



NEWSDAY ILLUSTRATION BY NEVILLE HARVEY

IN THE EIGHTH YEAR OF OVERALL GROWTH,
THE PICTURE ON WORKERS' RANKS AND PAY IS UNEVEN AND COMPLEX

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Long Island is in its eighth year of overall employment growth, according to the state Labor Department, but its job market is more complex than any single statistic.

Some sectors such as manufacturing, which have been losing jobs overall, have seg-

ments that are growing and granting pay increases that outpace raises in sectors where growth has been strong.

Sometimes, how big a raise you receive depends not only on which industry you're in, but also on whether you work in Nassau or Suffolk county.

And even in a shrinking sector like manufacturing, some

companies struggle to find enough skilled workers, experts said, particularly as increasing numbers of baby boomers retire.

Companies of all sizes here face that challenge, including small businesses, which dominate the Island's economy.

"Like many large businesses, small businesses here have

had difficulty finding enough qualified help," said Erica Chase-Gregory, director of the Small Business Development Center at Farmingdale State College.

A recent report by payroll company ADP attributed a decline in small-business hiring in last year's fourth quarter in part to the difficulty small firms face in finding enough

qualified workers.

Adding to the complexity of the Island's economy: The fastest-growing jobs here are not the highest paying, a trend that took hold during the recovery from the last recession, experts said.

Turn the page for a closer look at some little-known facts about the Long Island job market.

The complex picture on jobs

The Island's labor market is marked by uneven gains and pay hikes, and hiring challenges

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Health care's booming

Health care is the Island's largest employer, accounting for 1 in 5 jobs, or 20 percent, state Labor Department data show. The Island had 235,400 health care jobs in December.

Health care drives employment here more than it does nationwide. Nationally, health care accounted for 16 percent of private-sector jobs in December, according to U.S. Bureau of Labor Statistics data.

Technological advances in patient care, especially cancer care, an increasing emphasis on preventive care, and an aging population have boosted health care employment, said Shital Patel, labor-market analyst in the state Labor Department's Hicksville office.

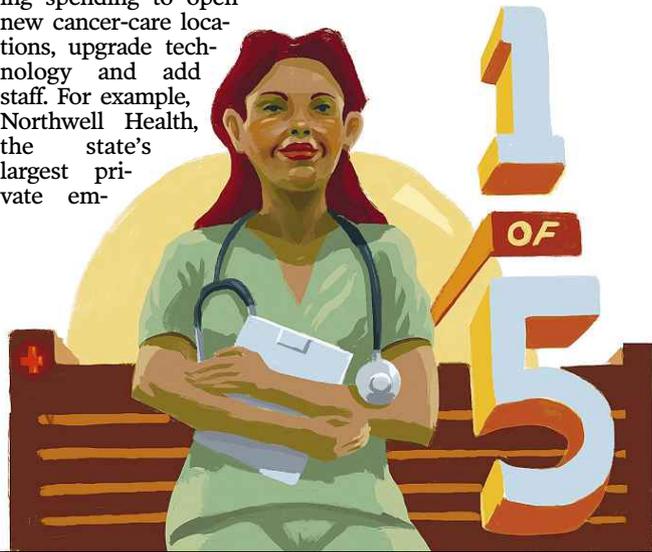
Health systems are increasing spending to open new cancer-care locations, upgrade technology and add staff. For example, Northwell Health, the state's largest private em-

ployer, is spending more than \$300 million annually on cancer care, including money for new facilities here and in Manhattan.

Ambulatory care, which includes urgent-care centers, has seen the biggest job increases. In December it was up 7,700 jobs compared with a year ago.

Health care led the three sectors that accounted for nearly 75 percent of all private-sector job growth on Long Island between 2012 and 2017, Patel said. It added 24,640 jobs during that time, followed by construction with 18,700 and hotels and restaurants with 15,230.

Northwell Health, Winthrop University Hospital and Good Samaritan Hospital Medical Center are among the Island's 10 largest employers, she said.



LESS THAN



Small firms dominate

Companies with fewer than 20 employees account for 90 percent of Long Island's 97,409 companies, according to the latest Census data. Nationwide, an even higher percentage — 95 percent — of the country's 7.8 million companies with employees have fewer than 20 workers. Nassau has 48,260 businesses and Suffolk 49,149.

Small businesses like child care and home health-care providers play a key role in the local economy, said Erica Chase-Gregory, di-

rector of the Small Business Development Center at Farmingdale State College. "They are fueling the workforce."

She noted the predominance of small businesses such as delis and retail clothing shops in the Island's downtowns: They are "as much of a player as the large corporations."

Demand is up at the Farmingdale SBDC from entrepreneurs looking for help to start a business or expand an existing one, she added.

In fiscal year 2018, which ended Sept 30, the center helped 1,717 clients, up from 1,576 in fiscal year 2012, she said.



The workforce is graying

Nearly half of Nassau residents ages 65 to 69 — 48 percent — are still working, according to Census data. In Suffolk, 42 percent are still on the job. That compares with 37 percent nationwide.

Sixteen percent of residents 70 and older in both counties still hold jobs, compared with 13 percent nationwide.

Overall, one in four workers on Long Island is 55 or older, the Labor Department's Patel said. Nine percent of the manufacturing workforce is older than 65.

The numbers are worrisome to some local economists.

