

EMPLOYMENT in New York State

Eliot Spitzer, Governor

August 2007

M. Patricia Smith, Commissioner

A Leading Economic Partner...

Canada: Our Neighbor to the North

The business press seems to often overlook Canada's significance to the New York State and U.S. economies. This occurs despite the fact Canada is this country's largest trading partner. In 2006, Canada and the U.S. had over \$534 billion in bilateral trade. (China and Mexico ranked a distant second and third, with trade volumes of \$343.0 billion and \$332.4 billion, respectively.) Whether it's Canadian companies investing in and exporting to New York or New York companies sending goods and services north of the border, trade between Canada and NYS (including spending by travelers) makes important

contributions to our economy and helps to support jobs here.

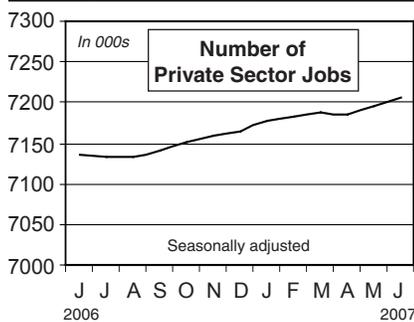
Foreign direct investment (FDI) in New York State by majority-owned, non-bank affiliates of Canadian companies topped \$8.55 billion in 2004 (latest data available). This ranked New York first among all the states in terms of Canadian FDI. New York-based employment at these affiliates totaled 25,000 in 2004. That year, New York's Canadian affiliate employment level was second only to Florida (29,600).

Canadian firms are represented in a wide range of industries in New York State. Some Canadian companies with a large presence here include: George

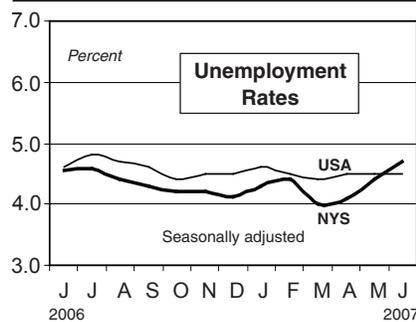
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IN JUNE...

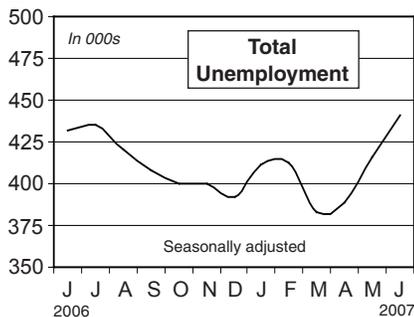
...NYS private sector jobs increased



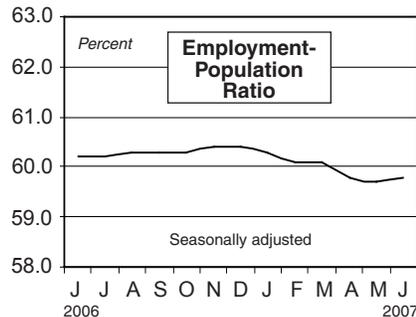
...NYS unemployment rate increased



...NYS unemployment increased



...NYS labor force participation up



At a Glance

In June 2007, New York's seasonally adjusted unemployment rate was 4.7 percent, up from 4.4 percent in May 2007. (The nation's unemployment rate was 4.5 percent in June.) In June 2007, the state had 8,692,900 nonfarm jobs, including 7,205,000 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 2006 to June 2007, the number of private sector jobs increased by 1.1 percent in the state, and increased by 1.4 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, increased in June.

