Employment in New York State

SEPTEMBER 2020

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NEW YORK STATE OF OPPORTUNITY. Department of Labor

RESEARCH AND STATISTICS

At a Glance

New York State had 8,450,700 total nonfarm jobs in July 2020, including 7,116,200 private sector jobs, after seasonal adjustment. The state's seasonally adjusted private sector job count increased by 3.6% in June-July 2020, while the nation's job count increased by 1.3% over this period. From July 2019 to July 2020, the number of private sector jobs decreased by 14.2% in the state and by 8.2% in the nation (not seasonally adjusted).

In July 2020, New York State's seasonally adjusted unemployment rate increased from 15.6% to 15.9%. The comparable rate for the nation in July 2020 was 10.2%.

New York State's seasonally adjusted labor force participation rate increased from 60.1% in June to 61.4% in July 2020.

Change in Nonfarm Jobs

July 2019 - July 2020

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	-1,340.1	-13.7
Private Sector	-1,184.5	-14.2
Goods-producing	-95.2	-10.9
Nat. res. & mining	-0.8	-14.3
Construction	-47.7	-11.3
Manufacturing	-46.7	-10.6
Durable gds.	-25.1	-9.8
Nondurable gds.	-21.6	-11.6
Service-providing	-1,244.9	-13.9
Trade, trans. & util.	-209.3	-13.6
Wholesale trade	-36.5	-11.1
Retail trade	-112.5	-12.3
Trans., wrhs. & util.	-60.3	-20.2
Information	-18.1	-6.5
Financial activities	-51.0	-6.9
Prof. & bus. svcs.	-180.1	-12.9
Educ. & health svcs.	-136.1	-6.6
Leisure & hospitality	-428.0	-42.1
Other services	-66.7	-16.0
Government	-155.6	-10.6

The "Zoom economy" takes hold during the pandemic....

Will Work from Home Become the "New Normal"?

"The [COVID -19] pandemic has moved up the adoption of certain technologies by years, especially those supporting automation and remote work."

Christopher Mims, *Wall Street Journal*, August 22, 2020

The COVID-19 pandemic has changed the work landscape and accelerated certain ongoing economic trends. Firms in some industries turned to technology to replace workers sickened by the coronavirus. For example, some meat packing plants are using robots for some of their work, and many call centers now use chatbots, which are artificial intelligence software, that can simulate human conversation.

Consumers have also turned to technology in response to the pandemic by increasing their use of e-commerce and digital payments. Whether made via online or mobile phone channels, digital payments help people make purchases from a distance. They help prevent the spread of COVID-19 as people avoid contact with cash or card readers.

For many U.S. workers, the biggest use of technology has been in enabling them to work from home (WFH). Also known as "remote work" or "telecommuting," WFH relies on a variety of technologies, including virtual private networks (VPNs), voice over internet protocols (VoIPs), virtual meetings and cloud computing. Beyond preventing the spread of COVID-19, remote work saves commuting time and gives workers more flexibility. Here, we look at the growing WFH phenomenon and consider its post-pandemic prospects.

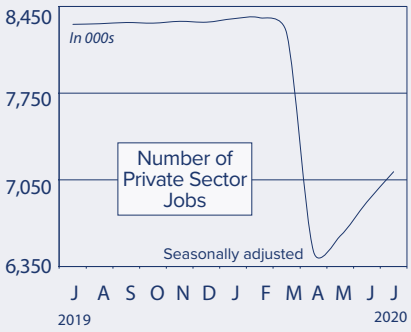
How Many Jobs *Can* Be Done from Home?

University of Chicago economists Jonathan Dingel and Brent Neiman (D&N) estimate that 37% of all jobs in the U.S. can be done entirely at home. They note,

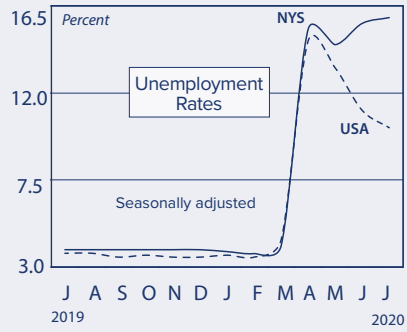
Continued on page 2

In July...

