

Employment

IN NEW YORK STATE



Andrew M. Cuomo, Governor
Peter M. Rivera, Commissioner

At a Glance

In February 2014, New York's seasonally adjusted unemployment rate held steady at 6.8%. The nation's unemployment rate was 6.7% in February 2014. New York State had 8,985,700 nonfarm jobs in February 2014, including 7,543,100 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state increased by 0.2% in January-February 2014, while those in the nation increased by 0.1%. From February 2013 to February 2014, the number of private sector jobs increased by 1.6% in the state and 1.9% in the nation (not seasonally adjusted). New York's Index of Coincident Economic Indicators increased at an annual rate of 2.1% in February 2014.

Change in Nonfarm Jobs

February 2013 - February 2014
(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	112.1	1.3
Private Sector	117.2	1.6
Goods-producing	-7.0	-0.9
Nat. res. & mining	0.0	0.0
Construction	-3.2	-1.1
Manufacturing	-3.8	-0.8
Durable gds.	-2.8	-1.1
Nondurable gds.	-1.0	-0.5
Service-providing	119.1	1.5
Trade, trans. & util.	27.5	1.9
Wholesale trade	3.2	1.0
Retail trade	16.3	1.8
Trans., wrhs. & util.	8.0	3.1
Information	3.8	1.5
Financial activities	0.8	0.1
Prof. & bus. svcs.	25.3	2.2
Educ. & health svcs.	40.8	2.3
Leisure & hospitality	20.9	2.7
Other services	5.1	1.3
Government	-5.1	-0.3

Most Jobs at Establishments With At Least 50 Workers...

Sizing Up the Workforce: An Update

Economic and workforce developers have a keen interest in the structure of business size in the United States. They can use these data to answer important questions like:

- Who employs the most workers – small, large, or mid-sized firms?
- Which major industry groups have the greatest percentage of jobs at small (or large) firms?
- Do small or large businesses create the most jobs?

This article updates an earlier one from the January 2004 issue of this newsletter, titled "Sizing Up the Workforce." It examined the size-class makeup of New York businesses. Here, we look at a snapshot of the New York State economy using employment information from March 2013.

A Word About Our Data

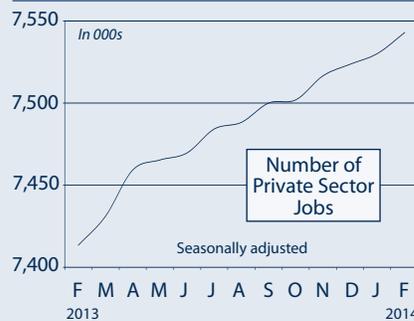
The size-of-firm employment data presented in this article come from the Quarterly Census of Employment and Wages (QCEW). We collect these data from quarterly reports filed by employers covered under New York State's Unemployment Insurance (UI) program. According to the U.S. Bureau of Labor Statistics, employers covered by UI account for about 97% of nonfarm employment in New York.

It is important to note that this analysis was conducted at the "establishment" level, which usually refers to one location. For example, a large fast food restaurant chain with 100 stores would be counted as one firm with 100 establishments in the QCEW.

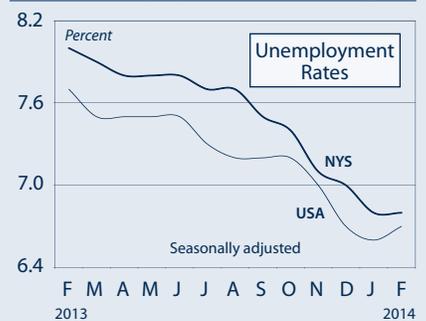
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IN FEBRUARY...

