

# Employment

IN NEW YORK STATE

Andrew M. Cuomo, Governor  
Colleen C. Gardner, Commissioner

## At a Glance

New York's seasonally adjusted unemployment rate rose from 7.9% in October to 8.0% in November 2011. The nation's unemployment rate was 8.6% in November. New York State had 8,663,900 nonfarm jobs in November 2011, including 7,184,000 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state increased by 0.5% between October and November, while the nation increased by 0.1%. From November 2010 to November 2011, the number of private sector jobs increased by 1.3% in the state and by 1.7% in the U.S. (not seasonally adjusted). In addition, New York's Index of Coincident Economic Indicators increased at an annual rate of 0.9% in November 2011.

### Change in Nonfarm Jobs

November 2010 - November 2011

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	86.1	1.0
Private Sector	95.3	1.3
Goods-producing	0.8	0.1
Nat. res. & mining	-0.1	-1.8
Construction	5.2	1.6
Manufacturing	-4.3	-0.9
Durable gds.	2.6	1.0
Nondurable gds.	-6.9	-3.6
Service-providing	85.3	1.1
Trade, trans. & util.	14.2	1.0
Wholesale trade	3.6	1.1
Retail trade	10.0	1.1
Trans., wrhs. & util.	0.6	0.2
Information	-3.0	-1.2
Financial activities	5.8	0.9
Prof. & bus. svcs.	35.7	3.2
Educ. & health svcs.	27.7	1.6
Leisure & hospitality	21.6	3.0
Other services	-7.5	-2.0
Government	-9.2	-0.6

Sector Offers Many High-Skill, High-Wage Jobs...

## Producer Services: A Critical Part of the New York State Economy

When people hear "service economy," they often think of low-skill, entry-level jobs. Thus, it surprises them to learn that many service sector employees work in industries that:

- Offer above-average wages
- Employ a higher-educated workforce
- Sell mostly to other businesses and government, not directly to consumers
- Provide highly-customized (not routine) services
- Export outside the region

The industries with these features are known collectively as "producer services." They are a group of disparate industries that share some or all of the characteristics outlined above.

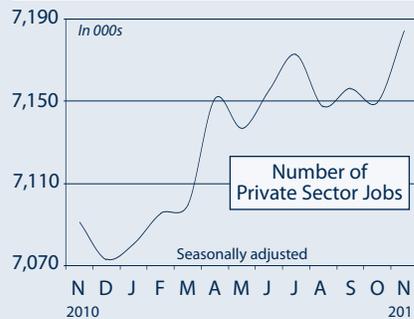
See the list of major producer services industries on page 3.

In 2010, this group comprised more than 134,000 businesses with 1.83 million employees in New York State. Further, wages paid out by these employers totaled more than \$200 billion. Many workers in producer services earn salaries that are well above average. Their average wage in New York State was \$111,100 in 2010. Even without securities and commodity brokers (\$343,600), producer services (\$85,200) still beat the state's overall average wage (\$60,300) by more than 40%.

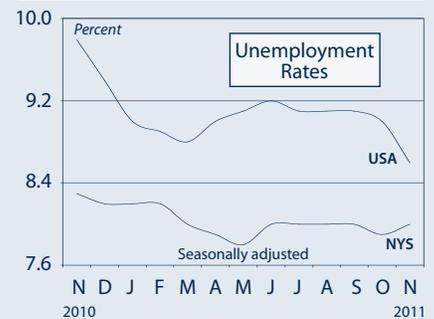
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### IN NOVEMBER...