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

	Net	%
Total Nonfarm Jobs	81.4	0.9
Private Sector	76.9	1.1
Goods-producing	-3.5	-0.4
Nat. res. & mining	0.5	7.6
Construction	12.2	3.5
Manufacturing	-16.2	-2.8
Durable gds.	-1.2	-0.4
Nondurable gds.	-15.0	-6.2
Service-providing	84.9	1.1
Trade, trans., & util.	7.3	0.5
Wholesale trade	-1.4	-0.4
Retail trade	7.6	0.9
Trans., wrhs., & util.	1.1	0.4
Information	-3.2	-1.2
Financial activities	9.3	1.3
Prof. & bus. svcs.	24.3	2.2
Educ. & health svcs.	32.3	2.1
Leisure & hospitality	9.0	1.3
Other services	1.4	0.4
Government	4.5	0.3

Focus on Western New York

The Changing Landscape of Western New York

by John Slenker, Labor Market Analyst, Western New York

Western New York's economic base has undergone structural adjustments that have literally reshaped the region's skyline in recent years.

This transformation of the region's economy and landscape is perhaps most apparent in Lackawanna (Erie County), where once steel was king. Here, on the eastern shore of Lake Erie, high-tech windmills are replacing the smokestacks that long towered above the landscape. On the site of a long-idled Bethlehem Steel plant, for example, eight 400-foot-tall wind turbines now dominate the local skyline, their spinning blades producing clean, renewable electricity. The ongoing changes occurring in Western New York are making its region's economy more diverse. The local employment base, which was once centered in manufacturing, is now driven mostly by service-providing industries.

The region has continued to bounce back from the effects of the manufacturing-led national recession of 2001 and the subsequent jobless recovery, which lasted well into 2003. In the first six months of 2007, Western New York's private sector job count averaged 531,600, a gain of 1,500, or 0.3 percent, over the same period in 2006. Employment gains were



"The Department of Labor and our Workforce Development Partners are ready to help today's workers meet the challenges of tomorrow."

*Samuel J. Drago,
Regional Administrator,
Western Region*

widespread, with educational and health services (+2,400), professional and business services (+1,100), and financial activities (+1,000) adding the most jobs.

Decline of manufacturing

Despite improvement in the overall labor market, the region's manufacturing sector still faces challenges. While the sector continues to provide an above-average share of local employment and pay above-average wages, it no longer dominates. The sector's employment decline is a long-term phenomenon, which has accelerated in recent years due to the dual effects of global competition and technological advances.

Between January-June 2006 and Janu-

ary-June 2007, the local manufacturing job count declined by 2,000, with losses scattered across a diverse set of manufacturing industries. This trend is likely to continue in the near term. Both American Axle, an auto-parts maker, and H.C. Brill, a producer of bakery products, recently announced closings for the coming year.

However, it is not all bad news. The General Motors engine plant in the Town of Tonawanda has landed production of the newest in GM's lineup of engines, a 4.5-liter high-output diesel. Not only does the move broaden the plant's business base, but also getting the contract helps to secure 150 positions and heighten the plant's importance within the company. More importantly, the move is a reminder that despite the overall decline in overall employment numbers in this industry, there remains significant demand for skilled workers in the region.

Knowledge is Power

A skilled labor force is critical to building a successful regional economy. Fortunately, Western New York is home to a number of excellent post-secondary educational institutions, leaving the region well-positioned to prepare and develop the local labor force for the future. For example, the Center for

Continued on page 3

Labor Day 2007

In observance of Labor Day 2007, we share some statistics regarding New York State's labor market:

Labor Force

In 2006, there were 9.5 million people 16 years and older in New York State's labor force. This figure includes 5.0 million men and 4.5 million women.

In 2006, approximately 70 percent of men and 57 percent of women (16+) in New York State (non-institutional population) participated in the labor force.

