

Employment in New York State



Research and
Statistics

A Publication of the New York State
Department of Labor

FEBRUARY 2016

At a Glance

New York State had 9,316,200 total nonfarm jobs in December 2015, including 7,880,000 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.2% between November and December 2015, while the nation's also increased by 0.2%. From December 2014 to December 2015, the number of private sector jobs increased by 2.1% in the state and 2.2% in the nation (not seasonally adjusted).

In December 2015, New York State's seasonally adjusted unemployment rate remained at 4.8%. The comparable rate for the nation in December 2015 was 5.0%.

New York State's Index of Coincident Economic Indicators decreased at an annual rate of 0.8% in December 2015.

Change in Nonfarm Jobs

December 2014 - December 2015

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	160.3	1.7%
Private Sector	164.1	2.1%
Goods-producing	24.0	3.0%
Nat. res. & mining	-0.3	-6.0%
Construction	26.7	7.9%
Manufacturing	-2.4	-0.5%
Durable gds.	-1.2	-0.5%
Nondurable gds.	-1.2	-0.6%
Service-providing	136.3	1.6%
Trade, trans. & util.	3.0	0.2%
Wholesale trade	-0.9	-0.3%
Retail trade	-2.4	-0.2%
Trans., wrhs. & util.	6.3	2.1%
Information	6.2	2.3%
Financial activities	8.3	1.2%
Prof. & bus. svcs.	27.0	2.2%
Educ. & health svcs.	73.4	3.9%
Leisure & hospitality	11.3	1.3%
Other services	10.9	2.7%
Government	-3.8	-0.3%

More, Better, Faster, Cheaper...

The Power of Productivity

"Productivity growth is critical to the well-being of the American economy, its workers and its households. Growth in labor productivity means ... higher living standards via higher wages, lower prices and a greater variety of products."

2016 Economic Report of the President

Productivity is clearly a powerful economic force. Over time, it drives economic growth in the U.S., as measured by real Gross Domestic Product (GDP). More, better, faster and cheaper all spell profit.

"Labor productivity" refers to what one person can produce in one hour of work. Figures from the U.S. Bureau of Labor Statistics (BLS) help to show the power of rising labor productivity.

From 1999 to 2013, the actual number of hours worked in the U.S. nonfarm business sector (excludes government, private

households, certain nonprofits and farms) fell from about 193.4 billion to 189.8 billion, a decline of about 2%. Yet, over this 14-year time frame, the U.S. saw a gain of 29% -- or \$3.5 trillion -- in real Gross Domestic Product (GDP). That represents an almost one-third gain in the market value of all goods and services produced in this country, adjusted for inflation.

How did real GDP in the U.S. grow from 1999 to 2013, while total hours worked in the economy shrank? One explanation is that the nation's nonfarm labor productivity grew by 34% over this period. Factors that affect labor productivity include: physical capital (equipment and structures) per worker; human capital (knowledge and skills) per worker; natural resources per worker; entrepreneurship; and technological knowledge.

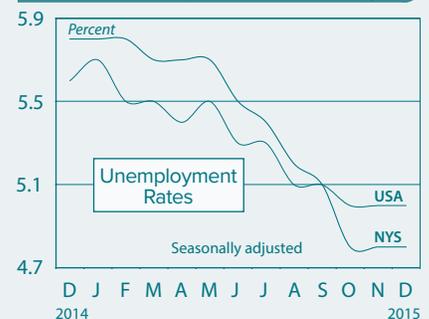
Continued on page 2

In December...

