

EMPLOYMENT in New York State

David A. Paterson, Governor

March 2008

M. Patricia Smith, Commissioner

Expansion Continues, but Growth Begins to Slow...

NYS: More Jobs and Lower Unemployment Rate in 2007

Newly revised data indicate that New York's economic expansion continued in 2007. However, these same data also show that the state's growth slowed during the second half of the year.

According to the new jobs data, New York State's private sector employment count averaged 7,233,300 in 2007, up 100,200, or 1.4 percent, from 2006. Not only was 2007 the state's fourth consecutive year of private sector job growth, but it was also the strongest year since 2000.

By comparison, private sector jobs in the nation moved up 1.1 percent between 2006 and 2007. Jobs data are revised at the end of each year for all states and the

nation when more complete information, or benchmarks, become available from employers' unemployment insurance tax records.

In 2007, New York State also reached its lowest annual unemployment rate (4.5 percent) since 2000. The state remained below the national unemployment rate (4.6 percent) in 2007.

Regions in the state experienced widely divergent job growth rates in 2007. More specifically, private sector job growth in the 52-county Upstate region (+0.2 percent) seriously lagged the Downstate region's 2.0 percent rate of growth. Downstate's growth was centered in

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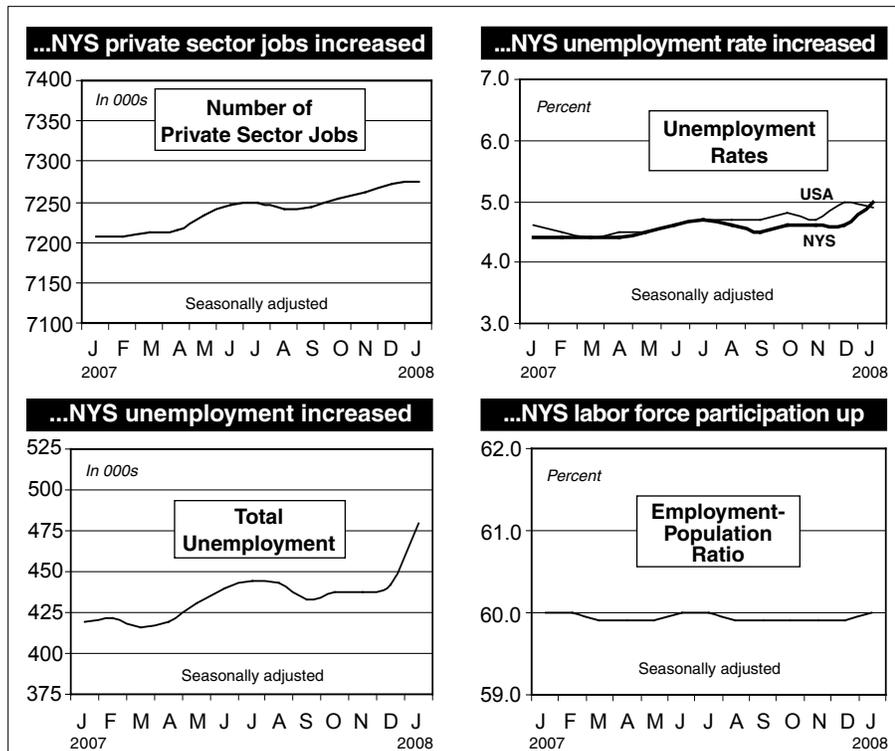
At a Glance

In January 2008, New York's seasonally adjusted unemployment rate was 5.0 percent, up from 4.6 percent in December 2007. (The nation's unemployment rate was 4.9 percent in January.) In January 2008, the state had 8,787,200 nonfarm jobs, including 7,274,500 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by less than 0.1 percent from December. (The nation's private sector job count also increased by less than 0.1 percent over the month.) From January 2007 to January 2008, the number of private sector jobs increased by 1.0 percent in the state, and increased by 0.7 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, increased in January.