...NYS private sector jobs increased



...NYS unemployment rate increased



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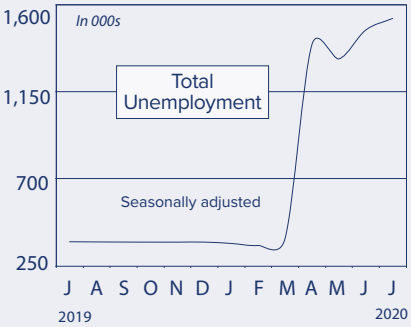

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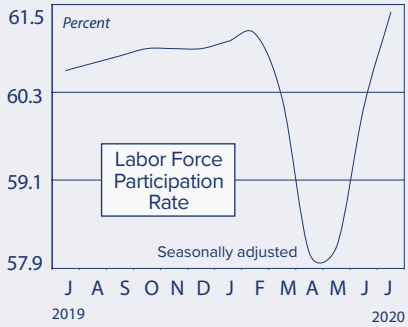

Focus on the Hudson Valley

A Look at the Hudson Valley's Transportation and Warehousing Sector

by Johny Nelson, Labor Market Analyst, Hudson Valley Region

The transportation and warehousing (T&W) sector plays a critical role in the Hudson Valley's regional economy. In recent years, the region has become a magnet for many transportation and warehousing companies. They set up shop in the region due to its proximity to airports, highways and major population centers, transforming the Hudson Valley into a major transportation hub. The importance of T&W became clear during the COVID-19 pandemic as the sector's employees worked especially hard to keep essential goods moving through the nation's supply chain.

How Large a Sector?

In 2019, the T&W sector's 1,430 establishments employed more than 27,000 workers in the Hudson Valley. T&W was responsible for 3.4% of private sector jobs in the region and paid out $1.37 billion in wages, with workers receiving an average salary of $50,600 per year.

Between 2014 and 2019, the job count in the region's T&W sector increased by 3,500, or 14.8%. The T&W sector in the Hudson Valley labor market region had the fourth fastest growth rate (+14.8%) in New York State during that time frame. And total wages paid by the region's transportation and warehousing sector had the fastest rate of growth in the state – an increase of 17% – in 2014-19.

Industry Analysis

The three industries with the largest job gains within the Hudson Valley's T&W sector include: couriers and messengers (NAICS 492), truck transportation (NAICS 484), and warehousing and storage (NAICS 493). Combined, these three industries added almost 2,600 jobs in 2014-19. This growth accounted for 85% of the net job gains in the larger T&W sector over this period.

The job count in couriers and messengers experienced the largest net gain in 2014-19. The industry added 1,160 jobs, which translated into a 38.5% rate of growth. The industry's annual wage was $44,100 in 2019. Business activity in this industry has grown rapidly in recent years, spurred on by the tremendous expansion of online shopping. As online sales have soared, industry giants, such as UPS and FedEx, have been major beneficiaries.

The job count in truck transportation also experienced strong growth – up 1,110, or 29.6% – in 2014-19. In many ways, this industry represents the pulse of the nation's economy. Firms in this industry transport raw materials and finished goods. They also provide over-the-road transportation of cargo using motor vehicles like trucks and tractor trailers.

Industry growth has fueled regional demand for workers in several key occupations, including heavy and tractor-trailer truck drivers. In Orange County, the demand for truck drivers is so strong, firms are forced to offer more than competitive salaries in order to compete for talent. Trucking companies are also offering signing bonuses and flexible work schedules, as well as more comprehensive fringe benefits. In 2019, the average annual wage in the region's truck transportation industry was $57,600.

Employment in the Hudson Valley's warehousing and storage sector increased by 720, or 22.3%, in 2014-19. The industry's average salary was $46,500 per year in 2019. Firms in this industry operate warehouses and storage facilities. They may also provide logistics services.

"The transportation and warehousing sector plays a critical role in the Hudson Valley's regional economy."

Several name-brand companies, including The Gap, operate distribution centers in the region. Amid the pandemic, however, consumer behavior and the entire online retailing landscape has changed monumentally. According to a recent report from the U.S. Commerce Department, in the second quarter of 2020, e-commerce sales increased by a record 44.4% over the same period one year earlier. As online retail sales continue to grow, transportation and warehousing operators are expected to expand their presence in the region.

