

# Employment

IN NEW YORK STATE



Andrew M. Cuomo, Governor  
Peter M. Rivera, Commissioner

## At a Glance

In July 2013, New York's seasonally adjusted unemployment rate remained unchanged at 7.5%. The nation's unemployment rate was 7.4% in July 2013. New York State had 8,881,500 nonfarm jobs in July 2013, including 7,436,800 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state decreased by 0.1% between June 2013 and July 2013, while those in the nation increased by 0.1%. From July 2012 to July 2013, the number of private sector jobs increased by 1.8% in the state and by 2.1% in the nation (not seasonally adjusted). New York's Index of Coincident Economic Indicators increased at an annual rate of 2.1% in July 2013.

### Change in Nonfarm Jobs

July 2012 - July 2013

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	119.8	1.4
Private Sector	129.3	1.8
Goods-producing	-6.8	-0.9
Nat. res. & mining	-0.3	-5.3
Construction	9.3	2.8
Manufacturing	-15.8	-3.4
Durable gds.	-8.8	-3.3
Nondurable gds.	-7.0	-3.7
Service-providing	126.6	1.6
Trade, trans. & util.	29.2	2.0
Wholesale trade	-2.2	-0.7
Retail trade	18.4	2.0
Trans., wrhs. & util.	13.0	5.3
Information	-5.2	-2.0
Financial activities	2.0	0.3
Prof. & bus. svcs.	29.8	2.5
Educ. & health svcs.	37.0	2.2
Leisure & hospitality	33.9	4.0
Other services	9.4	2.5
Government	-9.5	-0.7

Innovative workforce initiative underway...

## Advanced Manufacturing is Key Component of Advance Buffalo Project

The State of New York and the Western New York Regional Economic Development Council (WNYREDC) have partnered to create the Advance Buffalo development plan. The plan calls for \$1 billion in funding, tax credits and low-cost energy for the Western New York regional economy, of which the Buffalo-Niagara Falls metro area is the largest segment. It is intended to create jobs and spur new investment and economic activity over the next several years. The investment plan focuses on building support centers for local businesses and funding programs for three vital industry clusters in the region: Advanced Manufacturing, Health and Life Sciences and Tourism.

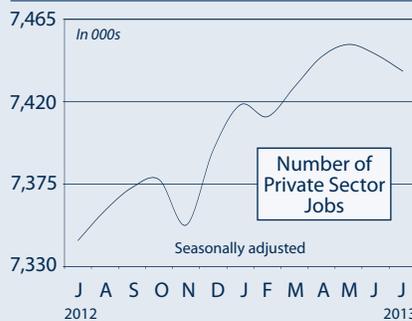
The plan's six signature initiatives slated to receive funding include:

- *The Buffalo Science Productivity and Research Catalyzer (SPaRC)*: to help bring breakthrough healthcare innovations to market.
- *Buffalo Niagara Tourism Program*: to highlight the world-class tourism assets in the region and spur investment in them.
- *Buffalo Breakthrough Business Challenge*: a competitive system to award resources to entrepreneurs.
- *Better Buffalo Fund*: a competitive fund directed at supporting economic and community development projects.
- *Buffalo Center for Manufacturing Innovation*: a state-of-the-art facility to drive growth in manufacturing.

