

EARNINGS

UPDATED THROUGH February 2024 | REGIONAL

Raji Chakrabarti, Kasey Chatterji-Len, and Maxim Pinkovskiy

Takeaways | Earnings

- Similar to the rest of the nation, real earnings in the region peaked during the pandemic recession and have fallen since and disparities (both nominal and real) are largest across education categories, with smaller but still substantial gaps across racial and ethnic categories, gender, and age.
- The Black and Hispanic earnings gaps remain in the 20%-30% range, although there are indications that they have declined relative to the pre-pandemic period. Both gaps have risen over the last quarter, but the Black earnings gap remains below its pre-pandemic levels.
- The gender gap remains in the 15%-20% range in which it has been for most of the period since August 2019. The gender gap in the region has become somewhat lower than in the nation, reached its lowest in September 2023 but rose from post-pandemic lows over the last quarter.
- The college premium remains in the 80%-100% range in which it has been since August 2019. The college premium in the region tends to be somewhat higher than in the nation as a whole.

Full Report Highlights

- **INFLATION**

Inflation gaps are smaller than they were during the 2021-22 inflationary episode, but minority households, high-income households, college-educated households and middle-age households continue to experience above-average inflation in early 2024.

- **EARNINGS**

Real earnings gaps across racial and ethnic groups, educational groups, and men and women have remained in their long-run ranges, though the Black earnings gap is slowly shrinking over time.

- **EMPLOYMENT**

The Black employment gap, specifically the gap for Black women, has been growing in the region despite shrinking in the nation.

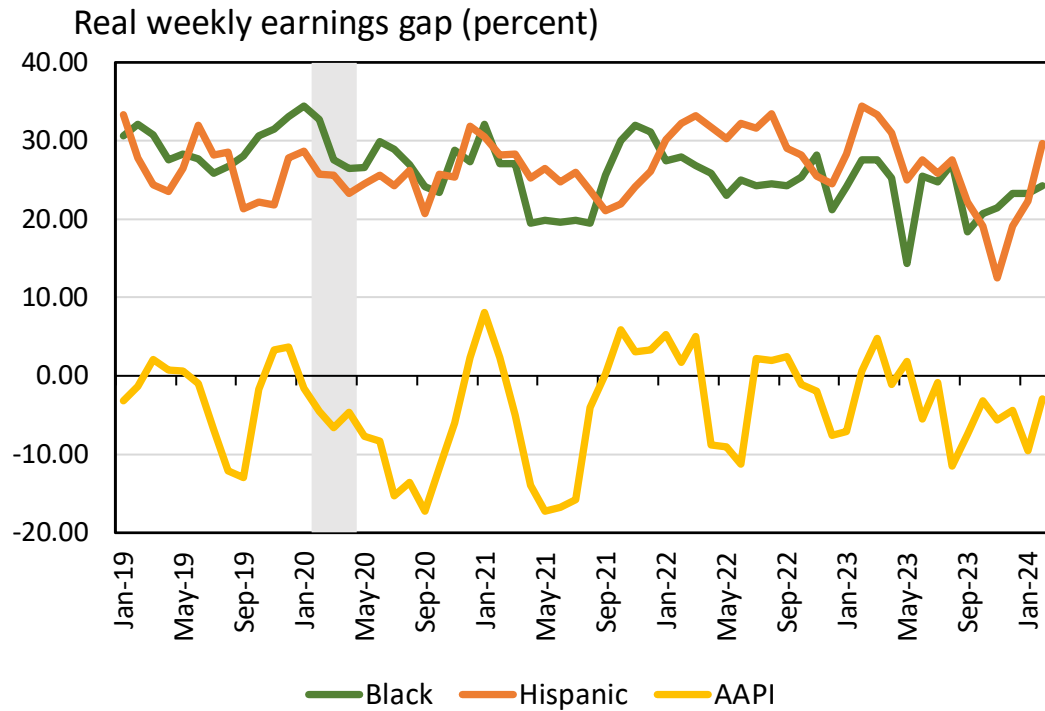
- **CONSUMER SPENDING**

The region has had little growth in spending since its recovery from the pandemic when compared to the rest of the nation.

