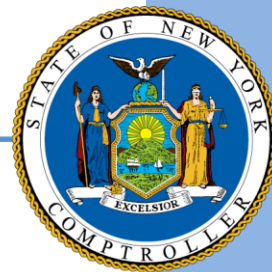


Labor Force Trends In New York State

OFFICE OF THE NEW YORK STATE COMPTROLLER

Thomas P. DiNapoli, State Comptroller



September 2017

Message from the Comptroller

September 2017

How is the economy treating New Yorkers? Monthly governmental reports on employment tell us how many jobs have been added or lost, and which industrial sectors are expanding or shrinking. But the job counts that we see on a regular basis are only part of the story.

We also need to know how many people are working, are unemployed but seeking work, or are not in the labor force at all, and in which direction these figures are heading. This report provides insights on such numbers to deepen our understanding of how recent labor market trends have been affecting New Yorkers.

Among the positive indicators, unemployment has fallen sharply in recent years. New York State's 4.8 percent unemployment rate for 2016 was the lowest since 2007, and over the past five years that rate has declined in every region across the State.

In areas such as New York City, Long Island, the Hudson Valley and the Capital Region, declining unemployment has been accompanied by increases in the number of people employed. But in much of upstate New York, falling unemployment rates over the past five years did not translate to more people working – instead, employment counts went down as well. These important metrics of our economy can decline at the same time if the overall workforce is shrinking, as we have seen in some areas of the State. Meanwhile, despite progress in recent years, more than 913,000 New Yorkers were unemployed, employed part-time for economic reasons, or considered marginally attached to the workforce in 2016. Clearly, further work is necessary to ensure good job opportunities for all New Yorkers who seek them.

Other notable indicators in this report include data showing that the workforce is getting older both in New York and nationwide; that the State's labor force is relatively well educated compared to the nation as a whole; and that New York continues to lead all states in the proportion of workers who belong to unions.

New York's workforce remains a critically important factor as the State strives to remain competitive in an increasingly global economy. It's essential that we capitalize on this key asset as we seek the most effective ways to promote a healthy economy that serves all New Yorkers.



Thomas P. DiNapoli
State Comptroller

Table of Contents

Executive Summary	1
Introduction	3
Labor Force.....	4
Labor Force Participation Rate.....	13
Implications	18

Executive Summary

As the national economy continues one of its longest expansions, key measures of New York State's labor force reveal both positive signs and reasons for concern.

In 2016, the number of employed workers across New York State averaged more than 9.1 million, the highest level since 2008. Both the statewide 4.8 percent unemployment rate for 2016 and the total count of unemployed individuals, 463,000, were the lowest in nine years. In each of the State's 10 labor market regions, unemployment declined sharply over the five years ending in 2016.

However, declining unemployment does not necessarily mean that more people are working. The U.S. Bureau of Labor Statistics' unemployment rate represents the number of people who have sought work within the past four weeks but have not found it, as a share of the total labor force – all those either working or actively seeking jobs.

A shrinking labor force can reflect both employment and unemployment declining at the same time. From 2011 through 2016, that was the case in 5 of the State's 10 regional labor markets, where the number of people with jobs fell even while the official unemployment rate dropped noticeably. Factors driving such labor force declines could include migration of workers to other regions within New York or outside the State, as well as individuals dropping out of the workforce. The statewide labor force rose by 0.7 percent from 2011 through 2016, compared to a national increase of 3.6 percent.

Another important metric, the labor force participation rate, measures the share of the working-age population that is in the labor force. It has generally dropped, both across New York and nationally, for more than a decade.

In New York, growth in the working-age population in New York City and Long Island helped to produce net growth in the labor force in recent years, despite little change in labor force participation rates. In much of upstate New York, however, declining participation rates and stagnant or falling population counts are reflected in a smaller labor force – including lower employment.

A shrinking workforce can present challenges to achieving overall economic growth and ensuring the vitality of local communities. Such a trend may also raise fiscal and budgetary issues for the State and local governments. These and other issues associated with changes to the labor force merit continued attention and should be analyzed more closely as policy makers consider priorities and programs to best ensure that all regions of the State can grow and thrive.

Key findings in this report also include the following:

- The workforce is aging both in New York and nationally. The number of workers in the State who are aged 65 and over rose by 26 percent over the past five years, compared to a 19 percent increase nationwide.
- The total number of employed workers declined in the Southern Tier, the North Country, the Mohawk Valley, Central New York and Western New York from 2011 to 2016, while increasing in other regions of the State.
- Long Island had the highest labor force participation rate of any region in 2016, at 63.8 percent. Participation rates in the Capital Region and the Hudson Valley were also above 60 percent, with New York City slightly below that figure.
- BLS counted more than 913,000 New Yorkers in its broadest measure of labor underutilization, which includes individuals officially classified as unemployed as well as certain others, for 2016. The State's 9.4 percent rate for this measure that year was down from a recent peak of 14.9 percent in 2012 but still above the pre-recession figure of 7.7 percent for 2006.
- Women make up nearly 48 percent of the labor force in New York, slightly higher than the national average.
- The labor force in the State is well educated, with 40.6 percent achieving a bachelor's degree or higher compared to 34.7 percent nationwide.
- Nearly 24 percent of workers in New York were members of unions in 2016, the highest rate of any state and more than double the national figure.

Introduction

This report examines labor force trends in New York State and its major regions, with selected comparisons to the nation. The report focuses primarily on trends from 2011 through 2016.

The U.S. Bureau of Labor Statistics (BLS) defines the labor force as the portion of the working age population that is either employed or officially considered unemployed. The working age population is defined as persons aged 16 and older not including those who are inmates, residents of institutions or on active duty in the Armed Forces. Those who are officially considered unemployed are those who have no employment and have actively looked for work in the previous four-week period.

Figures related to the labor force complement BLS data on employment, hours worked and other measurements by industry sector. While total employment figures report the numbers of jobs overall and within specific geographic areas and industries, they do not take into account whether one person may be working more than one of these jobs or whether the jobs are full-time, part-time or temporary. Labor force data provide important insights as to how individuals may be affected by developments in the labor market, showing not only how many individuals are employed but additional metrics such as the number of workers who seek full-time jobs but are employed part-time, and the proportion of working-age individuals who are in or outside the labor force.

An increase in the labor force can be both an indicator of economic growth, demonstrating availability of more jobs, and a driver of growth, given that additional workers may generate increases in overall economic output. Conversely, a decline in the labor force can dampen economic growth. “Labor force growth is an important supply constraint on overall economic growth,” according to the BLS.¹ The implications of changes in the components of the labor force for New York State are discussed further at the end of the report.

¹ “Labor force projections to 2022: the labor force participation rate continues to fall,” Monthly Labor Review, December 2013, available at <http://www.bls.gov/opub/mlr/2013/article/labor-force-projections-to-2022-the-labor-force-participation-rate-continues-to-fall.htm>.

