

# **IN NYC, OLDER WOMEN HAVE BEEN OUT OF WORK THE LONGEST— ALMOST A YEAR.**

## **POLICY BRIEF**

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### **WOMEN, BLACKS, AND OLDER WORKERS STRUGGLE IN POST-RECESSION NEW YORK CITY**

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August 2012

# WOMEN, BLACKS, AND OLDER WORKERS STRUGGLE IN POST-RECESSION NEW YORK CITY

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By Michelle Holder, Senior Labor Market Analyst

### **The Community Service Society of New York (CSS)**

is an informed, independent, and unwavering voice for positive action representing low-income New Yorkers. CSS addresses the root causes of economic disparity through research, advocacy, and innovative program models that strengthen and benefit all New Yorkers.

**David R. Jones**, Esq., President & CEO

**Steven L. Krause**, Executive Vice President & COO

### **About the Author**

**Michelle Holder** is Senior Labor Market Analyst at the Community Service Society of New York (CSS) where she analyzes and writes about labor force and poverty trends in New York City. Her publications include “Unemployment in NYC During the Recession and Early Recovery: Young Black Men Hit the Hardest” (CSS Policy Brief, 2010) and co-author for “Infrastructure for America’s Economy: Evaluating the Evidence” (New School’s Schwartz Center for

Economic Policy Analysis publication “The Promise of Public Investment,” 2008). Michelle received a Bachelor’s degree in economics from Fordham University and a Master’s degree in economics from the New School for Social Research. She is currently a Ph.D. candidate in economics at the New School for Social Research where her dissertation topic focuses on the position of African American men in the U.S. labor market.

# Although the nation is ostensibly in a recovery period, unemployment remains persistently high in New York City.

The national unemployment rate has been hovering around the 8 percent mark, but in the city it has consistently been above 9 percent since July 2011<sup>1</sup> and stood at 10 percent in June 2012.<sup>2</sup> While both the country and the city have certainly experienced recessions as well as high unemployment in the past, factors that make the recent recession unique are both the magnitude of job loss as well as the length of sustained high unemployment. For example, after the recession of the early 1990s New York City's unemployment rate averaged over 10 percent in 1992 and 1993, then fell to 8.8 percent in 1994.<sup>3</sup> However, for each of the last three years the city's unemployment rate has averaged over 9 percent, and unless it comes down by the end of 2012 we may be in for a fourth year of the annual unemployment rate being at or above 9 percent. New York City is currently in the longest stretch of annual unemployment rates at or above 9 percent since 1976.

In June of this year there were over 380,000 city residents who were unemployed, nearly 200,000 more than in December 2007 when the recession began.<sup>4</sup> Half of these individuals were among the long-term unemployed, defined as being out of work for more than six months.<sup>5</sup> By comparison, 30 percent of unemployed New Yorkers were out of work long-term in 2006, before the recession.<sup>6</sup> Indeed, long-term unemployment has become an entrenched and pervasive feature of the current labor market landscape.

This report examines how different demographic groups fared in New York City's labor market during the 2009 to 2011 recovery period. It will also outline the scope and impact of long-term unemployment in the city. Since the recession ended in 2009, the 12 months ending that year will be compared to the 12 months ending in 2011. Among the key findings:

- Last year unemployed New Yorkers were out of work for

an average of 41 weeks, almost ten months, an increase of almost three months compared to 2009.

- Half of these unemployed had been out of work for more than six months, and more than a third had been out of work for a year or more.

## **New York City is currently in the longest stretch of annual unemployment rates at or above 9 percent since 1976.**

- Women fared worse than men during the 2009-2011 recovery period in the city in terms of rising unemployment. This represents a change in the recession's impact by gender in the city—during the recession and early recovery period, men's unemployment rate rose more than that of women.<sup>7</sup> But this pattern reversed by the later recovery period when men's unemployment rate fell while women's unemployment rate rose. The massive loss of public sector jobs in the city, where women were 61 percent of employees from 2009 to 2011,<sup>8</sup> likely played a role in this rise.

- Women ages 55 to 64 years who lost their jobs remained out of work longer than any other demographic group last year. These women were out of work an average of 49 weeks—almost a year—and 62.8 percent were out of work more than six months.

- Men ages 55 to 64 years saw a drop of nearly 5 percentage points in their labor force participation rate, from 69.2 percent in 2009 to 64.3 percent in 2011.

- Although unemployment rates fell for both black<sup>9</sup> men and women from 2009 to 2011 as it did for New Yorkers overall, blacks constituted nearly half of all discouraged workers in 2011 though this group only accounts for 25

percent<sup>10</sup> of the city's population. The Bureau of Labor Statistics defines discouraged workers as "persons not currently looking for work because they believe there are no jobs available for them."<sup>11</sup> In addition, 95 percent of the increase in discouraged workers from 2009 to 2011 was attributable to blacks, predominately black women, who experienced a near doubling of their number of discouraged workers.

Yorkers overall, and Asian women's average duration of unemployment almost doubled from 2009 to 2011.

### **Half of the city's unemployed had been out of work for more than six months, and more than a third had been out of work for a year or more.**

- Among racial and ethnic groups, black New Yorkers had the longest average duration of unemployment—47 weeks—and the highest percentage of those who had been out of work more than six months—57.5 percent.
- Asian women experienced a large decline in their labor force participation rate, which helped drive down the employment-population ratio for Asian New

#### **Labor Market Concepts and Data Source**

This report makes extensive use of several labor market concepts which conform to U.S. Department of Labor Bureau of Labor Statistics (BLS) definitions.<sup>12</sup> The statistics in this report are based on analysis of data from the Current Population Survey (CPS), a monthly survey of approximately 60,000 households across the U.S. conducted by the Census Bureau for BLS. Please see the Appendix for further details on this survey and its uses and limitations. Annual average estimates are constructed from monthly data.

