

Employment in New York State



Department of Labor
Research and Statistics

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At a Glance

New York State had 9,640,500 total nonfarm jobs in September 2018, including 8,189,800 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.1% in September 2018, while the nation's job count also increased by 0.1% over this period. From September 2017 to September 2018, the number of private sector jobs increased by 1.4% in the state and by 2.0% in the nation (not seasonally adjusted).

In September 2018, New York State's seasonally adjusted unemployment rate decreased from 4.2% to 4.1%. The comparable rate for the nation in September 2018 was 3.7%.

New York State's seasonally adjusted labor force participation rate increased from 60.7% to 60.8% in September 2018.

Change in Nonfarm Jobs

September 2017 - September 2018
(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	109.6	1.1%
Private Sector	109.5	1.4%
Goods-producing	15.2	1.8%
Nat. res. & mining	0.0	0.0%
Construction	14.7	3.7%
Manufacturing	0.5	0.1%
Durable gds.	-5.7	-2.2%
Nondurable gds.	6.2	3.3%
Service-providing	94.4	1.1%
Trade, trans. & util.	3.2	0.2%
Wholesale trade	2.3	0.7%
Retail trade	-4.2	-0.5%
Trans., wrhs. & util.	5.1	1.7%
Information	1.2	0.4%
Financial activities	5.9	0.8%
Prof. & bus. svcs.	9.6	0.7%
Educ. & health svcs.	45.1	2.3%
Leisure & hospitality	19.7	2.1%
Other services	9.6	2.3%
Government	0.1	0.0%

Most unicorn companies are tech-related...

Unicorn Companies Make Their Mark in New York State

Did you know that New York State is home to the second largest population of unicorns in the United States (after California)? No, not the mythical, one-horned animals. These unicorns are privately owned startup companies (usually technology-based) that have reached a market valuation of at least \$1 billion.

The term "unicorn" was first coined by venture capitalist Aileen Lee in 2013. She estimated then that less than 0.1% of software startups founded in the early 2000s ever reached \$1 billion in value, thus making them as rare as the mythical animal. Here, we take a look at some of the most valuable unicorn companies in New York State.

Unicorns in the U.S.

The U.S. is home to more than 150 unicorn companies as of October 2018, per PitchBook. The three most valuable U.S. unicorns and their most recent market valuations are: ride-hailing firm Uber Technologies (\$69.5 billion); online hospitality service provider Airbnb (\$31.0 billion); and space transportation services company SpaceX (\$25.0 billion).

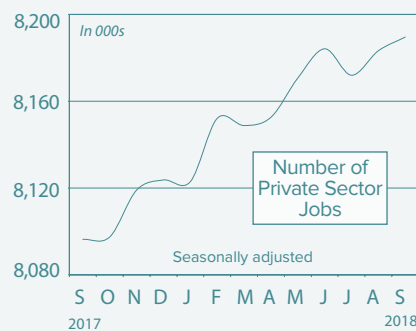
Some unicorns, like Uber, have seen rapid increases in their valuations. Wall Street expects the ride-hailing company to go public in 2019 with a value of as much as \$120 billion, which would make it worth more than Detroit's Big Three automakers combined.



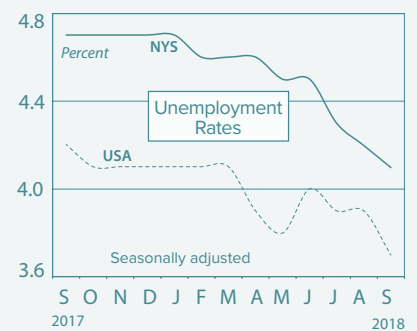
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In September...