Labor Force

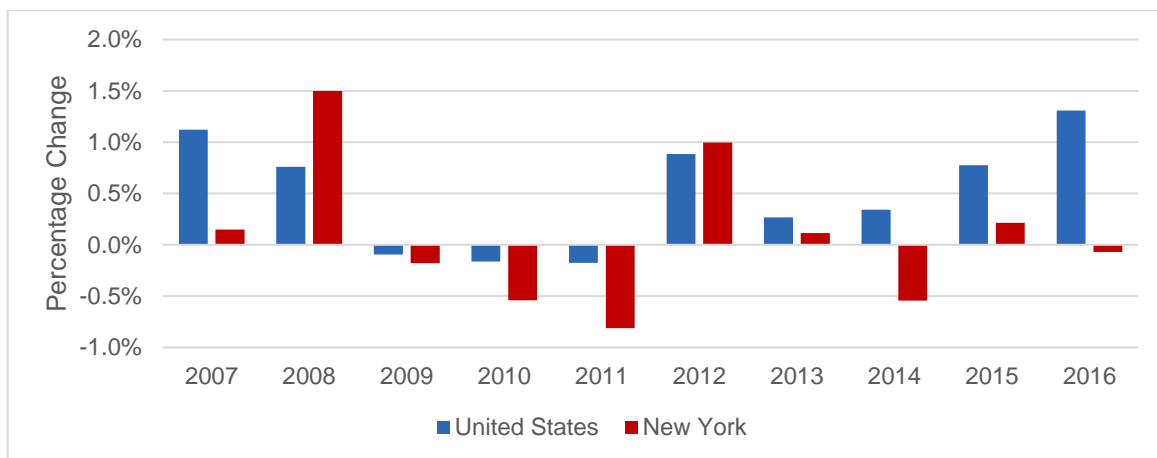
In 2016, New York had nearly 9.6 million people in the labor force, approximately 6.0 percent of the labor force nationwide. This is an increase of 62,400 from ten years ago. Of this total, some 9.12 million were employed, the highest number since the 9.14 million peak in 2008. Employment rose by 33,100 over that period; however, the number of unemployed New Yorkers also increased by over 29,000.

Figure 1 shows the changes in the labor force at the State and national levels over the past ten years. As shown, the labor force in New York and the nation, as a whole, declined during the Great Recession as well as in the initial years of the recovery, continuing a trend that began around the time of the previous national recession. However, New York's labor force declined at a faster rate than the nation's from 2008 to 2011, decreasing by 1.5 percent, or 147,000 workers.² In comparison, the nationwide labor force fell by 0.4 percent over the same period.

As the economy and the job market strengthened in 2012, the labor force expanded at similar rates in the State and the nation, with a slightly higher percentage increase in New York. In subsequent years, while the labor force at the national level has continued to increase, growth in New York has been erratic, lagging behind the nation in every year.

Figure 1

Annual Change in the Labor Force, United States and New York, 2007-2016



Sources: U.S. Bureau of Labor Statistics, NYS Department of Labor

² Data for this report is drawn primarily from the U.S. Bureau of Labor Statistics, Current Population Survey, supplemented by the New York State Department of Labor, Local Area Unemployment Statistics, and the U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates. Figures in the report represent annual averages unless otherwise indicated.

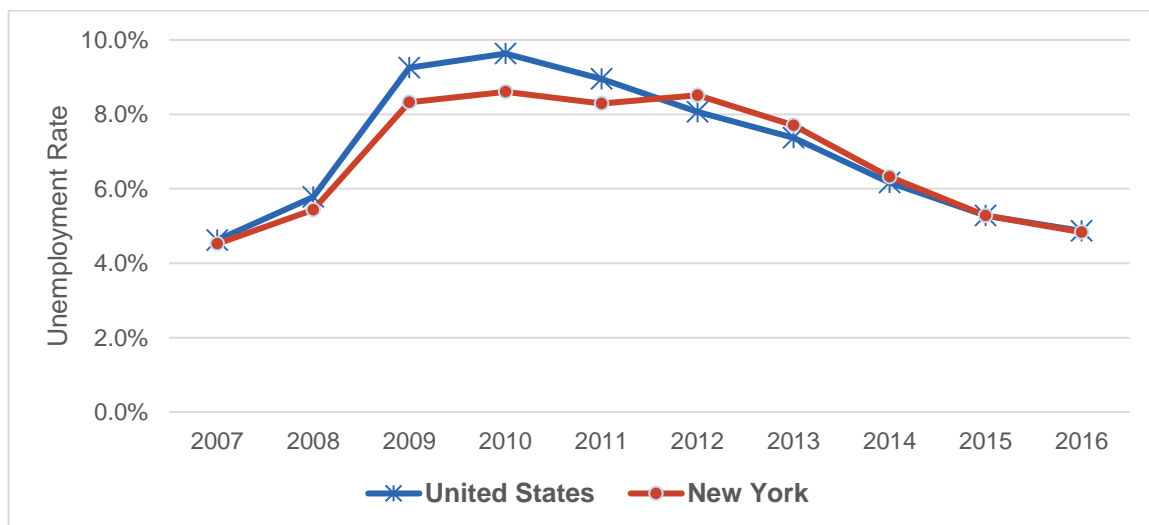
Over the past five years, New York’s labor force has increased cumulatively by less than 1 percent, while nationally it has increased by over 3 percent. However, New York’s labor force has exceeded its pre-recession levels. Over the entire ten-year period, New York’s labor force grew by 1.5 percent, less than half the 3.4 percent growth nationwide.

While the labor force has experienced much different rates of growth at the State and national levels over the past ten years, the shares of the labor force attributable to individuals who are employed or unemployed at the two levels has not been significantly different over this period.

The portion of the labor force that was unemployed was much larger at the end of the Great Recession and in the subsequent two years, reflected in the unemployment rate as shown in Figure 2. However, New York fared better over this time period, with a lower unemployment rate than that of the nation. As the economy and the labor market improved, unemployment rates continued to shrink at both the State and national levels, reaching 4.8 percent and 4.9 percent, respectively, as of 2016. New York’s rate, the lowest in nine years, was modestly higher than in the last pre-recession year, 2007.

Figure 2

Unemployment Rate, United States and New York, 2007-2016



Source: U.S. Bureau of Labor Statistics

The labor force encompasses all workers who have full-time jobs. It also encompasses those workers who have part-time jobs. Some of these part-time workers may want to work full-time but, for certain reasons, only have part-time jobs, and are referred to as involuntary part-time workers.³ Historically, these workers have always occupied a portion of the labor force. However, during the Great Recession, these workers comprised a larger

