

Employment

IN NEW YORK STATE

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

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At a Glance

In October 2012, New York's seasonally adjusted unemployment rate was 8.7%, down from September's level of 8.9%. The nation's unemployment rate was 7.9% in October 2012. New York State had 8,831,600 nonfarm jobs in October 2012, including 7,340,100 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state increased by 0.1% between September 2012 and October 2012, while those in the nation increased by 0.2%. From October 2011 to October 2012, the number of private sector jobs increased by 1.8% in the state and 1.7% in the nation (not seasonally adjusted). New York's Index of Coincident Economic Indicators decreased at an annual rate of 1.1% in October 2012.

Change in Nonfarm Jobs

October 2011 - October 2012
(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	135.3	1.5
Private Sector	133.1	1.8
Goods-producing	-16.3	-2.1
Nat. res. & mining	-0.2	-3.6
Construction	-12.4	-3.8
Manufacturing	-3.7	-0.8
Durable gds.	1.4	0.5
Nondurable gds.	-5.1	-2.7
Service-providing	151.6	1.9
Trade, trans. & util.	29.2	2.0
Wholesale trade	8.9	2.7
Retail trade	22.0	2.5
Trans., wrhs. & util.	-1.7	-0.6
Information	-5.4	-2.1
Financial activities	7.0	1.0
Prof. & bus. svcs.	52.6	4.6
Educ. & health svcs.	37.9	2.2
Leisure & hospitality	19.1	2.5
Other services	9.0	2.4
Government	2.2	0.1

Mobile Device Apps Support 40,000 Jobs in NYS...

Job Creation: There's an App for That!

Five years is an eternity in the world of technology. Before the introduction of Apple's iPhone in 2007, most Americans had no idea what an app was. Today, Apple's App Store and the Google Play store each have over 700,000 apps for smartphones and tablets (known collectively as "mobile devices"). Apps range from popular games like Angry Birds and Temple Run to those for social networking sites such as Twitter and Four-square. Moreover, apps are big business -- global revenues for the mobile app market will surpass the \$30 billion mark by the end of 2012, according to ABI Research. This is almost double the level reached at the end of 2011.

The rapid expansion of the app economy largely reflects the growing popularity of mobile devices in the U.S. Data from the

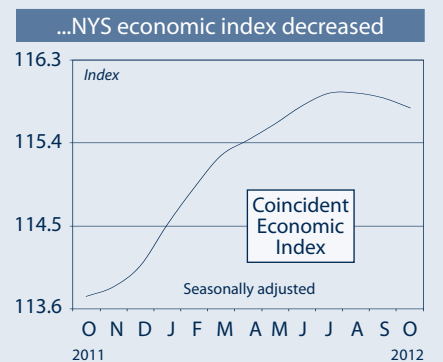
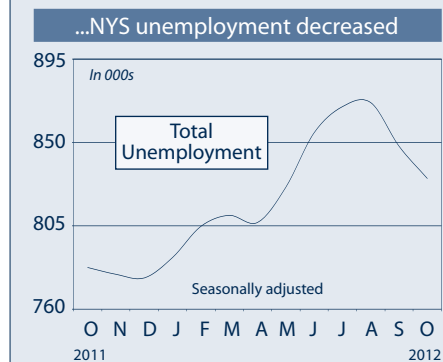
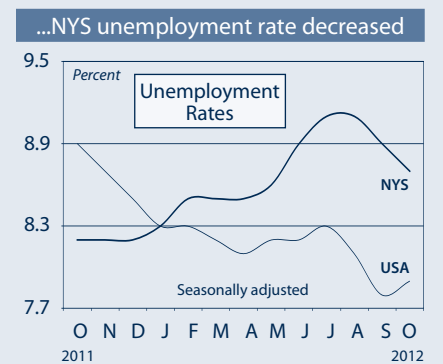
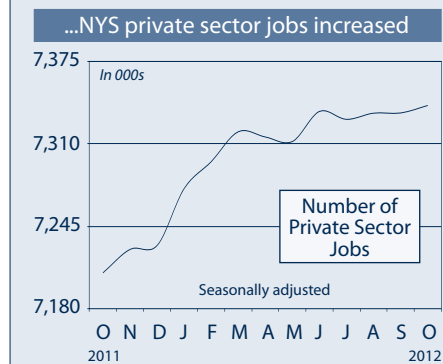
Pew Research Center indicate that nearly half of all Americans (45%) and two-thirds of all young adults (ages 18-29) now own a smartphone. In fact, Pew data indicate that Americans owned more smartphones than basic mobile phones in 2012.

