

# ONLY ONE IN FOUR YOUNG BLACK MEN IN NEW YORK CITY HAS A JOB.

## POLICY BRIEF

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### UNEMPLOYMENT IN NEW YORK CITY DURING THE RECESSION AND EARLY RECOVERY Young Black Men Hit the Hardest

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December 2010

# UNEMPLOYMENT IN NEW YORK CITY DURING THE RECESSION AND EARLY RECOVERY

## Young Black Men Hit the Hardest

By Michelle Holder, Labor Market Analyst



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**The Community Service Society of New York (CSS)** is an informed, independent, and unwavering voice for positive action that serves the needs of our constituents: the 2 in 5 New Yorkers who live on poverty's front line. CSS draws on a 165-year history of excellence in using research, advocacy, litigation, and innovative program models to shape actionable policy solutions that strengthen and benefit all New Yorkers.

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# Introduction and Key Report Findings

New York City is an incredibly diverse town—there are people of different ethnicities, faiths, nationalities, and the list goes on. During good economic times, prosperity is shared. During hard economic times, difficulty is shared, but some demographic groups experience the brunt of it more than others. This report will examine the impact of the recent “Great Recession”—one of the harshest economic downturns in recent history—on employment for key demographic groups within the city, with the finding that young black<sup>1</sup> men ages 16–24 years experienced disproportionately high rates of unemployment and detachment from the labor force. Only one in four members of this demographic had a job during the period from January 2009 to June 2010.

While the U.S. has experienced recessions as well as high unemployment in the past, what makes the recent recession unique is both the sheer magnitude of job loss as well as the length of sustained high unemployment. The definition of a recession is a significant decline in the gross domestic product (G.D.P.) for at least two consecutive quarters, or 6 months. The recent recession officially ended in June 2009; G.D.P. began increasing again in the third and fourth quarters of that year. However, the national unemployment rate has barely budged from 2009, when it averaged 9.3 percent, and just over 15 million people in the U.S. are currently unemployed. The last time the national unemployment rate reached over 9 percent was 1983; at that time, the U.S. economy was emerging from a recession which began in 1981 and ended over a year later. The national unemployment rate steadily crept up from an average of 7.6 percent in 1981 to 9.7 percent in 1982, then fell to 9.6 percent by 1983, and thereafter continued to decline.

A big difference between the 1981–82 recession and the recent one is that prior to the Great Recession, unemployment was much lower; in 2006, the unemployment rate in the U.S. was 4.6 percent, compared to 7.1 percent in 1980. In addition, a much higher percent of the working-age pop-

ulation was employed in 2006 than in 1980, so the impact of job losses in the recent recession was felt much more deeply. In 1983, approximately half a million more people were employed than at the start of the recession in 1981, but in August of 2010 over 6 million fewer people were employed than in 2007, the start of the recent recession.

National employment patterns during the recent recession were mirrored by New York City. In 2009, the city’s average unemployment rate was 9.6 percent,<sup>2</sup> almost double what it was before the recession hit. By the end of 2009, the number of unemployed in the city also effectively doubled compared to 2006—it increased by approximately 188,000 people, reaching 377,500 total unemployed in New York City, a level not seen in 17 years.

**During the recent recession, black men ages 16–24 experienced disproportionately high rates of unemployment and detachment from the labor force.**

This report will be a comparative examination of the unemployment situation in New York City at two different points—prior to the recession, and the late recession/early recovery period—and it will take a special look at the impact on different demographic groups. Since 2007 is identified as the year in which the recent recession began,<sup>3</sup> in order to discern the scope of the impact on employment in the city, the year 2006 will be used as a base to examine changes when compared to 2009.

Below are key findings of the impact of the recession on employment in New York City by the separate categories of gender, age, race/ethnicity, and educational attainment levels:

- The largest increase in the unemployment rate occurred among working-age black men—their rate jumped from 9 percent in 2006 to 17.9 percent in 2009, effectively double for an increase of nearly 9 percentage points.
- The highest unemployment rate in 2009 was among men ages 16–24 years—their unemployment rate hit 24.6 percent that year.
- The largest decline in the labor force participation rate (though still relatively modest) occurred among men ages 16–24 years—their rate decreased from 43 percent in 2006 to 40 percent in 2009.
- The lowest labor force participation rate in 2009 was among women without a high school or equivalent diploma—28 percent. This group also had the lowest labor force participation level in 2006, at 30 percent.
- In 2009, while men ages 55–64 years had the longest average spell of unemployment, approximately 39 weeks, blacks had the highest percentage of those who had been unemployed for more than a year. Nearly 40 percent of black New Yorkers who had held a job previously were unemployed for more than 12 months during the recession and early recovery. Overall, the average spell of unemployment during the recession/early recovery period was 29 weeks (just over 6 months).
- The group with the lowest unemployment rate during the recession/early recovery was Asian women 55–64 years of age; their unemployment rate in 2009 was 4.5 percent, in spite of the fact that this group did not have the lowest unemployment rate of all demographic groups in 2006 (women with a bachelor’s degree or higher did—their unemployment rate was 2.3 percent in 2006).
- Finally, in taking a look at the recession’s effect with respect to the combined categories of age, gender, and race/ethnicity, it appears that young black men ages 16–24 suffered the biggest negative impact in terms of their position in the city’s labor market.

