

EMPLOYMENT

in New York State

George E. Pataki, Governor

September 2004

Linda Angello, Commissioner

Passport to the World of Work...

Educational Preparation Pays

Education pays. On average, people with more education make more money, participate more in the labor force, and are unemployed less.

High school dropouts appear destined to face the most serious challenges to employment throughout their lives. Many dropouts are recent immigrants, who not only lack formal education, but in many cases also have limited English proficiency, which further limits their ability to secure a job. Historically, dropouts' labor force participation rate, which reflects their involvement in the job market, has been only three-quarters that of the overall population in New York State. In addition, their unemployment rate typically runs about twice as high as the statewide

average. In terms of median earnings, high school dropouts who worked full-time (at least 35 hours per week) and year-round (50 or more weeks) earned little more than one-half (\$18,900) the median salary of all full-time, year-round workers aged 25-64 years (\$35,000) in New York State in 2003.

High school graduates fared better, reporting full-time, year-round incomes of \$30,000. However, in the future a high school education will no longer be sufficient. When manufacturing was a greater source of employment, more higher-paying jobs were available to dropouts and high school graduates. However, the number of these jobs will fall as manufacturing's share of the economy

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At a Glance

In July 2004, New York's seasonally adjusted unemployment rate was 5.9 percent, down from 6.2 percent in June. (The nation's unemployment rate was 5.5 percent in July.) In July 2004, the state had 8,448,000 nonfarm jobs, including 6,977,700 private sector jobs, after seasonal adjustment. The number of private sector jobs in the state increased by less than 0.1 percent from June. (The nation's private sector job count also increased less than 0.1 percent over the month.) From July 2003 to July 2004, the number of private sector jobs increased by 1.1 percent in the state and increased by 1.5 percent in the nation (not seasonally adjusted). In addition, New York's employment-population ratio, a measure of labor force participation, went up in July.

Change in Nonfarm Jobs

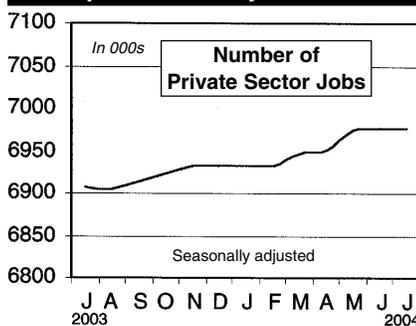
July 2003 - July 2004

(Data not seasonally adjusted, numbers in thousands)

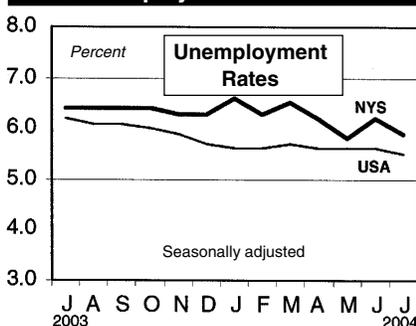
	Net	%
Total Nonfarm Jobs	68.2	0.8%
Private Sector	78.7	1.1%
Goods-Producing	-12.1	-1.3%
Nat. res. & mining	0.0	0.0%
Construction	3.2	0.9%
Manufacturing	-15.3	-2.5%
Durable gds.	-4.6	-1.3%
Nondurable gds.	-10.7	-4.1%
Service-providing	80.3	1.1%
Trade, trans., & util.	9.6	0.7%
Wholesale trade	-1.7	-0.5%
Retail trade	11.0	1.3%
Trans., whrs., & util.	0.3	0.1%
Information	5.0	1.8%
Financial activities	5.5	0.8%
Prof. & bus. svcs.	19.3	1.8%
Educ. & health svcs.	36.0	2.5%
Leisure & hospitality	13.3	1.9%
Other services	2.1	0.6%
Government	-10.5	-0.7%

IN JULY...

