

Employment in New York State



Research and
Statistics

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At a Glance

New York State had 9,268,300 total nonfarm jobs in July 2015, including 7,831,700 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.2% between June and July 2015, while the nation's also increased by 0.2%. From July 2014 to July 2015, the number of private sector jobs increased by 2.5% in the state and 2.4% in the nation (not seasonally adjusted).

In July 2015, New York State's seasonally adjusted unemployment rate decreased over the month from 5.5% to 5.4%. The comparable rate for the nation was 5.3% in July 2015.

New York State's Index of Coincident Economic Indicators increased at an annual rate of 5.0% in July 2015.

Change in Nonfarm Jobs

July 2014 - July 2015

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	189.7	2.1%
Private Sector	189.0	2.5%
Goods-producing	17.1	2.1%
Nat. res. & mining	-0.3	-5.3%
Construction	15.5	4.3%
Manufacturing	1.9	0.4%
Durable gds.	2.7	1.0%
Nondurable gds.	-0.8	-0.4%
Service-providing	172.6	2.1%
Trade, trans. & util.	26.4	1.7%
Wholesale trade	4.1	1.2%
Retail trade	11.6	1.2%
Trans., wrhs. & util.	10.7	4.0%
Information	0.9	0.3%
Financial activities	1.9	0.3%
Prof. & bus. svcs.	34.4	2.8%
Educ. & health svcs.	67.7	3.8%
Leisure & hospitality	22.6	2.5%
Other services	18.0	4.5%
Government	0.7	0.0%

Diverse Counties Are More Stable...

How Varied is Your County's Economy?

Recent turbulence in global financial markets reminds us of a word to the wise in the world of finance: to maximize expected returns with the lowest risk, diversify your portfolio's holdings across a number of asset classes (e.g., stocks, bonds, real estate). In other words, do not put all of your eggs in one basket.

This same principle applies to regional labor markets: spread out your jobs across a number of industries. Over the long term, more diversified economies offer more stability as they are not tied to the fortunes of a single industry. Research has shown that diverse economies do not always grow faster; however, if there is a broader mix of industries, growth in one sector may offset an employment drop in another. Here, we analyze county economic diversification within New York using a measure called the Hachman Index (HI).

Measuring Diversity: The Hachman Index

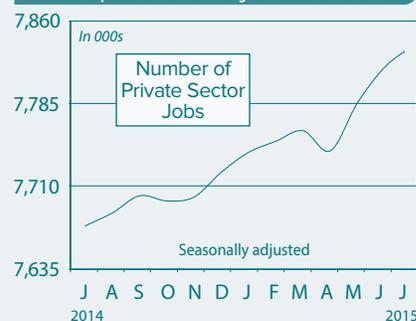
The HI measures how closely the industrial distribution of local jobs mirrors that of the U.S. It uses the national economy as the most diverse standard against which to compare a state or local economy. HI values range from 0 to 1. An HI value of 1 says that the local area exactly mimics the nation (perfectly diversified), while 0 represents an area that is completely different from the U.S. (totally undiversified).

According to an analysis from the State of Utah, New York has the 27th most diverse state economy in the U.S. with an HI of .931 in 2012. This means New York's economy is 93.1% as diverse as the national economy. The five most diversified states (Missouri, North Carolina, Illinois, Utah and Arizona) had an average HI of .976. In contrast, the average HI among the

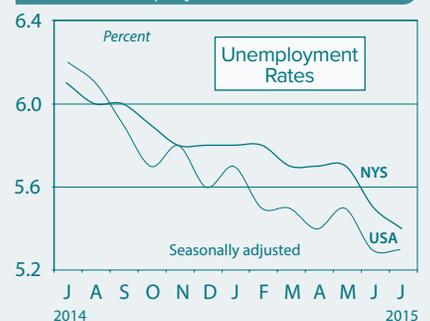
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In July...