Change in Nonfarm Jobs Jan. 2007 - Jan. 2008 (Data not seasonally adjusted, numbers in thousands)

	Net	%
Total Nonfarm Jobs	86.9	1.0
Private Sector	73.1	1.0
Goods-producing	-10.5	-1.2
Nat. res. & mining	-0.1	-1.9
Construction	6.6	2.1
Manufacturing	-17.0	-3.1
Durable gds.	-7.6	-2.3
Nondurable gds.	-9.4	-4.1
Service-providing	97.4	1.3
Trade, trans., & util.	7.4	0.5
Wholesale trade	-1.5	-0.4
Retail trade	6.0	0.7
Trans., whrs., & util.	2.9	1.1
Information	2.7	1.0
Financial activities	3.6	0.5
Prof. & bus. svcs.	12.7	1.2
Educ. & health svcs.	37.4	2.4
Leisure & hospitality	14.5	2.3
Other services	5.3	1.5
Government	13.8	0.9

IN JANUARY...



Focus on the Finger Lakes

The Shift from Manufacturing to Services Continues

by Tammy Marino, Labor Market Analyst, Finger Lakes Region

In 2007, the Finger Lakes region's private sector job count increased over the year by 1,400, or 0.3 percent, to 476,100, its highest level since 2001. Regional job gains were concentrated in a few industry sectors, while manufacturing continued its long-term decline, shedding 3,000 jobs.

The educational and health care services sector was, by far, the largest source of new jobs in the region, adding 2,200 jobs in 2007. The University of Rochester Medical Center (URMC), which is the region's largest employer, has been a very consistent and steady source of jobs over the last decade. A planned \$500 million expansion at the center is projected to create another 800 new jobs just at URMC. Spin-off effects of the expansion may create hundreds more in other sectors of the regional economy.

World-class research conducted at the center will lead to significant commercial applications, and should generate an increasing number of new business start-ups. These activities could spur thousands of new jobs for the region within five years. Part of the expansion involves the creation of a 150,000 square-foot state-of-the-art building, which will become home to the



"Tomorrow's jobs will require new and enhanced skills. The NYS Department of Labor and our workforce partners are ready to help jobseekers meet those challenges."

Kathleen Marnell,
Employment Services Team Leader,
Finger Lakes Region

Revised jobs data were released on
March 6, 2008.
Visit www.labor.state.ny.us
for more complete information.

University's Clinical and Translational Science Institute. The plan would position URMC among the nation's top medical research universities and enhance the medical center's appeal as an upstate destination for specialized medical treatment. URMC plans to hire 140 scientists and doctors in the next four years for its signature programs such as: research and treatment for

cancer, cardiovascular disease, immunology and infectious disease, musculoskeletal disease and neuromedicine.

Changing demographics and cost-containment efforts continue to shape the nation's health care industry. A greater emphasis on ambulatory treatment and in-home health care has already resulted in a significant shift from the traditional hospital setting to other less costly alternative-care options. With occupancy rates at or over 100 percent, several area hospitals recently proposed expansion and renovation plans.

Professional and business services also contributed to regional growth, posting an over-the-year gain of 700 jobs in 2007. However, all of the growth occurred in the first half of the year, as the sector suffered a dramatic reversal of fortune in the middle of the year. A slowing national economy led to substantial job cutbacks at employment service firms as well as in the management of companies and enterprises in the last quarter of 2007.

For many years, Eastman Kodak was easily the largest employer in the Rochester area and one of the top 10 employers in

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Percent Change in Annual Average Jobs: 2005-2006 and 2006-2007

