

Employment

IN NEW YORK STATE

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

At a Glance

In March 2009, New York's seasonally adjusted unemployment rate was 7.8 percent, unchanged from February 2009. (The nation's unemployment rate was 8.5 percent in March.) In March 2009, the state had 8,640,400 nonfarm jobs, including 7,138,100 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state decreased by 0.5 percent from February, while the U.S. private sector job count decreased by 0.6 percent. From March 2008 to March 2009, the number of private sector jobs decreased by 2.2 percent in the state and decreased by 4.3 percent in the U.S. (not seasonally adjusted). In addition, New York's Index of Coincident Economic Indicators decreased in March 2009.

Change in Nonfarm Jobs

March 2008 - March 2009

(Data not seasonally adjusted,
net change in thousands)

	Net	%
Total Nonfarm Jobs	-165.9	-1.9%
Private Sector	-161.6	-2.2%
Goods-producing	-61.5	-7.0%
Nat. res. & mining	-0.2	-3.6%
Construction	-24.3	-7.2%
Manufacturing	-37.0	-6.9%
Durable gds.	-25.7	-8.0%
Nondurable gds.	-11.3	-5.2%
Service-providing	-104.4	-1.3%
Trade, trans. & util.	-51.3	-3.4%
Wholesale trade	-18.4	-5.2%
Retail trade	-21.9	-2.5%
Trans., wrhs. & util.	-11.0	-4.0%
Information	-9.3	-3.5%
Financial activities	-30.2	-4.2%
Prof. & bus. svcs.	-36.4	-3.2%
Educ. & health svcs.	30.1	1.8%
Leisure & hospitality	-4.3	-0.6%
Other services	1.3	0.4%
Government	-4.3	-0.3%

Recession Takes Toll...

Economic Downturn Affects Youngest and Oldest Workers

The current national economic downturn -- the longest in the post-World War II era -- has claimed more than 135,000 nonfarm jobs in New York State since it began in December 2007. Over the same time period, it boosted the state's unemployment rate from 4.6 percent to 7.8 percent. While the economic crisis has affected American workers of all ages to varying degrees, two demographic groups -- our youngest (ages 16-24) and oldest (age 55+) workers -- have been especially hard hit by the current downturn.

Youngest Workers Face Tough Market

The unemployment rate for 16-to-24-year olds is higher than for any other age group

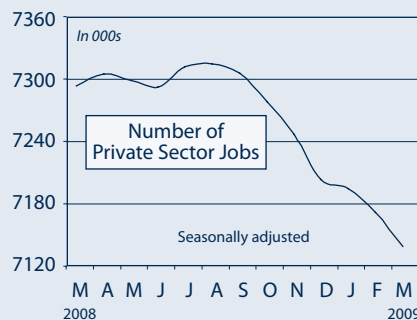
in New York (see table below). For the 12 months ending March 2009, the unemployment rate among this age group was 13.7 percent, more than twice as high as the overall jobless rate (6.2 percent). Young people made up about 13 percent of the workforce, but accounted for 29 percent of all unemployed during this period.

The hiring outlook this year is not looking much better for the nation's 1.5 million members of the college class of 2009. "Tackling a dismal job market" sums up the prospects facing many. Across the nation, employers are expected to hire 22 percent fewer new college graduates (bachelor's degree level)

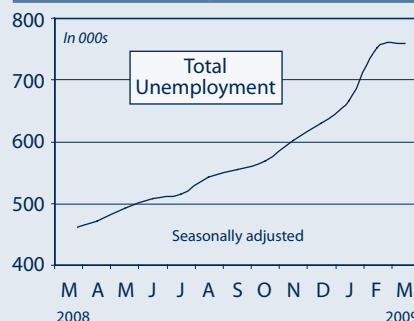
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IN MARCH...

