

o r o p s s o n t s n o B t B t t s

by Gregory DeFreitas

Across the country, for each available job vacancy, there are still over five unemployed jobseekers, according to the Dept. of Labor employer survey (JOLTS).³

New York, like the nation as a whole, lost significant numbers of jobs last year. But, the fall in the city's job total (-75,000) over the 12-month span ending last Dec

were needed to keep the state functioning – but opponents nearly forced a government shutdown in the week of June 14th. Only a last-minute stopgap spending vote in Albany prevented what Governor Patterson described as “chaos:” police and fire stations closed, courthouses shuttered, corrections officers furloughed and summer schools and youth job programs ended. Governor Paterson and the legislature did agree to hike the state cigarette tax by another \$1.60 per pack, in order to raise \$440 million in new revenue. In New York City, this would raise tax to \$5.85 per pack, the highest in the country, thereby inflating the retail price to well over \$10 per pack. Opponents, while supportive of its potential to discourage youth smokers, criticized its regressive impact on nicotine-addicted adult smokers.

New York City starts its new fiscal year on July 1st, in part to give it a three-month lead time to weigh the implications of the state budget that is supposed to be in effect on April 1st

Indeed, the official arbiters of business cycle conditions were largely sounding cautious notes in late spring. The National Bureau of Economic Research (NBER), though stating that “most indicators have turned up,” felt it premature to officially declare this recession had ended. And, at its latest Open Market Committee meeting the Federal Reserve sounded a noticeably less upbeat tone about the months ahead. It felt compelled to promise to keep short-term interest rates at their near-zero levels, because:

“Household spending is increasing but remains constrained by high unemployment, modest income growth, lower housing wealth, and tight credit. Business spending on equipment and software has risen significantly; however, investment in nonresidential structures continues to be weak and employers remain reluctant to add to payrolls. Housing starts remain at a depressed level. Financial conditions have become less supportive of economic growth on balance, largely reflecting developments abroad. Bank lending has continued to contract in recent months. Nonetheless, the Committee anticipates a gradual return to higher levels of resource utilization in a context of price stability, although the pace of economic recovery is likely to be moderate for a time.”¹⁴

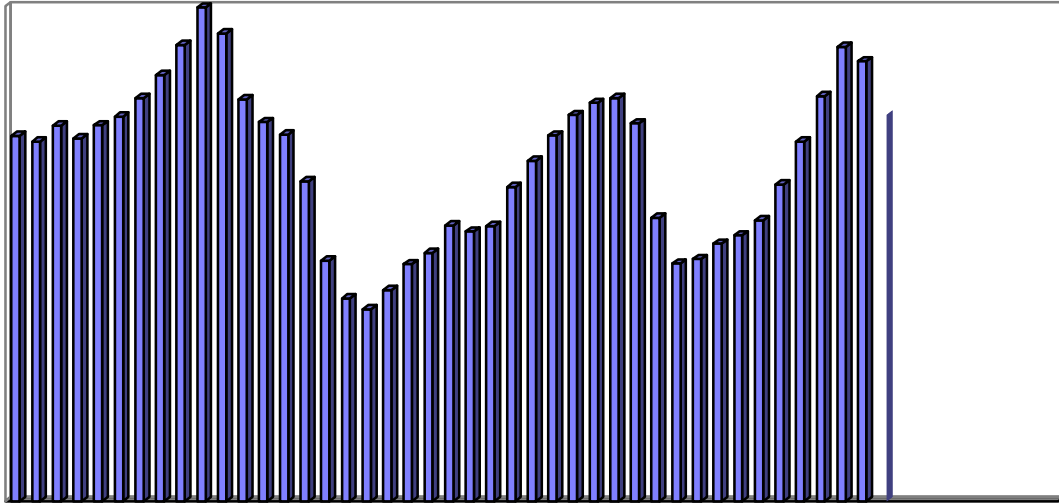
With private sector hiring and wage growth still anemic and with most states and localities cutting rather than growing jobs, continued federal stimulus programs remain critical to realizing hopes of a sustainable economic recovery. This seemed even more evident this spring after the unprecedented oil disaster in the Gulf of Mexico – promising more lost business and jobs in Gulf states and higher seafood and fuel prices nationally – plus growing economic instability in some of our European trading partners. Both have added major new elements of danger to a US recovery path.