- Throughout this report, the **"working-age" population** includes all persons 16 years of age and older who are not in the military, incarcerated, or institutionalized. The working-age population includes the *employed*, the *unemployed*, and those *not in the labor force*.
- The **labor force** consists of the employed and the unemployed; it excludes anyone who is neither working nor looking for a job.
- The **employed** includes those persons who held a job during the "reference week" (see Appendix for definition) of the monthly CPS.
- The **unemployed** includes those who did not have a job during the reference week of the CPS but who were available and actively looking for work.
- Those **not in the labor force** are neither working nor actively looking for work.
- The **unemployment rate** is the percent of the *labor force* that is unemployed.
- The **labor force participation rate** is the percent of the *working-age population* that is either employed or unemployed but available for and seeking work.
- The **employment-population ratio** is the percent of the *working-age population* that has a job.

## Unemployment Rates

Since the end of the recession through the end of 2011 the overall unemployment rate declined in the city. Most demographic groups saw a drop in their unemployment rate, but a few groups actually experienced an increase (see *Table 1*). The majority of the groups whose unemployment rate increased during the recent recovery period in the city have one important characteristic in common—they are women. This signals a change over time in the recession’s impact by gender. During the recession and early recovery

period when private sector jobs were being shed en masse, men’s unemployment rate rose more than that of women.<sup>13</sup> However, from 2009 to 2011 the city lost 20,000 public sector jobs,<sup>14</sup> which likely resulted in a disproportionate impact on women and minorities. During this time women comprised 61 percent of the city’s public sector workforce and minorities comprised 65 percent.<sup>15</sup> Indeed, the decline in the city’s overall unemployment rate can be mostly attributed to a significant drop in total male unemployment, while total female unemployment went up. The drop in the male unemployment rate may be partially explained by men

**Table 1**  
Unemployment Rates for NYC by Gender, Age, Race/Ethnicity, and Educational Attainment Levels  
2009 and 2011

	Total Men & Women			Men			Women		
	2011	2009	Percentage Point Change from 2009	2011	2009	Percentage Point Change from 2009	2011	2009	Percentage Point Change from 2009
<b>ALL</b>	9.0%	9.6%	-0.6	9.1%	10.4%	-1.3	8.8%	8.4%	0.4
<b>BY AGE</b>									
16-24	16.1%	21.5%	-5.4	18.7%	24.6%	-5.9	13.5%	18.3%	-4.8
25-54	8.8%	8.5%	0.3	8.3%	9.0%	-0.7	9.3%	8.1%	1.2
55-64	6.0%	6.5%	-0.5	7.9%	7.8%	0.1	4.3%	5.1%	-0.8
<b>BY RACE AND ETHNICITY</b>									
White non-Hispanic	6.4%	6.1%	0.3	7.2%	6.3%	0.9	5.6%	5.9%	-0.3
Black non-Hispanic	12.7%	14.9%	-2.2	14.6%	17.9%	-3.3	11.0%	12.7%	-1.7
Latino/Hispanic	10.6%	11.7%	-1.1	9.2%	12.4%	-3.2	12.2%	10.9%	1.3
Asian	6.5%	6.3%	0.2	6.4%	7.8%	-1.4	6.6%	4.5%	2.1
<b>BY EDUCATIONAL ATTAINMENT LEVEL</b>									
Less than High School Diploma	13.2%	14.3%	-1.1	12.1%	14.3%	-2.2	14.8%	14.5%	0.3
High School Diploma or Equivalent	10.6%	10.5%	0.1	10.4%	11.2%	-0.8	10.7%	9.5%	1.2
Some College or Associate's Degree	11.1%	11.0%	0.1	11.1%	12.4%	-1.3	11.0%	9.6%	1.4
Bachelor's Degree or Higher	5.7%	6.6%	-0.9	6.1%	6.9%	-0.8	5.4%	6.2%	-0.8

leaving the labor force, especially men ages 55-64 and those with less than a bachelor’s degree, since those not in the labor force are not counted among the unemployed.

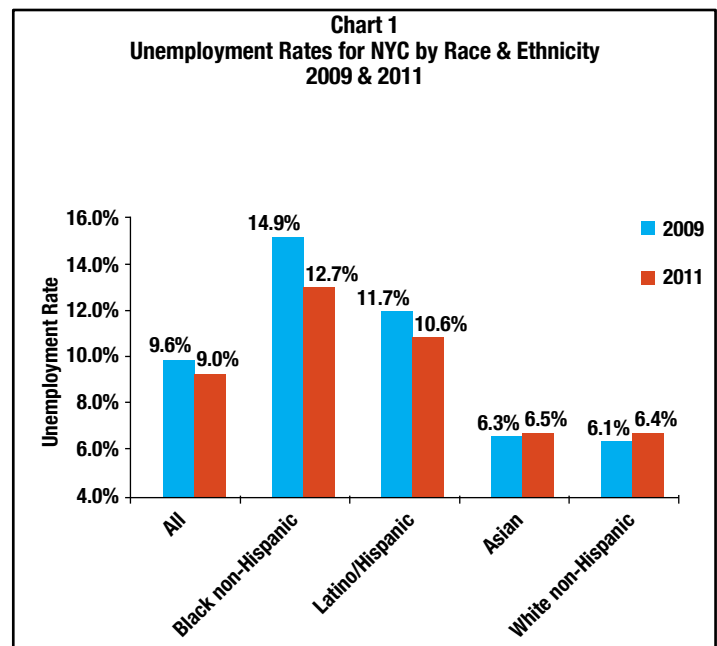
Among age groups, 16-24 year-olds experienced the largest decline in the unemployment rate—it decreased by just over 5 percentage points from 21.5 percent to 16.1 percent. This should be welcome news since it was this age group that saw the largest jump in the unemployment rate during the recession. However, the labor force participation rate for this group fell from 2009 to 2011 (see Table 2), representing another instance of a decline in the unemployment rate being affected by people leaving the labor force and thus not captured in unemployment statistics.

The unemployment rate went up more than a full percentage point from 2009 to 2011 for women ages 25-54. This rise may be related to public sector job loss in the city from 2009 to 2011 (see discussion in “Policy Implications” section). The rise in the unemployment rate for this group of women helped push the unemployment rate up overall for women since 25-54 year-olds constitute the majority of the workforce.

