

# EMPLOYMENT in New York State

George E. Pataki, Governor

June 2005

Linda Angello, Commissioner

## Sector Contributes Many Benefits...

### Real Estate and Housing Support State Economy

**S**purred on by a combination of low mortgage interest rates and lackluster returns in the stock market, New Yorkers have made the real estate and housing sector a mainstay of the state's economy over the past five years.

Since 2000, the state's economy has been buffeted by the bursting of the "dot com" bubble, the national recession of 2001, the World Trade Center disaster, and the subsequent national jobless recovery. All of these factors helped contribute to a 1.6 percent decline in the state's private sector job count from April 2000 to April 2005. In contrast, employment levels in the state's real estate sector and

associated residential building construction industry have prospered relatively, growing by 3.1 percent and 13.8 percent, respectively, over the same time period.

One indicator of the recent strength in the real estate market is the large increase in licenses for real estate brokers and salespersons in the Empire State. The New York Department of State reports that the total number of real estate licenses grew from 104,700 in January 2000 to 133,100 in January 2005; an increase of 27 percent. Similarly, membership in the New York State Association of REALTORS expanded by 48 percent over the same period.

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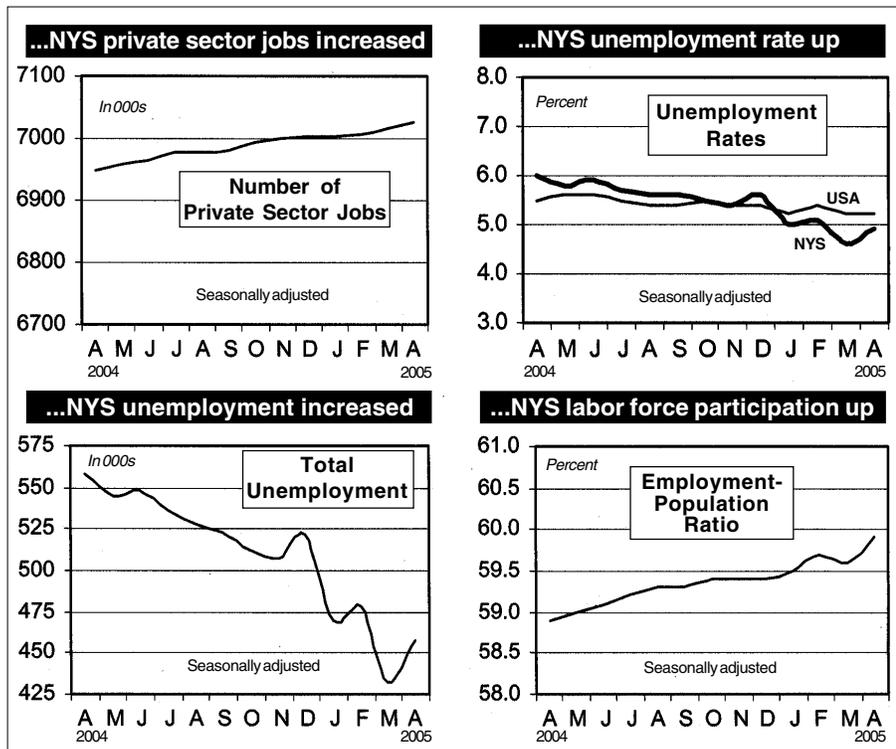
### At a Glance

In April 2005, New York's seasonally adjusted unemployment rate was 4.9 percent, up from 4.6 percent in March. (The nation's unemployment rate was 5.2 percent in April.) In April 2005, the state had 8,504,100 nonfarm jobs, including 7,024,200 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from March. (The nation's private sector job count increased by 0.2 percent over the month.) From April 2004 to April 2005, the number of private sector jobs increased by 1.2 percent in the state and increased by 1.9 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, increased in April.

