



New York City Employment Trends

Highlights

- Employment has reached 4.4 million, the highest level on record and 602,100 jobs higher than before the recession.
- The four boroughs outside of Manhattan have contributed 47 percent of the job gains since the end of the recession, the largest share since at least 1975.
- Health care is the only employment sector in New York City that has experienced gains every year since 1990, adding the most jobs of any sector in 2017.
- Business services was the largest source of new jobs between 2009 and 2017, accounting for one-quarter of the gains.
- The retail sector lost 2,800 jobs in 2017 (the second year of losses) as the industry undergoes structural changes from increased competition from online retailers.
- The unemployment rate in New York City averaged 4.5 percent in 2017, the lowest level since 1976 and less than half the peak reached during the recession.
- The unemployment rate for African-Americans in New York City was much lower than the national rate for this population, although the rate for Hispanics was moderately higher.
- Brooklyn had the fastest rate of private sector job growth in the five boroughs since 2009 (38 percent), followed by Queens (24 percent) and Manhattan (20 percent).
- Ten neighborhoods had job growth that ranged from 41 percent to 78 percent between 2009 and 2017, much faster than the citywide growth rate (23 percent).

New York City is undergoing its largest and longest job expansion since World War II. More than 700,000 jobs have been added during the past eight years (a gain of nearly 19 percent), pushing employment to uncharted levels.

The rate of growth in New York City has outperformed both the nation and New York State between 2009 and 2017. Nearly 5 percent of the jobs added in the nation since 2009 have been in New York City, even though it accounts for just 3 percent of the nation’s jobs.

New York City has been the driving force behind employment growth in New York State. Nearly three-quarters of the jobs added in the State since 2009 have been in the City. Growth has slowed in the City over the past three years, but it continues to post solid gains and to grow faster than the nation and the State.

The City’s economy is becoming more diversified, with growth occurring among a broad range of employment sectors. While the securities industry is still an important part of the City’s economy, its contribution to job growth has been modest in recent years. Instead, growth has been driven by health care, business services (particularly tech and media companies) and tourism-related businesses, such as restaurants.

Growth has also become more geographically diverse. Nearly half of the gains since 2009 have been in the boroughs outside of Manhattan, the largest share since at least 1975.

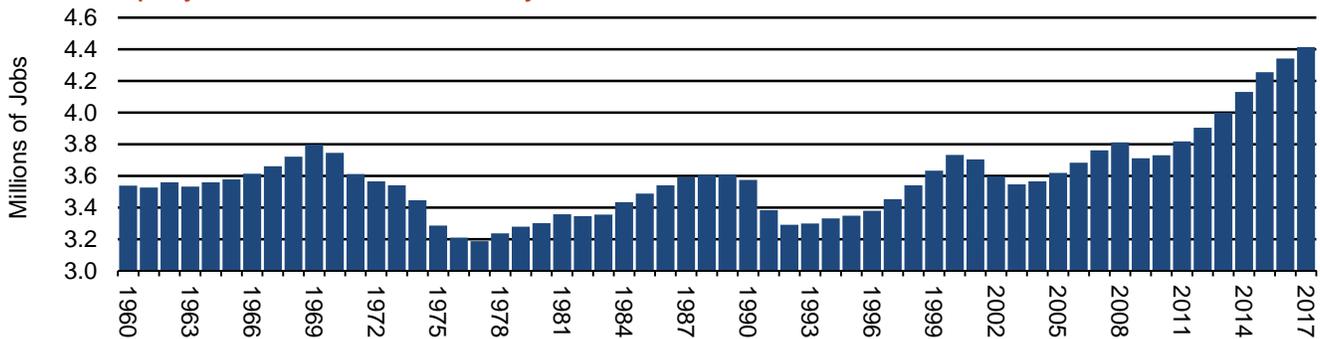
Brooklyn and Queens are experiencing record job gains, with rates of growth significantly higher than in Manhattan. The Bronx and Staten Island are also adding jobs. The revitalization of neighborhoods throughout the City has contributed to strong job growth. These trends bode well for the City’s future.

