Six years into our slow-motion recovery, more and more economic indicators have begun pointing in a positive direction. Gross Domestic Product has risen a healthy 3.9

unusually steep decline in joblessness. As seen in Table 2 and Figure 2, the local unemployment rate had plunged to 6.1 percent by this September, narrowing the gap with the national rate to just 0.4 percentage points. In August and September alone, unemployment recorded the largest two-month rate drop in the city on record (dating to 1976). The number of unemployed New Yorkers dropped by nearly 100,000 as the number employed grew even more, by 111,200. Clearly, the im00 tent record (.2(g)-29.8(u).9(h)-1.7(e n)5.(s)1.3(.)0.5(2)3-t0 t.7(e)-8(d b)103.3(a)1.8(e c)-1.3r 10 28.36 71.52 Tm[(e)5.4(v)9.4(r)-4.2(k)9.4(e)-9.5(r)98e, bta-8.1(a)-20.1.8(e)1-31.w-0.8(t)n 1,200. Cn15.8(h r)-5-23.52(o)3.4(b)12e lnst a0wo-mÍ

hiring in accounting, management consulting, administrative, and computer design services. Tourism-related industries, buoyed by an all-time high 54 million visitors in 2013, added another 15,700 new staff in hotels, bars and restaurants since last fall. And educational services, even with the loss of 1,000 elementary and secondary school personnel, grew by 7,600 net new positions.

The city’s only other industries with substantial job gains over the last 12 months have been retail trade (+15,700 jobs), construction (+2,300) and finance/insurance/real estate (+7,500). The latter shrank by nearly 38,000 jobs between September 2007 and September 2010. Over the past 12 months, it regained 2,900 jobs in banking, 2,600 in real estate and 1,100 in securities and commodities trading. Even with its 1.7 percent job growth this year, the FIRE sector’s 444,400 job count is still smaller (by over 24,000 positions) than in pre-recession 2007.

Job losses in New York over the past 12 months were concentrated in government (-1.900) and information (-3,900, led by publishing cuts). Long Island also lost jobs in these sectors, while gaining enough in services (mostly health care), retail, construction, transportation and warehousing to post modest overall job growth of 17,200 (+1.3 percent). But, far from rebounding, its financial sector shrank (by -1,500 positions). Since falling by 7,700 jobs from September 2007 to the recession low point of September 2010 (70,400), the total number of finance jobs has only risen by 1,600 as of this September. This represents a sectoral recovery roughly half that in the city over the same span.

Long Island's unemployment rate has continued to fall over the past year, dropping a full percentage point to 4.8 percent (or 5 percent if seasonally adjusted). This reflects, in part, a decline in the number counted as unemployed (by -18,400). However, the number employed over this same period has also declined (by -7,300). That is, the lower unemployment rate is in part caused by the fact that the labor force has shrunk in the past year by -25,700. In fact, the labor force has declined in all three quarters of this year, and is now nearly 29,000 workers smaller than at the same time in 2008. Given the Island's somewhat older age distribution compared to the national norm, some of this decline reflects the leading edge of baby boomer retirements. But it may well also be driven by accelerating out-migration (particularly of youth) to the faster-growing job markets of New York City and several other large cities.

Has the tightening labor market started to reverse the pay paralysis experienced by most New Yorkers? According to the latest annual census income report, the city's median household received $52,223 in 2013, up from $51,640 the year before. But the 2013 median is still over $3,000 below the 2008 level and, after adjusting for local price inflation, is actually 0.5 percent lower than in 2012. Coupled with sharply rising rents in more and more once-affordable neighborhoods, this helps explain why the city's poverty rate remains stuck at 21 percent and why its homeless population counts have risen to record levels this year.

If we narrow the focus to work earnings, the quarterly figures on weekly wages in Table 3 reveal little improvement in most of New York City or Long Island over the past year. Average wages in Manhattan skyrocketed by 12 percent, over three times the national average and the second-fastest wage hike of any county in the country. The partial recovery of hiring in the financial sector, as well as the continuing displacement of middle-income families by rising Manhattan rents, no doubt account for some of this trend. Among the rising fraction of other New Yorkers now holding jobs, nominal wage changes over the same 12 months ranged from a high of 2.2 percent in the Bronx to a slight pay drop of -0.4 percent in eastern Long Island. Since consumer prices in the NY Metro Area rose by 1.43 percent over this period, this means that real, inflation-adjusted wages rose by 10.57 percent in Manhattan, but changed at most by 0.8 percent (the Bronx) elsewhere in the city, by +0.4 percent in Nassau County and declined by -1.0 percent in Suffolk.

If the average New Yorker's real income is still well below pre-recession levels, the latest statistics show clearly an income surge underway at the top, especially in Manhattan. The richest 5 percent (average household income: $864,394) now capture 88 times as much as the bottom 20 percent – the most extreme income inequality of any county in the nation.

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