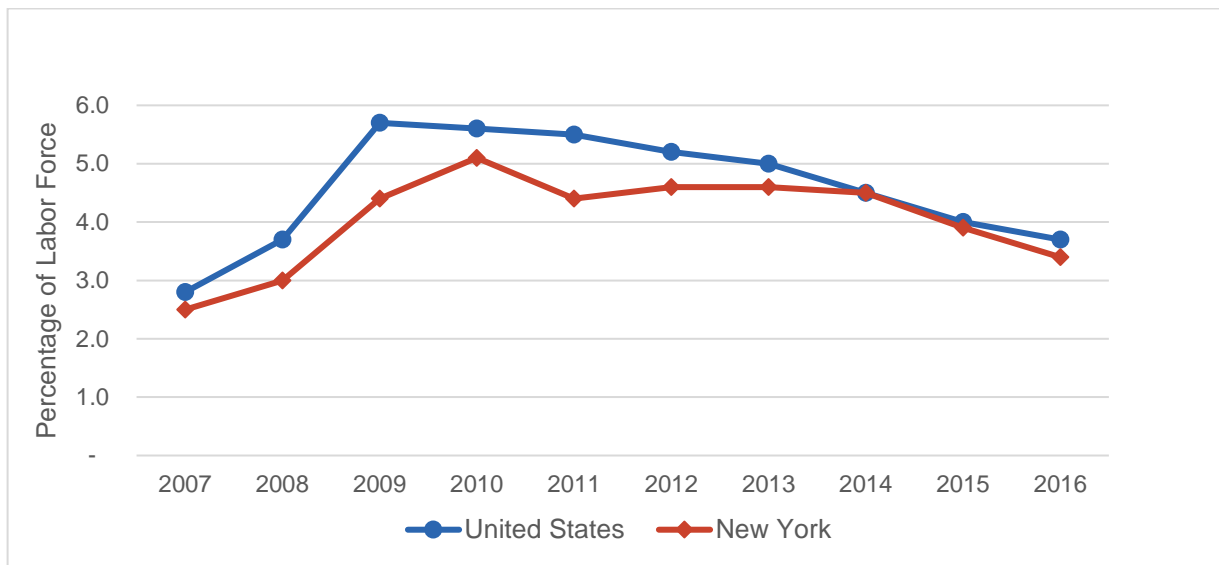
³ BLS characterizes these workers as those who are employed part-time due to a reduction in their hours or an inability to find full-time work.

share of the labor force, as shown in Figure 3. The share of these workers in the labor force peaked nationally at 5.7 percent in 2009 and in New York at 5.1 percent a year later.

Over the last five years, the share of these workers in the national labor force has been declining. Although New York's share declined to 4.4 percent in 2011, it remained at relatively the same level over the next three years. By 2016, the 326,000 involuntary part-time workers in New York represented 3.4 percent of the labor force, the lowest level in eight years but still noticeably higher than the 2007 level of 2.5 percent.

Figure 3

Involuntary Part-Time Workers, United States and New York, 2007-2016



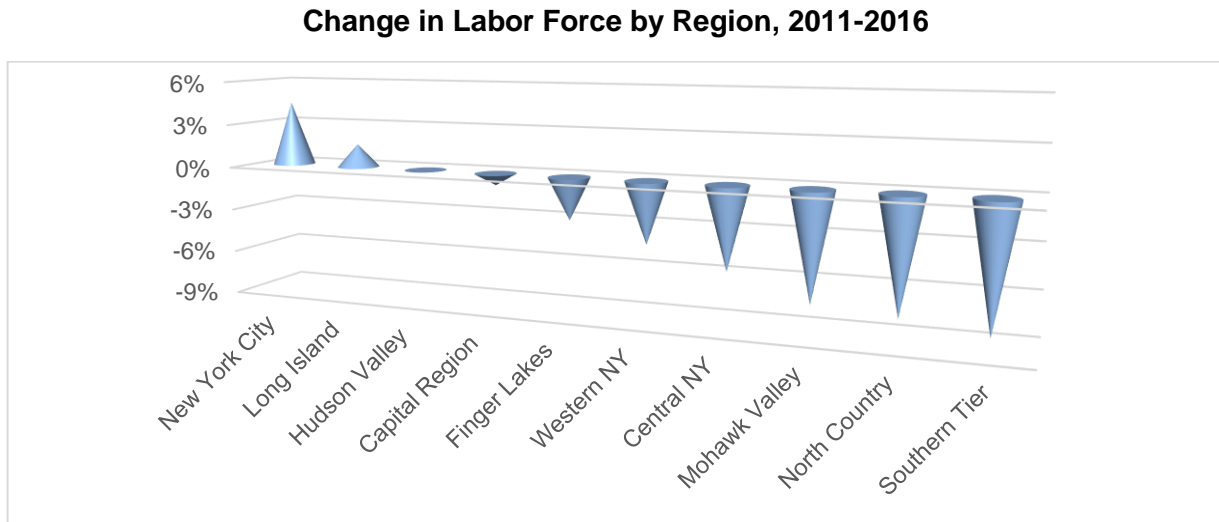
Source: U.S. Bureau of Labor Statistics

The count of involuntary part-time workers is one of several factors BLS uses to analyze “underutilization” in the labor market. The broadest measure of underutilization, known as U-6, includes both those who are classified as unemployed and workers who are employed part-time for economic reasons. It also includes individuals who are marginally attached to the labor force, which is defined as those who are unemployed, want and are available for work, have looked for work within the past 12 months but are not currently doing so. In 2016, more than 913,000 New Yorkers were in these categories, for a U-6 rate of 9.4 percent that was slightly below the national figure of 9.6 percent. New York's rate that year was significantly below its recent peak of 14.9 percent in 2012, but still higher than the pre-recession level of 7.7 percent for 2006.

Throughout the State, change in the labor force has been uneven. While the Long Island and New York City regions saw increases in the last five years, the rest of the State experienced declines, as shown in Figure 4. The Hudson Valley labor force count was essentially unchanged. Four upstate regions saw particularly significant declines of more

than 5 percent, including a drop of more than 8 percent or nearly 27,000 workers in the Southern Tier.

Figure 4



Source: NYS Department of Labor

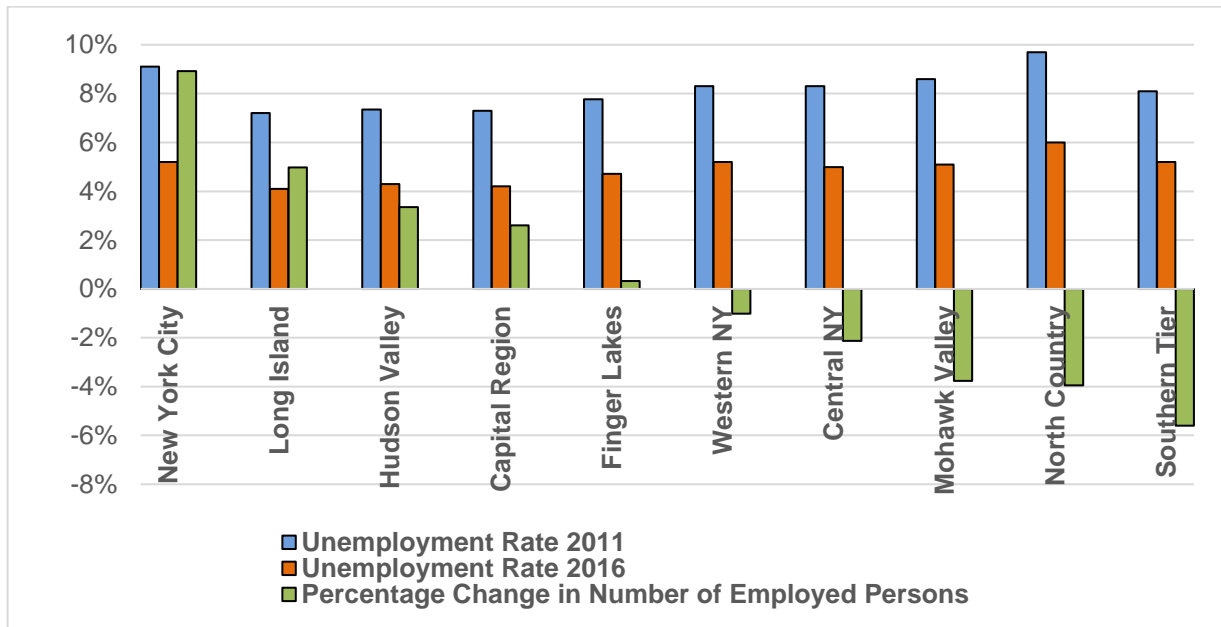
Similar to the experience at the State and national levels, all regions of the State saw their proportions of unemployed workers drop significantly from 2011 to 2016, an average decline of over 44 percent. New York City realized the largest decline in its unemployment rate, nearly four percentage points from 9.1 percent to 5.2 percent, as shown in Figure 5.

