

New York's Earnings Slowdown

by Gregory DeFreitas

This September marked an impressive economic milestone: nine full years in which U.S. employers hired more people than they fired in every single month. Starting in the fall of 2010, the number of net new jobs has increased in 108 consecutive months. That growth helped cut the unemployment rate in half between the end of the Great Recession (a 10% seasonally adjusted 2009 peak rate) and the 2016 election (4.7% that November). Since then it has continued to fall, if far less, to 3.5% in September – the lowest rate in a half-century.

However, the latest available government data confirms a generally -2 (f)3 ()TJ-0ldropped from 215,000 per month in 2018 to an averaged monthly job growth of +22,000 last year, compared to a 2019 average of +5,000. In September, manufacturing did even more poorly: it lost 2,000 jobs. Retail trade fared even worse: from a 2018 average of +1,200 extra jobs per month, so far in 2019 it has lost an average of 8,600 jobs monthly – and September posted an above-average loss (-11,400).

Wage growth has slowed as well. The year-over-year increase in nominal wages was just 2.9% in September. Since price inflation robbed earnings of 1.7% of purchasing power over these same months, the real wage gain was a paltry 1.2%. That is below the minimum wage growth rate needed for workers to finally share some of the benefits of the post-recession declines in unemployment. The standard measure is the sum of hourly

and less than half that of the city. Still, with the total job count up to historic levels and population growth slowing, unemployment has been unchanged at 3.4%.

The national wage deceleration has become evident in New York and other large metro areas.

Table 1: Number of Nonfarm Jobs:
New York City, Long Island & All U.S., 2018–2019
(in thousands, not seasonally adjusted)

	Sept.	Sept.	<u>2018-2019 Change</u>	
	2019	2018	<u>Net</u>	<u>%</u>
U.S.	151,949	149,793	2,156	1.4
NY State	9,792	9,668	124	1.3
NYC	4,626	4,542	84	1.8
Long Island	1,355	1,344	11	0.8

Table 1 Source: Establishment survey data from US Department of Labor.
Note that data reflect regular revisions by Dept. of Labor.

Table 2: Civilian Labor Force, Employment & Unemployment
(in thousands, not seasonally adjusted)

<u>AREA</u>	<u>Labor Force</u>		<u>Employed</u>		<u>Unemployed</u>		<u>Unemp. Rate</u>	
	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.	Sept.
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
U.S.	163,943	161,957	158,478	156,191	5,465	5,766	3.3%	3.6%
NYC	4,078.3	4,098.3	3,924.9	3,941.1				
Bronx	599.3	601.3	568.6	570.3				
Brooklyn	1,199.3	1,205.8	1,152.9	1,158.1				
Manhattan	909.8	914.9	879.3	883.5				
Queens	1,151.4	1,156.7	1,113.6	1,118.1				
Staten Island	218.5	219.6	210.5	211.1				
LONG ISLAND	1,483.7	1,483.7	1,432.9	1,435.4	50.8	48.3	3.4	3.4
Nassau Co.	707.6	707.8	683.5	685.1	24.1	22.7	3.4	3.4
Suffolk Co.	776.2	775.8	749.5	750.3	26.7	25.5	3.4	3.4

Table 2 Source: CPS household survey data from NYS Dept. of Labor. Data reflect regular revisions by DoL.

Table 3: Weekly Wage Growth, US, NY Metro, NYC & L.I., 2010-19

AREA	<u>Avg. Wage/week</u> (\$2019)			<u>% Chg. Real Wage</u>	
	<u>2019</u>	<u>2018</u>	<u>2010</u>	2018-19	2010-19
<u>ALL U.S. METROS</u>	\$1,218	\$1,206	\$1,074	1.00	13.41
<u>NY-NJ METRO</u>	\$1,766	\$1,758	\$1,686	0.46	4.74
Bronx	1,086	1,057	932	2.74	16.52
Brooklyn	954	935	844	2.03	13.03
Manhattan	3,153	3,144	2,832	0.29	11.33
Queens	1,099	1,089	954	0.92	15.20
Staten Island	1,006	994	851	1.21	18.21
<u>LONG ISLAND</u>					
Nassau Co.	\$1,215	\$1,215	\$1,157	0.00	5.01
Suffolk Co.	1,171	1,162	1,098	0.77	6.65

Table 3 Sources: 2010:Q1-2019:Q1 wages in all establishments, from U.S. BLS.
 QCEW establishment survey. Wages adjusted for inflation by national
 & Northeast Regional CPI: www.bls.gov

Table 4: Real Weekly Wage by Industry, NY-NJ Metro: 2009-2019

<u>Year</u>	<u>ALL</u>	<u>Constrcn</u>	<u>Info</u>	<u>Finance, Real Est.</u>	<u>Profnl,Biz Servcs</u>	<u>Educ, Health</u>	<u>Hotels, Restrnts</u>	<u>Sales, Trans</u>
2009	\$1,604	na	\$2,479	\$4,907	\$1,962	\$1,003	\$615	\$1,026
2010	1,686	na	2,520	5,711	2,114	985	604	1,023
2011	1,726	\$1,327	2,613	6,157	2,136	982	614	1,037
2012	1,693	1,362	2,711	5,454	2,200	1,013	643	1,070
2013	1,641	1,339	2,740	5,373	2,062	1,014	618	1,044
2014	1,721	1,307	2,888	6,211	2,137	1,009	617	1,052
2015	1,720	1,306	2,911	6,073	2,210	1,013	619	1,058
2016	1,689	1,382	2,976	5,823	2,141	1,014	632	1,071
2017	1,752	1,424	3,017	6,229	2,202	1,045	651	1,108
2018	1,758	1,418	3,150	6,199	2,199	1,046	660	1,097
2019	1,766	1,440	3,191	6,173	2,240	1,042	672	1,111

Figure 2

