

# EMPLOYMENT IN NEW YORK STATE

## RESEARCH AND STATISTICS



### At a Glance

New York State had 9,101,500 total nonfarm jobs in December 2021, including 7,667,400 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.6% in December 2021, while the nation's job count increased by 0.2% over the same period. From December 2020 to December 2021, the number of private sector jobs increased by 5.2% in the state and by 5.1% in the nation (not seasonally adjusted).

In December 2021, New York State's seasonally adjusted unemployment rate decreased from 6.6% to 6.2%. The comparable rate for the nation in December 2021 was 3.9%.

New York State's seasonally adjusted labor force participation rate decreased from 60.1% to 59.8% in December 2021.

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**CHANGE IN NONFARM JOBS | NEW YORK STATE**

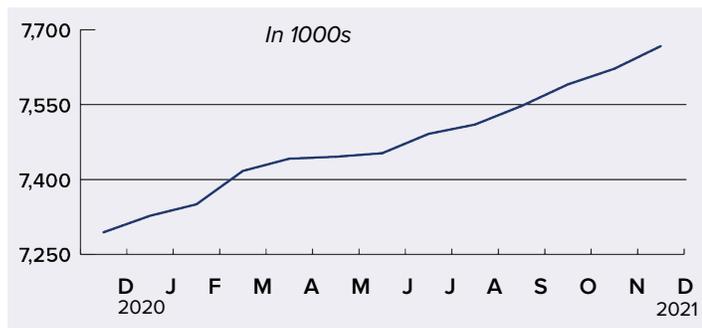
December 2020 - December 2021

(Data not seasonally adjusted, net change in thousands)

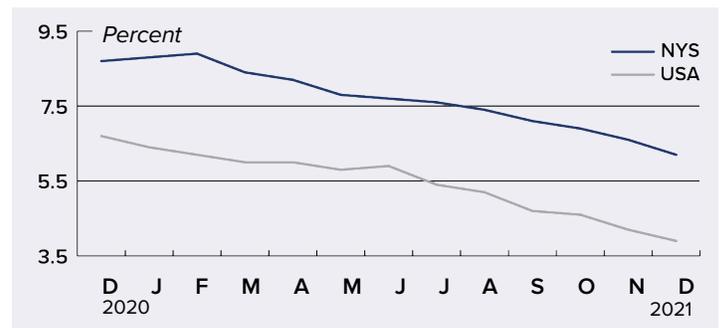
	NET	%
<b>TOTAL NONFARM JOBS</b>	<b>388.4</b>	<b>4.4</b>
<b>PRIVATE SECTOR</b>	<b>383.3</b>	<b>5.2</b>
Goods-producing	0.8	0.1
Nat. res. & mining	0.1	2.0
Construction	-14.0	-3.8
Manufacturing	14.7	3.6
Durable gds.	5.3	2.3
Nondurable gds.	9.4	5.5
Service-providing	387.6	4.8
Trade, trans. & util.	57.3	4.0
Wholesale trade	6.8	2.3
Retail trade	25.1	3.0
Trans., wrhs. & util.	25.4	8.6
Information	20.0	7.6
Financial activities	-9.8	-1.4
Prof. & bus. svcs.	82.5	6.7
Educ. & health svcs.	51.2	2.5
Leisure & hospitality	166.7	29.1
Other services	14.6	4.3
Government	5.1	0.4

**IN DECEMBER 2021...**

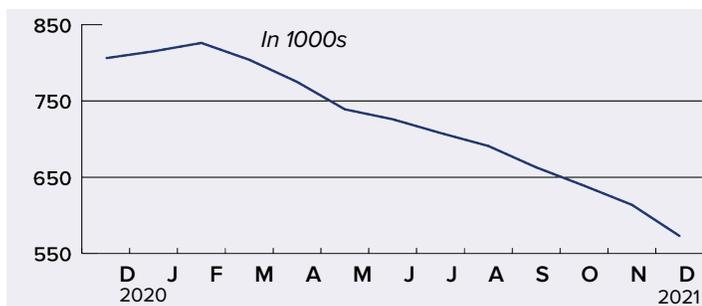
**NYS PRIVATE SECTOR JOBS\* | INCREASED**



