

EMPLOYMENT in New York State

George E. Pataki, Governor

April 2003

Linda Angello, Commissioner

Annual Revisions Under NAICS...

Private Sector Jobs in 2002

Employment estimates for New York State now reflect the federal government's implementation of the North American Industrial Classification System (NAICS) in all 50 states. This system marks a large change in the way job data by industry are defined. Industry definitions have been changed and, under NAICS industry groupings, are based on the process used to make a product or deliver a service.

Under the old Standard Industrial Classification (SIC) system, the classification or grouping by industry was based on the end product or service itself. A NAICS-based industry employment history has been reconstructed back to 1990. This history,

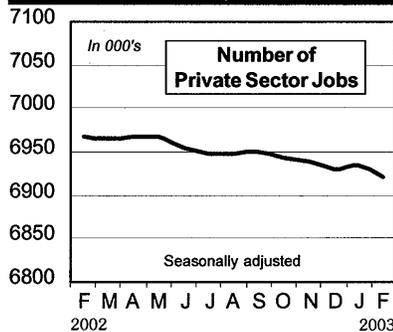
along with more information about the NAICS system, is available on the Department's web site, along with answers to frequently asked questions about NAICS and the implication of NAICS for New York State.

After annual year-end revisions, New York's private sector job count averaged 6,952,400 in 2002, down 171,500 (-2.4 percent) from 2001. Prior to 2001, New York's private sector job count had experienced an unparalleled three-year period of peacetime growth at 2.2 percent or higher per annum. The nation's private sector job count fell 1.3 percent from 2001 to 2002, but that number does not yet incorporate the latest annual data

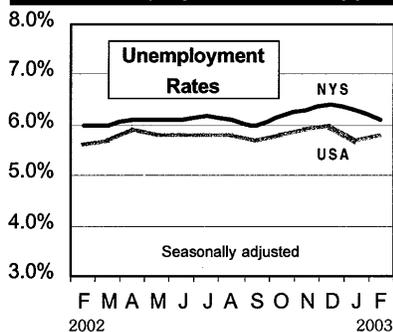
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IN FEBRUARY...

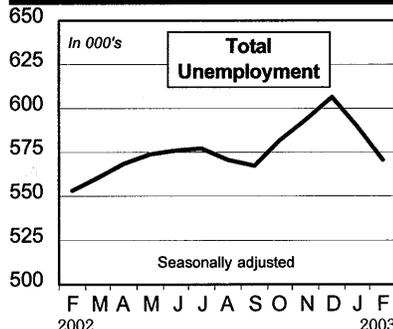
...Private sector jobs declined



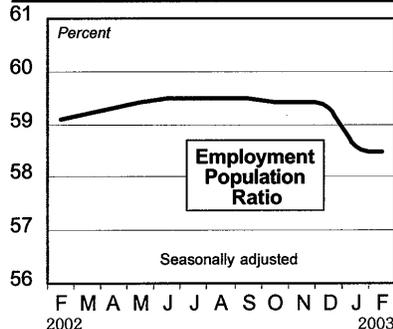
...NYS unemployment rate dropped



...Unemployment decreased



...Labor force participation steady



At a Glance

In February 2003, New York's seasonally adjusted unemployment rate was 6.1 percent, down from 6.3 percent in January. (The nation's unemployment rate was 5.8 percent in February.) In February 2003, the state had 8,395,500 nonfarm jobs, including 6,921,000 private sector jobs. In February, the number of private sector jobs decreased by 12,700 (-0.2 percent). (The nation's private sector job count declined by 0.3 percent over the month.) From February 2002 to February 2003, the number of private sector jobs decreased 0.6 percent in the state and 0.4 percent in the nation. In addition, New York's employment population ratio, a measure of labor force participation, declined to its lowest level since January 1997.

Change in Nonfarm Jobs Feb. 2002 - Feb. 2003

(Data not seasonally adjusted, numbers in thousands)

	Net	%
Total nonfarm jobs	-57.8	-0.7%
Private sector	-41.9	-0.6%
Nat. resources & mining	0.3	6.8%
Construction	-3.5	-1.2%
Manufacturing	-36.1	-5.5%
Durable goods	-26.1	-6.9%
Nondurable goods	-10.0	-3.6%
Trade, trans. & utilities	10.6	0.7%
Wholesale trade	-3.0	-0.8%
Retail trade	12.3	1.5%
Trans., warehous. & util.	1.3	0.5%
Information	-24.2	-8.0%
Financial activities	-9.7	-1.4%
Services	20.7	0.6%
Prof. & bus. services	-17.6	-1.7%
Educ. & health services	28.1	1.9%
Leisure & hospitality	10.2	1.7%
Other services	0.0	0.0%
Government	-15.9	-1.1%