Among racial and ethnic groups, black New Yorkers experienced the largest unemployment rate decline from 2009 to 2011 (see Chart 1), especially black men, though this latter group’s unemployment rate of 14.6 percent in 2011 was still the highest of all race and ethnic groups. The decline in black male unemployment, unlike the decline in overall male unemployment, does not appear to be driven by black men leaving the labor force—the labor force participation rate for this group remained fairly stable from 2009 to 2011 compared to other male demographic groups (see Table 2). Whites overall, on the other hand, saw an increase in their unemployment rate, led mostly by a jump in the white male unemployment rate from 6.3 percent in 2009 to 7.2 percent in 2011.

With respect to educational attainment levels, Table 1 shows that men with less than a high school diploma as well as men and women with a bachelor’s degree or higher experienced unemployment rate declines. The rate increased slightly from 2009 to 2011 for those with a high school diploma or equivalent as well as some college

or an associate’s degree, again driven almost wholly by increases in the unemployment rate among women in these groups. The recent mix of jobs being created in the city tends to be either low-skilled or high-skilled, with a lack of mid-skill level jobs being created (see discussion in “Policy Implications” section)—this may be a factor in the rising unemployment rate among women with mid-level educational attainment. While some of these job-seekers may take jobs that would otherwise go to less-educated applicants, others may remain out of work because they are unwilling to take low-wage jobs, even in bad times, or they are viewed by potential employers as over-qualified.



The largest increases in unemployment rates during the 2009 to 2011 recovery period in the city occurred mostly among female demographic groups. Latinas and Asian women along with women who have a high school or equivalent diploma as well as some college or an associate’s degree experienced more than a percentage point increase in each group’s unemployment rate from 2009 to 2011. Again, the massive decline in public sector jobs in the city during this time period, traditionally a stable source of employment for women and minorities, along with the lack of mid-skill level jobs being created, may have been contributing factors in rising unemployment among these groups.

## Labor Force Participation Rates

The labor force participation rate tells us the degree of a group’s attachment to the labor force. It measures those who either have a job, or are actively looking for one, as a percent of the working-age population. During the recent recovery period the overall labor force participation rate in the city declined from 60.6 percent in 2009 to 59.7 percent in 2011 (see Table 2). Much of this decrease was driven by notable declines in the labor force participation rate of men, older workers, younger workers, Asians, and those with

some college or an associate’s degree. As noted earlier, men leaving the labor force in New York City may be related to why women fared worse than their male counterparts in terms of unemployment; those not in the labor force are not counted among the unemployed. However, even as men left the labor force they did not tend to classify themselves as discouraged—most of the increase in discouraged workers from 2009-2011 can be attributed to women (see “Discouraged Worker” section), indicating that women may have been more likely than men to classify themselves as discouraged if they were not in the labor force.

**Table 2  
Labor Force Participation Rates for NYC by Gender, Age, Race/Ethnicity, and Educational Attainment Levels  
2009 and 2011**

	Total Men & Women			Men			Women		
	2011	2009	Percentage Point Change from 2009	2011	2009	Percentage Point Change from 2009	2011	2009	Percentage Point Change from 2009
<b>ALL</b>	59.7%	60.6%	-0.9	66.4%	67.9%	-1.5	53.6%	54.1%	-0.5
<b>BY AGE</b>									
16-24	38.9%	41.0%	-2.1	39.1%	41.9%	-2.8	38.7%	40.0%	-1.3
25-54	78.2%	78.2%	0	86.3%	86.9%	-0.6	70.3%	70.2%	0.1
55-64	61.0%	62.9%	-1.9	64.3%	69.2%	-4.9	58.4%	57.1%	1.3
<b>BY RACE AND ETHNICITY</b>									
White non-Hispanic	62.6%	61.9%	0.7	68.5%	69.7%	-1.2	57.2%	54.6%	2.6
Black non-Hispanic	58.4%	58.9%	-0.5	62.4%	62.7%	-0.3	55.2%	56.0%	-0.8
Latino/Hispanic	58.5%	59.6%	-1.1	66.1%	67.6%	-1.5	51.3%	52.7%	-1.4
Asian	56.5%	61.5%	-5.0	67.8%	71.3%	-3.5	45.4%	51.8%	-6.4
<b>BY EDUCATIONAL ATTAINMENT LEVEL</b>									
Less than High School Diploma	35.4%	36.8%	-1.4	45.6%	48.0%	-2.4	26.5%	27.6%	-1.1
High School Diploma or Equivalent	55.3%	56.9%	-1.6	65.1%	68.2%	-3.1	45.9%	46.2%	-0.3
Some College or Associate's Degree	60.6%	64.1%	-3.5	64.1%	67.8%	-3.7	57.2%	60.7%	-3.5
Bachelor's Degree or Higher	78.4%	78.5%	-0.1	82.7%	81.3%	1.4	74.7%	76.0%	-1.3

For the prime working-age group of 25 to 54 year-olds the labor force participation rate held steady from 2009 to 2011, with men in this age group having the highest rate of any demographic group—86.3 percent in 2011. On the other hand, many young workers as well as older workers, especially men in both of these groups, chose to leave the labor force during this period. Men 55 to 64 years old saw a drop of nearly 5 percentage points in their labor force participation rate, from 69.2 percent in 2009 to 64.3 percent in 2011. Interestingly, it was this group that was found to have the longest average duration of unemployment during the recession and early recovery period in New York City.<sup>16</sup> Some of these men may have left the labor force permanently—there was no increase in discouraged workers for this demographic from 2009 to 2011 (see *Table 6*).