	<u>Total Nonfarm</u>		<u>Private Sector</u>	
	<u>2005-2006</u>	<u>2006-2007</u>	<u>2005-2006</u>	<u>2006-2007</u>
United States	1.8%	1.1%	2.0%	1.1%
New York State	1.0%	1.4%	1.2%	1.4%
Regions				
Downstate (10-county area)	1.4%	1.9%	1.7%	2.0%
New York City	1.8%	2.1%	2.1%	2.4%
Suburban Counties	0.6%	1.4%	0.8%	1.3%
Upstate (52-county area)	0.2%	0.5%	0.4%	0.2%
Metro Areas	0.1%	0.4%	0.3%	0.2%
Non-metro Counties	0.5%	0.8%	0.8%	0.5%
Metropolitan Areas				
Albany-Schenectady-Troy	0.3%	0.3%	0.6%	0.1%
Binghamton	0.9%	1.1%	1.4%	1.0%
Buffalo-Niagara Falls	-0.1%	0.2%	-0.1%	0.0%
Elmira	1.3%	1.7%	1.2%	2.1%
Glens Falls	1.1%	0.4%	0.9%	-0.2%
Ithaca	1.3%	1.0%	1.7%	0.6%
Kingston	1.3%	-0.3%	1.6%	-0.2%
Nassau-Suffolk*	0.6%	1.2%	0.8%	1.1%
New York City*	1.8%	2.1%	2.1%	2.4%
Poughkeepsie-Newburgh-Middletown	0.6%	-0.2%	0.7%	-0.5%
Putnam-Rockland-Westchester*	0.6%	1.8%	0.8%	1.7%
Rochester	-0.4%	0.4%	0.0%	0.3%
Syracuse	0.0%	0.8%	0.0%	0.7%
Utica-Rome	-0.2%	0.7%	-0.1%	0.0%

*Denotes Downstate area

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JAN '07	JAN '08		JAN '07	JAN '08		JAN '07	JAN '08
New York State	5.0	5.6	Hudson Valley	4.3	4.7	Southern Tier	5.3	5.6
Capital District	4.6	5.1	Dutchess	4.2	4.8	Broome	5.2	5.7
Albany	4.3	4.7	Orange	4.8	5.0	Chemung	5.2	5.3
Columbia	4.4	4.8	Putnam	3.7	4.0	Chenango	5.9	6.9
Greene	5.4	6.1	Rockland	4.3	4.3	Delaware	5.2	5.8
Rensselaer	4.9	5.4	Sullivan	6.5	6.9	Schuyler	6.5	7.0
Saratoga	4.2	4.7	Ulster	4.6	5.4	Steuben	6.2	6.9
Schenectady	4.5	5.1	Westchester	4.1	4.4	Tioga	5.7	5.5
Warren	6.0	6.3	Mohawk Valley	5.8	6.5	Tompkins	3.9	3.9
Washington	5.2	5.9	Fulton	6.0	6.9	Western New York	5.6	6.2
Central New York	5.3	5.6	Herkimer	6.5	6.9	Allegany	6.7	7.4
Cayuga	5.3	5.9	Montgomery	7.2	8.3	Cattaraugus	6.0	6.5
Cortland	7.0	7.0	Oneida	5.1	5.6	Chautauqua	5.4	5.8
Madison	5.9	6.4	Otsego	5.7	6.5	Erie	5.4	5.8
Onondaga	4.6	4.9	Schoharie	7.1	8.6	Niagara	6.2	7.3
Oswego	7.1	7.3	North Country	6.9	7.3	Long Island	4.1	4.5
Finger Lakes	5.1	5.7	Clinton	7.1	6.8	Nassau	4.0	4.3
Genesee	5.5	6.6	Essex	7.2	7.6	Suffolk	4.3	4.7
Livingston	6.4	6.5	Franklin	6.6	7.5	New York City	5.3	6.1
Monroe	4.6	5.2	Hamilton	6.8	8.5	Bronx	7.3	8.3
Ontario	5.3	5.7	Jefferson	6.8	7.3	Kings	5.6	6.5
Orleans	6.7	7.4	Lewis	7.1	7.3	New York	4.7	5.4
Seneca	5.8	6.1	St. Lawrence	6.9	7.4	Queens	4.7	5.5
Wayne	5.7	6.1				Richmond	4.7	5.5
Wyoming	6.6	7.2						
Yates	5.5	5.8						

Finger Lakes...

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New York State. However, with the rapid decline of its traditional silver-halide film business and the rise of digital photography, the company has undergone an expensive transformation. As a result, the company's current local workforce is now 9,200, down 85 percent from its peak in 1982. Moreover, the company's local job count is at its lowest level since before 1920. Although Eastman Kodak's very painful four-year restructuring is finally over, additional job cuts may be necessary in the future.

