

EMPLOYMENT

in New York State

Eliot Spitzer, Governor

December 2007

M. Patricia Smith, Commissioner

Fast-growing Firms Boost Economy...

Gazelles in New York State

Did you know that New York State is home to more than 25,000 gazelles? No, not the speedy animal found in Africa. Rather “gazelles,” a term coined by economist David Birch, is the designation for companies demonstrating swift, continuous sales growth.

To be classified as a gazelle, a firm's sales must grow by at least 20 percent per year for four straight years -- in effect at least doubling in size over that four-year period. Gazelle companies are distinguished from other company types, including “mice” (small Main Street businesses that create jobs when they start up, but then grow very little) and “elephants” (large, publicly-traded firms).

According to the 2007 *State New Economy Index* report, gazelle firms are important to an economy because “the prevalence of new, rapidly growing firms ... is the sign of a dynamic and adaptive state economy.” The report goes on to say that, “States that offer fertile ground for the entrepreneurial activity that spawns gazelles reap the harvest of robust job creation.” In other words, fast-growing firms are often a primary generator of new jobs and a source of economic vitality.

Analysis

Data on New York State's gazelle firms and their employment are shown in the table on page 2, based on research conducted by the National Research Policy

Continued on page 3

At a Glance

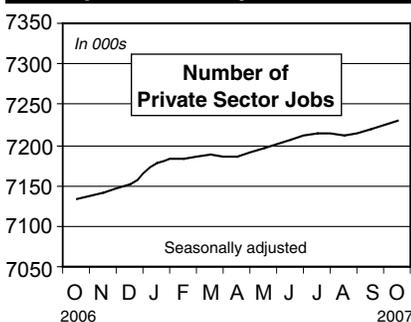
In October 2007, New York's seasonally adjusted unemployment rate was 4.6 percent, the same as in September 2007. (The nation's unemployment rate was 4.7 percent in October.) In October 2007, the state had 8,724,600 nonfarm jobs, including 7,230,100 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from September. (The nation's private sector job count also increased by 0.1 percent over the month.) From October 2006 to October 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 October.

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

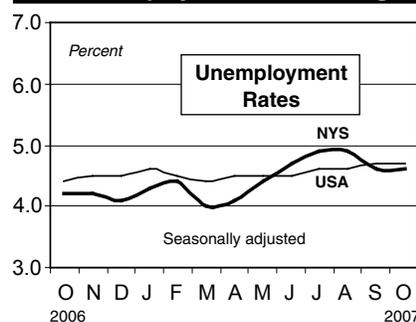
	Net	%
Total Nonfarm Jobs	77.7	0.9
Private Sector	78.3	1.1
Goods-producing	-5.3	-0.6
Nat. res. & mining	-0.4	-5.8
Construction	11.4	3.2
Manufacturing	-16.3	-2.9
Durable gds.	-4.0	-1.2
Nondurable gds.	-12.3	-5.3
Service-providing	83.0	1.1
Trade, trans., & util.	8.5	0.6
Wholesale trade	-2.1	-0.6
Retail trade	8.0	0.9
Trans., whrs., & util.	2.6	0.9
Information	-1.5	-0.6
Financial activities	12.4	1.7
Prof. & bus. svcs.	23.6	2.1
Educ. & health svcs.	25.9	1.6
Leisure & hospitality	13.4	2.0
Other services	1.3	0.4
Government	-0.6	0.0

IN OCTOBER...