**Men 55 to 64 years old saw a drop of nearly 5 percentage points in their labor force participation rate, from 69.2 percent in 2009 to 64.3 percent in 2011. This group was found to have the longest average duration of unemployment during the recession and early recovery period in New York City.**

Blacks and Latinos experienced modest declines in their labor force participation rates, which stood at 58.4 percent and 58.5 percent, respectively, in 2011. White women actually saw a significant increase in their labor force participation rate, from 54.6 percent in 2009 to 57.2 percent in 2011, the highest increase for any group. Asian New Yorkers, male and female, did not fare as well. The overall labor force participation rate for Asians declined 5 percentage points from 61.5 percent in 2009 to 56.5 percent in 2011, mostly due to a very large decline—from 51.8 percent to 45.4 percent—in the participation rate of Asian women. Indeed, Asian women had the largest decline of any group—over 6 percentage points. In addition, their average length of unemployment almost doubled from 2009 to 2011 (see *“Long Term Unemployment”* section). It is

not immediately clear what caused these things to happen. In a report from the Economic Policy Institute addressing the issue of long-term unemployment in the Asian-American community, author Marlene Kim hypothesizes that the disparate impact of long-term unemployment among Asians in the U.S. may be due to racial bias as well as employer preference to hire native-born workers since Asians are more likely than other groups to be foreign-born.<sup>17</sup> While she mentions that “ethnic labor markets,” whereby some groups find work primarily through family or community contacts, may have been negatively impacted by the recession, she notes that this explanation alone cannot explain the surge in long-term unemployment among Asians, at least not at the national level.

With respect to educational attainment, all groups experienced declines in labor force participation rates, but the largest decline occurred among those with some college or an associate’s degree. As mentioned earlier, this may be related to the kinds of jobs being created in the city from 2009-2011, which were either in low-wage industries or were highly skilled jobs, leaving those with mid-level educational backgrounds less well-matched to available jobs (see *“Policy Implications”* section).

## **Employment-Population Ratios**

The employment-population ratio measures the percent of the working-age population that actually has a job; it does not take into account the unemployed, including those seeking work (which the labor force participation rate does). It therefore gives a sense of the extent of jobholding by various demographic groups. The city’s overall employment-population ratio experienced a modest decrease, from 54.8 percent in 2009 to 54.3 percent last year (see *Table 3*). The reason the employment-population ratio declined even as the unemployment rate fell is partially explained by the fact that the city’s population also fell during this time period, and along with that fall came a decline in the labor force, the number of unemployed, and the number of employed.<sup>18</sup>

Groups in the city that experienced slight increases in their employment-population ratios included whites, blacks, and 16 to 24 year-olds—the increase for the latter two groups



dovetailed with decreases in each group’s unemployment rate from 2009 to 2011 (see Table 1). Groups with the most notable declines in the employment-population ratio included Asians and those with some college or an associate’s degree. Asians had a nearly 5 percentage point drop in their employment-population ratio from 2009 to 2011—it decreased from 57.5 percent to 52.9 percent. This decline is in line with the drop in the labor force participation rate for Asians in the city during this time period (see “Labor Force Participation Rate” section).

<b>Table 3 Employment-Population Ratios for NYC by Age, Race/Ethnicity, and Educational Attainment Levels 2009 and 2011</b>			
	<b>Total Men &amp; Women</b>		
	2011	2009	<i>Percentage Point Change from 2009</i>
<b>ALL</b>	54.3%	54.8%	-0.5
<b>BY AGE</b>			
16-24	32.6%	32.2%	0.4
25-54	71.4%	71.6%	-0.2
55-64	57.3%	58.8%	-1.5
<b>BY RACE AND ETHNICITY</b>			
White non-Hispanic	58.6%	58.2%	0.4
Black non-Hispanic	51.0%	50.1%	0.9
Latino/Hispanic	52.3%	53.0%	-0.7
Asian	52.9%	57.5%	-4.7
<b>BY EDUCATIONAL ATTAINMENT LEVEL</b>			
Less than High School Diploma	30.8%	31.5%	-0.7
High School Diploma or Equivalent	49.4%	50.9%	-1.5
Some College or Associate's Degree	53.9%	57.2%	-3.3
Bachelor's Degree or Higher	73.9%	73.4%	0.5

## Long-Term Unemployment

Long-term unemployment, defined as being unemployed for more than six months, has become an entrenched and pervasive feature of the current labor market landscape. The average duration of unemployment in New York City has lengthened since 2009, the year the recession ended—it increased from 30 weeks in that year to 41 weeks in 2011, almost a three month difference (see Table 4). In 2011 half of the city’s unemployed had been out of work for more than six months (see Table 5), and more than a third had been out of work for a year or more. Long-term unemployment imposes societal costs that are not easily quantifiable—long stretches of joblessness are associated with health problems, strained familial relationships, and decreased earnings potential.<sup>19</sup> There is also evidence that hiring discrimination against the unemployed, especially the long-term unemployed, has been occurring in the post-recession job market.<sup>20</sup>

Measuring the average length of time the jobless are out of work is one way to gauge the extent of long-term unemployment. Another method is to look at the percent of unemployed who have been out of work long-term. In addition, examining whether those not in the labor force are discouraged or simply choose not to work provides another indication of the impact of long-term joblessness.

**Among racial and ethnic groups, black New Yorkers had the longest average duration of unemployment—47 weeks—and the highest percentage of those who had been out of work more than six months—57.5 percent.**

In looking at Tables 4 and 5, a distinct picture emerges: older women and blacks were the most impacted by long-term unemployment in the city last year. Among racial and ethnic groups, black New Yorkers had the longest average duration of unemployment—47 weeks—and the highest percentage of those who had been out of work more than six months—57.5 percent. By age, unemployed persons ages

**Table 4**  
**Average Number of Weeks Unemployed in NYC by Gender, Age, Race/Ethnicity, and Educational Attainment Levels**  
**2009 and 2011**

