

At the Epicenter of an Economic Earthquake: New York Confronts the Great Recession

by Gregory DeFreitas

The global economic crisis surged into 2009, setting one depressing record after another. The U.S. economy shrank by -6.2% in the October-to-December quarter – its steepest decline in over a quarter-century. In those same months, the country lost 1.7 million jobs. For all of 2008, the job count shrank every month, totaling nearly 3.1 million fewer jobs at year's end. As of this March, the cumulative losses total 5.1 million jobs, more than in any other recession since the Great Depression.

Spring brought an ambitious federal stimulus plan and some unexpected bounces in consumer spending and stock prices, raising hopes that the economy's fall might be stabilizing. Americans questioned nationwide in the CBS News/New York Times public opinion survey in early April had generally more optimistic views than those heard in the mid-January survey just before the Obama Administration took office.¹ Only a minority (34%) thought that the economy was still getting worse, down from 54% who thought so in January. Twenty percent felt that the economy was getting better, nearly triple the fraction saying so three months ago. Still, one of every five “personally has friends or relatives who have filed for bankruptcy or have had a foreclosure during the past year.” And 70% said that they were very concerned or somewhat concerned that they or another household member might be out of work or looking for a job in the next 12 months.²

There has been ample cause for continued anxiety. Spring began with 13.2 million people officially counted as unemployed – an 8.5% national unemployment rate, even after seasonal adjustment. That rate was 3.4 percentage points higher than at the same time the year before. Recessions can throw into sharp relief long-simmering inequalities, and signs of this downturn's highly unequal impacts abound. Table 1 shows the sizable differences in unemployment by gender, race, ethnicity, age and education in 2007–2008. To see how the current recession compares so far with the depths of previous recessions, the table presents December estimates for those years as well as 1982 (the worst post-Depression slump until now) and 1992. The December figures for 2000 offer comparisons with the peak of a boom year. While white-collar job loss on Wall Street has drawn much media attention, most layoffs have so far been concentrated among lower-income, non-college-educated workers and racial/ethnic minorities. The year-end 2008 jobless rate among African Americans (10.1%) was twice that of whites. And high school dropouts' rate (9%) was nearly three times higher than that of college graduates. The disproportionate impact of the housing bust and credit crisis on construction and manufacturing

jobs accounts for much of these differentials, as well as for the fact that male unemployment averaged two percentage points higher than the female rate. Youth have been especially hard hit, particularly African Americans. Among black teenagers active in the labor force, a startling 31.2% were without a job.

But unemployment has been soaring among all major demographic groups. As Table 1 shows, each group's rate had jumped by one to three percentage points above the same period in 2007 and was rapidly approaching the levels of the 1992 recession. By this spring, these unemployment rates have been on a steep trend heading toward the double-digit levels of the severe 1982–83 recession. For example, the unemployment rate by March had risen to 11.4% among Latino workers and to 13.3% among African Americans, over twice as high as the current white level. And unemployment's reach has been spreading beyond manufacturing and construction into a wider set of industries.

The official unemployment figures – grim as they are – nonetheless provide only a partial reflection of the breadth and depth of joblessness. They omit millions of individuals who have temporarily grown too discouraged to continue job search, but who tell government surveyors that they are currently available for and desire a job. This helps explain why, in the course of the last 12 months through March, the fraction of the population employed (employment/population ratio) dropped by 2.8 percentage points (to 59.5%) – its steepest decline in 60 years of recordkeeping. And among those counted as employed, rising numbers indicate that they are working part-time involuntarily; that is, they want and need a full-time job, but cannot find one. Including such marginally attached workers and the discouraged unemployed, together with the official unemployed, the BLS has (since 1994) published estimates of a broader, alternative measure of “labor underutilization.” As of the latest March report, about 25 million persons were underemployed. Figure 1 plots the monthly (seasonally adjusted) underemployment rates from January 1994, the first month of government records, through March 2009. By then, the national underemployment rate (seasonally adjusted) had soared to 15.6%, the highest on record.

More and more of the unemployed have been jobless a half-year or more. As of this March, 3.3 million (one in four of the unemployed) had been out of work 27 weeks or more. For some years now, an average of just two-fifths of the unemployed have managed to obtain unemployment benefits. Stiffer eligibility requirements and resistance by employers have cut average reciprocity rates far below the levels common prior to the 1980s.

