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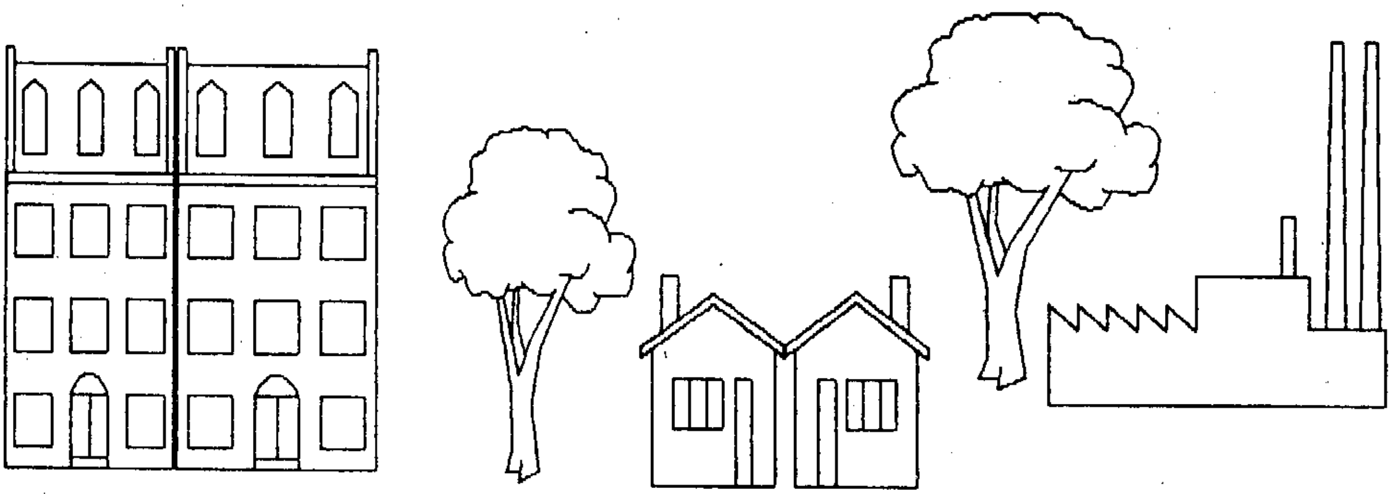

# DISCUSSION PAPER #1

*Funded in part by the Rockefeller Group

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Spring 1987

# AN ECONOMIC AND DEMOGRAPHIC PROFILE OF QUEENS

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## I. INTRODUCTION

This paper describes some basic economic and demographic trends that have affected the Borough of Queens in recent years. Since 1970, Queens has gone through two distinct phases. During the mid-1970's, coinciding with New York City's "fiscal crisis" years, the Borough lost population and jobs, and declined somewhat in economic level. Since the late 1970's, overall population has stabilized, local businesses and incomes have shown considerable strength and real estate values have boomed. This overall strength has somewhat eased the stresses of demographic transition as the Borough becomes ever more a center for immigrants, as well as benefitting the Borough's residents. However, this growth, particularly relative to some other areas of the City, has also revealed problems. One involves the interplay between the real estate boom and fears of gentrification, racial transition and homelessness. The other involves the question of the Borough's unity and identity within the City.

Queens is sometimes thought of as a bedroom community. With close to two million residents, it is certainly that, but it is also a major center of manufacturing and of warehousing and transportation-related business. With the city's two major airports, it has supplanted the waterfront employment since 1977, while Brooklyn saw such employment decline. Staten Island, of course, has a much more rapid growth of population and local service jobs, as the southern half of the island fills up. In general Queens, although having fewer neighborhoods of top wealth, behaves economically and demographically more like the older suburban counties, Westchester and Nassau, than it does like either Brooklyn or Staten Island.

Queens is sometimes thought of as a borough without an identity. Or, more positively, it is called a "Queens Archipelago," a set of separate social and economic islands. It is certainly true that the area has no unique historic downtown, as does Brooklyn. There are several different major business centers (Astoria-Long Island City; Jackson Heights; Flushing; Rego Park-Forest Hills; and Jamaica), as well as a political center around Borough Hall in Kew Gardens. The many and varied neighborhoods of the Borough tend to think of themselves as separate towns, and refer to Manhattan as "The City." The recent Borough Hall administration was concerned, for several years, with developing a cultural center for the Borough to serve as a focus of identity, but in the end opted for proposals for a cultural center near Manhattan, which would serve to advertise the Borough to the other side of the East River, rather than creating an internal center. However, the Borough has an identity in social terms, which is apparent