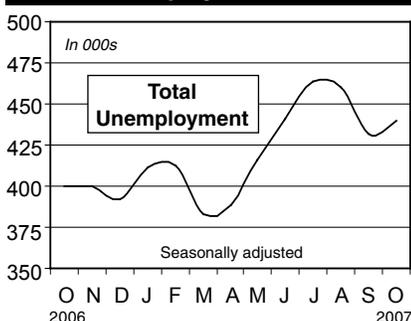
...NYS private sector jobs increased



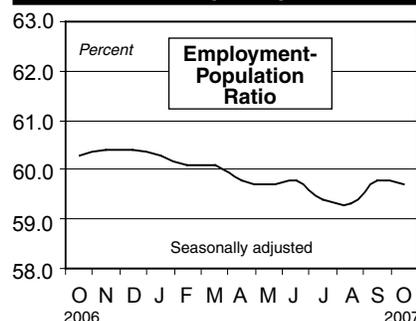
...NYS unemployment rate unchanged



...NYS unemployment increased



...NYS labor force participation down



Focus on Long Island

An Economy Always in Transition

by Gary Huth, Labor Market Analyst, Long Island Region

Recent job growth on Long Island has been relatively weak. For the first 10 months of 2007, the over-the-year private sector employment increase has averaged just 9,000 jobs per month. By way of comparison, Long Island's labor market experienced over-the-year increases that averaged more than 28,000 during the 1998-2000 period. Despite this drop in local job creation, the economy seems to be vibrant; able to generate a diversity of job opportunities even as labor force levels have declined and skill requirements have risen.

Two sectors have led in job creation during the last year: professional and business services and educational and health services. For the 12-month period ending in October 2007, professional and business services and educational and health services added 3,200 and 1,800 jobs, respectively.

Within the broad-based professional and business services sector, job growth occurred in a variety of component industries. Legal and accounting firms, professional engineering and architecture consultants and services all added jobs. In addition, hiring occurred at temporary employment agencies and business support firms that provide services such as security, cleaning and maintenance.

Employment gains were evenly spread across various health care industries. Long



“The Department of Labor and our Workforce partners continue to emphasize to our business and labor customers that workforce development and economic development go together.”

*Kevin Robbins,
Division of Employment Services,
Long Island Region*

Island has one of the largest ambulatory health care networks in the United States, with 69,700 jobs covering a range of doctors' and dental offices; medical and diagnostic laboratories, testing services; and home health services. While there has been considerable restructuring and realignment among area hospitals, the group, as a whole, added 200 positions over the year. Nursing homes and assisted living facilities added another 800 jobs in health care.

It is notable that in this economy, opportunities exist even in industries not experiencing a net increase in employment. Manufacturing and information are examples of two major industries on

Long Island that are stagnant or declining in terms of total job numbers, yet their demand for highly skilled workers appears to be mounting. In manufacturing, there are shortages of engineers and high-skilled machinists and welders. Also in short supply are purchasing and production managers well-versed in international trade standards and in software systems that allow companies to be ever more efficient. The highly competitive global economy and the increasingly technical nature of most manufacturing work in this country has created this new demand. Other developments such as nanotechnology and the rising importance of composite materials in the expanding commercial aircraft industry are creating additional unmet opportunities for highly skilled workers.

In the information sector, employment was flat over the last 12 months. However, among telecommunications, broadcasting and publishing companies there is demand for higher skilled jobs.

The leisure and hospitality sector, which includes restaurants, hotels, and entertainment and amusement firms, is an area of increasing employment opportunity locally. The sector as a whole employs nearly 100,000 workers on Long Island, with a broad array of entry-level jobs as well as opportunities for managers, chefs and

Continued on page 3

Gazelle Employment, New York State, 2007

Counties with Most Gazelle Jobs

New York	214,752
Suffolk	57,401
Nassau	55,320
Kings	42,206
Queens	39,917
Westchester	37,974
Erie	36,261
Monroe	28,312
Onondaga	18,715
Albany	16,609

Counties with Highest % Concentration of Gazelle Jobs

Allegany	11.4%
Wyoming	9.7%
Orleans	9.3%
New York	9.3%
Saratoga	8.6%
Warren	8.6%
Madison	8.6%
Herkimer	8.3%
Broome	8.1%
Wayne	8.0%

