

# EMPLOYMENT

## in New York State

George E. Pataki, Governor

January 2004

Linda Angello, Commissioner

### Most Workers at Larger Establishments...

## Sizing Up The Workforce

**W**ho employs the most workers – small, large, or mid-sized firms? Which industry has the greatest percentage of its employment at small (or large) businesses? These and many related questions can be answered with size-of-establishment data, which can be used to confirm or dispel popular conceptions about the economy.

For instance, conventional wisdom has held that most jobs are maintained in small businesses. However, while the vast majority (about 80%) of the state's 539,000 business establishments are classified as small (i.e., they employ fewer than 10 workers), they accounted for only 1.1 mil-

lion — just 16% — of the nearly 6.9 million private sector jobs in New York in June 2003. In contrast, establishments with 50 or more employees represented only 4% of establishments, but employed a majority (57%) of private sector workers (see table).

When analyzed in terms of industry, only construction reported a substantially greater-than-average employment share (28%) at small establishments. Two groups — financial activities and trade, transportation and utilities (TTU) — had slightly higher-than-average (18-19%) small establishment employment shares, while manufacturing and information had, by far, the lowest shares in small establishments (6% and 7%, respectively).

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### At a Glance

In November 2003, New York's seasonally adjusted unemployment rate was 6.1 percent, down from 6.2 percent in October. (The nation's unemployment rate was 5.9 percent in November.) In November 2003, the state had 8,410,800 nonfarm jobs, including 6,934,100 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from October. (The nation's private sector job count remained essentially flat over the month.) From November 2002 to November 2003, the number of private sector jobs decreased 0.1 percent in the state and 0.1 percent in the nation. In addition, New York's employment population ratio, a measure of labor force participation, was up slightly from October.

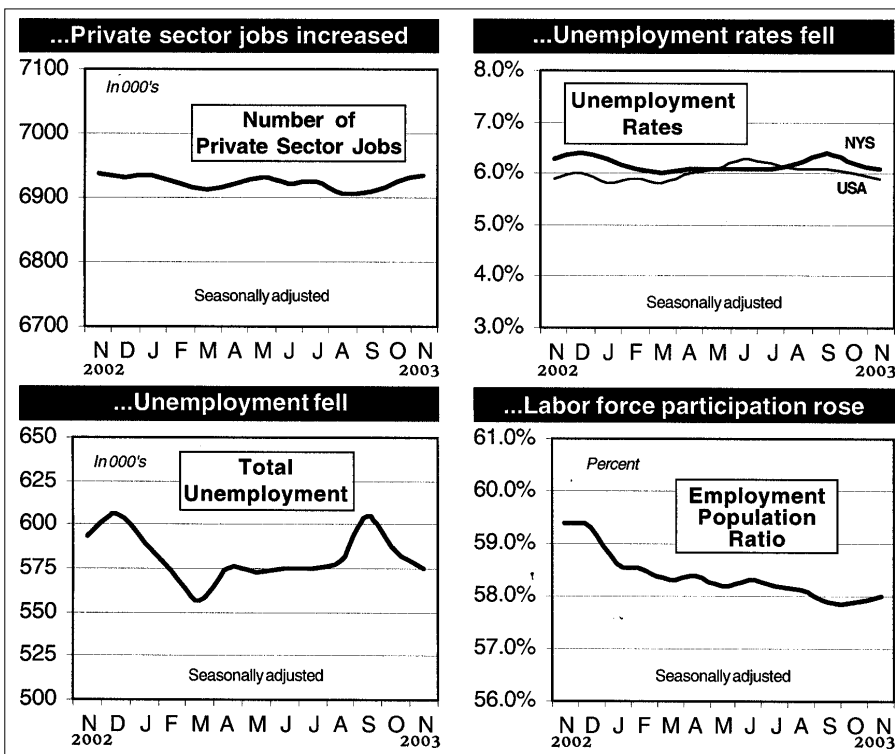
### Change in Nonfarm Jobs

Nov 2002 - Nov 2003

(Data not seasonally adjusted, numbers in thousands)