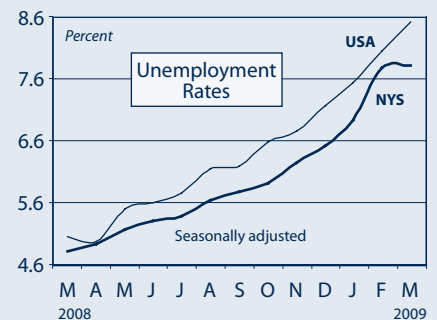
...NYS private sector jobs decreased



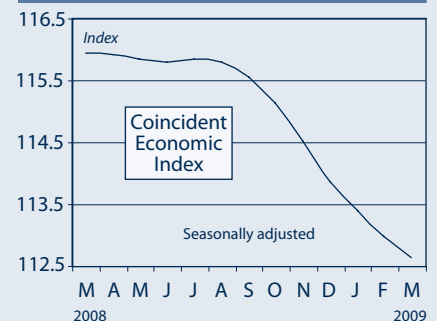
...NYS unemployment increased



...NYS unemployment rate unchanged



...NYS economic index decreased



Focus on the Southern Tier

Despite Recession, Job Opportunities Still Exist

by Christian Harris, Labor Market Analyst, Southern Tier

What a difference a year makes. Back in early 2008, it would have been difficult to convince Southern Tier business leaders that by year's end we'd be heading into a national recession unlike anything we have seen for decades. Back then, the common challenge confronting the region's employers was the lack of qualified workers to meet a growing demand for skilled labor. Fast forward to 2009: Most businesses are now cutting costs just to stay afloat until overall economic conditions improve.

These cost-cutting measures have resulted in widespread reductions in company staffing levels, losses which are reflected in the latest labor market statistics. From March 2008 to March 2009, the Southern Tier's private sector job count declined by 4,600, or 1.9 percent, to 231,600, its lowest level for the month since 2006. In March 2009, the region's unemployment rate stood at 8.8 percent, a record high for the month (current data extend back to 1990).

Goods Producers Hardest Hit

Manufacturing plays a special role in the Southern Tier's economy. It not only accounts for a larger proportion of local private sector jobs (14.6 percent) than in the nation as a whole (11.7 percent), but also the sector's average wage (\$52,557 in 2007) is almost 40 percent higher than the region's all-industry average (\$37,746).

Manufacturing was an important source of regional economic growth over the past few years. From March 2005 to March 2008, the region's manufacturers added 1,500 jobs. However, the factory job count has declined by 2,300 over the past year alone (March 2008 to March 2009). Announced job losses have been

geographically dispersed, ranging from the 640 jobs cut at Corning Inc. work sites in the western end of the region to the combined 600 jobs lost at Amphenol and MeadWestvaco plants in Delaware County. At present, 800 jobs hang in the balance at the Lockheed Martin plant in Tioga County, as federal defense officials review plans to cut the presidential helicopter program.

The region's natural resources, mining and construction sector lost 800 jobs over the past year. This was due to the completion of several large-scale projects such as the Millennium Pipeline (a

"It is a common misperception that all hiring activity dries up during economic downturns. In reality, there is always churning in the labor market."

trans-regional natural gas pipeline) and a subsequent lack of new work. The industry's outlook improved noticeably with the infusion of federal stimulus funding from the American Recovery and Reinvestment Act (ARRA). At least \$89 million in regional transportation and infrastructure funding are expected under ARRA, which

will create more than 2,100 jobs in the Southern Tier.

Where the Jobs Are

It is a common misperception that all hiring activity dries up during economic downturns. In reality, there is always churning in the labor market. At present, we have over 2,600 active job orders in the Southern Tier, representing a wide array of occupational categories, listed on the New York State Job Exchange (for more information, visit www.americasjobexchange.com/ny).