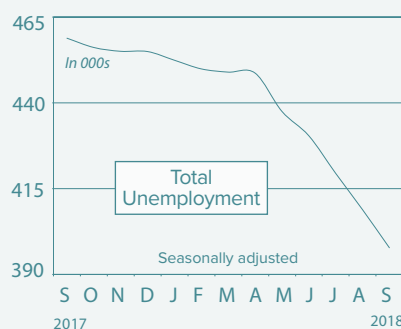
...NYS private sector jobs increased



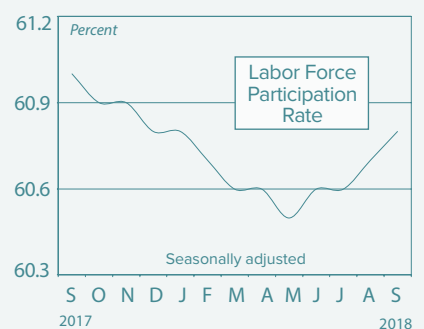
...NYS unemployment rate decreased



...NYS unemployment decreased



...NYS LF participation rate increased



Focus on New York City

New York City Enjoys Broad-based Job Growth

by Elena Volovelsky, Labor Market Analyst, New York City

New York City has enjoyed strong, broad-based employment growth during the current economic expansion. Between September 2009 and September 2018, New York City's private sector job count grew by 829,300, or 26.6%. This was well ahead of the nation's growth rate of 17.6% over the same period.

Looking over the past year, the city's labor market remained strong as its private sector employment count rose by 1.9%, or 71,900, to 3,949,700. This was a new all-time high job count for the month of September.

Steady growth in the city's employment base helped to bring the city's seasonally adjusted unemployment rate down to 4.0% in September 2018, a new all-time low. In this article, we take a detailed look at four industry sectors that added private sector jobs in New York City between September 2017 and September 2018.

Growing Sectors

The educational and health services sector is the city's largest source of employment, accounting for about 25% of all private sector jobs. Employment in this sector tends to grow at a moderate, but steady, pace. It is largely driven by long-term demographic and sociological trends, such as an aging population, more people seeking college degrees and a rise in the number of dual-income families. Although the city experienced several hospital closures in recent years, this sector continued to grow, adding 40,400 jobs over the past year. Ambulatory care services and home health services were very strong performers within the sector, adding 19,200 and 20,500 jobs, respectively.

New York City welcomed 62.8 million tourists in 2017, breaking records for the eighth consecutive year. Strength in travel and tourism helped the city's leisure and hospitality sector reach an all-time employment high of 452,100. With growth continuing into 2018, the sector added 11,300 jobs since September 2017. This robust increase is due to several factors, including new hotel openings, especially in Brooklyn and the Long Island City portion of Queens, and a surge in restaurant and bar openings. Food services and drinking establishments added 6,000 jobs in September 2018, an increase of 1.9% from the year before.

The professional and business services sector – which employs more than 750,000 people working in everything from law offices to building maintenance firms – showed over-the-year job gains of 6,100 in September. Since the end of the recession, this sector has benefited from the recovery in corporate profit margins and has been a standout performer throughout the current economic expansion. Within the sector, professional, scientific and technical services saw particularly strong job gains (+6,000) in September 2018. A large part of that gain was due to an employment increase of 3,200 in computer systems design and related services. That industry has set new all-time employment highs in each of the past eight years and is well on track to repeat in 2018.

New York City's financial activities sector occupies a key position in the overall economy. About 65% of sector jobs in the state are



"New York City has enjoyed strong, broad-based employment growth during the current economic expansion."

located in New York City. Moreover, the sector brings in significant amounts of tax revenue to the state and city. Sector employment count grew by 2,300 over the past year. Finance and insurance, which contains the bulk of what are generally considered to be direct "Wall Street" jobs, grew by 2,300 jobs, while the job count in the real estate and rental component of the financial sector was flat compared to last year. Residential real estate prices have recently retreated from recent all-time highs.

Summing Up

Over the past several years, New York City has staged an impressive recovery from the depressed employment levels reached during the "Great Recession." At present, the city's private sector job count is at an all-time high for the month of September and is poised for continued growth. Moreover, the city's seasonally adjusted unemployment rate is now at an all-time low (current records extend back to 1976).

A diverse set of industry sectors continue to exhibit strength. If current trends persist, New York City's private sector will enjoy its ninth consecutive year of employment growth and could surpass the four million job mark by the end of 2018.