	Net	%
Total nonfarm jobs	-10.6	-0.1
Private sector	-5.1	-0.1
Goods-producing	-17.1	-1.8
Nat. resour. & ming.	-0.2	-3.7
Construction	11.5	3.5
Manufacturing	-28.4	-4.4
Durable goods	-15.8	-4.3
Nondurable goods	-12.6	-4.5
Service-providing	6.5	0.1
Trade, trans. & util.	-3.3	-0.2
Wholesale trade	-2.5	-0.7
Retail trade	0.4	0.0
Trans., whrs. & util.	-1.2	-0.4
Information	-13.4	-4.6
Financial activities	2.2	0.3
Prof. & bus. svcs.	-11.2	-1.1
Educ. & health svcs.	17.7	1.2
Leisure & hospitality	16.3	2.6
Other services	3.7	1.1
Government	-5.5	-0.4

## IN NOVEMBER...



# Focus on the Finger Lakes

Rochester Ranked World's 4th-Best "Knowledge Economy"

by Bill Ramage, Labor Market Analyst - Finger Lakes Region

**E**conomic conditions in the Finger Lakes region stabilized in 2003 following two years of steadily rising unemployment rates. Since the beginning of 2003, the unemployment rate in the region has been at or below comparable year-earlier levels for eight out of 11 months. This is a big improvement over 2002, which posted the highest annual average jobless rate, 5.9 percent, since 1986.

Despite significant cutbacks at its two largest manufacturers, Eastman Kodak and Xerox, a cautious optimism prevails for the area's economic performance in 2004. In fact, a recent report from United Kingdom-based think tank Robert Higgins Associates reaffirmed the region's status as a bastion of high-tech firms and workers. The release ranked Rochester as the fourth-best "knowledge-based economy" in the world, which it defined as having "the capacity and capability to create and innovate new ideas, thoughts, processes and products, and to translate these into economic value and wealth." Local companies that fit this definition include Bausch and Lomb Co., which intends to increase its capabilities in developing pharmaceutical and drug delivery products by building new laboratories that will add up to 50 scientists. Another such firm is Current Link, a deliverer of broadband power line communications equipment and networks. It plans to create 400 jobs that pay an average salary of \$70,000, ranging from engineers to marketing representatives. A third such firm is Integrated Nano-Technologies, developer of a biosensor with



**"The Finger Lakes regional economy has been very resilient over the years. Once dependent only on large manufacturers for jobs, the area's employment base has become more diversified with a mix of local companies of all sizes in a variety of industries, including many in the emerging biotech, infotonics and other new high-tech fields."**

*Peter Pecor,  
Regional Administrator*

medical and military applications, which plans to invest \$15 million and add 105 jobs. Two other firms, General Motors Corp. and Delphi Corp., are racing to develop hydrogen fuel cells as an alternative, non-polluting source of power.

Further investigation shows that the recovery from the recent national recession gathered momentum in the outlying counties of the nine-county Finger Lakes region. Orleans County and Wyoming County, which gained 400+ jobs at Washington Mutual Bank and 300+ jobs at Sallie Mae, respectively, posted the highest single employment expansions in

2002. In 2003, Seneca County received a boost from expansions at Recovery Technologies Group, a tire recycler, and an outlet mall near Waterloo. In Wayne County, increased defense spending pushed jobs higher in related industries in 2003 and promises more jobs in 2004. At Ultralife Batteries Inc., employment rose more than 20 percent over the year with gains expected to continue. In Rochester, Harris RF plans to hire 170 engineers and other staff over the next two years, due to strong demand for military radios. Also in Rochester, customer management firm Concentrix Corp. expects to add roughly 100 jobs in the next year to its current workforce of 250. The company works with firms in a variety of industries such as telecommunications, health and financial services, imaging and e-learning, focusing on helping clients retain and attract new customers through data-focused and customer-centric communications.

Two of the most positive developments occurred in Ontario County. In Geneva, building will commence this spring at the Cornell Agriculture and Food Technology Park, which will ultimately generate about 600 high-tech jobs. The facility will serve as a research incubator for companies collaborating with Cornell University scientists to develop new agricultural, food and biotechnology products, including food products engineered to be safe from potential tampering and bioterrorism. In Canandaigua, the start-up of the Infotonics Technology Center provided a major boost with long-term

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## Key Industry Sectors to Map Career Ladders

**R**esearch shows that workers with a plan that charts training and education requirements attain faster career advancement. This career road map is not always obvious, especially in developing industries. As a result, many policy experts are calling for the creation of career ladders — long-term career progression pathways that show workers how to advance.