Data & Methods

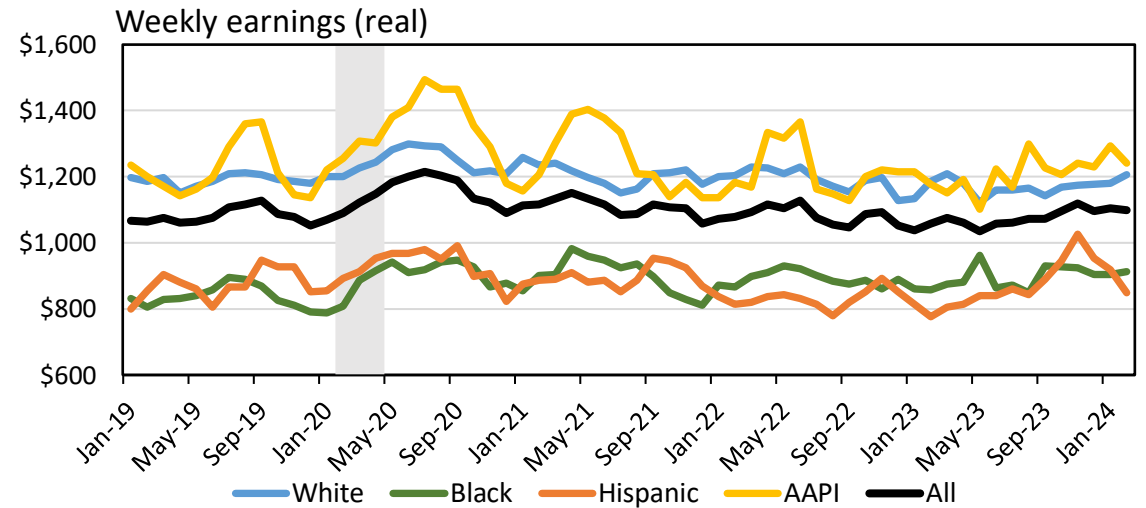
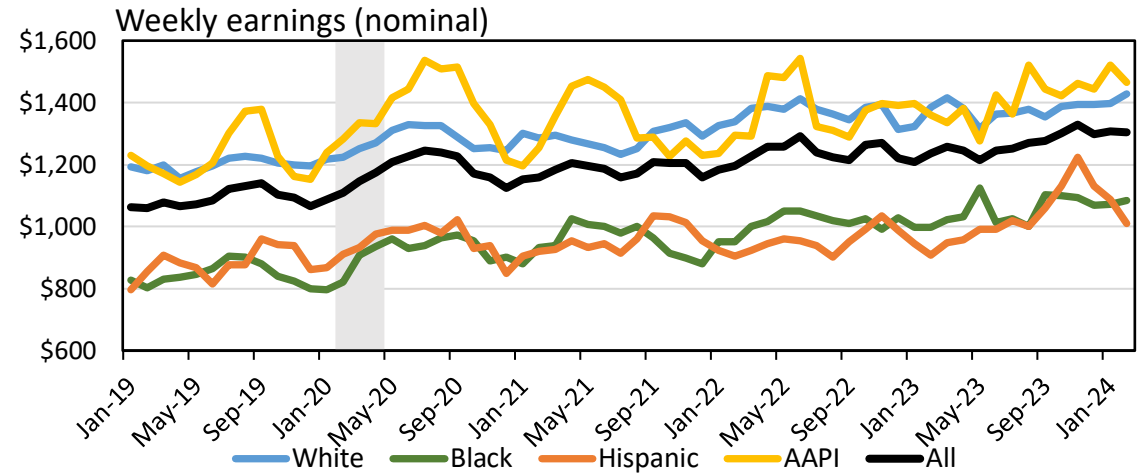
- We compute real earnings by deflating nominal earnings for each demographic using our estimates of demographic-specific inflation.
- Gaps are defined as the percentage difference in earnings between a majority group and a minority group in the labor market.
- The gender gap is defined as the percentage difference between male and female earnings.
- The racial gaps are defined as the percentage differences between earnings of white non-Hispanic workers and earnings of workers of the race or ethnicity in question.
- The college premium is defined as the percentage difference between earnings of college graduates and earnings of workers who did not graduate from college.
- We define the region in the CPS to be the union of the New York-New Jersey metro area (excluding counties in Pennsylvania) with all other counties in New York state.