Educational and health services has emerged as the Southern Tier's major recession-resistant sector. Over the past year, it added 1,000 private sector jobs despite a very difficult economic climate. Long-term industry projections covering the 2006-2016 period suggest this trend will continue; the sector's employment is projected



"With New York set to receive significant federal stimulus funds under the American Recovery and Reinvestment Act (ARRA), the state is on the cusp of creating jobs that will first be visible in construction related to infrastructure and green jobs associated with weatherization efforts. The ARRA funds will also help spur demand for clean technology products in the Southern Tier. Our regional workforce partners are collaborating now on effective uses of training funds to develop a talent pipeline for tomorrow's jobs."

Bruce Herman,

Deputy Commissioner for Workforce Development

to grow by more than 10 percent through 2016. Over the same period, projections indicate that the education and health care field will dominate both the list of fastest-growing job titles (7 out of top 25) as well as those expected to create the most openings (8 of top 25).

Another group of occupations demonstrating long-term growth potential throughout the region are those related to science, technology, engineering and math (STEM). Most STEM jobs require advanced educational preparation, but people choosing these careers will be rewarded with burgeoning career opportunities and well-paying salaries.

Summary

Despite the viselike grip this recession appears to have on the labor market, hiring activity continues -- albeit at a slower pace than in prior years. In the months ahead, federal stimulus funds will spur hiring in construction, while the education and health sector should remain the largest source of jobs. ■

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this year than last, according to a recent survey from the National Association of Colleges and Employers (NACE). This represents the largest drop in hiring activity since the Class of 2002, when it dropped by 36 percent in the aftermath of the 2001 recession and the World Trade Center attacks.

Moreover, the NACE report indicates that the average starting salary for 2009 graduates with a bachelor's degree is \$48,515, down 2.2

percent from last year's average of \$49,624. It is important to note that the average salary data cited by the NACE does not include many liberal arts graduates, who tend to receive job offers later in the year than science or business majors.

Oldest Workers Face Challenges Too

Current economic turmoil has also affected many older working New Yorkers. Perhaps most profoundly, the plunge in the stock market sig-

nificantly reduced the retirement savings of many older workers, who are also dealing with declining home values and tighter consumer credit. An Employee Benefit Research Institute study published in February 2009 found that U.S. workers on the verge of retirement (ages 56-65) with a 401(k) plan for at least 20 years saw their retirement balances drop more than 25 percent in 2008. Those figures actually un-

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Unemployment Rates in New York State

Data Not Seasonally Adjusted

	MAR '08	MAR '09		MAR '08	MAR '09		MAR '08	MAR '09
New York State	5.0	8.1	Hudson Valley	4.7	7.4	Finger Lakes	5.8	8.4
Capital District	5.1	7.6	Dutchess	4.8	7.6	Genesee	6.4	8.9
Albany	4.7	6.6	Orange	5.1	7.9	Livingston	6.5	9.4
Columbia	4.9	8.0	Putnam	4.0	6.7	Monroe	5.3	7.9
Greene	5.9	9.1	Rockland	4.4	6.8	Ontario	5.7	8.3
Rensselaer	5.4	8.0	Sullivan	6.9	9.9	Orleans	7.6	11.0
Saratoga	4.8	7.0	Ulster	5.2	7.8	Seneca	6.3	8.9
Schenectady	5.1	7.6	Westchester	4.4	7.2	Wayne	6.5	9.8
Warren	6.4	10.0	Mohawk Valley	6.4	9.1	Wyoming	7.4	11.1
Washington	6.1	8.8	Fulton	7.2	10.6	Yates	5.4	7.9
Central New York	5.8	8.7	Herkimer	7.1	9.5	Western New York	6.1	9.2
Cayuga	5.8	9.6	Montgomery	7.8	11.1	Allegany	6.9	9.7
Cortland	7.1	10.8	Oneida	5.5	8.0	Cattaraugus	6.5	9.4
Madison	6.4	9.2	Otsego	6.1	8.8	Chautauqua	5.8	9.0
Onondaga	5.1	7.8	Schoharie	8.2	11.1	Erie	5.8	8.8
Oswego	7.5	10.8	North Country	7.5	10.7	Niagara	7.3	10.8
Southern Tier	5.6	8.8	Clinton	6.9	10.5	Long Island	4.5	7.3
Broome	5.6	8.5	Essex	7.8	11.2	Nassau	4.3	6.9
Chemung	5.4	9.7	Franklin	7.8	10.2	Suffolk	4.7	7.6
Chenango	7.0	10.1	Hamilton	9.0	11.8	New York City	4.6	8.2
Delaware	6.3	9.5	Jefferson	7.7	10.4	Bronx	6.4	10.5
Schuyler	6.7	10.1	Lewis	8.2	11.9	Kings	5.0	8.7
Steuben	6.5	11.0	St. Lawrence	7.3	11.0	New York	4.0	7.6
Tioga	5.8	9.1				Queens	4.2	7.6
Tompkins	3.8	5.7				Richmond	4.2	7.1

