

The State of Working
New York 2013:
Workers Are Paying a
High Price for Persistent
Unemployment



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August 28, 2013

Preface

The Fiscal Policy Institute (FPI) has been preparing annual reports on *The State of Working New York* since 1999. These are intended to be up-to-date, integrated data analyses of recent and longer-term economic trends and how they are affecting New York workers and their families. This is Part I of the 2013 edition, with the subtitle *Workers Are Paying a High Price for Persistent Unemployment*. Part II will be released later in the fall and will provide an update of wage, income and poverty trends.

This report was prepared and written under the direction of James Parrott, FPI's Deputy Director and Chief Economist. The data for these reports were prepared by Brent Kramer, Senior Economist, and Chioma Osueke, Research Assistant. Brent drafted the sections dealing with unemployment and its social and health costs. David Dyssegaard Kallick, Senior Fellow, Michele Mattingly, Research Associate, and Frank Mauro, Executive Director, helped edit the report. Bryan LaVigne, Director of Administration and Development, formatted the figures and the report, and handled all communications and website responsibilities.

We would like to thank Larry Mishel, Doug Hall, David Cooper, Heidi Shierholz, and their colleagues at the Economic Policy Institute and EPI-EARN for their insightful economic analyses, their methodological assistance, and for their invaluable service in compiling several economic data sets for all fifty states.

We gratefully acknowledge the generous support of the Ford Foundation and the Charles Stewart Mott Foundation as well as that of the other foundations and numerous contributors who support FPI's work. We also thank the many religious, labor, human services, community and other organizations and individuals that use, disseminate and promote the Fiscal Policy Institute's analytical work.

August 2013

Executive Summary

The current recovery, which started in mid-2009, is the weakest on record since the 1930s. U.S. GDP growth has averaged 2.2 percent in this recovery, less than half the annual average for the five prior recoveries that lasted at least four years. Job growth has been even weaker than growth in GDP—jobs have grown at 43 percent of the average for prior recoveries.

While the national job count has been rising during the recovery, it is still not back to its pre-recession level. In this bleak context, New York State managed the sixth best job growth performance among all 50 states since the recession began, and our state's total payroll job level in July 2013 was about 54,000 above its pre-recession level. This record would have been better if it had not been for a nearly five percent decline in government employment during the recovery.

New York workers are paying a high price for persistent unemployment. But despite New York's payroll employment record, our state's unemployment rate stayed above eight percent for 48 consecutive months through March 2013. For decades, eight percent unemployment has been associated with depressed labor market conditions normally indicating a recession. New York's unemployment rate improved to 7.5 percent in July 2013, close to the national 7.4 percent rate. Even though New York is experiencing a moderate amount of payroll job growth, the layoff rate—the rate at which workers are losing their jobs and turning to unemployment insurance—was still greater in the first half of 2013, four years after the recovery began, than during the 2001-2003 recession.

This recovery also has been marked by extremely long periods of joblessness for many New York and U.S. workers. For more than 60 years, from the end of the Great Depression to the beginning of the Great Recession, the average duration of unemployment was never more than six months. As of August, 2013, the U.S. will have had 48 straight months in which the average unemployed person has been out of work for over half a year. In New York, the average period of joblessness during the first half of 2013 was 37 weeks—more than eight months, well above the national average of 33 weeks.

Several groups of New York workers—such as blacks and workers age 45 and older—have average unemployment periods exceeding 42 weeks. Higher education has not insulated the unemployed from prolonged jobless periods. New Yorkers with a college degree have longer average jobless spells than less educated workers (college educated unemployment averaged 43 weeks for the first half of 2013 while those with only a high school education were unemployed an average of 38 weeks—both figures are for workers age 25 and older.)

These unusually high levels of long-term unemployment portend poorly for New York's future economic and social health. Beyond the certain adverse effects on earnings and health and private pension coverage, serious bouts of unemployment are also correlated with depression, divorce, poor health, suicide, and much lower lifetime earnings.

In July 2013, there were 718,000 New York residents unemployed. Black and Hispanic workers have unemployment rates of around 12 percent, about twice the 6.3 percent unemployment rate for white non-Hispanic workers. Including people who are discouraged and have given up

looking for work, and those who are working part-time because they cannot find full-time work, more than one New Yorker in eight (13.7 percent) is underemployed. Underemployment rates for blacks and Hispanics are around 20 percent.

New York has fared better than most states on the job front since the recession began mainly because the massive taxpayer bailout of the finance sector moderated the magnitude of recession job, income and profit losses on Wall Street, and the housing bubble largely bypassed upstate. Within the state, jobs have grown much faster in New York City than in the city's suburbs and upstate. There are now 4.7 percent more jobs in New York City than there were before the recession, while the rest of the state is still 1.6 percent below its pre-recession payroll employment level, a position close to the nation overall. Several sectors have been fueling New York City's rebound, including tourism, information, real estate and construction, and the City has emerged as one of the foremost leaders in the U.S. in the technology area.

Over the past four years of recovery, other than New York City, only the Nassau-Suffolk and the Ithaca metro areas have had faster job growth than the nation. The 52-county upstate area (all of the state north of Rockland and Putnam counties) had total job growth of 1.2 percent over the past four years of recovery, only one-third the pace of national job growth. Among the major upstate metro areas, Rochester (with 3.0 percent total job growth) and Buffalo (2.5 percent) have done better during the four years of recovery than Syracuse (1.1 percent) and Albany (1.0 percent), while the Binghamton metro area has seen a 3.6 percent job decline.

While unemployment remains high throughout the state, the large upstate cities, especially Buffalo (and Niagara Falls), Syracuse, and Rochester, have extremely high unemployment. In the five major upstate metro areas, unemployment was two percentage points higher in the cities than in the surrounding suburbs. Unemployment in upstate cities averaged 9.5 percent in the first half of 2013. Unemployment in New York City, at 8.7 percent for the first half of 2013, is well above the state and national averages, while the downstate suburbs have unemployment of 7 percent or less.

The weak recovery has also been marked by declines in the proportion of prime working age adults who have jobs. Among New York residents aged 25 to 64, less than 71 percent were working in the first half of 2013, down from over 75 percent before the recession. The prime-age employment-to-population ratio is higher in the rest of the state than in New York City, but has dropped 5.9 percentage points over the past five years, more than twice the drop in the city.

Virtually no category of New York worker has been spared during the past five years of recession and weak recovery. Among young New Yorkers aged 18-24, fewer than half are now working—only 45 percent compared to 50 percent before the recession. Statewide, more than one in six of those aged 18-24 are unemployed, and 29 percent now suffer from underemployment, compared to 20 percent five years ago.

Job growth has not kept pace with population growth since the recession began, so New York has a “jobs deficit” of 150,000, despite having a somewhat higher number of payroll jobs today than at the pre-recession peak. The jobs deficit is the number of additional jobs needed to keep the jobs-to-population ratio the same as prior to the downturn.

Much of the job growth that has occurred has been in jobs that will make it hard to build a stable future for working New Yorkers. Trends have continued in which New York has lost tens of thousands of middle income jobs in manufacturing, construction and government, while most net job growth, in New York as well as for the nation overall, has occurred among industries like restaurants and retail trade that pay lower wages.

Austerity policies squeezing government spending at all levels represents a sharp departure from long-accepted economic wisdom in the modern era. After little more than a year of recovery, severe austerity policies pushed Europe and Great Britain back into recession for the past three years. In previous recovery periods since World War II, U.S. government spending has grown 2.5 percent annually on average. In the current recovery, federal spending has fallen at close to one percent annually, and state and local government spending has dropped by almost two percent per year. This reversal has meant that government employment has fallen by 1.1 million in the U.S. during the recovery, and by 74,000 in New York State.

Government employment has dropped to a greater extent in much of New York than in the U.S. as a whole; the drop was most severe in the Eastern New York region including the northern New York City suburbs and the Hudson Valley up to Glens Falls. Had there been no such decline, total state job growth would have been about one percentage point higher over this period, 5.0 instead of 4.1 percent.

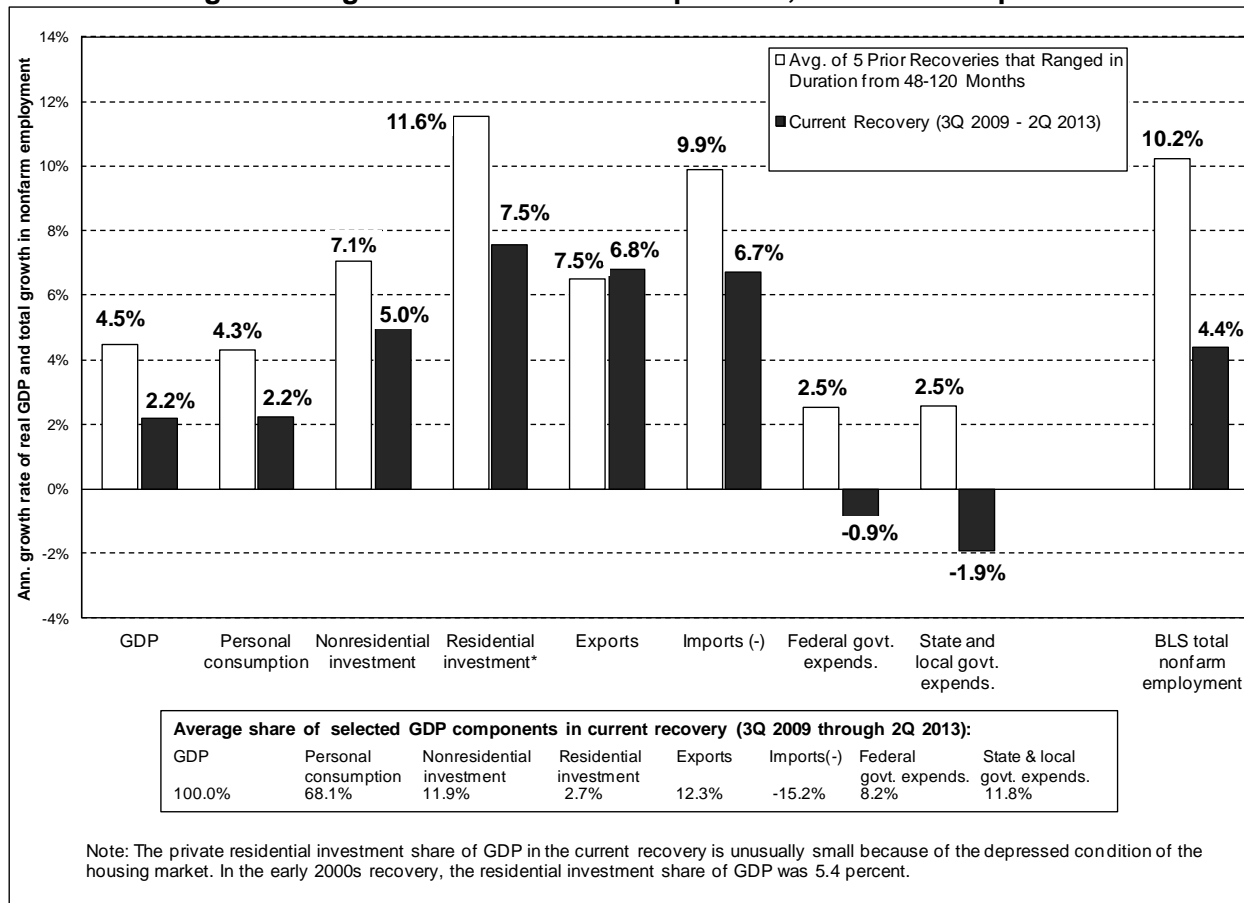
State budget cuts and reduced school funding in New York have led to the loss of 57,000 predominantly middle-income paying jobs in schools, and state and local government. Had the number of such jobs kept up with population growth (as public services should), we would have had 88,000 more public service employees in New York than we had as of July, 2013. In addition, because many private sector jobs are supported by government spending—e.g., professional services for school children, cars and radios for police, medical equipment for health care workers—an estimated 59,000 private jobs would accompany 88,000 more state and local public servants. Thus, had New York maintained the traditional ratio of public servants to population, it would have 147,000 more jobs (88,000 plus 59,000) than it currently has. This number is close to the magnitude of New York’s “job deficit” discussed earlier. Plus, averting the loss of 57,000 state and local jobs would have maintained tens of thousands of middle income jobs.

Even for those still working, the past decade has essentially been a “lost decade” for typical New York workers since median female hourly wages were nearly one percent lower in 2012 than in 2002, and the median male hourly wage was almost seven percent less than a decade earlier. These trends are similar for workers nationally. There have been some years of gains, but median real wages dropped sharply in 2012, bringing them to about \$16 an hour for the median female New York worker and about \$19 an hour for the median male New York worker—well under \$40,000 a year for a full-time, year-round employee.

In this recovery, wages in New York and the U.S. have been squeezed by out-sized corporate profit growth. Nationally, profits and other business income have increased by 50 percent since the recession low-point, while total employee compensation has grown by only 12 percent.

The weakest of modern recoveries—for four years, U.S. economic growth has been half the pace of prior recoveries.

