



New York City Employment Trends

Highlights

- Employment reached 4.55 million jobs in 2018, the highest level on record and 721,800 higher than the prerecession level in 2008.
- Three-quarters of the jobs added during the current expansion were in employment subsectors with average salaries below the citywide average, a larger share than during the 2003-2008 job expansion.
- The four boroughs outside of Manhattan have contributed 48 percent of the job gains since the end of the recession, the largest share since at least 1975. In 2018, the outer boroughs accounted for 60 percent of citywide job gains.
- Business services added the most jobs between 2009 and 2018, accounting for nearly one-quarter (24 percent) of citywide gains.
- The leisure and hospitality sector grew the fastest (50 percent) and was responsible for nearly one-fifth of the citywide job gains. Restaurants were responsible for nearly two-thirds of the gains in this sector.
- Health care is the only employment sector to add jobs every year since 1990, and it added the most jobs of any sector in 2018.
- Job growth in the retail trade sector has slowed dramatically over the past four years as the sector undergoes fundamental changes in the way business is conducted.
- The technology sector has grown by 80 percent since 2009 to 142,600 jobs.
- The citywide unemployment rate was 4.1 percent in 2018, the lowest level since 1976 and only slightly higher than the national rate.
- The unemployment rate for immigrants was below the citywide rate in 2017.

New York City is experiencing its largest and longest job expansion since the end of World War II. The City added 820,400 jobs between 2009 and 2018, more than every state in the nation outside of California, Texas, Florida, and of course New York. However, most of the jobs were in employment subsectors with average salaries below the citywide average.

The current job expansion is also the fastest, with an average of 91,200 jobs added each year. Preliminary data from the New York State Department of Labor suggested that the pace of job growth had slowed in 2018, but revised data show that growth remained strong. A total of 86,600 jobs were added, on par with gains in the two prior years.

New York City has been the driving force behind employment gains in New York State. Job growth in the City has outpaced the State (and the nation) every year since the end of the recession. Although the City accounted for less than half of the jobs in the State in 2009, it was responsible for more than two-thirds of the statewide job gains since then.

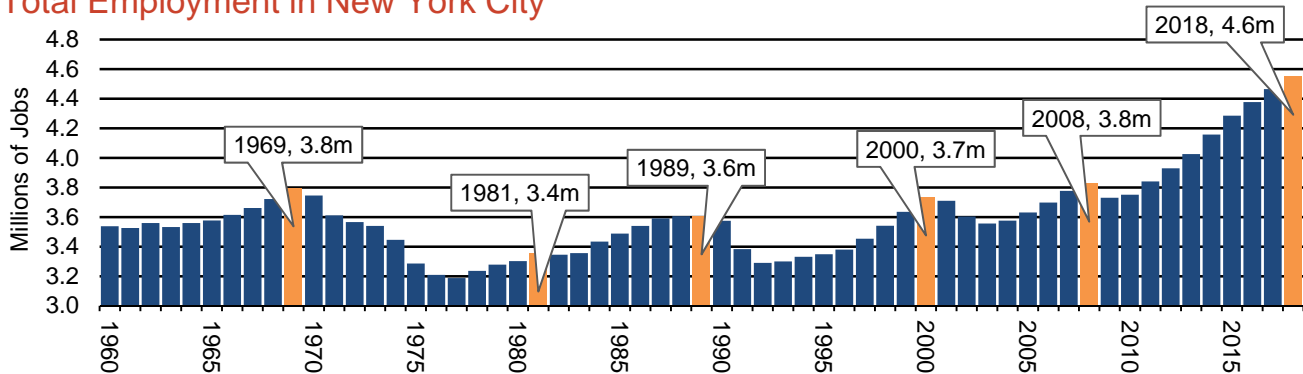
Business services, leisure and hospitality, and health care accounted for 60 percent of the job gains since 2009. Although the high-paying securities industry has reported solid job gains in recent years, it is still 4 percent smaller than before the 2007 financial crisis, while employment in the rest of the private sector has grown by 25 percent.

