

EMPLOYMENT in New York State

David A. Paterson, Governor

April 2008

M. Patricia Smith, Commissioner

Workforce Shortages Loom...

Going Green in New York State

Green jobs are a strong focus of many economic development and workforce initiatives today. Viewed as part of the broader innovation economy, this focus is a strategy driven by opportunity and need. Skyrocketing energy prices, increasing concerns about how we produce and consume energy, and the potential environmental consequences of global climate change all spur policies and incentives that promote energy efficiency and a cleaner environment. The State of New York has been a leader in these activities with the creation of then-Lt. Governor Paterson's Renewable Energy Task Force, which issued its first report in February 2008, and the establishment of the Syracuse Center of Excellence in Environmental and Energy Systems in 2002.

Why Green?

The Empire State has a vested interest in reducing its dependence on fossil fuels. The New York State Energy Research and Development Authority (NYSERDA) reports that New York is the fourth largest energy user of all the states, with New Yorkers spending more than \$57 billion for energy in 2005, up 19 percent from 2004. New York's reliance on foreign oil as a proportion of total petroleum consumption was 90 percent in 2005, while the nation's reliance on foreign oil was 67 percent.

Green options offer two broad economic advantages over conventional technologies. The first is they tend to be labor-intensive, so they generally create more jobs per dollar of investment. The

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At a Glance

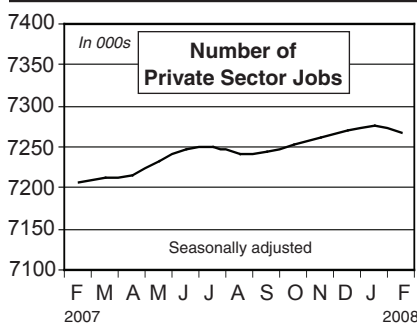
In February 2008, New York's seasonally adjusted unemployment rate was 4.5 percent, down from 5.0 percent in January 2008. (The nation's unemployment rate was 4.8 percent in February.) In February 2008, the state had 8,779,400 nonfarm jobs, including 7,268,700 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state decreased by 0.1 percent from January. (The nation's private sector job count also decreased by 0.1 percent over the month.) From February 2007 to February 2008, the number of private sector jobs increased by 1.0 percent in the state, and increased by 0.5 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, decreased in February.

Change in Nonfarm Jobs Feb. 2007 - Feb. 2008 (Data not seasonally adjusted, numbers in thousands)

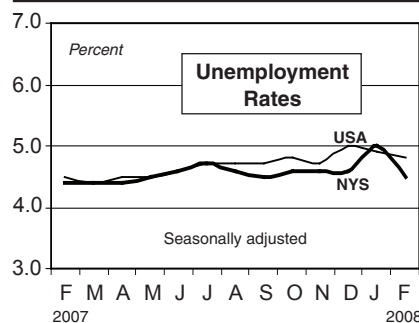
	Net	%
Total Nonfarm Jobs	80.0	0.9
Private Sector	67.7	1.0
Goods-producing	-9.4	-1.1
Nat. res. & mining	-0.1	-1.9
Construction	6.5	2.1
Manufacturing	-15.8	-2.9
Durable gds.	-6.0	-1.8
Nondurable gds.	-9.8	-4.3
Service-providing	89.4	1.2
Trade, trans., & util.	9.7	0.7
Wholesale trade	-2.2	-0.6
Retail trade	8.6	1.0
Trans., whrs., & util.	3.3	1.2
Information	3.5	1.3
Financial activities	1.1	0.2
Prof. & bus. svcs.	3.3	0.3
Educ. & health svcs.	39.9	2.5
Leisure & hospitality	14.6	2.2
Other services	5.0	1.4
Government	12.3	0.8

IN FEBRUARY...