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derstate investment losses, since they include new cash contributions to the plans.

In March 2009, Urban Institute researcher Mauricio Soto estimated that American retirement plans declined in value by as much as \$3.4 trillion between September 2007 and early March 2009. If that loss represented the GDP of a country, it would have been the fifth largest national economy in 2008 (smaller than Germany, but larger than France).

of respondents in the labor force who had lost money in the stock market had delayed retirement. Other factors commonly cited for people continuing to work include longer life expectancy (and the need to fund extended retirements) and the advanced age at which workers may receive full Social Security benefits.

Summary

New Yorkers of all ages have been adversely affected in different ways by the current economic downturn. Recent college graduates just entering the labor force are confronted by a double-digit over-the-year decline in hiring activity. Many older workers, who have seen their retirement nest eggs eroded by upheaval in the financial markets, may have to postpone retirement plans. Glimmers of hope – such as slowing U.S. job losses – have emerged in recent months, suggesting that the recession may be losing its grip on the country. Moreover, the labor market should begin to stabilize once federal stimulus funds from the American Recovery and Reinvestment Act begin to help the overall U.S. economy to recover. ■

by Kevin Jack

Unemployment Rate by Age Group

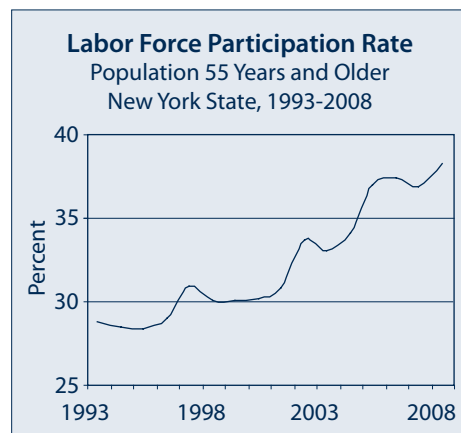
New York State

April 2008 - March 2009

Age Group	Unemployment Rate
Total	6.2%
16 to 24 years	13.7%
25 to 34 years	6.2%
35 to 44 years	5.5%
45 to 54 years	4.2%
55 years and older	4.3%

Source: Current Population Survey

This dramatic decline in the value of retirement accounts forced many older workers to rethink or postpone retirement plans to maintain their accustomed lifestyle. This analysis is borne out by the results of an AARP survey conducted in December 2008, which found that 57 percent



Even before the recent economic downturn, older New Yorkers were working in greater numbers (see figure above). More than 38 percent of people 55 and older were working in 2008, up significantly from 28.7 percent in 1993, according to data from the Current Population Survey. Among New Yorkers at least 65 years of age, the proportion climbed from 11 percent to 16 percent over the same period.

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Division of Research and Statistics
Building 12, State Office Campus
Albany, NY 12240

Director	Peter A. Neenan
Editor	Kevin Jack
Director of Communications	Leo Rosales
Graphic Design	Jeff Mosher
Labor Publications Supervisor	Christine Perham



REGIONAL ANALYSTS' CORNER

CAPITAL DISTRICT

James Ross -- 518-462-7600

From March 2008 to March 2009, the number of private sector jobs in the Albany-Schenectady-Troy area fell 5,900, or 1.7 percent, to 331,900. Job gains were limited to educational and health services (+700). Losses were more widespread and largest in trade, transportation and utilities (-1,500), leisure and hospitality (-1,200), professional and business services (-1,100), and manufacturing (-1,000).