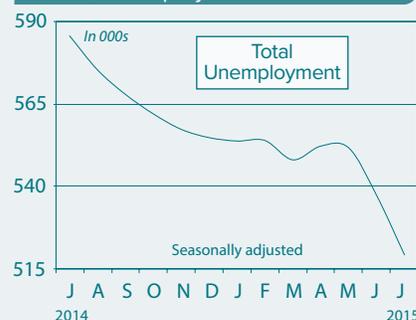
...NYS private sector jobs increased



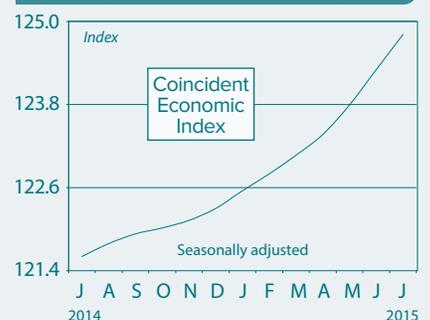
...NYS unemployment rate decreased



...NYS unemployment decreased



...NYS economic index increased



Focus on the Finger Lakes

Tourism is Growing Part of the Regional Economy

by Tammy Marino, Labor Market Analyst, Finger Lakes

In the summer of 1955, a new “bathing area” offering swimming and picnicking opened in Darien (Genesee County), halfway between Rochester and Buffalo. Originally billed as “Western New York’s Water Wonderland,” the destination grew so popular that its owners would eventually add campsites, a theme park, a water park, a hotel and a performing arts center. Who would have guessed 60 years ago that this site would evolve into the Darien Lake Amusement Park? This attraction has a significant economic presence, drawing more than one million visitors during its May-October season and employing 2,000 workers at its peak, making it Genesee County’s largest employer, according to the company and published reports.

Economic Importance

The long-term development of Darien Lake mirrors the growing importance of the travel and tourism sector to the Finger Lakes regional economy. In fact, tourism’s growing importance has been officially recognized by the Finger Lakes Regional Economic Development Council (REDC), which designated it as a priority industry cluster. Sector employment in the region grew by more than 500, or more than 3%, to 17,000 over the five years ending 2014. The travel and tourism sector is comprised of more than 70 industries. What unites industries as different as restaurants, hotels, racetracks, museums, airlines, marinas and travel agencies is that they all sell to a common customer: visitors from outside the region.

The Finger Lakes attracts visitors from all over the world. They might play a round of golf at one of the area’s award-winning courses, go for a tour of historic Sonnenberg Gardens in Ontario County, visit the George Eastman House in Rochester, enjoy a day out at Seabreeze Amusement Park or spend an evening watching a Red Wings minor league baseball game. Not to be overlooked are the region’s 80+ wineries, which have grown into one of the largest and most acclaimed winemaking regions in the Eastern U.S. The region accounts for about 85% of wine production in the Empire State.

No matter where they are from, spending by visitors to the region ripples through the local economy many times over. This in turn helps fuel additional job creation in industries throughout the local economy via tourism’s employment multiplier. Economic Modeling Specialists Intl. (EMSI) estimates that for every 100 new tourism jobs created in the Finger Lakes, an additional 56 jobs are generated within the region.

Exports

Another important dimension of an expanding tourism sector is that it brings “new money” into the region, stemming from sales to domestic or foreign customers who live outside the Finger Lakes region. These “exports” generate additional income and employment that drive wealth creation in the home region. Many exports today are services, which do not have a physical presence and are thus “invisible.” Travel and



tourism is considered of the best examples of invisible exports.

The Finger Lakes region’s travel and tourism sector generated \$986.3 million in regional exports in 2013 (latest year available), according to EMSI. The five tourism industries in the Finger Lakes generating the most regional exports include: limited-service restaurants (\$224.9 million); full-service restaurants (\$175.6 million); gasoline stations with convenience stores (\$57.4 million); fitness and recreational sports centers (\$51.2 million); and museums (\$45.4 million).