New York City has become less dependent on the securities industry for economic growth. Other industries such as tourism, tech, health care and business services are driving job growth and reducing the unemployment rate to record lows. While job growth remains strong in New York City, there are national and global economic risks that could affect the pace of future growth.

Job Growth

New York City lost 98,600 jobs in 2009 because of the recession. Since then, the City has added 820,400 jobs, more than in any previous expansion, and nearly double the number added in the 1992-2000 job expansion, which was the prior record-holder. As shown in Figure 1, the current expansion pushed employment in New York City to nearly 4.6 million jobs in 2018, about 19 percent (721,800) higher than the prerecession peak in 2008 and the previous peak in 1969 (both 3.8 million jobs).

FIGURE 1
Total Employment in New York City

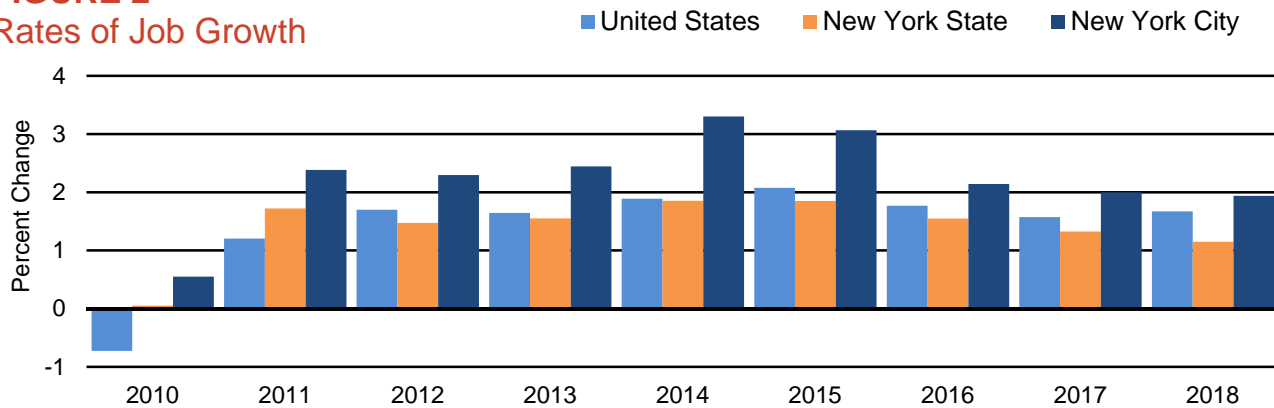


Sources: NYS Department of Labor, Current Employment Statistics; OSC analysis

The current expansion is not only the largest on record, but also the fastest. The average annual rate of job growth was 2.2 percent between 2009 and 2018, with an average of 91,200 jobs added each year. From 1992 to 2000, employment grew at an annual rate of 1.6 percent (an annual average of 55,700 jobs), a pace followed closely by the expansion between 2003 and 2008 (1.5 percent).

Since 2009, total employment in New York City has grown by 22 percent, faster than in the State (13.2 percent) and the nation (13.5 percent). Job growth was faster than in both the State and the nation every year since the recession ended (see Figure 2). Although less than half of all jobs in the State were located in New York City (44 percent in 2009), the City was responsible for more than two-thirds (73 percent) of the statewide job gains during the expansion. New York City and its suburbs (Nassau, Orange, Rockland, Suffolk and Westchester counties) were responsible for 88 percent of the statewide gains.

FIGURE 2
Rates of Job Growth



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

Job Growth by Sector

As shown in Figure 3, nearly one-quarter of the jobs added between 2009 and 2018 were located in the business services sector. Leisure and hospitality was the fastest-growing sector. Together with health care, these sectors accounted for 60 percent of the added jobs between 2009 and 2018.