Impacts on New York

Since this recession emerged from the financial sector, many expect it to exact a disproportionate toll on Wall Street and the New York metropolitan area. This has provoked mixed reactions among ordinary workers and employers. On one hand, most blame the irresponsible high-risk lending by our unregulated, over-leveraged shadow banking system (enabled by wildly overoptimistic credit rating agencies) that inflated the housing bubble, whose collapse precipitated the crisis. Together with traditional depository banks, these institutions generated

soaring salaries and bonuses in recent years, thereby worsening income inequality and provoking more and more critical scrutiny. But, Wall Street's boom also brought New York a disproportionate share of revenue growth for related businesses and tax receipts for local government. Wall Street accounts for nearly 30% of all wages and salaries in New York City, and its current contraction is now sending damaging ripple effects throughout the region.

The pace of production in New York City, as measured by Gross City Product (GCP), began slowing in the spring of 2007, declined to 2.5% growth in the July–September third quarter, then ended the year with fourth-quarter GCP growth of just 1.1%. Still, this was far better than the steep fourth-quarter contraction of the national economy. As local housing sales and prices have followed the national downward trend and as layoffs have spread, consumer spending has grown more cautious, with punishing effects on business sales revenue, jobs and pay. In the final three months of 2008, individual and business bankruptcy filings jumped by 36%, faster than the national average.³

Until late summer of last year, New York City managed to stave off the national trend of steadily worsening job losses in every month of 2008. In fact, the city actually continued to gain new jobs until last September. In that eventful month, the White House allowed Lehman Brothers investment bank to collapse, with sharp destabilizing effects on credit markets. Since then, New York has lost 85,000 jobs. For the year as a whole, by December the city's job count had fallen to 3,773,100 – 53,600 (-1.4%) fewer jobs than 12 months earlier.

Which sectors of the city's economy have been hit hardest? As Figure 2 reveals, Wall Street securities brokers and investment banks lost 17,500 jobs over the first 12 months of the recession. This alone directly accounted for one-third of the city's job losses by year-end 2008. So, although Wall Street jobs were only 4.9 percent of all NYC jobs in 2007, the financial crisis took a highly disproportionate toll on the sector's employment.

Construction and related trades lost 7,000 jobs in the city over the 12 months through December. Total construction spending for the year was actually 16% above that of 2007, and building trades employment peaked at about 130,000. But, the housing bust is now hitting the city and its real estate industry with full force. In the first three months of 2009, coop and condo apartment sales in Manhattan plummeted 60% from the same quarter last year. Commercial office rents in the borough have posted the biggest slide in the 25 years of record keeping and vacancy rates are up sharply to a four-year high.⁴ Job forecasts for the city hinge on whether a number of large planned government and private sector projects withstand mounting budget pressures. Federal funds for infrastructure projects could sustain much rehabilitation work on mass transit, schools, roads and bridges. Key approvals have been won to begin sizable projects at Atlantic Yards, Hudson Yards, the World Trade Center and the former Waterside site of Con Ed. And long-planned expansions by Columbia University, St. Vincent's Medical Center and the United Nations may begin this year or next. In this uncertain environment, the New York Building Congress forecasts that construction employment is likely to shrink to about 100,250 by 2010, its lowest level in over a decade.⁵

Accounting firms, employment agencies, law offices, and most other business and professional services recorded job declines that totaled nearly 9,000 over the same period. In contrast, health service jobs expanded by 8,300, restaurants and other eateries hired an extra 2,500, and educational services added another 900 elementary and secondary school jobs. The net effect of these opposing trends within the services supersector was an overall decline of just 2,100 (-0.1%).

Even health care jobs may not be recession-proof for long. Rising numbers of the unemployed are losing their job-based health insurance and budget tightening by states and cities increasingly involves layoffs in health services. In March, the New York City Health and Hospitals Corporation eliminated 400 positions. Then, on April 10th, it informed the 39,000 workers at its 11 hospitals and four nursing homes that deepening deficits would probably require still more layoffs.

Rising anxieties over job security and indebtedness have driven consumers to hold off on many purchases and do what they can to replenish emergency savings. The result has been a blow to retail trade revenue and jobs. High-profile bankruptcies have included major retailers like Circuit City, Filene's Basement, Fortunoff, Linens 'n Things, and Sharper Image. As of December 2008, New York City had 4,500 fewer retail trade jobs (-1.4%) than 12 months earlier. Two-thirds of the industry's losses have been in clothing stores, and most of the rest were at department stores. In contrast, both grocery stores and health and personal care stores managed weak growth of 500 to 800 jobs over the past year.

Tourism and related hospitality services have begun to suffer markedly from weakening national and foreign economic conditions. By December, Manhattan hotel occupancy rates had fallen to about 80%, a 4.5 percentage point decline from the same time the previous year. According to one observer: "Nearly every hotel in the city, from Marriott properties to the Waldorf-Astoria to budget brands like Comfort Inn, are either temporarily laying off employees, reducing hours, eliminating jobs entirely or planning to do so soon. Some are closing entire floors." ⁶ Unless the summer months draw an unexpectedly large influx of foreign visitors, the layoff rate among the city's 42,000 hotel employees could jump into double digits.

