

Employment in New York State



Research and Statistics

A Publication of the New York State Department of Labor

JULY 2017

At a Glance

New York State had 9,512,700 total nonfarm jobs in May 2017, including 8,063,200 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.4% between April and May 2017, while the nation's job count increased by 0.1% over this period. From May 2016 to May 2017, the number of private sector jobs increased by 1.7% in both the state and the nation (not seasonally adjusted).

In May 2017, New York State's seasonally adjusted unemployment rate increased from 4.3% to 4.4%. The comparable rate for the nation in May 2017 was 4.3%.

New York State's Index of Coincident Economic Indicators increased at an annual rate of 2.2% in May 2017.

Change in Nonfarm Jobs May 2016 - May 2017

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	148.7	1.6%
Private Sector	138.1	1.7%
Goods-producing	-8.9	-1.1%
Nat. res. & mining	0.1	1.9%
Construction	6.7	1.8%
Manufacturing	-15.7	-3.5%
Durable gds.	-14.2	-5.4%
Nondurable gds.	-1.5	-0.8%
Service-providing	157.6	1.8%
Trade, trans. & util.	5.7	0.4%
Wholesale trade	-0.5	-0.1%
Retail trade	3.2	0.3%
Trans., wrhs. & util.	3.0	1.0%
Information	11.2	4.4%
Financial activities	1.6	0.2%
Prof. & bus. svcs.	44.0	3.4%
Educ. & health svcs.	52.6	2.7%
Leisure & hospitality	23.2	2.5%
Other services	8.7	2.1%
Government	10.6	0.7%

The gig economy is here to stay...

As More Workers Land Gigs, the Labor Market Faces Challenges

Have you or a friend ever hailed a ride using the Uber or Lyft app, or stayed at an Airbnb-listed property while vacationing? These companies, and others like them, are part of the so-called "gig economy." This article analyzes some of the major issues emerging in the gig economy.

There is no official definition as to what industries or occupations constitute the gig economy. However, it usually refers to work arrangements with short-term contracts, or the hiring of freelancers as opposed to permanent employees. U.S. businesses are increasingly relying on short-term work arrangements. Going forward, the gig economy is expected to play a major role in shaping both employer-employee relationships and the U.S. economy.

A Brief History of the Gig Economy

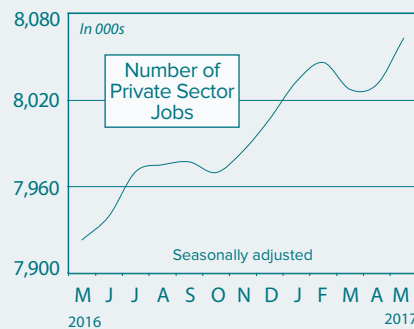
The modern gig economy was born in the aftermath of the Great Recession, when more than 15 million Americans were out of work and desperate to make ends meet. Unable to find full-time positions, many people began working several part-time jobs or used their existing assets (e.g., homes, cars) to make money by giging.

At the same time, new technology companies (e.g., TaskRabbit) developed smartphone apps and online platforms that facilitated peer-to-peer (P2P) transactions. These apps and platforms also helped unemployed people to find gig work. It was this confluence of factors, both economic and technological, that enabled the gig economy to flourish.

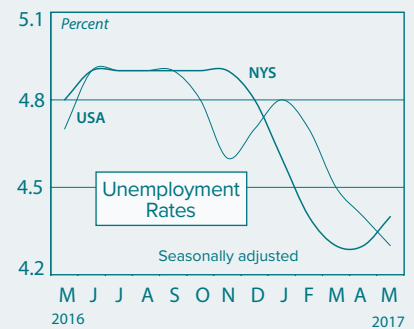
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In May...