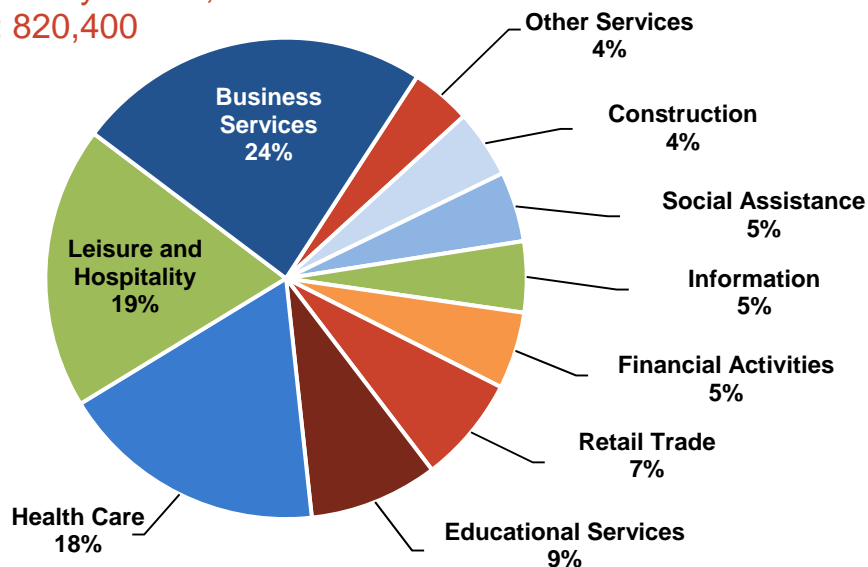
Job growth in the health care sector has been very strong in the past three years (averaging 5 percent annually), particularly in ambulatory care, which has averaged nearly 8 percent for the past six years. While the business services and the leisure and hospitality sectors have slowed, they remain significant drivers of job growth in New York City. Employment in retail trade has slowed sharply over the past four years (with job losses in brick-and-mortar establishments) as the sector undergoes fundamental changes in the way business is conducted.

Business Services: The sector includes accountants, lawyers, programmers and clerks, and has added the most jobs of any employment sector since 2009. The sector added 193,000 jobs between 2009 and 2018 (an increase of 34 percent), accounting for nearly one-quarter of all jobs added during this period. Job gains were driven by employment services, which added 58,100 (an increase of 102 percent), computer systems design (25,900, an increase of 58 percent) and scientific and technical consulting services (24,400, an increase of 77 percent). The sector added 19,300 jobs in 2018 (fewer than in recent years), bringing employment to 762,100.

FIGURE 3

Share of Jobs Added by Sector, 2009 to 2018

Total Jobs Added: 820,400



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

Leisure and Hospitality: The sector added 153,500 jobs between 2009 and 2018, accounting for nearly one-fifth of all jobs added during this period. Leisure and hospitality added the second-highest number of jobs of any sector and grew the fastest (50 percent). Restaurants accounted for nearly two-thirds of the job gain (102,000 jobs added). In 2018, employment at full-service restaurants fell by 2,700 jobs, the first decline since 2002, although the loss was offset by an increase at other types of restaurants. Hotels and other lodging establishments added 11,700 jobs between 2009 and 2018, and other amusement and recreation industries added another 10,300 jobs, driven largely by fitness and recreational sports centers. The sector added 4,600 jobs in 2018 (the fewest since 2009), bringing employment to 463,000.

Health Care: The sector added 145,500 jobs between 2009 and 2018 (an increase of 36 percent), accounting for 18 percent of the jobs added during this period. Health care is the only employment sector that has consistently added jobs every year since 1990, when the data series began. Home health care services was responsible for more than three-quarters of the job gains in the sector during the current expansion (112,900). In 2018, the health care sector continued its strong growth, adding 28,900 jobs, more than any other sector and nearly 50 percent more jobs than business services, bringing sector employment to 550,600.

