

A Message from the President



The Brooklyn Chamber of Commerce is pleased to present the 2010 Brooklyn Labor Market Review. This past year of gradual recovery from a steep recession presented interesting results for Brooklyn's economy.

At a glance, New York City and Brooklyn lost fewer jobs than projected in the 2009 Brooklyn Labor Market Review, but in comparison, it was the relative greater stability of the outer boroughs that helped the city through the Great Recession. From early 2009 to early 2010, Brooklyn led all boroughs with a private job growth of 7,600. The Bronx also experienced net job growth over this period but the other boroughs all had declines, with Manhattan declining more than Queens or Staten Island.

Continued growth in Brooklyn's labor force is helping to spur further business activity, particularly evident in the borough's growing retail and restaurant sectors. As New York City strives to refocus itself after major job losses and continued cuts in city services and personnel, Brooklyn provides a glimmer of hope and a show of resiliency as we turn the corner of economic recovery.

For 2011, we expect the recovery to continue at its gradual pace and project that Brooklyn will gain 9,100 private jobs. Brooklyn's 2.0 percent growth will continue to surpass the projected overall city private job gain of 0.6 percent in 2011.

This Brooklyn Labor Market Review will set the stage for more frequent updates on Brooklyn's labor market and economic conditions. Due to the relevance and necessity of looking at the labor market on a borough basis, the Brooklyn Labor Market Review will now provide quarterly updates. We hope this timely information will help shape the borough's focus toward better serving its business community and residents.

Carl Hum, President

Brooklyn's economic snapshot for 2010

Citywide employment bottomed out at the end of 2009 and New York City began to see job gains in 2010. With annual revisions, the 2010 citywide monthly average private employment level will be about 9,000 jobs, or 0.3 percent, higher than 2009. Given the trend in recent quarters, Brooklyn should end 2010 with a private job level about 12,000 greater

than in 2009, an annual growth rate of 2.8 percent.

After declining in 2009, total personal income is forecast to increase by 4.9 percent for the city in 2010, and by 4.1 percent for Brooklyn.

Based on actual data through

cont. on page 2

Inside

2. Assessing Last Year's Projections

3. Brooklyn Job Growth Outpaces Other Boros

4. Job Growth, 2000-09

FIGURE 1.

Brooklyn's economic snapshot for 2010

	2009	2010	change, 2009-2010	
PRIVATE PAYROLL JOBS				
New York City	3,016,166	3,025,200	9,034	0.3%
Brooklyn	441,120	453,400	12,280	2.8%
PERSONAL INCOME (in billions of dollars)				
New York City	\$415.8	\$436.1	\$20.3	4.9%
Brooklyn	\$85.3	\$88.8	\$3.5	4.1%
BROOKLYN				
Resident labor force	1,125,900	1,127,700	1,800	0.2%
Resident employment	1,011,900	1,009,900	-2,000	-0.2%
Resident unemployment	114,000	117,800	3,800	3.3%
Unemployment rate	10.1%	10.4%	0.3%	--

Source: NYS Dept. of Labor, U.S. Bureau of Economic Analysis; projections by Fiscal Policy Institute.

2 ● Brooklyn Labor Market Review

Economic Snapshot, cont. from page 1

November, Brooklyn's unemployment rate likely will average 10.4 percent in 2010, exceeding the 10.1 percent unemployment average for 2009. The size of Brooklyn's labor

force continued to increase modestly in 2010; during the recession year of 2009, Brooklyn's labor force increased by 21,300, a remarkable 1.9 percent gain.

● Assessing projections from the 2009 Brooklyn Labor Market Review

The 2009 Brooklyn Labor Market Review's private employment forecast was very close to the mark for New York City (an actual decline of 108,000 jobs versus our forecast decline of 115,000), while Brooklyn lost many fewer private sector jobs (1,100) than our forecast decline of 8,500.

In 2009, when the worst of the recession's effects were concentrated, Brooklyn's private sector employment decline was 0.3 percent, compared to the citywide decline of 3.5 percent. The Bronx had a 1.9 percent private job gain for the year, the best among all the boroughs, while Staten Island had a 1.3 percent decline, and Queens a 2.2 percent decline. Manhattan, as usually happens during downturns, bore the brunt of job losses with a decline of 5.1 percent.