% Concentration of Gazelle Jobs by Region

New York City	8.1%
Long Island	7.5%
Finger Lakes	7.3%
Western NY	6.7%
Hudson Valley	6.5%
Central NY	6.0%
Mohawk Valley	5.8%
Capital District	5.6%
North Country	5.4%
Southern Tier	5.3%

Source: Division of Research & Statistics analysis of NRPC data

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	OCT '06	OCT '07		OCT '06	OCT '07		OCT '06	OCT '07
New York State	3.8	4.4	Hudson Valley	3.3	3.6	Southern Tier	3.6	3.9
Capital	3.2	3.6	Dutchess	3.2	3.7	Broome	3.7	4.0
Albany	3.3	3.6	Orange	3.6	3.9	Chemung	4.2	4.3
Columbia	3.1	3.7	Putnam	2.9	3.1	Chenango	3.8	4.2
Greene	3.8	4.2	Rockland	3.1	3.5	Delaware	3.3	3.9
Rensselaer	3.2	3.7	Sullivan	4.0	4.4	Otsego	3.2	3.5
Saratoga	2.9	3.3	Ulster	3.4	3.8	Schuyler	3.7	4.3
Schenectady	3.4	3.9	Westchester	3.2	3.5	Steuben	4.0	4.8
Warren	3.5	3.6	Mohawk Valley	3.7	4.0	Tioga	3.4	3.4
Washington	3.1	3.5	Fulton	4.2	5.1	Tompkins	2.8	3.1
Central New York	3.7	3.9	Herkimer	4.0	3.9	Western New York	4.1	4.3
Cayuga	3.7	3.9	Madison	3.4	3.8	Allegany	3.8	4.8
Cortland	3.8	4.0	Montgomery	4.3	4.6	Cattaraugus	4.0	4.5
Onondaga	3.6	3.7	Oneida	3.4	3.7	Chautauqua	3.6	4.0
Oswego	4.2	4.3	Schoharie	3.8	4.3	Erie	4.2	4.2
Finger Lakes	3.6	4.0	North Country	4.1	4.6	Niagara	4.2	4.6
Genesee	3.6	3.9	Clinton	4.1	4.5	Long Island	3.2	3.6
Livingston	3.7	4.2	Essex	4.1	4.3	Nassau	3.2	3.5
Monroe	3.7	4.1	Franklin	4.2	4.9	Suffolk	3.2	3.6
Ontario	3.2	3.5	Hamilton	3.4	3.3	New York City	4.3	5.3
Orleans	4.0	4.5	Jefferson	4.2	4.6	Bronx	5.7	7.1
Seneca	3.5	3.7	Lewis	3.5	3.8	Kings	4.6	5.7
Wayne	3.4	3.8	St. Lawrence	4.2	4.9	New York	3.7	4.6
Wyoming	3.5	3.5				Queens	3.8	4.7
Yates	3.0	3.4				Richmond	3.8	4.8

Long Island...

from page 2

small business entrepreneurs at higher wage levels.

The recent turmoil in the sub-prime mortgage industry has put additional stress on the local financial services sector, which has also been hit by numerous banking mergers in recent years. Demand for workers has been dampened by nearly 2,000 job losses this year at several large mortgage companies. However, the outlook is expected to improve as these cutbacks ease in coming months.

There are nearly 275,000 jobs in Long Island's trade, transportation and utilities sector. Retail trade often gets most of the attention since it is the largest part of the group (163,500 jobs). Not only is wholesale trade a significant employer on Long Island with almost 75,000 jobs in October 2007, but it also pays relatively high wages (\$64,200 average in 2006). Notable local wholesalers include Arrow Electronics and Henry Schein, which have higher-skilled and higher-paying positions that match buyers and sellers in their sophisticated product markets.

The complexity and churning/upheaval in this type of regional economy requires a workforce that is highly skilled and able to adapt to take advantage of emerging opportunities. This requires an education and training system that can respond to these rising skill needs, and react quickly enough to serve this dynamic labor market.

