

EMPLOYMENT in New York State

George E. Pataki, Governor

January 2006

Linda Angello, Commissioner

Sector Vital to State's Economy...

Health Care Engine Drives New York State

The economic contribution of the health care sector has a pronounced effect on local economies throughout the Empire State. Perhaps more importantly, health care employment experienced steady growth in New York State between 2000 and 2004, despite the negative effects of a national recession and the World Trade Center attacks. Employment in the health care sector in New York State grew by almost 6 percent over that period. In 2004, the health care sector (public and private) in New York employed more than 1,000,000, and paid out almost \$43 billion in total wages, with

annual average salaries of \$42,400, according to the Quarterly Census of Employment and Wages. These figures translated into 12.2 percent of employment and 10.4 percent of total wages in the state in 2004.

Health care helps to anchor many local economies. It accounts for at least 10 percent of employment in 47 counties in New York, and for more than 15 percent in a dozen counties. The three counties with the highest proportion of their employment and wages concentrated in health care—Bronx, Richmond (Staten Island), and Kings (Brooklyn)—are all located in New

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At a Glance

In November 2005, New York's seasonally adjusted unemployment rate was 5.4 percent, up from 4.8 percent in October. (The nation's unemployment rate was 5.0 percent in November.) In November 2005, the state had 8,547,400 nonfarm jobs, including 7,063,500 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 increased by 0.2 percent over the month.) From November 2004 to November 2005, the number of private sector jobs increased by 0.9 percent in the state and increased by 1.6 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, decreased in November.

Change in Nonfarm Jobs

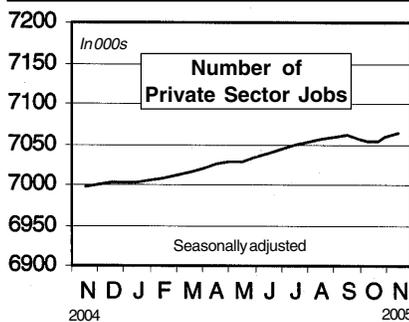
Nov. 2004 - Nov. 2005

(Data not seasonally adjusted, numbers in thousands)

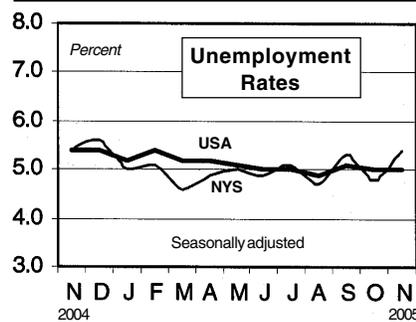
	Net	%
Total Nonfarm Jobs	64.4	0.8
Private Sector	65.7	0.9
Goods-producing	-11.6	-1.2
Nat. res. & mining	0.3	4.8
Construction	3.8	1.1
Manufacturing	-15.7	-2.6
Durable gds.	-5.9	-1.7
Nondurable gds.	-9.8	-3.9
Service-providing	76.0	1.0
Trade, trans., & util.	4.0	0.3
Wholesale trade	-1.7	-0.5
Retail trade	7.5	0.8
Trans., whrs., & util.	-1.8	-0.7
Information	-1.2	-0.4
Financial activities	12.2	1.7
Prof. & bus. svcs.	23.7	2.2
Educ. & health svcs.	25.8	1.7
Leisure & hospitality	10.0	1.5
Other services	2.8	0.8
Government	-1.3	-0.1

IN NOVEMBER...