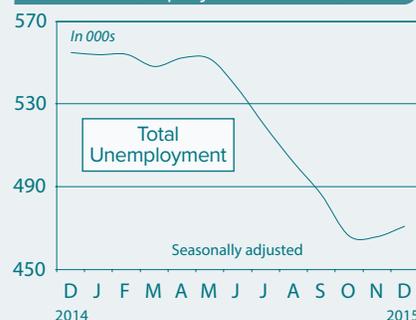
...NYS private sector jobs increased



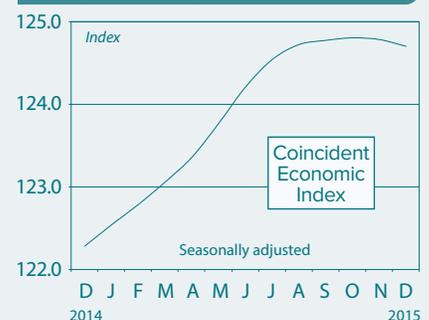
...NYS unemployment rate unchanged



...NYS unemployment increased



...NYS economic index decreased



Focus on the Hudson Valley

Growing Construction Sector Boosts Hudson Valley Economy

by John Nelson, Labor Market Analyst, Hudson Valley

The construction sector continues to be a catalyst for job growth in the Hudson Valley. From 2012 to 2014, the sector's employment count in the Hudson Valley grew by 5,590, or 14.3%, to 44,750, according to data from the Quarterly Census of Employment and Wages. Not only was construction the Hudson Valley's fastest-growing sector in 2012-2014, but it also ranked second in percentage job growth across all ten regions in the state over this time frame; only Long Island grew faster (+14.5%). In addition, the Hudson Valley's construction sector paid out \$2.87 billion in total wages in 2014, with an average wage of \$64,120, which is about \$10,000 higher than the region's average private sector wage.

A growing construction sector also has a significant employment impact in the Hudson Valley. Data from Economic Modeling Specialists Intl. indicate that for every 100 new construction jobs created in the Hudson Valley, an additional 40 spin-off jobs are created in industries throughout the economy.

Construction Industries

The construction sector consists of three component industries: specialty trade contractors; construction of buildings; and heavy and civil engineering. Between 2012 and 2014, all three construction industries added jobs in the Hudson Valley. Employment gains were largest in specialty trade contractors (+2,900). Firms in this industry specialize in particular trades, including masonry, carpentry, plumbing and electrical work. In 2012-2014, construction of buildings added 1,710 jobs. Companies in this industry do building alterations, maintenance and repairs as well as new

construction. Heavy and civil engineering employment grew by 980. Establishments in this field focus on the construction of entire civil engineering projects, such as bridges or highways.

A wide array of skilled trade professionals are represented in the Hudson Valley's construction sector workforce. Staffing patterns data from the Occupational Employment Statistics survey indicate that some of the more common construction job titles found in the region include: plumbers, pipefitters and steamfitters; construction laborers; carpenters; electricians; heating, air conditioning and refrigeration mechanics and installers; masons; and painters. The educational requirements for construction jobs range from high school for entry-level positions to apprenticeships for plumbers to bachelor degrees for engineers.

Current Projects

The construction sector's strong job growth in recent years is attributable to a number of factors, including: expansion by retailers and health care providers; the region's proximity to the strong New York City economy; and a growing Hudson Valley population. Against this positive backdrop and with historically low interest rates, real estate developers across the region have embarked on a number of large mixed-use residential and commercial development projects.

Westchester County is home to many of the region's largest construction projects, such as 55 Bank Street in White Plains. This \$250 million development will feature two 16-story buildings and is expected to create more than 500 jobs. In Dobbs Ferry, the



"The construction sector continues to be a catalyst for job growth in the Hudson Valley."

\$150 million Rivertowns Square mixed-use development is expected to create about 500 construction jobs. A \$197.4-million, 442-unit high-rise apartment building is going up at Larkin Plaza in downtown Yonkers. In addition to the apartments, plans call for 40,000 square feet of retail and restaurant space. Fareri Associates plans to spend up to \$1.2 billion to build a biotech park and a 100-room hotel on county-owned land in Valhalla. The project is estimated to create about 12,000 jobs, including 4,000 temporary construction positions.

There are two other high-profile, multi-billion dollar projects currently underway in the region. Work continues on the \$3.9 billion replacement for the 60-year-old Tappan Zee Bridge. In addition, construction recently started on the \$1.1 billion Adelaar Entertainment complex in Sullivan County, which includes the \$750 million Montreign Casino. The project is expected to create more than 3,000 construction jobs.

