

EMPLOYMENT

in New York State

Eliot Spitzer, Governor

November 2007

M. Patricia Smith, Commissioner

Provides Important Economic Boost...

Hiring for the Holidays

The annual rite known as holiday shopping is an important economic engine. Not only does it provide the U.S. economy with a major shot in the arm – predicted by to the National Retail Federation (NRF) to amount to \$474.5 billion in 2007, or about 20 percent of total annual U.S. retail sales – but it also means a nearby retailer will be hanging out a “Help Wanted” sign. (Note: The NRF figures include discounters, department stores, grocery stores, and specialty stores, but exclude sales at automotive dealers, gas stations, and restaurants.)

During a typical year’s hiring cycle, the retail job total starts building in October, continues to increase in November,

reaches a peak level in December, and then drops off sharply in January as staffing levels are reduced. From 1997 to 2006, New York State’s retailers added, on average, 54,100 jobs (a gain of 6.4 percent) during the October-December holiday shopping season compared with the average monthly job count for January-September. For this year’s holiday season, a recent survey of members by the Retail Council of New York State found that nearly 90 percent expect they will most likely hire the same number of employees as last year, or more.

Seasonal hiring activity in New York has fluctuated over the past decade (see figure on page 2). In the late 1990s, during the

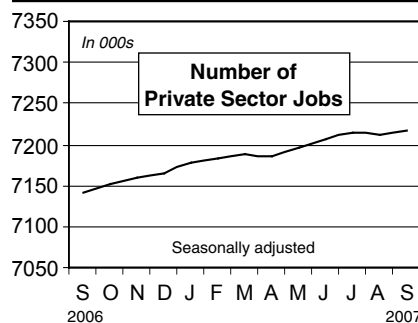
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At a Glance

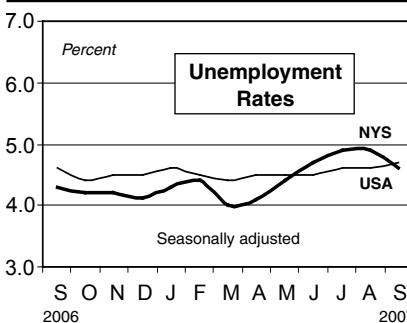
In September 2007, New York’s seasonally adjusted unemployment rate was 4.6 percent, down from 4.9 percent in August 2007. (The nation’s unemployment rate was 4.7 percent in September.) In September 2007, the state had 8,714,300 nonfarm jobs, including 7,217,400 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state and nation increased by 0.1 percent from August. From September 2006 to September 2007, the number of private sector jobs increased by 1.0 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, increased in September.

IN SEPTEMBER...

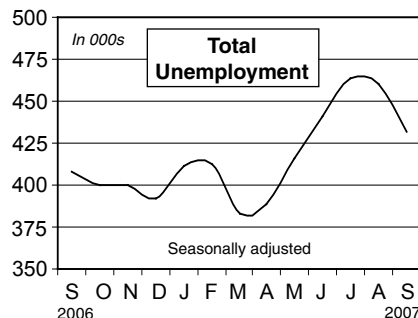
...NYS private sector jobs increased



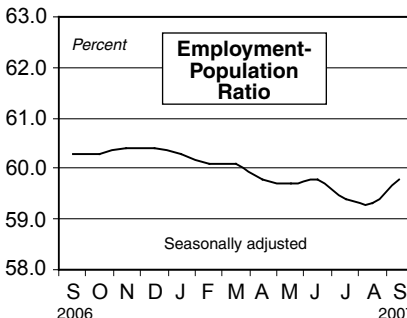
...NYS unemployment rate decreased



...NYS unemployment decreased



...NYS labor force participation up



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

| | Net | % |
|------------------------|-------|------|
| Total Nonfarm Jobs | 67.2 | 0.8 |
| Private Sector | 68.8 | 1.0 |
| Goods-producing | -1.9 | -0.2 |
| Nat. res. & mining | 0.0 | 0.0 |
| Construction | 14.0 | 3.9 |
| Manufacturing | -15.9 | -2.8 |
| Durable gds. | -2.9 | -0.9 |
| Nondurable gds. | -13.0 | -5.5 |
| Service-providing | 69.1 | 0.9 |
| Trade, trans., & util. | 6.7 | 0.4 |
| Wholesale trade | -2.4 | -0.7 |
| Retail trade | 11.5 | 1.3 |
| Trans., wrhs., & util. | -2.4 | -0.9 |
| Information | -3.8 | -1.4 |
| Financial activities | 12.5 | 1.7 |
| Prof. & bus. svcs. | 24.6 | 2.2 |
| Educ. & health svcs. | 17.0 | 1.1 |
| Leisure & hospitality | 12.4 | 1.8 |
| Other services | 1.3 | 0.4 |
| Government | -1.6 | -0.1 |