Gazelles in New York...

from page 1

Council (NRPC). The figures are as of the 2nd quarter 2007, and the measured period of growth (to determine if a company is a gazelle) spans from December 31, 2002 to June 30, 2007.

Data compiled by the NRPC indicate New York State has more than 25,000 gazelle firms that employ almost 700,000 people. Gazelles represent 2.4 percent of all firms, but account for 7.2 percent of total employment in the state. Of this gazelle job count, 34 percent was at firms headquartered in New York State, 20 percent was at firms headquartered outside the state, and the remaining 46 percent was at "independent gazelles," which are firms with only one location.

Seven in 10 gazelle jobs in the state are with companies in the 10-county Downstate region. With almost 215,000 gazelle jobs, New York County has, by far, the most gazelle employment, or about 30 percent of the statewide total. The top five county list is rounded out by Suffolk (57,401 jobs), Nassau (55,320 jobs), Kings (42,206 jobs), and Queens (39,917 jobs).

In contrast, nine of the 10 New York counties with the highest percentage concentration of gazelle jobs are in the Upstate region. Among Upstate counties, Allegany (11.4%), Wyoming (9.7%), Orleans (9.3%), Saratoga (8.6%), Warren (8.6%), and Madison (8.6%) have the highest gazelle employment concentrations. However, despite the relatively

high percentage share of gazelle jobs in these Upstate counties, it is important to keep in mind the actual number of jobs these percentages represent. The combined gazelle job count at the nine Upstate counties with the highest percentage share of gazelle jobs is just over 30,000, or less than 5% of the statewide gazelle total.

Among labor market regions, the New York City region has the highest concentration of gazelle jobs (8.1%), with Long Island (7.5%) and the Finger Lakes (7.3%) in second and third place, respectively. Conversely, the Southern Tier (5.3%) and North Country (5.4%) regions have the lowest concentration of gazelle jobs in the state.

by Kevin Jack

Employment in New York State is published 12 times a year. For a change of address, write to the Publications Unit at the address below and provide your old as well as new address.

Division of Research and Statistics
New York State Department of Labor
Building 12, State Campus
Albany, N.Y. 12240

Editor	Kevin Jack
Dir. of Communications	Leo Rosales
Graphic Design	Jeff Mosher
Editorial Advisor	Christine Perham



OFFICIAL BUSINESS

FIRST-CLASS MAIL
U.S. POSTAGE PAID
 Albany, NY
 Permit No. 365

REGIONAL ANALYSTS' CORNER

FINGER LAKES TAMMY MARINO 585-258-8870

Private sector jobs in the Rochester area declined over the year by 600, or 0.1 percent, to 438,200 in October 2007. Gains were centered in educational and health services (+2,300) and leisure and hospitality (+600). Declines were greatest in manufacturing (-3,800).

CENTRAL NY ROGER EVANS 315-479-3388

For the 12-month period ending October 2007, the private sector job count in the Syracuse metro area rose 2,700, or 1.0 percent, to 270,200. Job growth was concentrated in educational and health services (+1,400). Trade, transportation, and utilities (-500) lost jobs.

MOHAWK VALLEY MARK BARBANO 315-793-2282

The private sector job count in the Utica-Rome metro area increased 200, or 0.2 percent, to 101,000. Job gains in educational and health services (+200), financial activities (+200), and trade, transportation and utilities (+200) more than offset losses in manufacturing (-300).

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector jobs in the North Country rose over the year by 1,300, or 1.1 percent, to 119,700 in October 2007. The largest gain was in trade, transportation and utilities (+700). Losses were centered in professional and business services (-400).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From October 2006 to October 2007, the number of private sector jobs in the Albany-Schenectady-Troy area fell by 400, or 0.1 percent, to 344,400. Gains were largest in leisure and hospitality (+1,300) and natural resources, mining and construction (+800). Losses were centered in trade, transportation and utilities (-1,000) and manufacturing (-800).