	Total Men & Women			Men			Women		
	2011	2009	<i>Change from 2009</i>	2011	2009	<i>Change from 2009</i>	2011	2009	<i>Change from 2009</i>
<b>ALL</b>	41.3	30.1	11.2	41.4	30.7	10.7	41.2	29.2	12.0
<b>BY AGE</b>									
16-24	34.3	26.6	7.7	39.2	29.7	9.5	27.6	21.8	5.8
25-54	41.9	30.1	11.8	41.0	29.3	11.7	42.8	31.1	11.7
55-64	46.8	37.6	9.2	45.2	39.1	6.1	49.3	35.0	14.3
<b>BY RACE AND ETHNICITY</b>									
White non-Hispanic	37.0	27.8	9.2	39.4	26.9	12.5	33.7	29.0	4.7
Black non-Hispanic	47.1	34.2	12.9	46.8	35.1	11.7	47.4	32.9	14.5
Latino/Hispanic	38.9	27.8	11.1	38.1	29	9.1	39.6	26.1	13.5
Asian	40.7	27.6	13.1	37.8	29.5	8.3	44.8	23.5	21.3
<b>BY EDUCATIONAL ATTAINMENT LEVEL</b>									
Less than High School Diploma	36.6	29.5	7.1	36.3	31.3	5.0	37.0	27.1	9.9
High School Diploma or Equivalent	43.6	29.1	14.5	43.3	28.8	14.5	44.0	29.6	14.4
Some College or Associate's Degree	43.2	30.4	12.8	43.4	32.4	11.0	43.0	27.5	15.5
Bachelor's Degree or Higher	39.9	31.3	8.6	40.6	31	9.6	39.1	31.6	7.5

**Table 5**  
**Percent of Group's Unemployed Who Have Been Out of Work Long-Term (More Than 6 Months)**  
**2009 and 2011**

	Total Men & Women			Men			Women		
	2011	2009	<i>Percentage Point Change from 2009</i>	2011	2009	<i>Percentage Point Change from 2009</i>	2011	2009	<i>Percentage Point Change from 2009</i>
<b>ALL</b>	50.7%	38.7%	12.0	49.6%	38.4%	11.2	52.0%	39.1%	12.9
<b>BY AGE</b>									
16-24	44.3%	26.9%	17.4	49.0%	31.7%	17.3	37.8%	19.5%	18.3
25-54	50.6%	42.2%	8.4	48.0%	40.1%	7.9	53.3%	45.0%	8.3
55-64	59.4%	46.8%	12.6	57.3%	44.2%	13.1	62.8%	51.0%	11.8
<b>BY RACE AND ETHNICITY</b>									
White non-Hispanic	48.0%	36.0%	12.0	48.9%	34.3%	14.6	46.7%	38.2%	8.5
Black non-Hispanic	57.5%	42.7%	14.8	57.5%	43.0%	14.5	57.5%	42.2%	15.3
Latino/Hispanic	47.4%	36.2%	11.2	43.1%	35.8%	7.3	51.3%	36.8%	14.5
Asian	45.6%	38.6%	7.0	43.4%	39.6%	3.8	48.8%	36.2%	12.6
<b>BY EDUCATIONAL ATTAINMENT LEVEL</b>									
Less than High School Diploma	43.1%	36.2%	6.9	40.7%	38.8%	1.9	46.1%	32.5%	13.6
High School Diploma or Equivalent	50.8%	37.0%	13.8	51.4%	34.6%	16.8	50.0%	41.4%	8.6
Some College or Associate's Degree	57.1%	39.9%	17.2	53.7%	42.7%	11.0	60.7%	35.9%	24.8
Bachelor's Degree or Higher	49.4%	41.3%	8.1	49.8%	38.7%	11.1	49.0%	44.1%	4.9

55-64 had the longest average duration of unemployment last year—also 47 weeks—and the highest percentage of those who have been out of work for more than six months—59.4 percent. Of all groups, older women were out of work the longest. Women ages 55-64 were out of work an average of 49 weeks—almost a year—and 63 percent were out of work more than six months. The significant loss of public sector jobs may have been a contributing factor here, since public sector employment has traditionally been a stable source of jobs for African Americans and women, and the skill sets used in these jobs may not have been easily transferable to the kinds of jobs being created in the city.

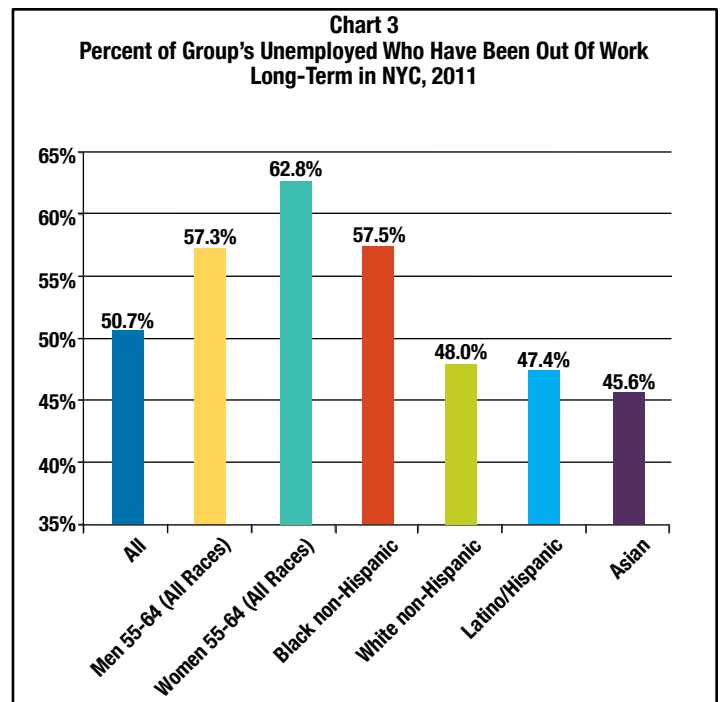
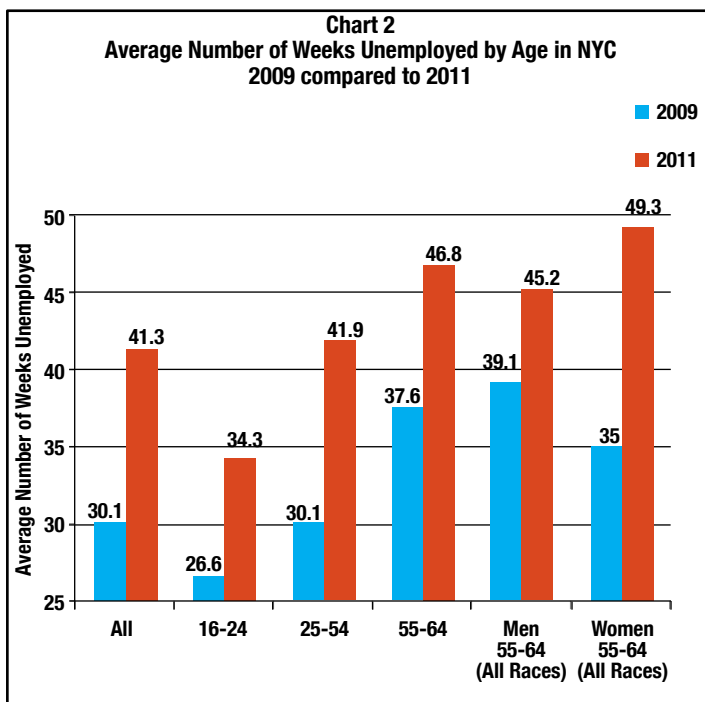
**Of all groups, older women were out of work the longest. Women ages 55-64 were out of work an average of 49 weeks—almost a year—and 63 percent were out of work more than six months.**

