Location Quotients:
A Statewide and Regional Analysis

June 2017

A Division of the New York State Department of Labor
Introduction to Economic Base Theory

Analysts have at their disposal many tools when it comes to analyzing regional economies. One of the oldest and still widely used analytical tools used by regional economists is the location quotient (LQ).

Location quotients were initially developed by economist Robert Murray Haig (1887–1953) of Columbia University in the late 1920s as part of his pioneering work in the area of economic base theory (EBT). In Haig’s EBT model, a region’s economy is divided into two broad sectors:

1. The basic sector, and
2. The non-basic sector

Firms in the basic sector mostly sell the goods and services they produce to customers outside the region (export) under study (e.g., wineries in the Finger Lakes region of New York). In contrast, firms in the non-basic sector (e.g., dry cleaners in most cities) typically sell most of their goods and services to local residents.

The principal tenet of the EBT model is that a regional economy only grows by selling goods and services -- produced by firms in the basic sector -- to customers outside of the immediate region (exports). In turn, the income generated in the basic sector by the region’s exports is magnified by the economic multiplier. This newly created income then re-circulates several times throughout the regional economy, helping to generate additional demand (and hence, jobs) in both the region’s basic and non-basic sectors.

The delineation between a region’s basic and non-basic sectors begs the question: How do we identify the specific industries that comprise a region’s basic sector, and thus contribute to the region’s overall growth prospects? The balance of this paper addresses those issues, focusing on location quotients.

We first provide background information regarding location quotients. We then look at specific examples of export industries in New York’s statewide economy as well as in each of its 10 labor market regions. LQ data presented here were generated by the Economic Modeling Specialists Intl. (EMSI) software program, while employment and wage data (from 2016) are from the Quarterly Census of Employment and Wages (QCEW).
What is a Location Quotient (LQ)?

Compared to other labor market information data such as employment and wages, which are generally well understood, LQs are more technical in nature. Nonetheless, they play a key role in helping to identify a region’s export industries.

LQs compare a specific industry’s share of jobs in the local region relative to its share of jobs in the nation. They are calculated by dividing an industry’s share of regional employment by that industry’s share of national employment.

For example, if an industry accounts for 10% of the jobs in the Southern Tier, but only 2% of U.S. jobs, then that industry’s LQ in the Southern Tier is 5.0 (i.e., 10% divided by 2%). The general formula for calculating a location quotient for local industry X is as follows:

\[
LQ = \frac{\text{Industry X's % Share of Jobs in the Regional Economy}}{\text{Industry X's % Share of Jobs in the U.S. Economy}}
\]

The table below provides interpretations for different LQ values. Industries with LQs significantly greater than 1.0 (usually above 1.25) produce more than the local market needs, and often sell a significant share of their output to customers outside of the local region. Thus, these industries are considered to be export-oriented and part of the region’s basic sector. In contrast, industries with an LQ less than 1.0 are typically classified as import oriented.

<table>
<thead>
<tr>
<th>Value of Location Quotient (LQ)</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>LQ &gt; 1.00</td>
<td>Industry is producing more than is consumed locally (i.e., exporting).</td>
</tr>
<tr>
<td>LQ = 1.00</td>
<td>Local production meets local demand.</td>
</tr>
<tr>
<td>LQ &lt; 1.00</td>
<td>Industry is producing less than is consumed locally (i.e., importing).</td>
</tr>
</tbody>
</table>

A specific example will help to illustrate the use and application of LQs. Per the QCEW data series, the manufacturing sector in Chenango County accounted for 26.43% of all jobs in the county in 2016. However, manufacturing only comprised 8.67% of employment in the U.S. last year. The LQ for manufacturing in Chenango County in 2016 is calculated as 26.43%/8.67%, or 3.05.