The information sector also registered a net shrinkage, though it was down by a net of just 700 fewer jobs as of December.. This reflected the fact that, within the sector, cutbacks by publishers (-1,600 jobs) and other industries were largely counterbalanced by an additional 3,500 hires in motion picture and sound recording. As ad revenue has dried up for even major newspapers, deep cost-cutting has ensued. In March, the *New York Times* reduced salaries of non-union managers by 5% and threatened members of the Newspaper Guild with layoffs unless they accepted a similar pay cut.

Over nine-tenths of New York's total job losses were in the private sector. Though the government workforce was still proving more resistant to the recession, there were 4,500 fewer public sector jobs at the end of 2008. The U.S. postal service shrank by 2,500 and the city's municipal workforce was downsized by 1,500. Far larger reductions may be imminent, if Mayor Bloomberg's budget proposals are adopted.

The number of New Yorkers officially unemployed leapt by 41% over 2008, with 282,300 people jobless by year end. The city's official unemployment rate jumped two percentage points over the year, ending 2008 at 7.2%. Every borough experienced higher jobless rates. The largest increase was in the Bronx, where unemployment rose from 7% in December 2007 to 9.6% one year later. The unemployment rate rose by two percentage points in Brooklyn, Manhattan, and Queens, and by 1.7 points in Staten Island. The number of people unemployed last year also increased citywide (by 82,500) and in every borough. The fact that, at the same time, the number counted as employed was little changed indicates that more job seekers were entering or reentering the labor force, but failing to find jobs.

Most of New York's unemployed do not qualify for unemployment benefits. Those that do receive a maximum of just \$430 a week – lower than any state in the region. The maximum weekly benefit (excluding additions for dependents) is \$653 in Massachusetts, \$609 in New Jersey, \$544 in Connecticut and \$583 in Pennsylvania. A bill, now stalled in the Albany legislature, proposes to raise New York's benefits gradually over the next few years to \$625 a week. Support by organized labor has run into firm opposition by employers concerned about higher payroll taxes.

How does the center city compare with nearby suburban areas? Long Island lost 18,900 jobs from December 2007 to last December. The rate of job shrinkage (-1.5%) over the past year was, like the city's, slower than the national average. Almost every industry had more layoffs and attrition than new hires (Figure 3). The only net job growth on Long Island in 2008 came through an extra 2,700 local government jobs, mostly in the schools. In the big services sector, there were an additional 2,500 jobs in health care and education. But these modest gains were overwhelmed by job cuts in professional and business services (-4,700) and in tourism-related leisure and hospitality (-3,200). Four other major sectors kept bleeding thousands of jobs: retail trade (-4,000); finance, insurance and real estate (-3,300); manufacturing (-3,100); and construction (-1,900).

Long Island also recorded far more residents officially counted as unemployed over the 12 months through December 2008: 87,000 were jobless that month – an increase of 30,600 jobseekers (54.3%). Like the city, Long Island's unemployment rate rose by a full two percentage points, to 5.8%. The increase was slightly sharper in the eastern part of the island, where Suffolk County recorded a 6.1% rate.

Still, the latest assessment of the overall metro area by the Federal Reserve Board reported that its regional respondents found “less widespread declines in business activity and express considerably more optimism about the near-term outlook, but continue to report ongoing weakening in employment.” Overall, the modest signs of some relief in particular economic sectors must be weighed against the continued evidence of labor market pain. But the Fed conceded that:

“A broad range of industries report continued contraction in employment at their establishments, and most anticipate steady or declining employment levels in the months ahead. Separately, a major New York City employment agency reports that the job market remains exceptionally weak: job postings are few and far between and often quite specialized, while the supply of available workers is described as “inexhaustible”. Many 2008 college graduates are still looking for jobs, with 2009 graduates now entering the market.”⁷

Who Pays for the Crisis?

A common early corporate response to every recession is the call for sacrifices by workers. The first high-profile example of this came in the auto industry last year, when near-bankrupt General Motors and Chrysler demanded and won substantial concessions from the United Auto Workers. In the national debate over federal bailouts for the long-ailing carmakers, a frequent refrain in much of the media was that extravagant wage and benefits costs had placed GM and Chrysler at a near-fatal competitive disadvantage compared to low-cost foreign companies. In fact, however, labor costs account for only about 10% of average costs of producing a vehicle. Once the cost of retiree benefits are separated out, the average hourly base wages of workers at an American auto company is just \$3 more than that paid at Japanese auto plants based in the U.S.⁸

By early 2009, wage freezes and cuts had spread widely across the country. According to one January survey of 100 human resource managers, 27.2% of their corporations had imposed a salary freeze or reduction.⁹ A February survey by Wilson Wyatt Worldwide asked 245 companies about their salary plans in the coming year. Seven percent had already implemented pay cuts and 4% said that they expected to make cuts over the next year. And the latest Federal Reserve *Beige Book* in April cited widespread reports of job cuts and wage and hiring freezes.

