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Manufacturing in New York State: A Status Report

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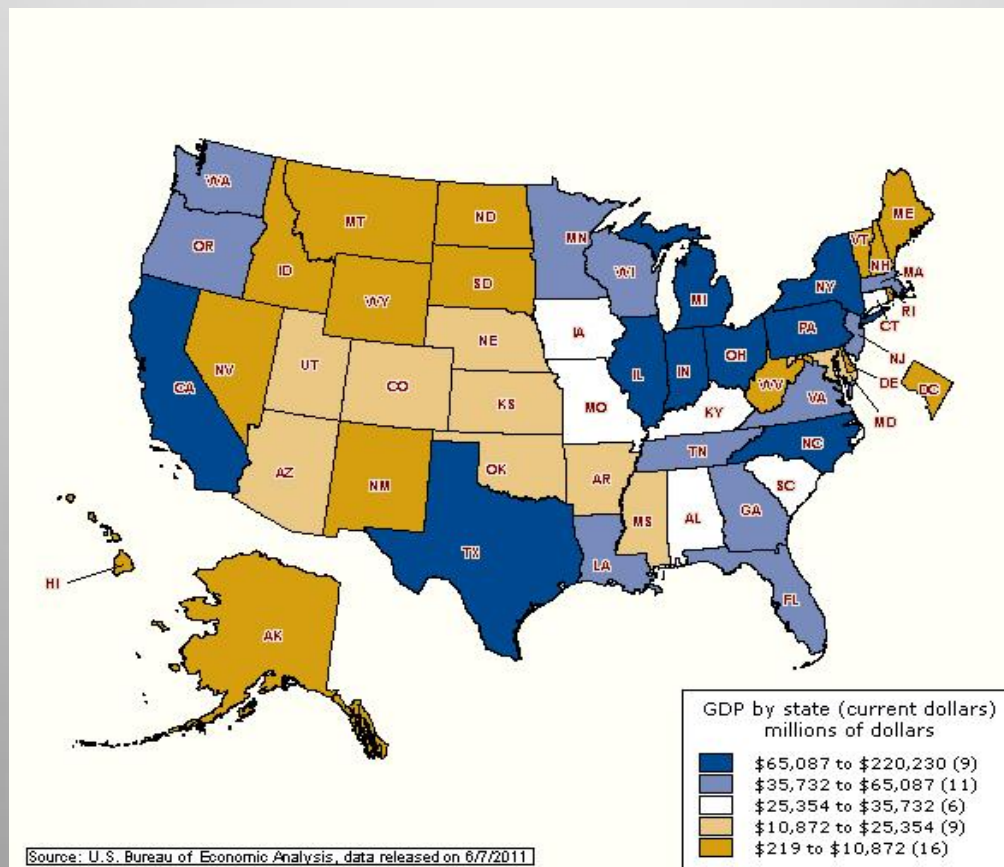
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Overview

- ❖ **Manufacturing remains a powerful force in New York's economy, especially Upstate**
- ❖ **Employment has been declining – but these payrolls still generate 15-20% of private wages in many communities**
- ❖ **A quick look at one key cost**
- ❖ **Some thoughts about the future**

Blue states: Manufacturing centers

Manufacturing GDP by state, 2010



Highest-value manufacturing states

	Manufacturing output, 2008 (billions)	Change, 2003-2008
California	\$181	28%
Texas	\$159	70%
Ohio	\$84	7%
Illinois	\$79	20%
North Carolina	\$78	18%
Pennsylvania	\$75	8%
New York	\$69	20%
Indiana	\$64	5%
U.S. total/avg.	\$1,638	20%