FIGURE 1 Avg. annual growth in GDP and components, current and 5 prior recoveries

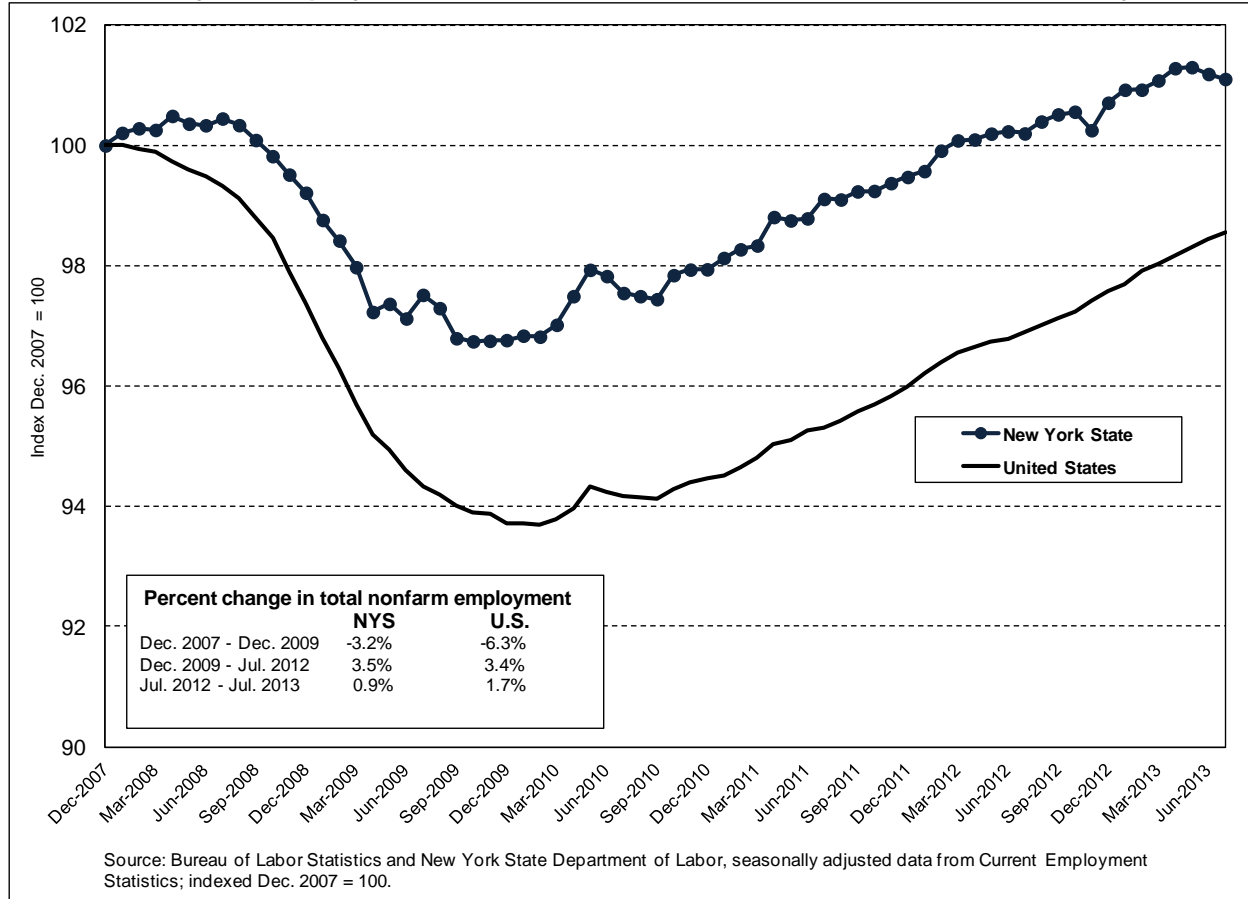


The current recovery, which started in mid-2009, is the weakest on record since the 1930s. The bursting of the housing bubble and disruptions caused by reckless financial sector practices were largely responsible for the severity of the Great Recession and the associated financial crisis. GDP growth has averaged 2.2 percent in this recovery, less than half the average for five prior recoveries. Consumer spending, which drives a lot of hiring and investment decisions, has been weak because of high unemployment, stagnant wages, and high household debt burdens for many families. In this recovery, consumer demand has averaged 2.2 percent annual growth, half of the 4.3 percent annual pace in previous recoveries.

Wages have been squeezed by out-sized corporate profit growth. Profits and other business income have increased by 50 percent since the recession's low-point, while total employee compensation has grown by only 12 percent. Job growth has been 43 percent of the average for prior recoveries. Declining government spending has severely impaired the recovery. For the past four years, federal government spending has dropped by nearly one percent each year, while state and local government spending has declined at a 1.9 percent annual rate. This compares to 2.5 percent annual average growth for each in a typical recovery.

New York State’s number of payroll jobs exceeds the pre-recession level, while the U.S. is still below its prior peak.

FIGURE 2 Payroll employment, New York State & United States, Dec. 2007 – July 2013

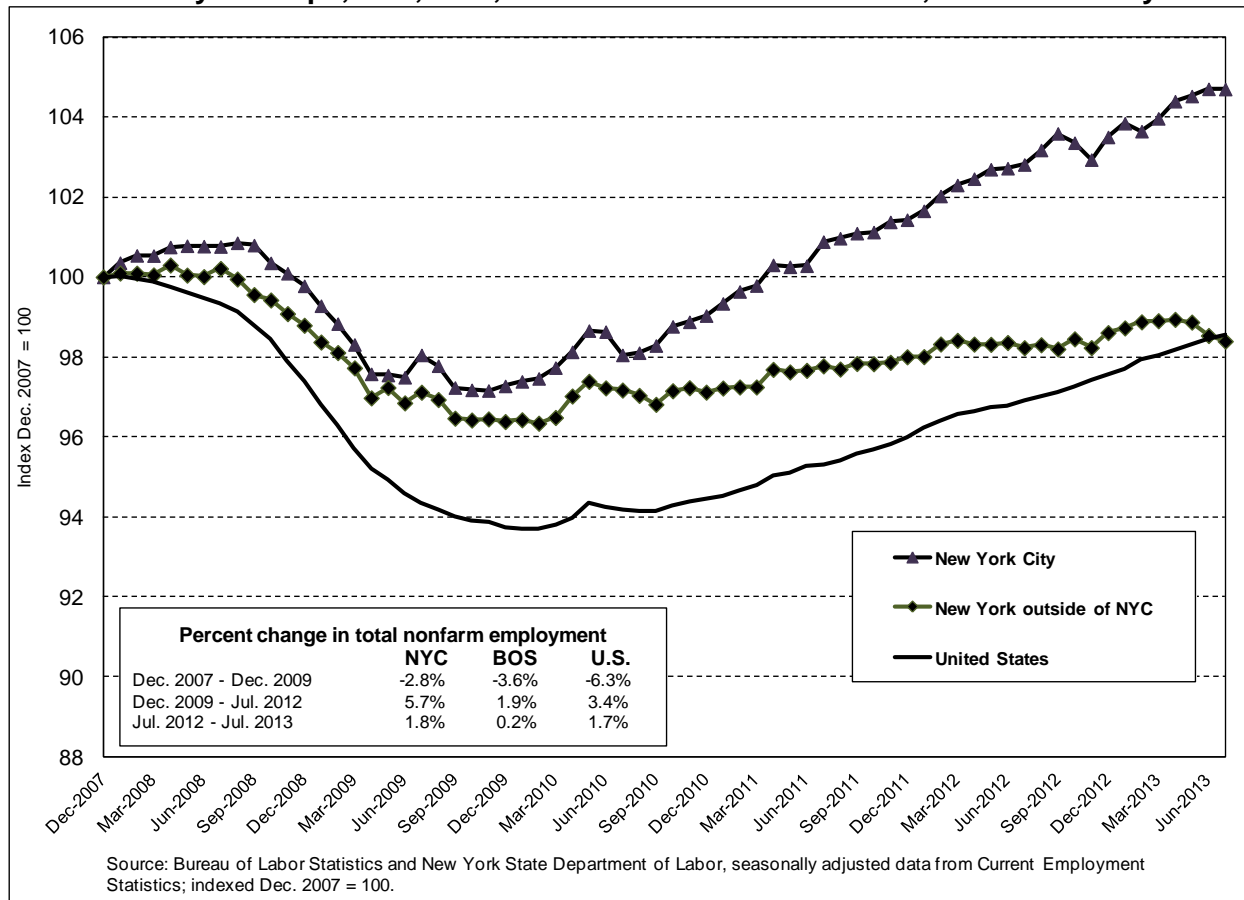


After six quarters of recession, U.S. GDP began to recover in the third quarter of 2009. However, U.S. payroll employment continued to decline through February 2010. As Figure 2 indicates, payroll jobs grew at a slightly faster pace in New York State from December 2009 through July 2012 than in the nation overall. Over the past year (from July 2012 to July 2013), New York State’s job growth has slowed relative to the nation, increasing by 0.9 percent compared to 1.7 percent pace for the nation. Still, NYS ranks sixth best among the 50 states with respect to adding new jobs since the start of the national recession in December 2007.

As of July 2013, New York’s total payroll job level was about 54,000 above the pre-recession peak level. On the other hand, the national job level is still about 1.5 percent below the pre-recession peak. That the Empire State is above its pre-recession employment level is largely due to the fact that its recession job losses were about half the size of the nation’s—recession job losses were 3.2 percent of the number of jobs held at the pre-recession peak in New York but 6.3 percent for the U.S. The unprecedented taxpayer bailout of Wall Street had a lot to do with moderating New York’s recession job loss since the major Wall Street firms have a large NYC presence. It is not unusual for a state that loses fewer jobs in a downturn to experience a more muted job rebound.

Within NYS, NYC’s job recovery has been much stronger than in the rest of NYS.

FIGURE 3 Payroll empl., U.S., NYC, and New York outside of NYC, Dec. 2007 - July 2013

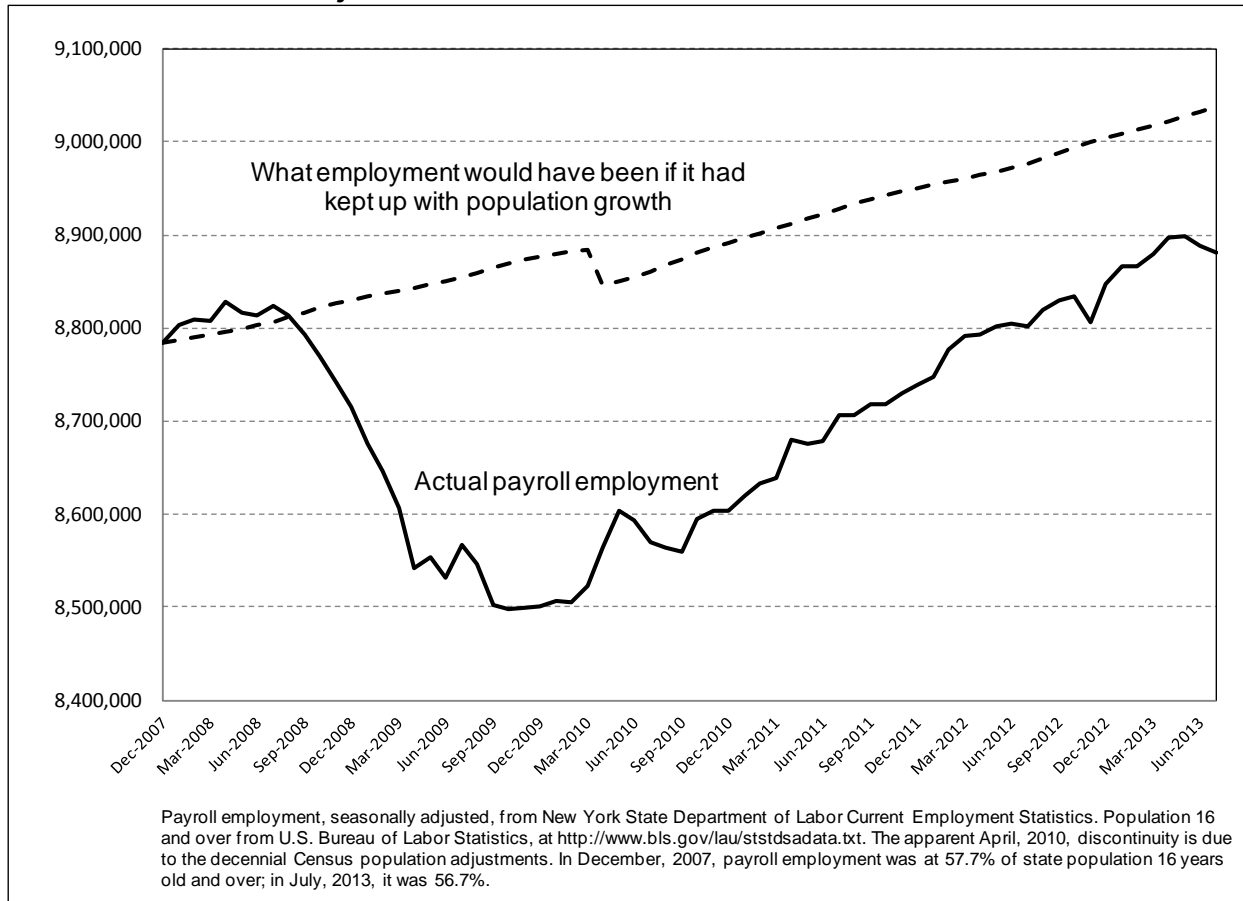


Within New York State, New York City has experienced much faster job growth than the balance of the state (the downstate suburbs and all of upstate) during the recovery so far. For the first two-and-a-half years of recovery (December 2009-July 2012), New York City’s 5.7 percent job growth was three times that of the rest of the state. Over the past year (July 2012-July 2013), New York City’s 1.8 percent job growth has been in line with job growth for the nation overall. However, for the balance of the state (calculated by subtracting NYC from the statewide payroll job estimate), the number of net jobs gained over the past year was only about 10,000, that’s growth of 0.17 percent, just one-tenth the nation’s job growth over the past year.