Looking Ahead

Going forward, travel and tourism is poised to play an even greater role in the regional Finger Lakes economy. Long-term industry projections underscore this expected growth. The job counts in accommodation and food services (+16.5%) and arts, entertainment and recreation (+10.2%) are expected to outpace the region’s overall rate of job growth (+7.0%) between 2012 and 2022. Through the economic multiplier effect, the travel and tourism sector is creating jobs in many parts of the Finger Lakes economy, while also becoming an increasingly important source of exports for the region.

Economic Diversity... from page 1

five least diversified states (Wyoming, North Dakota, Alaska, Nevada and West Virginia) was .628.

Economic Patterns within NYS

We measured HI values for all 62 counties in New York State using 2014 data. The median HI value across all counties was .705. See the table on page 3 for HI scores of the most and least diversified counties in the state. The top five counties had an average HI score of .927, while the bottom five counties averaged .371. A total of 20 New York counties achieved HI scores greater than 0.80, while only four recorded scores below 0.50.

The most diverse counties in this study (Erie,

Onondaga, Suffolk, Saratoga and Broome) belong to larger metro areas. Further, they all are among the 20 counties with the largest workforces in the state, ranging in size from about 80,000 to 635,000. Counties in New York that show the most employment diversity tend to be in urban areas with large employment bases. This is consistent with a review of many academic studies, which found a greater variety of jobs in larger economies.

There are some important exceptions to this rule. For example, the workforces in Kings, Queens and New York counties in New York City all ranked among the five largest in the state, but had an average HI score of .657, below the median for all counties in the state.

The five least diversified county economies in New York (most dissimilar to the U.S.) include Tompkins, Hamilton, Lewis, Franklin and Orleans. Except for Tompkins, all counties in this group are outside of metro areas and are among the 20 counties with the smallest workforces in the state (less than 18,000 employees).

In each county, it is possible to pinpoint the industries that determine why the local economy is unlike the national one. This is a function of both the industry’s employment concentration in the local economy relative to the U.S. (i.e., location quotient) and its overall share of local jobs. For example, Tompkins

Continued on page 3

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JUL '14	JUL '15		JUL '14	JUL '15		JUL '14	JUL '15
New York State	6.5	5.4	Hudson Valley	5.5	5.0	Finger Lakes	5.9	5.3
Capital	5.2	4.8	Dutchess	5.5	4.9	Genesee	5.0	4.7
Albany	5.2	4.8	Orange	5.7	5.1	Livingston	5.6	5.3
Columbia	4.5	4.1	Putnam	5.2	4.8	Monroe	6.1	5.5
Greene	6.4	5.6	Rockland	5.4	5.1	Ontario	5.0	4.7
Rensselaer	5.5	5.0	Sullivan	6.0	5.3	Orleans	7.4	6.7
Saratoga	4.6	4.3	Ulster	5.9	5.3	Seneca	5.2	5.1
Schenectady	5.6	5.2	Westchester	5.4	5.0	Wayne	5.9	5.1
Warren	5.5	4.8	Mohawk Valley	6.2	5.7	Wyoming	5.7	5.2
Washington	5.4	4.7	Fulton	7.3	6.4	Yates	5.2	4.7
Central New York	6.1	5.6	Herkimer	6.1	5.6	Western New York	6.4	5.8
Cayuga	5.8	5.3	Montgomery	7.4	6.8	Allegany	6.2	5.9
Cortland	6.4	5.9	Oneida	5.9	5.4	Cattaraugus	6.7	6.0
Madison	6.2	5.7	Otsego	5.4	5.3	Chautauqua	6.5	6.2
Onondaga	5.7	5.3	Schoharie	6.4	5.7	Erie	6.2	5.7
Oswego	7.7	7.1	North Country	6.9	6.3	Niagara	6.9	6.2
Southern Tier	6.1	5.8	Clinton	6.6	6.3	Long Island	5.3	4.9
Broome	6.6	6.1	Essex	5.7	5.0	Nassau	5.0	4.7
Chemung	6.2	6.1	Franklin	6.9	6.5	Suffolk	5.5	5.1
Chenango	5.7	5.2	Hamilton	4.2	4.0	New York City	7.6	5.6
Delaware	6.2	5.8	Jefferson	6.8	6.2	Bronx	10.1	7.7
Schuyler	6.3	6.1	Lewis	6.8	6.1	Kings	8.1	5.9
Steuben	6.7	6.4	St. Lawrence	7.8	7.2	New York	6.3	4.7
Tioga	6.0	5.5				Queens	6.6	4.9
Tompkins	5.0	4.7				Richmond	7.8	5.9

