

EMPLOYMENT in New York State

Eliot Spitzer, Governor

February 2007

Emerging Technologies Play Key Role...

Renewable Energy Sector Growing in New York State

The dramatic run-up in U.S. energy prices over the past few years has renewed interest in and spurred commercial development of renewable energy sources. The Empire State has a vested interest in these efforts. In 2003 (the latest year for which data are available), New York ranked fourth among all 50 states in terms of overall energy consumption, according to the U.S. Energy Information Administration (EIA).

Moreover, Empire State residents faced the sixth highest overall energy costs of any state in the nation in 2003, paying 25 percent more than the national average. EIA data indicate total expenditures by

New Yorkers on energy products topped \$43.4 billion in 2003.

Economic Landscape

The State of New York has adopted an official goal of obtaining 25 percent of the state's energy needs from renewable sources by 2013. The economic payoff from increased use of renewable energy sources could be huge. For example, a 2005 report from the Office of the State Comptroller (OSC) cites a Renewable Energy Policy Project estimate that if New York purchased 25 percent of its electricity from renewable sources by 2013, renewable energy production in New York would create up to 15,880 new jobs by that year.

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At a Glance

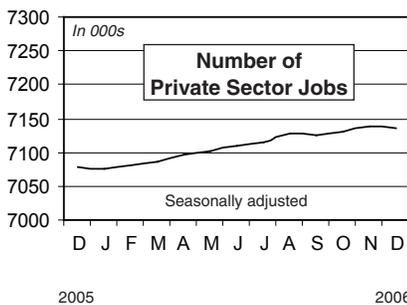
In December 2006, New York's seasonally adjusted unemployment rate was 4.0 percent, down from 4.2 percent in November 2006. (The nation's was 4.5 percent in December.) In December, the state had 8,627,500 nonfarm jobs, including 7,135,500 private sector jobs, after seasonal adjustment. Private sector jobs in the state decreased by less than 0.1 percent from November. (The nation's private sector job count increased by 0.1 percent over the month.) From December 2005 to December 2006, the number of private sector jobs increased by 0.8 percent in the state, and increased by 1.4 percent in the nation (not seasonally adjusted). New York's employment-population ratio increased in December.

Change in Nonfarm Jobs Dec. 2005 - Dec. 2006 (Data not seasonally adjusted, numbers in thousands)

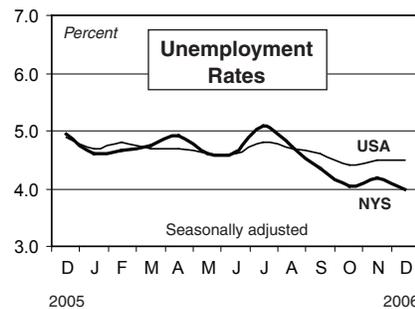
	Net	%
Total Nonfarm Jobs	61.8	0.7
Private Sector	58.2	0.8
Goods-producing	-3.4	-0.4
Nat. res. & mining	0.1	1.7
Construction	6.8	2.1
Manufacturing	-10.3	-1.8
Durable gds.	-3.3	-1.0
Nondurable gds.	-7.0	-2.9
Service-providing	65.2	0.8
Trade, trans., & util.	0.2	0.0
Wholesale trade	-6.0	-1.7
Retail trade	5.5	0.6
Trans., whrs., & util.	0.7	-0.3
Information	-1.5	-0.5
Financial activities	7.8	1.1
Prof. & bus. svcs.	13.4	1.2
Educ. & health svcs.	29.5	1.9
Leisure & hospitality	7.5	1.1
Other services	4.7	1.3
Government	3.6	0.2

IN DECEMBER...