Both New York City and the balance of New York State lost jobs at a slower pace during the recession than did the nation overall. Because New York City’s recession job loss was less than for the rest of the state, and the pace of its job recovery has been much faster, the City’s job level is now 4.7 percent above pre-recession levels, while the rest of the state is still 1.6 percent below its pre-recession level (roughly the position the U.S. as a whole is in). (The July 2012 total job level for the balance of the state was revised down in the Labor Department’s annual revision by about 36,000 from the level we reported in the *State of Working New York 2012*.)

While New York’s payroll employment exceeds the pre-recession peak, the state is 156,000 jobs short of the number needed to match the pre-downturn jobs-to-population ratio.

FIGURE 4 New York’s “job deficit”

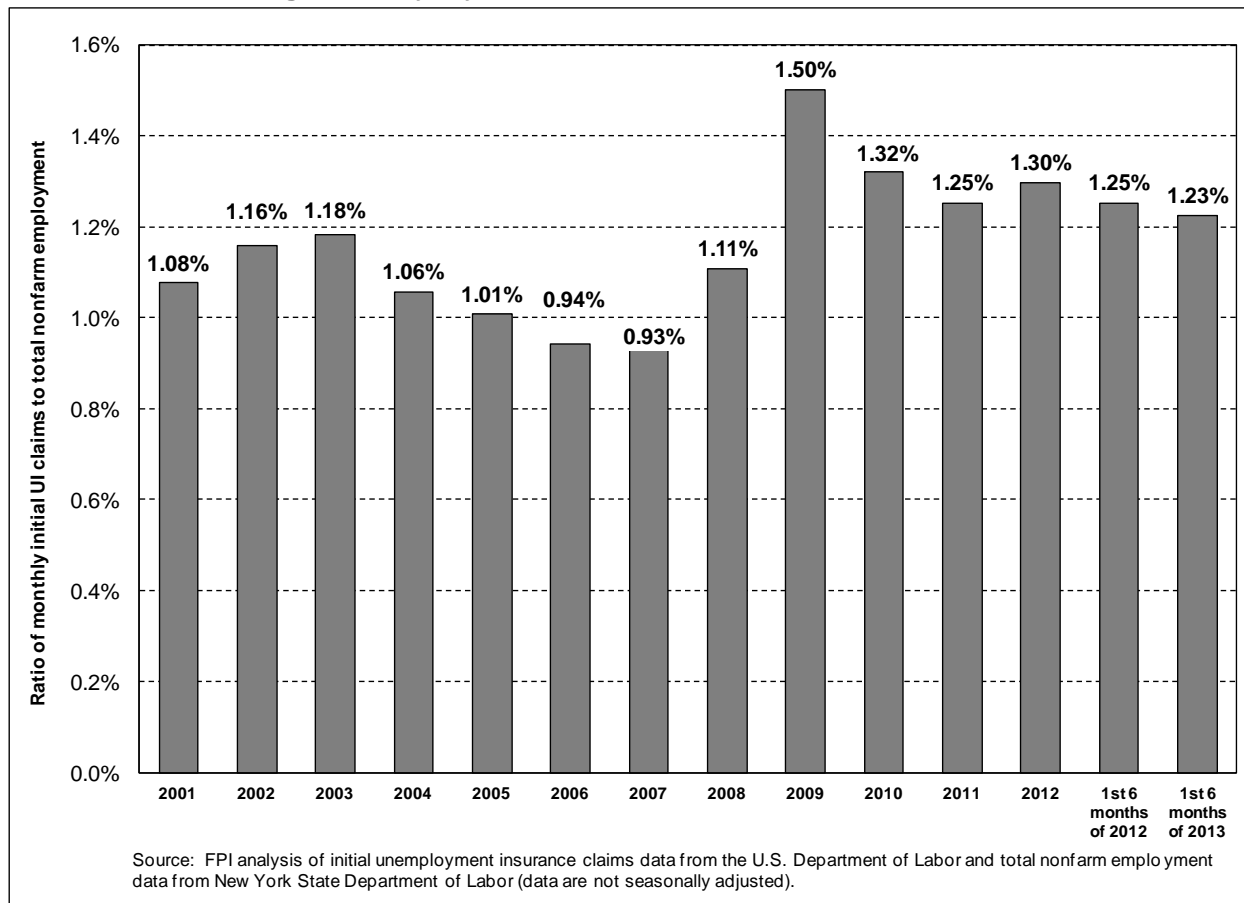


New York State’s total nonfarm payroll employment level is slightly above its pre-recession level; however, the ratio of jobs-to-population is one percent below where it was at the start of the recession. Thus, New York State is 156,000 jobs short of the number needed to restore the pre-recession jobs-to-population ratio.

The above estimate of New York’s “job deficit” follows a methodology developed by the Economic Policy Institute. This estimate is based on the age 16+ civilian population, which has been growing at 0.5 percent a year in the Empire State since 2007. The jobs-to-population ratio used in the exercise on this page utilizes payroll jobs and is not the same as the employment-to-population (or EPOP) ratio discussed below in connection with Figure 17, which uses the labor department’s resident employment concept.

New York’s monthly “layoff rate” has come down since 2009, but is still higher than during the 2001-2003 recession.

FIGURE 5 NYS's avg. monthly layoff rate, 2001-2012 and 1st 6 months of 2012 & 2013



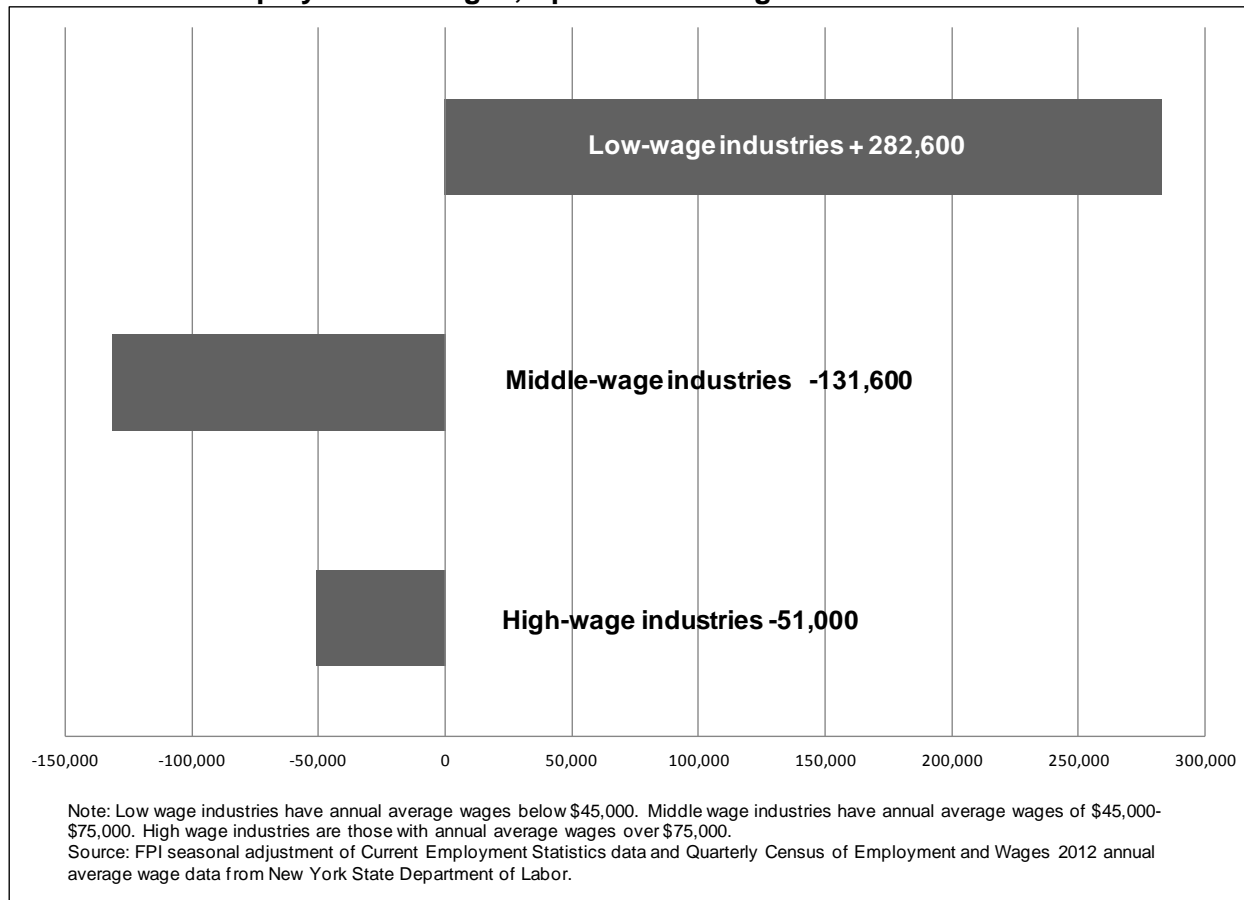
The initial unemployment insurance claims rate (the “layoff rate”) measures the average monthly level of initial claims relative to the state’s payroll employment level. While the initial unemployment claims rate has declined from a high reached in the first half of 2009, it was still higher during the first half of 2013 than during the 2001-2003 recession. Even though New York State is experiencing a moderate amount of payroll job growth, the rate at which workers were losing their jobs and turning to unemployment insurance in the first half of 2013, four years after the recovery began, was still greater than during the 2001-2003 recession.

Slightly more than 286,000 unemployed New York State residents were receiving unemployment insurance in mid-July 2013. An average of over 25,300 New York workers filed initial claims for unemployment insurance each week during the first seven months of 2013.

Legislation enacted in March 2013, will provide the first increase, effective October 1, 2014, in New York’s maximum weekly unemployment insurance benefit since 2000. At that time, the maximum benefit will increase from \$405 to \$420, an amount that will still leave it one-third or more below the maximum weekly benefits in Massachusetts and New Jersey.

New York State's net job gains since the recession began have been concentrated in industries with low wages.

FIGURE 6 Net employment changes, April 2008 through June 2013

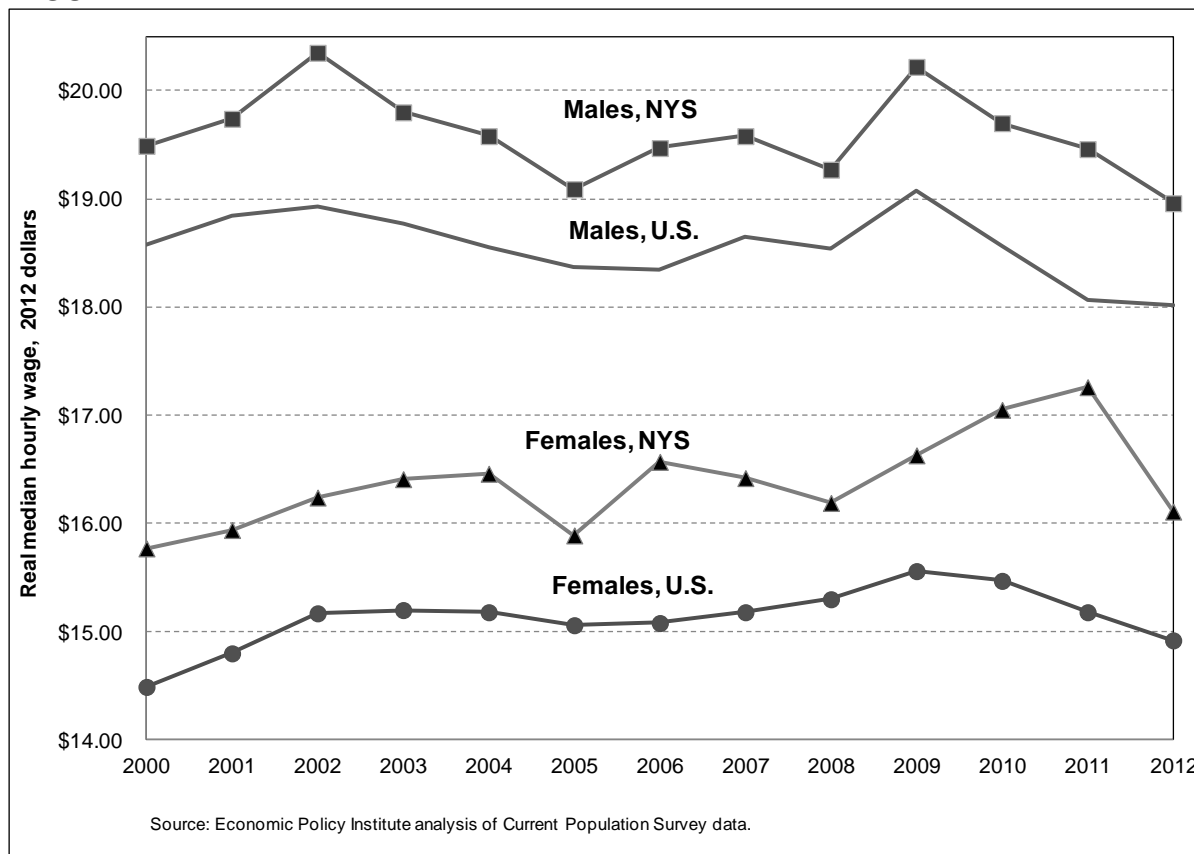


Prior to 2008, there was already a shift in the character of New York's labor market, as the share of middle-income jobs decreased and low-wage jobs became more prevalent. This trend continued during the 2008-2009 recession and its aftermath, with New York having lost hundreds of thousands of middle income jobs (with average annual wages between \$45,000 and \$75,000), while most net job growth has occurred among industries that pay lower wages (average wages below \$45,000). Since the recession's onset in April 2008, New York has experienced an overall net gain of 83,500 jobs, but that reflects the net loss of 131,000 middle-wage jobs, a net loss of 51,000 high-wage jobs, and a net gain of 282,600 jobs in low-wage industries. The leading sectors for low-wage job growth include restaurants (92,300), home health care services (41,600), and retail trade (36,500). (See Appendix 1 for job changes by industry.)

