

Employment

IN NEW YORK STATE

Andrew M. Cuomo, Governor
Peter M. Rivera, Commissioner

At a Glance

In June 2014, New York's seasonally adjusted unemployment rate decreased from 6.7% to 6.6%. The nation's unemployment rate was 6.1% in June 2014. New York State had 9,030,000 nonfarm jobs in June 2014, including 7,589,600 private sector jobs, after seasonal adjustment. The number of seasonally adjusted private sector jobs in the state increased by 0.3% in May-June 2014, while those in the nation increased by 0.2%. From June 2013 to June 2014, the number of private sector jobs increased by 1.8% in the state and 2.2% in the nation (not seasonally adjusted). New York's Index of Coincident Economic Indicators increased at an annual rate of 3.6% in June 2014.

Change in Nonfarm Jobs

June 2013 - June 2014

(Data not seasonally adjusted, net change in thousands)

	Net	%
Total Nonfarm Jobs	131.8	1.5
Private Sector	137.3	1.8
Goods-producing	5.7	0.7
Nat. res. & mining	0.2	3.8
Construction	11.6	3.5
Manufacturing	-6.1	-1.3
Durable gds.	-3.0	-1.1
Nondurable gds.	-3.1	-1.6
Service-providing	126.1	1.5
Trade, trans. & util.	24.3	1.6
Wholesale trade	2.5	0.7
Retail trade	15.0	1.6
Trans., wrhs. & util.	6.8	2.5
Information	-3.2	-1.2
Financial activities	-2.2	-0.3
Prof. & bus. svcs.	31.3	2.6
Educ. & health svcs.	51.6	2.9
Leisure & hospitality	24.8	2.8
Other services	5.0	1.3
Government	-5.5	-0.4

An Important Tool for Economic and Workforce Development...

Another Look at Industry Clusters in New York State

Industry clusters are the focus of many economic and workforce development efforts. They help us to better understand the critical inter-industry linkages in the economies of New York State and its 10 labor market regions.

The idea behind clusters traces back to Michael Porter's 1990 book, "The Competitive Advantage of Nations." He defined clusters as groups of related industries that drive wealth creation in a region, primarily through the export of goods and services. Export customers can be foreign or domestic (but outside the home region).

The way in which component industries within a cluster are related varies. Some may have common customers. Others share a common workforce, input suppliers or

transportation infrastructure. Other common characteristics within industry clusters include shared technology or shared institutions (e.g., trade associations).

Clusters in New York State

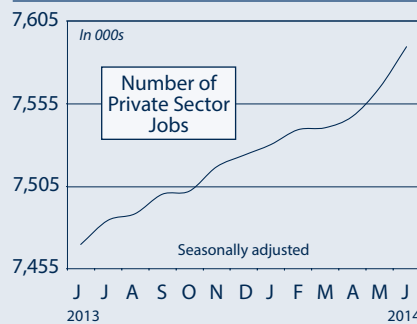
Empire State Development (ESD) has defined 16 industry clusters in the state. The table on page 3 shows more details about these clusters, including: number of jobs; total and average wages paid; and regional exports (foreign or domestic).

Most clusters break down further into sub-clusters. Some ESD clusters contain more than 100 industries. In some clusters, we pro-rate the job count for certain industries because not all jobs in that industry are supported by

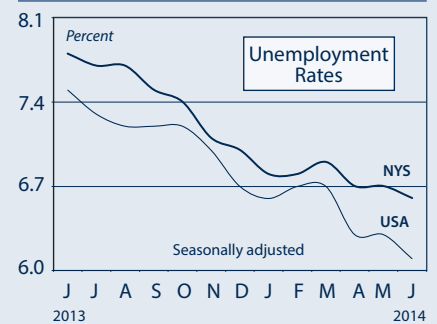
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IN JUNE...

