

EMPLOYMENT in New York State

Eliot Spitzer, Governor

October 2007

M. Patricia Smith, Commissioner

Important Growing Sector...

Bringing Up Baby: The Child Day Care Industry

Raising a child is becoming an increasingly expensive proposition. The U.S. Department of Agriculture (USDA) reports that a middle-income family in the United States (defined as having a before-tax income of between \$44,500 to \$74,900) will spend approximately \$197,700 raising a child born in 2006 from birth to age 17. Low-income families will spend somewhat less (\$143,790), and high-income families will spend significantly more (\$289,380). These figures do not include tuition and fees for post-secondary education, which averaged \$32,307 at four-year U.S. private universities during the current

2007-08 academic year (the public university average is \$13,589).

Just over 12 percent of the total expense of raising a child from birth to age 17 -- \$23,850 -- is spent on child care and education, according to USDA. Half of that bill comes due before age 5. According to consulting firm Runzheimer International, the average U.S. cost for a 3-year-old child in day care for five days per week, eight hours per day, is \$653 per month (or \$7,836 per year). These statistics remind us that parents in the labor force have important (and often costly) decisions to make regarding care for their children.

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At a Glance

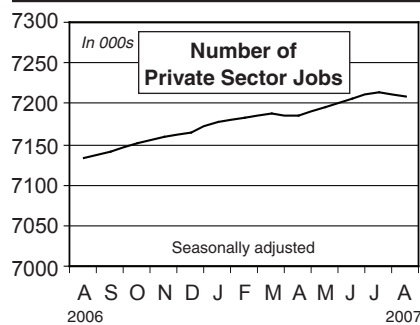
In August 2007, New York's seasonally adjusted unemployment rate was 4.9 percent, unchanged from 4.9 percent in July 2007. (The nation's unemployment rate was 4.6 percent in August.) In August 2007, the state had 8,702,400 nonfarm jobs, including 7,209,000 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state decreased by 0.1 percent from July. (The nation's private sector job count increased by less than 0.1 percent over the month.) From August 2006 to August 2007, the number of private sector jobs increased by 1.1 percent in the state, and increased by 1.2 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, decreased in August.

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

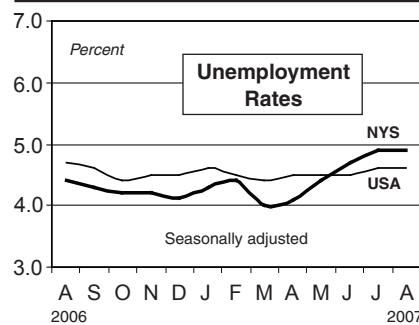
| | Net | % |
|------------------------|-------|------|
| Total Nonfarm Jobs | 86.5 | 1.0 |
| Private Sector | 80.3 | 1.1 |
| Goods-producing | -5.6 | -0.6 |
| Nat. res. & mining | 0.6 | 9.0 |
| Construction | 9.7 | 2.7 |
| Manufacturing | -15.9 | -2.8 |
| Durable gds. | -3.6 | -1.1 |
| Nondurable gds. | -12.3 | -5.2 |
| Service-providing | 92.1 | 1.2 |
| Trade, trans., & util. | 10.5 | 0.7 |
| Wholesale trade | -2.7 | -0.8 |
| Retail trade | 12.0 | 1.4 |
| Trans., wrhs., & util. | 1.2 | 0.5 |
| Information | -3.2 | -1.2 |
| Financial activities | 10.1 | 1.4 |
| Prof. & bus. svcs. | 21.1 | 1.9 |
| Educ. & health svcs. | 28.9 | 1.9 |
| Leisure & hospitality | 14.2 | 2.0 |
| Other services | 4.3 | 1.2 |
| Government | 6.2 | 0.4 |

IN AUGUST...

