



Long Island Regional Planning Board



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TO: Michael White

FROM: Seth Forman

DATE: September 2007

RE: Long Island Demographic Update - 2000-2006
Working Paper

The demographer William Frey believes America is divided into three distinct regions, and that these regions tell us quite a bit more about America than the simplistic dichotomy of “Red” states vs. “Blue” states that became popular after the historic 2000 presidential election. The three demographic regions in America as Frey sees it are: The New Sunbelt, The Melting Pot, and The Heartland. The New Sunbelt consists of roughly thirteen states located primarily in the Southeast and West whose population grew by 24 percent during the 1990s due mostly to domestic migration by whites and, to a lesser extent, Blacks. The New Sunbelt, which contains what are euphemistically referred to as “exurbs” or “sprinkler cities,” are where we find today’s suburbanites - 25-40 year-olds, especially those forming families, and new retirees settling in outer-ring suburbs substantially further from central cities than old-line suburbs. Although white married couples with children are declining nationally as a percentage of the total population, 9 of 10 of the states that gained such families in the 1990s are located in the New Sunbelt, led by Nevada where their number grew by 25 percent.¹

The Melting Pot consists of nine states, including New York, which have experienced 13 percent growth in the 1990s mostly due to large amounts of overseas immigration. As a group these states have lost white population in the 1990s. Collectively, Asians and Hispanics accounted for 76 percent of the gains in Melting Pot states. The attraction and retention of immigrant minorities in the Melting Pot region is a result of job availability, and by a national immigration policy that emphasizes family reunification. It is also the result of established ethnic

¹ William Frey, “Three Americas: The Rising Significance of Regions,” *APA Journal* (Autumn 2002): 349-350.

communities replete with their own institutions, small businesses, clubs, churches, and social networks that are not easily replicated in other parts of the country.

Finally, there is The Heartland, which consists of the remaining 28 states and the District of Columbia, that have relatively modest growth rates and populations that are very largely white or white and Black.

Long Island's demographic changes can be seen as very much a part of the larger picture that Frey describes. Analyzing data for the years since 2000 shows that some of these patterns - suffering net losses to internal migration, losing white residents and gaining overseas immigrants - has persisted.

Overall Size and Composition

The Long Island Regional Planning Board has historically relied on the Long Island Power Authority's total population estimates for the region, which staff has long felt were more reliable than the U.S. Census Bureau's estimates. This is still true. You will note in this report that the sum of the components of population change do not add up to the estimate for the total population in each county. This is do to the formulas the Census Bureau uses to estimate migration patterns, and the national population control that the Bureau applies to total populations in counties and states. Total population counts are also not completely comparable with LIPA because LIPA's population numbers for Nassau and Suffolk includes the other part of their service area, the Rockaway Peninsula. Still, the Population Estimates program gives us the only reasonable estimate for the components of population change and age group demographics. With this caveat in mind, it is noted that the total population on Long Island grew by 41,464 between 2000 and 2006, going from 2,753,913 to 2,795,377, a 1.5 percent increase (Figure 1). Most of this growth took place in Suffolk County, which experienced a total population increase of 50,346, or 3.5 percent, going from 1,419,369 to 1,469,715 (Figure 2). Nassau County experienced a population decline of around 9,000, or a half a percentage point, going from 1,334,544 to 1,325,662 (Figure 3).

Gains and Losses

Nassau county lost population in the last six years primarily due to migration patterns. While the county had a net gain of 32,518 persons from abroad – that is, from foreigners or U.S. military personnel stationed overseas returning to the United States – it suffered a loss of roughly 67,000 internal migrants, or those moving across state lines, over the same period. This resulted in a net migration loss for Nassau county of approximately 35,000 people, more than enough to offset the natural increase of births over deaths of roughly 30,600 (Figures 4, 5, and 6).¹ Suffolk County attracted 29,860 more people from international migration, but it too suffered a net loss from internal migration of 27,451, 2,409 less than

¹ Note that the sum of net natural increase and net migration increase do not precisely equal total population change. This is because the U.S. Census Bureau uses a national population control for state and county population estimates. The residual is the difference in state and county population before and after the application of the control. The residual is not a demographic component of population change. But it does

that gained from international migration, for a small net migration increase. The bulk of Suffolk's population increase, of course, was a natural increase of births over deaths of roughly 53,018 (Figure 7).

