

Employment

IN NEW YORK STATE



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Andrew M. Cuomo, Governor
Peter M. Rivera, Commissioner

At a Glance

In July 2014, New York's seasonally adjusted unemployment rate was 6.6%, unchanged from June 2014's level. The nation's unemployment rate was 6.2% in July 2014. New York State had 9,042,200 nonfarm jobs in July 2014, including 7,603,300 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state increased by 0.2% in June-July 2014, while those in the nation also increased by 0.2%. From July 2013 to July 2014, the number of private sector jobs increased by 1.9% in the state and 2.2% in the nation (not seasonally adjusted). New York's Index of Coincident Economic Indicators increased at an annual rate of 4.1% in July 2014.

Change in Nonfarm Jobs

July 2013 - July 2014

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	134.4	1.5
Private Sector	140.6	1.9
Goods-producing	-0.5	-0.1
Nat. res. & mining	0.3	5.7
Construction	8.4	2.5
Manufacturing	-9.2	-2.0
Durable gds.	-5.6	-2.1
Nondurable gds.	-3.6	-1.9
Service-providing	134.9	1.7
Trade, trans. & util.	28.2	1.9
Wholesale trade	1.6	0.5
Retail trade	16.0	1.7
Trans., wrhs. & util.	10.6	4.2
Information	0.4	0.2
Financial activities	0.5	0.1
Prof. & bus. svcs.	30.6	2.5
Educ. & health svcs.	53.4	3.1
Leisure & hospitality	22.2	2.5
Other services	5.8	1.5
Government	-6.2	-0.4

List Reflects the Changing Structure of the NYS Economy...

New York State's Largest Private Sector Employers: Yesterday and Today

Over the past 50 years the structure of the American economy has fundamentally changed, with increasing numbers of manufacturing workers moving to jobs in the service sector. Much of this movement is due to increased automation, resulting in huge jumps in labor productivity at manufacturers.

Similar changes have also occurred in New York State's economy over the past half century. One way to better appreciate the structural changes that have occurred in the state is to look at the economic sectors represented by the state's 10 largest private sector employers. This information also has important economic and workforce development applications. See the table on page 3, which shows the industry sectors with the most "Top 10" employers

in New York State for selected years between 1964 and 2014.

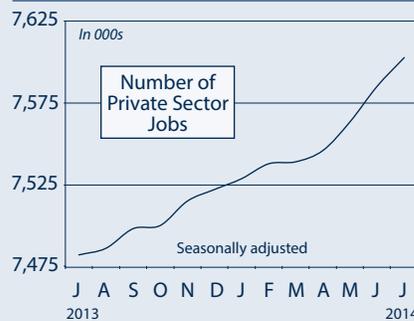
More Jobs in Services

As outlined above, we now have fewer factory workers and more service employees than 50 years ago. For example, manufacturers dominated New York's top 10 lists in 1964, 1974 and 1984, accounting for at least half of the firms on the list. In 2004, however, there were only two manufacturers on the list, and by 2014 there were no factory firms at all. As the number of manufacturing firms in the top 10 has declined, its share of overall private sector jobs in the state has dropped in half – from 12.7% in 1994 to 6.0% in 2014.

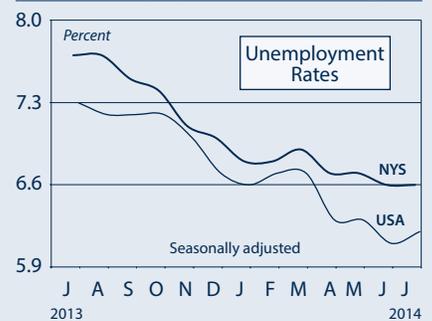
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IN JULY...