FOCUS ON CENTRAL NEW YORK

Service-Providing Sectors and High-Tech Firms Expand Region's Economy

by Karen Knapik-Scalzo, Associate Economist
Central New York Region

The outlook for 2003 is bright for the Central New York economy, largely due to expansions in service-providing industries and high-tech businesses. In February 2003, private sector jobs in the Syracuse area (Onondaga, Madison, Oswego and Cayuga Counties) grew by 2,300 (+0.8 percent) over the year and the unemployment rate dropped significantly from 6.5 percent to 5.7 percent. Over the year, the Syracuse area's labor force grew by 9,800, with resident employment growing by 11,900 and unemployment down by 2,100.

The combination of a growing job base and shrinking unemployment rate represents a dramatic turnaround from last year's economic performance. Then, the Syracuse area was struggling with the continued downturn in the national economy, lingering effects from the September 11th terrorist attacks, and weakness in the global manufacturing and telecommunications sectors. The area lost 4,900 private sector jobs between 2001 and 2002, with its 2002 annual average job count falling to 282,000 (the lowest annual average in four years.)

The resilience of the Syracuse area's economy is linked to its high degree of economic diversity. Though often thought of as concentrated in manufacturing, Onondaga County is one of the most diversified metropolitan counties in New York State, according to a recent Federal Reserve analysis. It is home to about three-quarters of the jobs in the Syracuse area. As manufacturing has declined in importance, remaining industries have gained relatively larger shares of county employment.

Employment in Services Grows

Between February 2002 and February 2003, local job growth was strongest in several service-providing industries, including educational and health services;

“Private sector job growth has resumed in Central New York. More people are working today and fewer are unemployed than a year ago. Once uncertainty over hostilities in the Gulf region ends, we should see an increase in capital spending, followed by an increase in manufacturing jobs.”

Jerome F. Donovan,
Regional Administrator

professional and business services; trade, transportation, and utilities; and leisure and hospitality. Collectively, these four sectors added 4,700 jobs over the year, a gain of 2.6 percent, and accounted for 67 percent of all Syracuse-area private sector jobs. Growth was especially robust within high-tech industries in professional and business services, including management, scientific, and technical consulting services, and scientific research and development services.

Growth in the educational and health services sector was especially strong, with its two main component industries, educational services, and health care and social assistance, posting over-the-year job gains of 3.9 percent and 1.8 percent, respectively. Educational services has been a focal point recently, with Syracuse University slated to add new state-of-the-art labs and research facilities in environmental systems engineering as part of New York State's "Centers of Excellence" initiative at leading universities.

Health care employment continued to grow with the aging of the area's population. Local labor shortages are intensifying in health services, particularly for registered nurses.

The city of Syracuse is currently enjoying an abundance of major investments in its travel- and tourism-related industries, including leisure and hospitality and retail trade. The largest planned project is a \$2.2 billion expansion of the Carousel Center Mall that will transform it into a shopping and entertainment resort named Destiny USA. Thousands of new construction, retail trade, restaurant, hotel and recreation-related jobs are projected. The facility is expected to attract many people to the community, resulting in ripple effects that should boost the area's overall level of economic activity.

Bright Spots Emerge

Manufacturing has been the weakest link in the local economy in recent years. Between 1999 and 2002, manufacturing shed 7,600 jobs (-15 percent). Durable goods manufacturers were hit especially hard as auto parts plants, defense contractors, and machinery manufacturing firms were forced to trim workers. Manufacturing employment is now at a record low in the Syracuse area and more layoffs will occur when Nestle USA closes its chocolate products plant in Fulton (Oswego County) by May 2003, displacing 467 workers.

