



2025
**Long Island
Economic Survey**

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Celebrating 30 Years of Thought Leadership for Long Island Businesses!

PKF O'Connor Davies, in partnership with the Siena College Research Institute (SCRI), is proud to present the results of our 30th Annual "Long Island Economic Survey – Outlook 2025." Our organization is again proud to partner with SCRI, highly regarded for its regional, statewide and national surveys on business, economic, political, voting, social, academic and historical issues. The results of the Institute's surveys have been published in major national newspapers, scholarly journals and books, with findings regularly featured on local and national television and radio.

This milestone anniversary of the Long Island Economic Survey marks 30 years of providing valuable insight into our regional economy and the outlook for the coming year. We are eager to share the results with you!

As we have since 1995, we've invited business leaders to share their experiences and opinions about the state of business in New York and the important issues that affect their ability to compete successfully in today's economy. As you'll see, the survey results reflect data that impacts you, the Long Island business community – including your perceptions of the economy, plans to enhance your business, rising operating costs, workforce quality, recruitment and retention and the impact of artificial intelligence and the presidential election.

We thank our sponsors for their participation and support. We are also grateful to survey respondents who willingly share their perspectives to make this project meaningful. Your participation inspires us to continually search for new ways to bring greater value to our clients, our colleagues and our community.

Survey Result Highlights

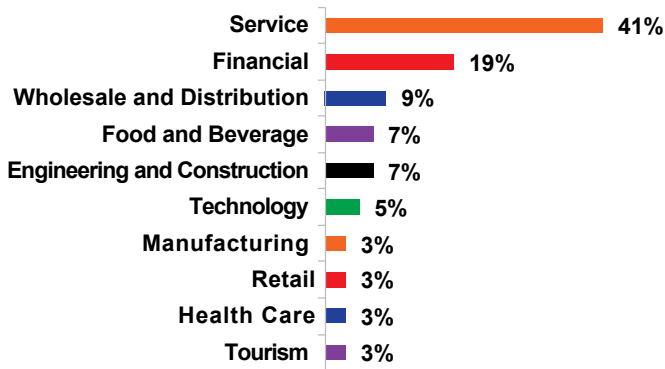
- An overwhelming 84% of the CEOs surveyed expect to be in business five years from now.
- Optimism for the national economy increased to 48% from 28% in 2023. Predictions of a recession have decreased with 43% now saying it is not likely, compared to 32% last year.
- Of all CEOs polled, more than half plan to maintain their workforce, while 43% plan to increase and 6% plan to decrease it.
- Fifty-eight percent of businesses expect their revenue to grow and 52% plan to expand profitability, primarily through market demand and growth; secondarily through cost reduction.
- Both personal and business income tax reform remain the top issues that business leaders would like to see the governor and legislature focus on, followed by spending cuts and infrastructure development. Social issues including affordable housing, the migrant influx and crime were cited by over one-third of CEOs.
- Of business leaders surveyed, 69% expect residential real estate prices to increase, 13 points higher than last year.
- Nearly three-quarters of business leaders say that Long Island's way of life is an asset to doing business on Long Island, while 6 out of 10 say housing affordability is a detriment.



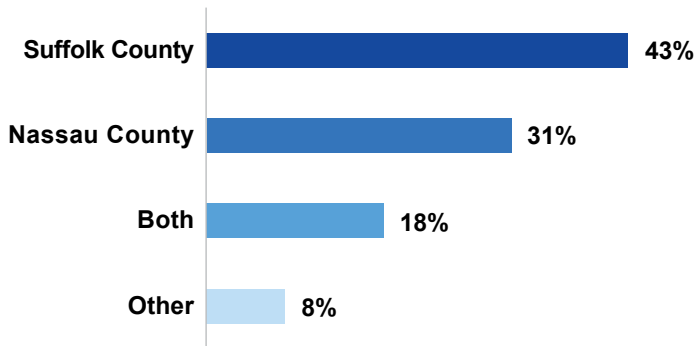
Demographics

Which of the following industry categories best describes the type of business your company is engaged in?

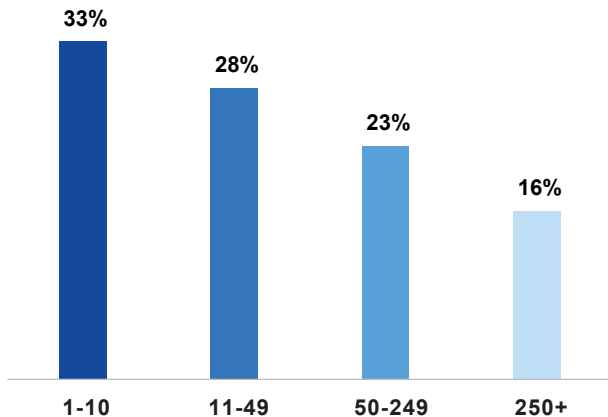
Forty-one percent of respondents say they work in a service industry.



Where is your principal place of business?



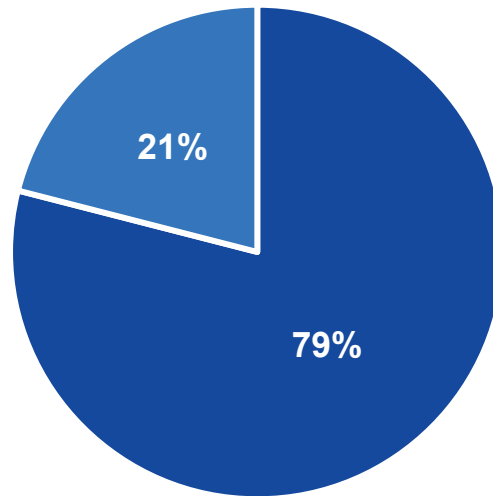
Approximately how many employees do you have in all Long Island locations?



Demographics

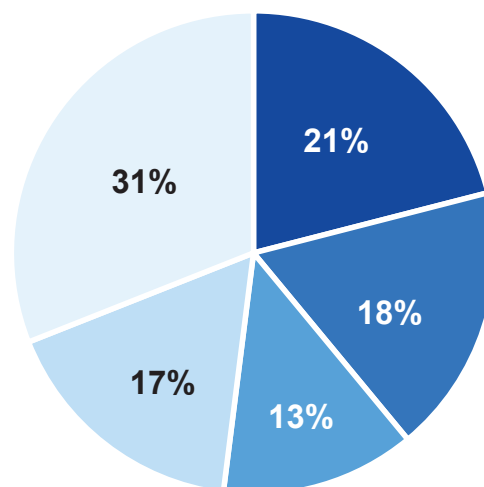


Is your organization for profit or nonprofit?



- For profit
- Nonprofit

What is your approximate annual revenue?



- Less than \$1 million
- \$1 - 2.5 million
- \$2.5 - 5 million
- \$5 - 10 million
- More than \$10 million

Business Climate

As you think about the current business or economic conditions on Long Island as compared to one year ago, would you say they are better, about the same or worse?

Forty percent of CEOs think current business or economic conditions on Long Island are considerably (11%) or a little (29%) better than one year ago. One-third say they will remain the same, virtually the same as last year (31%).



Looking forward from today through next year, that is, the entire 2025 year, how would you describe your expectations for the economy on Long Island?

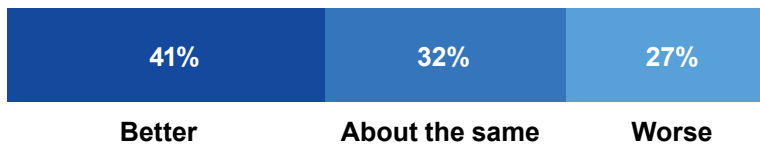
Over two-thirds (84%) of CEOs say their expectations for the LI economy for the next year are better or remain the same, while 16% say their expectations are worse for next year. This shows a shift toward the positive for the second year in a row. Last year, 32% said worse and 68% said better or the same.



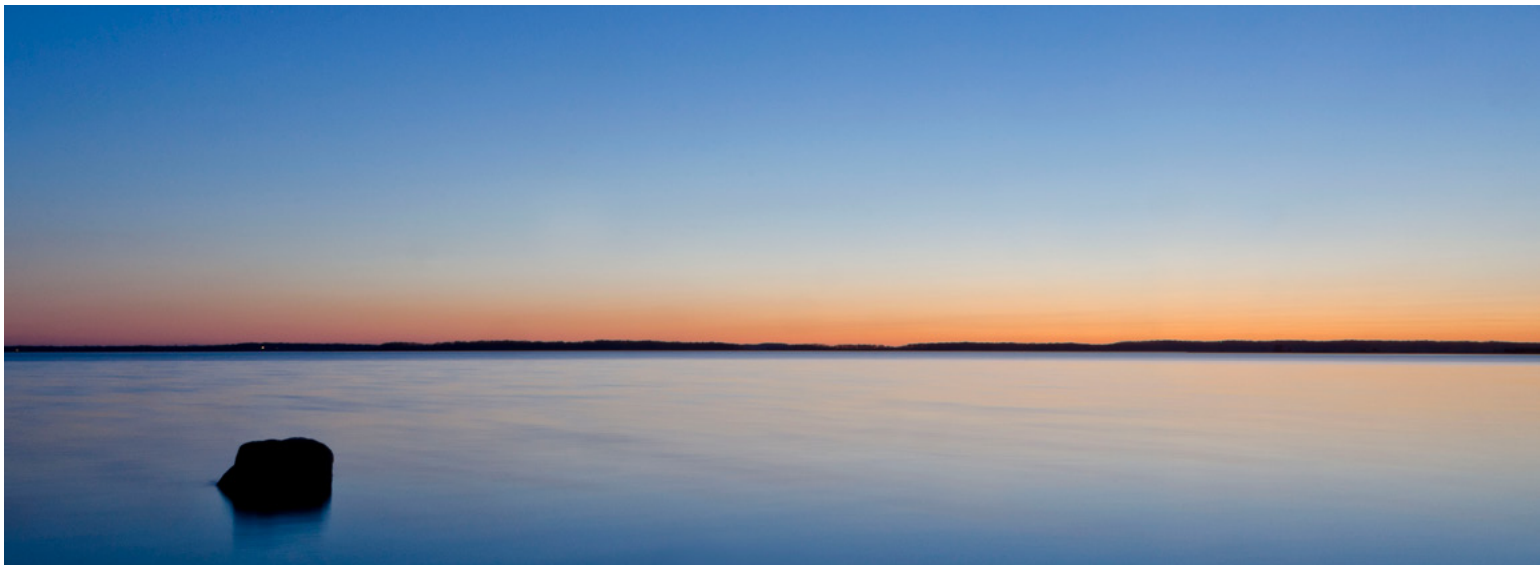
Economic Index

Thinking specifically about your industry, how would you describe the current business or economic conditions on Long Island as compared with one year ago?

Forty-one percent of CEOs describe economic conditions on Long Island for their industry to be better – considerably better (15%) or a little better (26%) – an increase from 29% last year.

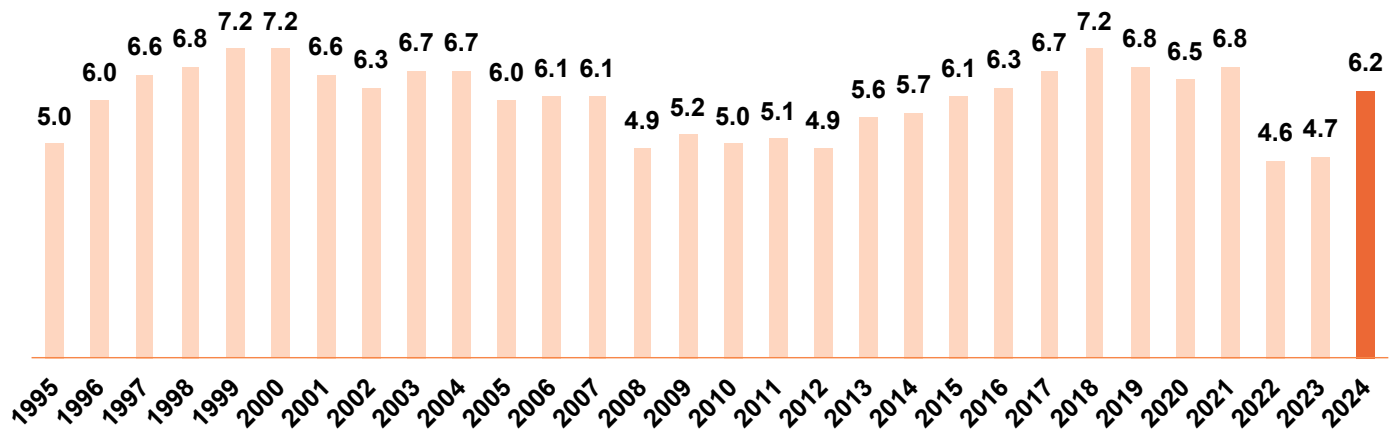


Looking forward from today through next year, how would you describe your expectations for your industry here on Long Island?



