Brooklyn’s Changing Role in the New York City Labor Market

By Rebecca Busansky

Where is the New York City labor market going? That important question is too often addressed either by broad depictions of citywide trends or by Manhattan-centric reports of the latest Wall Street numbers and corporate hirings and firings. It is easy to see why. First, many of the agencies and institutions that have reviewed the labor situation are citywide or statewide organizations. Secondly, it is still generally assumed that the economies of Brooklyn and every other borough are profoundly interconnected – and can thus be viewed as a whole. The fact that by far the largest, if diminished, share of local commuters pour into Manhattan each day reinforces its image as the area’s economic engine. And the media concentration in Manhattan only intensifies this focus.

Still, Manhattan’s resident labor force is 27 percent smaller than the more than 1 million in Brooklyn. And a number of new studies of Manhattan’s recent woes suggest the rising importance of the “outer boroughs” for the city’s future job growth. For example, a recent report issued by the Center for an Urban Future, a Manhattan think tank, speculates that Manhattan will never recover its pre-September 11th ability to generate jobs, with many businesses relocating out-of-state. Moreover, the report, entitled Engine Failure, recommends looking to the outer boroughs for economic expansion. Other sources have echoed this concern. Crain’s New York Business recently stated: “New York City needs to nurture other industries that can give its economy momentum when Wall Street is faltering.” This situation reinforces the importance of beginning to analyze Brooklyn as a separate economic entity, with an increasingly greater responsibility for its own economic future.

Economic Overview

Brooklyn’s economy is fueled by different sources than that of Manhattan. The private sector is dominated by the Health Care & Social Assistance and Education sectors that account for almost one-third of the labor market and continue to experience solid growth. Additionally, there have been structural changes in the Brooklyn industry mix. For example, manufacturing, historically a growth sector, has diminished.

Moreover, the Borough consists of 38,732 businesses, mostly small- and medium-sized. The majority of Brooklyn businesses employ very few, with 67 percent employing one to four workers. Hence, employment is dispersed across many employers, who have a wide range of hiring habits and benefit packages. Brooklyn, itself, employs 405,868 workers.

Brooklyn’s unemployment rate has remained the second highest in New York City over the past decade. The Borough’s unemployment rate remains at a chronically high level -- an average of 9.2% in 2003, second only to the Bronx. Despite the city’s job gains since then, 8.1 percent of Brooklyn residents was still unemployed in June 2004.

The Borough’s labor force consists of an average of just over1 million people, more than half working outside the Borough. The majority of Brooklyn’s residents hold jobs in service-related areas – clerical, retail and health care fields. As Table 2 indicates, the Health Care & Social Assistance sector dominates Brooklyn’s industrial make-up. Retail Trade and Government follow as the second and third largest sectors in Brooklyn. It is important to note that the Finance & Insurance sector, with its back office jobs, ranked eleventh according to employment and increased by 2.7 percent from 2002 to 2003. Of the ten largest sectors, those experiencing the most significant growth are:

