

# EMPLOYMENT in New York State

Eliot Spitzer, Governor

March 2007

M. Patricia Smith, Commissioner

## Slow but Steady Improvement Continues...

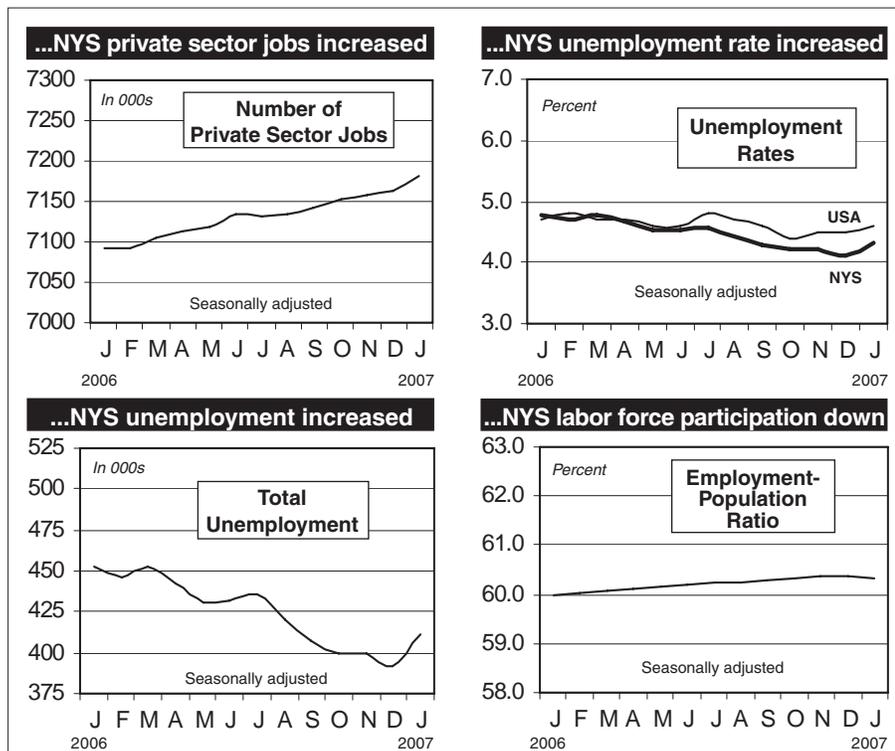
### NYS: More Jobs and Lower Unemployment Rate in '06

**R**ecently revised labor market data paint a mixed picture of the New York State economy. On the plus side, New York State's private sector job count grew by 1.2 percent in 2006. This was its third consecutive year of job growth and most rapid expansion since the beginning of the state's economic recovery in 2003. In addition, the state's annual average unemployment rate fell from 5.0 percent in 2005 to 4.5 percent in 2006. Not only was this the lowest statewide rate since 2000 (when it was also 4.5 percent), but it was below the comparable national unemployment in 2006 (4.6 percent).

On the negative side, for the sixth consecutive year, private sector job growth in New York lagged the nation's rate of growth (+2.0 percent) in 2006; this continued a long-term trend. Since 1990, overall job growth in New York State was 5.7 percent, much less than the rate registered by the U.S. (+25.4 percent). Also contributing to the mixed economic picture were increasingly divergent regional job growth rates within the state. More specifically, the private sector job count for the 52-county Upstate region increased by 0.4 percent in 2006, lagging the Downstate region's 1.6 percent rate of growth (see table on page 2 for

*Continued on page 3*

## IN JANUARY...



### At a Glance

In January 2007, New York's seasonally adjusted unemployment rate was 4.3 percent, up from 4.1 percent in December 2006. (The nation's unemployment rate was 4.6 percent in January.) In January 2007, the state had 8,670,700 nonfarm jobs, including 7,181,300 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.2 percent from December. (The nation's private sector job count increased by 0.1 percent over the month.) From January 2006 to January 2007, the number of private sector jobs increased by 1.5 percent in the state, and increased by 1.7 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, decreased in January.