Focus on the Capital Region

Biosciences in the Capital Region

by Jim Ross, Labor Market Analyst, Capital Region



While much has been written about the Capital Region's emerging nanoelectronics sector and its strong growth potential, another of the area's promising high-tech sectors – biosciences – gets much less mention.

The biosciences sector is similar to nanoelectronics in that it requires a strong foundation and significant investment in scientific research and development. A recent report from the Battelle group – *Growing the Nation's Bioscience Sector: A Regional Perspective* – states this industry cluster typically does well in regions “with premier university, hospital and other centers of life sciences research. A strong local bioscience industry yields economic benefits in the form of high-paying jobs and their subsequent positive ripple effect.”

The Capital Region's biosciences cluster employed almost 8,000 in the first quarter of 2007. The cluster's annual average wage was \$63,000, easily surpassing both the area's all-industry average wage of \$40,400 and the comparable manufacturing wage, \$54,300. For the five-year period ending in the first quarter of 2007, the local cluster added 550 jobs, or 7.4 percent. This growth rate was more than double the 3.2 percent job growth for all other local industries.

“The Capital Region’s workforce development partners can provide the infrastructure and expertise to assist our biosciences sector with recruitment and training.”

*Jeanette Raynor,
Career Central One-Stop Manager
Capital Region*

The Battelle report lists four biosciences sub-clusters: research, testing and medical laboratories; drugs and pharmaceuticals; medical devices and equipment; and agricultural feedstock and chemicals. Research, testing and medical laboratories are engaged in a range of activities, from highly research-oriented companies to more service-oriented medical or other testing firms. It is the largest biosciences group in the Capital Region, with 4,100 jobs in first quarter 2007, paying an annualized average wage of \$76,700.

The Albany-Schenectady-Troy metro area enjoys a high concentration of research, testing and medical laboratories employment. According to Battelle, the

local employment concentration for this sub-cluster was three times the national average. This ranked Albany-Schenectady-Troy fourth among the nation's large metropolitan areas, just ahead of the Boston-Cambridge-Quincy, MA area.

The drugs and pharmaceuticals sub-cluster includes firms involved in the manufacturing of medicinal and diagnostic substances. Due to data confidentiality restrictions, this sub-cluster is combined for statistical purposes with medical devices and equipment, which produce biomedical instruments and other health care products. These two manufacturing industries employed 3,800 in the first quarter of 2007, and paid an average wage of \$49,000.

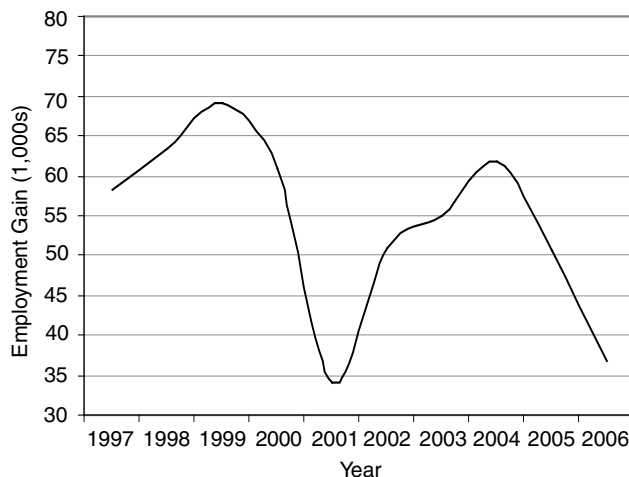
The Glens Falls metro area enjoys a high concentration of employment in medical devices and equipment manufacturing. Battelle reports employment in this sub-cluster was almost 16 times that of the nation as a whole; this was the highest of any metro area in the U.S.

