

New York Works

Creating Good Jobs

2020 Progress Update



The City of New York
Mayor Bill de Blasio

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Executive Summary

When Mayor de Blasio first announced the New York Works plan in 2017, the goal was to create a blueprint to create jobs that are accessible to New Yorkers from a variety of backgrounds while also continuing to diversify the city's economy. The vision to create 100,000 new good-paying jobs in 10 years aimed to not only create a more equitable New York City but also invest in strategic industries like life sciences, technology, and advanced manufacturing that are critical to the city's long-term success.

Through the first 3 ½ years of the plan, the city sparked the creation of nearly **50,000 projected jobs**, exceeding the city's target to unlock 40,000 jobs in the plan's first four years. The city has also made investments that will have long-lasting benefits for communities across the city, from creating public space and securing quality-of-life improvements as part of the Inwood, East Midtown, and East Harlem rezonings, to sparking new office developments outside of Manhattan, and planning for long-term developments like Sunnyside Yard that will make the city stronger and more equitable.

Going into 2020, the city was arguably in the strongest economic shape it's ever been. That all changed in March when the city and the world were hit by COVID-19, which has directly taken the lives of thousands of New Yorkers, affected millions more, and has caused immense financial and economic strain. The public health response required to manage the COVID-19 pandemic has required huge sacrifices from our business community in the interest of safety, and this necessary response devastated industries like hospitality, the arts, and tourism. As a result, the city's economy today is drastically different than the one we had just a year ago.

While the city will continue to focus on unlocking the creation of new jobs, as we have for the last four years of the *New York Works* plan, these extraordinary times require that we adapt our approaches to address immediate needs and new realities. COVID-19 laid bare the inequities that exist across the city's neighborhoods and the strong connection that exists between public health and the economy. Acknowledging this connection, Mayor de Blasio announced the city's long-term recovery agenda in late September, which places public health and social justice at the center of the economic recovery. In the months since, the city has rolled out several programs that do just that, including the **Open Restaurants** and **Open Storefronts** programs, which help small businesses stay afloat by operating safely, as well as an ambitious roadmap for making New York City **the life sciences and public health capital of the world**.

Through the rest of the de Blasio administration, the city will be focused on the task of building a stronger, fairer, and more resilient city, emerging from this most recent crisis as the city has from countless others in the past. In particular, federal stimulus to states and localities and a new partnership with the incoming Biden administration will help the city lay the groundwork for **inclusive economic growth for years to come**.

The city's economy today is drastically different than the one we had just a year ago and we must act accordingly

Plan Progress

Through June 2020, the city had created nearly 8,700 good-paying jobs and unlocked nearly 50,000 good-paying jobs. This makes good on the city's goal to unlock 40,000 jobs in the first four years of the plan and represents a meaningful increase in new jobs activated in Fiscal Year 2020 (FY20), despite the impact that COVID-19 had on the economy and the city's fiscal position.

A fuller methodology of the plan can be found in past reports, but to recap, the city only counts permanent jobs generated by the private sector and triggered by:

- » The sale, lease, or renovation of **city-owned property** to support businesses that will create jobs
- » **Direct investment in and support** of growing industries through funding and programming
- » **Financing and tax incentives** to targeted sectors and businesses, like the NYCIDA, BUILD NYC, and FRESH programs
- » **Land-use tools**, like zoning, that increase and develop space for jobs

Type of City Action	Projected Good-paying Jobs Unlocked	Total Jobs Created to Date	Good-paying Jobs Created to Date
City-owned property	12,175	4,324	3,491
Direct investment and support	8,550	4,690	4,426
Financing and tax incentives	9,675	1,440	752
Land use tools	19,325	—	—
Total	49,725	10,454	8,669



LEFT TO RIGHT: Union Square Tech Hub, The Peninsula, graduates of the Fullstack Cyber Bootcamp, graduates of Queens FEASTS

Key projects that progressed since the FY19 update include:

- » **City-owned property:** the opening of Dock 72 and various new spaces on Admiral's Row in the Brooklyn Navy Yard, the continued tenancing of the Brooklyn Army Terminal, and the beginning of construction at several projects, including the Union Square Tech Hub (Zero Irving) and the Peninsula at the former Spofford Juvenile Detention Center
- » **Direct investment and support:** the first cohorts of the city's cybersecurity partnership with Fullstack Academy; ongoing success with the city's CUNY 2X TECH, Tech Talent Pipeline, and ApprenticeNYC initiatives; and continued expansion of programs for entrepreneurs, such as Queens FEASTS
- » **Financing and tax incentives:** six new Build NYC deals and 12 NYCIDA deals, including several NYCIDA deals focused on growing the city's life sciences ecosystem

Further, many of the jobs the city created have shown strong initial results in terms of the diversity and equity of the workers who benefit. We are pleased to report that, overall, of the jobs created to date for which we have survey responses, 52 percent are held by women and 70 percent are held by workers of color.

