

EMPLOYMENT IN NEW YORK STATE

RESEARCH AND STATISTICS



At a Glance

New York State had 9,327,500 total nonfarm jobs in January 2022, including 7,858,000 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 0.3% in December 2021-January 2022, while the nation's private sector job count also increased by 0.3% over this period. From January 2021 to January 2022, the number of private sector jobs increased by 6.4% in the state and by 5.2% in the nation (not seasonally adjusted).

In January 2022, New York State's seasonally adjusted unemployment rate decreased from 5.4% to 5.3%. The comparable rate for the nation in January 2022 was 4.0%.

New York State's seasonally adjusted labor force participation rate increased from 58.9% to 59.1% in January 2022.

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CHANGE IN NONFARM JOBS | NEW YORK STATE

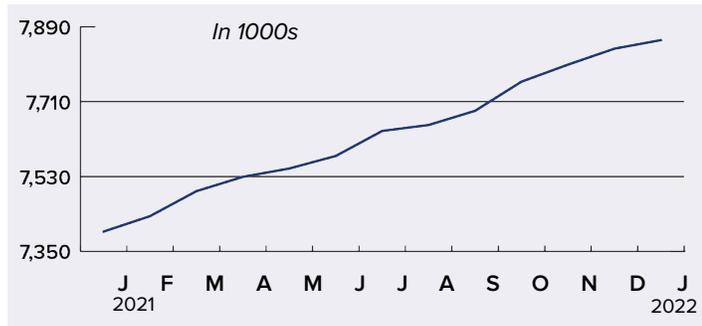
January 2021 - January 2022

(Data not seasonally adjusted, net change in thousands)

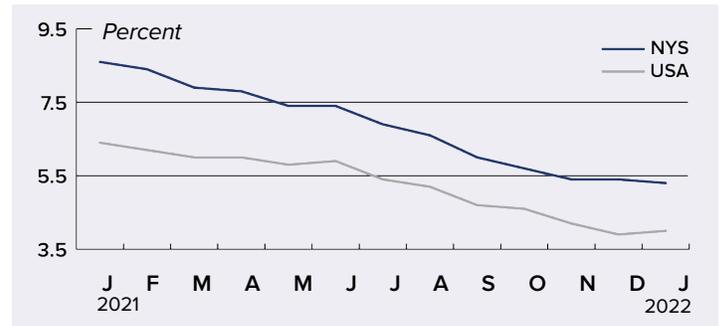
	NET	%
TOTAL NONFARM JOBS	497.9	5.8
PRIVATE SECTOR	466.1	6.4
Goods-producing	8.6	1.1
Nat. res. & mining	0.5	11.1
Construction	-2.0	-0.6
Manufacturing	10.1	2.5
Durable gds.	5.7	2.5
Nondurable gds.	4.4	2.6
Service-providing	489.3	6.2
Trade, trans. & util.	61.9	4.4
Wholesale trade	5.4	1.9
Retail trade	33.5	4.1
Trans., wrhs. & util.	23.0	7.9
Information	28.3	10.7
Financial activities	5.7	0.8
Prof. & bus. svcs.	77.9	6.4
Educ. & health svcs.	41.0	2.0
Leisure & hospitality	219.9	40.3
Other services	22.8	6.6
Government	31.8	2.2

IN JANUARY 2022...

