

Employment

IN NEW YORK STATE

David A. Paterson, Governor
Colleen C. Gardner, Commissioner

At a Glance

In May 2010, New York's seasonally adjusted unemployment rate was 8.3 percent, down from April's 8.4 percent. (The nation's unemployment rate was 9.7 percent in May.) In May 2010, the state had 8,557,800 nonfarm jobs, including 7,025,300 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state decreased by 0.1 percent from April, while the U.S. private sector job count increased by less than 0.1 percent. From May 2009 to May 2010, the number of private sector jobs decreased by 0.4 percent in the state and decreased by 0.8 percent in the U.S. (not seasonally adjusted). In addition, New York's Index of Coincident Economic Indicators increased at an annual rate of 1.6 percent in May 2010.

Change in Nonfarm Jobs

May 2009 - May 2010

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	-22.7	-0.3
Private Sector	-29.3	-0.4
Goods-producing	-39.3	-4.8
Nat. res. & mining	0.1	1.8
Construction	-20.8	-6.3
Manufacturing	-18.6	-3.9
Durable gds.	-12.9	-4.6
Nondurable gds.	-5.7	-2.9
Service-providing	16.6	0.2
Trade, trans. & util.	-14.1	-1.0
Wholesale trade	-10.7	-3.2
Retail trade	1.9	0.2
Trans., wrhs. & util.	-5.3	-2.0
Information	-3.3	-1.3
Financial activities	-10.7	-1.6
Prof. & bus. svcs.	-0.4	0.0
Educ. & health svcs.	31.5	1.9
Leisure & hospitality	5.5	0.8
Other services	1.5	0.4
Government	6.6	0.4

Work and Personal Lives are Merging...

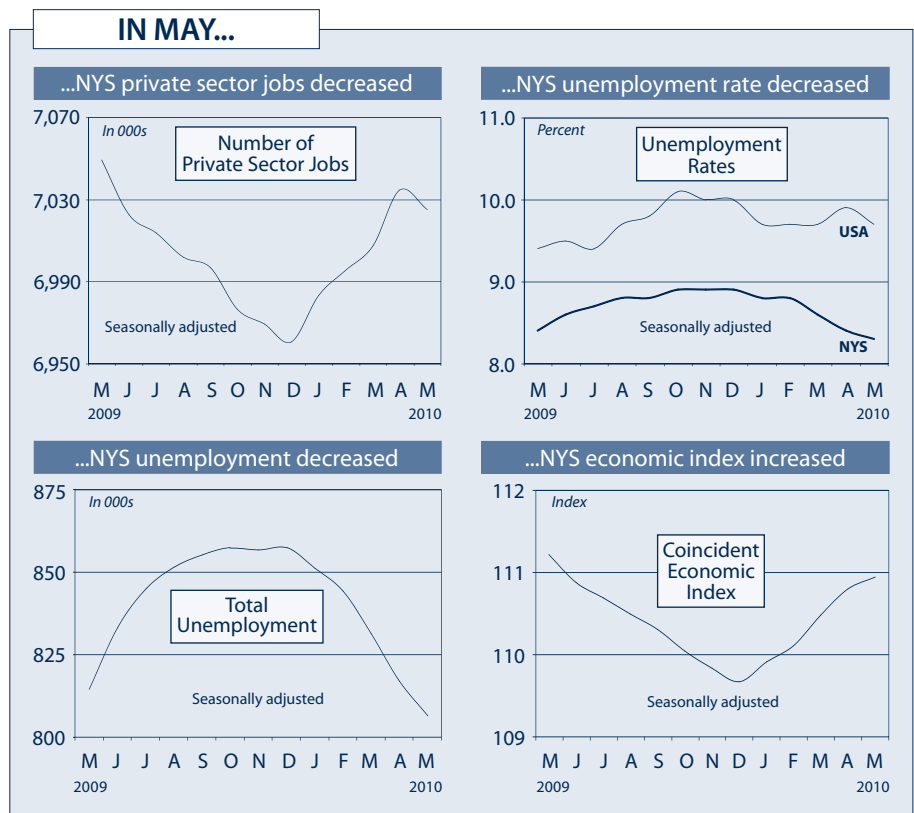
Tethered to Technology: The Over-Connected American Worker

We probably should have seen it coming. Despite warnings as early as 1970 from futurist Alvin Toffler in his best-seller *Future Shock*, more and more U.S. workers now find themselves "always connected" to their work place. Some analysts call this the "24/7 work culture."

