

Changing New York Financial Clusters in the 2000s: Modeling the Impact and Policy Implication of the Global Financial Crisis

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Abstract : With the influx of research assessing the economic impact of the global financial crisis of 2007-8, a spatial analysis based on empirical data is needed to better understand the spatial significance of the financial crisis in New York, a key international financial center also considered the origin of the crisis. Using spatial statistics, the existence of financial clusters specializing in credit and securities throughout the New York metropolitan area are identified for 2000 and 2010, the time period before and after the height of the global financial crisis. Geographically Weighted Regressions are then used to examine processes underlying the formation and movement of financial geographies across state, county and ZIP codes of the New York metropolitan area throughout the 2000s with specific attention to tax regimes, employment, household income, technology, and transportation hubs. This analysis provides useful inputs for financial risk management and public policy initiatives aimed at addressing regional economic sustainability across state boundaries, while also developing the groundwork for further research on a spatial analysis of the global financial crisis.

Keywords : financial clusters, New York, global financial crisis, geographically weighted regression

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