



## Going up, up, up

**Staten Island Advance** By **Staten Island Advance**

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This summer just about everyone will have far less money for that trip to the Jersey Shore, a weekend at Atlantic City, lunch at the swim club and day camp for the kids. Staten Islanders are facing the most severe economic nightmare in recent memory.

Last year, a trip to the grocery store might have cost you 75 cents in gas. The Con Edison bill you dropped off in a mailbox on the way was less than \$70 for a month, and a food basket containing some basic items like bread, milk, ground beef and a tub of ice cream was less than \$20.

Today, that same round of errands would run you about dollar in gas, the electric bill would be closer to \$80 and the food cart would check out at \$22 -- an average increase of about 20 percent.

The skyrocketing cost of living is causing Islanders -- young and old -- to fasten a solid grip on their wallets and tighten their belts like never before.

It's not just because of gasoline prices.

Everyday costs of groceries ranging from flour, eggs and milk to bread and soda all rose by double-digit percentages from 2007 to 2008, and some utility bills are not lagging far behind.

Apartment rents have soared as a result, with many homeowners passing along the higher costs of water, electricity and fuel oil to their tenants. A study released last month by Rep. Anthony Weiner (D-Brooklyn/Queens) found that 27.3 percent of Staten Islanders pay half their income in rent -- the highest percentage among the five boroughs -- up from 19.4 percent in 1999.

The frighteningly high price of oil has had a ripple effect on many costs, ranging from gasoline and fuel oil to a wide range of food products.

Besides transportation costs adding to the price of groceries, smaller wheat crops -- due in part to increased corn production for use in alternative fuels like ethanol -- and increasingly expensive petroleum-based fertilizer is driving up the cost of flour and dairy products. A secondary increase can be found at some restaurants, which have been forced to raise their prices because of higher expenses.

"I think everybody is dealing with sticker shock right now," said Jonathan Peters, associate professor of finance at the College of Staten Island, who added that the price jumps are bound to affect people for a long time. "You don't

radically change your lifestyle in an afternoon."

A recent WNBC/Marist Poll found that 78 percent of Americans believe the U.S. economy is in a recession and 65 percent worry that their income won't be enough to cover their bills and expenses. Families with combined income of less than \$50,000 are finding it increasingly difficult, the poll found.

### **'ABSOLUTELY NUTS'**

"It's not like it's a depression, but it is a recession," said Andy Lamberti, reflecting on the higher costs of living. The Castleton Corners resident conceded that all he can do is try to cut down on how much gasoline, water and other daily items he uses.

"It's absolutely nuts," Lamberti said. "You have to somehow save. The only way you can survive is if you use less. That's the only solution."

Lamberti, 62, who is recently retired, said it's especially difficult for someone in their 20s and 30s to start life on their own away from their parents.

Vanessa Brochin is a good example.

At 22, Ms. Brochin is ready to move out of her parents' Richmond home. But besides tuition bills, the Seton Hall University law school student is faced with a tough dilemma if she does. The increasing cost to live makes leaving the nest a daunting task.

"Obviously, I want to get out eventually," Ms. Brochin said. "Because of the high cost, not only on Staten Island but everywhere, I live at home trying to save money. I think it's a better alternative."

Ms. Brochin, who has two years to go before she's done with law school, said she's not concerned about facing the world and the bills that come with living on her own. But if the prices keep going up and the economy continues to sour, she's concerned there won't be enough work for people in her position.

"It just puts a lot of pressure to try to get a high-paying job," she said. "Gas, food, housing ... you need these things so it's just something you have to think about. That's the scary part, if you can't find a job to deal with the prices."

### **MAKING HARD CHOICES**

Changing lifestyles to deal with higher costs is difficult for Americans, who are used to driving wherever and as much as they want and not having to worry much about how much they spend at home, Peters said. Many people, hoping the economy and the costs of fuel, energy and food will correct themselves and stabilize, are even dipping into savings to keep the status quo, he said.

"People ... may also use their savings to maintain their lifestyle," said Peters, pointing out that many Americans struggled with putting aside enough for retirement even before the higher-than-normal rate of inflation. "I think people are starting to realize this is the way it's going to be. People are going to have to start making choices."

Choices, he said, that include limiting or canceling club memberships -- like swim or golf clubs -- the kind of vacations they take and whether to put off plans to renovate their homes.

But Eric Shaatal, 20, of Prince's Bay said he's not overly concerned with prices yet, although he may start paying more attention if they continue to climb. Shaatal, who lives on his own and is starting the College of Staten Island in the fall, plans to major in business administration and eventually secure a well-paying job.

"I don't pay attention to prices, I just buy it," said Shaatal, pointing out that he doesn't look at the price when he fills the gas tank of his Honda Civic. "There's nothing you can do. No matter how you try [with petitions to boycott gas stations on certain days to bring down prices], they're still going to raise it."

Shaatal said that it's difficult to save money on items like car tolls and electricity since "these are essential things that we need."

"But I think everybody's going to use less [because] people are more conscious of it now," he said.

Local delicatessens are struggling to cope with higher wholesale prices while trying to swallow the loss of income. Increasing retail prices, in combination with what they pay for eggs, milk and bread, are a hardship for many.

"There's a lot of competition for business," said Walid Awadeh, who's owned Diddle Dee Bagels & Deli for 15 years. "You wait for the right time because you can't raise the prices [immediately]. And you increase it gradually. Unfortunately, it's going out of our profit, but you have to be fair with the people. You feel bad for the customers, too."

Awadeh believes high prices are here to stay and that people are going to have to adjust their lifestyles and reduce expenses for things they don't necessarily need.

"The luxurious life ... is going to disappear," he said. "Whatever extra in their life, they have to cut it down."

-- *Contributed by Glenn Nyback*

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