

EMPLOYMENT in New York State

George E. Pataki, Governor

August 2006

Linda Angello, Commissioner

Growing High-wage Industry...

New York's Semiconductor Industry Set to Expand

Advanced Micro Devices (AMD) recently announced plans to build a 1.2 million-square-foot 300mm chip fabrication plant at the Luther Forest Technology Park in Saratoga County. This has renewed interest and focused attention on New York State's semiconductor industry. Sunnyvale, California-based AMD is the world's second-largest microprocessor producer. The multi-billion dollar project is one of the largest private industrial investments ever made in New York State. It is expected to create more than 1,200 new high-tech jobs. In addition, 2,000 temporary construction jobs, and more than 3,000 permanent "spin-off" jobs are anticipated.

Industry Overview

How does the AMD development fit in with New York State's existing semiconductor industry? In 2005, the Empire State's semiconductor industry was 70 firms with more than 9,400 employees, which paid out total wages of more than \$750 million. The average wage of a semiconductor industry worker was \$80,600 in 2005, more than 50 percent higher than the state's average private sector wage of \$53,000.

The number of semiconductor firms in New York has been rising, increasing almost 15 percent between 2000 and 2005, as new firms have opened or moved into the state. Employment, however,

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At a Glance

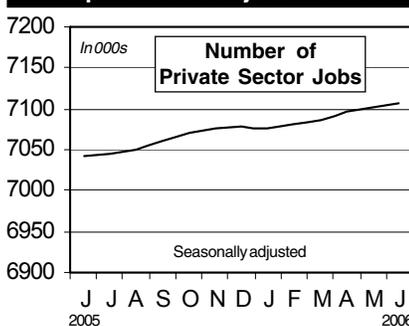
In June 2006, New York's seasonally adjusted unemployment rate was 4.6 percent, unchanged from May 2006. (The nation's unemployment rate was also 4.6 percent in June.) In June 2006, the state had 8,595,500 nonfarm jobs, including 7,106,300 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from May. (The nation's private sector job count also increased by 0.1 percent over the month.) From June 2005 to June 2006, the number of private sector jobs increased by 1.1 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 June.

Change in Nonfarm Jobs June 2005 - June 2006 (Data not seasonally adjusted, numbers in thousands)

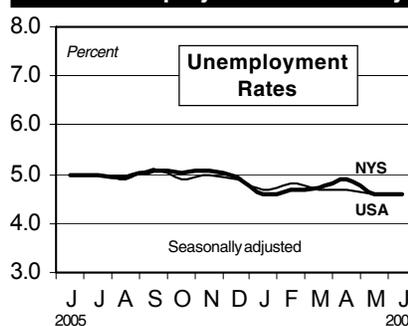
| | Net | % |
|------------------------|-------|------|
| Total Nonfarm Jobs | 78.3 | 0.9 |
| Private Sector | 74.9 | 1.1 |
| Goods-producing | -11.3 | -1.2 |
| Nat. res. & mining | 0.2 | 3.2 |
| Construction | 5.7 | 1.7 |
| Manufacturing | -17.2 | -2.9 |
| Durable gds. | -9.4 | -2.8 |
| Nondurable gds. | -7.8 | -3.1 |
| Service-providing | 89.6 | 1.2 |
| Trade, trans., & util. | 13.0 | 0.9 |
| Wholesale trade | 1.2 | 0.3 |
| Retail trade | 9.6 | 1.1 |
| Trans., whrs., & util. | 2.2 | 0.8 |
| Information | -2.1 | -0.8 |
| Financial activities | 14.7 | 2.0 |
| Prof. & bus. svcs. | 20.9 | 1.9 |
| Educ. & health svcs. | 30.8 | 2.0 |
| Leisure & hospitality | 5.7 | 0.8 |
| Other services | 3.2 | 0.9 |
| Government | 3.4 | 0.2 |

IN JUNE...