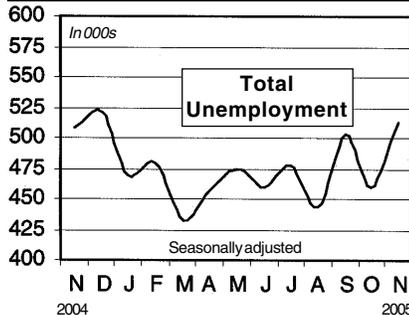
...NYS private sector jobs increased



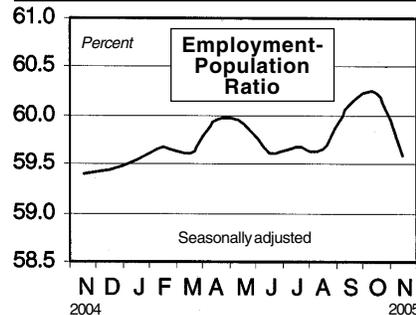
...NYS unemployment rate increased



...NYS unemployment increased



...NYS labor force participation fell



Focus on the Southern Tier New York

Helicopter Production Boosts Local Economy

by Joe Kozlowski, Labor Market Analyst, Southern Tier

Since Lockheed Martin was awarded a \$6.1 billion Navy contract in January 2005 to build the US 101 presidential helicopter replacement fleet, helicopter test flights have become a common sight near the company's Owego factory in Tioga County. As the prime contractor for the helicopter, Lockheed Martin has already hired most of the 700+ workers who will outfit airframes with state-of-the-art avionics and electronic mission systems.

The skies in the region may become even more crowded. Lockheed Martin is competing with three other U.S. companies for an \$8 billion contract to build up to 141 CSAR-X combat search and rescue aircraft for the Air Force. In addition, the company recently won \$132 million in defense contracts to provide sophisticated electronics for 322 Army light utility helicopters and to update the Navy's MH-60s mine detection helicopters. If all goes well, the area will be in line for another boost in high-paying jobs.

Since November 2004, private sector jobs in the region grew by 1,200, or 0.4 percent, to 256,600; its highest level for the month in three years. Job gains were centered in educational and health services (+600), professional and business services (+500), and trade, transportation and utilities (+500).



“The Southern Tier economy continues to benefit from a major expansion at the Lockheed Martin facility in Owego. Our region’s talented workforce has displayed the ability to support this project and is well-positioned to support future growth.”

John Flynn, Regional Administrator,
Southern Tier Region

Job declines were centered in manufacturing (-700). Lockheed Martin's hundreds of new professional positions and new hires in transportation equipment, machinery, and chemical manufacturing were not enough to offset other manufacturing layoffs. The region's electronics equipment, appliance, and component producers were hit by a combination of slow demand, global competition, intense cost pressure, and the shift of production to lower-cost Asian countries.

Another sector experiencing significant growth over the past several years is

New York State's wineries. New York is the third largest wine-producing state, with more than 200 wineries. In turn, they generate \$500 million in annual sales, resulting in thousands of jobs in related industries, due to the ripple effects of the economic multiplier, according to a recent economic impact study from Napa Valley-based MKF Research.

The Finger Lakes is one of the largest wine regions outside of California. Seven of the Southern Tier's nine counties have wineries, with Steuben and Schuyler counties among the top grape-producing counties in the state.

Because most wineries locate near their source of grapes, they tend to be closely integrated with their area economies. As such, wineries make several important economic contributions to their local communities, including: stable employment opportunities for area residents; purchases of goods and services from nearby businesses; expansion of the local tax base; and attracting out-of-area wine tourists.

Between 2000 and 2003, there was a 54 percent increase in visits and 49 percent increase in per-person spending by wine tourists. This group spends money at a wide variety of "travel sector" establishments, including lodging places, antique and gift stores, restaurants, and

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New York State Health Care Sector Employment (Public and Private), by Industry and Labor Market Region, 2004

Region	Ambulatory Health Care	Hospitals	Nursing & Residential Care	Health Care Sector Total	Area Health Care Employment Concentration**
New York State*	341,000	407,900	263,600	1,012,400	117.0
Capital District	18,200	21,000	21,200	60,300	115.2
Central New York	13,000	11,300	11,000	35,300	104.2
Finger Lakes	18,400	25,500	21,700	65,700	115.5
Hudson Valley	42,100	39,000	38,400	119,500	130.7
Long Island	66,500	47,500	31,100	145,000	116.4
Mohawk Valley	6,400	9,500	10,700	26,600	131.9
New York City	134,700	202,400	85,800	422,900	117.5
North Country	5,200	8,400	7,000	20,500	129.3
Southern Tier	8,800	15,100	11,200	35,200	115.0
Western New York	24,700	28,200	25,200	78,100	118.7

* Data may not sum to total due to rounding. New York State totals include unclassified data.

