

Employment

IN NEW YORK STATE

David A. Paterson, Governor
M. Patricia Smith, Commissioner

At a Glance

In May 2009, New York's seasonally adjusted unemployment rate was 8.2 percent, up from 7.7 percent in April 2009. (The nation's unemployment rate was 9.4 percent in May.) In May 2009, the state had 8,609,600 nonfarm jobs, including 7,102,000 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state decreased by 0.3 percent from April, while the U.S. private sector job count decreased by 0.3 percent. From May 2008 to May 2009, the number of private sector jobs decreased by 2.7 percent in the state and decreased by 4.9 percent in the U.S. (not seasonally adjusted). In addition, New York's Index of Coincident Economic Indicators decreased at an annual rate of 3.6 percent in May 2009.

Change in Nonfarm Jobs

May 2008 - May 2009

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	-196.4	-2.2%
Private Sector	-194.7	-2.7%
Goods-producing	-67.2	-7.4%
Nat. res. & mining	-0.3	-4.5%
Construction	-25.3	-6.9%
Manufacturing	-41.6	-7.7%
Durable gds.	-30.0	-9.4%
Nondurable gds.	-11.6	-5.3%
Service-providing	-129.2	-1.6%
Trade, trans. & util.	-61.2	-4.0%
Wholesale trade	-21.5	-6.1%
Retail trade	-26.5	-3.0%
Trans., wrhs. & util.	-13.2	-4.7%
Information	-10.7	-4.1%
Financial activities	-33.9	-4.7%
Prof. & bus. svcs.	-39.9	-3.4%
Educ. & health svcs.	33.7	2.1%
Leisure & hospitality	-14.9	-2.0%
Other services	-0.6	-0.2%
Government	-1.7	-0.1%

\$26.7 Billion Coming to NYS...

The Federal Stimulus: What It Means for the NYSDOL

The federal stimulus package -- officially known as the American Recovery and Reinvestment Act (ARRA) of 2009 -- was signed into law on February 17, 2009. It is the centerpiece of the Obama administration's efforts to jumpstart the nation's economy, which is mired in the longest recession in more than 70 years. This article looks at the provisions of the federal stimulus that affect the Empire State, with a special focus on programs administered by the New York State Department of Labor.

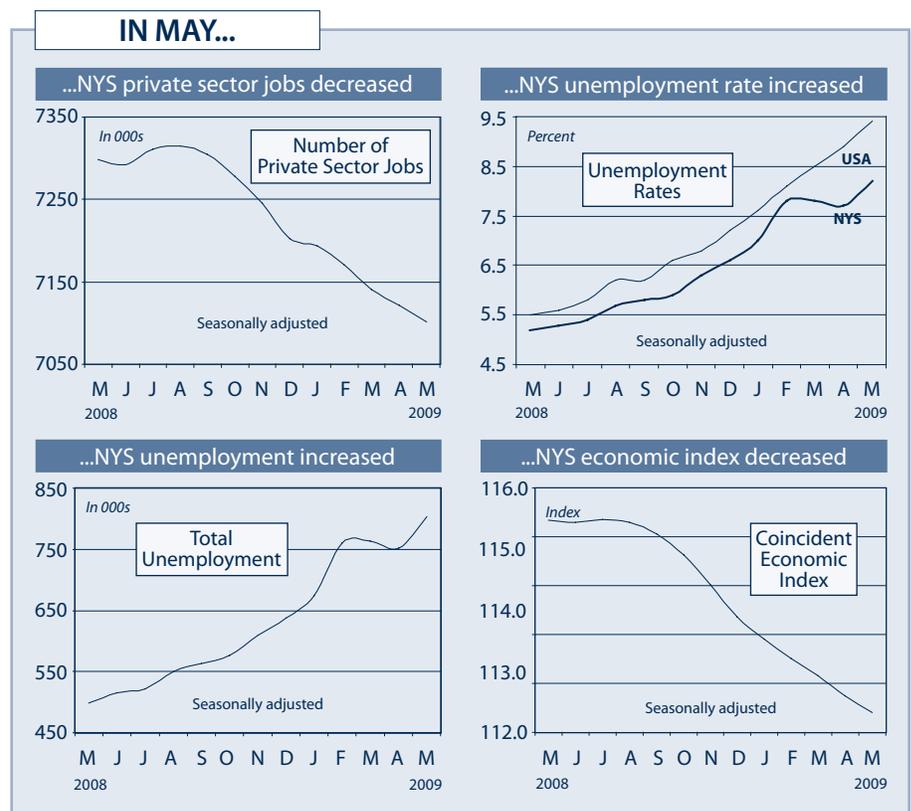
The Big Picture

The ARRA is expected to inject \$789 billion -- including \$463 billion in new program spending and \$326 billion in tax relief -- into the national economy.