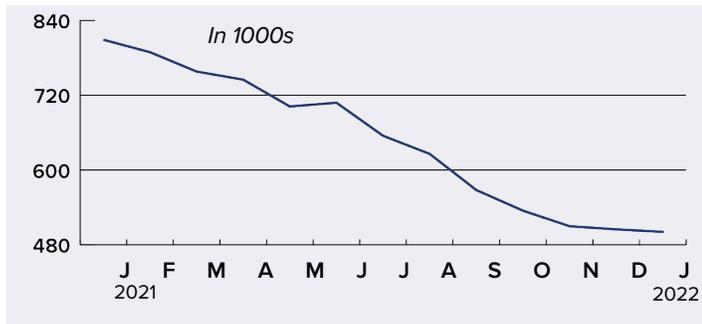
NYS PRIVATE SECTOR JOBS* | INCREASED



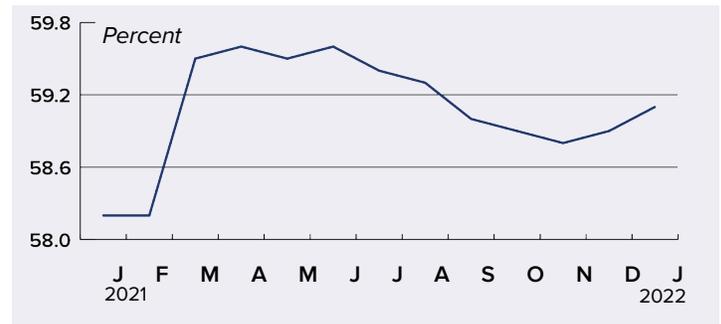
NYS UNEMPLOYMENT RATE* | DECREASED



NYS UNEMPLOYMENT* | DECREASED



NYS LABOR FORCE PARTICIPATION RATE* | INCREASED



*Seasonally adjusted

Two Years On: The Pandemic's Impact on the Labor Market

Labor markets continue to recover, but workers now demand more flexibility...

by Kevin Jack, Deputy Director

"It's no longer work-life balance, it's *life-work* balance."
Ron Hetrick, economist, Emsi Burning Glass

At the onset of 2020, the U.S. economy was enjoying a 10+ year expansion, its longest on record. Then the COVID-19 pandemic struck and upended the U.S. economy in just two short months. It wiped out more than 21 million private sector jobs, and the unemployment rate more than quadrupled, from 3.5% to 14.7%. Here, we look at some of the key labor market outcomes that have emerged since the onset of the COVID-19 pandemic in early 2020.

Recession and Recovery

The pandemic-induced recession officially lasted from February to April 2020. This marked the shortest U.S. economic downturn on record.

As of January 2022, the U.S. had added back about 90% of the jobs lost in the recession and the national unemployment rate stood at 4.0%. New York State's labor market is also recovering, but not as quickly. The state has regained about 75% of the more than 1.9 million jobs lost in the recession, and its unemployment rate declined from a record 16.5% to 5.3% in January 2022.

New York's recovery has lagged the nation's because the state, and especially New York City, was the epicenter of the pandemic in the early days of the outbreak. Quarantines and illness hit particularly hard on tourist-dependent industries, like restaurants and hotels. The economic importance of the travel and tourism sector to New York City is underscored by the fact that it hosted 13 million overseas visitors in 2019, which made it the top destination for overseas visitors to the U.S.

Of the more than 1.4 million private sector jobs added back in New York since the end of the recession, five industry sectors – Accommodation and Food Services (+394,200), Retail Trade (+195,600), Health Care and Social Assistance (+171,300), Construction (+126,500) and Other Services (+108,900) – together account for about 70% of the state's net job gains through January 2022.

Missing Workers?

The pandemic had a disproportionate impact on women, who left the workforce in part because of the massive job losses in many face-to-face service industries, like retail trade. In addition, childcare responsibilities fall disproportionately on women. Thus, the move to remote learning for most K-12 students and the closure of many daycare centers forced many women to leave their jobs to take care of their children. As most K-12 schools now offer in-person instruction once again, some of this pressure has abated.

An analysis of labor force participation rates (LFPR) by generation reveals stark differences. In New York, the LFPR for Baby Boomers (born 1946-64) dropped from 49.6% in 2019 to 43.0% in 2021. Many Boomers were retiring even before the pandemic struck. However, the outbreak caused many of them to retire earlier than expected, due to health concerns or rising asset values (e.g., housing and stocks)

that made retirement feasible. There were an estimated 2.8 million "excess retirees" in the U.S. due to the COVID-19 pandemic, including about 250,000 in New York, as of January 2022.

The LFPR for members of Gen X (born 1965-80) in the state also dropped due to the pandemic, but much less dramatically than the rate of the Boomers. The LFPR for this group edged down from 80.0% in 2019 to 78.2% in 2021. In contrast, the LFPR for Millennials (born 1981-96) actually increased over this period, climbing from 80.3% to 82.2%.