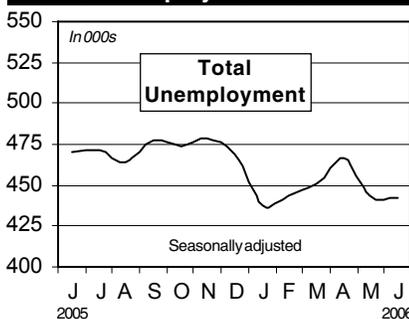
...NYS private sector jobs increased



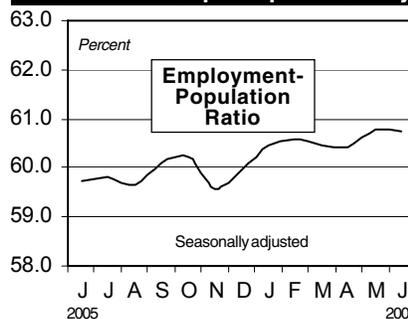
...NYS unemployment rate steady



...NYS unemployment decreased



...NYS labor force participation steady



Focus on Central New York

Syracuse's Burgeoning Economy

by Karen Knapik-Scalzo, Associate Economist, Central New York

What is the most useful measure of a vibrant local labor market? Is it job creation across a broad set of industries? Is it perhaps a stable manufacturing sector? Or, is it a low unemployment rate?

By all three yardsticks, the economy of the Syracuse metropolitan area (Onondaga, Oswego, and Madison counties) has been doing very well lately. In 2006 the Syracuse area's private sector job count was at its highest June level since 2001. Syracuse also is consistently one of the fastest-growing of all metro areas in New York. Large-scale manufacturing job losses are mostly a thing of the past, as high-tech firms continue to add workers, while the unemployment rate is at a five-year low.

For the 12-month period ending June 2006, the Syracuse area's private sector job count increased 2,700, a 1.0 percent gain, to 267,900. A diverse group of service-providing industries contributed to the area's over-the-year job growth. Gains were largest in educational and health services (+1,100), trade, transportation, and utilities (+800), natural resources, mining and construction (+500), leisure and hospitality (+400) and professional and business services (+400).



“Cooperation among our local economic and workforce development partners has been key to Central New York's recent economic success.”

Kelli Owens,
Regional Administrator,
Central/Mohawk Valley Region

Two local industries — leisure and hospitality and educational and health services — set record-high June job levels in 2006. When combined with professional and business services, these three sectors accounted for nearly one-half (44 percent) of all private sector jobs in the Syracuse metro area in June 2006. Recent developments at Action Developers typify ongoing growth in the area's leisure and hospitality sector. The company is planning a \$70 million sports complex in Van Buren, including an indoor water park, motorcycle and bike racing, skateboarding, a small convention center, and two hotels.

Stable Manufacturing Sector

In the past, large factory job losses were a significant drag on the overall area economy, with monthly over-the-year declines of 2,000 not uncommon. However, in June 2006, the area's manufacturing job count was just 400 below year-ago levels. Large employers, such as Carrier and New Process Gear, continue to trim their workforces this year.

However, expansions at firms in such high-tech fields as pharmaceuticals, medical products, and defense, helped to temper job losses in manufacturing. The renewed vitality in manufacturing is exemplified by Anaren Inc., a maker of complex microwave signal distribution networks and components for the wireless and satellite communications and defense electronics markets. The company plans to expand its East Syracuse headquarters with a \$10.9 million addition. The project will save 80 jobs and create 60 new ones.

Another project expected to boost the local manufacturing sector is the Permolex International/Northeast Biofuels ethanol plant that is to be built on the site of the former Miller brewery

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Put Us To Work for AMD

Now that AMD has chosen Saratoga County as the site for its new chip fab plant, the New York State Department of Labor and the local Workforce NY (WNY) partners can do much to aid the company. We can help in three separate areas: information, recruitment and training.

Local wage levels are important to any firm's relocation decision. We publish statewide occupational wage data and breakdowns for 10 New York regions on our web site. Our most recent data are updated to the fourth quarter of 2005. These figures will help AMD set appropriate wages to offer workers here.

Labor supply information is equally valuable. Knowing unemployment rates, localized occupational and industry employment levels, and numbers of educational program graduates and job seekers in the Workforce NY system will help AMD to target recruiting.

Recruitment specialists from the Department of Labor, working in conjunction with local Workforce New York partner agencies, can help AMD human resource staff:

- Choose effective recruitment options;
- Identify a time-line for staffing needs;
- Select sites for job fairs;
- Execute job fair logistics and marketing;
- Coordinate job fairs;
- Process paperwork for workers under Empire Zone Wage Tax Credits and Work Opportunity Tax Credits;
- Follow up on future hiring needs;
- Link openings with dislocated workers by identifying potential chip fab employees, determining skill gaps and appropriate educators, and obtaining training funds.