Even though all regions saw reductions in the number and percentage of unemployed workers in the last five years, only four – New York City, Long Island, the Hudson Valley and the Capital Region – experienced increases of greater than 2 percent in numbers of employed. Factors contributing to the combination of reduced unemployment and lower employment could include migration of workers outside the State or to other regions of the State and individuals dropping out of the workforce due to retirement, family, educational or other reasons.

Those regions with the largest declines in their labor forces also realized declines in the number of workers employed. For example, while the Southern Tier’s unemployment rate decreased by almost three percentage points, its number of employed workers also fell by over 5 percent. Similar to the change in the size of the labor force, the downstate regions had the largest percentage gains in employed workers.

Figure 5

Change in Unemployment Rate and Employment Count by Region, 2011 Compared to 2016



Source: NYS Department of Labor

Labor Force Demographics

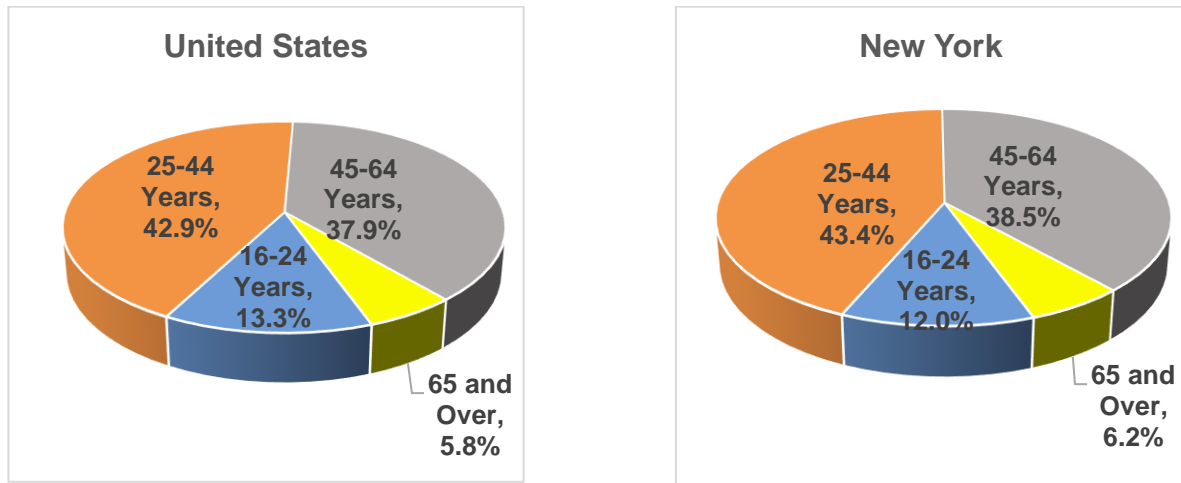
Age

The change in the composition of the working age population, as well as the proportion of population included in the labor force, drives changes in the overall labor force. As shown in Figure 6, over 80 percent of the labor force in 2016 at both the State and national levels comprised workers between the ages of 25 and 65. Partly because many people between the ages of 16 and 24 are likely to be in high school or college, they accounted for only 12 percent and 13 percent of the State and national labor forces, respectively.

While this distribution has not changed significantly over the past five years either nationally or in New York, there has been a shift to workers aged 65 and over constituting a larger proportion of the labor force. All other age ranges have seen a decline in their share of the labor force, with the largest drop among those aged 45-64.

Figure 6

Composition of the Labor Force by Age, United States and New York, 2016

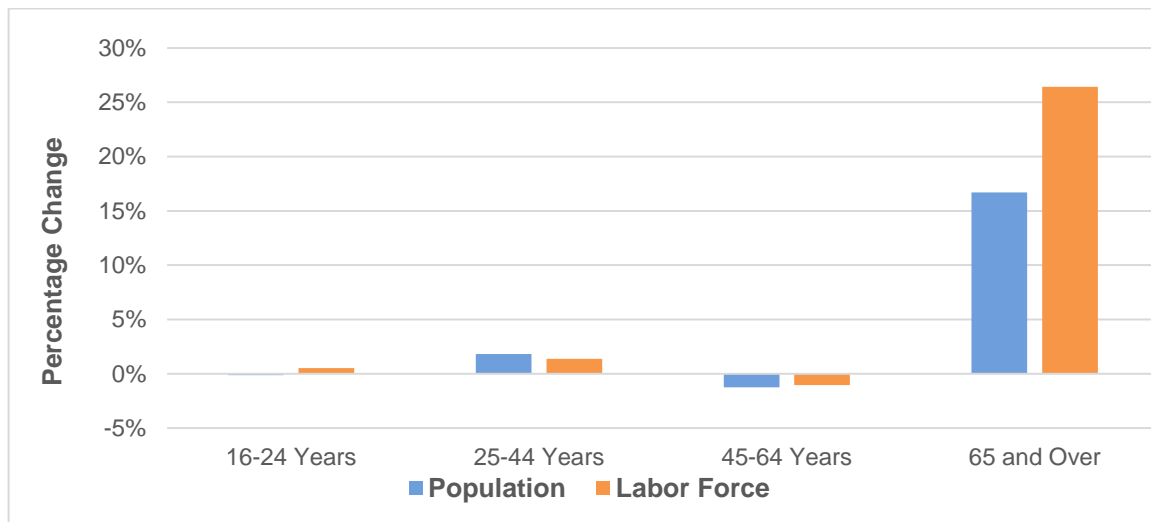


Source: U.S. Bureau of Labor Statistics

Overall, New York’s working age population grew by 3 percent over the past five years, while the labor force increased at slightly more than half that pace, 1.6 percent. As shown in Figure 7, the population aged 16 to 24 years exhibited no growth over the past five years, with only a slight increase in the number of workers in this age group. Similarly, for the age groups that represent the largest shares of the labor force (those aged 25 to 64 years), combined growth in the population and the number of workers was very small, including a decline among those in the 45-64 age group.

