimate that the Long Island Hispanic population is responsible for about \$723 million in public costs for K-12 education, health care, and corrections. The difference between our estimated \$925 million for tax contributions and the \$723 million aggregate cost results in a net benefit to Long Island of \$202 million, which works out to about \$614 per Hispanic resident.

In conclusion, the economic impact of the Hispanic population on Long Island is substantial, nearly \$5.7 billion in 2004. Hispanics also contribute a substantial net benefit to the local Long Island government budgets, slightly more than \$200 per Hispanic resident. The impact and net contribution are likely to increase in the coming years as the Long Island Hispanic population continues to grow. Moreover, an excellent opportunity exists for Long Island businesses to capture some of the more than 29 percent of Hispanic consumer spending that, directly or otherwise, leaks out of the Long Island economy. Capitalizing on this opportunity would further magnify the overall benefit contributed by Long Island's Hispanics.

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**THE ECONOMIC IMPACT
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