Flexibility is Key

The pandemic-induced decline in the labor force is part of a broader labor market phenomenon dubbed "The Great Resignation," in which workers have changed how they view their careers in relation to their lives and priorities. The effect of this phenomenon has brought job openings and worker turnover to near record levels.

When workers reassess their priorities and needs, it forces many firms to resort to "non-wage incentives" to hire and retain workers in a hot job market. This is because higher wages will only close 16% of the gap between current and pre-pandemic LFPRs, according to the Federal Reserve Bank-Atlanta.

Flexible work arrangements, including work from home (WFH), are key non-wage incentives. Also known as remote work or telecommuting, WFH helped to preserve many jobs and boost women's participation in the labor force. A new survey from ZipRecruiter found that women (26%) are twice as likely as men (13%) to say they were only looking for remote work. A separate survey from Prudential found that 70% of workers say they have prioritized or are considering prioritizing their personal lives over their jobs and careers, while 20% said they were willing to take pay cuts if it means they could have a better balance with their personal life.

Broad-based Wage Gains

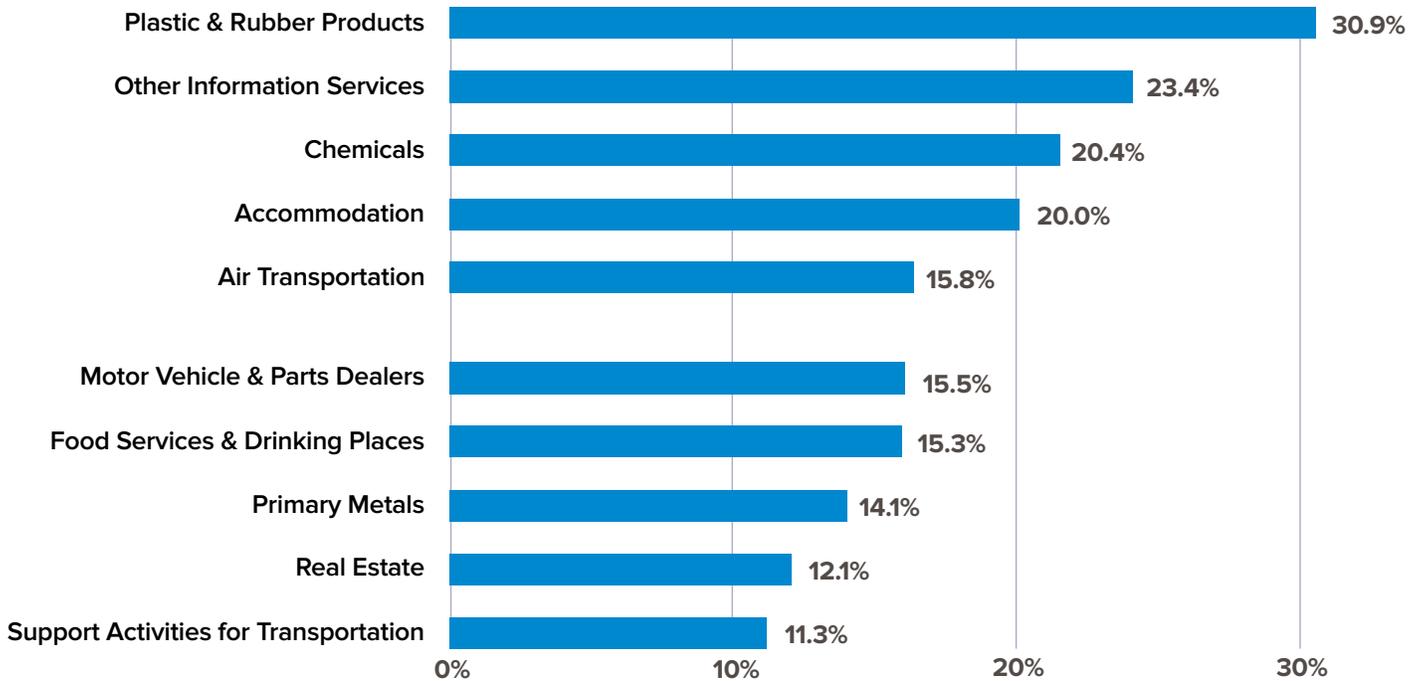
The shifting priorities reflected in the Great Resignation have resulted in more unfilled jobs, which in turn resulted in rising wages in the aftermath of the pandemic. Between the third quarter of 2020 and the third quarter of 2021, average wages for private sector workers in New York rose by 5.3%. Wage gains were relatively broad-based. Industries that employ about 70% of private sector workers in New York experienced wage gains of at least 5% over the period. See the figure on page 3 for the industries with the largest percentage gains in average wage.