Career ladders are especially important in high-wage, high-growth fields such as information technology and biotechnology. As a framework for lifelong learning, career pathways begin with basic skills,

then help employees integrate their education with work. This combination can propel individuals toward progressively higher levels of skill, responsibility and wages.

Businesses that have a defined career ladder gain an advantage in recruiting and training new workers and in retaining their existing workforce. The New York State Department of Labor is coordinating with the State Workforce Investment Board to create a list of highly qualified consulting organizations that will help employers create and use career ladders.

Six organizations recently received contracts to bid on career ladder mapping

assignments from the State Labor Department: World Class Industrial Network LLC/The FREEdLANCE Group; Workforce Strategy Center; Research Foundation of SUNY (Stony Brook); Cornell University; Aerospace and Defense Diversification Alliance in Peacetime Transitions (ADDAPT); and Syracuse University School of Education.

The consultants will focus on mapping careers in Biotechnology, Photonics, Semiconductors, Information Technology and Advanced Manufacturing. For more information on this program, go to [www.workforcenewyork.com](http://www.workforcenewyork.com).

## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	NOV '02	NOV '03		NOV '02	NOV '03		NOV '02	NOV '03
<b>New York State</b>	<b>6.2</b>	<b>6.1</b>	<b>Hudson Valley</b>	<b>4.0</b>	<b>4.0</b>	<b>Southern Tier</b>	<b>5.7</b>	<b>5.6</b>
<b>Capital District</b>	<b>3.7</b>	<b>3.8</b>	Dutchess	3.9	3.7	Broome	5.9	5.6
Albany	3.1	3.2	Orange	4.1	4.5	Chemung	6.7	6.7
Columbia	3.0	3.2	Putnam	3.2	3.3	Chenango	5.7	6.4
Greene	4.7	5.1	Rockland	3.8	3.7	Delaware	4.9	4.2
Rensselaer	4.1	4.2	Sullivan	4.9	5.8	Otsego	4.2	4.3
Saratoga	3.3	3.5	Ulster	4.1	4.4	Schuyler	7.9	7.3
Schenectady	3.6	3.9	Westchester	4.0	3.9	Steuben	8.3	7.8
Warren	6.2	6.0	<b>Mohawk Valley</b>	<b>5.2</b>	<b>5.5</b>	Tioga	5.5	5.4
Washington	4.7	4.6	Fulton	4.9	5.6	Tompkins	3.1	3.4
<b>Central New York</b>	<b>5.4</b>	<b>5.9</b>	Herkimer	5.8	5.4	<b>Western New York</b>	<b>5.9</b>	<b>6.6</b>
Cayuga	5.3	6.3	Madison	5.7	6.7	Allegany	6.1	7.9
Cortland	6.6	7.4	Montgomery	5.8	6.0	Cattaraugus	6.4	7.9
Onondaga	4.8	5.1	Oneida	5.0	5.1	Chautauqua	6.1	6.5
Oswego	7.6	8.6	Schoharie	4.6	5.1	Erie	5.5	6.2
<b>Finger Lakes</b>	<b>5.7</b>	<b>5.8</b>	<b>North Country</b>	<b>6.8</b>	<b>7.3</b>	Niagara	7.2	7.7
Genesee	6.8	7.3	Clinton	4.8	5.7	<b>Long Island</b>	<b>4.1</b>	<b>4.1</b>
Livingston	5.8	6.3	Essex	6.1	6.5	Nassau	3.9	3.9
Monroe	5.4	5.6	Franklin	6.1	6.9	Suffolk	4.4	4.3
Ontario	5.2	5.4	Hamilton	7.0	8.7	<b>New York City</b>	<b>8.3</b>	<b>7.8</b>
Orleans	7.4	7.2	Jefferson	8.5	8.5	Bronx	10.3	10.2
Seneca	5.7	5.5	Lewis	7.6	7.7	Kings	9.2	8.7
Wayne	7.5	6.7	St. Lawrence	7.1	7.8	New York	8.5	7.3
Wyoming	5.6	6.7				Queens	6.7	6.4
Yates	5.1	4.3				Richmond	6.8	6.6

Focus...