In 2006, about 1.4 million members of New York's labor force were Hispanic, accounting for 15 percent of the total. Since 1986, New York's Hispanic labor force has increased 74 percent. (Source for all labor force statistics: Current Population Survey)

Industries

The five private sector industries (6-digit NAICS) with the most employment in New York in 2006 were: hospitals (312,300), full-service restaurants (235,900), colleges and universities (153,900), supermarkets and grocery stores (152,200), and physicians offices (133,400). (Source: Quarterly Census of Employment and Wages)

Occupations

The five largest occupations in New York are: retail salespersons (273,870), cashiers (210,790), office clerks (210,610), janitors/cleaners (177,130), and secretaries (168,590). Together, they account for about one in eight jobs in the state. (Source: Occupational Employment Statistics Survey)

Earnings

In 2005, median earnings for full-time, year-round workers 16 years and over in

New York State were \$46,139 for men and \$36,560 for women. (Source: American Community Survey)

Education and Training

More than 50 percent of the jobs in New York State require only short- or moderate-term on-the-job training, while fewer than 25 percent of the jobs in New York State require a bachelor's degree or higher. (Source: Occupational Projections program)

Unions

About one-quarter (24.5 percent) of non-agricultural wage and salary employees in New York State (including employees in the public sector) were union members in 2006, ranking the state second in the nation (Hawaii had the highest rate -- 24.8 percent). (Source: Current Population Survey data compiled by Dr. Barry T. Hirsch, Trinity University)

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JUN '06	JUN '07		JUN '06	JUN '07		JUN '06	JUN '07
New York State	4.4	4.5	Hudson Valley	3.9	3.8	Southern Tier	4.4	4.4
Capital	3.8	3.8	Dutchess	3.9	3.9	Broome	4.6	4.4
Albany	3.9	3.9	Orange	4.2	4.2	Chemung	4.8	4.8
Columbia	3.6	4.0	Putnam	3.6	3.3	Chenango	4.5	4.6
Greene	4.5	4.5	Rockland	3.7	3.7	Delaware	4.3	4.5
Rensselaer	4.0	4.0	Sullivan	4.7	4.7	Otsego	4.2	4.0
Saratoga	3.4	3.5	Ulster	4.1	4.1	Schuyler	4.4	4.5
Schenectady	4.1	4.0	Westchester	3.8	3.6	Steuben	4.8	4.6
Warren	3.6	3.7	Mohawk Valley	4.5	4.4	Tioga	3.9	4.3
Washington	3.8	3.8	Fulton	5.0	5.5	Tompkins	3.7	3.7
Central New York	4.6	4.3	Herkimer	4.5	4.4	Western New York	4.8	4.6
Cayuga	4.5	4.4	Madison	4.4	4.3	Allegany	5.4	5.8
Cortland	5.0	4.8	Montgomery	5.2	5.1	Cattaraugus	4.8	4.9
Onondaga	4.4	4.1	Oneida	4.1	4.0	Chautauqua	4.3	4.2
Oswego	5.3	5.2	Schoharie	4.8	4.7	Erie	4.8	4.5
Finger Lakes	4.3	4.3	North Country	5.0	5.2	Niagara	4.9	4.8
Genesee	3.9	3.9	Clinton	5.2	5.7	Long Island	3.8	3.7
Livingston	4.4	4.5	Essex	5.0	5.0	Nassau	3.9	3.7
Monroe	4.4	4.4	Franklin	5.0	5.0	Suffolk	3.8	3.7
Ontario	4.2	3.8	Hamilton	3.8	3.4	New York City	4.8	5.2
Orleans	5.4	4.9	Jefferson	4.7	4.8	Bronx	6.3	6.9
Seneca	4.2	3.9	Lewis	4.4	4.1	Kings	5.2	5.6
Wayne	4.2	4.1	St. Lawrence	5.5	5.6	New York	4.3	4.5
Wyoming	4.1	3.8				Queens	4.4	4.6
Yates	3.9	3.8				Richmond	4.4	4.6

Western NY...

from page 2

Canada...

from page 1

Excellence in Bioinformatics, a public-private cooperative venture, was created to leverage the region's technology resources, including R&D expertise at local universities, in order to spur economic development.