The driving force behind Brooklyn's better-than-forecast performance was a *gain* of 1,650 jobs in administrative and support services compared to a projected *decline* of 750 jobs. Also, the health care and social assistance sector added nearly twice as many jobs as had been forecast (4,700 compared to a forecasted gain of 2,500).

Accommodation and food services added 1,300 jobs in Brooklyn in 2009 whereas the last BLMR had forecasted no net change for the year. The gain in this sector was almost entirely in restaurant employment. Transportation and warehousing gained 450 jobs whereas our forecast expected a decline of 750.

Construction, manufacturing, wholesale and retail trade all lost jobs roughly in line with our 2009 forecast.

The finance sector lost 2,200 jobs, a little over twice the forecasted decline of 1,000 jobs.

Total wages paid in Brooklyn were about the same \$18.8 billion in both 2008 and 2009. However, citywide, the sharp recession reduced total wages paid by 10.8 percent in 2009 with the finance sector accounting for about two-thirds of the overall wage drop. Brooklyn saw total wage declines ranging from 6 to 15 percent in construction, manufacturing and finance, but these declines were offset by total wage growth of four to eight percent in government, health care and social assistance, and private educational services.

FIGURE 2.

Brooklyn job picture for 2009 beats forecast due to better growth in administrative support, health care & social assistance, transportation, and restaurants

	Brooklyn		New York City	
	2009 forecast	2009 actual	2009 forecast	2009 actual
ALL PRIVATE SECTOR EMPLOYMENT	-8,500	-1,100	-115,000	-107,800
Construction	-3,000	-2,850	-13,000	-11,500
Manufacturing	-3,000	-2,800	-14,000	-13,800
Wholesale trade	-1,000	-850	-11,000	-9,100
Retail trade	-1,000	-1,400	-10,000	-8,700
Transportation & warehousing	-750	450	-7,000	-4,600
Information	-250	25	-7,000	-8,400
Financial services	-1,000	-2,200	-30,000	-27,400
Real estate	-750	-250	-4,000	-3,600
Professional sci. & tech. services	-500	50	-18,000	-18,800
Management of companies	500	-500	-2,000	-1,800
Administrative support services	-750	1,650	-8,000	-11,200
Educational services	500	850	3,000	2,600
Health care & social assistance	2,500	4,700	8,000	9,300
Arts entertainment & recreation	-250	-75	-2,000	-1,500
Accommodation & food services	0	1,300	-1,000	-200
Other private services	250	75	1,000	-1,350

Note: 2009 forecast from Fall 2009 Brooklyn Labor Market Review.

Source: NYS DOL, Quarterly Census of Employment and Wages.

● Brooklyn outpaces all the boroughs in job growth over the past year

As this issue of the BLMR goes to press, the latest detailed borough employment data is for the first quarter of 2010. Since borough employment data is not seasonally adjusted, analysis must be performed on a year-over-year basis for the same quarter. From the first quarter of 2009 to the first quarter of 2010, Brooklyn led all boroughs with a 1.7 percent increase of 7,600 private jobs. The city overall had a 1.7 percent job decline over this period, with 50,300 fewer jobs in the first quarter of 2010 compared to the year-earlier quarter. The Bronx was the only other borough with a private job gain (1.0 percent) through the first quarter of 2010. Job losses over the year were 1.7 percent for Queens, 2.1 percent for Staten Island, and 2.8 percent for Manhattan.

By far the biggest contributor to Brooklyn’s job growth was home health care, which grew by 20 percent over the year, an increase of 4,400 jobs. The retail sector added 1,900 jobs, led by grocery stores with a gain of 800, and drug, department and electronics stores, each of which added between 250 and 300 jobs. Restaurants added 1,350 jobs with growth slightly greater among full service restaurants compared to limited service restaurants.

Employment services providing temp jobs to a variety of industries—usually a leading indicator of hiring plans in other

sectors—added 1,200 jobs, a gain of 15 percent. Employment in accounting firms was up by 675 jobs over the year, an impressive 23 percent gain. Individual and family services and private educational services both added 600 jobs. Within food manufacturing—one part of the manufacturing sector that has shown growth in recent years—baking and tortilla manufacturing increased employment by 135, about 6 percent.