## II. POPULATION TRENDS

According to the U.S. census, population fell from 1,986,473 in 1970 to 1,891,325 in 1980. This 4.8% loss ended a period of continuous growth from the time of Queens' incorporation into New York City. It came at a time when the city as a whole was losing more than 10% of its population. This period of population loss coincided with the city's fiscal crisis, and with setbacks to the city's commercial base. Even in this period, however, Queens did well by comparative standards. Nassau County lost a larger share of its population (7.5%) and Westchester almost as much (3.06%). Only Staten Island, of the five boroughs, grew in population. And even with a population loss, the number of households in Queens grew by 3.2%, so that the borough never suffered a collapse of housing demand. [Table 1]

Since 1980, there has been a regrowth of population, which is expected to continue. Urban Decision Systems (U.D.S.) projects growth from 1,891,325 in 1980 to 1,913,698 in 1985 and 1,967,289 in 1990. Slightly lower figures for 1990 are estimated by the Center for Labor and Urban Programs (C.L.U.P.) which projects 1,914,038, and the Port Authority of New York and New Jersey which projects

Planning Commission recently released maps projecting population change over the 1980s and 1990s. These indicate further diversity in the Borough, with population projected to grow over 10% in Community Board 2 (including a large growth from new construction in Hunters Point in the 1990s), more modest increases in Boards 3, 4, 5, 9, 11. and 14, and relative stability in Boards 1, 7, 8, and 12. Only Board 13 has a large loss projected. [Table 3]

The ethnic and economic mix also varies according to neighborhood. The Northwestern part of the Borough has become a major receptor of immigrant groups from Eastern Europe, Greece, Korea, India, China, Latin America and virtually everywhere else. Some neighborhoods are partially specialized centers for one or another group (with stores, churches, and other specialized services), but tight segregation does not prevail. In certain sections of the Northwest (e.g., parts of Sunnyside and Jackson Heights) professionals are moving in from Manhattan, and prices of coop apartments are rising. Elsewhere economic levels vary, but many of the "ethnic" neighborhoods show considerable economic strength, with large numbers of immigrant entrepreneurs and professionals having settled there. Greek and Asian students from Northwest Queens are a major growth group at Queens College. Older immigrant areas (e.g., Maspeth) appear to be stable. The main area of severe poverty in the Northwest Sector is the small North Corona elsewhere in the Borough as of the 1970s, because of both racial factors and transport inaccessibility. In the last five years they, too, have seen the emergence of an upward trend. The area is also one of new immigration, with Haitian, Guyanese and English-speaking West Indians the most noticeable groups, but with some Hispanic and Asian migration into the area. According to some student reports, there has been movement of a few Whites into the edges of some historically Black areas, impelled by housing scarcity.

East and west of the Black sectors are historically White immigrant areas. The area to the West (Ozone Park and Howard Beach) continues to have "old-immigrant" population and to maintain a middle-class status. The area between Jamaica and the Nassau line contains some lower income White areas, such as Rosedale. In recent years some new immigrant mixing, including Haitian, has occurred. Housing values are moving upwards faster than the inflation rate, but they are still low by comparison with other areas in the borough. The Rockaway Peninsula also contains a mix of neighborhoods, from very poor Black and old-immigrant-White areas, to some very affluent enclaves. Much of the area is affected by uncertainty about future land use, but the precipitous decline of the 1960s appears to have bottomed out, and many areas are recovering.

cannot be allocated reliably among boroughs, since payroll checks are written from central city or state computers. In view of citywide trends they may have fallen, but some increase may occur from the relocation of some government jobs to Jamaica Center [Table 6] Port Authority estimates, including an allocation of government jobs, show an increase of 6.17% from 1980 to 1984, which is above the Manhattan increase, and parallels Nassau and Westchester levels. (Brooklyn and Bronx are lower). [Table 7] Recent reports are that growth has continued in 1985 and 1986.

