

Hiring in private sector accelerates

Jim Stinson • Staff writer • December 17, 2010

Private-sector job growth accelerated in the Rochester area in November, more than offsetting a continued drop in government employment, the state Labor Department said Thursday.

In the 12-month period ending in November, businesses in the five-county metropolitan statistical area added a net of 3,400 jobs. The hiring was the strongest since the spring of 2008.

Total payroll employment was 511,400 last month. Because financially squeezed government agencies at all levels cut back, reducing their combined work forces by 1,300 positions, the net gain for the entire regional economy was 2,100 jobs.

Additional evidence of a recovery in the private sector came from the Rochester Business Alliance, which announced the results of a survey showing that local companies are optimistic about 2011.

The RBA asked its members about general business conditions as well as their forecasts for employment and sales. Across the board, the answers were much more positive than when the organization asked the same questions 18 months ago.

"There is a lot to feel good about in these results," said Sandy Parker, RBA president and chief executive. "Businesses are not just seeing better times ahead, they've actually begun to experience them."

Almost 60 percent of the companies said their sales are higher than a year ago, and 72 percent expect more revenue growth in the year ahead.

Slightly more than half, 54 percent, expect to expand their work forces during 2011, while only 7 percent expect to cut back.

Parker said the results also showed how bad things were during the depths of the recession. In May 2009, almost 40 percent of the companies described conditions in their industry as "bad or very bad." Now, that figure has shrunk to 13 percent.

In contrast, the companies saying conditions are "good or very good" has grown from 14 percent to 48 percent. And 63 percent expect good conditions to prevail a year from now.

The situation for government agencies is much less upbeat. The Labor Department reported that local governments in the Rochester region reduced employment by a total of 1,100 jobs in the past 12 months, to 66,700. There were much smaller cutbacks at the state and federal levels.

Also, the overall regional unemployment rate rose in November to 7.7 percent from 7.3 percent in October.

Tammy Marino, a Labor Department analyst in Rochester, said the economic recovery is still wobbly after the deepest recession in decades.

"The numbers are beginning to improve, but on the other hand we have a job market that has weakened significantly over the last two years," Marino said.

She didn't put too much stock in the increase in the unemployment rate, noting that there has been a slight increase in the number of people looking for work, which can signal an improving economy.

Getting back to normal rates of unemployment — the Rochester-area jobless rate was 4.2 percent in November 2006 — will take months, perhaps more than a year, said Amit Batabyal, an economics professor at Rochester Institute of Technology. He said there is little the federal government can do to stimulate hiring in the short term.

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The statewide unemployment rate was 8.3 percent in November, up a tick from the October rate, which was revised to 8.2 percent from the previously reported 8.3 percent.

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