

# Employment

IN NEW YORK STATE

Andrew M. Cuomo, Governor  
Colleen C. Gardner, Commissioner

## At a Glance

In November 2010, New York's seasonally adjusted unemployment rate was 8.3 percent, up from October's 8.2 percent. (The nation's unemployment rate was 9.8 percent in November.) In November 2010, the state had 8,514,300 nonfarm jobs, including 7,045,500 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state and the nation increased by less than 0.1 percent. From November 2009 to November 2010, the number of private sector jobs increased by 1.1 percent in the state and by 1.0 percent in the U.S. (not seasonally adjusted). In addition, New York's Index of Coincident Economic Indicators decreased at an annual rate of 0.8 percent in November 2010.

### Change in Nonfarm Jobs

November 2009 - November 2010

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	38.1	0.4
Private Sector	77.9	1.1
Goods-producing	0.9	0.1
Nat. res. & mining	0.4	7.3
Construction	1.9	0.6
Manufacturing	-1.4	-0.3
Durable gds.	-0.6	-0.2
Nondurable gds.	-0.8	-0.4
Service-providing	37.2	0.5
Trade, trans. & util.	-4.8	-0.3
Wholesale trade	-3.3	-1.0
Retail trade	-0.9	-0.1
Trans., wrhs. & util.	-0.6	-0.2
Information	-3.6	-1.4
Financial activities	2.0	0.3
Prof. & bus. svcs.	27.6	2.5
Educ. & health svcs.	30.8	1.8
Leisure & hospitality	8.4	1.2
Other services	16.6	4.5
Government	-39.8	-2.6

Passport to the World of Work...

## Education: An Investment for a Lifetime

The landscape of the U.S. labor market is changing. Factory jobs are disappearing. New York, for example, has lost more than 50% of its manufacturing jobs over the past 20 years. At the same time, new industries -- such as bioscience and nanotechnology -- have sprung up. These emerging industries mostly employ "knowledge workers" in high-skill, high-wage jobs.

### Competing in a "Flat World"

The decline of blue-collar occupations and concurrent rise of high-skill jobs reflect an ongoing, fundamental shift in our economy. There's been a long-term increase in the demand for high-skilled workers in the U.S. due to the rapid growth of high-tech industries. Some low-skill jobs have moved offshore,

while others were replaced by technology. Most are not likely to return. How can workers and businesses compete in this increasingly "flat world"? One answer is education.

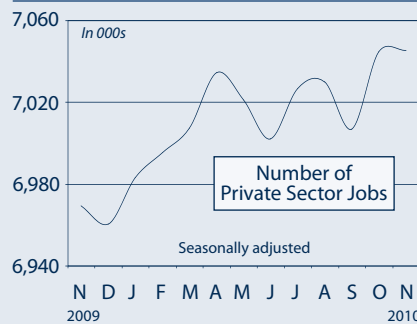
### The Right Stuff

Technological change is the engine of economic growth. As the role of technology grows, American workers will need the right skills to compete in the global economy. Computers and advanced technology have become more common in the workplace. Thus, even the most basic jobs require higher levels of skill and education. New Yorkers seem to get that message. We see a steady rise in the share of the Empire State's population 25 years and older with at least an associ-

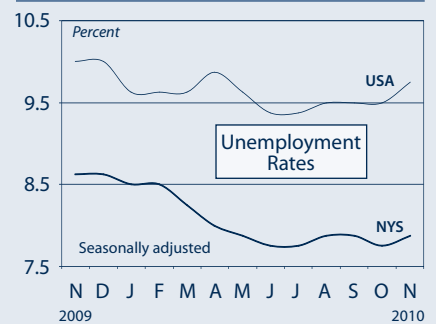
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### IN NOVEMBER...

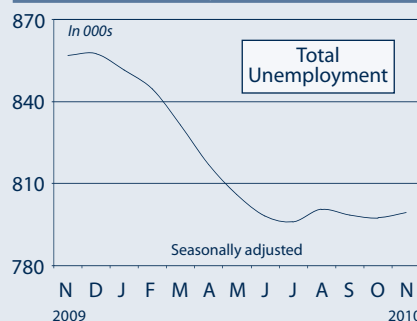
#### ...NYS private sector jobs increased



