

New York City Sees Job Growth in July

By Joseph De Avila, Wall Street Journal

August 20, 2010

Employers in New York City hired several thousand workers in July, a surprising boost in a usually slow summer month that also marked the city's best job growth since January.

The city's unemployment rate fell to 9.4% last month, compared with 9.5% in June and last year's high of 10.5%, the New York State Labor Department reported Thursday. The city's unemployment rate dipped below the national figure of 9.5%.



"It's very strong numbers in terms of jobs. Just about every sector performed above their historical averages," said James Brown, an economist with the Labor Department.

The nonprofit sector, performing arts and restaurants were notable gainers, while transportation, hospitals and private educational services cut back. But sectors that have been especially hard hit such as manufacturing continued to struggle. Earlier this week, RJ American Inc., an apparel manufacturer in Borough Park, Brooklyn, filed a notice with the Department of Labor announcing that it would lay off 157 of its 205 employees.

RJ American is a for-profit subsidiary of New York City Industries for the Blind Inc., a nonprofit group that provides work for blind people. The company had been contracted to produce U.S. military uniforms, but ran into difficulty because of a poorly planned pricing agreement for its work, said the organization's chief executive and president, Richard Bland.

"The more we produced, the more we lost," Mr. Bland said. "We had to pull the plug on it."

Mr. Bland notes that operating a for-profit manufacturing company in New York is costly. If the organization had been an entirely for-profit company, "I would do like everyone else and get the heck out of here," Mr. Bland said.

Apparel manufacturers in the city have shed 6,000 jobs since the recession began in 2008, according to the Fiscal Policy Institute, an economic policy group.

After adjusting for seasonal changes, New York City added about 24,600 in July, the Fiscal Policy Institute said. It was the city's best month since January when it added 29,800 jobs. The city has added 44,400 public-sector jobs through the first seven months of the year, according to the institute.

Staffing firms say that many employers in New York are still cautiously optimistic, but there has been more uncertainty.

"Right now there is a one foot on the pedal and one foot on the brake scenario," said Andrew Reina, regional director of financial planning and analysis for Ajilon Finance Solutions, a specialty recruiting and staffing firm. On the bright side, many employers are shifting from seeking temporary employees to a mix of temporary and permanent employees, he said.

Phil Himmelstein, 28 years old, of the Upper West Side, recently got a permanent position as a finance manager at an academic medical center. He began work in January after being unemployed for seven months. "Given the market, it was something I had to take and it turned out to be a godsend," he said.

The state added 29,000 private-sector jobs in July after drops in the previous two months. The government cut 18,500 jobs in New York, due in part to temporary Census workers who are no longer on payroll.

New York state's unemployment rate remained unchanged at 8.2%. It's the state's lowest rate since April 2009.

New Jersey's unemployment rate edged up to 9.7% in July from 9.6% in the previous month. Connecticut's unemployment rate rose to 8.9% in July from the previous month's 8.8%.

Still, some economists were disappointed by New York state's performance last month.

"It's gotten a little better, but not as much better as I had hoped and would have expected," said Jerry Webman, chief economist for Oppenheimer Funds. "It's not enough to get us into expansion as rapidly as we'd like to see."