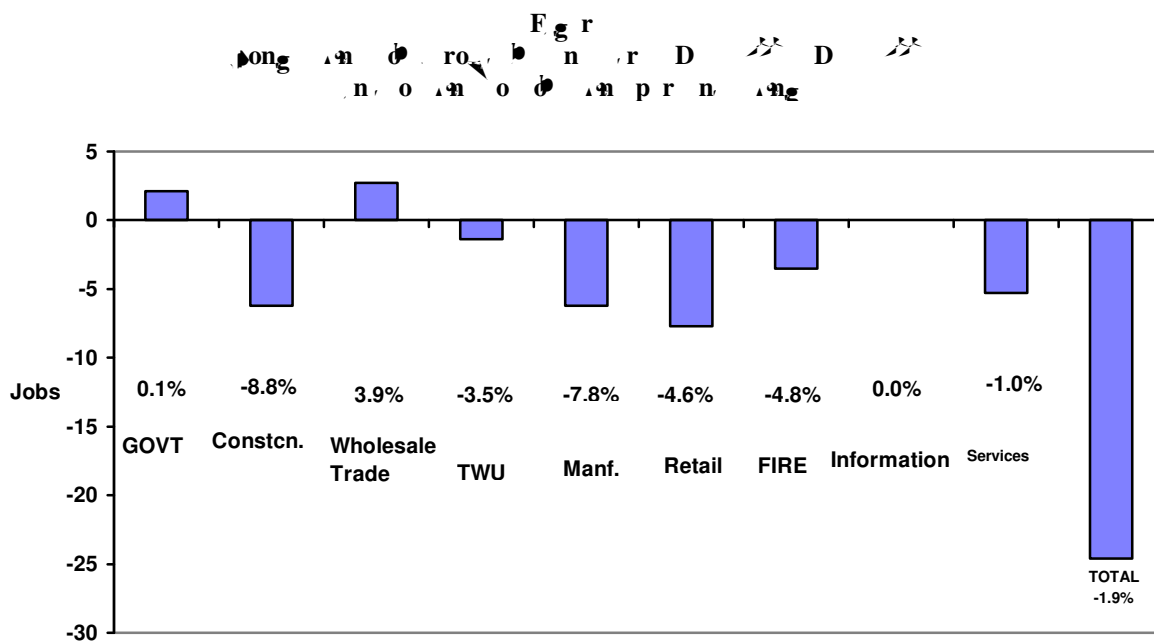
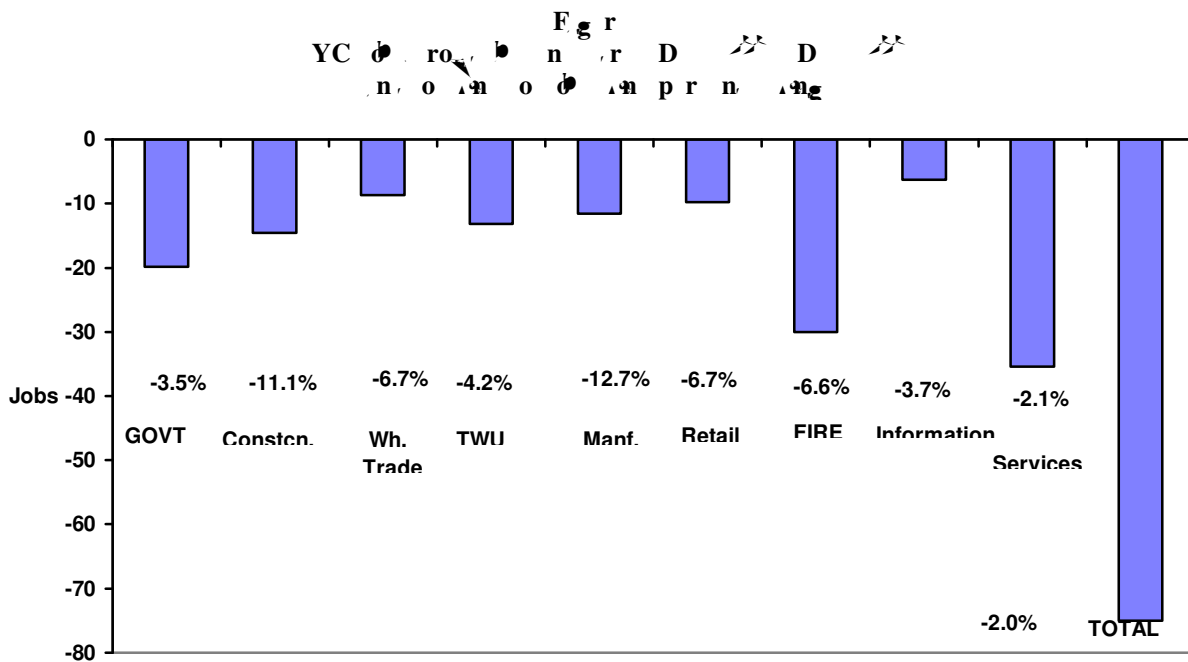
But the preservation, much less the expansion of such efforts, faces mounting attacks. For example, on June 17th in the U.S. Senate, Republican lawmakers united to end continued federal stimulus funds to the long-term unemployed, and to state, county and city taxpayers. They rejected a proposal to reauthorize extended unemployment benefits, to spare doctors a 21% cut in their Medicare reimbursements, and to save cash-strapped states \$24 billion in Medicaid program funding. By blocking more unemployment benefits, their no vote ensures that about 1.2 million long-term jobless will be denied more benefits by the end of June. Part of their opposition was directed at the way the government would raise the money for extra jobless benefits: by closing two major loopholes for mostly high-income Americans. Elimination of foreign income tax credits and closing the “carried interest” loophole for investment fund managers would have raised a total of \$28 billion.

