Recent Trends in Regional Employment
Jason Bram and James Orr

May 6, 2011

The views expressed here are those of the presenters and do not necessarily represent the views of the Federal Reserve Bank of New York or the Federal Reserve System.
Overview

- General Economic Trends in the Region
- Employment Trends in the Region

• **Downturn**: New York job losses less severe than the nation; New Jersey losses on par with U.S.; Puerto Rico particularly hard hit.

• **Upturn**: Employment across most of the region has begun to rebound, to varying degrees, despite substantial job losses in state and local government.

• **Outlook**: Employment growth in the region will hinge on continued job creation in the private-services sector.
Regional Economic Activity
Index of Coincident Economic Indicators (CEI)

Index (December 2007 = 100)

Shading indicates NBER recession

Source: Federal Reserve Bank of New York; Puerto Rico Government Development Bank
Note: The Puerto Rico composite index is based on a different methodology than the indexes produced by the FRBNY.
Unemployment Rate
Long-Term Trends

Shading indicates NBER recessions

Source: Bureau of Labor Statistics and Moody’s Economy.com
Unemployment Rate
Long-Term Trends

Source: Bureau of Labor Statistics and Moody’s Economy.com
Total Employment
Seasonally Adjusted Index

Index (December 2007 = 100)

Jan07  Jul07  Jan08  Jul08  Jan09  Jul09  Jan10  Jul10  Jan11

Shading indicates NBER recession

U.S. Employment Trough
Downturn ← → Upturn

Source: Bureau of Labor Statistics and Moody's Economy.com
Last Three Downturns: New York City

Total Employment Indexed to Local Employment Peaks

Index (Start of Downturn = 100)

New York City

Start of Downturn
Recent Downturn
Early 2000’s Downturn
Early 1990s Downturn

One Year From Start
Two Years From Start

Source: Bureau of Labor Statistics, Moody’s Economy.com and FRBNY calculations
Last Three Downturns: New York State

Total Employment Indexed to Local Employment Peaks

Source: Bureau of Labor Statistics, Moody’s Economy.com and FRBNY calculations
Last Three Downturns: New Jersey

Total Employment Indexed to Local Employment Peaks

Index (Start of Downturn = 100)

New Jersey

Early 2000’s Downturn

Recent Downturn

Early 1990s Downturn

Source: Bureau of Labor Statistics, Moody’s Economy.com and FRBNY calculations
Total Employment
Seasonally Adjusted Index

[Graph showing total employment trends for various states and the United States, with shading indicating NBER recession periods.]

Dashed Line Indicates U.S. Employment Trough (February 2010)

Source: Bureau of Labor Statistics and Moody’s Economy.com
Employment Change in the Downturn
Percent Change December 2007 to February 2010

<table>
<thead>
<tr>
<th>Industry</th>
<th>United States</th>
<th>New York State</th>
<th>New Jersey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational &amp; Health Services</td>
<td>-6.9%</td>
<td>-9.2%</td>
<td>-7.7%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-4.5%</td>
<td>-4.2%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Government</td>
<td>-9.2%</td>
<td>-7.9%</td>
<td>-7.7%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-8.4%</td>
<td>-7.7%</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-16.6%</td>
<td>-15.7%</td>
<td>-15.5%</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>-24.6%</td>
<td>-15.7%</td>
<td>-14.3%</td>
</tr>
<tr>
<td>Construction</td>
<td>-23.4%</td>
<td>-14.3%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody's Economy.com
### Employment Change in the Downturn

**Percent Change December 2007 to February 2010**

<table>
<thead>
<tr>
<th>Category</th>
<th>United States</th>
<th>New York City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational &amp; Health Services</td>
<td>-4.5%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Government</td>
<td>-0.4%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-4.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-6.9%</td>
<td>-9.4%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-7.7%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>-8.4%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-21.8%</td>
<td>-16.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>-24.6%</td>
<td>-13.6%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody’s Economy.com
Employment Change in the Downturn
Percent Change December 2007 to February 2010

Educational & Health Services
-4.5% (United States) 4.5% (Upstate NY)
-4.3% (United States) 4.3% (Upstate NY)

Government
-4.5% (United States) 0.4% (Upstate NY)
0.9% (United States) 0.9% (Upstate NY)