Economic Confidence

The PKF O'Connor Davies data for confidence in the economy is based on one question about the economy. The Siena College Research Institute (SCRI) measurement of confidence in the economy is a four-question series that assesses the overall economy and industry. The 2021, 2022, 2023 and 2024 scores represent the SCRI four-question measurement normalized to be measurable against historic data.



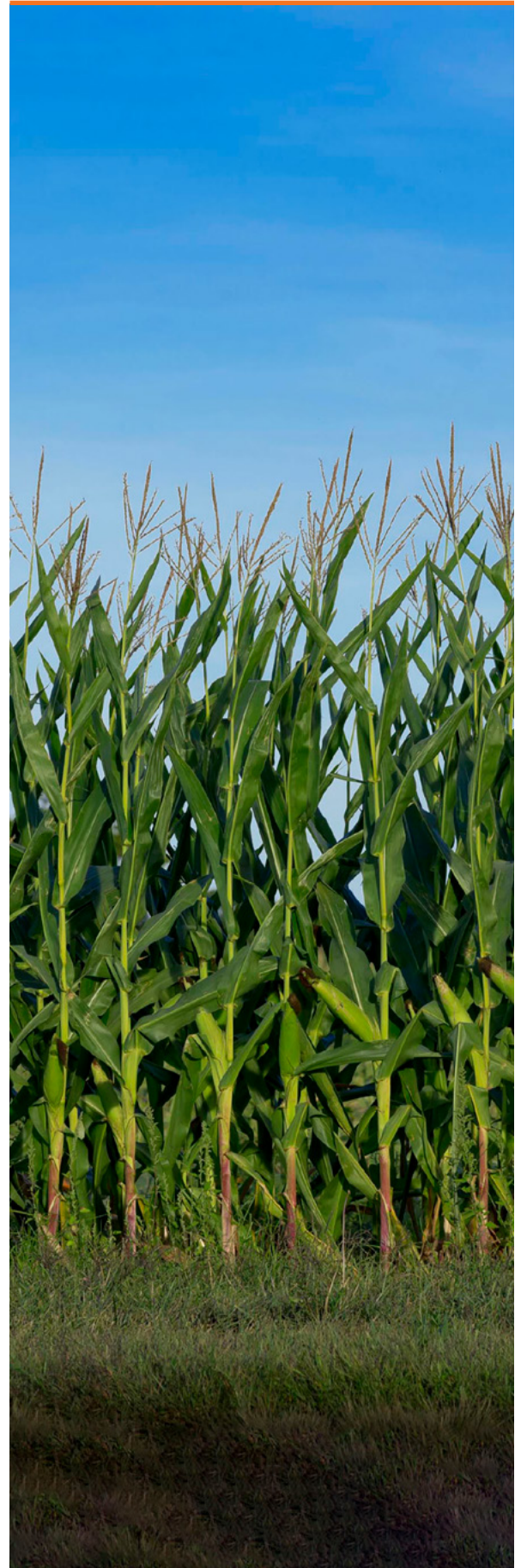
Revenue and Profitability

Thinking specifically about your company, what are your expectations for revenue through the end of the year 2025? Do you believe your revenue will...?



Continuing to focus on your company, think about profitability. Between today and the end of the calendar year 2025, do you expect your profits to...?

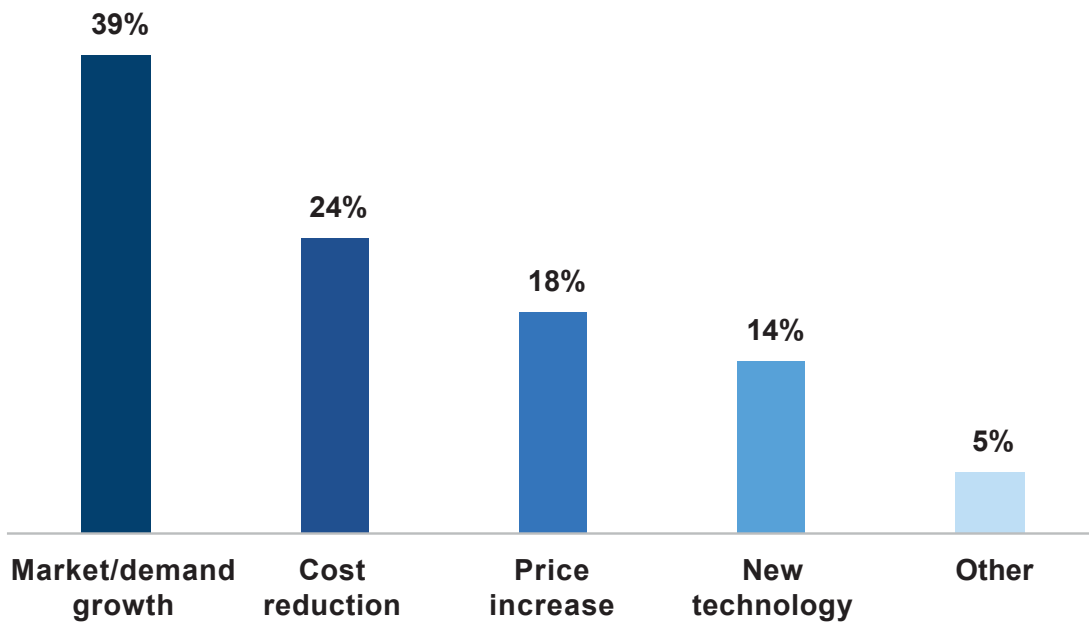
Profitability expectations have improved over last year, with 52% saying they will grow, an increase of nine points.



Profitability Strategies

Businesses and the executives that direct them strive to enhance profitability in many ways. Through which of the following strategies do you plan to MOST enhance your company's profitability over the next year?

Nearly four out of 10 businesses plan to increase their profitability by market and demand growth. Slightly more are citing price increase, 18% compared to 16% last year.

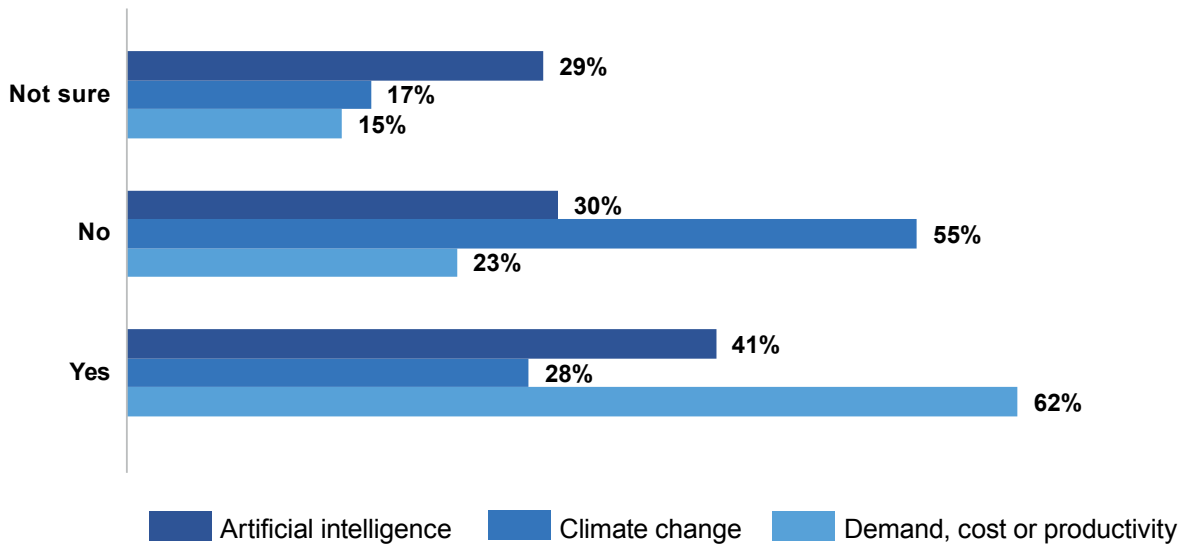


Fixed Assets

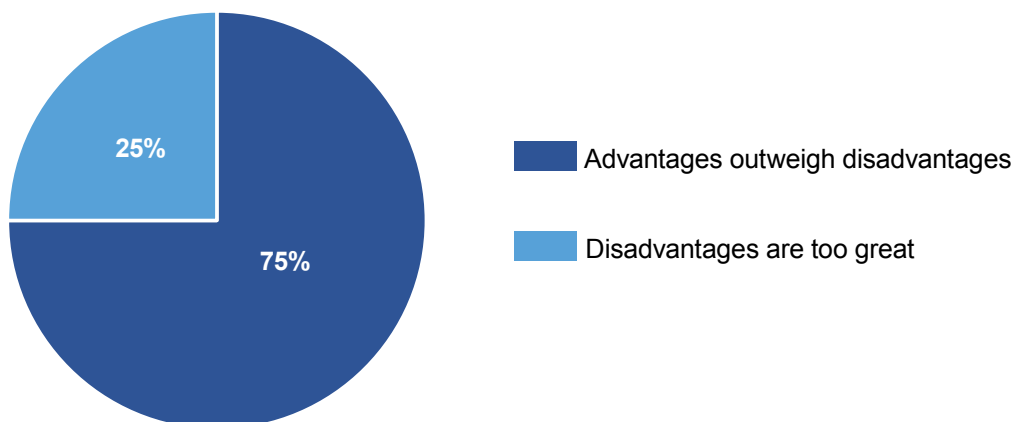
Do you intend to invest between today through 2025 in any fixed assets for your company designed to:

- conduct AI and machine learning?
- respond to climate change (e.g., fuel switching, energy efficiency, renewable generation, etc.)?
- meet growing demand, reduce costs or enhance productivity?

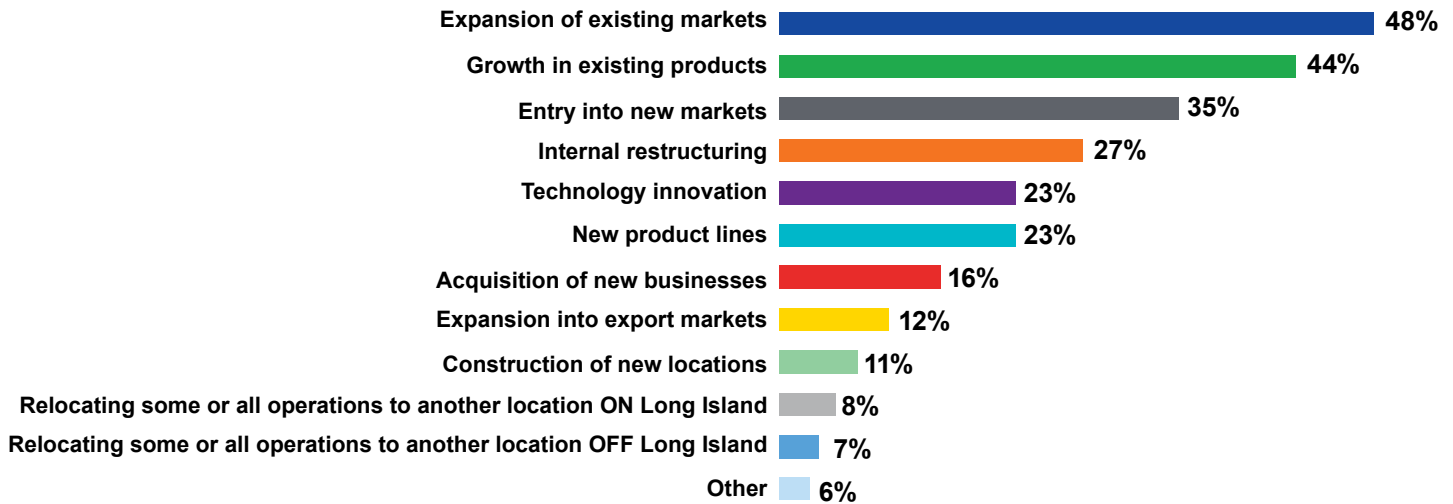
Sixty-two percent of CEOs plan to invest in fixed assets for their business to meet growing demand, reduce costs or enhance productivity, an increase of 16 points over last year. Twenty-eight percent say they plan to invest in fixed assets to address climate change, an increase of 10 points. Forty-one percent will invest in AI and machine learning.