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

	Net	%
Total Nonfarm Jobs	88.2	1.1
Private Sector	85.9	1.2
Goods-producing	-11.0	-1.2
Nat. res. & mining	0.4	7.5
Construction	3.7	1.2
Manufacturing	-15.1	-2.5
Durable gds.	-4.1	-1.2
Nondurable gds.	-11.0	-4.3
Service-providing	99.2	1.3
Trade, trans., & util.	18.5	1.3
Wholesale trade	-0.3	-0.1
Retail trade	16.3	1.9
Trans., whrs., & util.	2.5	1.0
Information	1.3	0.5
Financial activities	9.4	1.4
Prof. & bus. svcs.	14.4	1.4
Educ. & health svcs.	26.8	1.7
Leisure & hospitality	20.4	3.2
Other services	6.1	1.7
Government	2.3	0.2

## IN APRIL...



# Focus on Long Island

**Workforce Preparedness — Key to Economic Growth in the 21st Century**

by Gary Huth, Labor Market Analyst, Long Island

**L**ong Island has recently enjoyed strong, broad-based employment growth. For the 12-month period ending in April 2005, Long Island's private sector job count grew by 14,300, or 1.4 percent, to 1,036,800 — a new record for the month. The largest job gains were in leisure and hospitality (+4,200), professional and business services (+3,900), educational and health services (+3,400), trade, transportation and utilities (+800), natural resources, mining and construction (+700), and manufacturing (+400).

Also contributing to Long Island's positive economic picture in April was its low unemployment rate, which dropped to 3.8 percent, and its expanding resident labor force, which topped 1.45 million. While there are occupations and industries where finding a job is a challenge, general prospects have improved considerably. The job market is expected to tighten further as the rate of job growth is likely to exceed the rate of labor force growth.

## Workforce Development Crucial

What accounts for the Island's recent economic success? One key ingredient is a workforce development system in which the various partners — including the New York Department of Labor, local workforce investment boards, local colleges and other groups — work together to map out the course of local worker training.



**“Our local Workforce Investment Boards and partners play a key role in helping Long Islanders find and retain well-paying jobs.”**

*Stephen Salhus,  
Regional Administrator,  
Long Island Region*

The local workforce development system does not only concentrate on industries *currently* experiencing rapid job growth. Sometimes, the strategy focuses on emerging industries with strong *potential* for future growth. In other cases, sectors that *may* face skill shortages receive priority.

One of the most promising initiatives undertaken by the local workforce development system is “skill mapping,” which involves defining job requirements, and identifying core competencies and critical skills in key industries. Mapping efforts are currently underway in the aerospace and biosciences fields. Other initiatives being investigated include retail sales, health care, and mechatronics (an integration of mechanical engineering, electronics and computer systems).

## Priority Industries

A number of industries have received priority from the local workforce system. Some of these industries are outlined below.

While the shortage of nurses is well known, the health care field also faces many other shortages. It will see additional challenges as the industry incorporates new bioscience technologies, information technologies, and the integration of information records, while also working to contain costs.

The related biosciences sector includes a diverse array of companies, products and services. Long Island has one of the largest biotech industry clusters in New York State and one of the largest consumer health care markets in the country.

Defense-related and other advanced manufacturing companies face worker shortages in a number of occupations. These include engineers, computer software specialists, machinists, sheet metal workers and others.

Retail trade employs nearly 160,000 on Long Island and faces a constant recruiting and retention challenge as too few people recognize its potential for higher-level career advancement. Here, many entry-level workers develop their first work skills which often translate into a stepping stone for future career opportunities.

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# Real Estate-related Occupations

**R**eal estate salespersons/agents and brokers play a critical role in what is for many people the most important financial transaction they will ever make — the purchase or sale of a home.

To be licensed as a real estate salesperson in New York State, an applicant must satisfactorily complete an approved 45-hour real estate course and pass a Department of State exam. A licensed real estate broker is responsible for the supervision and conduct of the real estate brokerage business. They must have at least one year of experience as a licensed real estate salesperson (or at least two years of experience in the general real estate field). They must also complete both the salesperson course

and an additional 45-hour real estate broker course, and pass a qualifying Department of State broker exam.

In 2002, about 60 percent of real estate brokers and salesperson/agents in the U.S. were self-employed, according to the U.S. Bureau of Labor Statistics. Nationally, 40 percent of real-estate workers aged 25 to 44 possessed at least a bachelor's degree. These occupations are also characterized by relatively low levels of unemployment.

The job outlook for real estate brokers and sales agents in the Empire State appears good. Occupational projections prepared by the New York State Department of Labor show that combined statewide employment in these two titles is

expected to grow by an above-average 10.7 percent between 2002 and 2012. In addition, statewide total annual openings are estimated to be more than 600 per year over this period.