## Labor Market Definitions and Data Source

This report makes extensive use of several labor market concepts, so the clarifications and definitions immediately following should be helpful to readers who have less familiarity with these concepts. All labor market definitions are in conformity with U.S. Department of Labor Bureau of Labor Statistics (BLS) definitions.<sup>4</sup> In addition, all statistics indicated in this report are based on analysis of data from the Current Population Survey (CPS), a monthly survey of approximately 50,000 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, not incarcerated, or not institutionalized. The working-age population includes the *employed*, the *unemployed*, and those not in the *labor force*.
- The **labor force** includes 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 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

There was no demographic group in New York City that was able to completely escape the impact of the Great Recession. Every group suffered to a greater or lesser degree. Table 1 outlines unemployment rates for men and women by age, race/ethnicity, and educational attainment levels in 2009 as well as the change from 2006. Overall, unemployment in New York City increased from an annual average of 5 percent in 2006 to 9.6 percent in 2009, almost

double. Women tended to fare slightly better than men—the overall unemployment rate for women was 8.9 percent in 2009, an increase of just over 4 percentage points from their 4.8 percent unemployment rate in 2006, compared to men, whose unemployment rate reached 10.4 percent in 2009, just over 5 percentage points higher than it was in 2006 when it stood at 5.2 percent.

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

|  |                                    | Total Men and Women |             |                                   | Men          |             |                                   | Women       |             |                                   |
|--|------------------------------------|---------------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|-------------|-------------|-----------------------------------|
|  |                                    | 2009                | 2006        | Percentage Point Change from 2006 | 2009         | 2006        | Percentage Point Change from 2006 | 2009        | 2006        | Percentage Point Change from 2006 |
|  | <b>All</b>                         | <b>9.6%</b>         | <b>5.0%</b> | <b>4.6</b>                        | <b>10.4%</b> | <b>5.2%</b> | <b>5.2</b>                        | <b>8.9%</b> | <b>4.8%</b> | <b>4.1</b>                        |
| <b>By Age</b>                          | 16-24                              | 21.5%               | 15.0%       | 6.5                               | 24.6%        | 17.0%       | 7.6                               | 18.3%       | 12.7%       | 5.6                               |
|  | 25-54                              | 8.5%                | 3.8%        | 4.7                               | 9.0%         | 3.7%        | 5.3                               | 8.1%        | 3.9%        | 4.2                               |
|  | 55-64                              | 6.5%                | 3.3%        | 3.2                               | 7.8%         | 2.9%        | 4.9                               | 5.1%        | 3.6%        | 1.5                               |
| <b>By Race/Ethnicity</b>               | White Non-Hispanic                 | 6.1%                | 3.5%        | 2.6                               | 6.3%         | 4.1%        | 2.2                               | 5.9%        | 2.6%        | 3.3                               |
|  | Black Non-Hispanic                 | 14.9%               | 7.7%        | 7.2                               | 17.9%        | 9.0%        | 8.9                               | 12.7%       | 6.6%        | 6.1                               |
|  | Latino/Hispanic                    | 11.7%               | 6.2%        | 5.5                               | 12.4%        | 5.7%        | 6.7                               | 10.9%       | 6.7%        | 4.2                               |
|  | Asian                              | 6.3%                | 2.8%        | 3.5                               | 7.8%         | 2.5%        | 5.3                               | 4.5%        | 3.2%        | 1.3                               |
| <b>By Educational Attainment Level</b> | Less than High School Diploma      | 15.1%               | 9.5%        | 5.6                               | 14.3%        | 10.9%       | 3.4                               | 16.0%       | 7.9%        | 8.1                               |
|  | High School Diploma or Equivalent  | 10.5%               | 6.5%        | 4.0                               | 11.2%        | 5.9%        | 5.3                               | 9.5%        | 7.3%        | 2.2                               |
|  | Some College or Associate's Degree | 11.0%               | 4.7%        | 6.3                               | 12.4%        | 5.0%        | 7.4                               | 9.6%        | 4.5%        | 5.1                               |
|  | Bachelor's Degree or Higher        | 6.6%                | 2.4%        | 4.2                               | 6.9%         | 2.4%        | 4.5                               | 6.2%        | 2.3%        | 3.9                               |



In looking at all working-age New Yorkers, men and women combined, several conclusions can be made: (1) 16- to 24-year-olds had the highest unemployment rate of all demographic groups in 2009 (21.5 percent), but blacks had the largest absolute increase in their unemployment rate from 2006—7.2 percentage points; (2) by race/ethnicity, blacks had the highest rate of unemployment during the recession; (3) by educational attainment level, while those with less than a high school or equivalent diploma had the highest unemployment rate in 2009 (15.1 percent), those with some college or an associate’s degree actually experienced the largest absolute increase in their unemployment rate—from 4.7 percent in 2006 to 11 percent in 2009, an increase of 6.3 percentage points.

