

# EMPLOYMENT

## in New York State

George E. Pataki, Governor

June 2004

Linda Angello, Commissioner

### Important Trends in the Workplace (Part 2)...

## The Future of Work

**I**n last month's issue, we discussed the development of two long-term trends: the vanishing number of low-skilled jobs, and the increasing educational and skill requirements of almost all occupations. Current data suggests that both of these trends will continue.

New York's occupational projections for 2000-2010 indicate further declines for many blue-collar and administrative support jobs, which have traditionally been a key means for workers with less formal education to enter the labor force. For example, total employment in *Production Occupations* (one of the broadest "blue collar" occupational groups) is projected to decline by 10% over this period, while the job count in the *Other Office*

and *Administrative Support Workers* category is expected to drop by 3%.

Meanwhile, data on educational attainment show a steady increase in the percentage of the State's population 25 years and older with at least an associate degree (35% in 2000 vs. 30% in 1990). This suggests that workers have returned to or remained in school to stay competitive in the job market.

The value of education cannot be overstated in efforts to address these changes: the U.S. Bureau of Labor Statistics found that U.S. workers with just a high school diploma will have average lifetime earnings of \$1.2 million, compared with \$2.1 million for bachelor's degree holders and \$2.5 million for master's degree holders.

*Continued on page 3*

### At a Glance

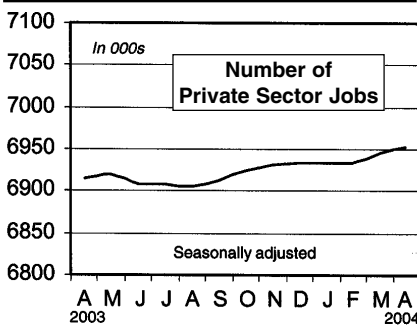
In April 2004, New York's seasonally adjusted unemployment rate was 6.2 percent, down from 6.5 percent in March. (The nation's unemployment rate was 5.6 percent in April.) In April 2004, the state had 8,434,300 nonfarm jobs, including 6,951,800 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from March. (The nation's private sector job count rose 0.3 percent over the month.) From April 2003 to April 2004, the number of private sector jobs increased by 0.7 percent in the state and increased by 1.1 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, was unchanged in April.

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

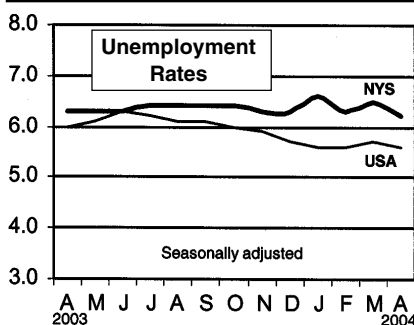
	Net	%
Total Nonfarm Jobs	47.2	0.6%
Private Sector	49.2	0.7%
Goods-Producing		
Nat. res. & mining	-16.5	-1.8%
Construction	0.2	4.0%
Manufacturing	1.5	0.5%
Durable gds.	-18.2	-3.0%
Nondurable gds.	-7.8	-2.2%
Service-providing	-10.4	-3.9%
Trade, trans., & util.	63.7	0.9%
Wholesale trade	3.8	0.3%
Retail trade	-2.1	-0.6%
Trans., whrs., & util.	11.1	1.3%
Information	-5.2	-2.0%
Financial activities	2.0	0.7%
Prof. & bus. svcs.	2.0	0.7%
Educ. & health svcs.	5.3	0.8%
Leisure & hospitality	32.1	2.1%
Other services	12.8	2.1%
Government	-0.3	-0.1%
Government	-2.0	-0.1%

## IN APRIL...

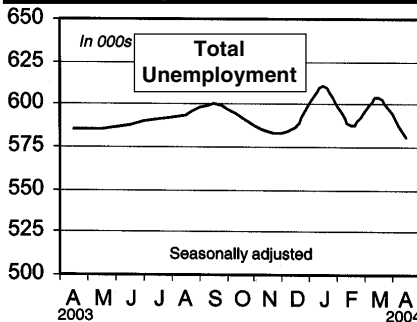
### ...Private sector jobs increased again