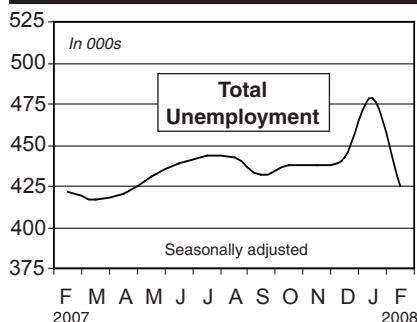
...NYS private sector jobs decreased



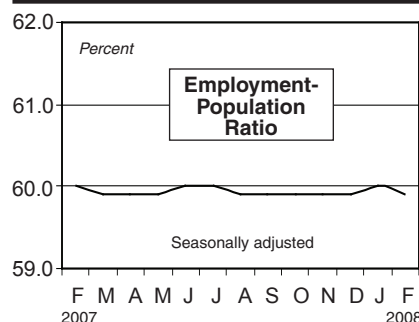
...NYS unemployment rate decreased



...NYS unemployment decreased



...NYS labor force participation down



Focus on Central New York

Local Economy Enjoys Balanced Growth

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

Central New York's economy continues to grow, despite the threat of a national recession. A combination of a diversified industrial base, a healthy local housing market, and aggressive recruitment efforts by local employers should help to insulate the region from the full-blown effects of any national slowdown. However, a protracted U.S. recession would adversely affect the regional employment base, especially among goods-producing industries.

Region Grows

Between February 2007 and February 2008, the private sector job count in the Central New York region rose by 2,900, or 1.0 percent, to 294,600 -- its highest February level since 2001. Local over-the-year job growth was double that of the nation (+0.5 percent) and matched the state's rate of growth (+1.0 percent) over the same period.

Broad-based local job growth continued, with most industries adding jobs over the year. Two consistent performers are professional and business services and educational and health services. A growing reliance on jobs requiring technical, science, computer, and math skills helped to boost employment at professional, scientific, and technical services firms. Hir-



"The Department of Labor and our workforce partners connect employers with job seekers."

Betty Youmans,
Employment Services Team Leader,
Central New York Region

ing has been particularly robust at local nursing and residential care facilities, in response to an aging population base.

The largest over-the-year job decline was in manufacturing, which continues to be the Achilles Heel of the regional economy. The job count at Central New York factories is at a record low for February. Recent layoffs at auto parts maker New Process Gear contributed to these losses.

Despite these job reductions, there is plenty of other good news from local high-tech manufacturers. Bitzer Scroll, a German maker of air conditioning and refrigeration compressors, will create 289 high-end engineering and manufacturing jobs when it opens a facility at the former General Motors plant in Salina.

Lockheed Martin's Maritime Systems & Sensors Systems group recently held a job fair to hire 150 workers with engineering and project management skills. Medical instruments maker Welch Allyn plans to break ground this spring on a \$30 million expansion and renovation project that will add 175 jobs over the next five years. GE Inspection Technologies in Skaneateles Falls recently moved 165 existing employees into a new manufacturing facility, and expects to add another 50 high-tech jobs over the next five years. G.A. Braun Inc., a maker of commercial washers and dryers, will move to larger quarters at Hancock Air Park in Cicero and create 40 new jobs over the next three years.

Housing and Labor Supply

The area's stable housing market and labor force are key forces that help to keep the local economy strong. The National Association of Realtors recently singled out Syracuse as an example of a healthy real estate market that is bucking the national trend of falling prices and slower sales. While the Syracuse market did not enjoy the spectacular price run-up that affected many other areas of the country between 2000 and 2005, it has avoided the subsequent crash that occurred in

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second is that they use primarily local resources, so more energy dollars can be kept at home.

What is Green?

A major challenge in analyzing green industries is the lack of an official government definition. One commonly cited definition from the Organization for Economic Cooperation and Development (OECD) is a useful starting point: Green industries "produce goods and services to measure, prevent, limit, minimize or correct environmental damage to water, air and soil, as well as problems related to waste, noise and eco-systems. This includes cleaner technologies, products and services that reduce environmental risk and minimize pollution and resource use."

Numerous green studies have tended to focus on four broad industry groups: renewable and alternative energy (e.g. biomass, wind and solar power); trans-

portation (e.g. hybrid vehicles, advanced battery storage); materials and green buildings (e.g. materials recovery and recycling, green buildings and sustainable design); and air and water quality (e.g. air filtration and ventilation, water purification and desalination).