Far less talk of pay cuts has been heard when it comes to executive compensation. For three decades now, the highest-income Americans have continued to pull away at a record-breaking pace from the poor and the middle class. This became more painfully evident in a February report by the New York State Comptroller revealing that, even in a disastrous year of financial chaos, Wall Street bonuses totaled about \$18.4 billion in 2008 – the sixth-largest payout on record. President Obama characterized the news as “shameful” and the “height of irresponsibility.” The outsized bonuses at a number of firms getting government bailouts created a public furor. New York Attorney General Andrew Cuomo subpoenaed executives at Bank of America to explain how its recently acquired Merrill Lynch unit could pay over \$4 billion in bonuses in the year that Merrill was imploding. Merrill’s former CEO, John Thain, became the latest poster-boy for Wall Street excess when it was learned that he spent \$1.2 million redecorating his office and asked for a multimillion dollar personal bonus during the months that his firm was collapsing. Still, the federal government in January agreed to another bailout request from B of A, making the government its largest shareholder after injecting a total of \$45 billion.

Though bonus pay fell for the average executive last year, a new report on the 200 largest corporations found that median compensation for their chief executives was \$8.4 million.¹⁰ And, though the crisis has deepened for most of the country and banks have laid off thousands, the largest financial institutions began 2009 reporting suspiciously high profits that were then used to justify compensation comparable to pre-crisis years. In fact, the *New York Times* reported in late April that, based on a review of the latest financial statements, six of the largest banks had set aside over \$36 billion in the first quarter to pay their employees.”¹¹

The most commonly heard defenses of such lavish pay practices is that they (a) are essential for banks to retain the best and brightest employees; and (b) simply reflect the will of the free market. The former claim seems particularly difficult to take seriously at a time of shrinking job opportunities in finance, particularly given the culpability of those same best and brightest financiers for the economic wreckage all around. As to the latter appeal to supposed market-driven compensation, few have challenged it as sharply as this year’s Nobel-Prize-winning economist, Paul Krugman:¹²

“Wall Street is no longer, in any real sense, part of the private sector. It’s a ward of the state, every bit as dependent on government aid as recipients of Temporary Assistance for Needy Families, a k a “welfare.” I’m not just talking about the \$600 billion or so already committed under the TARP. There are also the huge credit lines extended by the Federal Reserve; large-scale lending by Federal Home Loan Banks; the taxpayer-financed payoffs of A.I.G. contracts; the vast expansion of F.D.I.C. guarantees; and, more broadly, the implicit backing provided to every financial firm considered too big, or too strategic, to fail. One can argue that it’s necessary to rescue Wall Street to protect the economy as a whole — and in fact I agree. But given all that taxpayer money on the line, financial firms should be acting like public utilities, not returning to the practices and paychecks of 2007.”

Government Responses

More surprising than corporate layoffs and wage cuts has been the way that some government leaders, at least initially, planned to address the current crisis. State and city governments (unlike the federal government) are legally mandated to balance their budgets each year. On January 7th, New York Governor David Paterson declared in his State of the State address in Albany that: “The state of the state is perilous.” As he went on to propose painful budget cuts, outside in the freezing rain on the Capitol steps thousands of union protesters held signs aloft that said: “Cut the Waste, Not the Workers” and “Sell the Rug.” The latter referred to the nearly \$40,000 in antique rugs purchased for the Executive Mansion last summer. CSEA, PEF and other unions were outspoken in their dismay that Paterson, a long-time Democratic Party ally, was aiming to close the \$17 billion state budget gap by thousands of layoffs, a regressive sales tax increase and a partial withholding of raises granted to state workers last year. Instead, most unions and, polls showed, a majority of other New Yorkers, favored some version of a “Fair Tax Plan” raising income taxes on the wealthy.

Critics of higher taxes on the wealthy argued that it would drive many of them out of the state, thereby depriving it of much of the income tax revenue that Fair Tax proponents sought. However, no such mass exodus occurred after New York City’s temporary tax surcharge on high incomes in 2003–2005. And studies of recent

similar tax hikes in other states have found little such outmigration. For example, a new Princeton University study looked at the effects of New Jersey's 2004 income tax increase by 2.4% (to an 8.97% rate) on annual incomes above \$500,000.¹³ According to their estimates, in the following years, only 67 additional half-millionaires fled the state for greener pastures. They then added in the number of wealthy households elsewhere who were likely to forego moving to New Jersey as a result of the tax. A total of only 350 wealthy taxpayers were "lost" to the state due to the tax, costing it about \$38 million in lost revenue. This is far smaller than the \$895 million that the state expects to receive each year from the new tax hike.