Leisure & Hospitality
1.9% (United States) -4.5% (Upstate NY)

Financial Activities
-6.9% (United States) -7.6% (Upstate NY)

Retail Trade
-7.7% (United States) -4.8% (Upstate NY)

Professional & Business Services
-8.4% (United States) -4.2% (Upstate NY)

Manufacturing
-16.6% (United States) -15.1% (Upstate NY)

Construction
-24.6% (United States) -15% (Upstate NY)
-8.8% (United States) 12% (Upstate NY)

Source: Bureau of Labor Statistics and Moody’s Economy.com
Employment Change During the Downturn

December 2007 to February 2010 Percent Change

United States = -6.3%
Region = -3.9%

- Down 6% or More
- Down 5% to 6%
- Down 4% to 5%
- Down 3% to 4%
- Less Than 3% Down

Source: Bureau of Labor Statistics and Moody’s Economy.com
Note: Putnam and Bergen are the Putnam-Rockland-Westchester and Bergen-Hudson-Passaic Special BLS Areas.
Upturn
Sectoral Job Changes: New York State

December 2007 to February 2010 / February 2010 to March 2011

<table>
<thead>
<tr>
<th>Sector</th>
<th>Dec07 to Feb10</th>
<th>Feb10 to Mar11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education &amp; Health</td>
<td>-100,000</td>
<td>75,900</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-67,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Government</td>
<td>-64,400</td>
<td>-30,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-61,300</td>
<td>-85,000</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-61,300</td>
<td>-85,000</td>
</tr>
<tr>
<td>Trade</td>
<td>-52,300</td>
<td>-11,500</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>-52,300</td>
<td>-11,500</td>
</tr>
<tr>
<td>Information</td>
<td>-16,300</td>
<td>0.7</td>
</tr>
<tr>
<td>Transport &amp; Utilities</td>
<td>-15,900</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody’s Economy.com
Sectoral Job Changes: Upstate NY

December 2007 to February 2010 / February 2010 to March 2011

Thousands

<table>
<thead>
<tr>
<th>Sector</th>
<th>Dec07 to Feb10</th>
<th>Feb10 to Mar11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>-35.0</td>
<td></td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>-19.3</td>
<td>-19.3</td>
</tr>
<tr>
<td>Trade</td>
<td>-35.0</td>
<td>-35.0</td>
</tr>
<tr>
<td>Construction</td>
<td>-10.5</td>
<td>-10.5</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-9.0</td>
<td>-9.0</td>
</tr>
<tr>
<td>Information</td>
<td>-7.5</td>
<td>-7.5</td>
</tr>
<tr>
<td>Transport &amp; Utilities</td>
<td>-4.9</td>
<td>-4.9</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-3.6</td>
<td>-3.6</td>
</tr>
<tr>
<td>Government</td>
<td>-0.9</td>
<td>-0.9</td>
</tr>
<tr>
<td>Education &amp; Health</td>
<td>18.2</td>
<td>18.2</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody’s Economy.com
Sectoral Job Changes: New York City
December 2007 to February 2010 / February 2010 to March 2011

Thousands

<table>
<thead>
<tr>
<th>Sector</th>
<th>Dec07 to Feb10</th>
<th>Feb10 to Mar11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Activities</td>
<td>-44.0</td>
<td>-50</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>-31.4</td>
<td>-31.4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-21.5</td>
<td>-21.5</td>
</tr>
<tr>
<td>Construction</td>
<td>-17.8</td>
<td>-17.8</td>
</tr>
<tr>
<td>Trade</td>
<td>-14.2</td>
<td>-14.2</td>
</tr>
<tr>
<td>Transport &amp; Utilities</td>
<td>-6.3</td>
<td>-6.3</td>
</tr>
<tr>
<td>Information</td>
<td>-4.6</td>
<td>-4.6</td>
</tr>
<tr>
<td>State &amp; Local</td>
<td>-15.3</td>
<td>-15.3</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>10.8</td>
<td>7.4</td>
</tr>
<tr>
<td>Education &amp; Health</td>
<td>36.3</td>
<td>21.5</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody’s Economy.com
Sectoral Job Changes: New Jersey
December 2007 to February 2010 / February 2010 to March 2011

