

New York City  
in the Great Recession:  
Divergent Fates by  
Neighborhood and  
Race and Ethnicity



A Fiscal Policy Institute Brief  
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## **Introduction**

This month marks the second anniversary of the start of the “Great Recession”—the steepest and longest downturn in the United States since the 1930s. While the recession started later in New York City, unemployment has skyrocketed over the past year-and-a-half, reaching 10.1 percent during the third quarter of 2009. This has been the sharpest rise in unemployment in the 34-year history of monthly unemployment data for New York City and there are now over 400,000 unemployed persons in New York City—the highest number on record.

As high as the official unemployment rate is, it masks deeper trouble in the city’s labor market: large numbers of long-term unemployed, and growing numbers of underemployed and discouraged workers. The recession’s impact also reveals the disparities that characterize the city, with unemployment rates and economic well-being clearly diverging along lines of race, ethnicity and neighborhood.

## **Neighborhood unemployment rates for New York City**

This report is the first to provide relatively current unemployment rates at a neighborhood level for New York City, as well as the first to provide such estimates on the basis of race/ethnicity and gender.

The overall unemployment rate for New York City was 10.1 percent in the third quarter of 2009. This analysis shows that huge variations underlie the citywide figure. On a neighborhood level, unemployment ranged from 5.1 percent on Manhattan’s Upper East and West Sides, to 15.7 percent in the South and Central Bronx and 19.2 percent in Brooklyn’s East New York neighborhood.

FPI’s analysis is based on data from the third quarter 2009. Recently released unemployment figures for November 2009 show an apparent decline in unemployment, to 10.0 percent (seasonally adjusted), down from 10.3 percent in October. However, the data indicate that this decline was entirely due to people leaving the labor force, not an increase in employment. New York City is not yet past its unemployment crisis, and this look at unemployment for neighborhoods and demographic groups will help clarify the situation.

The methodology section of this report details how the Fiscal Policy Institute estimated neighborhood and demographic-specific unemployment rates.

## **Unemployment rates by race/ethnicity and gender for NYC neighborhoods**

Citywide, in terms of the four major race/ethnicity categories, unemployment was 7.3 percent for white non-Hispanics, 15.7 percent for black, non-Hispanics, 11.8 percent for

Hispanics, and 6.1 percent for the Asian and other category. Unemployment was higher for men—11.0 percent—than for women—9.1 percent.

In ten of the 24 neighborhoods identified in this report, black non-Hispanic unemployment was higher than 15 percent—one and a half times greater than the city's overall 10.1 percent unemployment rate. Three of the five boroughs (the Bronx, Brooklyn, and Manhattan) also had black non-Hispanic unemployment greater than 15 percent. Five neighborhoods had Hispanic unemployment of 15 percent or greater. Only one neighborhood—East New York—had an unemployment rate for white non-Hispanics of greater than 15 percent, and in that case, it was 25 percent. Two neighborhoods—North Bronx and East New York Brooklyn—had double-digit unemployment rates for each of the three major race-ethnic groups (white non-Hispanics, black non-Hispanics, and Hispanics.)

For New York City's black men, the official unemployment rate for the third quarter was 19.9 percent, while for Asian and other women it was 4.1 percent. The highest gender-race/ethnicity unemployment rate in the city was recorded in the West Brooklyn neighborhood encompassing the area from Brooklyn Heights to Red Hook and Park Slope where black male unemployment was 46 percent.

### **Grouping neighborhoods by median income**

This report also looks at unemployment rates for neighborhoods grouped into four income ranges based on median household income as reported by the 2008 American Community Survey. Not surprisingly, there is a pronounced inverse relationship between income range and average unemployment rate. The lowest income neighborhoods—those with median incomes from \$20,000 to \$30,000—had the highest average unemployment rate of 15.3 percent. At the other end of the spectrum, the highest income neighborhoods—those with median incomes of \$80,000 to \$100,000—had an average unemployment rate of 6.9 percent. The two middle-income groups had average unemployment rates of 10.0 percent (low-middle) and 9.0 percent (high-middle).

### **Figures in this report**

Figure 1 provides the details on unemployment rates for the third quarter by neighborhood, race/ethnicity and gender. Figure 2 provides the same information on unemployment by race/ethnicity but for men and women combined.

Figure 3 provides median income data from the 2008 American Community Survey for each of the 24 New York City neighborhoods used in this analysis. Neighborhoods are also identified according to one of four median income range categories.

Figure 4 breaks out unemployment by income range of neighborhoods. Figure 5 provides the Community Districts and specific neighborhood names for each of the 24 neighborhoods shown in this analysis.