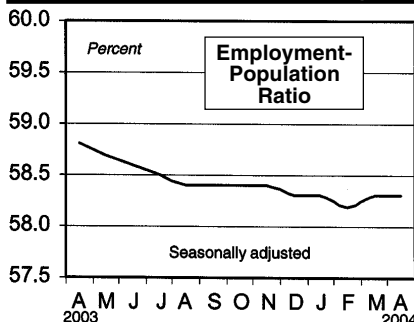
### ...NYS unemployment rate dropped



### ...Unemployment moved down



### ...Labor participation steady



# Focus on the Hudson Valley

## Hudson Valley's Economic Performance is Broad-Based

by Sean MacDonald, Labor Market Analyst, Hudson Valley

**T**he Hudson Valley's economic expansion accelerated over the past year. In April 2004, the region's employment grew by 1.6 percent over the year; bringing 11,400 new private sector jobs to the region, which accounted for nearly one-quarter of the state's over-the-year private sector job growth. Growth was broad-based, with nearly every major industry sector adding jobs over the year. Several Hudson Valley areas, including Putnam (+5.9 percent), Newburgh (+2.4 percent), and Rockland (+2.3 percent), were among the fastest growing in the state.

Rapid population growth, especially in the northern part of the region, is spurring a strong housing market that has led to steady advancement in educational and health services, retail trade, and professional and business services. At the same time, waterfront development projects stretching from Beacon to Yonkers are revitalizing many struggling areas and further diversifying the region's economy.

The trade, transportation and utilities supersector was the region's largest job generator over the past year (+3,800), with particularly strong gains in retail and wholesale trade. A number of large retail chains, including Target, Home Depot, Lowe's, Best Buy and Staples, opened new stores. The educational and



**“A growing and well-educated population, a diversified high-tech industrial mix and tireless efforts by economic developers to market the region to the global business community all paint a bright picture for the future of the Hudson Valley economy.”**

*Frank Surdey,  
Acting Regional Administrator  
Hudson Valley*

health services supersector followed close behind (+2,900), with gains resulting largely from the aforementioned housing boom and population growth.

The combination of company relocations and increased hiring by temporary help agencies (which typically precedes growth in permanent jobs) boosted the professional and business services supersector (+2,100). The supersector was further aided by the resurgence of

technology-intensive companies such as Aureon Biosciences Corp. and IBM.

Leisure and hospitality (+2,000) began to rebound with several new hotels and restaurants opening throughout the region. The Cayuga casino proposed for Monticello Raceway — the first of three Indian gaming halls under consideration in Sullivan County — could generate several thousand new jobs, including those based at the casino and in related services (such as hotels and restaurants). Final approval is in the hands of the U.S. Bureau of Indian Affairs. The Cayugas' business partner, Empire Resorts, plans to begin operating 1,800 video lottery terminals at Monticello in late June.

An influx of business relocations (part of an effort to decentralize operations following the 9/11 terrorist attacks) is recasting the financial activities supersector (+1,500) as a major economic force in the Hudson Valley. New York Life Insurance is currently relocating 1,000 workers to Mount Pleasant, while Morgan Stanley began moving the first 600 of 2,000 employees to Harrison. New mortgage and banking operations have also strengthened this sector. California-based WMC Mortgage will create 150 new jobs in Orangeburg. Two other California-based mortgage firms — Argent

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## Job Fairs Offer Recruiting Advantage

**T**he New York State Department of Labor provides employers with an efficient, effective way to recruit employees through job fairs. In 2003, the Division of Employer Services (DoES) held 200 job fairs and more than 3,000 recruitments, which were attended by more than 350,000 participants. These events allow business managers to meet a wide variety of people at a single location in an atmosphere that is conducive to exchanging information. They give job seekers a chance to compare openings and employers exposure to large pool of candidates.

In the Hudson Valley region, the DoES staff has had a great deal of success with targeted job fairs and recruiting events for single employers.

At six DOES-sponsored job fairs held in the Hudson Valley in April and May 2004, approximately 14,000 job seekers were eager to fill the 4,000 immediate job openings from the 700 participating businesses. The response from employers was overwhelmingly positive — citing the excellent quality and quantity of applicants, as well as the favorable venues and professional assistance from DoES staff.