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change Dec07 to Feb10</th>
<th>Change Feb10 to Mar11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade</td>
<td>-55.0</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-47.3</td>
<td></td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>-44.9</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>-40.4</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-55.0</td>
<td></td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-21.7</td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-15.6</td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td>-14.5</td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td>-13.2</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>-0.6</td>
<td></td>
</tr>
<tr>
<td>State &amp; Local</td>
<td>-2.4</td>
<td></td>
</tr>
<tr>
<td>State &amp; Local</td>
<td>-22.1</td>
<td></td>
</tr>
<tr>
<td>Education &amp; Health</td>
<td>17.2</td>
<td>6.6</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody’s Economy.com
Employment Change During the Upturn
February 2010 to March 2011 Percent Change

<table>
<thead>
<tr>
<th>City</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glens Falls</td>
<td>0%</td>
</tr>
<tr>
<td>Buffalo</td>
<td>0.5%</td>
</tr>
<tr>
<td>Rochester</td>
<td>1%</td>
</tr>
<tr>
<td>Syracuse</td>
<td>0%</td>
</tr>
<tr>
<td>Utica</td>
<td>1%</td>
</tr>
<tr>
<td>Albany</td>
<td>0%</td>
</tr>
<tr>
<td>Ithaca</td>
<td>0.5%</td>
</tr>
<tr>
<td>Elmira</td>
<td>0%</td>
</tr>
<tr>
<td>Binghamton</td>
<td>0%</td>
</tr>
<tr>
<td>Putnam</td>
<td>0%</td>
</tr>
<tr>
<td>Fairfield</td>
<td>1%</td>
</tr>
<tr>
<td>Kingston</td>
<td>0%</td>
</tr>
<tr>
<td>Poughkeepsie</td>
<td>0%</td>
</tr>
<tr>
<td>Newark</td>
<td>0%</td>
</tr>
<tr>
<td>Edison</td>
<td>0%</td>
</tr>
<tr>
<td>NYC</td>
<td>0%</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>1.2%</td>
</tr>
<tr>
<td>Region</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody’s Economy.com
Note: Putnam and Bergen are the Putnam-Rockland-Westchester and Bergen-Hudson-Passaic Special BLS Areas.
State and Local Government

Seasonally Adjusted Index

Index (December 2007 = 100)

Shading indicates NBER recession

New York State

United States

New Jersey

Note: Dotted line smoothes fluctuations due to summer jobs programs.

Source: Bureau of Labor Statistics and Moody’s Economy.com
New York City Securities Employment
Seasonally Adjusted Levels

Source: Bureau of Labor Statistics, Moody’s Economy.com and FRBNY calculations
Main Street Turns Up BEFORE Wall Street

Shading indicates time between securities and total employment troughs

Source: Bureau of Labor Statistics, Moody’s Economy.com and FRBNY calculations
### Increase in Online Job Listings and Occupations Driving the Gains

**2010Q1 - 2011Q1**

<table>
<thead>
<tr>
<th>United States</th>
<th>New York State</th>
<th>New Jersey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up 18.0%</td>
<td>Up 20.0%</td>
<td>Up 8.2%</td>
</tr>
</tbody>
</table>

1. Computer  
2. Healthcare Practitioners  
3. Transportation  
4. Management  
5. Retail and Other Sales

1. Management  
2. Computer  
3. Business and Financial  
4. Healthcare Practitioners  
5. Retail and Other Sales

1. Computer  
2. Management  
3. Transportation  
4. Healthcare Practitioners  
5. Food Preparation

Source: The Conference Board Help Wanted OnLine™ Data Series
Summary

- There has been substantial regional variation in the **downturn**

- **Recovery** of jobs to date
  - Strength in most private services
  - Modest losses in Manufacturing and Construction
  - Mounting losses in State & Local Government

- **Outlook**
  - Health & Education, Leisure & Hospitality, Professional & Business Services, and Financial Activities are likely to continue to contribute to growth going forward
  - A pickup in online job listings in the region over the past year has been driven largely, but not entirely, by higher-skill occupations
  - Downside risks from state and local government fiscal restraint
Appendix
Online Job Listings by Occupation