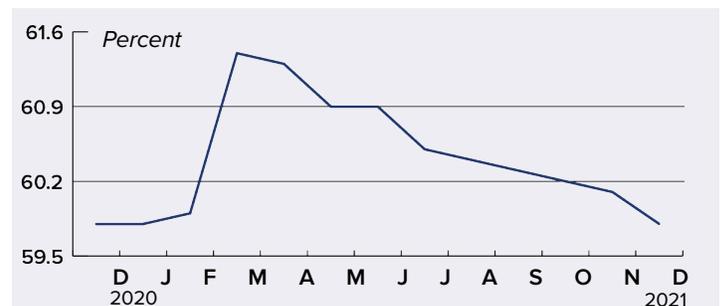
**NYS UNEMPLOYMENT RATE\* | DECREASED**



**NYS UNEMPLOYMENT\* | DECREASED**



**NYS LABOR FORCE PARTICIPATION RATE\* | DECREASED**



\*Seasonally adjusted

# U.S. Economy Experiences Biggest Inflation Surge in 40 Years

## Higher worker wages eroded by rising prices...

by Kevin Jack, Deputy Director

**“Inflation has become central to the American zeitgeist in 2021 in a way that it hadn’t been for decades.”**

Jeanna Smialek, *New York Times*, Jan. 10, 2022

**"High inflation is taking away some of the benefits of these large wage increases we're seeing now."**

Federal Reserve Chair Jerome Powell, Jan. 26, 2022

Over the past few decades, inflation – which refers to a general increase in the prices of goods and services over time – was largely subdued, running below the Federal Reserve’s targeted range. However, the COVID-19 pandemic changed all that as inflation came roaring back with a vengeance in 2021. Today, inflation takes “center stage” in most discussions about the U.S. economy and its future direction.

Here, we review some of the factors contributing to the current surge in prices. We also look at the principal measures of consumer inflation (and how they differ), inflation’s impact on recent wage gains, and where economic forecasters see inflation heading in 2022 and beyond.

### Pandemic Strikes, Inflation Up

The COVID-19 pandemic brought about an economic “perfect storm.” Global supply chain and transportation bottlenecks persisted. Housebound consumers spent more on durable goods and less on in-person services, leading to shortages of everything from appliances to pickup trucks. The \$1.9 trillion economic stimulus bill signed into law in March 2021 and subsequent “stimulus” measures from late 2021 and early 2022 translated into higher household spending. Energy prices rose more than 20% in 2021, the most since 1980. A growing gap between labor demand and supply led to the fastest rise in U.S. wage costs in 20 years. Rents rose amid a housing boom. These factors all contributed to the nation’s over-the-year inflation rate hitting 7.5% in Jan. 2022 – a number not seen since Feb. 1982.

No matter what consumers purchase, they are dealing with a rise in the cost of goods and services. Some generations have never experienced price increases on this scale. Moody’s Analytics estimates that the average U.S. household is spending an additional \$276/month due to inflation.

### Measuring Inflation: The CPI

The U.S. government produces two different measures of consumer inflation: the Consumer Price Index (CPI) comes from the Bureau of Labor Statistics (BLS), and the Personal Consumption Expenditures price index (PCEPI) is compiled by the Bureau of Economic Analysis. Each measure is constructed for different groups of goods and services, most notably a “headline” (or overall) measure and a “core” measure (which excludes volatile food and energy prices). In turn, each good and service is weighted, with housing receiving the largest weight in the CPI.

The “headline” CPI measures, for the most part, the prices that consumers observe directly. This makes it understandable to the general public, since it tracks the prices of a fixed basket of about 80,000 items. The change in the price of this basket from one period to the next is the inflation rate. Due to several technical issues, however, the CPI has been found to overstate the true rate of inflation.

Despite its shortcomings, the CPI is the basis for cost-of-living adjustments (COLAs) for Social Security, Supplemental Security Income, and SNAP (food stamp) benefits. It is also used for COLAs for workers covered under collective bargaining agreements. No economic statistic directly impacts the lives of everyday Americans as much as the CPI.