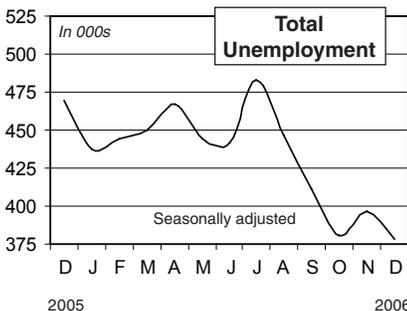
...NYS private sector jobs decreased



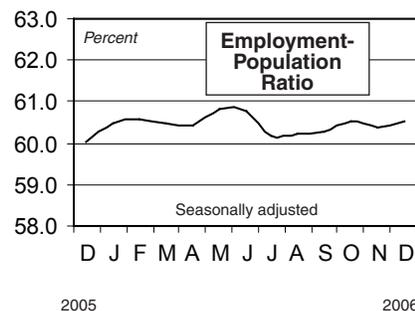
...NYS unemployment rate down



...NYS unemployment decreased



...NYS labor force participation rose



Focus on Long Island

Preparing for Success on Long Island

by Gary Huth, Labor Market Analyst, Long Island Region



For the 12-month period ending December 2006, private sector jobs on Long Island increased by 1,700, or 0.2 percent, to 1,066,600. Despite this relatively slow pace of job growth, the region is currently experiencing a tight labor market marked by a low unemployment rate (3.2 percent in December). Many area businesses report difficulty filling vacant technical and professional positions. For example, some local manufacturers, recently awarded military and homeland defense government contracts, are experiencing problems filling engineer and specialty production worker positions, such as welders and machinists.

Repositioning for the Future

The most significant event in Long Island's recent economic history was the major downsizing of its defense industry in the 1980s and 1990s. Local defense-related manufacturing employment, characterized by mainly high-skill, high-wage positions, dropped from more than 80,000 to just over 30,000 between 1986 and 1998, a decline of more than 60 percent. In response, area business leaders and policymakers have helped diversify the region's economy in recent years. These efforts have paid off. An analysis by the New York State Department of Labor found that Long Island's two counties—Nassau and Suffolk—were among the five most economically diversified in New York.

"Our regional workforce system helps businesses and jobseekers identify and attain the skills needed to succeed in today's ever-changing economy."

*Diane Wicklund,
Regional Administrator,
Long Island Region*

Revised jobs data will be released on March 7, 2007. Visit www.labor.state.ny.us for more complete information.

The region's legacy as a home to many high-tech defense companies has partly contributed to the development of the Island's highly-skilled workforce. In 2005, 35.5 percent of Long Island residents 25 years and older had at least a bachelor's degree, while the comparable U.S. figure was 27.2 percent, according to the American Community Survey. Moreover, the presence of high-tech companies has helped foster job growth in other related industries. For example, the professional and business services sector added 3,100 jobs between December 2005 and December 2006. This growth was driven by an array of industries including accounting,

architecture and engineering, design services, computer systems design, management and consulting services, scientific research and advertising.

Innovation and Skills Key

Business leaders on Long Island recognized two factors—technological innovation and workforce development—as critical to the region's future economic success. Organizations like the Long Island Forum for Technology (LIFT) have helped local companies in industries such as medical devices manufacturing to innovate by adopting new technologies. Similarly, the Center for Wireless Information Technology is working with companies like Symbol Technology, which was recently acquired by Motorola, and CA (the former Computer Associates) to solidify the region's position as a center for cutting-edge research in applied information technology.

Workforce development supplies programs and services that train, educate, support and assist workers to enter and advance in the workplace. Such efforts require that businesses and education providers work together to match local education/training offerings with local workforce skill needs. A good example is Suffolk Community College's new mechatronics program, which is being developed in conjunction with Stony Brook University. This collaboration, which

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When an economic multiplier is factored in, this total climbs to about 43,000 new jobs, according to the OSC. Currently, New York gets about 20 percent of its electricity from renewable sources, of which about nine-tenths comes from hydropower.

The OSC report counted more than 170 private companies and 100 non-hydropower generating facilities in New York State's renewable energy sector in 2005. The field has received an important boost from the State of New York, which has provided a number of grants to help fund start-up operations. Many of the recent commercial development efforts in the state's renewable energy field focused on two technologies—wind and biomass.