The interpretation of this LQ is straightforward: manufacturing jobs were 3.05 times more concentrated in Chenango County than in the U.S. as a whole in 2016. Analysts researching Chenango County’s economy will find this result makes sense, as the county’s dairy processing industry (counted as part of manufacturing) has experienced rapid expansion over the past few years due to strong growth in demand for the Greek-style yogurt that is produced there.
New York State

This section looks at the 10 industries (at the 3-digit NAICS level) in New York State with the largest LQs. See the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>NAICS 523 Securities, commodity contracts, investments</td>
<td>3.29</td>
<td>194,680</td>
<td>$359,110</td>
</tr>
<tr>
<td>NAICS 519 Other information services</td>
<td>2.78</td>
<td>47,560</td>
<td>$139,080</td>
</tr>
<tr>
<td>NAICS 485 Transit and ground passenger transportation</td>
<td>2.33</td>
<td>72,030</td>
<td>$36,020</td>
</tr>
<tr>
<td>NAICS 512 Motion picture and sound recording industries</td>
<td>2.22</td>
<td>58,460</td>
<td>$97,180</td>
</tr>
<tr>
<td>NAICS 315 Apparel manufacturing</td>
<td>2.05</td>
<td>16,260</td>
<td>$53,550</td>
</tr>
<tr>
<td>NAICS 712 Museums, historical sites, zoos, and parks</td>
<td>1.93</td>
<td>19,250</td>
<td>$48,880</td>
</tr>
<tr>
<td>NAICS 515 Broadcasting, except Internet</td>
<td>1.92</td>
<td>30,720</td>
<td>$142,990</td>
</tr>
<tr>
<td>NAICS 611 Educational services</td>
<td>1.92</td>
<td>343,200</td>
<td>$58,770</td>
</tr>
<tr>
<td>NAICS 711 Performing arts and spectator sports</td>
<td>1.89</td>
<td>56,200</td>
<td>$96,970</td>
</tr>
<tr>
<td>NAICS 813 Membership associations and organizations</td>
<td>1.76</td>
<td>155,660</td>
<td>$48,550</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW

At 3.29, securities, commodity contracts and investments (NAICS 523) has the highest statewide LQ. This industry is very important to the state. Not only did this industry employ almost 195,000 in 2016, it also paid salaries averaging almost $360,000. Nationally, more than one out of every five workers in this sector are employed in New York State.

Other information services (NAICS 519) recorded a strong LQ of 2.78. Industries in this category are primarily news syndicates, libraries, archives, exclusive internet publishing and/or broadcasting and web search portals. These businesses combined employed more than 47,000 in 2016, with an average annual wage of $139,080.

Transit and ground passenger transportation (NAICS 485) ranked third with an LQ of 2.33. While this industry is active in every region of the state, jobs are mostly concentrated in the downstate region. The state employs more than 15% of the nation’s transit and ground transportation workers.

Motion picture and sound recording (NAICS 512) industries recorded an LQ of 2.22. While this industry is found in every region of the state, 70% of statewide employment is found in the New York City area. New York State employs about 15% of the nation’s motion picture and sound recording workers.

The LQ for the state’s apparel manufacturing sector (NAICS 315) stood at 2.05. This means that apparel manufacturing’s share of employment in New York State is more than two times its share of employment in the national economy. New York State employs about 13% of the nation’s apparel manufacturing workers.
### Capital Region

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the Capital Region economy.

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>NAICS 322 Paper manufacturing</td>
<td>1.67</td>
<td>2,540</td>
<td>$69,490</td>
</tr>
<tr>
<td>NAICS 813 Membership associations and organizations</td>
<td>1.61</td>
<td>9,560</td>
<td>$34,960</td>
</tr>
<tr>
<td>NAICS 611 Educational services</td>
<td>1.54</td>
<td>18,510</td>
<td>$48,520</td>
</tr>
<tr>
<td>NAICS 524 Insurance carriers and related activities</td>
<td>1.38</td>
<td>13,660</td>
<td>$77,340</td>
</tr>
<tr>
<td>NAICS 325 Chemical manufacturing</td>
<td>1.29</td>
<td>4,800</td>
<td>$100,250</td>
</tr>
<tr>
<td>NAICS 623 Nursing and residential care facilities</td>
<td>1.19</td>
<td>17,080</td>
<td>$31,880</td>
</tr>
<tr>
<td>NAICS 112 Animal production and aquaculture</td>
<td>1.19</td>
<td>1,270</td>
<td>$39,810</td>
</tr>
<tr>
<td>NAICS 327 Nonmetallic mineral product manufacturing</td>
<td>1.14</td>
<td>1,920</td>
<td>$68,580</td>
</tr>
<tr>
<td>NAICS 485 Transit and ground passenger transportation</td>
<td>1.10</td>
<td>2,450</td>
<td>$23,210</td>
</tr>
<tr>
<td>NAICS 515 Broadcasting, except Internet</td>
<td>1.10</td>
<td>740</td>
<td>$61,970</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW

### Central New York

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the Central New York regional economy.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>NAICS 221 Utilities</td>
<td>2.72</td>
<td>3,610</td>
<td>$110,700</td>
</tr>
<tr>
<td>NAICS 331 Primary metal manufacturing</td>
<td>2.70</td>
<td>2,500</td>
<td>$70,510</td>
</tr>
<tr>
<td>NAICS 112 Animal production and aquaculture</td>
<td>2.34</td>
<td>1,390</td>
<td>$34,090</td>
</tr>
<tr>
<td>NAICS 335 Electrical equipment and appliance mfg.</td>
<td>2.12</td>
<td>1,760</td>
<td>$62,200</td>
</tr>
<tr>
<td>NAICS 322 Paper manufacturing</td>
<td>1.85</td>
<td>1,580</td>
<td>$62,520</td>
</tr>
<tr>
<td>NAICS 611 Educational services</td>
<td>1.79</td>
<td>11,650</td>
<td>$53,410</td>
</tr>
<tr>
<td>NAICS 525 Funds, trusts and other financial vehicles</td>
<td>1.76</td>
<td>50</td>
<td>$45,160</td>
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<tr>
<td>NAICS 334 Computer and electronic product manufacturing</td>
<td>1.71</td>
<td>4,260</td>
<td>$86,060</td>
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<tr>
<td>NAICS 312 Beverage and tobacco product manufacturing</td>
<td>1.68</td>
<td>1,030</td>
<td>$84,160</td>
</tr>
<tr>
<td>NAICS 339 Miscellaneous manufacturing</td>
<td>1.66</td>
<td>2,270</td>
<td>$72,140</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW
**Finger Lakes**

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the Finger Lakes regional economy.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>NAICS 112 Animal production and aquaculture</td>
<td>2.81</td>
<td>2,720</td>
<td>$37,250</td>
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<tr>
<td>NAICS 333 Machinery manufacturing</td>
<td>2.70</td>
<td>11,260</td>
<td>$75,750</td>
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<tr>
<td>NAICS 611 Educational services</td>
<td>2.65</td>
<td>28,690</td>
<td>$58,320</td>
</tr>
<tr>
<td>NAICS 334 Computer and electronic product manufacturing</td>
<td>2.52</td>
<td>10,610</td>
<td>$81,440</td>
</tr>
<tr>
<td>NAICS 312 Beverage and tobacco product manufacturing</td>
<td>2.50</td>
<td>2,350</td>
<td>$37,290</td>
</tr>
<tr>
<td>NAICS 326 Plastics and rubber products manufacturing</td>
<td>2.01</td>
<td>5,440</td>
<td>$50,450</td>
</tr>
<tr>
<td>NAICS 339 Miscellaneous manufacturing</td>
<td>1.74</td>
<td>3,980</td>
<td>$61,760</td>
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<tr>
<td>NAICS 813 Membership associations and organizations</td>
<td>1.66</td>
<td>8,570</td>
<td>$22,570</td>
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<tr>
<td>NAICS 111 Crop production</td>
<td>1.66</td>
<td>3,700</td>
<td>$30,320</td>
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<tr>
<td>NAICS 485 Transit and ground passenger transportation</td>
<td>1.57</td>
<td>2,960</td>
<td>$24,250</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW

**Hudson Valley**

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the Hudson Valley regional economy.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>NAICS 485 Transit and ground passenger transportation</td>
<td>3.87</td>
<td>11,790</td>
<td>$34,660</td>
</tr>
<tr>
<td>NAICS 814 Private households</td>
<td>2.00</td>
<td>3,590</td>
<td>$31,880</td>
</tr>
<tr>
<td>NAICS 611 Educational services</td>
<td>1.85</td>
<td>32,250</td>
<td>$44,760</td>
</tr>
<tr>
<td>NAICS 623 Nursing and residential care facilities</td>
<td>1.77</td>
<td>37,320</td>
<td>$36,840</td>
</tr>
<tr>
<td>NAICS 813 Membership associations and organizations</td>
<td>1.77</td>
<td>15,230</td>
<td>$35,700</td>
</tr>
<tr>
<td>NAICS 448 Clothing and clothing accessories stores</td>
<td>1.68</td>
<td>13,920</td>
<td>$22,170</td>
</tr>
<tr>
<td>NAICS 221 Utilities</td>
<td>1.56</td>
<td>5,470</td>
<td>$123,620</td>
</tr>
<tr>
<td>NAICS 334 Computer and electronic product manufacturing</td>
<td>1.55</td>
<td>9,730</td>
<td>$140,110</td>
</tr>
<tr>
<td>NAICS 442 Furniture and home furnishings stores</td>
<td>1.53</td>
<td>4,490</td>
<td>$32,830</td>
</tr>
<tr>
<td>NAICS 812 Personal and laundry services</td>
<td>1.49</td>
<td>14,080</td>
<td>$26,260</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW
**Long Island**

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the Long Island regional economy.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>NAICS 485 Transit and ground passenger transportation</td>
<td>3.27</td>
<td>14,270</td>
<td>$34,510</td>
</tr>
<tr>
<td>NAICS 483 Water transportation</td>
<td>1.88</td>
<td>1,260</td>
<td>$88,760</td>
</tr>
<tr>
<td>NAICS 325 Chemical manufacturing</td>
<td>1.71</td>
<td>12,380</td>
<td>$65,220</td>
</tr>
<tr>
<td>NAICS 812 Personal and laundry services</td>
<td>1.70</td>
<td>23,050</td>
<td>$25,340</td>
</tr>
<tr>
<td>NAICS 454 Non-store retailers</td>
<td>1.54</td>
<td>7,150</td>
<td>$66,660</td>
</tr>
<tr>
<td>NAICS 448 Clothing and clothing accessories stores</td>
<td>1.50</td>
<td>18,910</td>
<td>$22,640</td>
</tr>
<tr>
<td>NAICS 443 Electronics and appliance stores</td>
<td>1.40</td>
<td>6,460</td>
<td>$48,490</td>
</tr>
<tr>
<td>NAICS 442 Furniture and home furnishings stores</td>
<td>1.40</td>
<td>5,760</td>
<td>$34,350</td>
</tr>
<tr>
<td>NAICS 424 Merchant wholesalers, nondurable goods</td>
<td>1.35</td>
<td>24,600</td>
<td>$71,690</td>
</tr>
<tr>
<td>NAICS 446 Health and personal care stores</td>
<td>1.35</td>
<td>12,960</td>
<td>$38,400</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW

**Mohawk Valley**

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the Mohawk Valley regional economy.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>NAICS 316 Leather and allied product manufacturing</td>
<td>15.69</td>
<td>430</td>
<td>$39,940</td>
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<tr>
<td>NAICS 331 Primary metal manufacturing</td>
<td>5.14</td>
<td>2,420</td>
<td>$55,830</td>
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<td>NAICS 493 Warehousing and storage</td>
<td>3.52</td>
<td>3,870</td>
<td>$41,420</td>
</tr>
<tr>
<td>NAICS 313 Textile mills</td>
<td>3.01</td>
<td>410</td>
<td>$41,680</td>
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<tr>
<td>NAICS 314 Textile product mills</td>
<td>2.67</td>
<td>370</td>
<td>$31,530</td>
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<tr>
<td>NAICS 485 Transit and ground passenger transportation</td>
<td>2.51</td>
<td>1,500</td>
<td>$25,130</td>
</tr>
<tr>
<td>NAICS 712 Museums, historical sites, zoos, and parks</td>
<td>2.45</td>
<td>450</td>
<td>$24,160</td>
</tr>
<tr>
<td>NAICS 623 Nursing and residential care facilities</td>
<td>2.40</td>
<td>9,570</td>
<td>$28,710</td>
</tr>
<tr>
<td>NAICS 624 Social assistance</td>
<td>2.14</td>
<td>9,580</td>
<td>$23,780</td>
</tr>
<tr>
<td>NAICS 321 Wood product manufacturing</td>
<td>1.93</td>
<td>910</td>
<td>$38,870</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW
**New York City**