** Compares health care's share of total employment in region to comparable figure for nation, which is set equal to 100.

Source: Quarterly Census of Employment and Wages

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	NOV '04	NOV '05		NOV '04	NOV '05		NOV '04	NOV '05
New York State	5.1	5.3	Hudson Valley	4.0	4.2	Southern Tier	4.6	4.7
Capital	3.9	4.1	Dutchess	3.7	3.9	Broome	4.8	5.0
Albany	3.7	3.9	Orange	4.2	4.4	Chemung	5.3	5.1
Columbia	3.8	3.7	Putnam	3.6	3.9	Chenango	4.8	5.2
Greene	4.9	5.1	Rockland	4.0	4.1	Delaware	3.8	4.4
Rensselaer	4.0	4.2	Sullivan	5.0	5.0	Otsego	4.0	4.4
Saratoga	3.5	3.7	Ulster	4.3	4.2	Schuyler	5.5	5.8
Schenectady	4.0	4.2	Westchester	4.0	4.2	Steuben	5.6	5.5
Warren	4.9	5.3	Mohawk Valley	4.7	5.0	Tioga	4.5	4.7
Washington	4.7	4.1	Fulton	4.9	5.6	Tompkins	3.2	3.2
Central New York	4.9	4.9	Herkimer	5.3	5.6	Western New York	5.2	5.4
Cayuga	4.5	4.6	Madison	4.9	4.7	Allegany	5.3	5.3
Cortland	5.4	5.0	Montgomery	4.9	5.5	Cattaraugus	5.3	5.2
Onondaga	4.6	4.6	Oneida	4.5	4.8	Chautauqua	4.9	4.9
Oswego	6.2	6.3	Schoharie	4.4	4.8	Erie	5.2	5.4
Finger Lakes	4.8	4.9	North Country	5.8	5.8	Niagara	5.4	5.8
Genesee	5.1	4.9	Clinton	5.1	5.2	Long Island	4.1	4.2
Livingston	5.0	5.6	Essex	5.5	6.0	Nassau	4.1	4.2
Monroe	4.7	4.9	Franklin	5.8	6.0	Suffolk	4.2	4.3
Ontario	4.7	4.6	Hamilton	5.9	7.2	New York City	6.0	6.3
Orleans	5.6	5.6	Jefferson	6.5	6.2	Bronx	7.8	8.2
Seneca	4.6	4.8	Lewis	5.8	5.9	Kings	6.5	6.8
Wayne	5.3	5.0	St. Lawrence	5.8	5.5	New York	5.4	5.5
Wyoming	5.4	5.5				Queens	5.4	5.7
Yates	4.1	4.3				Richmond	5.2	5.5

Southern Tier...

from page 2

farm stands. Wineries represent a growing segment of the export base in the Finger Lakes and the surrounding area.

Contributing to the area's growing economic base are wine-themed events and festivals drawing visitors from as far away as Europe. Of special note is the annual three-day Finger Lakes Wine Festival held in Watkins Glen (Schuyler County). The event is one of the largest wine festivals on the East Coast, attracting thousands to taste and purchase wines from the region's vintners. The influx of tourists is a contributing factor to the employment gain in the Southern Tier's leisure and hospitality industry, which increased by 400 from 23,700 to 24,100 between 2003 and 2004. Most of this over-the-year job gain was concentrated in food services and drinking places.