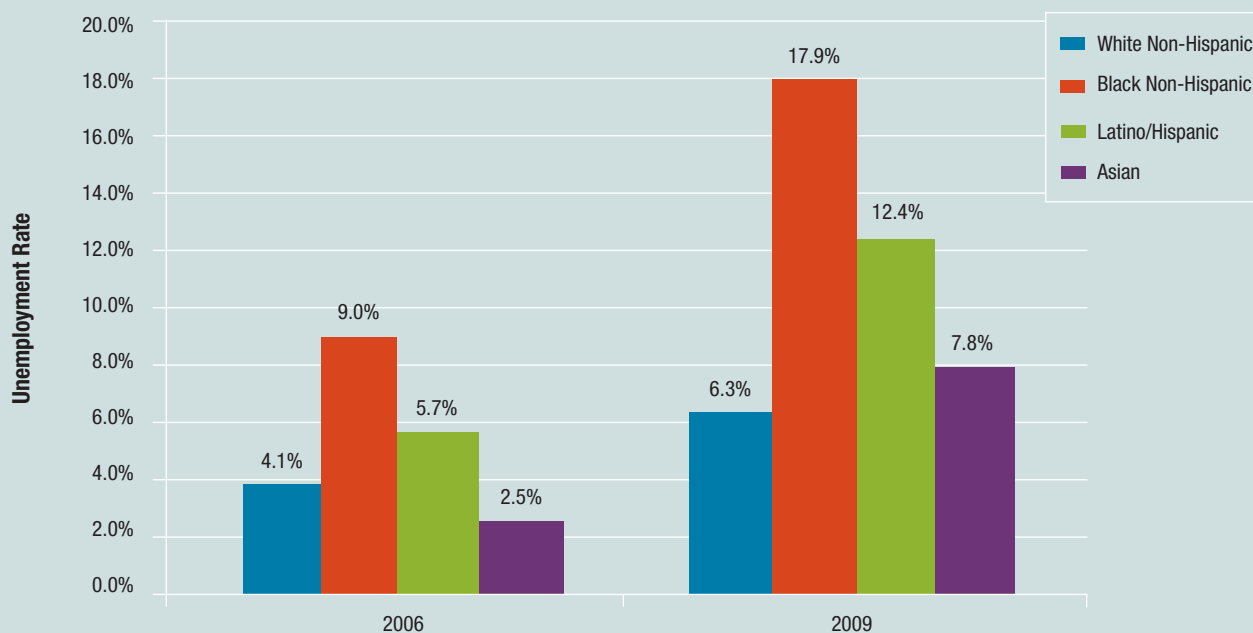
In examining the change in unemployment rates for the city’s men and women separately during the recession, there is great variation by age, race/ethnicity, and educational attainment levels. In looking at the stand-alone categories of age, race/ethnicity, and educational attainment levels as it pertains to either men or women, while men ages 16–24 years of age had the highest unemployment rate in 2009 (24.6 percent), black men experienced the largest absolute

increase in their unemployment rate during the recession—from 9 percent in 2006 (already high) to 17.9 percent in 2009, an increase of 8.9 percentage points, which effectively doubled black men’s unemployment in the city (see Chart 1). Among women, 16- to 24-year-olds (similar to men in this age group) had the highest absolute unemployment rate in 2009 (18.3 percent), but women without a high school or equivalent diploma experienced the largest absolute increase in their overall unemployment rate during the recession—it jumped 8.1 percentage points, from 7.9 percent in 2006 to 16 percent in 2009.

**There was no demographic group in New York City that was able to completely escape the impact of the Great Recession.**

Combining the categories of age, gender, and race/ethnicity, the group that suffered the biggest negative impact in terms of unemployment was young black men. The final section of this report will provide a separate and more extensive discussion of this issue.

