

# Neighborhood Inclusion Project

*A Discussion of the Project, Findings and Future Steps*



Office of Regional and Community Affairs  
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## **Preface**

The Office of Regional and Community Affairs (“ORCA”) supports the Federal Reserve Bank of New York’s basic policy objectives by promoting broad access to credit and economic development opportunities that enhance economic stability within all the communities in the Second Federal Reserve District. This mission is achieved through strategic outreach and information gathering and dissemination.

In the aftermath of September 11<sup>th</sup> the civic and public discourse has focused on rebuilding the financial district and downtown Manhattan. As recovery and rebuilding efforts move forward, questions have been raised about the intermediate and long-term impact of the attack on other areas of the City. To discuss and document economic development strategies throughout the five boroughs the Office of Regional and Community Affairs established the Neighborhood Inclusion Project. This paper documents some of the recent findings of the Neighborhood Inclusion Project and also serves as a basis for future discussions.

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Association for Neighborhood & Housing Development	M&T
Asian American Federation	MFY Legal Services
Asian Americans for Equality	National Employment Law Project
Audubon Partnership	Nazareth Housing
Bridge Street Development Corporation	New Brighton CLDC
Business Outreach Center	Nonprofit Facilities Fund
Center for Diversity	Northfield Community LDC of Staten Island
Central Brooklyn Churches	Ocean Hill Brownsville Tenants
Cooper Square Committee	Parodneck Foundation
Cooper Square Mutual Housing Association	PICCED
Deutsche Bank	Pratt Area Community Council
Ecumenical Community Development	Small Business Development Center
Fifth Avenue Committee	SOBRO
Fleet Bank	Southside United
Fordham Bedford Housing Corp.	St. Nicholas Neighborhood Pres. Corp
Forest Hills Community House	The Bank of New York
Goldman, Sachs & Co.	The Floating Hospital, Inc.
Good Old Lower East Side	Union of Needle Trades Industrial & Textile Employees
Greater Blouse, Skirt Undergarment Association	University Settlement
Haitian American Alliance of NY	Washington Mutual
Henry Street Settlement	West Brighton LDC
HSBC Bank USA	West Side federation for Senior & Supportive Housing, Inc.
JP Morgan Chase	
Loisaida, Inc.	
Lower East Side People's FCU	

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## **I. Background**

Workers living in communities throughout the five boroughs have been impacted by the economic downturn and the events of September 11<sup>th</sup>. The Labor Department reports that of those who lost their jobs because of the attacks, 26 percent live in Brooklyn, 24 percent live in the Queens, 12 percent live in the Bronx, and 18 percent live in Manhattan. The workers who suffered job loss are also overwhelming low-wage earnings workers. The Fiscal Policy Institute reports that sixty percent earn an average wage of \$11.00 an hour or about \$23,000 a year, far below the City's average of \$58,000. Given the intermediate and long-term impact of September 11<sup>th</sup> on all of the City's boroughs coupled with the fact that the boroughs share a common fiscal system and have vital assets to offer, this requires the integration of all the boroughs in future recovery and rebuilding efforts.

## **II. Strategies For the Five Boroughs**

In an effort to heighten awareness of the economic impact in the neighborhoods of the five boroughs, the Federal Reserve Bank of New York convened a series of roundtable discussions. The roundtable discussions were attended by foundations, financial institutions and community development organizations representing each borough. Table A in the appendix details the community and economic development issues and strategies suggested by the roundtable participants.

## **III. Examples of Economic Development Opportunities**

As a follow-up to the roundtable discussions, the staff of the Office of Regional and Community Affairs engaged in strategic outreach in the five boroughs. Meetings were conducted with both public and private leaders to determine existing and potential economic development opportunities. The discussions focused on job creation strategies that provide a diversity of low- and high-skilled jobs. The following section highlights a sample of existing and potential economic development opportunities for the boroughs. For each example there is a general description of the industry and a summary of the potential to leverage community assets including the transportation infrastructure, labor force and community partnerships.

**Food Safety Industry**  
*Industry description*

One example of an industry that could be developed in the boroughs is the food safety industry. In the United States food and drug testing is the responsibility of the Food and Drug Administration (FDA). The FDA tests food and drugs to ensure the food and drug supply is safe, sanitary, wholesome, and accurately labeled.

The jobs generated by the food safety industry offer relatively good living wages.

The median annual salary of food service industry workers was \$30,888 for 2001.

The majority of the FDA workers also receive benefits including health care. Table 1 lists some of the jobs and salaries available in the food safety industry.