Topping the list of industries losing the most jobs over the past four years are three middle-wage sectors: manufacturing (94,900), government (67,200), and construction (42,400). Private colleges and universities added 38,700 jobs in the middle-wage category. While professional services added 24,200 jobs among high-paying sectors, those gains were more than offset by the net loss of 38,300 finance and insurance jobs and 13,700 jobs in the information sector.

The “lost decade” for workers in NYS and the U.S.—since 2002, median inflation-adjusted hourly wages have fallen for men and stagnated for women.

FIGURE 7



The general weakness of the recovery has meant that inflation-adjusted wages for most New York workers were about the same or lower in 2012 as at the beginning of the recession. This is true for women as well as for men. There have been some years of gains, but median real wages dropped sharply in 2012, bringing them to about \$16 an hour for the median female New York worker and about \$19 an hour for the median male New York worker.

The past decade has essentially been a “lost decade” for typical New York workers: median female hourly wages were nearly one percent lower in 2012 than in 2002, and the median male wage was almost seven percent less than a decade earlier. These trends are similar for U.S. workers—female wages fell by 1.6 percent and males’ wages dropped by nearly five percent.

In a recent paper, Mishel and Shierholz found that average compensation—wages plus the cost of health insurance and pensions—increased only slightly more than wages for U.S. workers over the past decade.¹ Thus, despite the fact that worker productivity increased by almost 25 percent, wages and compensation barely improved over the past decade.

¹ Lawrence Mishel and Heidi Shierholz, “A Decade of Flat Wages. The Key Barrier to Shared Prosperity and a Rising Middle Class,” Economic Policy Institute Briefing Paper #365, August 21, 2013.

Upstate NY’s job growth has been at one-third of the national pace over the past four years, with only the Ithaca metro area surpassing the nation’s job recovery rate.

FIGURE 8 Total nonfarm employment changes, 2nd quarter, 2009 – 2013

| Total nonfarm employment in thousands (April-June of each year) | 2013 | Percent change each year | | | | Percent change 2009-2013 |
|--|------------------|--------------------------|----------------|---------------|---------------|--------------------------------|
| | | 2009 - 2010 | 2010 - 2011 | 2011- 2012 | 2012- 2013 | |
| United States | 136,233.7 | -0.8% | 1.0% | 1.6% | 1.6% | 3.6% |
| New York State | 8,930.0 | 0.5% | 1.1% | 1.3% | 1.1% | 4.1% |
| New York City | 3,955.3 | 1.0% | 1.9% | 2.3% | 1.9% | 7.2% |
| Eastern New York (Downstate suburbs and Hudson Valley) | 2,749.0 | -0.1% | 0.7% | 1.0% | 1.3% | 2.9% |
| Albany-Schenectady-Troy, NY MSA | 449.3 | -0.9% | -0.3% | 1.6% | 0.6% | 1.0% |
| Glens Falls, NY MSA | 57.2 | -0.6% | 0.0% | 1.0% | 1.7% | 2.1% |
| Kingston, NY MSA | 61.5 | 0.2% | -1.2% | -0.7% | 1.3% | -0.4% |
| Nassau-Suffolk, NY Metropolitan Division | 1,294.5 | 0.2% | 1.2% | 1.3% | 1.9% | 4.6% |
| Poughkeepsie-Newburgh-Middletown, NY MSA | 253.4 | 0.4% | 0.4% | 0.0% | 1.0% | 1.8% |
| Putnam-Rockland-Westchester, NY MSA | 572.0 | -0.3% | 1.2% | 0.4% | 0.7% | 2.1% |
| Columbia County | 20.9 | -1.0% | 0.7% | 1.5% | 0.5% | 1.6% |
| Greene County | 14.6 | 3.1% | -0.7% | -2.3% | 2.6% | 2.6% |
| Sullivan County | 25.6 | -0.6% | -1.0% | 0.3% | -0.6% | -2.0% |
| Western and Northern New York | 2,243.6 | 0.3% | 0.4% | 0.2% | 0.4% | 1.3% |
| <i>Metropolitan Areas</i> | 1,734.8 | 0.2% | 0.7% | 0.3% | 0.5% | 1.7% |
| Binghamton, NY MSA | 108.5 | -1.5% | -1.0% | -0.4% | -0.7% | -3.6% |
| Buffalo-Niagara Falls, NY MSA | 552.1 | 0.4% | 0.8% | 0.6% | 0.6% | 2.5% |
| Elmira, NY MSA | 39.7 | 1.9% | 1.9% | -1.2% | -1.5% | 1.0% |
| Ithaca, NY MSA | 67.4 | 2.1% | 1.0% | 1.0% | 1.2% | 5.4% |
| Rochester, NY MSA | 518.6 | 0.4% | 1.4% | 0.7% | 0.5% | 3.0% |
| Syracuse, NY MSA | 319.2 | -0.4% | 0.6% | -0.2% | 1.1% | 1.1% |
| Utica-Rome, NY MSA | 129.2 | 0.4% | -1.8% | -0.3% | -0.1% | -1.7% |
| <i>Non-Metropolitan Areas*</i> | 508.8 | 0.4% | -0.3% | -0.2% | -0.1% | -0.2% |
| 10-county downstate area | 5,821.8 | 0.7% | 1.7% | 1.9% | 1.8% | 6.1% |
| 52-county upstate area | 3,126.0 | 0.1% | 0.3% | 0.4% | 0.5% | 1.2% |

*See the appendix for details on non-metropolitan areas.
 Note: Data not seas. adj. The statewide CES total is estimated separately and may not equal the sum of the 62 counties.
 Source: Bureau of Labor Statistics (U.S. total) and NYS Department of Labor Current Employment Statistics (CES).

Through the first four years of recovery—from the second quarter of 2009 to the second quarter of 2013—New York State’s total nonfarm job growth has surpassed the nation’s only because of New York City. On net, NYS added 354,000 nonfarm jobs over this period. Outside New York City, only the Nassau-Suffolk and the Ithaca metro areas have had faster job growth than the nation. The 52-county upstate area (all of NYS north of Rockland and Putnam counties) had total job growth of 1.2 percent over that four-year period, only one-third the national rate.

Among the major upstate metro areas, Rochester (with 3.0 percent total job growth) and Buffalo (2.5 percent) have done better during the four years of recovery than Syracuse (1.1 percent) and Albany (1.0 percent), while Binghamton has seen a 3.6 percent job decline. Figure 9 describes private sector job growth and declines in government employment.

In the Hudson Valley and the New York City suburbs, government job declines in New York State during the recovery have exceeded the nation's.

FIGURE 9 Employment changes: total, private and government, 2nd quarter, 2009 – 2013

| | Employment change 2009-2013 | | | Total if no gov't decline | Add'l total growth if no gov't decline |
|---|-----------------------------|-------------|--------------|---------------------------|--|
| | Total | Private | Gov't. | | |
| United States | 3.6% | 5.3% | -4.8% | 4.4% | 0.8% |
| New York State | 4.1% | 6.1% | -4.8% | 5.0% | 0.9% |
| New York City | 7.2% | 9.1% | -3.3% | 7.7% | 0.5% |
| Eastern New York (Downstate suburbs and Hudson Valley) | 2.9% | 5.3% | -6.7% | 4.3% | 1.3% |
| Albany-Schenectady-Troy, NY MSA | 1.0% | 3.6% | -7.0% | 2.7% | 1.8% |
| Glens Falls, NY MSA | 2.1% | 5.3% | -9.5% | 4.2% | 2.0% |
| Kingston, NY MSA | -0.4% | 2.3% | -7.9% | 1.7% | 2.1% |
| Nassau-Suffolk, NY Metropolitan Division | 4.6% | 6.6% | -4.7% | 5.4% | 0.8% |
| Poughkeepsie-Newburgh-Middletown, NY MSA | 1.8% | 5.2% | -10.6% | 4.1% | 2.3% |
| Putnam-Rockland-Westchester, NY MSA | 2.1% | 4.2% | -7.8% | 3.4% | 1.4% |
| Columbia County | 1.6% | 4.8% | -7.7% | 3.6% | 1.9% |
| Greene County | 2.6% | 6.0% | -4.3% | 4.0% | 1.4% |
| Sullivan County | -2.0% | 0.3% | -8.9% | 0.3% | 2.3% |
| Western and Northern New York | 1.3% | 2.6% | -3.9% | 2.1% | 0.8% |
| <i>Metropolitan Areas</i> | <i>1.7%</i> | <i>2.8%</i> | <i>-3.0%</i> | <i>2.3%</i> | <i>0.6%</i> |
| Binghamton, NY MSA | -3.6% | -2.2% | -8.4% | -1.7% | 1.9% |
| Buffalo-Niagara Falls, NY MSA | 2.5% | 4.2% | -5.4% | 3.5% | 1.0% |
| Elmira, NY MSA | 1.0% | 3.7% | -10.3% | 3.0% | 2.0% |
| Ithaca, NY MSA | 5.4% | 4.9% | 7.9% | 4.2% | -1.1% |
| Rochester, NY MSA | 3.0% | 3.4% | 0.6% | 2.9% | -0.1% |
| Syracuse, NY MSA | 1.1% | 1.5% | -0.5% | 1.2% | 0.1% |
| Utica-Rome, NY MSA | -1.7% | -0.1% | -6.3% | -0.1% | 1.7% |
| <i>Non-Metropolitan Areas</i> | <i>-0.2%</i> | <i>1.9%</i> | <i>-5.9%</i> | <i>1.4%</i> | <i>1.6%</i> |
| 10-county downstate area | 6.1% | 8.1% | -4.2% | 6.8% | 0.7% |
| 52-county upstate area | 1.2% | 3.0% | -5.2% | 2.4% | 1.1% |

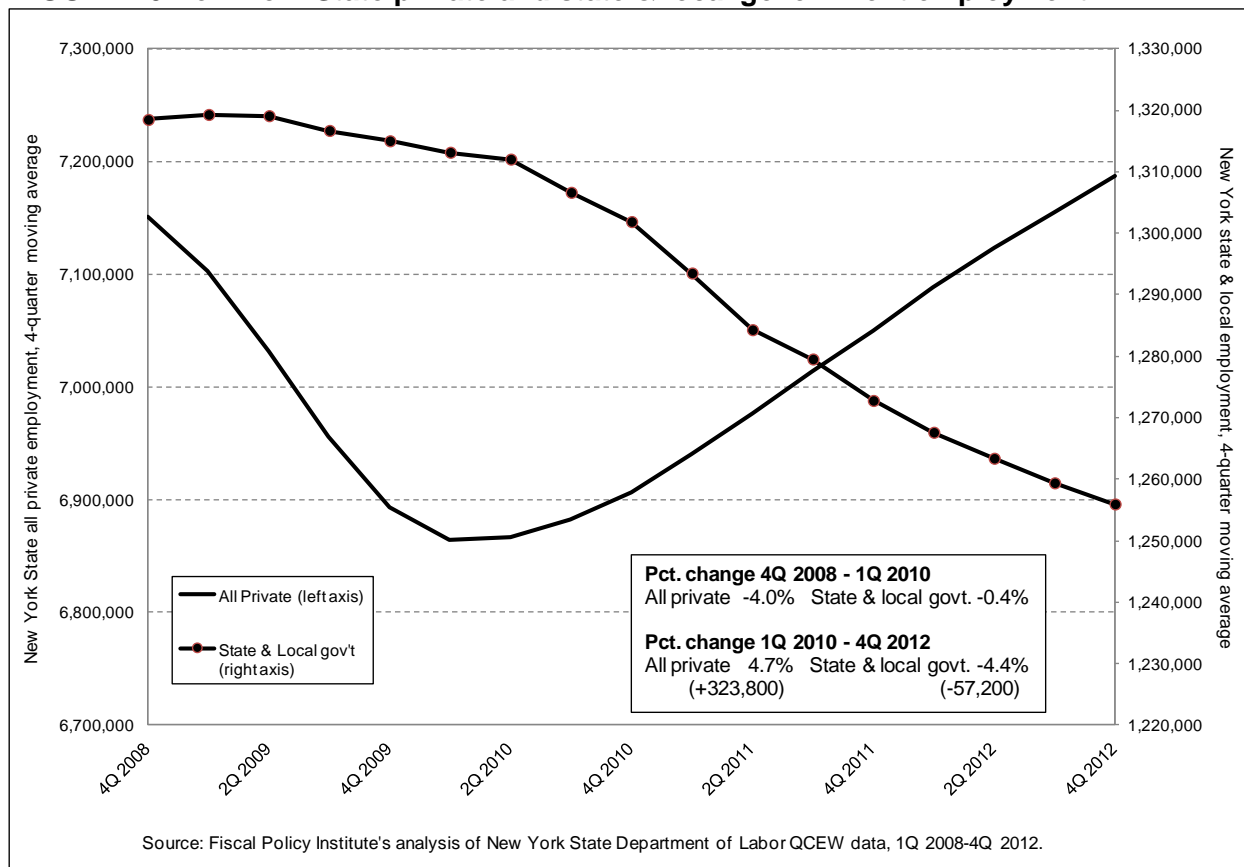
Source: Bureau of Labor Statistics (U.S. total) and New York State Department of Labor Current Employment Statistics.

