

Employment

IN NEW YORK STATE

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

At a Glance

In January 2009, New York State's seasonally adjusted unemployment rate was 7.0 percent, up from 6.6 percent in December 2008. (The nation's unemployment rate was 7.6 percent in January 2009.) In January 2009, the state had 8,695,000 nonfarm jobs, including 7,188,300 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state decreased by 0.2 percent from December 2008, while the U.S. private sector job count decreased by 0.5 percent. From January 2008 to January 2009, the number of private sector jobs decreased by 1.6 percent in the state and decreased by 3.2 percent in the U.S. (not seasonally adjusted). In addition, New York State's Index of Coincident Economic Indicators decreased in January.

Change in Nonfarm Jobs

Jan. 2008 - Jan. 2009

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	-113.4	-1.3
Private Sector	-114.9	-1.6
Goods-producing	-55.4	-6.3
Nat. res. & mining	-0.1	-1.9
Construction	-20.4	-6.1
Manufacturing	-34.9	-6.5
Durable gds.	-23.2	-7.2
Nondurable gds.	-11.7	-5.4
Service-providing	-58.0	-0.7
Trade, trans. & util.	-48.1	-3.2
Wholesale trade	-14.9	-4.2
Retail trade	-25.0	-2.8
Trans., wrhs. & util.	-8.2	-3.0
Information	-4.9	-1.9
Financial activities	-24.3	-3.4
Prof. & bus. svcs.	-22.5	-2.0
Educ. & health svcs.	32.6	2.0
Leisure & hospitality	3.9	0.6
Other services	3.8	1.1
Government	1.5	0.1

Labor Market Conditions Deteriorated Sharply at End of the Year ...

New York State's Private Sector Job Count Peaked in 2008

The newly revised jobs and labor force data paint a decidedly mixed picture of New York State's economy in 2008. While private sector employment in the state grew for a fifth consecutive year, conditions in the state's labor market rapidly deteriorated during the last few months of the year.

New York's seasonally adjusted private sector job count peaked at 7,314,200 in August 2008, then dropped by 111,300 through December 2008. To put this loss in perspective, the state added just over 400,000 private sector jobs between the end of the last recession (July 2003) and the most recent peak (August 2008). In the last four months of 2008, more than a quarter of these job gains were eliminated.

The state also experienced its first increase in its annual average unemployment rate since 2003, reaching its highest rate (5.4 percent) since 2004. On the bright side, however, New York State outperformed the nation on both labor market measures – private sector job growth and unemployment rate – in 2008.

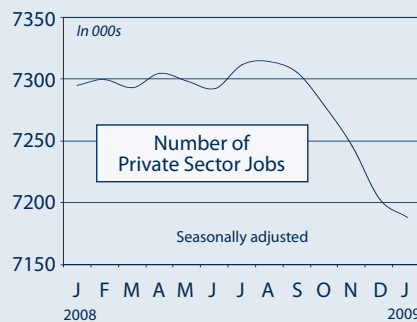
According to the revised jobs data, New York State's private sector employment averaged 7,282,700 in 2008, up 49,700, or 0.7 percent, from 2007. By comparison, private sector jobs in the nation decreased by 0.7 percent between 2007 and 2008.

Over the same period, the state's total nonfarm job count (which includes government)

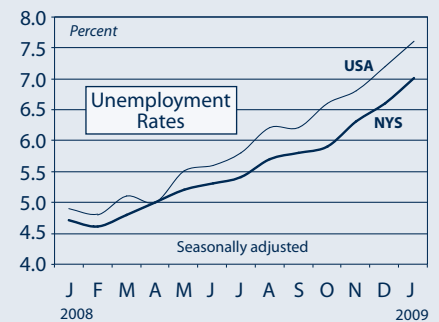
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IN JANUARY...