Their above-average wages contribute to the positive jobs picture for real estate-related occupations in New York. Data collected by the Occupational Employment Survey indicate that the average (mean) statewide wage of full-time salespersons/agents in 2004 was \$52,500.

Salesperson/agent wages vary widely by labor market region. Not unexpectedly, the highest average salaries are found in the Long Island (\$60,270) and New York City (\$56,330) regions.

## Unemployment Rates in New York State

Data Not Seasonally Adjusted

	APR '04	APR '05		APR '04	APR '05		APR '04	APR '05
<b>New York State</b>	<b>5.8</b>	<b>4.7</b>	<b>Hudson Valley</b>	<b>4.2</b>	<b>3.5</b>	<b>Southern Tier</b>	<b>5.3</b>	<b>4.5</b>
<b>Capital</b>	<b>4.4</b>	<b>3.7</b>	Dutchess	4.1	3.5	Broome	5.5	4.5
Albany	4.1	3.5	Orange	4.6	3.8	Chemung	6.2	5.3
Columbia	4.4	3.5	Putnam	3.5	3.1	Chenango	5.7	4.8
Greene	5.8	4.5	Rockland	4.1	3.3	Delaware	4.4	3.9
Rensselaer	4.7	3.7	Sullivan	5.3	4.6	Otsego	4.7	4.0
Saratoga	3.8	3.3	Ulster	4.5	3.8	Schuyler	6.4	5.6
Schenectady	4.5	3.9	Westchester	4.0	3.3	Steuben	6.9	5.7
Warren	5.4	4.7	<b>Mohawk Valley</b>	<b>5.6</b>	<b>5.0</b>	Tioga	5.1	4.6
Washington	4.9	4.3	Fulton	5.9	5.1	Tompkins	3.4	2.8
<b>Central New York</b>	<b>5.4</b>	<b>4.6</b>	Herkimer	6.3	5.2	<b>Western New York</b>	<b>6.1</b>	<b>5.2</b>
Cayuga	5.3	4.4	Madison	5.4	5.1	Allegany	6.3	5.3
Cortland	6.3	5.0	Montgomery	6.2	5.3	Cattaraugus	6.5	5.4
Onondaga	4.9	4.3	Oneida	5.3	4.9	Chautauqua	6.0	4.9
Oswego	6.8	5.7	Schoharie	5.5	4.5	Erie	5.9	5.1
<b>Finger Lakes</b>	<b>5.8</b>	<b>4.8</b>	<b>North Country</b>	<b>7.2</b>	<b>6.0</b>	Niagara	6.9	5.5
Genesee	6.0	4.9	Clinton	6.7	5.3	<b>Long Island</b>	<b>4.5</b>	<b>3.8</b>
Livingston	6.6	5.3	Essex	6.5	5.5	Nassau	4.4	3.7
Monroe	5.7	4.6	Franklin	7.4	6.2	Suffolk	4.6	3.8
Ontario	5.3	4.7	Hamilton	8.1	6.3	<b>New York City</b>	<b>7.1</b>	<b>5.4</b>
Orleans	7.6	6.2	Jefferson	7.7	6.5	Bronx	9.2	7.0
Seneca	5.4	4.6	Lewis	7.7	6.8	Kings	7.8	5.8
Wayne	5.8	5.3	St. Lawrence	7.3	6.0	New York	6.2	4.7
Wyoming	6.9	5.2				Queens	6.4	5.0
Yates	4.7	4.2				Richmond	6.3	4.8

### Long Island...

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Information technology (IT) has gone through a boom and bust cycle for both companies and individuals. Not only have market conditions improved, but IT is now key to the competitiveness and quality of service for nearly all businesses today.

Homeland security concerns are creating increased demand for products, services and people. While its local employment impact has been smaller than originally expected, it remains a strategically important sector for the region.

Reversing earlier trends, employment and pay levels in manufacturing have recently begun to increase. Much of the increase in wages is due to a shift in industry employment toward higher-skill, knowledge-based positions that incorporate intense use of computers. Providing the increasingly high-skilled workforce needed for these new jobs is the next challenge for the local economy and its workforce system partners.