Measuring Green

Lack of an official government green industry definition also makes it challenging to precisely measure the sector's overall economic impact. A 2007 study from the American Solar Energy Society (ASES) estimated that green industries (which they call renewable energy and energy efficiency (RE&EE) industries) in the U.S. accounted for almost 8.5 million jobs in 2006, and that they generated \$972 billion of revenue that year. Energy efficiency (EE) industries were responsible for about 95 percent of U.S. green sector jobs and revenues in 2006. More than

half of EE employment was in manufacturing, with recycling (37 percent) in second place and construction (6 percent) in third. Nearly 70 percent of jobs in renewable energy were in biomass industries (ethanol and biomass power).

The economic outlook for green appears bright. The ASES study forecasts, under what they term a "moderate scenario," that by 2030 the total number of RE&EE jobs in the U.S. will increase to almost 21 million jobs and that total revenues will jump to \$2.38 billion (in constant 2006 dollars).

Green Challenges

One of the major obstacles facing efforts to develop green industries is lack of skilled labor. In response, the federal Green Jobs Act of 2007 authorized \$125 million in green-collar job training opportunities, including \$25 million to train low-income individuals. Analysts estimate

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Unemployment Rates in New York State

Data Not Seasonally Adjusted

	FEB '07	FEB '08		FEB '07	FEB '08		FEB '07	FEB '08
New York State	4.8	5.0	Hudson Valley	4.2	4.8	Southern Tier	5.2	5.7
Capital District	4.5	5.2	Dutchess	4.1	4.9	Broome	5.1	5.7
Albany	4.1	4.7	Orange	4.6	5.3	Chemung	5.2	5.5
Columbia	4.4	5.1	Putnam	3.6	4.1	Chenango	6.1	7.2
Greene	5.4	6.2	Rockland	3.9	4.5	Delaware	5.2	6.5
Rensselaer	4.8	5.5	Sullivan	6.6	7.3	Schuyler	6.7	7.3
Saratoga	4.2	4.9	Ulster	4.5	5.4	Steuben	6.3	6.9
Schenectady	4.5	5.3	Westchester	4.0	4.6	Tioga	6.0	5.9
Warren	6.0	6.6	Mohawk Valley	5.9	6.7	Tompkins	3.3	3.5
Washington	5.2	6.3	Fulton	6.4	7.4	Western New York	5.4	6.3
Central New York	5.3	5.9	Herkimer	6.7	7.5	Allegany	6.4	7.3
Cayuga	5.5	6.2	Montgomery	7.8	8.6	Cattaraugus	5.9	6.9
Cortland	6.7	7.0	Oneida	5.1	5.7	Chautauqua	5.2	5.9
Madison	5.8	6.5	Otsego	5.6	6.5	Erie	5.2	6.0
Onondaga	4.5	5.1	Schoharie	7.3	8.8	Niagara	6.2	7.4
Oswego	7.0	7.9	North Country	6.9	7.7	Long Island	4.1	4.7
Finger Lakes	5.1	5.8	Clinton	6.8	7.0	Nassau	3.8	4.3
Genesee	5.7	6.9	Essex	7.2	8.2	Suffolk	4.3	4.9
Livingston	5.8	6.8	Franklin	6.7	8.0	New York City	5.0	4.4
Monroe	4.6	5.3	Hamilton	7.1	9.2	Bronx	6.9	6.0
Ontario	5.3	5.9	Jefferson	7.0	8.0	Kings	5.3	4.7
Orleans	6.7	7.6	Lewis	7.4	8.0	New York	4.4	3.8
Seneca	5.7	6.5	St. Lawrence	6.8	7.6	Queens	4.5	3.9
Wayne	5.8	6.6				Richmond	4.5	4.0
Wyoming	6.8	7.7						
Yates	5.4	5.8						

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many of those same areas. Moreover, the local market has been relatively steady since then. In 2007, the number of units sold in greater Syracuse increased by 0.1 percent, compared with a 12.8 percent decline in sales nationwide. Similarly, the median price in Syracuse increased by 3.5 percent in 2007, while the U.S. price dropped by 1.4 percent last year.

