

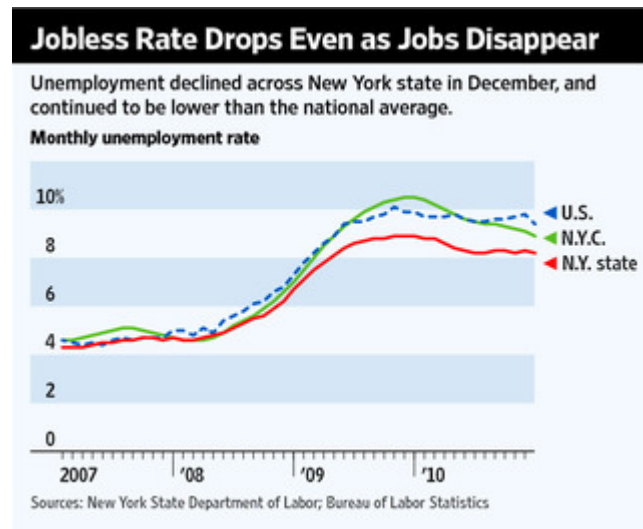
NYC Employment News: Jobs Engine Coughs After Healthy Year

By Joseph De Avila, Wall Street Journal
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New York City employers finished 2010 by trimming payrolls in December, but the city still added more than 50,000 jobs last year and reduced its jobless rate.

The city's unemployment rate fell to 8.9% last month, compared with 9.1% in November and last year's high of 10.5%, the New York state Labor Department reported Thursday. That's well below the U.S. rate of 9.4%.

The big drop in the city's jobless rate is "significantly better than we expected, but obviously there's still a long way to go," said Elena Volovelsky, senior economist with the Labor Department.



New York employers cut about 3,600 private-sector jobs in December, Ms. Volovelsky said. "Christmas retail hiring was a bit disappointing," she said.

Job sectors that posted solid growth in 2010, such as professional and business services and leisure and hospitality, were flat in December, she said.

Other economists said that the drop in the December jobless rate was hardly reason to cheer. "It's entirely due to people dropping out of the labor force. It's not because people are getting jobs," said James Parrott, deputy

director and chief economist at the Fiscal Policy Institute, an economic think tank. Many of the jobs created in 2010 were in low-paying industries such as retail or in bars and restaurants, he added.

"I expect to see some continued but modest growth" in 2011, Mr. Parrott said. "It's not a very robust recovery at this point."

Barbara Byrne Denham, chief economist at real-estate service firm Eastern Consolidated, was more sanguine. "I don't see [December] as a serious reversal of the recovery momentum we had. It's just a little hiccup," she said.

She was encouraged that financial-services firms aren't slashing jobs any more and that other sectors like education services, leisure and hospitality and professional and business services all

added jobs last year. She expects the city to add 60,000 to 70,000 jobs in 2011. "The structure of the recovery is pretty balanced," she said.

Health services added the most jobs in the city during 2010, with 8,400 new positions, a 2% gain for the year. Since the city hit its peak employment in April 2008, health services has added 23,600 jobs, a 6% jump.

One health-care company that plans to continue expanding is Bayada Nurses. The home health-care company, based in Moorestown, N.J., employs about 1,000 people in Greater New York and about 16,000 people across the U.S.

Last year Bayada earned \$600 million in revenue, a 15% increase versus 2009, according to Mark Baiada, president of the company. Thanks to increased demand from a growing elderly population, the company also increased its head count by 15% in 2010. "We are projecting similar growth this year," Mr. Baiada said. "We will be hiring."

On a seasonally adjusted basis, New York state lost 22,600 private-sector jobs in December, according to the state Labor Department. About 200 government jobs were cut in the state. The unemployment rate ticked down from 8.3% in November to 8.2% in December. Overall, the state added 70,800 private-sector jobs in 2010.

The number of unemployed in New York state dropped to 792,800 in December from 797,600 in the previous month, but it remains relatively high.

On Wednesday, New Jersey's Department of Labor reported that the state's jobless rate fell to 9.1%, down from the previous month's rate of 9.2%.