### Summary

Much of Long Island's past economic success stems from the collaborative efforts of its workforce development partners. Looking ahead, the Island is well-positioned to compete as industry groups increasingly take the lead in identifying their critical skill needs, and then communicating these needs to the education and training community. As they work together, Long Island stands ready to continue to learn and grow with the global economy.

### Real Estate and Housing...

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The overall value of construction contracts in New York State increased from \$20.3 billion in 2000 to \$25.0 billion in 2004, based on figures from F.W. Dodge/McGraw-Hill. Almost all of this gain was due to increased residential building contracts. Activity in this segment jumped from \$6.5 billion to \$10.9 billion, a rise of 69 percent, over this time period.

Strength in the real estate and housing sectors has contributed several important benefits to the overall state economy. First and foremost is the direct employment creation generated by this expanding sector. This job growth, in turn, stimulated spin-off hiring activity in other sectors throughout the economy.

Secondly, many homeowners in New York have experienced strong price appreciation in recent years. Housing prices in the state appreciated 70.6 percent for the five-year period, ending March 2005, according to the Office of Federal Housing Enterprise Oversight (OFHEO). In contrast, home prices only appreciated 50.5 percent in the nation as a whole over the same period, based on OFHEO data. (The OFHEO index measures repeat sales, so it tracks successive sales of the same house.) Rising home prices often translate into increased wealth that supports higher levels of consumer spending. This is important, since consumer spending accounts for 70 percent of the nation's economic activity.

A final economic benefit relates to falling mortgage interest rates. In New York, the average rate for a 30-year fixed-rate mortgage dropped from 8.14 percent in 2000 to 5.96 percent in 2004, according to the Federal Housing Finance Board. On a 30-year \$250,000 mortgage based on the above rates, monthly payments would have dropped from \$1,859 to \$1,492 – a savings of \$367 a month or \$4,404 a year. This significant decline in mortgage interest rates, when combined with rising housing values, has enabled many homeowners to borrow against the equity in their homes. In turn, this has been another factor contributing to increased levels of consumer spending over the past few years.

by Kevin Jack

### Employment in New York State

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## REGIONAL ANALYSTS' CORNER

### FINGER LAKES WILLIAM RAMAGE 585-258-8870

Private sector employment in the Rochester area declined over the year by 2,800, or 0.7 percent, to 421,600 in April 2005. Job gains in educational and health services (+1,500), trade, transportation and utilities (+1,000) and professional and business services (+300) were outpaced by declines in manufacturing (-4,000), financial activities (-600), and leisure and hospitality (-500).

### CENTRAL NY ROGER EVANS 315-479-3388

From April 2004 to April 2005, the number of private sector jobs in Syracuse metro area rose by 3,600, or 1.4 percent, to 262,500. This increase pushed the area's private sector job count to its highest April level since 2001. An additional 460 jobs will be created in the Syracuse area as a Predator Unmanned Aerial Vehicle squadron is established at Hancock Field Air National Guard Base in October 2008.

### MOHAWK VALLEY MARK BARBANO 315-793-2282

Private sector employment in the Utica-Rome metro area fell 100, or 0.1 percent, to 97,800 for the 12-month period ending April 2005. Gains in educational and health services (+500) and trade, transportation and utilities (+200) were offset by losses in manufacturing (-500), professional and business services (-200) and smaller losses in several other industries. Government employment increased (+700) due to growth in local government.

### NORTHCOUNTRY ALAN BEIDECK 518-891-6680

Private sector employment in the North Country increased over the year by 1,300, or 1.2 percent, to 110,900 in April 2005. The largest gains were in trade, transportation and utilities (+900), educational and health services (+600), and natural resources, mining, and construction (+300). Losses were centered in leisure and hospitality (-200).

### CAPITAL DISTRICT JAMES ROSS 518-462-7600

From April 2004 to April 2005, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 6,900, or 2.1 percent, to 338,800, a record high for the month. Job gains were centered in educational and health services (+2,200), trade, transportation and utilities (+1,300), leisure and hospitality (+1,000), professional and business services (+800), financial activities (+600), information (+300), and manufacturing (+300).

