

EMPLOYMENT in New York State

George E. Pataki, Governor

May 2004

Linda Angello, Commissioner

Important Trends in the Workplace (Part 1) ...

The Future of Work

Two recent publications—*The 21st Century at Work* from the Rand Institute and *The New Division of Labor* by economists Frank Levy and Richard Murnane—consider what forces will shape and change the U.S. workforce and workplace over the next 15 years. They identified changes in three broad areas—demographics, technology and educational attainment, and globalization—as having significant impacts on the workplace of the future. Here, in a two-part series, we examine some of the implications of these changes for New York State's economy.

Demographics

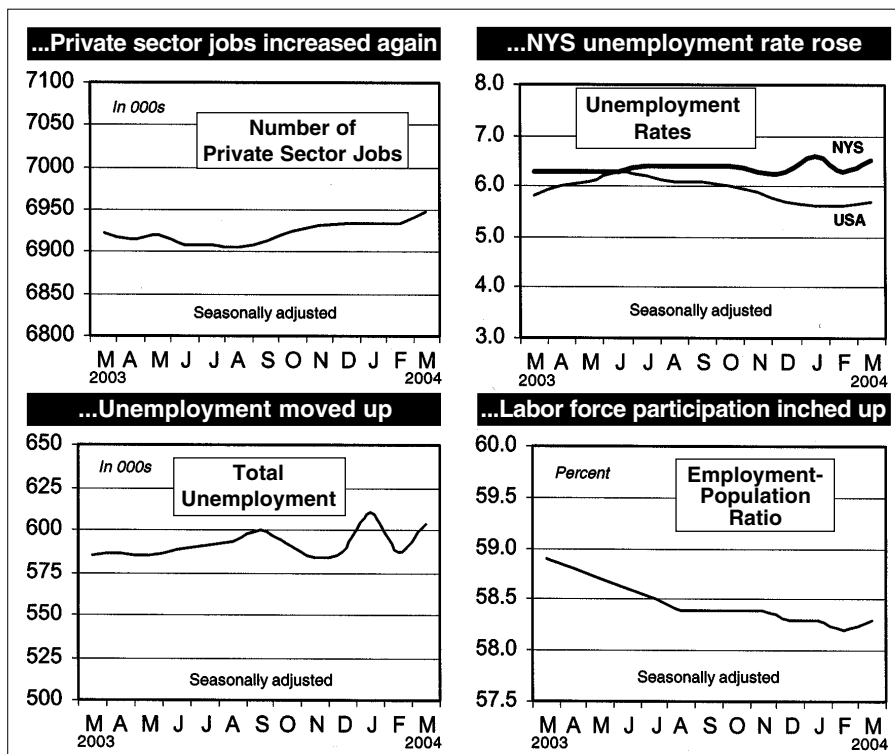
The two major demographic forces affecting New York's labor force between

2005 and 2020 will be slow growth in its overall working-age population (ages 15-64) and a dramatic increase in its population aged 55-64. The State's working-age population is expected to only grow by 17,000, or 0.1%, over this period, according to Cornell University projections. (Note: working-age population is usually ages 16-64; however, the format of the Cornell estimates, required us to use ages 15-64.)

The major driving force behind this projected slow labor force growth is expected continued out-migration by New York residents to other states. International immigration is expected to help temper this loss; for example, between April 1, 2000 and July 1, 2003, New York experienced net

Continued on page 3

IN MARCH...



At a Glance

In March 2004, New York's seasonally adjusted unemployment rate was 6.5 percent, up from 6.3 percent in February. (The nation's unemployment rate was 5.7 percent in March.) In March 2004, the state had 8,432,700 nonfarm jobs, including 6,947,400 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.2 percent from February. (The nation's private sector job count rose 0.3 percent over the month.) From March 2003 to March 2004, the number of private sector jobs increased by 0.4 percent in the state and increased by 0.6 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, increased slightly in March.