Economic Diversity... from page 2

County, home of Cornell University and Ithaca College, is the least diversified in the state. This is because education accounts for about one in three local jobs, which is more than 15 times the corresponding U.S. average (2%).

Hamilton County, in the heart of the Adirondacks, has a vibrant tourism industry. It also has the second least-diversified economy in New York. The county's concentration of jobs in arts, entertainment and recreation (7%) is more than four times the national average of 1.5%, while government's share of local jobs is 47%, about three times the national average (15%).

Like most counties in the North Country region, Lewis County has an above-average share of government jobs. At about 30%, it is twice the U.S. average. Adding to the county's dissimilarity to the U.S. is its relatively large manufacturing sector, which includes the world's largest cream cheese plant and the last factory that makes wooden bowling pins in the U.S. At 17%, the factory sector's share of local jobs is about twice its national counterpart (9%).

Franklin County has a high share of government jobs (42%), which helps it to qualify as the fourth least-diversified economy in the state. The county economy also differs from the nation's due to its 18% share of jobs

Hachman Index Values*, Selected Counties, 2014

Rank	County	Hachman Index
1	Erie	.957
2	Onondaga	.950
3	Suffolk	.941
4	Saratoga	.900
5	Broome	.886
58	Orleans	.503
59	Franklin	.470
60	Lewis	.416
61	Hamilton	.278
62	Tompkins	.190

*Calculated as the inverse of the mean location quotient across all 2-digit NAICS industries.

Source: Quarterly Census of Employment and Wages

in health care and social assistance (almost 1.5 times the U.S. average of 13%).

Orleans County also stands out due to its large share of public sector jobs (31%). Further, the county has a far greater concentration of workers in agriculture, mining and utilities jobs (8%) compared to the U.S. as a whole (less than 2%).

More Diversity = Less Volatility

Counties with the most diversified economies tend to have smaller employment ups and downs than their less-diversified counterparts. More specifically, employment swings in the five least diverse counties in New York were more than three times as severe as changes in the five most diverse counties in the state. These calculations are based on the average standard deviation of 3-year rolling windows, using monthly data.

In summary, counties whose employment base is spread out across a wide selection of industries are more diversified and are less susceptible to boom and bust cycles.

by Katherine Hutson

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Regional Analysts' Corner

CAPITAL

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The Capital Region's private sector job count grew by 8,300, or 1.9 percent, to 439,000 for the year ending July 2015. The largest gains were in educational and health services (+5,200), professional and business services (+3,200) and trade, transportation and utilities (+1,500). Losses were largest in leisure and hospitality (-1,100) and financial activities (-600).

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

For the 12-month period ending July 2015, the private sector job count in the Syracuse metro area rose by 2,800, or 1.1 percent, to 262,400. Job growth was concentrated in educational and health services (+1,400), professional and business services (+1,000) and trade, transportation and utilities (+900). The largest job loss occurred in natural resources, mining and construction (-800).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector jobs in the Rochester metro area increased over the year by 9,700, or 2.2 percent, to 455,400 in July 2015. Gains were concentrated in educational and health services (+5,400), professional and business services (+3,900) and leisure and hospitality (+2,400). Losses were largest in manufacturing (-1,200) and financial activities (-1,100).

HUDSON VALLEY

John Nelson — 914-997-8798

For the 12-month period ending July 2015, private sector jobs in the Hudson Valley increased by 10,500, or 1.4 percent, to 780,300. Job gains were largest in educational and health services (+7,200), leisure and hospitality (+4,300) and other services (+2,000). Losses were centered in financial activities (-1,700) and manufacturing (-1,500).

