June unemployment in Buffalo Niagara stays low as more workers seek jobs

David Robinson
Jul 26, 2022

Employers and employment seekers converge at a job fair at the Walden Galleria during the spring.
Sharon Cantillon/Buffalo News

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David Robinson

More workers are looking for jobs across the Buffalo Niagara region – and
most of them are finding them.

The region's unemployment rate, which stood at 3.6% during June, remained at its lowest level in more than three decades as a shortage of workers kept employers scrambling to fill vacant positions.

Unemployment remains low, even though local workers have been steadily returning to the job hunt after tens of thousands of them were pushed to the sidelines during the pandemic, according to data released Tuesday by the State Labor Department.

The figures show that the region's labor shortage persists, although it has eased during the past year. The number of local workers who either hold jobs or are looking for one has grown by 2% over the past year and now is down only about 3,000 people from its pre-pandemic level.

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Unemployment rate drops
The jobless rate fell to 3.6% during June as hiring has increased slowly

But hiring has cooled locally over the past three months after growing moderately during the fall and winter. So while that was robust enough to absorb the new workers and allow them to find jobs, the difficulty in finding employers continues to make it a struggle to fill all of the open positions at local companies. That has put a damper on job growth, said Timothy Glass, the Labor Department's regional economist in Buffalo.

"You're not getting that acceleration of people moving into the labor force and people getting jobs and being employed," Glass said.

"We're improving every month. We're improving year to year. However, we're just not getting that extra little bump that'll get us back to pre-pandemic levels, yet," Glass said.

But the region is getting closer. The number of people who are looking for a job but can't find one has remained below 20,000 for three straight months. During the previous 32 years, that had only happened twice before.
The local labor force is slowly rebounding

The region's pool of available workers is slightly smaller than it was before the pandemic.

And the number of people holding jobs has recovered to within 1,500 of its pre-pandemic level, indicating that the people who want to work are succeeding in finding positions.

But decades of population decline – reversed only slightly by the modest growth during the 2010 decade – has left the region's pool of workers greatly diminished. An aging population and retirements, coupled with population loss and decades of job growth that was far below the national average has resulted in a labor pool that is 32,000 people smaller than it was in 2000.

There are other, more recent reasons, too. Transportation issues that make it hard for people without cars to get to jobs in the suburbs, a shortage of affordable childcare and a wave of pandemic-related early retirements all have pushed workers to the sidelines at an accelerated rate over the past two years, Glass said.

In addition, rising wages, especially at the low end of the pay scale, have increased the competition for entry-level workers, and the higher pay means that workers who once needed two or three jobs to make do now can get by on one or two,
further exacerbating the labor crunch, said Julie Anna Golebiewski, a Canisius College economist.

By David Robinson
Deputy Business Editor
I'm the News' deputy business editor. I grew up in New Hampshire, went to Syracuse University and started working at The News in 1985.