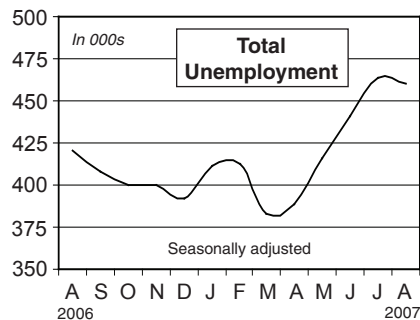
...NYS private sector jobs decreased



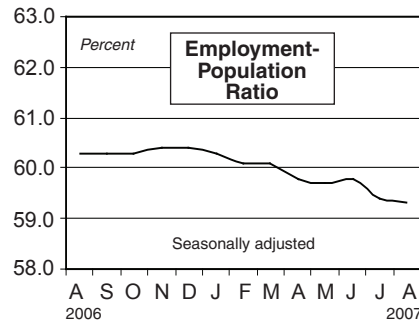
...NYS unemployment rate unchanged



...NYS unemployment decreased



...NYS labor force participation down



Focus on the Hudson Valley

Region Enjoys Healthy Growth, But Sub-prime Crisis Looms

by John Nelson, Labor Market Analyst, Hudson Valley

The Hudson Valley regional economy continued to expand in 2007. Between August 2006 and August 2007, the local private sector job count grew by 9,200, or 1.2 percent (matching the nation's rate of growth), to 761,800. This set a private sector employment record for August.

While several industry sectors reached record employment levels in August, a growing concern is that job gains in the region have become less broad-based in recent months, with most expansion in a few sectors. The sectors adding the most private sector jobs between August 2006 and August 2007 were: educational and health services (+3,400); professional and business services (+2,800); trade, transportation and utilities (+2,800); and natural resources, mining and construction (+1,500). Regional job losses were centered in manufacturing (-1,300).

Educational and health services, the region's second largest employment sector, accounted for 3,400 new private sector jobs over the 12-month period ending August 2007. Part of this increase was attributable to the region's growing population. From 2000 to 2006, the Hudson Valley's population increased by almost 90,000, or 4.1 percent. This rate of increase ranked the Hudson Valley as the fastest-growing region in New York State. With population growth expected



“A skilled workforce, strategic location, and many quality of life factors have all contributed to job growth in the Hudson Valley.”

*Donald Lucarello,
Employment Services Team Leader,
Hudson Valley Region*

to continue, several medical facilities are planned, such as the proposed \$300 million Orange Medical Center in the Town of Wallkill. The 374-bed hospital, the first built in New York State in 30 years, will be the largest facility between Albany and the Tappan Zee Bridge. In addition, the planned \$152 million Elizabeth Seton Pediatric Center in Yonkers is moving forward.

Professional and business services added 2,800 jobs over the year. Firms in the professional and business services sector primarily sell services to businesses rather than to households. Strong growth in corporate profits helped spur increased demand for office workers, computer specialists, engineers, accountants, lawyers, and consultants. An additional benefit is the sector's rela-

tively high wage (\$68,800), more than 40 percent above the region's private sector average.

The job count in trade, transportation and utilities, the region's largest employment sector, also increased by 2,800. Gains were centered in retail trade (+2,300). Factors contributing to retail growth in the region include the area's relatively high per capita income -- \$47,200 (18 percent above New York's statewide average) -- as well as the Hudson Valley's robust population growth. Moving forward, trade, transportation and utilities employment will also get a boost from increased activity at Stewart International Airport, as passenger traffic has more than tripled in recent months.

Despite the widely-publicized turmoil in the housing market, the local construction sector remained fairly strong, adding 1,500 jobs over the year. A strong commercial sector has offset weakness in residential construction. A slew of developments in the coming year, including the \$1 billion Station Square project in White Plains and the \$400 million Belleayre Resort in Ulster County, will further strengthen this sector. The Belleayre project is expected to create 1,800 construction jobs over an estimated eight-year construction period.

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Short-term Projections Now on Web Site

We have recently posted short-term occupational projections for over 700 occupations for New York and its 10 labor market regions on the New York State Department of Labor's web site. Covering the 2006-2008 period, the short-term forecast expects New York State to have approximately 297,000 annual job openings. About 75,000 of these will be new jobs and the remainder replacement jobs.

The new projections web page includes a wealth of New York State occupational information including: numeric employment change (difference in the number of jobs between the base and projected years); percent employment change (how fast we expect employment to

increase or decrease during the projection period); and average annual openings (includes job openings arising from both newly created jobs and the need to replace workers who permanently leave their jobs).

