

EMPLOYMENT in New York State

George E. Pataki, Governor

July 2005

Linda Angello, Commissioner

Significant Workforce Issue...

More Nurses Needed in NYS

One of the most pressing workforce issues that will touch almost all New Yorkers at some point in their lives is the shortage of nurses, a situation most often discussed in terms of registered nurses (RN). Part of the current shortage can be traced back to the early 1990s when managed care and other cost containment measures restructured the health care industry, leading to shorter hospital stays and nursing layoffs.

Supply Factors

The ensuing layoffs led to fewer students entering nursing programs and the number of RNs graduating from New York schools fell from 7,700 in 1996 to 5,100 in 2002. Since 2002, the number

of graduates has gradually increased, standing at about 6,300 in 2004. Despite this recent increase in graduates, the Center for Health Workforce Studies estimates that New York requires 9,300 new RNs each year, and that the RN shortage by 2010 will total 17,000 if current trends persist.

The decline in nursing students in the late 1990s led to a corresponding contraction in the number of nursing teaching staff. With the recent rebound in nursing enrollments, many programs are now suffering from lack of capacity. This development is reflected in a recent survey of SUNY community colleges that found 25 of 27 nursing programs were filled, and 15 had student waiting lists.

Continued on page 3

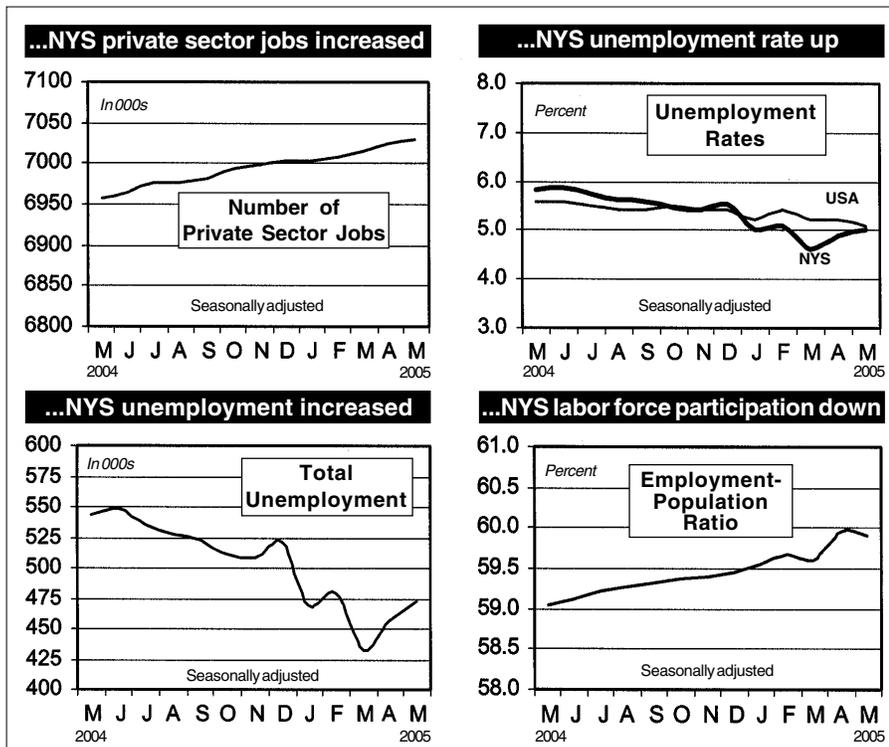
At a Glance

In May 2005, New York's seasonally adjusted unemployment rate was 5.0 percent, up from 4.9 percent in April. (The nation's unemployment rate was 5.1 percent in May.) In May 2005, the state had 8,512,500 nonfarm jobs, including 7,030,100 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by 0.1 percent from April. (The nation's private sector job count increased by 0.1 percent over the month.) From May 2004 to May 2005, the number of private sector jobs increased by 1.1 percent in the state and increased by 1.7 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, decreased in May.