Unicorns... from page 1

Unicorns in New York State

As of October 2018, there are 19 unicorn companies headquartered in New York State. For the year ending June 2018, these companies employed more than 5,700 workers and paid an average annual wage of about \$143,000, nearly twice the state's private sector average wage during the period.

The table on page 3 lists the 10 most valuable unicorn companies in the state (minimum value of \$1.8 billion) as of October 2018. All data presented in the table are from PitchBook and CB Insights.

The most valuable New York unicorn is shared workspace provider WeWork

(value of \$20 billion). It is also the fourth most valuable unicorn in the U.S. (tied with data mining giant Palantir Technologies). According to the *Wall Street Journal*, "WeWork leases large chunks of office space from landlords, then subleases smaller offices short-term to startups and divisions of large companies." Now Manhattan's largest private office tenant, the company made news in late 2017 when it announced plans to purchase Lord & Taylor's nearly 700,000-square-foot flagship store on Fifth Avenue for \$850 million. Part of the former store will be converted into high-tech work space. Other space will be reserved for WeWork's new headquarters.

Infor (\$10 billion), the #2 unicorn in the state, builds business software for specific industries in the cloud. Formerly known as Agilysis, it provides enterprise software to 68,000 organizations across 200 different countries and territories. They focus on creating user-friendly software that can be used to leverage data and integrate easily with an organization's existing system.

Sitting in third place is Vice Media (\$5.7 billion), which is a digital media and broadcasting company with operations in the U.S. and Canada. It focuses on young adults and publishes a magazine that covers a wide range of subjects that interest that demographic group.

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	SEP '17	SEP '18		SEP '17	SEP '18		SEP '17	SEP '18
New York State	4.6	3.8	Hudson Valley	4.6	3.5	Finger Lakes	4.8	3.6
Capital	4.2	3.4	Dutchess	4.4	3.4	Genesee	4.3	3.3
Albany	4.3	3.4	Orange	4.7	3.6	Livingston	4.6	3.5
Columbia	3.6	2.8	Putnam	4.4	3.4	Monroe	5.0	3.8
Greene	4.8	3.7	Rockland	4.5	3.5	Ontario	4.2	3.3
Rensselaer	4.3	3.4	Sullivan	4.7	3.5	Orleans	5.2	3.7
Saratoga	3.9	3.1	Ulster	4.4	3.4	Seneca	4.2	3.1
Schenectady	4.5	3.7	Westchester	4.6	3.6	Wayne	4.6	3.4
Warren	4.4	3.4	Mohawk Valley	5.0	3.9	Wyoming	4.6	3.2
Washington	4.4	3.4	Fulton	5.5	4.2	Yates	4.1	3.1
Central New York	4.9	3.7	Herkimer	5.0	3.8	Western New York	5.1	3.9
Cayuga	4.6	3.6	Montgomery	5.4	4.2	Allegany	5.7	4.5
Cortland	4.9	3.9	Oneida	4.9	3.9	Cattaraugus	5.5	4.3
Madison	5.0	3.8	Otsego	4.6	3.5	Chautauqua	5.5	4.2
Onondaga	4.7	3.6	Schoharie	4.8	3.8	Erie	4.9	3.7
Oswego	6.1	4.2	North Country	5.3	4.0	Niagara	5.4	4.1
Southern Tier	5.0	3.9	Clinton	4.8	3.6	Long Island	4.3	3.3
Broome	5.2	4.1	Essex	4.5	3.6	Nassau	4.2	3.3
Chemung	5.4	4.2	Franklin	5.5	3.9	Suffolk	4.4	3.4
Chenango	4.8	3.6	Hamilton	4.6	3.5	New York City	4.5	4.0
Delaware	5.1	3.9	Jefferson	5.5	4.2	Bronx	6.0	5.4
Schuyler	4.6	3.5	Lewis	5.4	3.9	Kings	4.6	4.1
Steuben	5.4	4.0	St. Lawrence	5.9	4.5	New York	4.0	3.6
Tioga	4.7	3.7				Queens	3.9	3.5
Tompkins	4.5	3.3				Richmond	4.5	4.0