Educational Services: The sector accounted for only 9 percent of the jobs added between 2009 and 2018, but grew by 38 percent, adding 69,900 jobs. Most of the jobs added were in private elementary and secondary schools (18,300 jobs), and private colleges and universities (40,900 jobs). The rate of growth in the sector has slowed since 2016. In 2018, the education sector added 4,500 jobs, bringing sector employment to 255,100 jobs.

Retail Trade: The sector added 58,000 jobs between 2009 and 2018, an increase of 20 percent. Growth was driven by grocery stores (13,800 jobs), health and personal care stores (10,000 jobs), and electronic shopping and mail-order houses, which more than doubled with 7,800 additional jobs (reaching 13,400).¹ Together these subsectors accounted for more than half of all retail growth. In 2018, sector employment totaled 350,100, virtually unchanged from four years earlier.

Financial Activities: The sector includes banking, insurance, securities and real estate. Employment in financial activities contracted sharply during the recession, but added 41,800 jobs between 2009 and 2018. It was not until 2017 that employment fully recovered and surpassed the prerecession level. Employment in securities, commodities and brokerages totaled 181,300 in 2018, 4 percent smaller than the prerecession level in 2008. In 2018, financial activities added 7,200 jobs, bringing sector employment to 474,700.

Information: The sector added 38,500 jobs between 2009 and 2018, an increase of 23 percent. Growth was driven by internet publishing, broadcasting, and web search portals, which added 30,700 jobs (nearly a threefold increase).² Growth in the information sector slowed in 2018 with the addition of 3,900 jobs, bringing sector employment to 204,400.

Social Assistance: The sector grew by 24 percent since 2009, adding 38,100 jobs. Growth was driven by individual and family services, which added 25,800 jobs and accounted for two-thirds of the sector's job growth. In 2018, social assistance added 10,900 jobs, an increase of 6 percent.

Construction: The sector grew 31 percent since 2009, adding 37,000 jobs. Construction was hit particularly hard by the recession, shedding jobs for three years through 2011. Since 2012, growth has been robust, averaging 5 percent annually. In 2018, growth slowed to 3 percent (5,300 jobs), bringing sector employment to 157,800.

Other Services: This sector (which includes hair and nail salons, and other service providers) grew by 20 percent between 2009 and 2018, adding 32,800 jobs. Growth has slowed slightly in the past two years to about 1 percent annually, bringing sector employment to 193,100 jobs in 2018.

All Other Employment Sectors: Transportation, warehousing and utilities added 19,100 jobs (16 percent growth), while wholesale trade added 2,100 (2 percent growth). Manufacturing lost 11,000 jobs between 2009 and 2018, continuing a decades-long trend. While there have been gains in some subsectors (e.g., food services), there were 30,400 fewer manufacturing jobs in 2018 than 10 years earlier. The federal, State and local governments added 2,000 jobs between 2009 and 2018.

Average Salaries

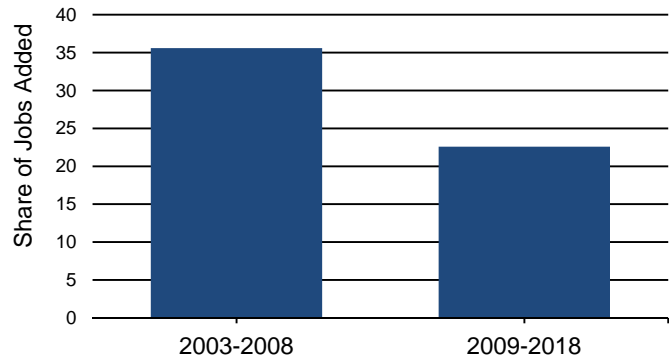
Although the high-paying business services sector added the most jobs during the current expansion, not all of the subsectors within this sector have high salaries. For example, employment services was responsible for 30 percent of the jobs gained in the business services sector, but it had an average salary of \$58,000, which was far below the citywide average (\$89,800). For this reason, the Office of the State Comptroller (OSC) examined the 100 subsectors that constitute total employment in an effort to determine how many jobs with salaries above the citywide average were added during the current expansion.³

OSC estimates that employment subsectors with average salaries above the citywide average accounted for about 185,500 or 23 percent of the job gains during the current expansion. That represents a considerably smaller share for high-paying subsectors than during the 2003-2008 expansion (36 percent; see Figure 4). In 2018, higher-paying jobs accounted for 12 percent of the jobs added, the smallest share of any year since 2009.