### Measuring Inflation: The PCEPI

The PCEPI is perhaps less intuitive than the CPI, but it is potentially a more useful inflation gauge. While the CPI looks at price changes for a fixed consumer basket, the PCEPI is more dynamic as it incorporates new goods and services faster than the CPI. The PCEPI captures price changes more quickly for the consumption of all goods and services by households, but not necessarily a household’s direct outlays (expenditures) for those items.

Health insurance is a good example. While it is used by most people, it is often paid for by the government or third-party insurers. The PCEPI includes changes in the price of health insurance, even if the consumer did not pay for the total amount.

The importance of the “headline” PCEPI is underscored by the Jan. 2012 decision of the Federal Open Market Committee (FOMC) to focus on this metric when setting policy. The FOMC is the Federal Reserve’s monetary policy-making body that sets key interest rates. It indicated that it would now seek to achieve 2% inflation, as measured by the PCEPI, over the longer term.

### Inflation Erodes Wage Gains

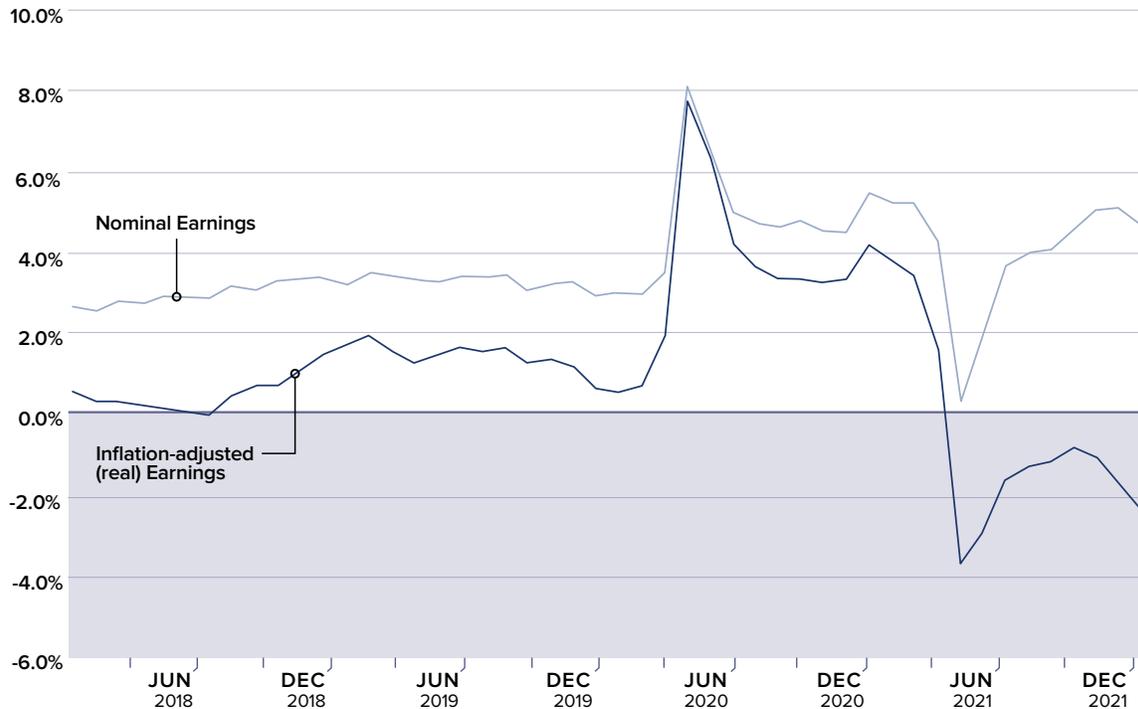
For most of the second half of 2021, average hourly wages for private sector workers in the U.S. increased 4-5% over the same period one year earlier, due to pandemic-induced labor shortages (see the graph on page 3). Inflation, as measured by the headline CPI, also started to heat up in 2021. As a result, the over-the-year change in real (inflation-adjusted) wages has been negative in the U.S. since April 2021, per BLS data.