This situation derives partly from the use of new technologies such as laptop computers and smartphones (e.g., the iPhone and BlackBerry). These portable electronic devices help keep employees connected to work, anytime from almost any location. For many workers, these new technologies blur the distinction between work and personal time.

The current deep economic downturn compels many American workers to devote more time to their jobs—whether they are at work, at home, or even on vacation. A recent survey conducted for conference call provider InterCall found that work pressure is increasingly encroaching on the personal lives of U.S. workers (see chart below). Researchers Gayle Porter and Jamie Perry conclude that, "With limited resources and greater demands, working more hours may seem necessary [for workers] to keep their current jobs or to be seen as deserving of future promotion or pay increase."

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Focus on New York City

Hopeful Signs, But Unemployment Stays High
by James Brown, Labor Market Analyst, New York City

While it is still too soon to call an end to this downturn, the City's job market has bounced back much faster than during past recoveries. Private sector employment in New York City rose by 1,300 to 3,134,100 for the 12-month period ending May 2010. It is modest, but this was the City's first over-the-year jobs gain since November 2008.

May 2010's job gains come just 9 months after the steepest job losses during the latest recession, which hit in August 2009. In contrast, during the City's last economic downturn, the worst job losses were in January 2002, and the City did not see job growth until 26 months later (March 2004).

The City's seasonally adjusted unemployment rate also has improved lately – falling from 10.5% in December 2009 to 9.6% in May 2010. Despite this lower rate, it is above the year-ago level (9.3%) and more than double the 4.6% rate of March 2008. Those five percentage points stand for more than 200,000 additional City residents who actively seek work, but cannot find it. The whole city feels this pain, as the unemployment rate has at least doubled in all five boroughs since 2008.

Quarterly Census of Employment and Wages data show that more than 90% of the net private sector job losses in 2009 occurred at firms in Manhattan. The city is a hub for employment in financial activities and professional and business services – the two sectors that lost the most jobs last year. However, they draw workers from across the metro area. Thus, jobs lost in Manhattan mean higher unemployment rates in many nearby areas. On the other hand, employment in educational and health services – the sector that added

the most jobs over the last year – is more evenly distributed around the City.

The Year in Review

Only 3 of the 9 industry sectors in the City added jobs over the past 12 months. Educational and health services added the most jobs (+16,100), with gains centered in health care. Looking forward, this job growth may slow due to ongoing efforts to cut government spending and control rising health care costs.

"The City's job market has certainly bounced back much faster than during past recoveries."

The leisure and hospitality sector, which usually suffers in national recessions, added 5,500 jobs over the last 12 months. All segments – arts and recreation, accommodation, and food services – added jobs. Several key developments helped:

- The City's growing popularity with tourists
- Sharp price cuts by hotels and restaurants that lured new customers
- A steady stream of new hotel openings

As corporate profits rise, it should lead to more business travel, but a strong U.S. dollar may slow international tourists.

Natural resources, mining and construction (-8,800) was the weakest sector over the past year. A variety of factors reduced demand for construction work:

- Heavy layoffs in the industries that use the most office space
- Tight credit markets
- Completion of many projects started before the recession

While this weakness is expected to last into next year, there are some hopeful signs: both the job and credit markets are improving and several large universities have major expansion plans.



"While New York City's labor market has started to improve, unemployment will likely remain elevated for the foreseeable future."

Colleen C. Gardner,
Commissioner

The financial activities sector continues to shed jobs – 5,100 since May 2009 and 35,100 over the last two years. The securities industry suffered most of the losses. Banking and insurance also took hits. Looking ahead, the outlook is brighter as layoffs slow and hiring picks up. The real estate industry has boomed in 2010 – adding 3,000 jobs from January to May.

Since 2008, the professional and business services sector lost the most jobs. Losses have narrowed in recent months, due to a sharp pickup in the hiring of temporary workers. This industry reacts very quickly to changing economic trends. It often moves ahead of the overall job market. The outlook for this sector has improved greatly, as stronger corporate profits have led to increased hiring.