In contrast to the Senate action, public opinion appears to strongly support continued aid to the unemployed. According to an early June survey by Hart Research, nearly three out of four respondents agreed that it was more important to continue income support an

Fig 1

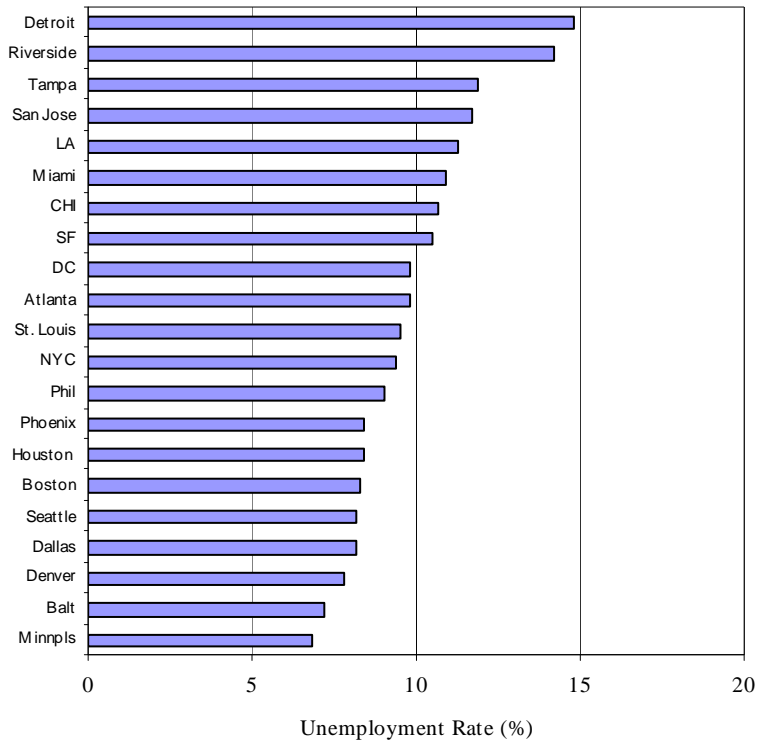
Population of the Republic of Serbia (numbers in thousands)






Figs. 3-4 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; TWU = Transport, Warehousing & Utilities.