Figure 7

Change in Population and Labor Force in New York by Age, 2011-2016



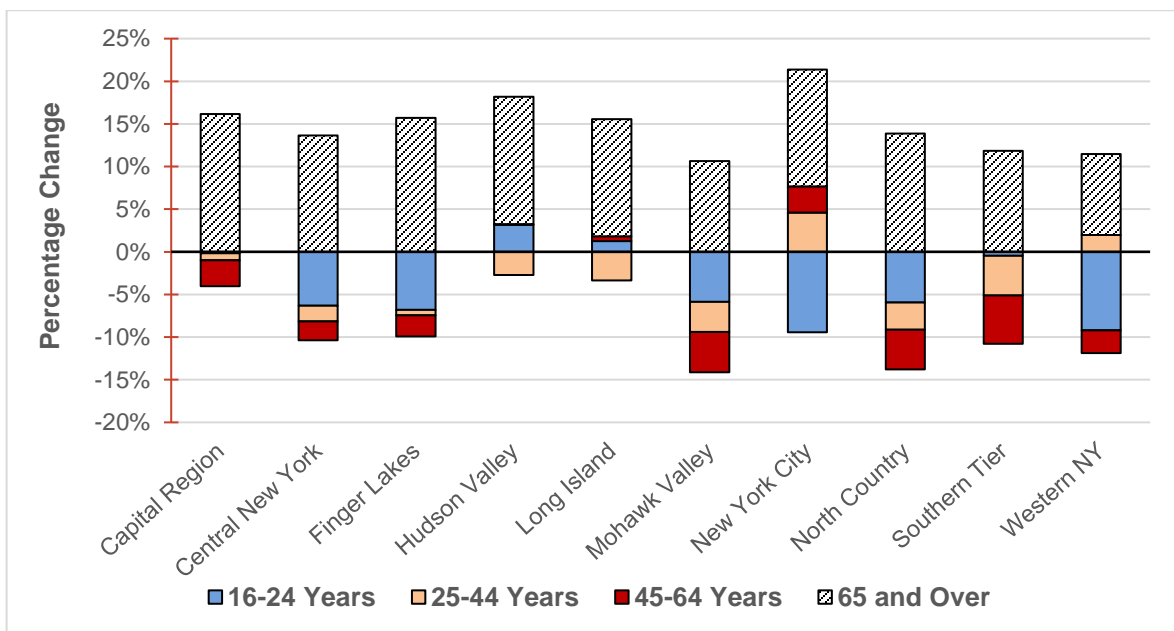
Source: U.S. Bureau of Labor Statistics

On the other hand, while not representing a large share of the overall labor force, the population aged 65 and over increased by over 16 percent in the last five years. The number of workers in this age group in the labor force also grew, increasing by a faster rate of over 26 percent. However, this trend is not unique to New York. While not quite as fast as the growth at the State level, the nation's population is also aging, with growth of 19 percent in the category of those over the age of 65.

While statistics on the number of workers in the labor force by age group on a regional basis are not readily available, a similar examination of the change in the working age population in each region of the State can be made. As shown in Figure 8, similar to the experience statewide, every region had significant growth in the population aged 65 and over, with the population in this group the only one growing in many of the regions. While the downstate regions realized growth in three of the four age groups, there were no regions that exhibited growth across all ages.

Figure 8

Change in Working Age Population by Region by Age, 2011-2016



Source: U.S. Census Bureau

Note: Each column shows the percentage change in the population of each age group for the five year period. Because the magnitude of the population in each age group differs, the percentages for age categories within each region cannot be added to produce a net change in population within the region.

Gender

Both in the nation and in New York, there are more men in the labor force than women. In 2016, over 53 percent of the nation's labor force was male and nearly 47 percent were female. While the proportion of women in the workforce rose sharply in the second half of the 20th century, this proportion has remained relatively constant over the past five years.

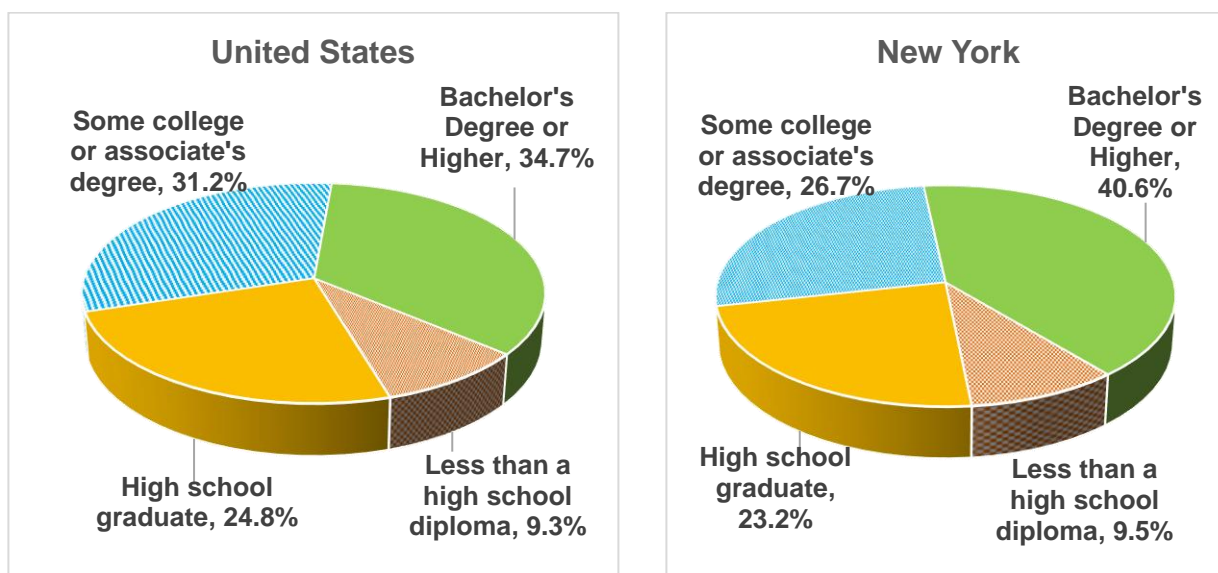
In New York, the proportion of women in the labor force is slightly higher than the national share, at nearly 48 percent, with just over 52 percent of the labor force consisting of men. Unlike the experience at the national level, the share of New York’s labor force consisting of women increased slightly over the past five years, from 47.6 percent to 47.8 percent.

Educational Attainment

Figure 9 shows the labor force in 2015 (the latest data available) by level of educational attainment for the population between the ages of 25 and 64. As shown, those workers with a bachelor’s degree or higher comprise a larger share of the labor force in New York than nationally. In New York, those with some college or higher comprise two-thirds of the labor force.

Figure 9

Composition of the Labor Force by Educational Attainment, United States and New York, 2015



Source: U.S. Census Bureau

Unionization

Union members represented nearly 11 percent of all employed workers nationwide in 2016. In New York, the nearly 24 percent of employed workers that were members of unions was the highest in the nation in 2016, continuing the trend of recent years. New York was the only state where the rate of union membership was over 20 percent. However, in New York State and at the national level, the share of the employed labor force that were members of unions has declined over the past ten years, although New York’s decline has been at a much slower rate, falling from 25.2 percent in 2007.