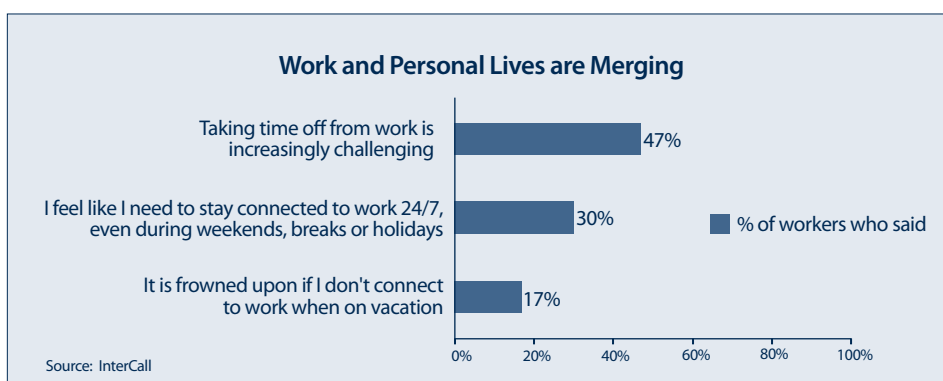
Looking Ahead

Overall, the City's job market is improving faster than might have been forecast even 6 months ago. Potential problems remain, including:

- The impact of a stronger dollar
- The effect of financial reform on the city's large financial sector
- The still uncertain strength of the U.S. recovery

These factors suggest, at best, modest enthusiasm for the coming year. ■

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Survey Says

The Pew Research Center surveyed "networked workers" – people who use the Internet or email at work. More than three in five employed U.S. adults (62%) are classified as "networked workers."

The survey asked about the growing role technology plays in their work lives. More than half (56%) of "networked workers" report doing some work at home; 20% say they do so every day or almost every day. Pew found networked workers are more likely than the overall adult population

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Unemployment Rates in New York State

Data Not Seasonally Adjusted

	MAY '09	MAY '10		MAY '09	MAY '10		MAY '09	MAY '10
New York State	8.1	8.1	Hudson Valley	7.3	6.9	Finger Lakes	7.7	7.3
Capital District	6.9	6.6	Dutchess	7.4	7.2	Genesee	7.0	6.6
Albany	6.6	6.3	Orange	7.7	7.6	Livingston	7.9	7.7
Columbia	7.3	6.7	Putnam	6.7	6.4	Monroe	7.8	7.3
Greene	8.4	7.9	Rockland	6.9	6.6	Ontario	7.0	6.7
Rensselaer	7.2	6.9	Sullivan	8.5	8.3	Orleans	8.9	8.4
Saratoga	6.2	6.0	Ulster	7.5	7.4	Seneca	7.4	7.1
Schenectady	7.1	6.8	Westchester	7.1	6.6	Wayne	8.1	7.9
Warren	7.2	7.3	Mohawk Valley	7.7	7.4	Wyoming	8.3	8.2
Washington	7.3	6.9	Fulton	9.4	9.2	Yates	6.3	5.8
Central New York	8.0	7.6	Herkimer	7.4	7.6	Western New York	8.2	7.7
Cayuga	8.0	7.5	Montgomery	9.0	8.7	Allegany	8.5	8.6
Cortland	8.6	7.9	Oneida	7.2	6.7	Cattaraugus	8.4	8.1
Madison	7.7	7.1	Otsego	6.9	6.5	Chautauqua	8.1	7.9
Onondaga	7.6	7.3	Schoharie	7.8	8.0	Erie	8.0	7.5
Oswego	9.6	9.2	North Country	8.8	8.8	Niagara	9.2	8.3
Southern Tier	7.9	7.5	Clinton	9.3	9.4	Long Island	7.0	6.7
Broome	7.9	8.1	Essex	9.4	8.4	Nassau	6.9	6.5
Chemung	9.2	7.9	Franklin	8.2	8.2	Suffolk	7.0	6.8
Chenango	8.3	8.1	Hamilton	7.0	7.4	New York City	9.1	9.4
Delaware	8.2	7.8	Jefferson	8.1	8.3	Bronx	11.3	12.4
Schuyler	7.8	7.3	Lewis	8.5	7.8	Kings	9.6	10.1
Steuben	9.7	9.1	St. Lawrence	9.3	9.5	New York	8.4	7.9
Tioga	7.8	7.0				Queens	8.3	8.6
Tompkins	5.6	5.2				Richmond	7.8	8.5

Over-Connected... from page 2

in the U.S. to own various forms of technology (see table below).