Ages

The population age groups that saw declines in Nassau included the population under ten years of age, those between the ages of 25 and 44, and those between the ages of 65 and 79. In Suffolk county the declining age groups were the same, except for those aged 65 to 79. Suffolk realized an increase of around 9,000 people between those ages (Figure 8). This is consistent with LIRPB staff assumptions that Suffolk county sends its retirees to Florida, and Nassau county sends its retirees to Suffolk.

Numerous critics and advocacy groups have pointed to the drop in young workers between the ages of 18 and 34 since 1990, calling it a "brain drain," or the movement of human capital outside of the region due to external factors like costly housing. The *2004 Long Island Index* pointed out the decline of almost 130,000 residents between the ages of 20 and 34 in Nassau and Suffolk counties since 1990. It also cited a poll revealing that 53 percent of Long Island's 18-34 year olds have considered leaving Long Island, and that the reasons for their considering leaving relate directly to the high cost of living, taxes and lack of affordable housing.² Matthew Crosson of the Long Island Association pointed out in a *Newsday* editorial that Long Island's "economy cannot grow unless employers can find the skilled work force they need; and the younger portion of that work force is disappearing."³

We don't know for sure whether we are really losing tens of thousands of young workers to other regions, though we have certainly long been a "sending" region of young people. The pattern of development on Long Island has been centered around married families and the raising of children. A primary consideration among young parents is the quality of school districts. Most of us are by now familiar with the historical failure of urban public schools and how that has ignited a bidding war among young couples for houses in good school districts.⁴ Added to this is the rising age at which people get married for the first time. Quite simply, more women are in college in their early twenties, many are establishing careers, and therefore many couples are marrying later and having children later. In 1970 the median age for first marriages for women was 21 years old. By 2000 the median age was 25.3 (Figure 9, which shows data for 2000-2005). For men the median age went from 23 to 27, a four year delay. In 1970, 42 percent of first married single brides were teenagers. By 1990 that had dropped to 17 percent.⁵ This means that more young adults are finishing college and living as singles in New York and other cities then marrying and settling down to have families. When they decide to have families they are doing so often well into their thirties.

This is compounded by another development. The number of high school graduates moving on to college has increased over the past decade, by roughly 15 or 20 percent. Long Island schools now have a median college-going rate of around 93 percent, an enormous achievement (Figure 10, which shows data for 2000-2005). That represents an additional 35,000 17-24 year-olds, many of whom go off Long Island to attend college. This increases the chances that many of these young people will not return to Long Island, at least not immediately.

² *Long Island Index 2004*, Garden City, New York, 2004, 15.

³ Matthew Crosson, "LI needs to keep younger workers," *Newsday*, Jan 27, 2005, A.37

⁴ Elizabeth Warren & Amelia Warren Tyagi, *The Two Income Trap: Why Middle-Class Mothers & Fathers are Going Broke* (New York: Basic, 2003).

⁵ Data from U.S. Census Bureau; the Centers for Disease Control and Prevention/National Center for Health Statistics

Ultimately, though, it may simply be the case that birth rates may be the primary determinant of age group size. In other words, Long Island may not have lost 128,000 young adults in the 1990s, we failed to “create” them because of low birth rates in the 1970s. There were roughly 144,000 fewer newborns in the 1970s than in the previous decade, which translated into 128,000 fewer 10-19 year olds in the 1980s, which translated into 128,000 fewer 20-34 year-olds in the 1990s. Figure 11 illustrates clearly almost identical negative slopes between the decades as the 1970s birth cohort wends its way through the decades. Figure 12 illustrates the drop in the birth rate during the 1970s and 1980s. To put it another way, the primary reason employers are having trouble finding 20-34 year-olds to hire is the same reason so many high school buildings were mothballed in the 1980s: these people never existed.

Fortunately, it looks like Long Island is starting to work its way out of this cycle. Because birth rates rose in the late 1980s and 1990s, we are now seeing substantial increases in the number of people aged 20-24, people who would have been born between 1982 and 1986. Figure 13 shows that Nassau county realized a gain of 17,421 for this age group over the last six years, while Suffolk has realized a gain of 16,161, for a total regional gain of 33,582 in the 20-24 year-old category. It is worth noting that the 15-19 year-old age cohort is also a large cohort, with an increase regionally of around 32,249 (Figure 14). This reflects the “mini baby boom” in the late 1980s and early 1990s. It is for this reason that Sachem school district split into two different high schools for the first time two years ago (Sachem North and East), and why Smithtown High School reconverted its middle-school back into a Smithtown East High School after 12 years, and why there is again a Commack North and a Commack South High School.