Citywide Growth

New York City is currently undergoing the largest and longest job expansion since World War II. The City added 72,700 jobs in 2017, and in the eight years since the end of the recession employment has grown by 702,200, more than during any other expansion.

As shown in Figure 1, employment has reached previously uncharted levels. Before the recession, employment peaked at 3.8 million in 2008, only slightly higher than the previous peak in 1969. The current expansion has pushed employment to 4.4 million in 2017, or 602,100 higher than in 2008 (an increase of nearly 16 percent).

FIGURE 1
Total Employment in New York City

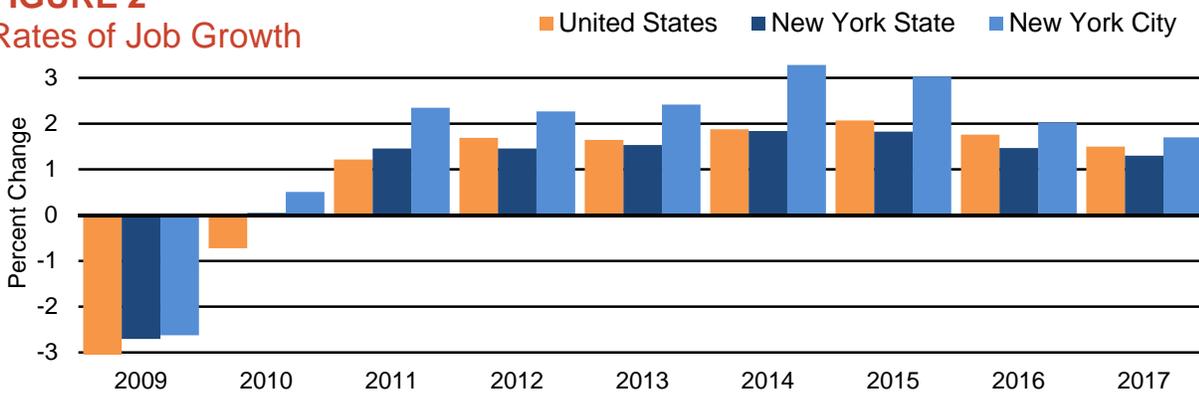


Sources: NYS Department of Labor, Current Employment Statistics; OSC analysis

Employment increased by 18.9 percent in the City between 2009 and 2017, much faster than the 11.5 percent gains in both the nation and the State. Although the pace of growth in the City has slowed in recent years, it was faster than in the nation and in the State in every year of the expansion (see Figure 2).

Even though the City accounted for less than half of the jobs in the State (43 percent in 2009), it was responsible for almost three-quarters (72 percent) of those created during the expansion. The City's suburbs (Long Island and Westchester, Rockland and Orange counties) were responsible for most of the rest of the State's gains.

FIGURE 2
Rates of Job Growth



Sources: NYS Department of Labor, Current Employment Statistics; OSC analysis

Growth by Sector

Health care is the only sector in New York City that has experienced gains every year since 1990 (when the current data series was established) and it was responsible for a large share of the jobs added during the recovery. In 2017, the sector added 21,400 jobs (see Figure 3), bringing total employment in the health care sector to 519,000. The sector added nearly 114,000 jobs between 2009 and 2017 (an increase of 28 percent), accounting for 16 percent of the employment increase in the City during this period (see Figure 4). Most (71 percent) of these were in home health care services (i.e., home nursing services, personal care and physical therapy).