WNY staff can work with AMD to identify training requirements. We can also ensure that all relevant training providers are included on the system's Eligible Training Provider list, making providers able to receive public workforce dollars.

The WNY system will provide on-the-job training funds (up to 50 percent wage reimbursement) and customized training tailored to AMD's needs. The Labor Department's apprenticeship program will work with the company to establish apprenticeship occupations in nano-electronics. This will expand the avenues to satisfy AMD's labor needs.

Finally, WNY offers an alliance with the Capital Region's local business-led Workforce Investment Boards. We can work with schools and community-based organizations to inform students of careers for graduates with high-level math and science skills and technology-related degrees.

Unemployment Rates in New York State

Data Not Seasonally Adjusted

| | JUN '05 | JUN '06 | | JUN '05 | JUN '06 | | JUN '05 | JUN '06 |
|-------------------------|------------|------------|----------------------|------------|------------|-------------------------|------------|------------|
| New York State | 4.8 | 4.5 | Hudson Valley | 4.0 | 3.9 | Southern Tier | 4.5 | 4.4 |
| Capital | 3.9 | 3.8 | Dutchess | 3.9 | 3.9 | Broome | 4.8 | 4.6 |
| Albany | 3.9 | 3.9 | Orange | 4.0 | 4.1 | Chemung | 5.3 | 4.9 |
| Columbia | 3.6 | 3.6 | Putnam | 3.7 | 3.6 | Chenango | 4.5 | 4.7 |
| Greene | 4.6 | 4.4 | Rockland | 3.9 | 3.8 | Delaware | 4.0 | 4.1 |
| Rensselaer | 4.0 | 4.0 | Sullivan | 4.5 | 4.7 | Otsego | 3.9 | 4.0 |
| Saratoga | 3.4 | 3.3 | Ulster | 4.2 | 4.1 | Schuyler | 4.6 | 4.5 |
| Schenectady | 4.2 | 4.1 | Westchester | 4.0 | 3.9 | Steuben | 5.4 | 5.0 |
| Warren | 3.8 | 3.7 | Mohawk Valley | 4.8 | 4.5 | Tioga | 4.3 | 4.0 |
| Washington | 4.1 | 3.8 | Fulton | 5.0 | 4.9 | Tompkins | 3.4 | 3.3 |
| Central New York | 4.8 | 4.6 | Herkimer | 4.5 | 4.5 | Western New York | 5.2 | 4.9 |
| Cayuga | 4.6 | 4.5 | Madison | 4.9 | 4.2 | Allegany | 5.5 | 5.0 |
| Cortland | 5.0 | 4.7 | Montgomery | 5.1 | 5.4 | Cattaraugus | 5.2 | 4.9 |
| Onondaga | 4.5 | 4.4 | Oneida | 4.8 | 4.2 | Chautauqua | 4.7 | 4.4 |
| Oswego | 6.2 | 5.3 | Schoharie | 4.5 | 4.7 | Erie | 5.2 | 4.9 |
| Finger Lakes | 4.5 | 4.5 | North Country | 5.3 | 5.1 | Niagara | 5.4 | 5.0 |
| Genesee | 4.4 | 4.2 | Clinton | 5.1 | 5.3 | Long Island | 4.1 | 3.9 |
| Livingston | 4.7 | 4.5 | Essex | 4.6 | 4.9 | Nassau | 4.1 | 4.0 |
| Monroe | 4.6 | 4.5 | Franklin | 5.4 | 5.1 | Suffolk | 4.0 | 3.8 |
| Ontario | 4.1 | 4.2 | Hamilton | 3.6 | 3.6 | New York City | 5.4 | 4.9 |
| Orleans | 5.4 | 5.5 | Jefferson | 5.5 | 5.0 | Bronx | 7.0 | 6.3 |
| Seneca | 4.3 | 4.4 | Lewis | 5.4 | 4.6 | Kings | 5.8 | 5.3 |
| Wayne | 4.7 | 4.4 | St. Lawrence | 5.7 | 5.4 | New York | 4.8 | 4.3 |
| Wyoming | 5.0 | 4.3 | | | | Queens | 5.0 | 4.4 |
| Yates | 3.9 | 3.9 | | | | Richmond | 4.8 | 4.3 |

Central New York...

