Local News

The Metropolitan Transportation Authority awarded Nova Bus in Plattsburgh (Clinton County) a $231.2 million contract to build buses. They will be delivered between August 2011 and April 2013. This is good news for Nova’s 220 employees, who have been working part-time and receiving UI benefits under the Shared Work program.

The SUNY Plattsburgh Technical Assistance Center (TAC) released local cost-of-living data that show the cost of living in Plattsburgh is on par with 300 other cities across the nation. The study found the cost of living in Plattsburgh in first quarter 2011 was 99.7 percent of the average for 300 other cities. Plattsburgh has a significant competitive advantage over Burlington, VT, its nearest rival, as the cost of living in Burlington was 121 percent of the average.

Fujitsu Frontech North America is moving point-of-sale equipment manufacturing and integration operations from California to

Significant Industries
A Report to the Workforce Development System
North Country Region
NYS Department of Labor

North Country Industries
This report lists significant industries in the North Country Region, based on various criteria. Local workforce investment boards should concentrate their workforce development resources on these particular industries.

Significant industries were identified on the basis of job counts, wage levels, job growth (both net and percent) over the 2006-2009 period, and expected job growth based on industry employment projections through 2016. Priority industries that may have been designated by economic development or workforce development officials were also considered.

Seven local industries are designated as “significant” in this report. Six of these industries managed to increase their employment levels between 2006 and 2009, despite the worst national economic downturn in 75 years. In addition, 6 of these 7 industries employed at least 5,000 during 2009.

Finally, all “significant industries” shared one or more of the following characteristics: rapid growth (percentage basis); large
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Plattsburgh. The move is expected to provide 50 additional jobs to Plattsburgh.

Clarkson University expects to welcome its largest incoming class of freshman students in fall 2011. Compared with fall 2010, Clarkson expects about a 30 percent increase, with exceptionally strong interest in their environmental engineering and in pre-physical therapy programs.

Hannaford Supermarkets open a store in Lake Placid in April. About 100 workers will be employed at this supermarket.

Stream Global Services in Watertown, an in-bound call center, will hire 120 workers. The expansion is related to “... a new business agreement to deliver customer care support services for a leading e-commerce company.”

The U.S. Postal Service is considering closing six post offices in Jefferson, Lewis, and St. Lawrence counties including: Hailesboro, West Stockholm, DePeyster, Fishers Landing, Lorraine and Deferiet. The boards of several public school districts passed budgets that cut employment including: · Potsdam (St. Lawrence County): 17 positions · Saranac Lake (Essex/Franklin counties): 16 positions · Peru (Clinton County): 19 positions. Typically, about half of the cuts are expected to be accomplished through attrition. Heavy rains and high water have put a damper on tourism along Lake Champlain. Beaches were unable to open because of the high water, and marinas were unable to launch boats. Consequently, the Memorial Day weekend was largely a washout for area businesses.

Champlain Valley Educational Services, a BOCES school, will cut 60 positions as of June 1, 2011. The school districts it serves are seeking fewer services from this provider as a result of cuts in state aid.

SUNY Potsdam broke ground on construction of a $41 million performing arts building. The college estimates the construction phase of the project, which is expected to be completed in 2013, will have a total economic impact of $128 million and will create 344 jobs in the North Country. The Plattsburgh-North Country Chamber of Commerce recently conducted a survey of tourism-related businesses that showed the importance of Canadian visitors: 88% of business owners rate Canadians as very important or important. 88% reported an increase in Canadian business in 2010 compared to 2009. 12% reported an increase of more than 25%.

The developer of a 132-room Hilton Garden Inn under construction in Watertown has also proposed building a pair of 2,500 sq. ft and a 5,200 sq. ft restaurant, a site for a bank, and 15,000 square feet of retail space for two stores.

Source: NYS Dol

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<th>Clinton County</th>
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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)
This is the last part of the study presented in the previous four editions of Trendlines.

