

**The Economic Effect on Optometry in
New York City after September 11, 2001**

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Introduction

September 11, 2002 was undoubtedly the day the world changed forever. Nobody could have ever predicted the unthinkable act of terror that occurred that unforgettable morning when two planes crashed into the World Trade Center. As the nation watched, we were all paralyzed by the devastation that had occurred when the two towers collapsed. Personal security seemed unpredictable since no one knew if this was part of an even larger terrorism plan. New Yorkers felt the most vulnerable losing thousands of lives of their own in the attack. The city was in a complete state of panic as almost everyone had some sort of connection to someone who died. The world just seemed to stop for a few days. People stayed home from work and businesses closed, as people were afraid of what would happen next.

Even now, most people still recall exactly what they were doing when they heard the news. Many O.D.s were in their practice seeing patients when they discovered what had happened. One O.D., Stanely Anton was seeing patients in the World Trade Center (WTC) Mall on the morning of the attack when he felt vibrations in his exam room.⁸ Initially unaware, Dr. Anton discovered the news 10-15 minutes later and fled to safety. His Lenscrafters practice with over 18,000 patient records was quickly destroyed. David Zalaznick, O.D. was located across the street from the WTC.⁹ Like many, Dr. Zalaznick did not understand the extent of the devastation. He had been in practice in 1993 when the WTC was bombed and had patients show up in the afternoon. He had been in his office notifying patients in 9/11 when the WTC tower collapsed and destroyed his practice. Although records were retrieved, many patients are deceased and others have moved from the area.

The WTC, with 50,000 employees was somewhat of a small city. It represented the financial capital of the world. Practices in the area were thriving more than ever before the attack. In addition, Lower Manhattan was starting to build up with the addition of new hotels and condominium complexes. Now after September 11 there is no question that business was affected in that area. Although there were many survivors from 9/11, those employees' offices have been dispersed throughout the New York area. Overall the American Optometric Association (AOA) News identified five optometrists with practices located south of 14th street in Lower Manhattan close to the WTC.¹⁰

In addition to lower Manhattan, the economy was affected throughout the entire city. Overall 40,000 of the 4 million jobs in New York City were impacted by the 9/11 tragedy.² Initially jobs were impacted by lost phone services and transportation difficulties. Later the airlines and tourism were affected causing a downward spiral in business losses. In March 2002 the New York State Department of Labor announced that the city lost 132,400 jobs in 2001, up by one-third from the Labor Department's original estimate.¹² The drop was the steepest economic blow that New York has experienced since the recession in 1991.

The September 11 tragedy occurred when the New York economy was already rapidly declining. In the month of August the unemployment rate jumped from 5.0% to 5.8%, a rate that has not been seen since May 2000.⁴ By February 2001 the unemployment rate had soared to 7.2%.³

But how does this economic drop affect optometry? Prior to September 11, optometry income was higher than ever before. The 2001 AOA Economic Survey showed that optometry income outpaced inflation between 1998 and 2000.¹¹ The survey

revealed that the total individual net income reached \$115,000-120,000 for private practitioners in 2000. This income margin was up 15% from 1998. Income was up for all optometrists ranging from a median income of \$98,000 for corporate optometrists to \$150,000 for O.D.s in a three-person group practice.¹¹ However, since the onset of the recession and the economic impacts from September 11, there are no current economic surveys that reflect the impact that these events have on optometry. Optometry is a very unique healthcare profession since much of its income depends on eyeglass and contact lens sales. Therefore, it is somewhat of a consumer driven enterprise as well as a need-based field. This project attempted to reveal how the economy in New York City after September 11 impacted the field of optometry.

Methods

N=50 surveys were distributed to optometrists in Manhattan. N=13 surveys were hand delivered and N=37 surveys were delivered by mail. Special emphasis was placed on evenly distributing surveys to optometrist in different geographic areas in the city. Surveys were also evenly distributed by mode of practice. The survey is attached in Appendix A.

