

Employment in New York State



Department of Labor
Research and Statistics

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At a Glance

New York State had 9,668,800 total nonfarm jobs in October 2018, including 8,218,800 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.3% in September-October 2018, while the nation's job count increased by 0.2% over this period. From October 2017 to October 2018, the number of private sector jobs increased by 1.5% in the state and by 2.0% in the nation (not seasonally adjusted).

In October 2018, New York State's seasonally adjusted unemployment rate decreased from 4.1% to 4.0%. The comparable rate for the nation in October 2018 was 3.7%.

New York State's seasonally adjusted labor force participation rate increased from 60.8% to 60.9% in October 2018.

Change in Nonfarm Jobs

October 2017 - October 2018

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	123.2	1.3%
Private Sector	122.5	1.5%
Goods-producing	15.5	1.8%
Nat. res. & mining	0.0	0.0%
Construction	15.3	3.8%
Manufacturing	0.2	0.0%
Durable gds.	-6.0	-2.3%
Nondurable gds.	6.2	3.3%
Service-providing	107.7	1.2%
Trade, trans. & util.	6.9	0.4%
Wholesale trade	2.1	0.6%
Retail trade	-1.9	-0.2%
Trans., wrhs. & util.	6.7	2.2%
Information	-1.3	-0.5%
Financial activities	3.6	0.5%
Prof. & bus. svcs.	15.9	1.2%
Educ. & health svcs.	55.0	2.7%
Leisure & hospitality	13.9	1.5%
Other services	13.0	3.1%
Government	0.7	0.0%

The changing face of business...

Introducing the Subscription Economy

"Consumers are shifting [to] ... new consumption models, which allow them to subscribe to the outcomes they want when they want them."

*Alvina Antar,
CIO, Zuora*

Once upon a time, subscription sales were the bedrock of student fundraisers. For a special price, you could buy a year's worth of *Reader's Digest* or *Life* magazine and help the school softball team at the same time. Now "subscription," or paying in advance for access to goods or services, has a whole new lease on life. It is transforming the way we do business.

Boxes at the Door

Have you ever signed up for promotional offers like a free month of service from streaming provider Netflix? Or perhaps you enjoyed \$50 off your first two boxes from meal kit delivery service Blue Apron? Then you are part of the emerging

"subscription economy," a new trend shaking up the world of business and e-commerce.

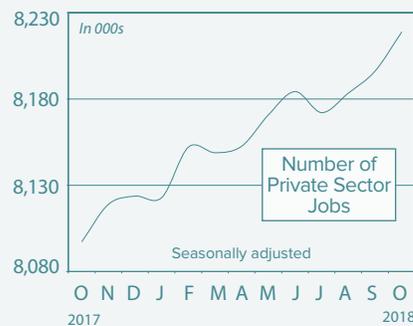
Previously, most commerce consisted of one-stop sales. Businesses offered goods and services to consumers who paid to own them. Now, many firms are shifting toward a new model. They offer consumers access to their products or services for a periodic fee (e.g., monthly, yearly, etc.). This new model allows companies to focus on serving the customer rather than selling their product.

Subscriptions have changed the way that Americans consume everything from software to fitness to movies. A wide range of companies now use the subscription model. A recent article in *Barron's* cites the case of Adobe. The company stopped selling boxed versions of its popular

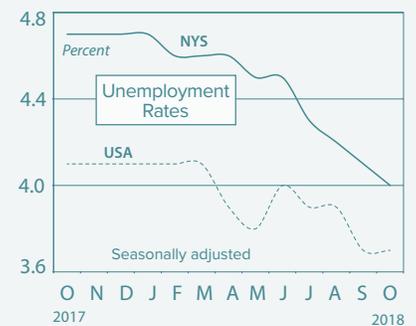
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In October...

