

increase. Some of the new building activity produced new hotel rooms for the thriving tourist business. Hotel employment rose by 1700 over the last 12 months. In addition to tourist expenditures on goods and services, local domestic demand was likely fueled by the ending in March of sales taxes on clothing purchases of \$110 or less. Retail trade jobs increased by 8500, led by new hiring at restaurants and bars.

Wall Street's volatility over recent months has not yet had much of a dampening effect on industry employment. The number of securities and commodities brokers rose by 7700. Although Wall Street riches have been a major force driving the real estate boom, employment in real estate crept up by less than one percent. Even that was better than the deteriorating situation in commercial banks and other depository institutions. Continued downsizing eliminated another 3300 bank jobs over the 12-month period. For example, June

In order to develop clearer comparisons than those available in current government publications, in Table 3 we present separate estimates of unemployment rates, employment-population ratios, and underemployment rates by gender, race, Spanish Origin, age, and immigration status for the 20 center cities of the largest metropolitan areas and the suburbs of all metropolitan areas, as well as New York City and Long Island. To produce large enough samples to permit reliable statistical estimates of these geographic and demographic subsets, we pooled the most recent three months (the first quarter of 2000) of raw CPS household data, obtained from the U.S. Census Bureau.

The jobless rates in the first, leftmost column of the table reveal that, not only is New York's unemployment nearly twice that of major suburban areas, but it also exceeds the big-city average. Since the unemployment rate is defined only to include persons counted in the active labor force, it needs to be supplemented by alternative measures. The middle rows of Table 3 show our calculations of the fraction of the entire adult population with a job in each area. By this measure, the gap between New York and the other largest cities is much greater. Nearly 64% of big city residents hold jobs, but only 56.4% of New Yorkers. However, compared with our estimate of the city's employment rate (54%) for the first quarter of 1999, jobholding in New York has increased over the past year and edged closer to the urban average.

"Underemployment rates" are presented in the lower third of the table. This measure takes into account not only the officially unemployed, but also discouraged labor force dropouts and part-time employees unable to find full-time work. At 10.2%, underemployment in New York City is four percentage points higher than the city's standard unemployment rate. But it too has fallen (from 12.2%) since the first quarter of last year year.

Similar improvements are suggested by the employment estimates for African American and Latino New Yorkers. From the early months of 1999 to the same period this year, the proportion of non-Hispanic blacks employed rose from 49.4% to 54.3%. The fraction of the city's adult Latino population with a job also improved, from 49% to 52%. While these gains narrowed the gap in employment-population rates between whites and minorities, a sizable white advantage remains in New York, as well as in other big cities. The racial/ethnic gaps in unemployment and underemployment rates are even more pronounced. The Latino unemployment rate is 10.4% and their underemployment rate 16%, both far higher than the comparable white rates (3.9% and 6%, respectively).

About 7.2% of black non-Hispanics in the city are unemployed (down from 12.5% last year) and over 13% are underemployed (compared to one-fifth a year ago). These still high, if improved rates help explain the findings of a new "State of Black New York" poll of households in the five boroughs.⁵ Between June 5 to 16, Blum and Weprin Associates interviewed a random sample of 801 adult black New Yorkers. When asked to identify their leading problems, respondents most often cited: economic development, jobs, and unemployment. In one-fourth of the households, someone had been unemployed in the past year. Even among households with incomes above \$75,000, 14% experienced recent joblessness.

Discrimination and racism were ranked by the blacks polled as their second most serious problem. Almost two out of three felt that black employees are denied equal wages with whites because of racial discrimination. Nearly three out of four stated that discrimination unfairly limited black workers' promotional opportunities for middle-level and executive positions. And the perception of discrimination was most common among higher income respondents.

Despite strong job growth for many adults, New York City teenagers have long had persistently low employment levels. But strong labor demand appears to finally be driving employers to offer more youth entry-level opportunities. Over one-fourth of the city's teens (27.6%) were employed early this year, compared to just 19 percent at this same time in 1999.