Real/Nominal Earnings by Race/Ethnicity



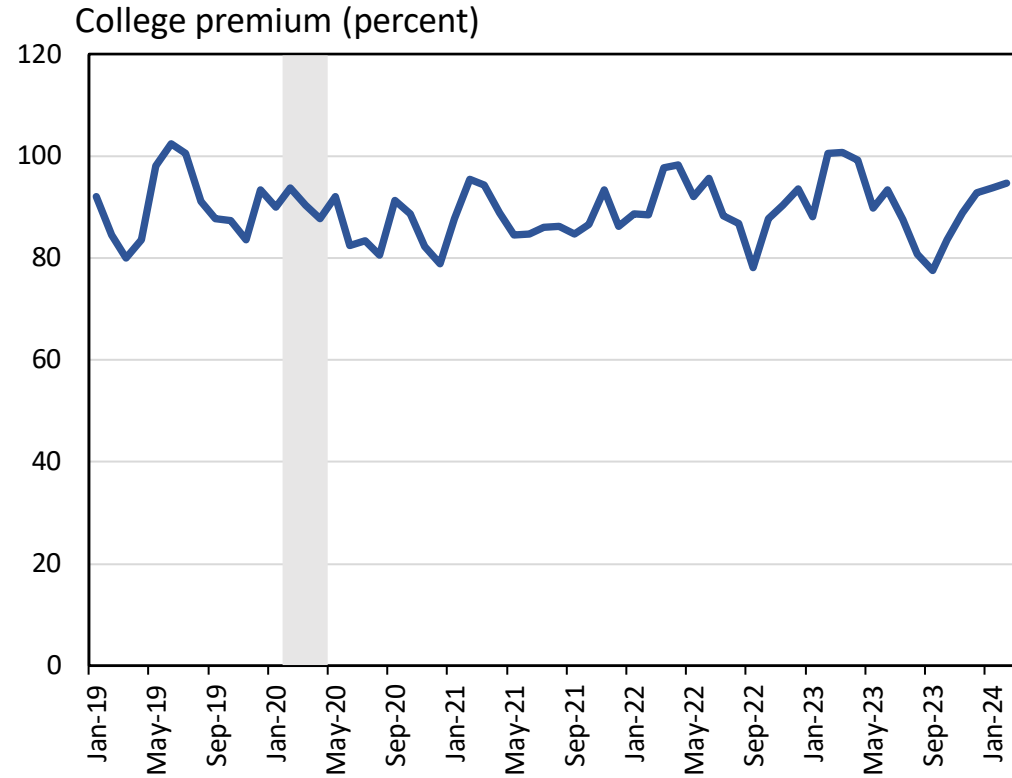
Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to June 2019. Shaded region indicates the COVID-19 recession. The race gap is defined here as the percent less in real earnings that the average Black/Hispanic/AAPI American earns on average compared to white Americans. For instance, a gap of 20% implies that the average Black/Hispanic/AAPI American earns 80% of the average white American. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the US Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