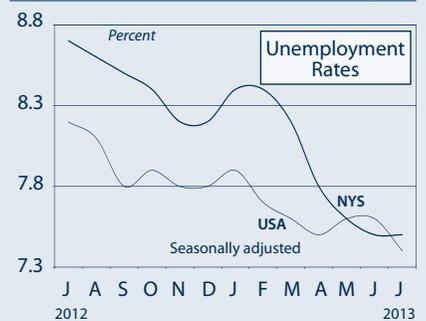
Continued on page 2

### IN JULY...

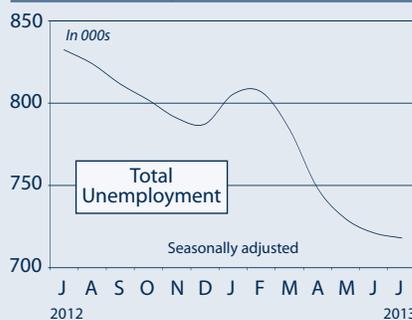
...NYS private sector jobs decreased



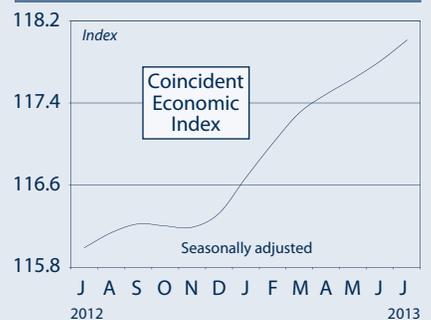
...NYS unemployment rate unchanged



...NYS unemployment decreased



...NYS economic index increased



# Focus on the Capital Region

A Tale of Two Sectors

by James Ross, Labor Market Analyst, Capital Region

From 2008 to 2013, the Capital Region experienced a net decline of 8,300 jobs. Local employment trends in the private and public sectors, however, were dramatically different throughout the five-year period. From 2008 to 2010, the region's private sector job count dropped by over 15,000, while government jobs dropped by just under 3,000. Over the next three years, private sector businesses more than made up for recessionary losses and added 16,900 jobs. Meanwhile, public sector losses actually accelerated, dropping 7,300 in 2010-2013. In sum, the private sector is now 1,900 jobs above where it started in 2008, while the government sector job count is 10,200 lower.

## Job Quality Not a Concern

One ongoing concern about the economic recovery is that much of the nation's job creation has been in generally low-paying sectors. However, this does not appear to be the case in the Capital Region. In 2008-2013, six of the 10 largest-growing industries paid above-average wages, including three that paid more than \$100,000 per job on average. These six high-wage industries included semiconductor and related device manufacturing, electric power distribution, computer systems design services, direct health and medical insurance carriers, general medical and surgical hospitals, and colleges, universities and professional schools.

## Tools of the Trade

Location Quotient and Shift-Share Analysis are two tools used by regional economists to study local employment trends. (Note: All Location Quotient and Shift-Share Analysis data presented

here were compiled using the EMSI software package.) A Location Quotient (LQ) compares an industry's share of total jobs in the local area to its share of jobs in the nation. If an industry's LQ is significantly above 1.0, then it is assumed local production exceeds local demand and a portion of local employment in that industry is export-oriented. As a result, that industry generates wealth and employment in the local area.

Evidence suggests that the Capital Region's wealth-generating industries have been growing in recent years. Of the area's 84 high LQ industries (2.0 or higher), 48 added jobs between 2008 and 2013, including seven of the 10 local industries with the highest LQs. In addition, six of the 27 local industries that gained at least 250 jobs over the five-year period had high LQs, while only three of the industries that lost at least 250 jobs had high LQs.

The second analytical tool, Shift-Share Analysis (SSA), disaggregates a region's job gains or losses into three categories. The National Growth Effect (NGE) quantifies the job change that would occur if the region behaved exactly as the nation. The Industry Mix Effect (IME) quantifies differences in the region's industrial makeup relative to the nation. If the local area has a greater concentration of superior-performing national industries, then the IME will be positive. Finally, the Regional Competitiveness Effect (RCE) quantifies the performance of the region's industries in relation to their national counterparts.

As noted above, the Capital Region's private sector and government job counts went in opposite directions in 2008-2013. The following table



breaks these results down using SSA. While the NGE pulled down both private and public sector employment levels, the IME was quite different. A high concentration of strong industries pushed the private sector higher, while the IME pushed the public sector lower, especially in State government. The RCE mirrored the IME with a positive private sector and negative public sector.

### Shift-Share Analysis by Sector, Capital Region, 2008-2013

Sector	NGE*	IME*	RCE*
Private	-2,900	+2,200	+2,500
Public	-900	-4,700	-4,700

\*See article text for interpretation.

## Summing Up

Employment levels in the Capital Region's private and public sectors have trended in opposite directions over the past five years. As a result, the region's private sector job count is above pre-recession levels, while ongoing public sector job losses have left the government job count below where it stood in 2008. Tools such as Location Quotient and Shift-Share Analysis help us better understand and identify the strengths and weaknesses of a regional economy. ■

## Advanced Manufacturing... from page 1

- *The Buffalo Skills Partnership*: to support workforce development and training by aligning education and training with the skills businesses need.

## Supporting Advanced Manufacturing

Manufacturing is an important segment of the Western New York regional economic base. This industry sector employed more than 67,000 people and paid out total wages of more than \$3.8 billion in 2012. Moreover, annual salaries in the sector average more than \$56,600, which is 54% higher than the overall private sector (excluding manufacturing) wage in the region in 2012.