Manufacturing is critical to the region's economic health. It makes up nearly 15 percent of all private sector jobs and is the second highest paying industry (behind the information sector), with an average weekly wage of \$906. There are several bright spots on the local manufacturing scene with many growing, high-tech manufacturers planning to add jobs during 2003. Among them are businesses in medical manufacturing, including Bristol-Myers Squibb (a pharmaceutical company), Hanford Pharmaceuticals, and Welch Allyn (a producer of medical instruments). Bristol-Myers Squibb will soon complete its \$61 million expansion, adding a total of 60 new jobs, and

Continued on page 3

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	FEB '02	FEB '03		FEB '02	FEB '03		FEB '02	FEB '03
New York State	6.6	6.7	Hudson Valley	4.6	4.0	Southern Tier	7.1	6.1
Capital District	4.7	4.1	Dutchess	4.7	4.0	Broome	7.1	6.2
Albany	3.5	3.3	Orange	5.0	4.4	Chemung	7.8	6.7
Columbia	4.5	3.6	Putnam	3.6	3.2	Chenango	8.1	7.0
Greene	5.8	4.8	Rockland	4.0	3.6	Delaware	6.6	5.8
Rensselaer	5.3	4.6	Sullivan	6.9	5.9	Otsego	6.4	5.2
Saratoga	4.5	3.9	Ulster	4.7	4.1	Schuyler	11.3	9.1
Schenectady	4.4	4.2	Westchester	4.6	4.0	Steuben	9.6	8.6
Warren	7.8	7.0	Mohawk Valley	6.9	6.0	Tioga	7.0	6.8
Washington	6.5	5.5	Fulton	6.1	5.8	Tompkins	4.0	3.1
Central New York	6.6	5.8	Herkimer	7.2	6.7	Western New York	7.2	6.3
Cayuga	7.0	6.7	Madison	7.8	6.5	Allegany	7.5	7.4
Cortland	9.7	7.7	Montgomery	8.0	7.8	Cattaraugus	8.6	7.1
Onondaga	5.6	4.8	Oneida	6.0	5.2	Chautauqua	7.7	6.2
Oswego	9.1	8.5	Schoharie	9.4	6.4	Erie	6.7	5.9
Finger Lakes	6.7	6.1	North Country	9.1	7.8	Niagara	8.7	7.8
Genesee	8.7	8.1	Clinton	6.2	5.6	Long Island	4.6	4.2
Livingston	7.6	7.5	Essex	8.8	7.4	Nassau	4.4	3.8
Monroe	5.9	5.3	Franklin	8.9	7.7	Suffolk	4.8	4.6
Ontario	7.3	6.4	Hamilton	8.8	9.0	New York City	7.8	9.2
Orleans	8.6	8.8	Jefferson	10.8	9.2	Bronx	8.9	11.3
Seneca	7.1	6.3	Lewis	11.3	9.9	Kings	8.5	10.1
Wayne	8.5	7.7	St. Lawrence	9.5	8.1	New York	8.3	9.1
Wyoming	9.0	7.4				Queens	6.7	7.7
Yates	6.8	5.9				Richmond	6.0	7.8

Central New York ...

From page 2

Hanford Pharmaceuticals is hiring 50 temporary workers to fill a surge in antibiotics orders. Welch Allyn is closing its plant in North Carolina and moving much of the production of mechanical blood pressure devices to its Skaneateles Falls (Onondaga County) plant this year. All 156 employees in North Carolina were offered jobs in the Syracuse area.

Conclusion

Ongoing problems in the national and global economies as well as layoffs in the local manufacturing sector held back a recovery in the Syracuse area in 2002. However, growth at high-tech services and manufacturing businesses combined with significant investment in travel- and tourism-related industries mean that Central New York is poised to experience a broad-based economic recovery in 2003.

To distribute information faster and more reliably and reduce shipping costs, *Employment in New York State* will be available exclusively online at:

<http://www.labor.state.ny.us>

later this year. More information will be available in coming issues.

Private sector jobs ...

From page 1

revisions. Job data for all states and areas are revised each year as more complete information becomes available from employers' unemployment insurance tax records.

Among metropolitan areas, the annual average private sector job count decreased in 13 areas and increased in three from 2001 to 2002. Five of the 13 areas posting declines lost jobs at a slower rate than the nation's rate of private sector job loss (-1.3 percent). The private sector job count increased in Rockland (+1.1 percent), Newburgh (+0.5 percent) and Putnam (+0.5 percent). At the same time, the total number of nonfarm jobs in New York State, including government, declined by 151,600 (-1.8 percent) from 2001 to 2002, after revision. The rate of decline in Upstate nonfarm jobs (-0.9 percent) was in line with the nation's rate of decline (also -0.9 percent).

The job count in New York State decreased in manufacturing; professional and business services; trade, transportation and utilities; information; financial activities; construction; and natural resources and mining from 2001 to 2002. The job count increased in educational and health services; government; other services; and leisure and hospitality. (See table.)

For more information, visit www.labor.state.ny.us and click on *data* under the Labor Market Information icon.