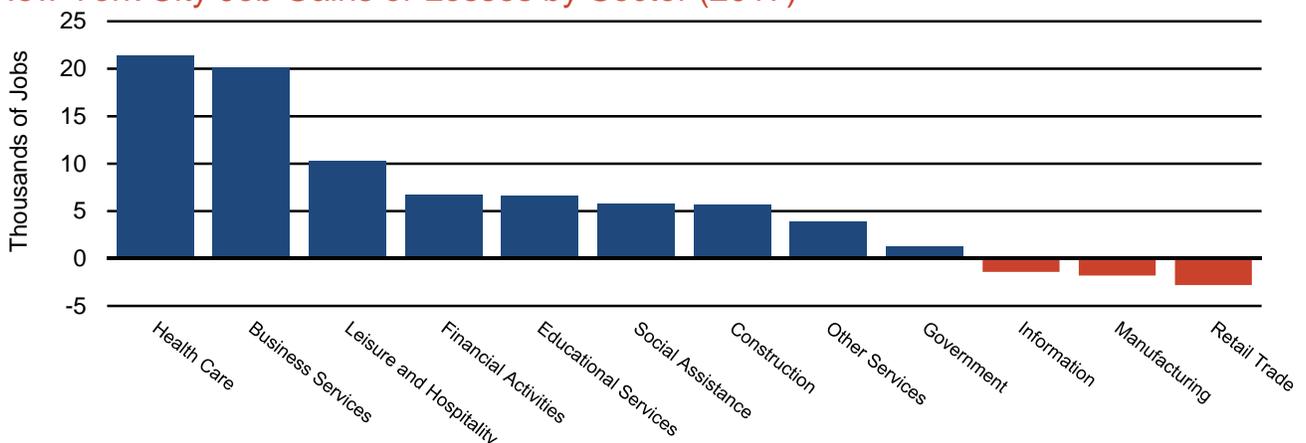
The growth in the health care sector has been boosted by the Affordable Care Act (ACA). The ACA increased the number of New Yorkers with health insurance and placed greater emphasis on preventive care, which resulted in an increase in employment in nonhospital settings. Recent federal efforts to repeal the ACA, cut Medicaid and eliminate the individual mandate for health insurance coverage could have a significant impact on the sector.

The business services sector (e.g., accountants, lawyers, programmers and clerks) was the second-largest contributor in 2017, adding 20,200 jobs. The sector was the largest source of new jobs during the expansion, accounting for one-quarter (174,400) of those added between 2009 and 2017. With an average salary of \$109,363 (compared to the citywide average of \$85,967), these jobs pay well. Nearly 60 percent of the gains in this sector were in professional and technical areas, most notably computer systems (25,500), consulting (24,200), advertising (20,400), accounting (9,800) and architecture and engineering (9,400). More than one-third (63,400) of the gains were in administrative and support services (e.g., clerks and temporary help agencies).

The leisure and hospitality sector (e.g., hotels, bars and restaurants) added 10,300 jobs in 2017. Although the growth rate in the sector has slowed sharply in the past two years, the leisure and hospitality sector accounted for one-fifth (139,400) of the gains in the City between 2009 and 2017. More than three-quarters of the gains in the sector were in bars and restaurants.

The financial activities sector (e.g., banking, insurance, securities and real estate) added 6,700 jobs in 2017, including 4,600 in the real estate industry. The securities industry added 2,300 jobs, the fourth consecutive year of gains. Overall, employment in the finance sector increased by 38,600 between 2009 and 2017, including 15,700 in real estate, 10,700 in banking and 9,700 in securities. Nonetheless, employment in the securities industry is 5 percent smaller than before the financial crisis.

FIGURE 3
New York City Job Gains or Losses by Sector (2017)



Sources: NYS Department of Labor, Current Employment Statistics; OSC analysis

The educational services sector added 6,600 private sector jobs in 2017. Since 2009, employment in the sector increased by 68,000, or 10 percent of the citywide gain. Most of the additions were in private colleges, universities and professional schools.