In terms of sectors, increases have come in service and in finance, insurance and real estate (in both the 1972-81 period and since 1981), and in retail and wholesale trade and in construction (since 1981, after losses in the 1970s). Manufacturing employment has continued to decline slowly despite the rising number of firms. The most recent figures show manufacturing employment in the Borough as 83,171 jobs in 1986, down from 89,079 in 1974. Transportation and public utilities employment has remained stable in the 1980s after a decline in the 1970s. [Table 8]

<u>Income</u> of Borough residents stems from the local economic base (local jobs and businesses), from commutation to Manhattan (and in a few cases elsewhere), and from financial investment. In terms of income, Queens joined the rest of the region in suffering from the 1970's recession, but has done well in the 1980's recession-recovery cycle. [Table 9]

class/affluent" market is possible, by comparing families above a cutoff income level in 1970, 1980 and 1985. Because census reports and the UDS 1985 projections are presented in $10,000 intervals, the cutoff point must be moved at a slightly different rate than the price index. Nonetheless, a comparison using $20,000 as the cutoff point for 1970; doubled ($40,000) for 1980, and $50,000 for 1985, roughly approximates the price increases. This comparison suggests an increase of 442 affluent households (including 11,982 families, and 1,400 nonfamily households) in Queens in the 1980-85 period, more than wiping out the smaller loss in the 1970s. In 1985, 13.3% of families, or 10.2% of households, could be counted in the "affluent" or "upper middle class" category. [Table 11]

On the other hand, the poverty population of the Borough rose from 5.5% of families in 1969 to 9.1% of families in 1979. In either case, the figure for Queens is slightly above Staten Island, and well below the other three Boroughs. Taking a slightly different cutoff point for the "near poor," 12.2% of families had under $5000 income in 1970, and 19.3% less than $10,000 in 1980. (For households, the parallel figures are 11.0% and 28.1%). Assuming an even distribution of families or households within the $10,000-$14,999 range in 1985, the proportion below $13,000 indicated by the U.D.S. data would be 20.9% of families and 28.3% of households, indicating only a very slight poverty

## IV. HOUSING AND PROPERTY VALUES

The population of Queens has the advantage of a good housing stock, much of it built in the 1920s and in the years following World War II. According to the 1981 New York City Housing and Vacancy Survey, 36.2% of the Queens households lived in conventional homeowner houses and 6% in cooperatives, leaving 57.8% as renters. The homeownership rate was well above the city average. [Table 14] Most renters lived in smaller buildings: 24.9% were in buildings with 1 or 2 units, and only 19.4% in buildings with 100 or more units. Vacancy rates for rental units were below those for Manhattan in the late 1970s (1.88% vs. 2.29% for Manhattan and 2.95% city average in 1978). In 1981, the vacancy rate had risen slightly, but was still only 2.23% vs. a 2.13% city average and only 1.90% for Manhattan. In 1984, the Queens rate had again fallen to the lowest in the city, 1.73% (vs. 2.12% for Manhattan and 2.09% city-wide). In 1981, only 1.7% of renter occupied units were dilapidated (lowest of the five boroughs) and only 3.8% of units were in rem (second lowest behind Staten Island). [Table 15]

The 1970's as a period of declining population was also a period of slow property value growth throughout Queens. A breakdown by Community Board areas shows that in most Boards the house value index for 1980 was between 185 and 210 on a slighlty below the average of $166,000 but well above the nation average of $98,000. In the 1984-86 period, the rate of increase for Queens has exceeded that for Nassau and western Suffolk Counties [Newsday, 2/7/8].

The increase in rents and values have been accompanied by an increase in conversion of apartments from rental to cooperative tenure. Up to 1980, conversion had primarily occurred in Manhattan and Brooklyn Heights/Park Slope. Since then, several areas of Queens including Jackson Heights, Sunnyside/Woodside, Forest Hills, Kew Gardens and Flushing have become major sites for conversion. The Borough has long had a large number of cooperatives, mostly in projects like Rochdale Village, Queensview, Electchester and others built as coops, so that 27% of the city's "pre-1978" coops are in Queens, vs. 37.6% in Manhattan. But the drive for conversions, and some apparent narrowing of the price gap between Manhattan and North Queens coop apartment prices, are major new factors in the market. According to the 1984 N.Y.C. Housing and Vacancy Survey, Queens accounted for under 10% of coop conversions from 1978 to 1981, but 23% of those for 1981-1984. Northwest Queens median down payments of $5393 were well below downtown and midtown levels, but above those for Northwest Manhattan. Median downpayments in northeast Queens ($3660) and southeast Queens ($3203) were lower still. According to The New York Times [1/18/87] the number of conversion plans submitted to states has fallen below 5%, well below the national average. New York's financial, trade and business services sector has particularly prospered, creating many higher-level jobs. The recipients of these create much of the demand both for real estate and for the services that provide lower level jobs.

