Think tank examines joblessness, race

*Unemployment is much worse for blacks and Hispanics than for whites, but all New Yorkers would be helped by government outlays, the Fiscal Policy Institute reported.*

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By Ali Elkin

New York’s unemployment rate is not as dismal as it looks, as long as you’re white.

The Fiscal Policy Institute essentially made that point on Thursday as it called for increased federal spending and an extension of the payroll tax cut that was implemented last year. The left-leaning think tank, citing state unemployment data from the third quarter of 2011, gathered by the Economic Policy Institute, noted that while the statewide jobless rate was 8%, it was 14% for blacks and 10.7% for Hispanics.

James Parrott, the chief economist at the Fiscal Policy Institute, said the breakdown is much the same in New York City, though racial disparities are slightly smaller. The unemployment rate for non-Hispanic white workers was 6.1% statewide and 6.9% citywide, Mr. Parrott said. In analyzing city figures, his organization looks at two quarters at a time because of the smaller data set, and found the overall rate in the city in the second half of 2011 was 8.8%.

The outlook for Hispanics in New York City seems substantially better, but it’s also marked by a wide disparity between men and women. Hispanic men in New York City have a rate lower than the overall, at 6.9%, while women are having a much tougher time, with a 10.9% rate. The figures average out to slightly less than the overall city rate, at 8.7%.

Mr. Parrott said he knew of no particular theory to explain the discrepancy.

Black city residents’ unemployment rates have the opposite distribution between men and women, but the spread is less pronounced. Overall, 13.3% of black New Yorkers were unemployed, a slightly smaller portion than the statewide rate for blacks. Unemployment was 14.9% for black men and 12.1% for black women.

Mr. Parrott said the much higher unemployment level among minorities is a recurring problem exacerbated by high unemployment in the general population.
“The education attainment level and the income level for blacks and Hispanics generally are lower, and that makes their chances of success in the labor market more difficult,” Mr. Parrott said. “Then the other big factor is, I think, something that can only be described as discrimination in the labor market against people of color.”

Mr. Parrott views increased federal spending as key to fostering a recovery that has been slower than any since the Great Depression. He wrote in the Fiscal Policy Institute news release that a “shot in the arm” from Washington is the only way to prevent “even more painful and prolonged joblessness.”

Conservatives, though, have argued that increased federal spending is bad for New York because taxpayers here contribute a disproportionately high amount of it. The spending leads to tax hikes that increase that discrepancy, they have said.