A combination of slow population growth, increasing numbers of baby boomers retiring, and fewer young people entering the local job market have contributed to a tightening labor supply in Central New York. If these trends continue, local employers will have great difficulty filling positions, which could hamper future job growth. In response, the region's employers are aggressively advertising to fill vacancies at various skill levels.

Entry-level workers, employees with specialized technical skills, and highly skilled professional workers are all in demand. There are just not enough new workers entering occupations like carpenters, nurses, engineers, and machinists, which has led to persistent shortages.

Summary

Recent good news in the Central New York region far outweighs the bad. Diversified job growth, a balanced housing market, and aggressive recruiting by local employers in the face of a shrinking labor supply have all helped to propel the local economy.

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that this law provides enough money to train about 30,000 workers per year.

The State of New York has publicly invested heavily in many projects and businesses with a green focus through grants from the New York State Foundation for Science, Technology and Innovation (NYSTAR) and NYSERDA. NYSTAR awarded \$700,000 grants to three community colleges -- Hudson Valley, Monroe, and Onondaga -- to train workers for positions in renewable energy and sustainable design and construction. To date, NYSERDA has provided approximately \$2 million for solar and wind workforce training and over \$2 million to develop a statewide training network for energy efficiency and building science through Hudson Valley Community College. NYSERDA is soliciting proposals for workforce training in clean energy technology worth \$4 million. They have budget proposals for an additional \$2 million for solar training at community colleges and \$8.64 million for workforce development to support energy efficiency positions.

Work by the Apollo Alliance found that most positions in green industries will require "middle-skill" workers, who have more education than a high school diploma, but less than a four-year university degree. Green proponents, such as the Center for American Progress, argue that green jobs will provide living wages

because they often require special skills. Thus, they hold promise to replace the work that once anchored the American middle class. Instead of blue-collar manufacturing jobs, however, these new positions would be in industries such as wind turbine manufacturing, solar panel installation, energy efficiency retrofits and green construction.

Conclusion

Green technologies hold enormous economic and environmental potential. However, for New York State to remain a leader in the development and commercialization of green technologies, public and private sector institutions must work closely together to develop new initiatives that will supply and train the necessary workforce.

by Kevin Jack

Employment in New York State

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Division of Research and Statistics
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Director	Peter A. Neenan
Editor	Kevin Jack
Dir. of Communications	Leo Rosales
Graphic Design	Jeff Mosher
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FINGER LAKES Tammy Marino 585-258-8870

Private sector jobs in the Rochester area declined over the year by 1,500, or 0.4 percent, to 425,500 in February 2008. Job gains were focused in educational and health services (+2,400), construction (+1,300) and leisure and hospitality (+300). Declines were concentrated in manufacturing (-3,400) and professional and business services (-1,400).

CENTRAL NY Roger Evans 315-479-3388

For the 12 months ending February 2008, the private sector job count in the Syracuse metro area rose 2,900, or 1.1 percent, to 261,100. Job growth was largest in natural resources, mining and construction (+1,000) and professional and business services (+900). Losses occurred in manufacturing (-400).

MOHAWK VALLEY Mark Barbano 315-793-2282

For the 12-month period ending February 2008, the private sector job count in the Utica-Rome metro area increased by 600, or 0.6 percent, to 97,000. The largest job gain occurred in leisure and hospitality (+500). Losses were centered in financial activities (-400) and manufacturing (-300).

NORTH COUNTRY Alan Beideck 518-891-6680

Private sector employment in the North Country rose over the year by 1,200, or 1.1 percent, to 112,000 in February 2008. The largest gains were in educational and health services (+400), natural resources, mining and construction (+300), leisure and hospitality (+200), and trade, transportation and utilities (+200).