**Chart 1**  
**Male Unemployment Rates in NYC by Race/Ethnicity, 2006 & 2009**



## 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. While it would be reasonable to expect that the recession in New York City caused many unemployed people to give up searching for work given poorer employment prospects, the statistics suggest this did not occur on a wide scale, at least not for people who had previously held a job (though the recession

may have deterred new entrants to the city's labor market; there is data evidence at the national level that new potential entrants to the labor force chose to delay their entry into the labor market<sup>5</sup>). Table 2 shows labor force participation rates by gender, age, race/ethnicity, and educational attainment levels. As can be seen from this table, labor force participation rates among demographic groups were roughly constant both before and during the recession/early recovery, with only a few groups experiencing modest declines

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

|                                 |                                    | Total Men and Women |      |                                   | Men  |      |                                   | Women |      |                                   |
|---------------------------------|------------------------------------|---------------------|------|-----------------------------------|------|------|-----------------------------------|-------|------|-----------------------------------|
|                                 |                                    | 2009                | 2006 | Percentage Point Change from 2006 | 2009 | 2006 | Percentage Point Change from 2006 | 2009  | 2006 | Percentage Point Change from 2006 |
|                                 | All                                | 60%                 | 59%  | 1                                 | 67%  | 67%  | 0                                 | 54%   | 52%  | 2                                 |
| By Age                          | 16-24                              | 40%                 | 40%  | 0                                 | 40%  | 43%  | -3                                | 39%   | 38%  | 1                                 |
|                                 | 25-54                              | 77%                 | 77%  | 0                                 | 87%  | 87%  | 0                                 | 70%   | 69%  | 1                                 |
|                                 | 55-64                              | 62%                 | 61%  | 1                                 | 69%  | 69%  | 0                                 | 57%   | 55%  | 2                                 |
| By Race/Ethnicity               | White Non-Hispanic                 | 61%                 | 61%  | 0                                 | 70%  | 69%  | 1                                 | 54%   | 54%  | 0                                 |
|                                 | Black Non-Hispanic                 | 58%                 | 56%  | 2                                 | 62%  | 60%  | 2                                 | 55%   | 54%  | 1                                 |
|                                 | Latino/Hispanic                    | 59%                 | 57%  | 2                                 | 66%  | 68%  | -2                                | 53%   | 49%  | 4                                 |
|                                 | Asian                              | 61%                 | 58%  | 3                                 | 70%  | 69%  | 1                                 | 53%   | 48%  | 5                                 |
| By Educational Attainment Level | Less than High School Diploma      | 36%                 | 37%  | -1                                | 46%  | 46%  | 0                                 | 28%   | 30%  | -2                                |
|                                 | High School Diploma or Equivalent  | 56%                 | 56%  | 0                                 | 68%  | 67%  | 1                                 | 46%   | 46%  | 0                                 |
|                                 | Some College or Associate's Degree | 63%                 | 62%  | 1                                 | 67%  | 66%  | 1                                 | 60%   | 58%  | 2                                 |
|                                 | Bachelor's Degree or Higher        | 78%                 | 77%  | 1                                 | 81%  | 82%  | -1                                | 76%   | 73%  | 3                                 |

while some other groups actually experienced an increase in their labor force participation levels.

Regarding labor force participation rates by demographic group in 2009:

- Men had higher labor force participation rates compared to women.
- 25- to 54-year-olds had the highest labor force participation rate of any age group.
- Men 25–54 years of age had the highest labor force participation rate of all groups—87 percent.
- Whites and Asians had slightly higher labor force participation rates compared to blacks and Latinos.
- While overall labor force participation rates of blacks modestly lagged that of whites, once gender is taken into account, black women’s labor force participation rate (55 percent) slightly exceeded that of white women (54 percent). Black men’s labor force participation rate was significantly lower than that of their white male counterparts in 2009—62 percent versus 70 percent, respectively. The pattern of black women’s labor force participation rate exceeding that of white women also holds at the national level, and this has been the case historically in the U.S.
- When looking at educational attainment levels, those with a bachelor’s degree or higher had the highest labor force participation rate.
- Women with less than a high school or equivalent diploma had the lowest labor force participation rate of any group—28 percent.
- The largest absolute decline in the labor force participation rate occurred among young men 16–24 years of age—their rate declined from 43 percent in 2006 to 40 percent in 2009, by 3 percentage points.
- The largest absolute increase in the labor force participation rate occurred among Asian women—their rate increased from 48 percent in 2006 to 53 percent in 2009, by 5 percentage points.

## 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. Unsurprisingly, as can be seen in Table 3, the employment-population ratio declined for almost all demographic groups from 2006 to 2009. Overall, the ratio stood at 54 percent in 2009, down 2 percentage points from 56 percent in 2006.