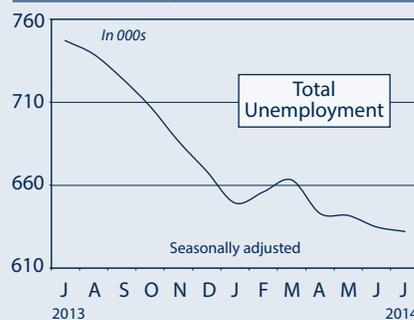
...NYS private sector jobs increased



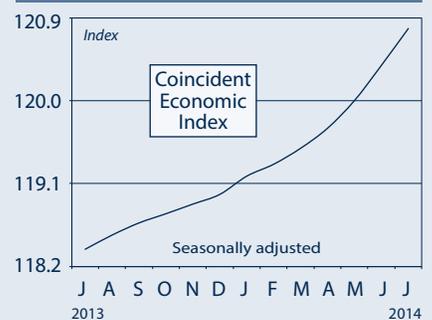
...NYS unemployment rate unchanged



...NYS unemployment decreased



...NYS economic index increased



Focus on New York City

Hotel Sector is Booming in New York City

by Elena Volovelsky, Labor Market Analyst, New York City

New York City's travel and tourism sector is booming, according to a recent report from NYC & Co., the City's official tourism marketing organization. In 2013, New York City hosted a record 54 million visitors. This figure includes 9,579,000 international visitors, making NYC the country's top international travel destination.

All of these visitors had a tremendous impact on the City's economy, estimated at a record \$55.3 billion. Here, we take a look at the City's growing hotel industry – ranging from the smallest boutiques to the largest international brands – and at recent developments in the City's trendiest borough in hotel development – Queens.

New York City Industry Trends

New York City's hospitality industry is sensitive to economic fluctuations. During the last recession, the local industry lost relatively few jobs. This was due in part to technological advances in room pricing, which allowed hoteliers to quickly adjust room rates in order to reduce the inventory of unused rooms and maximize revenues. The post-recession return of the business traveler, in combination with a successful marketing campaign by the City, has meant that local growth in this sector has outpaced the nation as a whole. Between 2009 and 2013, hotel jobs in New York City rose by more than 17%, about three times the comparable U.S. rate.

While two-thirds of local hotel rooms and almost 90% of hospitality jobs are in Manhattan, other neighborhoods are seeing hotel development. In fact, one-third of all projects under construction are outside of Manhattan. In particular, Queens is benefitting from new hotel development. Of the 148 hotels that either opened or are currently under construction in the past two years, 21 are in Queens. From 2003 to 2013, the number of hotels in the borough more than doubled, from 55 to 118.

Growth in Queens

Some recent hotel openings in Queens include:

- Paper Factory, set in a renovated paper factory and warehouse, featuring 120 rooms, a restaurant, outdoor beer garden and a spa;

- Home2 Suites by Hilton, a 10-story, 115-suite hotel, featuring views of Manhattan, a media room, a combined laundry and fitness area, and Oasis lobby area; and
- The Estate by Ravel, the first luxury hotel in Long Island City, featuring a garden, a swimming pool/ice rink and ballroom.

The flurry of construction activity is spurred by the borough's hottest neighborhood, Long Island City. This area profits from its close proximity to Midtown Manhattan and has become a magnet for nearly every hotel brand of distinction. According to an industry report, this trendy neighborhood has added 15 of its 27 hotels in the past six years and is on track to see at least another eight open by the end of 2017.

Multiplier Effect at Work

Growth in hotel and motel jobs in Queens also leads to indirect job growth in other sectors throughout the local area due to the effects of the economic multiplier. For example, hotels and motels in Queens gained 300 jobs between 2012 and 2013. Estimates indicate that for every additional 100 jobs in this industry, the local economy gains 48 "spin-off" positions in a variety of industries. Professional and business services is the biggest gainer, with 14 additional jobs, followed by the hospitality sector, which adds 8 more jobs. Looking at occupational groups, one-third of the new spin-off jobs are in building and grounds maintenance, one-sixth are at restaurants and one-tenth are office and administrative support jobs.