New York's short-term projections differ in several respects from their better-known long-term counterparts, which provide a 10-year occupational forecast (currently 2004-2014). For example, short-term projections data identify employment fluctuations due to seasonality and business cycles (e.g. economic expansion and recession). As such, short-term projections ideally show turning points in the business cycle and how they affect occupational openings. In contrast, long-term projections are designed

to identify general economic trends, and are based on forecasts of basic economic drivers such as population, income, and industry employment levels.

Another important difference between the two is how job seekers use the projections. Short-term information provides a snapshot of current labor market conditions in a region. This is best for individuals making more immediate occupational decisions. On the other hand, individuals considering starting or changing their career path should utilize long-term occupational information.

For additional information, go to www.labor.state.ny.us/workforceindustrydata/ and select "Jobs in Demand/Projections."

by Anthony Hayden

Unemployment Rates in New York State

Data Not Seasonally Adjusted

| | AUG '06 | AUG '07 | | AUG '06 | AUG '07 | | AUG '06 | AUG '07 |
|-------------------------|------------|------------|----------------------|------------|------------|-------------------------|------------|------------|
| New York State | 4.3 | 4.7 | Hudson Valley | 3.8 | 3.8 | Southern Tier | 4.2 | 4.1 |
| Capital | 3.6 | 3.7 | Dutchess | 3.6 | 3.6 | Broome | 4.3 | 4.3 |
| Albany | 3.7 | 3.8 | Orange | 4.1 | 4.1 | Chemung | 4.6 | 4.5 |
| Columbia | 3.5 | 3.8 | Putnam | 3.3 | 3.3 | Chenango | 4.4 | 4.2 |
| Greene | 4.4 | 4.3 | Rockland | 3.7 | 3.8 | Delaware | 4.2 | 4.2 |
| Rensselaer | 3.8 | 3.9 | Sullivan | 4.1 | 4.1 | Otsego | 4.0 | 3.7 |
| Saratoga | 3.2 | 3.3 | Ulster | 4.0 | 4.2 | Schuyler | 4.0 | 4.3 |
| Schenectady | 3.9 | 4.0 | Westchester | 3.7 | 3.6 | Steuben | 4.6 | 4.4 |
| Warren | 3.4 | 3.5 | Mohawk Valley | 4.1 | 4.1 | Tioga | 3.8 | 3.8 |
| Washington | 3.5 | 3.5 | Fulton | 4.7 | 5.0 | Tompkins | 3.5 | 3.4 |
| Central New York | 4.3 | 4.0 | Herkimer | 3.8 | 3.7 | Western New York | 4.6 | 4.5 |
| Cayuga | 4.4 | 4.1 | Madison | 4.1 | 4.1 | Allegany | 5.0 | 5.3 |
| Cortland | 4.6 | 4.3 | Montgomery | 5.1 | 5.1 | Cattaraugus | 4.5 | 4.7 |
| Onondaga | 4.1 | 3.8 | Oneida | 3.8 | 3.8 | Chautauqua | 4.1 | 4.0 |
| Oswego | 4.9 | 4.6 | Schoharie | 4.5 | 4.7 | Erie | 4.6 | 4.4 |
| Finger Lakes | 4.1 | 4.1 | North Country | 4.6 | 4.6 | Niagara | 4.8 | 4.8 |
| Genesee | 3.7 | 3.7 | Clinton | 4.8 | 5.0 | Long Island | 3.8 | 3.9 |
| Livingston | 4.2 | 4.2 | Essex | 4.2 | 4.0 | Nassau | 3.7 | 3.7 |
| Monroe | 4.3 | 4.3 | Franklin | 4.6 | 4.6 | Suffolk | 3.9 | 4.0 |
| Ontario | 3.5 | 3.4 | Hamilton | 2.6 | 2.4 | New York City | 4.8 | 5.8 |
| Orleans | 5.2 | 5.1 | Jefferson | 4.3 | 4.3 | Bronx | 6.4 | 7.8 |
| Seneca | 3.7 | 3.7 | Lewis | 3.8 | 4.0 | Kings | 5.3 | 6.4 |
| Wayne | 4.0 | 3.8 | St. Lawrence | 5.2 | 5.2 | New York | 4.1 | 4.7 |
| Wyoming | 3.8 | 3.6 | | | | Queens | 4.3 | 5.1 |
| Yates | 3.5 | 3.6 | | | | Richmond | 4.7 | 5.6 |

Hudson Valley...

from page 2

Like the nation as a whole, the Hudson Valley has seen its manufacturing job base erode in recent years. The sector shed 1,300 jobs over the year to stand at 58,800 in August 2007, an all-time job low for the month. Increased utilization of labor-saving technology and low-cost foreign competition have contributed to this employment decrease.