It’s noteworthy to point out that the mean duration of unemployment among Asian women nearly doubled

from 2009 to 2011—from 23.5 weeks to 44.8 weeks (see discussion in “Labor Force Participation Rate” section). By educational attainment level, high school graduates and those with some college or an associate’s degree had the longest average stretches of unemployment—just over 43 weeks.

### Discouraged Workers

Since 2009, the annual average number of discouraged workers in New York City has increased by 16 percent, and in 2011 stood at 46,166 (see Table 6). Almost half of all discouraged workers in the city last year were black, and this demographic group constituted 95 percent of the increase in the annual average number of discouraged workers from 2009 to 2011. Women also accounted for the greatest share of the increase in the annual average number of discouraged workers; the average number of male discouraged workers actually declined from 2009 to 2011. By educational attainment level, those with a high school diploma accounted for most of the increase in the annual average number of discouraged workers over those two years. Note that the number of discouraged workers



with less than a high school diploma declined during this period—these workers may have benefitted from the surge in low-wage jobs in the city.

**Almost half of all discouraged workers in the city last year were black.**

The fact that women and blacks constituted the majority of the increase in discouraged workers is in line with the impact of long-term unemployment on older women and

black New Yorkers. And as noted earlier, even though a significant number of men left the labor force they may have been less likely to classify themselves as discouraged, or if they were older they may have chosen to permanently leave the labor market. Interestingly, black men leaving the labor force does not appear to be a driving factor in the increase of black men among discouraged workers—as noted earlier this group’s labor force participation rate remained stable from 2009 to 2011. Black women, on the other hand, experienced a near doubling of their number of discouraged workers from 2009 to 2011.

**Table 6  
Number of Discouraged Workers in NYC by Gender, Age, Race/Ethnicity, and Educational Attainment Levels  
2009 and 2011**

	Total Men & Women			Men			Women		
	2011	2009	Change from 2009	2011	2009	Change from 2009	2011	2009	Change from 2009
<b>ALL</b>	46,166	39,909	6,257	24,977	26,339	-1,362	21,189	13,570	7,619
<b>BY AGE</b>									
16-24	11,154	7,929	3,225	7,927	6,152	1,775	3,227	1,778	1,449
25-54	29,822	24,685	5,137	15,824	16,396	-572	13,998	8,289	5,709
55-64	3,857	5,328	-1,471	1,225	3,293	-2,068	2,632	2,035	597
<b>BY RACE AND ETHNICITY</b>									
White non-Hispanic	7,534	6,372	1,162	3,693	4,553	-860	3,841	1,819	2,022
Black non-Hispanic	21,277	15,365	5,912	14,143	11,781	2,362	7,134	3,584	3,550
Latino/Hispanic	13,645	11,562	2,083	5,818	6,638	-820	7,827	4,924	2,903
Asian	3,709	6,610	-2,901	1,322	3,366	-2,044	2,387	3,244	-857
<b>BY EDUCATIONAL ATTAINMENT LEVEL</b>									
Less than High School Diploma	10,018	10,218	-200	5,398	5,260	138	4,620	4,958	-338
High School Diploma or Equivalent	19,522	12,750	6,772	11,613	10,111	1,502	7,909	2,639	5,270
Some College or Associate's Degree	9,870	9,404	466	4,826	5,943	-1,117	5,044	3,461	1,583
Bachelor's Degree or Higher	6,755	7,537	-782	3,139	5,024	-1,885	3,616	2,513	1,103

## **Policy Implications**

New York City may be creating jobs but these jobs are not reaching some groups of women, especially older women, Latinas and Asians, and women in the middle of the educational attainment spectrum—those with a high school diploma or equivalent, some college, or an associate’s degree. The city appears to have recouped the number of private sector jobs lost during the recession, but the total number of employed New Yorkers went down slightly from the end of the recession through December 2011. The unemployment rate still declined during this period because along with a decrease in the number of employed came a decrease in the number of unemployed as the labor force contracted. But if jobs being created in the city did not result in an increase in the number of employed New Yorkers, to whom were these jobs going? One possible explanation is that commuters living outside the five boroughs are benefiting the most from job creation in the city, but the evidence supporting this theory is insufficient.