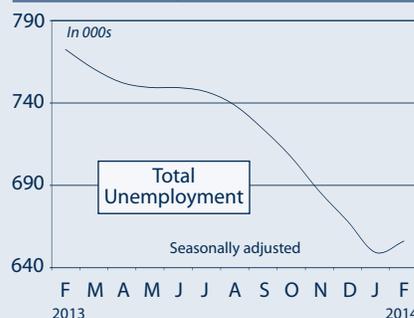
...NYS private sector jobs increased



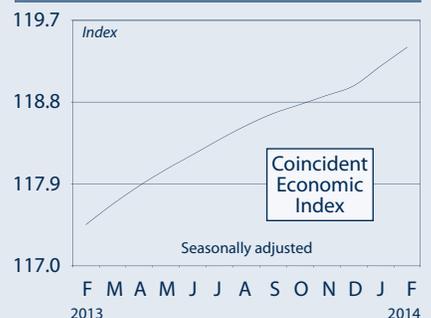
...NYS unemployment rate unchanged



...NYS unemployment increased



...NYS economic index increased



Focus on Western New York

Advance Buffalo Helping to Remedy Skilled Trades Shortage
by John Slenker, Labor Market Analyst, Western New York

The current “skills shortage” is a topic of growing interest among economic and workforce developers in Western New York. This refers to a lack of workers who hold key specialized skills, which makes them extremely difficult and expensive to replace. Surprisingly, the workers in such high demand are not RNs or web developers. Rather, they are people in the skilled trades, such as welders and machinists, found in high numbers in manufacturing.

WNY’s Changing Workforce

Over the past few decades, several important changes have occurred in Western New York’s labor force. As in the nation, the region’s manufacturing base has downsized. This led to a local surplus of available workers. Businesses could hire from an existing pool of workers, so there was little incentive to train new tradesmen.

Because businesses drew from a resource pool that was infrequently replenished, the supply of skilled workers has almost entirely dried up. Further, as an industry’s labor force ages, more workers are likely to retire. This, in turn, has worsened the shortage of skilled workers. Data from the U.S. Census Bureau show that 58% of manufacturing workers in Western New York are over 45 years of age. This is one of the highest age ranges of any industry sector in the region. But, this confluence of economic and demographic factors creates job opportunities for workers who have or can acquire the right skills.

Shortage of Skilled Trades Workers

The Western New York Regional Economic Development Council (WNYREDC) identified the “skills shortage” as a key issue early on. Labor force development soon became one of the

WNYREDC’s cornerstone strategies to revive the region’s economy. They estimate that 17,000 openings, or one-third of all local manufacturing jobs, will be available in the next few years due to retirements.

The WNYREDC conducted employer surveys to learn which manufacturing occupations are in greatest demand locally. They identified seven key occupations that represent over 6,000 jobs:

- Production Operator
- Welder
- CNC Machinist
- Electrician
- Electro-Mechanical Technician
- Quality Assurance Technician
- Industrial Maintenance Mechanic

Workers Needed

A pilot program called Advance Buffalo, led by the State Labor Department and involving other partner agencies, was designed to fill this need for skilled workers. It matches the training needs of workers with the job skills required by Advanced Manufacturing businesses in the region.

They looked at welding first. The WNYREDC conducted surveys and worked with focus groups to identify four levels of welder skills. Setting these levels was important. It helps agencies to screen applicants by skill level and then refer them to the right jobs. Businesses, training providers and job seekers can now interact better and begin to fill the pipeline for welders. The lessons learned from this first phase will be applied to the other key occupations, starting with CNC machinist.



Why Take Part?

Jobseekers interested in a career in Advanced Manufacturing may submit a resume to the Advance Buffalo program. A review of the resume will assess the candidate’s interests and skills. Then, the program will hold mock interviews. The program will evaluate candidates on their “soft” work-readiness skills, as well as reading and math. Drug screening is also part of the assessment process.

If a candidate is ready for an interview, the program will refer the person to companies that are the best fit. The company decides whether or not to hire them. If a potential job candidate needs extra skills, the program may offer training.

For businesses, the Advance Buffalo program helps them hire skilled people at minimal cost to the company. Businesses can see more candidates that closely match their skill needs, which will help them fill their job vacancies faster. This will increase retention, decrease attrition and help to diversify the workforce.