Thinking about the use of Artificial Intelligence (AI) in business, do you believe the advantages outweigh the disadvantages of AI, or are the disadvantages too great?

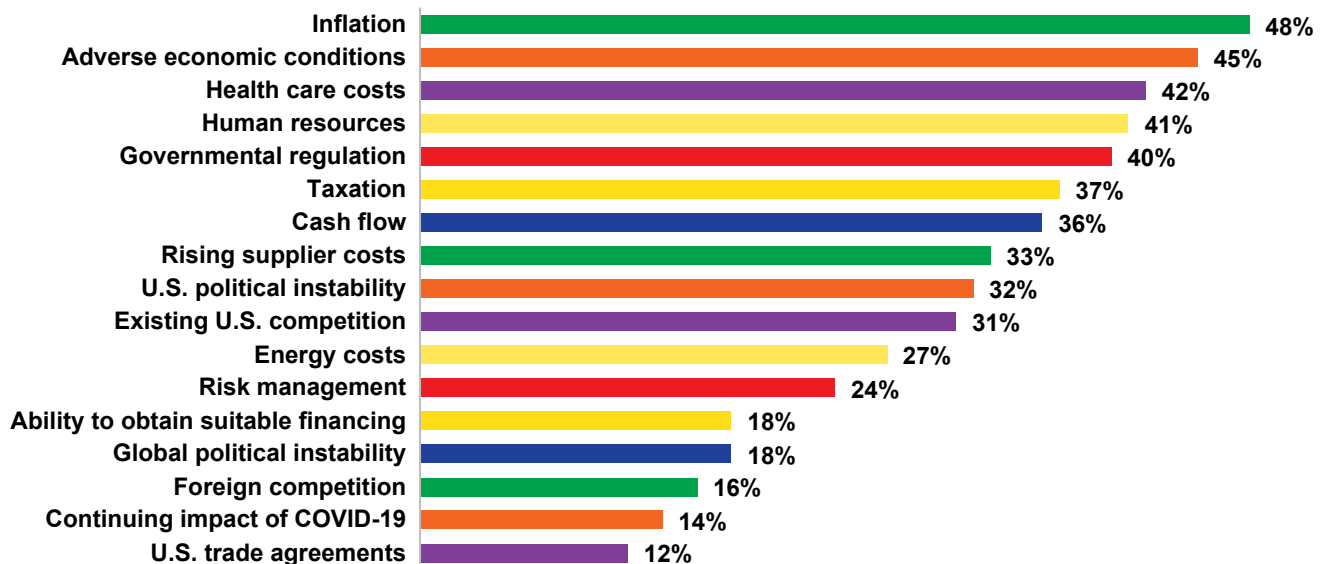


Which of the following are major areas of concentration for your company now and through 2025?



Asked to name both their areas of concentration and challenges for the coming year, just over one-quarter (27%) indicated plans to restructure behind typical growth strategies. Inflation, new to this year's survey, replaced adverse economic conditions as the most often cited challenge that concerns CEOs at a rate of 48%.

Thinking about other challenges that your company faces, which of the following are you concerned with?



Employment Outlook & Workforce

Thinking about the people that work for your company, between today and the end of 2025, do you plan to...?



- Remain about the same
- Moderately increase your workforce
- Substantially increase your workforce
- Decrease your workforce

Forty-three percent of CEOs plan to increase their workforce, a 10-point increase from last year and 6% plan to decrease.

Turning to your impressions of the Long Island workforce, is there an ample supply of local workers who are appropriately trained for your employment needs?

Forty percent of Long Island CEOs say there is not an ample supply of local workers trained for their needs, an improvement of 16 points since last year.



Yes

No

Don't know



Employment Outlook & Workforce

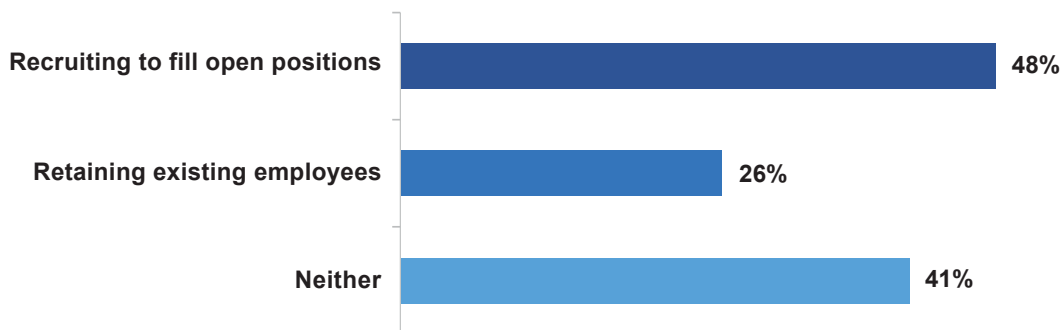
Based on the job applicants that you have seen over the last couple of years, how would you assess those applicants on the following skills or attributes?

At least half of CEOs feel that job applicants are fair or poor in all four skills or attributes; however, each improved by at least 5 points compared to last year.



Which, if any, of the following are you currently having difficulty with?

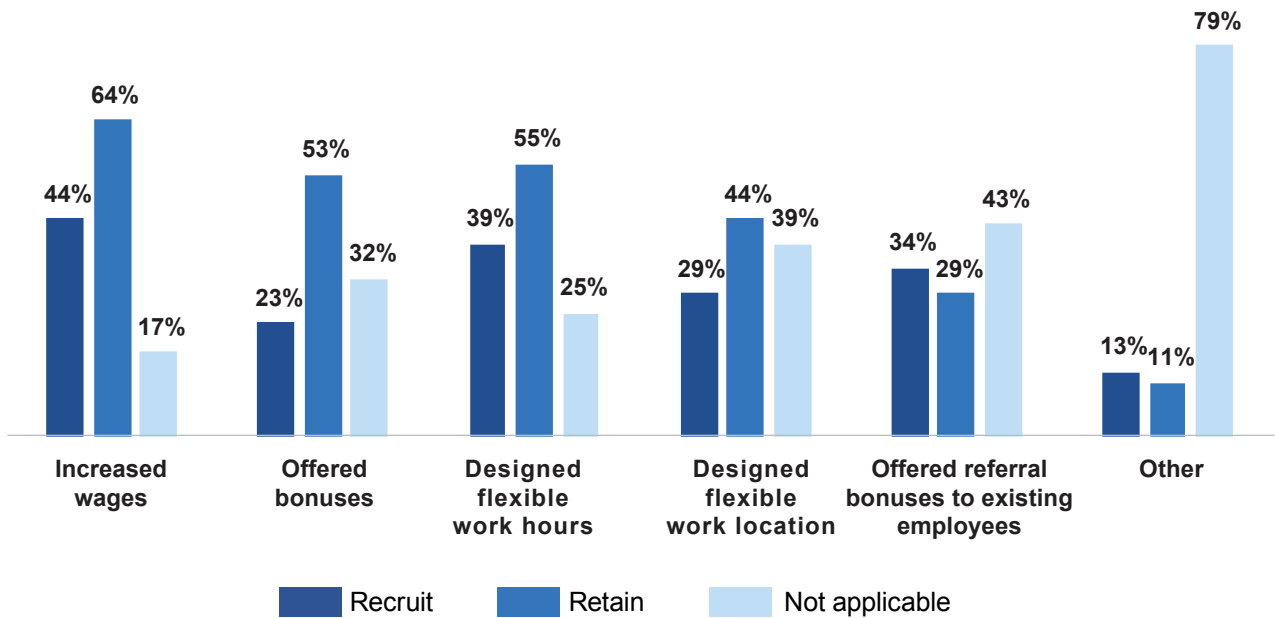
Challenges recruiting and retaining employees is virtually unchanged over last year, with a slight increase in challenges recruiting.



Employment Outlook & Workforce

Which of the following have you done to recruit/retain?

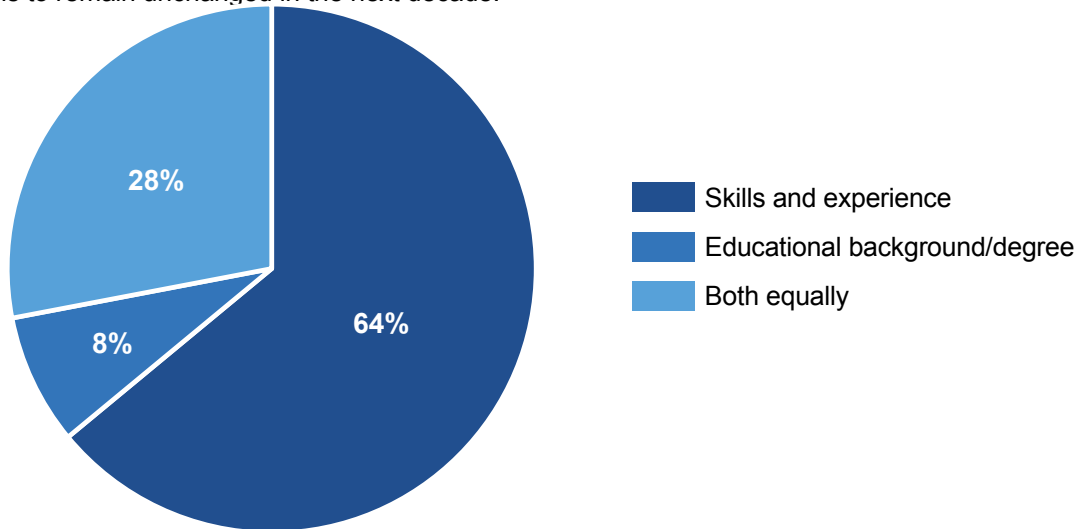
Recruitment and retention strategies are virtually unchanged from last year. Increased wages remain the top strategy for both recruitment (44%) and retention (64%).



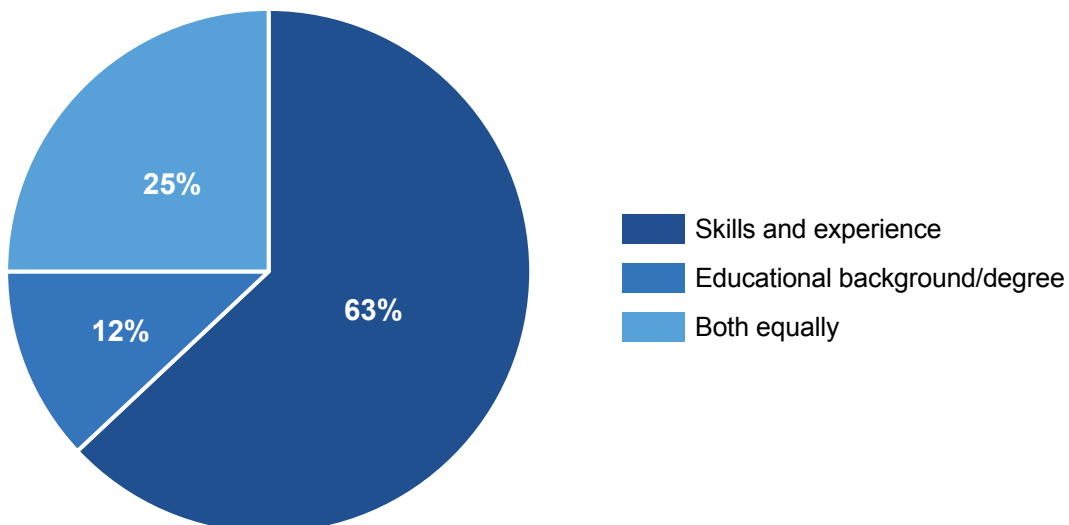
Employment Outlook & Workforce

When recruiting to fill open positions, which do you consider more valuable: a candidate's skills and experience or their educational background or degree?