Even if there is some movement of young working-aged adults off Long Island, it is important to distinguish which ones may be leaving and which ones may not be, so policymakers can fine-tune economic development policy. The data from the Census Bureau indicates there are some young adults who are seeking Long Island out. For example, minorities in the 20-34 year-old age group have realized a population increase in the region. Nassau and Suffolk have seen an increase of roughly 30,425 non-whites in the 20-34 year-old age group (Figures 15 and 16). There is a very strong likelihood that these people make less money than their white counterparts and their numbers are increasing, not declining. Indeed, in Nassau county, for the first time in recorded history, members of minority groups make up a majority, or roughly 56 percent, of residents in the 25-29 year-old age group (Figure 17). In other words, at least in Nassau county and to a lesser degree in Suffolk (Figure 18), young minority workers who are presumably somewhat less skilled and lower income are staying or moving in, while young white workers, presumably slightly more educated with slightly higher incomes, are not.

This data is consistent with most of the academic research that has been conducted on reasons why people move. This research indicates that increases in age reduce the likelihood of moving (until one reaches retirement age) and that long-distance moves are most common among the highly educated. Generally, the distance of the move is related to whether the move is motivated by employment or housing reasons. Interregional moves are more likely to be job-related, while intraregional moves are more likely to be housing related.⁶ Indeed, of all out-of-county movers surveyed by the Census Bureau

⁶ *Why People Move: Exploring the March 2000 Current Population Survey*, March 1999 to March 2000, May 2001, U.S. Census Bureau, Economics and Statistics Division, P23-204, Washington, D.C.: Steve H. Murdock, “The Relative Effects of Economic and Economic Factors on Age-Specific Migration: 1960-1980,” *Rural Sociology*, 49 (1984) :309-18; Peter H. Rossi and Anne B. Shlay, “Residential Mobility and Public Policy Issues: Why Families Move Revisited,” *Journal of Social Issues*, 38 (1982): 21-34; Anne S. Williams and Patrick C. Jobes, “Economic Quality of Life Considerations in Urban-Rural Migration,” *Journal of Rural Studies*, 6 (1990): 187-194.

in 2000, 31.9 percent reported that it was for a “Housing-related reason,” but only 2.8 percent reported that it was for “cheaper housing.” Other housing-related reasons given were “Wanted to own home/not rent” (7.5 percent); “New/better house/apartment” (10.3); “Better neighborhood/less crime” (3.9 percent) (see Figure 19).

So what we are seeing is a little bit different than what we would expect if we were looking merely at the cost of housing. We are seeing young, poorer people of color coming to Long Island (though the increase in the Asian population is somewhat more complex) at the same time that we are seeing whites moving away, or at least not coming to the region in overwhelming numbers that would counterbalance the low birth rates of 35 years ago. This probably has influenced the decline in the number of middle-class households on Long Island as well as the increase in the number of lower income households illustrated in Figure 20, the latest table on household income distribution. In effect, Long Island, once the great escape of the New York metropolitan area’s middle-classes, has come to reflect the kind of rich/poor stratification that has come to characterize large cities like Los Angeles, Chicago, San Francisco, and New York City.

These numbers allow us to evaluate economic development policy for Long Island by first asking at least two questions that have not yet been satisfactorily answered:

1. Does Long Island want to become a region characterized by large numbers of poor people, large numbers of wealthy people, and very few people in the middle class? There are at least two answers to this question competing for ascendancy among urban policymakers and theorists.

One is the “Be Hip and They Will Come” approach postulated by economists like Edward Glaeser and Joseph Gyourko, and practiced most famously by George Mason University Professor and urbanist Richard Florida. Florida maintains that in older metropolitan areas where real estate prices are high and there is little chance that the cost of living can be significantly reduced, it is important to attract and retain the most talented, educated and high-wage population. The concern should not be overall population growth, or slight population declines, but an increase in relatively small, elite groups of workers that specialize in high-end “producer services” in finance, design, project coordination, advertising and others which are crucial to making regions wealthy and competitive. Large concentrations of highly-educated singles and artists contribute greatly to the development of technology and “creative industries,” and are more important than the middle-classes to older regions like New York City and its suburbs. Critics like Florida maintain that attracting this “creative class” is critical to attracting industries with high wages, and to becoming an affluent “consumer city.”⁷

