

Gary DePersia, SVP, Senior Vice-President

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Title: LI's bonus: a tide of spending, taxes

Yesterday the head of the United Way of Long Island traveled to Wall Street to make his case.

With the financial sector expecting record bonuses this year, Patrick Foye, the nonprofit group's president and a former Wall Streeter himself, is hoping to inspire bigger donations. He estimates that contributions from financial firms account for 10 percent to 20 percent of the organization's year-end contributions.

"Obviously the Wall Street bonuses are an important part of the Long Island economy and charitable giving, and we're going out there to fight for our share," he said.

As Wall Street goes, so goes the Long Island economy to a great degree because so many residents work in the financial sector, experts said. And this year, local businesses and governments are anticipating big benefits from the bonus bonanza. The payouts are expected to rise 30 percent this year.

High-end businesses in particular are expected to benefit from the increased spending power of the Wall Street employees who live on Long Island. That boost in turn will affect businesses down the line, according to Pearl Kamer, chief economist for the Long Island Association.

Upscale businesses like luxury home builders get a big lift from bonus spending, she said. The builders, in turn, pass dollars through to other businesses when they buy such things as lumber and plasterboard.

"There is a fairly large multiplier effect," she said.

Gary DePersia, a senior vice president for the Corcoran Group who works in the luxury real estate broker's East Hampton office, said inquiries from Wall Street types reflect a strong bonus year. He said Wall Streeters, not celebrities, are the mainstay of the high-end real estate sector.

"It isn't Hollywood that drives our market; it's Wall Street," he said. "I'm getting my walking shoes on."

DePersia says he's gotten calls from people in every part of the financial world, including hedge-fund managers and investment bankers. Some have inquired about multimillion-dollar properties on or near the water, he said.

At Quintessentials Bed & Breakfast and Spa in East Marion, owner Sylvia Daley said that bookings for November and December, normally the doldrums, have perked up because of Wall Streeters. Some investment bankers already have made reservations to treat their significant others to spa experiences ranging from \$500 to \$700 a day, Daley said.

"I'm glad Wall Street is getting the money," said Daley, also a former Wall Street executive. "I'm not making the money, but I get the trickle-down."

Nassau and Suffolk counties also are banking on the bigger bonuses.

"We would expect to see a reasonable jump" in sales-tax revenue, said Tom Stokes, Nassau's deputy county executive for management, budget and finances. Suffolk County Executive Steve Levy echoed that sentiment.

"Wall Street bonuses have a major impact on Suffolk County indirectly through the [tax] money that funnels from the state back to us," he said. "The better Wall Street is doing, the better our local budgets are."