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the New York City regional economy.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>NAICS 523 Securities, commodity contracts, investments</td>
<td>6.29</td>
<td>172,920</td>
<td>$375,280</td>
</tr>
<tr>
<td>NAICS 519 Other information services</td>
<td>4.70</td>
<td>38,870</td>
<td>$156,300</td>
</tr>
<tr>
<td>NAICS 315 Apparel manufacturing</td>
<td>3.86</td>
<td>13,520</td>
<td>$53,560</td>
</tr>
<tr>
<td>NAICS 512 Motion picture and sound recording industries</td>
<td>3.49</td>
<td>42,640</td>
<td>$107,160</td>
</tr>
<tr>
<td>NAICS 515 Broadcasting, except Internet</td>
<td>3.25</td>
<td>24,600</td>
<td>$162,070</td>
</tr>
<tr>
<td>NAICS 712 Museums, historical sites, zoos, and parks</td>
<td>3.02</td>
<td>14,010</td>
<td>$56,610</td>
</tr>
<tr>
<td>NAICS 711 Performing arts and spectator sports</td>
<td>2.83</td>
<td>39,940</td>
<td>$107,540</td>
</tr>
<tr>
<td>NAICS 533 Lessors of nonfinancial intangible assets</td>
<td>2.59</td>
<td>1,790</td>
<td>$129,630</td>
</tr>
<tr>
<td>NAICS 531 Real estate</td>
<td>2.53</td>
<td>116,880</td>
<td>$79,360</td>
</tr>
<tr>
<td>NAICS 487 Scenic and sightseeing transportation</td>
<td>2.27</td>
<td>2,290</td>
<td>$37,010</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW

**North Country**

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the North Country regional economy.

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NAICS 112 Animal production and aquaculture</td>
<td>7.48</td>
<td>1,670</td>
<td>$35,130</td>
</tr>
<tr>
<td>NAICS 113 Forestry and logging</td>
<td>6.43</td>
<td>320</td>
<td>$43,950</td>
</tr>
<tr>
<td>NAICS 322 Paper manufacturing</td>
<td>6.05</td>
<td>1,860</td>
<td>$63,310</td>
</tr>
<tr>
<td>NAICS 447 Gasoline stations</td>
<td>2.60</td>
<td>2,030</td>
<td>$19,300</td>
</tr>
<tr>
<td>NAICS 712 Museums, historical sites, zoos, and parks</td>
<td>2.29</td>
<td>310</td>
<td>$27,510</td>
</tr>
<tr>
<td>NAICS 444 Building material and garden supply stores</td>
<td>2.12</td>
<td>2,490</td>
<td>$32,220</td>
</tr>
<tr>
<td>NAICS 813 Membership associations and organizations</td>
<td>2.04</td>
<td>2,670</td>
<td>$20,770</td>
</tr>
<tr>
<td>NAICS 623 Nursing and residential care facilities</td>
<td>1.90</td>
<td>5,620</td>
<td>$30,650</td>
</tr>
<tr>
<td>NAICS 721 Accommodation</td>
<td>1.84</td>
<td>3,150</td>
<td>$24,300</td>
</tr>
<tr>
<td>NAICS 622 Hospitals</td>
<td>1.76</td>
<td>7,820</td>
<td>$64,070</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW
**Southern Tier**

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the Southern Tier regional economy.