During the four years of recovery from the second quarter of 2009 to the second quarter of 2013, government employment has dropped to a greater extent in much of NYS than in the U.S. as a whole. Over this period, government employment fell by 1.1 million in the U.S. and by 74,000 in NYS. In proportionate terms, government employment declined by 4.8 percent in both the U.S. and New York statewide, but by 6.7 percent in the Eastern New York Region that encompasses the NYC suburbs and the Hudson Valley Region north to the Albany and Glens Falls areas. Public sector jobs have fallen by seven percent or more in the northern NYC suburbs, and in the Poughkeepsie, Kingston, Albany and Glens Falls areas.

Figure 9 also shows that New York State's private job growth was 6.1 percent over the first four years of recovery—better than the nation's 5.3 percent growth—with 8.1 percent private job growth in the 10-county downstate region and 3.0 percent growth in the 52-county upstate area.

If state and local government employment had had kept pace with New York’s population since 2007, there would be 88,000 more state and local jobs today.

FIGURE 10 New York State private and state & local government employment



State budget cuts and reduced school funding have led to a dramatic decrease in state and local government employment in New York. While Figure 10 cites the loss of 57,000 state and local government jobs since early 2010, the public job deficit is actually greater, since population has grown, and public service employment should have grown with it. In 2007, there were 72 state and local government employees for each 1,000 residents; had we kept this level of public services, we would have 88,000 more state and local government employees today than we did.

Private employment depends on public employment. School districts purchase supplies, police departments purchase vehicles and communications equipment, and so on. Meanwhile, public employees spend their salaries locally, supporting jobs in private businesses. Estimates are that every three additional public employees generate two private-sector jobs.² Counting the 88,000 missing public workers and the 59,000 private-sector workers that would have followed from their employment, New York could have had 147,000 additional jobs if a policy of austerity with respect to public employment had not been adopted.

² Josh Bivens and Heidi Shierholz, July 6, 2012, “Three years into recovery, just how much has state and local austerity hurt job growth?”, at <http://www.epi.org/blog/years-recovery-state-local-austerity-hurt/>

Unemployment remains high in the upstate industrial cities and New York City, and higher than in suburban areas.

FIGURE 11 Labor force statistics for major upstate cities and the downstate metropolitan area, first half of 2013

| | Labor force | Employed | Unemployed | Unempl. rate |
|--|--------------------|--------------------|-------------------|--------------|
| Upstate Metropolitan Areas (MSAs) | | | | |
| Albany-Schenectady-Troy, NY MSA | 443,217 | 411,567 | 31,617 | 7.1% |
| Albany city | 46,550 | 42,950 | 3,600 | 7.7% |
| Schenectady city | 30,683 | 28,000 | 2,700 | 8.8% |
| Troy city | 23,567 | 21,500 | 2,083 | 8.8% |
| Outside of cities | 342,417 | 319,117 | 23,233 | 6.8% |
| Binghamton, NY MSA | 116,167 | 106,150 | 10,000 | 8.6% |
| Binghamton city | 20,067 | 18,333 | 1,717 | 8.6% |
| Outside of city | 96,100 | 87,817 | 8,283 | 8.6% |
| Buffalo-Niagara Falls, NY MSA | 570,750 | 523,533 | 47,200 | 8.3% |
| Buffalo city | 114,550 | 102,800 | 11,767 | 10.3% |
| Niagara Falls city | 22,850 | 20,283 | 2,550 | 11.2% |
| Outside of cities | 433,350 | 400,450 | 32,883 | 7.6% |
| Rochester, NY MSA | 521,283 | 480,450 | 40,833 | 7.8% |
| Rochester city | 92,800 | 83,483 | 9,317 | 10.0% |
| Outside of city | 428,483 | 396,967 | 31,517 | 7.4% |
| Syracuse, NY MSA | 318,950 | 292,317 | 26,617 | 8.3% |
| Syracuse city | 62,317 | 56,633 | 5,683 | 9.1% |
| Outside of city | 256,633 | 235,683 | 20,933 | 8.2% |
| Five major upstate NY MSAs | 1,970,367 | 1,814,017 | 156,267 | 7.9% |
| Cities | 413,383 | 373,983 | 39,417 | 9.5% |
| Outside of cities | 1,556,983 | 1,440,033 | 116,850 | 7.5% |
| New York City | 3,996,900 | 3,648,883 | 348,000 | 8.7% |
| Five NYC suburban counties | 2,164,967 | 2,019,283 | 145,650 | 6.7% |
| Nassau county | 693,183 | 648,200 | 44,950 | 6.5% |
| Putnam county | 53,533 | 50,150 | 3,417 | 6.4% |
| Rockland county | 155,967 | 145,967 | 10,000 | 6.4% |
| Suffolk county | 790,400 | 735,283 | 55,083 | 7.0% |
| Westchester county | 471,883 | 439,683 | 32,200 | 6.8% |
| 10 downstate counties | 5,689,983 | 5,228,483 | 461,450 | 8.1% |
| Total of six major metropolitan areas | 8,132,233 | 7,482,183 | 649,917 | 8.0% |
| Rest of State | 1,428,817 | 1,306,600 | 122,350 | 8.6% |
| New York State | 9,561,050 | 8,788,783 | 772,267 | 8.1% |
| United States | 155,265,833 | 143,256,167 | 12,010,000 | 7.7% |

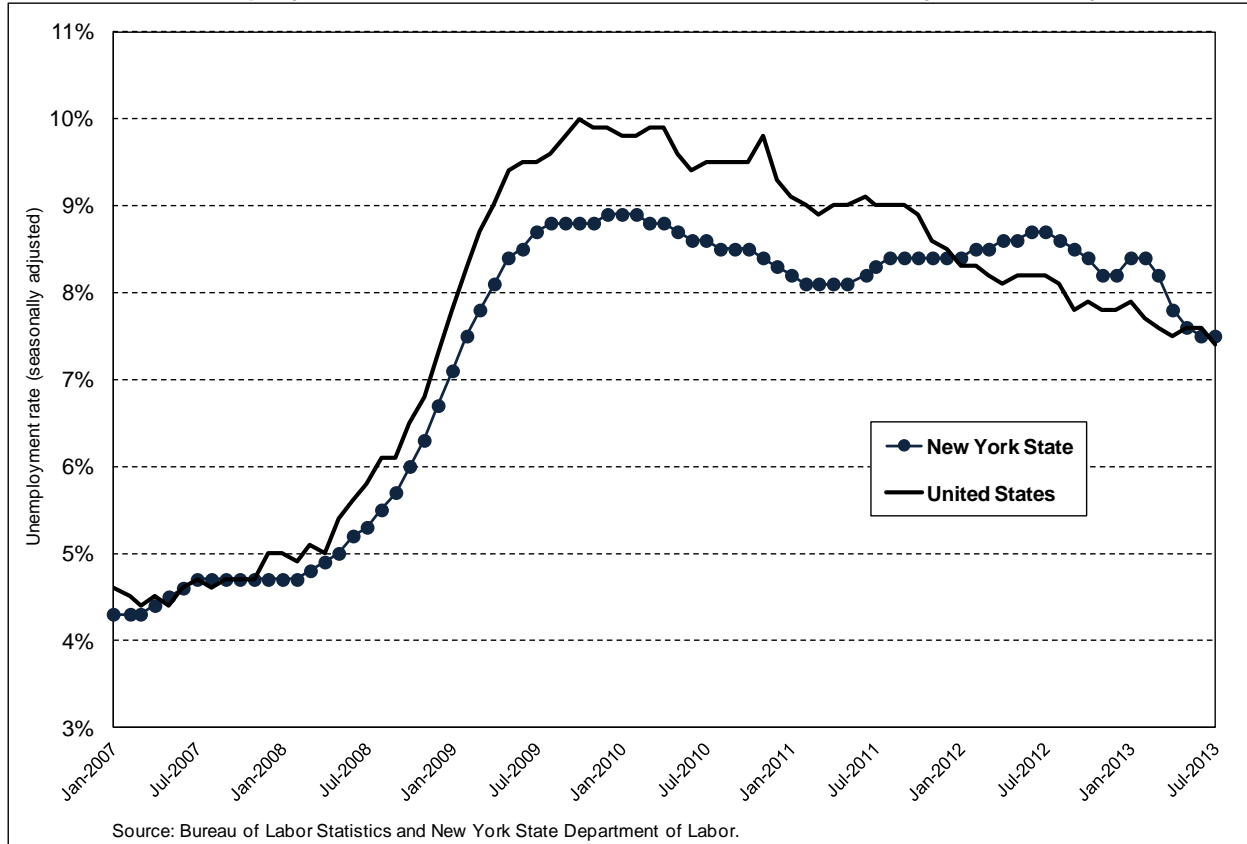
Source: FPI analysis of New York State Department of Labor Local Area Unemployment Statistics, not seasonally adjusted.

While unemployment remains high throughout the state, the large upstate cities, especially Buffalo (and Niagara Falls), Syracuse, and Rochester, continue to suffer with extremely high unemployment. In the five major upstate metro areas, unemployment averages 9.5 percent in the cities, two percentage points higher than in surrounding suburbs.

Unemployment in New York City, at 8.7 percent for the first half of 2013, is well above the state and national averages, while the downstate suburbs have unemployment rates of 7 percent or less.

New York State's 7.5 percent unemployment rate is in line with that of the nation's; in the recession, unemployment rose less in NYS but it has also declined less in the recovery.

FIGURE 12 Unemployment rates, U.S. and New York State, January 2007 – July 2013

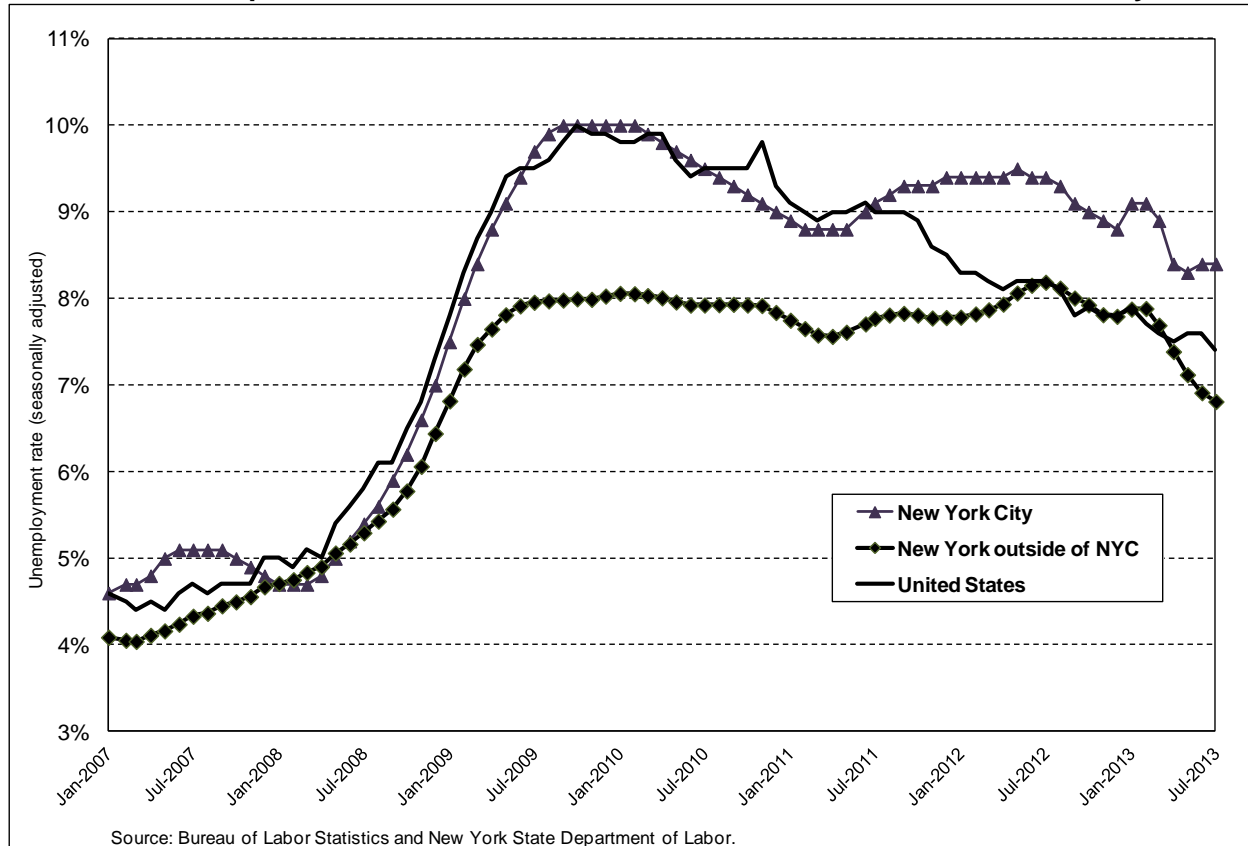


New York State's 7.5 percent unemployment rate is in line with the national rate of 7.4 percent for July 2013. Even though New York's payroll job growth was only about half the national average over the year from July 2012 to July 2013, the state's unemployment rate actually declined a little more than the nation's over this period. While New York's unemployment rate declined by 1.2 percentage points over those 12 months, the U.S. unemployment rate only dropped by 0.8 percentage points.