Nearly two-thirds of executives (64%) find skills and experience more valuable when recruiting to fill open positions. They anticipate this to remain unchanged in the next decade.



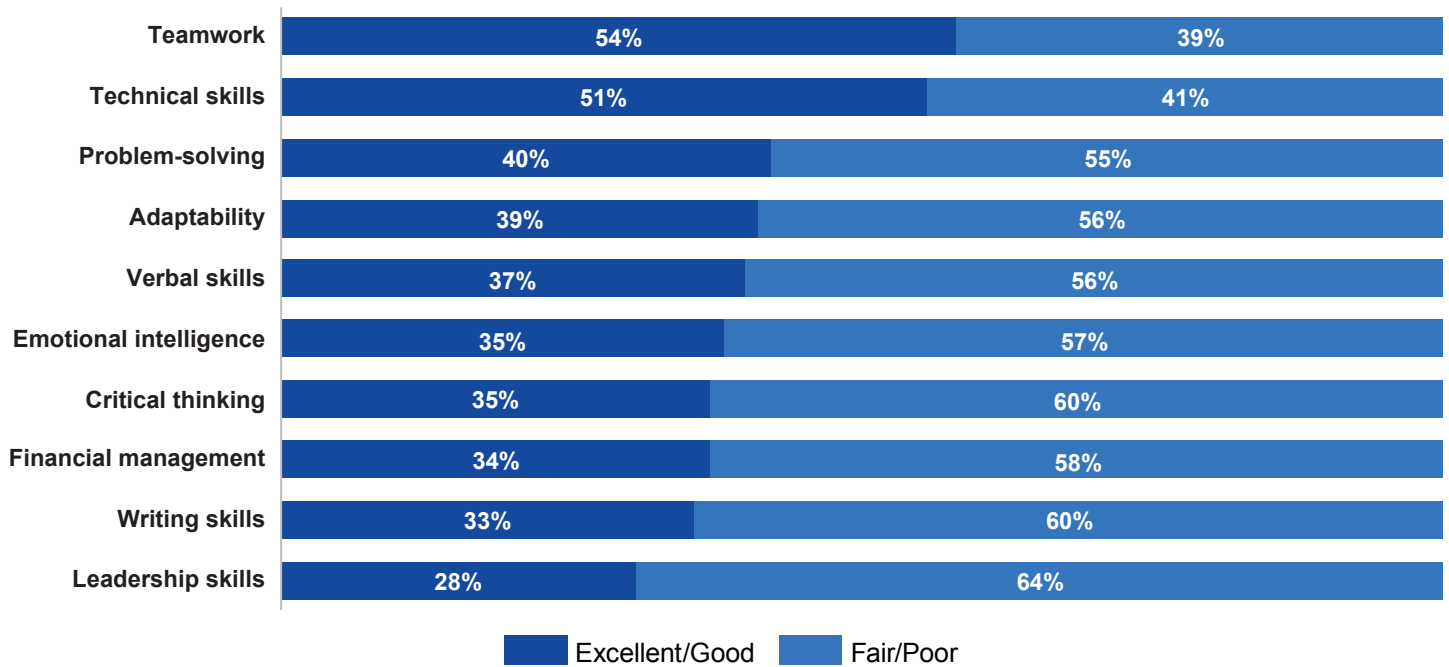
In general, in the next decade, do you believe employers will hire based more on a candidate's skills and experience or more on a candidate's educational background or degree?



Employment Outlook & Workforce

Thinking about specific skills job applicants may or may not have, please indicate your assessment of job applicants on the following skills.

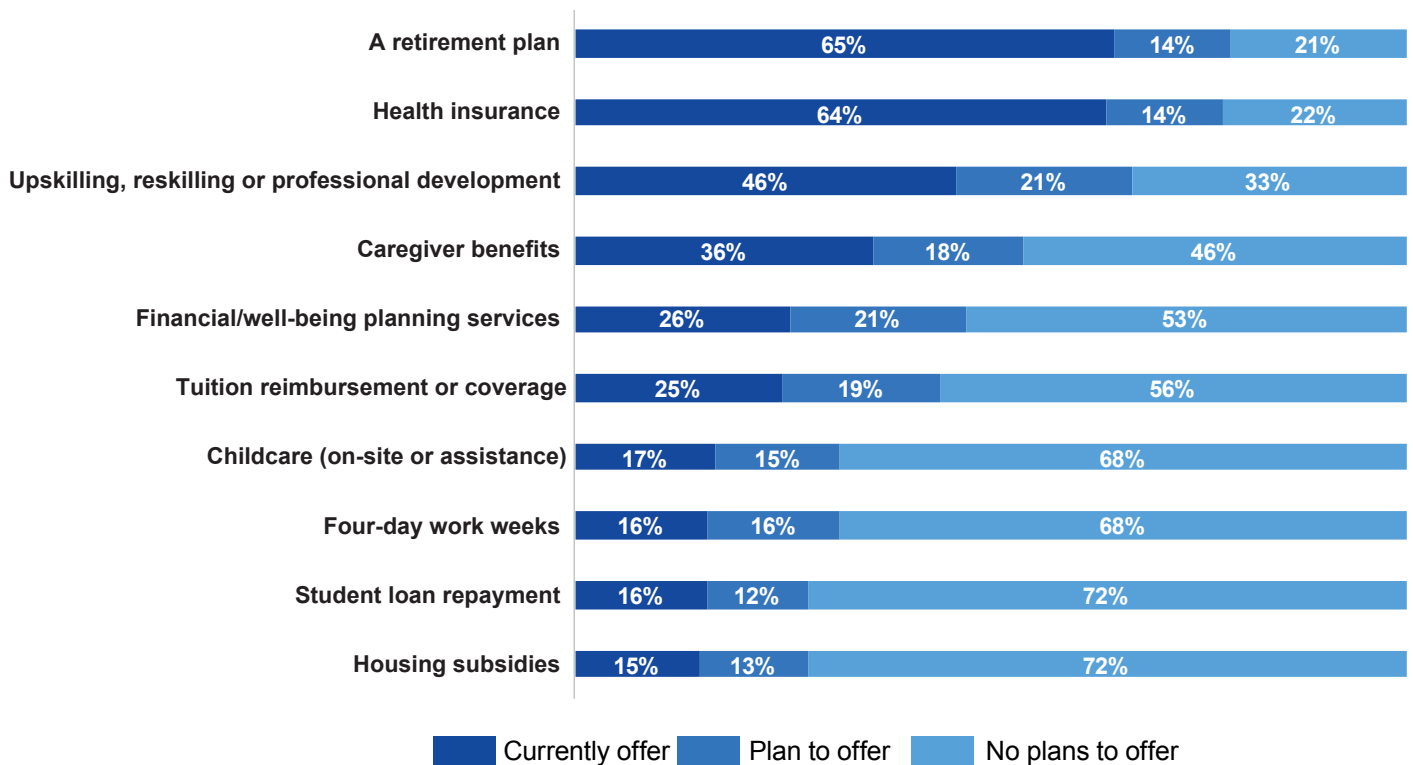
Assessing job applicants on a variety of skills, over 50% of CEOs rate applicants as excellent or good for teamwork and technical skills. Over 50% find applicants' remaining skills fair or poor with leadership, writing skills and critical thinking being rated that way by at least 60%.



Employment Outlook & Workforce

Thinking about some benefits that you might offer, please indicate if you currently offer each of the following, plan to offer it in the future or have no plans to offer that benefit.

Approximately two-thirds of employers offer a retirement plan (65%) or health insurance (64%). Student loan repayment and housing subsidies are the least offered benefits at 72% each.



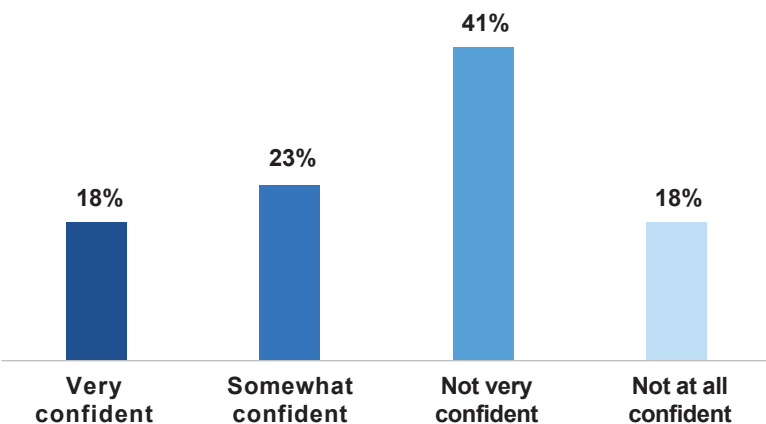
State Government

Overall, would you say the government of the State of New York is doing an excellent, good, fair or poor job of creating a business climate in which companies like yours will succeed?



Forty-four percent say that the state government is doing an excellent (13%) or good (31%) job; an increase of 20 points over last year. Similarly, when asked how confident they are in the state's ability to create a climate where businesses like theirs can succeed, 41% of CEOs say they are very confident (18%) or somewhat confident (23%). Fifty-nine percent are not confident in the state government's ability to create a climate where businesses can succeed.

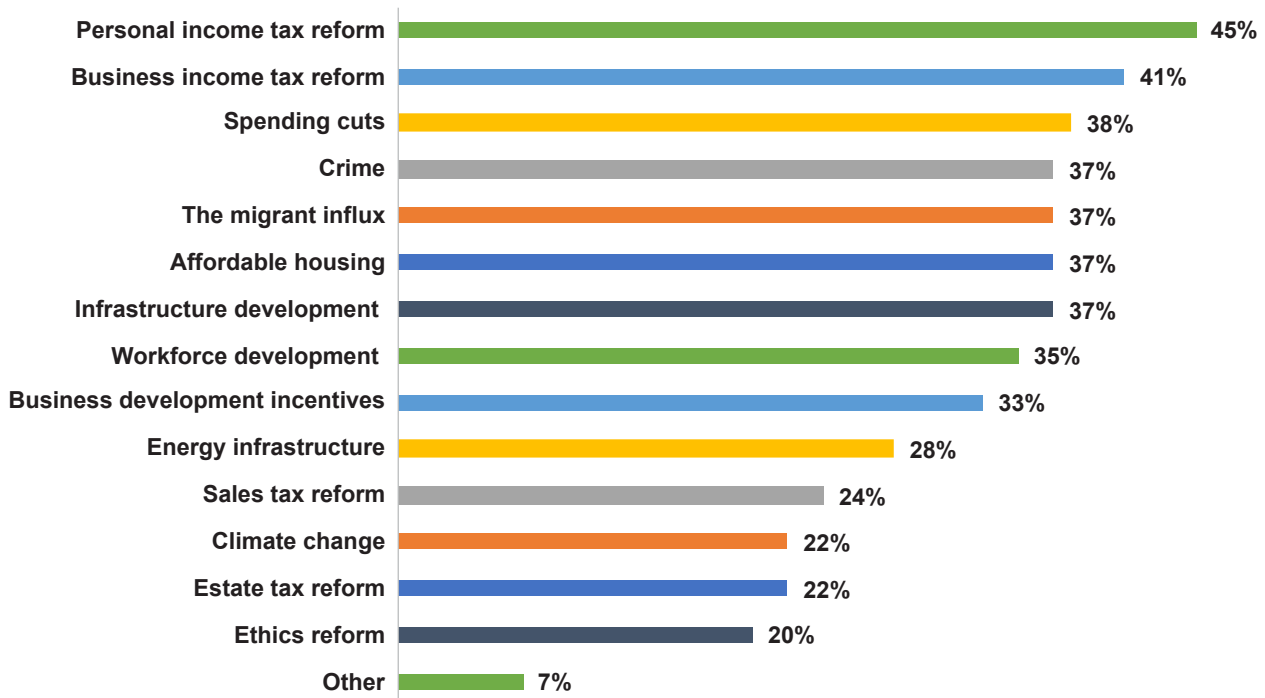
How confident are you in the ability of the government of the State of New York to improve the business climate for businesses like yours here on Long Island over the next year?



