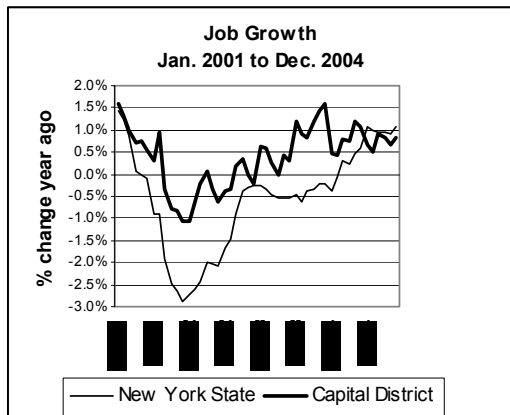


Capital District

The Capital District includes four of the six counties in the Albany-Schenectady-Troy metropolitan statistical area (MSA) and the two-county Glen's Falls MSA. Two adjacent counties, Montgomery and Schoharie that are part of the Albany-Schenectady-Troy MSA, are included in the Labor Department's Mohawk Valley Region.



Capital District Data Bank			
	CAP	NYS	US
Population			
2004 Estimate	1,054,074	---	---
%Change 2000-2004	2.34%	1.32%	4.35%
Employment			
1st Half 2005-2004 (%Chg)			
Albany-Schenectady-Troy	1.3%	0.95%	1.7%
Glens Falls	1.9%	---	---
Unemployment			
2005 1st Half(#)			
	22,950	472,583	---
2005 1st Half(rate)			
	4.1%	5.1%	5.3%
# of Private business('03)			
Establishments			
	25,697	530,527	
Total Payroll (Bil\$)			
	\$13.1	\$326.0	
Per Capita Income			
2003			
93-'03 %Chg			
USA	\$31,472	47.4%	
New York State	\$36,112	43.6%	
Albany-Schenectady-Troy	\$32,208	44.2%	
Glens Falls	\$25,275	42.4%	



Demography

Between 2000 and 2004, population in the Capital District increased by 24,147 people. This represents a gain of 2.3%, the second highest increase among the labor market regions in the state. Every county in the Capital District experienced an increase, ranging from about 1% in Columbia County to over 6% in Saratoga County. The Capital District was the only labor market region to experience positive net domestic migration.

The public sector dominates the Capital District job base

The public sector accounts for almost a quarter of the of the Capital District's job base. Sectors that account for a large part of the employment include retail (12.1%) and health care and social services (13.2%). Between 2000 and 2004, the region gained 8,000 jobs, an increase of 1.6% which was the second-best performance among regions of the state. Sectors that made significant employment gains between 2000 and 2004 include: healthcare and social services (+4,200), education service (+2,700), and retail trade (+2,000). Finance and insurance, real estate and rental and leasing, and arts and entertainment made smaller gains. Major losses of jobs occurred in manufacturing (-6,400), transportation and warehousing (-1,300) and information (-1,800). From the 1st half of 2001 to the 1st half of 2005, employment in the Albany-Schenectady-Troy MSA increased by about 1.3%. In comparison, other MSAs, for example, Glens Falls and Kingston had growth rates of 5.3% and 2.3%.

Retail and education services lead recent job changes

Between 2003 and 2004, employment grew in by nearly 1,600 in retail, 1,200 in education services, 800 in management of companies and enterprises, and 700 in administrative services. Sectors with the most job losses between 2003 and 2004 were information (-1,000), transportation and warehousing (-900), and wholesale trade (-800).

Job Change in Major Sectors, 2003-2004, Capital District				
SUPERSECTOR	% 2004		Change % Change	
	2004	Total	2003-2004	2003-2004
Total	500,397	100.0%	3,769	0.8%
Private	381,564	76.3%	4,454	1.2%
Public	118,833	23.7%	-684	-0.6%
Natural Resources & Mining	760	0.2%	64	9.2%
Utilities	1,845	0.4%	-96	-5.0%
Construction	19,887	4.0%	360	1.8%
Manufacturing	32,336	6.5%	68	0.2%
Wholesale Trade	17,657	3.5%	-790	-4.3%
Retail Trade	60,440	12.1%	1,580	2.7%
Transportation & Warehousing	13,155	2.6%	-897	-6.4%
Information	12,072	2.4%	-996	-7.6%
Finance & Insurance	21,942	4.4%	461	2.1%
Real Estate and Rental and Leasing	6,452	1.3%	326	5.3%
Professional, Scientific, and Technical Services	26,818	5.4%	-404	-1.5%
Management of Companies and Enterprises	6,447	1.3%	770	13.6%
Administrative and Support Services	19,166	3.8%	661	3.6%
Waste Management and Remediation Services	1,350	0.3%	226	20.1%
Educational Services	14,963	3.0%	1,158	8.4%
Health Care and Social Assistance	66,159	13.2%	478	0.7%
Arts, Entertainment, and Recreation	6,721	1.3%	320	5.0%
Accommodation	6,060	1.2%	105	1.8%
Food Services and Drinking Places	28,645	5.7%	201	0.7%
Other Services	18,395	3.7%	-149	-0.8%
Not Elsewhere Classified	1,118	0.2%	164	17.2%

Source: New York State Department of Labor's ES-202 data.