This result apparently stems from two factors: (1) New York's labor force only grew by about 0.1 of a percent in the 12 months through July 2013, while the U.S. labor force grew 0.5 of a percent; and (2) the Department of Labor revised downward New York's labor force level and unemployment rate estimates earlier this year, resulting in an accentuation of New York's unemployment decline over the past year. We noted in last year's report that there had been an inexplicable rise in New York's reported unemployment rate during the first half of 2012; the revisions earlier this year largely, but not completely, erased that anomalous development.

New York City’s unemployment rate has not declined as much as that of the U.S., even though NYC’s job growth has been stronger. Outside of NYC, unemployment has fallen in the past year despite weak job growth.

FIGURE 13 Unempl. rates, U.S., NYC, & New York outside of NYC, Jan. 2007 – July 2013



While New York’s 7.5 percent statewide unemployment rate is basically the same as the overall national unemployment rate, unemployment is about a percentage point higher in New York City. In the balance of the state, outside of New York City, unemployment is a little under 7 percent. However, for New York City and for the balance of the state, there is not a consistent correlation between unemployment and payroll job trends. On the one hand, New York City has had much faster payroll job growth than the country overall (7.5 percent vs. 5.1 percent), but the City’s unemployment rate has declined much less than the drop in the U.S. unemployment rate. (The City’s unemployment rate is now about 1.7 percentage points lower than at its recession peak level, while the national unemployment rate has dropped by 2.6 percentage points.)

On the other hand, the balance of the state had job growth only one-tenth that of the national rate over the July 2012-July 2013 period, yet its unemployment rate fell by much more than the nation’s over this span. It should be kept in mind that since unemployment measurement is based on an individual’s place of residence, it might be that suburban residents are taking jobs in New York City.

For all groups in New York, the average duration of unemployment is higher than the average for their national counterparts, and it is especially high in New York City.

FIGURE 14 Average weeks of unemployment, January – June, 2013

| | US | NYS | NYC | Balance of NYS |
|--|----|-----|-----|----------------|
| ALL | 33 | 37 | 41 | 34 |
| Gender | | | | |
| Males | 34 | 38 | 42 | 33 |
| Females | 33 | 37 | 40 | 34 |
| Race and Ethnicity | | | | |
| White non-Hispanics | 33 | 33 | 33 | 33 |
| Black non-Hispanics | 38 | 46 | 43 | 54 |
| Hispanics | 30 | 38 | 45 | 21 |
| Asians & others | 35 | 42 | 39 | 45 |
| Education Attainment Level | | | | |
| Less than high school | 36 | 42 | 45 | 36 |
| High school or equiv. | 37 | 38 | 47 | 31 |
| Some college | 36 | 41 | 42 | 40 |
| College and higher | 37 | 43 | 38 | 48 |
| Selected Age Groups | | | | |
| 18-24 | 24 | 27 | 35 | 22 |
| 25-34 | 32 | 36 | 38 | 34 |
| 35-44 | 35 | 39 | 45 | 32 |
| 45-54 | 40 | 42 | 45 | 39 |
| 55 and older | 41 | 48 | 48 | 47 |
| Note: Analysis of education breakouts for those 25 and older only. | | | | |
| Source: FPI analysis of Current Population Survey microdata. | | | | |

During the first half of 2013, unemployed New Yorkers have been out of work for more than eight months on average, nearly as long as the average for the first half of 2012. In New York City, the average is longer than nine months, while for the rest of the state the average unemployed person has been looking for work for less than eight months.

Across the state, black, non-Hispanic New Yorkers have been out of work the longest, and Asians and mixed-race residents have had a hard time finding work, as well. In New York City, unemployed Hispanics of all races have been out of work longer than ten months on average.

Older New Yorkers who have lost their jobs are clearly having a harder time than others finding new employment, experiencing an average of eleven months of unemployment, while the youngest residents are back at work the soonest. In New York City, however, unemployed 18-to-24 year olds are facing longer stints of unemployment than their counterparts nationally or in the balance of state, with an average of eight jobless months.

Unemployment is a social disaster, not just an economic one.

As of July, 2013, there were 11.5 million people counted as unemployed in the United States, including 718,000 in New York State. And while the average unemployment duration from the Great Depression to the beginning of the Great Recession was never more than 26 weeks, as of August, 2013, we will have had 48 straight months in which the average unemployed person has been out of work for over half a year.³ Every one of those people—and their family—is likely having a harder time than usual making ends meet. Unemployment insurance goes only part-way toward replacing lost income, and health insurance and retirement security may be affected as well.

But high unemployment has consequences beyond the obvious ones. **Serious bouts of unemployment can lead to depression, divorce, suicide, cancer, crime, alcoholism, and lower lifetime earnings.** For unemployed older male workers in particular (and workers over 50 have seen the largest increases in unemployment in this downturn), death rates are higher than for those employed. Long-term unemployed workers are more likely to have serious illnesses; unemployed men have a 25 percent higher risk of dying of cancer.⁴

Families are damaged by unemployment as well; there is more than a 10 percent greater probability of divorce following job loss by either the husband or the wife.⁵ People who are unemployed have greater risks for medical and psychiatric problems such as depression, insomnia, anxiety, suicide, malnutrition, cardiovascular conditions like heart attacks, alcoholism, increased smoking, and generally poor physical health.⁶ And because long-term unemployment can make people desperate, unemployment puts them at greater risk for drug abuse⁷ and criminal activity such as burglary.⁸

And longer-term unemployment can increase the likelihood of future unemployment and decreased future earnings.⁹ These effects are most pronounced for those who have extended periods of unemployment as young people. The current prolonged period of high unemployment (see table 18 below) is jeopardizing the economic futures of an entire cohort of young high school and college graduates in New York and around the United States.

The data in the next four tables suggest the human disaster for New Yorkers that is the result of our nation's failure to end the ongoing scourge of high unemployment.

³ Bureau of Labor Statistics, <http://www.bls.gov/cps/data.htm>, Historical series A-12.

⁴ Dean Baker and Kevin Hassett, "The Human Disaster of Unemployment," New York Times, May 12, 2012, at <http://www.nytimes.com/2012/05/13/opinion/sunday/the-human-disaster-of-unemployment.html>

⁵ Kerwin Kofi Charles and Melvin Stephens, Jr., 2004, "Job Displacement, Disability, and Divorce," *Journal of Labor Economics*, v.22 no.2. They found an increase of 18% for male job loss and 13% for females.

⁶ Frances M. McKee-Ryan, Zhaoli Song, Connie R. Wanberg, & Angelo J. Kinicki, 2005, "Psychological and Physical Well-Being During Unemployment: A Meta-Analytic Study," *Journal of Applied Psychology*, v. 90 no. 1.

⁷ David F. Peck and Martin A. Plant, 1986, "Unemployment and illegal drug use: concordant evidence from a prospective study and national trends," *British Medical Journal*, v.293, October.

⁸ Terence P. Thornberry & R.L. Christenson, 1984, "Unemployment and criminal involvement: an investigation of reciprocal causal structures," *American Sociological Review*, v.49, no.3.

⁹ See, for example, David T. Ellwood, 1983, "Teenage Unemployment: Permanent Scars or Temporary Blemishes?" NBER Working Paper No. 399.

Unemployment remains far higher than before the recession.

FIGURE 15 Unemployment rate, first half of 2008 and first half of 2013

| | New York (statewide) | | | New York City | | | New York State outside of NYC | | |
|--------------------------------------|----------------------|--------------|----------------------|---------------|--------------|----------------------|-------------------------------|--------------|----------------------|
| | 1H of 2008 | 1H of 2013 | Change in pct. point | 1H of 2008 | 1H of 2013 | Change in pct. point | 1H of 2008 | 1H of 2013 | Change in pct. point |
| ALL | 4.9% | 8.0% | 3.1% | 5.3% | 8.7% | 3.4% | 4.9% | 7.5% | 2.6% |
| Gender | | | | | | | | | |
| Males | 5.2% | 8.5% | 3.2% | 5.2% | 9.5% | 4.3% | 5.6% | 7.7% | 2.1% |
| Females | 4.4% | 7.5% | 3.0% | 5.4% | 7.8% | 2.3% | 4.1% | 7.3% | 2.9% |
| Race and Ethnicity | | | | | | | | | |
| White non-Hispanics | 4.1% | 6.3% | 2.3% | 3.1% | 5.5% | 2.4% | 4.4% | 6.6% | 2.2% |
| Black non-Hispanics | 7.2% | 12.5% | 5.3% | 7.1% | 13.5% | 6.4% | 8.9% | 10.3% | 1.4% |
| Hispanics | 6.1% | 11.6% | 5.5% | 6.9% | 10.8% | 3.9% | 5.9% | 13.4% | 7.5% |
| Asians & others | 4.7% | 5.9% | 1.1% | 4.8% | 5.0% | 0.2% | 5.9% | 7.8% | 1.9% |
| Educational Attainment Level* | | | | | | | | | |
| Less than high school | 6.9% | 11.6% | 4.8% | 6.5% | 10.8% | 4.3% | 8.2% | 12.9% | 4.8% |
| High school or equiv. | 5.3% | 8.6% | 3.4% | 5.7% | 9.7% | 4.0% | 5.3% | 7.9% | 2.6% |
| Some college | 3.1% | 6.8% | 3.7% | 4.4% | 8.4% | 4.0% | 2.7% | 5.9% | 3.2% |
| College and higher | 2.1% | 4.3% | 2.2% | 2.6% | 5.0% | 2.4% | 1.9% | 3.7% | 1.8% |
| Selected Age Groups | | | | | | | | | |
| 16-19 | 18.4% | 25.6% | 7.2% | 23.5% | 26.7% | 3.2% | 16.9% | 25.3% | 8.3% |
| 20-24 | 11.3% | 16.1% | 4.9% | 12.1% | 19.2% | 7.1% | 10.7% | 14.5% | 3.8% |
| 25-34 | 4.0% | 7.2% | 3.3% | 4.4% | 7.8% | 3.4% | 3.5% | 6.6% | 3.1% |
| 35-44 | 3.7% | 6.6% | 2.8% | 3.9% | 7.7% | 3.8% | 3.6% | 5.7% | 2.0% |
| 45-54 | 3.2% | 6.6% | 3.3% | 4.0% | 7.7% | 3.7% | 2.7% | 5.8% | 3.1% |
| 55 and older | 3.7% | 6.0% | 2.3% | 4.7% | 6.5% | 1.9% | 3.2% | 5.7% | 2.5% |

*Analysis by educational attainment restricted to those 25 and older.
 Note: Adjusted to 6-month average LAUS for state, city, and balance.
 Source: FPI analysis of Current Population Survey and New York State Department of Labor Local Area Unemployment Statistics (LAUS).

In July 2013, there were 718,000 New York residents unemployed, resulting in a seasonally adjusted 7.5 percent unemployment rate. Before the recession began, New York's unemployment rate was as low as 4.3 percent in early 2007. By the end of the first year of recession in New York, the unemployment rate rose above 8.0 percent in April 2009, and it stayed above 8.0 percent for 48 consecutive months through March 2013.

While New York's unemployment rate has declined since the spring of 2013, it averaged 8.0 percent during the first half of 2013, more than three percentage points higher than in the first half of 2008. It is especially high in New York City, at 8.7 percent, compared to the pre-recession level of 5.3 percent. For the balance of the state, unemployment was 7.5 percent in the first half of 2013, well above the pre-recession 4.9 percent in the first half of 2008.

Statewide, men have more trouble finding work than women. Black and Hispanic workers have unemployment rates of 12.5 and 11.6 percent, respectively, about twice the 6.3 percent unemployment rate for white non-Hispanic workers. New Yorkers with less than a high school education have unemployment rates two to three times those of workers with a four-year college degree or better.

Including discouraged workers and involuntary part-time workers, New York's underemployment rate is 13.7 percent.