At a recent Workforce Investment Board meeting, several members expressed their satisfaction with recent job fairs. Nicholas Illobre, with Orange and Rockland Utilities, noted that he is still hiring employees from last year's job fair. Mary DeFreitas of Crystal Run Healthcare was very pleased with their location and said that numerous interviews were scheduled. A representa-

tive from Empire Blue Cross/Blue Shield noted, “This year we had a lot more traffic. Applicants came prepared and many have been set up for testing.”

Another participant, Jack Trow, Vice President for Human Resources at Arnoff Moving and Storage summed up the job fair experience this way, “The Dutchess Job Fair is the most effective venue for my organization to source new employees. The fair is very well organized and generates extremely high traffic, which, in turn, provides me a large applicant pool. The fair also provides me the opportunity to interact and network with many other businesses during the day. This year I hired four people. Talk about cost effective! You can count on us being back next year.”

## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	APR '03	APR '04		APR '03	APR '04		APR '03	APR '04
<b>New York State</b>	<b>6.1</b>	<b>6.0</b>	<b>Hudson Valley</b>	<b>3.7</b>	<b>4.2</b>	<b>Southern Tier</b>	<b>5.7</b>	<b>5.8</b>
<b>Capital District</b>	<b>3.9</b>	4.4	Dutchess	3.6	4.1	Broome	5.6	5.8
Albany	3.3	3.7	Orange	4.3	5.0	Chemung	6.4	6.6
Columbia	3.4	3.8	Putnam	3.1	3.3	Chenango	6.4	6.6
Greene	5.0	6.4	Rockland	3.5	3.8	Delaware	5.5	4.9
Rensselaer	4.2	5.0	Sullivan	5.2	5.6	Otsego	4.7	5.2
Saratoga	3.7	3.9	Ulster	3.6	4.5	Schuyler	8.2	8.1
Schenectady	3.8	4.5	Westchester	3.6	4.0	Steuben	8.6	8.1
Warren	6.2	6.3	<b>Mohawk Valley</b>	<b>5.8</b>	<b>6.1</b>	Tioga	6.0	5.5
Washington	4.6	5.3	Fulton	6.1	6.6	Tompkins	3.0	3.5
<b>Central New York</b>	<b>5.6</b>	<b>6.1</b>	Herkimer	6.4	7.4	<b>Western New York</b>	<b>6.0</b>	<b>7.3</b>
Cayuga	6.0	6.6	Madison	5.9	6.1	Allegany	7.0	8.3
Cortland	7.3	8.7	Montgomery	7.6	7.4	Cattaraugus	6.7	8.3
Onondaga	4.7	5.2	Oneida	5.1	5.4	Chautauqua	5.9	6.6
Oswego	8.0	8.5	Schoharie	5.7	6.1	Erie	5.6	6.9
<b>Finger Lakes</b>	<b>5.7</b>	<b>6.1</b>	<b>North Country</b>	<b>7.9</b>	<b>9.0</b>	Niagara	7.4	8.6
Genesee	7.2	7.9	Clinton	6.2	7.9	<b>Long Island</b>	<b>3.8</b>	<b>4.2</b>
Livingston	6.4	7.3	Essex	6.9	7.8	Nassau	3.5	3.9
Monroe	5.3	5.8	Franklin	8.0	8.6	Suffolk	4.1	4.5
Ontario	5.7	5.8	Hamilton	7.8	10.1	<b>New York City</b>	<b>8.1</b>	<b>7.2</b>
Orleans	7.7	8.4	Jefferson	8.6	9.8	Bronx	9.9	9.3
Seneca	5.9	6.1	Lewis	10.0	10.4	Kings	9.0	8.1
Wayne	7.0	6.3	St. Lawrence	8.5	9.4	New York	7.9	6.5
Wyoming	6.4	7.8				Queens	6.8	6.1
Yates	4.6	4.6				Richmond	6.9	6.3

### Hudson Valley...

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Mortgage and Fremont Investment and Loan – hired more than 1,500 new workers in Westchester County over the past year. At the same time, nearly half a dozen banks undertook a major expansion into the Hudson Valley market.