CAPITAL DISTRICT James Ross 518-462-7600

From February 2007 to February 2008, the number of private sector jobs in the Albany-Schenectady-Troy area fell by 500, or 0.2 percent, to 332,100. Over-the-year gains were limited to professional and business services (+900) and educational and health services (+300). Job losses were largest in other services (-500).

HUDSON VALLEY John Nelson 914-997-8798

Private sector jobs in the Hudson Valley increased over the year by 5,500, or 0.8 percent, to 737,300 in February 2008. Gains were largest in professional and business services (+2,700) and educational and health services (+2,500). Job losses were centered in financial activities (-1,600) and manufacturing (-1,300).

WESTERN NY John Slenker 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls area increased over the year by 300, or 0.1 percent, to 442,600 in February 2008. Job gains were centered in leisure and hospitality (+1,900) and professional and business services (+1,200). Losses were largest in manufacturing (-1,400) and natural resources, mining and construction (-1,200).

SOUTHERN TIER Christian Harris 607-741-4485

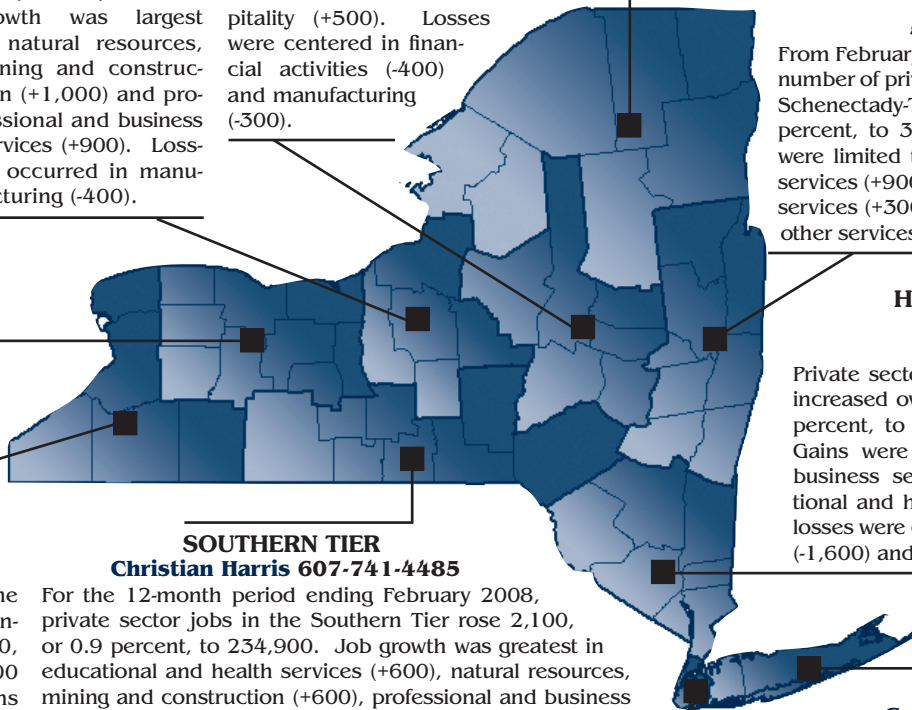
For the 12-month period ending February 2008, private sector jobs in the Southern Tier rose 2,100, or 0.9 percent, to 234,900. Job growth was greatest in educational and health services (+600), natural resources, mining and construction (+600), professional and business services (+400), and information (+200).

NEW YORK CITY James Brown 212-775-3330

Private sector employment in New York City rose 44,900, or 1.4 percent, to 3,178,100 for the 12-month period ending February 2008. Job growth was largest in trade, transportation and utilities (+12,800), educational and health services (+9,200) and leisure and hospitality (+9,200). Manufacturing lost jobs over the year (-6,900).

LONG ISLAND Gary Huth 516-934-8533

Long Island's private sector job count increased over the year by 12,000, or 1.2 percent, to 1,039,700 in February 2008. The largest gains were in leisure and hospitality (+4,800) and educational and health services (+4,700). Losses were centered in financial activities (-3,200) and manufacturing (-1,900).



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