The prosperity of Queens is conditioned on this overall regional prosperity. Not that the effect is automatic: this prosperity by no means guarantees economic strength to all areas of the region. Parts of the Bronx and Brooklyn are notable for the extent to which they remain depressed. Either a regional slump or local factors could cause the local economy of Queens to go slack. But for the moment, the dangers to the Borough stem from stresses of growth. I see two areas of difficulty.

The first danger stems from the real estate boom. With housing prices escalating far faster than incomes, many of the Borough's residents fear they will be unable to afford new housing in their neighborhoods. The pressures this engenders may be part of the social tension that still exists here. Meanwhile, the continuing displacemnt of the low income groups in Manhattan and Brooklyn puts pressures on some housing markets in Queens and adjacent parts of Brooklyn to house more of the poor. Neighborhoods that perceive themselves as caught between both pressures - "gentrification" and low-income "invasion" may be

Hence last year's second image shock, the involvement of Borough President Donald Manes in municipal scandal, can have severe implications. It is necessary, if only for budgetary defense, that Queens develop more sense of internal cohesion and Borough identity. More cooperation with the other outer Boroughs, rather than a complacency about being better off than they are, might also help our political position. The details of outer-borough cooperation may be difficult to work out, but there are common interests which make the attempt desirable.

Table 2

POPULATION CHANGE PROJECTIONS
BY AGE BRACKET

| | 1970 | 1980 | | 1990 U.D.S. | 1990 C.L.U.P. |
|---|---|---|---|---|---|
| 25 - 34 | 249,196 | 302,326 | | 338,819 | |
| | | | 519,099 | | 588,046 |
| 35 - 44 | 231,023 | 216,764 | | 294,563 | |
| 45 - 54 | 272,234 | 216,205 | | 209,063 | 220,822 |
| 55 - 64 | 253,137 | 228,267 | | 187,962 | 195,579 |

Sources: 1970, 1980: U.S. Census of Population
1990 Projections: Urban Decision Systems;
Center for Labor and Urban Programs

Table 4

NUMBER OF BUSINESSES

NUMBER OF ESTABLISHMENT
BY INDUSTRY

| | 1973 | 1978 | 1983 | 1973-1983 % change |
|---|---|---|---|---|
| Agricultural Service Forestry and Fisheries | 99 | 103 | 135 | + 36.4 |
| Construction | 1,857 | 1,898 | 2,318 | + 24.8 |
| Manufacturing | 2,474 | 2,361 | 2,443 | - 1.3 |
| Transportation and Public Utilities | 1,058 | 1,600 | 2,003 | + 89.3 |
| Wholesale Trade | 2,176 | 2,285 | 2,604 | + 19.8 |
| Retail Trade | 7,648 | 7,479 | 8,303 | + 8.6 |
| Finance, Insurance and Real Estate | 3,170 | 3,218 | 3,101 | - 2.2 |
| Services | 6,936 | 6,978 | 8,388 | + 20.9 |
| Other* | 309 | 722 | 1,591 | +414.9 |
| TOTAL | 25,727 | 26,644 | 30,886 | + 20.1 |

*Includes Mining and Unclassified establishments.

Source: U.S. Censuses of Business

Table 6

PRIVATE SECTOR EMPLOYMENT

| | First Half 1977 | First Half 1984 | % Change 1977-1984 |
|---|---|---|---|
| Brooklyn | 367,600 | 361,500 | - 1.7% |
| Bronx | 163,100 | 162,500 | - 0.4% |
| Manhattan | 1,686,000 | 1,864,300 | +10.6% |
| Queens | 366,000 | 396,700 | + 8.4% |
| Staten Island | 38,000 | 51,100 | +34.5% |
| New York City | 2,620,700 | 2,836,100 | + 8.2% |

Source: NYS Department of Labor
Insured Employment Series

(Private Sector Employment refers to the total non-government jobs located in each borough covered by the NYS Unemployment Insurance Program.)

Table 8

EMPLOYMENT BY TYPE (1000s)

| | New York City | | | Queens | |
|---|---|---|---|---|---|
| | 1970 | 1980 | 1983 | 1981 | 1984 |
| Manufacturing | 766 | 496 | 432 | 82.5 | 76.1 |
| Construction | 110 | 77 | 87 | 20.8 | 27.4 |
| Trans/Commun/ Pub. Util. | 323 | 257 | 239 | 66.8 | 64.3 |
| Retail/Whlsale | 736 | 613 | 608 | 94.7 | 101.3 |
| F.I.R.E. | 460 | 448 | 492 | 22.3 | 21.3 |
| Services & Misc. | 785 | 895 | 967 | 94.5 | 111.7 |
| Government | 563 | 517 | 518 | - | - |
| Total | 3,745 | 3,302 | 3.334 | 384.7 | 401.9 |