State Government

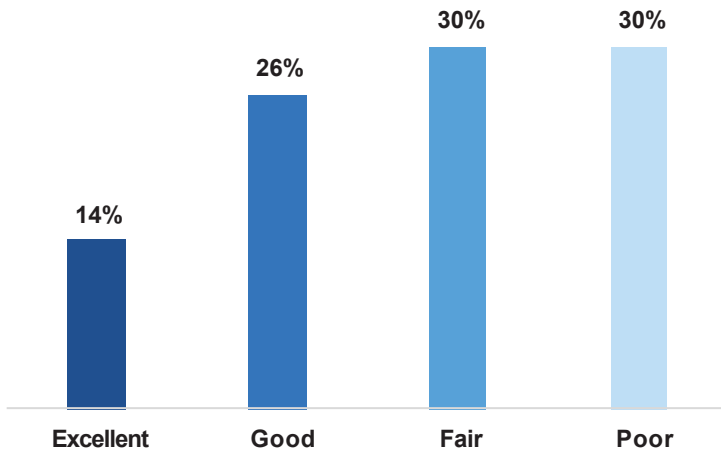
Of the following, what would you like to see the Governor and Legislature of New York focus on?

Personal and business income tax reform remain the top issues that business leaders would like to see the Governor and Legislature focus on, followed by spending cuts and infrastructure development. Social issues, including affordable housing, the migrant influx and crime were cited by over one-third of CEOs.



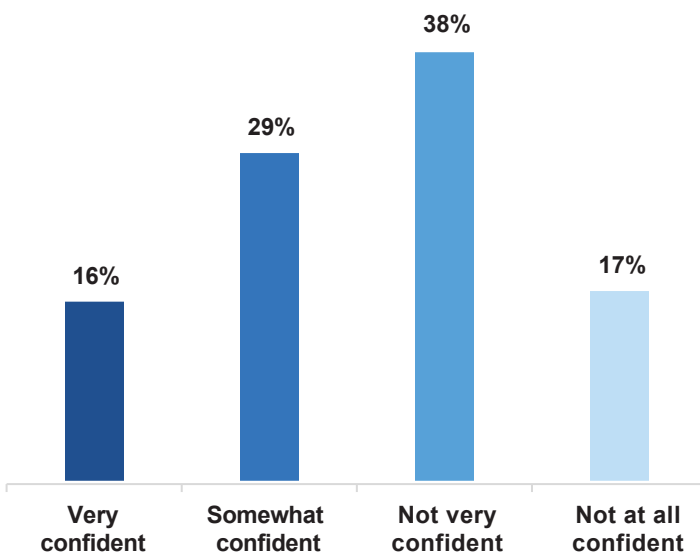
Federal Government

Overall, would you say the federal government is doing an excellent, good, fair or poor job of creating a business climate in which companies like yours will succeed?



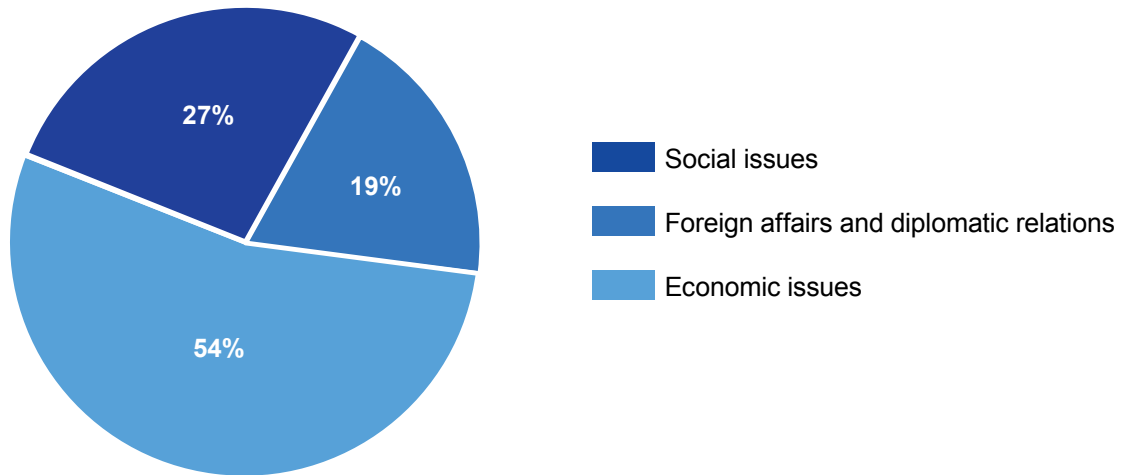
The federal government gets similar marks to the state government. Forty percent say the federal government is doing an excellent (14%) or good (26%) job, an increase of 18 points over last year. Confidence also increased with 45% saying they are very confident (16%) or somewhat confident (29%) that the federal government can create a climate where businesses can succeed.

How confident are you in the ability of the federal government to improve the business climate for businesses like yours here on Long Island over the next year?

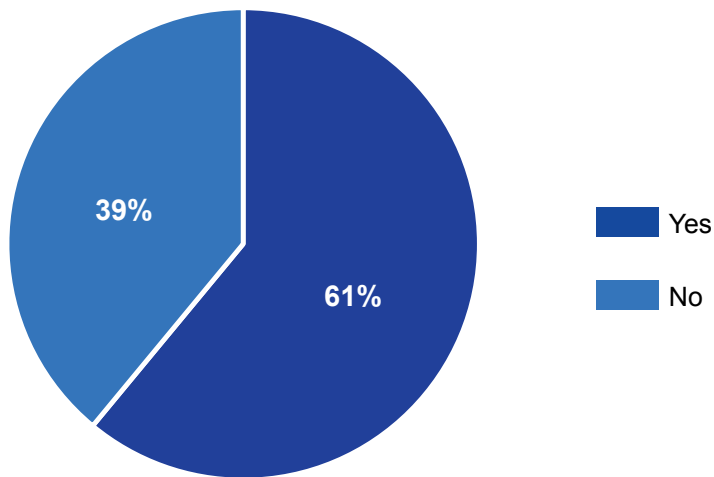


Federal Government

Thinking about your vote in the 2024 election for president, what types of issues are most important in deciding your vote:

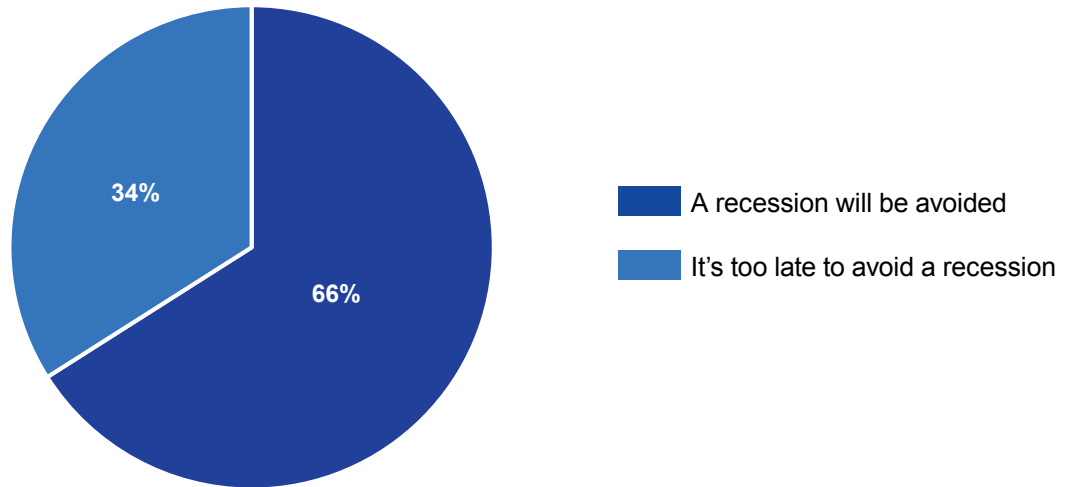


Are you waiting to see the results of the 2024 election prior to making business investment decisions or does the election outcome not have any effect on your business investment decisions?



Federal Government

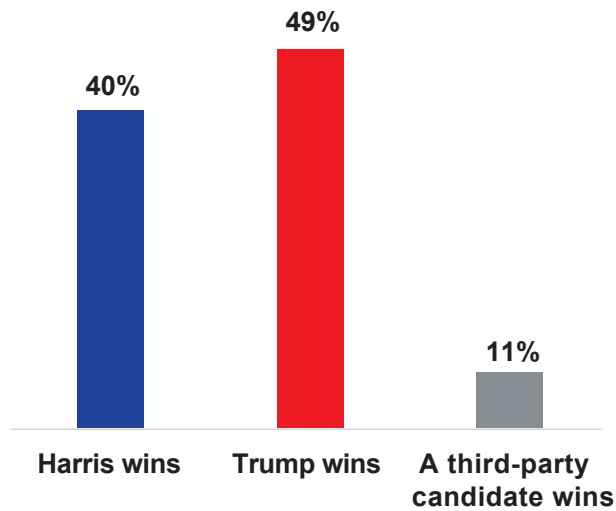
Do you think the Federal Reserve cutting interest rates will help the U.S. avoid a recession or do you think it's too late to avoid a recession?



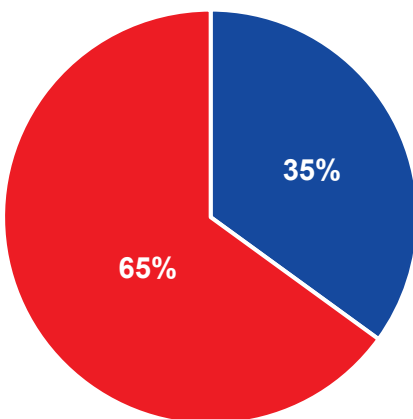
Federal Government

As you think about the upcoming November election and consider not only the presidency but control of each house of Congress, which of the following outcomes do you think would be best for the American economy?

