

# Employment in New York State



Research and Statistics

A Publication of the New York State Department of Labor

FEBRUARY 2017

## At a Glance

New York State had 9,413,100 total nonfarm jobs in December 2016, including 7,963,900 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.1% between November and December 2016, while the nation's job count also increased by 0.1% over this period. From December 2015 to December 2016, the number of private sector jobs increased by 1.2% in the state and 1.5% in the nation (not seasonally adjusted).

In December 2016, New York State's seasonally adjusted unemployment rate decreased from 5.1% to 4.9%. The comparable rate for the nation in December 2016 was 4.7%.

New York State's Index of Coincident Economic Indicators decreased at an annual rate of 2.4% in December 2016.

### Change in Nonfarm Jobs

December 2015 - December 2016

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	102.7	1.1%
Private Sector	98.2	1.2%
Goods-producing	-20.4	-2.5%
Nat. res. & mining	-0.3	-5.9%
Construction	-10.2	-2.8%
Manufacturing	-9.9	-2.2%
Durable gds.	-8.7	-3.3%
Nondurable gds.	-1.2	-0.6%
Service-providing	123.1	1.4%
Trade, trans. & util.	13.8	0.9%
Wholesale trade	5.0	1.5%
Retail trade	3.8	0.4%
Trans., wrhs. & util.	5.0	1.6%
Information	-3.0	-1.1%
Financial activities	-1.0	-0.1%
Prof. & bus. svcs.	13.8	1.1%
Educ. & health svcs.	65.3	3.4%
Leisure & hospitality	23.3	2.6%
Other services	6.4	1.6%
Government	4.5	0.3%

Web sales beat department store sales by a more than 3-1 ratio...

## U.S. Consumers Are Buying More Online and Less at the Mall

"[Amazon] started out as an online bookseller [and] is now on pace to overtake Macy's as the world's largest apparel retailer."

— *Barron's*, January 12, 2017

"Twenty years ago, the Internet was a blip on the radar, but now its sales are more than three times that of department stores."

— *BMO Private Bank*, January 5, 2017

Those annoying pop-up ads on the Internet work. New retail sales data from the U.S. Census Bureau show that American consumers are spending more and more money online, even as they cut back on purchases at the mall.

In 2016, U.S. sales at department stores, a group that includes old-line retail stores and big-box discounters, fell over the year

by 5.6%. By comparison, sales at online merchants in the U.S. grew over the year by 11.4%.

These results echo the findings of a 2016 survey commissioned by UPS. It found that, for the first time, U.S. consumers made most (51%) of their retail purchases on the web rather than in stores. The same survey found that shoppers made only 20% of their purchases at a conventional brick-and-mortar retailer.

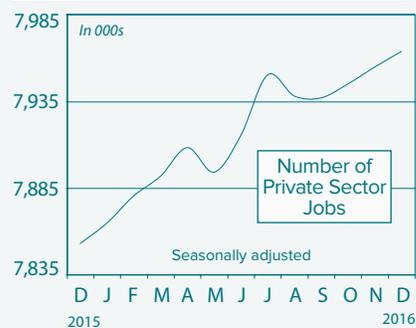
### Dreary Holiday Sales at the Mall

Department stores usually get a boost in sales over the holiday shopping season. However, a number of major U.S. retailers saw a drop in holiday sales in 2016

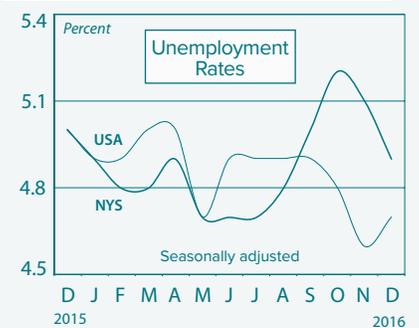
*Continued on page 2*

## In December...

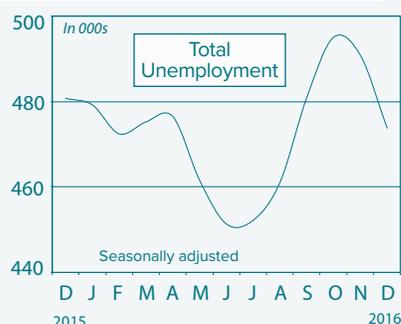
### ...NYS private sector jobs increased



