EMPLOYMENT in New York State

George E. Pataki, Governor | January 2005 | Linda Angello, Commissioner

Industry and Occupational Analysis (Part 1)

Information Technology in New York State

New York's dynamic information technology (IT) sector can be defined two ways. On one hand, there are a wide range of IT-producing industries that encompass a multitude of occupations, from secretary to systems analyst. On the other hand, there are a wide range of occupations classified as IT, which occur in every industrial classification in the economy – not just in IT-producing industries – such as computer programmer. Here, in the first of a two-part series, we examine New York's IT sector from both perspectives, using the U.S. Department of Commerce's "Digital Economy 2003" report as our starting point.

IT-Producing Industries

In 2003, New York's IT-producing sector involved almost 17,000 firms, more than 230,000 jobs, and over $17 billion in wages. The state has 43 IT-producing industries spread across four main groups: Communications Equipment, Communications Services, Computer Hardware, and Software and Computer Services. In addition to IT-related titles, workers in IT-producing industries cover a broad range of non-IT job titles, such as management and office and administrative support.

Employment in the state's IT-producing sector, like the nation's, has been much more volatile than overall employment over the past decade. From 1993 to 2000,

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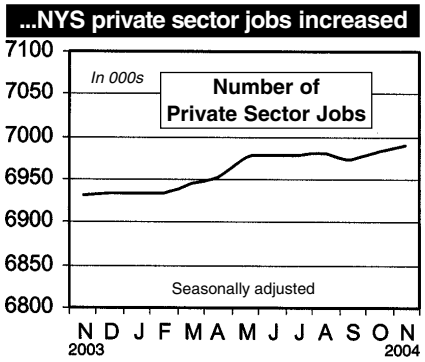
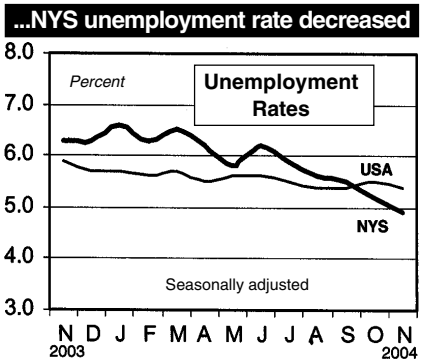
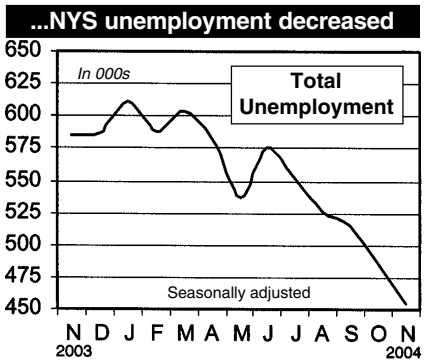
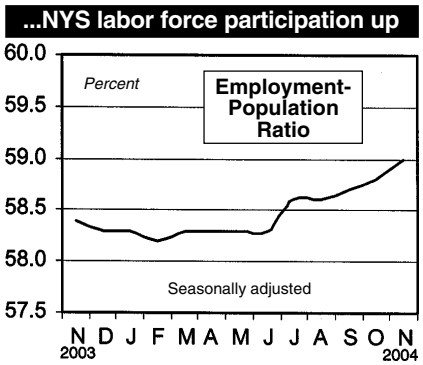
IN NOVEMBER...









At a Glance

In November 2004, New York's seasonally adjusted unemployment rate was 4.9 percent, down from 5.2 percent in October. (The nation's unemployment rate was 5.4 percent in November.) In November 2004, the state had 8,469,500 nonfarm jobs, including 6,989,700 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from October. (The nation's private sector job count also changed by 0.1 percent over the month.) From November 2003 to November 2004, the number of private sector jobs increased by 0.8 percent in the state and increased by 1.7 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, went up in November.