The Obama administration estimates the stimulus will create or save 3.5 million jobs in the United States, with over 90 percent of these in the private sector. Spending on stimulus programs is designed to spur demand for goods and services, and in turn, create new jobs by boosting the demand for labor by businesses.

It is important to note that most of the spending included in the federal stimulus package will not occur overnight. It is slated to take place over the next two years. The Congressional Budget Office expects 70 percent of the money to be spent by September 2010.

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Focus on the Capital Region

Local Labor Market Continues to Surprise

by Jim Ross, Labor Market Analyst, Capital Region

Even though the Albany-Schenectady-Troy (A-S-T) metropolitan area's labor market has suffered through its weakest period in many years, it has once again beaten the national average during the current recession. In May 2009, the local area's unemployment rate was 6.8 percent, its highest level for the month in at least two decades. This higher jobless rate was accompanied by the net loss of 11,300 nonfarm jobs -- the area's steepest over-the-year decline since September 1991.

Challenging Times

The area's job losses have been widespread, as government (-2,200) suffered the largest decline of any single sector over the last 12 months, with the heaviest losses at the state level (-2,000). The State's budget and fiscal challenges, which were exacerbated by the meltdown on Wall Street, led to a hiring freeze by State agencies. Because the local area is home to the state's capital, it was disproportionately affected by the freeze. In addition, many local municipalities and school districts have reduced staffing levels in the face of declining budgets.

The trade, transportation and utilities (-2,100) and leisure and hospitality (-1,400) sectors both experienced significant employment losses over the past year, mostly due to reduced consumer spending. The decline in trade, transportation and utilities jobs was centered in wholesale and retail trade (-1,500), which is particularly sensitive to economic fluctuations. The drop in leisure and hospitality employment was focused in the accommodation and food

services industry (-800). Less disposable income and lower net worth, brought on by reduced home values and poor investment returns, typically causes people to cut back on meals out and recreational activities.

The natural resources, mining and construction sector (-1,800) also suffered a large job loss over the past 12 months. Declining demand for housing and a near-collapse of credit markets slowed residential and commercial construction. This industry will likely be one of the first to benefit from the federal stimulus as the Capital Region should receive \$98 million in funds for bridge and roadwork. In addition, the State Department of Transportation will award the region \$87 million in highway and bridge contracts, while the Consolidated Highway Improvement Program will chip in \$31 million.

"Despite a weak economy, the local area continues to outperform the nation during this recession."

Perhaps more significantly, construction is beginning on the new Global Foundries chip fabrication facility in Saratoga County. Up to 1,200 workers will help build the plant's 800,000-square-foot shell. The State of New York will contribute \$650 million toward the project's \$800 million construction cost. When the cost of tools and equipment are factored in, the plant's overall value climbs to \$4.2 billion, making it the largest economic development project in the state's history.

Local Area Outperforms the U.S.

Given these pressures, the local labor market continues to surprise. Between the start of the U.S. recession in December 2007 and May 2009, the A-S-T metro area's total nonfarm job



"Some of the many services offered to businesses by the NYS Department of Labor include the Shared Work program, the Work Opportunity Tax Credit for hiring eligible individuals (including veterans), and the Building Skills in NYS program (BUSINYS), which provides up to \$50,000 in training funds to upgrade the skills of current workers."

Bruce Herman,

Deputy Commissioner for Workforce Development

count declined by 2.0 percent; less than one-half the 4.3 percent loss for the nation for the same period. Moreover, the area's 6.8 percent jobless rate in May 2009 shines compared to the U.S. rate of 9.1 percent.

Another surprise is that the source of the area's relative strength is not the large number of state government jobs in the area -- long thought to provide a buffer to the business cycle. Rather, the muscle resides in private sector industries, such as health care, high-tech services, and even a resilient manufacturing sector. Over the past year, the 2.6 percent drop in the local area's private sector job count was much smaller than the 4.9 percent decline recorded at the national level.