Many companies, such as insurer GEICO, have located here to take advantage of the region's skilled labor force. Empire Genomics, a recently-opened medical diagnostics company, is an offshoot from the Bioinformatics Center. Medcotek Inc., a small firm from North Carolina, chose to locate in the "medical corridor" in Buffalo to launch their x-ray imaging service. HSBC Bank is planning to build a global data center in Niagara County, investing over \$140 million. These firms are investing hundreds of millions of dollars in Western New York, and each requires a skilled labor force to produce their product or provide their service.

However, in order to provide the workers needed by these companies, the region needs to counteract a long-term problem -- population loss -- since population and labor force are inseparable. From 1980 to 2006, the region's population declined by more than 120,000 or 8.0 percent.

Summary

The transformation of the Western New York regional economy is ongoing. While the area's educational institutions will continue to help provide a skilled labor force, a bigger challenge to the region will be to find creative ways to retain these skilled workers.

Weston Limited (maker of Entenmann's and Freihofer's baked goods); Thomson Company (provider of electronic products, software and services for business); Laidlaw (operator of Greyhound bus lines); Toronto-Dominion Bank (owner of TD Banknorth); and Bombardier (railcar manufacturer). (Note: All company data are from the New York State Department of Economic Development, Policy & Research Division, FDI Database.)

Other Canadian companies have announced plans to expand employment here. For example, Toronto-based Onex Corp. -- one of Canada's largest private equity buyout firms -- recently purchased Eastman Kodak's health imaging group, and expects to create 500 jobs in the Rochester area over the next six years. Similarly, Laurentian Aerospace Corp. of Quebec intends to build an aircraft maintenance, repair, and overhaul facility at the former Plattsburgh Air Force Base. The company expects to employ more than 700 workers within five years. Their facility is expected to open August 2009.

Canada is an important international market for New York, accounting for \$12.2 billion in 2006 exports; this represented more than one-fifth (21.3 percent) of the state's total \$57.4 billion in worldwide goods exports last year. Overall exports from New York to Canada increased by more than 35 percent between 2003 and 2006.

Tourism from the north represents

services export dollars and also plays a significant role in the state's export economy. Canadian visitors made more than 4.87 million visits (including 2.6 million overnight visits) to New York State in 2006 -- a jump of more than 26 percent since 2003. They also spent \$717.5 million (U.S. dollar equivalent) while visiting the state. New York State remained the most popular overnight destination for Canadians. Expanded visitation here has been buoyed, in part, by a stronger Canadian dollar (nicknamed the "loonie"), which increased in value by almost 25 percent between 2003 and 2006. The Canadian "loonie" set a 30-year high (CAN\$1=US\$0.964) against the U.S. dollar in late July 2007, according to the Bank of Canada.

by Kevin Jack

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CENTRAL NY ROGER EVANS 315-479-3388

For the 12-month period ending June 2007, the private sector jobs in the Syracuse area rose 1,300, or 0.5 percent, to 266,200. Growth was focused in professional and business services (+1,000), educational and health services (+900), and natural resources, mining and construction (+800). Losses were largest in trade, transportation, and utilities (-900).

MOHAWK VALLEY MARK BARBANO 315-793-2282

For the 12-month period ending June 2007, the private sector job count in the Utica-Rome area decreased by 600, or 0.6 percent, to 101,000. Gains were centered in educational and health services (+500). Job losses were largest in trade, transportation, and utilities (-600).

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector employment in the North Country region rose over the year by 1,700, or 1.4 percent, to 119,400 in June 2007. The largest gain was in trade, transportation, and utilities (+800). Several sectors experienced small losses.

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From June 2006 to June 2007, the number of private sector jobs in the Albany-Schenectady-Troy area rose by 3,300, or 1.0 percent, to 346,400. Gains were concentrated in educational and health services (+2,100), leisure and hospitality (+1,100), and natural resources, mining and construction (+800). Losses were centered in financial activities (-700).

HUDSON VALLEY JOHN NELSON 914-997-8798

The private sector job count in the Hudson Valley increased over the year by 7,000, or 0.9 percent, to 763,400 in June 2007. Gains were largest in educational and health services (+3,600), professional and business services (+2,300), and natural resources, mining and construction (+2,100). Losses were centered in manufacturing (-900).

