

Employment in New York State

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Department
of Labor

RESEARCH AND STATISTICS

At a Glance

New York State had 9,790,900 total nonfarm jobs in April 2019, including 8,300,500 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.3% in March-April 2019, while the nation's job count increased by 0.2% over this period. From April 2018 to April 2019, the number of private sector jobs increased by 1.5% in the state and by 2.0% in the nation (not seasonally adjusted).

In April 2019, New York State's seasonally adjusted unemployment was unchanged at 3.9%. The comparable rate for the nation in April 2019 was 3.6%.

New York State's seasonally adjusted labor force participation rate decreased from 61.3% to 61.2% in April 2019.

Change in Nonfarm Jobs

April 2018 - April 2019

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	130.7	1.4%
Private Sector	123.5	1.5%
Goods-producing	13.9	1.7%
Nat. res. & mining	0.1	1.9%
Construction	13.2	3.4%
Manufacturing	0.6	0.1%
Durable gds.	-0.2	-0.1%
Nondurable gds.	0.8	0.4%
Service-providing	116.8	1.3%
Trade, trans. & util.	11.6	0.8%
Wholesale trade	-4.1	-1.2%
Retail trade	12.8	1.4%
Trans., wrhs. & util.	2.9	1.0%
Information	6.2	2.3%
Financial activities	0.5	0.1%
Prof. & bus. svcs.	21.4	1.6%
Educ. & health svcs.	60.6	2.9%
Leisure & hospitality	7.5	0.8%
Other services	1.8	0.4%
Government	7.2	0.5%

Food delivery is replacing cooking, not dining out...

On-Demand Food Delivery: Where Technology Meets Changing Customer Needs

"Consumers increasingly prioritize convenience alongside high quality, and online food delivery has become an essential part of balancing this equation."

Dr. Aaron Adalja, Cornell University

"In the age of apps, one can order food for delivery with just a few taps of a phone screen."

Tech blogger Gia Liu

Americans are spending less and less time preparing meals in their kitchens and more time ordering their food online. Less than 60% of meals consumed at home in the U.S. today are prepared at home, down from 75% in the mid-1980s. In contrast, Americans are increasingly using mobile device apps to order dinner from their favorite eateries. Here, we analyze the various demographic, technological and economic factors that help to explain the hottest trend in

today's restaurant industry: on-demand food delivery. Analysts at investment bank UBS call it "part of a megatrend."

The Demand for On-Demand

Changing demographics is one key factor that helps to explain the growing demand for everything "on-demand." It reflects in large part the growing economic power of the Millennial (born 1981-1996) and Gen Z (born 1997 onward) generations. These two groups -- who have been called "time-starved and asset-light" -- now comprise over half of the U.S. population. They place a premium on convenience and are three times more likely to order food online than their parents.

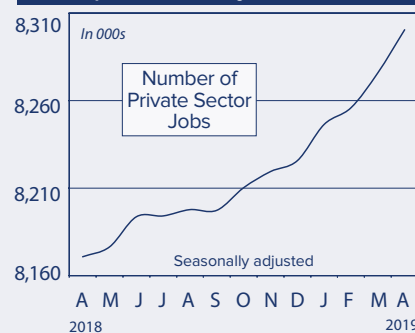
How On-Demand Food Apps Work

With the introduction of smartphone and other mobile device apps, tech companies like DoorDash, GrubHub

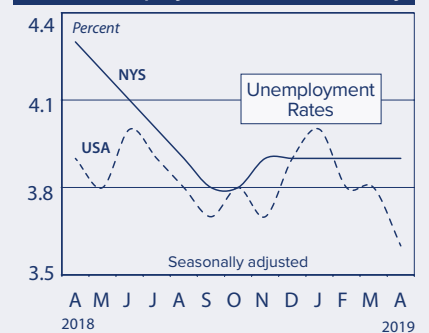
Continued on page 2

In April...

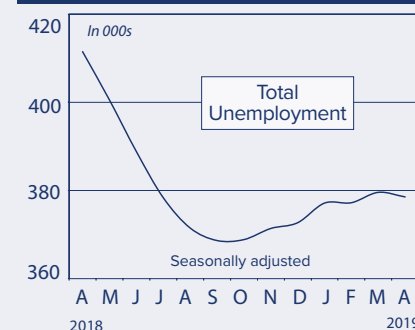
...NYS private sector jobs increased



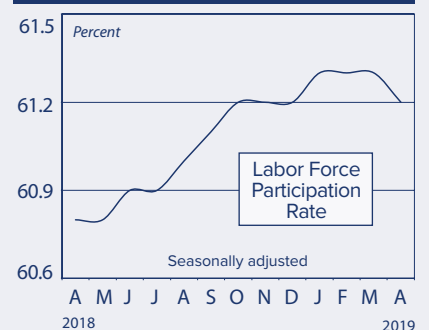
...NYS unemployment rate held steady



...NYS unemployment decreased



...NYS LF participation rate decreased



Focus on The Hudson Valley

Region Enjoys Record-Level Employment and Low Jobless Rate

by Johnny Nelson, Labor Market Analyst, Hudson Valley Region

The Hudson Valley's labor market continues to set records. For the year ending April 2019, the region's private sector job count grew by 1.1%, or 9,000, to 811,400. This was the region's highest April employment count on record, based on Current Employment Statistics data. In fact, April 2019 represented the region's 106th consecutive month of over-the-year private sector job growth!