Change in Nonfarm Jobs March 2003 - March 2004 (Data not seasonally adjusted, numbers in thousands)

	Net	%
Total Nonfarm Jobs	22.2	0.3%
Private Sector	27.7	0.4%
Goods-Producing		
Nat. res. & mining	0.3	6.5%
Construction	-0.6	-0.2%
Manufacturing	-25.9	-4.2%
Durable gds.	-12.0	-3.4%
Nondurable gds.	-13.9	-5.2%
Service-providing	48.4	0.7%
Trade, trans., & util.	2.7	0.2%
Wholesale trade	-2.8	-0.8%
Retail trade	10.2	1.2%
Trans., whrs., & util.	-4.7	-1.8%
Information	-1.9	-0.7%
Financial activities	6.3	0.9%
Prof. & bus. svcs.	7.5	0.7%
Educ. & health svcs.	28.3	1.9%
Leisure & hospitality	11.5	1.9%
Other services	-0.5	-0.1%
Government	-5.5	-0.4%

Focus on the Southern Tier

Manufacturing on the Rebound

by Joe Kozlowski, Labor Market Analyst, Southern Tier Region

The Southern Tier region is emerging from a three-year slump that began in March 2001 with the onset of the national recession. Over the March 2001-March 2004 period, the region lost 14,300 jobs, including 10,000 in manufacturing. Manufacturing occupies an important place in the Southern Tier region's economy, as its regional employment share is about twice the statewide average and its annual average wage is more than 40% higher than the region's average private sector wage.

There were 782 private sector manufacturing businesses in the Southern Tier in 2002 (latest year available). They employed more than 46,000 workers, had an annual payroll of almost \$2.1 billion, and paid employees an average annual wage of more than \$45,000. By far the manufacturing industry with the most employment in 2002 was computer and electronic products, which had 67 businesses employing 13,700 workers, accounting for about 30% of all manufacturing jobs in the region. This industry also paid the highest average manufacturing wage, \$61,032.

The current outlook for manufacturing in the Southern Tier is upbeat. Over the past year, the pace of layoffs has slowed dramatically and the number of people employed in manufacturing has started to stabilize (with the exception of the Elmira metro area). On a more general level, the Federal Reserve's Empire State Manufacturing Survey found that New York manufacturers felt business conditions improved



“The Southern Tier employment outlook improved significantly during the first quarter of 2004. Many employers in our region are adding to their workforce for the first time in three years. Current recruitment efforts offer job seekers a wide range of opportunities in the manufacturing, service and technology sectors.”

*John Flynn,
Regional Administrator
Southern Tier*

in March, and expressed optimism regarding conditions six months in the future.

In more good news, local factory orders are on the rise, temp staffing firms are reporting increased activity in support of manufacturing, and more businesses are recruiting workers for immediate and future employment needs. Department of Labor data confirm these reports: production worker positions now make up the largest portion of job openings listed with the Workforce New York One-Stop Career Centers in the Southern Tier. Further evidence of an area manufacturing resurgence abounds: Endicott Interconnect plans to hire 700 workers over the

next five years as it expands production of its airport screening devices. Lockheed Martin, which has won major contracts from the U.S. Department of Defense, will hire 300 workers this year, and is also in the running for a \$1.6 billion contract to build the next generation of presidential helicopters. If the company wins this contract, hundreds of high-end engineering and technical jobs will be created in Tioga County. A sampling of other manufacturers that plan to add new workers includes NLX, Universal Instruments, Alstom, Corning Inc., Tyco Health Care, Vulcraft, Synthes USA, Kennedy Valve, Schweizer, World Kitchen, CAF USA, TTA, Raymond, Felchar, and Ensco.

Many of the jobs manufacturers plan to add are in higher-paying occupations such as engineers, managers, sheet metal technicians, printed circuit board makers, inspectors, welders, industrial painters, tool and die makers and CNC operators. As hiring accelerates, employers will be pressed to find enough workers with the right combination of technical and mechanical skills as well as “soft skills” such as a positive attitude, a good work ethic, and an ability to work in teams.

Demographic trends will exacerbate the search for skilled workers in the region. First, the tip of the wave of the baby-boom generation turned 55 in 2001, and will soon retire in force. Second, continued out-migration by younger workers will put additional pressures on employers.

continued on page 3

Talent Bank Serves Employers

The New York State Department of Labor is the premier agency that matches job seekers with employers. Working with partners statewide, one of the most vital services we offer to employers is the use of our *Talent Bank*. It is a computer database that contains a multitude of resumes from workers around New York State. In our *Talent Bank*, employers can find an abundance of qualified workers ready, willing and able to become part of a workforce.

The labor pool across the Empire State is wide and deep, reflecting the level of education and experience that our workers possess. As a result, the entries in the

Talent Bank range from artist to teacher to engineer; from apprentice to seasoned professional. If you have a hard-to-fill job that needs a worker, chances are the *Talent Bank* is your source for the person who can do it.