Apps = Jobs

App developers appear on many lists of new and emerging occupations, as noted in the July 2012 issue of this newsletter. A recent study ("The Geography of the App Economy"), conducted by South Mountain Economics LLC for the tech advocacy group TechNet, found that the app economy supported 466,000 jobs in the U.S., based on a review of 25,000 online help-wanted ads. This overall employment count includes three types of jobs:

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IN OCTOBER...



Focus on Long Island

Long Island Invests in its High-Tech Future

by Shital Patel, Labor Market Analyst, Long Island

Like much of the downstate region, Long Island's labor market continues to grow. Through the first ten months of 2012, Long Island's private sector job count averaged 1,042,000, an increase of 1.1% from the same period in 2011. This rate of private sector job growth is well above the region's 20-year average (+0.7%).

Focus on Innovation

In 2011, the Long Island Regional Economic Development Council (REDC) brought together entrepreneurs, business leaders, academics, and government officials to develop an economic plan. One main focus for the REDC is investment in the "innovation economy." The REDC was awarded \$101.6 million in funding to support 62 projects across Long Island. As of June 30, 2012, all 62 projects were under contract, and an estimated 6,128 permanent jobs had been created or retained in the region.

Earlier this year, Hofstra University partnered with Brookhaven National Laboratory in Cold Spring Harbor and the Feinstein Institute for Medical Research in Manhasset to create Accelerate Long Island. This partnership, which has the backing of the REDC, will help create start-up companies in the region through the commercialization of research conducted at the partner institutions. Accelerate Long Island recently teamed up with the Long Island Software Technology Network (LIST-net) and the Long Island Forum for Technology (LIFT) to promote the region as a technology hub. They will offer services such as networking and mentoring for start-ups.

Another innovation success story involving Long Island's REDC is the collaboration between Broad Hollow Bioscience Park, located at Farmingdale State College, and Cold Spring Harbor Laboratory. The Park has an incubator facility for start-up and early-stage biotech companies. OSI Pharmaceuticals, an anchor tenant at the Park, was recently awarded \$1.8 million to retain and expand its advanced research facilities on Long Island. This grant will fund construction of a 30,000 square-foot expansion, which will include 10,000 square feet of clinical lab space to accommodate spin-offs from research facilities.

In addition, REDC funding helped create 550 jobs at two local pharmaceutical companies. Generic drug maker Amneal Pharmaceuticals recently broke ground on a 325,000 square-foot expansion project in Yaphank. In addition, PL Developments plans to purchase and renovate a building in Hicksville.

Emphasizing STEM Education

In order to sustain local innovation, the REDC believes it is critical for the region to invest in the education of its workforce, particularly in the science, technology, engineering, and mathematics (STEM) fields. The ENIGNE program is a public-private partnership between Hofstra and Stony Brook universities that seeks to boost the number of Long Island engineering graduates at those institutions to 750 each year. The skills of these graduates are essential to meeting the needs of high-tech research and manufacturing firms that the REDC hopes to attract to the region.



"Long Island's Regional Economic Development Council hopes to build on the region's potential by commercializing innovations developed at local world-class research institutions."

Also, the Long Island STEM Hub, a joint effort between Brookhaven National Lab and North Shore-LIJ Health System, seeks to provide STEM education for all students, regardless of academic or socioeconomic standing. This effort is expected to create a pipeline of skilled and STEM-literate students. This initiative has received \$320,000 in state funding over three years. In addition, they have already launched regional industry councils in the healthcare, information technology, and engineering fields.