Figure 5
NYC & 20 Major Metro Areas:
Unemployment Rates, April 2010
[not seasonally adjusted]




Nonfarm Payroll Change
 (monthly estimates, seasonally adjusted)

	2010			2007	2000	1992	1982
Month:	May	May	Dec.	Dec.	Dec.	Dec.	Dec.
<u>JOB GROWTH</u> (in 000s)							
Total, nonfarm	431	-303	-109	41	36	211	-14
Private Sector, nonfarm	41	-292	-83	-14	6	174	-18
<u>UNEMPLOYMENT RATE</u>							
All ages	9.7%	9.4%	10%	5.0%	3.9%	7.4%	#####
Men, ages 20+	9.8	9.8	10.2	4.5	3.4	6.8	10.1
Women, ages 20+	8.1	7.5	8.2	4.4	3.3	6.5	9.3
<u>Race/Ethnicity:</u>							
White	8.8	8.6	9.0	4.4	3.5	6.5	9.7
Black	15.5	15.0	16.2	9.0	7.4	14.3	20.9
Hispanic	12.4	12.7	12.9	6.3	5.7	11.5	15.7
<u>Age & Race:</u>							
All, ages 16-19	26.4	23.2	27.1	16.9	13.2	19.8	24.1
White, ages 16-19	24.4	20.7	23.6	14.5	11.6	16.6	21.5
Black, ages 16-19	38.0	39.9	48.4	33.4	26.3	39.9	48.0
<u>Education:</u>							
Less than HS	15.0	15.5	15.3	7.6	6.3	na	na
HS grad, no college	10.9	10.0	10.5	4.7	3.4	na	na
Some coll. or Assoc. Deg.	8.3	7.7	9.0	3.7	2.7	na	na
College grad, BA	4.7	4.8	5.0	2.2			


 Bureau of Economic Analysis
 State of New York
 Department of Labor
 (in thousands, not seasonally adjusted)

	<u>% Change</u>				
	Dec. 2009	Dec. 2008	Dec. 2000	2000-2009	2008-2009
U.S.	131,821.0	135,917.0	133,308.0	-1.1	-3.0
NY State	8,648.3	8,818.1	8,834.2	-2.1	-1.9
NYC	3,717.8	3,792.8	3,814.2	-2.5	-2.0
Long Island	1,244.5	1,269.1	1,258.0	-1.1	-1.9

Table 2 source: Establishment survey data from US Department of Labor 2009.
 Note that data reflect regular revisions by Dept. of Labor.


Comparison For Employment
 (in thousands, not seasonally adjusted)

<u>AREA</u>	<u>Labor Force</u>		<u>Employed</u>		<u>Unemployed</u>		<u>Unemp. Rate</u>	
	Dec. 2009	Dec. 2008	Dec. 2009	Dec. 2008	Dec. 2009	Dec. 2008	Dec. 2009	Dec. 2008
U.S.	158,090.0	154,349.0	137,953.0	143,350.0	14,740.0	10,999.0	9.7%	7.1%
NYC	3,993.3	3,985.7	3,578.6	3,699.3	414.7	286.4	10.4	7.2
Brooklyn	1,129.5	1,122.4	1,003.3	1,037.1	126.2	85.3	11.2	7.6
Bronx	541.6	532.9	466.3	482.1	75.3	50.8	13.9	9.5
Manhattan	942.0	947.8	857.2	886.1	84.8	61.7	9.0	6.5
Queens	1,134.3	1,136.2	1,028.3	1,063.0	106.0	73.2	9.3	6.4
Staten Island	246.0	246.5	223.5	231.0	22.5	15.5	9.1	6.3
LONG ISLAND	1,468.8	1,485.7	1,366.5	1,399.0	102.3	86.7	7.0	5.8
Nassau Co.	686.4	695	641	656.3	45.4	38.7	6.6	5.6
Suffolk Co.	782.4	790.6	725.5	742.7				