- Education, the smallest sector of the ten, shows the highest percentage growth.
- Government added the most jobs
- Accommodation and Food Services also grew significantly
Table 1: Brooklyn Residents’ Employment by Occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th># Employed in 2002</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Labor Force, age 15 and above</td>
<td>1,276,744</td>
<td>100%</td>
</tr>
<tr>
<td>Office and Administrative Support</td>
<td>207,282</td>
<td>16.2%</td>
</tr>
<tr>
<td>Sales and Related</td>
<td>133,044</td>
<td>10.4%</td>
</tr>
<tr>
<td>Management</td>
<td>79,928</td>
<td>6.3%</td>
</tr>
<tr>
<td>Construction and Extraction</td>
<td>79,572</td>
<td>6.2%</td>
</tr>
<tr>
<td>Transportation and Material Moving</td>
<td>79,200</td>
<td>6.2%</td>
</tr>
<tr>
<td>Education, Training and Library</td>
<td>73,901</td>
<td>5.8%</td>
</tr>
<tr>
<td>Production</td>
<td>69,241</td>
<td>5.4%</td>
</tr>
<tr>
<td>Healthcare Support</td>
<td>68,716</td>
<td>5.4%</td>
</tr>
<tr>
<td>Building and Grounds Cleaning and Maintenance</td>
<td>63,104</td>
<td>4.9%</td>
</tr>
<tr>
<td>Food Preparation and Serving Related</td>
<td>59,078</td>
<td>4.6%</td>
</tr>
<tr>
<td>Personal Care and Service</td>
<td>57,907</td>
<td>4.5%</td>
</tr>
<tr>
<td>Arts, Design, Entertainment, Sports, and Media</td>
<td>52,489</td>
<td>4.1%</td>
</tr>
<tr>
<td>Healthcare Practitioners and Technical</td>
<td>51,148</td>
<td>4.0%</td>
</tr>
<tr>
<td>Protective Service</td>
<td>40,929</td>
<td>3.2%</td>
</tr>
<tr>
<td>Installation, Maintenance, and Repair</td>
<td>38,413</td>
<td>3.0%</td>
</tr>
<tr>
<td>Business and Financial Operations</td>
<td>32,614</td>
<td>2.6%</td>
</tr>
<tr>
<td>Computer and Mathematical</td>
<td>30,295</td>
<td>2.4%</td>
</tr>
<tr>
<td>Community and Social Services</td>
<td>27,381</td>
<td>2.1%</td>
</tr>
<tr>
<td>Legal</td>
<td>14,776</td>
<td>1.2%</td>
</tr>
<tr>
<td>Architecture and Engineering</td>
<td>12,215</td>
<td>1.0%</td>
</tr>
<tr>
<td>Life, Physical, and Social Science</td>
<td>4,424</td>
<td>.3%</td>
</tr>
<tr>
<td>Farming, Fishing, and Forestry</td>
<td>642</td>
<td>.1%</td>
</tr>
<tr>
<td>Armed Forces</td>
<td>445</td>
<td>0%</td>
</tr>
</tbody>
</table>


Brooklyn’s Industrial Evolution

Over the past fifteen years, Brooklyn has seen significant changes in its industry mix. The trend has been to move away from employment in the production of goods towards employment in the delivery of services. This is most apparent in the largest growth sectors – Healthcare & Social Assistance, Retail and Education. The shift to employment in service industries is projected to continue. As is the case in many urban areas, it has been driven as much by a decline in goods-producing employment, primarily manufacturing, as by a growth in service sectors.

In comparing Brooklyn to national employment trends, it is important to note that Brooklyn is a mature job market and, therefore, job growth should not be expected to match that of the nation. Although Brooklyn lagged behind the nation in employment in many industries, it also surpassed the U.S. in some important industries.

In looking at Brooklyn’s performance compared to those of New York City and the nation, there are many important industries where Brooklyn’s growth outpaced one or both regions. Most notably:
Table 2: Brooklyn Employment by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment 2003</th>
<th>Employment 2002</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Private Sector</td>
<td>404,488</td>
<td>405,868</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>127,921</td>
<td>127,724</td>
<td>0.2%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>52,897</td>
<td>53,490</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Government</td>
<td>34,557</td>
<td>32,859</td>
<td>5.2%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>32,227</td>
<td>35,657</td>
<td>-9.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>21,711</td>
<td>21,902</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>21,081</td>
<td>21,459</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Other Services except Public Administration</td>
<td>19,918</td>
<td>19,971</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Administrative Support Services, Waste &amp; Removal</td>
<td>16,935</td>
<td>18,244</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>18,382</td>
<td>17,382</td>
<td>5.8%</td>
</tr>
<tr>
<td>Education Services</td>
<td>18,339</td>
<td>17,165</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

Source: New York State Department of Labor
• Finance & Insurance: Banking and Securities outpaced both the City and the nation in employment growth. Employment in Business Services was up strongly in Brooklyn at a rate greater than the city, but less than the nation. This can be attributed in part to the shift of back office work to Brooklyn.

