

EMPLOYMENT in New York State

George E. Pataki, Governor

February 2006

Linda Angello, Commissioner

High-tech Cluster is Growing...

Biomedical Industries Important to NYS

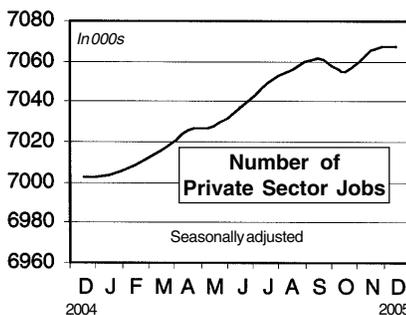
The biomedical industries are gaining importance in the Empire State. One indicator of the sector's burgeoning strength in New York is the January 26 announcement by the State of plans for a new Biotechnology and Biomedicine Research Initiative. It would create a challenge grant and is expected to generate up to \$800 million in new investment. Moreover, the state's institutions were awarded a record \$1.96 billion of funds for biotechnology research grants in 2004 from the National Institutes of Health (NIH), including 10 that were ranked among the top 100 in the country.

There is no predefined "biomedical" industry group in the North American Industry Classification System (NAICS). With no official definition, researchers/analysts generally identify their own "biomedical" clusters, thus the list is likely to vary from analyst to analyst. Typically, researchers undertake this process as part of an "industry cluster" analysis. A cluster is a group of firms from various industries in a geographic region that are interconnected by some common characteristic(s), which may include markets, products, suppliers, technology or labor force skills, or require similar natural resources.

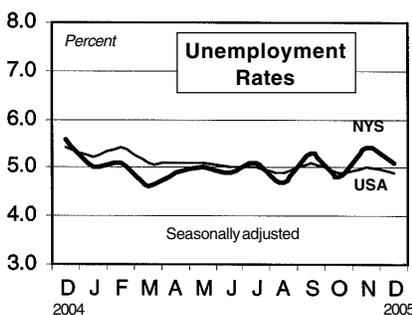
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IN DECEMBER...

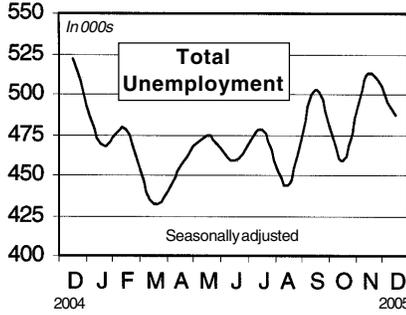
...NYS private sector jobs increased



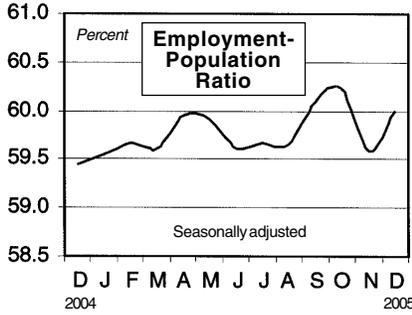
...NYS unemployment rate decreased



...NYS unemployment decreased



...NYS labor force participation up



At a Glance

In December 2005, New York's seasonally adjusted unemployment rate was 5.1 percent, down from 5.4 percent in November. (The nation's unemployment rate was 4.9 percent in December.) In December 2005, the state had 8,553,900 nonfarm jobs, including 7,067,100 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by less than 0.1 percent from November. (The nation's private sector job count increased by 0.1 percent over the month.) From December 2004 to December 2005, the number of private sector jobs increased by 0.9 percent in the state and increased by 1.6 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, increased in December.