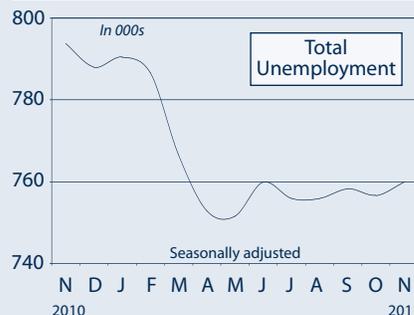
...NYS private sector jobs increased



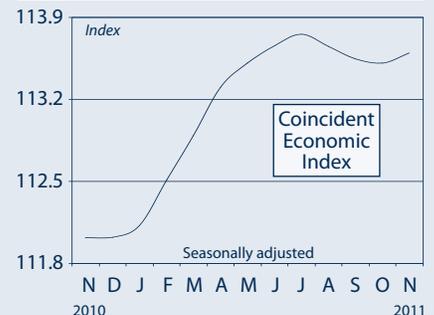
...NYS unemployment rate increased



...NYS unemployment increased



...NYS economic index increased



## Focus on the Capital Region

GDP by Metro Area: A Different Perspective on the Local Economy

by James Ross, Labor Market Analyst, Capital Region

The job count and unemployment rate are closely-watched gauges of an area's economic health. Just as key, but much less known, is Gross Domestic Product by Metro Area. This measure (the value of all final goods and services produced in a metro area) is broader and more comprehensive than jobs, and gives a different perspective on the local economy. The U.S. Department of Commerce estimates it, which is meant to be comparable to U.S. Gross Domestic Product. This analysis uses real (inflation-adjusted) data, measured in 2005 dollars.

### Local Economy Outperforms U.S.

Total GDP for all metro areas in the U.S. peaked in 2007, but then declined in 2008-2009 due to the national recession. A partial rebound in 2010 brought the measure back to just 0.4% below its 2007 level.

The Albany-Schenectady-Troy metro area's GDP followed a different pattern. It dipped in 2007 and then grew in 2008-2010. In fact, the area's GDP reached a record-high level -- \$36.1 billion -- in 2010. This was 4.1% above the 2007 level. Not all sectors of the local economy grew from 2007-2010. In fact, more industries declined than rebounded. But they were outpaced by local gains in:

- Finance and insurance
- Health care and social assistance
- Professional, scientific and technical services
- Government
- Arts, entertainment and recreation

### Growth Sectors

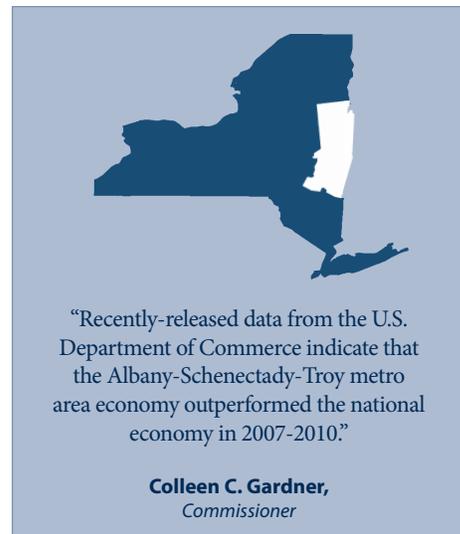
Finance and insurance saw the most significant jump of any local sector, by far, in 2007-2010. Local output was up \$974 million (+30.8%), dwarfing the nation's rate of growth (+4.8%). Much of the local growth was due to expansion at insurance companies.

Output in the health care and social assistance sector was up \$373 million (+12.8%) in 2007-2010. Like finance and insurance, local gains exceeded national growth (+9.0%) over the period. It rose during the entire 2007-2010 period. In fact, the industry strengthened through the entire decade.

Professional, scientific and technical services jumped \$251 million, or 7.8%, from 2007 to 2010. This surpassed the 2.9% U.S. growth rate. All local growth occurred in 2008 -- a historic peak for the industry. Output then fell in 2009 and 2010.

Government output also expanded, though a bit erratically, from 2007 to 2010. This industry added \$137 million or 2.0% -- below the nation's growth rate (+3.3%). Despite the recent uptrend, government output in the metro area remained 2.4% under its 2001 peak.

Arts, entertainment and recreation bucked the national trend, enjoying a small local gain over the three-year period. This sector added \$6 million in output. The local gain of 3.1% contrasted with a 3.9% national loss.



### Improvements in 2010

Growth in the Albany-Schenectady-Troy metro area was more broad-based in 2010, as only two sectors declined. Local gains (+2.3%), however, did not quite match national growth (+2.5%). This was actually a strong comparison for us. The national “all metro area” was still in recovery mode, while the local metro area was in its second year of a post-recovery expansion. Recovery periods are typically faster than periods of expansion.

Slow job creation and high unemployment rates remain foremost on the minds of many people. The health of the local economy appears stronger than the usual labor market measures indicate. Maybe local businesses are waiting for a spark of confidence in national and global economic conditions to ignite hiring in the coming months.

See the data used in this analysis at:  
<http://www.bea.gov/regional/index.htm>. ■

### Producer Services... from page 1

#### Export Oriented

Producer services claims an above-average share of our state's economy. In 2010, it accounted for 26% of private sector jobs in New York, compared to 23% at the national level. The state/nation differential in wages was even more pronounced -- producer services accounted for 48% of overall private sector wages in New York compared with 33% in the U.S.