In the end, the popular call for temporary increases in income taxes on top earners won passage. Single tax filers earning at least \$200,000 and joint filers earning at least \$300,000 will be subject to the new, higher tax rate. The "fair share tax" will bring the state an estimated \$4 billion per year. The extra revenue made possible restoration of most proposed state cuts in school and social service funding.

In New York City, large budget surpluses accumulated in a rainy-day fund over recent years are being used to close part of the current deficits. But on May 1st, Mayor Michael Bloomberg outlined a 2010 budget favoring layoffs and a sales tax hike, without any increase in high-earner income taxes.¹⁴ The Mayday news for municipal workers was that 13,541 jobs would be cut: 3,759 in direct layoffs and the remainder through attrition. Public librarians are among the hardest hit – at the very time when growing numbers of the unemployed are using libraries as job search resource centers. The mayor also wants the city's union workforce to pay a larger share of health insurance premiums and to agree to pension cuts for future hires. And he is seeking state approval to increase the city's portion of the sales tax by 0.5% (raising the total sales tax to 8.875%). In sharp contrast to the income tax, such sales tax hikes are overwhelmingly regressive; that is, they take a larger proportional share out of the average low- and middle-income taxpayers' budget than out of high-income wallets.

Even if all the Mayor's painful gap-closing proposals are undertaken, the nonpartisan Independent Budget Office now forecasts that the city's 2010 Fiscal Year budget will still be \$1.4 billion in the red. Moreover, it predicts deficits of \$5 billion the following year and a \$5.6 billion in 2012. Despite the local lift provided by the White House stimulus funds, IBO "now expects the local downturn to be deep and protracted," costing the city 270,000 lost jobs from its early 2008 job peak through mid-2010.¹⁵

The longer that New York's residents lose jobs and wages, the more that their consumer spending will fall, dragging down with it local government's income tax and sales tax revenues. More cuts in public payrolls and services would be the likely result. The Obama administration's \$787 billion American Recovery and Reinvestment Act promises to reduce the downward momentum of this process by temporarily increasing the federal contribution to state Medicaid programs and a State Fiscal Stabilization Fund devoted mainly to educational aid. New York State is expected to receive some \$12.65 billion in Medicaid assistance and \$3 billion

in stabilization funds. But recent estimates suggest that this federal aid will only offset about 40% of the states' cuts in programs for low- and middle-income Americans.¹⁶

Will an economic recovery later this year improve this forecast? Fed Chair Ben Bernanke, in an April 14 speech, noted: "Recently we have seen tentative signs that the sharp decline in economic activity may be slowing, for example, in data on home sales, homebuilding, and consumer spending, including sales of new motor vehicles." But, in a speech that same day, President Obama warned again that the near future would bring: "more job loss, more foreclosures and more pain before it ends."

Much of the hope of a turnaround soon has been sparked by surprisingly strong first-quarter earnings at major banks. But the financial industry pushed for and recently won a government easing of accounting rules (suspending "mark to market accounting"), thereby granting banks the ability to report apparent profits now, by shifting losses into the future. Dean Baker, one of few economists to warn long ago of the housing bubble and credit risks, argues that:¹⁷

"With the huge baby boom cohorts having just lost most of their wealth in the housing crash and stock market plunge, a new burst of consumption seems unlikely. These households desperately need to rebuild their savings in the few years they have left until retirement. In the short-term, the government will be the main source of demand growth."

Premature optimism has been common in Washington during previous economic crises, sometimes provoking misguided policy responses. Now that comparisons of our current "Great Recession" to the Great Depression have become commonplace, perhaps President Roosevelt's mistaken optimism in 1936 can be instructive. After the economy had responded positively to much of his New Deal legislation, FDR sought to end the resultant modest deficits by cutting back on the new jobs programs and raising taxes. The fragile economy promptly nose-dived again, requiring a new set of fiscal efforts to restore it to the path of sustainable recovery. That crisis was only ended through major structural reforms of the national economy. Whether a 21st Century version of such changes can be developed and implemented to end the current recession will require a great deal of political will and popular pressure in coming months.