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<th></th>
<th></th>
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</thead>
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<tr>
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<td>4.51</td>
<td>8,350</td>
<td>$87,270</td>
</tr>
<tr>
<td>NAICS 611 Educational services</td>
<td>3.60</td>
<td>17,170</td>
<td>$61,470</td>
</tr>
<tr>
<td>NAICS 327 Nonmetallic mineral product manufacturing</td>
<td>2.88</td>
<td>2,020</td>
<td>$71,860</td>
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<td>NAICS 333 Machinery manufacturing</td>
<td>2.17</td>
<td>4,060</td>
<td>$63,210</td>
</tr>
<tr>
<td>NAICS 112 Animal production and aquaculture</td>
<td>2.05</td>
<td>860</td>
<td>$30,750</td>
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<tr>
<td>NAICS 813 Membership associations and organizations</td>
<td>1.88</td>
<td>4,510</td>
<td>$20,440</td>
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<tr>
<td>NAICS 487 Scenic and sightseeing transportation</td>
<td>1.77</td>
<td>ND</td>
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<tr>
<td>NAICS 335 Electrical equipment and appliance mfg.</td>
<td>1.66</td>
<td>1,010</td>
<td>$49,810</td>
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<tr>
<td>NAICS 321 Wood product manufacturing</td>
<td>1.54</td>
<td>1,070</td>
<td>$42,860</td>
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<tr>
<td>NAICS 623 Nursing and residential care facilities</td>
<td>1.53</td>
<td>9,030</td>
<td>$28,880</td>
</tr>
</tbody>
</table>

Sources: EMSI; QCEW

ND: Data are non-disclosable, due to BLS confidentiality rules.

**Western New York**

The table below reports the 2016 employment count and average annual wage of the 10 industries (3-digit NAICS level) with the largest LQs in the Western New York regional economy.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>NAICS 485 Transit and ground passenger transportation</td>
<td>1.84</td>
<td>3,800</td>
<td>$22,470</td>
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<tr>
<td>NAICS 333 Machinery manufacturing</td>
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<td>8,260</td>
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<td>10,440</td>
<td>$21,670</td>
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<tr>
<td>NAICS 332 Fabricated metal product manufacturing</td>
<td>1.77</td>
<td>10,990</td>
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<td>NAICS 335 Electrical equipment and appliance mfg.</td>
<td>1.68</td>
<td>2,730</td>
<td>$69,200</td>
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<tr>
<td>NAICS 327 Nonmetallic mineral product manufacturing</td>
<td>1.61</td>
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<td>$54,430</td>
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<td>NAICS 623 Nursing and residential care facilities</td>
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<td>$29,540</td>
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<tr>
<td>NAICS 339 Miscellaneous manufacturing</td>
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<tr>
<td>NAICS 551 Management of companies and enterprises</td>
<td>1.48</td>
<td>14,050</td>
<td>$84,140</td>
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<td>NAICS 325 Chemical manufacturing</td>
<td>1.45</td>
<td>5,200</td>
<td>$78,780</td>
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</table>

Sources: EMSI; QCEW
Summary
Location quotients are a valuable tool for identifying export-oriented industries in a regional economy. These industries are key since they contribute to a regional economy’s overall growth prospects.

This report presented background information regarding location quotients. It also identified the 10 industries (3-dgit NAICS) with the largest location quotients at both the state and labor market region levels. The LQ data presented in this report were generated by the EMSI software program, while employment and wage data (2016) came from the Quarterly Census of Employment and Wages.

Location quotient data by industry supersector -- which are based on QCEW data and compiled by the U.S. Bureau of Labor Statistics -- are available for New York State, its 10 labor market regions and 62 counties in a companion Excel file, which is found on the New York State Department of Labor’s website: https://labor.ny.gov/stats/Location-Quotients.xls.

For Further Information
Questions regarding this report should be directed to Kevin Jack, Statewide Labor Market Analyst. He can be reached via email at Kevin.Jack@labor.ny.gov or by phone at (518) 457-3800.