

EMPLOYMENT in New York State

Eliot Spitzer, Governor

May 2007

M. Patricia Smith, Commissioner

Many Factors Shape a Generation...

New York State's Generations by the Numbers

There has been much press coverage recently regarding the various generations of America. News stories span a variety of topics, from the passing of 1,000 World War II veterans daily to an anticipated wave of Baby Boomer retirements to a perception that high school seniors (Echo Boomers) face a much more competitive college admissions process today than 10 or 20 years ago.

There is no consensus among demographers concerning the starting and ending years of generations, or for that matter, how many generations there are. Some analysts rely more heavily on trends in birth rates, while others focus on shared values or de-

fining experiences to delineate generations. This article combines three data sets – the latest population estimates (July 2006) from the U.S. Census, 2006 data from the monthly Current Population Survey, and a generational breakdown developed by Warren Brown of Cornell University – to examine characteristics of each generation in New York State's labor force today (see table on the bottom of page 2).

The youngest labor force members belong to the Baby Boom Echo (also known as Generation Y). Born between 1977 and 1991, many consider the 2001 World Trade Center attacks to be the defining event for this generation. Just over

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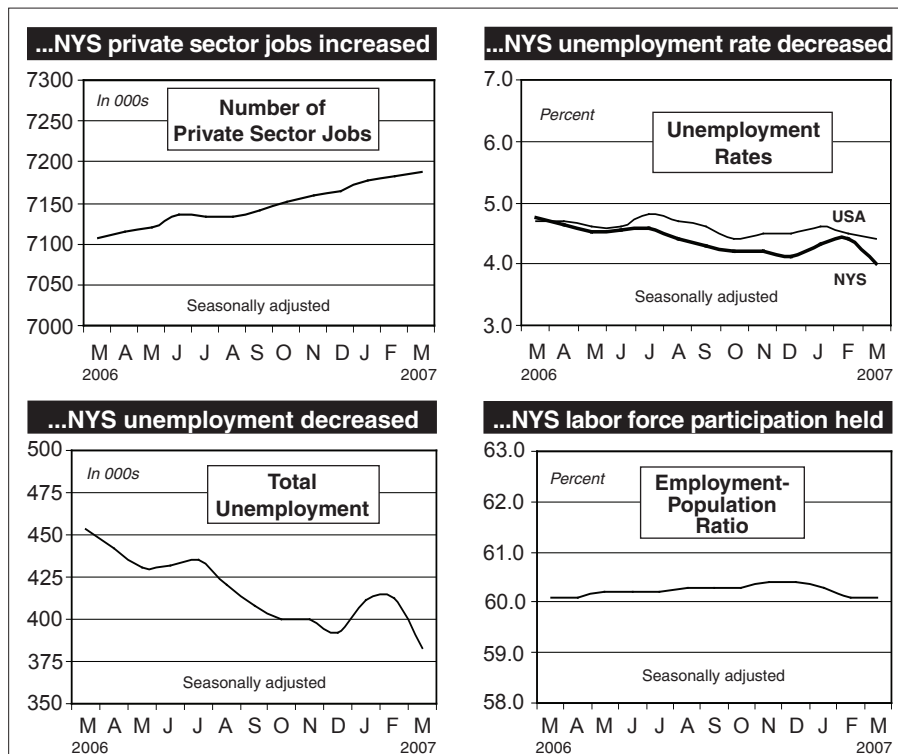
At a Glance

In March 2007, New York's seasonally adjusted unemployment rate was 4.0 percent, down from 4.4 percent in February 2007. (The nation's unemployment rate was 4.4 percent in March.) In March 2007, the state had 8,672,600 nonfarm jobs, including 7,187,700 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from February. (The nation's private sector job count also increased by 0.1 percent over the month.) From March 2006 to March 2007, the number of private sector jobs increased by 1.2 percent in the state and increased by 1.5 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, was unchanged in March.