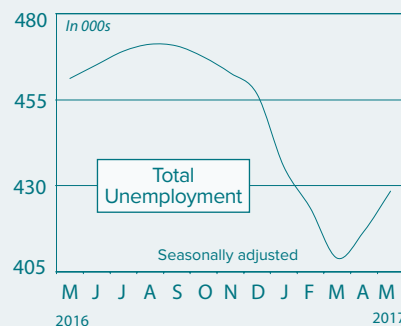
...NYS private sector jobs increased



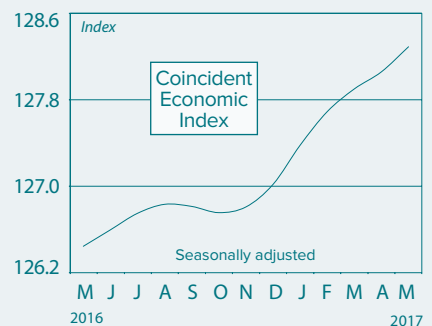
...NYS unemployment rate increased



...NYS unemployment increased



...NYS economic index increased



Focus on the North Country

Advanced Manufacturing in the North Country

by Anthony Hayden, Labor Market Analyst, North Country Region

Technological breakthroughs help to spur regional economic growth. This is one reason why “advanced manufacturing” – defined by the President’s Council of Advisors on Science and Technology as “manufacturing that entails rapid transfer of science and technology into manufacturing products and processes” – is a focal point for many economic development efforts.

Advanced manufacturing is integral to the North Country’s economy. It encompasses a broad array of industries, like transportation equipment manufacturing, advanced materials and biotechnology. Firms in advanced manufacturing industries employed 6,700 workers, accounting for 6.3% of the region’s private sector jobs, in 2016. Moreover, the sector’s annual average wage of \$53,600 is 45% higher than the region’s overall private sector average. Here, we focus on one segment of the advanced manufacturing sector: transportation equipment manufacturing.

A Little Background

The emergence of advanced manufacturing in the North Country can be traced back to 1993. That is when a presidential commission voted to close the Plattsburgh Air Force Base. A total of 3,000 military and civilian jobs were lost when the base closed on September 30, 1995.

The Plattsburgh Airbase Redevelopment Corporation (PARC) was formed in response and charged with commercializing the former base. The site is now a privately held industrial park. It houses firms in a variety of advanced manufacturing industries, including

aerospace, railcar equipment, composites and pharmaceuticals. The property also houses non-profits, residential communities and community college facilities. The PARC also facilitated the relocation of the Clinton County Municipal Airport to the former air base to create the Plattsburgh International Airport.

NCREDC Industry Initiatives

The North Country Regional Economic Development Council (NCREDC) has designated advanced manufacturing as one of the region’s three priority industry groups. The others are agriculture and green energy, and travel and tourism. NCREDC’s investments in advanced manufacturing are concentrated in three areas: transportation equipment manufacturing and maintenance, advanced materials, and biotechnology.

Transportation equipment manufacturers have been in the region for more than a century. Today, the North Country is home to Nova Bus, railcar maker Bombardier and many other firms that supply the industry.

One emerging company is Norsk Titanium, a Norwegian firm that makes titanium airplane parts using high-tech, 3-D printing machines. Norsk set up local operations in Plattsburgh in 2016. They are currently taking delivery of their proprietary Rapid Plasma Deposition machines. Their breakthrough technology enables them to make parts quicker and cheaper than other companies. Published reports indicate the company now has about 30 local workers and expects to create a total of up to 400 jobs.



“Advanced manufacturing is integral to the North Country’s economy.”

Developing a Worker Pipeline

To help ensure a steady supply of trained workers for advanced manufacturing, the Plattsburgh Aeronautical Institute (PAI) was formed in 2010. Many PAI graduates work as technicians at local transportation equipment manufacturers. The Institute for Advanced Manufacturing at Clinton Community College will be another local source of trained workers. It is slated to open later this year. Their 30,000-square-foot facility enables training providers to offer custom training programs to local manufacturers.