In addition, the region's jobless rate continues to trend lower. The Hudson Valley's unemployment rate fell from 3.8% in April 2018 to 3.2% in April 2019, its lowest April level since 2001. Here, we look at recent developments in the two industry sectors that added the most jobs in the region over the past year: educational and health services, and leisure and hospitality.

Growing Sectors

Educational and health services accounts for more than one in four private sector jobs in the region. This sector has been a steady source of recent growth, adding 5,400 jobs over the past year alone. More than 80% of the region's approximately 200,000 jobs in this sector are found in the health care and social assistance sub-sector.

Demographic factors, rather than economic fluctuations, have fueled much of this growth. One factor is the region's expanding population, which grew by more than 30,000 in 2010-2018. Another is the region's growing number of aging Baby Boomers (people born between 1946 and 1964), a group that now stands at more than half a million people. As members of this generation continue to age, their medical needs will grow.

Several specialty health care facilities are opening throughout the region. Developers are converting more former office buildings and empty retail stores into health care centers. For example, Health Quest is converting the former Macy's store in the Hudson Valley Mall in Ulster County into a multi-discipline medical site. The new medical facility, which will be 86,000 square feet in size, is expected to create about 150 jobs, including 40 medical providers and up to three times as many support staff. In addition, Montefiore Medical Center plans to open a pediatric ambulatory care center in a former office building in the Town of Harrison (Westchester County) that will lead to 250 jobs. And White Plains Hospital is undergoing a \$275 million outpatient care center expansion that will add nearly 450 health care jobs.

Leisure and hospitality (+2,800) added the second highest number of jobs in April 2018-April 2019. This sector has benefited from a growing number of tourists visiting the region. The latest available figures from Tourism Economics, a consulting firm, show that direct visitor spending in the Hudson Valley was more than \$4.34 billion in 2017. Moreover, the region hosted 23.9 million visitors in 2017 and their spending generated more than \$535 million in state and local taxes.

With many outdoor recreational and historical sites, the Hudson Valley is a premier tourist destination. The U.S. Military Academy at West Point and Woodbury Common Premium Outlets in Harriman (both in Orange County) are two of the most popular attractions.



The retail outlet, which has 250 luxury brand stores and attracts more than 13 million visitors annually, is slated to undergo a significant expansion that will add about 165,000 square feet of retail space, 37,000 square feet for restaurants, a spa, a helipad and two 120-room hotels. This expansion is expected to add about 1,000 jobs to the shopping outlet's current employment count of 5,000.

Growth in the leisure and hospitality sector is expected to continue, as there are several hotel and resort proposals in various stages of development. The Kartrite Resort and Indoor Water Park in Monticello (Sullivan County) opened in April 2019 and is next door to the Resorts World Catskills casino, which opened in February 2018. The new resort has hired 400 people and plans to hire an additional 50 by the end of the summer. In addition, Legoland plans to hire 1,300 when it opens its \$350 million theme park and hotel in the Town of Goshen (Orange County) in early 2020.

Summing Up

The Hudson Valley is now in its ninth year of job growth. Moreover, the region's private sector job count has climbed to record highs, and the unemployment rate continues to go lower. These positive trends are expected to keep the region's labor market growing in the near term.

On-Demand Food Delivery... from page 1

and UberEats have sprung up in recent years. These third-party delivery services use logistics to manage a market that has grown at an annual rate of 23% since 2013. DoorDash (27.6%), GrubHub (26.7%) and UberEats (25.2%) together accounted for about 80% of the U.S. on-demand delivery market as of February 2019.

Third-party delivery services provide the user interface for ordering food and perform the actual delivery to customers. They charge a flat-rate fee or percentage-based fee to both customers and restaurants. Costs are a key consideration as 85% of consumers indicate they are not willing to pay more than \$5 per order for delivery.

Restaurants Continue to Adjust

On the supply side, many U.S. restaurants operate on thin margins and find it hard to cover the extra costs charged by delivery platforms. Commission fees -- which can run as much as 30% for smaller restaurants -- can eat into already shrinking profits, or even cause them to lose money, especially on small orders. However, it can be difficult for most eateries to opt out of on-demand platforms as they help to increase restaurant exposure, which can translate into new customers and increased sales.