Conclusion

The Hudson Valley region's transportation and warehousing sector has proven resilient in recent years. Between 2014 and 2019, it added 3,500 private sector jobs to the region's employment base. While the sector is not immune from the negative economic effects of the pandemic, several projects currently in development could greatly increase the sector's job count in the coming years. The continued growth of e-commerce will only enhance the job opportunities in this sector.

Work from Home... *from page 1*

however, that this figure varies significantly across industries and geography.

Per D&N, the three U.S. industry sectors with the largest share of jobs that can be done from home are: Educational Services (83%); Professional, Scientific & Technical Services (80%); and Management of Companies (79%). The three with the smallest share include: Accommodation & Food Services (4%); Agriculture (8%); and Retail Trade (14%).

Characteristics of WFH Jobs

D&N found that remote occupations tend to offer higher salaries. They also have a higher share of workers with a four-year college degree. For example, workers can do at least 80% of their work at home in each of New York State's four highest-paying occupational groups: Management; Legal; Computer & Mathematical; and Business & Financial Operations.

The 2017-18 American Time Use Survey found that 46.5% of U.S. workers with at least a bachelor's degree sometimes worked at home. On the other hand, only 9.2% of workers with a high school diploma and 3.2% of those with less than a high school diploma had telework options.

University of Missouri Extension economists Mark White and Alan Spell (W&S) adopted D&N's methodology to calculate the share of jobs that can be done remotely for every county in Missouri. They found that counties with larger shares of workers in white-collar, professional service occupations usually have the greatest proportion of jobs that offer work from home.

Labor market analysts at the New York State Department of Labor mimicked W&S's analysis to develop comparable estimates for each of New York's 62 counties and 10 labor market regions. We found that the three counties with the largest share of WFH jobs are New York (47.4%), Tompkins (44.2%) and Albany (42.2%). The three counties with the smallest share include Schuyler (22.5%), Montgomery (23.6%) and Seneca (25.3%).

Continued on page 3

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JUL '19	JUL '20
New York State	**4.2**	**16.0**
Capital	**3.7**	**11.4**
Albany	3.9	11.7
Columbia	3.1	9.9
Greene	4.4	12.6
Rensselaer	3.9	11.1
Saratoga	3.3	10.6
Schenectady	4.0	13.2
Warren	3.6	11.5
Washington	3.6	10.7
Central New York	**4.3**	**12.8**
Cayuga	4.2	11.9
Cortland	4.7	11.6
Madison	4.3	11.9
Onondaga	4.0	13.2
Oswego	5.3	13.1
Southern Tier	**4.5**	**11.5**
Broome	5.0	12.8
Chemung	4.4	12.5
Chenango	4.2	9.9
Delaware	4.7	10.3
Schuyler	3.9	11.0
Steuben	4.2	11.7
Tioga	4.0	11.3
Tompkins	4.2	9.9

	JUL '19	JUL '20
Hudson Valley	**3.9**	**13.6**
Dutchess	3.7	12.5
Orange	4.0	13.7
Putnam	3.9	12.3
Rockland	3.9	13.8
Sullivan	3.7	13.6
Ulster	4.0	12.4
Westchester	4.0	14.2
Mohawk Valley	**4.5**	**12.1**
Fulton	4.7	13.0
Herkimer	4.6	11.1
Montgomery	5.0	13.6
Oneida	4.3	12.5
Otsego	4.2	10.7
Schoharie	4.6	10.8
North Country	**4.8**	**11.6**
Clinton	4.4	11.1
Essex	3.8	10.6
Franklin	4.7	12.2
Hamilton	3.3	7.4
Jefferson	4.9	12.3
Lewis	4.5	9.7
St. Lawrence	5.7	12.1

	JUL '19	JUL '20
Finger Lakes	**4.2**	**12.7**
Genesee	3.5	10.6
Livingston	4.1	10.4
Monroe	4.4	13.7
Ontario	3.8	11.2
Orleans	5.0	12.8
Seneca	3.6	11.7
Wayne	3.8	11.3
Wyoming	3.9	10.1
Yates	3.4	9.5
Western New York	**4.6**	**13.9**
Allegany	5.3	12.1
Cattaraugus	4.8	13.1
Chautauqua	4.5	12.4
Erie	4.5	14.1
Niagara	4.9	14.6
Long Island	**3.8**	**13.8**
Nassau	3.7	14.0
Suffolk	4.0	13.6
New York City	**4.3**	**20.0**
Bronx	5.8	24.9
Kings	4.4	20.4
New York	3.7	15.9
Queens	3.7	20.5
Richmond	4.4	17.3

Work from Home... *from page 2*

Among the state's labor market regions, the highest shares of WFH jobs are found in New York City (40.5%) and the Capital Region (37.5%). In contrast, the lowest shares of remote work jobs are in the North Country (29.2%) and the Mohawk Valley (30.3%).