The Presidency

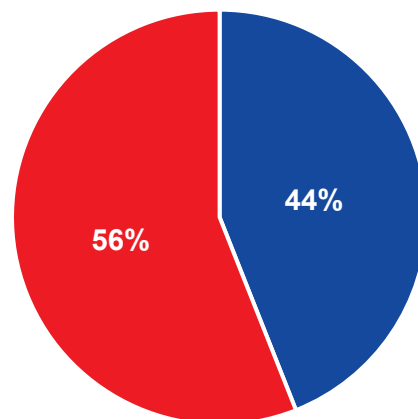


The Senate



■ Democratic control
■ Republican control

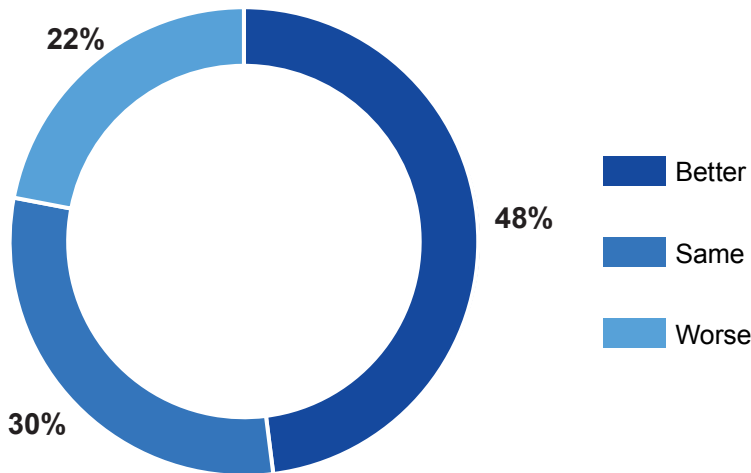
The House of Representatives



■ Democrats have the majority
■ Republicans have the majority

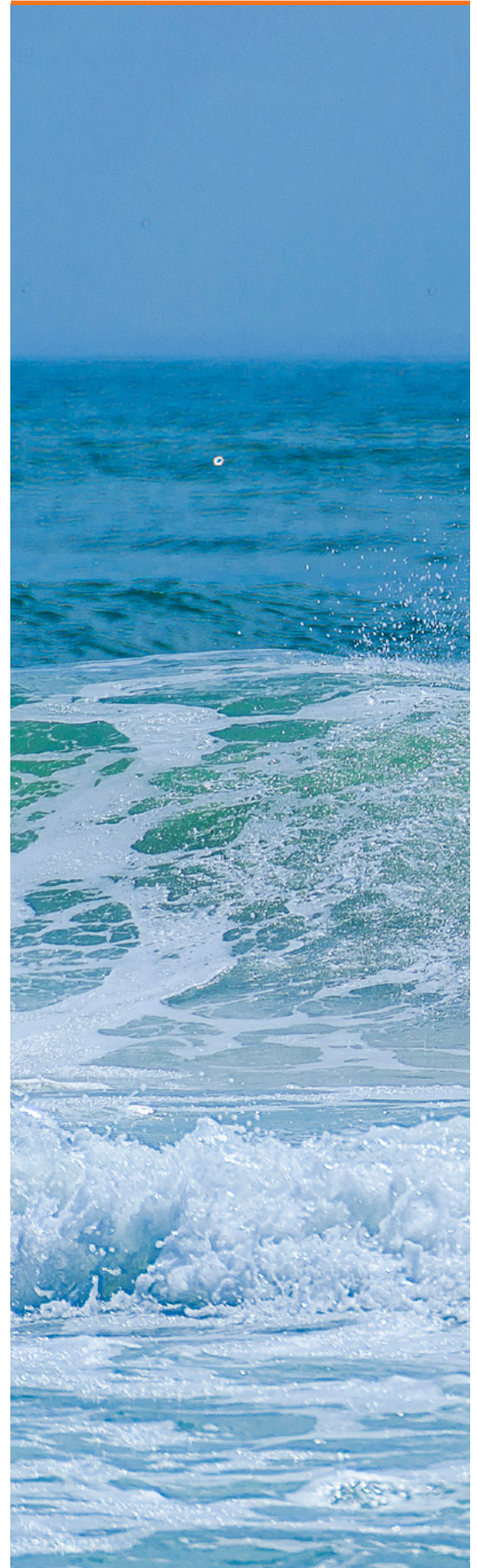
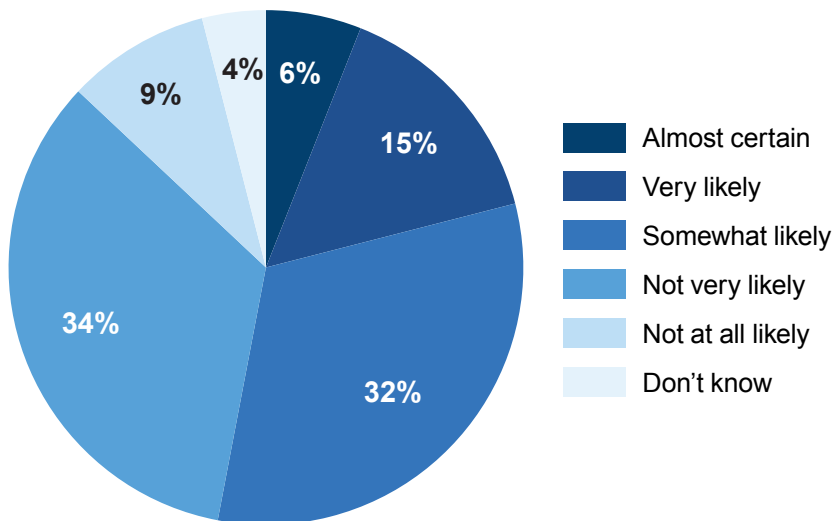
National Economy

Looking forward from today through the entire 2025 year, how would you describe your expectations for the National economy?



Expectations for the National economy have improved. Currently, 48% believe it will be either considerably better (16%) or a little better (32%), compared to just 28% last year. Additionally, just over half now view a recession as at least somewhat likely, marking an 11-point decline from last year.

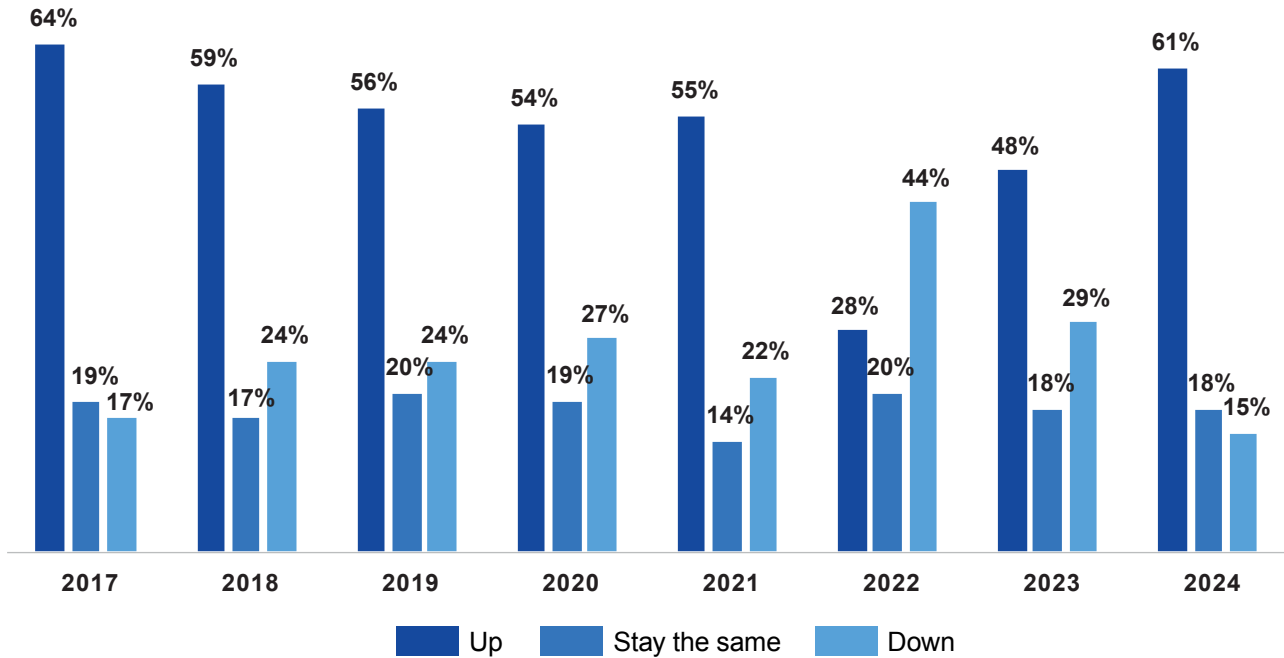
How likely do you think it is that the U.S. economy will be in recession between now and the end of 2025?



Market Index

Where do you think the S&P 500 will go over the coming year?

There has been a positive shift in expectations for the S&P 500 as well. Over half (61%) believe it will go up compared to 48% who said the same last year.



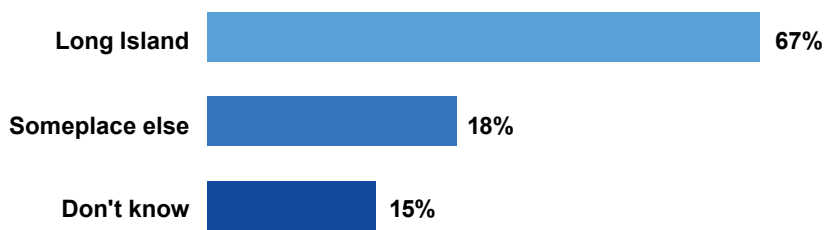
*For the years 2021, 2022, 2023 and 2024, some respondents did not answer this question; therefore, numbers do not add up to 100.



Long Island Outlook

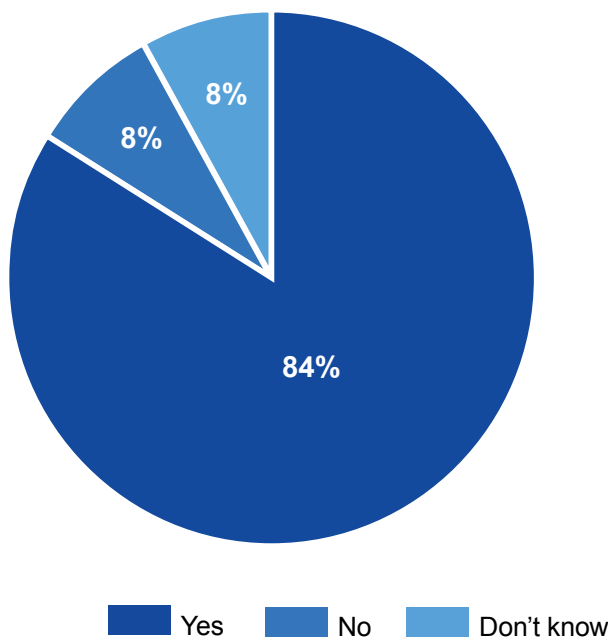
If you had to do it all over again, considering all factors, would you locate your business on Long Island or someplace else?

Two-thirds of the CEOs surveyed would again choose to locate their business on Long Island; 18% say someplace else and 15% don't know.



Do you think your company will be in business on Long Island five years from today or not?

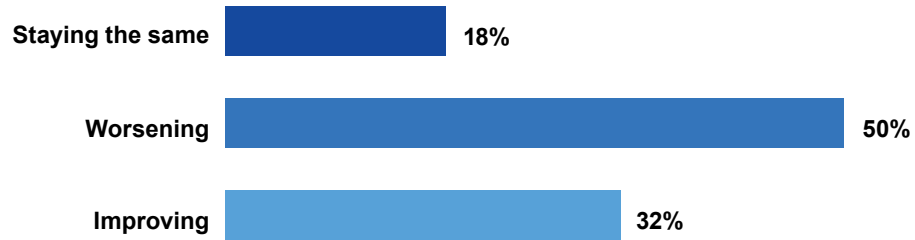
Virtually unchanged from last year, 84% of the CEOs say they will be in business five years from now.



Long Island Outlook

Is the general business climate on Long Island improving, staying the same or worsening?

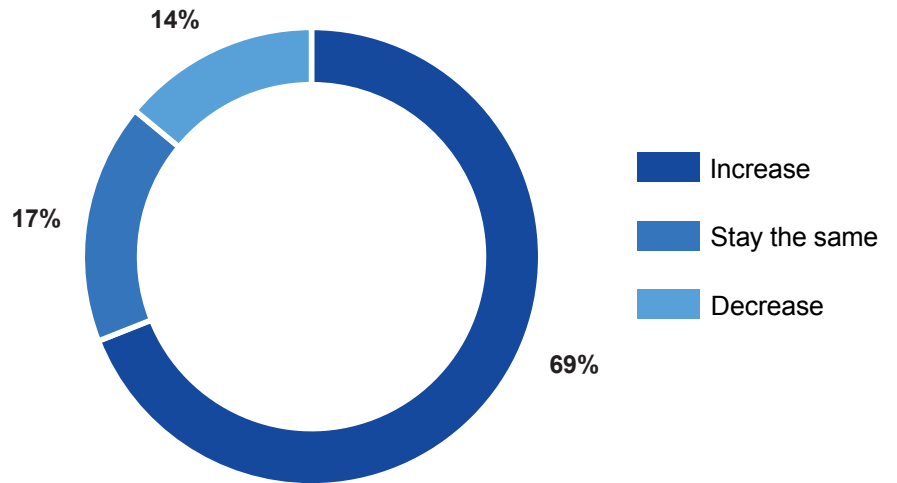
Sentiment about the general business climate improving on Long Island increased 24 points to 32%.





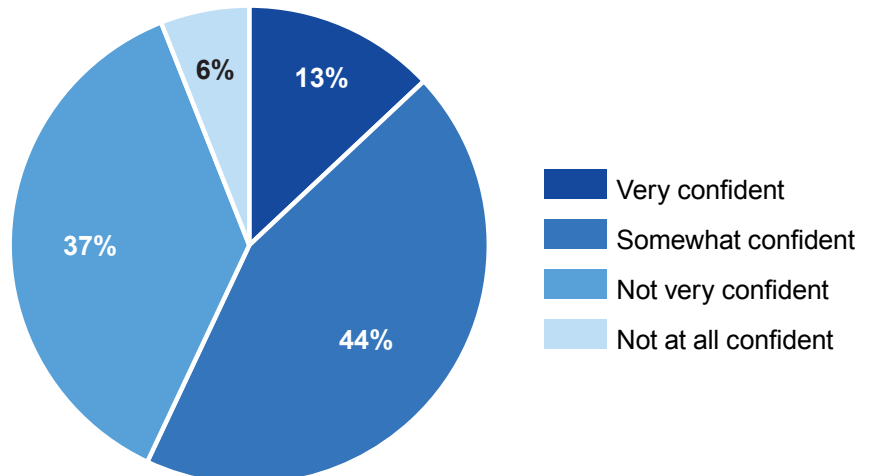
What do you project will happen to residential real estate prices on Long Island in the coming year?

