Laurentian Aerospace secured the financing necessary to start construction on aircraft maintenance, repair and overhaul facility in Plattsburgh. The 273,000 sq. ft hangar is expected to be completed in 18 months. When finished, Laurentian expects to begin operations with 200-300 workers, which could grow up to 900 within two years. By mid-summer, Alcoa expects to restart an idled aluminum manufacturing plant in Massena. (St. Lawrence County).

Two restaurant chains, Texas Road House and Uno Chicago Grill, plan to open branches in Plattsburgh. Combined employment at the restaurants is expected to be about 200. The proposed restaurants are positive signs the Plattsburgh area is viewed as an attractive place to invest.

Trudeau Institute in Saranac Lake (Essex County) will suffer a 25 percent cut in research revenue in 2011. To deal with this, the Institute intends to reduce costs, freeze salaries and benefits, and decrease the number of staff.

2000-2010 Employment Trends in the North Country

A review of the past decade shows us the effects on our region of two recessions and ongoing structural changes in the economy. The rate of decline in private sector jobs in the North Country (Clinton, Essex, Franklin, Hamilton, Lewis, Jefferson and St. Lawrence Counties) between 2000 and 2010 was 2.9%. Five of the region’s seven counties had a decline in private sector jobs over the past decade. Lewis (-11.6%) and Essex (-10.5%) had double-digit drops. Less affected were Clinton (4.7%), St. Lawrence (-5.1%) and Franklin (-7.2%). On a net basis, St. Lawrence (-1,500) and Clinton (-1,100) had the largest job losses. Hamilton was the only county with no employment change over the decade, while Jefferson (+6.9%) was the only county that added private sector jobs over the decade.

Manufacturing’s Decline

The loss of manufacturing jobs over the past decade hit the North Country region very hard. This sector declined in every county. It was the largest source of job losses in every MSA in the state. On a percentage basis, the region lost 39.4% of its manufacturing jobs over the decade. Four of the seven counties in the region lost at least 35% of their factory jobs between 2000 and 2010. The biggest percent drops were in Hamilton (-100%), Franklin (-60%) and St. Lawrence (-52.9%).
A Decade ... from page 1:

was large enough to more than
offset manufacturing losses in
Lewis County. Two counties
saw their E&H employment
grow by more than 20%. The
fastest over-the-decade
growth was in Lewis (+33.3%),
St. Lawrence (+23.3%) and
Clinton (+15.6%).

Professional and business
services (private) gained
employment in five of the
counties in the region. The
fastest growth was observed
in Franklin (+75%), Jefferson
(+35%) and Clinton (+26.7%).
Essex (-50%) and Lewis (-
33.3%) were the only two
counties that lost jobs in this
sector. E&H and professional
and business services growth
together were large enough to
more than offset
manufacturing losses in
Clinton, Franklin, Hamilton,
and Jefferson counties.
Manufacturing accounted for
a relatively small share (5-6%)
of total jobs in Franklin,
Hamilton, and Jefferson
counties in 2000. At the same
time, these three counties were
among the counties that lost
the most of their factory
employment over the decade.

**Government Grows in Most
Areas**

From 2000 to 2010, the
government jobs increased in
six of the seven counties in
the region. The fastest public
sector job growth occurred in
Hamilton (+14.3%), Franklin
(+12.8%), and Jefferson
(+7.8%). St. Lawrence (-1.7%)
was the only county that saw
government jobs fall.

### Clinton County, Employment by Subsector, 2000-2010

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Employment Level</th>
<th>Change: %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Nonfarm</td>
<td>34,960</td>
<td>-1.10</td>
</tr>
<tr>
<td>Total Private</td>
<td>25,800</td>
<td>-2.20</td>
</tr>
<tr>
<td>Natural Resources, Mining and Construction</td>
<td>1,200</td>
<td>0.00</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5,400</td>
<td>-1.60</td>
</tr>
<tr>
<td>Trade, Transportation and Utilities</td>
<td>7,700</td>
<td>-2.60</td>
</tr>
<tr>
<td>Information</td>
<td>600</td>
<td>-1.70</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>880</td>
<td>+11.25</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>1,500</td>
<td>+26.70</td>
</tr>
<tr>
<td>Educational and Health Services</td>
<td>4,500</td>
<td>+15.60</td>
</tr>
<tr>
<td>Other Services</td>
<td>3,000</td>
<td>-20.00</td>
</tr>
<tr>
<td>Government</td>
<td>9,100</td>
<td>+1.10</td>
</tr>
</tbody>
</table>

Quarterly Data is the year-to-date percentage change from the previous year’s YTD data

Source: Regional Economic Conditions Reported by the Federal Deposit Insurance Corporation (FDIC)
Employment Growth and Workforce Development in the North Country

PART IV

Kameliia Petrova

This is a continuation of the study presented in Vol.4, No.2 edition of Trendlines.