Job growth can be seen across a range of occupations, including both those that tend to require advanced qualifications and those that do not. 47 percent of good-paying jobs created to date are held by workers with qualifications below the Bachelor's level.

Type of City Action	Jobs Held by Workers Without a Bachelor's Degree	Jobs Held by Women	Jobs Held by Workers of Color	Workers Living in NYC
City-owned property	74%	— ¹	—	91%
Direct investment and support	16%	51%	77%	93%
Financing and incentives	27%	59%	41%	82%
Total	47%	52%	70%	90%

Where We Go Next

Economic climate 2016–2019 vs. economic climate today

When the *New York Works* plan was first conceptualized in early 2016, New York City's economy was strong, with real gross city product (GCP) growing at over 3 percent annually, well above the national average². Through 2019 and early 2020, the city's economy continued to strengthen, with FY19 marking the seventh consecutive year of the city outperforming national GDP growth, and with the city's unemployment rate declining from 4.9 percent in 2016 to 4.0 percent in 2019. The city also capped off an extended period of job expansion in 2019, hitting 4 million private sector jobs and 4.6 million jobs overall—both first-time milestones for the city³. In FY19, the city also posted record-high average hourly earnings across private New York City employees, up 4.1 percent from the prior fiscal year⁴.

The COVID-19 pandemic has, in a few short months, dramatically changed the economic landscape in the city. In March and April alone, employment in the city fell by 910,000⁵, eliminating almost all the gains from the prior decade⁶. In June, New York City's unemployment rate reached a record high of 20.3 percent. Since March, over 2 million workers in New York City filed for unemployment benefits, roughly half the statewide total⁷.

Since the early months of the pandemic, the economy has started to bounce back, as the city and state have worked together to implement a safe phased reopening of business and also as the city continues to roll out programs and policies that support small businesses and help them adapt. Between May and September 2020, the city added 284,000 jobs, and the unemployment rate improved to 14.1 percent in September⁸. However, much work remains to be done to return to mid-single-digit unemployment, and the city is still more than half-a-million jobs below its peak in 2019.

The economic pain that the city has felt has also not been felt evenly across sectors. High-growth sectors in which the city was strategically investing as part of *New York Works*, like the technology sector and life sciences, have proved relatively resilient. For instance, employment in the professional, scientific, and technical services industry (which includes fields like computer systems design and scientific research and development) has fallen by just 32,300, or 7 percent, since February, factoring in seasonality⁹. However, industries in the service sector that require in-person interaction, rely on a tourism industry that has been significantly curtailed by the global pandemic, or offer limited ability for remote work have been hit hard by job loss. In particular, the hotel and restaurant industry is down 162,100 jobs, or 44 percent, from February 2020; the administrative and support industry is down 68,100 jobs, or 23 percent; and the arts and entertainment industry is down 58,500 jobs, or 65 percent¹⁰.

The need for a broadened approach

The city remains dedicated to job growth and making sure that the jobs being created will be accessible to New Yorkers. Just months ago, the city announced the selection of Steiner Studios to develop and operate a film and TV soundstage facility at the Made in New York Campus in Sunset Park, which will support 2,200 industry jobs. Looking forward, the city will continue to find opportunities to advance projects that create good-paying jobs, particularly in growing parts of the economy like offshore wind, and distribution and warehousing, to name a few.



Rendering of the Steiner Studios soundstage facility at the Made in New York (MiNY) Campus in Sunset Park

While the city will continue to advance projects that unlock new private-sector job growth and focus on accessibility in these jobs, the city's jobs strategy also needs to extend beyond the mandate of the original *New York Works* plan and be part of a broader economic recovery agenda. This broad-based economic recovery agenda can in turn only be achieved by overcoming the pandemic, securing meaningful federal stimulus, and then focusing those resources on promoting and supporting accessible jobs across all aspects of the economy.

The city's recovery agenda

The city's efforts to fight the pandemic to date have made clear how critical the city's existing healthcare and life sciences infrastructure is and will continue to be. The city's life sciences and healthcare industries were on the front lines of a citywide partnership between local government and industry to provide innovative and scalable solutions to combat the pandemic—from academic medical centers dedicating lab space to COVID-19 response to NYC Health + Hospitals working closely with dozens of local businesses across the fashion, manufacturing, life sciences, and healthcare industries to stand up local production of face shields, surgical gowns, and test kits in a matter of weeks.