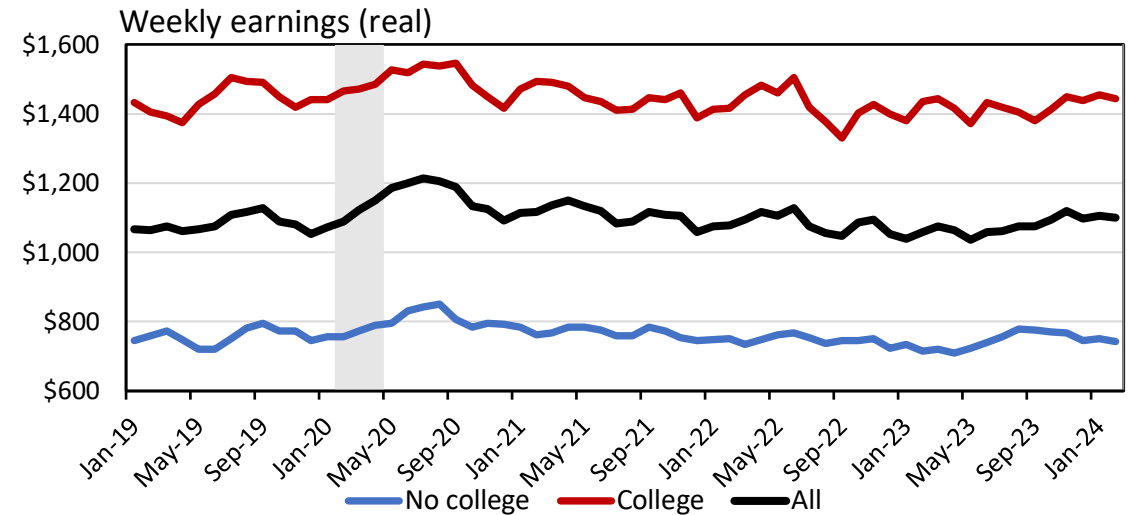
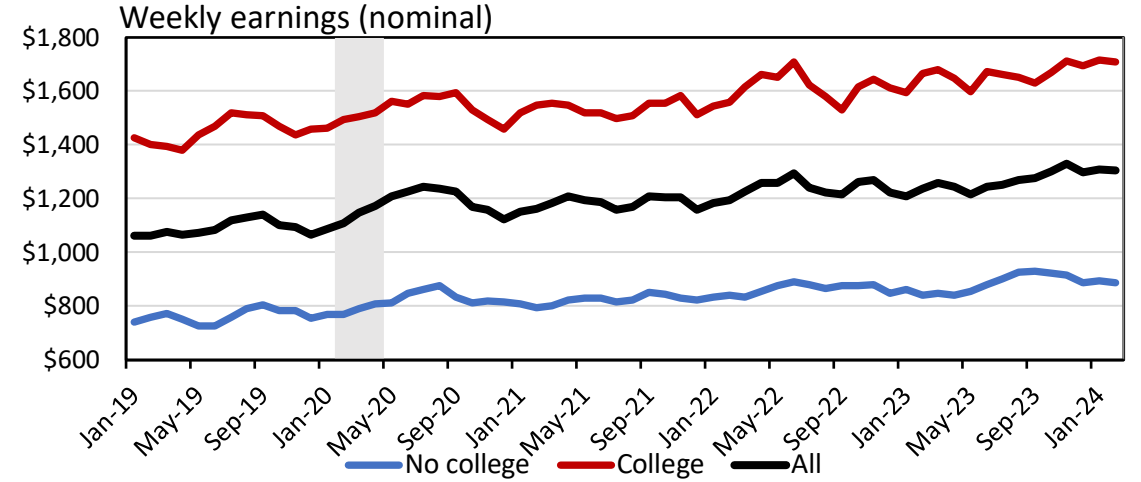


Individual weekly earnings from April 2023 onward are top coded to \$2884.61, in accordance with pre-April 2023 CPS data conventions for continuity.