Summing Up

Although the pandemic-induced recession officially ended in April 2020, its legacy lives on in the American labor market. Higher worker wages, Boomers retiring earlier than expected, and younger employees demanding more flexible working arrangements are a few of the labor market changes brought about by the pandemic. The U.S. Bureau of Labor Statistics summed up the current situation most succinctly by stating, "The COVID-19 pandemic's impact on the U.S. labor market was unprecedented."

INDUSTRIES WITH THE LARGEST OVER-THE-YEAR PERCENT CHANGE IN AVERAGE WAGE

New York State, 3rd Quarter 2020 - 3rd Quarter 2021



Source: Quarterly Census of Employment and Wages

UNEMPLOYMENT RATES IN NEW YORK STATE

UNEMPLOYMENT RATES IN NEW YORK STATE

Data Not Seasonally Adjusted

	JAN '21	JAN '22		JAN '21	JAN '22		JAN '21	JAN '22
New York State	9.3	5.3	Hudson Valley	6.1	3.6	Finger Lakes	6.5	3.9
Capital	5.7	3.5	Dutchess	5.7	3.5	Genesee	5.7	3.8
Albany	5.7	3.4	Orange	6.2	3.7	Livingston	5.9	3.8
Columbia	5.2	3.2	Putnam	5.4	3.3	Monroe	6.9	4.0
Greene	6.3	4.0	Rockland	5.7	3.3	Ontario	5.7	3.6
Rensselaer	5.6	3.6	Sullivan	6.5	4.1	Orleans	6.8	4.3
Saratoga	5.0	3.0	Ulster	6.3	3.7	Seneca	6.5	3.9
Schenectady	6.4	3.8	Westchester	6.2	3.7	Wayne	5.9	3.7
Warren	6.9	4.4	Mohawk Valley	6.9	4.4	Wyoming	6.3	4.5
Washington	6.0	4.1	Fulton	6.9	4.8	Yates	5.2	3.4
Central New York	6.7	4.0	Herkimer	8.0	5.1	Western New York	7.5	4.5
Cayuga	6.6	4.0	Montgomery	7.2	4.9	Allegany	6.9	4.6
Cortland	7.0	4.7	Oneida	6.9	4.1	Cattaraugus	7.0	4.7
Madison	6.2	4.0	Otsego	6.2	4.1	Chautauqua	8.8	4.7
Onondaga	6.5	3.8	Schoharie	6.1	4.3	Erie	7.4	4.4
Oswego	7.4	4.8	North Country	6.6	4.4	Niagara	7.6	4.9
Southern Tier	6.3	4.0	Clinton	6.7	3.8	Long Island	5.9	3.5
Broome	7.1	4.5	Essex	6.3	4.4	Nassau	5.8	3.3
Chemung	6.8	4.1	Franklin	6.1	4.0	Suffolk	5.9	3.6
Chenango	5.8	4.0	Hamilton	6.4	5.2	New York City	13.3	7.3
Delaware	6.2	4.0	Jefferson	6.7	4.7	Bronx	18.0	10.3
Schuyler	7.2	4.8	Lewis	7.2	5.1	Kings	13.7	7.5
Steuben	6.5	4.4	St. Lawrence	6.5	4.6	New York	10.2	5.6
Tioga	5.8	3.9				Queens	13.1	7.0
Tompkins	4.9	2.8				Richmond	11.4	6.7

FOCUS ON Western New York

WNY Region Adds Jobs at Slow But Steady Pace

by Timothy Glass, Labor Market Analyst, Western New York

The Western New York (WNY) regional economy continues its recovery from the pandemic-induced recession. From the third quarter of 2020 (3q2020) to the third quarter of 2021 (3q2021), the region's private sector job count increased by 19,500, or 4.1%, to 489,300, according to data from the Quarterly Census of Employment and Wages (QCEW). Similarly, Western New York's annual average unemployment rate dropped from 9.5% in 2020 to 5.5% in 2021.