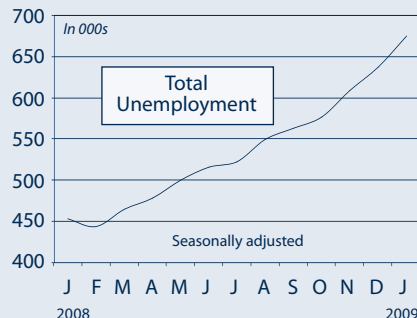
...NYS private sector jobs decreased



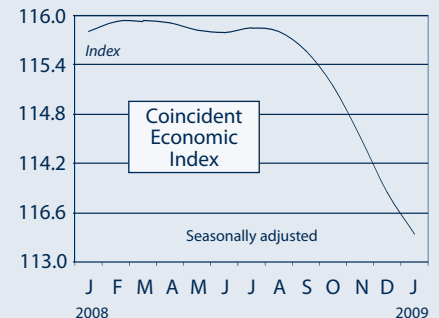
...NYS unemployment rate increased



...NYS unemployment increased



...NYS economic index decreased



Focus on the North Country

Region's Manufacturers Feel Effects of National Recession

by Alan Beideck, Labor Market Analyst, North Country

After four years of slow but steady employment growth, the North Country regional economy began to feel the effects of the fallout from the current national economic slowdown during the second half of 2008. As recently as the first quarter of 2008, the North Country was up almost 900 private sector jobs (+0.7 percent) over the year. By the fourth quarter of 2008, however, the situation had turned around, and the region had lost 1,000 jobs, or 0.8 percent, compared with the same period in 2007.

Job losses have continued in 2009. For the 12-month period ending January 2009, the region's private sector count declined by 1,700, or 1.5 percent, to 110,000, its lowest January level since 2005. The region's manufacturing sector has been especially hard

hit, losing 600 jobs between January 2008 and January 2009. This recent employment drop in the North Country's factory job count extends a long-term decline; from 1990 to 2008, the region lost 35 percent of its manufacturing employment.

Another sign that the North Country's economy has been negatively affected by the national downturn is the recent spike in the region's unemployment rate. From January 2008 to January 2009, the North Country's rate jumped from 7.6 percent to 10.6 percent. Not only did the North Country have the highest unemployment rate among the state's 10 labor market regions in January 2009, but the rate was also the highest January rate for the region since 1998. All seven North Country counties registered unemployment rates over 10 percent in January 2009, and Lewis County's 11.7 percent rate was the highest in the state that month.

Manufacturing Declines

The remainder of this article reviews some North Country manufacturers that have either laid off employees or announced upcoming layoffs. Pharmaceutical manufacturer Wyeth slashed 120 jobs at its plant in Rouses Point (Clinton County) in January 2009 and will turn operations over to Akrimax Manufacturing at the end of 2009.

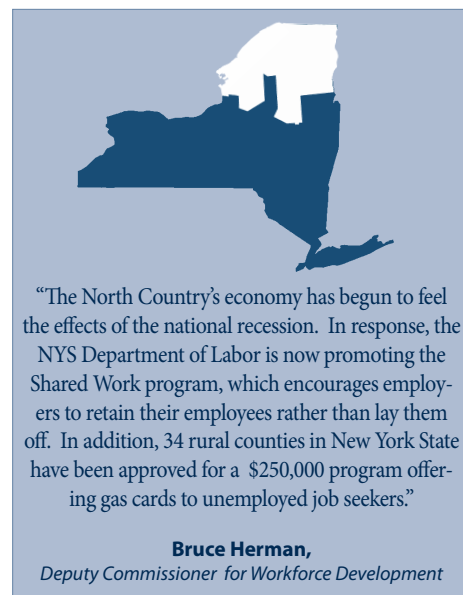
Three transportation manufacturing firms have cut back staffing. The General Motors plant in

Massena (St. Lawrence County) is slated to close on May 1, 2009. In 2007, the plant employed upwards of 450, but its job count was down to 37 workers in early 2009. Bombardier, a manufacturer of rail cars in Plattsburgh, cut the hours of 160 of its 350 workers in 2008. The company decided against layoffs be-

cause they want to retain their workforce to fulfill upcoming contracts. These include a contract for 400 cars from the Chicago Transit Authority scheduled to begin in 2009, as well as options for additional cars provided under a current contract with New Jersey Transit. In addition, New York Air Brake, which supplies control systems for the railroad industry, trimmed staffing at its Watertown (Jefferson County) plant by 25 in January 2009.

Alcoa, which operates two aluminum smelters in Massena, recently announced the elimination of 64 hourly positions. In addition, the company reduced the hours of 140 hourly and 30 salaried employees to 32 hours per week. This will allow Alcoa to take advantage of the State Department of Labor's Shared Work program. These reductions in hours are over and above the 120 layoffs that were announced in November 2008. (After the latest round of cuts, Alcoa will have about 1,140 jobs at its Massena plants.) Despite the recent lay-

Revised jobs data for 2007 and 2008 were released on March 5, 2009. Visit www.labor.ny.gov for more complete information.



offs and cut in hours, Alcoa's future in Massena seems solid, as the company remains committed to a \$600 million upgrade of the local plants. The company is also committed to keeping at least 900 workers on the payroll, a condition of their subsidized power contract with the New York Power Authority.