Technology Ownership: Networked Workers vs. All Adults

Gadget Type	Networked	
	Workers	U.S. Adults
Cell Phone	93%	78%
Desktop Computer	85%	65%
Laptop Computer	61%	39%
Blackberry (or similar)	27%	13%

Source: Pew Research Center

Results from the Pew poll underscore both the good and bad effects of technology. On the positive side, it has created new capabilities for many of today's workers. They say technology improves their ability to do their jobs (80%). In addition, they report it has improved their ability to share ideas with coworkers (73%). It also offers flexibility in the hours they can work (58%).

But on the down side, many workers say technology has created new demands for them. They note it means more stress on the job (49%), makes it harder for them to disconnect from their work when they are at home and on the weekends (49%), and forces them to work more hours (46%).

Among employed email users, Pew found:

- 50% check their work email on the weekend, including 22% who check it "often" then
- 22% are expected to read and respond to work-related emails, even when not at work
- 48% who own a Blackberry (or similar device) must read and respond to email when away from work
- 34% check their email, at least occasionally, while on vacation; 11% say they do so "often"
- The more money employees earn, the more closely they monitor work email

Productivity Boost?

One of the usual arguments for "connecting" workers is that it helps them multitask and increase productivity. Some recent research suggests this is not always so. A University of California-Irvine study found that workers interrupted by email had higher stress levels, which is known to reduce short-term memory.

Researchers at Stanford discovered that heavy multitaskers (classified by their use of technology) are much less able to filter out distractions, and switch among tasks than people who don't multitask. This makes them less effective at juggling multiple problems.

Technology can easily sap productivity. Some 41% of respondents to a LinkedIn survey cited "unwanted email" as the "biggest drain" on workplace productivity.

In fact, consulting firm Basex estimates that information overload costs the U.S. economy \$900 billion per year due to lowered employee productivity and reduced innovation. This equals the combined state economies of New Jersey, Massachusetts and New Hampshire.

Summing Up

For better or worse, companies will likely continue to expand their use of electronic devices to keep workers connected. However, it is critical to develop clear usage policies for employer-issued electronic devices. This will help ensure workers remain productive, while maintaining a proper balance between their work and personal lives. ■

by Edward Ohanian and Kevin Jack

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REGIONAL ANALYSTS' CORNER

CAPITAL DISTRICT

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From May 2009 to May 2010, the number of private sector jobs in the Albany-Schenectady-Troy area fell 200, or 0.1 percent, to 336,500. Job gains were concentrated in educational and health services (+2,100) and professional and business services (+800). Job losses were greatest in trade, transportation and utilities (-2,400), manufacturing (-300), and other services (-300).

CENTRAL NY

Roger Evans — 315-479-3388

For the 12-month period ending May 2010, private sector jobs in the Syracuse metro area rose 700, or 0.3 percent, to 257,700. Growth was concentrated in educational and health services (+2,100), professional and business services (+400), leisure and hospitality (+300), and natural resources, mining and construction (+300). The largest job losses were in trade, transportation and utilities (-1,100) and financial activities (-700).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector employment in the Rochester metro area declined over the year by 2,300, or 0.5 percent, to 420,800 in May 2010. Job gains were concentrated in educational and health services (+3,300) and professional and business services (+500). Losses were greatest in manufacturing (-3,300), trade, transportation and utilities (-900), and leisure and hospitality (-800).

HUDSON VALLEY

John Nelson — 914-997-8798

Private sector employment in the Hudson Valley decreased 14,900, or 2.1 percent, to 711,200 for the 12-month period ending May 2010. Employment gains were focused in educational and health services (+2,300). The largest job losses were in natural resources, mining and construction (-5,900), professional and business services (-3,100), manufacturing (-2,900), and trade, transportation and utilities (-2,800).

