



An Economic Snapshot of Washington Heights and Inwood

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November 2008

Highlights

- Retail trade accounts for the largest number of businesses (27 percent) in Washington Heights and Inwood, with supermarkets and grocery stores accounting for almost one quarter of all retail establishments.
- Between 2000 and 2006, the number of businesses grew by nearly 10 percent to reach 2,719, with the growth spread across almost all types of businesses.
- Nearly three quarters of all businesses employ fewer than five people.
- Of the 19 businesses that employed 100 or more people in 2006, eight were associated with health and social services.
- The two largest employers, with more than 1,000 employees, are New York-Presbyterian Hospital and Columbia University Medical Center.
- Between 2000 and 2006, the number of jobs increased by a total of 5.7 percent, to 27,600. Payrolls increased at an average annual rate of 6.3 percent during the same period.
- According to the U.S. Census Bureau, most residents commute for up to 43 minutes to jobs located outside the two neighborhoods. More than 62 percent use public transportation, primarily the subways.
- More than 90 percent of neighborhood households reside in rental apartments. In 2005, the median monthly rent was \$730 (lower than the Citywide average of \$850), but rents have risen in recent years.
- Between 1995 and 2007, crime in the two neighborhoods declined by 61.7 percent, which slightly exceeded the rates of decline Citywide and in Manhattan as a whole.
- Nearly one third of Washington Heights and Inwood is parkland. The area is home to numerous historic houses and museums, including The Cloisters and the National Track & Field Hall of Fame.

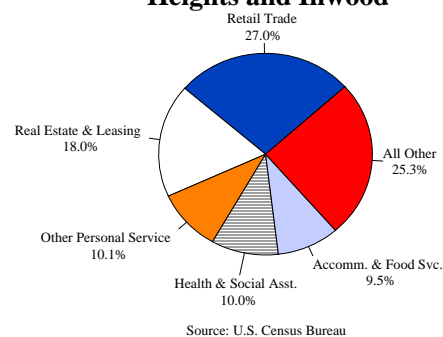
The neighborhoods of Washington Heights and Inwood comprise the upper portion of Manhattan. The local economy has expanded modestly in recent years, and while the area is home to several large institutions, small businesses are the primary source of local employment.

As most residents of the two neighborhoods rent their homes, the subprime mortgage crisis has had a much smaller impact there than in other parts of New York City. The broader economic slowdown and the tightness in the credit markets, however, will be felt by area residents and businesses, which are already under pressure from higher rents and energy costs.

Businesses

According to the U.S. Census Bureau, about three quarters of all businesses in Washington Heights and Inwood in 2006 were spread between five major industries (see Figure 1). Retail trade accounts for the largest number of businesses in the neighborhoods (27 percent), with supermarkets and grocery stores accounting for almost one quarter of all retail establishments. (A significant number of clothing stores also do business in the area, particularly in Washington Heights.) Most businesses in Washington Heights and Inwood are small—nearly three quarters of them employed fewer than five people in 2006, and more than 95 percent had fewer than 20 employees.

Figure 1
Distribution of Businesses in Washington Heights and Inwood



Of the 19 area businesses with 100 or more employees in 2006, eight were associated with health and social services. The two largest—New York-Presbyterian Hospital and the Columbia University Medical Center (including the medical schools of Columbia University)—each employ more than 1,000 people. The area also includes three educational institutions with more than 100 employees, most notably Yeshiva University and Boricua College.

Jobs and Income

Between 2000 and 2006, the number of jobs in the area grew by 5.7 percent to 27,600, which exceeded the pre-recession job level. Payroll increased at an even faster rate, growing at an average annual rate of 6.3 percent. Salaries in the two neighborhoods averaged \$46,000 in 2006.

Although median incomes have risen in recent years—by 34.8 percent between 1999 and 2005—the 2005 level of \$31,000 remains relatively low, and the poverty rate in the area (31 percent) exceeds the Citywide rate (21 percent).

Real Estate

The share of residents in Washington Heights and Inwood who rent their homes is higher than in many other areas in New York City. More than 90 percent of neighborhood households reside in rental apartments. The median monthly rent in 2005 was \$730, less than the Citywide average of \$850. More recently, however, rents appear to have increased sharply, and affordability is a concern. Among the area households that rented their housing in 2005, 85.4 percent lived in rent-stabilized apartments—a much greater proportion than the Citywide rate of 50.1 percent.

While only a small number of households own their homes, the rate of home ownership increased between 1991 and 2005. Of the households that owned their homes in 2005, 93.5 percent lived in cooperative apartments, compared with the Citywide average of 29.8 percent.

Subprime mortgages have not been a major problem in Washington Heights and Inwood. Contrary to wider trends, the share of subprime mortgages grew from only 2.5 percent in 2004 to 2.7 percent in 2007. Citywide, 12.9 percent of mortgages were classified as subprime in 2007.

Demographics

In 2000, the total population in Washington Heights and Inwood was 208,414, a 5.2 percent increase since 1990. This follows a 10.1 percent increase during the previous decade. Hispanics are the largest ethnic group in the area, but in recent years the neighborhoods have become more diverse. Community Board 12, which includes the two neighborhoods, reports that it contains the largest concentration of youths (aged between 5 and 19 years) in Manhattan. The Department of Education has built several new schools in an attempt to reduce overcrowding.

Many area residents commute to jobs elsewhere in New York City, and the average trip lasted between 38 and 43 minutes in 2000. The majority of residents (62.4 percent) rely on public transportation to reach their jobs, and more than three quarters of these workers use the subways.

Crime

Between 1995 and 2007, reported crime in Washington Heights and Inwood declined by 61.7 percent, with violent crime down by 52.4 percent and crimes against property down by 66.5 percent. The rate of decline in total crime in these neighborhoods was greater than in New York City as a whole and in all of Manhattan. Through the first three quarters of 2008, reported crime in Washington Heights and Inwood has remained at about the same level as in the comparable period in 2007.

Economic Development

The Port Authority of New York and New Jersey plans to renovate the George Washington Bridge Bus Station, located at Broadway and West 178th Street. The three-level terminal, originally built in 1963, handles about 5 million commuters and 300,000 buses annually. While about a dozen retail tenants will be displaced during the renovation, the \$152 million project will increase bus capacity and will expand and upgrade the retail space (the new mall is expected to provide 800 jobs).

Con Edison is rebuilding the electric distribution system in the area, which will increase capacity and improve reliability. The work requires the excavation of several major streets, which is affecting traffic and business levels.