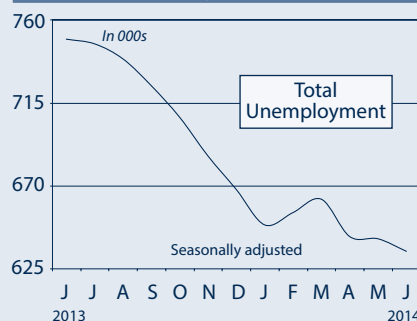
...NYS private sector jobs increased



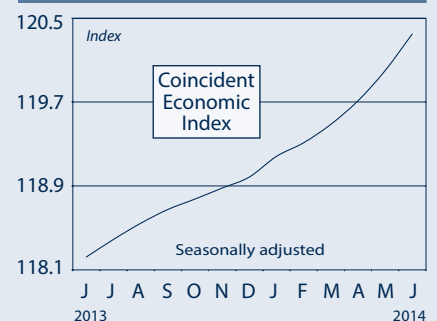
...NYS unemployment rate decreased



...NYS unemployment decreased



...NYS economic index increased



Focus on Long Island

How Long Island is Dealing with the Challenges of an Aging Labor Force
by Shital Patel, Labor Market Analyst, Long Island

The Long Island economy has regained all of the private sector jobs it lost during the recession. In fact, the region has surpassed its pre-recession high by nearly 40,000 jobs.

Despite the region's buoyant labor market, one challenge looms on the horizon: the aging of Long Island's workforce. This is a national challenge; about 10,000 Baby Boomers -- people born from 1946 to 1964 -- turn 65 every day in the United States. Long Island's workforce is older than average, with 24% of the region's working population over age 55, which was slightly higher than the 21% share at both the state and national levels.

Meeting the Challenge

The Long Island Regional Economic Development Council (LIREDC) is working with several local stakeholder groups to develop programs to prepare for future workforce needs. Several local initiatives are focusing on:

- Educating and retaining a younger workforce.
- Retraining workers in response to ever-changing technology.
- Boosting the pipeline of healthcare workers to help meet the growing needs of an aging population.

Training and Retaining Younger Workers

An early initiative of the LIREDC was to increase the number of college students studying in science, technology, engineering and mathematics (STEM) fields. This focus is even more critical since 22% of STEM workers on Long Island were over age 55, which is higher than the 18% share in the state and nation.

This situation is more dire for engineering, where 27% of local workers are over 55. Comparable figures are 24% for the state and 21% for the nation. One LIREDC initiative addressing this issue is the ENGINE program at Hofstra and Stony Brook universities, which has enhanced engineering education at both universities. This has resulted in increased enrollments, more faculty and renovated labs.

The LIREDC also recognized the importance of affordable new housing options to keep young people on Long Island. In response, several local Industrial Development Agencies have also supported the building of multifamily residential developments through financial incentives. The demand for rental apartments in places such as Patchogue, Huntington Station and Rockville Centre has far outpaced the supply.

Retraining Older Workers

Retraining older workers in the face of new technology is particularly important in manufacturing. On Long Island, 28% of factory workers are 55+, compared to 23% in the state and 20% in the nation. Employees with specialized skills, such as machinists and technicians, tend to be extremely difficult and expensive to replace. Several local companies that won LIREDC funding for new equipment have allocated funds to train their workers in these new technologies.

More Healthcare Workers Needed

Demand for healthcare workers on Long Island is expected to grow sharply with the aging of the Baby Boomer generation. In fact, healthcare support workers are projected to grow



the most (25.3%) of any occupational group on Long Island between 2010 and 2020. An aging population also requires greater assistance in managing their everyday activities. This will boost employment of direct-care workers, such as personal care aides, who provide a range of services to older people. Employment of personal care aides is projected to grow by 53.3% in 2010-2020, an increase of 6,510 jobs.

To further complicate matters, a staggering 30% of registered nurses on Long Island are over age 55. LIREDC initiatives are underway to help prevent a worker shortage in this critical field. The Hofstra/North Shore-LIJ Medical Scholars Pipeline program, which currently has 61 enrollees, provides high school and college students from distressed communities with exposure to a variety of medical fields (e.g., medical technician, nursing, emergency medicine). The local workforce development system also provides a variety of training programs in healthcare occupations.

Looking Ahead

Like most areas of the United States, the Long Island economy faces a variety of workforce issues due to an aging population. Going forward, the collaborative efforts among stakeholders to train and retain workers will be critical for the region to stay competitive. ■

Industry Clusters in New York State... from page 1

sales to customers outside the local region. For example, we count only 20% of restaurant jobs as part of the travel and tourism cluster. We estimate the other 80% are supported by sales to local residents, and thus not counted as part of cluster employment.