Change in Annual Average Jobs by Industry New York State, 2001-2002 (In thousands)

	Net	Percent
Total Nonfarm	-151.6	-1.8%
Private Sector	-171.5	-2.4%
Nat. Resources & Mining	-0.2	-3.8%
Construction	-10	-3.0%
Manufacturing	-56.3	-7.9%
Durable Goods	-36.1	-8.8%
Nondurable Goods	-20.3	-6.8%
Trade, Trans. & Utilities	-36.8	-2.4%
Wholesale Trade	-12.7	-3.5%
Retail Trade	-9.7	-1.1%
Trans., Warehous. & Utilities	-14.4	-5.2%
Information	-28.1	-8.7%
Financial Activities	-26.6	-3.6%
Services	-13.6	-0.4%
Prof. & Bus. Services	-48.8	-4.4%
Educ. & Health Services	31.6	2.2%
Leisure & Hospitality	1.7	0.3%
Other Services	1.9	0.6%
Government	19.9	1.4%

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REGIONAL ANALYSTS' CORNER

FINGER LAKES WILLIAM RAMAGE (716)258-8870

Normal seasonal hiring in educational services and leisure and hospitality pushed up private sector employment in the Finger Lakes Region by 800 in February. However, continued cutbacks in manufacturing (-1,300) dropped employment at factories to its lowest level in over 13 years. The region's unemployment rate was 6.1% this month, down from 6.7% in February 2002.

CENTRAL, NY ROGER EVANS (315)4793388

Private sector employment rose 2,300 (+0.8%) in the Syracuse area over the 12 months ending February 2003. Syracuse's major industry sectors are growing, except manufacturing (-1,800). Local manufacturers continue to cut jobs: Mackenzie-Childs (a home furnishings maker) and Owl Wire and Cable Co. each recently let go of 30 workers, and Marcellus Casket Co. will close its two local plants by May 2003, displacing 315 workers.

MOHAWK VALLEY MARK BARBANO (315)793-2282

Unemployment in the Utica-Rome area fell from 6.3% in February 2002 to 5.5% in February 2003, and private sector employment rose 1,000 (+1.0%). Local gains were greatest in trade, transportation and utilities (+900) due to retail expansion in the second half of 2002. Educational and health services rose by 700. Leisure and hospitality (+400) and natural resources, mining and construction (+100) rounded out the gains. Losses were greatest in manufacturing (-900), due to plant closings and layoffs.

NORTH COUNTRY

ALAN BEIDECK (518)891-6680

In February, private sector employment in the North Country reached a new high for the month. Private sector employment rose 1,700 over the year to 109,100. Educational and health services (+900) recorded the largest increase followed by professional and business services (+400) and manufacturing (+300).

CAPITAL DISTRICT

JAMES ROSS (518)462-7600

Contrary to national trends, private sector job creation continued in the Albany-Schenectady-Troy area over the past year, growing 0.6 percent, while the number of private sector jobs dropped 0.4 percent in the nation. The area's unemployment rate fell to 4.1% in February 2003 while the nation's rate rose to 6.4%.

HUDSON VALLEY

SEAN MacDONALD (914)997-8798

Jobs rose 2,500 (+0.4%) between February 2002 and February 2003. Gains in professional and business services (+3,500), trade, transportation and utilities (+1,600), natural resources, mining and construction (+1,400) and other services (+600) offset losses in leisure and hospitality (-2,500), manufacturing (-2,500) and information (-1,000). Unemployment declined to 4.0% from 4.6% in 2002.

WESTERN NY

JOHN SLENKER (716)851-2742

Jobs declined by 1,500 (-0.3%) in the Buffalo-Niagara Falls area over the 12-month period ending February 2003. The losses occurred in manufacturing (-2,700) and trade, transportation and utilities (-2,400). Employment increased in leisure and hospitality (+1,200), educational and health services (+800), financial activities (+800) and professional and business services (+400) over the year. The unemployment rate moved down to 6.2% in February 2003.

SOUTHERN TIER

JOSEPH KOZLOWSKI (607)741-4485

Private sector jobs fell by 4,300 over the year, with declines posted in manufacturing (-3,200), professional and business services (-1,800), information (-200) and leisure and hospitality (-100). There is new hiring in educational and health services (+600), financial activities (+200), other services (+100) and trade, transportation and utilities (+100). The region's unemployment rate was 6.1% in February 2003, down from 7.1% a year ago.