Commercial Efforts Underway

Numerous commercial applications of wind technology in New York State

are underway in the North Country. The region's proximity to Lake Ontario, the St. Lawrence River, and Lake Champlain makes it an ideal location for wind farms. Horizon Wind Energy, a subsidiary of Goldman Sachs, operates the 195-turbine Maple Ridge wind farm on the Tug Hill Plateau in Lewis County. Marble River Wind Farm plans to start construction in 2008 on 109 turbines on two wind farms in Clinton County. Similarly, Noble Environmental Power, which is majority-owned by J.P. Morgan Partners, submitted applications to build a total of 86 turbines at two locations in northern Franklin County. In addition, the company plans to build another 187 turbines at three sites in Clinton County.

Wind farms are not limited to the North Country. In 2000, a wind facility opened near the Town of Hamilton, Madison

County (Syracuse metro area). At the time, this plant was the largest wind power plant in the eastern United States. A second Madison County facility subsequently opened in the Town of Fenner. Community Energy, Inc. has proposed a wind facility in southern Herkimer County (Utica-Rome metro area) that is expected to consist of 65-75 turbines with the capacity to generate 130-150 megawatts of energy (enough to meet the annual electric needs of 52,000-60,000 homes).

Biomass is another promising renewable energy technology, with one application that focuses on converting plant matter into liquid fuels. There are plans to build plants in Orleans, Seneca and Oswego counties that would convert corn into the fuel additive ethanol. Another plant, which

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Unemployment Rates in New York State

Data Not Seasonally Adjusted

	DEC '05	DEC '06		DEC '05	DEC '06		DEC '05	DEC '06
New York State	4.9	3.8	Hudson Valley	3.9	3.2	Southern Tier	4.6	3.9
Capital	3.9	3.4	Dutchess	3.6	3.1	Broome	4.8	3.9
Albany	3.7	3.2	Orange	4.0	3.4	Chemung	5.0	4.2
Columbia	3.8	3.2	Putnam	3.5	2.8	Chenango	4.9	4.5
Greene	4.8	4.4	Rockland	3.8	3.0	Delaware	4.3	3.5
Rensselaer	4.1	3.5	Sullivan	5.0	4.7	Otsego	4.5	3.7
Saratoga	3.5	3.0	Ulster	4.2	3.5	Schuyler	5.9	5.2
Schenectady	3.9	3.5	Westchester	3.8	3.1	Steuben	5.7	4.9
Warren	5.4	4.6	Mohawk Valley	5.0	4.3	Tioga	4.6	3.9
Washington	4.1	3.7	Fulton	5.8	4.8	Tompkins	3.0	2.6
Central New York	4.8	4.0	Herkimer	5.5	5.0	Western New York	5.1	4.5
Cayuga	4.9	4.2	Madison	4.9	4.3	Allegany	5.4	4.6
Cortland	5.5	4.8	Montgomery	5.7	4.9	Cattaraugus	5.5	4.6
Onondaga	4.2	3.6	Oneida	4.5	3.7	Chautauqua	4.9	4.0
Oswego	6.5	5.3	Schoharie	4.9	4.7	Erie	5.0	4.4
Finger Lakes	4.7	4.0	North Country	6.0	5.1	Niagara	5.6	5.0
Genesee	5.3	4.4	Clinton	5.3	5.0	Long Island	3.9	3.2
Livingston	5.3	4.4	Essex	6.2	5.6	Nassau	3.8	3.1
Monroe	4.4	3.8	Franklin	6.2	5.2	Suffolk	3.9	3.3
Ontario	4.7	4.0	Hamilton	7.9	6.3	New York City	5.6	4.0
Orleans	5.7	5.2	Jefferson	6.5	5.3	Bronx	7.3	5.4
Seneca	4.7	4.2	Lewis	6.6	4.9	Kings	6.0	4.4
Wayne	5.1	4.4	St. Lawrence	5.8	4.9	New York	5.0	3.5
Wyoming	5.6	4.7				Queens	5.1	3.6
Yates	4.5	3.9				Richmond	4.9	3.4

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should help expand the local supply of skilled workers in advanced manufacturing. It demonstrates the blurring of the distinction between blue- and white-collar jobs, as well as the division between those positions which require college and those that do not.

At the secondary school level, the Long Island Works Coalition (LIWorks) strengthens workforce development efforts through their 65 school-business advisory councils and by sponsoring internship fairs. These efforts help to inform students about skills most in demand in today's workplace. Groups like LIFT and LIWorks also show students the wide array of opportunities in the critical fields of science, technology, engineering and mathematics.