## **Recommendations**

### **New York City should increase efforts to attract mid-skill level jobs**

The shedding of over 20,000 government jobs in the city, predominantly municipal jobs, from 2009 to 2011, hurt women, particularly older women, women of color, and women with mid-range educational attainment levels. In addition, many of the jobs being created during the recovery are occurring in sectors which traditionally offer lower wages, including retail trade, leisure and hospitality (especially food services), health services, and temporary help services. Low-wage entry-level jobs in these sectors typically offer opportunities for applicants with lower educational attainment levels, i.e. those with less than a high school diploma. On the other end of the skill spectrum, the recent boom in the tech sector in New York City demands workers with high-level skill sets; an estimated 9,000 jobs were created in this sector in the last two years, and many of the city’s tech start-ups indicated they experienced a shortage of available talent to fill jobs.<sup>21</sup> The current

mayoral administration has supported measures, such as tax breaks for large-scale developers of commercial outlets that offer low wages, or initiatives that encouraged the explosion of the tech sector, which helped create jobs at the extreme ends of the skill spectrum. Meanwhile, the number of jobs that offer a solid path to the middle class has been shrinking. The mix of jobs New York City is creating needs to be more diverse, not simply low-wage or high-wage while mid-skill level jobs are failing to grow.

### **New York State should take advantage of the new provision in federal law that allows demonstration programs using unemployment benefits as wage subsidies to decrease long-term unemployment**

In order to help transition the jobless back into work, the federal Middle Class Tax Relief and Job Creation Act of 2012 included a provision that would allow states to use unemployment benefits as temporary wage subsidies to create incentives for hiring unemployed workers, modeled after the “Georgia Works” program which was targeted at the long-term jobless. The Community Service Society (CSS) has conceived and advocated a model which improves upon the shortcomings of the Georgia program in the following ways:<sup>22</sup>

- Workers participating in the program would be employees, not volunteers providing free labor;
- Employers would have a stake in the program by being asked to provide a share of wages beyond the subsidy (and normal employer contributions to Social Security, Unemployment Insurance, Workers’ Compensation and temporary disability insurance); and
- The program would be more likely to lead to permanent hires because employers would make a commitment to retain the workers for an additional period after the subsidy ends.

These changes would diminish concerns that such a program would simply displace regular workers. CSS has strongly advocated that New York State implement this model which would offer employers a wage subsidy for three months if those hired under the program were previously unemployed long-term, and if employers commit to hiring participants

for an additional three months after the expiration of the subsidy. If implemented, this program would for the most part be revenue-neutral since existing unemployment insurance benefits would be used for wage subsidies, and employers would only be required to incur the difference between the unemployment benefit level and the normal wage for a job. Individuals receiving unemployment insurance for more than six months would have an incentive to participate in the form of compensation above their benefit level as well as the possibility for a permanent position. CSS estimates that thousands of long-term jobless New Yorkers could benefit from such a program.

**The City Council of New York should pass the proposed ban on hiring discrimination against the unemployed**

Because of the length and breadth of joblessness caused by the recession it is important that the unemployed are given equal opportunity in hiring. As the National Employment Law Project (NELP) documented in its report released last year, “Hiring Discrimination Against the Unemployed,” staffing firms across the country have been explicit in job advertisements about excluding the unemployed for consideration. As NELP pointed out, this practice may be occurring for two reasons: (1) prospective employers assume job candidates already working have a stronger work ethic and fresher skill sets than candidates who are unemployed; (2) discriminating in this fashion reduces the number of job applications an employer must review. The practice of discriminating against the unemployed is so widespread that already the District of Columbia and several states, including New Jersey, Maryland, and Oregon, have enacted legislation either banning discriminatory job ads or outright discrimination against considering the unemployed for job openings. A federal bill on this issue is currently stalled, but the City Council of New York has recently proposed a bill prohibiting hiring discrimination based on one’s unemployment status. From the data in this report it is clear—hiring discrimination against the unemployed, particularly the long-term unemployed, will result in disparate outcomes for older individuals, women of color, women with mid-level educational attainment, and black New Yorkers. CSS urges the City Council of New York to pass this measure.

## Conclusion

In the wake of the Great Recession, New York City experienced the longest stretch of annual unemployment rates at or above 9 percent in 36 years. Hundreds of thousands of New Yorkers lost their jobs, and half of these former workers had been unemployed six months or more. Tens of thousands of the long-term jobless eventually gave up looking all together. As the recovery period marched on, the impact of the recession intensified for the older jobless, women, and blacks in the form of long-term unemployment. Some men chose to leave the labor market, and the number of discouraged workers who had given up looking increased, especially among women, while the drop in the labor force participation rate among older men may have signaled that many of them stopped looking for work permanently. Public sector job losses became more severe, exacerbating unemployment for women and minorities. Long-term unemployment became entrenched, with hiring discrimination against the unemployed potentially worsening its impact. The mayoral administration supported job creation efforts at the extreme ends of the skills spectrum, with little attention paid to mid-skill level jobs. This might have intensified a problem that instigated the “Occupy Wall Street” movement—growing economic inequality. Private sector jobs in the city have increased, but initiatives fostering job creation must ensure the mix of new jobs is balanced. In addition, because long-term unemployment has become an intractable feature of the post-recession landscape, policies aimed at preventing hiring discrimination against the long-term unemployed as well as getting them back into the job market must be made priorities by our lawmakers. Our recommendations suggest actions the city and state can take to address unemployment, particularly among the long-term jobless, and to focus new efforts on attracting jobs that provide a decent wage and benefits for mid-skill level workers. New York City has been through tough times before and we’ve rebounded. We can do it again.

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## Appendix – Information on Current Population Survey Data

The data used in this report comes from the U.S. Department of Labor Bureau of Labor Statistics' Current Population Survey (CPS). The CPS is a monthly survey of approximately 60,000 households across the U.S. conducted by the Census Bureau for the Bureau of Labor Statistics (BLS). The CPS provides the main source of data for employment characteristics of the U.S. population—it is the source for publicized national unemployment rates and it also provides national employment data by gender and other demographic groups. The sample of households surveyed is intended to be broadly representative of the nation's population, and the survey is conducted during the 19th day of each month; answers provided by survey respondents are for activities that took place one week prior, the "reference week." Households participate in the survey for four months, are rotated out for the following eight months, and then return for four final months after which they leave the sample permanently.