**Read more about the recession in New York City**

For a more in-depth analysis of the recession in New York City, see the Fiscal Policy Institute's report, *New York City: A Tale of Two Recessions*, November 19, 2009, available at <http://www.fiscalpolicy.org/SOWNYC2009.html>.

Figure 1  
New York City unemployment by neighborhood, race and gender,  
third quarter of 2009

Neighborhood		Males				Females				Total for nbhd	Labor force estimate
		White	Black	Hispanic	Other	White	Black	Hispanic	Other		
Bx1	Central/South	4%	22%	16%	n.d.	n.d.	17%	14%	n.d.	15.7%	206,000
Bx2	North	15%	15%	11%	n.d.	11%	12%	15%	2%	12.2%	165,000
Bx3	East	12%	18%	12%	8%	9%	7%	7%	2%	10.4%	175,000
<b>Bronx total</b>		<b>13%</b>	<b>18%</b>	<b>13%</b>	<b>4%</b>	<b>10%</b>	<b>12%</b>	<b>13%</b>	<b>2%</b>	<b>13.0%</b>	<b>545,000</b>
Bk1	North	4%	20%	9%	9%	6%	14%	8%	4%	7.9%	120,000
Bk2	West	3%	46%	7%	17%	4%	14%	23%	2%	9.9%	127,000
Bk3	East	n.d.	24%	18%	n.d.	n.d.	19%	16%	n.d.	19.2%	110,000
Bk4	Sunset/Boro Park	7%	n.d.	2%	12%	10%	n.d.	9%	7%	8.2%	134,000
Bk5	Central	n.d.	23%	16%	11%	7%	13%	10%	4%	14.8%	167,000
Bk6	Narrows	12%	n.d.	6%	4%	11%	n.d.	9%	4%	8.7%	142,000
Bk7	Coney Isl.-Canarsie	6%	12%	10%	3%	10%	11%	15%	6%	9.0%	193,000
Bk8	Flatbush-E.Flatbush	6%	17%	10%	6%	2%	11%	4%	5%	10.6%	153,000
<b>Brooklyn total</b>		<b>6%</b>	<b>21%</b>	<b>10%</b>	<b>8%</b>	<b>8%</b>	<b>13%</b>	<b>11%</b>	<b>5%</b>	<b>10.9%</b>	<b>1,146,000</b>
M1	Downtown	10%	8%	17%	8%	6%	n.d.	15%	5%	9.1%	189,000
M2	Midtown	8%	n.d.	12%	8%	6%	n.d.	8%	n.d.	7.6%	208,000
M3	East & West Sides	5%	n.d.	5%	4%	5%	20%	4%	4%	5.1%	261,000
M4	Harlem/Wash. Hts	7%	22%	20%	4%	2%	12%	14%	4%	13.6%	301,000
<b>Manhattan total</b>		<b>7%</b>	<b>21%</b>	<b>17%</b>	<b>6%</b>	<b>5%</b>	<b>15%</b>	<b>12%</b>	<b>3%</b>	<b>9.1%</b>	<b>960,000</b>
Q1	Northwest	5%	n.d.	9%	5%	13%	12%	9%	4%	8.3%	168,000
Q2	La Guardia	13%	n.d.	6%	8%	8%	14%	10%	4%	7.7%	175,000
Q3	Ridgewood-Forest Hills	9%	n.d.	9%	9%	6%	n.d.	1%	3%	7.3%	142,000
Q4	Whitestone	8%	n.d.	7%	7%	7%	n.d.	22%	4%	7.9%	133,000
Q5	Woodhaven-Howard Bch.	8%	9%	17%	15%	8%	12%	13%	5%	11.4%	192,000
Q6	Northeast	10%	7%	5%	6%	7%	2%	6%	2%	6.3%	133,000
Q7	Southeast	14%	22%	8%	7%	2%	8%	11%	8%	12.2%	208,000
<b>Queens total</b>		<b>9%</b>	<b>19%</b>	<b>9%</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>	<b>10%</b>	<b>4%</b>	<b>9.0%</b>	<b>1,150,000</b>
SI1	North Shore	4%	21%	11%	12%	7%	4%	15%	6%	9.1%	93,000
SI2	Mid-is'l'd. & S. Shore	9%	n.d.	23%	4%	7%	n.d.	7%	3%	9.0%	157,000
<b>Staten Island total</b>		<b>8%</b>	<b>20%</b>	<b>16%</b>	<b>8%</b>	<b>7%</b>	<b>8%</b>	<b>11%</b>	<b>5%</b>	<b>9.0%</b>	<b>250,000</b>
<b>City total</b>		<b>7.6%</b>	<b>19.9%</b>	<b>11.9%</b>	<b>7.5%</b>	<b>7.1%</b>	<b>12.1%</b>	<b>11.6%</b>	<b>4.1%</b>	<b>10.1%</b>	<b>4,051,000</b>

Notes: "n.d." indicates that there were too few observations to estimate. Each borough total and city total corresponds to Local Area Unemployment Statistics, third quarter 2009. See Figure 5 for neighborhood descriptions.