Advanced Manufacturing, in particular, offers careers with good long-term employment pros-

pects and above-average wages. However, 2012 data from the U.S. Census Bureau indicate that 58% of manufacturing workers in the Western New York region were at least 45 years of age. As a result, there will be thousands of manufacturing job vacancies in the coming years as these workers retire. Currently, the region does not have the talent pipeline in place to meet these workforce replacement needs.

The Buffalo Skills Partnership initiative includes creation of a state-of-the-art Regional Workforce Advancement Center to align the training needs of local manufacturers with education partners to close skills gaps and ensure a pipeline of skilled workers for the industry. The WNYREDC formed a committee to explore the curriculum

that the training Center will offer. The Center will be dedicated to not only meeting the training demands of the region's rapidly changing manufacturing sector, but it will also serve as a magnet for manufacturers to relocate to Western New York.

In addition to the New York State Department of Labor (NYSDOL), other key local stakeholders include Empire State Development, Buffalo Niagara Manufacturing Alliance, Greater Niagara Manufacturers Association, Buffalo Niagara Partnership, the State University of New York (SUNY), Erie County and the City of Buffalo. These partners have joined together with the WNYREDC to improve and strengthen the region's workforce.

Continued on page 3

## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JUL '12	JUL '13		JUL '12	JUL '13		JUL '12	JUL '13
<b>New York State</b>	<b>8.9</b>	<b>7.6</b>	<b>Hudson Valley</b>	<b>8.1</b>	<b>6.6</b>	<b>Finger Lakes</b>	<b>8.3</b>	<b>6.9</b>
<b>Capital</b>	<b>7.8</b>	<b>6.4</b>	Dutchess	8.4	6.7	Genesee	7.5	6.1
Albany	8.0	6.4	Orange	8.9	7.4	Livingston	8.2	6.8
Columbia	7.6	6.2	Putnam	7.2	5.7	Monroe	8.6	7.2
Greene	9.4	7.6	Rockland	7.3	6.0	Ontario	7.2	5.9
Rensselaer	8.3	6.9	Sullivan	9.1	7.8	Orleans	11.2	8.5
Saratoga	7.0	5.6	Ulster	9.4	7.7	Seneca	7.8	6.2
Schenectady	8.3	7.0	Westchester	7.7	6.2	Wayne	8.4	6.8
Warren	7.3	5.9	<b>Mohawk Valley</b>	<b>9.1</b>	<b>7.5</b>	Wyoming	8.1	6.7
Washington	7.3	6.3	Fulton	10.6	8.5	Yates	7.0	5.6
<b>Central New York</b>	<b>8.8</b>	<b>7.3</b>	Herkimer	8.3	7.2	<b>Western New York</b>	<b>8.8</b>	<b>7.4</b>
Cayuga	8.1	6.8	Montgomery	10.7	8.7	Allegany	8.9	7.6
Cortland	8.9	7.8	Oneida	8.8	7.4	Cattaraugus	9.1	7.7
Madison	8.6	7.2	Otsego	8.1	6.4	Chautauqua	8.4	7.4
Onondaga	8.5	7.0	Schoharie	9.9	7.6	Erie	8.7	7.3
Oswego	10.4	9.0	<b>North Country</b>	<b>9.8</b>	<b>8.4</b>	Niagara	9.3	7.8
<b>Southern Tier</b>	<b>8.7</b>	<b>7.3</b>	Clinton	10.2	8.4	<b>Long Island</b>	<b>7.8</b>	<b>6.2</b>
Broome	9.3	7.7	Essex	8.7	7.2	Nassau	7.4	5.9
Chemung	9.1	7.9	Franklin	9.4	8.3	Suffolk	8.1	6.4
Chenango	8.3	6.5	Hamilton	5.2	4.2	<b>New York City</b>	<b>9.9</b>	<b>8.7</b>
Delaware	8.9	7.6	Jefferson	9.5	8.5	Bronx	13.5	11.9
Schuyler	8.0	6.7	Lewis	9.2	8.4	Kings	10.7	9.6
Steuben	9.9	8.4	St. Lawrence	11.0	9.3	New York	8.2	7.2
Tioga	8.5	7.5				Queens	8.8	7.7
Tompkins	6.9	5.6				Richmond	9.5	8.2

### Advanced Manufacturing...from page 2

#### Pilot Program

While plans for the Regional Workforce Advancement Center progress, NYSDOL developed an innovative workforce initiative for businesses located in Erie and Niagara counties. This pilot program is designed to change the way NYSDOL assists businesses, from meeting their hiring needs to building a pipeline of qualified workers for the future. The pilot will help the WNYREDC to better understand the overall employee recruitment process. It will also help identify a diverse set of applicants, provide them with the skills and qualifications they need and connect them to jobs that match their skills.

