

Employment

IN NEW YORK STATE

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At a Glance

In August 2012, New York's seasonally adjusted unemployment rate was 9.1%, unchanged from July. The nation's unemployment rate was 8.1% in August 2012. New York State had 8,814,100 nonfarm jobs in August 2012, including 7,332,500 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state increased by less than 0.1% between July 2012 and August 2012, while those in the nation increased by 0.1%. From August 2011 to August 2012, the number of private sector jobs increased by 1.8% in both the state and nation (not seasonally adjusted). New York's Index of Coincident Economic Indicators increased at an annual rate of 0.5% in August 2012.

Change in Nonfarm Jobs

August 2011 - August 2012

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	117.3	1.4
Private Sector	132.6	1.8
Goods-producing	-14.3	-1.8
Nat. res. & mining	-0.2	-3.5
Construction	-10.8	-3.3
Manufacturing	-3.3	-0.7
Durable gds.	2.2	0.8
Nondurable gds.	-5.5	-2.9
Service-providing	131.6	1.7
Trade, trans. & util.	17.5	1.2
Wholesale trade	5.3	1.6
Retail trade	14.4	1.6
Trans., wrhs. & util.	-2.2	-0.9
Information	10.0	4.1
Financial activities	3.3	0.5
Prof. & bus. svcs.	56.5	4.9
Educ. & health svcs.	38.1	2.3
Leisure & hospitality	19.3	2.4
Other services	2.2	0.6
Government	-15.3	-1.1

Factory Sector Grows During Current Recovery...

Made in New York: State's Manufacturers Make Comeback, Add Jobs

What do luxury menswear, Greek-style yogurt, forklifts, and computer chips all have in common? They are all part of New York's diverse manufacturing sector, which has been one of the bright spots in the state's current economic recovery.

Like the nation as a whole, New York's manufacturing firms have been growing over the past two years. From first quarter 2010 (1Q2010) to first quarter 2012 (1Q2012), the state's factory job count grew by more than 1,700, or 0.4 percent, to 452,850, according to the Quarterly Census of Employment and Wages (QCEW). This increase may seem small in light of the almost 300,000 private sector jobs the state's economy added over

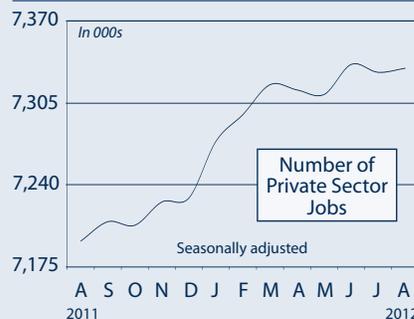
this period. However, it represents a major turnaround for our state's factory sector. This sector has been shedding jobs for many years due, in part, to greater use of productivity-boosting technologies.

Today, New York's factory sector still accounts for about 1 in 15 (6.5%) private sector jobs statewide. The share of jobs is much higher in certain Upstate metro areas, such as Elmira (18%), Binghamton (17%) and Rochester (15%). Moreover, manufacturing makes an important economic contribution in the high wages it pays and its relatively robust economic multiplier - the "spin-off" jobs created throughout the economy due to increased demand for manufactured goods.

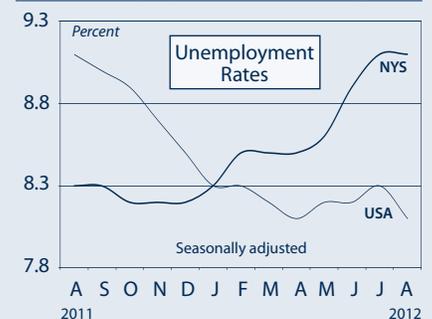
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IN AUGUST...

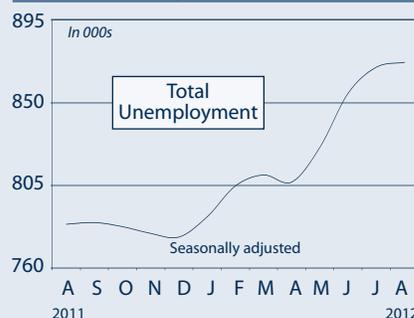
...NYS private sector jobs increased



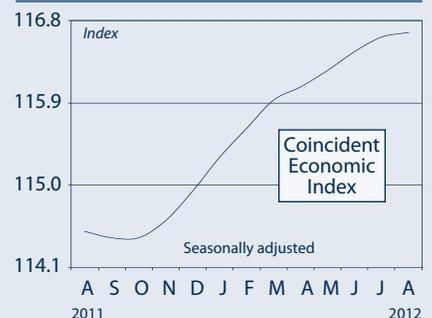
...NYS unemployment rate unchanged



...NYS unemployment increased



...NYS economic index increased



Focus on the Hudson Valley

Hudson Valley's Economic Recovery Continues
by John Nelson, Labor Market Analyst, Hudson Valley

The Hudson Valley region's economy continues to recover from the lingering effects of the last recession. For the 12-month period ending August 2012, the Hudson Valley's private job count grew by 10,700, or 1.4 percent, to 754,200. Growth over the past year has been broad-based, with more industries reporting job gains than losses.