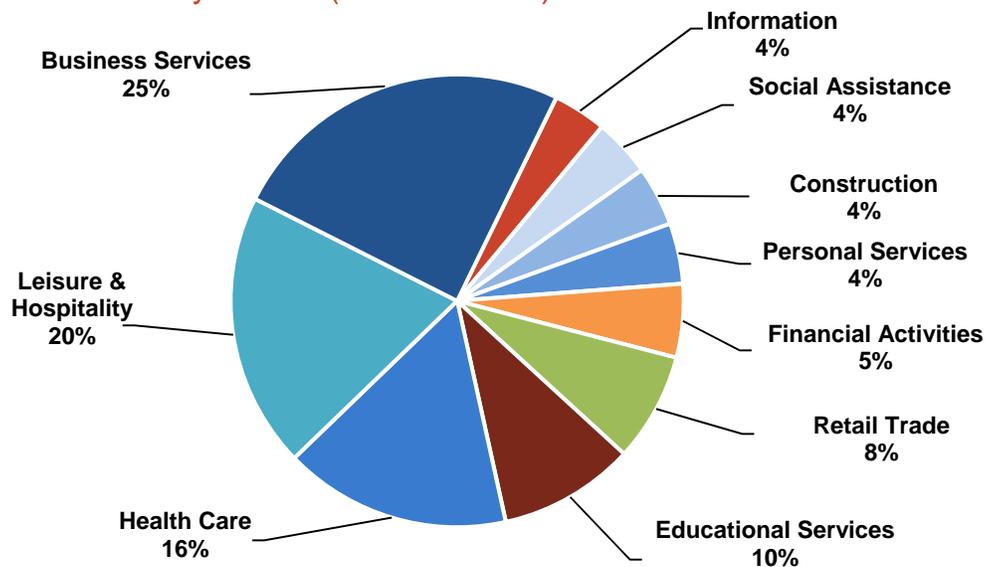
The construction, information, social assistance and personal services sectors each accounted for about 4 percent of the increase in the City between 2009 and 2017. In 2017, growth picked up in the personal services sector (e.g., beauty and hair salons), which added 3,900 jobs (more than half of these gains were in nonprofit, religious and professional organizations). The construction sector continued to add jobs in 2017 (5,700), although at a slower rate than in 2016. However, the information sector (e.g., publishing, broadcasting, telecommunications and data processing) lost 1,400 jobs, the first decline since the end of the recession.

The retail sector lost 2,800 jobs in 2017 (the second year of losses) as brick-and-mortar establishments continue to undergo structural changes in response to increased competition from online retailers. Losses were concentrated in department stores and specialty stores (e.g., sporting goods, hobby, book and music stores). Despite losses in the past two years, the retail sector still accounted for 8 percent of the gains since 2009.

The government sector added nearly 1,300 jobs in 2017, mostly in local primary and secondary education. Despite these gains, the sector remained 13,300 jobs below the 2009 level, with most of the reduction concentrated in federal and state agencies.

Only one-third of the gains during the expansion were in sectors that paid more than the citywide average salary (\$85,967 in 2016). As a result of slow salary growth in many sectors and the large number of jobs added in lower-paying sectors, the average salary in the City rose by only 4.6 percent (after adjusting for inflation) between 2009 and 2017.

FIGURE 4
Share of Jobs Added by Sector (2009 to 2017)