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

	Net	%
Total Nonfarm Jobs	88.4	1.0
Private Sector	81.6	1.2
Goods-producing	-3.9	-0.4
Nat. res. & mining	0.4	7.4
Construction	9.3	3.0
Manufacturing	-13.6	-2.4
Durable gds.	-0.3	-0.1
Nondurable gds.	-13.3	-5.6
Service-providing	92.3	1.2
Trade, trans., & util.	11.9	0.8
Wholesale trade	-0.6	-0.2
Retail trade	11.1	1.3
Trans., whrs., & util.	1.4	0.5
Information	-1.9	-0.7
Financial activities	12.9	1.8
Prof. & bus. svcs.	21.3	2.0
Educ. & health svcs.	28.7	1.8
Leisure & hospitality	9.1	1.4
Other services	3.5	1.0
Government	6.8	0.5

IN MARCH...



Focus on the Finger Lakes

The Finger Lakes – Moving in a New Direction

by Tammy Marino, Labor Market Analyst, Finger Lakes Region

The employment picture in the nine-county Finger Lakes area brightened in recent months as 2,500 private sector jobs were added for the 12-month period ended March 2007. As a result, employment reached its highest March level since 2002. Regional job growth occurred in a diverse set of industries, including professional and business services, educational and health services, and leisure and hospitality.

Recent Growth

The ramping up of research and development activities in cutting-edge fields such as biotechnology, digital and medical imaging, fuel cells, alternative energy, and photonics, helped to boost employment at area educational and health institutions. With employment in this sector continuing to set monthly records, its importance and contribution to the regional economy cannot be overlooked. In fact, this sector employs nearly 25 percent of all private sector workers in the Finger Lakes region.

A good example of this advanced research is the University of Rochester Medical Center's newly planned \$56 million, 150,000 square-foot research facility. Over the next six years, the new facility, which will focus on the deployment of new biomedical discoveries from the laboratory to the market, is expected to create hundreds of new jobs with an



"The area's economic diversity and emerging technology initiatives have contributed to recent job growth in the Finger Lakes region."

*Peter Pecor,
Regional Administrator,
Finger Lakes Region*

estimated \$440 million economic impact on the area. The center is expected to create 326 jobs directly, and an additional 230 jobs due to the project's economic ripple effect. The projected 556 new jobs overall may prove conservative, if spin-off companies arise from research activity at the facility.

Another area of notable strength over the past year has been the region's professional and business services sector. These firms, which typically sell their services to other businesses, added 2,400 jobs (a growth rate of 3.9 percent) since March 2006. Hiring at employment service firms, which is typically considered an indicator of future job growth, has been especially strong. Computer systems design

and payroll processing firms have added jobs as well, primarily because of the need for workers with specialized skills and the increase in outsourcing to third-party firms by major corporations and small startup firms alike.

Recent developments at Carestream Health should also help boost the local economy. Onex Corporation purchased Kodak's health-imaging unit and renamed it Carestream Health. Impressed by the region's talented workforce, Carestream plans to create 500 new office and manufacturing positions. The company eventually hopes to expand its local workforce from 800 to 1,300.

New Diversity

Home to industrial giants such as Eastman Kodak, Xerox, and Bausch & Lomb, the region is no stranger to the term "corporate restructuring." Over the past decade, the region's manufacturing employment base experienced significant downsizing due to job losses at its largest industrial employers, primarily Kodak. About 9,000 jobs were shed in the Rochester area over the past three years, bringing factory local employment numbers down to 12,500. The magnitude of these losses is so large it has masked the creation of jobs in other sectors of the local economy.

However, by the end of 2007, Kodak expects to complete its massive

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The Labor Force Status of New York State's Generations

Generation	Born	Age in 2006	Population (in millions), Aged 16+ (2006)**	Labor Force Participation Rate (%) (2006)	Generation's Share of NYS Labor Force (2006)**
Diversity Generation	2000 – present	0 to 6	----	----	----
Baby Bust Echo	1992 – 1999	7 to 14	----	----	----
Baby Boom Echo (Generation Y)	1977 – 1991	15 to 29	3.73*	61.4%	23.8%
Baby Busters	1965 – 1976	30 to 41	3.25	81.9%	27.6%
Younger Boomers	1958 – 1964	42 to 48	2.10	82.5%	18.0%
Older Boomers	1946 – 1957	49 to 60	3.00	74.4%	23.2%
Silent Generation	1937 – 1945	61 to 69	1.39	38.6%	5.6%
Cold War Generation	1925 – 1936	70 to 81	1.25	12.8%	1.7%
G.I. Generation	1912 – 1924	82 and older	0.58	3.9%	0.2%
		Total	15.31	63.0%	100.0%

Sources: U.S Census, Current Population Survey, and Warren Brown, Cornell University.