Nationwide in 2016, union members were 34.4 percent of public sector workers and 6.4 percent of private sector workers, down from 35.9 percent and 7.5 percent, respectively, in 2007. The level of union membership in New York was higher than the national average in both segments of the workforce in each of these years, including rates for public sector and private sector workers of 67.3 percent and 14.8 percent, respectively, in 2016. New York's union membership rates in both sectors were the highest in the nation in 2016.⁴

⁴ These figures are as reported by researchers at Georgia State University and Trinity University, based on analysis of BLS data; see *Union Membership and Coverage Database*, available at www.unionstats.com.

Labor Force Participation Rate

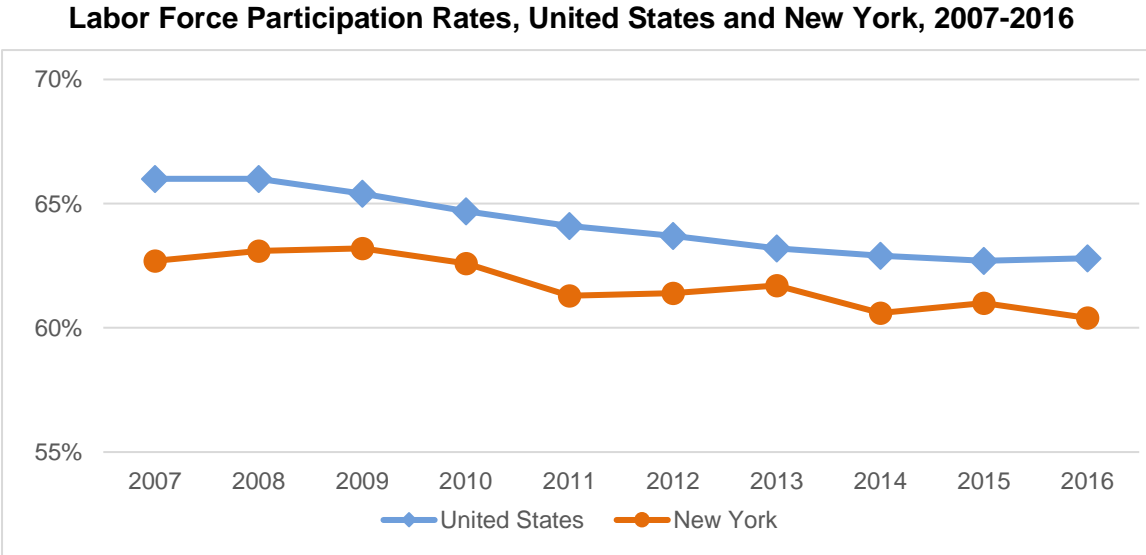
While the labor force count shows the number of people working or actively looking for work, it does not cover the total population of people who could work. Statistics for the working age population, those aged 16 and over, encompass this population. The labor force participation rate represents the proportion of the working age population that is actively part of the labor force.

There are a number of circumstances in which a person may not be in the labor force. People between the ages of 16 and 24 are more likely to be in high school or college, for example, while those over the age of 65 are more likely to be retired. Others not participating in the labor force may include stay-at-home parents, persons with disabilities, and caregivers of elderly or disabled individuals.

Nonparticipants may also include discouraged workers, those long-term unemployed workers who have stopped looking for work since they believe there are no jobs available or no jobs for which they are qualified. These discouraged workers are included neither in the official unemployment rate nor in the labor force. Both of those measures only include unemployed workers who have searched for a job within the past four weeks.

For several years before the Great Recession, the national labor force participation rate remained fairly level, averaging approximately two-thirds of the working age population. However, since 2008, the participation rate has been steadily declining to a rate of 62.8 percent in 2016, as shown in Figure 10.

Figure 10



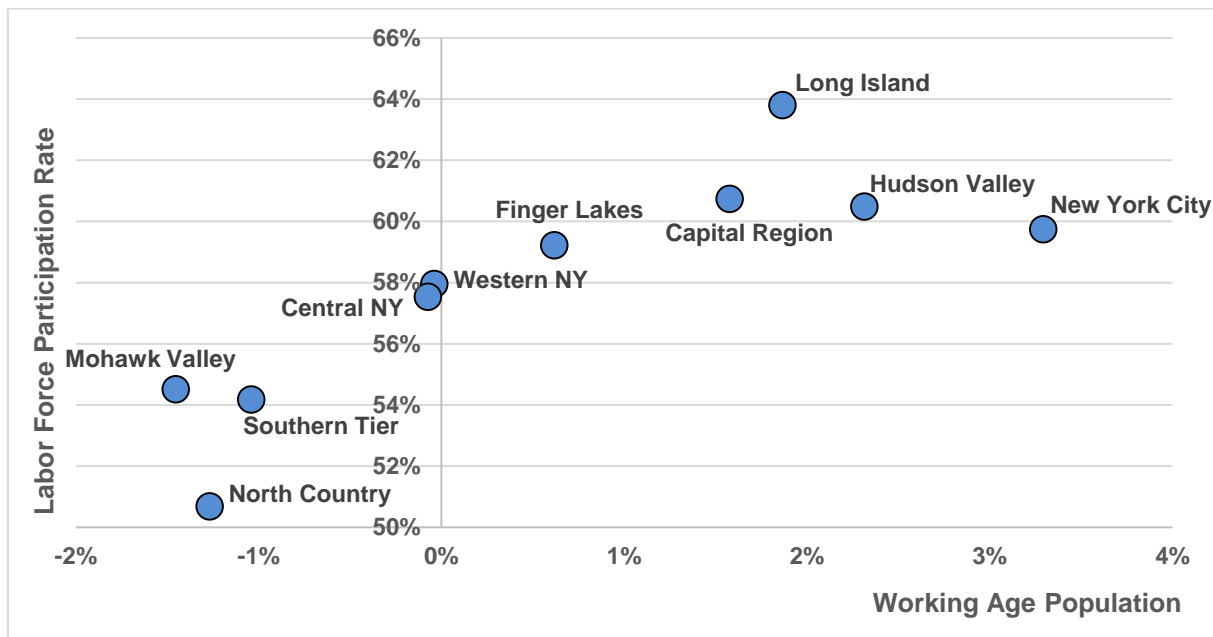
Source: U.S. Bureau of Labor Statistics

New York’s labor participation rate has lagged the national rate over the past ten years and has exhibited a more erratic trend. Unlike the national picture, the participation rate in New York rose slightly during the two years that encompassed the Great Recession. However, as the recession ended, New York’s rate declined, similar to the national trend. Over the next five years, participation in the labor force in New York averaged 61.2 percent. In 2016, New York had one of the lowest participation rates in the nation at 60.4 percent, a ranking of 40th overall.

On a regional basis, only three of the State’s ten regions (Long Island, Capital Region and Hudson Valley) had labor force participation rates above the statewide rate in 2016, with one region (Long Island) above the nationwide average in 2016. Figure 11 compares such rates in each of the regions to the five year change in the working age population in those regions.

Figure 11

Labor Force Participation Rate (2016) and Five-Year Change in the Working Age Population by Region, 2011-2016



Source: NYS Department of Labor, U.S. Census Bureau, OSC Analysis

As the chart illustrates, the five regions that experienced declines in working age population over the preceding five years also had the lowest workforce participation rates in the most recent year. While New York City had the largest population growth, it ranked fourth among the regions for its participation rate. Long Island has the highest labor force participation rate, 63.8 percent. While the North Country has the lowest participation rate of 50.7

percent, there is a large military presence in the region due to the Fort Drum army base.⁵ The labor force statistics exclude those on active duty in the Armed Forces, diminishing the participation rate for the region as shown by BLS statistics.