LONG ISLAND

Shital Patel — 516-934-8533

Private sector jobs on Long Island increased over the year by 19,900, or 1.8 percent, to 1,136,700 in July 2015. Gains were largest in educational and health services (+8,800), natural resources, mining and construction (+4,400), trade, transportation and utilities (+3,500), leisure and hospitality (+2,900) and other services (+2,300). Job losses were centered in financial activities (-2,000) and information (-800).

MOHAWK VALLEY

Mark Barbano — 315-793-2282

For the 12-month period ending July 2015, the private sector job count in the Mohawk Valley increased by 100, or 0.1 percent, to 149,300. Gains were concentrated in educational and health services (+1,300) and leisure and hospitality (+200). Losses were greatest in professional and business services (-900), manufacturing (-300) and other services (-300).

NEW YORK CITY

James Brown — 212-775-3330

Private sector employment in New York City rose by 107,800, or 3.0 percent, to 3,659,400 for the 12-month period ending July 2015. Jobs grew most in educational and health services (+34,400), professional and business services (+20,200), leisure and hospitality (+17,400), trade, transportation and utilities (+12,900) and other services (+10,500). Losses were focused in manufacturing (-2,200).

SOUTHERN TIER

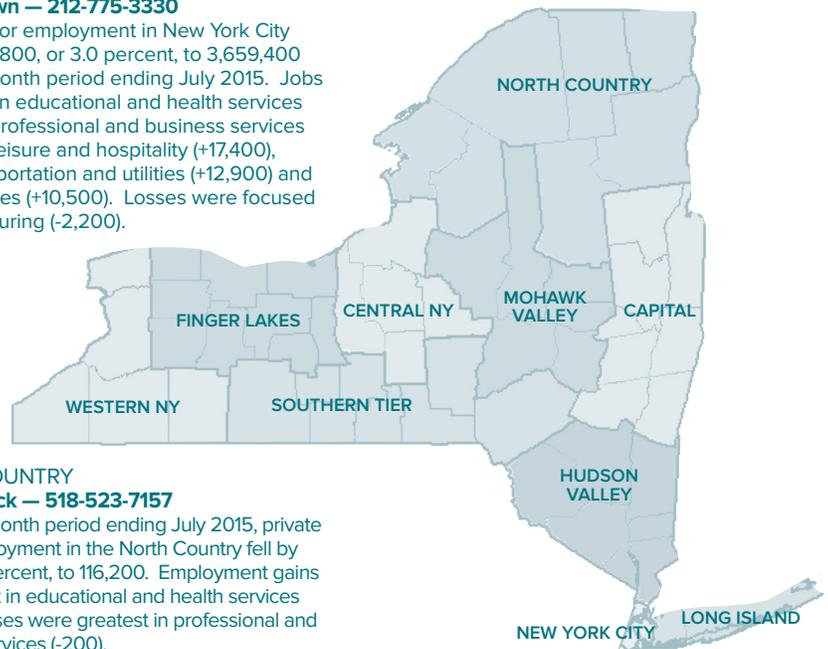
Christian Harris — 607-741-4485

Private sector employment in the Southern Tier rose over the year by 1,900, or 0.8 percent, to 234,300 in July 2015. Job gains were concentrated in educational and health services (+1,800) and trade, transportation and utilities (+900). Losses were centered in manufacturing (-500) and natural resources, mining and construction (-400).

WESTERN NY

John Slenker — 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls metro area grew by 12,800, or 2.7 percent, to 478,700 over the year ending July 2015. Gains were largest in natural resources, mining and construction (+2,900), educational and health services (+2,300), manufacturing (+1,900), leisure and hospitality (+1,700), financial activities (+1,400) and professional and business services (+1,400).



NORTH COUNTRY

Alan Beideck — 518-523-7157

For the 12-month period ending July 2015, private sector employment in the North Country fell by 100, or 0.1 percent, to 116,200. Employment gains were largest in educational and health services (+500). Losses were greatest in professional and business services (-200).