• Insurance: Insurance Carriers, including the administrative offices of major companies, declined in Brooklyn, but at a rate less than the City, whereas the U.S. showed an increase in this industry. For the Offices of Agents and Brokers, growth in Brooklyn exceeded the City and the nation.

• Wholesale Trade: The growth of both Durable and Non-Durable Goods outpaced the City as a whole, but grew at about the same rate as the nation.

• Construction: Building Construction grew at about the same rate as in the City and the U.S. Special Trade Contractors increased more than in the City but less than the nation.

• Hotels: This industry outpaced the City and the nation in terms of job growth.

Job growth lagged in the Borough compared to the City and the nation in the following areas:

• Manufacturing: Employment declined in every manufacturing industry, most often more steeply than the City and nationally. One notable exception is apparel manufacturing.

• Printing & Publishing: The loss was largely in Newspapers. This drop likely reflects the decline in actual publishing of the papers locally and the shift to cheaper offsite locations that use new technology.

• Motion Pictures: This industry grew rapidly in New York City as a whole, outpacing Brooklyn and the nation.

These data are consistent with the view that Brooklyn’s expansion of employment over this period occurred in roughly the same industries that saw an expansion in the nation. Thus, it suggests that the industry mix in Brooklyn gives it a positive outlook for job growth going forward. Special attention, however, should be given to the Banking and Securities industries in that the rapid rate of their expansion over the 1990s may or may not occur to the same extent going forward.

Hence, while most of Brooklyn’s industries are likely to lag behind the nation somewhat in job growth, the Borough is well-situated vis-à-vis industry representation and should continue to participate in national job trends going forward. Moreover, Brooklyn has a high concentration of jobs in several industries that are expected to grow in the nation. This reinforces the notion that Brooklyn job trends reflect national job trends. Not surprisingly, industries related to the two leading sectors in Brooklyn – Health Care & Social Assistance and Education – are well positioned to grow over the next ten years. But several other promising industries are noteworthy as well, including: Tourism-related industries (Museum and Historical Sites, Accommodations, and Motion Picture and Sound Recording); Finance & Insurance-related industries including Management of Companies and Insurance Carriers; and Construction and the related Real Estate industry.

A New Business Barometer

Last year, we undertook a new data collection and analysis project, funded by the Brooklyn Chamber of Commerce, to provide a more in-depth understanding of the Borough. This research had of three main stages: First, a literature review of current labor market information available in the public domain. Next, we conducted individual, in-person interviews and focus group discussions with business leaders and business owners. Finally, 300 telephone interviews were conducted in a survey of Brooklyn business establishments.

The Brooklyn Chamber of Commerce recently commissioned a new data collection and analysis effort among Brooklyn employers. The three main components of this project (led by the author) were: (1) a literature review of current labor market information available in the public domain; (2) in-depth interviews and focus group interviews with Brooklyn business leaders and business owners; and, (3) a 300-person telephone survey of the borough’s establishments.

A Dun & Bradstreet list of Brooklyn businesses was purchased by the Brooklyn Chamber of Commerce. This list included businesses with three or more employees, excluding home-based businesses, cottage industries, and real estate holding companies. The list contained 26,420 businesses and was merged/purged with the membership list of the Brooklyn Chamber of Commerce. This process yielded a master list of 27,082 businesses. This list was utilized in recruiting focus group participants.
and conducting the survey. All research instruments were designed in consultation with Brooklyn Chamber of Commerce staff in order to maximize their effectiveness. Each stage of the research was conducted consecutively in order to learn and add value to the next stage.