FIGURE 16 Underemployment, first half of 2008 and first half of 2013

| | New York (statewide) | | | New York City | | | New York State outside of NYC | | |
|---------------------------------------|----------------------|--------------|-------------------------|---------------|--------------|-------------------------|-------------------------------|--------------|-------------------------|
| | 1H of 2008 | 1H of 2013 | Percentage point change | 1H of 2008 | 1H of 2013 | Percentage point change | 1H of 2008 | 1H of 2013 | Percentage point change |
| ALL | 7.9% | 13.7% | 5.8% | 8.7% | 14.8% | 6.1% | 7.7% | 13.0% | 5.3% |
| Gender | | | | | | | | | |
| Males | 8.0% | 13.6% | 5.6% | 8.3% | 14.9% | 6.6% | 8.1% | 12.5% | 4.4% |
| Females | 7.7% | 13.9% | 6.2% | 9.1% | 14.5% | 5.4% | 7.2% | 13.4% | 6.5% |
| Race and Ethnicity | | | | | | | | | |
| White non-Hispanics | 6.5% | 10.7% | 4.2% | 5.4% | 9.3% | 3.9% | 6.9% | 11.2% | 4.3% |
| Black non-Hispanics | 11.9% | 22.5% | 10.5% | 11.4% | 22.9% | 11.5% | 14.7% | 21.5% | 6.8% |
| Hispanics | 9.6% | 19.0% | 9.4% | 11.0% | 17.9% | 6.9% | 8.1% | 21.6% | 13.5% |
| Asians & others | 8.4% | 10.9% | 2.5% | 8.3% | 8.9% | 0.7% | 10.4% | 15.1% | 4.8% |
| Educational Attainment Level** | | | | | | | | | |
| Less than high school | 12.8% | 19.3% | 6.5% | 12.5% | 17.9% | 5.4% | 14.3% | 21.9% | 7.5% |
| High school or equiv. | 8.2% | 15.0% | 6.8% | 9.2% | 17.0% | 7.8% | 7.9% | 13.6% | 5.7% |
| Some college | 5.2% | 12.0% | 6.8% | 7.0% | 15.2% | 8.2% | 4.5% | 10.3% | 5.8% |
| College and higher | 3.8% | 7.5% | 3.8% | 4.5% | 8.3% | 3.7% | 3.4% | 6.9% | 3.5% |
| Selected Age Groups | | | | | | | | | |
| 16-19 | 25.5% | 36.0% | 10.5% | 31.7% | 41.4% | 9.6% | 23.6% | 34.2% | 10.6% |
| 20-24 | 17.2% | 28.3% | 11.2% | 18.4% | 31.2% | 12.8% | 16.3% | 26.8% | 10.4% |
| 25-34 | 6.3% | 12.7% | 6.4% | 6.5% | 12.5% | 6.0% | 6.2% | 13.0% | 6.9% |
| 35-44 | 5.9% | 12.1% | 6.2% | 6.9% | 13.8% | 6.9% | 5.2% | 10.8% | 5.6% |
| 45-54 | 5.7% | 10.4% | 4.8% | 7.1% | 13.8% | 6.7% | 4.7% | 8.3% | 3.6% |
| 55 and older | 6.8% | 10.5% | 3.8% | 9.0% | 11.4% | 2.4% | 5.6% | 10.1% | 4.4% |

*The underemployment rate includes those officially unemployed, plus those no longer counted as unemployed but still wanting to work and those who are involuntarily working part-time.

**Analysis by educational attainment restricted to those 25 and older.

Source: FPI analysis of Current Population Survey and New York State Department of Labor Local Area Unemployment Statistics.

In a period when the job market has been exceptionally weak for an extended period of time, such as the Great Recession and the past four years of tepid recovery, the standard measure of unemployment understates the real extent of unemployment. Left out of the standard measure are those workers who can only find part-time employment, even though they want and need full-time work, and those who are so discouraged they stop looking for work and because of that are no longer counted as part of the labor force.

The underemployment rate is an alternative measure that includes both of these groups of workers—the involuntary part-time employed and discouraged workers—in addition to the unemployed counted in the standard measure. For the first half of 2013, New York's underemployment rate was 13.7 percent, with fairly similar rates for both women and men.

Underemployment rates for black and Hispanic New Yorkers were around 20 percent, and close to that for workers with less than a high school diploma. More than one-third of teenagers were underemployed, as were more than one-quarter of workers aged 20-24.

A substantially lower percent of adults 25-64 are working now than were employed five years ago.

FIGURE 17 Empl.-to-population ratios, residents aged 25-64, 1H of 2008 and 1H of 2013

| | New York (statewide) | | | New York City | | | New York State outside of NYC | | |
|-------------------------------------|----------------------|------------|----------------------|---------------|------------|----------------------|-------------------------------|------------|----------------------|
| | 1H of 2008 | 1H of 2013 | Change in pct. point | 1H of 2008 | 1H of 2013 | Change in pct. point | 1H of 2008 | 1H of 2013 | Change in pct. point |
| ALL | 75.3% | 70.8% | -4.5% | 70.2% | 67.3% | -2.9% | 79.5% | 73.6% | -5.9% |
| Gender | | | | | | | | | |
| Males | 82.2% | 76.9% | -5.2% | 78.2% | 73.9% | -4.3% | 85.3% | 79.4% | -6.0% |
| Females | 68.9% | 64.9% | -4.0% | 63.0% | 61.0% | -2.0% | 74.0% | 68.2% | -5.8% |
| Race and Ethnicity | | | | | | | | | |
| White non-Hispanics | 77.4% | 73.9% | -3.5% | 72.0% | 73.5% | 1.4% | 79.3% | 74.1% | -5.2% |
| Black non-Hispanics | 73.1% | 65.6% | -7.6% | 70.5% | 64.1% | -6.4% | 79.9% | 69.0% | -10.9% |
| Hispanics | 70.7% | 65.7% | -5.0% | 67.2% | 63.3% | -3.8% | 83.7% | 73.1% | -10.6% |
| Asians & others | 72.3% | 68.4% | -3.9% | 70.7% | 66.1% | -4.6% | 77.1% | 74.3% | -2.8% |
| Educational Attainment Level | | | | | | | | | |
| Less than high school | 55.6% | 53.4% | -2.3% | 51.3% | 52.8% | 1.5% | 63.2% | 54.1% | -9.2% |
| High school or equiv. | 70.3% | 63.8% | -6.4% | 65.0% | 58.8% | -6.2% | 74.1% | 67.7% | -6.4% |
| Some college | 77.8% | 70.7% | -7.2% | 71.9% | 68.0% | -3.9% | 81.3% | 72.1% | -9.1% |
| College and higher | 83.8% | 80.5% | -3.3% | 80.9% | 78.3% | -2.6% | 86.4% | 82.3% | -4.0% |
| Selected Age Groups | | | | | | | | | |
| 25-34 | 80.3% | 73.4% | -6.9% | 75.5% | 69.5% | -6.1% | 85.5% | 78.1% | -7.4% |
| 35-44 | 78.1% | 74.6% | -3.5% | 74.0% | 68.1% | -5.9% | 81.3% | 80.5% | -0.8% |
| 45-54 | 78.2% | 73.2% | -5.0% | 71.0% | 69.3% | -1.7% | 83.5% | 75.8% | -7.7% |
| 55-64 | 61.9% | 61.2% | -0.7% | 55.3% | 60.2% | 4.9% | 66.4% | 61.8% | -4.6% |

Source: FPI analysis of Current Population Survey and New York State Department of Labor Local Area Unemployment Statistics.

In severe downturns, when jobs are hard to find and keep, many people leave the labor force—because they become discouraged about their prospects of finding a job, because they realize that they would do better taking care of their own children rather than paying for child care, or because they decide this might be a good time to go back to school. *When an unemployed worker stops looking for work, the unemployment rate actually goes down, making it look like as though the labor market has improved.* To get a more comprehensive understanding of the labor market, then, we look at how many people are working, compared to the population for that age group. This is the *employment to population ratio*, or *EPOP*.

While five years ago, three-quarters of the “prime working age” group, ages 25 to 64, was employed, in the first half of 2013 fewer than 71 percent of this group was working. Even though the prime working age EPOP is lower in New York City than in the rest of the state, and the standard unemployment rate is higher, the EPOP has dropped much more in the rest of the state than in New York City over the past five years. Outside of New York City, the prime working age EPOP has dropped 5.9 percentage points, more than twice the reduction in the City.

Statewide, the EPOP decreased more for men than for women, and more for black, non-Hispanics than for all other race-ethnic groups. Statewide, decreases were greatest for those with just a high-school education or some college, and for those 25 to 34 years old. Outside of NYC, all those with less than a 4-year college degree saw a steep drop in their employment rates.

Fewer than half of New York’s young adults aged 18-24 are working, and 29 percent are underemployed.

FIGURE 18 Youth employment and unemployment in NY, 1H of 2008 and 1H of 2013

| New York residents ages 18-24 | 1H of 2008 | 1H of 2013 | Percentage point change |
|--|-------------------|-------------------|--------------------------------|
| New York State | | | |
| Employment to population ratio | 50% | 45% | -5% |
| In school (not in labor force) to population ratio | 32% | 36% | 4% |
| Unemployment rate | 13% | 17% | 4% |
| Underemployment rate* | 20% | 29% | 10% |
| New York City | | | |
| Employment to population ratio | 42% | 34% | -8% |
| In school (not in labor force) to population ratio | 39% | 46% | 7% |
| Unemployment rate | 12% | 20% | 8% |
| Underemployment rate* | 19% | 33% | 13% |
| NYS outside of NYC | | | |
| Employment to population ratio | 56% | 54% | -2% |
| In school (not in labor force) to population ratio | 27% | 29% | 2% |
| Unemployment rate | 14% | 16% | 2% |
| Underemployment rate* | 20% | 28% | 8% |
| *Underemployment includes those officially unemployed, plus those no longer counted as unemployed but still wanting to work and those who are working part-time because they cannot find full-time work. | | | |
| Source: Fiscal Policy Institute analysis of Current Population Survey microdata | | | |

Five years of recession and weak recovery are taking a heavy toll on young New Yorkers aged 18-24. Fewer than half of those in this age group are now working—only 45 percent compared to 50 percent before the recession. Statewide, more than one in six are unemployed by the standard measure, and 29 percent now suffer from underemployment compared to 20 percent five years ago.

While the previous table showed that the EPOP has dropped more for prime working age adults aged 25-64 residing outside of New York City than for New York City residents, among young adults 18-24, New York City has seen a much steeper EPOP drop (8 percent) than that for young adults in the balance of the state (2 percent). To some extent, this EPOP drop in the City is accompanied by a similar increase in school attendance—the school-to-population ratio has climbed from 39 percent to 46 percent over the past five years

Relative to its unemployment rate increase (2 percentage points), the 18-24 age group outside of New York City saw a sharp increase in their underemployment rate, which has risen from 20 to 28 percent since the first half of 2008.

APPENDIX 1 Employment change by wage level, NYS, April 2008 (pre-recession peak) to June 2013 (latest month)

| NYS seasonally adjusted employment | Apr-2008 | Jun-2013 | Change 04/08 - 6/13 | % change 04/08 - 6/13 | 2012 avg. ann. wage |
|---|------------------|------------------|------------------------|--------------------------|------------------------|
| High wage industries (>\$75,000) | | | | | |
| Finance and Insurance | 539,105 | 500,796 | -38,309 | -7.1% | \$200,669 |
| Management of Companies and Enterprises | 132,673 | 134,625 | 1,952 | 1.5% | \$144,487 |
| Utilities | 38,569 | 36,345 | -2,224 | -5.8% | \$109,061 |
| Information | 269,163 | 255,501 | -13,662 | -5.1% | \$100,346 |
| Professional and Technical Services | 579,362 | 603,584 | 24,222 | 4.2% | \$96,222 |
| Performing Arts and Spectator Sports | 51,565 | 50,793 | -772 | -1.5% | \$85,163 |
| Wholesale Trade | 354,326 | 331,984 | -22,342 | -6.3% | \$77,874 |
| Sub-total high-wage industries | 1,964,763 | 1,913,628 | -51,135 | -2.6% | |
| Middle-wage industries (\$45,000-\$75,000) | | | | | |
| Hospitals | 341,391 | 356,829 | 15,438 | 4.5% | \$65,292 |
| Private colleges and universities * | 237,763 | 276,466 | 38,703 | 16.3% | \$64,040 |
| Construction | 362,491 | 320,062 | -42,429 | -11.7% | \$62,461 |
| Ambulatory Health Care (ex. Home Health)* | 285,525 | 313,484 | 27,959 | 9.8% | \$61,640 |
| Manufacturing | 537,937 | 443,087 | -94,850 | -17.6% | \$61,025 |
| Real Estate | 158,701 | 158,787 | 86 | 0.1% | \$60,100 |
| Government | 1,512,539 | 1,445,355 | -67,183 | -4.4% | \$56,252 |
| Transportation and Warehousing | 239,113 | 229,785 | -9,327 | -3.9% | \$45,435 |
| Sub-total middle-wage industries | 3,675,459 | 3,543,855 | -131,604 | -3.6% | |
| Low-wage industries (<\$45,000) | | | | | |
| Museums, Parks and Historical Sites | 16,548 | 16,746 | 198 | 1.2% | \$43,993 |
| Administrative and Waste Services | 442,523 | 465,013 | 22,490 | 5.1% | \$43,778 |
| Accommodation | 82,392 | 86,155 | 3,763 | 4.6% | \$42,210 |
| Educ. Serv. (ex. private colleges & univs.)* | 133,946 | 151,401 | 17,455 | 13.0% | \$39,875 |
| Other Services | 366,816 | 384,364 | 17,548 | 4.8% | \$34,879 |
| Nursing and Residential Care Facilities | 230,859 | 237,746 | 6,887 | 3.0% | \$33,288 |
| Retail Trade | 898,666 | 935,164 | 36,498 | 4.1% | \$30,734 |
| Home Health Care Services* | 95,320 | 136,962 | 41,642 | 43.7% | \$27,686 |
| Social Assistance | 296,898 | 325,962 | 29,064 | 9.8% | \$26,206 |
| Amusement, Gambling & Recreation | 74,656 | 89,327 | 14,671 | 19.7% | \$23,310 |
| Food Services and Drinking Places | 493,373 | 585,707 | 92,334 | 18.7% | \$20,519 |
| Sub-total low-wage industries | 3,131,996 | 3,414,547 | 282,551 | 9.0% | |
| Sum of sub-totals | 8,772,218 | 8,872,030 | 99,812 | 1.1% | |
| Share of high wage industries in total jobs | 22.3% | 21.5% | | | |
| Share of middle wage industries in total jobs | 41.7% | 39.9% | | | |
| Share of low wage industries in total jobs | 35.6% | 38.4% | | | |
| Total Private | 7,299,191 | 7,453,641 | 154,450 | 2.1% | |
| Total Nonfarm | 8,807,247 | 8,890,744 | 83,497 | 0.9% | |
| Note: Low wage industry; ann. avg. wage is below \$45K; high wage industry is those whose ann. avg. wage is above \$75K. The middle wage industry is in between. | | | | | |
| *Because the New York State Department of Labor stopped reporting annual wages at this industry level in 2012, 2011 annual wage levels used for the purposes of assigning these industries to a wage group. | | | | | |
| Source: FPI's seasonal adjustment of CES employment data and Quarterly Census of Employment and Wages annual average wage data from New York State Department of Labor. | | | | | |

