

4.1 Economic Diversification

The Importance:

Maintaining a diversified regional economy is widely viewed to be the best method of succeeding in a constantly changing economic environment. Maintaining a variety of economic base activities (activities that bring in money from outside a region) allows a region to weather the loss of a major industry without destroying other sectors of the economy or disrupting public services.

About this Indicator

By examining the percentage of the workforce employed in each sector of the regional economy, we can come to some approximation of that industry's impact in the regional economy. This is far from an exact measurement. For example, the Capital District employs 47,000 people in educational services but it is also host to approximately 60,000 college students. The impact of the Region's educational services on the Region's economy is significantly greater than just employment in the educational fields. Each industry has different effects on local economies, but the employment figures provide a good estimate of each economic sector's strength.

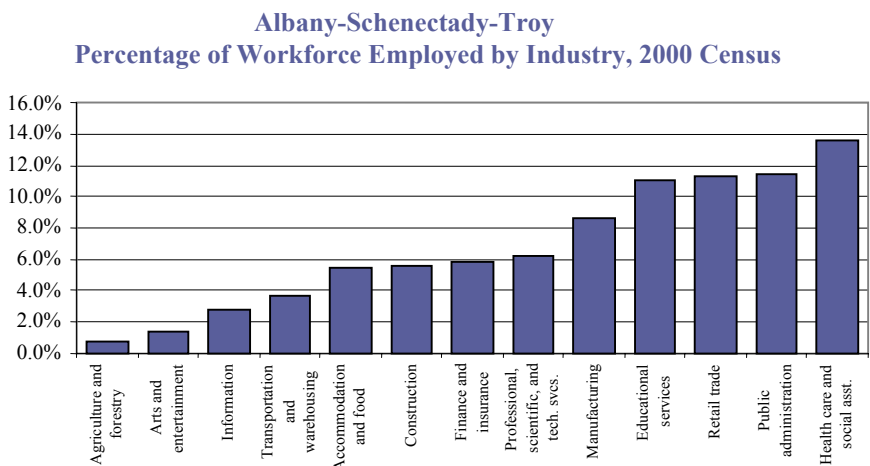
Sources for this Indicator

- This indicator uses the data from the 2000 Census and the NYS Department of Labor.

Employment Diversification in the Capital District

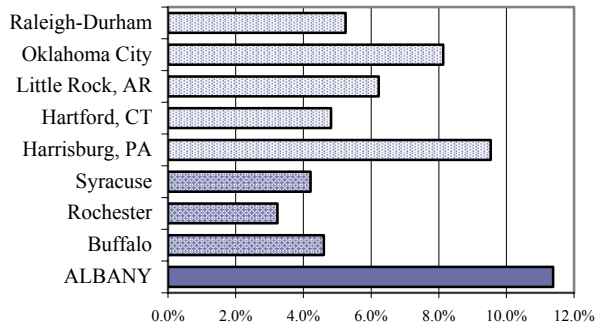
Health care and social assistance is the largest employment sector in the Albany MSA. In the Capital District, health care is partially an economic base activity as the health centers draw patients from the wider region and some programs draw patients nationally.

Public administration, retail services and educational services are the next three largest employers. Retail services, by definition, are not economic base activities. Educational services, like health care, are a mix of basic and non-basic activity. The local school districts and to a certain extent the community colleges provide a service to local residents and utilize local money. The other colleges draw students and funding nationally and provide a significant cash flow for the Region.



4.1 ECONOMICS

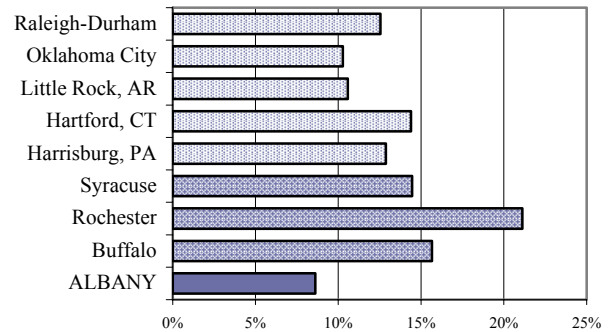
Percent of Workforce Employed in Public Administration by MSA in 1999



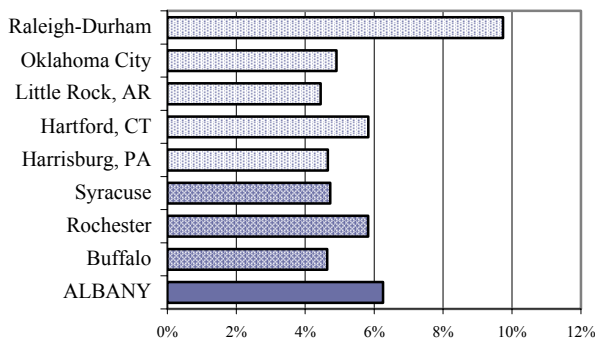
Once the Capital District's largest employment sector, manufacturing still employs over 36,600 people or 9% of the workforce in the Albany MSA. This is the lowest percentage of the peer group MSA's and much lower than the other Upstate MSA's. Loss of manufacturing is a serious concern because it is a purely economic base activity. Manufacturing sells local goods to outside markets and provides a direct cash flow to the Region.

As the Capital of a large state, Albany draws money from the other areas of the state and employs Capital District residents in public administration. Public administration also has the non-basic component of local government. Public administration employs 11% of the Albany MSA workforce. That is higher than any of the capitals in the peer group and almost triples the rate of other Upstate MSA's.

Percent of Workforce Employed in Manufacturing by MSA in 1999



Percent of Workforce Employed in Professional, Scientific, and Technical Services by MSA in 1999



With the exception of Raleigh-Durham, which is home to the Research Triangle, the Capital District's professional, scientific, and technical services are as strong or stronger than the rest of the peer group and Upstate MSA's. With 6% of the workforce employed in this high-paying sector, the Albany MSA matches Rochester and Hartford.

The Raleigh-Durham MSA is far ahead of the group with 10% professional, scientific, and technical employment. Hartford has a similar strength in finance and insurance with 11% of its workforce employed in that sector. The Capital District has the third highest finance and insurance employment with 6% of the workforce.

Percent of Workforce Employed in Finance and Insurance by MSA in 1999