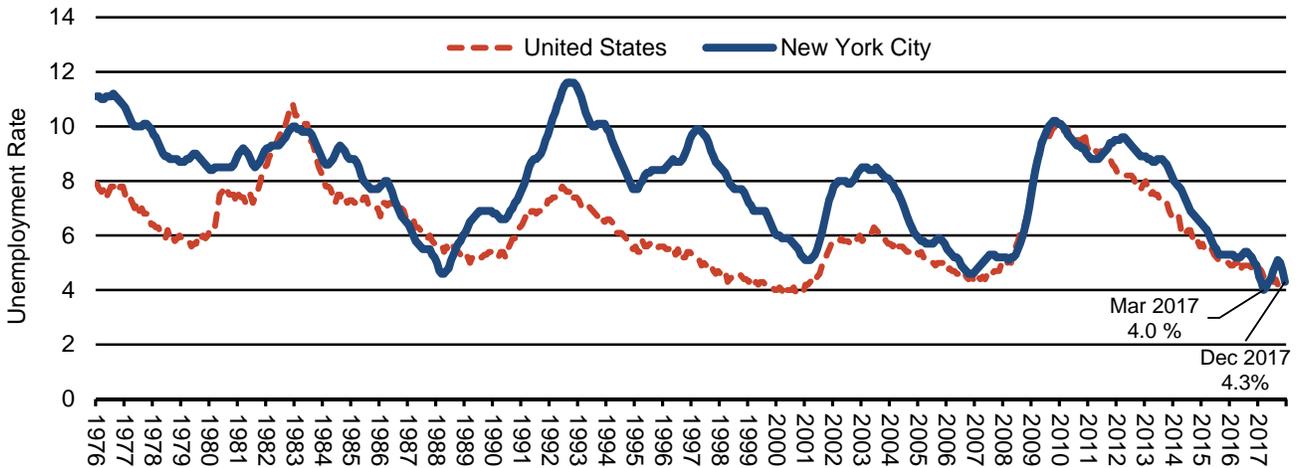
Note: There were small changes in the government, manufacturing, transportation and wholesale trade employment sectors between 2009 and 2017, and, in the aggregate, the net change was negligible.

Sources: NYS Department of Labor, Current Employment Statistics; OSC analysis

Unemployment

After peaking at 10.2 percent in October 2009 during the Great Recession, the unemployment rate in New York City dropped to 4 percent in March 2017, the lowest level since the current data series was introduced 41 years earlier (see Figure 5). Since March, the unemployment rate rose slightly (to 4.3 percent in December 2017) as more people entered the work force, encouraged by the strong economy. The unemployment rate in the City was considerably higher than in the nation for most months between 1976 and 2008, but since then the nation and the City have been much closer.

FIGURE 5
Unemployment Rates

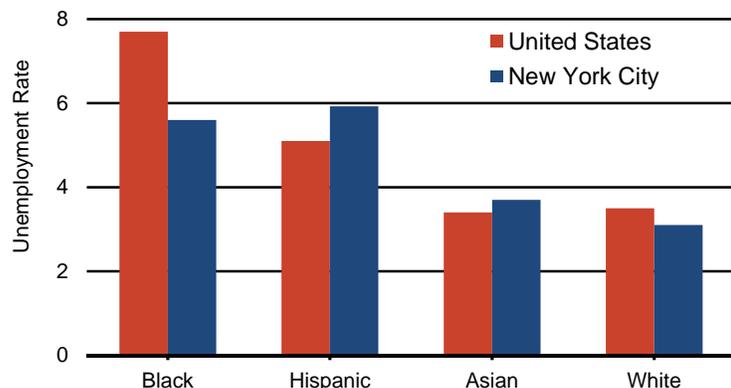


Sources: U.S. Bureau of Labor Statistics; NYS Department of Labor; OSC analysis

The unemployment rate averaged 4.5 percent during 2017, also the lowest since 1976 and less than half the peak reached during the recession. Educational attainment has always been a key to employability, and the unemployment rate for New York City residents with at least a bachelor's degree was 2.7 percent in 2017, while it was twice as high (5.6 percent) for those with only a high school diploma. The unemployment rate for people aged 18 to 24 was three times higher (11.6 percent) than for all other workers (3.6 percent).

As shown in Figure 6, the unemployment rate for African-Americans (5.6 percent) and Hispanics (5.9 percent) in New York City was higher than for whites (3.1 percent) and Asians (3.7 percent). However, the unemployment rate for African-Americans in the City was significantly lower than the national average for this group (7.7 percent), while the unemployment rate for Hispanics was moderately higher than the national average.