Figure 1: Underemployment Rates, U.S., 1994-2009

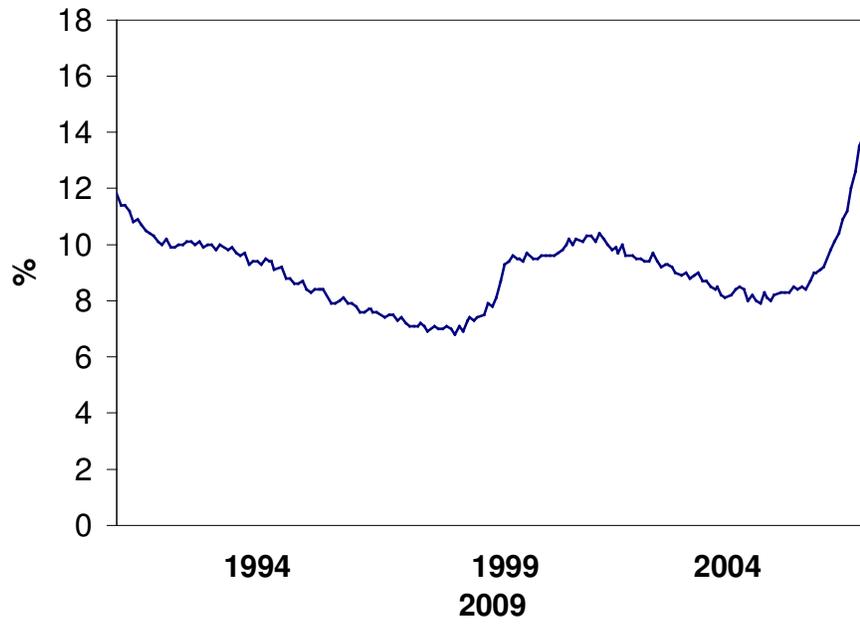


Table 1
Unemployment Rates in U.S., 1982–2008
 (% monthly rate each December, not seasonally adjusted)

	<u>2008</u>	<u>2007</u>	<u>2000</u>	<u>1992</u>	<u>1982</u>
ALL	7.2%	4.9%	3.9%	7.4%	10.8%
Men, ages 20+	7.6	4.6	3.4	6.8	10.1
Women, ages 20+	5.6	4.0	3.0	6.1	8.7
<u>Race/Ethnicity:</u>					
White	5.2	4.1	3.5	6.6	8.6
Black	10.1	8.3	7.6	14.2	18.9
Hispanic	7.6	5.6	5.7	11.6	13.8
<u>Age & Race:</u>					
All, ages 16–19	18.7	15.7	13.1	20.1	23.2
White, ages 16–19	16.8	13.9	11.4	17.2	20.4
Black, ages 16–19	31.2	29.4	24.5	39.7	48.0
<u>Education:</u>					
Less than HS	9.0	7.1	6.3	11.5	na
HS grad, no college	7.8	4.7	3.4	6.6	na
College grad, BA	3.5	2.0	1.4	2.9	na

Notes: Estimates are for civilian, noninstitutional population ages 16 and over, except for education subsets (ages 25+).

Source: U.S. Bureau of Labor Statistics (2009).

Table 2
Number of Nonfarm Jobs (in thousands) by Place of Work:
New York City, Long Island & All U.S., Dec. 2007–Dec. 2008
 (in thousands, not seasonally adjusted)

	<u>% Change</u>				
	<u>Dec. 2008</u>	<u>Dec. 2007</u>	<u>Dec. 2000</u>	<u>2000-2008</u>	<u>2007-2008</u>
U.S.	135,947.0	138,875.0	133,308.0	2.0	-2.1
NY State	8,778.5	8,899.9	8,834.2	-0.6	-1.4
NYC	3,773.1	3,826.7	3,814.2	-1.1	-1.4
Long Island	1,277.5	1,296.4	1,258.0	1.6	-1.5

Table 2 source: Establishment survey data from US Department of Labor 2009.

Note that data reflect regular revisions by Dept. of Labor.

Table 3
Civilian Labor Force, Employment & Unemployment
(in thousands, not seasonally adjusted)

AREA	Labor Force		Employed		Unemployed		Unemp. Rate	
	Dec. 2008	Dec. 2007	Dec. 2008	Dec. 2007	Dec. 2008	Dec. 2007	Dec. 2008	Dec. 2007
U.S.	154,349.0	153,705.0	143,350.0	146,334.0	10,999.0	7,371.0	7.1%	4.8%
NYC	3,914.8	3,872.0	3,632.5	3,672.2	282.3	199.8	7.2	5.2
Brooklyn	1,101.9	1,089.5	1,017.9	1,029.0	84.0	60.5	7.6	5.6
Bronx	522.5	513.4	472.5	477.7	50.0	35.7	9.6	7.0
Manhattan	932.4	922.4	871.4	880.9	61.0	41.5	6.5	4.5
Queens	1,116.3	1,106.7	1,044.3	1,055.7	72.0	51.0	6.5	4.6
Staten Island	241.7	239.9	226.4	228.9	15.3	11.0	6.3	4.6
LONG ISLAND	1,492.2	1,491.4	1,405.2	1,435.0	87.0	56.4	5.8	3.8
Nassau Co.	699.2	699.9	660.3	674.3	38.9	25.6	5.6	3.7
Suffolk Co.	793.0	801.5	744.9	760.7	48.1	40.8	6.1	3.9

Table 3 source: CPS household survey data from NYS Department of Labor 2009. Note that data reflect regular revisions by Dept. of Labor.