Industry Wages and Outlook

At the end of 2013, New York City's traveler accommodation sector was comprised of 629 firms, employing more than 46,600 people. Their average salary was \$56,400 per year. This overall average, however, masks a wide variation in wages between the different boroughs. Manhattan hotels, which tend to be larger and more unionized, pay an average of \$59,600 per year. In contrast, hotel employees outside of Manhattan, where limited-service properties are the norm and which are less unionized,

sector reflects a long-term trend towards de-regulation and increased competition.

While factory and utility firms have dropped off the top 10 list over the past 20 years, the number of retail firms on the list has gradually increased.



"Visitors had a tremendous impact on the City's economy, estimated at a record \$55.3 billion."

earn significantly less. For example, the annual average wage in the traveler accommodation sector in Queens was \$32,800 in 2013, which is about 45% lower than the comparable figure for Manhattan. Analysts expect, however, that the difference in wages between hotel workers in Manhattan and the outer boroughs will eventually narrow. This is because the international hotel brands that are currently expanding in the outer boroughs tend to be unionized, which results in higher average wages.

Projections from the New York State Department of Labor show that accommodation industry jobs in New York City are expected to grow somewhat faster (+12.8%) than overall employment there (+10.4%) between 2010 and 2020. The three most common job titles in the traveler accommodation sector include maids and housekeeping cleaners, waiters and waitresses and hotel, motel, and resort desk clerks. Combined employment for these three occupations is expected to grow by more than 10,000 between 2010 and 2020, with more than 4,600 openings each year over this time frame.

Summing Up

New York City's hotel market has reason to be optimistic. Six years after the start of the U.S. recession, the sector's employment is now at a record level. Employment gains have been buoyed by an unprecedented number of visitors to the City and increasingly widespread hotel development.

Looking ahead, New York City's high profile tourism marketing campaign and expanded accommodation options for every budget should help boost hiring in the hotel industry for years to come. ■

From 1994 to 2014, retail trade jobs increased at about the same rate as total private sector employment. In 2014, there were three retailers among the state's "Top 10" private sector employers, up from only one in 1994.

Continued on page 3

Largest Private Sector Employers... from page 1

The number of utility firms on the top 10 list has also declined over time. After holding steady at two in 1964-1994, the number of utility firms on the list fell to zero in 2014. Since 1994, utilities employment in New York State has declined by about 30%. Much of this change in the utilities

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JUL '13	JUL '14		JUL '13	JUL '14		JUL '13	JUL '14
New York State	7.8	6.8	Hudson Valley	6.7	5.7	Finger Lakes	7.1	6.0
Capital	6.5	5.4	Dutchess	6.8	5.7	Genesee	6.2	5.1
Albany	6.5	5.5	Orange	7.4	6.3	Livingston	6.9	5.8
Columbia	6.1	5.0	Putnam	5.9	5.1	Monroe	7.3	6.3
Greene	7.7	6.4	Rockland	6.1	5.4	Ontario	6.0	5.2
Rensselaer	7.0	5.7	Sullivan	8.1	6.6	Orleans	8.6	7.5
Saratoga	5.7	4.7	Ulster	7.8	6.5	Seneca	6.4	5.4
Schenectady	7.1	5.8	Westchester	6.4	5.5	Wayne	7.0	5.8
Warren	6.1	5.2	Mohawk Valley	7.7	6.5	Wyoming	6.8	5.9
Washington	6.4	5.4	Fulton	8.7	7.0	Yates	5.6	4.9
Central New York	7.5	6.4	Herkimer	7.2	6.2	Western New York	7.6	6.4
Cayuga	6.9	5.8	Montgomery	8.8	7.4	Allegany	7.7	6.5
Cortland	7.8	6.8	Oneida	7.6	6.4	Cattaraugus	7.8	6.6
Madison	7.3	6.2	Otsego	6.6	5.7	Chautauqua	7.6	6.6
Onondaga	7.1	6.2	Schoharie	7.8	6.9	Erie	7.5	6.3
Oswego	9.2	7.7	North Country	8.6	7.3	Niagara	7.9	6.6
Southern Tier	7.4	6.3	Clinton	8.5	6.9	Long Island	6.3	5.3
Broome	7.8	6.8	Essex	7.2	6.2	Nassau	6.0	5.1
Chemung	8.1	6.6	Franklin	8.5	7.3	Suffolk	6.6	5.5
Chenango	6.6	5.7	Hamilton	4.7	3.9	New York City	9.1	8.0
Delaware	7.7	6.6	Jefferson	8.7	7.3	Bronx	12.4	11.2
Schuyler	6.9	5.9	Lewis	8.5	7.1	Kings	10.0	8.6
Steuben	8.4	7.3	St. Lawrence	9.5	8.3	New York	7.5	6.4
Tioga	7.7	6.4				Queens	8.0	7.0
Tompkins	5.6	4.8				Richmond	8.6	7.8