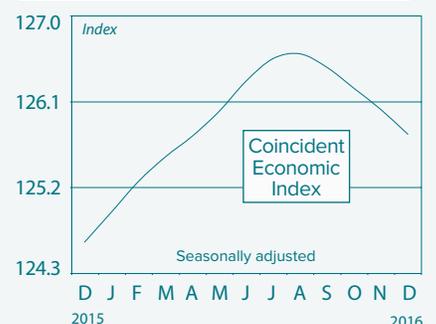
### ...NYS unemployment rate decreased



### ...NYS unemployment decreased



### ...NYS economic index decreased



# Focus on Long Island

100,000 Jobs and Counting

by James Brown, Principal Economist, Downstate NY Region

The latest available data from the Quarterly Census of Employment and Wages indicate that private sector employers on Long Island added more than 102,000 jobs (+10.2%) between the second quarter of 2009 and the second quarter of 2016. Of the state's 10 regions, Long Island was second only to New York City in percentage job growth since 2009. Largely because of this solid job growth, the region's unemployment rate dipped below 4.0% in mid-2016 after peaking at 8.2% in early 2010.

## Gains Are Widespread

Job growth was widespread as 15 of 19 industry sectors added jobs between the second quarter of 2009 and the second quarter of 2016. However, two sectors – health care and social assistance (+32,120), and accommodation and food services (+22,730) – were responsible for more than half of the jobs gained on Long Island between 2009 and 2016. In percentage terms, accommodation and food services was the fastest-growing sector, adding jobs at a rate of 29.6% over this period.

Within health care and social assistance, ambulatory health services (primarily doctors' offices and home health care services) and hospitals each added more than 10,000 jobs, while social assistance added almost 8,000. This sector has been the steadiest performer as the needs of a growing, aging population and advances in medical technology outweigh fluctuations in business cycles.

Restaurants and bars dominated job creation in the accommodation and food

services sector. These establishments added nearly 22,000 jobs, a jump of more than 30%. The much smaller accommodation industry added just 730 jobs, although that represented a gain of 15.4%. The broader sector benefited from three factors: a long-term shift in favor of eating out, a pickup in business travel as the economy improved and an upswing in tourism activity on Long Island.

## Bright Spots in Weak Sectors

Four sectors lost jobs between April-June 2009 and April-June 2016: information (-7,990), manufacturing (-4,670), finance and insurance (-1,040) and management of companies (-830). Information sector employment losses stemmed from steep cutbacks in publishing, motion pictures and cable television.

Despite the overall loss in manufacturing, some factory industries continued to add jobs—most notably in chemical manufacturing (+1,630). Job gains in this industry reflect the growing cluster of firms making pharmaceuticals and supplements on Long Island. Food manufacturing and beverage manufacturing each added about 300 jobs, helped by a growing interest in locally sourced food products and beverages.

After sharp losses due to the global financial crisis in 2007-2009, job growth in finance and insurance was modestly positive between 2009 and 2015. Cost-cutting by large financial conglomerates that have back office operations on Long Island led to losses in 2016.



## County Analysis

In 2009-2016, Nassau County added over 46,000 private sector jobs (+9.3%), while Suffolk County's count rose by more than 55,000 (+11.1%). The sectors that added or lost the most jobs at the regional level did not always perform similarly in both counties. For example, of the more than 32,000 jobs gained in health care and social assistance, almost 21,000 were added in Nassau. Both counties saw strong growth in the accommodation and food services sector, but about 80% of Long Island's job gains in the construction and administrative support sectors were registered in Suffolk County.

Among declining sectors, both counties suffered heavy losses in information jobs. However, Nassau County had the bulk of the losses in manufacturing. Jobs in finance and insurance actually grew in Suffolk County, but larger losses in Nassau County pushed the region into the red.

## Summary

The Long Island region is now in its seventh year of job growth, the longest stretch since the 1990s. Moreover, the Island's job count has climbed to record highs, and the unemployment rate is back down to pre-recession levels.

## Consumers Buy More Online... from page 1

compared to 2015. This list includes Sears Holdings, Macy's, J.C. Penney and Kohl's.

Several large retail chains have recently announced store closings. Macy's will close 100 underperforming locations, including four in New York State. They cited increased competition from online retailers. The planned store closings will erase more than 10,000 jobs.