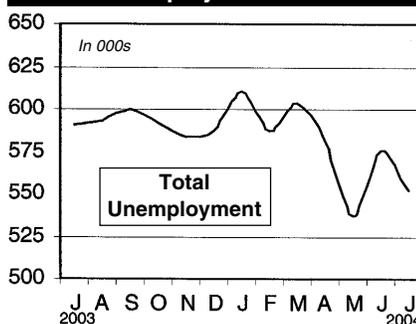
...NYS private sector jobs increased



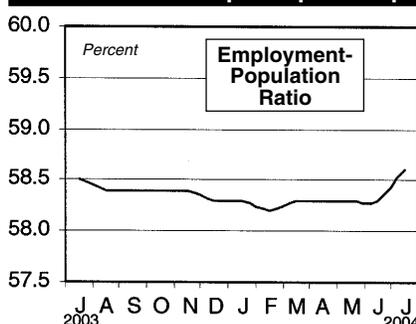
...NYS unemployment rate decreased



...NYS unemployment decreased



...NYS labor force participation up



Focus on New York City

A Strong Recovery Emerges

by Jim Brown, Labor Market Analyst, New York City

Bolstered by tourism and advertising-related businesses, New York City's private sector moved strongly into positive territory in 2004. Private sector jobs reached 2,990,900 in July of 2004, up 45,000 (+1.5 percent) from last July. The recovery gained traction throughout the year, with over-the-year growth in private sector employment turning positive in February 2004 and accelerating thereafter.

Strength in tourism and a modest revival in business travel helped leisure and hospitality employment reach a record high of 268,600 in July 2004, an increase of 12,200 (+4.8 percent) from a year earlier. Growth was widespread, with food services adding the most jobs (+6,100) while traveler accommodation grew the fastest (+9.3 percent). Despite the aftereffects of the September 11th terrorist attacks as well as a long slowdown in business travel, the sector has been adding jobs since 2002.

Rising advertising expenditures yielded strong job gains in the information sector. Employment rose by 10,700 (+6.7 percent) between July 2003 and July 2004. As home to most of the major TV networks as well as a variety of cable companies, radio broadcasters and magazine publishers, New York City's economy benefits when businesses increase their advertising budgets. Among advertising-dependent industries, radio and TV showed the fastest job growth (+8.6 percent), with employment also climbing in publishing and cable TV. In addition, jobs in the



“Bolstered by recent increases in tourism and business travel and the accompanying lift to the local economy and the strong commitment of government, the NYC economy shows signs of a strong and steady recovery.”

*John Harloff,
Regional Administrator*

motion picture and video industry jumped 18.4 percent over the year.

The education and health services supersector grew at a moderate pace, adding 8,900 jobs (+1.4 percent) during the July 2003-July 2004 period. Growth in this sector, which includes many nonprofits, is driven less by the economic cycle than by long-term demographic trends and shifts in government spending.

The professional and business services supersector, which includes over half-a-million people working in everything from law offices to security guard firms, added 15,900 jobs (+3.0 percent) for the year ending in July 2004. The professional, scientific and technical services sector saw

particularly strong gains in accounting and computer services. However, the fastest growing sector was administrative and support services, which consists primarily of businesses that provide support services to other businesses.

Retail employment increased by 7,000 (+2.7 percent) over the year. The strength of retail development can be seen in the recent opening of the Shops at Columbus Circle, a high-end mall. In addition, national retailers such as Lowe's, Home Depot, Whole Foods, Walgreen's, and Bed, Bath & Beyond are developing sites across the City. The outer boroughs have seen several major mall projects. Wal-Mart is reportedly scouting sites for its first New York City store.

Employment in financial activities fell by a modest 400 (-0.1 percent) between July 2003 and July 2004, as losses in finance and insurance outweighed growth in real estate and rental and leasing. Layoffs and relocations by large financial conglomerates were responsible for many of the losses at banking, securities and insurance companies. Most of these cutbacks actually occurred in 2003, and finance and insurance employment has subsequently held steady in 2004. The finance sector has seen significant expansion by mid-sized consumer-oriented banks that are opening dozens of branches across the city. The booming housing market is reflected in jobs gains for the real estate industry.

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Mapping Career Ladders

New frontiers opening in many industries require specific technical skills. Workers may not know how to qualify for expanding careers or where to get the training needed to reach a career goal. They need a map showing the route to a better job. Businesses need a steady stream of qualified, experienced employees. This is an important issue, especially in high-wage, high-growth fields.