Immigrants present a special challenge to the area's workforce development system. They are expected to constitute the only expanding population group on Long Island in the coming decades. Consequently, upgrading their skills will be key to the region's continued economic success.

Summary

To remain competitive in the global economy, regions and individual companies will need to continually improve the skill levels of their workforce. Long Island business leaders and educators recognize this challenge, and are working collaboratively to ensure the region's economic success, now and in the future.

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is under consideration in Cayuga County, would utilize feed wheat. According to published estimates, these four plants could convert a total of up to 80 million bushels of grain corn into 200 million gallons of ethanol per year.

Also on the drawing board is the GS Fulton Biodiesel plant planned for the former Miller brewery in the Town of Volney, Oswego County. That plant is expected to produce up to 10 million gallons of motor fuel per year from raw materials such as soybean oil and french fry grease. The facility was awarded a \$250,000 grant in 2005 by the New York State Energy Research and Development Authority.

Another emerging biomass technology is cellulosic ethanol. Wood chips, paper pulp and grasses, rather than corn, are used to produce the fuel additive. The State of New York is providing a total of up to \$25.2 million to develop and construct two pilot commercial facilities. One plant is slated for the Town of Greece (Monroe County), where Cambridge, Massachusetts-based Mascoma Corp. will build a \$29.8 million facility. Scientists from Cornell University and Clarkson University will collaborate with enzyme company Genencor on this project. The other cellulosic project receiving state funding is in Lyonsdale (Lewis County), where Catalyst Renewables Corp. is planning a \$20 million plant to convert willow trees into ethanol. If successful, the total

economic impact of the Lyonsdale project could reach up to 4,500 jobs, according to the SUNY College of Environmental Science and Forestry.

Conclusion

In summary, while still in its infancy, New York's renewable energy sector has enormous economic potential, both in terms of job creation as well as in energy savings. To date, the sector has been propelled by a variety of private sector ventures, especially in the fields of wind and biomass energy. These efforts have been supplemented by a number of grants from the State of New York. The Empire State is poised to become a leader in the renewable energy sector.

by Kevin Jack

Employment in New York State

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REGIONAL ANALYSTS' CORNER

FINGER LAKES TAMMY MARINO 585-258-8870

Private sector jobs in the Rochester metro area rose over the year by 500, or 0.1 percent, to 430,300 in December 2006. Employment gains were concentrated in educational and health services (+3,800). Over-the-year losses were largest in manufacturing (-1,600), construction (-1,000), trade, transportation and utilities (-400), and leisure and hospitality (-300).

CENTRAL NY ROGER EVANS 315-479-3388

For the 12 months ending December 2006, private sector jobs in the Syracuse area rose 1,100, or 0.4 percent, to 270,500. Growth was largest in educational and health services (+1,000), financial activities (+300), natural resources, mining and construction (+300), and professional and business services (+300). Losses occurred in trade, transportation, and utilities (-600) and manufacturing (-400).

MOHAWK VALLEY MARK BARBANO 315-793-2282

Private sector jobs in the Utica-Rome area remained unchanged at 101,000 in December 2006. Gains in educational and health services (+600) and financial activities (+200) were offset by losses in manufacturing (-500) and professional and business services (-200). Total nonfarm jobs rose over the year by 200 due to expansion in government employment (+200).

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector jobs in the North Country rose over the year by 2,700, or 2.4 percent, to 115,100 in December 2006. Gains were largest in trade, transportation, and utilities (+1,700), educational and health services (+600), and construction (+600). Losses occurred in financial activities (-200), leisure and hospitality (-200), and manufacturing (-200).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From December 2005 to December 2006, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 2,200, or 0.6 percent, to 346,200. Adding the most jobs were natural resources, mining and construction (+1,400), and trade, transportation and utilities (+1,000). Losses occurred in manufacturing (-1,600) and financial activities (-900).