Further, Sears Holdings, the parent company of Sears and Kmart, plans to shutter 150 U.S. locations later this year. This includes 42 Sears stores (four in New York) and 108 Kmart stores (one in New York). The closures represent about 10% of the chain's store base.

Finally, J.C. Penney announced plans in late February to close up to 140 stores by June 2017. The chain will also offer voluntary buyouts to 6,000 workers.

In contrast, online retail behemoth Amazon plans to add more than 100,000 full-time jobs in the U.S. over the next 18 months. It will hire in a wide range of job titles, from engineers to software developers, and workers for its burgeoning fulfillment centers. These new positions will bring the company's total job count in the U.S. to 280,000.

## Long-term Sales Shift

Since early 2005, sales at traditional brick-

and-mortar department stores in the U.S. have slipped by \$5.4 billion, or about 30%, to \$12.6 billion (see graph). Over the same time frame, sales at U.S. online retailers have more than tripled. Web sales grew from \$13.8 billion to more than \$43 billion. Today, online sales in the U.S. are more than triple those at department stores and big-box discount retailers combined.

Amazon gets most of the benefits from this shift in buying habits. In the 2016 holiday shopping season, it racked up almost 40% of online sales in the U.S., according to data from Slice Intelligence. Following Amazon, the other top shares of online holiday sales went

## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	DEC '15	DEC '16		DEC '15	DEC '16		DEC '15	DEC '16
<b>New York State</b>	<b>4.7</b>	<b>4.5</b>	<b>Hudson Valley</b>	<b>4.1</b>	<b>4.0</b>	<b>Finger Lakes</b>	<b>4.8</b>	<b>4.7</b>
<b>Capital</b>	<b>4.2</b>	<b>4.1</b>	Dutchess	4.0	3.9	Genesee	4.9	4.9
Albany	3.9	3.8	Orange	4.1	4.0	Livingston	5.0	5.0
Columbia	3.6	3.6	Putnam	3.8	3.8	Monroe	4.6	4.6
Greene	5.4	5.1	Rockland	3.9	3.9	Ontario	4.5	4.5
Rensselaer	4.3	4.1	Sullivan	5.1	4.9	Orleans	6.1	5.9
Saratoga	3.9	3.8	Ulster	4.3	4.3	Seneca	5.1	4.7
Schenectady	4.2	4.1	Westchester	4.0	4.0	Wayne	5.2	5.2
Warren	6.0	5.9	<b>Mohawk Valley</b>	<b>5.3</b>	<b>5.2</b>	Wyoming	5.7	6.1
Washington	5.0	4.9	Fulton	6.0	5.7	Yates	4.9	4.6
<b>Central New York</b>	<b>5.0</b>	<b>5.0</b>	Herkimer	5.9	5.8	<b>Western New York</b>	<b>5.2</b>	<b>5.3</b>
Cayuga	5.2	5.0	Montgomery	6.1	5.8	Allegany	5.5	5.6
Cortland	5.8	5.8	Oneida	4.9	4.9	Cattaraugus	5.9	6.1
Madison	5.2	5.6	Otsego	5.0	4.8	Chautauqua	5.8	6.1
Onondaga	4.4	4.4	Schoharie	5.4	5.5	Erie	4.9	4.9
Oswego	6.9	6.7	<b>North Country</b>	<b>6.2</b>	<b>6.3</b>	Niagara	6.0	6.1
<b>Southern Tier</b>	<b>5.3</b>	<b>5.0</b>	Clinton	5.3	5.2	<b>Long Island</b>	<b>4.0</b>	<b>3.9</b>
Broome	5.6	5.4	Essex	6.3	6.1	Nassau	3.7	3.6
Chemung	5.6	5.1	Franklin	6.1	5.8	Suffolk	4.2	4.1
Chenango	5.3	5.2	Hamilton	8.7	9.2	<b>New York City</b>	<b>5.0</b>	<b>4.4</b>
Delaware	5.6	5.3	Jefferson	6.8	7.0	Bronx	7.0	6.2
Schuyler	6.8	6.5	Lewis	7.0	7.8	Kings	5.2	4.5
Steuben	6.2	5.8	St. Lawrence	6.2	6.1	New York	4.3	3.9
Tioga	5.4	4.9				Queens	4.4	3.9
Tompkins	3.5	3.4				Richmond	5.0	4.4

