

## Sandy Recovery Spurs Hiring From Furniture to Plumbing

By Michelle Jamrisko - Dec 27, 2012

The first customers Michael Guarino saw after superstorm Sandy asked to cancel orders for furniture no longer needed in their damaged homes, threatening the survival of a business his family opened three generations ago.

Then came a different set of clients. Two weeks after Sandy made landfall Oct. 29, Guarino, owner of Michael's Furniture in Brick, New Jersey, began what's turned into more than a month of 80-hour work weeks to serve residents re-stocking their houses.

"I can't even keep up with it," Guarino, 50, said of the post-storm demand. His business added two more delivery trucks and a warehouse. He expanded the staff to 27 from 15, with plans to hire more, even as Guarino said it's "very difficult" to find local workers while residents are consumed with clean-up efforts.

Furniture dealers are among the businesses seeing a boom in orders as consumers in the Northeast recover from the worst Atlantic storm on record. The disaster that killed more than 100 people in 10 states, wreaked billions of dollars in damage and forced the first two-day shutdown of U.S. stock trading for weather since 1888 is also providing unexpected opportunities for companies assisting in the rebuilding and the employees they've hired to help.

Construction, plumbing, sand supply, tree removal, road repair and structural engineering are among services spread thin.

## Construction Workers

Sandy has probably increased the demand for construction workers by at least an additional 30,000, said **Bernard Baumohl, chief global economist at Economic Outlook Group LLC**, a Princeton, New Jersey-based forecasting firm.

The economic boost of post-storm reconstruction probably will occur over the next year or two, and **Baumohl** said he expects “a real big, V-shaped rebound” in construction over the next six to 12 months.

“We’re going to see a significant multiplier effect with all these jobs that are going to be generating income for these workers, which are then going to spend that additional income in the economy,” **Baumohl** said. The rebuilding effort could add 0.4 percentage points to U.S. growth in 2013, he said.

While many businesses damaged by Sandy must consider relocating or applying for federal loans, others are seeing “enormous demand for all the cleanup and remediation,” including services such as mold mitigation and garbage removal, said Tom Bracken, president and chief executive officer of the New Jersey State Chamber of Commerce. “There’s so much work to be done.”

## Payrolls Drop

Still, New York reported a 33,500 drop in payrolls last month as New Jersey’s employment fell by 8,100, according to state jobs data released Dec. 21. While the Labor Department said it did not attempt to quantify the job-market damage from Sandy for the states in the affected area, “November data for New Jersey and New York reflect the impact of Hurricane Sandy, as well as underlying economic trends.”

Rosa Ramos, 24, lost her job with a company that provided non-emergency medical transportation for the elderly and disabled in Coney Island, New York, after Sandy flooded the vans and initially wiped out transportation to the area, she said in an e-mail. “After Sandy my job hunt is extremely rough,” she said. “If Hurricane Sandy never happened I still would have had a job.”

Lawmakers are considering a \$60.4 billion package requested by the Obama administration to assist residents and businesses that sustained

damage after Sandy. After Hurricanes Katrina and Rita hit in 2005, Congress directed more than \$110 billion to the Gulf Coast.

## Lengthy Recovery

Recovery from a natural disaster takes years, said Michael Lahr, associate research professor at Rutgers University's Center for Urban Policy Research in New Brunswick, New Jersey. Yet, New Jersey's coastal companies are seasonal and probably will recover more quickly since vacationers will return, compared with New Orleans businesses, which suffered after the city lost half its population in the year after Katrina.

To aid in Sandy's immediate clean-up, Thomas Nicolosi, owner of Staten Island, New York-based Redline Construction LLC, added seven employees to his full-time staff of four. Even with the additions, the company is "still short-handed" and planning to hire more workers, though it's difficult to find applicants with the necessary skills, said Nicolosi, 43.

Demand for work after Sandy was "so chaotic" that Nicolosi's partner started a waiting list for service requests. The company gutted 46 damaged houses in about 20 days in the Belle Harbor area of Queens, New York after the storm. Employees are now returning to those customers to solicit orders to rebuild.

## Post-Hurricane Work

Nicolosi said he expects a "six- to nine-month run" of demand from post-hurricane work. When that subsides, his company may have to cut back again, he said.

The auto industry has gotten a boost as residents replace vehicles lost or damaged in the storm, contributing to added hiring.

Cars and light trucks sold in November at a 15.5 million annual rate, the highest since February 2008 and up from 14.2 million a month earlier when Sandy kept East Coast shoppers away during auto dealers' busiest time of the month, according to Ward's Automotive Group. Ford Motor Co. (F) deliveries of cars and light trucks climbed 6.4 percent and General Motors Co. (GM) sales gained 3.4 percent, the companies said Dec. 3.

Auto and auto parts manufacturers added 9,700 jobs in November and dealers of vehicles and their parts hired 3,300 more workers last month, according to Labor Department figures.

### Cleanup Orders

Small businesses in the affected region are hastening to hire as cleanup orders build. Christian Avery, owner of Avery Tree Experts in Middletown, New Jersey, more than doubled his pre-storm staff to eight employees as he works to clear trees 12 hours a day for six days a week. Last year, at the same time, business was “slow,” he said, with work two or three days a week handled by three employees.

“It’s been crazy. Insane,” Avery said when asked about his business serving Monmouth County. “There’s still trees on houses a month later.”

The destruction in the first few days after the storm got Benny Love of Hoboken, New Jersey, thinking about how his town of about 50,000 residents actually may need his package receiving and delivery service more than usual.

“You have to figure out how to utilize the bad,” said Love, 39, the owner of Go Postal Hoboken.

### Free Deliveries

Love offered 100 free deliveries each day for about three weeks after Sandy and is extending discounted rates through the holidays. Hoboken residents have been hesitant to have packages left outside their homes during the clean-up, he said, increasing demand for his business. He’s hired two extra workers.

At his furniture store, Guarino said the extra demand and previous success has enabled him to apply discounts of almost 30 percent for some orders after the storm to relieve customers’ financial strain. He said he is optimistic that gains from Sandy’s aftermath may be sustained in 2013.

Before the storm, “the economy was on an upswing, jobs were more plentiful,” he said. “In all industries things were slowly picking up.”

For now, Guarino is working double his typical schedule to handle the unexpected “shot in the arm” Sandy provided to his business. “This has been the most amazing fourth quarter, from nothing.”