Source: Estimates by the Fiscal Policy Institute.

Figure 2  
New York City unemployment by neighborhood and race,  
third quarter of 2009

Neighborhood		White non-Hispanics	Black non-Hispanics	Hispanics	Asian and other	Total for nbhd	Labor force estimate
Bx1	Central/South	5.2%	19.1%	15.0%	2.5%	15.7%	206,000
Bx2	North	13.0%	13.5%	13.1%	0.8%	12.2%	165,000
Bx3	East	10.7%	12.4%	9.7%	6.2%	10.4%	175,000
<b>Bronx total</b>		<b>11.4%</b>	<b>15.2%</b>	<b>13.1%</b>	<b>3.3%</b>	<b>13.0%</b>	<b>545,000</b>
Bk1	North	4.6%	16.4%	8.7%	7.1%	7.9%	120,000
Bk2	West	3.9%	26.9%	14.0%	9.9%	9.9%	127,000
Bk3	East	25.0%	21.4%	16.9%	3.0%	19.2%	110,000
Bk4	Sunset/Boro Park	8.6%	16.5%	4.9%	10.1%	8.2%	134,000
Bk5	Central	3.1%	17.9%	13.4%	8.3%	14.8%	167,000
Bk6	Narrows	11.7%	n.d.	7.3%	4.2%	8.7%	142,000
Bk7	Coney Isl.-Canarsie	7.6%	11.4%	12.4%	4.6%	9.0%	193,000
Bk8	Flatbush-E.Flatbush	4.1%	13.8%	7.8%	5.7%	10.6%	153,000
<b>Brooklyn total</b>		<b>7.2%</b>	<b>16.7%</b>	<b>10.4%</b>	<b>6.5%</b>	<b>10.9%</b>	<b>1,146,000</b>
M1	Downtown	8.5%	21.8%	15.9%	6.4%	9.1%	189,000
M2	Midtown	7.1%	29.5%	10.5%	4.5%	7.6%	208,000
M3	East & West Sides	4.9%	12.4%	4.3%	3.9%	5.1%	261,000
M4	Harlem/Wash. Hts	4.6%	17.0%	16.9%	3.7%	13.6%	301,000
<b>Manhattan total</b>		<b>6.3%</b>	<b>17.5%</b>	<b>15.0%</b>	<b>5.0%</b>	<b>9.1%</b>	<b>960,000</b>
Q1	Northwest	8.6%	19.1%	9.4%	4.7%	8.3%	168,000
Q2	La Guardia	10.6%	13.3%	7.2%	6.3%	7.7%	175,000
Q3	Ridgewood-Forest Hills	7.8%	n.d.	5.5%	5.8%	7.3%	142,000
Q4	Whitestone	7.6%	n.d.	12.9%	5.7%	7.9%	133,000
Q5	Woodhaven-Howard Bch.	8.2%	10.7%	15.3%	10.7%	11.4%	192,000
Q6	Northeast	8.6%	4.7%	5.5%	4.6%	6.3%	133,000
Q7	Southeast	9.1%	14.4%	9.5%	7.5%	12.2%	208,000
<b>Queens total</b>		<b>8.4%</b>	<b>13.6%</b>	<b>9.3%</b>	<b>6.5%</b>	<b>9.0%</b>	<b>1,150,000</b>
SI1	North Shore	5.5%	12.0%	12.5%	10.0%	9.1%	93,000
SI2	Mid-is'l'd. & S. Shore	8.2%	n.d.	16.0%	3.5%	9.0%	157,000
Staten Island total		7.5%	14.1%	14.0%	6.8%	9.0%	250,000
<b>City total</b>		<b>7.3%</b>	<b>15.7%</b>	<b>11.8%</b>	<b>6.1%</b>	<b>10.1%</b>	<b>4,051,000</b>

Notes: "n.d." indicates that there were too few observations to estimate. Each borough total and city total corresponds to Local Area Unemployment Statistics, third quarter 2009. See Figure 5 for neighborhood descriptions.

Source: Estimates by the Fiscal Policy Institute.