Demographics and the Labor Force Participation Rate

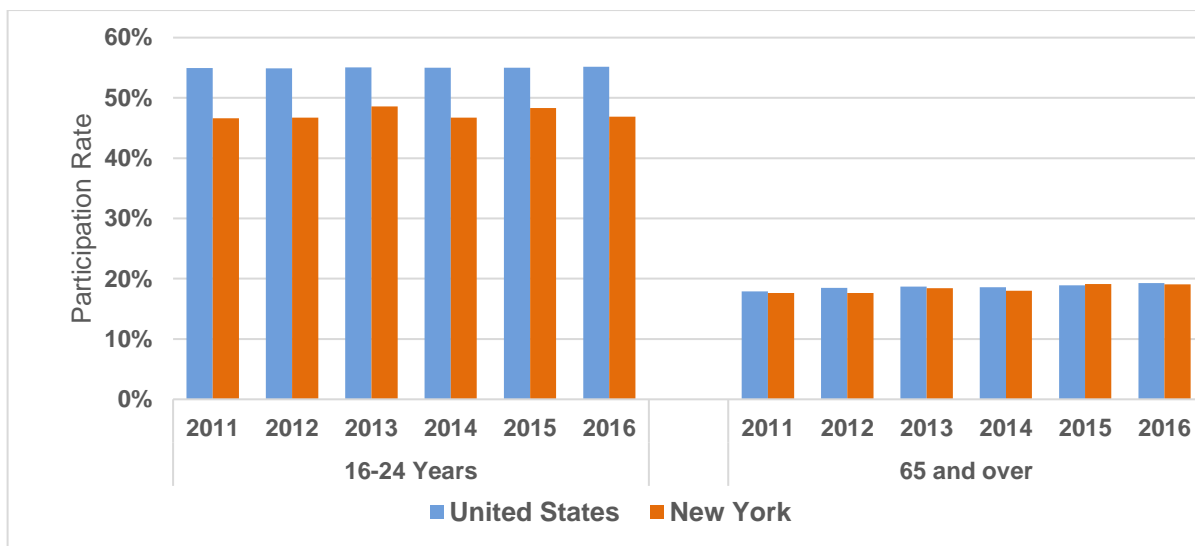
Age

In both the United States and New York, most people aged 25 to 64 are in the labor force. At both the State and the national levels, about 80 percent of the population aged 25-44 and over 72 percent of the population aged 45-64 were participating in the workforce in 2016. Participation in the labor force by these age groups at both levels has stayed relatively unchanged over the past ten years. Because of a high concentration of students within the demographic, the participation rate of 16-24 year olds is lower than the two age demographics mentioned above. Over the last five years, the participation rate of this age demographic has remained constant at the national level, at about 55 percent.

As shown in Figure 12, 16 to 24 year olds have a lower participation rate in New York than they do nationally. Over the last five years, that rate has gone from a low of 46.6 percent in 2011 to a high of 48.6 percent in 2013. On average, the participation rate was 47.3 percent over the five-year period, over three percentage points lower than before the recession.

Figure 12

Labor Force Participation Rates for Selected Age Groups, New York and United States, 2011-2016



Source: U.S. Bureau of Labor Statistics

⁵ Population estimates published by the U.S. Census Bureau for the purposes of this chart include the total population aged 16 and over within the various counties of the region and not solely the civilian, non-institutional population.

Reflecting the impact of retirements, among other factors, the population aged 65 and older has had the lowest labor force participation rate, averaging less than 18 percent over the last ten years both nationally and in New York.

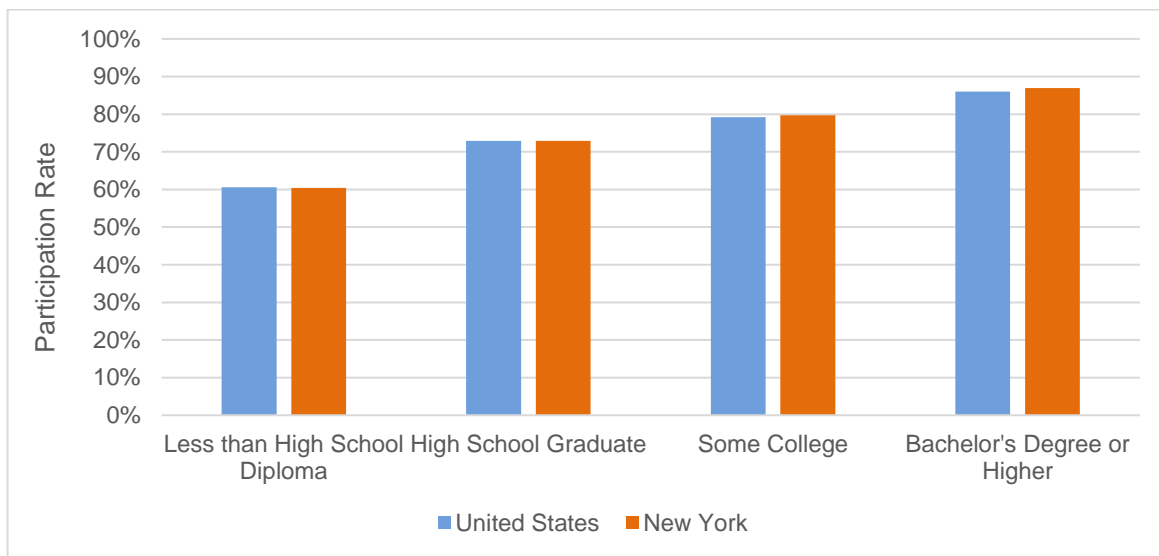
However, the labor force participation rate for those aged 65 and older has been steadily increasing over the past five years, while the rate for 16 to 24 year olds has been decreasing. For example, the participation rate in 2007 for this population was 15.5 percent and 16 percent in New York and nationwide, respectively. This rate increased to over 19 percent at both levels in 2016. Possible causes for the increase in the participation rate in this age group may be deferral of retirement due to longer life expectancies, changes in Social Security or other retirement benefits, or for economic or other reasons.

Educational Attainment

Figure 13 shows the labor force participation rate for the population between the ages of 25 and 64 years, both nationally and in New York for 2015. As shown, both in New York and nationally, those individuals with higher levels of educational attainment have higher levels of participation in the labor force. For those with a bachelor's degree or higher, the participation rates in New York and the nation are 86.9 percent and 86 percent, respectively. Participation rates for the other educational levels are essentially the same in New York and nationally.