In 2013, statewide cluster employment totaled more than 2.8 million, representing about one in three jobs in New York State. Total cluster wages were over \$277 billion, or just over 50% of all wages paid in the state last year. Cluster industries often pay above-average wages. This was true in 2013, when cluster industries paid an average salary of \$97,500 in New York State, or 50% more than the state's private sector average. Clusters are also an important source of regional

exports. They generated more than \$562 billion in exports (foreign or domestic) in 2012 (latest year available).

Largest Clusters

With more than 620,000 jobs, front office and producer services had the most employment of any cluster in New York in 2013. The industry with the most jobs is corporate headquarters (130,400). The cluster also sports an above-average wage level (\$108,000) because of the relatively high wages paid in the corporate headquarters industry. Altogether, the cluster paid out more than \$67 billion in total wages in 2013, the second highest amount of any cluster. Front office and producer services ranked #2 among all clusters in New York with \$67.8 billion in exports.

Finance had the second highest job count, 554,100, of any cluster in 2013. Most finance jobs are found in the securities and investments (185,300) and banking and credit (160,600) sub-clusters. Finance is also notable because it paid out more than \$100 billion in total wages in 2013, the most of any cluster. This cluster also had the highest average wage, \$180,700, largely due to the high average salary paid in the securities and investments sub-cluster (\$339,300). Finance is also important because it had by far the most exports -- \$213.7 billion -- of any cluster. Not surprisingly, this cluster is dominated by New York City, which has two in three finance cluster jobs in the state.

Continued on page 3

Unemployment Rates in New York State

Data Not Seasonally Adjusted

	JUN '13	JUN '14		JUN '13	JUN '14		JUN '13	JUN '14
New York State	7.8	6.5	Hudson Valley	6.7	5.3	Finger Lakes	7.1	5.7
Capital	6.5	5.1	Dutchess	6.9	5.3	Genesee	6.4	4.8
Albany	6.5	5.1	Orange	7.5	5.8	Livingston	7.3	5.8
Columbia	6.3	4.8	Putnam	6.0	4.6	Monroe	7.2	5.8
Greene	7.8	6.1	Rockland	6.0	4.9	Ontario	6.3	5.3
Rensselaer	6.9	5.4	Sullivan	8.5	6.6	Orleans	8.5	6.6
Saratoga	5.8	4.5	Ulster	7.8	6.1	Seneca	6.7	5.3
Schenectady	7.1	5.4	Westchester	6.4	5.1	Wayne	7.3	5.6
Warren	6.5	5.3	Mohawk Valley	7.8	6.2	Wyoming	7.2	5.6
Washington	6.6	5.2	Fulton	8.8	6.8	Yates	6.0	4.8
Central New York	7.6	6.1	Herkimer	7.7	6.0	Western New York	7.6	6.0
Cayuga	6.9	5.5	Montgomery	8.9	6.8	Allegany	7.9	6.3
Cortland	7.8	6.5	Oneida	7.8	6.2	Cattaraugus	8.0	6.2
Madison	7.5	6.0	Otsego	6.7	5.3	Chautauqua	7.7	6.3
Onondaga	7.2	5.8	Schoharie	7.9	6.5	Erie	7.5	6.0
Oswego	9.6	7.8	North Country	9.0	7.1	Niagara	7.6	6.0
Southern Tier	7.6	6.1	Clinton	8.8	6.7	Long Island	6.2	4.9
Broome	8.0	6.6	Essex	8.0	6.5	Nassau	6.1	4.8
Chemung	8.4	6.5	Franklin	8.8	6.9	Suffolk	6.3	5.0
Chenango	7.0	5.6	Hamilton	6.0	4.2	New York City	8.9	7.7
Delaware	8.0	6.3	Jefferson	9.1	7.1	Bronx	12.1	10.8
Schuyler	7.1	5.7	Lewis	9.1	7.0	Kings	9.6	8.3
Steuben	8.8	7.0	St. Lawrence	9.8	7.8	New York	7.6	6.4
Tioga	7.8	6.2				Queens	8.0	6.9
Tompkins	5.6	4.5				Richmond	7.9	7.1