Currently, there are more than 900,000 names in the *Talent Bank* database. It's a great resource, just waiting to serve the needs of employers. A wide variety of capable workers are deposited daily in our *Talent Bank* and also into America's Job Bank (AJB), which it connects to. On a recent day, 1,849 new resumes appeared on AJB. We encourage employers to make a withdrawal. Whether

looking for a single employee or 50, our *Talent Bank* has the workers employers are looking for. The *Talent Bank* is a no-cost, quick-turnaround option for employers to use for vacancies or expansion.

Place a job request through the One-Stop Career Center or the America's Job Bank web site: www.ajb.org/ny. If you request the Job Scout service and supply an e-mail address, AJB will notify you any time a resume that matches your request enters the system.

To place a job order with the New York State Department of Labor from the *Talent Bank*, call 1-800-HIRE-992 or go to our web site: www.labor.state.ny.us.

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	MAR '03	MAR '04		MAR '03	MAR '04		MAR '03	MAR '04
New York State	6.5	6.7	Hudson Valley	4.0	4.7	Southern Tier	6.2	6.8
Capital District	4.2	4.9	Dutchess	4.0	4.6	Broome	6.2	6.7
Albany	3.5	4.1	Orange	4.4	5.5	Chemung	6.5	7.5
Columbia	3.9	4.6	Putnam	3.3	3.5	Chenango	7.0	8.2
Greene	5.0	6.3	Rockland	3.7	4.2	Delaware	5.9	6.2
Rensselaer	4.7	5.7	Sullivan	6.0	7.4	Otsego	5.2	6.2
Saratoga	4.0	4.6	Ulster	4.0	5.3	Schuyler	8.6	9.6
Schenectady	3.9	4.6	Westchester	3.9	4.6	Steuben	9.0	8.9
Warren	7.0	7.5	Mohawk Valley	6.1	7.2	Tioga	7.0	6.7
Washington	5.1	6.2	Fulton	6.1	7.5	Tompkins	3.3	4.2
Central New York	5.9	6.9	Herkimer	6.7	8.2	Western New York	6.4	7.5
Cayuga	6.6	7.5	Madison	6.3	7.9	Allegany	8.0	9.5
Cortland	8.2	10.2	Montgomery	8.1	9.1	Cattaraugus	7.0	9.1
Onondaga	4.9	5.6	Oneida	5.5	6.2	Chautauqua	6.2	7.4
Oswego	8.4	10.2	Schoharie	6.2	7.7	Erie	6.0	7.0
Finger Lakes	6.0	6.6	North Country	8.2	9.9	Niagara	7.7	8.9
Genesee	7.9	8.9	Clinton	6.4	8.4	Long Island	4.2	4.6
Livingston	7.1	8.0	Essex	6.8	8.1	Nassau	3.8	4.2
Monroe	5.3	5.8	Franklin	8.2	9.3	Suffolk	4.5	5.0
Ontario	6.6	7.0	Hamilton	8.8	10.4	New York City	8.7	8.1
Orleans	8.6	8.7	Jefferson	9.3	11.1	Bronx	10.7	10.5
Seneca	6.8	7.4	Lewis	10.7	11.8	Kings	9.5	8.8
Wayne	7.4	7.7	St. Lawrence	8.7	10.4	New York	8.5	7.5
Wyoming	7.4	9.6				Queens	7.3	6.9
Yates	5.6	5.5				Richmond	7.5	7.0

Southern Tier...

from page 2

To meet this challenge, the region needs to optimize its existing labor pool. One strategy for achieving this goal is to improve the labor force participation rates of the local youth talent pool (high school graduates and students who attend local colleges). In 2002, the Southern Tier had more than 65,700 college students and almost 7,300 graduating high school seniors, according to State Education Department data, a sizeable pool of potential employees.

A second, related strategy is to induce more of the many recent graduates of area colleges and universities to remain in the region after graduation. The region's post-secondary institutions conferred almost 15,000 degrees in 2001-02, including more than 3,200 degrees in technical fields.

The Chenango-Delaware-Otsego Workforce Development Coalition, a consortium of college and school career services and the New York State Department of Labor, is dedicated to promoting, educating, improving and retaining the area's emerging workforce. To that end, the Coalition developed a website that links the educational community to area businesses and provides information on internships, summer jobs, job sharing and mentoring opportunities: www.wdcintern.org. The Coalition hopes to make young people aware of the many career opportunities in the area, promote economic growth, and help employers tap the area's young talent pool.