Employment in the medical devices and equipment manufacturing sub-cluster will soon get a boost a little farther south in the region, as General Electric moves ahead with a digital x-ray detector production facility at the Rensselaer Technology Park in

Continued on page 3

Retail Jobs Enjoy Holiday Increase

Holiday Retail Hiring*, New York State, 1997-2006



Average Change in Jobs During Holiday Season*, 1997-2006

| | Change | |
|--|---------|--------------|
| | Percent | Jobs (1000s) |
| All Retail Trade | 6.4% | 54.1 |
| Highest Holiday Hiring (percentage) | | |
| Sporting Goods, Hobby, Book, and Music Stores | 12.8% | 5.3 |
| General Merchandise Stores | 11.3% | 13.5 |
| Clothing and Clothing Accessories Stores | 9.6% | 11.1 |
| Electronics and Appliance Stores | 6.7% | 2.0 |
| Office Supplies, Stationery, and Gift Stores | 6.5% | 1.5 |
| Smallest Holiday Hiring (percentage) | | |
| Gasoline Stations | 0.0% | 0.0 |
| Motor Vehicle and Parts Dealers | 0.3% | 0.3 |
| Building Material and Garden Equipment Dealers | 1.0% | 0.6 |

*Change in job count between October-December period and average monthly job count in January-September.

Unemployment Rates in New York State

Data Not Seasonally Adjusted

| | SEP '06 | SEP '07 | | SEP '06 | SEP '07 | | SEP '06 | SEP '07 |
|-------------------------|------------|------------|----------------------|------------|------------|-------------------------|------------|------------|
| New York State | 4.1 | 4.4 | Hudson Valley | 3.7 | 3.8 | Southern Tier | 4.1 | 4.1 |
| Capital | 3.6 | 3.7 | Dutchess | 3.6 | 3.8 | Broome | 4.2 | 4.1 |
| Albany | 3.7 | 3.8 | Orange | 4.0 | 4.2 | Chemung | 4.7 | 4.4 |
| Columbia | 3.6 | 3.9 | Putnam | 3.3 | 3.3 | Chenango | 4.2 | 4.5 |
| Greene | 4.3 | 4.3 | Rockland | 3.6 | 3.9 | Delaware | 3.8 | 4.1 |
| Rensselaer | 3.7 | 3.8 | Sullivan | 4.5 | 4.5 | Otsego | 3.6 | 3.6 |
| Saratoga | 3.2 | 3.4 | Ulster | 3.9 | 4.0 | Schuyler | 4.1 | 4.4 |
| Schenectady | 3.9 | 4.0 | Westchester | 3.6 | 3.7 | Steuben | 4.7 | 5.0 |
| Warren | 3.6 | 3.6 | Mohawk Valley | 4.1 | 4.2 | Tioga | 3.7 | 3.7 |
| Washington | 3.8 | 3.7 | Fulton | 4.8 | 5.3 | Tompkins | 3.2 | 3.3 |
| Central New York | 4.3 | 4.0 | Herkimer | 4.1 | 3.8 | Western New York | 4.5 | 4.4 |
| Cayuga | 4.2 | 4.0 | Madison | 3.8 | 4.0 | Allegany | 4.5 | 4.9 |
| Cortland | 4.4 | 4.1 | Montgomery | 4.9 | 4.8 | Cattaraugus | 4.5 | 4.6 |
| Onondaga | 4.0 | 3.9 | Oneida | 3.9 | 3.9 | Chautauqua | 4.0 | 4.1 |
| Oswego | 5.1 | 4.5 | Schoharie | 4.2 | 4.4 | Erie | 4.6 | 4.3 |
| Finger Lakes | 4.1 | 4.1 | North Country | 4.5 | 4.6 | Niagara | 4.6 | 4.6 |
| Genesee | 3.8 | 3.9 | Clinton | 4.6 | 4.6 | Long Island | 3.6 | 3.8 |
| Livingston | 4.2 | 4.2 | Essex | 4.4 | 4.3 | Nassau | 3.6 | 3.8 |
| Monroe | 4.2 | 4.3 | Franklin | 4.6 | 4.9 | Suffolk | 3.6 | 3.8 |
| Ontario | 3.7 | 3.5 | Hamilton | 3.5 | 3.1 | New York City | 4.4 | 5.0 |
| Orleans | 4.5 | 4.3 | Jefferson | 4.3 | 4.4 | Bronx | 6.0 | 6.6 |
| Seneca | 3.9 | 3.7 | Lewis | 3.8 | 4.0 | Kings | 4.7 | 5.4 |
| Wayne | 3.9 | 4.0 | St. Lawrence | 4.8 | 4.9 | New York | 3.9 | 4.3 |
| Wyoming | 3.7 | 3.5 | | | | Queens | 3.9 | 4.4 |
| Yates | 3.4 | 3.5 | | | | Richmond | 3.9 | 4.5 |