Source: N.Y. State Department of Labor

Table 10

MEDIAN FAMILY INCOME BY COMMUNITY DISTRICT

| District | 1969 | 1979 | Percent Change |
|---|---|---|---|
| 1 | $ 9,651 | $15,955 | +65.3% |
| 2 | $10,958 | $18,410 | 68.0% |
| 3 | $10,904 | $17,875 | 63.4% |
| 4 | $11,370 | $17,095 | 50.4% |
| 5 | $10,628 | $19,755 | 85.9% |
| 6 | $13,881 | $24,912 | 79.5% |
| 7 | $12,846 | $22,822 | 77.7% |
| 8 | $13,038 | $23,950 | 83.7% |
| 9 | $11,208 | $20,232 | 80.5% |
| 10 | $11,372 | $21,172 | 86.2% |
| 11 | $13,878 | $26,332 | 89.7% |
| 12 | $10,522 | $17,295 | 64.4% |
| 13 | $12,498 | $23,950 | 91.6% |
| 14 | $10,710 | $16,080 | 50.1% |
| AVERAGE | $11,676 | $20,417 | 74.0% |

Source: U.S. Censuses of Population, 1970 and 1980, as calculated by NYC Department of City Planning.

Note: National price level rose slightly over 100%.

Table 12

NYC FAMILIES BELOW THE POVERTY LEVEL

1969 - 1979

| | 1969 | | 1979 | |
|---|---|---|---|---|
| | Families in Poverty | Percent of Families | Families in Poverty | Percent of Families |
| Brooklyn | 95,135 | (13.9%) | 121,309 | (21.0%) |
| Bronx | 60,462 | (15.5%) | 74,272 | (24.8%) |
| Manhattan | 47,207 | (13.1%) | 55,843 | (18.7%) |
| Queens | 30,161 | (5.5%) | 46,210 | ( 9.1%) |
| Staten Island | 3,542 | (4.8%) | 6,397 | ( 7.0%) |
| NYC | 236,507 | (11.4%) | 304,031 | (17.1%) |

Source: 1970 and 1980 U.S. Census of Population and Housing NYS Data Center

Table 14

OCCUPANCY AND AGE OF HOUSING STOCK

| | TOTAL HOUSING UNITS | |
|---|---|---|
| | % Units Owner-Occupied In Borough | % Units Constructed Pre-1960 In Borough |
| Brooklyn | 22.0% | 84.2% |
| Bronx | 13.9% | 75.9% |
| Manhattan | 7.2% | 78.1% |
| Queens | 36.8% | 80.1% |
| Staten Island | 58.7% | 51.0% |
| New York City | 22.1% | 79.0% |

Source: Municipal Reference Bureau
Based on 1980 U.S. Census

Table 16

RENT AND SALE PRICE CHANGES BY PLANNING BOARD

1970 - 1980

COST OF LIVING INDEX (1970 = 100) WAS 212 IN 1980

| | Median Value | | | Median Rent | | |
|---|---|---|---|---|---|---|
| Board | 1970 | 1980 | Index | 1970 | 1980 | Index |
| 1 | 26,333 | 53,200 | 202 | 95 | 191 | 201 |
| 2* | 25,889 | 52,500 | 203 | 106 | 211 | 199 |
| 3 | 26,347 | 51,800 | 197 | 125 | 235 | 188 |
| 4 | 25,646 | 50,000 | 195 | 151 | 238 | 171 |
| 5* | 26,889 | 55,900 | 208 | 93 | 190 | 204 |
| 6 | 35,937 | 70,600 | 196 | 174 | 294 | 169 |
| 7 | 32,162 | 65,400 | 203 | 155 | 273 | 203 |
| 8* | 31,791 | 66,300 | 209 | 159 | 273 | 172 |
| 9 | 25,582 | 41,400 | 176 | 116 | 231 | 199 |
| 10 | 25,628 | 42,900 | 167 | 124 | 241 | 199 |
| 11 | 34,858 | 69,700 | 200 | 159 | 283 | 178 |
| 12 | 24,477 | 39,100 | 160 | 127 | 221 | 174 |
| 13 | 25,691 | 47,800 | 186 | 138 | 265 | 192 |
| 14 | 29,420 | 23,996 | 082 | 125 | 205 | 164 |

*Comparison may be affected by border changes.

Source: U.S. Census of Population and Housing 1970 and 1980, tabulated by NYC Department of City Planning.