LONG ISLAND

Gary Huth — 516-934-8533

The private sector job count on Long Island rose over the year by 500, or less than 0.1 percent, to 1,029,000 in May 2010. Gains were greatest in educational and health services (+5,400), trade, transportation and utilities (+2,700) and leisure and hospitality (+1,500). Losses were largest in manufacturing (-3,500), professional and business services (-1,700), natural resources, mining and construction (-1,600), and other services (-1,300).

MOHAWK VALLEY

Mark Barbano — 315-793-2282

For the 12-month period ending May 2010, the private sector job count in the Utica-Rome metropolitan area decreased by 100, or 0.1 percent, to 97,000. Job gains were centered in educational and health services (+400). Area job losses were greatest in manufacturing (-500).

NEW YORK CITY

James Brown — 212-775-3330

Private sector employment in New York City rose by 1,300, or less than 0.1 percent, to 3,134,100 for the 12-month period ending May 2010. Job growth occurred in educational and health services (+16,100), leisure and hospitality (+5,500) and other services (+1,600). Job losses were largest in natural resources, mining and construction (-8,800), financial activities (-5,100), and manufacturing (-3,200).

SOUTHERN TIER

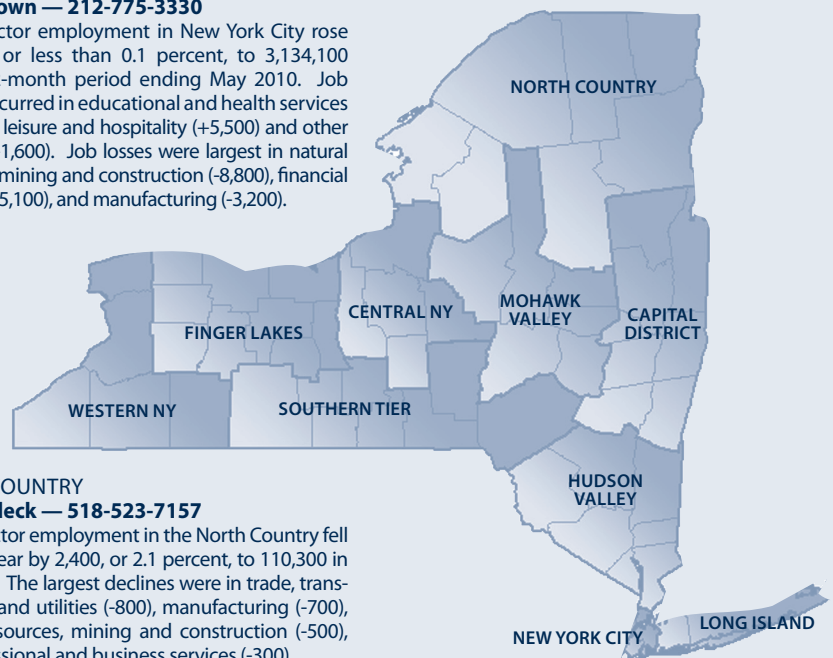
Christian Harris — 607-741-4485

Private sector employment in the Southern Tier declined over the year by 2,400, or 1.0 percent, to 229,900 in May 2010. Job gains were focused in educational and health services (+800) and professional and business services (+500). Regional job losses were greatest in manufacturing (-2,900), information (-400), and trade, transportation and utilities (-300).

WESTERN NY

John Slenker — 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls metro area increased by 300, or 0.1 percent, to 443,800 over the 12 months ending May 2010. Job gains were centered in professional and business services (+1,900), educational and health services (+1,000), leisure and hospitality (+1,000), and other services (+600). Losses were largest in manufacturing (-3,400), financial activities (-300), and trade, transportation and utilities (-300).



NORTH COUNTRY

Alan Beideck — 518-523-7157

Private sector employment in the North Country fell over the year by 2,400, or 2.1 percent, to 110,300 in May 2010. The largest declines were in trade, transportation and utilities (-800), manufacturing (-700), natural resources, mining and construction (-500), and professional and business services (-300).