**Table 3**  
**Employment-Population Ratios for NYC by Gender, Age, Race/Ethnicity, and Educational Attainment**

|  |                                    | Total Men and Women |            |                                   |
|--|------------------------------------|---------------------|------------|-----------------------------------|
|  |                                    | 2009                | 2006       | Percentage Point Change from 2006 |
|  | <b>All</b>                         | <b>54%</b>          | <b>56%</b> | <b>-2</b>                         |
| <b>By Age</b>                          | 16-24                              | 31%                 | 34%        | -3                                |
|  | 25-54                              | 71%                 | 74%        | -3                                |
|  | 55-64                              | 58%                 | 59%        | -1                                |
| <b>By Race/Ethnicity</b>               | White Non-Hispanic                 | 58%                 | 59%        | -1                                |
|  | Black Non-Hispanic                 | 49%                 | 52%        | -3                                |
|  | Latino/Hispanic                    | 52%                 | 54%        | -2                                |
|  | Asian                              | 57%                 | 56%        | 1                                 |
| <b>By Educational Attainment Level</b> | Less than High School Diploma      | 30%                 | 34%        | -4                                |
|  | High School Diploma or Equivalent  | 50%                 | 52%        | -2                                |
|  | Associate's Degree or Some College | 56%                 | 59%        | -3                                |
|  | Bachelor's Degree or Higher        | 73%                 | 75%        | -2                                |



By age, the highest employment-population ratio was among those ages 25–54 years—71 percent of people in this prime working-age population were employed in 2009. By race/ethnicity, whites and Asians had the highest employment-population ratios—58 percent and 57 percent respectively, followed by Latinos (52 percent) and blacks (49 percent). The employment-population ratio for Asians actually increased slightly from 2006 to 2009 (by 1 percent-age point), the only increase of any demographic group; this is attributable in part to the comparatively large increase in the labor force participation rate of Asian women during the recession/early recovery. Blacks had the lowest employment-population ratio of all racial/ethnic groups in 2009, reflective of this group’s higher overall unemployment rate that year.

Generally, the higher the level of educational attainment, the higher the employment-population ratio associated with that level, as can be seen in Table 3. Only 30 percent of those without a high school or equivalent diploma had jobs in 2009, compared to 73 percent of those with a bachelor’s degree or higher. Indeed, the lowest employment-population ratio that year occurred among those without a high school diploma (30 percent), followed very closely by 16- to 24-year-olds, whose employment-population ratio was 31 percent.

## Long-Term Unemployment

Long-term unemployment is defined as being unemployed for 27 weeks or longer, or more than 6 months. The prevalence of long-term unemployment in New York City as a result of the recession was significant; in 2009, individuals were unemployed on average for 29 weeks. In addition, approximately 30 percent of the unemployed who had previously held a job (meaning that they did not just enter the workforce) were unemployed for more than a year.

The duration of unemployment tended to increase with age. In 2009, workers ages 55–64 years had the longest average duration of unemployment at 35 weeks, compared to 21 weeks for workers ages 16–24 years—though the latter group had a much higher overall unemployment rate (21.5 percent, compared to a 6.5 percent unemployment rate for

workers ages 55–64 years.)

Regarding gender, men tended to be more affected than women by long-term unemployment, though women had lower labor force participation rates. Indeed, the group with the longest average spell of unemployment in the city in 2009 was men 55–64 years of age—their average duration of unemployment was 39 weeks, compared to 32 weeks for women in the same age group. However, the labor force participation rate of women ages 55–64 in that year was significantly lower than that of their male counterparts—57 percent versus 69 percent, respectively.

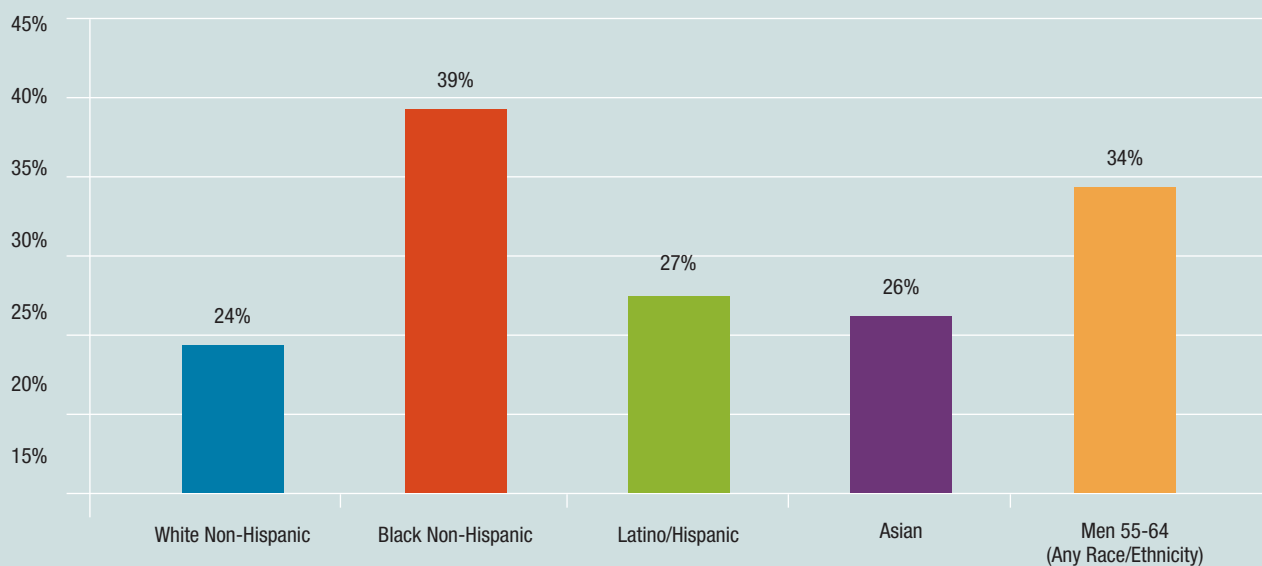
In terms of race, blacks were the group most affected by long-term unemployment during the recession and early recovery period in New York City. Indeed, almost 40 percent of unemployed black New Yorkers who had worked before were unemployed for more than a year (compared