### Looking Ahead

Of the economists surveyed for the Feb. 2022 issue of “Blue Chip Economic Indicators,” 78% believe that supply chain bottlenecks will continue to impose upward pressure on inflation through most of 2022. They see the “headline” CPI rising 5.0% this year and 2.5% in 2023, while “headline” PCEPI is projected to rise 4.4% in 2022, and then by 2.3% in 2023. To combat rising prices and to cool off the economy, the panel sees the FOMC boosting short-term interest rates 4.3 times this year, starting in March, and 2.9 times in 2023. Stay tuned...

OVER-THE-YEAR PERCENTAGE CHANGE IN AVERAGE HOURLY EARNINGS

Private Sector, United States, January 2018 - December 2021



Sources: Current Employment Statistics and Consumer Price Index

UNEMPLOYMENT RATES IN NEW YORK STATE

UNEMPLOYMENT RATES IN NEW YORK STATE

Data Not Seasonally Adjusted

	DEC '20	DEC '21		DEC '20	DEC '21		DEC '20	DEC '21
<b>New York State</b>	<b>8.5</b>	<b>5.0</b>	<b>Hudson Valley</b>	<b>6.0</b>	<b>2.7</b>	<b>Finger Lakes</b>	<b>6.6</b>	<b>2.9</b>
<b>Capital</b>	<b>5.5</b>	<b>2.6</b>	Dutchess	5.5	2.6	Genesee	5.6	2.7
Albany	5.6	2.5	Orange	6.0	2.8	Livingston	5.6	2.6
Columbia	4.7	2.2	Putnam	5.2	2.5	Monroe	7.1	3.0
Greene	6.2	3.0	Rockland	5.7	2.5	Ontario	5.6	2.6
Rensselaer	5.4	2.6	Sullivan	6.7	3.1	Orleans	6.6	3.1
Saratoga	4.7	2.2	Ulster	5.8	2.7	Seneca	6.2	2.8
Schenectady	6.3	2.9	Westchester	6.2	2.8	Wayne	5.7	2.7
Warren	6.5	3.2	<b>Mohawk Valley</b>	<b>6.6</b>	<b>3.2</b>	Wyoming	6.2	3.1
Washington	5.4	2.9	Fulton	6.7	3.6	Yates	5.1	2.4
<b>Central New York</b>	<b>6.5</b>	<b>3.0</b>	Herkimer	7.6	3.8	<b>Western New York</b>	<b>7.8</b>	<b>3.3</b>
Cayuga	5.9	2.9	Montgomery	7.1	3.7	Allegany	6.4	3.2
Cortland	6.6	3.3	Oneida	6.4	3.1	Cattaraugus	6.7	3.5
Madison	5.8	2.9	Otsego	6.0	3.0	Chautauqua	8.1	3.5
Onondaga	6.5	2.9	Schoharie	5.7	2.9	Erie	7.9	3.3
Oswego	7.0	3.6	<b>North Country</b>	<b>6.1</b>	<b>3.2</b>	Niagara	7.7	3.5
<b>Southern Tier</b>	<b>6.2</b>	<b>2.9</b>	Clinton	6.1	2.7	<b>Long Island</b>	<b>5.8</b>	<b>2.6</b>
Broome	6.8	3.3	Essex	6.0	3.3	Nassau	5.8	2.6
Chemung	7.0	3.1	Franklin	5.9	2.9	Suffolk	5.8	2.7
Chenango	5.8	2.8	Hamilton	6.5	4.2	<b>New York City</b>	<b>11.6</b>	<b>7.9</b>
Delaware	5.8	2.8	Jefferson	6.3	3.4	Bronx	15.9	11.1
Schuyler	7.1	3.6	Lewis	6.1	3.7	Kings	11.9	8.1
Steuben	6.3	3.2	St. Lawrence	6.2	3.3	New York	9.1	6.0
Tioga	5.7	2.7				Queens	11.3	7.6
Tompkins	4.7	2.2				Richmond	9.9	7.1

# FOCUS ON Central New York

## Construction Sector Builds Jobs in Central New York

by Karen Knapik-Scalzo, Labor Market Analyst, Central New York



The sights and sounds of construction work have become more common in Central New York (CNY). Construction, which is an important economic engine in the region, is poised to become a major contributor to job growth. Boosting the sector's local prospects is a renewed focus on and new funding available for the replacement of aging infrastructure, such as the upcoming I-81 rebuild project in Syracuse.