Contribution to Net Increase in Listings 2010Q1 - 2011Q1

Source: The Conference Board Help Wanted OnLine™ Data Series
Employment Change Since the Downturn
Percent Change December 2007 to March 2011

<table>
<thead>
<tr>
<th>Sector</th>
<th>United States</th>
<th>Puerto Rico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational &amp; Health Services</td>
<td>-12.0%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-28.0%</td>
<td>-28.8%</td>
</tr>
<tr>
<td>Government</td>
<td>-2.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Prof. &amp; Business</td>
<td>-7.0%</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-5.4%</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-5.3%</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-4.4%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Construction</td>
<td>-18.5%</td>
<td>-23.8%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody’s Economy.com
Sectoral Job Changes: Puerto Rico

December 2007 to February 2010 / February 2010 to March 2011

Thousands

-2.6  -2.1  -1.8  -1.3  4.8
-3.2  -3.0
-6.9  -5.0
-16.0
-23.0
-26.4
-30

Puerto Rico

-9.7  -8.3  -3.2  -3.0  -2.6  0.5  -2.1  -1.8  -1.4  0.1  1.3  4.8  0.9

Manufacturing

Professional & Business Services

Trade

Information

Transport & Utilities

Leisure & Hospitality

Financial Activities

Education & Health

Government

-23.0

Dec07 to Feb10 (-81,000 Total)

Feb10 to Mar11 (+18,000 Total)

Source: Bureau of Labor Statistics and Moody’s Economy.com
Education and Health
Seasonally Adjusted Index

Index (December 2007 = 100)

Source: Bureau of Labor Statistics and Moody's Economy.com
Financial Activities Employment

Seasonally Adjusted Index

Index (December 2007 = 100)

Source: Bureau of Labor Statistics and Moody's Economy.com
Construction Employment

Seasonally Adjusted Index

Index (December 2007 = 100)

Source: Bureau of Labor Statistics and Moody’s Economy.com
Note: Construction category also includes Natural Resources and Mining.
Manufacturing Employment
Seasonally Adjusted Index

Index (December 2007 = 100)

New Jersey
New York State
Upstate NY
New York City
Puerto Rico

Shading indicates NBER recession

Source: Bureau of Labor Statistics and Moody’s Economy.com
Manufacturing
Share of Total Employment, 2010-2011

Source: Bureau of Labor Statistics and Moody’s Economy.com
Employment Change in the Upturn
Percent Change February 2010 to March 2011

Source: Bureau of Labor Statistics and Moody’s Economy.com
Employment Change in the Upturn

Percent Change February 2010 to March 2011

Professional & Business Services
- United States: 3.2%
- New Jersey: 2.8%

Educational & Health Services
- United States: 2.5%
- New Jersey: 1.1%

Manufacturing
- United States: 1.8%
- New Jersey: -2.8%

Leisure & Hospitality
- United States: 1.7%
- New Jersey: 1.6%

Wholesale Trade
- United States: 1.4%
- New Jersey: 0.0%

Construction
- United States: 1.1%
- New Jersey: -2.6%

Retail Trade
- United States: 0.7%
- New Jersey: 0.9%

Financial Activities
- United States: 1.6%

Government
- United States: -3.4%
- New Jersey: -1.4%

Source: Bureau of Labor Statistics and Moody’s Economy.com
Employment Change in the Upturn
Percent Change February 2010 to March 2011

Professional & Business Services
- United States: 3.2%
- Upstate Metros: 3.1%

Educational & Health Services
- United States: 2.5%
- Upstate Metros: 1.9%

Manufacturing
- United States: -1.7%
- Upstate Metros: 1.8%

Leisure & Hospitality
- United States: 1.7%
- Upstate Metros: 1.6%

Wholesale Trade
- United States: 1.4%
- Upstate Metros: 1.0%

Construction
- United States: 1.1%
- Upstate Metros: 0.7%

Retail Trade
- United States: 0.7%
- Upstate Metros: 0.3%

Financial Activities
- United States: -0.6%
- Upstate Metros: -0.7%

Government
- United States: -1.4%
- Upstate Metros: -3.0%

Source: Bureau of Labor Statistics and Moody’s Economy.com
Unemployment
February 2010 and March 2011

Source: Bureau of Labor Statistics and Moody’s Economy.com