### Change in Nonfarm Jobs Jan. 2006 - Jan. 2007 (Data not seasonally adjusted, numbers in thousands)

	Net	%
Total Nonfarm Jobs	105.4	1.3
Private Sector	100.5	1.5
Goods-producing	-2.0	-0.2
Nat. res. & mining	0.3	6.0
Construction	11.1	3.7
Manufacturing	-13.4	-2.4
Durable gds.	-1.1	-0.3
Nondurable gds.	-12.3	-5.2
Service-providing	107.4	1.4
Trade, trans., & util.	11.3	0.8
Wholesale trade	-0.4	-0.1
Retail trade	9.7	1.1
Trans., wrhs., & util.	2.0	0.7
Information	-0.4	-0.1
Financial activities	13.8	1.9
Prof. & bus. svcs.	27.7	2.6
Educ. & health svcs.	32.7	2.1
Leisure & hospitality	13.0	2.1
Other services	4.4	1.3
Government	4.9	0.3

# Focus on New York City

## The Last Decade in Review

by James Brown, Labor Market Analyst, New York City

**N**ew York City's private sector job count averaged 3,109,000 in 2006, an increase of 10.2 percent since 1996. The 10-year growth rate, which translates into an annual average growth of about 1 percent (about double what the City averaged since 1976), masks quite a bit of year-to-year variation. This period includes both the best three-year span (1997-2000) for job growth since 1958 as well as the fourth worst year (2001).

Despite the initial adverse impact of the 9/11 attacks, leisure and hospitality grew 30.9 percent, the fastest of any sector over the last decade. It received boosts from a number of positive developments including plunging crime rates, popular NYC-based TV shows, and a weakened dollar that made the U.S. more affordable for international visitors. Looking forward, a number of new or renovated hotels are scheduled to open over the next 12-18 months, leading to continued or accelerated employment growth in this area.

The City's construction industry enjoyed strong employment growth (+30.1 percent) between 1996 and 2006. Increases in residential building, strong demand for office space, and many hotel



*"The City enters 2007 with the expectation of continued growth and prosperity."*

*Sara Spatz,  
Employment Services Team Leader,  
New York City Region*

Revised jobs data were released on  
March 7, 2007.

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more complete information.

and retail projects have kept construction companies busy. The future looks bright as a variety of large projects should offset any slowdown in residential construction.

Professional and business services (+22.0 percent), which includes many companies that sell their services to other businesses, benefited from strong corporate profits. These are forecast to continue growing, leading to an excellent outlook for this sector. The fastest-growing

component industry was accounting and tax preparation services (+79.8 percent), aided by factors such as Sarbanes-Oxley auditing requirements and an increasingly complex tax code.

Private sector educational and health services, which includes many non-profits and is the City's largest sector (22 percent of all private sector jobs), climbed by 22.8 percent over the past 10 years. Job growth in these industries was generally driven by demographic and sociological trends such as population growth, an aging population, a rise in dual-income families, and an increase in the portion of the population acquiring college degrees. Because these industries are not as susceptible to the economic cycle, this is the only sector in which employment increased in each of the last 10 years. An expected slowdown in government spending on health care and social services should slow, but not stop, growth in this sector down the line.

The City's most famous industry — financial activities — was actually something of a laggard (-1.2 percent) since 1996, as continuing job losses in insurance (-18.4 percent) and credit intermediation (-15.6

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### Percent Change in Annual Average Jobs, 2004-2005 and 2005-2006

	Total Nonfarm		Private Sector	
	2004-2005	2005-2006	2004-2005	2005-2006
United States	1.7%	1.8%	1.9%	2.0%
New York State	0.9%	0.9%	1.0%	1.2%
Downstate (NYC 10-county area)	1.1%	1.3%	1.3%	1.6%
New York City	1.5%	1.7%	1.7%	2.0%
Suburban Counties	0.5%	0.6%	0.4%	0.7%
Upstate (Remaining 52 counties)	0.3%	0.2%	0.3%	0.4%
Metro Areas	0.4%	0.1%	0.4%	0.3%
Non-metro Counties	0.3%	0.5%	0.0%	0.7%
<b>Metropolitan Areas</b>				
Albany-Schenectady-Troy	0.5%	0.4%	0.6%	0.7%
Binghamton	-0.3%	1.0%	-0.5%	1.4%
Buffalo-Niagara Falls	-0.2%	-0.2%	0.0%	-0.2%
Elmira	0.0%	0.8%	0.0%	1.2%
Glens Falls	0.4%	0.9%	0.7%	0.7%
Ithaca	0.8%	0.6%	0.9%	1.1%
Kingston	-0.2%	1.1%	0.0%	1.6%
Nassau-Suffolk*	0.5%	0.7%	0.4%	0.8%
New York City*	1.5%	1.7%	1.7%	2.0%
Poughkeepsie-Newburgh-Middletown	0.9%	0.7%	0.8%	0.7%
Putnam-Rockland-Westchester*	0.4%	0.4%	0.6%	0.5%
Rochester	0.7%	-0.3%	0.6%	0.0%
Syracuse	0.6%	0.1%	0.6%	0.1%
Utica-Rome	0.2%	-0.3%	-0.4%	-0.2%