FIGURE 6
Unemployment Rate by Race/Ethnicity (2017)

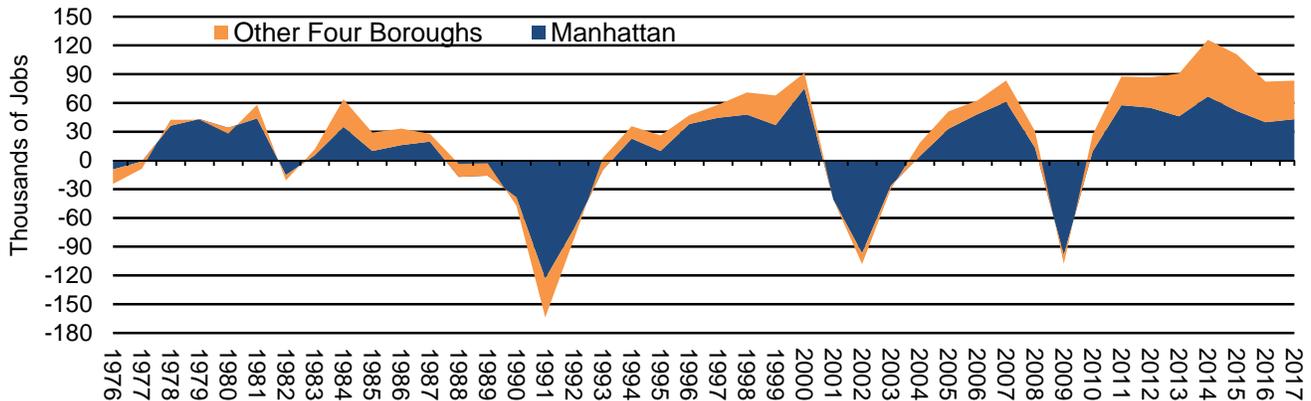


Sources: U.S. Census Bureau, Current Population Survey; OSC analysis

Growth by Borough

Job growth in New York City has become more geographically diversified than at any time since the current data series began in 1975. As shown in Figure 7, while Manhattan accounted for the majority of the private sector jobs added in the City during the current expansion, the share added by the other four boroughs (i.e., the outer boroughs) has risen to 47 percent, higher than in the prior four expansions. Annual gains in the outer boroughs exceeded those in Manhattan in three years of the current expansion (2010, 2015 and 2016).

FIGURE 7
Private Sector Job Growth, 1976-2017



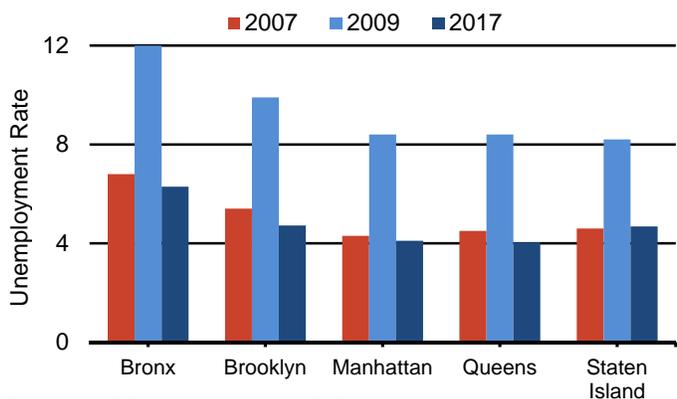
Note: 2017 is an estimate based on trends during the first half of the calendar year.

Sources: NYS Department of Labor, Quarterly Census of Employment and Wages; OSC analysis

Among the four outer boroughs, Brooklyn and Queens were the biggest contributors to growth. Brooklyn accounted for 24 percent of all private sector jobs created in New York City between 2009 and 2017, while Queens contributed 16 percent.¹ The share contributed by Brooklyn has increased steadily in recent years. Brooklyn also had the fastest rate of private sector growth of all five boroughs during the current expansion (38 percent), followed by Queens (24 percent), Manhattan (20 percent), the Bronx (15 percent) and Staten Island (14 percent).