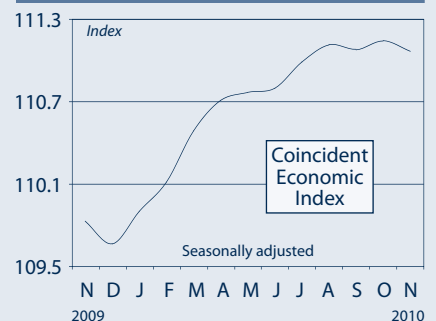
#### ...NYS unemployment rate increased



#### ...NYS unemployment increased



#### ...NYS economic index decreased



## Focus on the Southern Tier

A Look Back at 2010

by Christian Harris, Labor Market Analyst, Southern Tier

The Southern Tier regional economy has started to rebound from the effects of the Great Recession—the nation's worst economic downturn since the 1930s. The region's private sector job count has increased over the year for the past four months. It grew 1.2% in November 2010 – the strongest showing since April 2008. This gain is a dramatic change from the depths of the state's recession. In July 2009, private sector jobs in the region fell over the year by 4.9%. That's a 6-point spread!

Sectors with the largest over-the-year job gains in November 2010 include professional and business services (+1,100), educational and health services (+800), leisure and hospitality (+400), and trade, transportation and utilities (+400). Even the hard hit manufacturing sector added jobs (+100) in November. This was the first over-the-year gain in factory jobs since mid-2008.

### Marcellus Shale Update

Controversy over the push to drill for more natural gas in the Marcellus Shale continues to dominate local headlines. This is a formation deep underground. It extends from Ohio and West Virginia into Pennsylvania and New York's Southern Tier. Geologists estimate that the entire formation contains 168 trillion to 516 trillion cubic feet of natural gas. To put this in context, New York State uses about 1.1 trillion cubic feet of natural gas per year.

However, efforts to expand drilling here are on hold. An executive order signed by then-Governor Paterson in December 2010 bans the

*"Controversy over the push to drill in the Marcellus Shale continues to dominate local headlines."*

drilling of horizontal wells that use hydraulic fracturing, or "fracking", until at least July 2011. This drilling process forces water mixed with chemicals through underground shale to "fracture" the formations and free natural gas. Many worry the chemicals could contaminate local drinking water.

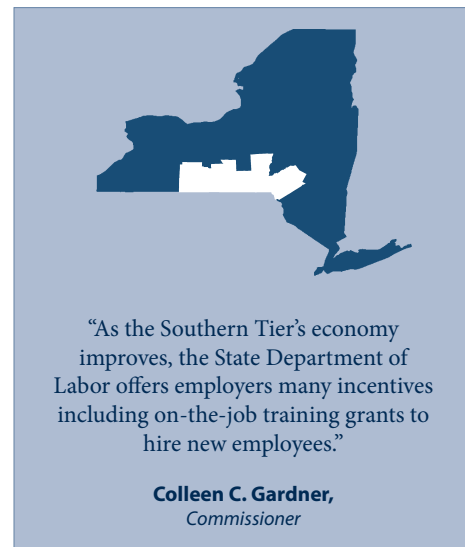
Many landowners in the Marcellus Shale are eager to collect lease and royalty payments from gas companies. Local elected officials want the economic dividends that drilling could bring to the region. In spite of the current moratorium, there are signs of an economic windfall if natural gas

extraction moves forward. These include:

- "Big Oil" (e.g., ExxonMobil) companies have bought up natural gas extraction companies to tap into this market
- A desire to cut dependence on foreign oil boosts demand for alternative fuels
- Rising property values in areas with strong natural gas potential

Some places already see small economic benefits from anticipated drilling in the Marcellus Shale. These are mostly in Chemung and Steuben counties, in the western part of the region. For example, French firm Schlumberger is building a \$30 million facility in Horseheads (Chemung County). The company supplies materials and technical services to the drilling industry. Also, many New York residents have taken natural gas jobs – in Pennsylvania.

The Pennsylvania Department of Labor and Industry has identified six core industries related to



natural gas extraction. They are:

- Crude petroleum and natural gas extraction
- Natural gas liquid extraction
- Oil & gas well-drilling
- Support activities for oil & gas operations
- Oil & gas pipeline construction
- Natural gas pipeline transportation

From the 2nd quarter of 2006 to the 2nd quarter of 2010, the job count in these industries in New York's Southern Tier increased by 174 (+49%) to 531, according to the Quarterly Census of Employment and Wages. In contrast, the region's private sector job count declined by 8,500 (-4%) over the same period.

### Summary

With the worst of the recession now over, things are looking up for the Southern Tier's economy. The local area registered private sector job growth for the past four months.