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implications. The center, part of Governor Pataki's \$1 billion high-technology initiative, is a cooperative effort among the private sector (Eastman Kodak, Corning and Xerox), educational institutions and government. Research and development related to photonics, the study of harnessing light for power, is expected to create 5,000 jobs by 2010 – in part by spinning off new high-tech companies. Other job-generating developments in Ontario County include the expansion of the Eastview Mall, which should boost employment by 150; the completion of a casino with video lottery terminals at the Finger Lakes Race Track, which will employ 160 full-time workers when it opens in 2004; and the construction and opening of a Lowe's Home Improvement Warehouse in Canandaigua that will add 175 jobs.

Despite these many positive developments, there is a cloud hanging over the local economy: Eastman Kodak, the region's largest employer, will slash many jobs in the next 12 months, as it shifts from film to digital technologies. On a slightly brighter note, Xerox, which shed 200 workers in mid-December, does not project any cutbacks for 2004. Nonetheless, the many announcements of planned openings and expansions at small- to mid-sized firms, along with an anticipated push from a steadily expanding national economy, bode well for the region's prospects in the coming year.

Most Workers...

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### Private Sector Employment, by Size Class and Sector, New York State, June 2003

	0 to 9	10 to 49	50 to 249	250 to 499	500 or more	TOTAL
All Industries	16%	27%	26%	9%	22%	6,876,400
Construction	28	38	26	4	3	328,500
Manufacturing	6	22	34	12	25	615,200
Information	7	17	29	11	36	273,600
Finance	18	23	20	8	31	697,300
TTU	19	32	30	9	9	1,467,800
Services	14	25	25	9	26	3,390,500

Source: UI tax records

In contrast, "super-size" establishments, those with 500 or more employees, accounted for only 0.2% of establishments, but employed almost 1.5 million, or nearly 22% of workers. Information and financial activities had higher-than-average employment shares at "super-size" firms (36% and 31%, respectively), while construction (3%) and TTU (9%) had shares that were well below average.

The services sector (educational & health, leisure & hospitality, professional & business, other) remains, by far, the largest in the state, with almost 3.4 million, or 49%, of all private sector jobs. Accordingly, the state's overall employee size-class distribution largely follows that of services: 14% at small establishments (less than 10 employees), 25% at each of the next larger size classes (10-49 and 50-249), 9% at firms with 249-499 employees, and 26% at "super-size" firms. In this respect, monitoring trends in the share of workers employed at establishments in the services sector

could serve as a "size"-mograph for detecting similar trends in the state economy.

by Jonathan Cole

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## REGIONAL ANALYSTS' CORNER

**FINGER LAKES  
 WILLIAM RAMAGE  
 585-258-8870**

Private sector employment fell by 1,600 (-0.3 percent) over the year to 471,600 in the Finger Lakes region. Employment increases occurred in educational and health services (+3,100), professional and business services (+1,200) and information (+400). More than offsetting these gains were job losses in manufacturing (-3,400), natural resources, mining and construction (-1,600) and trade, transportation and utilities (-1,300).

**CENTRAL NY  
 ROGER EVANS  
 315-479-3388**

The Syracuse area economy added 1,600 (+0.6 percent) private sector jobs over the 12 months ending in November 2003, despite continuing weakness in manufacturing. The largest gains were in leisure and hospitality, education and health services, professional and business services, and financial activities.

**MOHAWK VALLEY  
 MARK BARBANO  
 315-793-2282**

From November 2002 to November 2003, private sector employment in the Utica-Rome area rose 1,000, or 0.9 percent, 107,200. Gains were greatest in educational and health services (+900), leisure and hospitality (+800), and trade, transportation and utilities (+400). Losses were greatest in manufacturing (-700).

**NORTH COUNTRY  
 ALAN BEIDECK 518-891-6680**

Over the year, private sector employment in the North Country increased by 1,000 to 115,200 in November 2003, a new high for the month. Gains were greatest in professional and business services (+300), educational and health services (+300), and natural resources, mining and construction (+300). The professional and business services sector received a boost from the opening of Mountain Valley Teleservices, an in-bound call center located in Essex County.

**CAPITAL DISTRICT  
 JAMES ROSS  
 518-462-7600**

Private sector jobs were up 3,300 over the year in the Albany-Schenectady-Troy area, while Glens Falls experienced the second-fastest private sector job growth (4.9 percent) of any metro area in the nation (Sarasota, FL was fastest) between November 2002 to November 2003.