Manufacturing and information job losses have affected job quality

Major job losses in the manufacturing and information sectors have led to an overall decline in the quality of jobs in the Capital District. The average wage for jobs gaining share in the economy was just \$28,300, far below the average wage of \$48,800 for jobs in industries losing job share between 2000 and 2004. The finance and insurance sector, which paid an average wage of \$54,400, was the only industry that increased its job share that had a higher wage than the average of sectors losing share. Health care and social services and education, which dominate recent employment gains, paid wages between \$33,600 and \$36,000. The job quality ratio, which measures the quality of jobs gaining share and quality of jobs losing share, was -0.55, the third worst in the state—only New York City and the Central Region had worse job quality ratios.

Capital District Job Quality 2000-2004								
(employment in thousands)								
SUPERSECTOR*	Employment		2004 Average	Job Change		Share Change		
	2000	2004	Annual Wage	Change	Gain/Loss	Change (pps.**)	Gain/Loss	
Health Care and Social Assistance	62.0	66.2	\$33,594	4.2	gained jobs	0.68	gained share	
Educational Services	12.3	15.0	\$35,941	2.7	gained jobs	0.51	gained share	
Food Services and Drinking Places	26.3	28.6	\$12,831	2.3	gained jobs	0.40	gained share	
Retail Trade	58.4	60.4	\$23,118	2.0	gained jobs	0.26	gained share	
Other Services	17.1	18.4	\$24,473	1.2	gained jobs	0.21	gained share	
Real Estate and Rental and Leasing	5.7	6.5	\$31,617	0.7	gained jobs	0.13	gained share	
Arts, Entertainment, and Recreation	6.0	6.7	\$17,957	0.7	gained jobs	0.13	gained share	
Waste Management and Remediation Services	1.0	1.3	\$43,187	0.4	gained jobs	0.07	gained share	
Finance and Insurance	21.6	21.9	\$54,369	0.4	gained jobs	0.02	gained share	
Subtotal, industries gaining job share	210.4	225.1	\$28,285	14.7		2.41		
Manufacturing	38.7	32.3	\$49,614	-6.4	lost jobs	-1.38	lost share	
Information	13.9	12.1	\$51,022	-1.8	lost jobs	-0.40	lost share	
Transportation and Warehousing	14.4	13.2	\$36,822	-1.3	lost jobs	-0.29	lost share	
Management of Companies and Enterprises	7.1	6.4	\$61,529	-0.7	lost jobs	-0.15	lost share	
Government	117.6	118.8	\$42,690	1.2	gained jobs	-0.05	lost share	
Wholesale Trade	17.7	17.7	\$54,233	0.0	lost jobs	-0.05	lost share	
Professional, Scientific, and Technical Services	26.7	26.8	\$56,348	0.1	gained jobs	-0.05	lost share	
Accommodation	6.1	6.1	\$18,893	-0.1	lost jobs	-0.03	lost share	
Construction	19.7	19.9	\$42,630	0.2	gained jobs	-0.01	lost share	
Administrative and Support Services	19.0	19.2	\$23,619	0.2	gained jobs	-0.01	lost share	
Utilities	1.8	1.8	\$81,965	0.0	gained jobs	0.00	lost share	
Subtotal, industries losing job share	282.8	274.3	\$48,750	-8.5		-2.41		
Total	492.5	500.4	\$37,414	7.9				
*Analysis excludes natural resources and mining and not elsewhere classified.					Job Quality Ratio		-0.55	
** Percentage point change.								
Note: The average wage for the two groups is computed by weighting the industry average wage by each industry's share of the change in the job share for its group.								
Source: New York State Department of Labor Insured Employment series, analyzed by Fiscal Policy Institute.								

Personal income grew only slightly

From 2000 to 2003, total real personal income in the region grew by an annual average of two tenths of 1%. This is in contrast to the 1980s and 1990s when personal income growth averaged 3.4% and 1.8% respectively. On an annual average basis, the wage and salary component of personal income grew by 3.3% in the 1980s and 1.6% in the 1990s compared to 1.2% between 2000 and 2003. On the other hand, transfer payments grew at an annual rate of 4.2% between 2000 and 2003, compared to 2.1% and 3.2% in the 1980s and 1990s respectively.