Looking Ahead

Over the past two years, Long Island's labor market has experienced moderate growth in its traditionally white-collar industry sectors, such as financial activities, professional and business services, and educational and health services. Going forward, Long Island's REDC hopes to build on the region's potential by commercializing innovations developed at local world-class research institutions and creating a cohesive education and workforce training strategy to fill growing demand. ■

Job Creation: There's an App... from page 1

- *Core jobs* -- IT workers that develop, maintain, or support mobile applications.
- *Indirect jobs* -- Workers in supporting positions (human resources or marketing, for example) that work at the same company as the app developers.
- *Spillover jobs* -- Workers supported by app developers (FedEx drivers, for example).

The TechNet report found that app economy workers are employed by a wide array of companies. Small app development firms, mobile broadband providers, tech companies, multinationals, nonprofits, and government are all hiring app workers to create, maintain, or support mobile applications.

Using a similar methodology, Apple calculated that its app business had generated 291,250

jobs in the U.S., up 39% from a year ago. During that time, the number of U. S.-based developers paying the \$99 annual fee to register with Apple rose 10% to 275,000. Some of these registered developers have other full-time jobs and write apps in their spare time.

While the app market is rapidly growing, few independent app developers are able to financially support themselves solely by selling their own apps. According to a recent *New York Times* article, most app developers make about \$4,000-\$5,000 per year from their app sales. Typically, there is a 70%-30% split in profits between the developer and the app store. A major challenge facing app developers is getting noticed by customers in an increasingly crowded field.

New York's App Economy

The TechNet study also measured the importance of the app economy to individual states. The report focused on: the number of app economy jobs in each state; app economy jobs as a share of total state employment; and the overall economic impact of the app economy. The table on page 3 lists the 10 states with the most app economy jobs in 2012.

With 39,800 jobs, New York State ranked No. 3 in overall app economy employment. We only trailed California (151,900) and Washington (49,800). New York ranked No. 7 in app employment intensity (1.16). This means that the app economy is responsible for a larger share of jobs in the Empire State than in the nation as a whole

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Unemployment Rates in New York State

Data Not Seasonally Adjusted

	OCT '11	OCT '12		OCT '11	OCT '12		OCT '11	OCT '12
New York State	8.0	8.3	Hudson Valley	6.9	7.4	Finger Lakes	7.1	7.7
Capital	6.9	7.4	Dutchess	7.0	7.5	Genesee	6.8	7.2
Albany	6.8	7.2	Orange	7.5	8.0	Livingston	6.6	7.1
Columbia	7.0	7.4	Putnam	6.3	6.5	Monroe	7.4	7.8
Greene	8.3	9.1	Rockland	6.4	6.7	Ontario	6.5	6.8
Rensselaer	7.0	7.5	Sullivan	8.6	9.3	Orleans	7.8	10.2
Saratoga	6.2	6.8	Ulster	7.8	8.5	Seneca	7.0	7.4
Schenectady	7.2	7.8	Westchester	6.5	7.1	Wayne	6.7	7.7
Warren	7.1	7.6	Mohawk Valley	7.9	8.4	Wyoming	7.4	7.8
Washington	6.9	7.3	Fulton	9.4	10.1	Yates	6.3	6.6
Central New York	7.6	8.1	Herkimer	7.2	7.9	Western New York	7.5	8.2
Cayuga	7.1	7.6	Montgomery	8.9	9.6	Allegany	7.5	7.7
Cortland	7.4	7.7	Oneida	7.7	8.1	Cattaraugus	8.1	8.3
Madison	7.1	7.9	Otsego	7.0	7.4	Chautauqua	7.3	8.4
Onondaga	7.5	7.9	Schoharie	8.5	8.1	Erie	7.4	8.1
Oswego	8.9	9.7	North Country	8.9	9.3	Niagara	7.5	8.5
Southern Tier	7.6	8.1	Clinton	8.9	9.2	Long Island	6.8	7.2
Broome	7.9	8.4	Essex	8.1	9.1	Nassau	6.6	7.0
Chemung	7.7	8.8	Franklin	8.3	9.2	Suffolk	7.0	7.3
Chenango	7.7	8.1	Hamilton	6.2	7.4	New York City	9.2	9.2
Delaware	8.2	8.6	Jefferson	9.1	9.4	Bronx	12.6	12.5
Schuyler	6.7	7.8	Lewis	8.6	8.7	Kings	10.0	9.9
Steuben	8.7	9.3	St. Lawrence	9.5	9.7	New York	7.7	7.8
Tioga	8.2	8.2				Queens	8.3	8.2
Tompkins	5.6	5.8				Richmond	8.1	8.3