Real/Nominal Earnings by Education

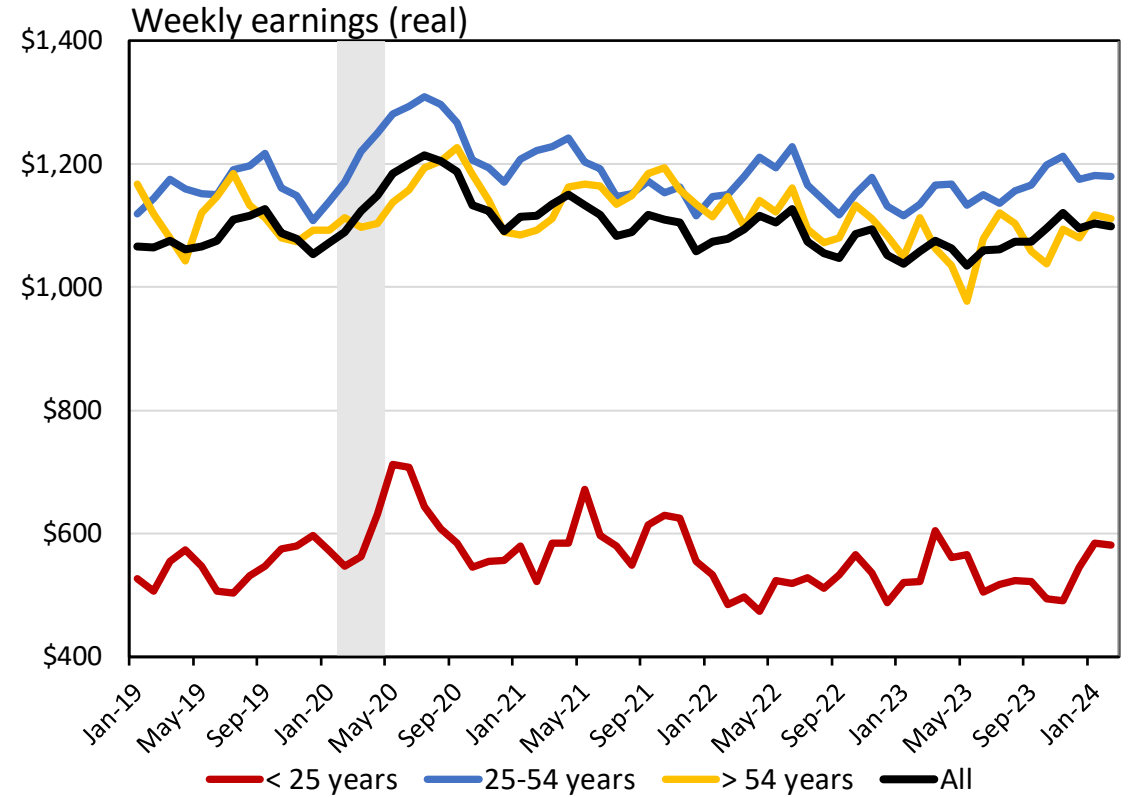
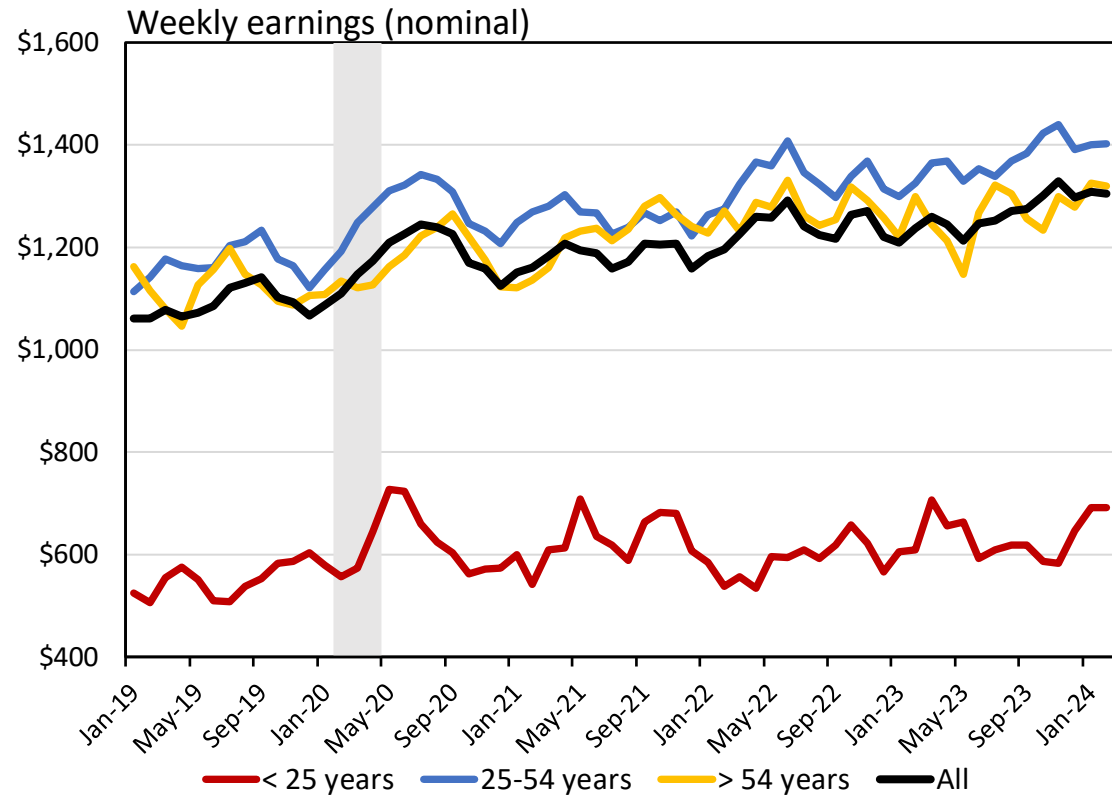


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.
 Notes: Real earnings uses corresponding demographic prices, indexed to June 2019. Shaded region indicates the COVID-19 recession. College premium is defined here as the percent more that college graduates earn (weekly) on average compared to non-graduates. For instance, a gap of 80% implies that the average graduate earns 80% more than the average non-graduate. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the US Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.