Even with this welcome increase in the youth employment rate, New York City still lags far behind the average level of teenage jobholding (35.7%) in the other largest cities. Mounting concern with the problem and with de

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Republicans to push the state's hourly wage floor above the national level, to \$6.75. Proponents of the Nolan-Spano bill argued that such an increase would benefit over a million working poor, mostly adults. Four northeastern states already have set their minimum above the federal level: Connecticut (\$6.70 as of 2002); Massachusetts (\$6); Rhode Island (\$5.65); and Vermont (\$5.75). And recent economic research has found little or no negative employment effects of either local or national increases in the wage floor.¹³ However,

\$10.3 million, respectively. However, the allocation of these funds will be in the hands of WIBs heavily dominated by business and government representatives. Only two to three positions on each Long Island board are held by labor union members.¹⁴

Nassau County Bailout. Governor Pataki won legislative approval of his plan, first announced only in May, to give Long Island's debt-ridden Nassau County \$105 million in state aid over the next five years. In return, the county government is required to find \$52 million in budget cuts and new revenues this year, as well as another \$70 million in each of the next three years. The new law also creates a new entity, the Nassau Interim Finance Authority, headed by Frank Zarb, chairman of Nasdaq. If county officials fail to enact the required budget cuts, NIFA will be transformed into a financial control board of the sort that controlled New York City in its 1970s fiscal crisis. All spending and taxing decisions would be seized from elected officials.

Even with the bailout underway, Standard and Poor's downgraded the county's bond rating to BBB, the last rating level above junk-bond status. The other credit rating agency, Moody's, had already dropped its rating for the county to the same low level in February, and saw no reason to alter its low regard of the county's credit worthiness after the bailout plan began. Burdened by a cumulative debt of over \$2 billion, the low credit ratings translate into millions more in interest payments for local taxpayers.

A significant source of the new funds Nassau County needs to qualify for the state aid comes from a lag payroll agreement with the Civil Service Emplo5()-3.01204.126(i)0.q41(r)-4.34747('778252(o)6.0241(o)6.0241()-y, ew fun, ece e Cosit

Table 2
Civilian Labor Force, Employment & Unemployment:
New York City, Nassau-Suffolk & All U.S., June 1999 – June 2000
(in thousands, not seasonally adjusted)

<u>AREA</u>	<u>Labor Force</u>		<u>Employed</u>		<u>Unemployed</u>		<u>Unemp. Rate</u>	
	<u>June 2000</u>	<u>June 1999</u>	<u>June 2000</u>	<u>June 1999</u>	<u>June 2000</u>	<u>June 1999</u>	<u>June 2000</u>	<u>June 1999</u>
U.S.	142132.0	140666.0	136192.0	134395.0	5940.0	6271.0	4.2%	4.5%
NYC	3474.5	3435.5	3287.7	3210.5	186.8	225.0	5.4	6.5
Brooklyn	971.5	961.1	909.9	888.6	61.6	72.5	6.3	7.5
Bronx	467.5	462.2	436.0	425.8	31.5	36.4	6.7	7.9
Manhattan	836.6	826.5	797.4	778.6	39.2	47.9	4.7	5.8
Queens	1000.8	990.1	955.3	932.8	45.5	57.3	4.5	5.8
Staten Island	198.1	195.5	189.1	184.7	9.0	10.8	4.5	5.5
Nassau-Suff.	1467.3	1430.1	1424.0	1380.6	43.3	49.5	3.0	3.5
Nassau Co.	721.9	702.1	701.0	679.6	20.9	22.5	2.9	3.2
Suffolk Co.	745.4	727.9	723.0	700.9	22.4	27.0	3.0	3.7

Source: CPS household survey data from NY State Department of Labor, 2000. Note that these data reflect regular revisions made by the Dept. of Labor.