Results

N=30 surveys were returned by mail. After collection, the surveys were divided into Upper Manhattan, Midtown, or Lower Manhattan. Upper Manhattan included the Upper East Side and the Upper West Side. Midtown included the East Village, Chelsea, Upper Midtown, Flat Iron, Gramercy, Lower Midtown and the Theater District. Lower

Manhattan included the Lower East Side, Lower Manhattan, Soho, and Greenwich Village. Overall, N=8 optometrists were from Upper Manhattan, N=11 optometrists were from Midtown, and N=11 optometrists were from Lower Manhattan. N=12 optometrists were solo, N=5 optometrists were in a partnership or group, N=2 optometrists were independent contractors, N=2 optometrists were from an ophthalmology practice N=8 optometrists were from an optical chain, franchise or lease, and N=1 optometrist was from a boutique setting.

All responses to question 3 are shown in Table 1. The highest number of optometrists (N=12) said that in their practice business worsened at first but is slowly improving. N=11 optometrists reported that business worsened at first but is now back to normal. Very few (N=2) optometrists responded that business is worse and is staying down. N=5 optometrists responded that business was not affected after September 11. The results of question 3 broken down by geographic location can be seen in Table 2. Lower Manhattan showed the highest number of optometrists reporting that business worsened at first but is slowly improving. Midtown showed equal amounts of people answering that business worsened at first but is slowly improving, and that business worsened at first but is now back to normal. Upper Manhattan showed the highest number optometrists responding that business was not affected.

All raw data can be seen in Table 3. For Q1 the numbers correspond as follows: 1=solo, 2=partnership or group, 3=optical chain, franchise or lease, 4=independent contractor, 4=ophthalmology practice, and 5=other. For Q2 the numbers correspond as follows: 1=Lower Manhattan, 2=Lower East Village, 3=East Village, 4=Chelsea, 5=Upper Midtown, 6=Upper West Side, 7=Flatiron, 8=Soho, 9=Greenwich Village,

10=Gramercy, 11=Lower Midtown, 12=Theater District and 13=Upper East Side. Table 4 shows the mean response number for questions 4-10 in the survey divided by the three geographic locations: Upper Manhattan, Midtown, or Lower Manhattan.

Discussion

The tragedy of September 11 is completely unprecedented. At no other time has the loss of human life affected so many individuals at a national level. Airlines were affected, employees from all sectors were sent home from work for days due to security reasons, and consumer spending drastically decreased. The airlines were directly affected, having to cancel all flights for several days, and then boost security measures. As a result, airlines were forced to cut more than 100,000 jobs.⁶ The airlines problems only led to an economic domino affect across the country. What affected the airlines soon injured hotels, car rentals, and tourism in the United States. The stock market then plummeted, with share prices plunging 14% the week after the tragedy.³ It was the worst week the stock market has seen since the Great Depression. As a result, Americans panicked. People were afraid to fly for their own personal security reasons. Consumer spending decreased due to the unpredictable economic future. It was something Americans had never experienced before and people were unsure of their own safety and economic security.

As a result, the government did what it could to improve consumer confidence and get things back on track. Mayor Giuliani was urging New Yorkers to spend money during the Christmas season. Commerce Secretary Donald Evans and Labor Secretary Elaine Chao made visits to Detroit to urge the auto industry to do what it could to help

jumpstart the economy.¹ General Motors Corp responded by offering interest-free loans over three, four or five years to buyers. Ford and Chrysler quickly followed suit. Measures were being taken to save the U.S. economy from its apparent recession.

This project set out to determine whether economic forces had an impact on the profession of optometry. This is a very perplexing issue since the need for eye care has not changed. Optometry is a very unique healthcare profession since much of it is driven by the economy. With job losses, many people lose insurance benefits. Also, with spectacle and contact lens sales a driving force in optometric income, consumer confidence is an important issue.