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Real/Nominal Earnings by Age

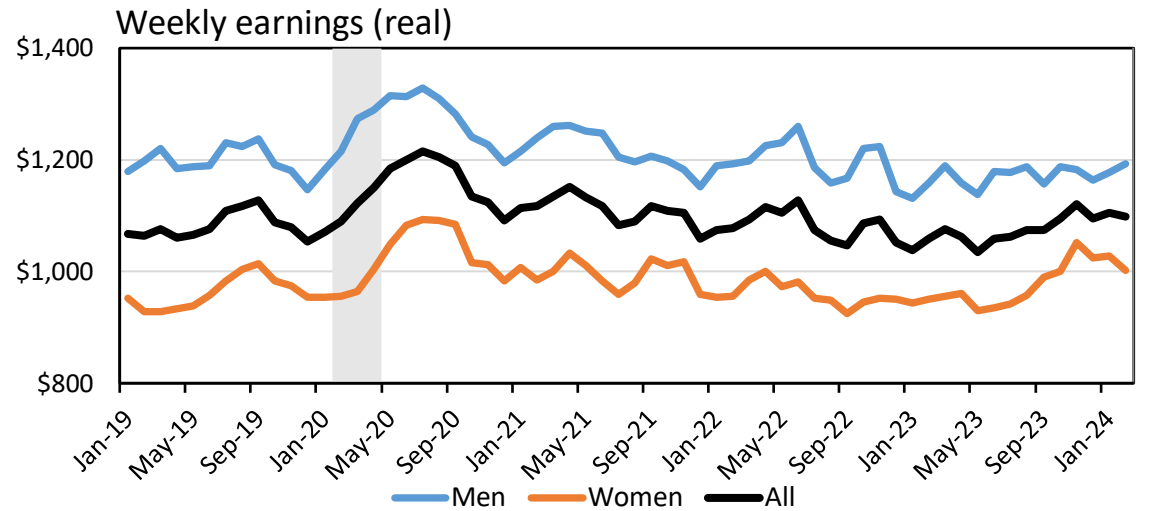