Another viewpoint, postulated by planning specialists and demographers like Joel Kotkin, William Frey, and others, concentrates on the middle-class and families. It is best expressed by John Lui, CEO of Houston-based IT Quest: “Good strong families will be the success of this city. They are less transient, able to think in the long-term as opposed to short-term gain, and are not as nomadic . . . My generation comes to block parties hoping that our kids will inherit what we have and build a new infrastructure that

⁷ Haye el Nasser, “Mid-sized Cities Get Hip to Attract Professionals,” *USA Today*, October 10, 2003; Edward L. Glaeser and Albert Saiz, “The Rise of the Skilled City,” Harvard Institute of Economic Research, December 2003; Kate Swan, “Where are You on the Talent Map?,” *Fast Company*, January 2001; Joel Kotkin, “Opportunity Urbanism: An Emerging Paradigm for the 21st Century,” Greater Housing Partnership, 2007.

is ten times greater in the next thirty years.”⁸ Joel Kotkin argues in his book *The City: A Global History*, a successful region “must be more than a construct of diversions for essentially nomadic populations; it requires an engaged and committed citizenry with a long-term financial and familial stake in the metropolis. A successful city must be home . . . to specialized industries, small businesses, schools, and neighborhoods capable of regenerating themselves for the next generation.” It is Kotkin’s belief that the decline of the urban middle-class family “deprives urban areas of a critical source for economic and social vitality” and that an economy focused on “‘creative’ functions is ill suited to provide upward mobility for more than a small slice of its population.”⁹

2. If it is believed that a large, or at least stable, middle-class is necessary for the region to flourish, is there anything the region can do from a policy standpoint to sustain and/or attract or “create” a middle class? (The great urbanist Jane Jacobs wrote “A metropolitan economy, if it is working well, is constantly transforming many poor people into middle-class people, many illiterates into skilled people, many green horns into competent citizens . . . Cities don’t lure the middle-class. They create it.”¹⁰).

The kinds of economic development solutions that are favored depends a great deal on which is deemed more important to a region’s well-being: the small (but growing) educated “creative class,” or the large (but shrinking) middle-class. Those who believe in creating a “superstar” region, either because they see the trends as irreversible or because they see the trends as desirable, the following kinds of policy options are said to be effective at attracting the “creative class.”

- expanding “urban glamour zones” by concentrating on “grand achievements” like high-rise office buildings (e.g. World Trade Center), and arts facilities.
- promoting tourism based on natural surroundings that give the region its edge, such as bodies of water, mountains, lakes, ports (e.g. Southstreet Seaport), or historic traditions.
- promoting the growth – through subsidy or tax expenditure - of arts districts and entertainment centers.
- promoting the growth of condominium housing, which is said to be more attractive than detached housing for more “nomadic,” low-birth rate, upper-income singles, couples, and upper-income empty-nesters, who may have housing elsewhere.

The emphasis on “superstar” cities and the “super-affluents” who live there make these cities and regions among the wealthiest, but also the most stratified in terms of income. In general, these regions have lots of work for the affluent and well-educated, as well as jobs for maids, waiters, store clerks, and other service industry workers. The stark contrast between elite classes and their servants is particularly notable in New York City and Los Angeles, which have among the highest rates of income disparity.¹¹

Those who believe that it is still possible and more important to build regional economies around middle-class households may favor strengthening basic infrastructure, including:

- focus on efficient and mobile transportation, including efficient public transit and highways

⁸ Young entrepreneur focus groups notes by Arthur Monroe, Texas Southern University, with Joel Kotkin and Tory Gattis in Kotkin, 32.