Figure 5 shows the 10 high-paying subsectors that added the most jobs since 2009, which together account for most of the high-paying jobs added during the expansion. The largest number were added in professional and scientific services (87,600 jobs). This subsector includes lawyers, accountants, architects, computer systems designers, scientific researchers and marketing professionals. Internet publishing, including internet video broadcasting, nearly tripled, adding 30,100 jobs. The motion picture and sound recording industry grew by 70 percent, adding 19,700 jobs, and banking added 12,900 jobs.

The technology sector cuts across many different employment subsectors. While there is no official definition, OSC estimates that the sector has grown by 80 percent since 2009, adding 63,200 jobs to reach 142,600 in 2018. Growth was driven by internet publishing, computer systems design and software publishers. With an average salary of \$152,900 in 2017, the tech sector has become one of the economic drivers in New York City.

FIGURE 4
Higher-Paying Jobs as a Share of All Jobs Added in the Current and Prior Expansions



Sources: U.S. Department of Labor, Quarterly Census of Employment and Wages; OSC analysis

FIGURE 5
High-Paying Subsectors with the Largest Number of Jobs Added, 2009 to 2018

Sector	Average Salary	Jobs Added
Professional & Scientific Services	\$130,300	87,600
Internet Publishing	\$168,600	30,100
Motion Picture and Sound Recording	\$96,100	19,700
Banking	\$197,900	12,800
Securities	\$422,500	12,400
Management Companies	\$186,700	12,300
Arts and Spectator Sports	\$108,100	11,700
Nondurable Goods Wholesalers	\$90,800	5,100
Data Hosting Services	\$168,900	4,700
Insurance Carriers	\$162,800	2,300

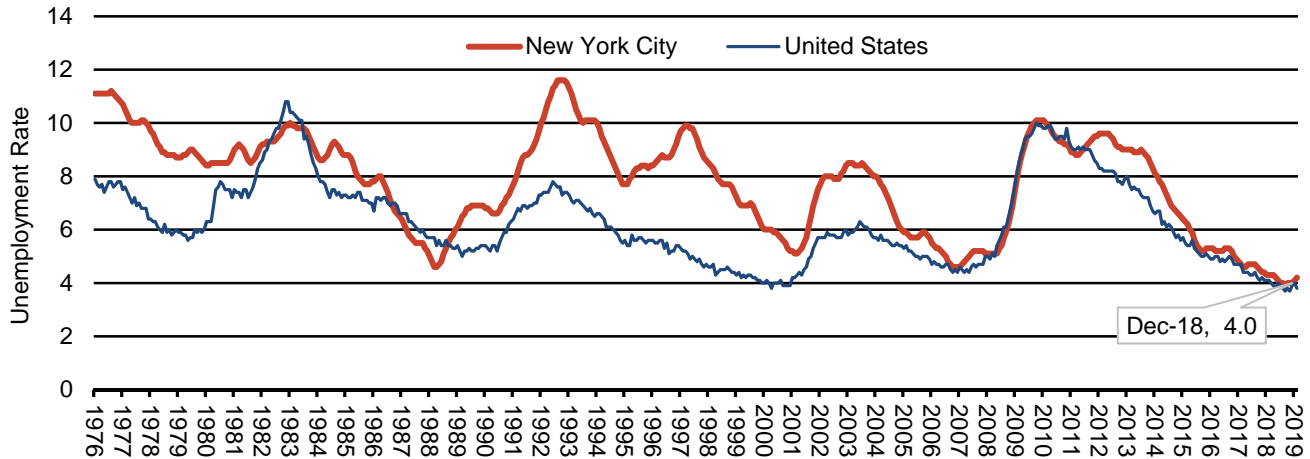
Note: Average salary is for 2017, the latest data available.