Change in Nonfarm Jobs
Nov. 2003 - Nov. 2004

(Data not seasonally adjusted, numbers in thousands)

	Net	%
Total Nonfarm Jobs	53.1	0.6
Private Sector	58.3	0.8
Goods-Producing	-9.5	-1.0
Nat. res. & mining	0.1	1.8
Construction	7.1	2.1
Manufacturing	-16.7	-2.7
Durable gds.	-5.8	-1.7
Nondurable gds.	-10.9	-4.1
Service-providing	62.6	0.8
Trade, trans., & util.	2.8	0.2
Wholesale trade	-3.7	-1.0
Retail trade	5.6	0.6
Trans., wrhs., & util.	0.9	0.3
Information	-1.0	-0.4
Financial activities	5.1	0.7
Prof. & bus. svcs.	22.4	2.1
Educ. & health svcs.	23.6	1.5
Leisure & hospitality	11.6	1.8
Other services	3.3	0.9
Government	-5.2	-0.3

Focus on the North Country

Retailing Leads Region

by Alan Beideck, Labor Market Analyst, North Country

The private sector job count in the seven-county North Country region rose over the year by 1,400, or 1.2 percent, to 115,100 in November 2004. The largest gains were registered in retail trade, educational and health services, leisure and hospitality, and professional and business services. Manufacturing was the only private sector industry to experience any appreciable job loss over the year. Looking ahead, the planned expansion of the Fort Drum military base near Watertown (Jefferson County) should boost employment prospects for a variety of local industries including retail trade, other service industries and construction.

Retail trade has been an important source of job growth in the North Country. Between November 2003 and November 2004, retail employment increased by 1,100, or 5.3 percent, to 21,900. It also occupies an important place in the region's economy, accounting for nearly 20 percent of private sector jobs.

Much of the retail growth in the past two years has been due to the opening of several "big-box" stores. Two sporting goods chains, Gander Mountain and Dick's, opened stores in both Watertown and Plattsburgh. Home Depot opened a store in Watertown. Local department store chain WiseBuys, which helped to fill a void left by the closing of the Ames department store chain, opened stores in Tupper Lake, Gouverneur and Canton.

"The North Country area is poised for job growth with the planned expansion of such businesses as Wal-Mart and WiseBuys. The area will also benefit from the expansion of Fort Drum and the large housing initiative there. The Department of Labor is prepared to assist both businesses and jobseekers with all of their needs."

David Wallingford, Regional Administrator, Capital/Northern Region

Wal-Mart proposed new stores in a number of municipalities throughout the region including Malone, Potsdam, Lowville and LeRay. The combined employment of these proposed stores is expected to be in the 1,500-2,000 range. In addition, hundreds of temporary construction workers will be required to build these stores.

Educational and health services employment extended its long, upward growth trend, adding 600 jobs over the year, to stand at 28,700 in November 2004. Plattsburgh-based Champlain Valley Physicians Hospital launched an open-heart surgery unit, as well as a step-down unit for patients who do not require intensive care but still need constant monitoring. The Alice Hyde Medical Center in Malone and the North Country Children's Clinic in Watertown also expanded. Mountain Medical Services opened urgent care facilities in both Saranac Lake and Lake Placid.

The leisure and hospitality sector suffered from a wet, rainy summer, showing only modest employment gains. In 2005, leisure and hospitality will get a boost from the opening of the Whiteface Lodge, a luxury resort hotel, in Lake Placid.

Employment in the region's professional and business services sector was bolstered by expansions at both Stream

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IT-Related Occupations, by Education and Training Intensity

Skill Level: High

Computer and information systems managers
Engineering managers
Computer and information scientists, research
Computer programmers
Computer software engineers, applications
Computer software engineers, systems software
Computer support specialists
Computer systems analysts
Database administrators
Network and computer systems administrators
Network systems and data communications analysts
Computer hardware engineers
Electrical engineers
Electronics engineers, except computer
Electrical and electronic engineering technicians

Skill Level: Moderate

Data-entry keyers
Computer, automated teller and office machine repairers
Telecommunications equipment installers and repairers, exc. line installers
Electrical and electronics repairers, commercial and industrial equipment
Electrical power-line installers and repairers
Telecommunications line installers and repairers
Electrical and electronic equipment assemblers
Electromechanical equipment assemblers
Semiconductor processors