Future of Work...

from page 1

international immigration of 442,800, ranking New York second only to California over this period. However, even when net gains from international immigration are factored in, the Cornell projections estimate that between 2005 and 2020 the State will experience a net loss of more than 375,000 residents due to out-migration.

Mirroring national forecasts, New York's population aged 55-64 should grow by more than 500,000, or 25%, between 2005 and 2020. At the same time, the core working-age population (ages 35-54) will decline by more than 630,000, or 11%. Also notable is that the population aged 15-24 years, the usual primary source of entry-level workers, will actually decline in New York by more than 78,000, or 3%, over the 2005-2020 period.

Taken together, the above demographic trends suggest the State could face labor shortages, despite a small growth in the overall working age population. This is due to the fact that New Yorkers aged 55-64, who will account for 19% of the working-age population in 2020 (up from 16% in 2005), have significantly lower labor force participation rates (58%) than those aged 35-54 (more than 80%).

Technology & Educational Attainment

With computers and advanced technology becoming more prevalent in the workplace, even the most basic jobs require escalating levels of skills and education. A parallel, but related development has been an overall increase in the educational attainment of the State's population.

This trend is expected to continue, dampening demand for many lower-skilled blue-collar and administrative support titles, the traditional source of jobs for many workers with less formal education. Workers in many of these occupations have already experienced large job losses in recent years. For example, over the 1983-2002 period, the number of low- and mid-skilled manufacturing jobs in New York fell by about 40%, while high-skilled manufacturing jobs only fell by 14%, according to research by the Federal Reserve.

(Editor's note: In the next issue of this newsletter, we conclude our examination of important trends in the workplace and their implications for New York State's economy.)

by Kevin Jack and Joseph Nardone

Employment in New York State

is published 12 times a year. For a change of address, write to the Publications Unit at the address below and provide your old as well as new address.

Division of Research and Statistics
New York State Department of Labor
Building 12, State Campus
Albany, N.Y. 12240

Acting Director	David J. Trzaskos
Editor	Kevin Jack
Director of Communications	Robert Lillpopp
Graphic Design	Kim Hardin
Editorial Advisors	Thomas Nespeco Christine Perham

FIRST-CLASS MAIL
POSTAGE & FEES PAID
Employment Security
Permit No. G-12

State of New York
 Department of Labor
 Division of Research and Statistics
 W. Averell Harriman Office Building
 Campus
 Albany, New York 12240
OFFICIAL BUSINESS

EMPLOYMENT IN NEW YORK STATE

www.labor.state.ny.us/labor_market/lmi_business/newsletr/current/index.htm

REGIONAL ANALYSTS' CORNER

FINGER LAKES WILLIAM RAMAGE 585-258-8870

Private sector employment in the Finger Lakes region fell by 200 over the year to 459,500. Job gains in educational and health services (+2,200), leisure and hospitality (+900), financial activities (+900) and construction (+700) were more than offset by cutbacks in manufacturing (-4,600) and professional and business services (-600).

CENTRAL NY ROGER EVANS 315-479-3388

Private sector jobs in the Syracuse area rose over the year by 1,400, or 0.5 percent, to 277,700 in March 2004. Job gains were centered in professional and business services (+1,600) and leisure and hospitality (+1,100). Manufacturing employment fell 1,300 and construction was down 400 jobs over the year.

MOHAWK VALLEY MARK BARBANO 315-793-2282

Total nonfarm employment in the Utica-Rome area declined 200, or 0.2 percent, over the year, to 129,900 in March 2004. Gains were largest in government (+400) due to continued growth in the Oneida Indian Nation's enterprises, with smaller gains in educational and health services and trade, transportation and utilities. Manufacturing dipped by 600 over the year.

NORTH COUNTRY

ALAN BEIDECK 518-891-6680

Private sector employment in the North Country climbed over the year by 1,900, or 1.7 percent, to 110,500 in March 2004, a new high for the month. The largest gains were in educational and health services (+800) and trade, transportation, and utilities (+800). Two Canadian companies, OntZinc and ProSoya, announced plans to increase employment in St. Lawrence County.

CAPITAL DISTRICT JAMES ROSS 518-462-7600

Private sector jobs in the Albany-Schenectady-Troy area increased over the year by 4,600, or 1.4 percent, to 344,600 in March 2004. Gains in educational and health services (+1,100), leisure and hospitality (+900), and natural resources, mining and construction (+900) overshadowed small losses in manufacturing and other services.