Expectations for residential real estate prices continues to increase from last year with 69% expecting increases and 14% decreases, as compared to 57% and 20%, respectively from last year.



How confident are you in the ability of the local governments on Long Island to improve the business climate for businesses like yours here in New York over the next year?

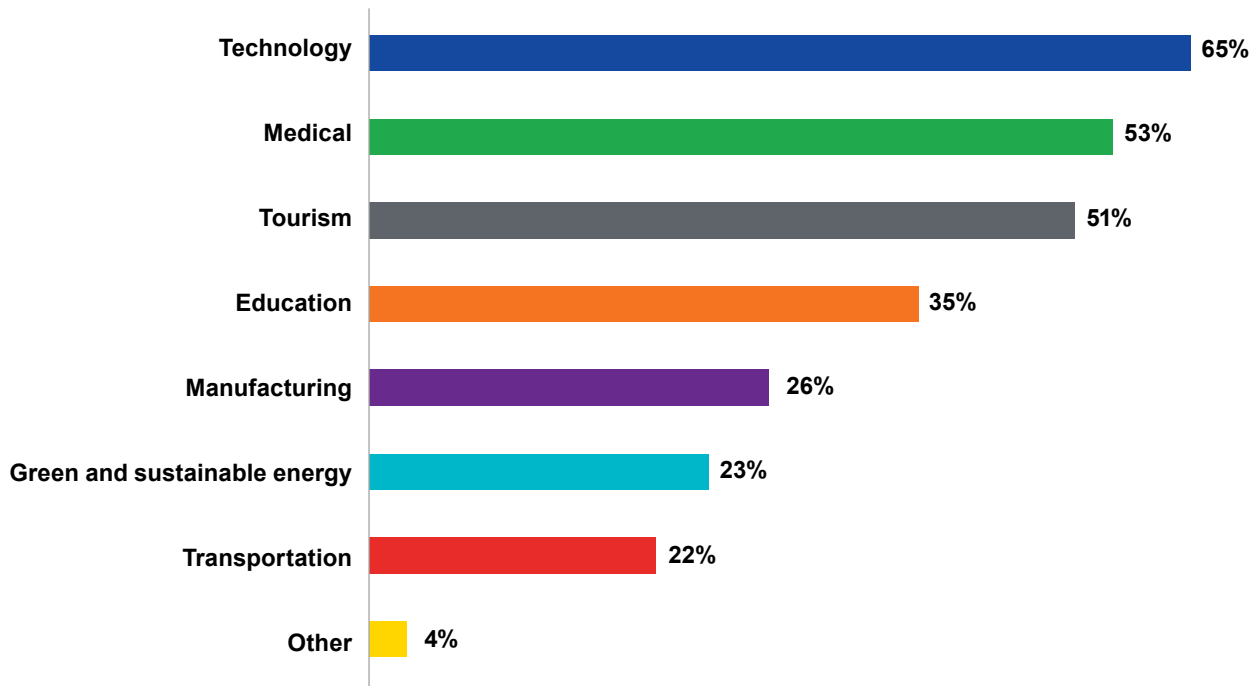
Confidence in local governments increased 19 points with 57% saying they are at least somewhat confident in local government to improve the business climate.



Long Island Outlook

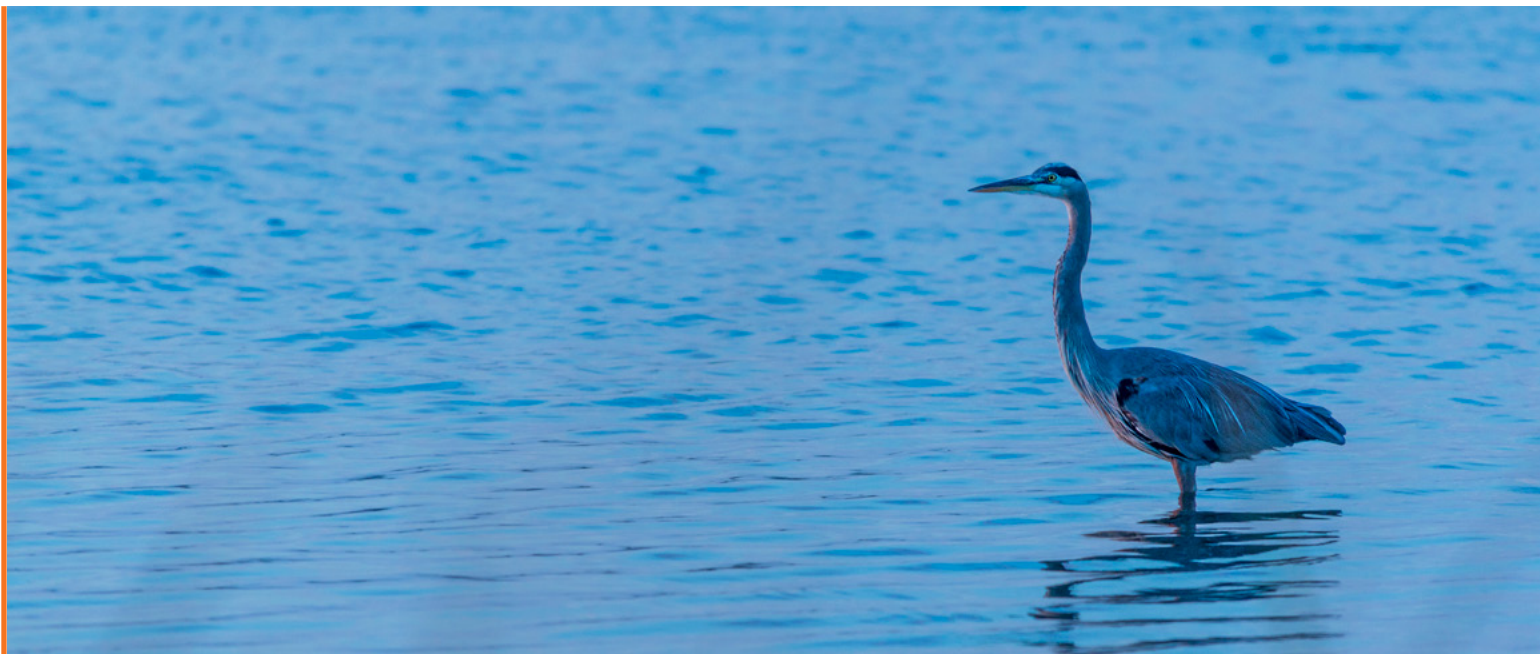
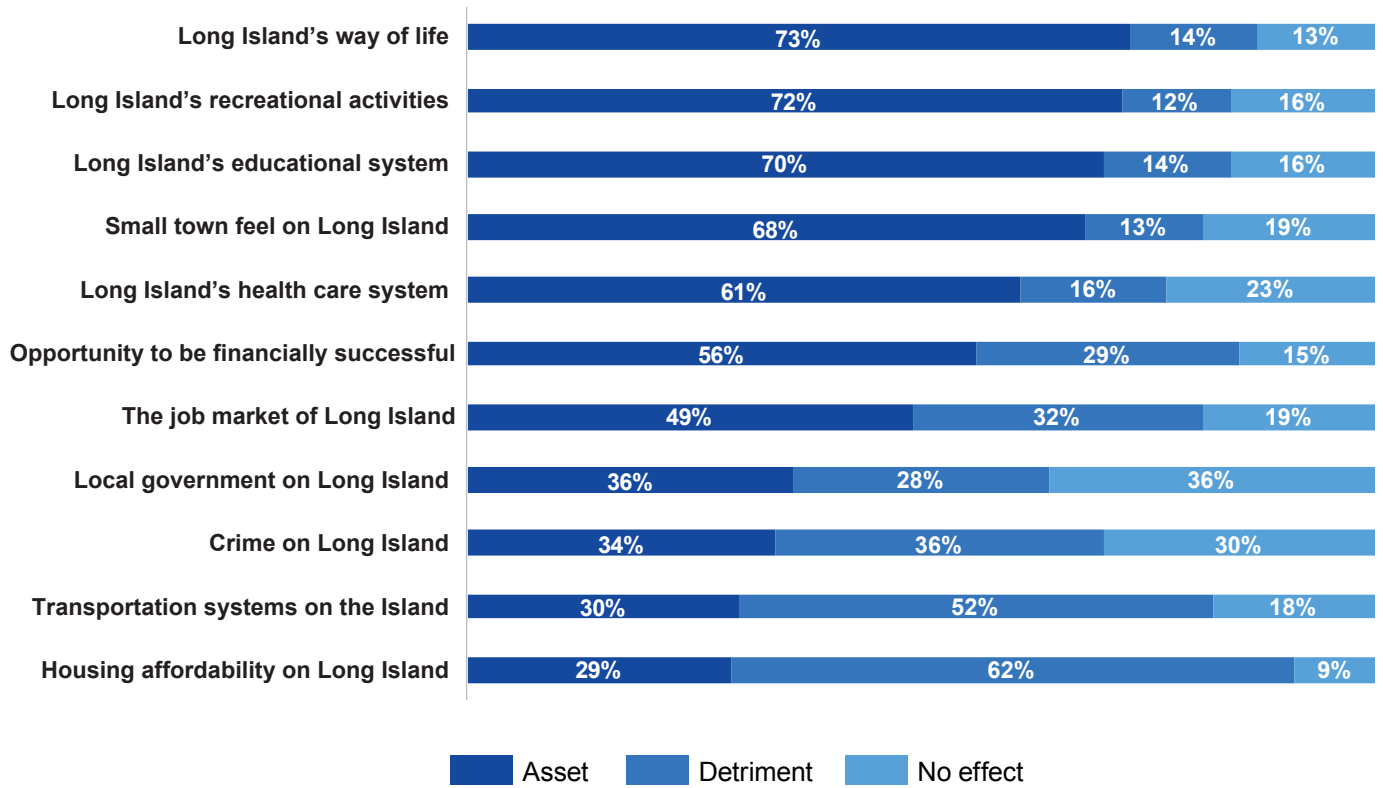
Which of the following industry sectors do you think will have a positive impact on the economic vitality of Long Island in the next three to five years?

Technology (65%) and Medical (53%) remain the top two industry sectors Long Island executives think will have a positive impact on economic vitality. Education (35%) saw a decrease of 20 points.



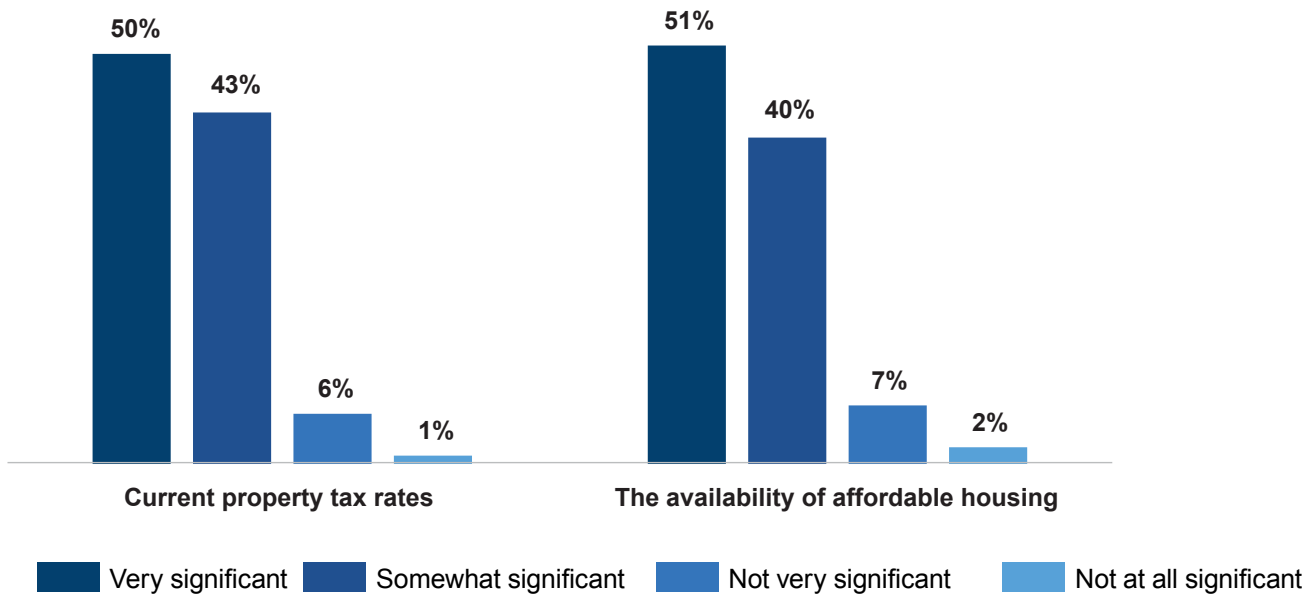
Long Island Outlook

Thinking specifically about keeping young people on Long Island, for each of the following, indicate whether it is an asset and contributes to young people staying on Long Island, it is a detriment and contributes to young people leaving Long Island or if it really doesn't have an effect one way or another.