**Table 1: FDA Positions and Salaries**



Source: Food and Drug Administration Salary Table 2001-NY

### ***Leveraging existing community infrastructure***

A unique food safety economic development strategy has been implemented in Maryland through the Joint Institute for Food Safety and Applied Nutrition. The Joint Institute for Food and Safety and Applied Nutrition was created through a partnership between FDA and the University of Maryland. The Institute has been successful in creating a range of salaried jobs for the surrounding community. There are opportunities for the growth of a food safety industry in the boroughs. There is an existing 175,000-square-foot FDA laboratory on the York College campus in Jamaica, Queens. In addition to the laboratory, the community has the following community assets to support the growth of the food industry:

**Transportation:** Jamaica, Queens is centrally located between Manhattan and Long Island and has a multi-modal transit network which provides access to a skilled labor pool. Jamaica is also within close proximity to the airports at La Guardia and JFK.

**Labor force:** Jamaica, Queens has neighboring educational institutions with programs that could prepare the labor force for careers in the food safety industry. York College offers degrees in biotechnology, chemistry and medical technology through its Department of Health Sciences.

**Community partnerships:** FDA and York College partnered to build the Food and Drug Administration's largest regional laboratory for the testing of food and drug products for government approval. An industry association partner can help to provide information about the industry's evolving training needs and partner with companies to tailor curriculums and training programs for workers in this field. With the collaboration of neighboring community and economic development organizations, educational institutions, entrepreneurs, and private developers the potential exists to expand the food safety industry in Jamaica, Queens.

### **Medical Devices Industry**

#### ***Industry description***

Another industry, noted by public and private leaders, that could be developed in the boroughs is the medical devices industry. The medical device industry is a component of the medical science industry and can include surgical and medical instruments, surgical appliances, and electromedical, electrotherapeutic, and irradiation apparatuses.

According to the study, “The Medical Device Industry in Massachusetts,” by the University of Massachusetts, Boston, the medical device industry generates higher salaried jobs relative to the manufacturing sector overall. Between 1994 and 1998, medical device workers earned median annual wages of \$30,000 compared to \$21,243 for all workers.<sup>1</sup> Table 2 lists average salaries by job function in the medical device field. In addition to higher wages, when compared to other industries medical device workers have better benefit packages. While 50.1 percent of all workers received employer- or union provided health insurance, 75 percent of medical device workers received such benefits.<sup>2</sup>

**TABLE 2: Average Salaries by Job Function<sup>3</sup>**

<b>Salary by Job Function</b>	<b>Average Salary</b>
Quality Assurance/Quality Control	\$59,300
Production/Manufacturing	\$70,200
Regulatory/Legal Affairs	\$70,600
Product Design Engineering	\$72,500
Research and Design	\$77,700
Marketing	\$78,800
General/Corporate Management	\$128,100

*Source: Medical Device and Diagnostic Industry (MD&DI) Magazine, 1999 MD&DI survey of employees of medical devices and in vitro diagnostics manufacturing companies.*

### ***Leveraging existing community infrastructure***

The medical device industry as an economic development strategy has been successfully implemented in Massachusetts with support from both the state and local levels. According to the study, investing in the medical devices industry can produce a multiplier effect. It is estimated that a dollar of output for a medical device industry firm leads to an additional 45 cents of output for other firms, and every 100 medical device jobs is connected to an additional 79 jobs.<sup>4</sup>

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<sup>1</sup> Clayton-Matthews, Alan, *The Medical Device Industry in Massachusetts*, University of Massachusetts, Boston, 2001, p. 7

<sup>2</sup> *ibid.*

<sup>3</sup> *Job Satisfaction Remains High in Device Industry*, Medical Device and Diagnostic Industry, 1999 <http://www.devicelink.com/mddi/archive/99/10/008.html>

<sup>4</sup> Clayton-Matthews, Alan, *The Medical Device Industry in Massachusetts*; University of Massachusetts, Boston, 2001, p. 9

There are opportunities for the growth of the medical devices industry in the boroughs. The Bronx, for example, has assets which can be leveraged to develop this industry. The Bronx has a number of hospitals and medical institutions<sup>5</sup> which are the end customers of medical device products. The Bronx also has the following assets:

**Transportation:** Bronx is connected by a strong public infrastructure network, including the subway to Manhattan and highways to the surrounding boroughs and region. Transportation access to airports is a strategic advantage for the Bronx given there are national and international consumers of medical device products.

**Labor Force:** The Bronx has neighborhood medical research educational institutions which could provide a labor force in the medical devices industry. There are also Bronx-based workforce development programs which could be tailored to meet the needs of the medical devices industry.