Capital Region...

from page 2

North Greenbush. The plant will employ 150 workers, with one-third moving from GE's Global Research Center in Schenectady County, where the new technology was developed. The average annual salary at the new facility will be \$65,000.

By far the smallest sub-cluster, agricultural feedstock and chemicals, includes products such as ethanol, fertilizers, pesticides, sustainable lubricants and oils, and food and feed additives. With fewer than 100 jobs, the industry is not yet a significant source of employment in the region. The potential for future growth exists in the research, development, and production of ethanol fuel, as the region pushes to become a leader in developing alternative energy sources.

Summary

The biosciences face ongoing workforce challenges including: a limited pipeline of new workers; difficulty finding experienced workers with the right specialty skills; and retaining workers due to constantly changing skill requirements. There is also a need to improve awareness by students and teachers of the available occupations and the skills and knowledge required in the biosciences.

For the biosciences cluster to continue its success here, the region must address these issues. As noted in the *Capital Region Workforce Development Survey* in 2001, areas that provide the quality workforce businesses require will prosper, whereas areas that do not have skilled workers will flounder.

Hiring for the Holidays...

from page 1

heyday of the dot-com boom and technology stocks, holiday hiring activity trended higher. However, like the nation as a whole, holiday hires in New York State edged downward in 2000 following the meltdown of the stock market, reflected in the 50 percent drop in the NASDAQ Composite Index between March and December of that year. Seasonal hiring plummeted in 2001 in the aftermath of the 9/11 attacks and amid the ongoing national recession.

Hiring began to pick up again in 2002-2004 as the state's economy started its current recovery. In the past couple of years, the holiday job increase has been more muted, but retailers continued to add an average of 43,800 jobs per year since 2005.

Industry Analysis

Several retail industries in New York tend to experience double-digit percentage hiring jumps during the holiday season. On average, sporting goods, hobby, book, and music stores have the highest holiday hiring percentage increase, +12.8 percent. This translates into a 5,300 industry job gain. General merchandise stores are in second place with a holiday growth rate of +11.3 percent (and 13,500 jobs). This is, by far, the single largest retail industry in terms of overall employment.

Other retail industries where employment totals tend to grow significantly (on a percentage basis) over the holiday

period include: clothing and clothing accessories stores, +9.6 percent (+11,100 jobs); electronics and appliance stores, +6.7 percent (+2,000); and office supplies, stationery, and gift stores, +6.5 percent (+1,500).

While no retail industry employment bases in New York actually decline over the October-December period, certain retailers appear barely affected by the holiday shopping season. Retail industries in New York with the smallest percentage holiday job gains over the 1997-2006 period include: gasoline stations, no change; motor vehicle and parts dealers, +0.3 percent; and, building material and garden equipment dealers, +1.0 percent.

by Kevin Jack

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FINGER LAKES TAMMY MARINO 585-258-8870

Private sector employment in the Rochester metropolitan area rose 300, or 0.1 percent, over the year to 436,800 in September 2007. Gains in educational and health services (+2,700), construction (+600), and financial activities (+500) more than offset declines in manufacturing (-3,500).

CENTRAL NY ROGER EVANS 315-479-3388

For the 12-month period ending September 2007, the private sector job count in the Syracuse metro area rose 1,800, or 0.7 percent, to 267,800. Job growth was concentrated in natural resources, mining and construction (+1,200). Job losses occurred in trade, transportation, and utilities (-700).

MOHAWK VALLEY MARK BARBANO 315-793-2282

For the 12-month period ending September 2007, the private sector job count in the Utica-Rome metro area decreased 400, or 0.4 percent, to 100,600. Job gains in educational and health services (+200) were more than offset by losses in manufacturing (-400).