NYSDOL is working with manufacturers in a variety of areas, including food plants, pharmaceutical plants and metalworking and other fabrication plants. Seven job categories are being served by this program:

- Production operator
- Welder
- Quality assurance inspector
- Electrician
- Electro-mechanical technician
- CNC machinist
- Mechanic

#### Workforce Interface

As part of the Advance Buffalo pilot program, Advanced Manufacturing businesses will receive

services from NYSDOL similar to those performed by executive search firms. NYSDOL's Workforce Development System is providing the support necessary to match the right candidates to current job openings and to ensure this pilot is successful. Regional staff in NYSDOL's Business Services unit work closely with local firms to learn their corporate culture, understand their employment needs and capture the most comprehensive job descriptions.

Anyone interested in an Advanced Manufacturing job in the Western New York region is welcome to apply. Prior manufacturing experience is valued, but not a requirement. To apply online, use the Advance Buffalo web site: [www.jobs.ny.gov/advancebuffalo](http://www.jobs.ny.gov/advancebuffalo).

Resumes are reviewed and candidates are interviewed by special Advance Buffalo team members. They will assess the applicant's interest in an Advanced Manufacturing career and current level of work readiness. Staff will then connect the candidate to the business that best fits their skills sets.

If the potential job candidate is lacking just a few skills, NYSDOL staff will connect them to a training provider. Advance Buffalo has partnered with a number of training providers for this purpose. After the pilot is complete, NYSDOL hopes to expand the service to fill other occupations within the manufacturing sector.

#### A Career Path

Advanced manufacturing offers a great career path. Moreover, all positions listed with the Advance Buffalo program are full-time and provide benefits, including health insurance. The participating businesses are Equal Employment Opportunity employers.

The actual salary a candidate will earn, of course, depends upon their skill level and experience. For more information about this exciting program, contact any of the Career Centers in Western New York. A list is available at:

[www.labor.ny.gov/workforcenypartners/osview.asp](http://www.labor.ny.gov/workforcenypartners/osview.asp). ■

by Deanna Simon

**Employment in New York State** is published 12 times a year. To request a change of address, write to the address below and provide your old and new addresses.

New York State Department of Labor  
Division of Research & Statistics, Pubs. Unit  
Building 12, State Office Campus  
Albany, NY 12240

Deputy Director  
Editor  
Ass't. Dir. of Communications  
Graphic Design  
Editorial Advisor

Bohdan M. Wynnyk  
Kevin Jack  
Chris White  
Jeff Mosher  
Lesley Paporone



## REGIONAL ANALYSTS' CORNER

### CAPITAL

**James Ross — 518-462-7600**

Over the past year, the Capital Region's private sector job count grew by 4,300, or 1.0 percent, to 426,700 in July 2013. Gains were centered in leisure and hospitality (+2,900), educational and health services (+2,000) and natural resources, mining and construction (+1,200). Trade, transportation and utilities (-1,500) and information (-600) lost the most jobs.

### CENTRAL NY

**Karen Knapik-Scalzo — 315-479-3391**

For the 12-month period ending July 2013, the private sector job count in the Syracuse metro area rose 3,500, or 1.4 percent, to 259,900. Growth was concentrated in leisure and hospitality (+1,300), educational and health services (+1,000), trade, transportation and utilities (+1,000) and natural resources, mining and construction (+800). Job losses were greatest in manufacturing (-700) and information (-300).

### FINGER LAKES

**Tammy Marino — 585-258-8870**

Private sector jobs in the Rochester metro area declined over the year by 400, or 0.1 percent, to 436,200 in July 2013. Gains were concentrated in construction (+1,800), professional and business services (+1,700) and financial activities (+1,100). Employment losses were largest in manufacturing (-4,300).

### HUDSON VALLEY

**John Nelson — 914-997-8798**

For the 12-month period ending July 2013, private sector jobs in the Hudson Valley increased by 10,600, or 1.4 percent, to 759,200. Gains were strongest in trade, transportation and utilities (+3,900), leisure and hospitality (+3,300), educational and health services (+2,700), professional and business services (+1,100) and natural resources, mining and construction (+900). Losses were centered in information (-1,100) and manufacturing (-1,000).