New York's above-average concentrations of jobs and wages in producer services suggest that many firms in this sector export to customers outside the state (or even outside the country). This, in turn, generates more income and jobs here in New York State, due to the economic multiplier.

Four producer services industries in the state have job concentrations that are more than twice the overall U.S. average (set equal to 100).

These industries and their concentrations in the state in 2010 are:

- Securities and Commodity Brokers, 351
- Other Information Services, 285
- Motion Pictures, 224
- Broadcasting, 206

The high concentration of producer services in the state reflects, in part, the central role New York City plays in the national communications, financial, legal, management consulting, and film industries. The City accounts for 55% of producer services jobs statewide, and an even greater share -- 74% -- of overall wages. The average producer services wage in the City -- \$149,600 -- is about 35% higher than the state's overall sector average.

#### High-paying Industries

Workers at securities and commodity brokers had, by far, the highest annual average wage

at \$343,600 in 2010. This was more than three times the average for all producer services workers. Industry employment topped 180,000 that year. In addition, the industry paid out more than \$62.8 billion in wages in 2010 -- about equal in size to the Delaware state economy.

In 2010, management of companies and enterprises had the second highest annual wage level -- \$140,100 -- among producer services industries. This is no surprise, since New York State is home to 57 Fortune 500 companies -- more than any other state. It includes five companies in the top 25 (based on revenues) in the nation. These companies and their rank on the Fortune 500 list include:

- J.P. Morgan Chase (#13)
- Citigroup (#14)
- Verizon Communications (#16)
- AIG (#17)
- IBM (#18)

Continued on page 3

## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	NOV '10	NOV '11		NOV '10	NOV '11		NOV '10	NOV '11
<b>New York State</b>	<b>8.2</b>	<b>7.9</b>	<b>Hudson Valley</b>	<b>7.4</b>	<b>6.7</b>	<b>Finger Lakes</b>	<b>7.7</b>	<b>6.9</b>
<b>Capital</b>	<b>7.3</b>	<b>6.8</b>	Dutchess	7.6	6.9	Genesee	7.5	6.6
Albany	7.1	6.6	Orange	8.0	7.3	Livingston	7.9	7.0
Columbia	7.3	6.9	Putnam	6.6	6.1	Monroe	7.7	7.0
Greene	8.5	8.3	Rockland	7.0	6.3	Ontario	7.1	6.3
Rensselaer	7.4	6.9	Sullivan	9.3	8.7	Orleans	9.3	8.0
Saratoga	6.6	6.1	Ulster	8.0	7.5	Seneca	7.5	6.6
Schenectady	7.7	7.0	Westchester	7.1	6.2	Wayne	8.1	6.8
Warren	9.0	8.3	<b>Mohawk Valley</b>	<b>8.3</b>	<b>7.8</b>	Wyoming	8.8	7.8
Washington	7.4	6.9	Fulton	10.1	9.4	Yates	6.2	6.4
<b>Central New York</b>	<b>8.2</b>	<b>7.5</b>	Herkimer	7.9	7.2	<b>Western New York</b>	<b>8.1</b>	<b>7.4</b>
Cayuga	7.8	7.2	Montgomery	9.3	8.8	Allegany	8.8	7.7
Cortland	8.3	7.6	Oneida	7.9	7.5	Cattaraugus	8.9	8.0
Madison	8.1	7.1	Otsego	7.5	7.2	Chautauqua	8.2	7.5
Onondaga	7.7	7.2	Schoharie	8.5	8.6	Erie	7.9	7.2
Oswego	10.3	9.0	<b>North Country</b>	<b>9.8</b>	<b>8.9</b>	Niagara	8.6	7.7
<b>Southern Tier</b>	<b>8.0</b>	<b>7.4</b>	Clinton	9.8	8.5	<b>Long Island</b>	<b>7.2</b>	<b>6.7</b>
Broome	8.5	7.7	Essex	9.7	8.6	Nassau	7.0	6.4
Chemung	8.1	7.5	Franklin	9.0	8.4	Suffolk	7.4	7.0
Chenango	8.9	7.8	Hamilton	10.4	9.2	<b>New York City</b>	<b>8.9</b>	<b>9.1</b>
Delaware	8.5	8.0	Jefferson	10.0	9.4	Bronx	12.2	12.6
Schuyler	8.2	7.4	Lewis	9.1	8.6	Kings	9.7	9.8
Steuben	9.5	8.4	St. Lawrence	10.3	9.3	New York	7.4	7.6
Tioga	7.5	7.5				Queens	8.0	8.1
Tompkins	5.6	5.4				Richmond	8.1	8.0