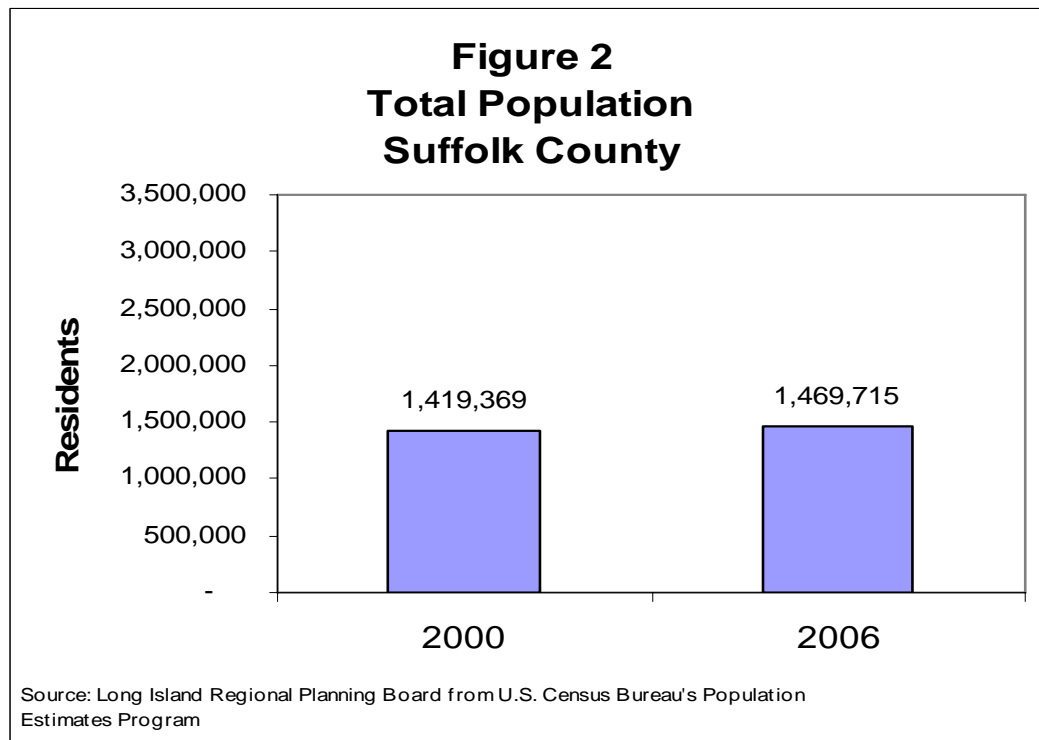
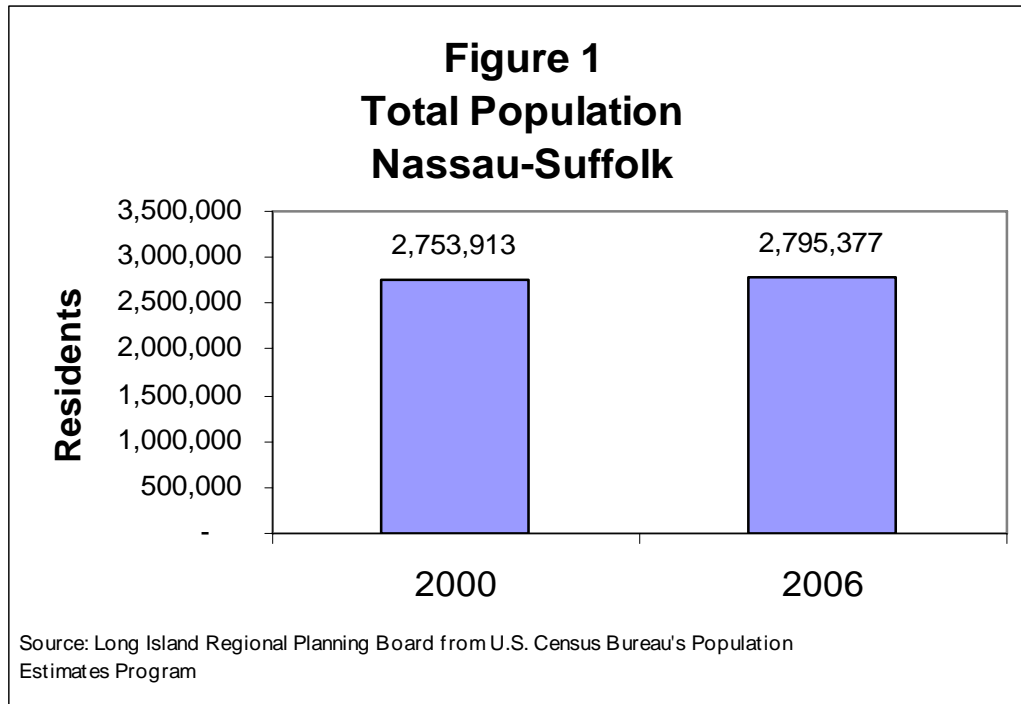
⁹ Joel Kotkin, *The City: A Global History* (New York: Modern Library, 2005), 153, 154.

¹⁰ Howard Husock, “Jane Jacobs: New York’s Indispensable Urban Iconoclast,” *City Journal* April 27, 2006.