To learn more about the Advance Buffalo program, visit: labor.ny.gov/careerservices/advance-buffalo/advance-buffalo-business.shtm.

Sizing Up... from page 1

Statistical Portrait of New York: March 2013

As of March 2013, there were more than 588,000 private sector business establishments in the state that employed more than 7.1 million workers. Conventional wisdom holds that most jobs exist at the smallest businesses. In fact, New York State’s private sector economy is comprised of a large number of small establishments employing a small number of workers. In March 2013, four in five private sector employers (80%) in the state had less than 10 workers. This smallest size category employed more than 1.1 million, or about one in six workers (16%) in the state’s private workforce.

If we count all private employers in the state with less than 50 workers, this group made up 96% of all establishments (about 565,000), but they employed less than one-half of all workers (43%) in New York in March 2013. Among establishments in this size category, the average number of workers is 5.

In contrast, New York State has only about 1,200 “super-size” establishments, which refers to those with 500 or more employees. This group accounts for only 0.2% of business establishments in the state. However, they employed more than 1.5 million workers, representing more than one in five jobs (21%) in New York State’s private sector workforce. Average employment at establishments in this size category is 1,270.

Industry Analysis

It is clear from the data in the table on page 3 that jobs are not concentrated in the same-sized establishments for all major industry groups. For example, among establishments with less than 50 workers, Other Services had the largest concentration of employees (73%). This largely reflects the fact the two largest industries in Other Services – Membership Organizations/Associations and Personal/Laundry Services – both average less than 10 workers per establishment.

Construction was a close second, with 66% of its industry employment at establishments with less than 50 workers. Leisure and Hospitality was the only other industry group where more than

Continued on page 3

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	FEB '13	FEB '14		FEB '13	FEB '14		FEB '13	FEB '14
New York State	8.6	7.7	Hudson Valley	7.7	6.6	Finger Lakes	8.4	7.3
Capital	7.8	6.7	Dutchess	7.9	6.7	Genesee	8.6	7.5
Albany	7.0	6.0	Orange	8.3	7.1	Livingston	9.7	8.1
Columbia	7.9	6.7	Putnam	6.9	6.0	Monroe	7.9	6.8
Greene	9.9	8.1	Rockland	6.8	6.1	Ontario	8.5	7.4
Rensselaer	7.9	6.8	Sullivan	10.4	9.2	Orleans	10.6	10.2
Saratoga	7.3	6.2	Ulster	9.2	7.8	Seneca	9.0	7.4
Schenectady	7.8	6.7	Westchester	7.3	6.3	Wayne	9.8	8.2
Warren	10.0	8.5	Mohawk Valley	9.8	8.5	Wyoming	10.4	9.1
Washington	9.2	8.2	Fulton	11.1	9.3	Yates	8.1	7.0
Central New York	8.9	7.7	Herkimer	10.4	9.5	Western New York	8.9	7.7
Cayuga	9.0	7.8	Montgomery	11.3	9.5	Allegany	9.0	8.1
Cortland	9.5	8.6	Oneida	9.1	7.8	Cattaraugus	9.6	8.3
Madison	9.4	8.6	Otsego	8.9	7.6	Chautauqua	9.3	8.4
Onondaga	8.1	6.8	Schoharie	11.0	9.8	Erie	8.6	7.4
Oswego	11.7	10.0	North Country	11.0	9.7	Niagara	9.9	8.7
Southern Tier	8.9	7.7	Clinton	10.2	8.6	Long Island	7.3	6.2
Broome	9.2	8.2	Essex	11.2	9.8	Nassau	6.9	5.8
Chemung	9.8	8.4	Franklin	10.9	9.4	Suffolk	7.7	6.6
Chenango	8.9	7.7	Hamilton	11.5	10.0	New York City	9.2	8.6
Delaware	9.9	8.3	Jefferson	11.7	10.5	Bronx	12.5	12.0
Schuyler	10.3	8.4	Lewis	12.4	10.9	Kings	9.9	9.1
Steuben	11.2	9.1	St. Lawrence	10.8	9.7	New York	7.6	6.9
Tioga	9.5	8.6				Queens	8.3	7.8
Tompkins	5.5	4.9				Richmond	8.5	8.0