A career ladder map outlines how a worker can progress up the ladder. It lays out for each rung of the ladder the job responsibilities and salary ranges, the education, training, and experience required to move up from rung to rung, and where to obtain that education or training. Employers, recruiters, workers, guidance

counselors and educators need a common language and reference points to create these career planning resources.

The State Workforce Investment Board has created a list of highly qualified consultant organizations to help map career ladders in key industry sectors. These career pathways offer benefits for businesses: advantages in recruiting and training new employees, upgrading employee skills, and retaining good workers. Career pathways also help ensure the vitality and growth of the local and regional economy by supporting employers in key economic sectors.

The State has given contracts to six consultants to explore and develop career ladders. They may bid on mapping assign-

ments released by NYSDOL for State and local boards. These organizations are:

- World Class Industrial Network LLC/
The FREEdLANCE Group
- Workforce Strategy Center
- Research Foundation of SUNY (Stony Brook)
- Cornell University
- Aerospace and Diversification Alliance in Peacetime Transition (ADDAPT)
- Syracuse University

Three local workforce areas have begun projects: Herkimer/Madison/Oneida, Finger Lakes, and Greater Capital Region. They are developing career ladders in industries such as biotechnology, photonics, semi-conductor, information technology and advanced manufacturing.

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JULY '03	JULY '04		JULY '03	JULY '04		JULY '03	JULY '04
New York State	6.3	5.9	Hudson Valley	4.3	4.2	Southern Tier	5.3	4.6
Capital District	3.6	3.6	Dutchess	3.6	3.8	Broome	5.6	4.9
Albany	3.5	3.4	Orange	5.1	4.9	Chemung	6.6	6.0
Columbia	3.3	3.4	Putnam	3.5	3.4	Chenango	5.9	5.3
Greene	4.5	4.7	Rockland	4.7	4.2	Delaware	4.6	4.0
Rensselaer	4.2	4.4	Sullivan	4.1	4.2	Otsego	3.4	3.5
Saratoga	3.1	2.9	Ulster	4.6	5.0	Schuyler	6.3	5.2
Schenectady	3.9	4.0	Westchester	4.2	4.1	Steuben	8.1	6.3
Warren	3.7	3.5	Mohawk Valley	5.1	4.9	Tioga	5.5	4.5
Washington	3.9	4.1	Fulton	5.5	5.4	Tompkins	2.2	2.6
Central New York	5.8	5.9	Herkimer	4.6	4.7	Western New York	6.7	6.5
Cayuga	5.8	5.6	Madison	5.1	5.2	Allegany	7.7	7.1
Cortland	5.9	6.5	Montgomery	6.8	5.7	Cattaraugus	6.7	6.8
Onondaga	5.0	5.4	Oneida	5.0	4.6	Chautauqua	6.5	5.4
Oswego	8.7	7.8	Schoharie	4.0	4.5	Erie	6.4	6.5
Finger Lakes	5.7	5.3	North Country	6.1	6.1	Niagara	7.8	7.0
Genesee	5.4	5.6	Clinton	5.8	5.9	Long Island	4.5	4.3
Livingston	5.5	5.4	Essex	3.3	3.8	Nassau	4.2	4.0
Monroe	6.0	5.5	Franklin	6.0	5.5	Suffolk	4.8	4.7
Ontario	4.8	4.3	Hamilton	2.2	3.0	New York City	8.4	7.6
Orleans	7.9	6.4	Jefferson	6.2	6.4	Bronx	10.4	9.6
Seneca	4.8	5.1	Lewis	6.2	6.1	Kings	9.4	8.4
Wayne	5.7	5.1	St. Lawrence	7.4	7.2	New York	8.2	7.0
Wyoming	5.3	5.3				Queens	6.8	6.2
Yates	3.5	3.5				Richmond	8.1	7.5

New York City...

from page 2

Construction employment is generally very sensitive to economic trends and interest rates. New York City's construction employment dropped by 6,100 (-5.3 percent) for the year ending in July 2004. While record-low interest rates have spurred considerable activity in residential construction, the loss of office jobs during the last few years has led to lower rents, higher vacancy rates and a drop in commercial construction activity. With the City's professional and information industries expanding and job losses dwindling in the financial sector, the outlook for the construction sector should brighten.