The sample size of New York City survey respondents yields data for roughly 2,500 individuals per month; each household surveyed generally has one designated "reference person," usually the owner or renter of the household dwelling, and this person provides responses for all "eligible" household members. In order to be eligible to participate in the CPS, a person must be 15 years of age or older, not in the military, not incarcerated, and not institutionalized in—for example—a long-term care hospital or nursing home. Because the CPS is a sample survey, estimates calculated from it are subject to "sampling error," which is the difference between the sample estimate (for example, the unemployment rate calculated from CPS data) and the "true" value derived from a census of the total population. To measure the size of the sampling error, the "standard error of the estimate" is used, which is related to the spread of the sample estimates around what would be the true population value. For overall New York City unemployment rates in this report, there is a 90 percent probability (or "level of confidence") that these rates differ from the true overall city unemployment rate by no more than 1.6 times the sample error; in lay terms this means overall city unemployment rates in this report have a 90 percent probability of being within plus or minus 0.5 percentage points (the "margin for error") of actual

overall city unemployment rates. However, it is important to note that estimates of unemployment rates, labor force participation rates, and employment-population ratios for demographic subgroups (e.g., Latinos, blacks, women, youth, college-educated, etc.) will have larger margins for error because: (1) sample sizes for these subgroups are a subset of the total sample and are thus smaller in size; and (2) error margins and sample size are inversely related; the smaller the sample, the larger the error margins are, and vice versa.

### **CPS Employment Estimates and BLS' "Local Area Unemployment Statistics"**

Readers of this report should note that overall New York City unemployment rates contained herein may differ slightly from unemployment rates reported through BLS' "Local Area Unemployment Statistics" (LAUS) program because the latter uses a statistical model which incorporates not only CPS data but data from the "Current Employment Statistics" program as well as unemployment insurance figures. Any difference between overall New York City unemployment rates in this report and those provided through LAUS will be quite small—usually no more than one-tenth of one percentage point. Readers should also note that LAUS does not provide employment data for different demographic groups as contained throughout this report.

## Notes

<sup>1</sup> U.S. Department of Labor, Bureau of Labor Statistics. Local Area Unemployment Statistics, January 1990-May 2012, Seasonally Adjusted. <http://www.bls.gov/data/#unemployment>.

<sup>2</sup> New York State Department of Labor Monthly Press Release-Statewide Jobs Data for June 2012. Note the data is seasonally adjusted. <http://labor.ny.gov/stats/index.shtm>.

<sup>3</sup> New York State Department of Labor Local Area Unemployment Statistics. <http://labor.ny.gov/stats/LSLAUS.shtm>. Note the data is not seasonally adjusted, but these are annual averages so seasonal adjustment is less important in this case.

<sup>4</sup> "Determination of the December 2007 Peak in Economic Activity," Business Cycle Dating Committee, National Bureau of Economic Research, 11 Dec. 2008. <http://www.nber.org/cycles/dec2008.html>.

<sup>5</sup> U.S. Department of Labor, Bureau of Labor Statistics, "Issues in Labor Statistics," Summary 10-05, June 2010, p.1.

<sup>6</sup> This statistic was derived using U.S. Census Bureau Data Ferrett to analyze Current Population Survey data for New York City for 2006, <http://dataferrett.census.gov>.

<sup>7</sup> Michelle Holder, "Unemployment During the Recession and Early Recovery: Young Black Men Hit the Hardest," Community Service Society Policy Brief, New York, N.Y., December 2010, p.5.

<sup>8</sup> From author's analysis of Current Population Survey data obtained from IPUMS for 2009-2011.

<sup>9</sup> The term "black" is used instead of "African American" throughout this report because a small number of CPS survey respondents who indicated their race as black were not U.S. citizens. In addition, black is used synonymously with "black non-Hispanic" and white is used synonymously with "white non-Hispanic" as statistical analysis was limited for those survey respondents who indicated their race as either black or white to non-Hispanics for both groups.

<sup>10</sup> U.S. Census Bureau American Factfinder. <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml#none>.

<sup>11</sup> U.S. Department of Labor, Bureau of Labor Statistics. "The Employment Situation – May 2012," p. 2. <http://www.bls.gov/bls/newsrels.htm#OEUS>.

<sup>12</sup> "How the Government Measures Unemployment," U.S. Department of Labor, Bureau of Labor Statistics. [http://www.bls.gov/cps/cps\\_htgm.htm#concepts](http://www.bls.gov/cps/cps_htgm.htm#concepts).

<sup>13</sup> Holder, p. 5.

<sup>14</sup> New York State Department of Labor, Current Employment Statistics, Table- Historical Employment by Industry, Data for New York City.

<sup>15</sup> From author's analysis of Current Population Survey data obtained from IPUMS for 2009-2011.

<sup>16</sup> Holder, p.9.

<sup>17</sup> Marlene Kim, "Unfairly Disadvantaged? Asian Americans and Unemployment during and after the Great Recession (2007-2010)," Economic Policy Institute Issue Brief #323, April 5, 2012, pp. 5-9.

<sup>18</sup> New York State Department of Labor Local Area Unemployment Statistics. <http://labor.ny.gov/stats/LSLAUS.shtm>.

<sup>19</sup> Wiji Arulampanam, "Is Unemployment Really Scarring? Effects of Unemployment Experiences on Wages," *The Economic Journal*, Volume 111, Number 475 (November 2001), pp.F585-F606; Kerwin Kofi Charles and Melvin Stephens Jr., "Job Displacement, Disability and Divorce," *Journal of Labor Economics*, Volume 22, Number 2 (April 2004), pp.489-522; Sarah A. Burgard, Jennie E. Brand and James S. House, "Toward a Better Estimation of the Effect of Job Loss on Health," *Journal of Health and Social Behavior*, Volume 48, Number 4 ( December 2007), pp. 369-384.

<sup>20</sup> National Employment Law Project. "Hiring Discrimination Against the Unemployed: Federal Bill Outlaws Excluding the Unemployed From Job Opportunities, as Discriminatory Ads Persist," Briefing Paper, New York, N.Y., July 12, 2011.

<sup>21</sup> Jonathan Bowles and David Giles, "New Tech City," Center for an Urban Future, New York City, May 2012, pp. 6-10.

<sup>22</sup> The bullets points following are from CSS' concept paper on this topic.

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