While only a shadow of its former self, Kodak continues to make significant contributions to the regional economy. According to the local business press, the company has a \$650 million annual payroll and spends \$500 million on goods and services in Monroe County alone. Despite its shrinking local employment numbers, many of the jobs lost at Kodak remain in Rochester, but with other companies. For example, last year Canadian investment firm Onex Corporation purchased Kodak's health-imaging unit and renamed it Carestream Health.

Like much of Upstate New York, the Finger Lakes regional economy is much more diverse than in the past. Locally, manufacturing remains important, with an above-average share of jobs that pay salaries more than 40 percent over the region's average. However, service-providing industries now drive the regional economy and continue to offer the most opportunities for growth in the future.

NYS: More Jobs...

from page 1

New York City. Eight of the state's 14 metropolitan areas experienced stronger private sector job performance in 2007 than in 2006. Improvement in private sector employment growth was especially notable in three metropolitan areas: Elmira, Putnam-Rockland-Westchester, and Syracuse. (See the table on page 2 for additional region and area details.)

Turning to statewide industry jobs data, educational and health services added the most jobs (+28,600) of any private sector industry between 2006 and 2007, with gains centered in health care and social assistance (+21,800). Professional and business services gained 27,900 jobs, due primarily to increases in professional, scientific and technical services (+20,100). In contrast, manufacturing experienced the largest employment decline, shedding 14,400 jobs between 2006 and 2007. Statewide industry jobs data are shown in the table at the end of this article.

The newly-revised data also show that, following national trends, the state's labor market began to slow in the last part of 2007. For example, the rate of over-the-year job growth in the state slipped from 1.5 percent in the first quarter of 2007 to 1.1 percent in the fourth quarter of the year. In addition, the state's seasonally adjusted unemployment rate inched up during 2007, from 4.4 percent in the first quarter to 4.6 percent in the fourth quarter.

Change in Annual Average Jobs by Industry:
New York State, 2006-2007

(data in thousands)

	Net Change	% Change
Total Nonfarm	119.2	1.4%
Private Sector	100.2	1.4%
Natural Resources & Mining	0.0	0.0%
Construction	13.1	3.9%
Manufacturing	-14.4	-2.5%
Durable Goods	-4.9	-1.5%
Non-durable Goods	-9.5	-4.0%
Trade, Trans. & Utilities	16.6	1.1%
Wholesale Trade	2.1	0.6%
Retail Trade	12.2	1.4%
Trans., Warehousing & Utilities	2.3	0.8%
Information	-1.6	-0.6%
Financial Activities	5.1	0.7%
Professional & Business Services	27.9	2.5%
Educational & Health Services	28.6	1.8%
Educational Services	6.8	1.9%
Health Care & Social Assistance	21.8	1.8%
Leisure & Hospitality	18.6	2.7%
Other Services	6.4	1.8%
Government	19.0	1.3%

by Jennifer Stacey (student intern)

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FINGER LAKES Tammy Marino 585-258-8870

Private sector jobs in the Rochester area declined over the year by 600, or 0.1 percent, to 426,200 in January 2008. Gains were largest in educational and health services (+2,700) and construction (+1,100). Declines were concentrated in manufacturing (-3,300).

CENTRAL NY Roger Evans 315-479-3388

For the 12-month period ending January 2008, private sector jobs in the Syracuse area rose 2,000, or 0.8 percent, to 261,000. Growth was concentrated in professional and business services (+1,000) and educational and health services (+800). Job losses occurred in manufacturing (-600).

MOHAWK VALLEY Mark Barbano 315-793-2282

For the 12-month period ending January 2008, the private sector job count in the Utica-Rome metro area increased 300, or 0.3 percent, to 97,200. Job gains were largest in educational and health services (+500). Job losses were centered in manufacturing (-400) and financial activities (-300).

NORTH COUNTRY Alan Beideck 518-891-6680

Private sector employment in the North Country rose over the year by 600, or 0.5 percent, to 111,300 in January 2008. The largest gains were in educational and health services (+200), professional and business services (+200), and trade, transportation and utilities (+200).

CAPITAL DISTRICT James Ross 518-462-7600

From January 2007 to January 2008, private sector jobs in the Albany-Schenectady-Troy area fell by 400, or 0.1 percent, to 331,400. Gains were largest in professional and business services (+1,700). Losses were centered in natural resources, mining and construction (-800) and financial activities (-700).