Despite the worst economic conditions in many years, the local labor market continues to outperform the nation by a wide margin. As overall economic conditions in the U.S. improve, the region is well positioned to take advantage of its emerging strengths and overcome its challenges. ■

The Federal Stimulus... from page 1

The Stimulus and NYSDEL

Of the \$436 billion in nationwide ARRA spending, \$374 billion are for national programs that will impact our state. Of the \$374 billion, New York is expected to receive \$26.7 billion, including more than \$2.7 billion in funding for several State Department of Labor programs. The Obama economic team estimates that this spending will create or retain 215,000 jobs in the state.

See the table on page 3 for a breakdown of spending. The majority (52.8 percent) of the money slated for New York is for fiscal relief. Spending in this category is designed to pre-

vent state and local cuts to health and education programs, and to help avoid the need for state and local tax increases. Stimulus funding for other categories includes: health and human services, 22.4 percent; infrastructure and energy projects, 15.6 percent; education, 8.8 percent; and, public safety, 0.5 percent.

Under the federal stimulus, the State Department of Labor is able to improve service to New York's increasing number of unemployed, which swelled to 854,200 in June 2009. Legislation enacted in 2008 established the Emergency Unemployment Compensation (EUC) program, which provides up to 33 weeks of benefits to

laid-off workers who remain unemployed after receiving 26 weeks of regular Unemployment Insurance (UI) benefits. In addition, the ARRA extended the period of qualifying unemployment -- from March 31, 2009 to the end of 2009 -- for which claimants can file initial claims for EUC benefits.

The ARRA also temporarily funds all the costs of up to 20 additional weeks of benefits through the existing Extended Benefit (EB) program for laid-off workers who used up all their regular UI and EUC benefits. An unemployed person may now collect up to 79 weeks of regular UI,

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Unemployment Rates in New York State

Data Not Seasonally Adjusted

	MAY '08	MAY '09		MAY '08	MAY '09		MAY '08	MAY '09
New York State	4.9	8.0	Hudson Valley	4.8	7.2	Finger Lakes	5.2	7.7
Capital District	4.7	6.9	Dutchess	4.9	7.4	Genesee	5.1	7.0
Albany	4.7	6.6	Orange	5.2	7.7	Livingston	5.5	7.8
Columbia	4.5	7.4	Putnam	4.3	6.6	Monroe	5.2	7.7
Greene	5.6	8.5	Rockland	4.6	6.8	Ontario	4.7	6.9
Rensselaer	4.9	7.3	Sullivan	6.1	8.5	Orleans	6.4	8.8
Saratoga	4.3	6.3	Ulster	5.1	7.5	Seneca	5.2	7.5
Schenectady	4.9	7.2	Westchester	4.5	7.0	Wayne	5.2	8.1
Warren	5.0	7.4	Mohawk Valley	5.4	7.6	Wyoming	5.5	8.2
Washington	5.0	7.6	Fulton	6.1	9.3	Yates	4.4	6.4
Central New York	5.2	8.0	Herkimer	5.6	7.4	Western New York	5.7	8.3
Cayuga	4.9	8.0	Montgomery	6.3	9.0	Allegany	5.7	8.6
Cortland	5.4	8.6	Oneida	5.0	7.2	Cattaraugus	5.7	8.6
Madison	4.9	7.6	Otsego	5.1	6.8	Chautauqua	5.0	8.0
Onondaga	4.9	7.6	Schoharie	5.6	7.8	Erie	5.5	8.1
Oswego	6.5	9.6	North Country	6.2	8.9	Niagara	6.6	9.3
Southern Tier	5.0	7.9	Clinton	6.1	9.4	Long Island	4.5	6.9
Broome	5.1	7.9	Essex	6.1	9.4	Nassau	4.5	6.8
Chemung	5.2	9.2	Franklin	6.5	8.3	Suffolk	4.6	7.0
Chenango	5.9	8.4	Hamilton	5.7	7.6	New York City	4.8	8.7
Delaware	5.7	8.1	Jefferson	6.0	8.1	Bronx	6.4	10.8
Schuyler	4.8	7.8	Lewis	5.7	8.9	Kings	5.1	9.2
Steuben	5.3	9.7	St. Lawrence	6.6	9.3	New York	4.2	8.1
Tioga	4.7	7.9				Queens	4.3	7.9
Tompkins	3.8	5.4				Richmond	4.3	7.4

The Federal Stimulus... from page 2

EUC, and EB benefits. EB benefits are payable in New York State for weeks of unemployment through December 27, 2009. (Note: People who file initial claims for UI now do not qualify for EUC/EB; that deadline has passed. As a result, the estimated 500,000 New York State residents who will become unemployed by the end of 2009 will qualify only for regular UI. Unless Congress extends the deadlines for qualifying for EUC/EB benefits, these residents will not qualify for either of the additional programs.)