Skill Level: Low

Communications equipment operators
Billing and posting clerks and machine operators
Computer operators
Other office machine operators, exc. computer

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	NOV '03	NOV '04
New York State	**6.2**	**4.8**
Capital District	**3.9**	**3.6**
Albany	3.5	3.2
Columbia	3.4	2.9
Greene	5.1	4.8
Rensselaer	4.3	3.8
Saratoga	3.6	3.3
Schenectady	3.8	3.6
Warren	5.9	5.5
Washington	4.3	4.9
Central New York	**6.0**	**5.3**
Cayuga	6.2	5.3
Cortland	7.6	7.1
Onondaga	5.2	4.6
Oswego	8.6	7.4
Finger Lakes	**5.8**	**5.0**
Genesee	7.1	6.3
Livingston	6.1	5.0
Monroe	5.5	4.7
Ontario	5.4	5.2
Orleans	7.1	5.8
Seneca	5.8	4.8
Wayne	6.7	6.0
Wyoming	6.9	5.6
Yates	3.9	3.6

	NOV '03	NOV '04
Hudson Valley	**4.2**	**3.7**
Dutchess	3.7	3.5
Orange	4.8	4.3
Putnam	3.3	3.0
Rockland	4.4	3.4
Sullivan	5.7	5.3
Ulster	4.5	4.2
Westchester	4.0	3.5
Mohawk Valley	**5.6**	**4.6**
Fulton	5.9	4.9
Herkimer	5.6	5.7
Madison	6.4	5.3
Montgomery	6.3	5.0
Oneida	5.4	4.1
Schoharie	4.5	4.1
North Country	**7.5**	**6.7**
Clinton	6.3	5.5
Essex	5.8	6.1
Franklin	7.1	6.0
Hamilton	8.1	7.8
Jefferson	8.7	7.8
Lewis	8.0	7.1
St. Lawrence	8.2	7.0

	NOV '03	NOV '04
Southern Tier	**5.6**	**4.5**
Broome	5.6	4.5
Chemung	6.7	5.0
Chenango	6.4	5.0
Delaware	4.4	3.8
Otsego	4.4	3.9
Schuyler	7.3	6.1
Steuben	8.0	6.0
Tioga	5.6	4.4
Tompkins	3.4	3.0
Western New York	**6.6**	**5.7**
Allegany	8.2	6.5
Cattaraugus	7.8	6.3
Chautauqua	6.6	5.3
Erie	6.2	5.6
Niagara	7.6	6.0
Long Island	**4.1**	**3.6**
Nassau	3.8	3.4
Suffolk	4.3	3.8
New York City	**8.1**	**5.4**
Bronx	10.6	7.2
Kings	8.8	6.0
New York	7.8	5.2
Queens	6.4	4.4
Richmond	7.5	4.7

North Country.. *from page 2*

International's call center in Watertown and Pipeline Data's call center in Brasher Falls in St. Lawrence County. Stream hired about 200 workers to take calls related to the year-end "holiday rush" and to fulfill contracts from two new clients.

The expansion of Fort Drum from two to three brigades will add at least several thousand soldiers. This should provide a significant boost to the North Country economy. Published estimates put the total annual economic impact of the expansion on the area at $160 million. Additionally, Fort Drum's Residential Communities Initiative calls for the construction of over 700 new homes with total project funding of $249 million. It should bring many construction jobs to the area over the next few years. To capitalize on the projected increase in area spending, the Jefferson-Lewis Workforce Investment Board has made entrepreneurship one of the cornerstones of their latest strategic plan.

Manufacturing was the only sector to lose many jobs over the year; dropping by 700 to 15,300 in November 2004. These losses occurred at a variety of manufacturers and stemmed from both permanent and temporary layoffs and from closings.

In summary, the North Country's economy showed significant improvement in 2004. While manufacturing declined, retail trade was very strong. Looking ahead, the economy is expected to show further gains as construction gets a boost from the housing project at Fort Drum and retail trade continues its rapid expansion.