Effect of Expansions and Contractions: Overall for the Area

Table 4 shows expansions and contractions by number of jobs for the region as a whole. For the most part, the years during the period of observation, expansion of establishments outweighs contraction. The highest negative effect was observed in 1995 when the 1,844 jobs (1% of the total number of jobs) were lost. The best years are 1997 and 1998, when the net positive effects of jobs gained amount to 3,173 and 2,096 respectively. For both years, this is about 2% of the total number of jobs for the region.

Clinton County experienced negative net effects of expansions and contractions for six of the eighteen years observed in the analysis. The worst year was 1990, when the negative net effect accounted for 7% of the total employment in the county. For 1994, 1996 and 2002 the negative effects were 3%, 2% and 3% respectively. Negative effects, smaller than 1%, were observed in 2006 and 2007. In 1998 Clinton County gained 4,466 jobs due to expanding businesses. The total net effect was the addition of 3,503 jobs, accounting for 8% of the total number of jobs. For Essex County, the net effects of expansions and contractions, both positive and negative, average 1% annually of the total number of jobs. Negative effects were observed in four years. For the rest of the period the gains from expansions outweighed the losses from contractions. The only exception is 1999, when the county gained 1,545 jobs with a net effect of 8%. Franklin County experienced the highest number of years (ten) with negative net effects of expansions and contractions from all counties in the region. The most significant loss was observed in 2004, when 2,225 jobs were cut due to business contractions. The total net loss this year was 1,684 jobs, or 7% of the total number of jobs. Net losses were reported, with a smaller magnitude, in 1999 and 2001. The number of jobs lost were 1,303 (864 net) and 1,660 (852 net) respectively, accounting for 4% in each year. The highest gains in jobs occurred in 2002 and 2007, 3% of the total number of jobs. Jefferson County gained a total of 2,914 jobs in 1997, with a net gain of 2,265 jobs, accounting for a 5% increase. The largest loss was observed in 1995 when the county lost a total of 2,565 jobs, with a net loss of 1,342 jobs, or 3% of the total number of jobs. Lewis County experienced an average gain of about 1.5% per year during the years of net gains. Similarly, the average net loss of 1-1.5% annually was observed during the years of net loss of jobs. Saint Lawrence County experienced a steady gain of between one and two thousand jobs annually from 1996 until 2005. The highest job loss was observed in 2003. The county net job loss was 2,309 or 5% of the total number of jobs.

Types of Relocations

As shown in Table 6A and Table 6B, establishments are more likely to move locally than out of the region. In Table 6A, all establishments that moved in the North Country region were divided in three groups: establishments that moved in from outside of the region, establishments that moved in from a different county and, finally, establishments that moved within the same county. In a similar manner, Table 6B presents the results for the establishments that moved out, dividing them into three categories: establishments that moved out of the region, establishments that moved to a different county and establishments that moved within the same county. The average results for both tables should be the same. Of all establishments that relocate, 63% relocate within the same county, 10% move out of the county, but stay within the

