



Division of Research  
and Statistics

# Understanding Gross Job Gains and Job Loss Patterns in New York State

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A Division of the New York State Department of Labor

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## Introduction

Each month, the New York State Department of Labor publishes the latest nonfarm employment estimates, based on survey data from the Current Employment Statistics (CES) program. Among other things, these data tell us the net change in the total job count. In January 2017, for example, New York State's total nonfarm job count declined over the month (December 2016-January 2017) by 269,400 (not seasonally adjusted), but increased over the year (January 2016-January 2017) by 129,600 (not seasonally adjusted).

While CES data are useful in analyzing the seasonality and overall direction of the labor market, they are typically of limited use to job seekers looking to land a position now. This group typically requires more in-depth information regarding the dynamics, or churning, of the local labor market. More specifically, measuring the number of hires and separations at the firm level creates a much more dynamic picture of the local labor market. In turn, this provides more useful information for job seekers.

## Balance of This Report

For the balance of this report, we first examine the concept of “churning” in the labor market. We then look at the two principal reasons why hiring activity occurs. This analysis is extended using occupational projections data to see which factor accounts for most hiring activity expected to occur in New York State between 2014 and 2024.

The report closes with a summary of statewide and regional hiring activity during the 2011-2015 period, which is based on a firm-level analysis of data from the Quarterly Census of Employment and Wages (QCEW). The following detailed information by major industry sector is presented for New York State and each of its 10 labor market regions:

1. Average number of hires per month
2. Highest number of hires per month
3. Lowest number of hires per month

A companion Excel file provides greater detail on the statewide and regional hiring data summarized in this report. The file is available on the New York State Department of Labor's website: <https://labor.ny.gov/stats/Average-Number-of-Hires.xls>.

## Churn in the Labor Market

Broadly speaking, "churn" is defined as replacing departing workers with new ones as workers move to more productive uses. Most hiring and separation activity in the labor market stems from churn rather than hiring for expansion or separation for contraction. Thus, churn represents an important feature of labor market dynamics.

For example, in 2011-2015 the average number of hires in January in New York State was 242,000, while the average number of separations was 510,000, per a firm-level analysis of data from the Quarterly Census of Employment and Wages. The difference of 268,000 between the average number of hires (242,000) and the average number of separations (510,000) over this five-year period is about equal to the net over-the-month loss of nonfarm jobs (not seasonally adjusted) in December 2016-January 2017 as reported by the CES program.

Why is information on churn in the labor market -- like worker hires and separations by major industry sector -- key to job seekers? It is important to know because an average of 242,000 workers in the state were hired each January in 2011-2015. In other words, people find jobs every month, in good times and in bad. This reflects the constant movement of people between jobs as they enter and leave the labor market.

Hires occur for two primary reasons:

1. Growth
2. Replacement need

Job hires stemming from a growing firm's need to hire additional workers are relatively straightforward and self-explanatory. In addition to employment growth, job openings arise when workers leave their occupation and need to be replaced, for reasons such as retirement or enrolling in school. Replacement needs exist independent of growth.

Apart from those who are laid off due to a lack of work, most workers who separate from a job are ultimately replaced by another person. In most occupations, replacement need provides more job openings than employment growth provides, and thus is the most common source of employment opportunities for job seekers.

For example, about 9.8 million new jobs are projected for the nation because of employment growth between 2014 and 2024, according to occupational projections

prepared by the U.S. Bureau of Labor Statistics. However, this growth figure is dwarfed by the 35.3 million openings projected for the U.S. because of replacement need.

Similarly, in New York State about 63% of openings expected to occur between 2014 and 2024 stem from replacement need. The remaining 37% of occupational openings are due to employment growth in the state.

Churning in the labor market occurs every month, for every sector, in every region of the state. It is this movement of workers which presents the majority of employment opportunities for job seekers. Of course, a specific industry sector’s hiring pattern will vary by month.

### New York State

In New York State, an average of 286,400 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 596,410, and the total for the month with the lowest number of hires is 189,680.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 2,000                 | 4,800              | 801               |
| Mining, Construction & Utilities                                      | 21,620                | 35,420             | 14,730            |
| Manufacturing   | 9,200                 | 10,880             | 7,880             |
| Trade, Transportation & Warehousing                                   | 47,740                | 66,250             | 30,880            |
| Information/Financial Activities/<br>Professional & Business Services | 61,720                | 78,870             | 49,840            |
| Educational & Health Services   | 71,720                | 281,940            | 37,200            |
| Leisure & Hospitality   | 47,510                | 66,730             | 32,510            |
| Other Services  | 14,080                | 20,050             | 10,340            |
| Government  | 10,810                | 31,470             | 5,490             |
| <b>Total</b>  | <b>286,400</b>        | <b>596,410</b>     | <b>189,680</b>    |