**Change in Nonfarm Jobs
Dec. 2004 - Dec. 2005
(Data not seasonally adjusted,
numbers in thousands)**

	Net	%
Total Nonfarm Jobs	62.9	0.7
Private Sector	64.3	0.9
Goods-producing	-13.3	-1.4
Nat. res. & mining	0.2	3.5
Construction	3.2	1.0
Manufacturing	-16.7	-2.8
Durable gds.	-6.8	-2.0
Nondurable gds.	-9.9	-3.9
Service-providing	76.2	1.0
Trade, trans., & util.	2.2	0.1
Wholesale trade	-1.8	-0.5
Retail trade	5.8	0.6
Trans., whrs., & util.	-1.8	-0.7
Information	-0.3	-0.1
Financial activities	11.2	1.6
Prof. & bus. svcs.	23.1	2.2
Educ. & health svcs.	28.4	1.8
Leisure & hospitality	10.0	1.5
Other services	3.0	0.8
Government	-1.4	-0.1

Focus on the Hudson Valley

Region Enjoys Broad-based Job Growth

by John Nelson, Labor Market Analyst, Hudson Valley

At the close of 2005, the Hudson Valley region continued to experience the broad-based private sector job growth that it enjoyed for most of the year. From December 2004 to December 2005, the region's private sector job count increased by 15,400 to 769,200. This gain translated into a 2.0 percent growth rate, which exceeded the comparable rate for the nation over the same period. Local gains were largest in educational and health services (+3,400), trade, transportation, and utilities (+3,300), professional and business services (+2,300), and leisure and hospitality (+2,100).

Educational and health services (+3,400) was the leading job generator in the region over the December 2004-December 2005 period. Part of this expansion was attributable to the region's changing demographics. From 2000 to 2004, the number of people in the area aged 65+ increased by 7,200, increasing demand for medical services. Over the same period, the Hudson Valley region's college-age population (ages 18-24) jumped by 33,200, helping to spur demand for educational services.



“The region’s healthy job market has resulted in a high demand for labor exchange services. During the second half of 2005, our Employment Services Division served nearly 23,000 job seekers and 2,300 businesses in the Hudson Valley.

Frank Surdey, Regional Administrator,
Hudson Valley Region

Growth in trade, transportation, and utilities (+3,300) was centered in retail trade (+1,900), reflecting the area's growing population base, and in transportation, warehousing and utilities (+900), which grew due to the region's proximity to major highways. Overall, the region's population grew by 72,600, or 3.3 percent, from 2000 to 2004. “Big-box” retailers opened or expanded a number of stores in the region. For example, Wal-Mart is opening a store in White Plains in 2006 and has expanded its store in

Newburgh. Target opened a store in Mount Kisco, its third in the region.

Orange County has emerged as one of the state's leading distribution and warehousing hubs in the past few years. For example, Overnite Transportation Company recently built a new facility there, which employs 150. Many “big-box” retailers such as Home Depot, C&S Wholesale Grocers, Staples and Pep Boys also have distribution centers in the county.

The region's job gain in professional and business services (+2,300) was due in part to the relocation of several company headquarters to the area. Among them, Lenovo Group Ltd., the world's third largest personal computer maker, moved its headquarters from China to Purchase. In May 2005, the company purchased IBM's Personal Computing Division, and immediately began moving executive personnel to Purchase. Nokia, the Finnish cell phone maker, moved into its new regional headquarters in Harrison at the end of 2005, bringing 150 new jobs.

Leisure and hospitality employment also grew (+2,100) over the year. This trend is expected to continue in 2006, with numerous hotels, resorts, and eateries expected to open or expand in the region.

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New York State's Biomedical Industry Cluster, 2004

NAICS Code	Drug and Chemical Manufacturing	Employment*
325411	Medicinal and botanical manufacturing	500
325412	Pharmaceutical preparation manufacturing	19,700
325413	In-vitro diagnostic substance manufacturing	500
325414	Biological product (except diagnostic) manufacturing	800
		21,600
NAICS Code	Medical Equipment and Supplies	
334510	Electromedical and electrotherapeutic apparatus manufacturing	2,500
339111	Laboratory apparatus and furniture manufacturing	300
339112	Surgical and medical instrument manufacturing	5,400
339113	Surgical appliance and supplies manufacturing	3,000
339114	Dental equipment and supplies manufacturing	900
339115	Ophthalmic goods manufacturing	3,100
		15,200
NAICS Code	Laboratories and Research	
339116	Dental Laboratories	3,300
541380	Testing Laboratories (15%)	1,000
541710	R & D in the physical, engineering, and life sciences (50%)	17,000
		21,200
	Total, Biomedical Industry Cluster	58,000

