Job Growth in the Region

Economic Press Briefing: August 18, 2016

The views expressed here are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.
The 2nd Federal Reserve District

Regions in the District

Puerto Rico &
U.S. Virgin Islands

Upstate

Northern NJ

Downstate
Overview

• The regional economy has continued to grow slowly over the past year, with many parts of the District seeing job gains.

• New York City remains on a strong growth trajectory, while job growth in upstate NY and northern NJ has been slower. Puerto Rico continues to lose jobs.

• Middle-wage jobs have finally started to return, though to different degrees across the region.
Recent Economic Performance
Regional Employment Trends

Indexes of Total Employment, Seasonally Adjusted

Source: U.S. Bureau of Labor Statistics and Moody’s Economy.com; data are early benchmarked by FRBNY staff.
Sectors Driving Regional Job Growth

Net Change in Employment, Thousands, 2013-2016 (YTD)

Recent Growth in and around New York City

2015 Private-Sector Job Growth

New York City's New Growth Sector

Number of Jobs

Thousands

Securities Employment

Technology Employment

+12,000
2010 to 2015

+53,000

Technology Employment
- Computer manufacturing
- Electronic shopping
- Software publishing
- Data processing, hosting
- Internet/web search portals
- Computer systems design
- Scientific R&D services

Recent Growth in Upstate NY

2015 Private-Sector Job Growth

Buffalo
Watertown
Syracuse
Rochester
Binghamton
Elmira
Glens Falls
Utica
Albany
North Country

Strong
Moderate
Modest
Little or None
Declining

Upstate Manufacturing Employment

Indexes of Manufacturing Employment, Seasonally Adjusted

The Return of Middle-Wage Jobs
Job Categories
Based on 2015 Median Wages, United States

Job Gains in the United States

Net Change in Total Employment, Thousands

2010 to 2013

- Higher Wage: 2,104
- Middle Wage: 1,205
- Lower Wage: 2,184

2013 to 2015

- Higher Wage: 1,470
- Middle Wage: 2,261
- Lower Wage: 1,577

Middle-Wage Jobs Returning in the U.S.

• Growth in traditional blue collar jobs:
  - Construction [+400,000]
  - Production [+300,000]
  - Transportation [+500,000]
  - Installation & Repair [+250,000]

• **Education** jobs growing again as local government fiscal pressures have subsided. [+150,000]

• Rebound in **Administrative Support** jobs. [+400,000]
Job Gains and Losses in the Region

Net Change in Total Employment, Thousands

Job Gains and Losses in the Region

Net Change in Total Employment, Thousands

Upstate NY: 2010-2013

- Higher: 15
- Middle: -25
- Lower: 22


- Higher: 12
- Middle: 5
- Lower: 19

Puerto Rico: 2010-2013

- Higher: 2
- Middle: -29
- Lower: 14


- Higher: 4
- Middle: -39
- Lower: -2

Middle-Wage Job Gains Weak in Some Areas

Upstate NY
- Limited bounce back in Education and Construction jobs coupled with ongoing declines in Administrative Support and Production jobs.

New Jersey
- Steep losses in Administrative Support and Production jobs.

Puerto Rico
- Broad-based declines in middle-wage jobs, with large job losses tied to the island’s weak public sector (Education, Protection) along with an acceleration in Construction job losses.
Summary

• New York City continues to be an engine of growth in the region, with a burgeoning tech sector and widespread gains in middle-wage jobs.

• Growth has been slower in upstate NY and northern NJ, where middle-wage jobs have not bounced back as much.

• Puerto Rico continues to struggle under the weight of economic stagnation, a fiscal crisis, and out-migration.
Recent Job Growth in the District

Percent Change in Total Employment, 2015Q2 to 2016Q2

Source: U.S. Bureau of Labor Statistics and Moody’s Economy.com; data are early benchmarked by FRBNY staff.