Top gainers

The educational and health services sector, which accounts for the most private sector jobs in the region, added 5,000 jobs between August 2011 and August 2012. Sector growth was concentrated in healthcare, driven mostly by an aging population. Employment in ambulatory healthcare services (i.e., doctor's offices, outpatient care centers, and laboratories) is trending upward.

Crystal Run Healthcare was recently approved for a \$1 million Payment in Lieu of Taxes (PILOT) property tax agreement and other incentives for a 60,000 square-foot-back office in the Town of Wallkill in Orange County. The \$14 million facility will allow the company to retain 300 workers and create 200 additional jobs. They are also planning to build a 128,000 square-foot medical office in Monroe (also Orange County). The \$54 million center will bring more than 450 jobs to the area, including 70 new physician positions.

The job count in professional and business services grew by 3,700 for the year ending August 2012. Employment in the sector is now at a record high. Most sector job growth occurred in professional, scientific, and technical services

and temporary help agencies. Furthermore, the region is home to several Fortune 500 companies that are firmly committed to the Hudson Valley.

Trade, transportation and utilities added 3,500 jobs in the Hudson Valley over the past year. This sector has grown due to several new retail projects, most notably the multi-million dollar Ridge Hill shopping complex in Yonkers, which has added several hundred retail jobs. Anchor tenants in Ridge Hill include a Whole Foods supermarket and a Lord & Taylor department store.

Top decliners

Natural resources, mining, and construction shed 4,200 jobs for the year ending August 2012. However, the local sector should get a significant boost from the much-anticipated construction of the new Tappan Zee Bridge. Ranked as one of the nation's largest infrastructure projects, the Federal Highway Administration estimates that the new bridge will create thousands of high-paying construction jobs. New York recently won federal approval for its \$5 billion plan to replace the old bridge and may now request the needed permits. Work on the new bridge could begin as early as 2013 and is expected to take about five years.

Since August 2011, the region's manufacturers have lost 1,500 jobs. Contributing to this decline is the ongoing restructuring at Pfizer's 550-acre site in Pearl River (Rockland County). Pfizer inherited the plant in 2009, when it acquired Wyeth Pharmaceuticals. In a bid to counteract



industry job losses, the NY BioHud Valley trade group is promoting the Hudson Valley's growing cluster of firms in the biotech/pharmaceutical/life science field. One such growing company is Regeneron Pharmaceuticals, which is headquartered in Tarrytown (Westchester County). Their workforce has grown by about 600 employees in the past two to three years. In addition, the company was recently named the No. 1 employer in the global biopharmaceutical sector by *Science* magazine.

Looking ahead

Like most areas of the country, the Hudson Valley's regional economy was hit hard by the last recession. However, possessing a highly-educated and highly-skilled workforce, the region is poised for continued job growth. With a slew of new projects in the pipeline, including the massive Tappan Zee Bridge project, the region's construction industry will grow over the next few years. Moreover, through the continuing efforts of groups such as NY BioHud Valley, the Hudson Valley should see continued growth in high-wage jobs, such as those added in the region's biotech/pharmaceutical/life science sector. ■

New York State Manufacturers... from page 1

The business press is peppered with news items that illustrate manufacturing's comeback in the Empire State. For example, a recent *Wall Street Journal* article noted that Antonio Azzuolo, described as "one of a few American designers producing true luxury menswear in America," has the majority of his factories in New York City, Long Island, and New Jersey. In addition, the state's burgeoning Greek-style yogurt industry has boosted dairy processing jobs in Upstate. Earlier this year, material-handling equipment maker Raymond Corp. publicly celebrated the creation of its 500th new job since 2010 at its Greene and Syracuse locations. In Saratoga County, computer chipmaker GlobalFoundries is currently seeking approval to build a technology center, which could add another 200 jobs to its campus.

This trend is set to continue, as manufacturers may be poised for additional growth in the coming years. A new report from the Boston Consulting Group (BCG) indicates that the U.S. manufacturing sector could add 2.5 million to 5 million new jobs by 2020, due to an expected surge in exports. This is largely the result of rising overseas labor and energy costs, which make the U.S. more competitive.

Largest-growing industries

Between 1Q2010 and 1Q2012, 11 manufacturing industries (at the 4-digit NAICS level) added at least 400 private sector jobs in New York State. This group includes a mix of durable and non-durable goods industries. The table on page 3 shows more details about these industries, including:

- Increase in jobs over the two-year period
- Employment level in 1Q2012
- Average annual wage in 2011
- Jobs multiplier

Three manufacturing industries each added at least 1,700 jobs during the 1Q2010-1Q2012 period: other general purpose machinery (+1,760), machine shops and threaded products (+1,740), and bakeries and tortilla makers (+1,710).