The qualitative research phase was conducted from October 7th to November 24th, 2003. It consisted of the following:

- Seven in-depth interviews with industry leaders from large businesses selected among Brooklyn Chamber of Commerce members.
- Two focus group interviews with mid-sized businesses (41-100 employees). Participants for one focus group were randomly selected from a Dunn & Bradstreet list of Brooklyn businesses. The East Williamsburg Valley Industrial Development Corporation recruited participants for the other focus group. A minority of participants were Chamber members.
- Four focus group interviews with small businesses (3-40 employees). Participants were randomly selected from a Dunn & Bradstreet list of Brooklyn businesses. A minority of participants were Chamber members.

In addition, a large employer survey was undertaken from January 12th to February 10th, 2004 via telephone among 300 Brooklyn Business decision-makers (e.g. owners, managers or persons in charge of personnel decisions). The survey included: 100 interviews with small businesses (40 or less employees); 100 interviews with medium-sized businesses (41-80 employees), and, 100 interviews with large-sized businesses (81 or more employees).

The profile of survey respondents indicates a mature business community that corresponds broadly to the Borough’s industrial distribution found in census and other data, along a number of dimensions:

**Business experience:** The majority of survey respondents are seasoned business owners. 83% have been in business more than ten years.

**Unionization:** Over two out of five of survey respondents employ unionized workers (42%). Medium and large businesses are significantly more likely to employ unionized workers (65%, 45%) compared to small-sized businesses (15%).

**Health Insurance:** The majority of businesses provide health insurance coverage for their employees (81%). However, this varies widely according to size, with medium and large-sized businesses significantly more likely to provide health insurance (82%, 94%) compared to small-sized businesses (67%).

Among our principal findings from the employer survey are:

- Overall, Brooklyn businesses are optimistic about the state of the Brooklyn economy. Half believe that the economy will improve in 2004 (48%) compared to a small minority (8%) who believe the 2004 economy will be worse than that of 2003. Less than half (41%) believe that the economy will be about the same as 2003. Mid-size businesses are the most optimistic
about the 2004 economy (56%), whereas large-sized businesses are less optimistic, with 41 percent predicting that the economy will be better than last year.

- Qualitative research indicates that Brooklyn employers universally remarked on the tough times the Borough and the nation have experienced recently. The majority of businesses interviewed have experienced economic difficulty over the past two years. Overall, the majority of businesses (68%) report that their 2003 revenue was less than or the same as 2002. The survey reveals that small-sized employers had the most difficult time in 2003, with 49 percent of them reporting that revenue generated in 2003 was less than in 2002. Large-sized businesses weathered the storm better, with 40 percent of them reporting that revenue was stable during 2003.

“There’s no doubt about it. 2003 was my worst year ever.” Small-Sized Business, Office Supplies Manufacturing

Given the 2001-02 recession, worsened by 9/11, it is important to note that, overall, respondents perceived their business to be more sluggish in 2003 compared to 2002. However, certain industries were “recession-proof” during this economic downturn such as construction, real estate, storage, fitness and health, legal services, and pharmaceuticals. This can be attributed to a variety of factors including 9/11 and the availability of low interest rates.

“Business, for us, increased after 9/11 and just keeps booming. Everyone wants to store documents off site.” Large-Sized Business, Warehousing & Storing

Despite their successes, these employers have watched their neighbors struggle and sometimes fail to survive.

“When the high-end dress maker across the street closed down, I knew it was bad.” Small-Sized Business, Medical Services

- Nevertheless, employers, overall, are optimistic about their future. The majority believe that revenue will increase in 2004 (54%), whereas a minority believe that their revenue will stay the same (32%), and an even smaller minority believes that revenue will decrease this year (10%).

For many, business began to show signs of improvement recently.