Over the decade, Brooklyn’s home health care employment has grown at a 12.6 percent annual rate since 2000, much faster than the 7.8 percent citywide pace. While the average 2009 pay for Brooklyn’s home health care workers (\$28,905) is nearly one-quarter below the average for all private jobs in the borough (\$38,067), Brooklyn’s home care workers are paid about eight percent more than the citywide industry average of \$25,277. The occupation of home health care aide is one of the few for which an individual without a high school diploma can be trained within one or two weeks. The city’s large immigrant population and diverse range of communities create need for home health care aides proficient in particular languages. The industry provides employment for large numbers of immigrant women whose limited English proficiency might otherwise be a hindrance in the labor market.

FIGURE 3. Brooklyn led all boroughs in private job growth, 1st quarter 2009 to 1st quarter 2010

ALL PRIVATE SECTOR EMPLOYMENT	Brooklyn 1.7%	NYC -1.7%	Bronx 1.0%	Manh. -2.8%	Queens -1.7%	Staten Isl. -1.0%
Construction	-7.8%	-10.3%	-7.8%	-14.0%	-8.4%	-14.9%
Manufacturing	-9.4%	-10.2%	-10.3%	-14.0%	-6.6%	1.5%
Wholesale trade	-1.7%	-5.0%	1.1%	-6.9%	-4.4%	-11.2%
Retail trade	3.4%	1.8%	6.6%	0.1%	2.0%	2.9%
Transportation & warehousing	0.2%	-4.2%	1.9%	-12.2%	-3.3%	-7.4%
Information	-3.2%	-2.4%	-14.9%	-1.7%	-5.8%	-6.1%
Financial services	-9.9%	-6.3%	-2.1%	-6.3%	-3.1%	-7.7%
Real estate	-1.5%	-2.0%	-1.2%	-1.9%	-4.1%	5.0%
Professional sci. & tech. services	3.5%	-5.5%	-3.5%	-6.3%	0.8%	-6.4%
Management of companies	50.1%	-0.4%	4.4%	-2.2%	1.0%	-5.2%
Administrative support services	6.3%	-0.1%	1.3%	-2.3%	7.3%	-6.9%
Educational services	2.7%	2.2%	0.0%	2.4%	2.0%	1.7%
Health care & social assistance	3.7%	1.4%	1.3%	1.8%	-3.0%	2.8%
Arts entertainment & recreation	-3.1%	-1.7%	2.5%	-1.7%	-1.5%	-2.2%
Accommodation & food services	6.8%	3.1%	10.0%	2.4%	2.7%	-0.1%
Other private services	1.4%	-0.5%	1.4%	-1.5%	0.2%	1.1%
Absolute change, all private employment	7,600	-50,300	1,900	-51,100	-7,900	-900

Source: NYS DOL, QCEW.

FIGURE 4. Detailed Brooklyn industries fueling job growth

ALL PRIVATE SECTOR EMPLOYMENT	1st Q 2010 empl. level	employment change Q1, 2009-2010	
	444,100	7,600	1.7%
Bakeries and tortilla manufacturing	2,565	135	5.6%
Electronic and appliance stores	2,521	252	11.1%
Grocery stores	11,563	806	7.5%
Health and personal care stores (drug stores)	7,944	297	3.9%
Department stores	3,846	250	7.0%
Other transit and ground passenger transp.	2,759	330	13.6%
Accounting and taxpayer services	3,657	675	22.6%
Employment services	9,309	1,194	14.7%
Investigative and security services	3,908	257	7.0%
Offices of health practitioners (other than physicians and dentists)	3,263	356	12.2%
Home health care	25,754	4,371	20.4%
Individual and family services	36,141	566	1.6%
Full service restaurants	9,972	780	8.5%
Limited service restaurants	11,046	575	5.5%

Source: NYS DOL, QCEW.