Information Technology... *from page 1*

IT employment in the state grew 35 percent, or more than three times faster than overall employment.

However, this trend reversed itself between 2000 and 2003, a period which spans the World Trade Center disaster, the bursting of the "dot com" bubble, the national recession of 2001, and the subsequent jobless recovery, which lasted until the third quarter of 2003 in both the U.S. and New York State. IT employment in the state fell 23 percent, compared with a drop of just 3 percent for overall employment. In New York State, both the IT sector's rapid expansion and subsequent contraction were primarily driven by employment changes in Software and Computer Services.

IT-Related Occupations

New York State has more than 360,000 workers in IT-related occupations (see table on facing page) across all industries, with an average overall wage of $57,400. These workers "develop, design, manufacture, operate, maintain, and repair IT products and provide related services," according to "Digital Economy 2003."

IT job titles may be categorized into three broad skill levels—*High*, *Moderate*, and *Low*—based on education and training requirements. *High*-skill occupations require an associates degree or higher and account for more than one-half of all IT-related jobs. This is in contrast to all occupations as a whole, where less-skilled jobs are more prevalent. The average wage for jobs in the *High* category is $73,300. Computer programmers, computer support specialists, and computer systems analysts are the most common titles in this group.

Moderate-skill jobs comprise about one-quarter of IT jobs and require long-term on-the-job training or post-secondary vocational training. Their average wage is $38,300. Data-entry keyers have, by far, the highest employment among titles in this group.

Workers in the *Low*-skill category, who comprise 18 percent of the IT workforce, have an average salary of $30,100. These titles require short-to-moderate-term on-the-job training. Billing and posting clerks and machine operators account for almost half of all employment in this category.

(Editor's note: In our next issue, we conclude our analysis of New York's IT sector.)

by Kevin Jack

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MOHAWK VALLEY
MARK BARBANO
315-793-2282

In November the private sector job count in the Utica-Rome area was 101,200, unchanged from a year earlier. Gains in educational and health services (+400) were offset by declines in professional and business services (-200) and smaller declines in other industries. Government (+500) was up due to expansion at the Oneida Indian Nation's Turning Stone Casino. This increase led to the highest November total nonfarm job count since 2001.

NORTH COUNTRY
ALAN BEIDECK 518-891-6680

Private sector employment in the North Country region increased over the year by 1,400, or 1.2 percent, to 115,100 in November 2004. Gains were largest in trade, transportation and utilities (+1,100) and educational and health services (+600). Losses were centered in manufacturing (-700).