As a result of strong growth in the outer boroughs, Manhattan's share of private sector employment has declined, from 64 percent in 1990 to 59 percent in 2017. Brooklyn's share increased the most, rising from nearly 13 percent to more than 16 percent. The shares in the other boroughs edged up slightly, with Queens accounting for more than 15 percent, the Bronx for less than 7 percent and Staten Island for less than 3 percent.

FIGURE 8
Unemployment Rate by Borough



Sources: NYS Department of Labor; OSC analysis

After almost doubling during the recession, unemployment rates in the boroughs have returned to their prerecession levels. In fact, unemployment rates in the Bronx, Brooklyn, Manhattan and Queens are lower now than before the recession (see Figure 8).

¹ Since employment data is not yet available for all of 2017 for the boroughs or the neighborhoods, this report used employment trends during the first half of the year to develop estimates for the full year.

Growth by Neighborhood

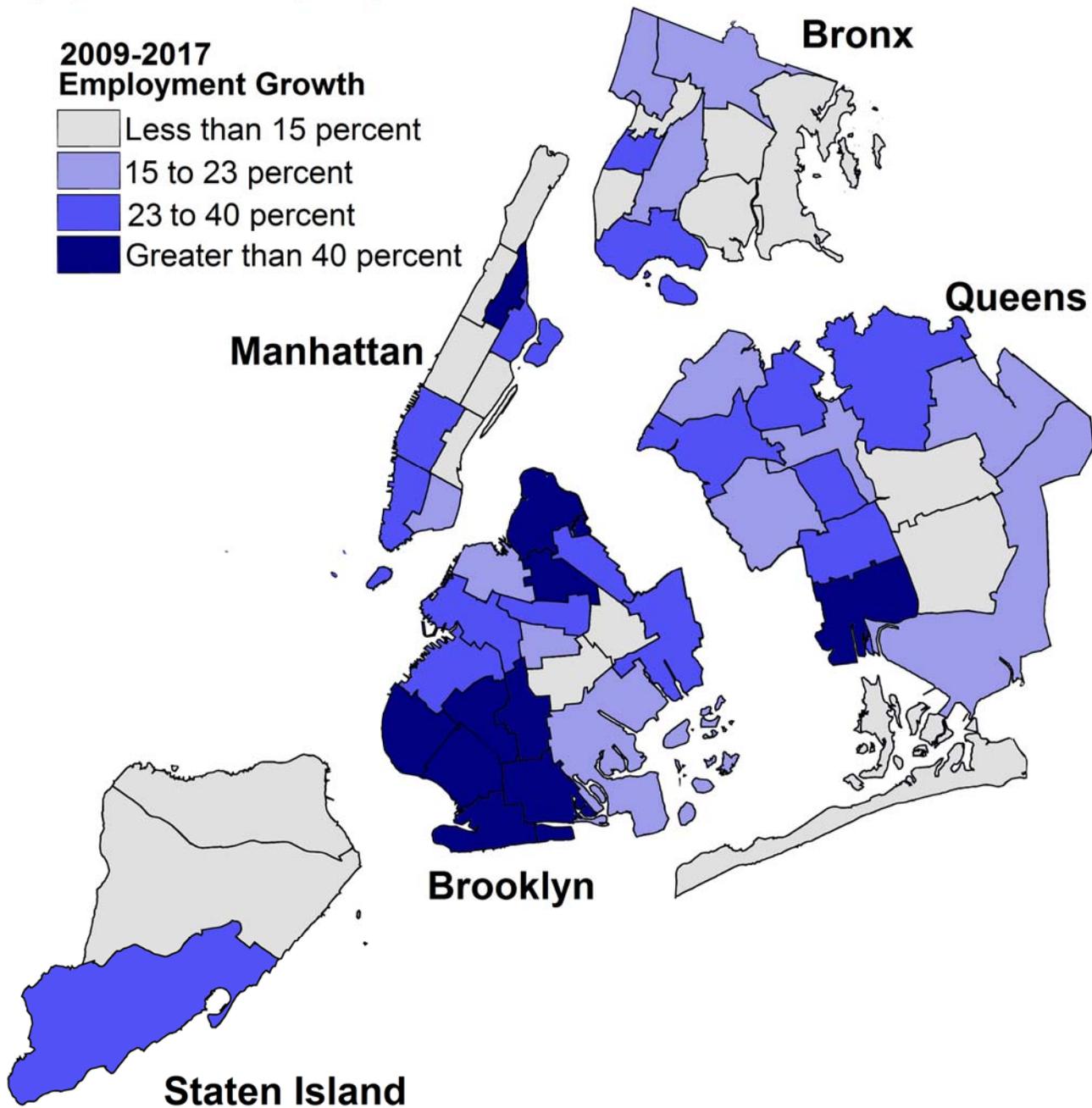
Private sector employment increased by 23 percent between 2009 and 2017. Ten neighborhoods had growth that exceeded 40 percent, and eight of them were in Brooklyn. (Figure 9 on the next page shows growth by neighborhood.)