**HUDSON VALLEY  
 SEAN MacDONALD  
 914-997-8798**

Private sector employment increased by 8,800 (+1.2 percent) over the year to 745,500 over the 12 months ending in November 2003, a record high for the month. Growth was largest in trade, transportation and utilities (+4,500), educational and health services (+1,900), other services (+1,700), and natural resources, mining and construction (+1,200). Weakness was centered in manufacturing (-1,300).

**WESTERN NY  
 JOHN SLENKER  
 716-851-2742**

Buffalo-Niagara Falls area private sector employment grew by 300 (+0.1 percent) over the 12 months ending November 2003. Employment gains were greatest in trade, transportation and utilities (+1,400), financial activities (+800), and leisure and hospitality (+600). These gains were offset by cutbacks in manufacturing (-2,300) and professional and business services (-700).

**SOUTHERN TIER  
 JOSEPH KOZLOWSKI 607-741-4485**

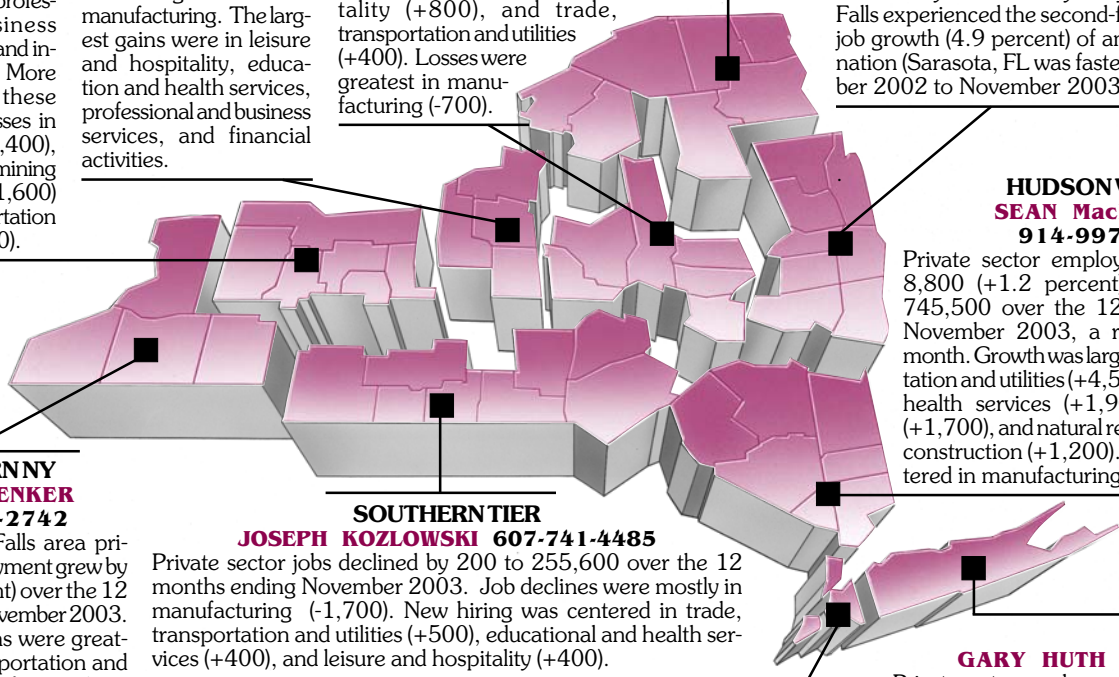
Private sector jobs declined by 200 to 255,600 over the 12 months ending November 2003. Job declines were mostly in manufacturing (-1,700). New hiring was centered in trade, transportation and utilities (+500), educational and health services (+400), and leisure and hospitality (+400).

**NEW YORK CITY  
 JAMES BROWN 212-352-6698**

After a slow start in October, Christmas hiring accelerated in November. Both retail trade and leisure and hospitality added more jobs in November than their 10-year averages. The City is on track for its best Christmas since 2000. On a less positive note, the construction industry suffered its second straight month of above-average job losses.

**LONG ISLAND  
 GARY HUTH 516-934-8533**

Private sector employment increased on Long Island by 3,600 (+0.4%) over the year to 1,031,600 in November 2003. Employment gains were largest in educational and health services (+4,000), leisure and hospitality (+2,500), and natural resources, mining and construction (+1,500). Losses were largest in manufacturing (-3,200) and professional and business services (-1,600).



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