Figure 3  
New York City median household income by neighborhood, 2008

Neighborhood		Median income	Number of households	Income group
Bx1	Central/South	\$20,000	199,900	Lowest
Bx2	North	\$50,000	144,500	Low-middle
Bx3	East	\$40,000	167,800	Low-middle
<b>Bronx total</b>		<b>\$30,000</b>	<b>512,200</b>	
Bk1	North	\$40,000	101,600	Low-middle
Bk2	West	\$70,000	111,100	High-middle
Bk3	East	\$30,000	98,900	Lowest
Bk4	Sunset/Boro Park	\$40,000	100,500	Low-middle
Bk5	Central	\$40,000	149,900	Low-middle
Bk6	Narrows	\$40,000	118,600	Low-middle
Bk7	Coney Isl.-Canarsie	\$50,000	173,800	Low-middle
Bk8	Flatbush-E.Flatbush	\$40,000	113,300	Low-middle
<b>Brooklyn total</b>		<b>\$40,000</b>	<b>967,800</b>	
M1	Downtown	\$60,000	162,500	High-middle
M2	Midtown	\$100,000	193,500	Highest
M3	East & West Sides	\$100,000	260,200	Highest
M4	Harlem/Wash. Hts	\$30,000	234,700	Lowest
<b>Manhattan total</b>		<b>\$70,000</b>	<b>850,900</b>	
Q1	Northwest	\$50,000	130,800	Low-middle
Q2	La Guardia	\$40,000	108,300	Low-middle
Q3	Ridgewood-Forest Hills	\$60,000	120,900	High-middle
Q4	Whitestone	\$60,000	94,600	High-middle
Q5	Woodhaven-Howard Bch.	\$50,000	141,400	Low-middle
Q6	Northeast	\$70,000	102,500	High-middle
Q7	Southeast	\$60,000	142,400	High-middle
<b>Queens total</b>		<b>\$60,000</b>	<b>840,800</b>	
SI1	North Shore	\$60,000	68,200	High-middle
SI2	Mid-isl'd. & S. Shore	\$80,000	111,000	Highest
<b>Staten Island total</b>		<b>\$70,000</b>	<b>179,200</b>	
<b>City total</b>		<b>\$50,000</b>	<b>3,350,900</b>	
Income groups		Number of households	Share of total NYC households	
Lowest	\$20,000-\$30,000	533,500	15.9%	
Low-middle	\$40,000-\$50,000	1,450,400	43.3%	
High-middle	\$60,000-\$70,000	802,200	23.9%	
Highest	\$80,000-\$100,000	564,800	16.9%	
		<b>3,350,900</b>	<b>100.0%</b>	

Note: See Figure 5 for neighborhood descriptions.

Source: Fiscal Policy Institute analysis of 2008 American Community Survey data.

Figure 4  
New York City unemployment by income range of neighborhoods,  
third quarter of 2009

<b>Income groups for neighborhoods</b>	<b>Median income</b>	<b>Number of unemployed</b>	<b>Labor force</b>	<b>Unemployment rate</b>
Lowest	\$20,000-\$30,000	94,700	617,000	15.3%
Low-middle	\$40,000-\$50,000	178,600	1,784,000	10.0%
High-middle	\$60,000-\$70,000	92,700	1,025,000	9.0%
Highest	\$80,000-\$100,000	43,300	626,000	6.9%
<b>Total</b>		<b>409,200</b>	<b>4,052,000</b>	<b>10.1%</b>

Note: Components do not sum to total due to rounding.  
Source: Fiscal Policy Institute estimates.