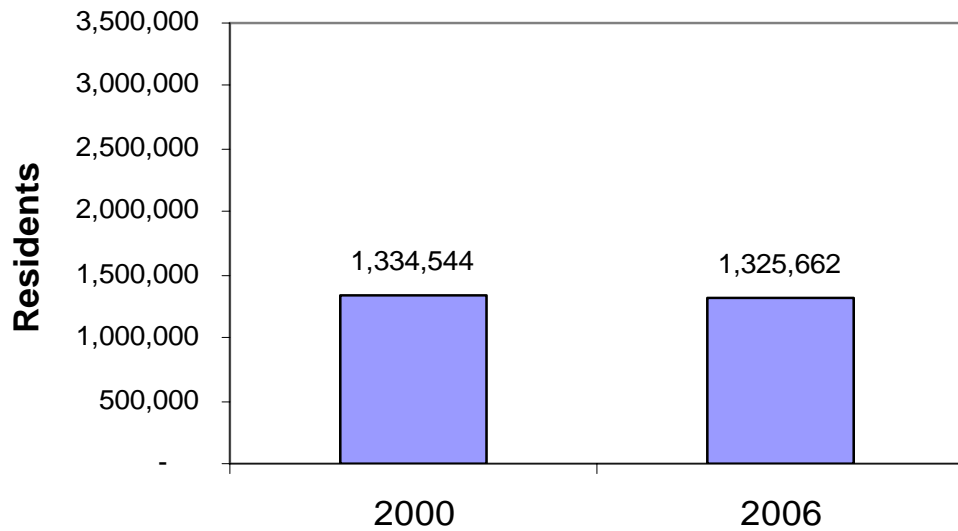
¹¹ Kotkin, 21.

- quality public schools, especially important for young families
- quality higher education, vocational as well as high skilled, for training both blue collar (welders, electricians, contractors, mechanics) and white collar workers
- affordable housing, with an emphasis on ownership ladder which permits young families to gain equity in condos, coops, and small houses before moving up to larger houses. The possibility of ownership within a reasonable amount of time is seen as the key to attracting aspiring middle-class families¹²
- Keep regulation of businesses and taxes low, particularly for new startup businesses

¹² Dense urban living is the preference of between 10 percent and 15 percent of the population, according to surveys by Fannie Mae over the past few decades. By contrast, roughly 35 percent of families prefer rural areas, which are now home to 20 percent of the U.S. population. About half of Americans prefer suburban living.

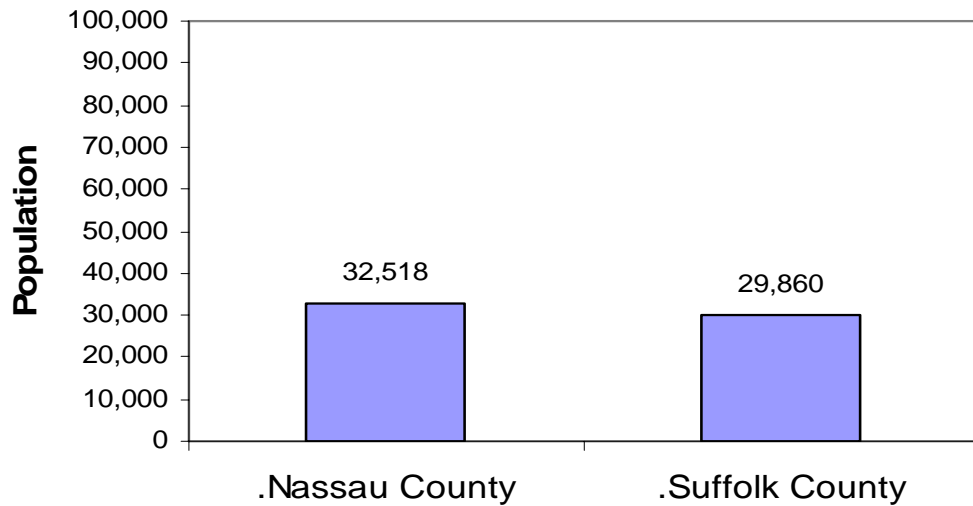


**Figure 3
Total Population
Nassau County**



Source: Long Island Regional Planning Board from U.S. Census Bureau's Population Estimates Program

**Figure 4
Net International Migration
2000-2006**



Source: Long Island Regional Planning Board from U.S. Census Population Estimates Program