## Capital Region

In the Capital Region, an average of 18,110 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 32,520, and the total for the month with the lowest number of hires is 11,700.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 160                   | 360                | 60                |
| Mining, Construction & Utilities                                      | 1,450                 | 2,640              | 900               |
| Manufacturing   | 580                   | 840                | 440               |
| Trade, Transportation & Warehousing                                   | 2,930                 | 4,110              | 1,830             |
| Information/Financial Activities/<br>Professional & Business Services | 2,710                 | 3,620              | 2,050             |
| Educational & Health Services   | 4,940                 | 21,020             | 1,880             |
| Leisure & Hospitality   | 3,570                 | 6,440              | 1,860             |
| Other Services  | 770                   | 1,210              | 580               |
| Government  | 1,000                 | 2,860              | 590               |
| <b>Total</b>  | <b>18,110</b>         | <b>32,520</b>      | <b>11,700</b>     |

## Central New York

In the Central New York region, an average of 12,050 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 26,530, and the total for the month with the lowest number of hires is 7,680.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 140                   | 310                | 50                |
| Mining, Construction & Utilities                                      | 1,050                 | 1,880              | 600               |
| Manufacturing   | 520                   | 770                | 400               |
| Trade, Transportation & Warehousing                                   | 2,030                 | 2,750              | 1,290             |
| Information/Financial Activities/<br>Professional & Business Services | 1,720                 | 2,260              | 1,220             |
| Educational & Health Services   | 3,410                 | 17,290             | 1,290             |
| Leisure & Hospitality   | 2,170                 | 3,280              | 1,380             |
| Other Services  | 530                   | 810                | 380               |
| Government  | 480                   | 1,560              | 230               |
| <b>Total</b>  | <b>12,050</b>         | <b>26,530</b>      | <b>7,680</b>      |

## Finger Lakes

In the Finger Lakes region, an average of 18,800 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 40,810, and the total for the month with the lowest number of hires is 12,790.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 660                   | 2,330              | 250               |
| Mining, Construction & Utilities                                      | 1,300                 | 2,420              | 760               |
| Manufacturing   | 1,100                 | 1,540              | 830               |
| Trade, Transportation & Warehousing                                   | 2,920                 | 3,790              | 1,890             |
| Information/Financial Activities/<br>Professional & Business Services | 3,020                 | 4,130              | 2,450             |
| Educational & Health Services   | 5,250                 | 26,110             | 2,130             |
| Leisure & Hospitality   | 3,050                 | 5,930              | 1,880             |
| Other Services  | 830                   | 1,170              | 610               |
| Government  | 660                   | 1,650              | 370               |
| <b>Total</b>  | <b>18,800</b>         | <b>40,810</b>      | <b>12,790</b>     |

## Hudson Valley

In the Hudson Valley region, an average of 34,530 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 71,130, and the total for the month with the lowest number of hires is 25,300.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 280                   | 510                | 80                |
| Mining, Construction & Utilities                                      | 3,110                 | 5,070              | 2,220             |
| Manufacturing   | 890                   | 1,000              | 710               |
| Trade, Transportation & Warehousing                                   | 5,830                 | 8,660              | 3,330             |
| Information/Financial Activities/<br>Professional & Business Services | 5,590                 | 9,010              | 4,200             |
| Educational & Health Services   | 9,810                 | 46,040             | 4,740             |
| Leisure & Hospitality   | 5,260                 | 9,280              | 2,990             |
| Other Services  | 1,820                 | 3,160              | 1,200             |
| Government  | 1,950                 | 7,770              | 850               |
| <b>Total</b>  | <b>34,530</b>         | <b>71,130</b>      | <b>25,300</b>     |

## Long Island

In the Long Island region, an average of 47,740 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 97,450, and the total for the month with the lowest number of hires is 32,750.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 210                   | 560                | 90                |
| Mining, Construction & Utilities                                      | 4,360                 | 7,850              | 2,940             |
| Manufacturing   | 1,520                 | 1,810              | 1,150             |
| Trade, Transportation & Warehousing                                   | 8,450                 | 11,430             | 4,870             |
| Information/Financial Activities/<br>Professional & Business Services | 8,650                 | 13,810             | 6,270             |
| Educational & Health Services   | 13,320                | 63,520             | 5,870             |
| Leisure & Hospitality   | 7,160                 | 13,220             | 3,720             |
| Other Services  | 2,200                 | 3,090              | 1,450             |
| Government  | 1,860                 | 6,580              | 640               |
| <b>Total</b>  | <b>47,740</b>         | <b>97,450</b>      | <b>32,750</b>     |

