

# NY state unemployed soars to 33-year high

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By Joan Gralla

NEW YORK (Reuters) - More than 800,000 New York state residents were unemployed in May, the highest level in 33 years, and another sign the state is still mired in recession, the state labor department said on Thursday.

The New York state unemployment rate rose to 8.2 percent in May from 7.7 percent in April, the highest level since February 1993, the agency said in a statement.

The jobless rate in New York City, which powers the state's economy, climbed to 9 percent in May, its highest since October 1997, from 8 percent in April.

Wall Street's securities industry helped boost city and state tax surpluses in the last boom, but James Brown, state labor market analyst, said the sector cut 900 jobs in May, and has lost 21,800 over the year.

The entire financial sector, including banking, real estate and insurance, sliced 1,900 workers, for a year-over-year loss of 28,000 jobs, Brown said.

New York City's economy withstood much of the housing-led downturn seen around the nation at first, but it will likely trail the country's recovery because so many of its jobs rely on corporations earning enough profits to increase such hiring as Manhattan advertising sector, Brown said.

"Going over the summer, I expect the unemployment rate to continue to trend upward," he said.

Professional and business services, including advertising, added 1,700 workers in May. But the increase was mainly due to hiring outside of advertising, including building maintenance and employment services, Brown said.

The overall professional services sector has lost 22,700 positions year over year.

Trade, transportation and utility companies added 900 workers in May, but has shed 24,700 employees over the year.

Another bright spot was construction, which hired 3,300 people, more than the usual 2,000 or so in the month of May.

However, there are 9,700 fewer construction workers on a year over year.

The tourism-driven leisure and hospitality sector grew by 7,900 workers in May, but has shed 4,600 versus a year ago.

<http://www.reuters.com/article/domesticNews/idUSTRE55H5OD20090618>