Sources: U.S. Department of Labor, Quarterly Census of Employment and Wages; OSC analysis

Unemployment

The unemployment rate in New York City fell from 10.1 percent in October 2009 during the Great Recession to 4 percent in July 2018, the lowest on record since the data series was introduced in 1976 (see Figure 6). Historically, the unemployment rate in New York City has been higher than the national average, but the gap between the two has been virtually eliminated. In February 2019, the unemployment rate in New York City was 4.2 percent.

FIGURE 6
Unemployment Rates



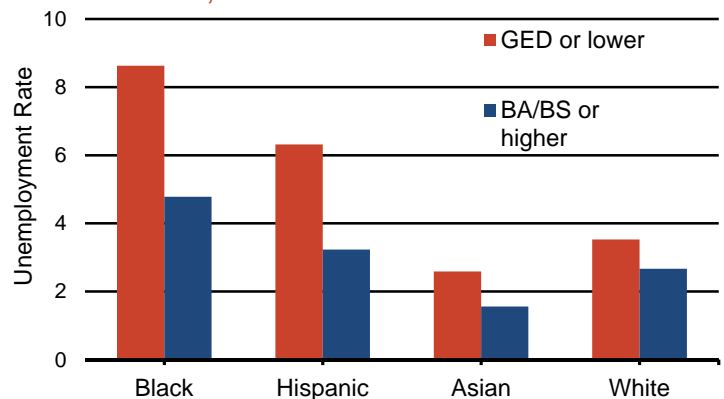
Sources: U.S. Bureau of Labor Statistics; NYS Department of Labor; OSC analysis

The unemployment rate averaged 4.1 percent during 2018, also the lowest level since 1976 and less than half the annual peak reached during the recession (9.5 percent). The unemployment rates for African Americans (7.3 percent) and Hispanics (5.2 percent) in New York City were higher than for Whites (3.2 percent) and Asians (2.1 percent). While rates for Whites and Asians were slightly below the national average, the rates for African Americans and Hispanics in New York City were moderately higher than their respective national rates.

The unemployment rate for people aged 18 to 24 was 9.4 percent, more than twice as high as the rate for all other workers (3.8 percent).

While the unemployment rate for City residents with at least a bachelor's degree was 2.8 percent in 2018, it was twice as high (5.7 percent) for those with only a high school diploma. The attainment of a bachelor's degree or higher reduced the unemployment rate for African Americans from 8.6 percent to 4.8 percent and for Hispanics from 6.3 percent to 3.2 percent (see Figure 7).

FIGURE 7
Unemployment Rates by Race/Ethnicity and Education, 2018



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

Growth by Borough

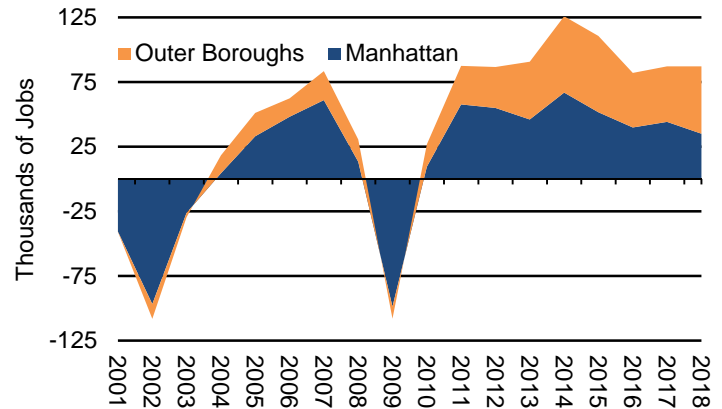
Prior to the Great Recession in 2008, job growth in New York City was heavily concentrated in Manhattan (see Figure 8). Since then, the share of growth that occurred in the outer boroughs has risen significantly, accounting for 48 percent of the total growth between 2009 and 2018. This was a higher share than in any of the four expansions since the data series began in 1976. Annual job gains in the outer boroughs exceeded those in Manhattan in four years of the current expansion (2010, 2015, 2016, and 2018). In 2018, the outer boroughs were on pace during the first three quarters of the year to account for 60 percent of the jobs added in the City.