APPENDIX 2 Total nonfarm employment changes, 2nd quarter, 2009-2013, NYS areas

| Total non-farm employment in thousand: | Total non-farm employment second quarter | Percent change in employment | | | | |
|---|--|------------------------------|----------------|--------------|---------------|---------------|
| | 2013 | 2009 -2010 | 2010 - 2011 | 2011-2012 | 2012- 2013 | 2009- 2013 |
| United States | 136,233.7 | -0.8% | 1.0% | 1.6% | 1.6% | 3.6% |
| New York State | 8,930.0 | 0.5% | 1.1% | 1.3% | 1.1% | 4.1% |
| New York City | 3,955.3 | 1.0% | 1.9% | 2.3% | 1.9% | 7.2% |
| Eastern New York (Downstate suburbs and Hudson Valley) | 2,749.0 | -0.1% | 0.7% | 1.0% | 1.3% | 2.9% |
| Albany-Schenectady-Troy, NY MSA | 449.3 | -0.9% | -0.3% | 1.6% | 0.6% | 1.0% |
| Glens Falls, NY MSA | 57.2 | -0.6% | 0.0% | 1.0% | 1.7% | 2.1% |
| Kingston, NY MSA | 61.5 | 0.2% | -1.2% | -0.7% | 1.3% | -0.4% |
| Nassau-Suffolk, NY Metropolitan Division | 1,294.5 | 0.2% | 1.2% | 1.3% | 1.9% | 4.6% |
| Poughkeepsie-Newburgh-Middletown, NY MSA | 253.4 | 0.4% | 0.4% | 0.0% | 1.0% | 1.8% |
| Putnam-Rockland-Westchester, NY MSA | 572.0 | -0.3% | 1.2% | 0.4% | 0.7% | 2.1% |
| Columbia County | 20.9 | -1.0% | 0.7% | 1.5% | 0.5% | 1.6% |
| Greene County | 14.6 | 3.1% | -0.7% | -2.3% | 2.6% | 2.6% |
| Sullivan County | 25.6 | -0.6% | -1.0% | 0.3% | -0.6% | -2.0% |
| Western and Northern New York | 2,243.6 | 0.3% | 0.4% | 0.2% | 0.4% | 1.3% |
| <i>Metropolitan Areas</i> | <i>1,734.8</i> | <i>0.2%</i> | <i>0.7%</i> | <i>0.3%</i> | <i>0.5%</i> | <i>1.7%</i> |
| Binghamton, NY MSA | 108.5 | -1.5% | -1.0% | -0.4% | -0.7% | -3.6% |
| Buffalo-Niagara Falls, NY MSA | 552.1 | 0.4% | 0.8% | 0.6% | 0.6% | 2.5% |
| Elmira, NY MSA | 39.7 | 1.9% | 1.9% | -1.2% | -1.5% | 1.0% |
| Ithaca, NY MSA | 67.4 | 2.1% | 1.0% | 1.0% | 1.2% | 5.4% |
| Rochester, NY MSA | 518.6 | 0.4% | 1.4% | 0.7% | 0.5% | 3.0% |
| Syracuse, NY MSA | 319.2 | -0.4% | 0.6% | -0.2% | 1.1% | 1.1% |
| Utica-Rome, NY MSA | 129.2 | 0.4% | -1.8% | -0.3% | -0.1% | -1.7% |
| <i>Non-Metropolitan Areas</i> | <i>508.8</i> | <i>0.4%</i> | <i>-0.3%</i> | <i>-0.2%</i> | <i>-0.1%</i> | <i>-0.2%</i> |
| Allegany County | 17.8 | 6.5% | -0.7% | 0.2% | -0.2% | 5.7% |
| Cattaraugus County | 33.1 | 0.0% | -1.1% | -0.7% | 0.7% | -1.1% |
| Cayuga County | 25.9 | 1.4% | 0.3% | 0.0% | -2.3% | -0.6% |
| Chautauqua County | 53.5 | -1.0% | -1.2% | -0.8% | 0.2% | -2.7% |
| Chenango County | 18.6 | -0.2% | 4.1% | 2.1% | 3.3% | 9.6% |
| Clinton County | 34.4 | -1.0% | -1.3% | -0.1% | 0.4% | -2.1% |
| Cortland County | 18.7 | 0.7% | 2.7% | 1.9% | -3.8% | 1.4% |
| Delaware County | 16.4 | 0.8% | -1.2% | -0.2% | -2.2% | -2.8% |
| Essex County | 14.2 | -0.2% | -2.1% | 1.4% | 0.5% | -0.5% |
| Franklin County | 19.3 | -1.2% | -0.3% | 0.5% | -1.0% | -2.0% |
| Fulton County | 18.5 | 1.1% | 0.2% | -1.6% | 0.5% | 0.2% |
| Genesee County | 23.1 | -0.6% | -1.7% | -0.1% | -0.1% | -2.5% |
| Hamilton County | 2.0 | 0.0% | -1.7% | 0.0% | 0.0% | -1.7% |
| Jefferson County | 43.4 | 1.8% | -1.1% | -0.8% | 0.2% | 0.1% |
| Lewis County | 6.5 | -1.0% | 0.0% | -1.5% | -1.5% | -4.0% |
| Montgomery County | 19.0 | 0.3% | -0.3% | -0.7% | 0.2% | -0.5% |
| Otsego County | 27.6 | 2.4% | 1.1% | -0.7% | 1.1% | 3.9% |
| Schuyler County | 5.1 | -1.3% | 4.7% | -0.6% | -0.6% | 2.0% |
| Seneca County | 11.9 | 0.3% | -0.3% | 2.0% | 0.8% | 2.9% |
| St. Lawrence County | 40.5 | 0.2% | -0.2% | -1.1% | -0.3% | -1.4% |
| Steuben County | 38.4 | -0.1% | -0.5% | 0.1% | -0.7% | -1.2% |
| Wyoming County | 13.3 | -1.7% | 0.5% | -0.2% | 0.3% | -1.2% |
| Yates County | 7.7 | 3.1% | -0.9% | -0.4% | 1.3% | 3.1% |
| 10-county downstate area | 5,821.8 | 0.7% | 1.7% | 1.9% | 1.8% | 6.1% |
| 52-county upstate area | 3,126.0 | 0.1% | 0.3% | 0.4% | 0.5% | 1.2% |

Note: Data are not seasonally adjusted. Since the statewide CES total is estimated separately, it may not equal the sum of the 62 counties.
Source: Bureau of Labor Statistics (U.S. total) and New York State Department of Labor Current Employment Statistics (CES).

APPENDIX 3 Total private employment changes, 2nd quarter, 2009 – 2013, NYS areas

| Total private employment in thousands | Total private employment second quarter of each year | | Percent change in employment | | | |
|---|--|--------------|------------------------------|-------------|-------------|-------------|
| | 2013 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2009-2013 |
| United States | 114,114.0 | -0.7% | 1.8% | 2.2% | 2.0% | 5.3% |
| New York State | 7,467.0 | 0.4% | 2.1% | 1.9% | 1.6% | 6.1% |
| New York City | 3,411.5 | 0.8% | 3.1% | 2.7% | 2.3% | 9.1% |
| Eastern New York (Downstate suburbs and Hudson Valley) | 2,264.0 | -0.2% | 1.8% | 1.6% | 1.9% | 5.3% |
| Albany-Schenectady-Troy, NY MSA | 346.3 | -1.0% | 1.3% | 2.4% | 0.9% | 3.6% |
| Glens Falls, NY MSA | 46.4 | -0.4% | 1.2% | 1.5% | 2.9% | 5.3% |
| Kingston, NY MSA | 46.7 | -0.1% | -0.2% | -0.1% | 2.7% | 2.3% |
| Nassau-Suffolk, NY Metropolitan Division | 1,092.4 | 0.0% | 1.9% | 2.0% | 2.6% | 6.6% |
| Poughkeepsie-Newburgh-Middletown, NY MSA | 205.5 | 0.4% | 1.6% | 1.2% | 2.0% | 5.2% |
| Putnam-Rockland-Westchester, NY MSA | 481.1 | -0.3% | 2.5% | 0.9% | 1.1% | 4.2% |
| Columbia County | 16.1 | -1.5% | 2.6% | 2.4% | 1.3% | 4.8% |
| Greene County | 10.1 | 4.6% | -0.3% | -2.0% | 3.8% | 6.0% |
| Sullivan County | 19.4 | -0.7% | 1.0% | 0.9% | -0.9% | 0.3% |
| Western and Northern New York | 1,805.9 | 0.0% | 1.2% | 0.7% | 0.7% | 2.6% |
| <i>Metropolitan Areas</i> | <i>1,427.8</i> | <i>0.0%</i> | <i>1.3%</i> | <i>0.7%</i> | <i>0.8%</i> | <i>2.8%</i> |
| Binghamton, NY MSA | 84.8 | -2.0% | -0.8% | 0.5% | 0.1% | -2.2% |
| Buffalo-Niagara Falls, NY MSA | 460.8 | 0.3% | 1.6% | 1.1% | 1.2% | 4.2% |
| Elmira, NY MSA | 33.0 | 1.6% | 3.9% | -0.8% | -1.0% | 3.7% |
| Ithaca, NY MSA | 57.4 | 2.1% | 0.0% | 1.4% | 1.4% | 4.9% |
| Rochester, NY MSA | 435.8 | 0.1% | 1.9% | 1.0% | 0.3% | 3.4% |
| Syracuse, NY MSA | 259.6 | -0.8% | 1.3% | -0.2% | 1.2% | 1.5% |
| Utica-Rome, NY MSA | 96.5 | -0.1% | -0.9% | 0.3% | 0.6% | -0.1% |
| <i>Non-Metropolitan Areas</i> | <i>378.1</i> | <i>0.2%</i> | <i>0.9%</i> | <i>0.5%</i> | <i>0.3%</i> | <i>1.9%</i> |
| Allegany County | 13.2 | 7.2% | 1.3% | 0.0% | 0.3% | 8.8% |
| Cattaraugus County | 22.4 | -0.7% | 0.0% | -1.0% | 0.9% | -0.9% |
| Cayuga County | 20.2 | 2.4% | 1.5% | 1.2% | -1.5% | 3.6% |
| Chautauqua County | 42.9 | -1.5% | 0.0% | -0.5% | 0.2% | -1.8% |
| Chenango County | 14.2 | 0.6% | 7.7% | 4.6% | 4.4% | 18.3% |
| Clinton County | 25.4 | -3.5% | -0.5% | 0.7% | 1.2% | -2.2% |
| Cortland County | 14.6 | -0.2% | 5.0% | 2.5% | -2.9% | 4.3% |
| Delaware County | 11.1 | -0.9% | -1.4% | 0.6% | -3.2% | -4.9% |
| Essex County | 10.2 | 2.1% | -1.3% | 3.1% | 1.7% | 5.5% |
| Franklin County | 11.2 | 0.9% | 0.0% | 1.8% | 0.6% | 3.4% |
| Fulton County | 13.7 | -0.7% | 1.5% | -0.5% | -0.7% | -0.5% |
| Genesee County | 17.4 | 0.4% | -1.2% | 0.8% | 0.8% | 0.8% |
| Hamilton County | 1.2 | -5.6% | 2.9% | -2.9% | 2.9% | -2.8% |
| Jefferson County | 31.5 | 1.0% | 0.5% | -0.6% | 1.2% | 2.0% |
| Lewis County | 4.1 | 0.8% | 1.6% | -2.4% | 1.7% | 1.7% |
| Montgomery County | 16.2 | 0.4% | 0.4% | 0.2% | 0.8% | 1.9% |
| Otsego County | 21.6 | 2.3% | 1.7% | -0.3% | 1.3% | 5.0% |
| Schuyler County | 3.7 | -1.8% | 5.6% | -0.9% | -0.9% | 1.8% |
| Seneca County | 8.6 | 1.2% | 0.4% | 4.0% | 0.0% | 5.8% |
| St. Lawrence County | 29.6 | 0.0% | 0.6% | -0.7% | 0.6% | 0.5% |
| Steuben County | 29.9 | 0.0% | 0.7% | 1.0% | -0.4% | 1.2% |
| Wyoming County | 9.0 | -2.3% | 2.7% | 1.5% | 0.7% | 2.7% |
| Yates County | 6.3 | 2.7% | 0.0% | 1.1% | 0.0% | 3.8% |
| 10-county downstate area | 4,985.0 | 0.5% | 2.7% | 2.4% | 2.2% | 8.1% |
| 52-county upstate area | 2,496.4 | -0.1% | 1.2% | 0.9% | 0.9% | 3.0% |

Note: Data are not seasonally adjusted. Since the statewide CES total is estimated separately, it may not equal the sum of the 62 counties.
Source: Bureau of Labor Statistics (U.S. total) and New York State Department of Labor Current Employment Statistics (CES).

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