Summary

With a large number of projects already underway and more coming off the drawing board every day, the region's construction sector is expected to continue to play a key role in expanding the Hudson Valley's employment base. In addition, the sector is generating many good-paying jobs, while also helping to grow the tax base of the region's communities.

Power of Productivity... from page 1

Productivity Stats

The BLS publishes annual statistics on labor productivity back to 1947. From 1947 to 2015, labor productivity in this country headed up at an average rate of 2.15% per year. At that rate, it would take about 33 years for output levels in the U.S. to double. However, there have been short periods of time when annual average productivity growth rates fluctuated sharply.

The table on page 3 shows annual gains in nonfarm business productivity in the U.S.

for selected periods. From 1947 to 1973, for example, labor productivity in the U.S. grew by 2.8% per year. However, the first oil shock in 1973 and the later one in 1979 ushered in national recessions. As a result, U.S. nonfarm productivity growth rates fell in 1973-1979, compared to 1947-1973 levels. While the productivity dive in 1973-1979 was the steepest drop after World War II, it was actually smaller than the one that occurred in this nation in the early 1900s, according to economic historians.

U.S. productivity growth eventually

bounced back from the 1970s downturn. It grew at an annual rate of 1.83% between 1979 and 2000. This was more in line with long-term norms in the post-World War II era. Dramatic advances in information technology, including the Internet, enabled this growth. It transformed the U.S. economy at the time. Even after the dot-com bubble burst in 2000, productivity continued to grow until 2007. That was when we were hit by the "Great Recession,"

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Unemployment Rates in New York State

Data Not Seasonally Adjusted

	DEC '14	DEC '15		DEC '14	DEC '15		DEC '14	DEC '15
New York State	5.6	4.7	Hudson Valley	4.6	4.0	Finger Lakes	5.4	4.6
Capital	4.6	4.1	Dutchess	4.6	4.0	Genesee	5.5	4.8
Albany	4.2	3.8	Orange	4.7	4.0	Livingston	5.5	4.8
Columbia	4.1	3.5	Putnam	4.2	3.9	Monroe	5.1	4.5
Greene	6.1	5.2	Rockland	4.5	3.8	Ontario	5.0	4.4
Rensselaer	4.7	4.2	Sullivan	6.3	5.2	Orleans	7.2	5.9
Saratoga	4.2	3.8	Ulster	5.0	4.3	Seneca	5.6	5.2
Schenectady	4.7	4.1	Westchester	4.5	4.0	Wayne	5.9	5.0
Warren	6.7	5.9	Mohawk Valley	6.1	5.2	Wyoming	6.7	5.5
Washington	5.7	4.9	Fulton	7.0	5.9	Yates	5.6	4.7
Central New York	5.6	4.9	Herkimer	7.1	5.7	Western New York	5.8	5.1
Cayuga	5.5	5.1	Montgomery	6.8	6.1	Allegany	5.9	5.4
Cortland	6.3	5.7	Oneida	5.5	4.8	Cattaraugus	6.5	5.7
Madison	6.1	5.1	Otsego	5.6	4.9	Chautauqua	6.5	5.7
Onondaga	4.9	4.3	Schoharie	6.0	5.2	Erie	5.5	4.7
Oswego	7.7	6.7	North Country	7.0	6.2	Niagara	6.5	5.8
Southern Tier	5.6	5.2	Clinton	6.1	5.2	Long Island	4.4	3.9
Broome	6.1	5.5	Essex	7.1	6.2	Nassau	4.1	3.7
Chemung	5.5	5.4	Franklin	6.9	6.1	Suffolk	4.7	4.2
Chenango	6.0	5.1	Hamilton	8.6	8.9	New York City	6.2	5.0
Delaware	6.1	5.5	Jefferson	7.5	6.8	Bronx	8.6	6.9
Schuyler	7.2	6.6	Lewis	7.9	6.7	Kings	6.5	5.1
Steuben	6.6	6.1	St. Lawrence	7.0	6.0	New York	5.2	4.3
Tioga	5.7	5.3				Queens	5.5	4.4
Tompkins	3.7	3.4				Richmond	6.2	5.0

Power of Productivity... from page 2

the nation's worst economic downturn in 75 years.