"An aging population means there are fewer work-age people, and, therefore, more difficulty matching workers to jobs in a tight labor market," said John A. Rizzo, professor of economics at Stony Brook University and chief economist for the Long Island Association business group.

Top-paying jobs are shrinking

The fastest growing sectors aren't the highest paying.

The "management of companies and enterprises" sector, which includes companies that manage other companies and such jobs as auditors and financial and operations managers, leads in salaries, with an average annual wage of \$127,404 in 2017. But the sector lost 196 jobs between 2016 and 2017.

Finance and insurance, the second highest-paying sector at \$124,369, also lost jobs. It shrank by 215 jobs in 2017 compared with 2016.

In contrast, health care, which added the most jobs during that 12-month span, 6,361, paid an average salary of \$58,676, ranking it 10th in pay.

Hotels and restaurants, which added the second-highest number of jobs, 4,255, ranked 18th in pay, with an average wage of \$23,894. "A long-term shift toward eating out" plus an increase in travel and tourism contributed to the growth, Patel of the Labor Department said. Construction added the third-highest number of jobs, 3,259, and ranked eighth in pay, with an average salary of \$71,674.



And the biggest raises go to...

When it comes to raises, Long Island is a tale of two counties.

Average weekly wages in manufacturing rose 7 percent in Suffolk County but declined 0.8 percent in Nassau in the second quarter of 2018 compared with a year earlier, the latest BLS data show. Average weekly wages in Suffolk's construction sector rose 4 percent, compared with 2.6 percent in Nassau.

In contrast, pay in professional and business-services sector, which includes law and accounting jobs, rose 7.2 percent in Nassau, while logging a 0.7 percent increase in Suffolk.

Why the disparities?

The construction and manufacturing sec-

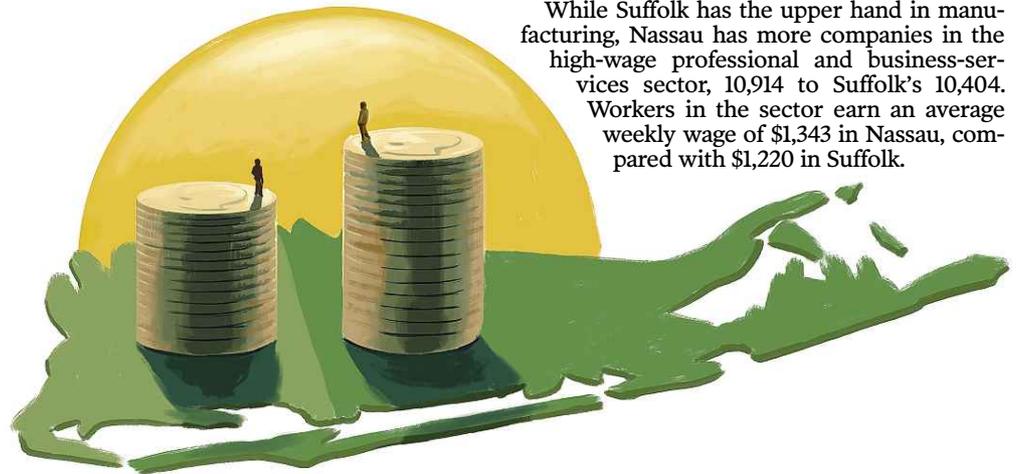
tors are more robust in Suffolk, Patel of the Labor Department said.

Pharmaceuticals, an industry with higher-paying manufacturing jobs, has led employment growth in that sector in the past few years, adding 419 jobs between the second quarter of 2013 and 2018, all in Suffolk, she said. Suffolk had 9,851 pharmaceutical manufacturing jobs in 2017, versus 553 in Nassau.

On the other hand, Nassau added more food manufacturing jobs over the past four years than Suffolk, Patel said.

Bruce Bergman, an economist in the Bureau of Labor Statistics Manhattan office, said that's significant for wages. "Average wages in food manufacturing are usually lower paid," he said.

While Suffolk has the upper hand in manufacturing, Nassau has more companies in the high-wage professional and business-services sector, 10,914 to Suffolk's 10,404. Workers in the sector earn an average weekly wage of \$1,343 in Nassau, compared with \$1,220 in Suffolk.



The service sector rules

Nearly 9 out of every 10 jobs in Long Island's private sector, or 86 percent, are at service-providing businesses, according to December data from the state Labor Department. That nearly matches the nation's 84 percent.

Doctors' offices, law firms, banks, retail stores, home-health agencies and restaurants are some of the many service businesses that account for the Island's 1.18 million private-sector service jobs.

The remaining 14 percent of the employment market is made up of the 160,300 production jobs in construction and manufacturing. The jobs include those in construction trades such as carpenter, laborer and pipefitter, and manufacturing jobs such as production worker, machinist and inspector.

Construction has largely driven the increases in the goods-producing sector in recent years, while manufacturing has largely continued to decline. From December 2017 to December 2018 construction added 10,100 jobs, while manufacturing lost 700.

"The increase in multifamily residential and mixed-use developments near Long Island Rail Road stations has driven demand for construction workers," said Patel of the Labor Department. "State investments in the region's biotech industry have also boosted construction activity at local colleges and universities."

And manufacturing has some bright spots, Patel said.

"While net jobs in manufacturing have been decreasing, the number of new hires made in the industry has increased by 24 percent since 2010, highlighting the replacement demand for retiring workers," Patel said.



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