NEW YORK CITY

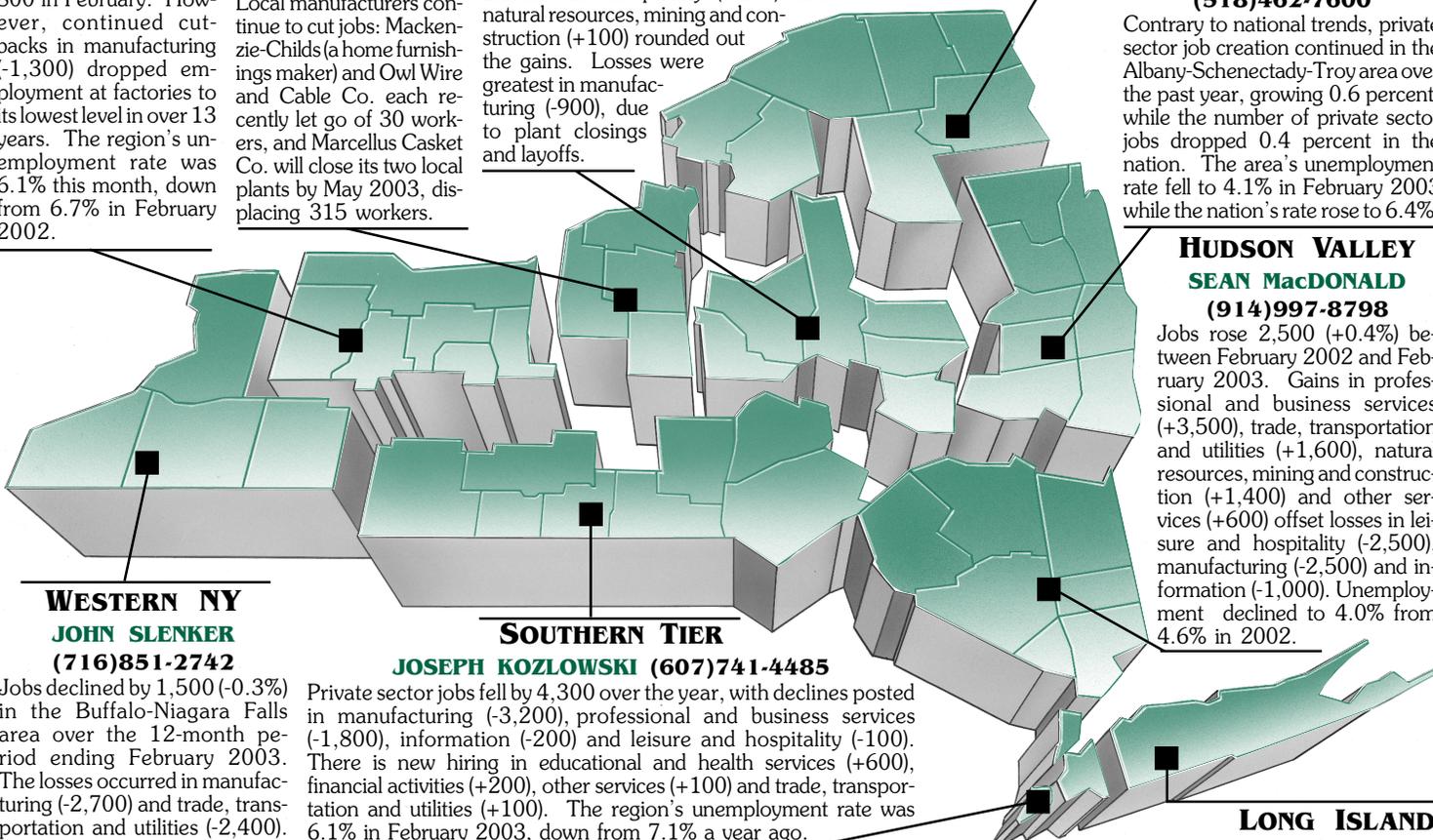
JAMES BROWN (212)352-6698

The city's private sector job count grew by 11,900 in February; its worst performance for this month since 1992. The average job gain for February over the decade is 20,400. Construction and motion pictures, both weather-sensitive industries, were noticeably weaker than they have been in past Februaries.

LONG ISLAND

GARY HUTH (516)934-8533

Employment was stable from February 2002, falling by 100. Employment declined in manufacturing (-4,500), information (-1,800), natural resources, mining and construction (-1,000) and professional and business services (-300) and increased in trade, transportation and utilities (+2,400), other services (+1,900), financial activities (+1,400), leisure and hospitality (+1,300) and educational and health services (+500).



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