Summary

The 1993 announcement that the Plattsburgh Air Force Base was to be shut down spurred local officials to take the necessary steps to plan and build for the region’s future. All that hard work has paid dividends, as the redevelopment effort was praised by the *Plattsburgh Press-Republican* as “one of the most successful stories in the country.”

Today, advanced manufacturing plays a key role in the region’s economy, with high-tech companies like Norsk Titanium setting up shop in the North Country.

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What is Gig?

Two groups of American workers — those with “contingent” or “alternative employment arrangements” — greatly expanded after the nation’s last recession, and came to represent the core of today’s gig economy. “Contingent” workers are persons who do not expect their jobs to last or who report that their jobs are temporary. Workers with “alternative employment arrangements” fall into four broad categories: independent contractors; on-call workers; temporary help agency workers; and workers provided by contract firms.

The last data release from the U.S. Bureau of Labor Statistics regarding the number of U.S.

workers with “contingent” and “alternative employment arrangements” was in 2005. The BLS began collecting this data again in May 2017. The agency will include questions about the gig economy in the monthly Current Population Survey. BLS hopes to make the gig economy data available later this year or early next year.

Reports from other government agencies have shed light on the gig economy. For example, a 2016 report from the U.S. Department of Commerce found several characteristics common to firms operating in the gig economy:

- They facilitate P2P transactions via web-based platforms or mobile apps.
- They employ user-based rating systems to ensure a level of trust between the consumer and service provider.
- They offer people flexible work schedules.

How Big is Gig?

Although the gig economy debuted a decade ago, government statisticians have yet to decide how to classify or count gig economy workers. Should a retiree who drives full time for a ride-hailing service be counted differently from a college student who occasionally resells her used textbooks on Amazon.com?

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	MAY '16	MAY '17		MAY '16	MAY '17		MAY '16	MAY '17
New York State	4.3	4.3	Hudson Valley	3.9	4.1	Finger Lakes	4.2	4.5
Capital	3.8	3.9	Dutchess	3.9	4.0	Genesee	3.8	4.2
Albany	3.7	3.9	Orange	4.0	4.2	Livingston	4.5	4.5
Columbia	3.3	3.4	Putnam	3.6	3.8	Monroe	4.3	4.6
Greene	4.7	4.7	Rockland	3.9	3.9	Ontario	3.8	4.0
Rensselaer	3.8	3.9	Sullivan	4.3	4.3	Orleans	5.0	5.2
Saratoga	3.4	3.6	Ulster	4.0	4.2	Seneca	4.2	3.9
Schenectady	4.0	4.2	Westchester	3.9	4.1	Wayne	4.3	4.5
Warren	4.5	4.4	Mohawk Valley	4.6	4.7	Wyoming	4.3	4.5
Washington	4.1	4.0	Fulton	5.2	5.2	Yates	4.0	3.8
Central New York	4.5	4.5	Herkimer	4.8	5.1	Western New York	4.6	4.9
Cayuga	4.5	4.3	Montgomery	5.1	5.0	Allegany	5.8	6.0
Cortland	4.8	4.8	Oneida	4.4	4.6	Cattaraugus	5.4	5.6
Madison	4.6	4.7	Otsego	4.2	4.2	Chautauqua	5.1	5.4
Onondaga	4.1	4.3	Schoharie	4.8	4.8	Erie	4.3	4.7
Oswego	5.6	5.8	North Country	5.3	5.6	Niagara	5.0	5.5
Southern Tier	4.8	4.7	Clinton	4.8	4.9	Long Island	3.7	3.9
Broome	4.8	5.0	Essex	4.8	5.0	Nassau	3.6	3.8
Chemung	5.4	5.2	Franklin	5.1	5.6	Suffolk	3.9	4.0
Chenango	4.5	4.6	Hamilton	5.7	6.6	New York City	4.6	4.2
Delaware	4.9	4.8	Jefferson	5.3	5.7	Bronx	6.4	5.7
Schuyler	5.1	4.7	Lewis	6.0	6.0	Kings	4.8	4.3
Steuben	5.3	5.2	St. Lawrence	6.0	6.0	New York	4.0	3.8
Tioga	4.5	4.5				Queens	4.0	3.7
Tompkins	3.8	3.8				Richmond	4.6	4.2

As More Workers Land Gigs... from page 2

Thus, estimates regarding the size and scope of the gig economy widely vary.