Job Creation: There's an App...from page 2

App Economy Jobs, Employment Intensity, and Economic Impact Top 10 States, April 2012

Rank	State	App Jobs	App Job Intensity (US = 1.00)	App Economic Impact (\$ millions, annual rate)
1	California	151,900	2.71	\$8,241
2	Washington	49,800	4.47	\$2,671
3	New York	39,800	1.16	\$2,313
4	Texas	25,000	0.59	\$1,183
5	Georgia	24,000	1.56	\$1,062
6	Massachusetts	21,400	1.71	\$1,143
7	Illinois	19,900	0.90	\$ 847
8	New Jersey	19,500	1.29	\$1,087
9	Virginia	15,000	1.04	\$ 788
10	Florida	14,600	0.50	\$ 587

Source: South Mountain Economics LLC

(the U.S. average is set equal to 1.00). The overall impact of our state's app economy --\$2.31 billion -- ranked us 3rd in the nation. Again, the only states ahead of us were California (home to Apple, Google, and Facebook) and Washington (where Microsoft and Amazon have their corporate headquarters).

Many app developers fall under the broader career category of "computer software engineers, applications," which is a high-paying occupation in New York. The average salary for the 31,700 computer software engineers that specialize in applications was \$98,400, which was more than 80% above the overall wage in the state. This

field also has a bright employment outlook. Occupational projections show the number of people working in this occupation growing in New York State by more than 21% between 2010 and 2020. This projected rate of growth is more than twice as fast as the overall state economy.

Apps and New Tech City

The major drivers for the app economy in New York are media, finance, retail, and advertising. A May 2012 report from the Center for an Urban Future refers to New York City as "New Tech City," and notes that "riding a wave of start-ups, New York has emerged a national leader in fields that leverage the Internet and mobile technologies."

Applico, a New York City app development firm, is a good example of how New York City is becoming a technology hub. The company hired its first employee in May 2010, grew to about 75 employees at the end of 2011, and expects to have 150 workers by the end of 2012.

Summary

The small, but rapidly-growing app economy is a bright spot in the U.S. economy, which is still recovering from the effects of the worst recession in 75 years. New York's innovative workforce is well positioned to take advantage of the technological boom in mobile devices. To read the TechNet report, see: http://files.ctia.org/pdf/The_Geography_of_the_App_Economy.pdf. ■

by Daniel Crosley

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

Deputy Director	Bohdan M. Wynnyk
Editor	Kevin Jack
Director of Communications	Leo Rosales
Graphic Design	Jeff Mosher
Editorial Advisor	Lesley Paporone



REGIONAL ANALYSTS' CORNER

CAPITAL

James Ross — 518-462-7600

The Capital Region's private sector job count climbed over the year by 5,700, or 1.4 percent, to 414,700 in October 2012. Manufacturing (+2,000), educational and health services (+1,500), financial activities (+1,100), professional and business services (+1,100), and natural resources, mining and construction (+1,000) led the gain. Trade, transportation and utilities (+900) and information (-200) lost the most jobs.

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

For the 12-month period ending October 2012, the private sector job count in the Syracuse metro area fell by 100 to 257,400. Job growth was concentrated in educational and health services (+800), professional and business services (+800), and trade, transportation and utilities (+800). The largest job losses were in manufacturing (-1,300), leisure and hospitality (-700), and natural resources, mining and construction (-400).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector jobs in the Rochester metro area increased over the year by 3,200, or 0.7 percent, to 437,700 in October 2012. Gains were concentrated in professional and business services (+3,200), educational and health services (+1,800), trade, transportation and utilities (+300) and leisure and hospitality (+300). Losses occurred in manufacturing (-1,400), construction (-800), and information (-300).

HUDSON VALLEY

John Nelson — 914-997-8798

For the 12-month period ending October 2012, private sector jobs in the Hudson Valley increased by 9,400, or 1.3 percent, to 754,700. Gains were strongest in trade, transportation and utilities (+4,500), educational and health services (+3,900), professional and business services (+2,900), and leisure and hospitality (+2,700). Losses were centered in natural resources, mining and construction (-3,600) and manufacturing (-1,200).