How Many Jobs *Are* Done from Home?

The Federal Reserve Bank of Atlanta conducts a monthly survey of companies called the Survey of Business Uncertainty. The survey asked employers to anticipate how their share of employees working from home will change due to the pandemic. The firms expect the share of working days at home to triple, rising from 5.5% (in 2019) to 16.6% (post-pandemic) of all working days. After the pandemic, firms anticipate that 10% of their full-time workforce will work from home five days a week.

In May 2020, the Bureau of Labor Statistics added a pandemic question to the monthly Current Population Survey. It asked whether people had teleworked or worked from home for pay during the last four weeks because of COVID-19. In August 2020, just under one in four (24.3%) U.S. workers teleworked or worked from home due to the pandemic. This was down from 26.4% in July 2020.

Long-term Implications of More WFH Jobs

W&S outlined some key considerations for the U.S. labor market as more people work remotely. One takeaway is that while the COVID-19 pandemic has accelerated the trend toward remote work, most people will not work from home post-pandemic. Nonetheless, it will be important for companies and employees to prepare and plan for more work from home.

With more people telecommuting, many communities – especially those in rural areas – will need to invest in broadband, which makes working from home possible. New York is well-positioned in this regard. A 2016 study from Strategic Networks Group ranked the Empire State #1 in the nation for broadband activity and investment. This investment is critical; slower internet speeds hinder remote work opportunities.

With or without the COVID-19 pandemic, millions of American workers and students will continue to use teleconferencing platforms, such as Zoom and Microsoft Teams, to remotely conduct their meetings. However, many people have reported various issues with these technologies during the pandemic. As a result, most platform users need training so they can succeed with telework.

Looking Ahead

One lasting effect of the pandemic is that more work will be done remotely. As a result, the office property sector will be hit hard with declining rents and rising office vacancy rates. In addition, businesses that cater to workers in commercial centers – like restaurants, gyms and dry cleaners – will face increased financial pressures.

Kathryn Vasel of CNN Business summarizes what we have learned about remote work over the past six months: "It's made some companies rethink the concept of the 9-to-5 workday, has others realizing that remote work doesn't necessarily mean less productivity and that more meetings aren't always the answer to a problem." Stay tuned...

by Kevin Jack

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Regional Analysts' Corner

CAPITAL
Kevin Alexander — 518-242-8245
Over the past year, the private sector job count in the Capital Region fell by 54,500, or 12.2%, to 393,600 in July 2020. Employment losses were greatest in leisure and hospitality (-22,700), educational and health services (-8,500), trade, transportation and utilities (-8,000), professional and business services (-4,900) and manufacturing (-4,000).

CENTRAL NY
Karen Knapik-Scalzo — 315-479-3391
The number of private sector jobs in the Syracuse metro area declined by 36,900, or 13.9%, to 228,200 in July 2020. Sector job losses were greatest in trade, transportation and utilities (-11,300), leisure and hospitality (-7,300), educational and health services (-6,400), professional and business services (-5,600) and manufacturing (-2,300).

FINGER LAKES
Tammy Marino — 585-258-8870
Over the past year, the private sector job count in the Rochester metro area fell by 59,400, or 12.9%, to 402,500 in July 2020. Sector employment losses were largest in leisure and hospitality (-19,900), trade, transportation and utilities (-16,300), manufacturing (-8,600), educational and health services (-5,400) and professional and business services (-2,800).

HUDSON VALLEY
John Nelson — 914-997-8798
For the 12-month period ending July 2020, the private sector job count in the Hudson Valley decreased by 114,500, or 13.9%, to 711,800. Job declines were greatest in leisure and hospitality (-45,900), trade, transportation and utilities (-18,200), professional and business services (-15,500), educational and health services (-10,600) and other services (-10,300).