- **Bedford-Stuyvesant:** Employment grew by 78 percent (8,100). One-third of the new jobs were in health care, while educational services accounted for 14 percent and leisure and hospitality and business services each accounted for about 10 percent of the gains.
- **Borough Park:** Employment grew by 72 percent (28,000), which was the largest increase outside of Manhattan. More than half (58 percent) of the gains were in health care.
- **Flatbush:** Employment grew by 68 percent (14,500), with more than half (57 percent) of the new jobs in health care.
- **Sheepshead Bay/Gravesend:** Employment grew by 66 percent (16,800), with two-thirds (66 percent) of the new jobs in health care.
- **Central Harlem:** Employment grew by 59 percent (6,900), driven by the leisure and hospitality sector (25 percent) and the educational services sector (18 percent).
- **Bensonhurst:** Employment grew by 50 percent (10,100). Growth was driven by social assistance (38 percent) and health care (27 percent).
- **Coney Island:** Employment grew by 46 percent (7,300). More than half (55 percent) of the new jobs were in health care, while retail trade added 12 percent and leisure and hospitality added 11 percent.
- **Williamsburg/Greenpoint:** Employment grew by 44 percent (21,800), driven by leisure and hospitality (33 percent) and business services (24 percent).
- **Bay Ridge:** Employment grew by 44 percent (7,200). Health care accounted for 35 percent of the new jobs, while social assistance accounted for 16 percent and leisure and hospitality accounted for 13 percent.
- **Howard Beach/South Ozone Park:** Employment grew by 41 percent (4,100), the fastest rate of job growth of any neighborhood in Queens. More than half (55 percent) of the jobs added were in leisure and hospitality.

The largest number of jobs added during the current expansion were in Chelsea/Clinton/Midtown Manhattan (194,800). In Brooklyn, Queens and the Bronx, the largest increases were in Borough Park (28,000), Flushing/Whitestone (22,300) and Mott Haven/Hunts Point (9,600), respectively.

No neighborhood in the City lost jobs between 2009 and 2017. The five neighborhoods with the slowest rates of growth during this period were Soundview/Parkchester in the Bronx (2 percent), East Flatbush in Brooklyn (3 percent), the Upper West Side in Manhattan (4 percent), Kingsbridge Heights/Mosholu in the Bronx (5 percent) and Brownsville/Ocean Hill in Brooklyn (5 percent).

FIGURE 9
Employment Growth by Neighborhood



Sources: NYS Department of Labor, Quarterly Census of Employment and Wages; OSC analysis

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