Figure 5  
New York City neighborhoods

<b>Broad description</b>	<b>Community Districts</b>	<b>Neighborhood names</b>
<b>Bronx</b>		
Bx1 Central & South	1 through 6	Mott Haven/Hunts Point, Morrisania/Belmont, Highbridge/South Concourse, and University Heights/Fordham
Bx2 North	7, 8, & 12	Riverdale/Kingsbridge, Kingsbridge Heights/Mosholu, and Williamsbridge/Baychester
Bx3 East	9 through 11	Soundview/Parkchester, Throgs Neck/Coop City, and Pelham Pkwy
<b>Brooklyn</b>		
Bk1 North	1 & 4	Williamsburg/Greenpoint & Bushwick
Bk2 West	2 & 6	Brooklyn Heights/Fort Greene & Park Slope/Carroll Gardens
Bk3 East	5 & 16	East New York/Starrett City & Brownsville-Ocean Hill
Bk4 Sunset/Boro Park	7 & 12	Sunset Park & Borough Park
Bk5 Central	3, 8, & 9	Bedford-Stuyvesant, North Crown Heights/Prospect Heights & South Crown Heights
Bk6 Narrows	10 & 11	Bay Ridge & Bensonhurst
Bk7 Coney Isl.-Canarsie	13, 15, & 18	Coney Island, Sheepshead Bay/Gravesend, & Flatlands/Canarsie
Bk8 Flatbush-E.Flatbush	14 & 17	Flatbush and East Flatbush
<b>Manhattan</b>		
M1 Downtown	1 through 3	Greenwich Village, Financial District, & Lower East Side/Chinatown
M2 Midtown	4 through 6	Chelsea/Clinton, Midtown South, & Stuyvesant Town/Turtle Bay
M3 East & West Sides	7 & 8	Upper East & Upper West Sides
M4 Harlem/Washington Hts	9 through 12	Morningside Heights/Hamilton Heights, Central & East Harlem, & Washington Heights/Inwood
<b>Queens</b>		
Q1 Northwest	1 & 2	Astoria & Sunnyside/Woodside
Q2 La Guardia	3 & 4	Jackson Heights & Elmhurst/Corona
Q3 Ridgewood-Forest Hills	5 & 6	Rego Park/Forest Hills & Middle Village/Ridgewood
Q4 Whitestone	7	Flushing/Whitestone
Q5 Woodhaven-Howard Bch.	9, 10, & 14	Ozone Park/Woodhaven, South Ozone Park/Howard Beach, & the Rockaways
Q6 Northeast	8 & 11	Hillcrest/Fresh Meadows & Bayside/Little Neck
Q7 Southeast	12 & 13	Jamaica & Queens Village
<b>Staten Island</b>		
SI1 Most	2 & 3	Mid-island & South Shore
SI2 North shore	1	North Shore

Note: Community Districts are only approximately coterminous with the PUMAs used in this analysis.  
Source: Fiscal Policy Institute analysis of 2008 American Community Survey data.

## **Methodology for estimating NYC neighborhood unemployment rates**

The American Community Survey (ACS), compiled annually by the U.S. Census Bureau, asks respondents about their labor force status and their employment status. The Census provides a one-in-twenty subsample from this survey to the public (“microdata”). These microdata were used to estimate the number of people in the labor force, and the number unemployed, in each of eight demographic groups, for each of the 55 areas of New York City (PUMAs, or Public Use Microdata Areas) identified in these data. The mutually exclusive demographic groups included, for men and women separately, white non-Hispanics, black non-Hispanics, Hispanics, and Asian and Other.

Because some of the PUMAs have small numbers of people in certain demographic groups—and thus too few people in the sample data to obtain reasonably accurate estimates—FPI combined PUMAs to create 24 larger areas (or “neighborhoods”) in the five boroughs.

The Current Population Survey (CPS) is a monthly survey conducted by Census in conjunction with the U.S. Department of Labor, and is the primary source for that department’s published unemployment figures. CPS data is only available for the whole of New York City. The CPS data from the third quarter of 2008 was used to get a “benchmark” estimate of the labor force and unemployed by demographic group for the whole city, using the same categories as for the ACS. At the same time, third-quarter 2009 CPS data were used to calculate labor force and unemployed numbers, by demographic group, and obtained the 2008-2009 percent changes in the labor force and in the unemployed for each demographic group.

The estimate of the portion of the city’s labor force and unemployed in each demographic group from the ACS was adjusted so that it agreed with the citywide demographic distribution from the third quarter-2008 CPS. This adjustment was applied to all the areas of the city.

The percent changes in the labor force and in the unemployed from the CPS analysis were applied to each of the eight demographic groups in each of the 24 neighborhoods.

The Labor Department also publishes labor force numbers and unemployed numbers by county in the Local Area Unemployment Statistics, or “LAUS”, series. For each borough, the total labor force count and the total unemployed count from the previous step were adjusted so that they agreed with the third-quarter 2009 LAUS averages.

This series of adjustments leads to estimates of the labor force and the number unemployed in each neighbourhood, for each demographic group, that—when combined at the borough level—agree with the LAUS numbers. Dividing the numbers unemployed by the labor force sizes for each neighbourhood and demographic group gives the unemployment rates. Where there were too few observations in the underlying ACS data to provide a reliable estimate—that is, generally where there were fewer than 50 raw cases—estimates are “not disclosed,” indicated in the accompanying figures by “n.d.”

The unemployment rates estimated followed the standard, U-3, Labor Department definition. Since the underlying demographic-specific data from the ACS do not include data on discouraged workers, other marginally attached workers, or the under-employed, there is no basis for estimating alternative unemployment definitions, such as U-6.



*The Fiscal Policy Institute is a nonpartisan research and education organization that focuses on tax, budget, and economic issues that affect the quality of life and the economic well being of New York State residents.*

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