Among the four outer boroughs, Brooklyn and Queens were the biggest contributors to employment growth (see Figure 9). Brooklyn accounted for 26 percent of all private sector jobs created in New York City between 2009 and 2018, while Queens contributed 16 percent. Brooklyn had the highest rate of private sector growth of all five boroughs during this period (46 percent), followed by Queens (27 percent), Manhattan (22 percent), the Bronx (19 percent), and Staten Island (16 percent).

As a result of strong job growth in the outer boroughs, Manhattan's share of private sector employment has declined, from 64 percent in 1990 to 59 percent in 2018. Brooklyn's share increased the most, rising from nearly 13 percent to 17 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.

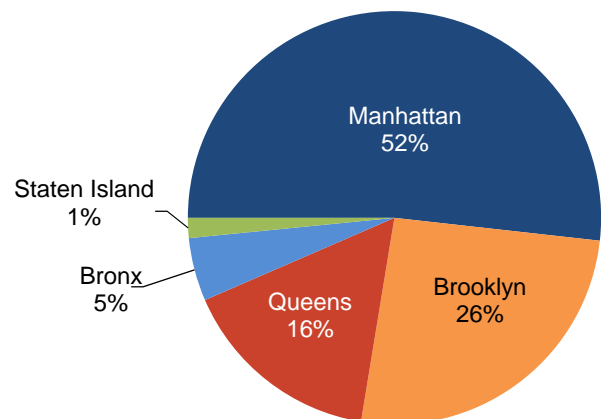
After almost doubling during the recession, unemployment rates in all five boroughs have fallen below their prerecession levels (see Figure 10). In fact, the unemployment rates in the boroughs are the lowest since the New York State Department of Labor began publishing unemployment rates by borough in 1990.

FIGURE 8
Jobs Added by Borough, 2001-2018



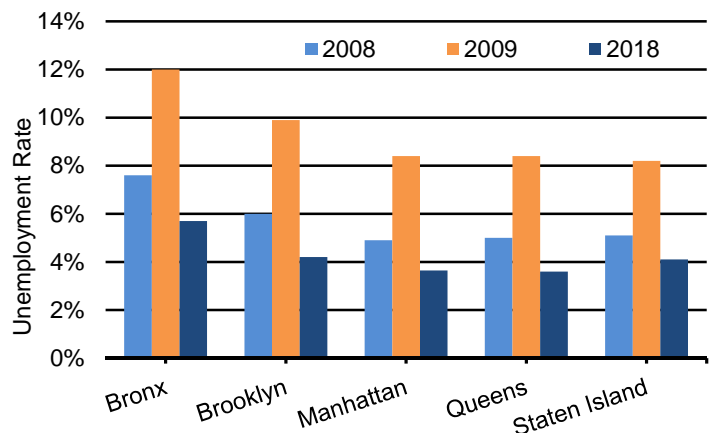
Note: 2018 is based on the first three quarters of the calendar year.
Sources: NYS Department of Labor, Quarterly Census of Employment and Wages; OSC analysis