*Items may not add to total due to rounding

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	DEC '04	DEC '05		DEC '04	DEC '05		DEC '04	DEC '05
New York State	5.4	5.0	Hudson Valley	4.1	3.9	Southern Tier	5.0	4.8
Capital	4.1	4.0	Dutchess	3.9	3.7	Broome	5.3	5.0
Albany	3.9	3.7	Orange	4.2	4.1	Chemung	5.5	5.1
Columbia	3.9	3.7	Putnam	3.7	3.5	Chenango	5.4	5.1
Greene	5.0	4.9	Rockland	3.8	3.8	Delaware	4.2	4.4
Rensselaer	4.1	4.2	Sullivan	5.4	4.9	Otsego	4.7	4.6
Saratoga	3.7	3.6	Ulster	4.5	4.1	Schuyler	6.2	6.3
Schenectady	4.3	4.0	Westchester	4.1	3.9	Steuben	6.2	5.8
Warren	5.4	5.5	Mohawk Valley	5.3	5.1	Tioga	5.2	4.8
Washington	4.8	4.2	Fulton	5.5	5.8	Tompkins	3.4	3.1
Central New York	5.3	4.9	Herkimer	5.9	5.7	Western New York	5.6	5.3
Cayuga	5.0	4.9	Madison	5.5	5.1	Allegany	5.9	5.6
Cortland	6.2	5.4	Montgomery	5.8	5.8	Cattaraugus	5.8	5.4
Onondaga	4.8	4.4	Oneida	5.0	4.6	Chautauque	5.2	4.9
Oswego	6.9	6.7	Schoharie	5.3	5.0	Erie	5.5	5.1
Finger Lakes	5.2	4.8	North Country	6.7	6.0	Niagara	6.0	5.8
Genesee	5.8	5.3	Clinton	5.7	5.2	Long Island	4.2	4.0
Livingston	5.8	5.6	Essex	5.9	6.2	Nassau	4.2	3.9
Monroe	4.9	4.6	Franklin	6.8	6.1	Suffolk	4.3	4.0
Ontario	5.4	5.0	Hamilton	6.7	7.9	New York City	6.3	5.7
Orleans	6.5	6.0	Jefferson	7.2	6.5	Bronx	8.1	7.4
Seneca	5.3	4.8	Lewis	7.3	6.7	Kings	6.8	6.1
Wayne	5.8	5.3	St. Lawrence	7.2	5.8	New York	5.5	5.1
Wyoming	6.3	5.8				Queens	5.8	5.2
Yates	4.9	4.7				Richmond	5.4	5.0

Hudson Valley...

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Among the largest projects are the Hudson Valley Resort, which undertook a \$30 million expansion expected to result in 200 new jobs upon completion; the \$10.7 million Magic Canyon theme park, which will create an estimated 275 jobs; and the Grand View in Poughkeepsie, a \$10 million multifunction food facility. There are also other projects in the making, including the Sheraton Hotel in Tarrytown, and the Hilton Hotel near Stewart Airport.

Despite manufacturing's over-the-year employment decline (-500), several companies in the region have announced expansion plans. For example, Kawasaki Rail Car in Yonkers expects to more than double its current workforce of 280 in order to fulfill a contract to build 340 rail cars for the Port Authority. Pharmaceutical maker Novartis plans to invest \$15 million in its Suffern plant and create 100 new jobs. Par Pharmaceuticals began construction of a 25,000 square-foot expansion of its existing facility in Rockland County, where the company performs manufacturing, packaging and quality control lab work.

One of the key factors contributing to recent job growth in the Hudson Valley region is the area's economic diversity. Over the past year, almost all industries experienced increased job figures. Looking ahead, ongoing population growth in the region and a slew of projects set for completion in 2006 should further strengthen the region's economic picture.

Biomedical Industries...

from page 1

The analysis presented here is based on the biomedical cluster compiled by Empire State Development (ESD), which includes three related industry groups: drug and chemical manufacturing, medical equipment and supplies, and laboratories and research. The table on page 2 lists the various NAICS industries comprising each group and their employment levels. Note that employment in testing labs (15%) and research and development (50%) is prorated to reflect the fact that not all jobs in these two industries are in the biomedical cluster.