**Community partnerships:** By leveraging existing assets and partnerships between established educational institutions,<sup>6</sup> hospitals, and local economic development groups there is potential to develop the medical devices industry which can lead to the creation of jobs directly and indirectly. Synergies exist between institutions that provide internships and jobs and organizations which train the students for these jobs. For example, hospitals and universities can collaborate and serve as laboratories for on-the-job learning. Universities, hospitals, and workforce development groups can partner to create a comprehensive curriculum tailored to the specific skills needs of the medical devices industry.

## **Outsourcing Centers**

### ***Industry description***

Another potential growth industry for the boroughs is outsource centers for back office technology. The centers provide an alternative for companies to outsource their technology service needs. This industry has broad applications, and non-profits

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<sup>5</sup> Some medical institutions in the Bronx include: Albert Einstein-Weiler Hospital, Beth Abraham Hospital, Bronx-Lebanon Hospital Center, Calvary Hospital, Jacobi Medical Center, Lincoln Medical and Mental Health Center, Montefiore Medical Center, New York Foundling Hospital, North Central Bronx Hospital, Our Lady of Mercy Hospital and St. Barnabas Hospital.

<sup>6</sup> Albert Einstein College of Medicine of Yeshiva University, Bronx Community College, Hostos Community College, and Lehman College. The following colleges also have branches in the Bronx: Audrey Cohen College, College of Mount St. Vincent, College of New Rochelle - School of New Resources, Fordham University, Manhattan College, Mercy College, and Monroe College.

as community-based businesses, in particular, can benefit from having access to technology professionals who understand their business. Outsourcing centers require a range of employees and can create jobs that pay living wages with opportunities for growth and career advancement. The compensation programs for technology companies are relatively higher than other industries. Table 3 details the salary ranges for the computer industry.

**TABLE 3:  
2001 Computer Industry Salary Survey for the North East<sup>7</sup>**

<b>Job Title</b>	<b>Median Low</b>	<b>Region Median</b>	<b>Median High</b>
Manager, Sys. Prog. /Tech. Support	88,300 - 135,600	111,400	135,600
Network Manager LAN/WAN	83,800	98,300	128,200
Sys. Analyst/Prog./Proj. Leader	74,500	91,900	113,400
Database Admin. Manager	97,000	112,200	129,000
Manager Telecommunications	86,300	101,900	117,700
Internet Architect	96,300	107,900	124,600
Data Center Manager	84,700	99,000	115,600
PC Work Station Manager	60,400	77,800	93,100
Sr. Database Analyst/Admin.	78,100	87,200	105,900
Object-Oriented/GUI Developer	72,600	84,000	106,700
Web Developer (Java/ASP)	79,500	92,500	105,500
Network Administrator LAN/WAN	69,500	80,400	98,900
Sr. Systems Analyst/Programmer	69,100	75,800	95,900
Sr. Systems Admin. /UNIX	72,000	83,500	101,600
Sr. Client Server Prog. /Analyst	69,100	81,700	99,200
Client Server Prog./Analyst	62,200	75,000	89,700
Telecommunications Specialist	51,100	63,000	82,200
Quality Assurance Analyst	59,700	73,500	88,900
Security Specialist	75,400	88,500	117,100

***Leveraging existing community infrastructure***

Potential opportunities for implementing outsourcing centers in the boroughs may exist. One possibility is to locate the centers in underutilized space in upper Manhattan. There is approximately 1.4 million square feet of commercial space available along the area between Columbia University and City College.<sup>8</sup> In addition to underutilized space, upper Manhattan has the following community assets to support an outsourcing center:

<sup>7</sup> 2001 Computer Industry Salary Survey: EDP Staffing Services  
<http://www.csus.edu/indiv/c/chingr/info/salaries2001.pdf>

**Transportation:** Upper Manhattan is very accessible by subways, railroads and highways that link this community with other states, counties, boroughs and neighborhoods.

**Labor force:** The overall area is home to about 580,000 residents which provides potential employers access to a large pool of workers.

**Community partnerships:** There are assets in Upper Manhattan which can be leveraged to support back office outsource centers. Currently two major educational institutions, Columbia University and City College of New York, offer technology training. For those jobs requiring additional skills, community based organizations and other major stakeholders could collaborate to develop a viable workforce development strategy. One example is the New York Information Technology Career Ladders Consortium which brings together industry associations, post-secondary educational institutions, and community-based organizations to provide recruitment, training, and other workforce preparation services for jobs in information technology, and create linkages to jobs with career advancement opportunities.

### **III. Conclusions**

This report summarizes the roundtable discussions organized for the Neighborhood Inclusion Project (NIP) and examines the economic development potential of the boroughs, highlighting job creation opportunities. A common theme from the NIP discussions is the need to integrate the boroughs in the future rebuilding plans for the City. By highlighting industries that can provide borough residents with good jobs paying living wages, this paper serves as the beginning of a dialogue on economic development initiatives for the boroughs. As a follow-up to this paper, ORCA is considering other means (forums, roundtables, meetings) to further explore industry-based economic development strategies for the boroughs.