“We’ve only just begun to see business pick-up.”
- Small-Sized Business, Full-Service Restaurant

![Figure 4: How Employers rate the quality of Brooklyn's workforce](image)
Operating a Business in Brooklyn

• Overall, employers are satisfied operating their business in Brooklyn. They point to numerous advantages of the Borough, including:

A strong sense of community:

“I like knowing my neighbors. When I run out of Rosemary, I can run across the street and borrow it from another restaurant.”
- Small-Sized Business, Full-Service Restaurant

A diverse workforce:

“This is the true melting pot.”
- Small-Sized Business, Legal Services

Proximity to Manhattan – and yet,

“We get most of our business from Manhattan, so we have to be close by.”
- Small-Sized Business, Specialized Freight Trucking

Less expensive real estate than Manhattan.

“We gave up on Manhattan when the real estate prices soared downtown.”
- Medium-Sized Business, Fitness & Recreational Sports Center

• It is important to note that the intangible reasons are also compelling for employers. They include:

Historic presence/heritage:

“My father started this business here, and I’d never leave.”
- Large-Sized Business, Food Manufacturing

Dual Status: Businesses view themselves as having the best of both worlds – they highly value what is unique about Brooklyn as much as they are proud of being a part of New York City.

“Sure I’m from Brooklyn but I’ll always be a New Yorker.”
- Small-Sized Business, Retail

Brooklyn Pride:

“C’mon. There’s no place better than Brooklyn. Fluggettaboutit!”
- Small-Sized Business, Home Furnishing Store

Though qualitative research indicates that respondents are satisfied overall doing business in Brooklyn, significant areas of dissatisfaction also emerged. As a result, businesses question whether the city intends to create an inhospitable environment for them. Areas of dissatisfaction include the following:

Rising costs of real estate and labor costs (especially when compared to areas outside of New York City).

“I have an office in Long Island too, which is much cheaper to operate. It’s tempting.”
- Small-Sized Business, Medical Services

Increasing taxes and a burdensome bureaucracy. For example, higher penalties for parking infractions.

“It was already hard enough to get around the City. But tickets are skyrocketing and they keep threatening to put a toll on the bridges.”
- Medium-Sized Business, Architectural Metals Manufacturing
Zoning tensions, especially residential versus commercial, in many of the historically manufacturing neighborhoods in Brooklyn.

Rising insurance costs, especially health and liability.

“My insurance premiums have doubled over the past two years!”
- Small-Sized Business, Furniture Manufacturing

Lack of affordable housing, which is not a typical business concern, arose in focus group discussions in relationship to concerns about the loss of a strong local workforce. This may be due in part to the gentrification of Brooklyn as rising Manhattan real estate prices push residents towards the outer boroughs.

“When my secretary announces she’s leaving and moving to the suburbs because her apartment down the street just got too expensive, I know there’s a problem.”
- Medium-Sized Business, Automotive Repair & Maintenance

Future Hiring Plans

- Due to the economic conditions present in 2003, Brooklyn businesses were conservative in their hiring. More than half of Brooklyn businesses maintained the same size employee base in 2003 (56%). Small-sized businesses were the most likely to maintain their current size (64%), whereas large-sized businesses were the most likely to increase the number of employees in their businesses (31%).

- Employers report that lay-offs were a last resort in 2003, and instead relied on attrition to decrease the number of employees. As a result, many businesses had to increase productivity among their remaining employees, since 60% of them did not replace employees who left the company.

“ My staff has to wear more hats than ever before.”
- Small-Sized Business, Environmental Consulting Service

- Brooklyn businesses remain cautiously optimistic, especially on the jobs front. Plans for hiring are modest, with 42 percent planning to hire in 2004.

“I’m not quite ready to staff up. I still want to wait a few months to allow the economy to stabilize.”
- Small-Sized Business, Floor Covering Store

It is important to note that large-size employers are significantly more likely to hire (55%) compared to small- or mid-sized employers (31%, 39% respectively). Moreover, 27 percent of large businesses report that they plan to hire twenty or more employees in 2004, which will have the greatest impact on employment in the Borough. Not surprisingly, small- and mid-sized businesses are most likely to hire 1 to 3 new employees (61% and 31% respectively). This is also impressive given that only 20% of businesses increased their size in 2003.