While the manufacturing and information supersectors continued to decline in April 2004, their losses narrowed significantly over the year, and information is showing signs of improvement. For example, Nokia will move 300 workers to the Westchester Corporate Park in July 2004 and FleetBoston Financial agreed to continue processing personal income tax returns in Ulster County, which will retain thousands of seasonal jobs.

The preceding examples merely scratch the surface of the activity underway in the Hudson Valley. The deepening diversification of the economy marks an especially promising trend, rendering the region much more resilient and nimble in responding to future downturns. On that note, area entrepreneurs are encouraged to visit the nValley Technology Center in Yonkers, a combined business incubator operated by Pace University that is scheduled to open in summer 2004. This 116,000 square-foot complex will offer a wide range of support services to start-up businesses, from advice on identifying potential funding sources to assistance with marketing, technology development, and advertising.

### Future of Work...

from page 1

#### Globalization

The movement of service jobs by firms from the U.S. to foreign nations in order to cut labor costs, popularly known as *offshoring*, has become a national issue in a very short time. This trend will likely accelerate over the next 15 years.

According to *The New Division of Labor* by economists Frank Levy and Richard Murnane, the jobs most vulnerable to being shipped overseas (or being replaced by technology) are those which can be “routinized,” or broken down into a series of repeatable steps. They indicate that two types of jobs will weather the offshoring trend. The first type requires personal contact; such as dental assistants and child care workers, which are expected to increase by 27% and 19%, respectively, over the 2000-2010 period.

The second type of job is a high-end occupation that requires specialized knowledge, complex pattern recognition or complex communication skills. One example cited by Levy and Murnane is income tax preparer. The preparation of routine tax returns, which follow basic rules, is vulnerable to either offshoring to lower-cost nations or technology (e.g. tax software such as TurboTax). However, the processing of more complex tax returns, which requires expert human judgment, is far less likely to be delegated to either a computer or another country.

#### Summary

There are a number of key implications for the workplace if the trends outlined above come to fruition. First, slow labor force growth will prompt employers faced by labor shortages to use non-traditional methods to draw from increasingly diverse groups of potential employees. Second, the wage gap between high- and low-paying jobs is likely to widen as demand for lower-skilled workers slackens and other workers increase their educational and skills levels. Finally, as the growing importance of non-routine work increases the value of education, there is likely to be a renewed focus on worker retraining and upgrading of skills in the face of ever-increasing globalization.

by Kevin Jack and Joseph Nardone

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## REGIONAL ANALYSTS' CORNER

### FINGER LAKES WILLIAM RAMAGE 585-258-8870

From April 2003 to April 2004, private sector employment in the Finger Lakes region declined by 1,000, or 0.2 percent, to 461,700. Job losses in manufacturing (-4,100) and professional and business services (-1,700) overshadowed gains in educational and health services (+2,600), financial activities (+1,000), and construction (+800).

### CENTRAL NY ROGER EVANS 315-479-3388

Private sector jobs in the Syracuse area rose by 3,000, or 1.1 percent, to 281,400 over the 12 months ending April 2004. Job gains were centered in professional and business services, leisure and hospitality, and educational and health services. Employment fell over the year in manufacturing and government.

### MOHAWK VALLEY MARK BARBANO 315-793-2282

The total non-farm job count in the Utica-Rome metro area declined 100, or 0.1 percent, over the year to 130,600 in April 2004. Gains in government (+400), primarily due to continued growth at the Oneida Indian Nation's Turning Stone Casino, and educational and health services (+300) were negated by losses in manufacturing (-500) and professional and business services (-400).

### NORTH COUNTRY ALAN BEIDECK 518-891-6680

From April 2003 to April 2004, private sector jobs rose 900, or 0.8 percent, to 110,700. Several announcements boosted the region's job prospects: Bombardier received a large order for rail cars from the MTA in New York City; the Army is expected to add another brigade (about 3,000 soldiers) at Fort Drum; and Precision Jet Management and local authorities are negotiating for the company to build and renovate aircraft at the former Plattsburgh Air Force Base.

### CAPITAL DISTRICT JAMES ROSS 518-462-7600

From April 2003 to April 2004, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 3,800, or 1.1 percent, to 348,100, a record high for the month. Job gains were led by construction (+900), educational and health services (+800), leisure and hospitality (+800), and financial activities (+700).

