

# EMPLOYMENT

## in New York State

George E. Pataki, Governor

May 2005

Linda Angello, Commissioner

### Exports Help Create Jobs...

## NYS and the World Economy

**W**hether it's foreign companies investing in this state or New York companies sending goods and services abroad, the contributions of international commerce to New York State's economy take many forms. It's more important than ever for states to compete effectively in the global marketplace, since more than 80 percent of the world's economy and 95 percent of its population are located outside of the United States.

### Foreign Direct Investment

Foreign direct investment (FDI) in New York State by majority-owned, non-bank affiliates of foreign companies reached \$63 billion in 2002, according to the U.S. Bureau of Economic Analysis (BEA). This level of FDI ranked New York third among the states, after only California and Texas.

New York employment at these affiliates totaled 394,700, or 5.5 percent of all private sector jobs in the state in 2002 (latest data available). That year, New York's foreign affiliate employment level was second only to California (616,400). From 1997 to 2002, employment at foreign affiliates in New York increased by 97,300, or 32.7 percent.

The seven largest investing countries accounted for over 80 percent of affiliate employment in New York State in 2002. Ranked by their employment levels, they included: the United Kingdom, 76,300; the Netherlands, 54,100; Germany, 48,900; France, 46,800; Switzerland, 35,300; Canada, 32,200; and Japan, 30,000.

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### At a Glance

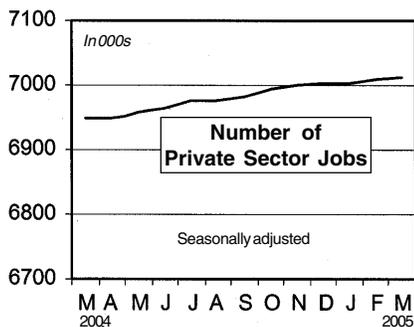
In March 2005, New York's seasonally adjusted unemployment rate was 4.6 percent in March 2005, down from 5.1 percent in February. (The nation's unemployment rate was 5.2 percent in March.) In March 2005, the state had 8,494,900 nonfarm jobs, including 7,012,900 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from February. (The nation's private sector job count also increased by 0.1 percent over the month.) From March 2004 to March 2005, the number of private sector jobs increased by 0.9 percent in the state and increased by 1.8 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, fell slightly in March.

### Change in Nonfarm Jobs March 2004 - March 2005 (Data not seasonally adjusted, numbers in thousands)

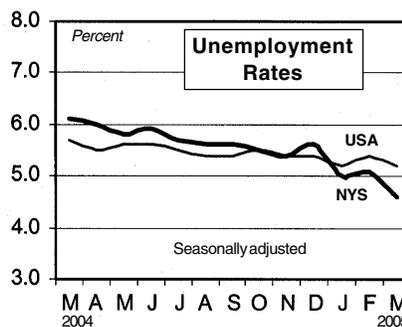
	Net	%
Total Nonfarm Jobs	60.1	0.7
Private Sector	60.2	0.9
Goods-producing	-17.3	-1.9
Nat. res. & mining	0.2	4.0
Construction	-0.5	-0.2
Manufacturing	-17.0	-2.8
Durable gds.	-6.0	-1.8
Nondurable gds.	-11.0	-4.3
Service-providing	77.4	1.0
Trade, trans., & util.	13.4	0.9
Wholesale trade	-0.6	0.2
Retail trade	12.7	1.5
Trans., whrs., & util.	1.3	0.5
Information	0.2	0.1
Financial activities	8.8	1.3
Prof. & bus. svcs.	10.6	1.0
Educ. & health svcs.	22.3	1.5
Leisure & hospitality	18.4	2.9
Other services	3.8	1.1
Government	-0.1	0.0

## IN MARCH...

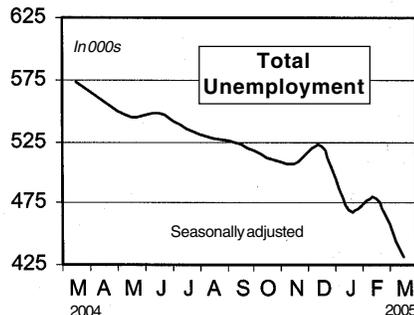
### ...NYS private sector jobs increased



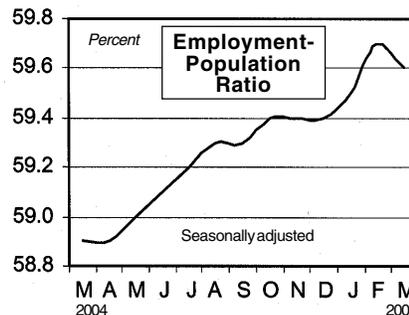
### ...NYS unemployment rate fell



### ...NYS unemployment dropped



### ...NYS labor force participation fell



# Focus on the Capital Region

## Why Did We Outperform the Nation?

by Jim Ross, Labor Market Analyst, Capital Region

**F**rom 2000 to 2004, the private sector job count in the Albany-Schenectady-Troy metro area grew by 5,100, or 1.5 percent, to 336,000, a record high. In contrast, private sector employment in the nation fell by more than 1 million, or 1.0 percent, over the same period. Due to the local area's stronger job creation, the rise in the local unemployment rate over this period was much less than the nation's - 0.8 percentage points versus 1.5 percentage points. Both a positive industrial mix and a regional competitive advantage were responsible for the local area's stronger job creation performance.