Where's Productivity Heading?

Since 2007, U.S. productivity growth has limped along at an average rate of 1.19% per year. This is about the same as during the 1970s slowdown, and less than one-half the growth rate in 1947-1973. Some analysts believe this may be the "new normal." Others think it is unfair to compare current growth rates with those from 1947-1973. That era may have been a "golden age" for productivity growth, due to the economic boom that started in the years right after World War II. The future trend of U.S. productivity growth, and its effect on our nation's standard of living, is a hot topic among economists.

Robert Gordon, an economist at Northwestern University, sees future U.S. productivity growth slowing. In his recent book, *The Rise and Fall of American Growth*, he argues that many of the big productivity gains from computers happened in the 1970s and 1980s.

Gordon also notes that much of the technology developed since 2000 -- like iPods or smartphones -- serve mainly to entertain or communicate rather than to boost labor productivity (and hence economic growth). He points to the decades after the American Civil War as a time when

labor-saving breakthroughs such as electricity, the internal combustion engine, the telephone and indoor plumbing did much more to transform the U.S. economy and raise our overall standard of living.

Other academics are more optimistic. For example, Erik Brynjolfsson of MIT's Sloan School of Management argues that U.S. economic growth is not dead. He thinks we are on the cusp of a "new machine age." Also, Brynjolfsson expects technological innovations to occur at an exponential rate, spurred by advances in machine learning. He cites the driverless car being developed by Google and others. Finally, Brynjolfsson notes that in a machine age, technology is

not linear -- it's "combinatorial." This means many technical innovations create building blocks for even more breakthroughs. For example, he notes software and protocols developed for the Internet in the 1990s and early 2000s helped give rise to social networking giant Facebook.

Summing Up

Labor productivity clearly affects our standard of living. Economists are split on the future. Is the slower productivity growth the U.S. has experienced since the onset of the Great Recession temporary? Or is it the new normal? Some believe that the golden age of American growth is over, while others think we are in the early stages of a technology-driven economic boom.

by Kevin Jack

Labor Productivity Growth, U.S. Nonfarm Business Sector, 1947-2015

Period	Annual Percent Change
1947-2015	2.15%
1947-1973	2.80%
1973-1979	1.20%
1979-1990	1.51%
1990-2000	2.18%
2000-2007	2.63%
2007-2015	1.19%

Source: U.S. Bureau of Labor Statistics

Employment in New York State is published 12 times a year. To request a change of address, write to the address below and provide your old and new addresses.

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Regional Analysts' Corner

CAPITAL

James Ross — 518-242-8245

For the 12-month period ending December 2015, the private sector job count in the Capital Region rose by 4,000, or 0.9 percent, to 433,700. Job growth was centered in professional and business services (+3,400), educational and health services (+2,000) and other services (+300). Losses were greatest in leisure and hospitality (-1,200) and natural resources, mining and construction (-700).

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

For the year ending December 2015, the private sector job count in the Syracuse metro area rose by 3,900, or 1.5 percent, to 267,200. Growth was centered in trade, transportation and utilities (+2,700), educational and health services (+2,300) and leisure and hospitality (+400). Job losses were greatest in natural resources, mining and construction (-700), professional and business services (-600) and manufacturing (-500).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector jobs in the Rochester metro area increased over the year by 5,600, or 1.2 percent, to 456,500 in December 2015. Gains were concentrated in educational and health services (+4,100), leisure and hospitality (+2,400), professional and business services (+1,800) and construction (+600). Losses were greatest in financial activities (-1,200) and manufacturing (-1,200).

HUDSON VALLEY

John Nelson — 914-997-8798

For the year ending December 2015, private sector jobs in the Hudson Valley increased by 10,200, or 1.3 percent, to 778,200. Growth was strongest in educational and health services (+8,400), natural resources, mining and construction (+4,600) and other services (+2,800). Losses were centered in professional and business services (-1,900), leisure and hospitality (-1,700) and trade, transportation and utilities (-1,600).