The industry with the largest increase in jobs, other general purpose machinery, is a catch-all that includes firms that make pumps, compressors, and industrial trucks, such as forklifts. Regions with the most jobs in this industry include Western NY (3,560), Southern Tier (2,570) and Long Island (2,240).

Continued on page 3

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	AUG '11	AUG '12		AUG '11	AUG '12		AUG '11	AUG '12
New York State	8.1	8.8	Hudson Valley	7.1	7.9	Finger Lakes	7.4	8.2
Capital	6.9	7.8	Dutchess	7.3	8.2	Genesee	6.5	7.1
Albany	7.1	8.0	Orange	7.8	8.7	Livingston	6.8	7.6
Columbia	7.0	7.8	Putnam	6.5	7.0	Monroe	7.6	8.5
Greene	8.3	9.1	Rockland	6.5	7.1	Ontario	6.3	6.9
Rensselaer	7.4	8.2	Sullivan	7.9	9.1	Orleans	9.0	11.3
Saratoga	6.0	6.9	Ulster	8.0	9.2	Seneca	7.0	7.7
Schenectady	7.3	8.4	Westchester	6.8	7.6	Wayne	7.4	8.2
Warren	6.5	7.3	Mohawk Valley	8.0	8.6	Wyoming	7.1	7.6
Washington	6.7	7.7	Fulton	9.1	10.6	Yates	6.4	6.8
Central New York	7.8	8.5	Herkimer	7.2	7.8	Western New York	7.7	8.7
Cayuga	7.1	7.9	Montgomery	9.3	10.3	Allegany	8.3	8.7
Cortland	7.9	8.7	Oneida	7.9	8.4	Cattaraugus	8.1	8.7
Madison	7.3	8.3	Otsego	7.2	7.7	Chautauqua	7.2	8.3
Onondaga	7.6	8.3	Schoharie	8.5	8.4	Erie	7.6	8.6
Oswego	9.1	10.2	North Country	8.8	9.5	Niagara	8.1	9.2
Southern Tier	7.6	8.6	Clinton	9.4	10.0	Long Island	7.0	7.8
Broome	8.0	9.0	Essex	7.4	8.7	Nassau	6.6	7.4
Chemung	7.5	9.1	Franklin	8.3	9.4	Suffolk	7.3	8.2
Chenango	7.7	8.1	Hamilton	4.3	5.2	New York City	9.2	9.7
Delaware	8.0	8.7	Jefferson	8.3	8.9	Bronx	12.5	13.1
Schuyler	6.6	7.9	Lewis	8.0	8.6	Kings	10.1	10.5
Steuben	8.6	9.6	St. Lawrence	10.1	10.8	New York	7.5	7.9
Tioga	7.6	8.7				Queens	8.1	8.6
Tompkins	6.2	6.7				Richmond	8.8	9.3

New York State Manufacturers...from page 2

Manufacturing Industries with Largest Job Gains, New York State, First Quarter 2010 to First Quarter 2012

Industry	Job Gain	Jobs, 1Q 2012	Annual Wage (2011)	Jobs Multiplier
Other general purpose machinery mfg.	+1,760	14,360	\$68,200	2.10
Machine shops & threaded product mfg.	+1,740	14,550	\$47,900	1.68
Bakeries & tortilla mfg.	+1,710	20,560	\$28,400	1.73
Semiconductor & elec. component mfg.	+1,190	20,380	\$71,200	2.31
Other fabricated metal product mfg.	+990	7,540	\$58,300	1.56
Plastics product mfg.	+710	18,210	\$45,800	1.86
Dairy product mfg.	+660	8,340	\$51,400	6.09
Ag., construction, & mining mach. mfg.	+450	1,860	\$53,400	1.82
Boiler, tank, & shipping container mfg.	+430	4,450	\$64,400	1.75
Office furniture & fixtures mfg.	+420	5,030	\$45,800	1.55
Industrial machinery mfg.	+400	4,900	\$75,300	2.22

Source: Quarterly Census of Employment and Wages

Machine shops and threaded products added the second highest number of jobs (+1,740) of any manufacturing industry. About 75% of jobs in this industry are at machine shops, which are primarily engaged in machining metal and plastic parts and parts of other composite materials on a job or order basis. The Finger Lakes (4,110) and Western NY (3,210) account for just over 50% of jobs in the state.

Bakeries and tortilla makers had the third greatest increase in jobs (+1,710) in 1Q2010-1Q2012. Just under half of the statewide jobs in this industry, about 46%, are in New York City.