CENTRAL NY

Roger Evans -- 315-479-3388

For the 12-month period ending March 2009, the private sector job count in the Syracuse metro area fell 3,000, or 1.1 percent, to 258,800. Job growth was concentrated in educational and health services (+400), leisure and hospitality (+400), and natural resources, mining and construction (+300). The largest job losses occurred in manufacturing (-2,100) and trade, transportation and utilities (-1,200).

FINGER LAKES

Tammy Marino -- 585-258-8870

Private sector jobs in the Rochester metropolitan area declined over the year by 2,700, or 0.6 percent, to 425,600 in March 2009. Gains occurred in educational and health services (+2,200), construction (+400) and other services (+200). Job losses were greatest in manufacturing (-3,100), trade, transportation and utilities (-1,400), information (-400) and professional and business services (-400).

HUDSON VALLEY

John Nelson -- 914-997-8798

The private sector job count in the Hudson Valley decreased over the year by 13,500, or 1.8 percent, to 730,700 in March 2009. Gains were limited to educational and health services (+4,900). The largest declines were in trade, transportation and utilities (-6,500), manufacturing (-3,000), professional and business services (-2,700), natural resources, mining and construction (-2,600), financial activities (-1,200), and information (-1,200).

LONG ISLAND

Gary Huth -- 516-934-8533

The private sector job count on Long Island declined over the year by 27,400, or 2.6 percent, to 1,020,500 in March 2009. The largest gains occurred in educational and health services (+4,000) and leisure and hospitality (+1,200). Losses were greatest in trade, transportation and utilities (-12,100), natural resources, mining and construction (-7,900), professional and business services (-4,900) and manufacturing (-3,700).

MOHAWK VALLEY

Mark Barbano -- 315-793-2282

For the 12-month period ending March 2009, the private sector job count in the Utica-Rome metropolitan area decreased by 600, or 0.6 percent, to 96,400. Job gains were recorded in educational and health services (+500). Losses were greatest in manufacturing (-500) and professional and business services (-200).

NEW YORK CITY

James Brown -- 212-775-3330

Private sector employment in New York City fell by 82,600, or 2.6 percent, to 3,133,600 for the 12-month period ending March 2009. Educational and health services (+14,600) and other services (+3,100) added jobs. Losses were greatest in financial activities (-24,000), trade, transportation and utilities (-23,100), professional and business services (-19,100), manufacturing (-14,700), and natural resources, mining and construction (-12,400).

NORTH COUNTRY

Alan Beideck -- 518-891-6680

Private sector employment in the North Country fell over the year by 2,200, or 2.0 percent, to 110,000 in March 2009. The largest employment declines occurred in manufacturing (-700), natural resources, mining and construction (-700), and leisure and hospitality (-600).

SOUTHERN TIER

Christian Harris -- 607-741-4485

Private sector employment in the Southern Tier declined over the year by 4,600, or 1.9 percent, to 231,600 in March 2009. Job gains were largest in educational and health services (+1,000). Losses were greatest in manufacturing (-2,300), natural resources, mining and construction (-800), professional and business services (-800), leisure and hospitality (-600), trade, transportation and utilities (-600), and information (-300).

WESTERN NY

John Slenker -- 716-851-2742

Private sector employment in the Buffalo-Niagara Falls metro area decreased by 11,200, or 2.5 percent, to 435,500 over the 12 months ending March 2009. Losses occurred in trade, transportation and utilities (-3,100), manufacturing (-2,400), educational and health services (-2,100), professional and business services (-1,600), and leisure and hospitality (-1,300).