Employment Dynamics across Industry

Breakdown within Loss Areas

Jobs lost in the Manufacturing area accounted for approximately 24.8% of the total job loss for the region. Of these losses, the largest loss was in the paper manufacturing segment. This high job loss, coupled with the available data showing that the average wages for this segment were among the highest in the overall category, resulted in an overall wage loss of $122,500,437. This wage loss accounts for approximately 51% of the total wage loss in the manufacturing area, indicating that the loss of paper manufacturing jobs had a significant impact on the economy.

Although the average wage in the area of Educational services is much lower than that of Manufacturing or Health Care, it is significantly higher than both Retail and Admin., Support, Waste Management & Remedial Services. The job losses in this area also accounted for approximately 31.7% of the total job loss. With a total impact of $280,870,605 in lost wages, the loss felt from this area alone surpasses the total wages gained in the three areas of job gains noted above. Finally, the loss of jobs in the Health Care category accounted for approximately 25% of the total job loss. Within this category, there was an increase in jobs (805) connected to Ambulatory Health Care services. The data shows that the average wage for this sub-category was the highest in the category. This increase offset the overall wage losses of this category by $34,729,310. There was a small increase (103) in jobs in the Social Services sub-category. The average wage in that category is the lowest in the segment at $20,170, which resulted in an offset of the category loss of $2,480,910.

Breakdown within Gain Areas

The largest gain in jobs (3,390) occurred within the area of Admin, Support, Waste Management and Remediation services. This category is divided into two sub-categories; Admin and Support services, and Waste Management and Remediation services. The largest job gain (3,299) in this category occurred in the Admin and Support services sub-category. The average wage in that sub-category, $20,742, is far lower than that of the Waste Management sub-category, $34,916, meaning that the bulk of job growth in this category is attributed to the lowest average wage jobs.

The second largest gain in jobs (2744) occurred within the area of Professional, Scientific and Technical services. This category provided the largest financial gain of the three areas of job gains detailed here and was responsible for the largest gain of all job/wage gains.

Finally, the third largest gain in jobs (3,390) occurred in the Retail Trade category. In this category, there was an overall gain of 3,728 jobs and an overall loss of 1,734 jobs, resulting in a net gain of 1,994. The largest amount of job gains in this category occurred in the sub-categories with the lowest average wages, ranging from $15,552 to $17,612, while the sub-categories with the highest average wages, ranging from $18,248 to $29,673, saw the largest job loss.

The data on job loss or creation is taken from the period of 1990 through 2007. The data presented indicates that the movement of companies in or out of the North Country Region is minimal with very little impact on the financial well-being of the area. In contrast, the rates of birth or death of businesses appears to have a great impact on job growth or job loss. The birth of a company indicates a start-up, while the death of a company indicates a complete shut-down. This does not encompass the movement of companies from other areas.

The top three job loss categories are also the top three categories in the number of business “deaths”. Both Educational Services and Health Care had establishment “deaths” of over 13,000 for the period. At the same time, these establishments had positive expansion in the workforce of surviving establishments which helped to offset the loss. The Manufacturing category saw a high “death” rate, 6,596 companies, along with a contraction of the workforce in surviving businesses which added to the reduction in jobs. Both the Professional and Admin categories had the highest “birth” rates for the listed establishments. This, coupled with expansion of workforce in existing establishments for both categories, resulted in the highest job gains among all businesses. The Retail Trade category saw a death, or reduction, in the number of businesses, but that was offset by a large expansion in the workforce of surviving businesses.

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There is evidence then, that most critical factors for job growth are the birth or death rate of establishments, combined with an expansion or contraction in the workforce of existing establishments.

With the exception of Agriculture, Forestry, Fishing and Hunting, the North Country Region falls well short of the average statewide wages for all businesses.

Most of the job creation has been in businesses that have relatively low average wages, while most of the job loss has been in businesses with higher wages.