HUDSON VALLEY JOHN NELSON 914-997-8798

Private sector jobs in the Hudson Valley increased over the year by 8,000, or 1.1 percent, to 763,500 in October 2007. Gains were largest in educational and health services (+3,800) and professional and business services (+2,600). Losses were centered in manufacturing (-1,500).

WESTERN NY JOHN SLENKER 716-851-2742

Private sector jobs in the Buffalo-Niagara Falls metro area increased by 2,500, or 0.5 percent, to 458,700 over the 12 months ending October 2007. Gains were centered in professional and business services (+2,800), educational and health services (+2,400), and financial activities (+2,000). Losses were largest in manufacturing (-2,500).

SOUTHERN TIER CHRISTIAN HARRIS 607-741-4485

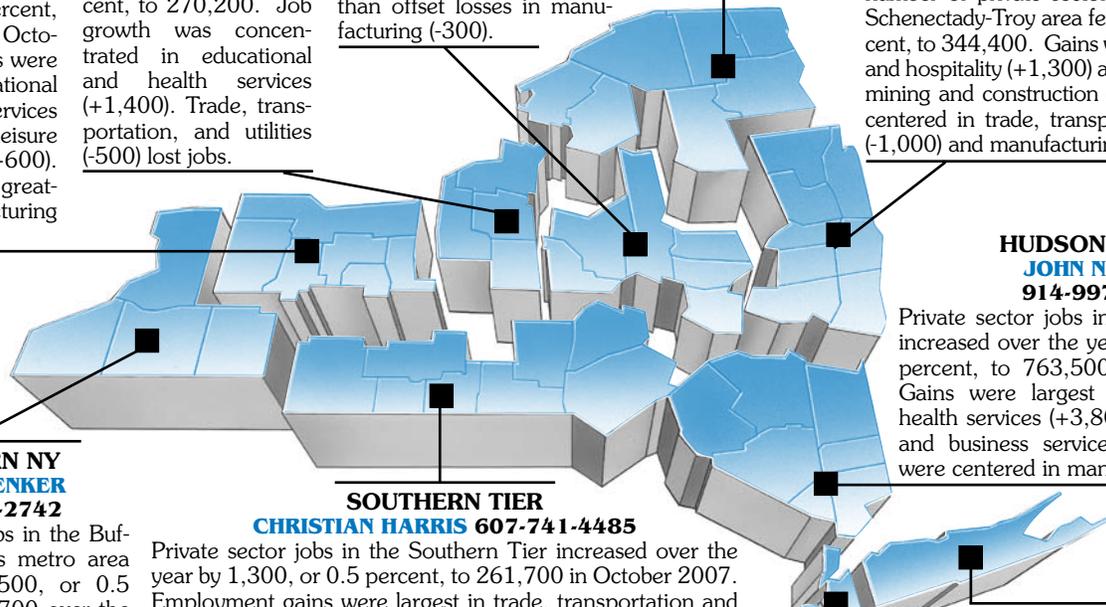
Private sector jobs in the Southern Tier increased over the year by 1,300, or 0.5 percent, to 261,700 in October 2007. Employment gains were largest in trade, transportation and utilities (+700) and educational and health services (+600). Losses were centered in leisure and hospitality (-400).

NEW YORK CITY JAMES BROWN 212-775-3330

Private sector jobs in New York City rose 54,200, or 1.7 percent, to 3,196,000 for the 12-month period ending October 2007. Growth was largest in professional and business services (+14,700), financial activities (+13,000), and educational and health services (+10,200). Manufacturing (-6,000) lost jobs over the year.

LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 5,400, or 0.5 percent, to 1,069,200 in October 2007. Gains were largest in professional and business services (+3,200), educational and health services (+1,800), and leisure and hospitality (+1,600). Declines were centered in financial activities (-2,300).



The New York State Department of Labor is an Equal Opportunity Employer/Program.

Auxiliary aids and services are available upon request to individuals with disabilities.