Largest Private Sector Employers... from page 2

Number of Top 10 Private Sector Employers, by Industry Sector, New York State, Selected Years

Sector	1964	1974	1984	1994	2004	2014
Manufacturing	6	5	5	4	2	0
Utilities	2	2	2	2	1	0
Finance & Insurance	1	2	3	2	1	1
Retail Trade	1	1	0	1	3	3
Transportation	0	0	0	1	0	0
Colleges & Universities	0	0	0	0	3	2
Healthcare	0	0	0	0	0	4

Source: Quarterly Census of Employment and Wages

The number of private colleges and universities on the top 10 employers list has also grown over time -- from zero in 1994 to two in 2014. Over the same period, jobs at private colleges and universities in New York grew about five times faster than the state's overall private sector job count. This largely reflects a long-term rise in private college enrollments in the state, which expanded by 23% between 1994 and 2013, according to data from the Commission on Independent Colleges and Universities.

Perhaps the most dramatic shift in the New York State economy over the past decade has been the rapid climb of healthcare employers onto the top 10 list. Between 2004 and 2014, the number of healthcare groups on the top 10 list shot up from zero to four. Some of this increase reflects long-term growth in healthcare's share of private sector jobs. However, the principal driver has been rapid changes in the healthcare landscape, which have brought on a significant increase in hospital merger and consolidation activity in the state, especially in the greater New York City area.

A more subtle change in the structure of the state's labor market is the drop in the share of total private sector jobs accounted for by "Top 10" employers. For example, the 10 largest employers in 2014 were responsible for about 3.5% of New York State's private sector jobs. This is about half of the 7.0% share of private sector employment held by "Top 10" firms in 1964.

Summary

Like the nation as a whole, the structure of New York State's labor market has changed over the past 50 years. Looking at "Top 10" employer lists helps us to better understand some of these important changes. For more information, see labor.ny.gov/stats/nys/Largest-private-sector-employers-NYS.shtml. ■

by Louis Solano

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REGIONAL ANALYSTS' CORNER

CAPITAL

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From July 2013 to July 2014, the Capital Region's private sector job count grew by 5,400, or 1.3 percent, to 431,000. Gains were centered in natural resources, mining and construction (+2,900), professional and business services (+1,600), educational and health services (+1,500) and leisure and hospitality (+600). Losses were greatest in financial activities (-800) and trade, transportation and utilities (-500).

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

For the 12-month period ending July 2014, the private sector job count in the Syracuse metro area declined by 3,100, or 1.2 percent, to 253,600. Job growth was concentrated in other services (+400) and leisure and hospitality (+300). The largest job losses occurred in educational and health services (-1,700), manufacturing (-900) and natural resources, mining and construction (-600).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector employment in the Rochester metro area increased over the year by 5,700, or 1.3 percent, to 441,800 in July 2014. Job gains were concentrated in educational and health services (+5,600), leisure and hospitality (+2,100) and financial activities (+1,000). Losses were greatest in manufacturing (-1,000), trade, transportation and utilities (-900) and construction (-800).

HUDSON VALLEY

John Nelson — 914-997-8798

For the 12-month period ending July 2014, the private sector job count in the Hudson Valley increased by 5,400, or 0.7 percent, to 762,900. Gains were strongest in educational and health services (+4,700), leisure and hospitality (+1,100), other services (+800) and trade, transportation and utilities (+800). Losses were largest in financial activities (-1,000) and manufacturing (-700).