FIGURE 9
Share of Jobs Added by Borough, 2009-2018



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

FIGURE 10
Annual Unemployment Rates by Borough



Sources: NYS Department of Labor; OSC analysis

Immigrants in the Work Force

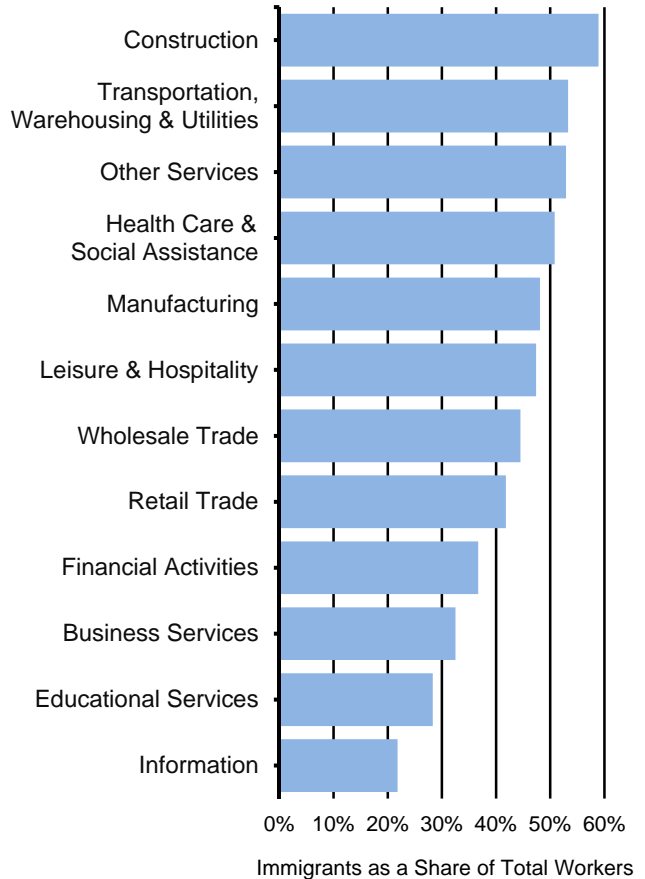
New York City has long been a magnet for immigrants seeking political and religious freedoms and economic opportunities. In 2017, there were 2,009,200 immigrants employed in New York City, representing 42 percent of all workers.

As shown in Figure 11, immigrants made up more than half of the work force in several sectors: construction (59 percent), transportation, warehousing and utilities (53 percent), other services (53 percent), and health care and social assistance (51 percent). Over the past 10 years, the shares of immigrants in various sectors have changed slightly. For example, the share rose in transportation, warehousing and utilities (from 49 percent to 53 percent), while the share declined in retail trade (from 50 percent to 42 percent), manufacturing (from 57 percent to 48 percent), and wholesale trade (from 51 percent to 44 percent).

The unemployment rate among immigrants has been consistently below the citywide rate.⁴ In fact, the gap seems to have widened in recent years. In 2010, the foreign-born unemployment rate (6.6 percent) was 0.4 points below the citywide rate (7.0 percent), but by 2017 that gap had widened to 0.9 points (3.2 percent for immigrants compared to 4.1 percent citywide).

The share of immigrant workers who are self-employed has varied little over the past 10 years. In 2017, more than 11 percent of foreign-born workers in New York City were self-employed, which was higher than the rate for all workers (10 percent). Immigrants accounted for 48 percent of self-employed workers in that year.

FIGURE 11
Percentage of Foreign-Born Workers in New York City by Employment Sector, 2017



Sources: U.S. Census Bureau, American Community Survey; OSC analysis

¹ Some subsector data did not meet publication criteria for the Current Employment Statistics; in these cases data from the Quarterly Census of Employment and Wages were used instead.

² See endnote 1.

³ The Quarterly Census of Employment and Wages uses the North American Industry Classification System to identify data by industry. The analysis of industries paying above the citywide average is based upon average salaries for the 100 industries at the 3-digit classification level.

⁴ The unemployment rate in this discussion utilizes data from the U.S. Census, American Community Survey, which is a different data source than used by the NYS Department of Labor.