Looking ahead

The Hudson Valley has been hammered by ongoing fallout from the sub-prime mortgage industry. As early as April 2007, three troubled mortgage lenders with a major presence in the region -- Argent Mortgage, Columbia Home Loan, and Fremont Investment -- closed or announced plans to close offices in the region, laying off hundreds of employees. More recently, Countrywide Financial announced layoffs. As a result, financial sector employment in the Putnam-Rockland-Westchester area dropped over the year by 800.

Going forward, most economic signs in the Hudson Valley region point to continued, albeit modest job growth over the next year. However, the crisis in the sub-prime mortgage industry continues to loom large, as its negative effects could spill over to other industry sectors in the region. An additional concern is the possibility of a national economic slowdown as it would likely cause some developers to halt their plans for development.

Bringing Up Baby...

from page 1

Child Day Care Industry

The increasing number of women entering the labor force has ramped up demand for child care services in recent years. A 2005 report from the U.S. Census Bureau found that 63 percent of the children under age 5 in the U.S. were in some kind of regular child care arrangement. Two in five (40 percent) were cared for by a relative, while more than one-third (35 percent) were cared for by non-relatives (including organized care facilities).

Occupations that pay below-average wages dominate New York's child day care industry. The combined employment for the top three occupations account for about 7 in 10 industry jobs. Those titles and their median wage level include (in descending employment order): teacher assistants (\$22,640); preschool teachers, except special ed. (\$29,340); and child care workers (\$22,590). The large number of relatively low-paid workers translated into an overall industry wage of \$20,850 in 2005, which was less than half the overall \$51,940 average wage for New York.

Researchers have struggled to measure the size of the entire child care sector. This is difficult because the sector is comprised of a large number of small businesses. Moreover, many child-care workers are not captured by government employment surveys, which do not include the self-employed and other workers not covered by unemployment insurance. Data from the Quarterly Census

of Employment and Wages indicate that child care industry employment in New York stood at 57,160 in 2005.

Cornell University researchers Rosaria Ribeiro and Mildred Warner have suggested an alternate procedure for estimating employment levels in the child day care industry. Their method involves adding together U.S. Census data on nonemployer establishments, which provides one estimate of self-employed providers, and figures from *County Business Patterns* (also published by Census). Following this method yields a total statewide child care employment estimate of 131,000 in 2005, which is more than twice the comparable figure based on Unemployment Insurance records.

by Kevin Jack

Employment in New York State

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FINGER LAKES TAMMY MARINO 585-258-8870

Private sector employment in the Rochester area rose 1,400, or 0.3 percent, over the year to 437,700 in August 2007. Employment gains in educational and health services (+3,000) and professional and business services (+900) more than offset declines in manufacturing (-3,700).

CENTRAL NY ROGER EVANS 315-479-3388

For the 12 months ending August 2007, the private sector jobs in the Syracuse area rose 1,700, or 0.6 percent, to 265,700. Growth was largest in educational and health services (+1,000) and natural resources, mining and construction (+900). Losses were largest in trade, transportation, and utilities (-700).

MOHAWK VALLEY MARK BARBANO 315-793-2282

For the 12-month period ending August 2007, the private sector job count in the Utica-Rome metro area decreased 400, or 0.4 percent, to 101,200. Job gains were largest in educational and health services (+300). Job losses were greatest in manufacturing (-500).

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector employment in the North Country region rose over the year by 1,600, or 1.3 percent, to 122,400 in August 2007. The largest gains were in trade, transportation, and utilities (+800). Losses were centered in manufacturing (-300).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From August 2006 to August 2007, the number of private sector jobs in the Albany-Schenectady-Troy area rose by 1,500, or 0.4 percent, to 346,100. Gains were concentrated in leisure and hospitality (+1,700) and educational and health services (+1,600). Job losses were centered in trade, transportation and utilities (-800).