<table>
<thead>
<tr>
<th>Year</th>
<th>Expansion</th>
<th>Contraction</th>
<th>Net effect</th>
<th>Total number of jobs</th>
<th>Net loss % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>9,414</td>
<td>9,543</td>
<td>-129</td>
<td>16,099</td>
<td>0.077</td>
</tr>
<tr>
<td>1991</td>
<td>2,527</td>
<td>2,299</td>
<td>228</td>
<td>16,627</td>
<td>0.018</td>
</tr>
<tr>
<td>1992</td>
<td>4,711</td>
<td>5,891</td>
<td>-1,180</td>
<td>175,021</td>
<td>0.068</td>
</tr>
<tr>
<td>1993</td>
<td>5,883</td>
<td>4,195</td>
<td>1,688</td>
<td>174,633</td>
<td>0.497</td>
</tr>
<tr>
<td>1994</td>
<td>4,180</td>
<td>4,832</td>
<td>-652</td>
<td>181,765</td>
<td>0.351</td>
</tr>
<tr>
<td>1995</td>
<td>5,909</td>
<td>6,853</td>
<td>-944</td>
<td>179,878</td>
<td>0.104</td>
</tr>
<tr>
<td>1996</td>
<td>4,982</td>
<td>4,369</td>
<td>613</td>
<td>181,480</td>
<td>0.119</td>
</tr>
<tr>
<td>1997</td>
<td>8,160</td>
<td>4,887</td>
<td>3,273</td>
<td>182,335</td>
<td>1.753</td>
</tr>
<tr>
<td>1998</td>
<td>8,253</td>
<td>4,935</td>
<td>3,318</td>
<td>182,153</td>
<td>2.249</td>
</tr>
<tr>
<td>1999</td>
<td>6,094</td>
<td>5,866</td>
<td>228</td>
<td>188,041</td>
<td>0.118</td>
</tr>
<tr>
<td>2000</td>
<td>3,862</td>
<td>2,961</td>
<td>891</td>
<td>194,898</td>
<td>0.469</td>
</tr>
<tr>
<td>2001</td>
<td>7,344</td>
<td>3,569</td>
<td>3,775</td>
<td>203,137</td>
<td>1.014</td>
</tr>
<tr>
<td>2002</td>
<td>8,162</td>
<td>2,232</td>
<td>5,930</td>
<td>197,264</td>
<td>0.448</td>
</tr>
<tr>
<td>2003</td>
<td>7,988</td>
<td>7,144</td>
<td>844</td>
<td>199,248</td>
<td>0.431</td>
</tr>
<tr>
<td>2004</td>
<td>6,035</td>
<td>7,954</td>
<td>959</td>
<td>191,560</td>
<td>0.509</td>
</tr>
<tr>
<td>2005</td>
<td>4,221</td>
<td>3,869</td>
<td>352</td>
<td>188,821</td>
<td>0.182</td>
</tr>
<tr>
<td>2006</td>
<td>3,082</td>
<td>3,999</td>
<td>-917</td>
<td>184,861</td>
<td>0.168</td>
</tr>
<tr>
<td>2007</td>
<td>4,660</td>
<td>4,061</td>
<td>599</td>
<td>184,772</td>
<td>0.318</td>
</tr>
</tbody>
</table>
North Country region and 27% move out of the region. What this means is that the effect of relocations on the employment for the region as a whole would be smaller than the effect of relocations on the county level. In both cases, however, this effect is negligible.

**Employment Dynamics across Industry**

This chapter presents an analysis of the employment dynamics in the North Country region by industry.

The North Country Region lost 31,298 jobs and gained 9,280 jobs between 1990 and 2007. This resulted in a net loss of 22,018 jobs for that period. The largest losses were in the areas of Manufacturing (7,755), Educational services (9,909) and Health Care and Social Assistance (7,852). Job losses in these three areas accounted for 81.5% of all job losses for the period. The largest gains were in the areas of Retail Trade, with average wages ranging from $21,355 to $33,077. The net loss in wages for this category is $240,395,069. The average wage for Educational services is $21,810. There are two sub-categories, with average wages of $20,743 and $34917. The net gain in wages for this category is $99,744,406. The average wage for Professional, Scientific and Technical services is $36,350, resulting in a total wage gain of $28,127,406. The average wage for Admin, Support, Waste Management and Remedial services is $21,355. There are 12 sub-categories, with the average wage in each ranging from $15,283 to $33,077. The net gain in wages for this category is $28,127,406. The average wage for Professional, Scientific and Technical services is $36,350, resulting in a total wage gain of $99,744,406. The average wage for Admin, Support, Waste Management and Remedial services is $21,355.

**Job Loss**

The average wage for Manufacturing is $44,781. There are eleven sub-categories applicable to the North Country Region, with average wages ranging from $21,355 to $72,177. The net loss in wages for this category is $240,395,069. The average wage for Educational services is $28,345, resulting in a total loss of wages of $280,870,605. The average wage for Health Care and Social Assistance is $34,383. There are four sub-categories, with the average wage ranging from $20,170 to $43,143. The net loss for wages in this category is $284,357,934. The total loss of wages for these three areas of job loss is $805,623,608.

**Job Gain**

The average wage for Retail Trade is $21,417. There are 12 sub-categories, with the average wage ranging from $15,283 to $33,077. The net gain in wages for this category is $28,127,406. The average wage for Professional, Scientific and Technical services is $36,350, resulting in a total wage gain of $99,744,406. The average wage for Admin, Support, Waste Management and Remedial services is $21,355.

14% expect business to remain stable in 2011 (27% in 2010); 23% of owners expect employment at their business to grow in 2011 (17% in 2010); 7% expect employment at their business to fall in 2011 (11% in 2010).

**Local Economic Conditions**

Private sector employment in the North Country rose over the year by 1,400, or 1.3 percent, to 109,000 in March 2011. The largest gains were in leisure and hospitality (+700), trade, transportation and utilities (+500), and educational and health services (+300). The largest losses were in manufacturing (-200). Government employment (-1,200) was down over the year.

Local Economic Indicators Project. We have decided to keep the old name and general geographic scope of the newsletter. Our statistical coverage will focus on Clinton, Essex, and Franklin counties. Editor: Kameliia Petrova

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