### Producer Services... from page 2

#### Producer Services Sector, New York State, 2010

Industry	Jobs	Average Wage	Employment Concentration* (USA=100)
<b>Total, Producer Services Sector</b>	<b>1,825,600</b>	<b>\$111,100</b>	<b>113</b>
Securities and Commodity Brokers	182,900	\$343,600	351
Management of Companies and Enterprises	131,500	\$140,100	109
Funds and Trusts	10,600	\$127,600	144
Banking	156,400	\$112,100	95
Broadcasting	39,400	\$109,600	206
Data Processing and Hosting	13,700	\$92,800	87
Insurance	138,500	\$92,200	104
Publishing	69,800	\$91,200	142
Professional, Scientific and Technical Services	553,200	\$90,900	114
Telecommunications	48,500	\$89,500	83
Motion Pictures	53,700	\$79,800	224
Other Information Services	34,300	\$72,300	285
Administrative and Support Services	393,000	\$42,000	85

\*Private sector only

Source: Quarterly Census of Employment and Wages

Funds and trusts is the third highest-paying (\$127,600) producer services industry in 2010. This high wage industry includes some financial companies as well as union-related pension and health funds. While this industry plays a pivotal role, it has the fewest jobs among producer services industries -- just over 10,000.

Ranked fourth, the average pay level in banking (\$112,100) was just above the average for all producer services in 2010. With 156,400 workers, banking was also the fourth-largest producer

services employer. Within banking, commercial banks have the lion's share of jobs -- 69,800 or 45% of the industry total.

Broadcasting is the only top-paying producer services industry in the information sector. In 2010, it had 39,400 workers with average pay of \$109,600. The concentration of broadcasting jobs (206) is also notable, as it is more than double the nation as a whole.

A number of labor market trends drive the growing role of producer services in the overall econ-

omy lately. Among the most important factors, businesses now:

- Rely more on information technology
- Use more consultants
- Outsource non-core support activities (e.g., payroll processing) that once were provided in-house

#### Summing Up

For many people, "service economy" jobs continue to have negative connotations. However, a deeper look suggests that certain service jobs do not follow the usual stereotype. They are, in fact, high-skill, high-wage professional positions.

Looking ahead, many of the trends discussed in this analysis are likely to continue. As a result, the producer services sector is expected to assume a growing role in our economy. ■

by Kevin Jack

**Employment in New York State** is published 12 times a year. For a change of address, write to the Publications Unit at the address below and provide your old and new addresses.

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## REGIONAL ANALYSTS' CORNER

### CAPITAL

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Private sector jobs in the Albany-Schenectady-Troy metro area increased by 500, or 0.1 percent, to 337,400 for the 12-month period ending November 2011. Job growth was centered in natural resources, mining and construction (+1,700), educational and health services (+800), and leisure and hospitality (+600). Losses were greatest in trade, transportation and utilities (-2,200) and professional and business services (-500).

### CENTRAL NY

**Karen Knapik-Scalzo — 315-479-3391**

For the 12-month period ending November 2011, the private sector job count in the Syracuse metro area fell 300, or 0.1 percent, to 259,000. Job growth was concentrated in professional and business services (+3,500). The largest job losses occurred in educational and health services (-1,800), manufacturing (-1,400), and leisure and hospitality (-500).

### FINGER LAKES

**Tammy Marino — 585-258-8870**

Private sector employment in the Rochester metro area increased over the year by 8,600, or 2.0 percent, to 439,800 in November 2011. Job gains were concentrated in professional and business services (+4,900), trade, transportation and utilities (+2,700), manufacturing (+1,400), construction (+700), and leisure and hospitality (+700). Losses were greatest in educational and health services (-1,600).

### HUDSON VALLEY

**John Nelson — 914-997-8798**

Private sector employment in the Hudson Valley increased 5,400, or 0.7 percent, to 737,500 for the 12-month period ending November 2011. Job gains were centered in educational and health services (+5,100), trade, transportation and utilities (+2,500), and financial activities (+1,000). Losses were greatest in manufacturing (-1,600) and natural resources, mining and construction (-900).