HUDSON VALLEY JOHN NELSON 914-997-8798

Private sector employment in the Hudson Valley increased over the year by 6,100, or 0.8 percent, to 764,900 in December 2006. Gains were largest in professional and business services (+2,200), natural resources, mining and construction (+2,100), educational and health services (+1,900), and financial activities (+1,100). Manufacturing (-1,800) and leisure and hospitality (-900) declined over the year.

WESTERN NY JOHN SLENKER 716-851-2742

Private sector employment in the Buffalo-Niagara Falls metro area decreased by 4,800, or 1.0 percent, to 454,400 over the 12 months ending December 2006. Gains were centered in professional and business services (+1,500). Over-the-year losses were largest in manufacturing (-2,100), leisure and hospitality (-1,400), natural resources, mining and construction (-1,000), and educational and health services (-900).

SOUTHERN TIER JOSEPH KOZLOWSKI 607-741-4485

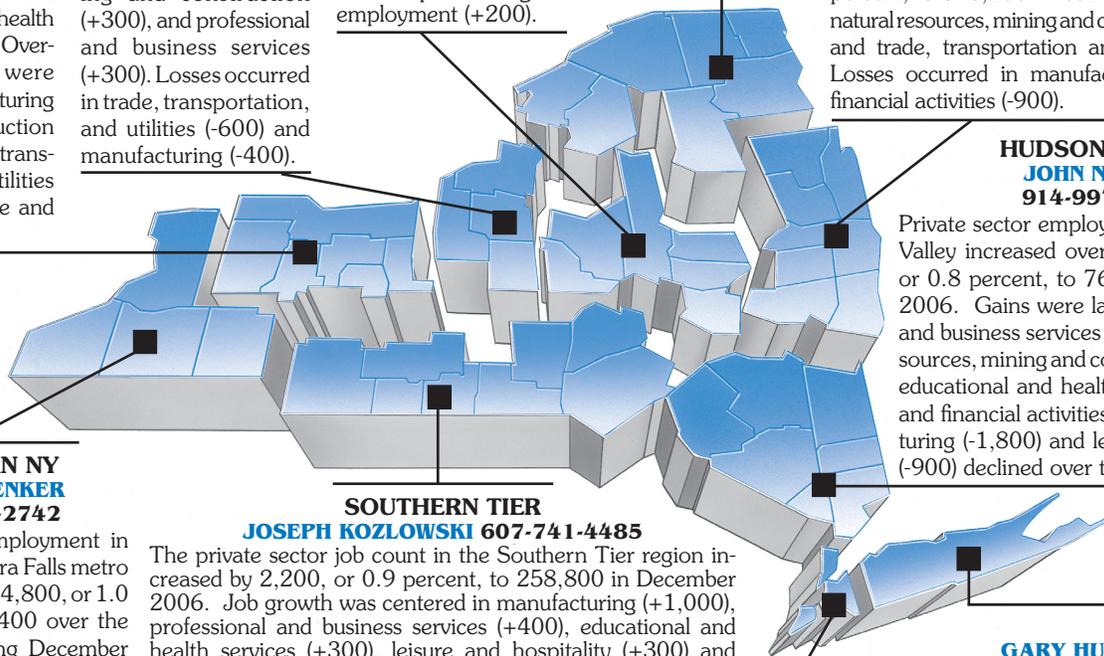
The private sector job count in the Southern Tier region increased by 2,200, or 0.9 percent, to 258,800 in December 2006. Job growth was centered in manufacturing (+1,000), professional and business services (+400), educational and health services (+300), leisure and hospitality (+300) and trade, transportation and utilities (+300).

NEW YORK CITY JAMES BROWN 212-621-9353

Private sector employment in New York City rose 45,500, or 1.5 percent, to 3,159,100 for the 12-month period ending December 2006. Job growth was concentrated in educational and health services (+16,300), financial activities (+8,200), leisure and hospitality (+6,900), and professional and business services (+6,200). Manufacturing (-2,500) and information (-1,300) lost jobs over the year.

LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 1,700, or 0.2 percent, to 1,066,600 in December 2006, a new record for the month. Growth was centered in professional and business services (+3,100), educational and health services (+1,400), and leisure and hospitality (+1,100). Losses occurred in trade, transportation and utilities (-1,800), manufacturing (-1,700) and financial activities (-1,200).



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