*Estimate includes only those of working age (16 or older).

**Values may not sum to total due to rounding.

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	MAR '06	MAR '07		MAR '06	MAR '07		MAR '06	MAR '07
New York State	5.0	4.3	Hudson Valley	4.2	3.7	Southern Tier	5.2	4.8
Capital	4.4	4.1	Dutchess	4.1	3.8	Broome	5.4	4.8
Albany	4.1	3.8	Orange	4.5	4.1	Chemung	5.4	5.0
Columbia	4.4	4.2	Putnam	3.8	3.1	Chenango	5.8	5.7
Greene	5.3	5.0	Rockland	3.9	3.4	Delaware	4.9	5.2
Rensselaer	4.6	4.3	Sullivan	5.7	5.5	Otsego	5.2	4.8
Saratoga	4.0	3.8	Ulster	4.4	4.0	Schuyler	6.4	6.3
Schenectady	4.4	4.0	Westchester	4.1	3.6	Steuben	6.1	5.4
Warren	5.8	5.4	Mohawk Valley	5.7	5.2	Tioga	5.1	5.0
Washington	5.0	4.6	Fulton	6.3	6.2	Tompkins	3.6	3.2
Central New York	5.2	4.6	Herkimer	6.3	6.1	Western New York	5.7	4.9
Cayuga	5.6	5.1	Madison	5.8	5.4	Allegany	6.2	6.0
Cortland	6.2	5.7	Montgomery	6.5	6.0	Cattaraugus	6.0	5.4
Onondaga	4.7	4.2	Oneida	5.1	4.4	Chautauqua	5.2	4.6
Oswego	6.6	5.6	Schoharie	6.1	5.9	Erie	5.5	4.7
Finger Lakes	5.1	4.5	North Country	6.9	6.4	Niagara	6.3	5.7
Genesee	5.8	5.0	Clinton	6.3	6.2	Long Island	4.2	3.7
Livingston	5.8	5.5	Essex	6.9	6.7	Nassau	4.0	3.5
Monroe	4.6	4.2	Franklin	6.8	6.0	Suffolk	4.3	3.9
Ontario	5.5	4.6	Hamilton	8.7	7.4	New York City	5.3	4.4
Orleans	6.8	6.2	Jefferson	7.0	6.5	Bronx	7.1	6.0
Seneca	5.5	4.9	Lewis	7.3	6.8	Kings	5.7	4.7
Wayne	5.7	4.8	St. Lawrence	7.0	6.1	New York	4.6	3.7
Wyoming	6.5	5.5				Queens	4.9	3.9
Yates	5.1	4.6				Richmond	4.7	3.9

Finger Lakes...

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restructuring effort. In the final stages of its transition from traditional film to digital photography, Kodak plans to cut as many as 3,000 additional jobs worldwide. (This is on top of the 25,000-27,000 previously announced.) This latest round of layoffs will bring Kodak's global workforce to its lowest level since the 1950s.

As Rochester's long-time giant relinquishes its dominant role in the local economy, growth will depend more and more on the region's many small and mid-sized manufacturers. Representative companies (and the number of jobs they've added, based on published reports) include Pactiv Corp. (+220), ERM Thermal Technologies (+88), and Rochester Insulated Glass (+75). These are just a few examples of some recent successes that will be important to the region's economic health.