HUDSON VALLEY SEAN MacDONALD 914-997-8798

Private sector employment in the region rose 9,900, or 1.4 percent, over the year to 730,100 in March 2004. Gains were largest in trade, transportation and utilities (+3,300), educational and health services (+2,900), leisure and hospitality (+2,500), and professional and business services (+2,200). Information (-1,900) and manufacturing (-1,500) had losses.

WESTERN NY JOHN SLENKER 716-851-2742

Private sector employment in the Buffalo-Niagara Falls area fell by 3,600, or 0.8 percent, to 439,600 over the 12 months ending March 2004. Job gains occurred in financial activities (+500), leisure and hospitality (+400) and professional and business services (+300) were outweighed by losses in manufacturing (-3,800) and natural resources, mining and construction (-700).

SOUTHERN TIER JOSEPH KOZLOWSKI 607-741-4485

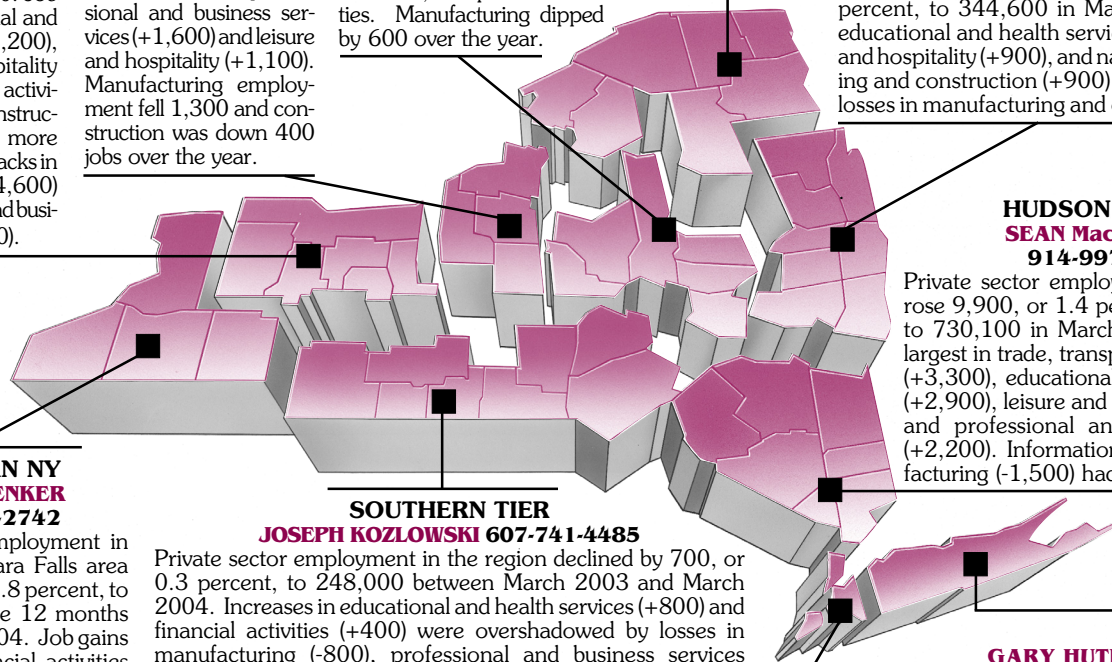
Private sector employment in the region declined by 700, or 0.3 percent, to 248,000 between March 2003 and March 2004. Increases in educational and health services (+800) and financial activities (+400) were overshadowed by losses in manufacturing (-800), professional and business services (-700), and information (-500).

NEW YORK CITY JAMES BROWN 212-352-6698

The City's private sector continues to improve, adding 7,400 since March 2003. Two economically sensitive sectors - information and professional and business services - now rank second and third for job creation over the last 12 months. At 8.1 percent in March, the City's unemployment rate is below its year-earlier level for the fifth straight month.

LONG ISLAND GARY HUTH 516-934-8533

Private sector employment rose in the region over the year by 8,900, or 0.9 percent, to 1,010,900, in March 2004. Employment increases were greatest in educational and health services (+4,200), trade, transportation and utilities (+2,800), financial activities (+1,700), and leisure and hospitality (+1,500), while losses occurred in manufacturing (-2,400) and information (-1,200).



Equal Opportunity Employer/Program
 Auxiliary aids and services are available upon request to individuals with disabilities.
 Division of Research and Statistics, New York State Department of Labor