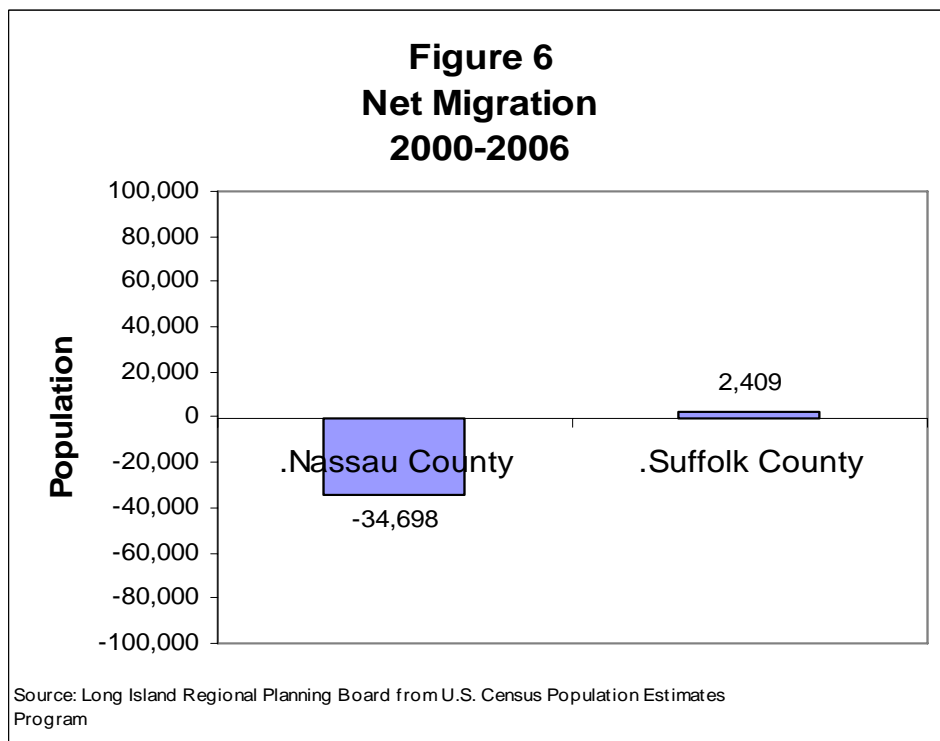
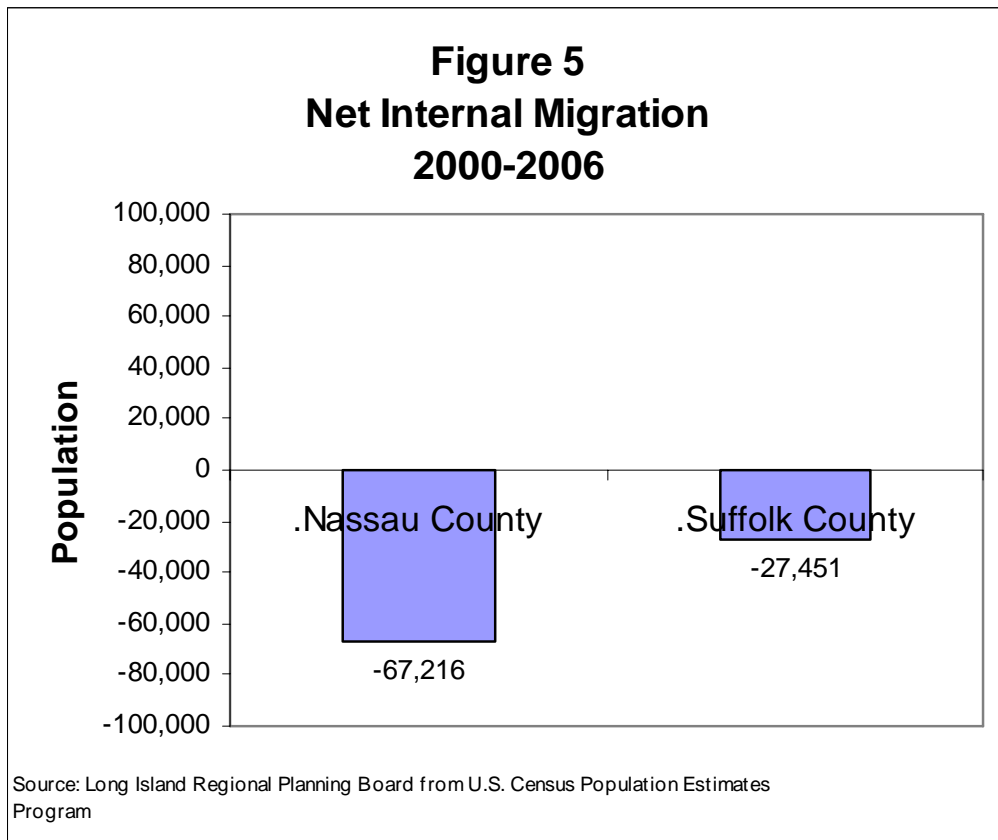
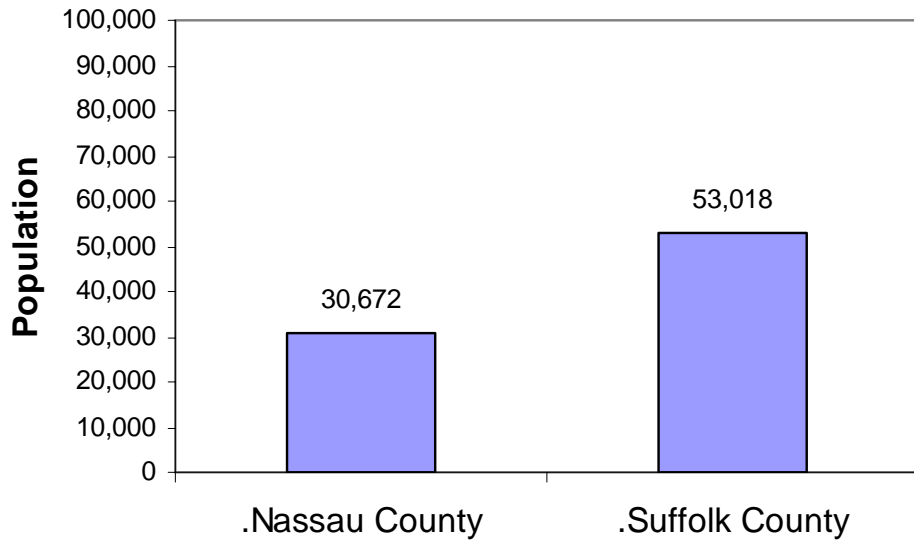
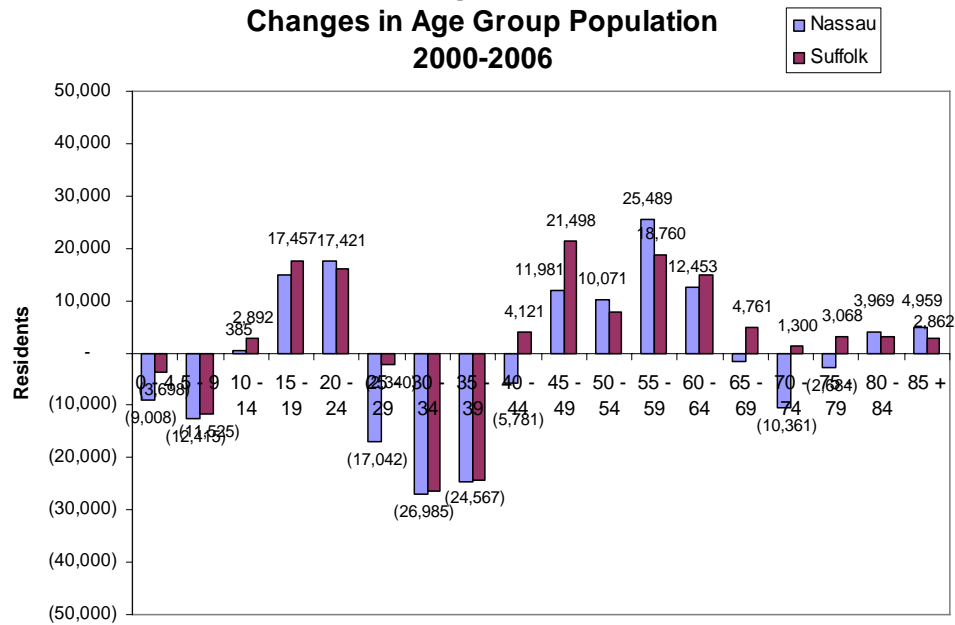


Figure 7
Natural Increase (Births Over Deaths)
2000-2006



Source: Long Island Regional Planning Board from U.S. Census Population Estimates Program

Figure 8
Changes in Age Group Population
2000-2006



Source: Long Island Regional Planning Board from U.S. Census Population Estimates Program