Other UI enhancements made by the federal stimulus include payment of an additional \$25 per week to UI recipients; payments are retroactive to the beginning of March 2009. Workers who have lost their jobs as a result of foreign trade may qualify for expanded training, health care and re-employment benefits under Trade Adjustment Assistance (TAA) programs. The State Department of Labor also received additional administrative funds to improve unemployment claims processing.

Enhancements to the department's worker training programs are another important facet of the federal stimulus. The department is developing pilot programs that focus on training low-income individuals, dislocated workers, the emerging workforce and incumbent workers. We have allocated money for worker training and placement in high-growth and emerg-

ing industries, including energy efficiency and renewable energy, as well as health care.

The stimulus also expanded the federal Work Opportunity Tax Credit (WOTC) to businesses that hire unemployed veterans and disconnected youth; previously, the WOTC covered some veterans and public assistance recipients. Another program impacted by the stimulus is Shared Work, which offers an alternative to layoffs for employers facing a temporary decline in business. Employees get partial jobless benefits, and employers get to retain skilled workers. The UI benefits provided to Shared Work participants are subject to the ARRA extensions and increases to UI benefits outlined above.

Landing a Stimulus Job

To help match job seekers with available jobs created by the ARRA, companies hired to work on stimulus-related projects in New York MUST advertise jobs on the New York State Job Exchange, the department's job bank.

To search for a stimulus-related job, go to www.americasjobexchange.com/ny. Next, type "ARRA" in the key word section, enter your zip code and how many miles you are willing to commute from that zip code, and then hit the "search" button. ■

by Kevin Jack

New York State's ARRA Spending

Category	Two-year Spending (\$ billions)
State Fiscal Relief	\$14.12
Health & Human Services	\$5.98
Workforce Investment Act	\$0.17
UI Benefit Extension & Admin.	\$1.61
UI Modernization	\$0.44
UI Weekly Benefit Increase	\$0.51
Employment Services	\$0.02
Trade Adjustment Assistance	\$0.01
Balance of Category	\$3.22
Infrastructure and Energy	\$4.16
Education	\$2.36
Public Safety	\$0.12
Grand Total	\$26.75

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REGIONAL ANALYSTS' CORNER

CAPITAL DISTRICT

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From May 2008 to May 2009, the number of private sector jobs in the Albany-Schenectady-Troy area fell 9,100, or 2.6 percent, to 336,700. Educational and health services had a small gain. Job losses were greatest in trade, transportation and utilities (-2,100), natural resources, mining and construction (-1,800), professional and business services (-1,500), leisure and hospitality (-1,400), manufacturing (-1,200), and information (-700).

CENTRAL NY

Roger Evans -- 315-479-3388

For the 12-month period ending May 2009, the private sector job count in the Syracuse metro area fell 4,400, or 1.7 percent, to 262,200. Job growth was concentrated in educational and health services (+500) and natural resources, mining and construction (+200). The largest job losses occurred in manufacturing (-2,000), trade, transportation and utilities (-1,600), leisure and hospitality (-900), and information (-400).

FINGER LAKES

Tammy Marino -- 585-258-8870

Private sector employment in the Rochester metropolitan area declined over the year by 6,300, or 1.4 percent, to 432,900 in May 2009. Employment gains were limited to educational and health services (+2,900). Job losses were greatest in manufacturing (-3,800), trade, transportation and utilities (-2,000), leisure and hospitality (-1,000), professional and business services (-1,000), construction (-600), and financial activities (-500).

HUDSON VALLEY

John Nelson -- 914-997-8798

Private sector employment in the Hudson Valley decreased 17,300, or 2.3 percent, to 741,300 for the 12-month period ending May 2009. Only educational and health services (+3,500) added jobs. Losses were largest in trade, transportation and utilities (-6,700), manufacturing (-3,600), professional and business services (-3,100), leisure and hospitality (-2,600), natural resources, mining and construction (-2,400), and financial activities (-1,400).

