

## EXECUTIVE SUMMARY

### EDUCATION: AN ECONOMIC POWERHOUSE

Following is an update of a 1991 analysis by Dr. Thomas Conoscenti & Associates, Inc which concluded that annual Long Island public school operations were a \$4-billion industry with 79,300 workers and that it significantly impacted the regional economy.

This study updates the size and contributions of the school district's operations and also examines the impact of possible state education aid cuts on the Long Island economy.

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### ECONOMIC IMPACT (2008-09)

- In the 2008-09 academic year, school districts operations are projected to be **\$10.7 billion**.
- School districts employ **78,672** persons.
- Total wages and salaries paid in 2008-09 were **\$7.8 billion**.
- The ripple effect in spending in the local economy from these workers' salaries is **\$17 billion**.
- School district employees support an additional **53,500 jobs**.
- School workers and related impacts pay federal and state taxes of **\$5.7 billion**.
- Sales taxes paid to both counties **\$345.9 million**.
- The total direct, indirect and continuing economic impact of Long Island school operations is **\$29.5 billion**.
- Long Island school districts comprise one of the largest industries on Long Island. They represent **9.2 percent** of Long Island's Gross Regional Product.

## **ECONOMIC IMPACT OF PROPOSED STATE AID CUTS**

This report describes the impact on Long Island's economy of Gov. David Paterson's proposed state education aid cuts.

- Proposed education aid cuts to L.I. school districts is **6.6 percent**.
- This is a loss of more than **\$157.2 million** in state aid.
- The loss of direct and indirect salaries and benefits is **\$275.2 million**.
- More than 5,531 jobs could be lost through the elimination of 2,926 school district jobs, and an indirect loss of an additional 2,605 support jobs.
- The State and both counties could ultimately lose sales tax revenues of nearly **\$4.7 million**.

***CONCLUSION: The proposed cuts in aid to school districts will prolong a local decline in economic growth and will delay Long Island's recovery from the current recession.***