

As Seen In

# LI Inc.

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A report to shareholders 2009

## LI work force

### Bucking the trend

#### Some firms' business is up despite a down economy

By Claude Solnik

Before Merrill Lynch was acquired by Bank of America, Ellen Cooperperson, a consultant and corporate trainer, was called in to speak to the firm's financial advisors. Cooperperson urged the Merrill Lynch staff to reach out to clients at a time when competition was frozen.

"Given that we understand the obstacles, now what are you going to do?" challenged Cooperperson, president of Corporate Performance Consultants, in Hauppauge.

Bank of America answered that question for the brokers by acquiring Merrill Lynch and reorganizing the firm. And big banks are at best emerging from bad times, figuring out how to navigate a tough economy. But Cooperperson, who has advised many of the nation's best-known companies, has had a banner year.

"I think this is the best year we've ever had," said Cooperperson, who over the past year performed work for firms such as The Bank of New York Mellon, St. Joseph's College, Kozy Shack, Farrell Fritz, American Medical Alert, Disc Graphics and Merrill Lynch.

Although there's enough economic gloom to go around, some industries on Long Island such as certain banking sectors, health care and education are holding their own.

#### Small banks thriving

While banking giants such as Citigroup have taken major hits, many smaller banks are having a good year. They'll tell you that painting the entire banking industry with one brush is a mistake.



Bob Giglione

*Ellen Cooperperson said that a difficult economy doesn't mean an individual company must perform badly.*



Bridge Bancorp, parent of Bridgehampton National Bank, ended its first quarter with \$2.2 million in net income, up 12 percent over the prior year. Assets surged 24 percent to \$813 million as new branches grew and more people entrusted their funds to this bank.

Chief executive Kevin O'Connor said 2009 will be "a challenging year," but noted this only makes it "particularly noteworthy to achieve these positive results." He said the bank has been able "to identify opportunities presented in our market and have been actively working with new and existing customers."

And deposits at many banks surged not only despite, but in some cases because of, bad news at big banks. Investors also poured millions into small banks at a time when bigger competitors cut back on credit.

"Investors in community banks tend to view those opportunities to be the best for deployment of their money," said Arthur Loomis, president of Northeast Capital, in Albany. "The entire industry's been beaten down so much."

Banks essentially got free money, paying little or no interest, because of people's desire for security and shelter from the storm of the stock market.

### Health care remains ... healthy

Long Island's health care and social assistance services grew by 3.6 percent to 185,300 jobs this June compared to the year ago period.

The 14-hospital North Shore-Long Island Jewish Health System ended its first quarter, March 31, with a \$4.9 million profit, up from a \$5.9 million loss in the prior year.

"We're doing a little better than what we expected in the budget," said Robert Shapiro, chief financial officer for the Great Neck-based system. "The investment losses were smaller at the end of March 2009 than the end of March 2008."

## Career changers are coming back on the graduate or undergraduate level.

Shapiro said earnings from operations improved by \$6.6 million to \$14 million, which he attributed to greater efficiencies in purchasing and doing a better job with collections.

"You can't minimize the risk around uncertainty," Shapiro said of concerns about the future. "We haven't yet seen an increase in uncompensated or charity care. Other hospitals across the country have seen that."

New Island Hospital in Bethpage also is operating in the black with a total payroll of \$45 million. And the hospital updated its technology and upgraded the building.

Firms serving the health care industry are also having a good year. Steven Marcus, managing partner at Woodbury-based accounting firm Gettry Marcus Stern & Lehrer, said business is strong, in part because of a specialty in health care accounting.

Electronic medical records providers also are doing fairly well thanks to federal government tax incentives.

"That's definitely making a difference," Irfan Iqbal, a spokesman for Melville-based Sequel Systems, which employs about 100. "That's subsidizing electronic medical records for physicians."

Nursing staffing firms largely remain injury free in the tough economy. A.J. Caro, owner of Bohemia-based Strategic Nurse

Staffing, said hospitals and clinics are turning to his agency for temporary staff due to a regional shortage.

"They may not have qualified candidates in their area or they may not have the ability to recruit candidates locally," Caro said. "We have candidates in Maine, Hawaii and California."

### Education gets high marks

The education business is holding strong as more people return to school for retraining or to obtain new credentials.

Education remains a growing employer on Long Island, where the public school systems and private and public colleges are employment engines.

Education services employment on Long Island rose 0.5 percent to 31,900 in June compared to a year ago. And New York state public education jobs on Long Island rose 0.1 percent to 10,200, while local public education jobs slipped 0.1 percent to 103,700.

"There's an increase in students returning to school," said Linda Albanese, vice president for enrollment management at Molloy College in Rockville Centre. "Especially on the graduate level, students who might not have gotten a job with a bachelor's degree are continuing on. Career changers are coming back on the graduate or undergraduate level."

But Albanese said the other side of the coin is that more people are seeking financial assistance.

"We have more students applying for financial aid," she said. "And we had a few continuing students who might not have applied for aid in the past but who are."

Cooperperson contends that a difficult economy doesn't mean every company or industry has to perform badly. "My father used to say, 'In good times and bad times, somebody's making money. It might as well be you.'"

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