Industry Clusters in New York State... from page 2

Industry Clusters, New York State, 2013

Industry Cluster	Jobs (1000s)	Total Wages (\$ billions)	Average Wage	Regional Exports* (\$ billions)
Front Office & Producer Svcs.	623.1	\$67.3	\$108,000	\$67.8
Financial Services	554.1	\$100.1	\$180,700	\$213.7
Travel & Tourism	391.5	\$15.9	\$40,500	\$29.7
Comm., Software & Media Svcs.	245.5	\$23.1	\$94,100	\$58.0
Distribution	239.4	\$15.2	\$63,300	\$50.0
Back Office & Outsourcing	168.6	\$8.6	\$50,700	\$1.9
Information Technology Svcs.	134.9	\$15.2	\$112,700	\$9.9
Industrial Machinery & Svcs.	120.0	\$7.7	\$64,200	\$23.9
Fashion, Apparel & Textiles	68.9	\$5.3	\$77,500	\$16.0
Food Processing	63.6	\$2.7	\$42,300	\$20.0
Materials Processing	62.9	\$3.8	\$60,000	\$25.0
Biomedical	57.4	\$4.6	\$79,200	\$16.8
Electronics & Imaging	47.7	\$4.5	\$94,900	\$13.5
Forest Products	33.1	\$1.6	\$48,200	\$6.5
Transportation Equipment	20.1	\$1.4	\$67,900	\$7.2
Miscellaneous Manufacturing	17.9	\$0.8	\$47,100	\$2.3
Total, All Clusters	2,848.8	\$277.7	\$97,500	\$562.3

*Data from 2012
Sources: Quarterly Census of Employment and Wages; ESD; EMSI

Travel and tourism ranked third in overall cluster employment (391,500) in New York State. Cluster industries with the most jobs are hotels and motels (83,300), full-service restaurants (61,500), lim-

ited-service restaurants (31,900) and passenger air transportation (28,600). Unlike front office and producer services and financial services, this cluster has a relatively low average wage (\$40,500).

This reflects, in part, the part-time and seasonal nature of many jobs found in the cluster. Notably, the travel and tourism cluster generated \$29.7 billion in exports in 2012.

Summary

Industry clusters are an important part of the New York State economy. They send their products and services to other U.S. states and other countries around the globe. These exports ring up sales that generate fresh dollars and help to create new jobs that pay above-average wages.

For more information about clusters in New York, see labor.ny.gov/stats/nysindclusters.asp. ■

by Timothy Glass and David Quickenton

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REGIONAL ANALYSTS' CORNER

CAPITAL

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From June 2013 to June 2014, the Capital Region's private sector job count grew by 4,400, or 1.0 percent, to 429,200. Gains were centered in natural resources, mining and construction (+2,900), educational and health services (+1,600) and professional and business services (+1,300). Losses were greatest in financial activities (-1,100) and trade, transportation and utilities (-300).

CENTRAL NY

Karen Knapik-Scalzo — 315-479-3391

For the 12-month period ending June 2014, the private sector job count in the Syracuse metro area declined by 2,100, or 0.8 percent, to 255,000. Job growth was concentrated in leisure and hospitality (+500), professional and business services (+400) and other services (+300). The largest job losses occurred in educational and health services (-1,500), natural resources, mining and construction (-700) and manufacturing (-600).

FINGER LAKES

Tammy Marino — 585-258-8870

Private sector jobs in the Rochester metro area increased over the year by 3,000, or 0.7 percent, to 441,400 in June 2014. Employment gains were largest in educational and health services (+4,600), leisure and hospitality (+1,500) and financial activities (+500). Losses were greatest in trade, transportation and utilities (-1,100), construction (-1,000) and professional and business services (-700).

HUDSON VALLEY

John Nelson — 914-997-8798

For the 12-month period ending June 2014, private sector jobs in the Hudson Valley increased by 8,800, or 1.2 percent, to 765,500. Job gains were strongest in educational and health services (+6,400), leisure and hospitality (+2,800), professional and business services (+1,100) and trade, transportation and utilities (+1,000). Losses were centered in natural resources, mining and construction (-1,500) and manufacturing (-900).