LONG ISLAND

Gary Huth -- 516-934-8533

The private sector job count on Long Island declined over the year by 35,000, or 3.3 percent, to 1,036,300 in May 2009. Growth was limited to educational and health services (+3,700). The largest losses occurred in trade, transportation and utilities (-13,400), natural resources, mining and construction (-8,400), professional and business services (-4,800), manufacturing (-4,600), and financial activities (-2,600).

MOHAWK VALLEY

Mark Barbano -- 315-793-2282

For the 12-month period ending May 2009, the private sector job count in the Utica-Rome metro area decreased 1,600, or 1.6 percent, to 97,700. A small job gain was recorded in educational and health services. Losses were greatest in manufacturing (-700), professional and business services (-300), and trade, transportation and utilities (-300).

NEW YORK CITY

James Brown -- 212-775-3330

Private sector employment in New York City fell by 91,200, or 2.8 percent, to 3,146,100. Job growth occurred in educational and health services (+16,300) and other services (+900). Losses were greatest in financial activities (-28,000), trade, transportation and utilities (-24,700), professional and business services (-22,700), manufacturing (-12,700), and natural resources, mining and construction (-9,700).

SOUTHERN TIER

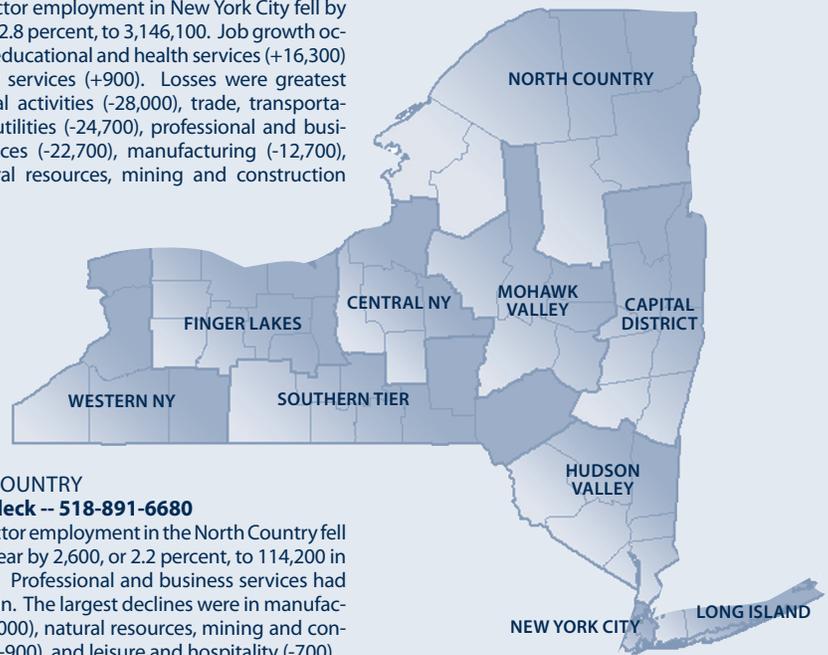
Christian Harris -- 607-741-4485

Private sector employment in the Southern Tier declined over the year by 6,400, or 2.6 percent, to 236,000 in May 2009. Job gains were focused in educational and health services (+900). Job losses were greatest in manufacturing (-3,000), professional and business services (-1,300), leisure and hospitality (-1,000), natural resources, mining and construction (-900), financial activities (-400), and trade, transportation and utilities (-300).

WESTERN NY

John Slenker -- 716-851-2742

For the 12-month period ending May 2009, private sector jobs in the Buffalo-Niagara Falls metro area decreased by 14,500, or 3.2 percent, to 444,700. Employment declines were largest in trade, transportation and utilities (-4,900), manufacturing (-2,900), natural resources, mining and construction (-2,200), professional and business services (-2,200), and leisure and hospitality (-1,000).



NORTH COUNTRY

Alan Beideck -- 518-891-6680

Private sector employment in the North Country fell over the year by 2,600, or 2.2 percent, to 114,200 in May 2009. Professional and business services had a small gain. The largest declines were in manufacturing (-1,000), natural resources, mining and construction (-900), and leisure and hospitality (-700).