Figure 2
NYC Job Growth by Industry: Dec. 2007 – Dec. 2008
(in thousands of jobs, and percent change)

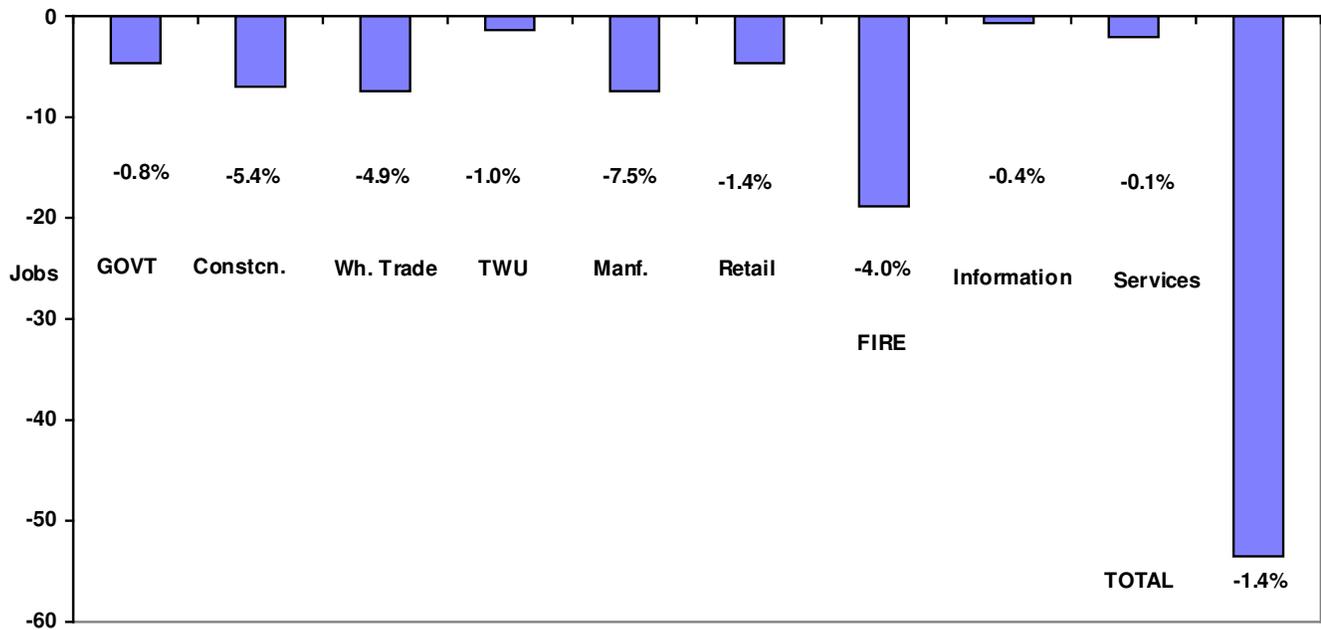
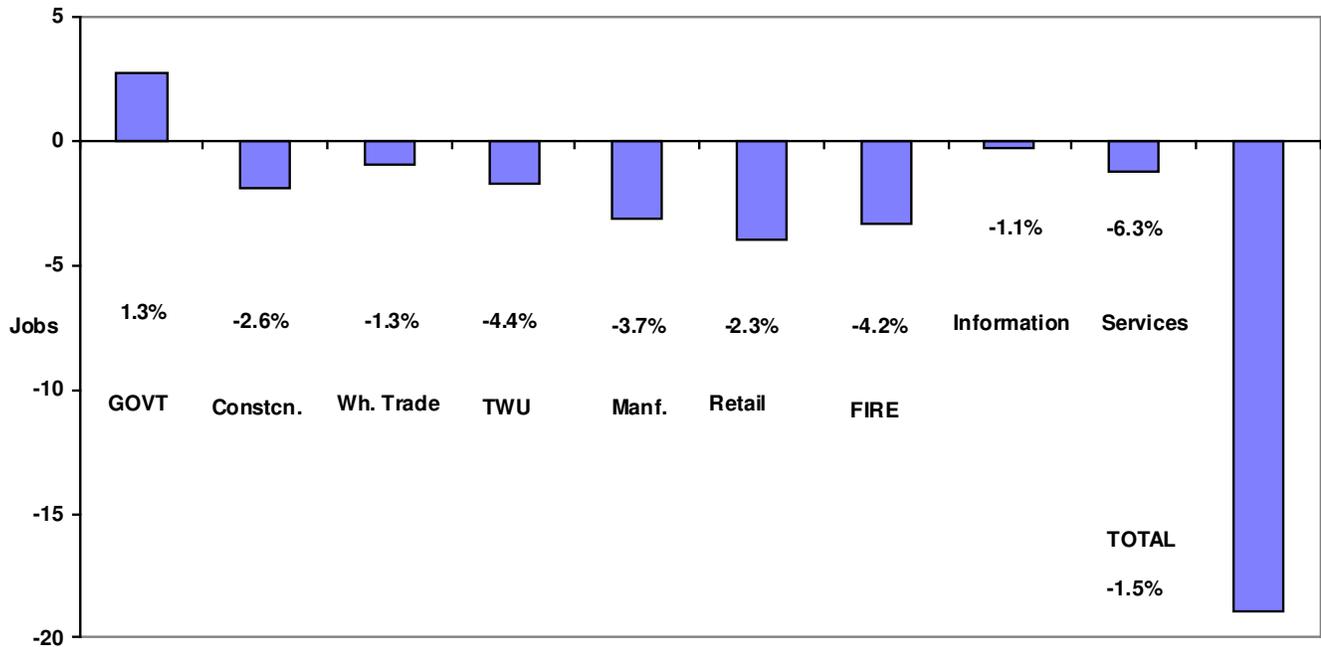