LONG ISLAND

Shital Patel — 516-934-8533

Private sector jobs on Long Island increased over the year by 18,400, or 1.7 percent, to 1,120,900 in June 2014. Gains were largest in educational and health services (+6,600), trade, transportation and utilities (+6,400), natural resources, mining and construction (+5,100) and professional and business services (+2,600). Losses occurred in financial activities (-2,800) and information (-500).

MOHAWK VALLEY

Mark Barbano — 315-793-2282

For the 12-month period ending June 2014, the private sector job count in the Mohawk Valley increased by 900, or 0.6 percent, to 149,900. Job gains occurred in educational and health services (+1,100) and leisure and hospitality (+600). Losses were greatest in professional and business services (-400), manufacturing (-200) and trade, transportation and utilities (-200).

NEW YORK CITY

James Brown — 212-775-3330

Private sector employment in New York City rose by 97,100, or 2.8 percent to 3,530,400 for the 12-month period ending June 2014. Job growth was strongest in educational and health services (+38,600), leisure and hospitality (+17,000), professional and business services (+16,300), trade, transportation and utilities (+16,000) and natural resources, mining and construction (+4,700). Losses were centered in information (-2,900).

SOUTHERN TIER

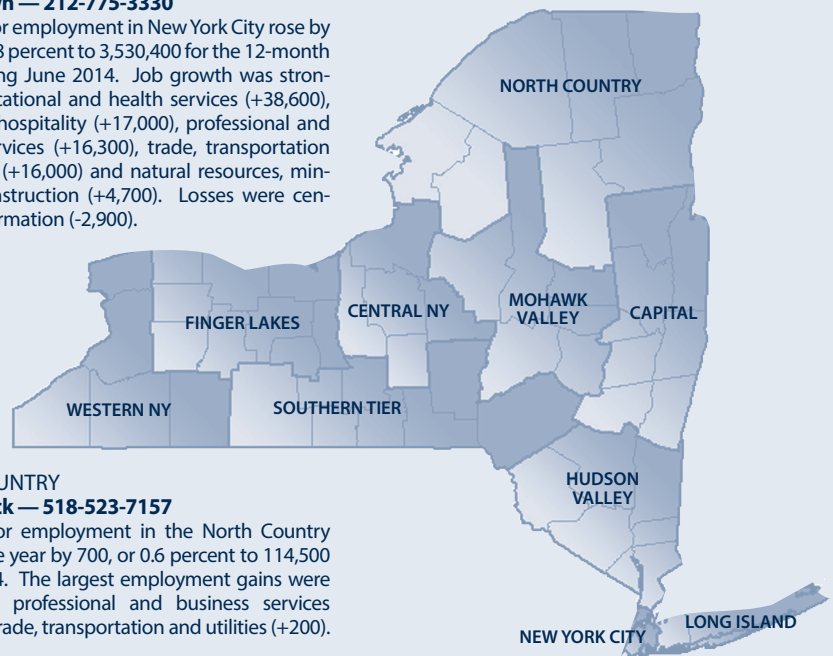
Christian Harris — 607-741-4485

Private sector employment in the Southern Tier increased over the year by 400, or 0.2 percent, to 234,200 in June 2014. Job gains were largest in natural resources, mining and construction (+500), leisure and hospitality (+300) and other services (+300). Job losses were centered in manufacturing (-400) and financial activities (-300).

WESTERN NY

John Slenker — 716-851-2742

From June 2013 to June 2014, the private sector job count in the Buffalo-Niagara Falls metro area increased by 5,800, or 1.3 percent, to 466,800 in June 2014. Gains were greatest in educational and health services (+1,800), trade, transportation and utilities (+1,700), leisure and hospitality (+1,500) and professional and business services (+1,400). Job losses were centered in financial activities (-800).



NORTH COUNTRY

Alan Beideck — 518-523-7157

Private sector employment in the North Country rose over the year by 700, or 0.6 percent to 114,500 in June 2014. The largest employment gains were recorded in professional and business services (+300) and trade, transportation and utilities (+200).