During the period of review, deaths of companies totaled 47,525, while births totaled 6,635.

Acknowledgement: This study was accomplished with financial support from the New York State Department of Labor.

Local Economic Conditions

Private sector employment in the North Country rose over the year by 1,400, or 1.2 percent, to 117,100 in August 2011. The largest gains were in leisure and hospitality (+900), educational and health services (+700), and professional and business services (+300). Three industry groups suffered losses of 200 including: (1) natural resources, mining, and construction, (2) trade, transportation and utilities, and (3) manufacturing. Government employment (-1,100) was also down over the year.

Source: NYSWOL

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growth (absolute basis); high wages (average weekly wage above the regional average of $687 in 2009); or strong expected growth through 2016. The specific reason(s) why each industry was designated as “significant” are presented in the last column of the table. A small set of industries were identified for this report. They fall into five major industry groups: trade, transportation, and utilities; educational services; health care; leisure and hospitality; and public administration/government.

Trade, Transportation, and Utilities

Two sectors of the trade, transportation, and utilities industry were selected as significant industries:

• General merchandise stores (NAICS Industry 452)
• Support activities for transportation (NAICS Industry 488)

Between 2006 and 2009, general merchandise stores added the most jobs, on both an absolute and a relative basis, than any other significant industry. This growth was mainly attributable to “big box” retailers.

Support activities for transportation was chosen as a significant industry because of its potential for growth, as Laurentian Aerospace has proposed establishing an aircraft maintenance and repair facility in Plattsburgh (Clinton County) at the former Plattsburgh Air Force Base.

Educational Services

With more than 19,000 jobs between the public and private sectors, educational services (NAICS Industry 611) has the most employment of any “significant industry”. This sector added jobs (+0.4%) between 2006 and 2009. The industry’s 2009 average weekly wage ($751) was $62 above the all-industry average. Leading job titles include teacher assistant, elementary school teacher, and secondary school teacher.

Growth in educational services is driven more by demographics than by economic conditions. However, in 2010 many local school districts throughout the North Country are facing severe budget pressures. Many may need to lay off significant numbers of teachers and support staff.

Health Care

Growth in health care industry employment is, like educational services, also driven more by demographics than by overall economic conditions. Almost all health care occupations are expected to be in demand over the next decade as the North Country’s population continues to age. The health care sectors selected as significant industries are:

• Ambulatory health care services (NAICS Industry 621)
• Hospitals (NAICS Industry 622)

Between 2006 and 2009, of these, hospitals added the most jobs on an absolute basis, but ambulatory health care services added more jobs on a relative (percentage growth) basis.

Hospitals ($925) and ambulatory health care services ($885) have wage levels above the all industry average. This is largely a reflection of the mix of occupations in each health care industry.

Leisure and Hospitality

With more than 10,000 workers, the food and drinking places (NAICS 722) industry employs more workers than any other three-digit NACS sector of the North Country economy except two – health care and public administration. Tourism is the main driver of the food and drinking places industry. Outdoor recreation is very popular in the Adirondacks and along the major waterways including Lake Ontario, the St. Lawrence River, and Lake Champlain. Average weekly wages ($255) are relatively low in this industry, but food and drinking places provide many employment opportunities for low-skilled workers and youth, especially in the summer. Employment growth in this industry (+1.8% from 2006-2016) is expected to be less than in the overall economy over the next few years.

Public Administration

With more than 17,000 employees, the public sector is a relatively large employer in the North Country. Average weekly wages ($859) in the public sector are also significantly above the all industry average of $687. Both state and local government have relatively high portions of total employment as the North Country has many state correctional, disability, and recreational facilities and there are many small local government entities that are too far apart to benefit from economies of scale.

The statewide report entitled “Significant Industries in New York: A Report to the Workforce Development System” may be found at http://www.labor.ny.gov/stats/index.shtm. Trendlines is the revival of the newsletter published by the North Country 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: Kamelia Petrova