HUDSON VALLEY JOHN NELSON 914-997-8798

Private sector employment in the Hudson Valley increased over the year by 9,200, or 1.2 percent, to 761,800 in August 2007. Gains were largest in educational and health services (+3,400), trade, transportation and utilities (+2,800), and professional and business services (+2,800). Losses were centered in manufacturing (-1,300) and information (-600).

WESTERN NY JOHN SLENKER 716-851-2742

For the 12 months ending August 2007, private sector employment in the Buffalo-Niagara Falls metro area increased by 1,600, or 0.4 percent, to 457,900. Job gains were centered in educational and health services (+2,300), professional and business services (+2,300), financial activities (+1,300), and other services (+800). Losses occurred in manufacturing (-3,000), information (-800), and trade, transportation and utilities (-600).

SOUTHERN TIER CHRISTIAN HARRIS 607-741-4485

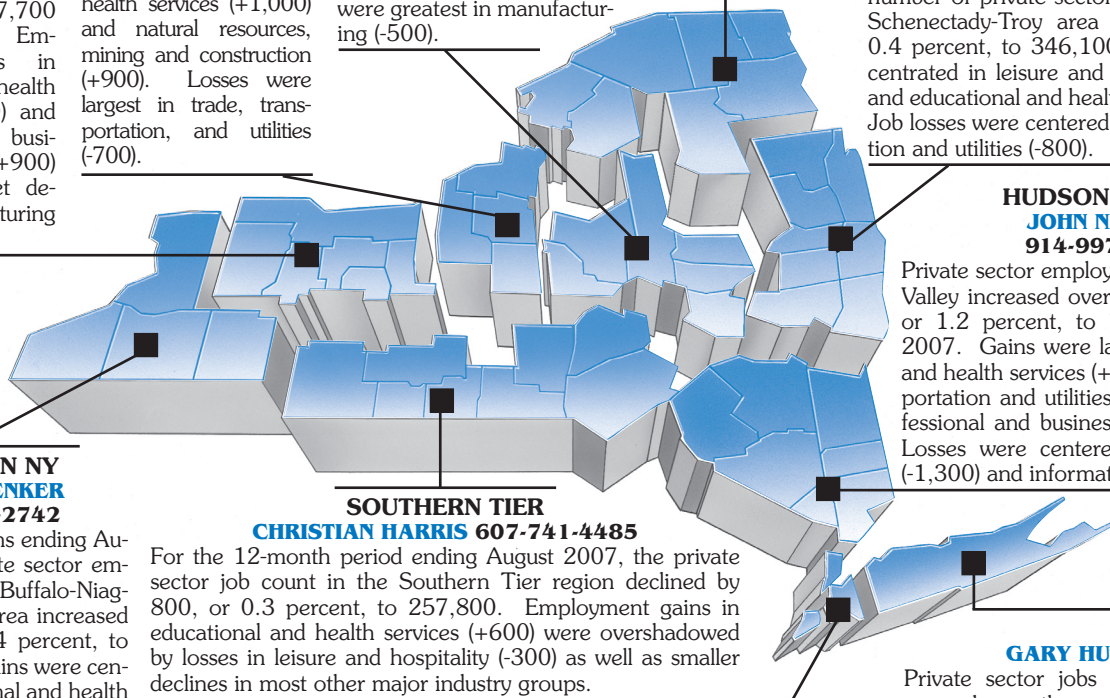
For the 12-month period ending August 2007, the private sector job count in the Southern Tier region declined by 800, or 0.3 percent, to 257,800. Employment gains in educational and health services (+600) were overshadowed by losses in leisure and hospitality (-300) as well as smaller declines in most other major industry groups.

NEW YORK CITY JAMES BROWN 212-775-3330

Private sector employment in New York City rose 55,900, or 1.8 percent, to 3,149,500 for the 12-month period ending August 2007. Job growth occurred in professional and business services (+14,300), educational and health services (+12,400), financial activities (+10,900), leisure and hospitality (+10,300), and trade, transportation and utilities (+6,800).

LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 7,700, or 0.7 percent, to 1,069,700 in August 2007. The largest gains were in professional and business services (+3,000). Adding 2,100 jobs each were trade, transportation and utilities; educational and health services; and leisure and hospitality. Financial services (-2,700) declined.



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