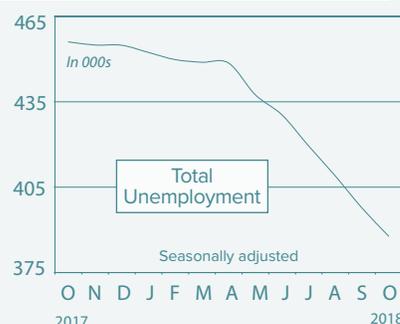
...NYS private sector jobs increased



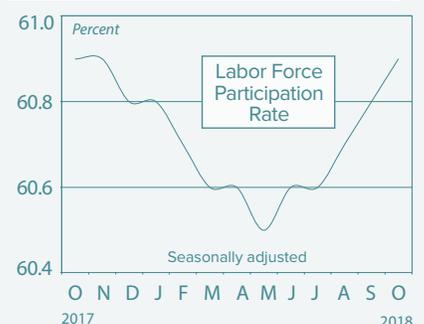
...NYS unemployment rate decreased



...NYS unemployment decreased



...NYS LF participation rate increased



Focus on the Mohawk Valley

Region on an Economic Upswing

by Brion Acton, Labor Market Analyst, Mohawk Valley

The Mohawk Valley region, which includes Fulton, Herkimer, Montgomery, Oneida, Otsego and Schoharie counties, has been on an economic upswing over the last five years. Between 2012 and 2017, private sector employment in the region grew by 3,610, or 2.5%, according to data from the Quarterly Census of Employment and Wages (QCEW). In addition, total private sector wages expanded by 14.6%, or almost \$740 million, per the QCEW.

This job growth helped to lower the Mohawk Valley's unemployment rate from 8.8% to 5.4% over the same period. Similarly, the number of unemployed residents in the region declined by more than 43%, from 20,800 in 2012 to 11,800 in 2017. Here, we look at the four industry sectors that added the most private sector jobs in the region between 2012 and 2017.

Top Job Gainers, 2012-17

In 2012-17, health care and social assistance added the most jobs in the region, growing by 2,990. Most job growth in this sector was focused in social assistance (+2,480), especially vocational rehabilitation services (+1,820) and individual and family services (+570). Most job growth in the health care sector was centered in ambulatory health care services (+530), especially outpatient care centers and home health services. Employment growth in these health care industries largely reflects the growing elderly population in the region.

The 1,440 jobs added in the region's accommodation and food services sector was led by job gains posted by the

accommodations industry (+830). Job growth in this industry was fueled by recent hotel and motel expansions, along with the development of former industrial sites in the Harbor Point area in Utica. An increase in travel and tourism activity in the Mohawk Valley has also had a positive impact. The latest available figures from the I Love New York program show that the region received more than 14.6 million tourists in 2017, who spent almost \$2 billion.

The region's food services and drinking places industry (+600) also expanded in 2012-17. Utica is undergoing a "food renaissance" as new ethnic groups settle in the city and begin to offer their cuisine. One focal point is Bagg's Square, a historic section of the city, which is considered Utica's first neighborhood. In recent years, the area has transformed itself into an entertainment and cultural corridor. It has also seen an influx of private investment, including the addition of many new food service establishments. These developments all underscore the growing importance of the travel and tourism sector to the region's economy.

The transportation and warehousing sector saw its job count grow by 710 between 2012 and 2017. Employment gains were centered in warehousing and storage (+400). Gains in truck transportation (+250), transit and ground passenger transport (+160) and couriers and messengers (+150) also contributed to the growth.

Contributing to this sector's importance is the Mohawk Valley's key location in the Upstate highway system. The sector will



continue to grow, as the newly constructed distribution centers for Tractor Supply (Herkimer County) and Family Dollar (Montgomery County) are expected to add a combined total of 700 jobs.

Manufacturing is making a comeback. The number of factory jobs in the Mohawk Valley grew by a total of 560 in 2012-17. Four manufacturing industries in the region added at least 200 jobs over this period, including: food products (+410), primary metals (+350), electrical equipment and appliances (+260) and paper products (+200).

Manufacturing's average wage is about 25% higher than the Mohawk Valley's overall private sector wage. Moreover, factory jobs have a relatively high employment multiplier; each 100 job increase in the local manufacturing employment count leads to the creation of about 85 additional spinoff jobs, which are found in a variety of industries.