The big question here is what will happen to natural gas drilling in the Marcellus Shale. We cannot realize the rich potential of this natural resource until we balance environmental and economic issues. ■

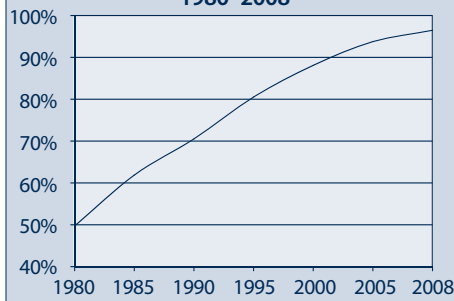
### Education: An Investment... from page 1

ate degree. It has gone from 30% in 1990 to 35% in 2000 to 41% in 2009.

"Human capital" is the knowledge and skills that workers gain through education, training and experience. Workers with more human capital are usually more productive, and typically earn more money. As job duties grow more complex, employers demand workers with more human capital.

The "education wage premium" -- the payoff for a college degree -- has grown much larger in the U.S. over the past 30 years. (See chart at right.) In 1980, 4-year college grads earned about 50%

**College-to-High School Wage Premium, U.S. 1980–2008**



more than workers with only a high school diploma. By 2008, they earned 97% more -- an all-time high. Supply and demand explain the growing "wage premium." Since 1980, the supply of college-educated workers increased 2.0% per year, while demand rose faster -- about 3.5% per year.

The growing wage premium can translate into huge earnings differences over time. For example, a 2010 College Board report found that people with a bachelor's degree earn 66% more during their working life than those with only a

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## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	NOV '09	NOV '10		NOV '09	NOV '10		NOV '09	NOV '10
<b>New York State</b>	<b>8.5</b>	<b>8.2</b>	<b>Hudson Valley</b>	<b>7.2</b>	<b>7.3</b>	<b>Finger Lakes</b>	<b>7.6</b>	<b>7.6</b>
<b>Capital District</b>	<b>6.9</b>	<b>7.2</b>	Dutchess	7.6	7.5	Genesee	7.5	7.4
Albany	6.5	6.9	Orange	7.6	7.9	Livingston	8.1	7.7
Columbia	7.2	7.1	Putnam	6.7	6.6	Monroe	7.7	7.6
Greene	8.3	8.4	Rockland	6.8	7.0	Ontario	7.0	7.0
Rensselaer	7.0	7.3	Sullivan	8.6	9.4	Orleans	8.4	9.2
Saratoga	6.2	6.5	Ulster	7.5	7.9	Seneca	7.1	7.5
Schenectady	7.2	7.5	Westchester	6.9	7.0	Wayne	7.7	8.0
Warren	8.2	8.8	<b>Mohawk Valley</b>	<b>7.7</b>	<b>8.1</b>	Wyoming	8.8	8.7
Washington	7.3	7.3	Fulton	9.5	10.1	Yates	6.2	6.2
<b>Central New York</b>	<b>7.8</b>	<b>8.0</b>	Herkimer	7.9	7.8	<b>Western New York</b>	<b>8.0</b>	<b>8.0</b>
Cayuga	7.8	7.8	Montgomery	8.9	9.1	Allegany	8.1	8.7
Cortland	8.5	8.3	Oneida	7.1	7.7	Cattaraugus	8.5	8.6
Madison	7.4	7.9	Otsego	7.0	7.3	Chautauqua	8.0	8.0
Onondaga	7.5	7.5	Schoharie	7.8	8.3	Erie	7.8	7.9
Oswego	9.2	10.1	<b>North Country</b>	<b>8.8</b>	<b>9.8</b>	Niagara	8.5	8.5
<b>Southern Tier</b>	<b>7.9</b>	<b>7.9</b>	Clinton	8.7	9.6	<b>Long Island</b>	<b>6.9</b>	<b>7.2</b>
Broome	8.1	8.4	Essex	9.1	9.6	Nassau	6.7	7.0
Chemung	8.5	8.0	Franklin	8.3	9.0	Suffolk	7.1	7.4
Chenango	8.7	8.7	Hamilton	8.8	9.4	<b>New York City</b>	<b>10.2</b>	<b>9.0</b>
Delaware	8.2	8.2	Jefferson	8.7	9.9	Bronx	13.4	12.4
Schuyler	8.2	8.1	Lewis	8.0	9.2	Kings	11.0	9.8
Steuben	9.3	9.3	St. Lawrence	9.2	10.3	New York	8.9	7.4
Tioga	8.3	7.4				Queens	9.2	8.1
Tompkins	5.4	5.5				Richmond	8.9	8.2

### Education: An Investment... from page 2

high school diploma. Those with a master's degree earn nearly twice as much as high school grads.