## Mohawk Valley

In the Mohawk Valley region, an average of 6,680 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 14,840, and the total for the month with the lowest number of hires is 4,180.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 60                    | 130                | 20                |
| Mining, Construction & Utilities                                      | 450                   | 900                | 230               |
| Manufacturing   | 350                   | 450                | 270               |
| Trade, Transportation & Warehousing                                   | 1,080                 | 1,440              | 730               |
| Information/Financial Activities/<br>Professional & Business Services | 690                   | 920                | 490               |
| Educational & Health Services   | 2,140                 | 10,550             | 860               |
| Leisure & Hospitality   | 1,280                 | 2,640              | 630               |
| Other Services  | 250                   | 420                | 160               |
| Government  | 380                   | 1,470              | 140               |
| <b>Total</b>  | <b>6,680</b>          | <b>14,840</b>      | <b>4,180</b>      |

## New York City

In the New York City region, an average of 111,150 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 155,010, and the total for the month with the lowest number of hires is 87,320.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 10                    | 20                 | 10                |
| Mining, Construction & Utilities                                      | 7,190                 | 10,090             | 5,230             |
| Manufacturing   | 2,340                 | 2,870              | 1,850             |
| Trade, Transportation & Warehousing                                   | 18,350                | 25,780             | 12,900            |
| Information/Financial Activities/<br>Professional & Business Services | 33,870                | 42,620             | 28,060            |
| Educational & Health Services   | 22,560                | 46,270             | 13,190            |
| Leisure & Hospitality   | 17,970                | 23,000             | 12,760            |
| Other Services  | 5,960                 | 8,530              | 4,560             |
| Government  | 2,900                 | 4,950              | 1,780             |
| <b>Total</b>  | <b>111,150</b>        | <b>155,010</b>     | <b>87,320</b>     |

## North Country

In the North Country region, an average of 6,150 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 13,660, and the total for the month with the lowest number of hires is 3,370.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 170                   | 740                | 50                |
| Mining, Construction & Utilities                                      | 490                   | 1,130              | 240               |
| Manufacturing   | 240                   | 350                | 170               |
| Trade, Transportation & Warehousing                                   | 1,010                 | 1,370              | 620               |
| Information/Financial Activities/<br>Professional & Business Services | 490                   | 670                | 340               |
| Educational & Health Services   | 1,730                 | 9,240              | 640               |
| Leisure & Hospitality   | 1,370                 | 2,650              | 590               |
| Other Services  | 240                   | 360                | 150               |
| Government  | 410                   | 1,190              | 160               |
| <b>Total</b>  | <b>6,150</b>          | <b>13,660</b>      | <b>3,370</b>      |



## Southern Tier

In the Southern Tier region, an average of 9,030 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 19,970, and the total for the month with the lowest number of hires is 5,650.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 80                    | 160                | 40                |
| Mining, Construction & Utilities                                      | 650                   | 1,180              | 390               |
| Manufacturing   | 520                   | 670                | 410               |
| Trade, Transportation & Warehousing                                   | 1,400                 | 1,930              | 970               |
| Information/Financial Activities/<br>Professional & Business Services | 1,200                 | 1,780              | 900               |
| Educational & Health Services   | 2,870                 | 14,010             | 1,000             |
| Leisure & Hospitality   | 1,470                 | 2,500              | 760               |
| Other Services  | 430                   | 680                | 300               |
| Government  | 410                   | 1,290              | 200               |
| <b>Total</b>  | <b>9,030</b>          | <b>19,970</b>      | <b>5,650</b>      |

## Western New York

In the Western New York region, an average of 22,160 workers were hired each month in 2011-2015. The total for the month with the most number of hires is 46,420, and the total for the month with the lowest number of hires is 15,010.

| Major Industry Sector   | Average Monthly Hires | High Monthly Hires | Low Monthly Hires |
|---|-----------------------|--------------------|-------------------|
| Agriculture, Forestry, Fishing & Hunting                              | 220                   | 400                | 80                |
| Mining, Construction & Utilities                                      | 1,580                 | 3,010              | 930               |
| Manufacturing   | 1,140                 | 1,460              | 910               |
| Trade, Transportation & Warehousing                                   | 3,740                 | 5,150              | 2,430             |
| Information/Financial Activities/<br>Professional & Business Services | 3,780                 | 5,040              | 2,810             |
| Educational & Health Services   | 5,690                 | 27,900             | 2,340             |
| Leisure & Hospitality   | 4,200                 | 5,940              | 2,640             |
| Other Services  | 1,050                 | 1,580              | 730               |
| Government  | 760                   | 2,150              | 410               |
| <b>Total</b>  | <b>22,160</b>         | <b>46,420</b>      | <b>15,010</b>     |

## **Summary**

In any given month, the hiring activity in New York State and its 10 labor market regions is enormous. Each month offers tremendous opportunities to job seekers in every major industry sector. Businesses are constantly hiring workers across all sectors, whether they are growing or not. It is this churning in the labor market which represents most employment opportunities for job seekers.

## **For Further Information**

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