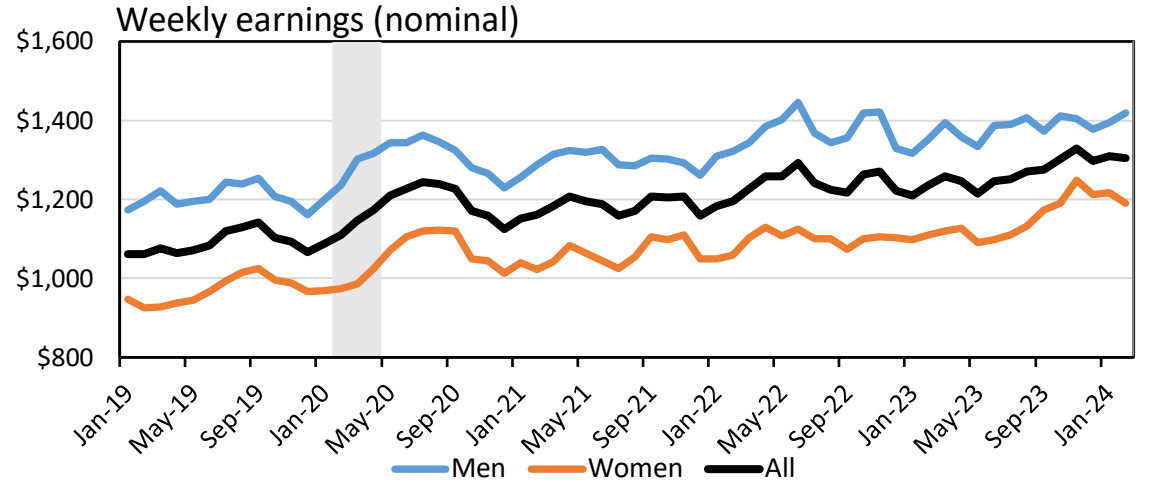
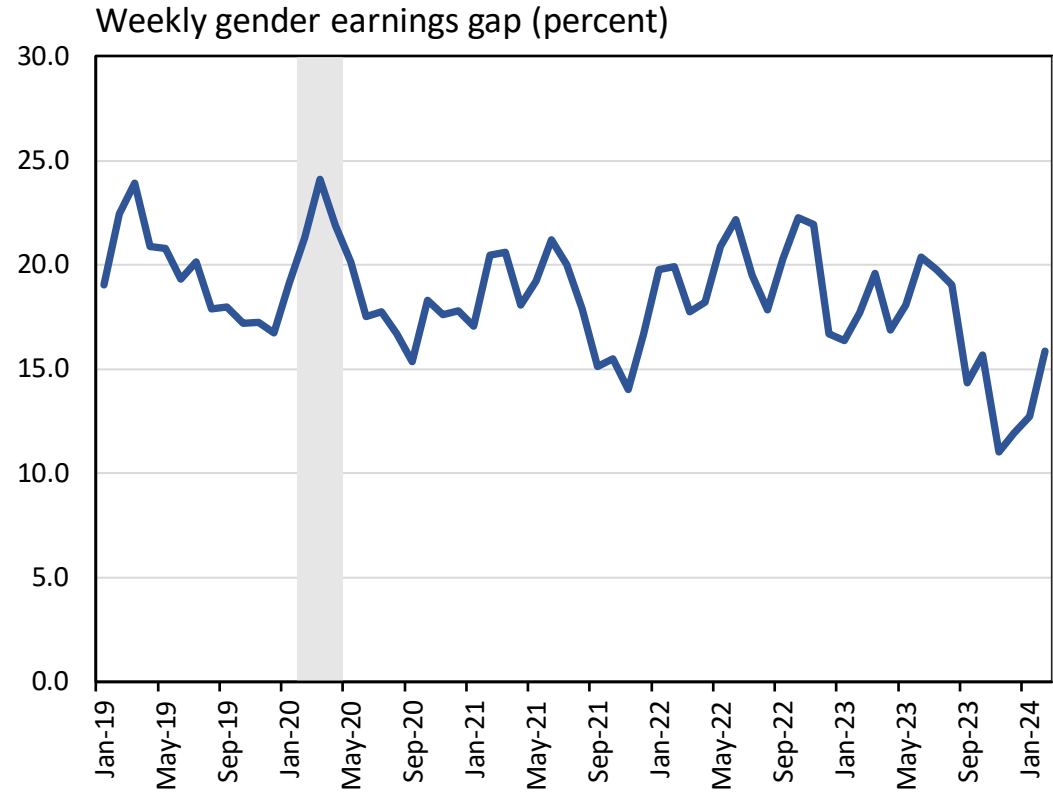