Summary

The Mohawk Valley's regional economy has made progress over the past five years. Today, there is a renewed sense of optimism. The Mohawk Valley continues to attract companies looking to establish distribution networks and tourists looking to enjoy the area's unique offerings.

Subscription Economy... from page 1

design software, which cost up to \$2,500, in 2013. Now, users pay a monthly fee of \$10-50 to gain access to the software. Customers of Peloton, the high-end fitness company that makes \$2,000 stationary bikes, pay \$39 per month to stream unlimited fitness classes. Even tractor maker John Deere offers subscription services that provide data and analytics to farmers about their equipment.

Types of Subscription Models

There are three broad types of e-commerce subscription models: replenishment; curation; and access. Replenishment models help

consumers save time and money. They cut out the middleman by restocking oft-needed items, like diapers, razors and vitamins. Leading companies in this category include Amazon Subscribe & Save and Dollar Shave Club. You don't have to stop at the store for things you use every day. They just appear on your doorstep on schedule.

Curation models offer lures. They help introduce consumers to new items that would be difficult for shoppers to find on their own. Typically, subscribers get a selection of different products based on their preferences. This category mainly includes apparel,

food and beauty products. Here, customer preferences are highly important, such as style, fit and budget. Birchbox, Blue Apron and Stitch Fix are among the larger firms in this group.

Access models give consumers exclusive rights to use a product or service. For example, streaming services often will offer limited services for free ("freemium") and exclusive services for a fee ("premium"). A case in point is music provider Spotify. Users can create a free account that has commercials and limited services, or they can pay a monthly fee for unlimited access to ad-free music.

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	OCT '17	OCT '18		OCT '17	OCT '18		OCT '17	OCT '18
New York State	4.4	3.6	Hudson Valley	4.4	3.3	Finger Lakes	4.6	3.4
Capital	4.1	3.1	Dutchess	4.2	3.1	Genesee	4.5	3.3
Albany	4.1	3.1	Orange	4.5	3.3	Livingston	4.5	3.3
Columbia	3.5	2.7	Putnam	4.1	3.1	Monroe	4.8	3.6
Greene	4.7	3.5	Rockland	4.4	3.2	Ontario	4.1	3.1
Rensselaer	4.1	3.2	Sullivan	4.7	3.4	Orleans	5.2	3.5
Saratoga	3.7	2.9	Ulster	4.3	3.2	Seneca	4.0	3.0
Schenectady	4.4	3.4	Westchester	4.5	3.3	Wayne	4.4	3.2
Warren	4.4	3.3	Mohawk Valley	4.8	3.7	Wyoming	4.5	3.2
Washington	4.1	3.2	Fulton	5.3	4.0	Yates	3.8	3.0
Central New York	4.7	3.5	Herkimer	5.0	3.6	Western New York	5.0	3.7
Cayuga	4.4	3.5	Montgomery	5.1	4.0	Allegany	5.7	4.2
Cortland	4.8	3.6	Oneida	4.7	3.6	Cattaraugus	5.4	4.0
Madison	4.8	3.5	Otsego	4.3	3.3	Chautauqua	5.4	4.1
Onondaga	4.5	3.3	Schoharie	4.5	3.4	Erie	4.8	3.5
Oswego	5.8	4.0	North Country	5.3	3.9	Niagara	5.3	3.8
Southern Tier	4.9	3.6	Clinton	4.6	3.4	Long Island	4.2	3.1
Broome	5.0	3.9	Essex	4.5	3.5	Nassau	4.1	3.1
Chemung	5.2	3.9	Franklin	5.3	3.8	Suffolk	4.3	3.1
Chenango	4.8	3.4	Hamilton	5.0	3.8	New York City	4.4	3.9
Delaware	4.9	3.7	Jefferson	5.6	4.1	Bronx	5.9	5.3
Schuyler	4.8	3.5	Lewis	5.3	3.7	Kings	4.5	4.0
Steuben	5.3	3.8	St. Lawrence	5.7	4.2	New York	3.9	3.5
Tioga	4.5	3.4				Queens	3.8	3.4
Tompkins	4.1	3.0				Richmond	4.4	3.9

Subscription Economy... from page 2

Benefits of the Subscription Model

The subscription model benefits businesses. If customers subscribe on a regular basis, the company gets steady cash flow from recurring revenue streams. Also, this model helps companies manage inventory more efficiently. They know how much product they need to meet subscription demand, and they know what their customers want from the level of new sign-ups or cancellations.