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<sup>8</sup> Group of 35 Final Report "Preparing for the Future: A Commercial Development Strategy for New York City."

## APPENDIX

**TABLE A : Neighborhood Inclusion Project Findings**

<b>ECONOMIC DEVELOPMENT</b>	<p>Any impact assessment should focus on resources</p> <p>Build on the assets in the community</p> <p>Include a plan for capital infrastructure projects</p> <p>Create a more comprehensive sectorized approach to economic development</p> <p>Create multi-use developments</p> <p>Include the corporate voice</p> <p>Attract corporate anchors in communities that already have small-to medium-sized companies</p> <p>Introduce eco-industrial manufacturing</p> <p>Implement local businesses requirement in the building process</p> <p>Require local residency requirements</p> <p>Broaden discussion from bricks/mortar to human/social condition</p> <p>Determine if the corporate sector is planning to decentralize</p> <p>Provide access to infrastructure funding for non-profits</p> <p>Promote quality programs that already exist</p> <p>Provide technical assistance for individuals and businesses in low-and moderate-income communities interested in economic development financing</p> <p>Reinstate the stock transfer tax</p> <p>Create residency requirements for businesses</p> <p>Require surveys of social and economic impact to include human impact</p> <p>Use tax policy as community development tool</p>
<b>HOUSING</b>	<p>Preserve existing housing stock</p> <p>Increase the supply of affordable housing</p> <p>Reform the tax-lien and water sewer charges</p> <p>Evaluate the impact of gentrification</p> <p>Include affordable housing in work force development strategies</p>
<b>REGIONALISM</b>	<p>Implement regional partnerships</p> <p>Look for linkages through the region</p> <p>Include low-and moderate-income communities in regional plan for economic development</p> <p>Create the same incentives for all boroughs</p> <p>Develop plan to make transport links among the boroughs</p>
<b>SMALL BUSINESS</b>	<p>Encourage loan products that allow small-business owners to capture wealth of prospering community</p> <p>Incorporate in commercial development plans plots for smaller-sized businesses</p> <p>Provide bonding products for small contractors</p> <p>Revise the requirements for the Empowerment Zones to accommodate start-ups businesses</p> <p>Scale up small builders with bidding skills and management skills</p> <p>Small business center should have outreach to small-business</p>

**TABLE A : Continued**

<p><b>WORKFORCE DEVELOPMENT</b></p>	<p>Address aging workforce            Implement apprenticeships for employment            Create career ladders            Include day-care in the workforce development programs            Create employment opportunities for school-age            Create opportunities in the manufacturing industry            Create opportunities in the service economy            Concentrate workforce development plans on growth industries            Implement plans to strengthen immigrant communities            Create public and private workforce development programs            Create quotas for the locally employed            Develop workforce development and education programs for the immigrant community            Implement workforce development programs by analyzing the human resources in the communities            Create workforce development programs in industries that leverage the assets of the neighborhoods            Develop a food chain approach to workforce development where the efforts address every economic element of work            Diversify the industries for workforce development programs            Encourage enforcement of workers rights            Implement industry-specific training            Include health and safety rules in workforce development programs            Include higher education options in workforce development programs            Include language assistance in programs            Include life-management skills in workforce development programs            Include neighborhood specialization in the development plans            Introduce living wage requirements            Introduce public job creation programs            Leverage wage-tax credit            Link job opportunities to the master plan            Provide access for low- and moderate-income community to the unions            Provide access to apprenticeships in the construction field            Recognize industries that are no longer viable and put the funding into industries that are developing            Structure opportunities for low-and moderate-income workers in the construction sector</p>
<p><b>ZONING</b></p>	<p>Create zoning that is community sensitive            Include community in the planning process            Include historical preservation in the development process            Investigate mixed-use and multi-use space strategies</p>

**TABLE A : Continued**

<p><b>URBAN PLANNING</b></p>	<p>Include quality schools and child-care in the plan for community and economic development Ensure sensitivity to environmental issues Create community mental health facilities Ensure the plan for capital infrastructure projects include residency requirements Build transportation links within the boroughs Administer community sensitive planning that looks at the infrastructure of both economy and jobs Control modern urban sprawl Create long-term plan for neighborhoods Develop coalitions that address policy Ensure safety and security in neighborhood Encourage holistic comprehensive planning Implement a marketing plan to promote neighborhoods Implement comprehensive land-use planning Implement local planning Create opportunities for inclusive decision making in the community Provide parks and recreation Utilize zoning as a tool for community and economic development</p>
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