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

	Net	%
Total Nonfarm Jobs	73.8	0.9
Private Sector	74.7	1.1
Goods-producing	-11.5	-1.2
Nat. res. & mining	0.5	8.6
Construction	5.2	1.6
Manufacturing	-17.2	-2.9
Durable gds.	-5.3	-1.6
Nondurable gds.	-11.9	-4.6
Service-providing	85.3	1.1
Trade, trans., & util.	13.2	0.9
Wholesale trade	-2.2	-0.6
Retail trade	14.3	1.7
Trans., whrs., & util.	1.1	0.4
Information	0.6	0.2
Financial activities	10.1	1.5
Prof. & bus. svcs.	18.7	1.8
Educ. & health svcs.	21.2	1.4
Leisure & hospitality	17.7	2.6
Other services	4.7	1.3
Government	-0.9	-0.1

IN MAY...



Focus on New York City

Job Growth Revs Up

by Jim Brown, Labor Market Analyst, New York City

New York City had 3,028,400 private sector jobs in May 2005, an increase of 1.2 percent from the same period in 2004. By comparison, private sector employment grew by 0.7 percent during 2004 (note: all 2004 job growth figures refer to the 12-month period ending in December 2004). The City's financial and professional industries, which lagged in 2004, are the primary reason job growth accelerated in 2005.

The professional and business services sector showed the greatest acceleration in job growth, climbing by 1.1 percent for the 12-month period through May 2005, after declining by 0.5 percent in 2004. Employment services, computer systems design and management of companies (primarily regional headquarters and holding companies) showed the greatest improvement. Since this sector accounts for almost 18 percent of all private sector jobs, its turnaround has been a key reason for accelerating job growth in 2005.

Employment in financial activities grew by 1.6 percent for the 12-month period ending in May 2005, compared with the sector's 0.4 percent growth rate in 2004. The key factor was strong gains in the securities and commodity contracts industry, up nearly 5 percent over the last 12 months. This built on a strong performance in 2004, when securities



“The City’s job market continued to improve in the first half of 2005 and the outlook remains strong.”

*John Harloff,
Regional Administrator,
New York City Region*

jobs climbed 2.9 percent. Reflecting a strong housing market, the real estate industry strengthened in 2005 after a good performance in 2004.

Following several years of sharp job losses and a modest gain in 2004 (+0.5 percent), the information sector built on its recovery in 2005 with a 1.2 percent job gain for the year ending in May 2005. A resumption of growth in the motion picture and sound recording industry was the driving force in this sector. Jobs in this industry climbed 3.4 percent for the 12 months ending in May 2005 after declining by a similar amount in 2004.

The natural resources and construction sector, which turned modestly positive (+0.2 percent) in 2004, gained momentum in 2005. For the 12-month

period ending May 2005, employment increased by 1.1 percent. The City's housing market has been strong for some time, and the improving picture for the financial and professional industries is helping the outlook for office space. Over the longer term, plans for an expanded convention center, new stadiums for the Mets and Yankees and continuing redevelopment of the World Trade Center site should help keep employment growing.

Leisure and hospitality, which was far and away the City's strongest sector in 2004, stayed strong in 2005. Jobs in this sector grew by 3.8 percent during 2004 and were up by 3.7 percent for the 12-month period ending in May 2005. Helped by strength in tourism, this sector reached record employment levels in 2004 and is building on those records so far this year. The May 2005 employment level—281,200—is the highest ever recorded for this sector, exceeding even the seasonal peak reached in December 2004.

Educational and health care services, which account for over 22 percent of all private sector jobs, is the City's largest source of jobs. Employment in this sector tends to grow at a moderate, but steady pace, and is driven more by long-term demographic trends and shifts in government spending than by

continued on page 3

Solving the Nursing Shortage

A variety of measures have been proposed to help alleviate New York's current nursing shortage. For example, a recent report from the New York State Senate suggests that enlarging the size of the nursing education pipeline, including increasing the number of nursing instructors, should be made a top priority in overcoming the shortage.

Nurse recruitment was also identified by the Senate report as a major issue. Increasing marketing and promotional efforts are one approach to attracting new students, as are financial incentives such as tuition reimbursement and loan forgiveness.

Lack of time to attend classes is also an issue for many prospective nursing students.

Thus, distance-learning nursing programs, such as New York's Excelsior College which has the largest nursing program in the country with 15,000 students, may play a part in the solution. Excelsior focuses on teaching LPNs, paramedics, and other potential nursing students that already have clinical experience.