Unicorns... from page 2

Ten Most Valuable Unicorn Companies, New York State, October 2018

Company (business line)	Valuation (\$ billions)*
WeWork (shared workspace provider)	\$20.0
Infor (enterprise software)	\$10.0
Vice Media (digital media & broadcasting)	\$5.7
Compass (real estate brokerage)	\$4.4
Peloton (technology-based fitness)	\$4.2
Oscar Health Insurance (online health insurance)	\$3.2
UiPath (robotic process automation software)	\$3.0
Sprinklr (social media management platform)	\$1.8
ZocDoc (online medical booking service)	\$1.8
Warby Parker (online retailer of eyewear)	\$1.8

*Sources: PitchBook; CB Insights

In fourth place is Compass (\$4.4 billion), which is a fast-growing real estate brokerage firm and the first company in its industry to build a proprietary mobile phone app for its agents. It bills itself as a "modern real estate platform, pairing the industry's top talent with technology." As an example, their "for sale" signs can connect agents to potential buyers through Bluetooth.

Fifth-place Peloton (\$4.2 billion) makes high-tech fitness equipment that enables users to stream live classes from home. Their core product is a \$1,995 indoor bike. Noah Wintroub, a vice chairman at JPMorgan, even called Peloton "the Apple of fitness."

New York State Unicorns Enter and Exit

The list of unicorns is always in flux. Three new unicorns that emerged in New York in 2018 include: UiPath, which develops robotic process automation software; Dataminr, whose real-time AI platform discovers high-impact events and critical breaking news far in advance of existing information systems; and makeup company Pat McGrath Labs, which is only three years old.

Firms typically "exit" the unicorn ranks when they hold an Initial Public Offering (IPO), or merge with or are acquired by another company. In 2017, both subscription-based meal kit delivery service Blue Apron and open-source database provider MongoDB

held IPOs. Earlier this year, Flatiron Health, an oncology-focused electronic health records company, was acquired by Swiss pharmaceutical giant Roche for \$1.9 billion. In addition, daily fantasy sports website FanDuel merged with Irish bookmaker Paddy Power Betfair, and digital advertising firm AppNexus was purchased by AT&T.

Looking Ahead

Going forward, industry analysts expect unicorns will likely play an even larger role as venture capitalists are increasingly shifting from public to private markets to fund their startup companies. Moreover, global venture capitalists still have lots of money to invest. It is estimated they had more than \$200 billion to invest at the end of 2017 – a record high for the past decade. Stay tuned...

by Kevin Jack

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Regional Analysts' Corner

CAPITAL

Kevin Alexander — 518-242-8245

The Capital Region's private sector job count grew by 800, or 0.2 percent, to 444,600 for the year ending September 2018. Job growth was centered in educational and health services (+800), natural resources, mining and construction (+600), manufacturing (+300), financial activities (+200) and other services (+200). Losses were greatest in professional and business services (-600) and trade, transportation and utilities (-500).

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

The private sector job count in the Syracuse metro area rose over the year by 2,800, or 1.1 percent, to 264,100 in September 2018. Growth was centered in educational and health services (+1,700), trade, transportation and utilities (+1,300) and manufacturing (+600). Job losses were centered in leisure and hospitality (-1,400).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector jobs in the Rochester metro area rose over the year by 6,600, or 1.4 percent, to 463,900 in September 2018. Job gains were largest in educational and health services (+1,800), natural resources, mining and construction (+1,600), leisure and hospitality (+1,200), financial activities (+1,000), manufacturing (+700) and trade, transportation and utilities (+700). Declines were centered in professional and business services (-500).

HUDSON VALLEY

John Nelson — 914-997-8798

For the year ending September 2018, private sector jobs in the Hudson Valley increased by 11,300, or 1.4 percent, to 811,200. Employment gains were largest in educational and health services (+7,700), professional and business services (+2,600), natural resources, mining and construction (+2,400) and other services (+600). Job losses were centered in trade, transportation and utilities (-2,000).

