

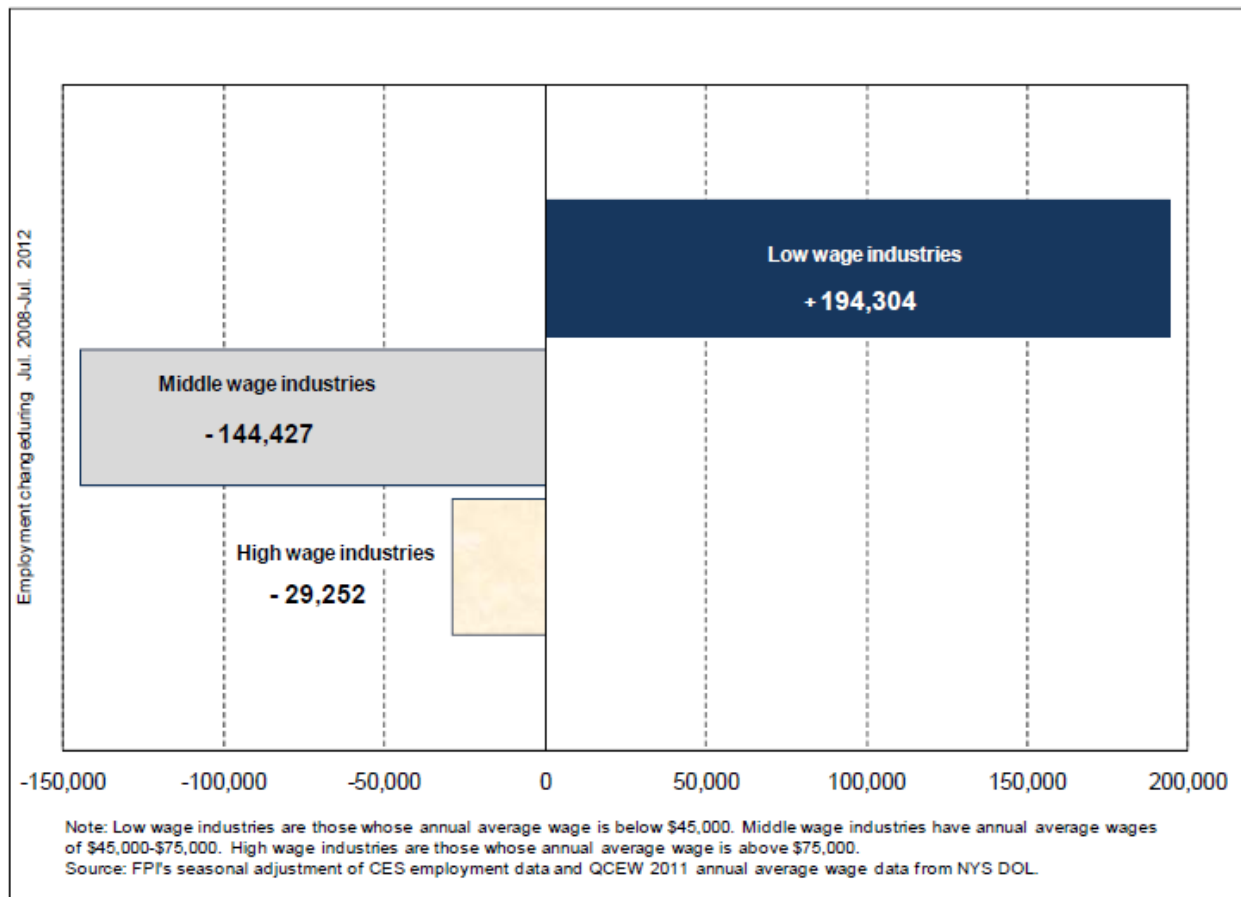
Report: New York Adds Low-Paying Jobs During 'Tepid' Recovery

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Workers in restaurants, education and home health care making less than \$45,000 a year are the face of New York State's "disappointingly weak" economic recovery, according to a new report from the non-partisan Fiscal Policy Institute.

The state now has 21,000 more jobs than it had before the recession, but the math tells a story of declining wealth. New York lost 144,000 middle-class jobs that paid between \$45,000 and \$75,000 a year, as well as 29,000 high-wage positions. The net gain comes from 194,000 new low-paying jobs.

"Job growth in the city and state has been concentrated in industries like restaurants and retail trade where the average wage is much below the average in sectors like government, manufacturing and construction where a lot of the jobs have been lost," FPI chief economist James Parrott said in an interview.



Meanwhile, New York City has seen strong growth in tourism, another low-paying industry on the whole, Parrott said. The city has had a net gain of 70,000 jobs since the start of the recession, but only because it added 130,000 low-paying jobs.

The growth of the low-wage sector, which is part of a national trend, is no cause for celebration, according to the report.

"This national recovery is historically weak," Parrott said. "It's the slowest recovery from a recession since the 1930s."

Unemployment Hampers City and State

During the first year and a half of the recovery, from December 2009 to July 2011, New York City and state outperformed the national average in job growth.

But as U.S. unemployment has fallen in the last 12 months, the rate in New York has jumped from 8.2 to 9.1 percent, a hard-to-explain phenomenon, according to the report's authors, since the state added 114,500 jobs during the period. At the same time, New York City saw unemployment rise a full percentage point to 10 percent despite adding 59,000 jobs.

While several factors could help account for why this moderate job growth has not reduced unemployment, the report concludes that New York state's unemployment rate may be overstated by as much as a percentage point.

A lower rate seems like good news on its face, but it also means New York still has a long way to go before it fully recovers, according to the report.

"Even if you have an unemployment rate in the state of 8 percent and in the city of 8.5 or 9 percent, that would be considered recession standard unemployment rates," Parrott said.

Prior to the recession, unemployment was around 5 percent in the state. It's a rate the Federal Reserve estimates will take years to achieve again.