Sizing Up... from page 2

Private Sector Employment, by Size Class and Sector, New York State, March 2013

	Size Class (Workers)*					Total Jobs**
	0-9	10-49	50-249	250-499	500+	
Total, All Industries	16%	27%	27%	9%	21%	7,149,585
Information	7%	17%	27%	15%	34%	255,532
Construction	29%	37%	26%	6%	2%	298,791
Other Services	42%	31%	20%	5%	2%	334,641
Manufacturing	7%	23%	36%	13%	21%	450,575
Financial Activities	21%	25%	20%	10%	25%	666,494
Leisure and Hospitality	15%	44%	29%	5%	8%	782,618
Professional and Business Services	15%	24%	29%	12%	21%	1,171,552
Trade, Transportation and Utilities	19%	31%	31%	10%	9%	1,477,884
Educational and Health Services	8%	18%	21%	9%	43%	1,659,311

Source: Quarterly Census of Employment and Wages

*Note: Detail may not sum to 100% due to rounding.

**Total includes agriculture and nonclassified categories not shown separately.

one-half of industry jobs (59%) were at establishments with 0-49 workers. This result is not a surprise, since industry employment is dominated by restaurants and bars, which only average 13 workers per site.

At the other end of the size spectrum is the Educational and Health Services sector. Here, 43% of jobs are found at "super-size" establishments. This result is consistent with a recent State Department of Labor analysis which found that seven of the 10 largest private sector employers

in New York were universities or hospitals (see labor.ny.gov/stats/nys/Largest-private-sector-employers-NYS.shtm).

Within Health Services, General Medical and Surgical Hospitals have the largest average establishment size by far, averaging 1,580 employees. A distant second is Specialty Hospitals with 720 workers per establishment. In the Educational Services sector, Colleges, Universities and Professional Schools have the highest average number of employees per establishment with 450.

Other industry sectors in New York with higher-than-average employment shares at "super-size" establishments include Information (34%) and Financial Activities (25%). In contrast, Other Services (2%) and Construction (2%) had shares that were well below average.

Conclusion

Analyzing size class data from the Quarterly Census of Employment and Wages offers important insights into the makeup of New York State's private sector. While the overall size of New York State's private sector economy has grown over the past decade, the size class structure has changed relatively little. For more information regarding the QCEW program, see:

labor.ny.gov/stats/LSQCEW.shtm.

by Louis Solano

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CAPITAL

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Over the past year, the Capital Region's private sector job count grew by 1,800, or 0.4 percent, to 407,000 in February 2014. Gains were centered in natural resources, mining and construction (+800), trade, transportation and utilities (+800), educational and health services (+700) and leisure and hospitality (+600). Professional and business services (-1,200) had the largest decline.

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

For the 12-month period ending February 2014, the private sector job count in the Syracuse metro area was unchanged at 254,600. Job growth was concentrated in leisure and hospitality (+1,100) and trade, transportation and utilities (+500). The largest job losses were in natural resources, mining and construction (-500), financial activities (-400), manufacturing (-400) and professional and business services (-400).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector jobs in the Rochester metro area increased over the year by 1,600, or 0.4 percent, to 429,500 in February 2014. Gains were concentrated in educational and health services (+2,800) and leisure and hospitality (+1,400). Losses were greatest in construction (-1,600) and trade, transportation and utilities (-700).

HUDSON VALLEY

John Nelson — 914-997-8798

For the 12-month period ending February 2014, private sector jobs in the Hudson Valley increased by 8,100, or 1.1 percent, to 730,500. Gains were strongest in educational and health services (+3,900), professional and business services (+3,800), trade, transportation and utilities (+1,300), financial activities (+1,100) and leisure and hospitality (+1,100). Losses occurred in natural resources, mining and construction (-1,900) and manufacturing (-1,000).