Retention of nurses in the nursing profession—19 percent of RNs in New York are not employed in nursing (U.S. Dept. of Health & Human Services)—is another key issue. Improving working conditions that contribute to stress, such as reducing the amount of time nurses are expected to cover (“float”) departments where they often have no expertise, is seen as critical.

Hospitals have also begun “growing their own” RNs, paying for current employees to obtain their nursing degrees. In return, newly-graduated nurses agree to work at the hospital for a specified period of time. With almost 100,000 nursing aides, orderlies, and assistants in the state, more hospitals can be encouraged to take this win-win approach.

Lastly, there has been some success with recruiting nurses from other countries. The H1B visa program enables U.S. employers to hire foreign professionals in specialty occupations to work in the U.S. for up to six years, as long as the worker is being paid the prevailing wage for the work being performed and is not harming U.S. workers.

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	MAY '04	MAY '05		MAY '04	MAY '05		MAY '04	MAY '05
New York State	5.5	4.8	Hudson Valley	4.3	3.8	Southern Tier	4.8	4.4
Capital	4.0	3.7	Dutchess	4.0	3.7	Broome	4.9	4.5
Albany	3.9	3.7	Orange	4.4	3.9	Chemung	5.8	5.3
Columbia	4.0	3.4	Putnam	3.7	3.5	Chenango	5.3	4.6
Greene	5.0	4.4	Rockland	4.4	3.8	Delaware	4.0	3.7
Rensselaer	4.3	3.8	Sullivan	4.9	4.3	Otsego	3.9	3.8
Saratoga	3.5	3.3	Ulster	4.4	3.9	Schuyler	5.1	4.9
Schenectady	4.1	3.9	Westchester	4.2	3.8	Steuben	6.0	5.5
Warren	4.3	4.0	Mohawk Valley	5.0	4.7	Tioga	5.1	4.4
Washington	4.2	4.2	Fulton	5.3	5.0	Tompkins	3.5	3.0
Central New York	5.2	4.6	Herkimer	5.2	4.5	Western New York	5.5	5.0
Cayuga	4.7	4.3	Madison	4.9	4.8	Allegany	5.9	5.1
Cortland	5.4	4.6	Montgomery	5.3	5.0	Cattaraugus	5.6	5.1
Onondaga	4.9	4.4	Oneida	4.9	4.7	Chautauqua	5.2	4.6
Oswego	6.6	5.8	Schoharie	4.7	4.2	Erie	5.4	5.0
Finger Lakes	5.0	4.5	North Country	6.0	5.4	Niagara	5.7	5.3
Genesee	5.1	4.4	Clinton	5.7	4.9	Long Island	4.3	3.9
Livingston	5.6	4.7	Essex	5.0	4.8	Nassau	4.3	3.9
Monroe	5.0	4.5	Franklin	6.1	5.7	Suffolk	4.3	3.9
Ontario	4.4	4.1	Hamilton	5.2	4.6	New York City	6.7	5.5
Orleans	6.0	5.5	Jefferson	6.2	5.6	Bronx	8.6	7.1
Seneca	4.8	4.3	Lewis	5.7	5.7	Kings	7.2	6.0
Wayne	4.8	4.7	St. Lawrence	6.4	5.6	New York	6.0	4.8
Wyoming	5.6	5.0				Queens	6.0	5.1
Yates	3.9	4.0				Richmond	6.0	4.9

New York City...

from page 2 **More Nurses Needed in NYS...** from page 1

the business cycle. Employment increased by 1.0 percent for the 12 months ending in May 2005, down slightly from the rate in 2004. Job growth slowed in educational services, but accelerated in health care and social assistance.

The employment picture in trade, transportation and utilities is mixed. Overall, sector employment growth slowed from 1.6 percent in 2004 to 1.2 percent for the year ending May 2005. Over the same period, employment in transportation and warehousing dropped and retail growth slowed, while wholesale trade jobs increased.

Manufacturing was the only sector that lost jobs over both the 12-month period ending in May 2005 (-6.6 percent) and calendar year 2004 (-6.1 percent). The more severe loss suffered in the most recent 12-month period was due to weakness in the apparel industry.