Manufacturing employment suffered the largest job loss of any sector during the July 2003 to July 2004 period, dropping by 6,600 (-5.3 percent). Losses were particularly severe in apparel (-12.5 percent).

In summary, the City's economy has improved noticeably over the last year. Many previously weak sectors such as information and professional and business services are rebounding. In addition, non-profit sectors continue to expand, while tourism and retailing remain strong. The outlook for these sectors remains good for the balance of 2004, and the employment outlook in financial activities should also improve. In contrast, sectors with many blue-collar jobs – manufacturing, construction, transportation and wholesaling – remain weak, although construction is expected to improve.

Educational Preparation Pays... from page 1

Median Annual Wages,
Full-Time, Year-Round Workers
Ages 25-64, New York State, 2003

Highest Education Level	Median Annual Earnings
All Workers	\$35,000
Less than H.S. Diploma	18,900
H.S. Diploma	30,000
Some College	35,000
Associate Degree	36,000
Bachelor's Degree	44,900
Master's Degree	57,400
Professional Degree	68,000
Doctoral Degree	75,000

Source: CPS, March 2004 supplement

continues to decline (7 percent in 2003 vs. 29 percent statewide in 1963). Moreover, new manufacturing technologies will likely require education beyond high school for remaining workers.

Persons with some college education (but who did not graduate) and associate degrees reported median incomes of \$35,000 and \$36,000, respectively, in 2003. These wage levels were about equal to the median salary for all full-time, year-round workers.

Median salaries rise markedly among those workers with a bachelor's degree or higher. U.S. data show that over time the "earnings premium" paid to workers with additional education has actually

widened. Among all full-time, year-round New York workers with at least a bachelor's degree, the median salary was \$60,000 in 2003, or twice the annual salary of high school graduates and more than three times the average salary received by high school dropouts. Holders of professional and doctoral degrees had the highest median salaries of all, \$68,000 and \$75,000, respectively, in 2003.

In summary, New Yorkers with more years of education, on average, receive significantly higher salaries than people with less formal education. Degrees and diplomas are more than symbols or reminders of educational attainment: they are important passports to today's world of work.

by Kevin Jack

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REGIONAL ANALYSTS' CORNER

FINGER LAKES WILLIAM RAMAGE 585-258-8870

Private sector employment in the Rochester area dropped 2,300, or 0.5 percent, over the year, to 450,600 in July 2004. Job gains in educational and health services (+2,200) and financial activities (+400) were outpaced by losses in manufacturing (-4,300), trade, transportation and utilities (-800), and professional and business services (-500).

CENTRAL NY ROGER EVANS 315-479-3388

Private sector jobs in the Syracuse area rose by 2,100, or 0.8%, to 281,600 in the 12 months ending July 2004. Job gains were centered in educational and health services, professional and business services, leisure and hospitality and natural resources, mining and construction. Employment fell over the year in manufacturing.

MOHAWK VALLEY MARK BARBANO 315-793-2282

Utica-Rome's private sector job count was unchanged over the year, standing at 101,400 in July 2004. Gains in educational and health services (+400) and manufacturing (+200) offset losses in professional and business services (-300) and leisure and hospitality (-300). Manufacturing posted its first over-the-year gain since September 2000.

NORTH COUNTRY ALAN BEIDECK 518-891-6680

Over the year, the North Country's private sector job count rose 1,700 to 119,100 in July, a new high for the month. The largest employment gains were in trade, transportation, and utilities (+1,000), educational and health services (+600), and leisure and hospitality (+400).

CAPITAL DISTRICT JAMES ROSS 518-462-7600

From July 2003 to July 2004, the number of private sector jobs in the Albany-Schenectady-Troy area increased by 5,100, or 1.5 percent, to 355,100, a record high for the month. Job gainers were led by educational and health services (+1,200), leisure and hospitality (+1,200), financial activities (+800), and trade, transportation and utilities (+800).

HUDSON VALLEY SEAN MacDONALD 914-997-8798

Private sector employment rose 12,900, or 1.7 percent, over the year to 753,300 in July 2004. Growth was strongest in trade, transportation and utilities (+4,500), educational and health services (+3,400), professional and business services (+1,900), leisure and hospitality (+1,600), and natural resources, mining and construction (+1,100). Manufacturing (-1,200) declined over the year.