WESTERN NY JOHN SLENKER 716-851-2742

Private sector employment in the Buffalo-Niagara Falls metro area increased by 2,700, or 0.6 percent, to 460,200 over the 12 months ending June 2007. Job gains were centered in educational and health services (+3,100), professional and business services (+2,200), and financial activities (+1,300). Losses were greatest in manufacturing (-2,500) and information (-900).

SOUTHERN TIER CHRISTIAN HARRIS 607-741-4485

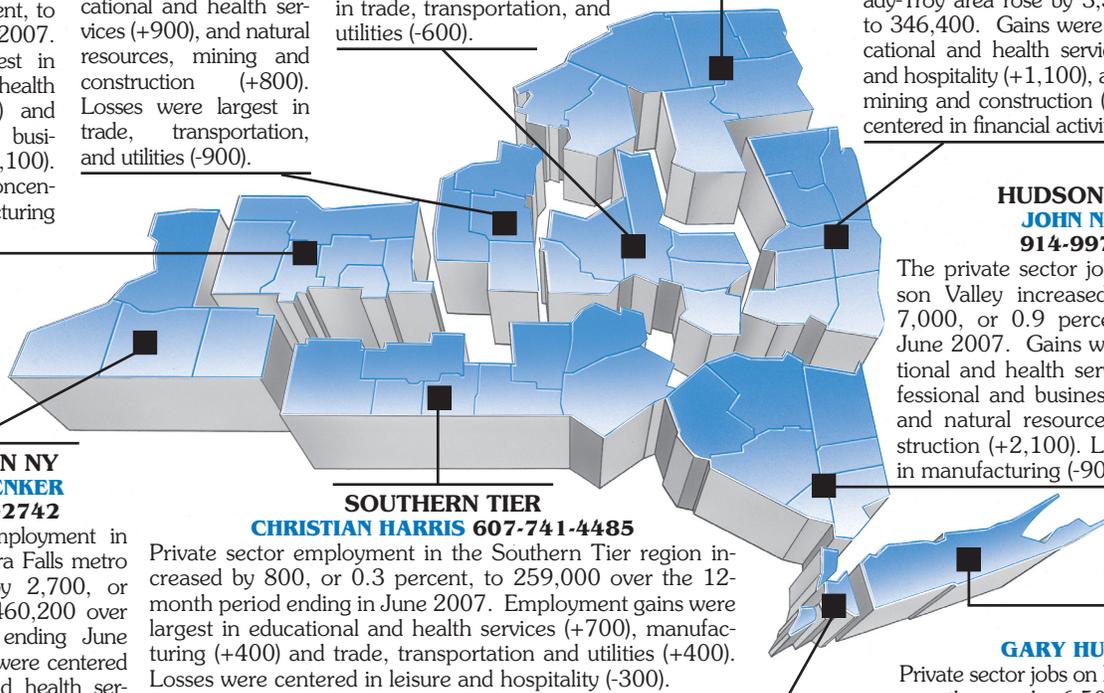
Private sector employment in the Southern Tier region increased by 800, or 0.3 percent, to 259,000 over the 12-month period ending in June 2007. Employment gains were largest in educational and health services (+700), manufacturing (+400) and trade, transportation and utilities (+400). Losses were centered in leisure and hospitality (-300).

NEW YORK CITY JAMES BROWN 212-621-9353

Private sector employment in New York City rose 49,400, or 1.6 percent, to 3,180,600 for the 12-month period ending June 2007. Growth was greatest in professional and business services (+14,100), educational and health services (+13,300), and financial activities (+10,900). Manufacturing (-8,600) lost jobs over the year.

LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 6,500, or 0.6 percent, to 1,074,500 in June 2007. Employment gains occurred in professional and business services (+4,200), educational and health services (+3,800), and natural resources, mining and construction (+800). Declines were greatest in manufacturing (-2,200) and financial activities (-1,400).



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