- What will the quality of the new jobs tend to be? According to survey respondents, the majority of job openings will be entry-level (45%) or skilled/professional (41%). A small minority will be managerial/supervisory (9%).

Recruiting and Retaining Employees

- Overall, the majority of businesses consider Brooklyn to have a high quality workforce. Employers rate the quality of Brooklyn’s workforce positively (18% very good, 47% good). There is a general perception among small- and medium-sized businesses that the best (and most qualified) of Brooklyn’s workforce choose to work in Manhattan where the salaries and benefits tend to be greater. Small employers, especially, are frustrated by jobseekers’ attraction to Manhattan, since they typically are unable to compete with the salary and benefit packages.

“We lose all the good legal secretaries to Manhattan for the money and benefits.”
- *Small-Sized Business, Legal Services*

Large-sized businesses do not report this to be a problem.

However, employers perceive Brooklyn’s entry-level workers to be less well educated than ever before. They remark that the work ethic, especially among younger employees, has diminished.

“We hired a new secretary recently and she can’t even take a proper message!”
- *Small-Sized Business, Office Supplies Manufacturing*

- *Medium-Sized Business, Cement & Concrete Manufacturing*

- *Large-Sized Business, Arts, Entertainment & Recreation*

- Brooklyn businesses are evenly split over the importance of a college degree to jobs in their company. Large businesses value the degree the most (67%) while small and medium businesses value it the least (38% and 42% respectively).

- Not surprisingly, businesses indicate that there is an abundance of qualified employees available at this time, particularly unskilled/entry-level jobseekers.

“They’re practically lining up outside my door.”
- *Medium-Sized Business, Cement & Concrete Manufacturing*

- In fact, employers report that the number of resumes is overwhelming, and includes many who are overqualified.

“We now receive a hundred resumes per job. That’s a huge increase.”
- *Large-Sized Business, Arts, Entertainment & Recreation*

- Even so, there are significant differences in experiences recruiting according to the level of job available. Employers report that entry-level/unskilled openings are the easiest to fill in this economy. The survey indicates that businesses consider recruiting entry-level employees to be easy and straightforward (85%). In contrast, employers are experiencing slight difficulties hiring in medium- to high-skilled areas. Businesses expect future hiring gaps in some degree-related jobs.
"We’ve had to start offering signing bonuses to engineers."
- Large-Sized Business, Utility

The survey indicates that recruiting managerial or supervisory employees is trouble-free for businesses, with only 15 percent reporting that it is a significant problem. Of those organizations planning to hire, small businesses struggle the most with recruiting higher-end employees such as professional and managerial/supervisory employees (39% and 20% respectively).

- Businesses also report that they utilize different sources to recruit employees depending upon the type of job.
  Entry-level employees: Businesses are most likely to rely on referrals from current employees and walk-ins (49%) while newspaper want-ads are the second most likely contender (44%). The majority of employers report that although they may advertise for this type of job, they typically fill the position through walk-ins or referrals.

<table>
<thead>
<tr>
<th>Figure 6: The two primary methods employers have used to recruit managerial or supervisory employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>86% Newspaper want-ads</td>
</tr>
<tr>
<td>35% Referrals from employees/walk-ins</td>
</tr>
<tr>
<td>12% Employment agencies - including temporary agencies</td>
</tr>
<tr>
<td>9% Internet/Online Services</td>
</tr>
<tr>
<td>4% Job fairs</td>
</tr>
</tbody>
</table>

Large employers are the most likely to utilize job fairs in recruiting new employees. Interestingly, two sources of recruitment, the internet/online services and community-based employment and training programs, are taken advantage of infrequently (8% and 3% respectively).