Education will play an important role as the American economy recovers and adds jobs. Moody's Analytics forecasts that people with college experience will get an increasing share of the jobs created. In 2012, better educated U.S. workers will receive about two-thirds (65.3%) of all new jobs.

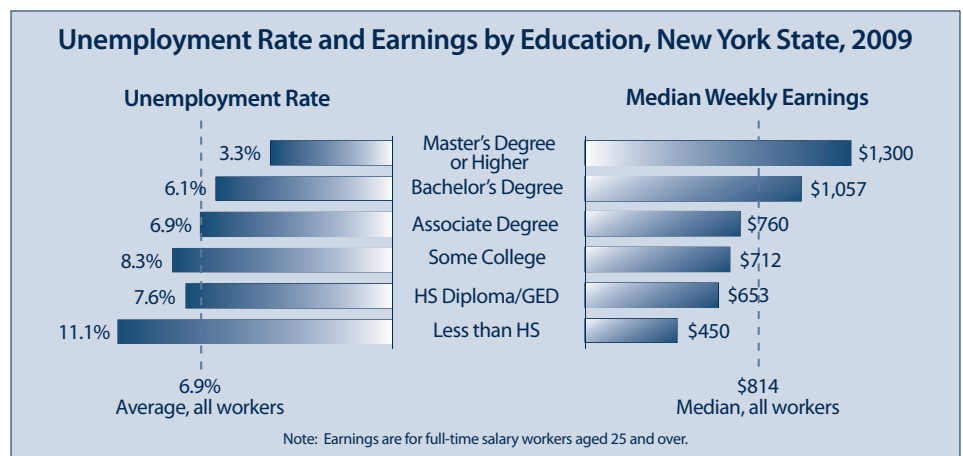
### Get Educated: It Pays

As New York workers get more education, joblessness falls and pay rises. The unemployment rate for people without a high school diploma was 11.1% in 2009. In contrast, the jobless rate for those with a graduate degree was only 3.3%. The average unemployment rate for all workers was 6.9%.

In New York State, the weekly median for all workers in 2009 was \$814. People with less than a bachelor's degree who worked full-time and year-round earned well below \$814. In contrast, those with a bachelor's degree earned a median of \$1,057 per week. Those with a master's degree averaged \$1,300.

### A Major Investment

While people with more education often enjoy higher wages and lower unemployment, this comes at a cost. To judge if it is a good invest-



ment, workers must weigh both tuition costs and the wages they give up while in school against the potential benefits. For the 2010-11 school year, in-state tuition and fees at public four-year colleges in the U.S. rose to \$7,605. At private four-year institutions, the average cost was \$27,293 per year.

For some, these costs are too great and more education is not a sound investment. Yet, as the American labor market continues its long-term restructuring, workers may need to consider more education. ■

by Angela VanDerwerken

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## REGIONAL ANALYSTS' CORNER

### CAPITAL DISTRICT

**James Ross — 518-462-7600**

From November 2009 to November 2010, the number of private sector jobs in the Albany-Schenectady-Troy area rose 2,100, or 0.6 percent, to 338,500. Job gains were concentrated in professional and business services (+2,400), educational and health services (+1,200), other services (+600), leisure and hospitality (+400), manufacturing (+400), and natural resources, mining and construction (+400). Job losses were limited to trade, transportation and utilities (-3,500).

### CENTRAL NY

**Roger Evans — 315-479-3388**

For the 12-month period ending November 2010, the private sector job count in the Syracuse metro area rose 2,500, or 1.0 percent, to 262,800. Job growth was concentrated in educational and health services (+1,600), professional and business services (+700), natural resources, mining and construction (+400), and other services (+300). The largest losses occurred in trade, transportation and utilities (-200).

### FINGER LAKES

**Tammy Marino — 585-258-8870**

Private sector employment in the Rochester metro area rose over the year by 3,400, or 0.8 percent, to 427,500 in November 2010. Job gains were concentrated in educational and health services (+2,300), leisure and hospitality (+1,800), professional and business services (+1,500), and other services (+700). Losses were greatest in manufacturing (-1,500), construction (-500), and financial activities (-400).

