

June 14, 2012

<http://www.crainsnewyork.com/article/20120614/ECONOMY/120619932>

Got jobs? New York City does

The city economy continued its remarkable run, adding 14,100 private-sector jobs in May, according to data released Thursday. But unemployment ticked up.

The city economy continued its remarkable run of growth in May, adding 14,100 private-sector jobs and bringing total private-sector growth to 70,100 for the year, according to an analysis of state Department of Labor data released Thursday.

The unemployment rate ticked up slightly, to 9.7% from 9.5%, but that increase was because job growth did not keep pace with a jump in the city workforce, which expanded by 11,000 in May. The city netted 12,300 jobs last month after losses in the public sector, according to the analysis by real estate services firm Eastern Consolidated.

"A growing labor force shouldn't be a surprise when we keep coming out every month saying how strong job growth is," said James Brown, principal economist at the state Department of Labor. When the economy improves, the workforce typically expands as those discouraged from looking for jobs begin hunting again.

The city has added 7,800 more jobs in the first five months of the year than it did in all of 2011.

In the past year, most of the city's gains have come in leisure and hospitality and professional and business services. From May 2011 to May 2012, the city added 75,700 private-sector jobs, more than three-quarters of which have come in those two sectors.

"A lot of what drives the national numbers, we're not directly tied to," said Mr. Brown, citing auto manufacturing and export-related industries as examples. "We're more tied to business profits and tourism."

In May, professional and business services added 8,500 jobs, while leisure and hospitality posted a 3,800-job gain. Other industries that added jobs were real estate, which grew by 2,200 positions, and arts/entertainment/recreation, which gained 2,100. Defying recent layoff announcements, Wall Street added 1,500 jobs, bringing its total increase for the year to 3,400.

After two solid months, construction shed 3,600 jobs in May, the only industry with a significant loss. Barbara Byrne Denham, chief economist at real estate services firm Eastern Consolidated, said the loss is likely an aberration, as building permits are on the rise.

Since bottoming out in September 2009, the city has added 205,800 private-sector jobs, for a growth rate of 6.6%. The nation, meanwhile, has added 4.3 million private sector jobs, a 4% growth rate.

"New York City's economy continues to accelerate as the U.S. economy decelerates," Ms. Denham said.