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector employment in the North Country rose over the year by 1,100, or 0.9 percent, to 120,300 in September 2007. The largest gains were in trade, transportation, and utilities (+700).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From September 2006 to September 2007, the number of private sector jobs in the Albany-Schenectady-Troy area rose by 1,400, or 0.4 percent, to 344,500. Gains were largest in leisure and hospitality (+1,700). Losses were centered in financial activities (-700) and trade, transportation and utilities (-700).

HUDSON VALLEY JOHN NELSON 914-997-8798

Private sector jobs in the Hudson Valley increased over the year by 7,700, or 1.0 percent, to 759,000 in September 2007. Gains were largest in educational and health services (+3,000) and professional and business services (+2,800). Job losses were centered in manufacturing (-1,100).

WESTERN NY JOHN SLENKER 716-851-2742

Private sector employment in the Buffalo-Niagara Falls metro area increased by 2,300, or 0.5 percent, to 458,200 over the 12 months ending September 2007. Job gains were centered in professional and business services (+2,800), educational and health services (+2,300), and financial activities (+1,500). Losses were largest in manufacturing (-2,200) and trade, transportation and utilities (-800).

SOUTHERN TIER CHRISTIAN HARRIS 607-741-4485

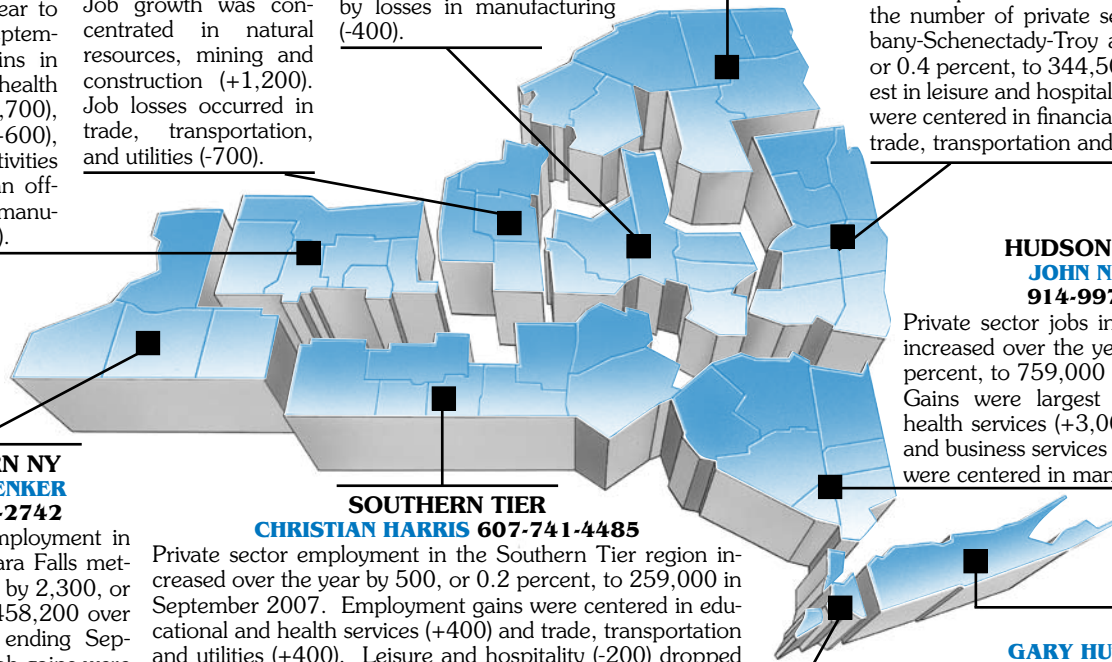
Private sector employment in the Southern Tier region increased over the year by 500, or 0.2 percent, to 259,000 in September 2007. Employment gains were centered in educational and health services (+400) and trade, transportation and utilities (+400). Leisure and hospitality (-200) dropped over the year.

NEW YORK CITY JAMES BROWN 212-775-3330

Private sector employment in New York City rose 48,000, or 1.5 percent, to 3,173,200 for the 12-month period ending September 2007. Growth was largest in professional and business services (+14,600), financial activities (+12,600), and educational and health services (+8,600). Manufacturing (-7,200) lost jobs.

LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 5,600, or 0.5 percent, to 1,065,000 in September 2007. The largest gains occurred in professional and business services (+3,400) and leisure and hospitality (+2,400). Losses were concentrated in financial activities (-2,100).



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