The good news is that the number of wineries in the region and state is expected to grow, according to the report from MKF Research. Up to 100 new wineries could open statewide over the next three years, by taking advantage of the availability of low-cost prime vineyard land (an acre costs about \$3,000 in the Finger Lakes region compared to about \$200,000 in California's Napa Valley). The state's wineries may also benefit from a New York law allowing out-of-state wine shipments. This change is expected to increase sales by up to 20 percent.

Health Care Engine...

from page 1

Counties with Highest Concentration of Health Care Employment and Wages (Public and Private) New York State, 2004

	Share of Employment
Bronx	29.9%
Richmond	25.2%
Kings	21.7%
Franklin	20.9%
Otsego	18.0%
Montgomery	16.9%
Schenectady	16.8%
Rockland	16.4%
Columbia	16.2%
Queens	16.0%
	Share of Wages
Bronx	34.9%
Richmond	30.7%
Kings	27.1%
Otsego	24.5%
Franklin	23.0%
Montgomery	19.3%
Queens	17.8%
Columbia	17.0%
Warren	16.9%
Fulton	16.8%

York City (see table). Moreover, health care makes an important contribution to many local economies in terms of the wages it pays out; 17 New York counties get at least 15 percent of their total wages from health care.

The health care sector is comprised of three main industries: ambulatory health care services, which includes doctors' offices, outpatient care centers, medical

labs, and home health care; hospitals; and, nursing and residential care facilities. The table at the bottom of page 2 shows employment levels for each industry by region. Interestingly, all ten regions in the state have higher concentrations of health care jobs than the nation as a whole.

Health care's importance in the economy will only continue to grow. The federal government projects that total U.S. health expenditures will more than double to \$3.15 trillion between 2002 and 2012. Much of this increase is due to the aging of the baby boomers, the oldest of whom turn 60 this month. The increasing utilization of costly new medical technology also contributes to this trend.

by Kevin Jack

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REGIONAL ANALYSTS' CORNER

MOHAWK VALLEY MARK BARBANO 315-793-2282

Private sector employment in the Utica-Rome metro area fell 400, or 0.4 percent, to 100,600 for the 12-month period ending November 2005. Gains were centered in educational and health services (+600), while manufacturing (-800) and professional and business services (-200) lost jobs over the year. Total government employment increased over the year (+500) due mainly to growth at the Oneida Indian Nation's business enterprises (which are classified as part of local government).

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector employment in the North Country region increased over the year by 2,300, or 2.0 percent, to 117,800 in November 2005. The largest gains were in trade, transportation and utilities (+900), professional and business services (+800), educational and health services (+600), and natural resources, mining and construction (+400). Losses were centered in manufacturing (-700).

CENTRAL NY ROGER EVANS 315-479-3388

Private sector employment in the Syracuse area rose 4,600, or 1.7 percent, to 270,500 for the 12-month period ending November 2005. Job creation was concentrated in professional and business services (+1,200), educational and health services (+900), leisure and hospitality (+800), and trade, transportation, and utilities (+700). Information lost jobs (-200) over the year.

FINGER LAKES WILLIAM RAMAGE 585-258-8870

Private sector employment in the Rochester area fell 4,500, or 1.0 percent, over the year to 426,700 in November 2005. Employment gains occurred in educational and health services (+2,200). However, they were more than offset by declines in manufacturing (-3,600), trade, transportation and utilities (-1,600) and financial activities (-900).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From November 2004 to November 2005, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 3,800, or 1.1 percent, to 346,000, a record high for the month. Job gains were centered in professional and business services (+1,900), educational and health services (+800), and financial activities (+400). The area lost jobs over the year in manufacturing (-200) and other services (-200).

HUDSON VALLEY JOHN NELSON 914-997-8798

Private sector employment in the Hudson Valley increased over the year by 15,000, or 2.0 percent, to 765,500 in November 2005. Employment gains were largest in educational and health services (+3,400), trade, transportation and utilities (+2,600), professional and business services (+2,400), and leisure and hospitality (+2,200). Manufacturing (-500) declined over the year.