LONG ISLAND
Shital Patel — 516-934-8533
For the year ending July 2020, private sector jobs on Long Island declined by 155,600, or 13.3%, to 1,017,300. Sector employment losses were largest in leisure and hospitality (-52,100), trade, transportation and utilities (-31,200), educational and health services (-28,100), professional and business services (-18,800) and manufacturing (-8,200).

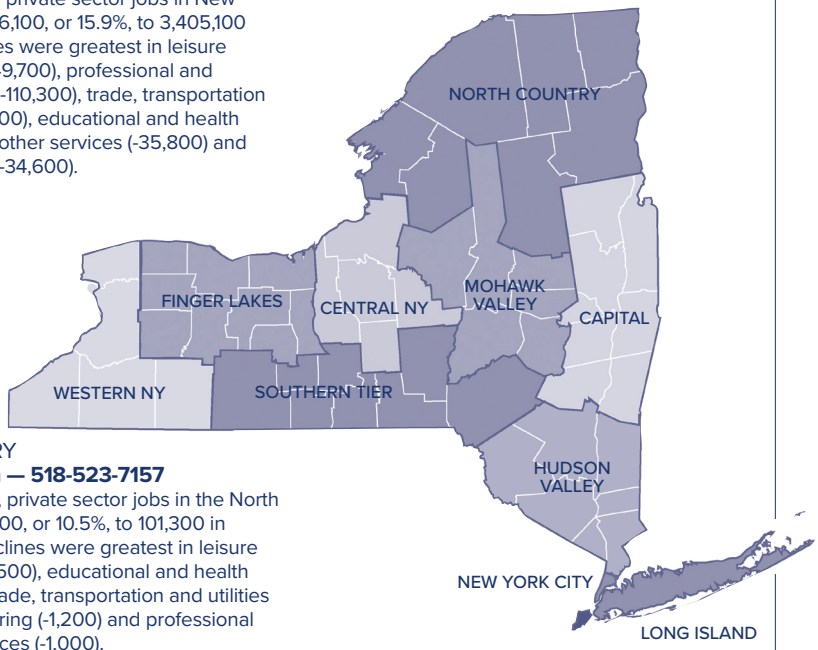
MOHAWK VALLEY
Brion Acton — 315-793-2282
For the 12-month period ending July 2020, the private sector job count in the Mohawk Valley region fell by 19,100, or 12.8%, to 130,200. Employment losses were greatest in leisure and hospitality (-6,700), educational and health services (-4,600), trade, transportation and utilities (-3,100), professional and business services (-1,700) and other services (-1,100).

NEW YORK CITY
Elena Volovelsky — 718-613-3971
Over the past year, private sector jobs in New York City fell by 646,100, or 15.9%, to 3,405,100 in July 2020. Losses were greatest in leisure and hospitality (-249,700), professional and business services (-110,300), trade, transportation and utilities (-102,200), educational and health services (-61,000), other services (-35,800) and financial activities (-34,600).

NORTH COUNTRY
Anthony Hayden — 518-523-7157
Over the past year, private sector jobs in the North Country fell by 11,900, or 10.5%, to 101,300 in July 2020. Job declines were greatest in leisure and hospitality (-4,500), educational and health services (-2,100), trade, transportation and utilities (-1,700), manufacturing (-1,200) and professional and business services (-1,000).

SOUTHERN TIER
Christian Harris — 607-741-4480
The number of private sector jobs in the Southern Tier declined by 18,600, or 8.3%, to 206,600 in the 12-month period ending July 2020. Employment losses were greatest in leisure and hospitality (-4,800), trade, transportation and utilities (-2,800), educational and health services (-2,600), professional and business services (-2,600) and other services (-1,900).

WESTERN NY
Timothy Glass — 716-851-2742
For the 12-month period ending July 2020, the private sector job count in the Buffalo-Niagara Falls metro area declined by 50,400, or 10.6%, to 425,200 in July 2020. Growth was focused in manufacturing (+1,000). Losses were greatest in leisure and hospitality (-16,900), trade, transportation and utilities (-13,200), professional and business services (-7,400) and educational and health services (-7,300).



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