## The average duration of unemployment in New York City in 2009 was 29 weeks, or more than six months.

to 24 percent of whites, 27 percent of Latinos, and 26 percent of Asians in the city—see Chart 2). This rate is even higher than the percent of men aged 55–64 (the group with the longest average duration of unemployment) who were unemployed more than 12 months (34 percent). On average, black men and women were unemployed for 36 weeks, almost two months longer than the mean duration of unemployment for all New Yorkers.

With respect to levels of educational attainment, the duration of unemployment as well as the percent of unemployed who had been without work for over a year were roughly similar whether someone had less than a high school diploma or at least a bachelor’s degree. However, labor force participation rates declined for those without a high school diploma in 2009, and this group also had the lowest overall labor force participation rate (36 percent) when compared to groups with higher educational attainment levels (for example, the labor force participation rate for those who had a bachelor’s degree or higher was 78 percent).

**Chart 2**  
**Percent of Group's Unemployed Who Were Out of Work for Over a Year**  
**NYC 2009**



## Young Black Men Hit Hardest by Recession

The impact of the recession on young black men was particularly harsh; this group fared the worst of all demographic groups in terms of unemployment when the categories of gender, race/ethnicity, and age are combined. When factoring in educational attainment, data analysis suggests that black men ages 16–24 without a high school diploma or equivalent were almost completely pushed out of the labor market during the recession. However, because the CPS sample size for this demographic is comparatively small, statistics derived from this sample have a wider error margin (see Appendix for a discussion of data quality issues). Nonetheless, because “disconnected youth,” youth neither in the labor force nor in school, constitute one of the core groups the Community Service Society has focused on,<sup>6</sup> this report would be remiss in omitting a discussion of the employment situation of young black men without a high school diploma if the data, though qualified, potentially points to a trend with catastrophic implications. The first part of this section will therefore focus on young black men ages 16–24 with varying levels of educational attainment,

while the second part will be a discussion of the findings for young black men without a high school diploma only, with the qualification that employment statistics derived for this latter group are less robust due to its smaller sample size.<sup>7</sup>

In addition, in the 2004 CSS report “A Crisis of Black Male Employment,”<sup>8</sup> we noted that only 52 percent of working-age black men had jobs that year. As of 2009, the comparable figure had declined to about 50 percent, and for the 18-month period from January 2009 to June 2010 that figure increased slightly to 54 percent (as indicated in Table 4), meaning just over one in two working-age black men held a job in the city last year.

## Black Men Ages 16–24

Table 4 shows employment statistics for young black men of all educational attainment levels in 2009–2010, and includes comparative statistics for all working-age black men, all men ages 16–24, Latino men ages 16–24, and a snapshot of where young black men stood in the city’s labor market in 2006–2007, prior to the recession. Note that because of the

comparatively smaller sample size of this demographic in the CPS, a time period of 18 months (instead of a year) was used to construct employment statistics in order to derive more robust figures.

Although the position of young black men in the city's labor force was already tenuous before the recession (as can be seen in the "2006–2007" column in Table 4), it was significantly impacted during the recession; this demographic group's unemployment rate increased by 11 percentage

### Young black men without a high school diploma experienced a 52 percent unemployment rate in 2009–2010, compared to 37 percent in 2006–2007.

points, reaching nearly 34 percent during the period January 2009 through June 2010—the highest of all demographic groups (excluding black or Latino men 16–24 years of age without a high school or equivalent diploma). In addition, the employment-population ratio for young black men, already low, decreased from 28 percent in 2006–2007 to 25 percent in 2009–2010, meaning that only one in four young black men had a job in the city during the period January

2009 through June 2010. The employment indicators for Latino men ages 16–24 were much closer to the values for all men in that age group in 2009–2010, and though their labor force participation rate was only slightly higher than their black male counterparts, their employment-population ratio was 25 percent higher than the comparable figure for young black men because of a comparatively lower (though in an absolute sense still high) unemployment rate for young Latinos.