\*Denotes Downstate area

## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JAN '06	JAN '07		JAN '06	JAN '07		JAN '06	JAN '07
<b>New York State</b>	<b>5.2</b>	<b>4.9</b>	<b>Hudson Valley</b>	<b>4.3</b>	<b>4.1</b>	<b>Southern Tier</b>	<b>5.3</b>	<b>5.2</b>
<b>Capital</b>	<b>4.5</b>	<b>4.5</b>	Dutchess	4.1	4.1	Broome	5.4	5.2
Albany	4.1	4.3	Orange	4.6	4.5	Chemung	5.3	5.3
Columbia	4.4	4.4	Putnam	3.9	3.5	Chenango	5.8	5.9
Greene	5.4	5.1	Rockland	4.0	3.8	Delaware	5.3	5.5
Rensselaer	4.7	4.6	Sullivan	5.8	6.0	Otsego	5.6	5.4
Saratoga	4.0	4.1	Ulster	4.8	4.4	Schuyler	6.8	6.8
Schenectady	4.3	4.3	Westchester	4.2	3.9	Steuben	6.6	5.9
Warren	5.9	5.7	<b>Mohawk Valley</b>	<b>5.9</b>	<b>5.7</b>	Tioga	5.1	5.0
Washington	5.1	4.9	Fulton	6.5	6.5	Tompkins	3.7	3.8
<b>Central New York</b>	<b>5.4</b>	<b>5.1</b>	Herkimer	6.2	6.8	<b>Western New York</b>	<b>5.7</b>	<b>5.5</b>
Cayuga	5.6	5.6	Madison	6.0	6.0	Allegany	6.8	6.7
Cortland	6.7	6.4	Montgomery	7.0	6.6	Cattaraugus	6.2	5.8
Onondaga	4.7	4.6	Oneida	5.2	4.9	Chautauqua	5.4	5.3
Oswego	7.4	6.5	Schoharie	6.7	6.3	Erie	5.5	5.3
<b>Finger Lakes</b>	<b>5.1</b>	<b>5.0</b>	<b>North Country</b>	<b>6.9</b>	<b>6.8</b>	Niagara	6.5	6.1
Genesee	6.1	5.5	Clinton	6.3	6.8	<b>Long Island</b>	<b>4.3</b>	<b>4.1</b>
Livingston	6.2	6.5	Essex	6.9	7.2	Nassau	4.1	3.9
Monroe	4.6	4.5	Franklin	6.9	6.5	Suffolk	4.4	4.2
Ontario	5.6	5.2	Hamilton	7.8	7.7	<b>New York City</b>	<b>5.6</b>	<b>5.3</b>
Orleans	7.0	6.4	Jefferson	7.2	6.8	Bronx	7.5	7.1
Seneca	5.6	5.5	Lewis	7.3	6.8	Kings	6.0	5.7
Wayne	5.7	5.4	St. Lawrence	7.1	6.7	New York	4.9	4.6
Wyoming	6.5	6.1				Queens	5.1	4.7
Yates	5.6	5.1				Richmond	5.0	4.6

### New York City...

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percent) offset strength in the real estate and rental and leasing industry (+8.1 percent) and on Wall Street (+10.9 percent). The declines in the insurance and credit intermediation industries are particularly noteworthy since they occurred even as these industries grew nationally. The City's real estate industry added jobs, as rising office employment and a residential construction boom led to more demand for property management and real estate sales. Wall Street, whose importance is most obvious when looking at its share of total private sector wages (23.4 percent) rather than employment (5.7 percent), has been a big winner for the City. However, job counts face increasing challenges from the rapid transition to electronic trading.