WESTERN NY JOHN SLENKER 716-851-2742

From November 2004 to November 2005, the number of private sector jobs in the Buffalo-Niagara Falls metro area increased by 1,900, or 0.4 percent, to 460,700. Job gains were concentrated in financial activities (+1,100), other services (+800), professional and business services (+800), and natural resources, mining and construction (+700). Losses were largest in manufacturing (-1,100).

SOUTHERN TIER JOSEPH KOZLOWSKI 607-741-4485

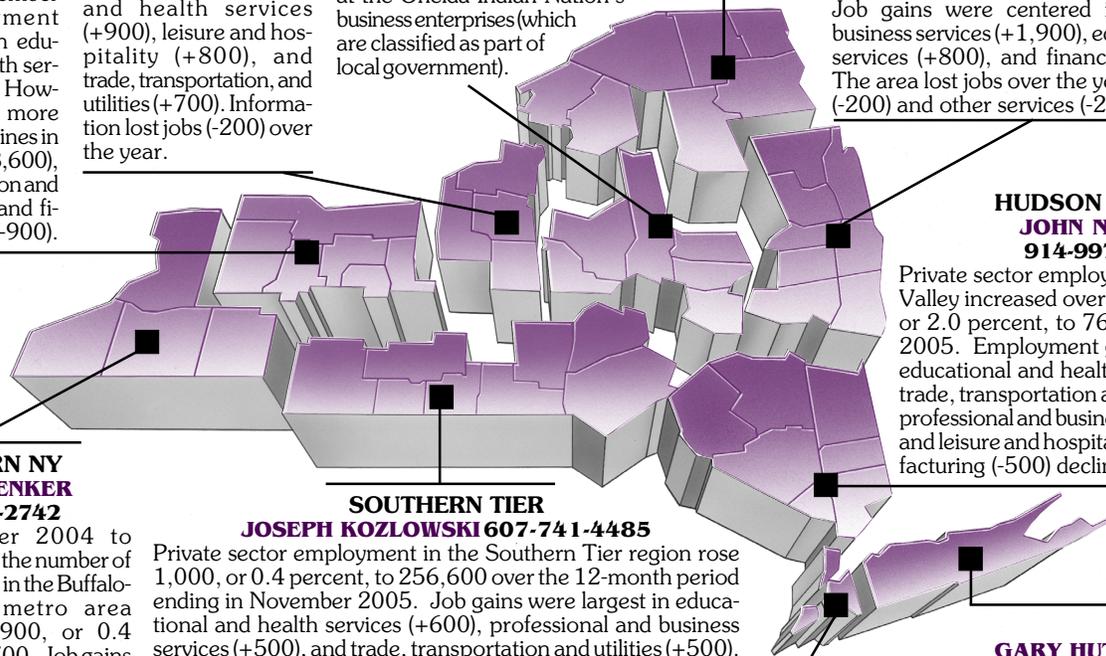
Private sector employment in the Southern Tier region rose 1,000, or 0.4 percent, to 256,600 over the 12-month period ending in November 2005. Job gains were largest in educational and health services (+600), professional and business services (+500), and trade, transportation and utilities (+500). Losses were concentrated in manufacturing (-700) and natural resources, mining and construction (-300).

NEW YORK CITY JAMES BROWN 212-621-9353

Private sector employment in New York City rose 36,300, or 1.2 percent, to 3,076,300 for the 12-month period ending November 2005. Job growth was strongest in educational and health services (+15,000), professional and business services (+13,300), financial activities (+8,900), and leisure and hospitality (+8,300). Jobs losses occurred in manufacturing (-3,500) and natural resources, mining and construction (-2,400).

LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 10,300, or 1.0 percent, to 1,066,100 in November 2005. Gains were largest in professional and business services (+4,000), educational and health services (+3,400), other services (+1,000), natural resources, mining and construction (+700), and leisure and hospitality (+600). Financial services (-200) declined over the year.



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