### Black Men Ages 16–24 without a High School Diploma

Bearing in mind issues of data robustness as previously mentioned, analysis of CPS data for the 18-month period during 2009–2010 as well as 2006–2007 for young black men without a high school or equivalent diploma suggests the impact of the recession for this group was devastating (see Chart 3): this demographic group's unemployment rate is estimated to be 52 percent (compared to 37 percent in 2006–2007); 86 percent of these young men are out of the labor force, with only a 14 percent labor force participation rate; and only an estimated 8 percent of this population (less than one in ten) had jobs from January 2009 through June 2010.

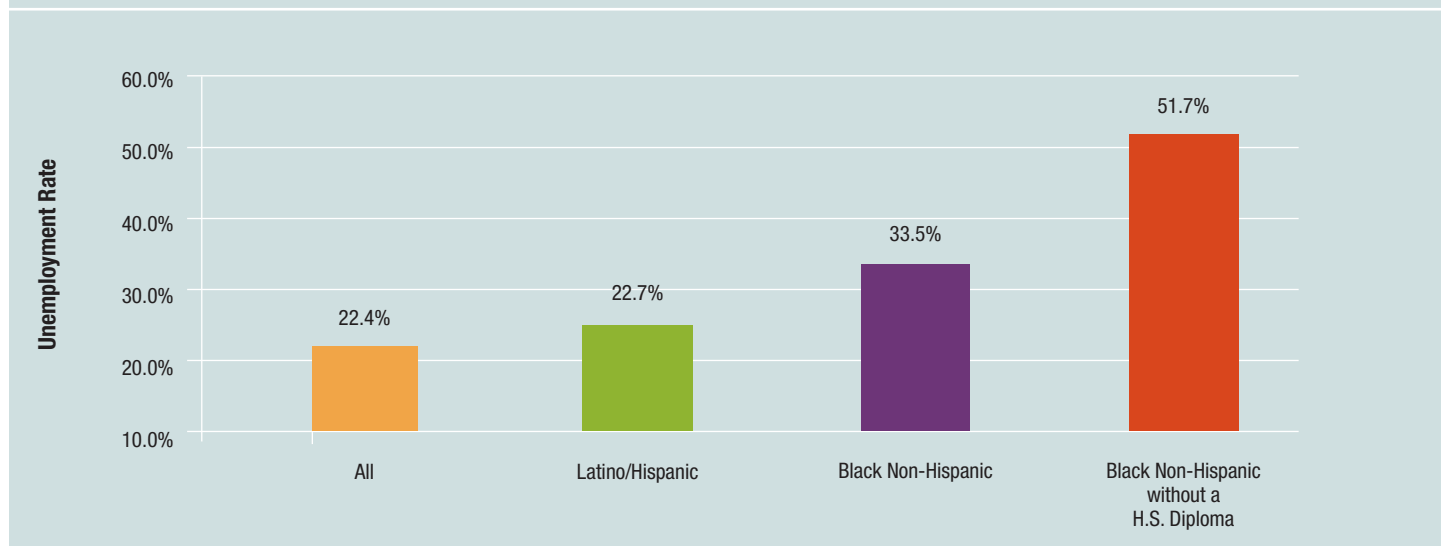
**Table 4**  
**NYC Employment Statistics for Select Male Demographic Groups, 2009–2010\*\***

|                                       | 2009–2010**                       |                  |                          |                             | 2006–2007*                  |
|---------------------------------------|-----------------------------------|------------------|--------------------------|-----------------------------|-----------------------------|
|                                       | Black Non-Hispanic<br>16 and Over | All Men<br>16–24 | Latino/Hispanic<br>16–24 | Black Non-Hispanic<br>16–24 | Black Non-Hispanic<br>16–24 |
| <b>Unemployment Rate</b>              | 15.9%                             | 22.4%            | 24.7%                    | 33.5%                       | 22.5%                       |
| <b>Labor Force Participation Rate</b> | 66%                               | 42%              | 42%                      | 38%                         | 37%                         |
| <b>Percent Not in Labor Force</b>     | 34%                               | 58%              | 58%                      | 62%                         | 63%                         |
| <b>Employment-Population Ratio</b>    | 54%                               | 32%              | 31%                      | 25%                         | 28%                         |

\*The final column contains statistics for 2006–2007 for comparative purposes; data cover the period January 1, 2006 - June 30, 2007, 18 months