Two definite trends were found in the survey results. First, it was found that the economic loss in optometry depended on geographic location in the city. Lower Manhattan optometrists were affected the most by the tragedy, reporting that business worsened and had stayed down. Midtown however, reported that business worsened at first but had slowly improved. Upper Manhattan optometrists were affected the least by the tragedy, reporting that business was affected at first but was now back to normal. This data is not surprising considering that the World Trade Center is located in Lower Manhattan. Once considered somewhat of a small city, the World Trade Center represented a large consumer population. Now that it no longer exists, the surviving employees have relocated to different areas of the city, and to suburbs such as New Jersey and Connecticut.

The New York economy is driven by advertising, travel, consulting, accounting and financial services.³ The stock market has slightly improved over the last two

months. Tourism has also slowly improved. This has probably allowed Lower Manhattan to stay alive despite the complete low of the financial district.

It is somewhat surprising that Upper Manhattan optometry business is back to normal. Despite the fact that Federal Reserve Chairman Alan Greenspan suggested in March that economic recover “is already well under way”, the economy in New York is still bleak.⁷ In February New York City lost roughly 14,000 private sector jobs, even as the number of jobs has risen nationally.³ In addition, the unemployment rate in New York has soared to 7.2% even though the national rate is 5.5%.³ Without jobs, the economic growth cannot occur. However, despite the city’s economic problems, Upper Manhattan optometrists are back to normal. People are still requiring eye care, and routinely visiting their optometrists.

Optometry is not the only employment sector back on track. Since Alan Greenspan and the Federal Reserves have continually cut interest rates, real estate has picked up throughout New York.³ In addition, tourism has also picked up. Therefore, despite economic setbacks in certain industries, other industries including optometry are returning to normal.

A second trend was seen when optometrists were asked if there were significant job losses in optometry since September 11. While Lower Manhattan and Midtown were neutral in their response, Upper Manhattan disagreed with this statement. This statement agrees with the findings that optometry was affected most in Lower Manhattan and Midtown, and less with Upper Manhattan. It also gives hope for possible employment opportunities for optometrists in this area.

Conclusion

This study attempted to reveal whether the profession of optometry is affected by economic changes in a rural area. While the circumstances are unprecedented, the outcome gives us insight on how the optometric profession is affected by citywide disaster and economic change. While it appears that all of New York was initially affected by the disaster on September 11, there was a definite gradient influence with Lower Manhattan being the most financially affected and Upper Manhattan being the least financially affected in their path to economic recovery. Lower Manhattan optometry businesses appear to be getting back to normal slowly. In contrast, Upper Manhattan appears to be completely back to normal with the most economic and employment opportunities at this time.

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Appendix 1: Survey

Please circle the response that most applies to your practice:

1. Mode of practice
Solo
Partnership or group
Optical chain, franchise or lease
Independent contractor
Ophthalmology practice
Other: _____

2. Area of Manhattan where you practice:
Lower Manhattan Soho
Lower East Side Greenwich Village
East Village Gramercy
Chelsea Lower Midtown
Upper Midtown Theater District
Upper West Side Upper East Side
Other: _____

3. Please describe the effects on your practice since September 11:
Business worsened and is staying down
Business worsened at first but is slowly improving
Business worsened at first but is now back to normal
Business was not affected
Other: _____

Please circle one number based on the following scale: 1=strongly agree, 2=agree, 3=neutral, 4=disagree, 5=strongly disagree

4. The optometric economy in Manhattan has been significantly affected since September 11. 1 2 3 4 5

5. The optometry job market in Manhattan has been significantly affected since September 11. 1 2 3 4 5

6. The patient load in my practice has been significantly affected since September 11. 1 2 3 4 5

7. Eye glasses and contact lens sales in my practice are significantly down since September 11. 1 2 3 4 5

8. I am afraid of salary cutbacks in my practice. 1 2 3 4 5

9. There have been significant job losses and cutbacks in optometry since September 11. 1 2 3 4 5

10. The optometric economy suffered initial losses after September 11, but things are starting to recover. 1 2 3 4 5

Table 1: All Responses to Question Three
Question: Please Describe the Effects of Your Practice
Since September 11