**Consumers Buy More Online...** *from page 2*

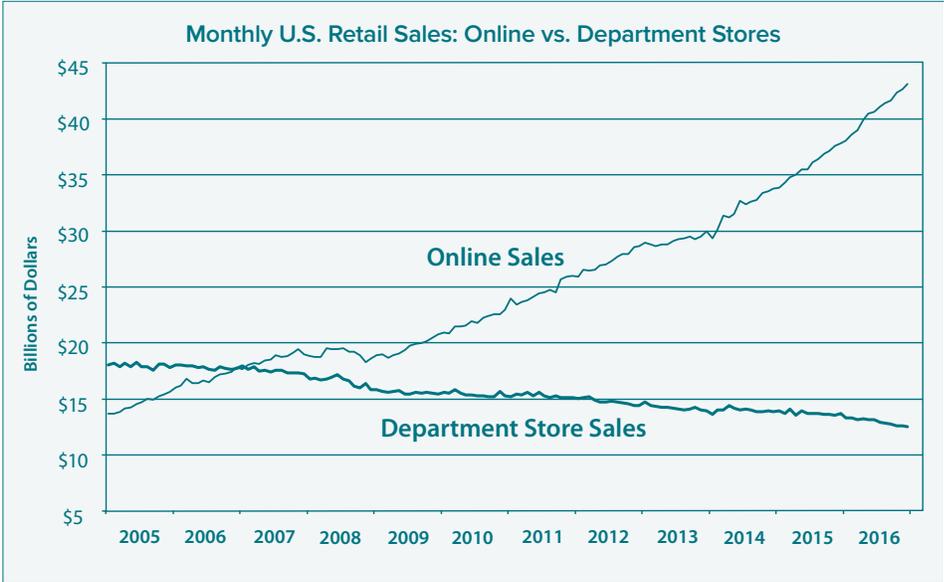
to Best Buy (3.9%), Target (2.9%) and Walmart (2.6%). Taken together, they garnered less than 10% of the total.

**Retail Employment Trends in NYS**

Of course, the seismic shift in U.S. shopping habits has a major effect on employment. From 2005-2015, the number of workers employed in the entire department store sector in New York State grew by just 7% to 89,000, according to the Quarterly Census of Employment and Wages (QCEW).

But, the total figure masks very different employment trends within the sector. The job count at traditional department stores in the state fell by 3,400, or 7%, to 42,000 in 2005-2015. Jobs at big-box discount retailers in New York rose by 9,100, or 24%, to 47,100 over the same time frame.

From 2005 to 2015, QCEW data show that the number of jobs at electronic shopping and mail-order houses in New York State rose by 8,400, or 72%, to 20,000. This growth trend should continue, as Amazon rapidly expands its footprint in New York City. Also, online retail company Alibaba, known as China's Amazon, has expanded its new headquarters in New York City.



Sources: U.S. Census Bureau; BMO Private Bank

**Summary**

The rapid explosion of e-commerce over the past two decades has had a tremendous impact on the retailing landscape of this country. Evidence suggests that current trends will continue, with increased sales and job growth at online retailers and ongoing cutbacks at traditional brick-and-mortar retailers.

*by Kevin Jack*

**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**

Private sector jobs in the Capital Region increased over the year by 1,600, or 0.4 percent, to 431,900 in December 2016. Job gains were largest in educational and health services (+2,500), natural resources, mining and construction (+300) and other services (+300). Losses were focused in information (-500), manufacturing (-500), professional and business services (-500) and financial activities (-300).

### CENTRAL NY

**Karen Knapik-Scalzo — 315-479-3391**

Over the past year, private sector jobs in the Syracuse metro area fell by 1,100, or 0.4 percent, to 263,100 in December 2016. Growth was centered in financial activities (+700), trade, transportation and utilities (+300) and educational and health services (+200). Losses were greatest in professional and business services (-1,000), leisure and hospitality (-500) and manufacturing (-500).

### FINGER LAKES

**Tammy Marino — 585-258-8870**

The private sector job count in the Rochester metro area rose over the year by 4,200, or 0.9 percent, to 453,100 in December 2016. Gains were largest in educational and health services (+3,500), leisure and hospitality (+1,700) and financial activities (+1,200). Losses were greatest in trade, transportation and utilities (-1,000), manufacturing (-800) and professional and business services (-600).