### HUDSON VALLEY

**John Nelson — 914-997-8798**

Private sector jobs in the Hudson Valley decreased over the year by 300, or less than 0.1 percent, to 723,300 in November 2010. Gains were greatest in educational and health services (+1,900), professional and business services (+1,300), and other services (+1,000). Losses were centered in trade, transportation and utilities (-2,600), natural resources, mining and construction (-1,100), and manufacturing (-900).

### LONG ISLAND

**Michael Crowell — 516-934-8533**

The private sector job count on Long Island rose over the year by 10,500, or 1.0 percent, to 1,037,900 in November 2010. Job gains were centered in educational and health services (+6,700), natural resources, mining and construction (+2,200), other services (+2,100), and professional and business services (+900). Losses were greatest in financial activities (-800) and manufacturing (-600).

### MOHAWK VALLEY

**Mark Barbano — 315-793-2282**

For the 12-month period ending November 2010, the private sector job count in the Utica-Rome metro area decreased by 200, or 0.2 percent, to 97,800. Job gains were centered in educational and health services (+500). Losses were greatest in trade, transportation and utilities (-400) and natural resources, mining and construction (-300).

### NEW YORK CITY

**James Brown — 212-775-3330**

Private sector employment in New York City rose by 51,200, or 1.6 percent, to 3,183,400 for the 12-month period ending November 2010. Job growth was largest in professional and business services (+14,400), educational and health services (+13,000), other services (+7,400), leisure and hospitality (+6,600), trade, transportation and utilities (+6,300), and financial activities (+5,900). Losses occurred in information (-1,800) and manufacturing (-1,000).

### SOUTHERN TIER

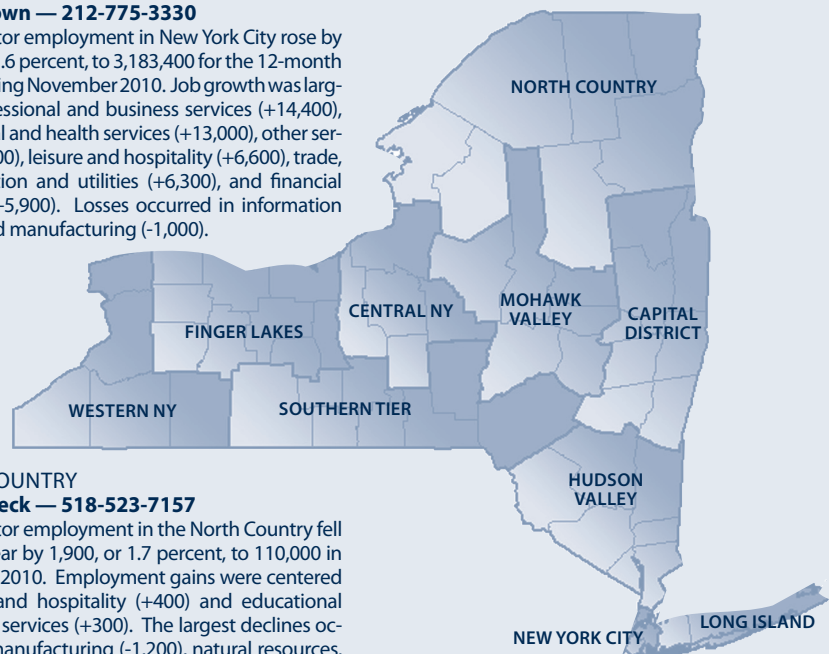
**Christian Harris — 607-741-4485**

Private sector employment in the Southern Tier increased over the year by 2,700, or 1.2 percent, to 232,700 in November 2010. Job gains were largest in professional and business services (+1,100), educational and health services (+800), leisure and hospitality (+400), and trade, transportation and utilities (+400).

### WESTERN NY

**John Slenker — 716-851-2742**

Private sector jobs in the Buffalo-Niagara Falls metro area increased by 2,700, or 0.6 percent, to 448,900 over the 12 months ending November 2010. Job gains were centered in professional and business services (+2,900), leisure and hospitality (+1,900), and natural resources, mining and construction (+800). Losses were greatest in manufacturing (-1,700) and trade, transportation and utilities (-1,100).



### NORTH COUNTRY

**Alan Beideck — 518-523-7157**

Private sector employment in the North Country fell over the year by 1,900, or 1.7 percent, to 110,000 in November 2010. Employment gains were centered in leisure and hospitality (+400) and educational and health services (+300). The largest declines occurred in manufacturing (-1,200), natural resources, mining and construction (-500), and trade, transportation and utilities (-300).