In summary, the City's economy continues to strengthen in 2005. Several key sectors that lagged in 2004, such as financial activities and professional and business services, are leading the improvement this year. The sectors that led the economic turnaround last year, such as tourism and retailing, remain strong and should continue to expand. These trends, along with the growing turnaround in the construction industry, suggest that the City's economy will finish out 2005 on a strong note.

Two factors—high stress (due to working conditions) and perceived low pay—negatively impact the ability to recruit and retain nurses in the nursing profession. A State Regents report found that more than one-half of nurses describe feeling under great stress at least several days a week, while about 45 percent did not believe their salary was satisfactory.

Demand Factors

We are spending increasing amounts on health care. U.S. health expenditures are projected to more than double between 2002 and 2012, increasing from \$1.55 trillion to \$3.15 trillion. Part of this increase is attributable to more people getting older and living longer. In New York, the number of people aged 65 or older is expected to grow by over 700,000, or almost 30 percent, between now and 2020.

In the future, health care organizations are expected to push for additional cost savings, in part, by having nurses play a more active role in handling routine medical tasks. These changes will result in additional duties and supervisory responsibilities for many nurses, and boost overall demand for RNs.

All of the trends above are reflected in occupational projections for RNs in New York. Between 2002 and 2012, statewide employment of registered nurses is expected to rise 20.4 percent, more than

twice as fast as projected employment growth for all occupations.

Recent Initiatives

A number of initiatives are underway to help alleviate this situation. Earlier this year the Hudson Valley Health Care Initiative won a \$1 million federal grant to enable 50 nurses to become trained health care faculty members and an additional 100 specialists who will train nurses in clinical settings. They hope to train 1,000 nurses and other health care professionals over the grant's two-year period. In addition, Good Samaritan Hospital Medical Center in West Islip (Suffolk County) and Suffolk Community College entered into a partnership aimed at increasing the number of nursing program graduates by 30 every year. More programs such as these are likely to follow.

by Kevin Hannel

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

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

FIRST-CLASS MAIL
POSTAGE & FEES PAID
Employment Security
Permit No. G-12

State of New York
 Department of Labor
 Division of Research and Statistics
 W. Averell Harriman Office Building
 Campus
 Albany, New York 12240
 OFFICIAL BUSINESS

EMPLOYMENT IN NEW YORK STATE

http://www.labor.state.ny.us/workforceindustrydata/enys_index.shtml

REGIONAL ANALYSTS' CORNER

FINGER LAKES WILLIAM RAMAGE 585-258-8870

Private sector employment in the Rochester area declined 5,100, or 1.2 percent, over the year to 426,900 in May 2005. Job gains in educational and health services (+1,400) and professional and business services (+500) were outpaced by declines in manufacturing (-4,000), trade, transportation and utilities (-1,300), financial activities (-900) and leisure and hospitality (-500).

CENTRAL NY ROGER EVANS 315-479-3388

Private sector employment in the Syracuse area rose 3,500, or 1.3 percent, to 266,000 for the 12-month period ending May 2005. There is growing demand for high-tech workers in the Syracuse metro area, especially for engineers and IT (information technology) staff. Local companies are actively recruiting electrical, mechanical, radar systems and software engineers.

MOHAWK VALLEY MARK BARBANO 315-793-2282

Private sector employment in the Utica-Rome metro area fell 700, or 0.7 percent, to 99,400 for the 12-month period ending May 2005. Gains in educational and health services (+400) were offset by losses in manufacturing (-600) and professional and business services (-300). Government employment increased (+800) due to growth at the Oneida Nation's business enterprises, which are classified as part of the local government sector.

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Private sector employment in the North Country region increased over the year by 1,100, or 1.0 percent, to 114,800 in May 2005. The largest gains were in natural resources, mining and construction (+700), trade, transportation and utilities (+700), and educational and health services (+300). Losses were centered in leisure and hospitality (-300), information (-200), and manufacturing (-200).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From May 2004 to May 2005, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 5,700, or 1.7 percent, to 342,700, a record high for the month. Job gains were largest in educational and health services (+1,200), trade, transportation and utilities (+1,200), professional and business services (+900), financial activities (+700), information (+500), and leisure and hospitality (+500).