Based on ESD's industry list, New York State's biomedical cluster employed 58,000, paid out total wages of \$3.5 billion, and had an annual average wage of more than \$60,000 in 2004. Drug and chemical manufacturing and laboratories and research each accounted for 37 percent of cluster employment in 2004, with medical equipment and supplies responsible for the remaining 26 percent.

Total employment in the biomedical cluster grew by 1,300, or 2.3 percent, in New York State between 2000 and 2004. Over this period, cluster job gains were centered in drug and chemical manufacturing (+1,300) and laboratories and research (+900), with losses confined to medical equipment and supplies (-900). The fact that overall industry cluster employment grew over this period is especially impressive, since over 70 percent of life sciences employment in 2000

was in manufacturing industries. Total manufacturing employment in the state dropped by more than 20 percent over the same time frame.

New York State is well positioned to continue to grow its biomedical industry cluster. In addition to the recently announced biotechnology/biomedicine initiative, the State has established the "Center of Excellence" in Bioinformatics and Life Sciences at SUNY-Buffalo. Partnering with the University are the Roswell Park Cancer Institute and the Hauptman-Woodward Medical Research Institute. New York is also home to other hospitals and medical institutions that do cutting-edge research, and has a workforce with the necessary industry-specific technical skills.

by Kevin Jack

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REGIONAL ANALYSTS' CORNER

MOHAWK VALLEY
MARK BARBANO
315-793-2282

Private sector employment in the Utica-Rome metro area increased by 100, or 0.1 percent, to 100,800 for the 12-month period ending December 2005. Gains in educational and health services (+700) and several smaller industries more than offset losses in manufacturing (-1,000) and professional and business services (-300). Total government employment increased over the year (+500) due mostly to growth at the Oneida Indian Nation's business enterprises.

NORTH COUNTRY
ALAN BEIDECK 518-891-6680

Private sector employment in the North Country region increased over the year by 800, or 0.7 percent, to 114,800 in December 2005. The largest gains were in professional and business services (+900), trade, transportation and utilities (+700), and natural resources, mining and construction (+300). Losses were centered in manufacturing (-600) and educational and health services (-500).

CENTRAL NY
ROGER EVANS
315-479-3388

Private sector employment in the Syracuse area rose 4,400, or 1.7 percent, to 270,100 for the 12-month period ending December 2005. Job creation was largest in professional and business services (+1,300), educational and health services (+800), trade, transportation, and utilities (+800), natural resources, mining and construction (+600), and leisure and hospitality (+600).

CAPITAL DISTRICT
JAMES ROSS
518-462-7600

From December 2004 to December 2005, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 2,400, or 0.7 percent, to 345,300, a record high for the month. Job gains were centered in professional and business services (+1,500), educational and health services (+400), financial activities (+400), and information (+400). The area lost jobs over the year in manufacturing (-400).

FINGERLAKES
WILLIAM RAMAGE
585-258-8870

Private sector employment in the Rochester area declined 4,900 or 1.1 percent over the year to 424,100 in December 2005. Employment gains in educational and health services (+2,400), professional and business services (+700) and construction (+200) were overshadowed by losses in manufacturing (-4,100), trade, transportation and utilities (-2,400), financial activities (-700), leisure and hospitality (-500) and other services (-400).

HUDSON VALLEY
JOHN NELSON
914-997-8798

Private sector employment in the Hudson Valley increased over the year by 15,400, or 2.0 percent, to 769,200 in December 2005. Employment gains were largest in educational and health services (+3,400), trade, transportation and utilities (+3,300), professional and business services (+2,300), leisure and hospitality (+2,100), financial activities (+1,900) and natural resources, mining and construction (+1,700). Manufacturing (-500) declined over the year.

WESTERN NY
JOHN SLENKER
716-851-2742

Private sector employment in the Buffalo-Niagara Falls metro area increased by 1,500, or 0.3 percent, to 460,200 over the 12 months ending December 2005. Job gains were centered in natural resources, mining and construction (+1,000), financial activities (+800), professional and business services (+700), other services (+600), and educational and health services (+500). Losses occurred in manufacturing (-1,400) and leisure and hospitality (-500).