### HUDSON VALLEY SEAN MacDONALD 914-997-8798

The Hudson Valley's private sector job count increased over the year by 16,100, or 2.2 percent, to 745,200 in April 2005, a new record for the month. Gains were largest in educational and health services (+4,500), professional and business services (+3,300), trade, transportation and utilities (+2,800), leisure and hospitality (+2,500), financial activities (+2,300), and other services (+1,000). Information (-900) posted a loss over the year.

### WESTERN NY JOHN SLENKER 716-851-2742

From April 2004 to April 2005, the number of private sector jobs in the Buffalo-Niagara Falls metro area increased by 1,300, or 0.3 percent, to 447,700. Hiring was concentrated in financial activities (+700), natural resources, mining and construction (+700), trade, transportation and utilities (+500), and other services (+400). Losses occurred in manufacturing (-1,000) and information (-300).

### SOUTHERN TIER JOSEPH KOZLOWSKI 607-741-4485

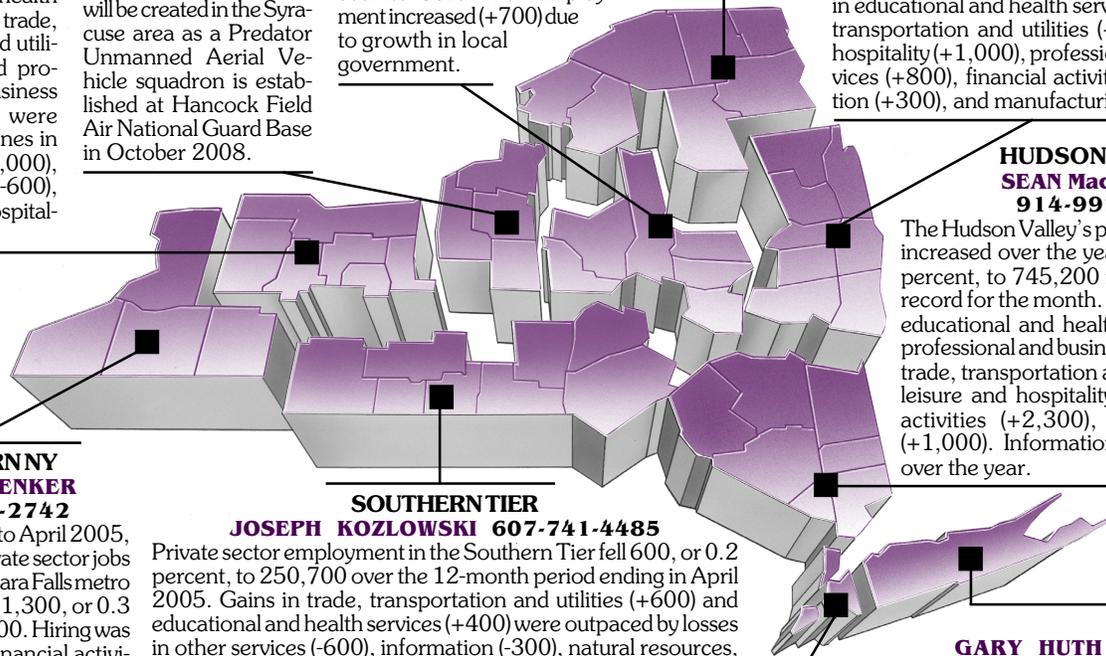
Private sector employment in the Southern Tier fell 600, or 0.2 percent, to 250,700 over the 12-month period ending in April 2005. Gains in trade, transportation and utilities (+600) and educational and health services (+400) were outpaced by losses in other services (-600), information (-300), natural resources, mining and construction (-300), and manufacturing (-200).

### NEW YORK CITY JAMES BROWN 212-621-9353

Private sector employment in New York City rose 41,400, or 1.4 percent, to 3,013,800 for the 12-month period ending April 2005. Every sector except manufacturing added jobs over the year. Over-the-year private sector job growth in New York City has remained at or above the 1.0 percent mark every month in 2005.

### LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 14,300, or 1.4 percent, to 1,036,800 in April 2005. Gains were largest in leisure and hospitality (+4,200), professional and business services (+3,900), educational and health services (+3,400), trade, transportation and utilities (+800), natural resources, mining and construction (+700), and manufacturing (+400).



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