HUDSON VALLEY SEAN MacDONALD 914-997-8798

Private sector employment in the Hudson Valley area increased over the year by 16,800, or 2.3 percent, to 754,100 in May 2005, a new record for the month. Employment gains were largest in educational and health services (+4,200), leisure and hospitality (+3,600), professional and business services (+3,600), trade, transportation and utilities (+2,600), and financial activities (+2,100). Information (-600) and manufacturing (-500) posted losses over the year.

WESTERN NY JOHN SLENKER 716-851-2742

Employment in the private sector of the Buffalo-Niagara Falls metro area increased by 2,400, or 0.5 percent, to 456,300 over the 12 months ending May 2005. Gains were largest in leisure and hospitality (+1,100), financial activities (+800), educational and health services (+700), natural resources, mining and construction (+700), and professional and business services (+600). Losses were centered in manufacturing (-1,500).

SOUTHERN TIER JOSEPH KOZLOWSKI 607-741-4485

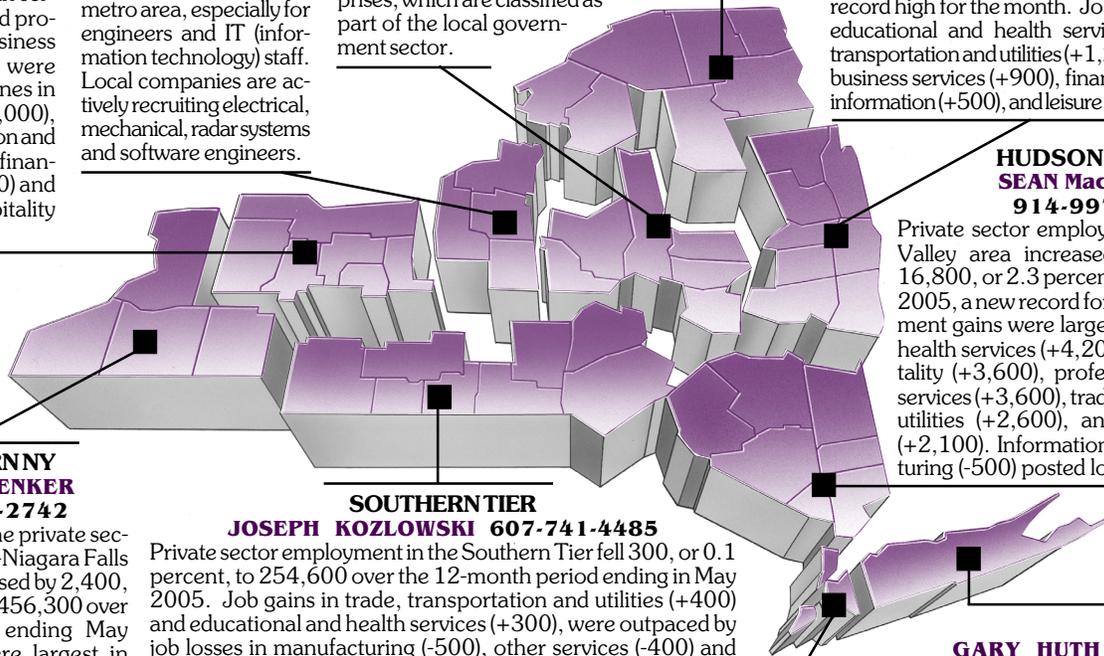
Private sector employment in the Southern Tier fell 300, or 0.1 percent, to 254,600 over the 12-month period ending in May 2005. Job gains in trade, transportation and utilities (+400) and educational and health services (+300), were outpaced by job losses in manufacturing (-500), other services (-400) and information (-300).

NEW YORK CITY JAMES BROWN 212-621-9353

New York City's private sector employment rose 34,700, or 1.2 percent, over the year to 3,028,400 in May 2005. The leisure and hospitality sector added the most jobs over the year (+10,000) and employment in this sector reached a record high for the month.

LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs on Long Island increased over the year by 13,900, or 1.3 percent, to 1,051,700 in May 2005. Gains were largest in educational and health services (+4,300), professional and business services (+4,100), leisure and hospitality (+2,500), trade, transportation and utilities (+700), other services (+700), financial activities (+600), manufacturing (+500), and natural resources, mining and construction (+500).



Equal Opportunity Employer/Program
 Auxiliary aids and services are available upon request to individuals with disabilities.
 Division of Research and Statistics, New York State Department of Labor