### LONG ISLAND

**Shital Patel — 516-934-8533**

The private sector job count on Long Island fell over the year by 4,400, or 0.4 percent, to 1,032,400 in November 2011. Job gains were greatest in educational and health services (+2,700), trade, transportation and utilities (+1,900), and professional and business services (+700). Losses were centered in leisure and hospitality (-4,200), manufacturing (-2,300), other services (-2,300), and information (-900).

### MOHAWK VALLEY

**Mark Barbano — 315-793-2282**

For the 12-month period ending November 2011, the private sector job count in the Utica-Rome metro area rose by 3,600, or 3.7 percent, to 100,600. Job growth was centered in educational and health services (+1,400), leisure and hospitality (+1,100), trade, transportation and utilities (+700), and professional and business services (+500). Job losses occurred in natural resources, mining and construction (-200).

### NEW YORK CITY

**James Brown — 212-775-3330**

Private sector employment in New York City rose by 27,000, or 0.8 percent, to 3,245,500 for the 12-month period ending November 2011. Growth was greatest in trade, transportation and utilities (+15,400), professional and business services (+13,400), leisure and hospitality (+12,100), and educational and health services (+4,800). Losses were centered in information (-6,300), natural resources, mining and construction (-4,900), other services (-4,800), and manufacturing (-3,700).

### SOUTHERN TIER

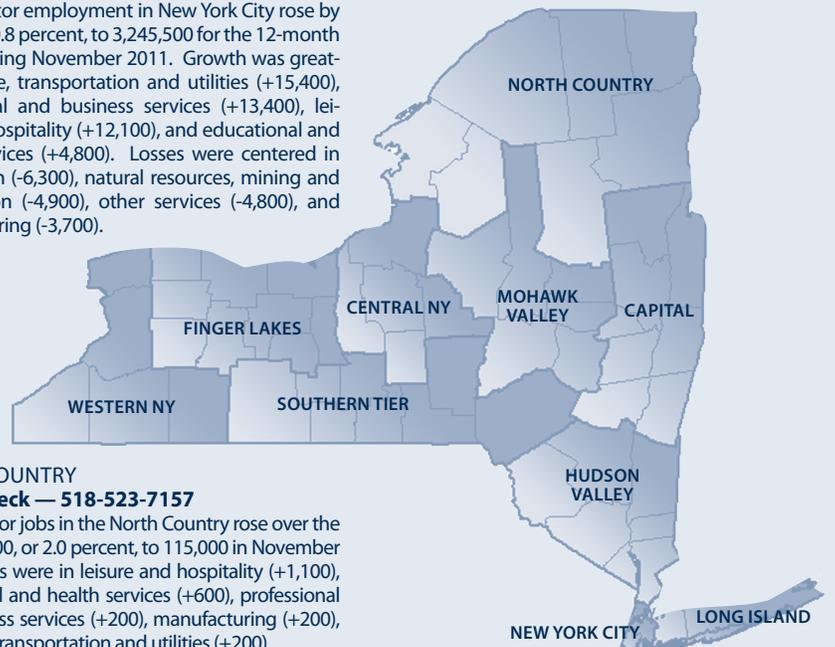
**Christian Harris — 607-741-4485**

Private sector employment in the Southern Tier increased over the year by 1,000, or 0.4 percent, to 233,400 in November 2011. Job gains were largest in trade, transportation and utilities (+900), manufacturing (+800), professional and business services (+600), and financial services (+300). Losses were centered in educational and health services (-2,000).

### WESTERN NY

**John Slenker — 716-851-2742**

Private sector jobs in the Buffalo-Niagara Falls metro area increased by 600, or 0.1 percent, to 452,900 over the 12 months ending November 2011. Job gains were centered in natural resources, mining and construction (+3,500) and educational and health services (+900). Losses were greatest in professional and business services (-1,500), leisure and hospitality (-1,000), financial activities (-500), and other services (-500).



### NORTH COUNTRY

**Alan Beideck — 518-523-7157**

Private sector jobs in the North Country rose over the year by 2,300, or 2.0 percent, to 115,000 in November 2011. Gains were in leisure and hospitality (+1,100), educational and health services (+600), professional and business services (+200), manufacturing (+200), and trade, transportation and utilities (+200).