### Shift-Share Analysis

Shift-share analysis is a technique used to determine the composition of a local area's employment growth — in this case, jobs in the Albany-Schenectady-Troy metro area. Growth is separated into three components: national growth, industrial mix, and regional competitiveness. The national growth component simply measures the change in local jobs that would occur if the local region grew or declined at the same rate as the U.S. In this case, matching the national rate of decline would have resulted in a loss of 3,400 jobs locally over the 2000-2004 period.



**"The Capital District will benefit from the projected area job and business growth in the nanotech field due to expansion of the research facility at UAlbany and the potential future development of the Luther Forest Technology Park."**

*David Wallingford,  
Regional Administrator,  
Capital/Northern Region*

The industrial mix effect accounts for the employment change attributable to a region's unique industrial composition. Thus, regions with a high concentration of high-growth industries will have a positive effect, while those with a high concentration of low-growth industries will have a negative effect.

This effect was positive for Albany-area industries, which grew faster than the U.S. private sector job count (-1.0 percent) over the 2000-2004 period. In the Albany area, a favorable industrial mix

resulted in the net addition of 6,800 jobs. This positive effect was found in educational and health services (+9,300), leisure and hospitality (+1,800), financial activities (+1,400), other services (+1,100), and natural resources, mining and construction (+600). Although the professional and business services industry (-300) incurred a negative industrial mix effect, the professional, scientific and technical services sub-group (+400) experienced a positive effect.

The regional competitiveness effect measures the extent to which factors unique to the local area caused growth in regional employment in a particular industry. A positive competitive position implies that, after accounting for national growth trends and the industrial mix of the respective region, the region's job creation performance is superior to the nation's.

This effect, which was positive for Albany-area industries that outperformed the same nationwide industries from 2000 to 2004, contributed a total of 1,700 jobs over this period. Four industry groups demonstrated a positive effect: trade, transportation and utilities (+2,400), leisure and hospitality (+700), information (+500) and other services (+300).

### Looking Ahead

Future job trends appear favorable for  
*continued on page 3*

## New Wage Estimates Now on DOL Web Site

**H**ow much money do you make a year? Do you want to make more? What fields offer the best financial reward in New York State? This isn't just water-cooler conversation — it's a basis for planning education and training services and career choices. If you want to know which occupation gives the best return on your investment of time and effort, we have new information on our web site that will help you.

Twice a year the Occupational Employment Statistics (OES) survey produces estimates of what people earn for doing their jobs. Information was collected from 57,000 New York employers during 2000-2003, and using cost-of-living adjustments, the OES wage estimates were updated through the fourth quarter of 2004. The web site includes data on more than 600

occupations in New York State and its 10 labor market regions.

The median wage for all New York workers was \$33,400; that means half of the people surveyed made more and half made less.

Among the highest-paying occupational categories, management led earners with a \$91,580 median annual salary. It was followed by legal employment with an \$80,440 median wage; computer and mathematical fields with \$66,180 and architecture and engineering at \$59,390. Workers in business and financial operations earned a median annual wage of \$57,600 and careers in life, physical and social science checked in at \$54,680, followed closely by healthcare practitioners and technical at \$54,020. Education, training and library careers, earned

a median annual wage of \$45,580, followed by jobs in arts, design, entertainment, sports and media at \$43,110. The field of construction and extraction averaged \$43,110 a year in earnings.

These are just the highest-paying categories; there are variations from high to low within each field. We also offer a wide variety of wage information including, the mean wage (the average of all workers in an occupation), entry level (average of the bottom third of wages in an occupation), and experienced (average of the top two-thirds of wages in an occupation.)

More information on wages for all New York State occupations is available on our web site at:

**<http://64.106.160.140:8080/lmi/oes/wage.html>**

## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	MAR '04	MAR '05		MAR '04	MAR '05		MAR '04	MAR '05
<b>New York State</b>	<b>6.7</b>	<b>4.9</b>	<b>Hudson Valley</b>	<b>4.9</b>	<b>3.9</b>	<b>Southern Tier</b>	<b>6.3</b>	<b>5.1</b>
<b>Capital</b>	<b>5.1</b>	<b>4.2</b>	Dutchess	4.8	3.9	Broome	6.5	5.1
Albany	4.6	3.8	Orange	5.3	4.3	Chemung	7.4	6.0
Columbia	5.4	4.0	Putnam	3.9	3.4	Chenango	7.2	5.7
Greene	6.3	4.8	Rockland	4.7	3.8	Delaware	5.5	4.5
Rensselaer	5.6	4.4	Sullivan	6.8	5.1	Otsego	5.8	4.4
Saratoga	4.6	3.8	Ulster	5.3	4.2	Schuyler	7.7	5.8
Schenectady	5.0	4.3	Westchester	4.7	3.7	Steuben	8.0	6.4
Warren	6.6	5.0	<b>Mohawk Valley</b>	<b>6.8</b>	<b>5.6</b>	Tioga	6.2	5.8
Washington	5.8	5.2	Fulton	7.1	5.9	Tompkins	4.1	3.2
<b>Central New York</b>	<b>6.3</b>	<b>5.1</b>	Herkimer	7.4	5.9	<b>Western New York</b>	<b>6.8</b>	<b>5.5</b>
Cayuga	6.2	4.9	Madison	7.0	5.9	Allegany	7.5	6.0
Cortland	7.7	5.8	Montgomery	7.8	6.0	Cattaraugus	7.5	5.7
Onondaga	5.6	4.6	Oneida	6.3	5.2	Chautauqua	6.8	5.3
Oswego	8.4	6.8	Schoharie	7.0	5.5	Erie	6.5	5.3
<b>Finger Lakes</b>	<b>6.6</b>	<b>5.3</b>	<b>North Country</b>	<b>8.4</b>	<b>6.4</b>	Niagara	7.6	6.1
Genesee	7.1	5.6	Clinton	7.6	5.5	<b>Long Island</b>	<b>5.2</b>	<b>4.1</b>
Livingston	7.7	5.8	Essex	7.3	5.8	Nassau	5.0	4.0
Monroe	6.1	5.0	Franklin	8.6	6.5	Suffolk	5.3	4.2
Ontario	6.6	5.4	Hamilton	9.0	5.8	<b>New York City</b>	<b>8.0</b>	<b>5.3</b>
Orleans	8.4	7.0	Jefferson	9.2	7.3	Bronx	10.4	7.0
Seneca	6.7	5.4	Lewis	9.2	7.4	Kings	8.6	5.7
Wayne	7.2	6.2	St. Lawrence	8.6	6.4	New York	7.1	4.6
Wyoming	8.7	6.3				Queens	7.3	4.9
Yates	5.8	5.0				Richmond	7.1	4.7

### Capital Region...

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the Albany-Schenectady-Troy metro area. Contributing to this positive outlook is the area's relatively high educational attainment: 29 percent of the local population 25 years and over has at least a bachelor's degree versus 24 percent nationally. In the coming years, the region's large number of highly regarded, post-secondary academic institutions will supply a steady flow of human capital, a key component to providing the quality workforce high-value businesses require. The local area's industrial mix should also continue to offer a positive effect, especially with a high concentration of jobs in high-growth sectors such as professional, scientific and technical services, and educational and health services.

A positive regional competitive effect is likely, as State and local investments in the region's Tech Valley initiative continue to add jobs. New York State created the world's first College of Nanoscale Science and Engineering at the State University of New York at Albany. An investment of \$75 million by New York State will bring a \$325 million private investment to create a new joint ASML-IBM nanochip research and development center at the Albany Center of Excellence in Nanoelectronics. Finally, the approval of the Luther Forest Technology Park in Saratoga County, a potential future home of several semiconductor production facilities, may add to the significant regional competitive effect in high-tech manufacturing.

### NYS and the World Economy...

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BEA data indicate that, like the nation as a whole, foreign companies' share of manufacturing employment in New York was more than twice (11.1 percent) their share of overall private sector jobs (5.5 percent) in the state. In 2002, total manufacturing employment of foreign affiliates in New York State reached 72,700—an increase of 4,500, or 6.6 percent, over 1997 levels.

### Merchandise Exports

New York has been consistently one of the top exporting states in the nation. Merchandise exports from the state totaled \$44.4 billion in 2004, accounting for 5.4 percent of the U.S. total, and ranking the state in third place after Texas and California. By far, the state's largest market was Canada, to which the state sent \$10.1 billion in exports. Rounding out the top five were Israel (\$3.7 billion), United Kingdom (\$2.8 billion), Japan (\$2.4 billion) and Mexico (\$2.2 billion).

From 2002 to 2004, merchandise exports from the Empire State grew \$7.4 billion, or 20 percent, a rate slightly higher than the nation as a whole (18 percent). The expansion in exports over this period was attributable to both economic growth in some key global markets and a double-digit percentage decline in the value of the U.S. dollar against a basket of major currencies, which makes our goods less expensive in foreign markets. New York exports to most major country markets grew between 2002 and 2004, with the largest

gains posted by Israel (+75 percent) and China (including Hong Kong) (+53 percent).

Merchandise exports supported 139,500 manufacturing jobs and 141,000 non-manufacturing jobs in New York in 2001 (latest data), according to the International Trade Administration. Statewide, jobs linked to manufactured exports accounted for 3.9 percent of all private sector employment that year. These estimates represent an undercount of the true total employment due to exports because they include only jobs supported by exports of manufactured goods; jobs generated by exports of services and other merchandise (e.g. agricultural goods) are excluded.

by Kevin Jack

### Employment in New York State

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

Director	David J. Trzaskos
Editor	Kevin Jack
Director of Communications	Robert Lillpopp
Graphic Design	Kim Hardin
Editorial Advisor	Christine Perham

