



Scrapyards a gauge for economy

BY CARRIE MASON-DRAFFEN

carrie.mason-draffen@newsday.com

Move over, economists. A local recycling executive says his business is the surest predictor of the economy's ups and downs.

"My industry is one of the first to see a recession coming and the first to see [the economy] recover," said Kevin Gershowitz, president of Gershow Recycling in Medford.

His company recycles washing machines, automobiles, aluminum siding, copper tubing and other metal products he receives from homeowners, contractors, manufacturers and municipalities. The company has six scrapyards. Gershow

shreds the recyclables and sells the scrap to steel mills, which then make new products.

"Close to 80 percent of all new steel has been produced through the remelting of scrap steel," Gershowitz said.

That chain hums along in strong economic times, as consumer buying increases demand for metal products. The in-with-the-new, out-with-the-old flow of a strong economy is good news for scrapyards.

A downturn, by contrast, slows that flow of recyclables.

"If people are not purchasing a new car, then an old car is not being taken off the road," he said. "If they are not purchasing new homes or making home improve-

ments, then old appliances and scrap from copper wiring is not being generated. All those things you see less of because the economy is not as robust as it once was."

Gershowitz estimates his sales will fall as much as 50 percent this year because of the slack demand for scrap metal and falling prices.

Rising consumer demand will be key to a rebound, he said.

"As they start to spend money and manufacturers have to start to produce those products, that will produce an increase in global demand," he said.

But that could take a while.

"Those reports tell us now that the consumer demand is not increasing in the short term," Gershowitz added.

Even still, he sees a glimmer of hope.

"The steep declines may have leveled off," he said.



Kevin Gershowitz