Despite experiencing dramatic layoffs in recent years, the local economy has taken the important first steps toward recovery. Employment in the region (as in the nation) has become less dependent on manufacturing. As the region evolves, a diversified mix of new and growing industries, including educational, health, and business services, continues to replace and supplant the traditional engines of growth in the area. This transition, combined with the recent resurgence of broad-based hiring, means that the Finger Lakes economy should continue to grow in 2007.

NYS's Generations...

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60 percent of this generation's 3.73 million members (aged 16 and older) participated in the state's labor force in 2006, a relatively low percentage since many are still in high school or college.

Members of the Baby Busters generation, those born between 1965 and 1976, are the next-oldest group in the workplace. This generation had 2.66 million members in New York's labor force in 2006, accounting for almost 28 percent of the state total. This makes the Baby Busters the most numerous in the workplace. Defining moments for this group include the collapse of the Berlin Wall, the Gulf War, and the rise of the Internet.

It is common to refer to all persons born between 1946 and 1964 as Baby Boomers. However, this generalization overlooks significant differences in terms of attitudes, defining events, and economic fortunes between Younger Boomers (born 1958-1964) and Older Boomers (born 1946-1957). While Younger Boomers were shaped by Watergate and the AIDS epidemic, the older group was defined by the Kennedy and King assassinations, the Vietnam War, and the civil rights movement. The two cohorts also faced much different economic environments, with Older Boomers enjoying relatively prosperous times while Younger Boomers coped with the stagflation of the late 1970s. Younger Boomers have the highest labor force participation rate (82.5 percent) of any group. Altogether, the two

sets of Boomers account for more than 40 percent (3.97 million) of the state's 9.6 million labor force members.

Older generations are still well-represented. In 2006, there were more than 700,000 persons at least 61 years of age participating in New York's labor force. Coming from three distinct generations (Silent, Cold War, G.I.), they collectively comprised almost 8 percent of the state's workforce. Most workers in this age group are from the Silent Generation (born 1937-1945).

Today's generations have been shaped by many factors including birth rates, shared values, or defining experiences. While each group has been influenced by a unique set of factors, all play an important role in New York State's labor force today.

by Kevin Jack

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REGIONAL ANALYSTS' CORNER

FINGER LAKES TAMMY MARINO 585-258-8870

Private sector jobs in the Rochester area rose over the year by 1,500, or 0.4 percent, to 428,100 in March 2007. Employment gains were concentrated in professional and business services (+1,900), educational and health services (+1,100), leisure and hospitality (+400), and trade, transportation and utilities (+300). Over-the-year losses occurred in manufacturing (-2,200).

CENTRAL NY ROGER EVANS 315-479-3388

For the 12-month period ending March 2007, the private sector job count in the Syracuse metro area rose 1,600, or 0.6 percent, to 260,400. Growth was greatest in educational and health services (+1,200), professional and business services (+1,200), and leisure and hospitality (+700). Losses were largest in trade, transportation, and utilities (-1,100).

MOHAWK VALLEY MARK BARBANO 315-793-2282

For the 12-month period ending March 2007, the private sector job count in the Utica-Rome area rose 700, or 0.7 percent, to 97,400. Growth was largest in educational and health services (+400), leisure and hospitality (+300), natural resources, mining and construction (+300), while manufacturing (-300) lost the most.

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector employment in the North Country region rose over the year by 1,200, or 1.1 percent, to 111,800 in March 2007. The largest gains were in educational and health services (+600) and natural resources, mining, and construction (+500). Losses were greatest in leisure and hospitality (-300).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From March 2006 to March 2007, the number of private sector jobs in the Albany-Schenectady-Troy area fell by 500, or 0.1 percent, to 335,100. Losses were concentrated in professional and business services (-1,100) and financial activities (-800). Gains occurred in educational and health services (+1,600) and leisure and hospitality (+600).

HUDSON VALLEY JOHN NELSON 914-997-8798

Private sector employment in the Hudson Valley increased over the year by 8,200, or 1.1 percent, to 740,600 in March 2007. Gains were largest in educational and health services (+3,000), professional and business services (+1,900), trade, transportation and utilities (+1,700), and natural resources, mining and construction (+1,600). Losses were centered in manufacturing (-1,000).