\*\*The data covers the period January 1, 2009 - June 30, 2010, 18 months

**Chart 3**  
Unemployment Rates for Men 16-24 Years Old in NYC  
January 2009 - June 2010



From a public policy perspective, these findings—though qualified—are nevertheless troubling because both high unemployment and the lack of a high school diploma are factors associated with an increased risk for incarceration.<sup>9</sup> For the 2009 cohort in New York City, only 54 percent of black non-Hispanic students graduated in four years, compared to 74 percent of white students.<sup>10</sup> In a study conducted by sociologist Bruce Western, he found that in 1999 over 50 percent of black men ages 24–30 who did not have a high school diploma had a prison record.<sup>11</sup> African Americans are overrepresented in the U.S. prison population; while this group represents approximately 13 percent of the U.S. population,<sup>12</sup> they constitute 43 percent of all persons incarcerated in federal or state prison or local jails in the country.<sup>13</sup> In 2001, approximately 17 percent of all adult black men had at some point been incarcerated in federal or state prison, compared to 2.6 percent of adult white men.<sup>14</sup> Finally, there is strong evidence that shows having a prison record is associated with subsequent poorer employment and wage outcomes.<sup>15</sup> These issues are not solely relevant to young black men without a high school diploma but young Latinos without a high school diploma as well. After African Americans, Latinos have the next highest level of unemployment in the city as well as the next highest rate of incarceration nationally.

In order to mitigate the risks associated with high incarceration rates, the Community Service Society has in the past strongly advocated for both the importance of available, quality General Educational Development (GED) programs as well as transitional workforce programs that help prepare young people to make successful transitions to either college or permanent, full-time employment. A high school diploma or equivalent provides the minimum educational requirement colleges or most employers look for. However, as we’ve noted in a 2009 CSS report “From Basic Skills to Better Futures: Generating Economic Dividends for New York City,”<sup>16</sup> quality GED programs are in short supply in New York City, and only a few thousand individuals pass the exam each year. Employers also look for work experience, and transitional work programs can be effective in providing skill-building as well as experience. However, in the current recovery climate, while it’s clear the number one issue is jobs, getting politicians to commit resources for job creation, including transitional work programs, is a Herculean task. But the long run costs of neglecting what is happening to “disconnected” young men of color dwarfs what would be needed to enhance their employability and provide a pathway to long-term participation in the city’s workforce.

## **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 50,000 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 demographic groups. The sample of households surveyed is intended to be broadly representative of the nation's population. 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—long-term care hospitals or nursing homes. 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—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

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<sup>1</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>2</sup> The Bureau of Labor Statistics Local Area Unemployment Survey (LAUS) estimated an overall unemployment rate for New York City in 2009 of 9.5 percent; see Appendix for an explanation of differences in employment estimates from CPS versus LAUS data.

<sup>3</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>4</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>5</sup> U.S. Department of Labor, Bureau of Labor Statistics, Table “Employment Status of the Civilian Non-institutional Population, 1940 to Date”

<sup>6</sup> For example, our 2005 report “Out of School, Out of Work, Out of Luck: New York City’s Disconnected Youth” by Mark Levitan focused on this demographic.

<sup>7</sup> In the CPS the sample size of New York City’s black men ages 16-24 with different levels of educational attainment is approximately 3 times larger than the sample size of black men ages 16-24 who lack a high school or equivalent diploma; the latter is a subset of the former.

<sup>8</sup> Mark Levitan, “A Crisis of Black Male Employment: Unemployment and Joblessness in New York City, 2003,” Community Service Society of New York Report (February 2004): 2.

<sup>9</sup> Bruce Western, “The Impact of Incarceration on Wage Mobility and Inequality,” *American Sociological Review*, Volume 67, Number 4 (August 2002): 526; Bruce Western, Becky Petit and Josh Guetzkow, “Black Economic Progress in the Era of Mass Imprisonment,” *Invisible Punishment: The Collateral Consequences of Mass Imprisonment*, Ed. Marc Mauer and Meda Chesney-Lind (New York: The New Press, 2002): 169-70.

<sup>10</sup> N.Y.C. Department of Education, NYC Graduation Rates Class of 2009 (2005 Cohort), (New York, NY, March 2010): 5.

<sup>11</sup> Western, Petit and Guetzkow, 169-170.

<sup>12</sup> U.S. Census Bureau, Table: “Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin for the United States: April 1, 2000 to July 1, 2009.”

<sup>13</sup> U.S. Department of Justice, Bureau of Justice Statistics, Prison

Inmates at Mid-Year 2009 – Statistical Tables, (Washington, D.C., June 2010): 19.

<sup>14</sup> U.S. Department of Justice, Bureau of Justice Statistics, Prevalence of Imprisonment in the U.S. Population, 1974-2001, (Washington, D.C., August 2003): 1.

<sup>15</sup> Devah Pager, “The Mark of a Criminal Record,” *American Journal of Sociology*, Volume 108, Number 5 (March 2003): 937-75.

<sup>16</sup> Lazar Treschan and David Jason Fischer, “From Basic Skills to Better Futures: Generating Economic Dividends for New York City,” Community Service Society of New York Report (September 2009).

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