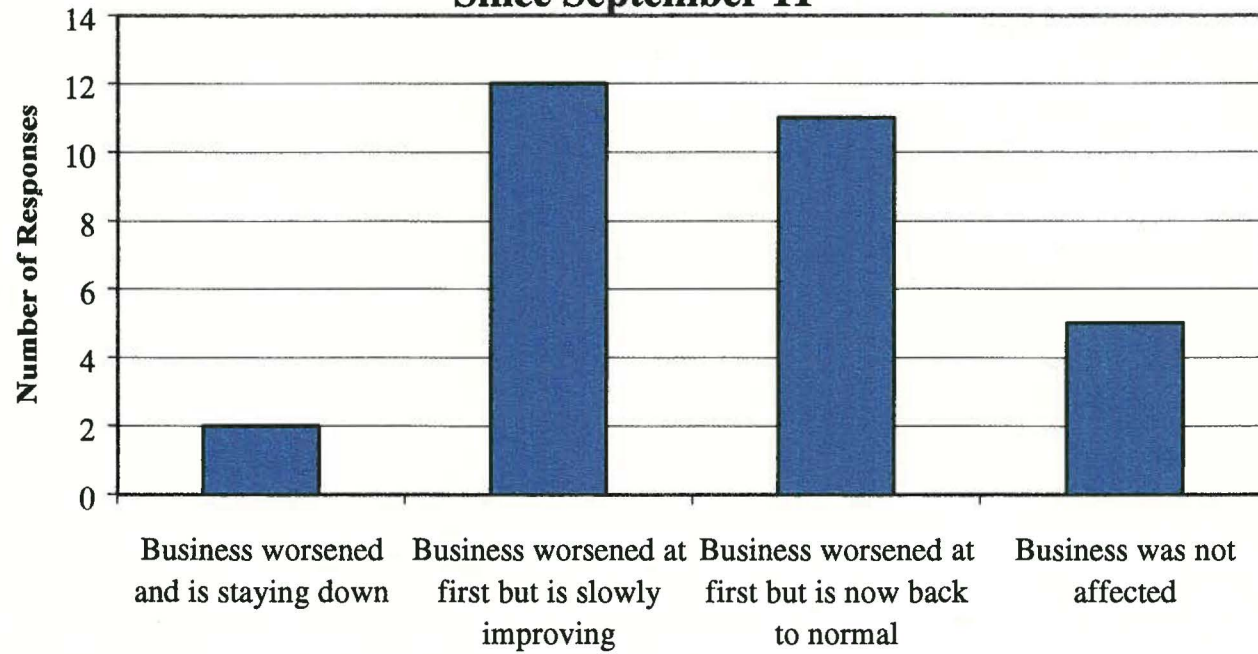


Table 2: Responses to Question Three by Area
Question: Please Describe the Effects of Your Practice
Since September 11