For example, economists Lawrence Katz and Alan Krueger concluded in 2015 that almost 16% of all workers are engaged in an “alternative work arrangement.” A separate survey from the Pew Research Center found 24% of Americans earned income from the digital “platform economy” in 2015. In contrast, a 2016 study conducted by the Freelancers Union and Upwork found that 55 million Americans engage in freelance work. Of these workers, 54% were paid for projects that they both found and completed online.

While researchers may disagree on the definition and breadth of the gig economy, one thing is certain: they agree upon its future growth potential. Investment bank Piper Jaffray forecasts that revenues from P2P home rentals, such as Airbnb, will reach \$107 billion by 2025. Further, they expect this group will account for 10% of all accommodation bookings in the U.S.—up from 2% in 2014.

Benefits and Challenges of Gig

The rise of the gig economy has changed the traditional employer-employee relationship and the way in which goods and services are bought and sold. As with any major change in the labor market, some groups of people benefit, while others face significant challenges.

Some of the benefits typically associated with the gig economy include: lower consumer prices due to reduced overhead; more flexible worker schedules and opportunities to earn extra income; the chance to use workers’ existing assets and skills; the ability to provide new services to consumers; and improved customer experience and trust between consumers and service providers, due to a user-based rating system.

Of course, there are also some challenges associated with the gig economy. One common issue is income variability, since gig work is not always steady. In addition, gig workers receive fewer traditional benefits and protections, since many service providers are classified as independent contractors.

To thrive in the gig economy, workers usually must already possess the asset or skill that allows them to provide their service. Further, protecting consumer privacy and security remains a major issue. This is because many online platforms or mobile apps now collect and store personal information. Finally, a significant portion of U.S. adults – almost 25% – did not own a smartphone as of 2016. This lack of technology ownership effectively precludes many of them from participating in the gig economy.

Summing Up

The convergence of new technology and high levels of unemployment during and after the Great Recession helped to set the stage for the rise of the gig economy. At the same time, there has been a shift away from traditional employment arrangements between workers and employers. Instead, the “new normal” for many U.S. workers is short-term, piecemeal work.

These changes have helped to disrupt many long-held relationships in the labor market. Despite these many disruptions, one thing is certain: the gig economy is here to stay, and its size, scope and influence will continue to grow over the coming years.

by Kevin Phelps

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

Over the past year, private sector jobs in the Capital Region rose by 5,100, or 1.2 percent, to 439,000 in May 2017. Job gains were greatest in leisure and hospitality (+1,500), natural resources, mining and construction (+1,300) and trade, transportation and utilities (+1,200). Employment losses were centered in manufacturing (-300).

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

Private sector jobs in the Syracuse metro area rose over the year by 2,600, or 1.0 percent, to 262,500 in May 2017. Growth was centered in professional and business services (+2,300), leisure and hospitality (+900) and trade, transportation and utilities (+500). The largest losses were in educational and health services (-700) and financial activities (-500).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector jobs in the Rochester metro area decreased over the year by 2,400, or 0.5 percent, to 455,000 in May 2017. Gains were focused in educational and health services (+500) and natural resources, mining and construction (+400). Losses were greatest in trade, transportation and utilities (-1,500) and manufacturing (-900).

HUDSON VALLEY

John Nelson — 914-997-8798

Over the past year, private sector jobs in the Hudson Valley increased by 12,700, or 1.6 percent, to 799,800 in May 2017. Job gains were greatest in educational and health services (+5,700), professional and business services (+4,800) and trade, transportation and utilities (+2,400). The largest loss was in manufacturing (-1,400).