On the positive side, Dr. Aaron Adalja of Cornell University's School of Hotel Administration notes that restaurants that

work with online food delivery platforms can grow their revenues and expand the number of meals they prepare without expanding the footprint of their dining rooms. This represents an attractive option for dining establishments in many urban areas where rents have skyrocketed in recent years.

Restaurant chains and on-demand firms are increasingly working together. For example, Yum Brands, which owns brands like Taco Bell, KFC and Pizza Hut, invested \$200 million in GrubHub in 2018. The company has added GrubHub to its KFC and Taco Bell websites and mobile applications. Similarly, Chili's signed an agreement earlier this month that gives DoorDash

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	APR '18	APR '19		APR '18	APR '19		APR '18	APR '19
New York State	4.0	3.6	Hudson Valley	3.8	3.2	Finger Lakes	4.3	3.6
Capital	3.9	3.3	Dutchess	3.7	3.1	Genesee	4.3	3.6
Albany	3.7	3.2	Orange	4.0	3.3	Livingston	4.6	3.9
Columbia	3.5	2.9	Putnam	3.6	3.2	Monroe	4.3	3.6
Greene	4.9	4.1	Rockland	3.7	3.1	Ontario	4.1	3.5
Rensselaer	3.9	3.3	Sullivan	4.2	3.4	Orleans	5.2	4.0
Saratoga	3.6	3.0	Ulster	3.8	3.2	Seneca	3.9	3.3
Schenectady	4.0	3.4	Westchester	3.8	3.2	Wayne	4.4	3.6
Warren	5.2	4.6	Mohawk Valley	4.8	4.1	Wyoming	5.0	4.0
Washington	4.3	3.8	Fulton	5.2	4.5	Yates	4.0	3.4
Central New York	4.5	3.8	Herkimer	5.2	4.4	Western New York	4.8	3.9
Cayuga	4.7	3.9	Montgomery	5.2	4.6	Allegany	5.9	5.1
Cortland	5.4	4.4	Oneida	4.6	3.8	Cattaraugus	5.8	4.6
Madison	5.1	3.9	Otsego	4.6	3.7	Chautauqua	5.3	4.3
Onondaga	4.0	3.4	Schoharie	5.1	4.1	Erie	4.5	3.7
Oswego	5.6	4.8	North Country	5.8	5.0	Niagara	5.5	4.4
Southern Tier	4.7	3.9	Clinton	4.6	4.1	Long Island	3.6	3.0
Broome	5.0	4.1	Essex	5.8	5.2	Nassau	3.5	2.9
Chemung	4.7	3.8	Franklin	5.9	4.9	Suffolk	3.8	3.1
Chenango	5.1	4.0	Hamilton	10.8	7.8	New York City	3.9	3.7
Delaware	5.3	4.3	Jefferson	6.1	5.3	Bronx	5.3	5.0
Schuyler	5.6	4.4	Lewis	6.5	5.8	Kings	4.0	3.8
Steuben	5.2	4.2	St. Lawrence	5.8	5.2	New York	3.5	3.3
Tioga	4.4	3.7				Queens	3.4	3.2
Tompkins	3.6	3.0				Richmond	3.9	3.6

On-Demand Food Delivery... from page 2

exclusive delivery rights for the chain's 1,000 participating restaurants in the U.S. UberEats works with several big national food chains, including Starbucks and McDonald's.

Rising Use of Technology

UBS restaurant analysts expect technology will play a major role in bringing down meal production costs by up to 50%. They foresee robot chefs (e.g., "Flippy," the \$60,000 burger-flipping robot) working in "ghost" or "virtual" kitchens. These facilities have no storefront and prepare orders for delivery only. They are typically shared by multiple restaurants, which helps bring down the unit cost of meals. This, in turn, increases output and helps create economies of scale.

According to UBS, the use of drones will also help lower the cost of meals ordered online in the future. An October 2018 article in the *Wall Street Journal* notes UberEats "envisions taking to the skies with a fleet of food-delivery drones in as little as three years." The article also acknowledges several technical difficulties that will need to be overcome before any drone food delivery occurs. (For example, delivery drones must accurately land in a customer's yard, and they can't take off in bad weather.) UBS expects this sharp drop in cost will help consumer demand to grow by more than 20% per year through 2030.

Losing Money to Win the Market

DoorDash, GrubHub and other comparable platforms are all competing for the same slice of the market. Because of this, each company offers promotions that significantly lower the delivery costs to customers to incentivize people to choose one mobile platform over another. They are looking to build customer loyalty by offering steep discounts or free delivery. However, research shows that customers aren't very loyal to any one company in the market. More than half of respondents in a recent survey used multiple delivery apps, choosing whichever one offered the best promotion on a given day.