### HUDSON VALLEY SEAN MacDONALD 914-997-8798

Private sector employment increased 11,400, or 1.6 percent, over the year to 737,900 in April 2004. Gains were centered in trade, transportation and utilities (+3,800), educational and health services (+2,900), professional and business services (+2,100), and leisure and hospitality (+2,000). Information (-1,000) and manufacturing (-800) declined over the year.

### WESTERN NY JOHN SLENKER 716-851-2742

The private sector job count in the Buffalo-Niagara Falls metro area fell by 3,800, or 0.9 percent, to 443,200 over the 12 months ending April 2004. Employment gains were posted in leisure and hospitality (+300), while losses occurred in manufacturing (-2,800), trade, transportation and utilities (-600) and construction (-400).

### SOUTHERN TIER JOSEPH KOZLOWSKI 607-741-4485

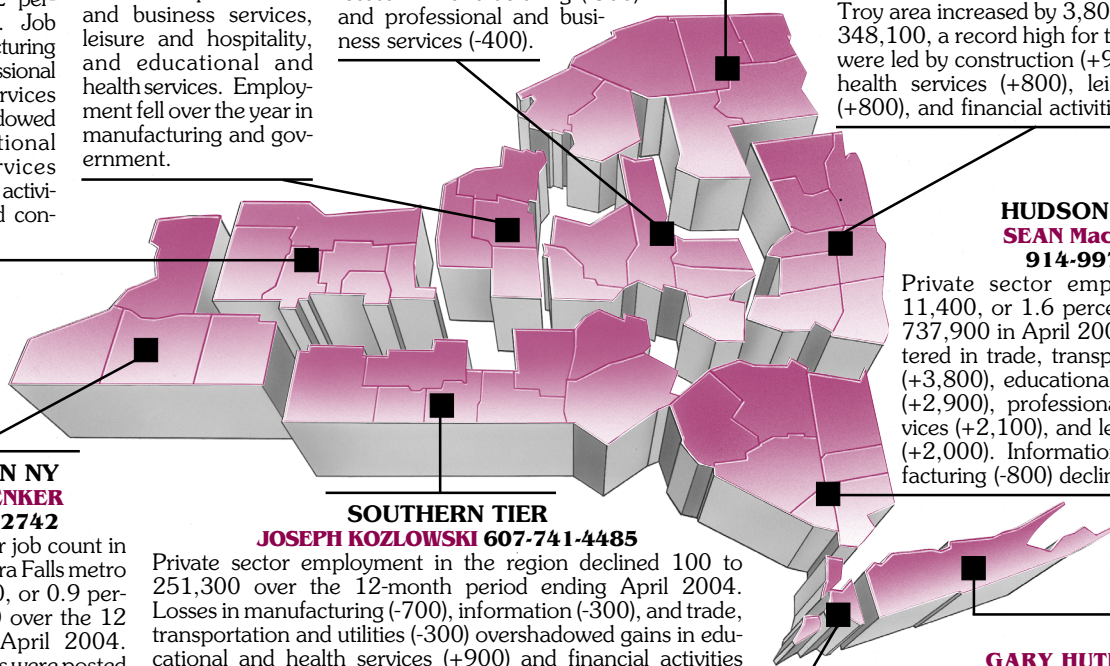
Private sector employment in the region declined 100 to 251,300 over the 12-month period ending April 2004. Losses in manufacturing (-700), information (-300), and trade, transportation and utilities (-300) overshadowed gains in educational and health services (+900) and financial activities (+300).

### NEW YORK CITY JAMES BROWN 212-352-6666

The City's recovery remains on track, as April's over-the-month gain of 8,000 jobs was better than the average March-April gain over the last ten years (+4,500). Leisure and hospitality, professional and business services, construction, information, and retail showed the most strength over the month. Improvement in the national economy is benefitting the broad array of City firms that sell primarily to other businesses.

### LONG ISLAND GARY HUTH 516-934-8533

Long Island's private sector job count increased 8,900, or 0.9 percent, over the year to 1,022,500, a record high for the month. Gains were broad-based with trade, transportation and utilities (+3,000), educational and health services (+2,700), and leisure and hospitality (+2,200) adding the most jobs. In addition, job losses in manufacturing continued to shrink.



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