The no. 4 industry on the list, semiconductor and electronic components, added 1,190 jobs and also sports the second highest average annual wage (\$71,200) among industries on the list. The Hudson Valley (4,690), Southern Tier (4,380), and Long Island (4,150) together made up two-thirds of industry jobs in the state.

The other fabricated metal products industry sits in fifth place, having created 990 jobs between 1Q2010 and 1Q2012. Firms in this industry make metal valves used to regulate the flow of fluids, liquids and gases, as well as a wide array of other metal products, including ball and roller

bearings, small arms and ammunition, and fabricated pipe. Comprising 58% of industry jobs in the state, the Western NY (1,810), Hudson Valley (1,190), and Mohawk Valley (1,110) regions had the most employment.

Looking ahead

As noted above, the BCG report estimates that U.S. manufacturers may add several million jobs through 2020, largely due to expanded U.S. exports. The biggest impact, however, will likely be felt by those industries in which labor costs account for only a small share of overall costs, and in which shipping distances and time are critical. For more information regarding the report, visit www.BCG.com. ■

by Kevin Jack

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REGIONAL ANALYSTS' CORNER

CAPITAL

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The Capital Region's private sector job count grew by 4,100, or 1.0 percent, to 416,700 between August 2011 and August 2012. Manufacturing (+1,900), professional and business services (+1,600), natural resources, mining and construction (+1,200), information (+600), and financial activities (+500) led gainers. Trade, transportation and utilities (-1,400) lost the most jobs.

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

For the 12-month period ending August 2012, the private sector job count in the Syracuse metro area rose 2,900, or 1.1 percent, to 256,700. Job growth was concentrated in trade, transportation and utilities (+1,400), educational and health services (+1,000), and professional and business services (+500). The largest job loss occurred in manufacturing (-400).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector jobs in the Rochester metro area increased over the year by 8,400, or 2.0 percent, to 438,400 in August 2012. Job gains were largest in professional and business services (+4,700), educational and health services (+2,100), and trade, transportation and utilities (+1,700). Losses were reported in leisure and hospitality (-800) and information (-300).

HUDSON VALLEY

John Nelson — 914-997-8798

For the 12-month period ending August 2012, private sector jobs in the Hudson Valley increased by 10,700, or 1.4 percent, to 754,200. Gains were largest in educational and health services (+5,000), professional and business services (+3,700), trade, transportation and utilities (+3,500), leisure and hospitality (+1,700), and information (+1,400). Losses were centered in natural resources, mining and construction (-4,200) and manufacturing (-1,500).

LONG ISLAND

Shital Patel — 516-934-8533

Private sector jobs on Long Island increased over the year by 6,000, or 0.6 percent, to 1,051,200 in August 2012. Professional and business services (+5,700), financial activities (+4,100), information (+2,700), educational and health services (+1,600), and leisure and hospitality (+1,600) added the most jobs. The largest losses were in natural resources, mining, and construction (-3,600) and trade, transportation and utilities (-3,600).

MOHAWK VALLEY

Mark Barbano — 315-793-2282

For the 12-month period ending August 2012, the private sector job count in the Mohawk Valley increased by 4,400, or 3.0 percent, to 152,900. Gains were centered in educational and health services (+1,800), trade, transportation and utilities (+1,200), leisure and hospitality (+1,000), and professional and business services (+600). Losses were greatest in natural resources, mining and construction (-500).

NEW YORK CITY

James Brown — 212-775-3330

Private sector jobs in New York City rose by 93,100, or 2.9 percent, to 3,320,900 for the 12-month period ending August 2012. Growth was largest in professional and business services (+35,000), leisure and hospitality (+18,700), educational and health services (+17,800), trade, transportation and utilities (+14,600), and information (+10,400). Job losses were centered in natural resources, mining and construction (-6,200) and financial activities (-3,600).

NORTH COUNTRY

Alan Beideck — 518-523-7157

Private sector employment in the North Country rose over the year by 1,100, or 0.9 percent, to 117,100 in August 2012. The largest gains were in trade, transportation and utilities (+400) and professional and business services (+300). Educational and health services lost jobs (-200).

SOUTHERN TIER

Christian Harris — 607-741-4485

Private sector employment in the Southern Tier fell over the year by 1,200, or 0.5 percent, to 230,700 in August 2012. Job gains were centered in professional and business services (+700). Losses were greatest in natural resources, mining and construction (-800), trade, transportation and utilities (-600), and educational and health services (-500).

WESTERN NY

John Slenker — 716-851-2742

For the 12-month period ending August 2012, private sector jobs in the Buffalo-Niagara Falls metro area increased by 200 to 454,100. Job gains were centered in educational and health services (+2,800), manufacturing (+1,300), and natural resources, mining and construction (+1,000). Losses were greatest in professional and business services (-3,200), leisure and hospitality (-1,200), and financial activities (-900).