Capital District Change in Personal Income and Components, Selected Years (in billions of 2003 dollars)								
Year	Personal Income	Earnings by place of work			Contributions for gov't soc. ins.**	Dividends, Interest, Rent	Transfer Payments	Residency Adjustment
		Wages & Salaries	Supplements to Wages & Salaries*	Proprietors Income				
1980	19.3	11.6	2.6	1.1	-1.6	3.1	2.9	-0.4
1990	27.1	16.1	3.2	1.6	-2.6	5.5	3.6	-0.2
2000	32.4	18.7	3.7	2.3	-2.9	6.1	4.9	-0.3
2001	32.8	19.1	3.7	2.0	-3.0	6.0	5.2	-0.3
2002	32.2	19.1	4.0	1.9	-3.0	5.0	5.5	-0.3
2003	32.6	19.4	4.2	2.0	-3.1	4.8	5.6	-0.3
1980-1990 Change	7.8	4.5	0.6	0.5	-1.0	2.4	0.7	0.1
Ann Avg % Change	3.4%	3.3%	2.1%	3.7%	5.0%	6.0%	2.1%	-5.0%
1990-2000 Change	5.3	2.7	0.5	0.7	-0.4	0.6	1.3	-0.1
Ann Avg % Change	1.8%	1.6%	1.4%	3.7%	1.3%	1.1%	3.2%	3.3%
2000-2001 Change	0.3	0.4	0.1	-0.2	0.0	-0.1	0.3	0.0
% Change	1.0%	2.0%	1.7%	-10.3%	1.2%	-2.0%	5.2%	-11.3%
2001-2002 Change	-0.5	0.0	0.3	-0.1	-0.1	-0.9	0.3	0.0
% Change	-1.6%	0.1%	7.2%	-6.0%	2.0%	-15.7%	6.1%	1.5%
2002-2003 Change	0.4	0.3	0.2	0.1	-0.1	-0.2	0.1	0.0
% Change	1.1%	1.5%	5.1%	4.5%	1.9%	-4.5%	1.5%	2.4%
2000-2003 Change	0.2	0.7	0.5	-0.3	-0.2	-1.3	0.6	0.0
Ann Avg % Change	0.2%	1.2%	4.7%	-4.1%	1.7%	-7.6%	4.2%	-2.7%

* Includes employer contributions to pensions and social security. Supplements are added to earnings by place of work.
** Includes employer and employee contributions to social security. These contributions are subtracted from personal income.
Source: BEA. Deflator applied by Fiscal Policy Institute.

Chapter 4 Prospects

A number of factors contribute very positively to quality of life in the Capital District—among others, it is the state capital, and it is home to a number of New York State's leading universities.

The Capital District hosts 14 colleges and universities with a total enrollment of over 65,000 students. The largest private university in the region, Rensselaer Polytechnic Institute, is a major economic engine for the area—directly in terms of employment and purchasing, and indirectly via its efforts and ability to foster innovative technologies for existing and nascent high-tech firms. The region has a highly educated workforce and its educational institutions are increasingly partnering with industry to develop new products.

The State University of Albany is becoming a significant player in innovation through the College of Nanoscale Science and Engineering—the first such research and educational institution in the world. The center is involved in both long-term development programs and short-term programs with industry partners. Computer-chip companies, including IBM and Advanced Micro Devices (AMD), among others, and New York State intend to invest \$600 million at the center to develop the next generation of computer chips. The state has invested more than \$500 million in the Albany Nanotech Campus. This initiative is in addition to an earlier consortium of 12 international semiconductor companies known as SEMATECH, which already has a research

and development facility in the region. The region is considered a leader in the research and development of nanotechnology.

In addition to earlier investments by Tokyo Electron Ltd. (TEL) as part of the SEMTECH initiative, recent investments include a \$400 million investment by the Dutch chip manufacturer ASML, Sony, Toshiba, Infineon (IFX), and AMD, some of which also will be part of the SUNY project. The creation of the Luther Forest Technology Park in Saratoga, established for attracting semi-conductor production facilities, holds some promise. Recently, the site was a finalist for a Texas Instrument chip fabrication plant, but lost to a location in Texas. And, the region is part of the Tech Valley initiative, which will market the whole Hudson Valley region for technology development. Albany, supported by IBM, is in the running for a national U.S. government facility for nanotechnology research.

Industry clusters in the region include: business services, financial services, tourism, distribution, and communications and media services.

While high technology holds great promise for the region’s development, the Capital District’s greatest economic strength is still that it is the seat of New York State government. The Capital District is highly reliant on state government for jobs, and government employment insulates the region from major economic shocks. Thus, budgetary problems in the future could threaten this source of economic security.

Other threats to stability include concerns that General Electric, a major employer in the region, has continued to downsize.

Major Employers in the Capital District, 2004	
Albany City School District	NYS Dept Of Environmental Conservation
Albany Medical College	NYS Dept Of Health
Albany Medical Center Hospital	NYS Dept Of Labor
City Of Albany	NYS Dept Transportation
County Of Albany	NYS Legislature
County Of Rensselaer	Price Chopper Supermarkets
County Of Saratoga	Rensselaer Polytechnic Institute
Ellis Hospital	Schenectady City School District
General Electric Company	Shenendehowa Central School District
Glens Falls Hospital Inc	St Peters Hospital
Knolls Atomic Power Lab - Lockheed Martin	SUNY at Albany
NYS Department of Tax & Finance	Stewarts Shops
NYS Dept Motor Vehicles	Super Shop'n Save Markets
NYS Dept Of Audit & Control	Wal-Mart Associates Inc
NYS Dept Of Education	Well Choice Health Insurance Inc
Source: Empire State Development	
Note: Employers are not ranked by size.	