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in Fulton (Oswego County). The \$121 million plant will have the capacity to convert 41 million bushels of corn into 100 million gallons of ethanol annually. Ethanol is an additive that helps gasoline burn cleaner and produce less carbon monoxide. The construction phase of the plant will employ 450 people. Once the ethanol plant is fully operational in fall 2007, it will employ 50. An additional 40 jobs will be created at two ancillary businesses that will handle the grains and bottle the cast-off carbon dioxide.

The Syracuse metro area's unemployment rate (not seasonally adjusted) dropped over the year from 4.9 percent in June 2005 to 4.5 percent in June 2006. Not only was this the lowest June unemployment rate in Syracuse since 2001, it was also below the comparable U.S. rate (4.8 percent). Accompanying these lower jobless rates were higher resident employment levels in the Syracuse area, which increased 7,900, or 2.5 percent, to 326,400 over the same period.

Summary

A confluence of factors, including broad-based job growth, a stable manufacturing sector, and a lower unemployment rate, all contributed to the Syracuse area's recent economic resurgence. These are expected to help the Syracuse job market to continue to thrive in 2006.

New York's Semiconductor...

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dropped slightly, by about 5 percent, as efficiency and productivity gains resulted in streamlined production processes. Productivity gains have been positively reflected in the industry's wages. The average wage for New York's semiconductor industry workers rose 18 percent between 2000 and 2005.

These firms have a variety of occupations, with a wide range of training needs. (See "Put Us to Work for AMD" on page 2.) Some of the most prominent titles include: electrical and electronic equipment assemblers; semiconductor processors; electronics engineers, computer hardware engineers, and computer software engineers. These five occupations, which together make up about one-third of industry jobs, represent a wide range of skill levels and education. Electronics engineers, computer hardware engineers, and computer software engineers all require a minimum of a bachelor's degree, while semiconductor processors need an associate degree. Assemblers, the occupation with the most employment, need short-term, on-the-job training.

For the most part, the jobs requiring higher education and skill pay the best. But many occupations in the semiconductor industry pay more than jobs with similar education and training requirements. For example, computer hardware engineers have the second highest average wage (\$90,900) among

the 17 different types of engineers in New York State. Among the 15 production occupations that require short-term, on-the-job training, electrical and electronic equipment assemblers ranked third, with an average wage of \$27,230.

The AMD facility is not only bringing the Capital District 1,200 high-paying jobs — jobs that will be available to New Yorkers with a variety of education and skill levels — it also will boost an important and growing industry in the state. Further, it will provide synergies with New York's educational system and existing Tech Valley businesses. Perhaps, most importantly, it builds momentum in New York's efforts to position itself as a leader in the high-tech area.

by Kevin Hannel

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REGIONAL ANALYSTS' CORNER

FINGER LAKES TAMMY MARINO 585-258-8870

Private sector employment in the Rochester area declined 6,100, or 1.4 percent to 430,600 in June 2006. Employment gains in educational and health services (+2,700) and professional and business services (+500) were more than offset by losses in manufacturing (-6,100), leisure and hospitality (-1,600), construction (-400), and trade, transportation, and utilities (-400).

CENTRAL NY ROGER EVANS 315-479-3388

For the 12-month period ending June 2006, the private sector job count in the Syracuse metro area rose 2,700, or 1.0 percent, to 267,900. Job gains were concentrated in educational and health services (+1,100), trade, transportation, and utilities (+800), and natural resources, mining and construction (+500). Job losses occurred in manufacturing (-400) and information (-200).

MOHAWK VALLEY MARK BARBANO 315-793-2282

Utica-Rome's private sector job count (101,200) in June 2006 was unchanged from year-ago levels. Gains in trade, transportation, and utilities (+300) and other industries offset losses in manufacturing (-300), leisure and hospitality (-200) and professional and business services (-200). Gains in government jobs (+200) boosted the area's total nonfarm job count to its highest June level since 2001.

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector employment in the North Country region rose over the year by 300, or 0.3 percent, to 116,800 in June 2006. The largest gains were in trade, transportation, and utilities (+500) and professional and business services (+300). Losses were centered in manufacturing (-600).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From June 2005 to June 2006, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 3,700, or 1.1 percent, to 344,900. Gains were centered in professional and business services (+1,300), leisure and hospitality (+800), educational and health services (+700), and natural resources, mining and construction (+700). Losses were concentrated in manufacturing (-700).