LONG ISLAND

Shital Patel — 516-934-8533

Private sector jobs on Long Island increased over the year by 17,300, or 1.7 percent, to 1,054,300 in February 2014. Gains were led by trade, transportation and utilities (+7,200), educational and health services (+6,300) and leisure and hospitality (+3,500). Losses were largest in professional and business services (-1,700) and natural resources, mining and construction (-700).

MOHAWK VALLEY

Mark Barbano — 315-793-2282

For the 12-month period ending February 2014, private sector jobs in the Mohawk Valley rose by 200, or 0.1 percent, to 142,700. Gains were greatest in leisure and hospitality (+600) and educational and health services (+500). Losses were greatest in professional and business services (-600).

NEW YORK CITY

James Brown — 212-775-3330

Private sector jobs in New York City rose by 88,700, or 2.6 percent, to 3,442,200 for the 12-month period ending February 2014. Job growth was greatest in educational and health services (+26,200), trade, transportation and utilities (+21,500), professional and business services (+18,100), leisure and hospitality (+8,900) and information (+7,200).

SOUTHERN TIER

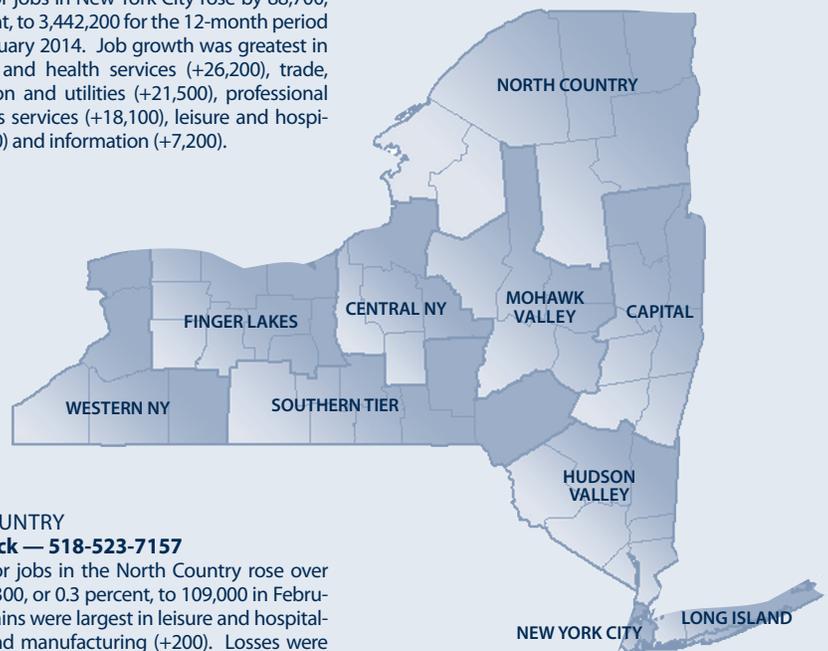
Christian Harris — 607-741-4485

Private sector jobs in the Southern Tier fell over the year by 1,100, or 0.5 percent, to 229,500 in February 2014. Job gains were largest in professional and business services (+700) and leisure and hospitality (+600). Losses were centered in educational and health services (-1,100), manufacturing (-600), natural resources, mining and construction (-400) and trade, transportation and utilities (-400).

WESTERN NY

John Slenker — 716-851-2742

The private sector job count in the Buffalo-Niagara Falls metro area increased over the year by 4,800, or 1.1 percent, to 450,800 in February 2014. Gains were centered in professional and business services (+1,900), trade, transportation and utilities (+1,900), educational and health services (+1,500) and leisure and hospitality (+600). Losses were greatest in natural resources, mining and construction (-500) and manufacturing (-400).



NORTH COUNTRY

Alan Beideck — 518-523-7157

Private sector jobs in the North Country rose over the year by 300, or 0.3 percent, to 109,000 in February 2014. Gains were largest in leisure and hospitality (+300) and manufacturing (+200). Losses were centered in trade, transportation and utilities (-200).