● Comparing job growth for Brooklyn and the other boroughs, 2000-2009

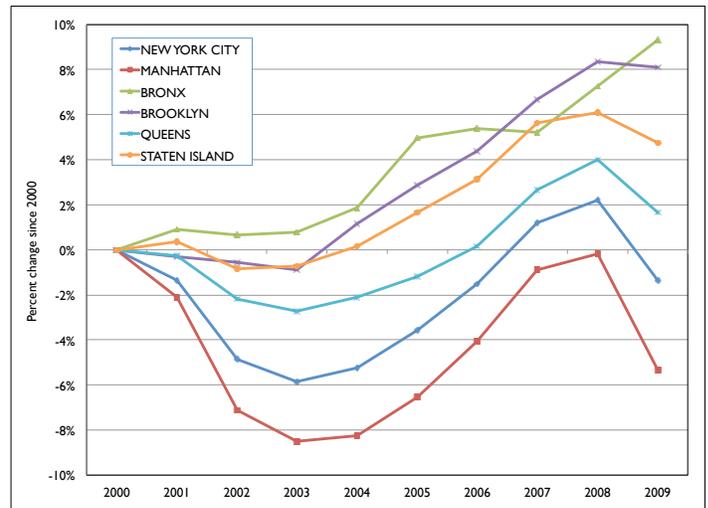
Brooklyn and the Bronx managed private sector job gains from 2000 to 2009, even though 2000 was a business cycle peak and 2009 was a recession low point. The Bronx recorded a 9.3 percent private sector employment gain from 2000 to 2009, slightly higher than Brooklyn's 8.1 percent job growth. Manhattan had a 5.3 percent decline over the decade, Queens a 1.7 percent gain, and Staten Island a 4.8 percent gain.

Both Brooklyn and the Bronx have benefited on the job front by the presence of large health care and social assistance sectors within their employment mixes. In 2009, the health care and social assistance sector employed 145,500 people in Brooklyn, accounting for 30 percent of borough-wide total (private and government) employment of 476,900. In the Bronx, health care and social assistance represented 35 percent of all jobs. Brooklyn increased employment in this sector by 20 percent over the decade, accounting for about two-thirds of the borough's total job growth between 2000 and 2009.

Brooklyn and the Bronx still show relatively strong employment growth over the decade even when gains from the health care and social assistance sector are excluded. Outside of health care and social assistance, total job growth from 2000 to 2009 was 4.4 percent in the Bronx, 3.0 percent in Brooklyn, and 2.9 percent in Staten Island. In the same period, also excluding health care and social assistance, Queens had a total job decline of 3.6 percent over the decade and Manhattan experienced a 7.4 percent employment drop.

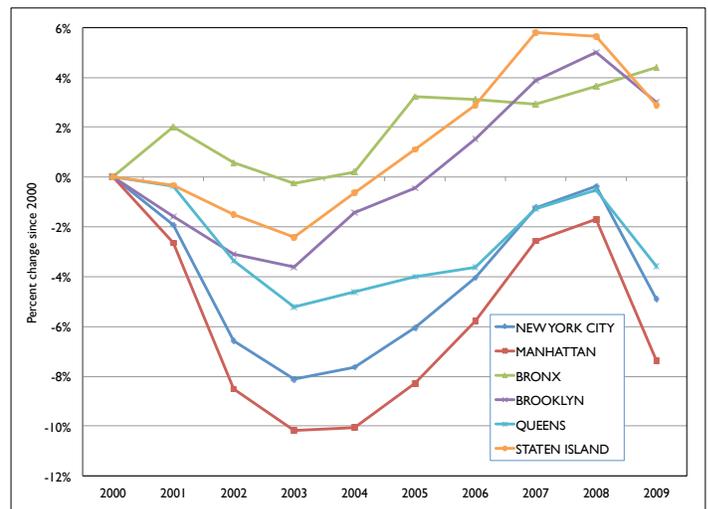
The above analysis is based on payroll job counts from the state labor department. The U.S. Bureau of Economic Analysis (BEA) tracks the number of proprietors and adds them to its total employment series. In 2008, the latest year for the BEA data at this writing, Brooklyn had 240,000 proprietors and 520,000 wage and salary jobs (the BEA counts the number of jobs in Brooklyn, not the number of jobs held by Brooklyn residents). Brooklyn had the highest share of proprietors, relative to total employment, among all the boroughs. Since the proprietor category grew much faster than the wage and salary job category from 2000 to 2008, Brooklyn had the fastest growth in BEA total employment over this period among all boroughs. Brooklyn's 24.8 percent total employment growth was more than twice the 10.6 percent citywide growth.

FIGURE 5.
Brooklyn and the Bronx out-performed the other boroughs in private job growth from 2000 to 2009



Source: NYS DOL, Quarterly Census of Employment and Wages.

FIGURE 6.
Even when leaving aside the health care and social assistance sectors, Brooklyn the Bronx and Staten Island performed much better than Queens and Manhattan



Source: NYS DOL, Quarterly Census of Employment and Wages.

This issue of Brooklyn Labor Market Review was prepared by the Fiscal Policy Institute (www.fiscalfpolicy.org).

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