Sandy Brings Economic Booms, Busts To Northeast

Michael Melia, Associated Press

FAIRFIELD, Conn. (AP) — On a storm-battered stretch of Connecticut's shoreline, landscaping crews use heavy equipment to repair damage from Superstorm Sandy, racking up overtime pay at a time of year when many are typically looking for part-time jobs to carry them through the winter.

Just down the same road in Fairfield, business is more subdued at the Beachside restaurant. Flooding forced owner John Taxiltaridis to close for three weeks. A sign outside says "OPEN" in black spray paint, and he has gotten a boost selling sandwiches to construction workers, but many of his local customers have yet to return home.

"I just had twins. It came at the wrong time," said Taxiltaridis, who is trying to look forward to next year. "Summer will be here before you know it."

The national economy is expected to absorb the blow from Sandy with little long-term damage, but in the short term, at least, Sandy is introducing dramatic booms and busts across the Northeast. The effects vary widely across industries, bringing banner years for some while pushing others toward economic ruin.

The storm, which so far has been blamed for about $62 billion in damage and other losses in the U.S., has driven spikes in demand for construction work, industrial cleaning, hotel rooms, cars and, for those with inventory to sell, even Christmas trees.

By disrupting life in one of the country's most densely populated areas, the storm also caused a crash in consumer demand. The U.S. government estimates the storm cut wages and salaries by $18.2 billion at an annual rate. Sectors across the board felt the pinch, but the hardest hit included retailers, gas stations and casinos.

One worker on the winning side of the equation, landscaper Jesus Torres of Bridgeport, Conn., said the extra work means a financial cushion for his three children going into the holidays. He expected to be looking for part-time restaurant work by now, but instead he was repairing a storm-damaged stone wall in Fairfield on a mild December day.

"This is great," said Torres, who is originally from Costa Rica. "There's more money to buy everything we need."

On New York's Long Island, car dealer Joe Settineri said his sales nearly tripled last month.

Settineri, the owner of Merrick Dodge Chrysler Jeep in Wantagh, N.Y., said many of the 440 new vehicles sold in November went to contractors replacing vans and pickups damaged by the storm. The dealership stayed open later into the night, and Settineri said the biggest problem has been keeping inventory stocked.

"You have to feel bad for these people, but at the same time, I got flooded out of my house so I know what they are feeling," Settineri said. "We're all dealing with the same things."

The U.S. economy, which grew at an annual rate of 2.7 percent from July through September, is predicted to show weaker growth for the current quarter, due partly to the effects of Sandy. The late October storm contributed to a sharp decline in U.S. hiring for November, and last week Macy's and Nordstrom Inc. reported their first monthly sales drop since late 2009.

But as rebuilding efforts pick up, experts say activity in the Northeast could help spark the national economy.

Contractors near the coast in New Jersey, New York and Connecticut say they expect to stay busy well into next year. While industry groups caution that new building projects likely will come at the expense of others canceled because of the storm, many contractors and analysts say the recovery effort will have a significant effect as owners of homes and businesses carry out repairs and make improvements.

Jason Brand, owner of DASO Cleaning & Restoration in Plainview, N.Y., said that he has had hundreds of jobs and that requests keep coming as people discover more losses. He hired another 17 technicians to keep up with demand. But like many others, Brand said he takes no pleasure in profiting from people's misfortune.

"This is not the type of business that I like. I hate seeing so many people in distress," he said. "My idea of good business is to clean up after an accident here or there. People are calling us crying."

For casinos in New Jersey, a recovery cannot come soon enough. In the first week after reopening, Atlantic City's 12 casinos saw their business plummet by half. Things are slowly rebounding, but thousands of casino workers remain out of work because there are simply not enough customers to justify the payrolls of even two months ago.

"About half my membership is working," said Bob McDevitt, president of local 54 of the Unite-HERE union, which represents nearly 14,000 casino service industry workers. "The other half is on sharply reduced hours or has not worked at all since the storm. It's devastating."

Atlantic City has started a multimillion-dollar advertising campaign in the Northeast letting customers know the resort is unharmed and open for business.

With life not yet entirely back to normal in the hardest-hit areas, some have been

traveling farther than usual for Christmas trees. Kathy Kogut, owner of Kogut Hemlock Hill Tree Farm in Somers, Conn., said business has been brisk, with many customers from New York and New Jersey, including a dozen last weekend.

"People are making an adventure of it, coming out to the country and picking out a tree," she said. "Whenever there is any kind of disaster, no matter where it is, it causes families to become closer. You focus on the family tradition again."

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Associated Press writers Frank Eltman in Wantagh, N.Y., and Wayne Parry in Atlantic City, N.J., contributed to this report.

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