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1990s – have been rising recently because of tight labor markets. By raising the value of the dollar, higher interest rates will also aggravate our huge trade deficit, destroying more manufacturing jobs.”<sup>2</sup>

## **Job Growth**

## **Unemployment and Underemployment**

The New York City metropolitan area managed to post the largest reduction in its unemployment rate (-1.6 percentage points) of the country's largest metro regions (the 51 with 1 million or more population). Despite the improved unemployment numbers, New York's rate is still 1.7 percentage points above the national average and New York again ranks as the worst metro area in the nation in unemployment, in a tie with Los Angeles at 5.2 percent.<sup>5</sup>

New York City's unemployment rate averaged 6.8 percent in the past year. It fell from 7.7 percent in the first 3 months of the year to 6.3 percent in the last quarter.<sup>6</sup> Every section of the city shared in this improved job picture, particularly Brooklyn and the Bronx. The 6.8 percent December rate in these two boroughs is the lowest either has experienced since 1989. As recently as October, when unemployment was still 8.6 percent in the Bronx, a job fair drew long lines of 5000 applicants, some waiting in line over three hours.<sup>7</sup>

## **Inequality and Wages**

With all the largely positive news on job growth and unemployment statistics, it may be surprising to learn that public opinion surveys show that many still feel that they have shared little in the expansion. A nationwide Harris poll in D

coming year, if both unemployment and inflation remain low, the timing appears ideal for Clinton Administration efforts to raise the minimum wage to \$6.15. But, Congressional opponents may require that even that modest increase must be phased in over two years.

In his January “State of the Union” speech, President Clinton also proposed expansion of the federal Earned Income Tax Credit, which is targeted at working families living below or just above the poverty line. The EITC has historically had much more bipartisan support than the minimum wage, making its prospects for passage seem favorable. But critics have already noted that, in a period of record budget surpluses, the \$2 billion in extra support (largely restricted to families with three or more children) is a remarkably thin addition to an already frayed safety net.

New York has been among a minority of states across the country that failed to raise the state minimum wage after the federal minimum was increased in 1996. Surprisingly, it has been stuck at \$4.25 since 1991. As many as 375,000 New Yorkers are not covered by the federal law because they are employees of small firms without interstate commerce or are counted as seasonal workers. Though increases in the state rate have repeatedly been passed by the Democratic majority in the state Assembly, they failed to clear the Senate until late last fall. Finally, in December the Governor signed legislation that, effective March 31, raises the state minimum for farm workers to \$5.15 per hour. Moreover, it ti



**Table 1**  
**Number of Nonfarm Jobs (in thousands) by Place of Work 1 -**

	<u>Dec. 1999</u>	<u>Dec. 1998</u>	<u>% CHG</u>
U.S.	130694.0	128028.0	2.2%
NY State	8581.0	8417.7	1.9
New York City	3714.1	3622.0	2.5
Nassau-Suffolk	1214.5	1184.2	2.6

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Source: Establishment data ( not seasonally adjusted) from NY State Dept. of Labor.  
 Note that these data reflect regular revisions made by the Dept. of Labor.

**Table 2**  
**Civilian Labor Force, Employment & Unemployment**





**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, 1990-2000. IV**

<b>Unemploy. Rate</b>	<b>All Ages 16 &amp; Up</b>	<b>Males</b>	<b>Females</b>	<b>White, Non-Span</b>	<b>Black, Non-Span</b>	<b>Spanish Origin</b>	<b>Teens, 16-19</b>	<b>Foreign Born</b>
NYC	6.1	6.2	5.8	2.8	10.6	7.7	14.0	5.7
Big Cities	5.4	5.2	5.5	3.5	9.6	5.2	18.7	4.4
Nass/Suff.	3.2	3.3	3.0	2.8	3.2	6.2	6.8	5.4
Suburbs	3.2	3.2	3.2	2.7	5.1	5.3	11.2	3.9
<b>% of Pop. Employed</b>								
NYC	54.2	63.1	46.4	58.1	54.4	49.9	19.0	58.6
Big Cities	64.2	70.6	58.4	67.2	58.2	65.7	36.2	63.2
Nass/Suff.	63.9	72.7	56.1	63.0	65.4	74.0	46.0	63.3
Suburbs	66.8	74.5	59.5	66.6	69.1	66.2	44.2	65.2
<b>Underemp. Rate</b>								
NYC	10.9	10.6	11.3	5.7	18.2	14.2	31.5	11.0
Big Cities	9.7	9.5	9.9	6.4	16.0	10.3	29.4	9.5
Nass/Suff.	6.0	6.5	5.4	5.3	5.6	11.5	14.2	10.0
Suburbs	6.0	5.7	6.3	5.0	8.9	10.6	18.4	7.9

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Source: Authors' calculations from pooled Oct. – Dec.