Two North Country firms moved production to China. One was Jarden Plastic Solutions, which closed its factory in Tupper Lake (Franklin County) during the first half of 2008. The company lost a contract to make poker chips in fall 2007 and cited competition from China for the closing. The factory employed 68 workers. The second firm, healthcare device manufacturer Covidien (the former Tyco Healthcare), cut about 70 jobs at its facility in Watertown in 2008. In March 2009, the company announced that it was closing the plant, affecting the remaining 250 workers.

The North Country's manufacturers were adversely affected in recent months by a combination of the national economic downturn and foreign competition. This is likely to continue, although the rate of decline should stabilize once the U.S. economy begins its recovery. ■

NYS's Private Sector Job Count... from page 1

increased 60,900, or 0.7 percent, while the number of U.S. nonfarm jobs dropped by 0.4 percent. Jobs data are revised at the end of each year for all states and the nation when more complete information, or benchmarks, become available from employers' unemployment insurance records.

The statewide annual average unemployment rate increased from 4.5 percent in 2007 to 5.4 percent in 2008. Over this same time period, the U.S. experienced a larger increase in its unemployment rate, climbing from 4.6 to 5.8 percent.

Regions in the state experienced widely divergent job growth rates in 2008. More specifically, private sector job growth in the 52-county Upstate region (+0.2 percent) seriously lagged the Downstate region's 0.9 percent rate of growth. Downstate's growth was centered in New York City. Growth in both the private sector and total nonfarm job counts slowed in the Downstate and Upstate regions between 2007 and 2008.

Four of the state's 13 metropolitan areas experienced stronger private sector job performance in 2008 than in 2007: Albany-Schenectady-Troy,

Buffalo-Niagara Falls, Glens Falls, and Rochester. Between 2007 and 2008, the annual average private sector job count increased in nine metropolitan areas, decreased in three, and was unchanged in one. Private sector employment grew fastest in Ithaca (+1.3 percent), New York City (+1.3 percent), Glen Falls (+0.9 percent) and Buffalo-Niagara Falls (+0.7 percent). Private sector jobs declined over the year in Kingston (-1.4 percent), Poughkeepsie-Newburgh-Middletown (-0.5 percent) and Utica-Rome (-0.5 percent) over the same period.

Continued on page 3

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JAN '08	JAN '09		JAN '08	JAN '09		JAN '08	JAN '09
New York State	5.3	7.6	Hudson Valley	4.8	7.1	Finger Lakes	5.8	8.1
Capital District	5.2	7.3	Dutchess	4.9	7.3	Genesee	6.7	9.1
Albany	4.8	6.7	Orange	5.1	7.4	Livingston	6.7	9.3
Columbia	5.0	7.4	Putnam	4.2	6.2	Monroe	5.4	7.5
Greene	6.2	8.5	Rockland	4.5	6.4	Ontario	5.9	8.1
Rensselaer	5.5	7.6	Sullivan	7.1	10.2	Orleans	7.8	10.4
Saratoga	4.8	6.7	Ulster	5.7	7.8	Seneca	6.3	8.6
Schenectady	5.2	7.2	Westchester	4.6	6.8	Wayne	6.3	9.3
Warren	6.5	10.1	Mohawk Valley	6.7	9.1	Wyoming	7.5	10.9
Washington	6.1	8.4	Fulton	7.0	10.5	Yates	6.1	8.2
Central New York	5.8	8.5	Herkimer	7.2	9.2	Western New York	6.3	9.0
Cayuga	6.1	9.0	Montgomery	8.5	10.7	Allegany	7.6	9.9
Cortland	7.1	10.4	Oneida	5.8	8.0	Cattaraugus	6.6	9.0
Madison	6.6	9.2	Otsego	6.6	9.0	Chautauqua	5.9	8.4
Onondaga	5.0	7.4	Schoharie	8.8	11.3	Erie	6.0	8.6
Oswego	7.6	10.9	North Country	7.6	10.6	Niagara	7.4	10.9
Southern Tier	5.8	8.5	Clinton	7.1	10.1	Long Island	4.6	6.9
Broome	5.8	8.4	Essex	7.8	10.8	Nassau	4.4	6.5
Chemung	5.5	8.8	Franklin	7.8	10.2	Suffolk	4.8	7.3
Chenango	7.1	10.0	Hamilton	8.6	10.5	New York City	5.3	7.3
Delaware	6.0	9.6	Jefferson	7.5	10.3	Bronx	7.1	9.7
Schuyler	7.1	9.7	Lewis	7.8	11.7	Kings	5.6	7.7
Steuben	7.0	10.0	St. Lawrence	7.6	11.1	New York	4.6	6.7
Tioga	5.7	8.8				Queens	4.7	6.6
Tompkins	4.0	5.6				Richmond	4.7	6.5