FINGER LAKES
WILLIAM RAMAGE
585-258-8870

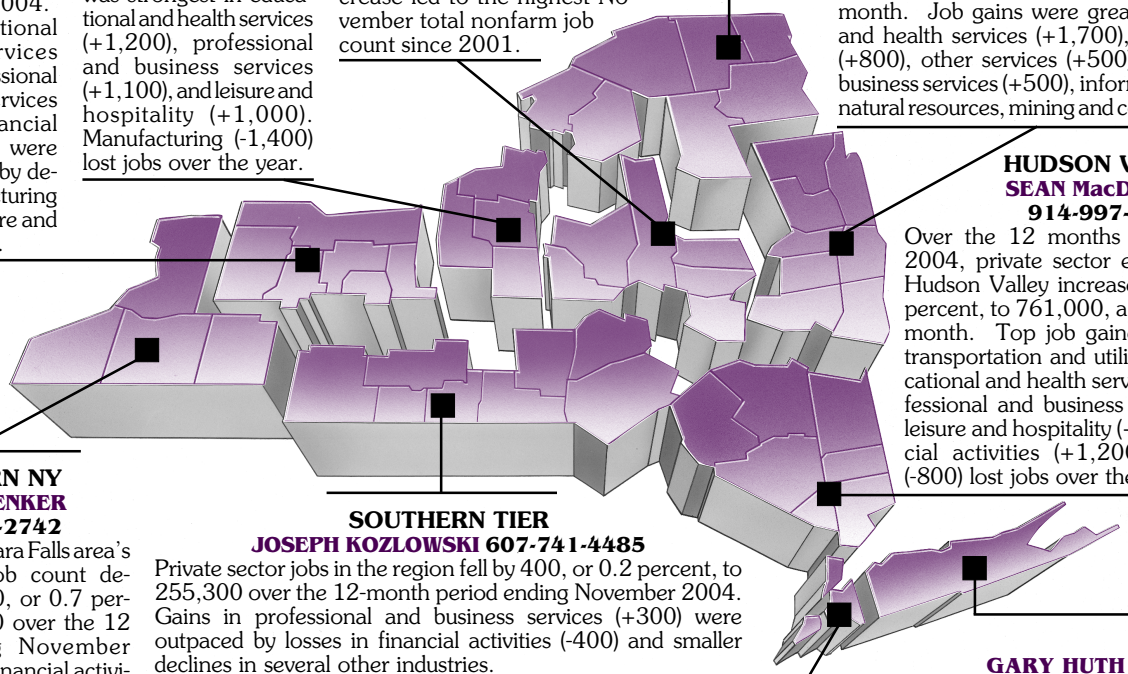
The private sector job count in the Rochester area declined over the year by 2,700, or 0.6 percent, to 449,100 in November 2004. Gains in educational and health services (+1,900), professional and business services (+500) and financial activities (+400) were more than offset by declines in manufacturing (-4,400) and leisure and hospitality (-700).

CENTRAL NY
ROGER EVANS
315-479-3388

Over the year, the Syracuse area added 2,900 private sector jobs to stand at 288,600 in November. Job growth was strongest in educational and health services (+1,200), professional and business services (+1,100), and leisure and hospitality (+1,000). Manufacturing (-1,400) lost jobs over the year.

CAPITAL DISTRICT
JAMES ROSS
518-462-7600

From November 2003 to November 2004, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 4,400, or 1.2 percent, to 357,900, a record high for the month. Job gains were greatest in educational and health services (+1,700), financial activities (+800), other services (+500), professional and business services (+500), information (+400), and natural resources, mining and construction (+400).



HUDSON VALLEY
SEAN MacDONALD
914-997-8798

Over the 12 months ending November 2004, private sector employment in the Hudson Valley increased 13,200, or 1.8 percent, to 761,000, a record high for the month. Top job gainers included trade, transportation and utilities (+4,000), educational and health services (+3,200), professional and business services (+2,000), leisure and hospitality (+1,700), and financial activities (+1,200). Manufacturing (-800) lost jobs over the year.

WESTERN NY
JOHN SLENKER
716-851-2742

The Buffalo-Niagara Falls area's private sector job count decreased by 3,200, or 0.7 percent, to 453,700 over the 12 months ending November 2004. Gains in financial activities (+200) were offset by losses in manufacturing (-1,900), trade, transportation and utilities (-600), natural resources, mining and construction (-300) and other services (-300).

SOUTHERN TIER
JOSEPH KOZLOWSKI 607-741-4485

Private sector jobs in the region fell by 400, or 0.2 percent, to 255,300 over the 12-month period ending November 2004. Gains in professional and business services (+300) were outpaced by losses in financial activities (-400) and smaller declines in several other industries.

LONG ISLAND
GARY HUTH 516-934-8533

Private sector employment on Long Island increased over the year by 11,100 to 1,053,100 in November, a record high for the month. Job gains were led by educational and health services (+4,100), professional and business services (+3,200), leisure and hospitality (+1,600) and trade, transportation and utilities (+1,400). Manufacturing (-600) lost jobs over the year.

NEW YORK CITY
JAMES BROWN 212-621-9353

New York City's private sector continues to expand, growing by 1.2 percent for the 12 months ending in November 2004. The professional and business services and leisure and hospitality sectors led the growth. The City's seasonally adjusted unemployment rate fell to 5.4 percent in November, its lowest level since March 2001.

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