HUDSON VALLEY JOHN NELSON 914-997-8798

The Hudson Valley's private sector job count increased over the year by 7,700, or 1.0 percent, to 759,900 in June 2006. Gains were largest in educational and health services (+2,600), natural resources, mining and construction (+2,500), professional and business services (+2,000), and financial activities (+1,800). Leisure and hospitality (-1,700) and manufacturing (-1,600) declined over the year.

WESTERN NY JOHN SLENKER 716-851-2742

The private sector job count in Buffalo-Niagara Falls stood at 456,900 in June 2006, unchanged from year-ago levels. Job gains were centered in professional and business services (+1,400), educational and health services (+1,000), financial activities (+600), and other services (+400). Losses were largest in manufacturing (-2,100), natural resources, mining and construction (-600), and leisure and hospitality (-500).

SOUTHERN TIER JOSEPH KOZLOWSKI 607-741-4485

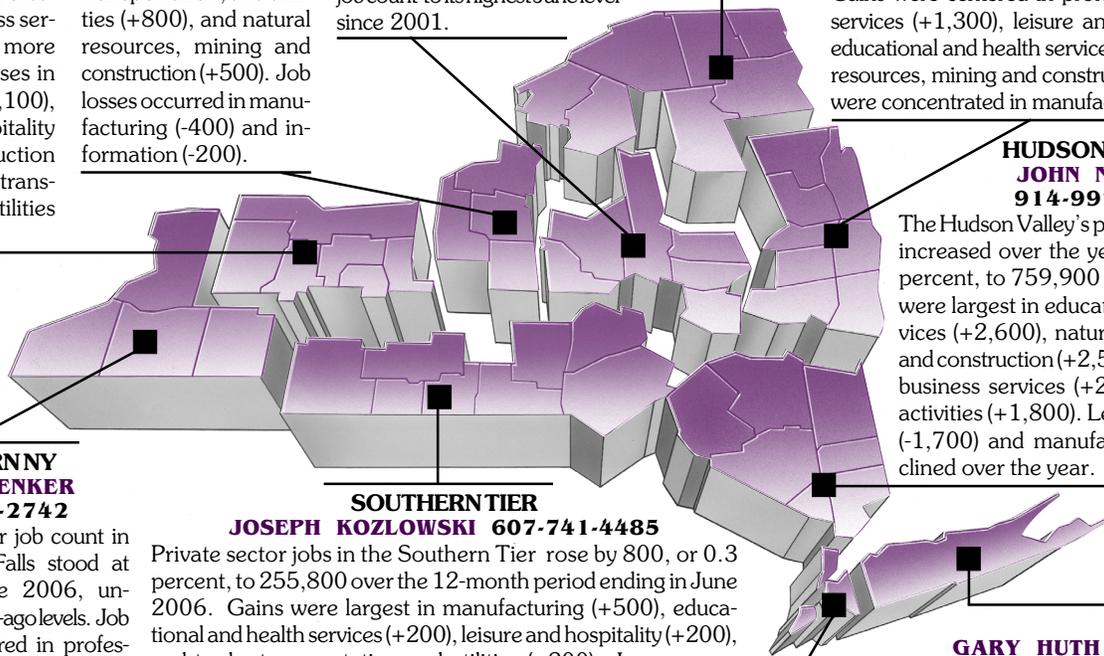
Private sector jobs in the Southern Tier rose by 800, or 0.3 percent, to 255,800 over the 12-month period ending in June 2006. Gains were largest in manufacturing (+500), educational and health services (+200), leisure and hospitality (+200), and trade, transportation and utilities (+200). Losses were centered in natural resources, mining and construction (-200).

NEW YORK CITY JAMES BROWN 212-621-9353

Private sector employment in New York City rose 60,100, or 2.0 percent, to 3,116,000 for the 12-month period ending June 2006. Job growth was largest in educational and health services (+21,500), professional and business services (+12,400), financial activities (+9,700), leisure and hospitality (+8,100), and trade, transportation and utilities (+6,100). Manufacturing (-3,400) was the only major sector to lose jobs over the year.

LONG ISLAND GARY HUTH 516-934-8533

Long Island's private sector job count increased over the year by 7,500, or 0.7 percent, to 1,066,400 in June 2006, a new record for the month. Gains were largest in professional and business services (+2,800), educational and health services (+2,700), natural resources, mining and construction (+1,000), and leisure and hospitality (+900). Losses were largest in manufacturing (-900) and financial activities (-400).



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