LONG ISLAND

Shital Patel — 516-934-8533

The private sector job count on Long Island rose over the year by 11,200, or 1.1 percent, to 1,058,400 in October 2012. Job gains were largest in educational and health services (+4,700), financial activities (+4,400), trade, transportation and utilities (+3,800), and professional and business services (+3,000). Losses were centered in natural resources, mining and construction (-5,600) and manufacturing (-1,000).

MOHAWK VALLEY

Mark Barbano — 315-793-2282

For the 12-month period ending October 2012, the private sector job count in the Mohawk Valley increased by 700, or 0.5 percent, to 151,100. Job gains occurred in trade, transportation and utilities (+700) and professional and business services (+300). Losses were centered in natural resources, mining and construction (-300).

NEW YORK CITY

James Brown — 212-775-3330

For the 12-month period ending October 2012, private sector jobs in New York City increased by 94,400, or 2.9 percent, to 3,355,000. Gains were largest in professional and business services (+40,600), educational and health services (+16,900), leisure and hospitality (+15,800), trade, transportation and utilities (+9,800), and other services (+8,300). Losses were centered in construction (-200) and financial activities (-200).

SOUTHERN TIER

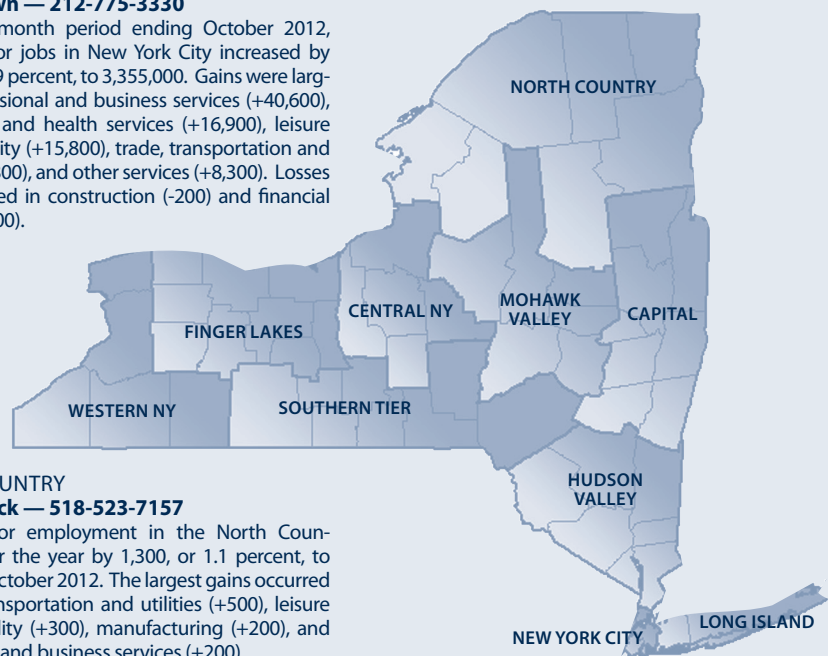
Christian Harris — 607-741-4485

Private sector employment in the Southern Tier rose over the year by 1,100, or 0.5 percent, to 233,100 in October 2012. Job gains were largest in educational and health services (+2,100) and professional and business services (+400). Employment losses were greatest in natural resources, mining and construction (-700), trade, transportation and utilities (-500), and leisure and hospitality (-400).

WESTERN NY

John Slenker — 716-851-2742

For the 12-month period ending October 2012, private sector jobs in the Buffalo-Niagara Falls metro area decreased by 100 to 454,500. Gains were centered in educational and health services (+4,500), trade, transportation and utilities (+1,800), and natural resources, mining and construction (+600). Losses were greatest in professional and business services (-5,000), leisure and hospitality (-1,600), and financial activities (-700).



NORTH COUNTRY

Alan Beideck — 518-523-7157

Private sector employment in the North Country rose over the year by 1,300, or 1.1 percent, to 115,700 in October 2012. The largest gains occurred in trade, transportation and utilities (+500), leisure and hospitality (+300), manufacturing (+200), and professional and business services (+200).