LONG ISLAND

Shital Patel — 516-934-8533

Over the past year, private sector jobs on Long Island increased by 20,100, or 1.8 percent, to 1,156,700 in May 2017. Gains were greatest in educational and health services (+9,800), professional and business services (+4,700) and trade, transportation and utilities (+3,100). The largest job losses were centered in financial activities (-1,400) and manufacturing (-1,200).

MOHAWK VALLEY

Brian Acton — 315-793-2282

Private sector jobs in the Mohawk Valley increased by 1,700, or 1.2 percent, to 148,300 over the 12-month period ending May 2017. Gains were greatest in educational and health services (+800), professional and business services (+400) and natural resources, mining and construction (+300). Losses were centered in manufacturing (-200).

NEW YORK CITY

James Brown — 718-613-3971

Private sector jobs in New York City rose over the year by 83,300, or 2.2 percent, to 3,863,400 in May 2017. Job gains were greatest in educational and health services (+31,700), professional and business services (+23,600), leisure and hospitality (+14,300) and information (+6,000). Employment losses were centered in trade, transportation and utilities (-3,100) and manufacturing (-2,500).

SOUTHERN TIER

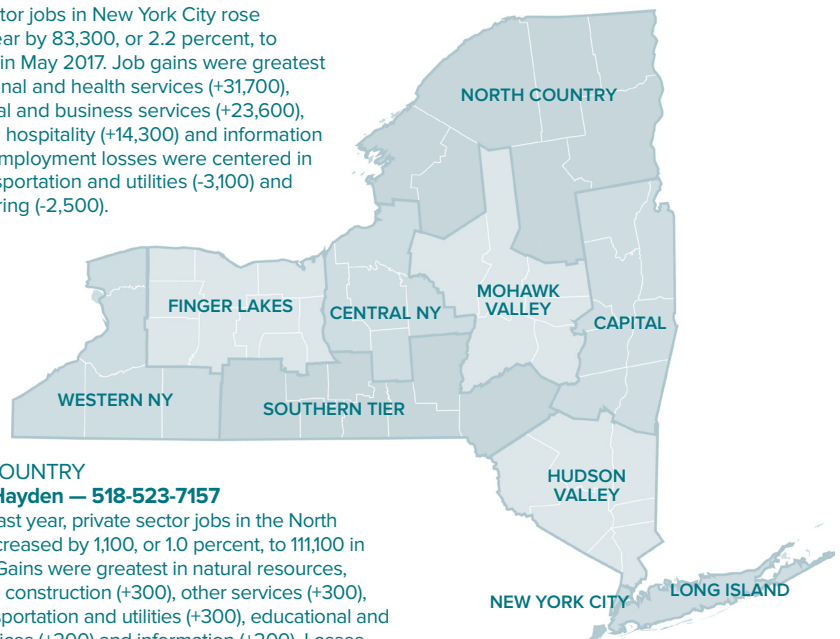
Christian Harris — 607-741-4485

For the 12-month period ending May 2017, private sector jobs in the Southern Tier fell by 100 to 228,800. Job gains were greatest in educational and health services (+800) and professional and business services (+200). Employment losses were centered in manufacturing (-700) and trade, transportation and utilities (-400).

WESTERN NY

John Slenker — 716-851-2742

Over the past year, private sector jobs in the Buffalo-Niagara Falls metro area increased by 2,000, or 0.4 percent, to 474,400 in May 2017. Gains were largest in other services (+1,200), educational and health services (+900) and professional and business services (+600). Losses were centered in natural resources, mining and construction (-900) and trade, transportation and utilities (-800).



NORTH COUNTRY

Anthony Hayden — 518-523-7157

Over the past year, private sector jobs in the North Country increased by 1,100, or 1.0 percent, to 111,100 in May 2017. Gains were greatest in natural resources, mining and construction (+300), other services (+300), trade, transportation and utilities (+300), educational and health services (+200) and information (+200). Losses were centered in leisure and hospitality (-200).