Figure 3
Long Island Job Growth by Industry: Dec. 2007 – Dec. 2008
(in thousands of jobs, and percent change)



Figs. 2–3 Source: NYS Dept. of Labor: nonfarm payroll job data from CES establishment survey in Nassau & Suffolk counties. Year-to-year changes, not seasonally adjusted. Note: FIRE = Finance, Insurance & Real Estate; TW U= Transport, Warehousing & Utilities.

Gregory DeFreitas is Professor of Economics at Hofstra University, Director of its Labor Studies Program, and Director, Center for the Study of Labor and Democracy.

REGIONAL LABOR REVIEW, vol. 11, no. 2 (Spring/Summer 2009): 5 - 11.

© 2009 Center for the Study of Labor and Democracy, Hofstra University

NOTES

¹ Adam Nagourney and Megan Thee Brenan, “Outlook on Economy is Brightening, Poll Finds,” *NY Times* (4/07/09).

² *NY Times/CBS News Poll, March 28-April 2, 2008.* < www.nytimes.com> See also the *NBC News/Wall Street Journal Poll* of Jan. 20–22, 2008 for broadly similar results <www.wsj.com>

³ Patrick McGeehan, “Rise in Bankruptcy Rate in Region Outpaces Rest of Region,” *NY Times* (12/16/08).

⁴ *Crain’s New York Business* (4/07/09).

⁵ New York Building Congress, *New York City Construction Outlook, 2008–2010* (2008): <www.buildingcongress.com>

⁶ Fickenscher, Lisa, “Occupancy Drop Forces Layoffs at Hotels,” *Crain’s New York Business* (1/11/09).

⁷ Federal Reserve Board, *The Beige Book: Federal Reserve Districts*, (4/15/09): <www.federalreserve.gov>

⁸ Leonhardt, David, “\$73 an Hour: Adding It Up,” *NY Times* (12/10/08).

⁹ Survey by outplacement firm Challenger, Gray and Christman. On both surveys see: Dana Mattioli, “Salary Cuts: Ugly But It Could Be Worse,” *Wall Street Journal* (4/14/09).

¹⁰ Jones, Kathryn. “Who Moved My Bonus? Executive Pay Takes a U-Turn,” *NY Times* (4/05/09).

¹¹ Story, Louise, “After an Off Year, Wall Street Pay is Bouncing Back,” *NY Times* (4/25/09).

¹² Krugman, Paul, “Money for Nothing,,” *NY Times* (4/27/09).

¹³ Massey, Douglas, Cristobal Young, and Charles Varner, *Trends in New Jersey Migration: Housing, Employment and Taxation*, Princeton University Policy Research Institute for the Region (9/2008).

¹⁴ New York City Office of Management and Budget, *City of New York Executive Budget 2010* (5/1/2009).

¹⁵ Independent Budget Office, *Analysis of the Mayor’s Preliminary Budget for 2010* (March 2009): www.ibo.nyc.ny.us

¹⁶ Center for Budget and Policy Priorities, *American Recovery and Reinvestment Act 2009: State-by-State Estimates of Key Provisions Affecting Low- and Moderate-income Individuals* (3/2009): <www.cbpp.org>

¹⁷ Baker, Dean, “False Hope in a Plunging Economy,” *The Guardian* (4/15/09).