LONG ISLAND

Shital Patel — 516-934-8533

The number of private sector jobs on Long Island increased over the year by 18,000, or 1.6 percent, to 1,118,800 in July 2014. Gains were largest in educational and health services (+7,300), trade, transportation and utilities (+6,900), professional and business services (+4,500) and natural resources, mining and construction (+4,200). Leisure and hospitality (-2,800) and financial activities (-2,100) had the greatest losses.

MOHAWK VALLEY

Mark Barbano — 315-793-2282

For the 12-month period ending July 2014, the private sector job count in the Mohawk Valley increased by 1,400, or 0.9 percent, to 150,200. Job gains were greatest in educational and health services (+800) and leisure and hospitality (+600).

NEW YORK CITY

James Brown — 212-775-3330

Private sector employment in New York City rose by 101,000, or 3.0 percent, to 3,519,400 for the 12-month period ending July 2014. Job growth was largest in educational and health services (+37,800), trade, transportation and utilities (+19,300), leisure and hospitality (+17,900), professional and business services (+12,400) and financial activities (+6,700).

SOUTHERN TIER

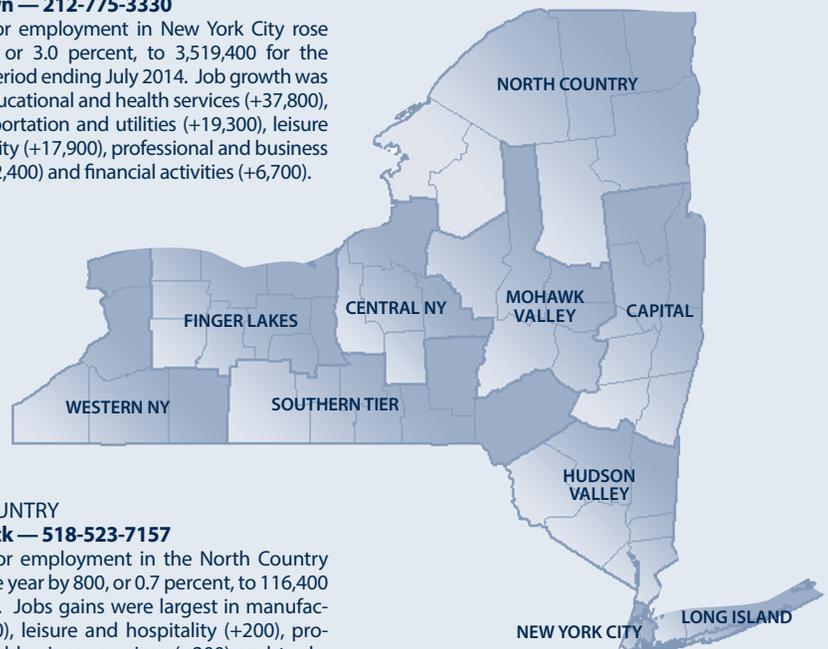
Christian Harris — 607-741-4485

Private sector employment in the Southern Tier increased over the year by 500, or 0.2 percent, to 233,600 in July 2014. Job gains were largest in educational and health services (+700), leisure and hospitality (+400) and natural resources, mining and construction (+400). Job losses were centered in manufacturing (-700).

WESTERN NY

John Slenker — 716-851-2742

The private sector job count in the Buffalo-Niagara Falls metro area increased by 6,700, or 1.5 percent, to 466,900 over the 12 months ending July 2014. Job gains were centered in leisure and hospitality (+2,300), trade, transportation and utilities (+2,100), professional and business services (+1,700) and educational and health services (+1,100). Losses were greatest in financial activities (-900).



NORTH COUNTRY

Alan Beideck — 518-523-7157

Private sector employment in the North Country rose over the year by 800, or 0.7 percent, to 116,400 in July 2014. Jobs gains were largest in manufacturing (+300), leisure and hospitality (+200), professional and business services (+200) and trade, transportation and utilities (+200).