WESTERN NY JOHN SLENKER 716-851-2742

The Buffalo-Niagara Falls private sector job count declined by 2,600, or 0.6 percent, over the year to 449,000 in July 2004. Gains were centered in educational and health services (+600), other services (+400) and professional and business services (+400). Cutbacks occurred in manufacturing (-2,400), trade, transportation and utilities (-700) and natural resources, mining and construction (-500).

SOUTHERN TIER JOSEPH KOZLOWSKI 607-741-4485

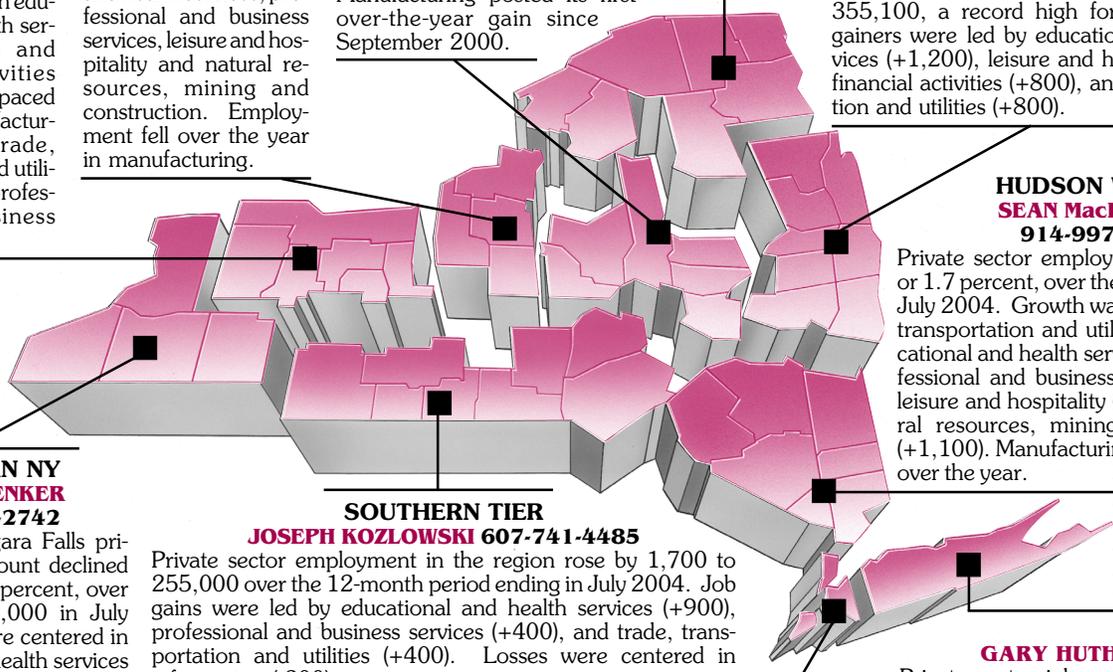
Private sector employment in the region rose by 1,700 to 255,000 over the 12-month period ending in July 2004. Job gains were led by educational and health services (+900), professional and business services (+400), and trade, transportation and utilities (+400). Losses were centered in information (-300).

NEW YORK CITY JAMES BROWN 212-352-6666

Private sector employment in New York City rose 45,000, or 1.5 percent, to 2,990,900 for the 12-month period ending July 2004. Professional and business services (+15,900), leisure and hospitality (+12,200) and information (+10,700) continued to lead the City's recovery. At 7.6 percent in July, the unemployment rate was below its year-earlier level for the ninth straight month.

LONG ISLAND GARY HUTH 516-934-8533

Private sector jobs rose 11,100, or 1.1 percent, over the year to 1,045,200 in July 2004, a record high for the month. Gains were largest in educational and health services (+4,600), professional and business services (+3,100), trade, transportation and utilities (+2,500), leisure and hospitality (+1,400), and natural resources, mining and construction (+1,200). Manufacturing (-1,500) and information (-1,100) lost jobs over the year.



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