The manufacturing industry remains the weakest sector of the City's economy, as employment fell by 94,000, or 46.9 percent, over the decade. Manufacturing now accounts for just 3.4 percent of the City's private sector jobs.

In general, the City's economy performed well over the last decade, despite a sharp downturn between 2001 and 2003, with jobs gains in most sectors. The City enters 2007 poised for above average job growth, with sectors as diverse as professional and business services, leisure and hospitality, and construction all exhibiting strength. If current trends continue, in 2007 the City's private sector job count should exceed its prior cyclical high of 3,148,800, reached in 2000.

### NYS: More Jobs...

from page 1

additional region and area detail.

The state also lagged the nation in terms of another important labor market measure — labor force growth. Between 2005 and 2006, New York's civilian labor force increased by 0.7 percent, which was one-half the nation's rate of growth (+1.4 percent). Areas with slow-growing or declining labor forces may experience labor shortages when businesses are expanding.

Turning to statewide industry data, educational and health services added the most jobs (+30,100) of any private sector industry between 2005 and 2006, with gains centered in health care and social assistance (+19,900). Professional and business services gained 25,800 jobs, due primarily to increases in professional, scientific, and technical services (+21,400). Other industries adding jobs (in descending order) included: financial activities; construction; leisure and hospitality; trade, transportation, and utilities; other services; natural resources and mining; and information.

Manufacturing, which lost 13,000 jobs between 2005 and 2006, was the only private sector industry to decline over the year. Manufacturing losses were centered in non-durable goods (-9,800), especially apparel manufacturing (-3,800). The job loss in durable goods (-3,300) was concentrated in transportation equipment manufacturing (-1,900). Government also lost jobs over the same period (-2,400).

by Kevin Hannel

### Change in Annual Average Jobs by Industry: New York State, 2005-2006 (data in thousands)

	Net Change	% Change
Total Nonfarm	78.8	0.9%
Private Sector	81.1	1.2%
Natural Resources & Mining	0.3	5.1%
Construction	11.2	3.4%
Manufacturing	-13.0	-2.2%
Durable Goods	-3.3	-1.0%
Nondurable Goods	-9.8	-4.0%
Trade, Trans. & Utilities	5.8	0.4%
Wholesale Trade	0.3	0.1%
Retail Trade	2.0	0.2%
Transp., Warehousing & Util.	3.5	1.3%
Information	0.2	0.1%
Financial Activities	12.9	1.8%
Professional & Busin. Services	25.8	2.4%
Educational & Health Services	30.1	2.0%
Leisure & Hospitality	7.4	1.1%
Other Services	0.6	0.2%
Government	-2.4	-0.2%

### Employment in New York State

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## REGIONAL ANALYSTS' CORNER

### FINGER LAKES TAMMY MARINO 585-258-8870

Private sector jobs in the Rochester metro area declined over the year by 100, or less than 0.1 percent, to 424,900 in January 2007. Gains were concentrated in professional and business services (+1,300), leisure and hospitality (+1,100) and educational and health services (+1,000). Job losses were centered in manufacturing (-2,900) and other services (-500).

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

For the 12-month period ending January 2007, the private sector job count in the Syracuse metro area rose 800, or 0.3 percent, to 258,000. Job growth was concentrated in educational and health services (+1,100), leisure and hospitality (+900), and professional and business services (+600). Declines were largest in trade, transportation and utilities (-1,400).

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

For the 12-month period ending January 2007, the private sector job count in the Utica-Rome metro area rose 200, or 0.2 percent, to 96,700. Job growth was concentrated in educational and health services (+500) and leisure and hospitality (+500). Job losses were greatest in trade, transportation, and utilities (-800) and manufacturing (-300).

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

Private sector employment in the North Country region rose over the year by 2,200, or 2.0 percent, to 112,400 in January 2007. The largest gains were in trade, transportation, and utilities (+1,300) and natural resources, mining, and construction (+700). Losses were centered in leisure and hospitality (-400).

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

From January 2006 to January 2007, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 2,900, or 0.9 percent, to 332,800, a record high for the month. Job gains were centered in educational and health services (+2,800) and leisure and hospitality (+900). Over-the-year losses were largest in professional and business services (-700).