### Growing High-wage Sector

Projections prepared by analysts in the NYS Department of Labor's Division of Research and Statistics estimate that employment in the region's construction sector will grow by 6.5% in 2018-28. Construction jobs typically pay above-average wages. The average construction job pays \$65,700 annually in CNY, which is more than \$10,000 above the region's overall average wage.

Nearly 27% of the region's construction workers are at least 55 years old, according to Census Bureau data. As this cohort of older workers retires and exits the labor force, there will be many job openings over the next decade. Job opportunities in the sector are expected to be especially plentiful among its largest occupations, including construction laborers, carpenters, electricians, plumbers and supervisors.

### Heavy & Civil Engineering Jobs Grow

Heavy and civil engineering construction activity has grown rapidly in CNY, as the need to replace aging infrastructure, such as roads, water main pipes and bridges, has risen. Regional employment in heavy and civil engineering construction grew by 24% between 2015 and 2020. The sector pays extremely well, with an annual average wage of \$86,400.

New York State announced in late January that the elevated portion of I-81 running through downtown Syracuse will be torn down and replaced by a street-level community grid. The \$2 billion multi-faceted construction project will create many local jobs over the next five years in heavy and civil engineering construction. In-demand occupations needed for the project include construction laborers, highway maintenance workers, operating engineers and other construction equipment operators.

The City of Syracuse is also reimagining public housing near the I-81 rebuild in its downtown area. This \$800 million plan is still in its early stages. It includes remaking the East Adams Street neighborhood, which includes three public housing complexes, into a new mixed-income and mixed-use neighborhood. More than 4,000 people in over 1,000 units of public housing would be impacted by this project. This extensive project will also create many job opportunities for building construction trades workers.

### Expanding the CNY Region's Workforce

With the expected employment growth in construction, there will be many opportunities for traditionally underrepresented groups to enter the industry. Women and minorities still make up a small portion of the sector's workforce. According to labor market data provider Emsi, women make up only 9%



“The construction sector is an important part of the **CNY** regional economy.”

of the region's construction workforce, while Hispanic and non-White workers together comprise less than 18% of the sector's workers.

Favorable job prospects are available in the construction industry, with many of the occupations requiring either apprenticeship training or short- to moderate-term on-the-job training. In addition, local training providers are expanding their construction-related educational offerings to help meet the growing needs of this industry. The Syracuse Educational Opportunity Center (SEOC) has proposed building a \$10 million facility at 908 Montgomery Street in downtown Syracuse, which will train adults for jobs in the construction trades and other fields. The SEOC would like to have the training facility operating by spring 2023.

### Impact on the Local Economy

The construction sector is an important part of the CNY regional economy. In 2020, it generated total Gross Regional Product of \$1.7 billion, which is the final market value of all goods and services produced by the sector. Moreover, construction has contributed to the steady growth of the region's economy over the last decade. It accounts for large purchases from local home centers, ready-mix concrete manufacturers, building material dealers and engineering services firms. As the local economy continues to recover from the pandemic-induced recession, more economic development projects and business investments will also add jobs to the construction sector.

### Looking Ahead

The upcoming I-81 project, a recovering economy, increased retirements, and the growing demand to repair local infrastructure will create many job opportunities in the region's construction sector over the next several years.

# Regional Analysts' Corner

## CAPITAL

**Kevin Alexander — 518-242-8245**

Over the past year, the private sector job count in the Capital Region rose by 13,700, or 3.3%, to 423,000 in December 2021. Job gains were largest in leisure and hospitality (+4,000), educational and health services (+3,100), trade, transportation and utilities (+3,000), financial activities (+1,100), other services (+1,000), manufacturing (+600), professional and business services (+600) and information (+200).