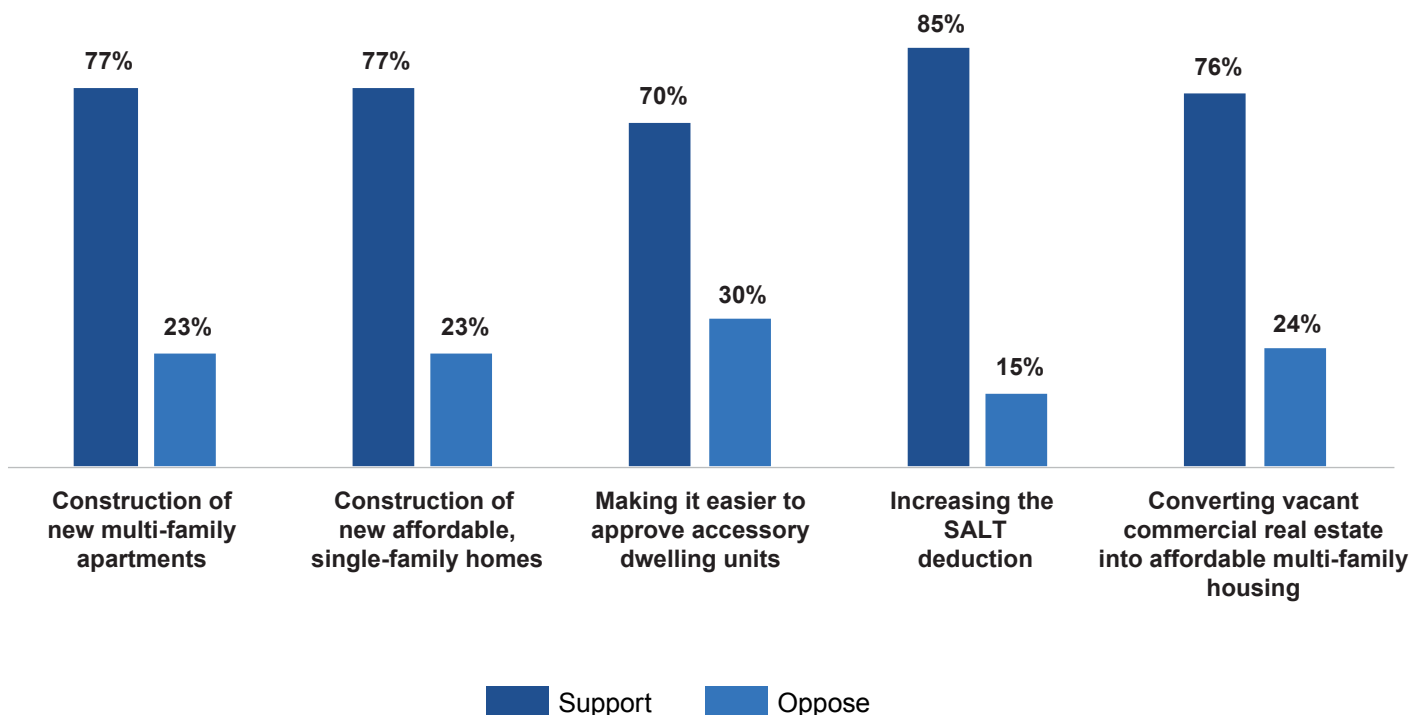


Long Island Outlook

How significant a problem is each of the following for business success on Long Island?

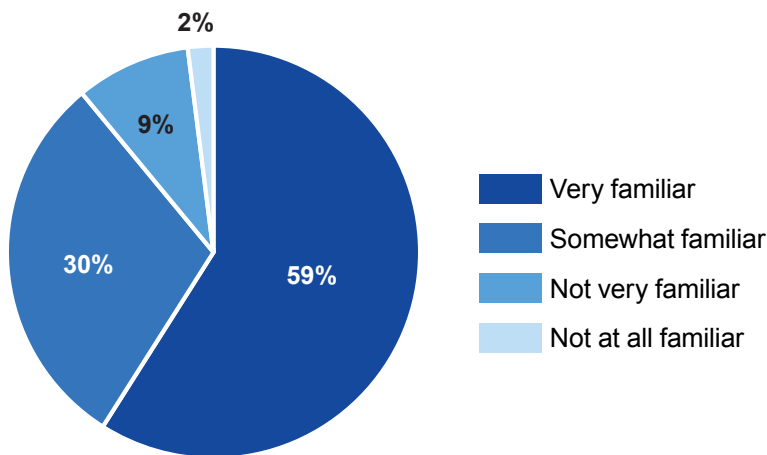


Do you support or oppose each of the following?

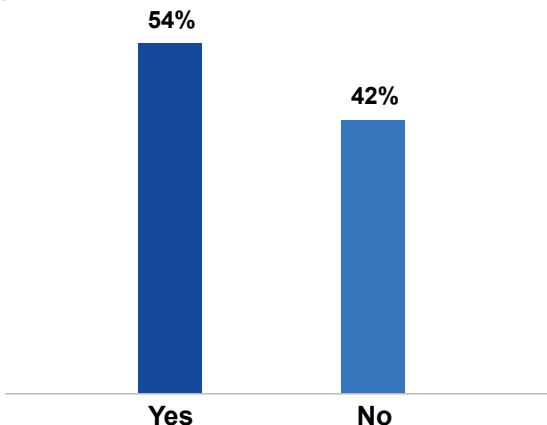


Diversity, Equity and Inclusion (DEI)

How familiar are you with the term “DEI” which stands for diversity, equity and inclusion? Are you...

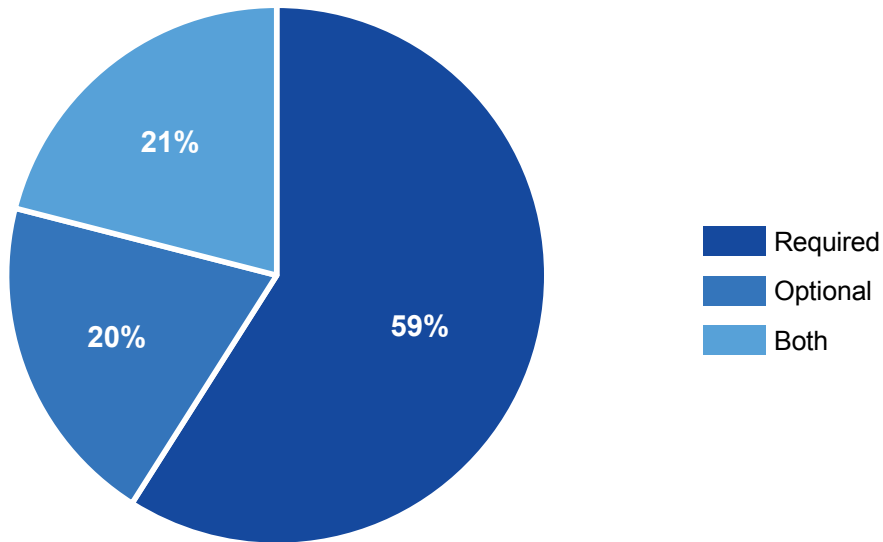


DEI is used to describe policies and programs that encourage the participation and representation of different groups of people, such as those of different ages, races, ethnicities, abilities, disabilities, genders, religions, cultures and sexual orientations. Does your company currently offer DEI training or education to its employees?

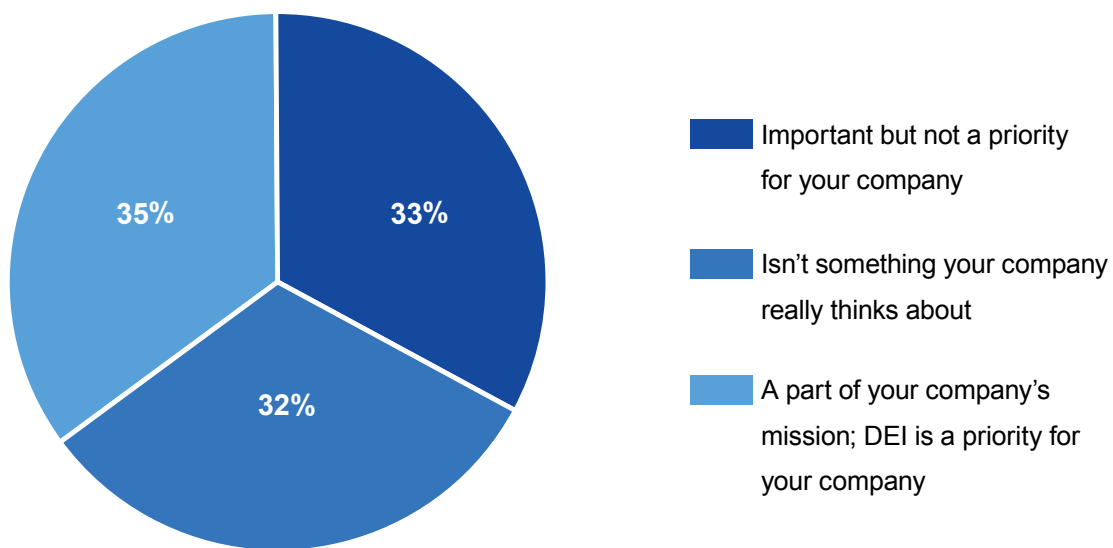


Diversity, Equity and Inclusion (DEI)

[If training/education is offered] Is this training required or optional?



Would you say DEI policies and/or practices are:



Thoughts From Our Respondents



“The survey is important in gathering current information on Long Island issues.”

“Have had good success here on Long Island for more than 30 years.”

“The lack of affordable housing on Long Island is the number one problem facing all young people and must be addressed if we are to remain vibrant and healthy.”

“The school taxes are hurting businesses. If your child goes to private school, the families should receive credits. Health care costs are too high. Must cap liability claims — NY State is too friendly to attorneys. People are not held responsible for their actions.”

“Consolidate school districts to reduce administrative costs. Change school and political retirement to 401(k)-like benefits so the expense ends when the employee leaves. Retirement age should be increased to 65.”

“Too much government.”

“I am a volunteer with the Garden City Chamber of Commerce and we need support of LI government to sustain the chambers on Long Island. We provide a great benefit to our local community.”

“Survey was a great one! It asked very insightful questions and gave room for thought on topics I hadn't otherwise considered would affect my company and the overall climate on Long Island.”

“Increase public awareness of economic resources.”

“Developing a comprehensive tourism strategy could boost revenue.”

“Long Island should focus on attracting new industries to diversify the economy.”

“Collaboration between the private sector and government is essential.”

“Promote green energy initiatives.”

“The survey was quite interesting and I strongly believe these alarming factors, subject to long-term success and sustainability of businesses on the island, are going to be considered. Once again, glad to have taken this survey.”

“Long Island's higher education assets fuel our regional economy, contributing billions of dollars annually, employing a large, educated workforce and preparing our neighbors to contribute to our region's success. Businesses and individuals should continue to invest in higher education to advance our workforce, educate our families and prepare students to lead us into the future.”

“The ability to find candidates to work in our industry is becoming increasingly challenging. Students fresh out of college expect to be making \$65,000 to \$75,000 with no experience and they expect an office, bonus, the ability to work from home, hour flexibility, among other things. Many have simply refused offers because they need to earn that much to be able to “afford to live on LI” or “to pay back student loans.” I believe there is a “brain drain” occurring and notice it more and more each year.”





Special Thanks

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