### LONG ISLAND

**Shital Patel — 516-934-8533**

Private sector jobs on Long Island increased over the year by 25,200, or 2.3 percent, to 1,101,700 in July 2013. Job gains were largest in professional and business services (+8,100), trade, transportation and utilities (+6,600), leisure and hospitality (+5,900), natural resources, mining and construction (+4,100) and educational and health services (+3,600). Job losses were greatest in manufacturing (-2,700).

### MOHAWK VALLEY

**Mark Barbano — 315-793-2282**

For the 12-month period ending July 2013, the private sector job count in the Mohawk Valley increased by 1,400, or 0.9 percent, to 150,500. Job gains occurred in trade, transportation and utilities (+1,300), leisure and hospitality (+800), educational and health services (+300) and other services (+300). Losses were greatest in manufacturing (-500) and natural resources, mining and construction (-300).

### NEW YORK CITY

**James Brown — 212-775-3330**

Private sector jobs in New York City rose by 89,700, or 2.7 percent, to 3,409,400 for the 12-month period ending July 2013. Job growth was largest in educational and health services (+30,100), trade, transportation and utilities (+20,700), leisure and hospitality (+16,400), professional and business services (+13,000), other services (+7,600) and natural resources, mining and construction (+4,400). Losses were greatest in information (-3,100) and manufacturing (-2,800).

### SOUTHERN TIER

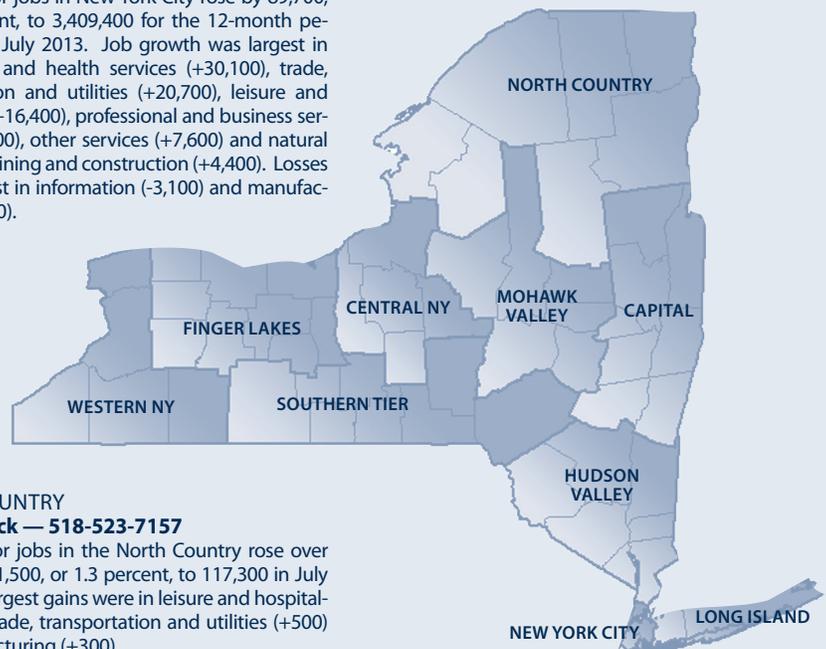
**Christian Harris — 607-741-4485**

The private sector job count in the Southern Tier rose over the year by 2,300, or 1.0 percent, to 235,500 in July 2013. Job gains were largest in educational and health services (+1,700), natural resources, mining and construction (+600) and other services (+400). Losses were centered in manufacturing (-300) and financial services (-200).

### WESTERN NY

**John Slenker — 716-851-2742**

Private sector jobs in the Buffalo-Niagara Falls metro area increased by 8,200, or 1.8 percent, to 465,100 over the 12 months ending July 2013. Job gains were centered in leisure and hospitality (+3,600), educational and health services (+3,500), professional and business services (+1,800) and trade, transportation and utilities (+1,000). Losses were greatest in manufacturing (-900) and natural resources, mining and construction (-600).



### NORTH COUNTRY

**Alan Beideck — 518-523-7157**

Private sector jobs in the North Country rose over the year by 1,500, or 1.3 percent, to 117,300 in July 2013. The largest gains were in leisure and hospitality (+600), trade, transportation and utilities (+500) and manufacturing (+300).