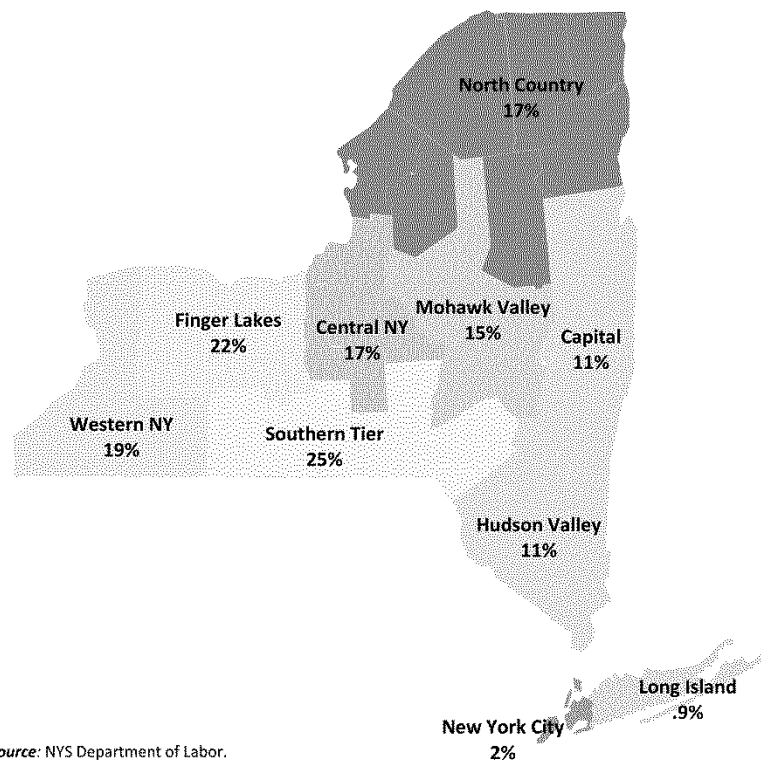
Manufacturing jobs: Broad decline

	Change, 2000-2010	Share of U.S. total, 2010	Rank, share of U.S. total
California	-33%	10.8%	1
Texas	-24%	7.1%	2
Ohio	-39%	5.4%	3
Pennsylvania	-35%	4.9%	4
Illinois	-36%	4.9%	5
Michigan	-47%	4.1%	6
New York	-39%	4.0%	7
Indiana	-33%	3.9%	8
U.S. average	-34%	100%	

From 2003-07, some states added jobs – but not New York

	Total manufacturing jobs, 2010	Change, 2003-2007
Utah	112,000	+14%
Washington	265,000	+10%
Oregon	167,000	+5%
Iowa	204,000	+4%
Texas	840,000	+4%
New York	477,000	-10%
U.S. average/total	11,822,000	-4%

Manufacturing wages still add up: Share of private-sector wages, 2009



Source: NYS Department of Labor.

Manufacturing Jobs and Wages By Region, Part I

	Jobs, 2010	Average Salary, 2010	Total Wages, 2010 <i>(millions of \$)</i>	Wages, Change 2000-10
Capital	28,303	\$61,506	\$1,741	3%
Central	32,080	\$58,270	\$1,869	-16%
Finger Lakes	67,065	\$58,268	\$3,908	-25%
Mohawk Valley	17,477	\$42,179	\$737	-16%
North Country	11,113	\$52,181	\$580	-16%
Southern Tier	35,923	\$58,415	\$2,098	-3%
Western NY	65,108	\$54,026	\$3,518	-24%
NYS total/avg.	455,857	\$59,439	\$27,096	-15%

Manufacturing Jobs and Wages by Region, Part II

	Jobs, 2010	Average Salary, 2010	Total Wages 2010 <i>(millions of \$)</i>	Wages, Change 2000-10
Hudson Valley	49,160	\$81,440	\$4,004	8%
Long Island	72,547	\$61,655	\$4,473	-2%
New York City	76,258	\$53,449	\$4,076	-34%
NYS total/avg.	455,857	\$59,439	\$27,096	-15%

Establishments by Region, Part I

	Manufacturing Establishments, 2009	Change in # of Establishments, 2000-09	Employees per Establishment, 2009
Capital	888	-7.2%	32
Central	754	-13.9%	44
Finger Lakes	1,579	-7.7%	44
Mohawk Valley	541	-20.9%	33
North Country	340	-13.5%	34
Southern Tier	647	-13.3%	59
Western NY	1,755	-11.0%	38
NYS total/avg.	18,888	-20.7%	25

Establishments by Region, Part II

	Manufacturing Establishments, 2009	Change in # of Establishments, 2000-09	Employees per Establishment, 2009
Hudson Valley	1,854	-12.5%	28
Long Island	3,459	-15.6%	21
New York City	6,497	-34.5%	13
NYS total/avg.	18,888	-20.7%	25