Figure 13

**Labor Force Participation Rates by Educational Attainment,
New York and United States, 2015**



Source: U.S. Census Bureau, American Community Survey

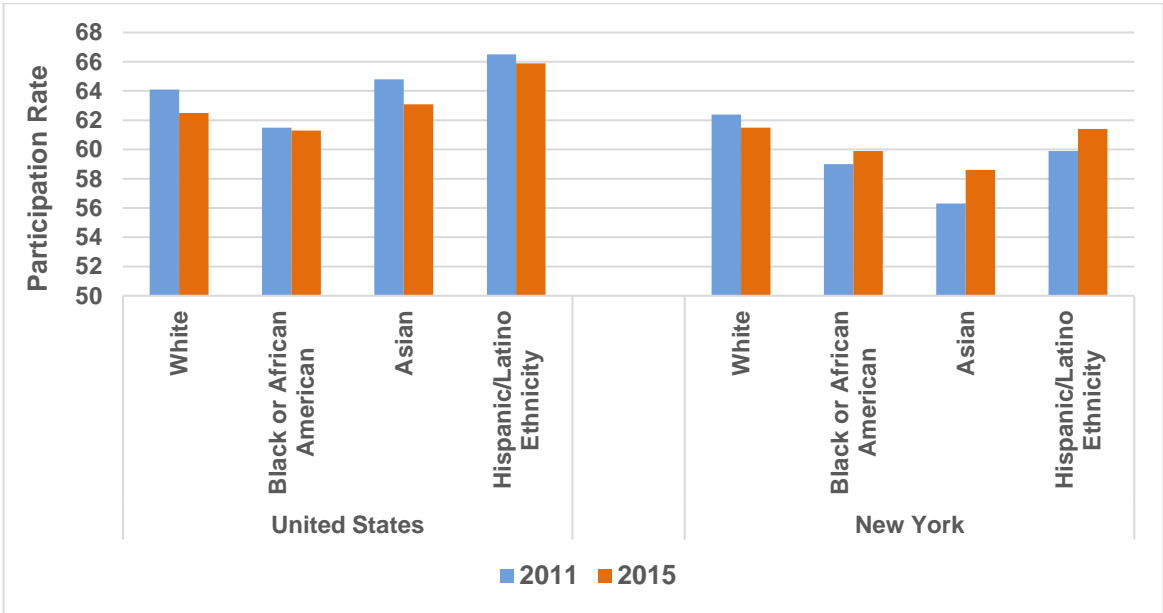
Race and Ethnicity

At the national level, the labor force participation rate for all races declined from 2011 to 2015, with the population identifying themselves as Black or African American having the lowest decline, with a decrease of two-tenths of a percentage point. In comparison, in New York, only those identifying themselves as White realized a decline in their participation rate over the same time period, while those identifying within the other race categories saw increases. The Asian population had the largest increase, over two percentage points. Consistent with the overall labor force participation rates for New York, participation rates across all race and ethnicity categories in both 2011 and 2015 are lower than each respective category at the national level, as shown in Figure 14.

Nearly 66 percent of the Hispanic/Latino working age population nationwide was participating in the labor force in 2015. However, this was a decline from over two-thirds of such population participating five years ago. In comparison, this population had a lower participation rate in New York, 61.4 percent in 2015, but this was an increase from the participation rate in 2011.

Figure 14

Labor Force Participation Rates by Race and Ethnicity, New York and United States, 2011 and 2015



Source: U.S. Bureau of Labor Statistics

While the data on the labor force participation rates provided by BLS are presented by race and Hispanic/Latino ethnicity, the statistics for the participation rates based on racial identity are not exclusive of the Hispanic/Latino population. As a result, the figures related to participation rates within the Hispanic/Latino Ethnicity category are also incorporated within the race statistics, depending upon the race with which the person identifies.

Implications

Employment-related reports often focus primarily on numbers of jobs. While job counts are essential to understanding economic trends, additional information regarding the labor force can shed further light on these trends and, more specifically, on implications for individual households and workers.

New York continues to have a well-educated workforce, an advantage both for individuals and for the State's overall economy. As of 2015, more than two-thirds of State residents who were employed or seeking work had some college education, higher than the national average.

During each of the last four years for which complete data are available, New York's statewide unemployment rate declined. The drop in annual rates from 8.5 percent in 2012 to 4.8 percent in 2016 reflects factors including reductions in the number of individuals who are counted as unemployed. Along with continued gains in statewide employment each year, such developments are good news for thousands of New Yorkers. Still, the 9.4 percent rate of labor underutilization shown in BLS' broadest measure of that concept is evidence that many residents of the State continue to struggle to find the job opportunities they desire.

The unemployment rate also reflects the size of the labor force. This measure shows a more mixed picture. The number of individuals in New York working or actively looking for work increased by slightly more than the national rate in 2012. Since then, however, annual changes in the State's total labor force have been weaker than those nationwide, declining in two years and rising modestly in two.

As is true with employment figures, analysis of workforce trends shows important differences in regions across New York, with most growth occurring downstate. Unemployment rates fell noticeably in every region over the five years ending in 2016. But those declines did not mean increased employment in every case. In five of the State's 10 regional labor markets (all upstate), the number of people working was smaller in 2016 than five years earlier.

These changes in the labor force influence the overall participation rates, which have generally declined nationwide and in New York for well over a decade. In certain regions of upstate New York, the noticeable declines in labor force counts are also reflected in lower participation rates.

Seeking to explain continued declines in the percentage of working-age individuals who are in the labor force, BLS and other researchers point to potential factors including an aging population, changes in school enrollment and educational attainment, and changes

in retirement income sources such as employer-provided pensions and Social Security.⁶ As of 2016, 15.4 percent of New York residents were age 65 or older, compared to 15.2 percent nationally. If the State's population continues to age, labor force participation may continue to decline.

Continuing shrinkage of the workforce in regions of New York that have experienced such declines in recent years poses challenges to achieving overall economic growth in these areas and ensuring the long-term vitality of local communities. This trend could also result in fiscal and budgetary issues for the State and local governments. These and other issues associated with changes to the labor force merit continued attention and should be analyzed more closely as policy makers consider priorities and programs to best ensure that all regions of the State can grow and thrive.

Migration, both domestic and international, also affects trends in the State's labor force. While New York generally loses population each year through net population movement within the United States, international immigration has bolstered the State's overall population as well as its workforce. Among other important impacts, immigrants have become increasingly important to certain upstate regions that have seen otherwise declining trends in their labor forces. From 2010 to 2015, some 631,000 individuals immigrated to New York State from other countries and Puerto Rico. More than 65 percent of working-age immigrants in the State were in the labor force as of 2014.⁷

Despite structural shifts, New York's labor force remains large, diverse and well-educated. In the context of an ever-changing work force, leveraging these key strengths must be an important part of the State's efforts to create and maintain a healthy economy and good jobs for its residents.

⁶ See, for example, Bureau of Labor Statistics, "Labor force participation: what has happened since the peak?," *Monthly Labor Review*, September 2016, available at <https://www.bls.gov/opub/mlr/2016/article/labor-force-participation-what-has-happened-since-the-peak.htm>.

⁷ For further information, see Office of the New York State Comptroller, *A Portrait of Immigrants in New York*, November 2016, available at http://www.osc.state.ny.us/reports/immigration/immigration_2016.pdf.

Contact

Office of the New York State Comptroller
110 State Street, 15th Floor
Albany, New York 12236
(518) 474-4015
www.osc.state.ny.us

Prepared by the Office of Budget and Policy Analysis



Like us on Facebook at facebook.com/nyscomptroller
Follow us on Twitter [@nyscomptroller](https://twitter.com/nyscomptroller)