Recent private sector job gains in Western New York have been broad-based, according to the QCEW. From 3q2020 to 3q2021, the largest private sector employment increases occurred in leisure and hospitality (+10,500); trade, transportation and utilities (+4,400); professional and business services (+1,700); manufacturing (+1,300); other services (+1,300); educational and health services (+700); and natural resources, mining and construction (+400). Financial activities (-1,800) was the only major industry group to experience a net decline over this period.

Unicorn Goes Public

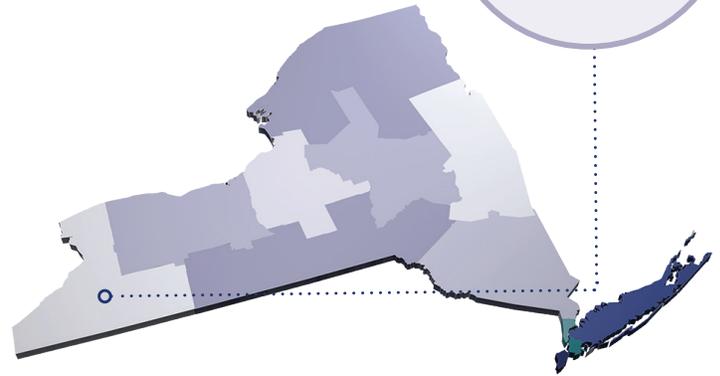
Buffalo-based ACV Auctions is a wholesale auction company that sells used cars online. When it was a tech start-up, it became one of the first privately held firms in Upstate New York to cross the \$1 billion mark in valuation (making it a "unicorn"). In March 2021, ACV went public by selling stock via an initial public offering. The firm recently reported revenues of \$358.4 million for all of 2021, up 72% from 2020's level. However, the pandemic hit the firm hard as used car prices in the U.S. spiked 26.6% in 2021. Nevertheless, ACV's rapid growth in revenue and market share continues, with the firm forecasting total revenue growth of 26-28% in 2022.

Construction Holds Steady

While all WNY industry sectors were hit hard by the pandemic, the local construction sector remained relatively intact. Most local projects were completed, albeit with minor delays due to material and shipping issues. One such undertaking was 201 Ellicott in downtown Buffalo. The \$76 million project, which was completed last year, includes a 201-unit affordable housing complex and a fresh food market called Braymiller Market. Another project completed in 2021 was the conversion of the former Buffalo police headquarters into the 130-unit "Police Apartments" complex. Looking ahead to 2022, many more apartment complexes are slated for completion, adding to the available living space in downtown Buffalo.

Population Trends

Between 2010 and 2020, the City of Buffalo (Erie County) saw its population grow by 6.5%, from 261,310 to 278,349. According to published reports, this represented the city's first over-the-decade population increase since 1950. Almost half of the net growth came from increases in Buffalo's foreign-born population.



Recent private sector job gains in **Western New York** have been broad-based.

Meanwhile, Erie County's population also grew, rising from 919,040 to 954,236 over the same time frame. Population gains within the county were evenly split between Buffalo and its suburbs. The remaining counties in the Western New York region — Allegany, Cattaraugus, Chautauqua and Niagara — all saw their populations decrease from 2010 to 2020.

Housing Market

Western New York's housing market was on a roll in 2021. With mortgage rates at or near historic lows driving demand, and a lack of available inventory affecting supply, housing continued to be a seller's market. Data from the Buffalo Niagara Association of Realtors show that the inventory of local houses for sale dropped from 1,422 in December 2020 to 1,201 in December 2021. As a result of this supply and demand imbalance, the average time it took to sell a home was about 22 days in 2021, down from 35 days in 2020. This imbalance also led to strong price gains, with the average sale price rising 15.8%, from \$206,080 in 2020 to \$238,570 in 2021.

Looking Ahead

With the COVID-19 recession in the rearview mirror, the Western New York region continues to add jobs at a slow but steady pace. The combination of improved overall economic conditions, growth of innovative tech start-up companies like ACV Auctions, and major real estate projects such as 201 Ellicott, should help continue to transform Western New York into a desirable place to live and work.