Skilled or professional employees: Businesses are more likely to utilize the want-ads for this type of employee (45%). The next avenue for recruitment is referrals from current employees/walk-ins (37%). Medium and large businesses are significantly more likely to post ads in the newspaper (52% and 58% respectively), whereas small employers are more likely to rely on referrals from current employees and walk-ins (37%).

Managerial or supervisory employees: Employers cast the widest net to find qualified employees. Newspaper want-ads and referrals from current employees/walk-ins are the primary sources of recruitment (38% and 35% respectively). But employment agencies (12%), internet/online services (9%), and job fairs (4%) are also utilized.

- Employers’ experience retaining workers varies widely according to job level. Despite this, they are proud of retention at their organization, especially in relation to mid- to high-level employees.
  Entry-level: Businesses report that turnover is highest in this position according to focus group discussions. Though businesses recognize that retaining an employee is easier than replacing one, they also view the turnover of unskilled employees as a “necessary evil.” The catch-22 is that these are also the employees earning the lowest wages and the least likely to receive benefits, so the incentive to remain on the job is the lowest. However, overall, businesses do not see this as a significant problem (79%).
“We view it almost as a necessary probation, if they pass, we’ll give them more responsibility. If they don’t, we’ll be able to replace them – quick and painless.”
- Small-Sized Business, Home Center

Mid-level: Businesses experience a high level of retention among these types of employees, many of whom have worked their way up the career ladder. Businesses do not view retention among mid-level employees as a significant problem (77%).

“We’ve had employees with us for decades. One guy even started in the mailroom and worked his way up.”
- Medium-Sized Business, Food Manufacturing

High-level: Businesses report that managerial and supervisory employees are the most loyal to the company. They do not have a significant problem with retaining this type of employee (84%).

“Our senior people are a tight team.”
- Medium-Sized Business, Architectural Metals Manufacturing

Conclusions

This study has attempted to provide new baseline data on the employment landscape in Brooklyn. From our research and a number of others it is increasingly clear that New York City’s economic and workforce development landscapes are likely to be impacted by significant projects in the Borough. With over 30,000 jobs being generated by significant economic development projects such as store openings, which include Target, Ikea and Fairway, the workforce development landscape is due to change. Other major structural changes are likely to be triggered by the proposed Downtown Brooklyn Plan, which involves creating over 18,000 jobs in industries such as Finance & Insurance, Banking, Information, Legal Services and Retail over the next five to ten years.

The Borough faces significant challenges, in terms of the changing housing market and competition with Manhattan for quality workers. And the overall city economy – though clearly improved from the depths of the 2001 recession – continues to face major obstacles, including continuing (if recently improved) budgetary woes, limited prospects of additional aid from a heavily indebted state government, and weak job growth at an even slower pace than the national average.

However, the overall prospects for Brooklyn’s employment environment are encouraging. Our research confirms the generally positive direction in which the Borough economy is headed, with employment in many of Brooklyn’s industries predicted to grow, especially Construction, Tourism-related industries, Finance & Insurance and Retail. And this report points to a number of critical issues that, if addressed promptly and properly, will help Brooklyn to grow and improve both the quality and quantity of its future employment opportunities.

NOTES

1 Crain’s NY Business, “Kick the Wall Street Addiction” (2/16/04).
2 Information provided by the New York State Department of Labor

Rebecca Busansky is an independent consultant specializing in labor and employment issues. This article is an excerpt (with some updated information) from her Report on the Brooklyn Labor Market. The Brooklyn Chamber of Commerce commissioned this report to collect and analyze labor market and business trends in the borough. She was formerly with Public/Private Ventures, a national research and evaluation intermediary, and KRC Research & Consulting where she conducted primary research for private and nonprofit clients. She was also the head of Times Square Ink, the Midtown Community Court’s job training program. A copy of the full original report is available on the Chamber’s website” www.ibrooklyn.com.

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