Hudson Valley manufacturing data

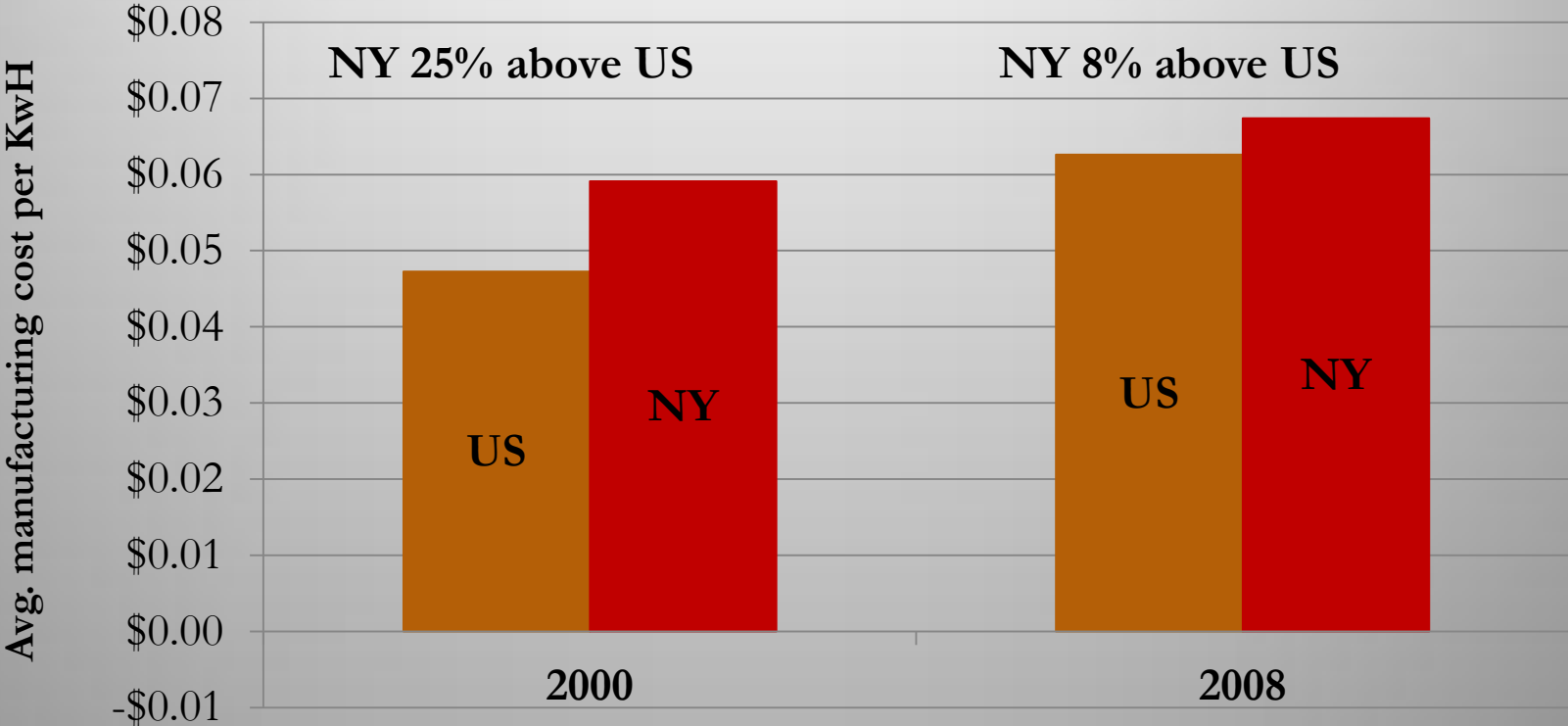
(All figures for 2009)

County	Manufacturing jobs	Manufacturing wages, millions	Share of total private wages
Dutchess	11,701	\$1,156	28%
Orange	7,177	319	9%
Putnam	1,488	92	11%
Rockland	10,450	783	19%
Sullivan	1,220	72	6%
Ulster	3,583	154	11%
Westchester	15,530	1,461	7%
Region	51,149	4,000	11.4%

Jobs in New York: The key sectors

Manufacturing sector	Jobs	Change in jobs, 2000-10	Wages, 2010 (millions)
Computers/electronics	62,000	-29%	\$5,470
Fabricated metal products	49,100	-11%	2,408
Food	48,700	-30%	1,915
Machinery	42,300	-39%	2,835
Chemicals	41,800	-38%	3,077
Printing/related support	24,000	-47%	1,216
Transportation equipment	23,200	-49%	1,579
Apparel	19,800	-70%	1,076

Cost Factor: Electric Power



Capital investments: New York has not been keeping pace

State	Capital Expenditures by Manufacturers, 2008 <i>(millions)</i>	Change, 2003-08
California	\$18,504	50%
Texas	\$17,608	80%
Ohio	\$8,204	43%
Illinois	\$7,744	41%
Michigan	\$7,275	40%
Pennsylvania	\$6,675	36%
Indiana	\$6,643	40%
New York	\$5,133	3%

Overall jobs: A New York surprise

We've had four straight years beating U.S. trends

Year	New York State gain/loss in private-sector jobs	U.S. gain/loss in private-sector jobs	New York's 'extra' jobs
2007	1.4%	1.1%	20,700
2008	0.6%	-1.0%	113,000
2009	-3.4%	-5.3%	139,000
2010	0.2%	-0.8%	70,900
<i>...But 2011 will likely bring an end to this trend</i>			

Observations about the numbers

- ❖ **Manufacturing is dynamic; employment, payroll and investment go up and down**
- ❖ **Job creation and destruction rates are remarkably large in manufacturing, with annual churn as high as 20% – thousands of these jobs are eliminated, and others created, each year in New York**
- ❖ **While working to capture new jobs, we also need to keep those we already have**

Data sources

Manufacturing output: U.S. Bureau of Economic Analysis

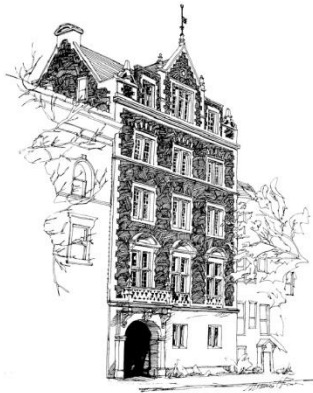
Employment: U.S. Bureau of Labor Statistics, N.Y.S. Department of Labor

Wages, establishments by region: N.Y.S. Department of Labor

Electric power costs: U.S. Census Bureau

Capital investment: U.S. Census Bureau

Churning in manufacturing employment: Davis et al., *Job Creation and Destruction*, MIT Press, 1998.



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