WESTERN NY JOHN SLENKER 716-851-2742

Private sector employment in the Buffalo-Niagara Falls metro area increased by 500, or 0.1 percent, to 446,300, over the 12 months ending March 2007. Job gains were centered in educational and health services (+1,400), professional and business services (+1,100), and financial activities (+900). Losses were largest in manufacturing (-1,900) and information (-700).

SOUTHERN TIER CHRISTIAN HARRIS 607-741-4485

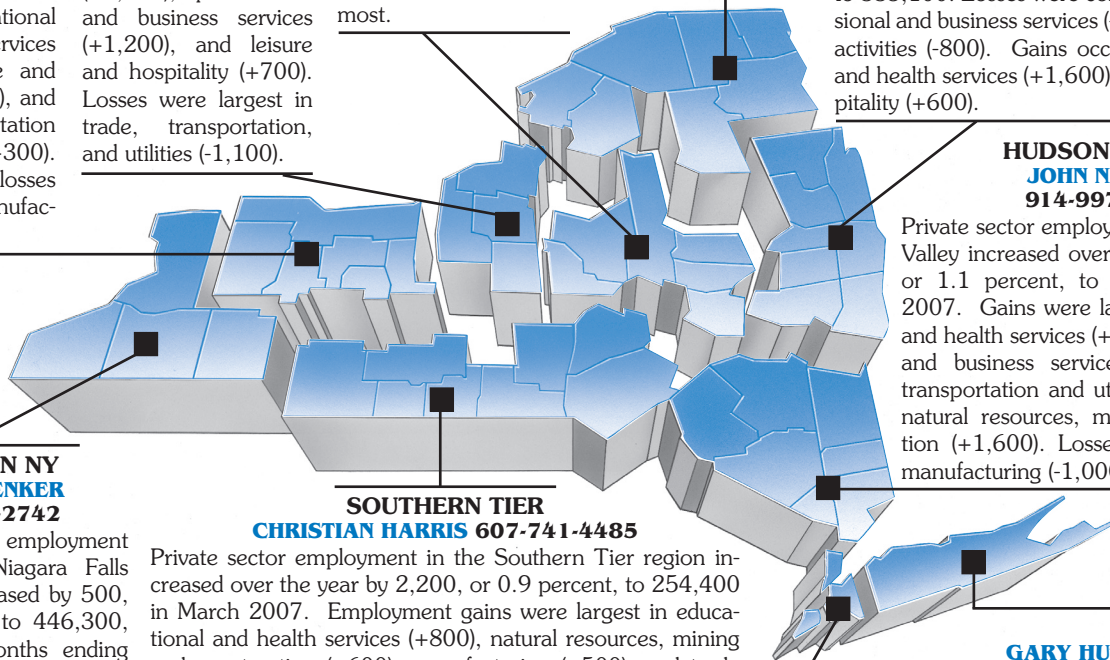
Private sector employment in the Southern Tier region increased over the year by 2,200, or 0.9 percent, to 254,400 in March 2007. Employment gains were largest in educational and health services (+800), natural resources, mining and construction (+600), manufacturing (+500), and trade transportation and utilities (+500). Losses occurred in leisure and hospitality (-300).

NEW YORK CITY JAMES BROWN 212-621-9353

Private sector employment in New York City rose 53,100, or 1.7 percent, to 3,131,100 for the 12-month period ending March 2007. Job growth was largest in educational and health services (+16,100), professional and business services (+13,000), financial activities (+11,400), trade, transportation and utilities (+7,400), and leisure and hospitality (+5,100). Manufacturing (-7,400) lost jobs over the year.

LONG ISLAND GARY HUTH 516-934-8533

In March 2007, the number of private sector jobs on Long Island increased over the year by 10,200, or 1.0 percent, to 1,035,500. Gains were largest in professional and business services (+4,200), educational and health services (+3,500), and natural resources, mining and construction (+2,100). Jobs declined over the year in manufacturing (-1,600) and financial activities (-800).



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