Change in Annual Average Jobs by Industry

New York State, 2007-2008

Data in Thousands

	Annual Average Jobs 2007	Annual Average Jobs 2008	Net Change	% Change
Total Nonfarm	8,734.0	8,794.9	60.9	0.7%
Private Sector	7,233.0	7,282.7	49.7	0.7%
Natural Resources & Mining	6.2	6.3	0.1	1.6%
Construction	352.2	360.1	7.9	2.2%
Manufacturing	553.1	534.1	-19.0	-3.4%
Durable Goods	326.2	317.8	-8.4	-2.6%
Non-durable Goods	226.9	216.3	-10.6	-4.7%
Trade, Trans. & Utilities	1,524.9	1,524.3	-0.6	0.0%
Wholesale Trade	356.5	352.5	-4.0	-1.1%
Retail Trade	894.3	896.7	2.4	0.3%
Trans., Warehousing & Utilities	274.1	275.1	1.0	0.4%
Information	264.2	263.3	-0.9	-0.3%
Financial Activities	731.1	722.4	-8.7	-1.2%
Professional & Business Services	1,138.3	1,156.8	18.5	1.6%
Educational & Health Services	1,599.2	1,631.2	32.0	2.0%
Educational Services	365.4	376.2	10.8	3.0%
Health Care & Social Assistance	1,233.8	1,255.0	21.2	1.7%
Leisure & Hospitality	701.1	715.6	14.5	2.1%
Other Services	362.8	368.5	5.7	1.6%
Government	1,501.0	1,512.2	11.2	0.7%

NYS's Private Sector Job Count... from page 2

Turning to statewide data, educational and health services added the most jobs (+32,000) between 2007 and 2008, with gains centered in health care and social assistance (+21,200). Professional and business services gained 18,500 jobs. In contrast, manufacturing experienced the largest employment decline, shedding 19,000 jobs between 2007 and 2008. (See table at left.)

These annual average data mask the downward spiral in the state's labor market at the end of 2008. Even in the third quarter of 2008, the state added almost 70,000 private sector jobs on a year-over-year basis. However, in the fourth quarter, the state lost more than 40,000 jobs over the year, the worst decline in private sector jobs since the third quarter of 2003. ■

by Kevin Hannel and Daniel Crosley

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REGIONAL ANALYSTS' CORNER

CAPITAL DISTRICT

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From January 2008 to January 2009, the number of private sector jobs in the Albany-Schenectady-Troy metro area fell 6,400, or 1.9 percent, to 328,700. Job gains were limited to educational and health services (+1,000). Job losses were largest in trade, transportation and utilities (-3,200), natural resources, mining and construction (-1,200), manufacturing (-1,000), and leisure and hospitality (-800).

CENTRAL NY

Roger Evans -- 315-479-3388

For the 12-month period ending January 2009, the private sector job count in the Syracuse metro area fell 2,000, or 0.8 percent, to 259,400. Job growth was concentrated in educational and health services (+800), leisure and hospitality (+400), and natural resources, mining and construction (+300). The largest job losses occurred in manufacturing (-1,900) and trade, transportation and utilities (-1,100).

FINGER LAKES

Tammy Marino -- 585-258-8870

Private sector employment in the Rochester metropolitan area declined over the year by 1,400, or 0.3 percent, to 424,600 in January 2009. Employment gains occurred in educational and health services (+4,300), leisure and hospitality (+200), and professional and business services (+200). Losses were greatest in manufacturing (-3,500), trade, transportation and utilities (-2,200), and information (-400).