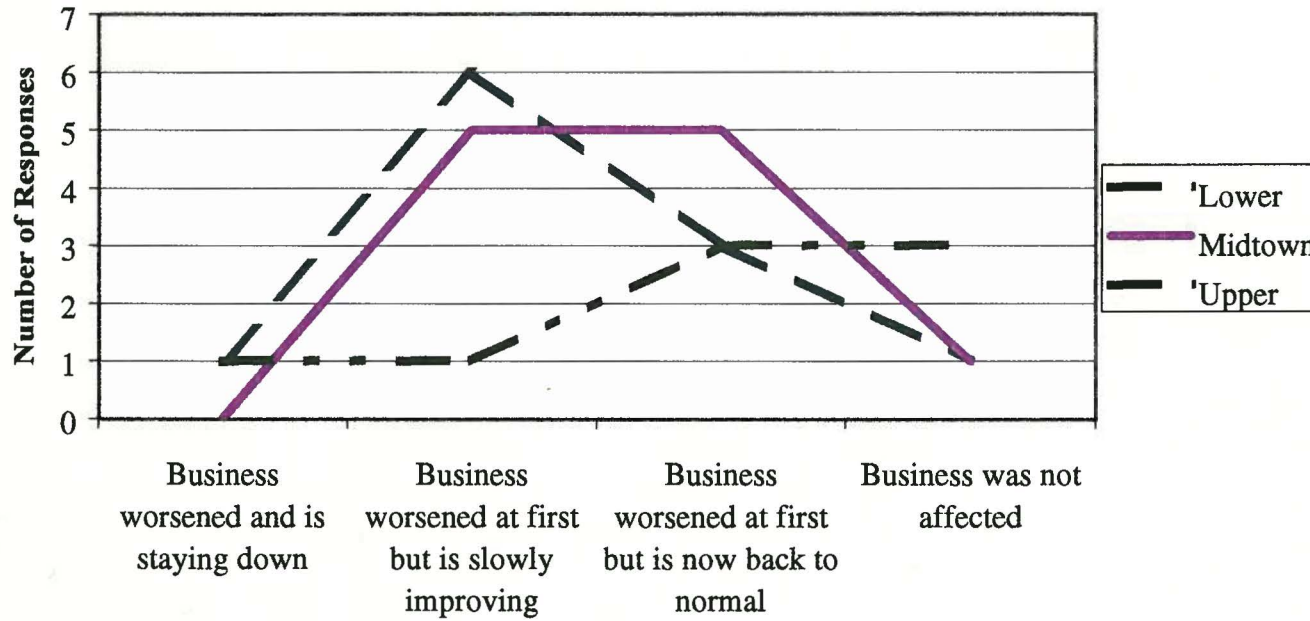


Table 3: All Results

Response Number	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
1	5	2	4	5	5	5	5	4	5	5
2	1	13	3	4	4	5	5	5	5	1
3	3	13	4	5	5	5	5	5	5	5
4	1	4	2	1	1	1	1	1	1	2
5	2	2	2	2	2	2	3	3	2	1
6	4	13	1	1	1	2	2	5	1	5
7	1	13	3	1	2	2	2	5	4	2
8	2	3	3	3	3	3	3	3	3	2
9	2	12	3	1	4	4	4	4	5	1
10	1	13	3	2	3	3	3	5		2
11	1	13	2	2	2	2	2	2	2	2
12	2	13	4	2	2	2	2	2	2	2
13	1	12	3	2	3	2	2	2	3	2
14	2	9	2	2	1	2	2	2	2	2
15	1	6	4	3	3	5	5	5	3	3
16	1	1	2	2	1	2	2	1	1	2
17	1	1	2	2	2	2	2	3	2	3
18	3	2	1	1	1	1	1	1	1	4
19	1	11	2	3	3	3	3	3	3	2
20	3	11	3	4	4	4	4	4	4	2
21	3	7	4	2	2	4	4	4	3	3
22	6	8	2	2	3	2	2	4	2	1
23	3	10	2	2	2	3	2	4	2	3
24	3	1	2	1	1	1	1	1	1	1
25	1	9	3	3	3	3	3	4	4	5
26	1	4	2	2	3	1	2	2	2	2
27	4	8	3	5	4	4	5	4	4	2
28	3	5	2	1	2	2	1	2	2	2
29	3	4	3	3	1	3	4	4	2	2
30	3	8	3	2	2	2	2	4	2	2

Table 4: Mean Response for Questions 4-10

	Q 4	Q5	Q6	Q7	Q8	Q9	Q10
Lower Manhattan	2.45	2.27	2.36	2.54	2.81	2.36	2.54
Midtown	2.18	2.54	2.72	2.72	3	2.72	2.09
Upper Manhattan	2.5	2.75	3.25	3.25	4.25	3.14	2.75