Regional Analysts' Corner

CAPITAL

Kevin Alexander — 518-242-8245

Over the past year, the private sector job count in the Capital Region rose by 18,200, or 4.6%, to 412,800 in January 2022. Job gains were largest in leisure and hospitality (+11,000), trade, transportation and utilities (+3,800), educational and health services (+1,100), other services (+900), financial activities (+700), manufacturing (+600) and natural resources, mining and construction (+500). Losses occurred in professional and business services (-400).

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 10,000, or 4.3%, to 243,400 in January 2022. Employment gains were greatest in leisure and hospitality (+8,100), professional and business services (+1,500), trade, transportation and utilities (+800), natural resources, mining and construction (+600) and other services (+500). Declines occurred in financial activities (-900) and educational and health services (-800).

FINGER LAKES

Tammy Marino — 585-258-8870

From January 2021 to January 2022, the private sector job count in the Rochester metro area rose by 21,900, or 5.3%, to 431,700. Over-the-year gains were greatest in leisure and hospitality (+9,500), professional and business services (+3,600), trade, transportation and utilities (+2,700), educational and health services (+2,300), natural resources, mining and construction (+1,500), manufacturing (+1,300) and other services (+600).

HUDSON VALLEY

John Nelson — 914-997-8798

Over the past year, the number of private sector jobs in the Hudson Valley grew by 26,000, or 3.6%, to 749,200 in January 2022. The largest job gains occurred in leisure and hospitality (+11,600), professional and business services (+4,800), other services (+3,800), trade, transportation and utilities (+3,600), manufacturing (+1,500), information (+1,000) and financial activities (+400). Losses occurred in natural resources, mining and construction (-900).

LONG ISLAND

Shital Patel — 516-934-8533

For the year ending January 2022, private sector jobs on Long Island increased by 44,300, or 4.3%, to 1,072,600. The greatest gains were in leisure and hospitality (+21,400), professional and business services (+9,200), other services (+5,000), trade, transportation and utilities (+4,900), natural resources, mining and construction (+2,500), financial activities (+1,800) and educational and health services (+600). The job count declined in manufacturing (-1,500).

MOHAWK VALLEY

Brion Acton — 315-793-2282

For the 12-month period ending January 2022, the number of private sector jobs in the Mohawk Valley region rose by 6,400, or 5.0%, to 135,300. Over-the-year employment gains were greatest in leisure and hospitality (+3,300), trade, transportation and utilities (+1,300), manufacturing (+1,100), financial activities (+700) and other services (+400). Job losses occurred in educational and health services (-700).

NEW YORK CITY

Elena Volovelsky — 718-613-3971

Over the past year, the private sector job count in New York City rose by 306,300, or 8.8%, to 3,781,100 in January 2022. Job gains were greatest in leisure and hospitality (+134,200), professional and business services (+59,700), educational and health services (+40,000), trade, transportation and utilities (+39,900), information (+24,300), other services (+10,100) and manufacturing (+4,200). Losses occurred in natural resources, mining and construction (-8,100).

NORTH COUNTRY

Konstantin Sikhaou — 518-523-7157

Between January 2021 and January 2022, the number of private sector jobs in the North Country region increased by 3,200, or 3.3%, to 101,600. The greatest over-the-year job gains occurred in leisure and hospitality (+2,400), professional and business services (+500), trade, transportation and utilities (+500) and manufacturing (+200). Employment losses were focused in educational and health services (-700).

SOUTHERN TIER

Christian Harris — 607-741-4480

For the year ending January 2022, the number of private sector jobs in the Southern Tier increased by 7,900, or 3.9%, to 208,100. Sectors adding the most jobs include leisure and hospitality (+4,200), professional and business services (+1,100), educational and health services (+900), information (+800), trade, transportation and utilities (+500) and natural resources, mining and construction (+400). Losses were focused in financial activities (-400).

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 23,100, or 5.6%, to 438,600 in January 2022. The largest job gains were registered in leisure and hospitality (+13,800), trade, transportation and utilities (+2,200), manufacturing (+2,100), natural resources, mining and construction (+1,700), other services (+1,500) and educational and health services (+1,200).