Acknowledging the strong connection between public health and economic recovery, as well as the key role that the healthcare and life sciences industries have to play in both, the mayor announced a recovery agenda in September 2020 that places public health at the center of the city's recovery. This agenda highlighted four key tenets that will make New York City stronger, healthier, and fairer:

- » Continue the city's momentum in **fighting back COVID-19**
- » Make the city a **hub for public health** research, design, and practice
- » Create **high-quality jobs** that also improve the city's health
- » Continue making New York City the fairest city in America by continuing to **address existing economic and health inequities**

In the first couple of months since the recovery agenda was released, the city has already made significant investments in each of these areas.

To continue the fight against COVID-19, the city announced a new rapid testing competition in September to identify companies developing rapid tests that can deliver results quickly, reliably, and at scale—to build on and complement the city's testing capacity, which is the most robust in the country. The city is currently evaluating finalists for this competition.



Testing kits being prepared at Collab in Brooklyn

To ensure that all the public health lessons from COVID-19 are leveraged to strengthen public health infrastructure to both help prevent and prepare for future health emergencies and address disparities in health outcomes and care, the city recently announced the intention to create a new local Pandemic Response Institute and released a Request For Information seeking input from local public health experts.

To continue to not only create but preserve jobs, the city has also built on the successful Open Restaurants pilot program with an Open Storefronts program, and the city will both extend and formalize its Open Streets program in the coming months. To date, nearly 15,000 restaurants and counting have taken the opportunity to innovate and adapt their businesses for outdoor dining through the Open Restaurants program, helping preserve 90,000 jobs while also offering New Yorkers a chance to continue enjoying the cultural vibrancy of their city in the most challenging of times.

And finally, investments like the city's upgrades in bus and bike lanes help make the city more livable for all its residents today, while investments like a new climate center on Governors Island look toward a greener and more just future.

The need for state and federal funding

The city has taken a very proactive approach to managing the pandemic, having already spent or committed nearly \$5B¹¹ across FY20 and FY21 to combat the pandemic's spread and curtail its negative economic impacts—across emergency response, healthcare, social services, and business support. At the same time, due to the anticipated impacts of the COVID-19 pandemic on tax revenues, New York City has had to make difficult choices to cut important city services and halt pipeline projects in order to balance our FY20 budget, and the city is still anticipating a \$3.8B¹² budget gap in FY21.

Any federal stimulus for states and localities being considered by the U.S. Congress would be essential to providing the city with the resources that it needs to continue combating the pandemic, restore funding for cut services, and fund additional programs that will help the city's economy recover more quickly and equitably. Without it, the city will not have the full resources it needs to mount a swift response.

A bright future for all New Yorkers

The de Blasio administration will continue to build out its recovery agenda over the remainder of the administration, with the support and partnership of the local business community, state and federal counterparts, and the many other institutions that work every day to make the city a platform of opportunity for so many New Yorkers. Through these actions, the administration will be able to make the types of bold and innovative investments needed to build a stronger, fairer, and healthier city, and create more opportunities than ever before for New Yorkers to access good-paying, family-sustaining careers.

Notes & References

This document will serve as the last annual update of the *New York Works* plan in its current form. To see previous updates, as well as the original *New York Works* plan, please visit our website at newyorkworks.cityofnewyork.us.

1. There is not enough demographic information from these projects to be representative of the total pool of actual jobs.
2. https://comptroller.nyc.gov/wp-content/uploads/documents/QEU_IQ16.pdf
3. <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-11-2020.pdf>
4. <https://comptroller.nyc.gov/wp-content/uploads/documents/CAFR2019.pdf>
5. From the September 2020 NYCEDC Employment Memo using NYSDOL and BLS data.
6. <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-11-2020.pdf>
7. <https://labor.ny.gov/stats/PDFs/Research-Notes-Initial-Claims-WE-10172020.pdf>
8. From the September 2020 NYCEDC Employment Memo using NYSDOL and BLS data.
9. Ibid.
10. Ibid.
11. <https://comptroller.nyc.gov/newsroom/new-york-by-the-numbers-weekly-economic-and-fiscal-outlook-no-26-november-23-2020/>
12. <https://cbcny.org/advocacy/statement-nyc-november-2020-quarterly-modification-financial-plan-fiscal-years-2021-2024>