### HUDSON VALLEY JOHN NELSON 914-997-8798

Private sector employment in the Hudson Valley increased over the year by 8,900, or 1.2 percent, to 732,300 in January 2007. Gains were largest in educational and health services (+3,300), professional and business services (+1,900), natural resources, mining and construction (+1,800), and leisure and hospitality (+1,600). Manufacturing (-1,200) and information (-500) declined over the year.

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

Private sector employment in the Buffalo-Niagara Falls metro area increased by 2,300, or 0.5 percent, to 443,900 over the 12 months ending January 2007. Job gains were centered in educational and health services (+3,900), professional and business services (+1,400), and financial activities (+1,100). Losses occurred in manufacturing (-2,700), information (-700), and leisure and hospitality (-500).

### SOUTHERN TIER CHRISTIAN HARRIS 607-741-4485

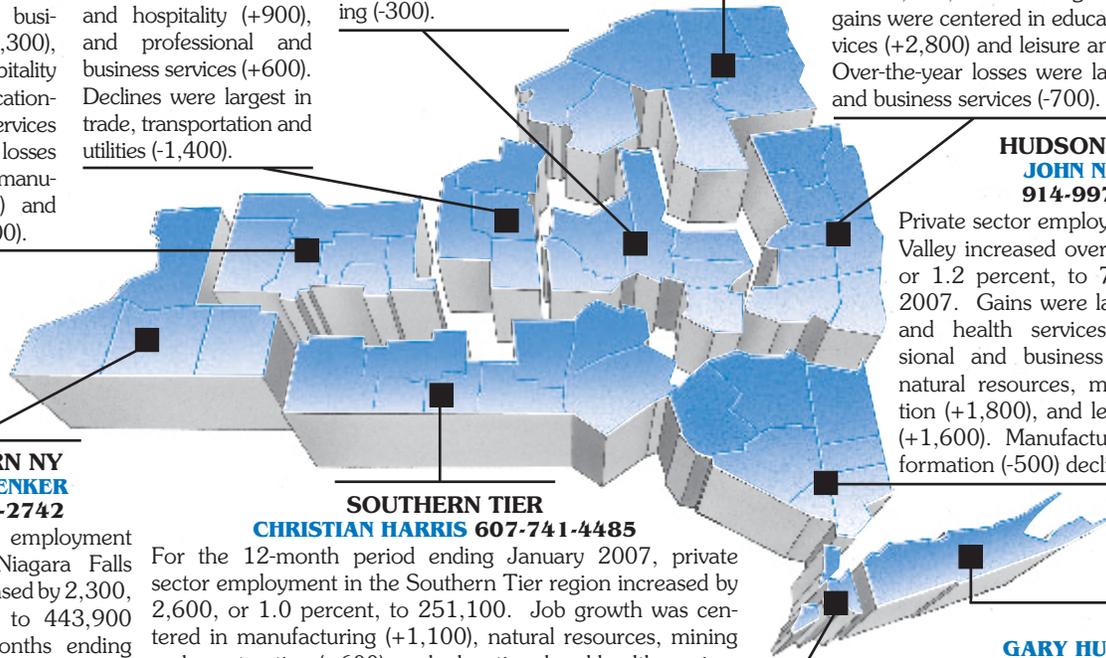
For the 12-month period ending January 2007, private sector employment in the Southern Tier region increased by 2,600, or 1.0 percent, to 251,100. Job growth was centered in manufacturing (+1,100), natural resources, mining and construction (+600), and educational and health services (+500). Financial activities (-200) declined over the year.

### NEW YORK CITY JAMES BROWN 212-621-9353

Private sector employment in New York City rose 60,600, or 2.0 percent, to 3,091,800 for the 12-month period ending January 2007. Gains occurred in educational and health services (+18,300), professional and business services (+16,800), financial activities (+12,800), leisure and hospitality (+6,800), and natural resources, mining and construction (+4,400). Manufacturing (-6,300) lost jobs over the year.

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

Private sector jobs on Long Island increased over the year by 15,700, or 1.6 percent, to 1,028,300 in January 2007. Professional and business services (+5,900), educational and health services (+4,500), and trade, transportation and utilities (+3,000) added the most jobs. Losses occurred in manufacturing (-1,400) and financial activities (-700).



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