HUDSON VALLEY John Nelson 914-997-8798

Private sector employment in the Hudson Valley increased over the year by 5,700, or 0.8 percent, to 738,300 in January 2008. Gains were largest in professional and business services (+3,000) and educational and health services (+2,800). Job losses were centered in financial activities (-1,500), and manufacturing (-1,400).

WESTERN NY John Slenker 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls metro area increased by 900, or 0.2 percent, to 441,900 over the 12 months ending January 2008. Gains were centered in professional and business services (+2,100) and leisure and hospitality (+1,100). Losses were largest in natural resources, mining and construction (-1,700) and manufacturing (-1,200).

SOUTHERN TIER Christian Harris 607-741-4485

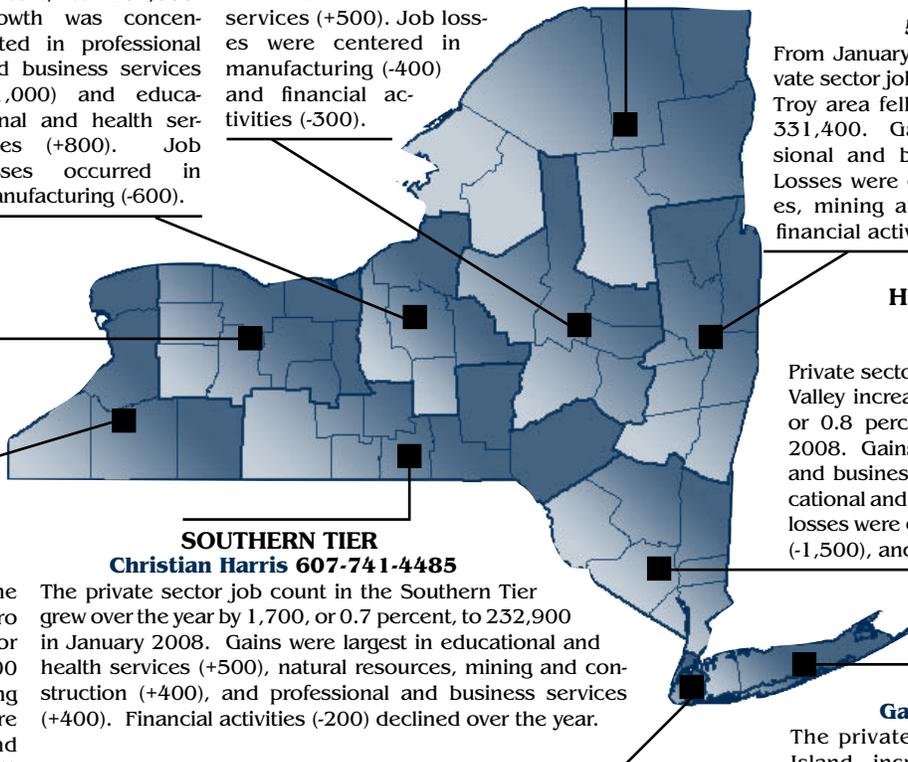
The private sector job count in the Southern Tier grew over the year by 1,700, or 0.7 percent, to 232,900 in January 2008. Gains were largest in educational and health services (+500), natural resources, mining and construction (+400), and professional and business services (+400). Financial activities (-200) declined over the year.

NEW YORK CITY James Brown 212-775-3330

Private sector employment in New York City rose 50,800, or 1.6 percent, to 3,164,300 for the 12-month period ending January 2008. Job growth was largest in leisure and hospitality (+12,300), educational and health services (+11,300), and trade, transportation and utilities (+9,000). Job losses were greatest in manufacturing (-6,500).

LONG ISLAND Gary Huth 516-934-8533

The private sector job count on Long Island increased over the year by 11,800, or 1.1 percent, to 1,042,400 in January 2008. The largest gains occurred in educational and health services (+5,600) and leisure and hospitality (+3,900). Job losses were centered in financial activities (-2,700) and manufacturing (-2,000).



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