SOUTHERN TIER
JOSEPH KOZLOWSKI 607-741-4485

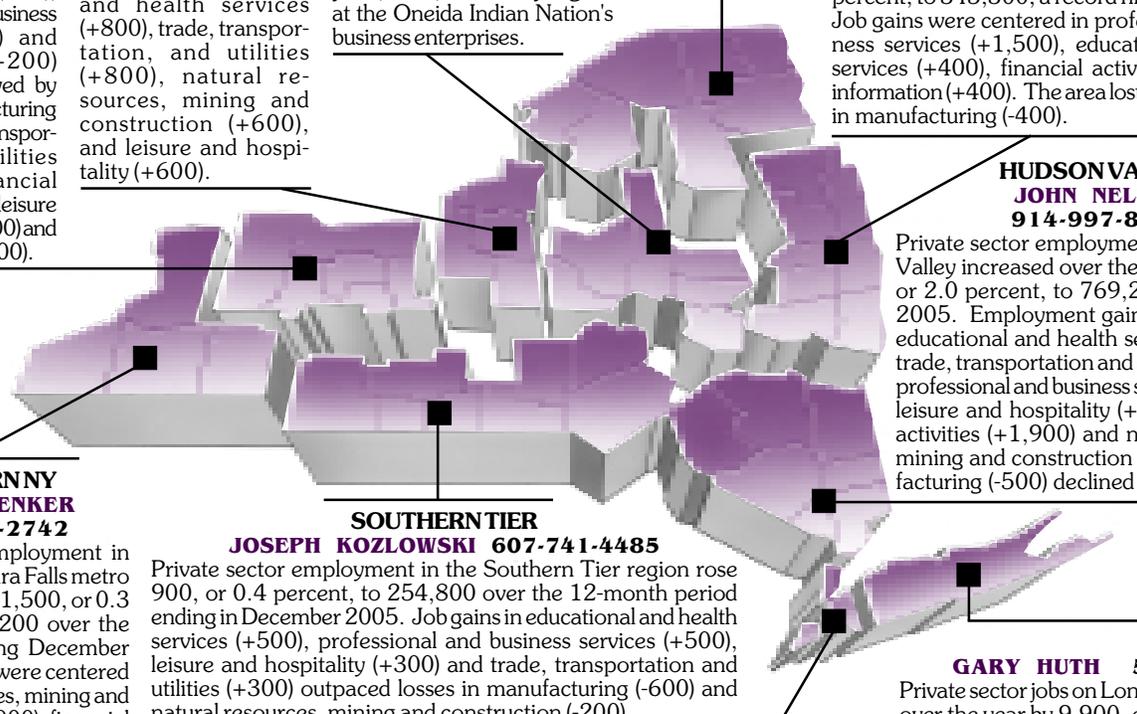
Private sector employment in the Southern Tier region rose 900, or 0.4 percent, to 254,800 over the 12-month period ending in December 2005. Job gains in educational and health services (+500), professional and business services (+500), leisure and hospitality (+300) and trade, transportation and utilities (+300) outpaced losses in manufacturing (-600) and natural resources, mining and construction (-200).

NEW YORK CITY
JAMES BROWN 212-621-9353

Private sector employment in New York City rose 39,000, or 1.3 percent, to 3,093,700 for the 12-month period ending December 2005. Job growth was strongest in educational and health services (+17,000), professional and business services (+15,000), leisure and hospitality (+8,500), and financial activities (+8,000). Job losses were largest in manufacturing (-3,000), natural resources, mining and construction (-2,700), trade, transportation and utilities (-2,700), and information (-1,000).

LONG ISLAND
GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 9,900, or 0.9 percent, to 1,071,500 in December 2005. Gains were largest in professional and business services (+3,700), educational and health services (+3,600), other services (+900), trade, transportation, and utilities (+900), leisure and hospitality (+700) and natural resources, mining and construction (+500). Job losses occurred in financial activities (-500) and manufacturing (-200).



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