Figure 1
NYC Job Growth by Industry: June 1999 – June 2000
(in thousands of jobs, and percent change)

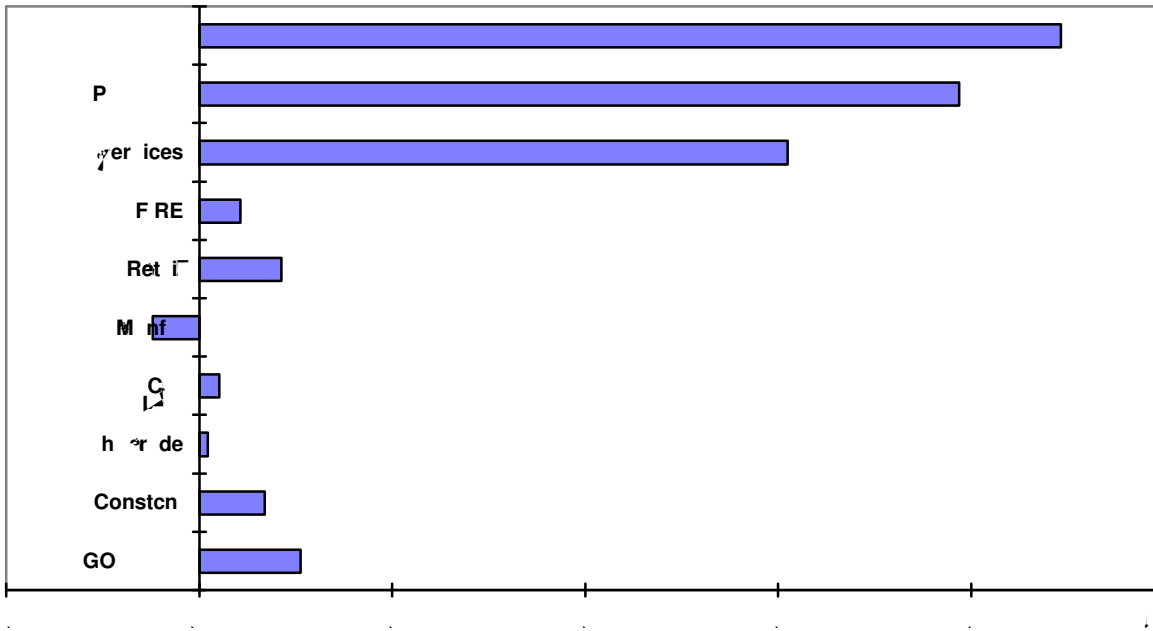


Table 3
Unemployment, Employment & Underemployment Rates, by Sex, Age, and Race/Ethnicity:
New York City, Nassau-Suffolk, and Other Large U.S. Cities and Suburbs, 2000:I

Unemploy. Rate	All Ages 16 & Up	Males	Females	White, Non-Span	Black, Non-Span	Spanish Origin	Teens, 16-19	Foreign Born
NYC	6.3	5.8	7.0	3.9	7.2	10.4	16.2	5.7
Big Cities	5.6	5.8	5.3	3.6	9.8	5.8	16.8	4.8
Nass/Suff.	3.2	3.9	2.3	2.6	6.2	5.7	8.6	4.8
Suburbs	3.6	3.6	3.6	3.0	6.5	5.5	12.6	4.2
% of Pop. Employed								
NYC	56.4	65.0	49.3	59.8	54.3	52.0	27.6	58.6
Big Cities	63.7	70.9	57.0	67.5	55.5	66.4	35.7	64.1
Nass/Suff.	62.3	70.5	55.2	61.2	62.4	75.5	42.6	57.8
Suburbs	66.4	73.9	59.4	66.3	67.6	66.7	42.9	65.0
Underemp. Rate								
NYC	10.2	9.2	11.4	6.0	13.1	16.0	23.1	10.1
Big Cities	9.3	9.5	9.1	5.9	14.8	11.1	22.9	9.4
Nass/Suff.	5.7	6.6	4.8	5.2	11.1	8.5	13.4	6.1
Suburbs	6.1	6.1	6.1	5.2	10.2	9.5	17.2	7.8