HUDSON VALLEY

John Nelson -- 914-997-8798

Private sector employment in the Hudson Valley decreased 13,000, or 1.8 percent, to 726,900 for the 12-month period ending January 2009. Private sector job gains were limited to educational and health services (+4,100). Job losses were greatest in trade, transportation and utilities (-6,400), manufacturing (-2,500), natural resources, mining and construction (-2,500), and professional and business services (-2,400).

LONG ISLAND

Gary Huth -- 516-934-8533

The private sector job count on Long Island declined by 23,200, or 2.2 percent, to 1,014,800 over the year ending in January 2009. Gains occurred in educational and health services (+3,600) and leisure and hospitality (+500). The largest losses were in trade, transportation and utilities (-10,400), manufacturing (-4,500), professional and business services (-4,200), natural resources, mining and construction (-4,000), and financial activities (-3,000).

MOHAWK VALLEY

Mark Barbano -- 315-793-2282

For the 12-month period ending January 2009, the private sector job count in the Utica-Rome metropolitan area decreased by 1,100, or 1.1 percent, to 96,000. Area job gains were centered in educational and health services (+400). Employment losses were greatest in manufacturing (-600) and financial activities (-300).

NEW YORK CITY

James Brown -- 212-775-3330

Private sector jobs in New York City fell by 57,300, or 1.8 percent, to 3,125,600 for the 12-month period ending January 2009. Growth occurred in educational and health services (+15,300) and other services (+3,400). Losses occurred in financial activities (-20,200), trade, transportation and utilities (-18,800), natural resources, mining and construction (-13,000) and professional and business services (-12,700).

SOUTHERN TIER

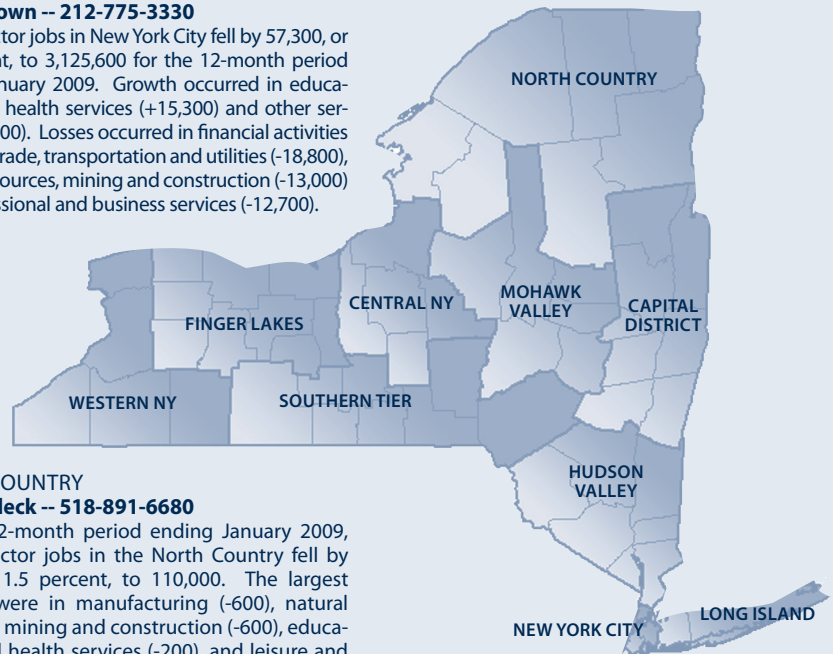
Christian Harris -- 607-741-4485

For the 12-month period ending January 2009, private sector jobs in the Southern Tier declined by 3,000, or 1.3 percent, to 230,100 in January 2009. Gains were focused in educational and health services (+1,000). The largest job losses were in manufacturing (-1,400), professional and business services (-700), leisure and hospitality (-500), natural resources, mining and construction (-500) and trade, transportation and utilities (-500).

WESTERN NY

John Slenker -- 716-851-2742

Over the 12 months ending January 2009, private sector employment in the Buffalo-Niagara Falls metro area decreased by 6,100, or 1.4 percent, to 439,200. Job gains were centered in educational and health services (+2,200) and leisure and hospitality (+700). Losses were largest in manufacturing (-3,800), trade, transportation and utilities (-3,200), and professional and business services (-1,100).



NORTH COUNTRY

Alan Beideck -- 518-891-6680

For the 12-month period ending January 2009, private sector jobs in the North Country fell by 1,700, or 1.5 percent, to 110,000. The largest declines were in manufacturing (-600), natural resources, mining and construction (-600), educational and health services (-200), and leisure and hospitality (-200).