### HUDSON VALLEY

**John Nelson — 914-997-8798**

For the year ending December 2016, private sector jobs in the Hudson Valley increased by 8,000, or 1.0 percent, to 798,100. Growth was strongest in educational and health services (+6,300), professional and business services (+4,900) and leisure and hospitality (+2,800). Losses were centered in natural resources, mining and construction (-5,000), manufacturing (-1,100) and information (-900).

### LONG ISLAND

**Shital Patel — 516-934-8533**

Long Island's private sector job count rose by 17,400, or 1.5 percent, to 1,141,100 for the year ending December 2016. Job gains were largest in educational and health services (+10,200), trade, transportation and utilities (+5,500), leisure and hospitality (+3,800) and natural resources, mining and construction (+1,600). Losses were focused in manufacturing (-1,200), financial activities (-1,000) and information (-900).

### MOHAWK VALLEY

**Mark Barbano — 315-793-2282**

Over the past year, the private sector job count in the Mohawk Valley fell by 800, or 0.5 percent, to 147,700 in December 2016. Losses were focused in manufacturing (-300) and trade, transportation and utilities (-300).

### NEW YORK CITY

**James Brown — 718-613-3971**

For the year ending December 2016, private sector jobs in New York City rose by 58,300, or 1.5 percent, to 3,825,300. Job gains were largest in educational and health services (+25,500), leisure and hospitality (+14,700), trade, transportation and utilities (+8,000), professional and business services (+7,700) and other services (+6,400). Losses were focused in financial activities (-4,200) and information (-2,200).

### SOUTHERN TIER

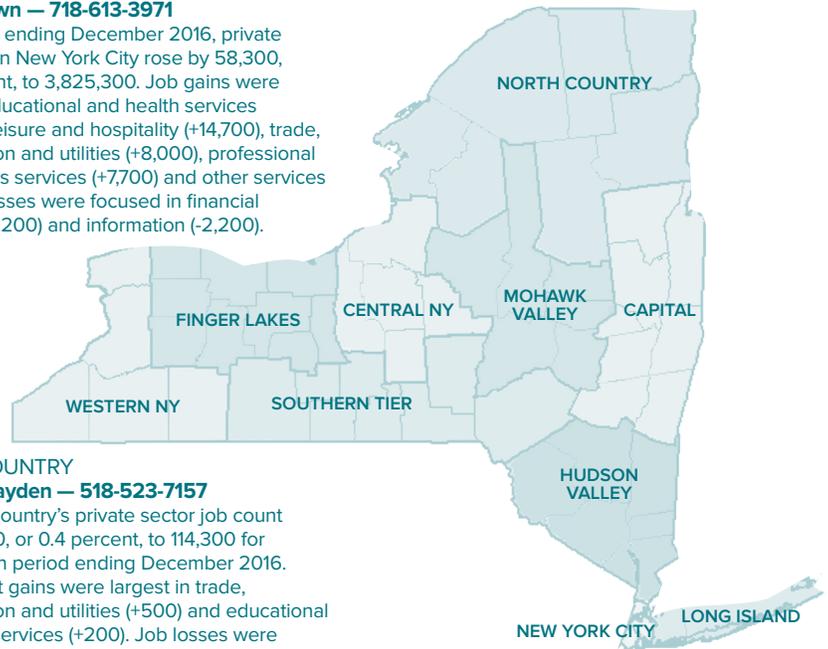
**Christian Harris — 607-741-4485**

For the year ending December 2016, the private sector job count in the Southern Tier rose by 1,500, or 0.6 percent, to 236,700. Job gains were largest in educational and health services (+2,700) and professional and business services (+300). Employment losses were focused in trade, transportation and utilities (-800) and manufacturing (-700).

### WESTERN NY

**John Slenker — 716-851-2742**

Over the past year, private sector jobs in the Buffalo-Niagara Falls metro area rose by 6,900, or 1.5 percent, to 477,100 in December 2016. Gains were centered in leisure and hospitality (+3,300), professional and business services (+2,200), trade, transportation and utilities (+1,200) and educational and health services (+900). Job losses were largest in manufacturing (-1,000).



### NORTH COUNTRY

**Anthony Hayden — 518-523-7157**

The North Country's private sector job count grew by 500, or 0.4 percent, to 114,300 for the 12-month period ending December 2016. Employment gains were largest in trade, transportation and utilities (+500) and educational and health services (+200). Job losses were focused in manufacturing (-300).