LONG ISLAND

Shital Patel — 516-934-8533

Over the past year, the private sector job count on Long Island rose by 10,300, or 0.9 percent, to 1,164,500 in September 2018. Job growth was centered in natural resources, mining and construction (+7,000), educational and health services (+3,200), leisure and hospitality (+1,600) and professional and business services (+1,500). Employment losses were greatest in financial activities (-2,100) and manufacturing (-1,300).

MOHAWK VALLEY

Brion Acton — 315-793-2282

Over the past year, the private sector job count in the Mohawk Valley increased by 800, or 0.5 percent, to 149,300 in September 2018. Job gains were concentrated in educational and health services (+600), manufacturing (+400) and leisure and hospitality (+300). Employment losses were greatest in trade, transportation and utilities (-400) and other services (-200).

NEW YORK CITY

James Brown — 718-613-3971

Over the past year, private sector jobs in New York City rose by 71,900, or 1.9 percent, to 3,949,700 in September 2018. Employment gains were greatest in educational and health services (+40,400), leisure and hospitality (+11,300), natural resources, mining and construction (+6,700), professional and business services (+6,100), other services (+2,700), trade, transportation and utilities (+2,400) and financial activities (+2,300).

SOUTHERN TIER

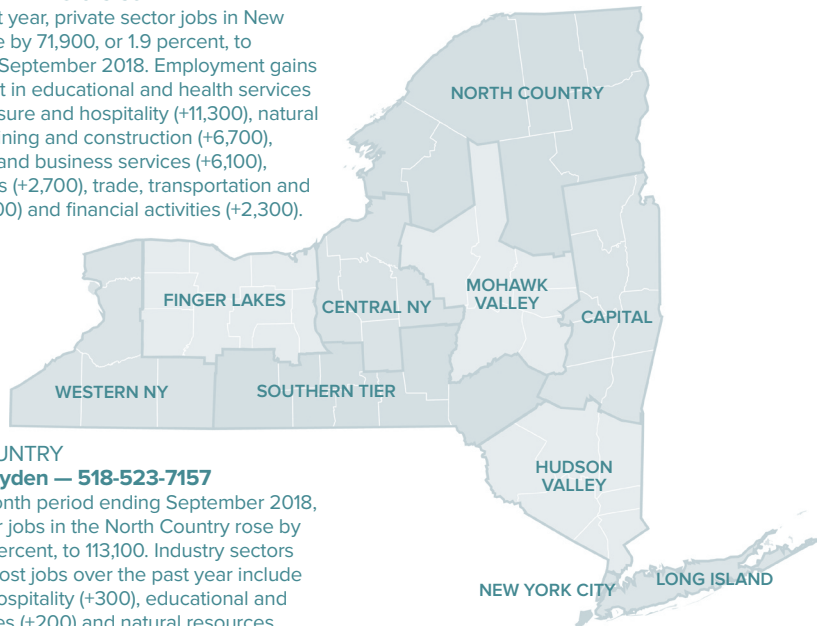
Christian Harris — 607-741-4480

For the 12-month period ending September 2018, private sector jobs in the Southern Tier increased by 1,200, or 0.5 percent, to 229,200. Employment growth was centered in leisure and hospitality (+800) and trade, transportation and utilities (+400).

WESTERN NY

Timothy Glass — 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls metro area rose over the year by 6,800, or 1.4 percent, to 485,000 in September 2018. Employment growth was greatest in educational and health services (+4,200), natural resources, mining and construction (+1,500), other services (+1,000), professional and business services (+700) and manufacturing (+500). Losses were largest in trade, transportation and utilities (-700) and leisure and hospitality (-600).



NORTH COUNTRY

Anthony Hayden — 518-523-7157

For the 12-month period ending September 2018, private sector jobs in the North Country rose by 600, or 0.5 percent, to 113,100. Industry sectors adding the most jobs over the past year include leisure and hospitality (+300), educational and health services (+200) and natural resources, mining and construction (+200).

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