LONG ISLAND

Shital Patel — 516-934-8533

Private sector jobs on Long Island increased over the year by 21,600, or 1.9 percent, to 1,130,800 in December 2015. Gains were largest in educational and health services (+12,500), natural resources, mining and construction (+5,900), professional and business services (+4,700) and leisure and hospitality (+1,200). Job losses were concentrated in trade, transportation and utilities (-2,900).

MOHAWK VALLEY

Mark Barbano — 315-793-2282

For the 12-month period ending December 2015, the private sector job count in the Mohawk Valley increased by 1,200, or 0.8 percent, to 149,200. Gains were greatest in educational and health services (+800), leisure and hospitality (+400) and trade, transportation and utilities (+300). Losses were concentrated in professional and business services (-300).

NEW YORK CITY

James Brown — 212-775-3330

New York City's private sector job count grew by 84,500, or 2.3 percent, to 3,744,700 in the year ending December 2015. Job growth was centered in educational and health services (+25,300), professional and business services (+15,000), leisure and hospitality (+13,200), financial activities (+12,600), other services (+8,900) and natural resources, mining and construction (+5,700). Losses were focused in manufacturing (-1,000).

SOUTHERN TIER

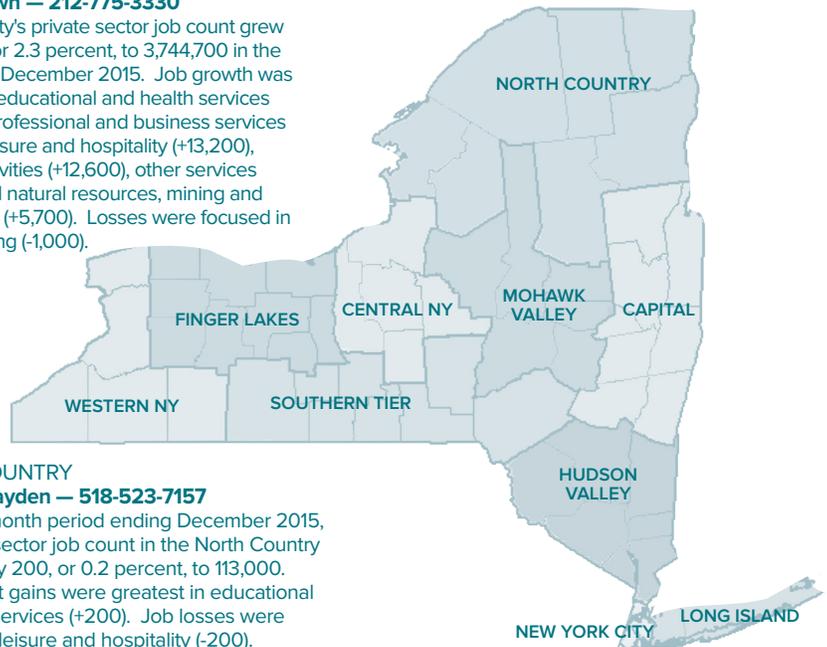
Christian Harris — 607-741-4485

For the 12-month period ending December 2015, the private sector job count in the Southern Tier fell by 3,400, or 1.4 percent, to 235,500. Employment losses were greatest in leisure and hospitality (-900), manufacturing (-800), educational and health services (-500) and trade, transportation and utilities (-400).

WESTERN NY

John Slenker — 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls metro area increased by 7,100, or 1.5 percent, to 478,000 for the year ending December 2015. Gains were largest in educational and health services (+4,000), natural resources, mining and construction (+1,900) and financial activities (+1,500). Losses were centered in leisure and hospitality (-400) and professional and business services (-400).



NORTH COUNTRY

Anthony Hayden — 518-523-7157

For the 12-month period ending December 2015, the private sector job count in the North Country increased by 200, or 0.2 percent, to 113,000. Employment gains were greatest in educational and health services (+200). Job losses were centered in leisure and hospitality (-200).

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