For customers, the subscription economy is all about convenience. They save time. And customers who buy this way also find they save money. For example, Amazon Subscribe & Save offers goods at a lower rate when customers sign up for repeat deliveries.

Cashing in on the Subscription Economy

The top three subscription services today, based on number of total subscribers, are Amazon Subscribe & Save, Dollar Shave Club and Ipsy.

Online retail giant Amazon's Subscribe & Save program is a leader in the field for two simple reasons: it makes life easier by automating the shipment of regularly needed items, and it offers substantial savings. All customers, even non-Prime members, get a 5% discount and free shipping when they sign up for recurring purchases. Subscribers who order five or more products to a single address in a

month can save up to 15%. In 2017, subscription services, including the Subscribe & Save program, generated \$9.7 billion in net sales for Amazon.

Dollar Shave Club is another subscribe for replenishment program. It currently ranks #2 (by number of subscribers). The company, which launched in 2011, ships razors and other grooming supplies to customers monthly. In 2016, it reached 3.2 million subscribers and was acquired by consumer goods giant Unilever for \$1 billion. Its growth has slowed in recent years, due primarily to increased competition from other subscription services. But, it is still adding customers at a rate of 10% per year and currently has 3.9 million subscribers.

Ipsy is the #3 company. Founded in 2011, it employs a curation model. They offer customers five cosmetic samples inside a makeup bag for \$10 per month. Like Dollar Shave Club, Ipsy faces increased competition from subscription services such as Sephora Play! and Birchbox. Despite this, Ipsy is still the market leader with more than three million subscribers and annual revenues of more than \$360 million.

Looking Ahead

The recurring revenue business model is not a new concept. Tien Tzuo, the current CEO of subscription billing platform Zuora, was the first person to coin (and trademark) the term

"The Subscription Economy." He believes we're now at a pivotal moment in business.

Indeed, the subscription economy is booming, spurred by advances in online technology platforms. The subscription model gives companies stable and predictable revenue, relatively low fixed costs that help create economies of scale, and data-driven insights based on consumer choice. Plus, subscriptions can ease a company's exposure to the business cycle and market disruptions. Given these many benefits, expect to see more businesses across various industry sectors jump on the subscription bandwagon in the coming years.

by Kylee Teague and Kevin Phelps

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Regional Analysts' Corner

CAPITAL

Kevin Alexander — 518-242-8245

For the 12-month period ending October 2018, the private sector job count in the Capital Region rose by 5,100, or 1.1 percent, to 451,300. The greatest gains were in educational and health services (+2,800), natural resources, mining and construction (+1,400), leisure and hospitality (+900), financial activities (+300) and other services (+300). Losses were largest in professional and business services (-300).

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

Private sector jobs in the Syracuse metro area rose over the year by 3,500, or 1.3 percent, to 266,800 in October 2018. Growth was centered in trade, transportation and utilities (+2,000), professional and business services (+1,200) and natural resources, mining and construction (+500). Job losses were focused in leisure and hospitality (-900).

FINGER LAKES

Tammy Marino — 585-258-8870

For the year ending October 2018, the private sector job count in the Rochester metro area rose by 4,100, or 0.9 percent, to 465,600. Job gains were largest in natural resources, mining and construction (+1,600), financial activities (+1,300), educational and health services (+1,100) and leisure and hospitality (+700). Declines were centered in professional and business services (-1,100).

HUDSON VALLEY

John Nelson — 914-997-8798

Over the past year, private sector jobs in the Hudson Valley increased by 12,800, or 1.6 percent, to 818,100 in October 2018. Gains were largest in educational and health services (+7,900), professional and business services (+3,600), other services (+1,800) and natural resources, mining and construction (+1,400). Employment losses were greatest in trade, transportation and utilities (-1,000) and manufacturing (-600).