Offering steep discounts is a risky strategy and is only sustainable in the short term. If users of these apps are only interested during promotional periods, companies offering these services will have to decide whether to continue offering new promotions to retain current customers or gain new customers, or to cut delivery fees altogether and find new ways to generate revenue.

Wrapping Up

UBS's 2018 report about trends in on-demand food delivery is provocatively titled "Is the Kitchen Dead?" According to it, "by 2030 most meals currently cooked at home [may be] instead ordered online." This scenario is

possible, according to UBS, because ghost kitchens, robot chefs and food delivery drones together will dramatically lower food preparation and delivery costs to the point where delivery of restaurant-quality food becomes so cheap that "home cooking could evaporate."

In all likelihood, consumers will continue to prepare some meals at home. However, those people looking for on-demand food delivery will be the real winners in this growing market. As mobile food delivery platforms compete against one another to win customers and gain market share by offering incentives, and restaurants continue to search for new revenue streams, more and more food options are available to be delivered to your door in an instant.

by *Kylee Teague*

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Regional Analysts' Corner

CAPITAL

Kevin Alexander — 518-242-8245

The Capital Region's private sector job count grew by 5,000, or 1.1 percent, to 442,300 in the year ending April 2019. Growth was centered in leisure and hospitality (+2,600), educational and health services (+1,300), natural resources, mining and construction (+1,000) and professional and business services (+500). Losses were greatest in manufacturing (-400).

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

Private sector jobs in the Syracuse metro area rose over the year by 6,700, or 2.6 percent, to 266,200 in April 2019. Growth was centered in professional and business services (+2,400), educational and health services (+1,600), leisure and hospitality (+900), trade, transportation and utilities (+900) and natural resources, mining and construction (+800). Job losses occurred in financial activities (-300).

FINGER LAKES

Tammy Marino — 585-258-8870

Over the past year, private sector jobs in the Rochester metro area rose by 1,400, or 0.3 percent, to 459,000 in April 2019. Growth was centered in natural resources, mining and construction (+2,000), educational and health services (+1,200) and leisure and hospitality (+200). Losses were greatest in financial activities (-1,200) and manufacturing (-500).

HUDSON VALLEY

John Nelson — 914-997-8798

For the year ending April 2019, private sector jobs in the Hudson Valley increased by 9,000, or 1.1 percent, to 811,400. Gains were largest in educational and health services (+5,400), leisure and hospitality (+2,800), professional and business services (+1,700) and natural resources, mining and construction (+1,300). Losses were centered in trade, transportation and utilities (-2,500).

LONG ISLAND

Shital Patel — 516-934-8533

Private sector jobs on Long Island increased over the year by 6,600, or 0.6 percent, to 1,150,700 in April 2019. Job gains were largest in educational and health services (+10,600), natural resources, mining and construction (+5,500) and manufacturing (+1,600). Losses were greatest in professional and business services (-6,800), other services (-2,500) and information (-1,000).

MOHAWK VALLEY

Brian Acton — 315-793-2282

Over the past year, the number of private sector jobs in the Mohawk Valley rose by 300, or 0.2 percent, to 146,600 in April 2019. Growth was centered in leisure and hospitality (+500), natural resources, mining and construction (+200) and other services (+200). Losses were greatest in educational and health services (-400) and professional and business services (-200).

NEW YORK CITY

Elena Volovelsky — 718-613-3971

Private sector jobs in New York City rose over the year by 97,900, or 2.5 percent, to 4,043,600 in April 2019. Gains were greatest in educational and health services (+48,000), professional and business services (+18,500), information (+11,200), trade, transportation and utilities (+7,500), natural resources, mining and construction (+4,700) and other services (+4,400). Losses were focused in manufacturing (-2,300).

NORTH COUNTRY

Anthony Hayden — 518-523-7157

For the 12-month period ending April 2019, the private sector job count in the North Country remained unchanged at 107,600. Growth was centered in other services (+200). Losses were greatest in trade, transportation and utilities (-400) and natural resources, mining and construction (-200).

SOUTHERN TIER

Christian Harris — 607-741-4480

Over the past year, the private sector job count in the Southern Tier rose by 1,600, or 0.7 percent, to 227,800 in April 2019. Growth was centered in educational and health services (+800), leisure and hospitality (+400), manufacturing (+300) and other services (+300). Losses were greatest in trade, transportation and utilities (-600).

WESTERN NY

Timothy Glass — 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls metro area rose over the year by 5,100, or 1.1 percent, to 474,500 in April 2019. Growth was centered in leisure and hospitality (+1,300), professional and business services (+1,000), trade, transportation and utilities (+1,000), educational and health services (+800) and other services (+800). Losses were greatest in manufacturing (-500).