## CENTRAL NY

**Karen Knapik-Scalzo — 315-479-3391**

The number of private sector jobs in the Syracuse metro area increased over the past year by 8,200, or 3.4%, to 248,300 in December 2021. Employment gains were greatest in leisure and hospitality (+5,600), professional and business services (+1,700), trade, transportation and utilities (+500), educational and health services (+300), other services (+300), financial activities (+200) and manufacturing (+200). Job losses occurred in natural resources, mining and construction (-700).

## FINGER LAKES

**Tammy Marino — 585-258-8870**

From December 2020 to December 2021, the private sector job count in the Rochester metro area rose by 30,700, or 7.3%, to 449,400. Job gains occurred in leisure and hospitality (+10,000), manufacturing (+7,000), professional and business services (+4,900), educational and health services (+3,600), trade, transportation and utilities (+3,200), natural resources, mining and construction (+700), financial activities (+500), other services (+500) and information (+300).

## HUDSON VALLEY

**John Nelson — 914-997-8798**

Over the past year, the number of private sector jobs in the Hudson Valley grew by 30,100, or 4.1%, to 769,300 in December 2021. The largest job gains occurred in leisure and hospitality (+16,400), professional and business services (+7,400), educational and health services (+4,200), trade, transportation and utilities (+3,200), other services (+1,700) and manufacturing (+1,200). Declines were focused in natural resources, mining and construction (-3,100) and financial activities (-1,300).

## LONG ISLAND

**Shital Patel — 516-934-8533**

For the year ending December 2021, private sector jobs on Long Island increased by 28,900, or 2.8%, to 1,069,800. Gains occurred in professional and business services (+13,600), leisure and hospitality (+13,200), educational and health services (+5,400), trade, transportation and utilities (+2,100), manufacturing (+1,600), other services (+1,000) and information (+800). Job losses occurred in natural resources, mining and construction (-5,700) and financial activities (-3,100).

## MOHAWK VALLEY

**Brion Acton — 315-793-2282**

For the 12-month period ending December 2021, the number of private sector jobs in the Mohawk Valley region rose by 3,100, or 2.3%, to 136,300. Over-the-year employment gains were greatest in leisure and hospitality (+2,100), trade, transportation and utilities (+400) and financial activities (+200). In addition, several sectors registered over-the-year job gains of 100.

## NEW YORK CITY

**Elena Volovelsky — 718-613-3971**

The private sector job count in New York City rose over the past year by 242,100, or 6.9%, to 3,753,700 in December 2021. Job gains were greatest in leisure and hospitality (+104,200), professional and business services (+50,600), educational and health services (+37,300), trade, transportation and utilities (+35,800), information (+17,800) and other services (+7,400). Losses occurred in financial activities (-7,300) and natural resources, mining and construction (-4,200).

## NORTH COUNTRY

**Anthony Hayden — 518-523-7157**

Between December 2020 and December 2021, the number of private sector jobs in the North Country region increased by 2,700, or 2.7%, to 103,900. Over-the-year employment gains were greatest in leisure and hospitality (+1,400), trade, transportation and utilities (+700), professional and business services (+500) and natural resources, mining and construction (+200). Losses were greatest in educational and health services (-200).

## SOUTHERN TIER

**Christian Harris — 607-741-4480**

For the 12-month period ending December 2021, the number of private sector jobs in the Southern Tier region increased by 4,600, or 2.2%, to 209,600. Employment gains were greatest in leisure and hospitality (+3,400), trade, transportation and utilities (+600), other services (+400), manufacturing (+200) and professional and business services (+200). Job losses were focused in educational and health services (-300).

## WESTERN NY

**Timothy Glass — 716-851-2742**

Over the past 12 months, the private sector job count in the Buffalo-Niagara Falls metro area rose by 25,000, or 5.8%, to 455,200 in December 2021. Gains occurred in leisure and hospitality (+10,700), trade, transportation and utilities (+4,200), manufacturing (+3,600), other services (+2,200), professional and business services (+1,900), natural resources, mining and construction (+1,400) and educational and health services (+1,200).