LONG ISLAND

Shital Patel — 516-934-8533

The number of private sector jobs on Long Island increased over the year by 12,400, or 1.1 percent, to 1,167,700 in October 2018. The largest gains occurred in natural resources, mining and construction (+7,300), educational and health services (+4,700) and leisure and hospitality (+2,600). Losses were greatest in financial activities (-1,500), manufacturing (-1,500) and trade, transportation and utilities (-1,500).

MOHAWK VALLEY

Brian Acton — 315-793-2282

Over the past year, the private sector job count in the Mohawk Valley increased by 1,000, or 0.7 percent, to 149,500 in October 2018. Job gains were concentrated in educational and health services (+600), leisure and hospitality (+400) and manufacturing (+400). Several industry groups experienced small job losses (-100) over the past year.

NEW YORK CITY

James Brown — 718-613-3971

Private sector jobs in New York City rose over the year by 68,600, or 1.7 percent, to 3,996,300 in October 2018. Employment gains were largest in educational and health services (+38,900), professional and business services (+11,000), leisure and hospitality (+10,600), other services (+5,000) and natural resources, mining and construction (+4,200). Losses were greatest in financial activities (-1,100) and information (-700).

SOUTHERN TIER

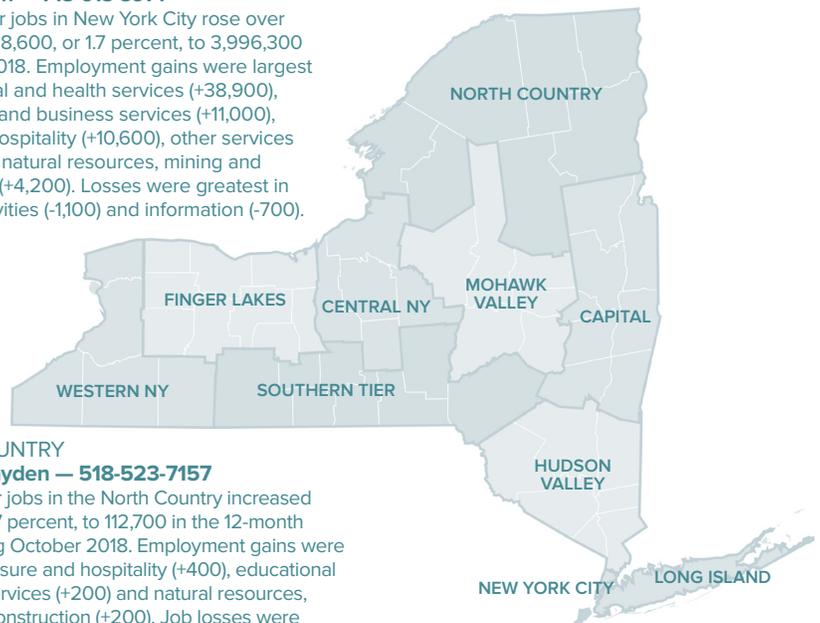
Christian Harris — 607-741-4480

Over the past year, the private sector job count in the Southern Tier rose by 1,800, or 0.8 percent, to 231,100 in October 2018. The greatest employment gains were in trade, transportation and utilities (+600), educational and health services (+500), leisure and hospitality (+500) and natural resources, mining and construction (+200). Job losses were focused in professional and business services (-200).

WESTERN NY

Timothy Glass — 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls metro area rose over the year by 6,300, or 1.3 percent, to 488,000 in October 2018. Employment gains were largest in educational and health services (+4,300), natural resources, mining and construction (+1,800), trade, transportation and utilities (+1,600) and other services (+900). Job losses were greatest in leisure and hospitality (-2,300) and professional and business services (-900).



NORTH COUNTRY

Anthony Hayden — 518-523-7157

Private sector jobs in the North Country increased by 800, or 0.7 percent, to 112,700 in the 12-month period ending October 2018. Employment gains were greatest in leisure and hospitality (+400), educational and health services (+200) and natural resources, mining and construction (+200). Job losses were centered in trade, transportation and utilities (-200).