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to June 2019. Shaded region indicates the COVID-19 recession. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the US Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

Individual weekly earnings from April 2023 onward are top coded to \$2,884.61, in accordance with pre-April 2023 CPS data conventions for continuity.

Real/Nominal Earnings by Gender

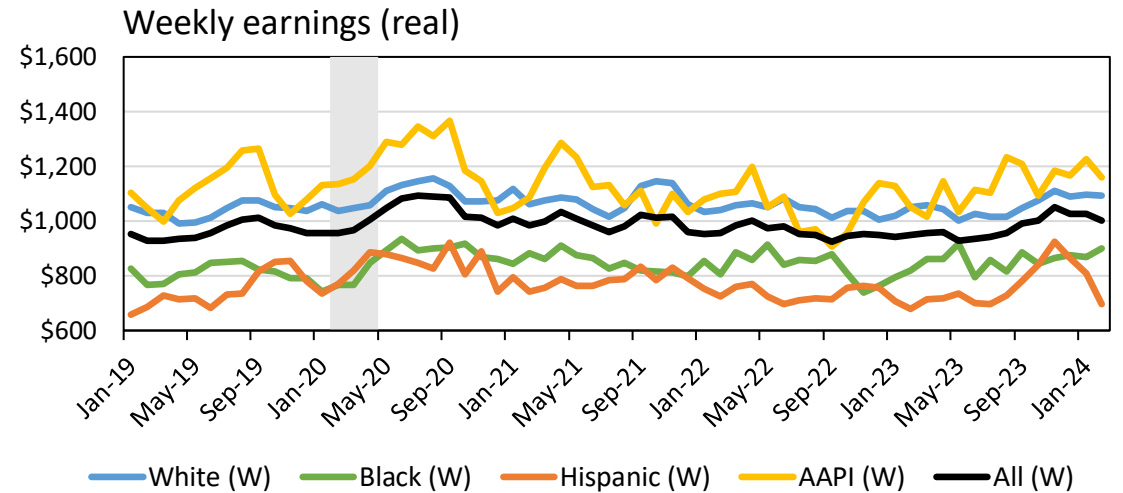
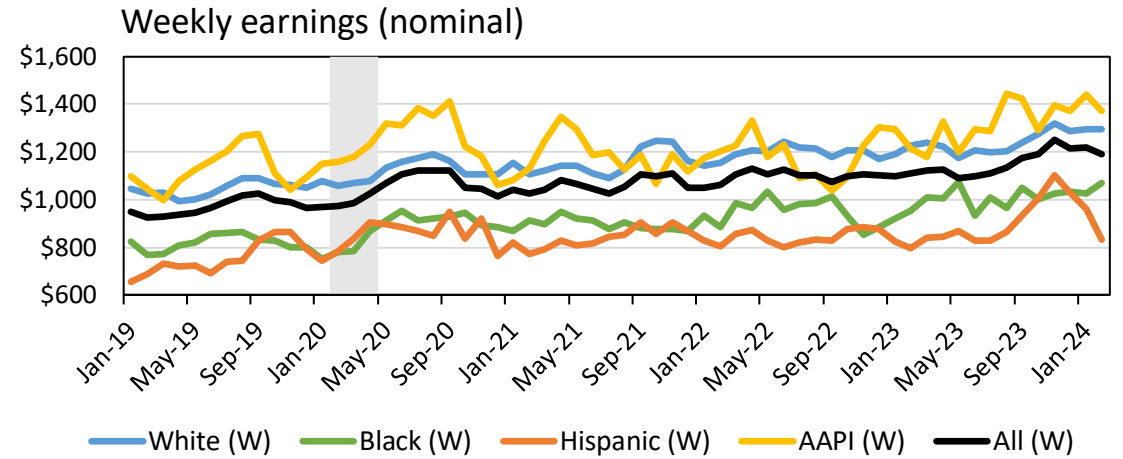
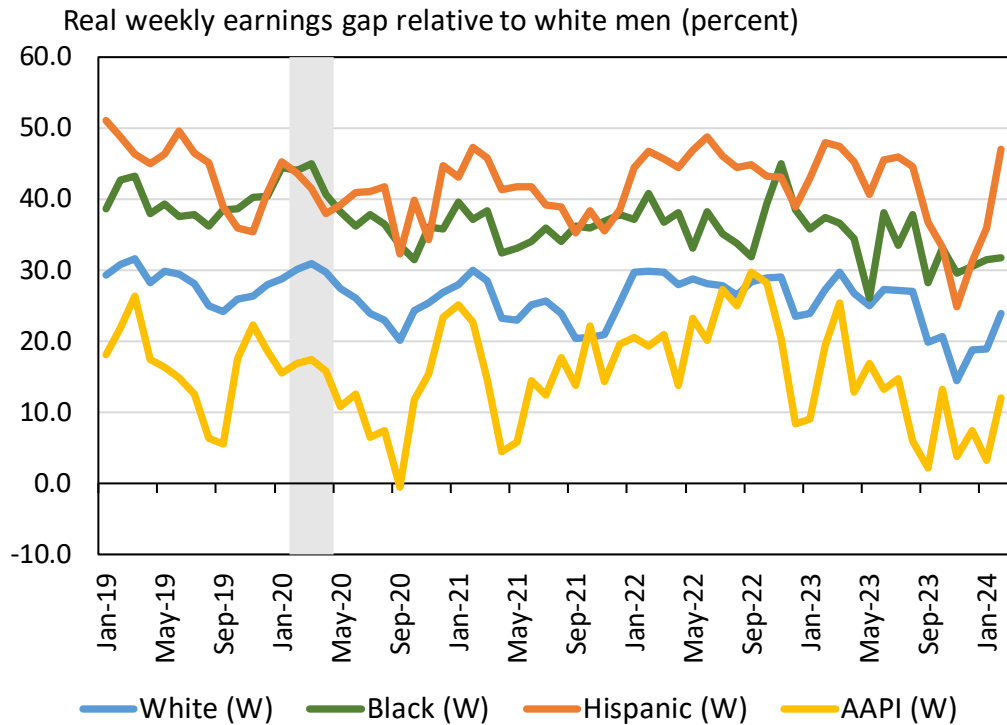


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to June 2019. Shaded region indicates the COVID-19 recession. The gender gap is defined here as the percent less that women earn on average compared to men. For instance, a gap of 20% implies that the average woman earns 80% of the average man. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the US Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

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Real/Nominal Earnings by Race x Gender (Women)

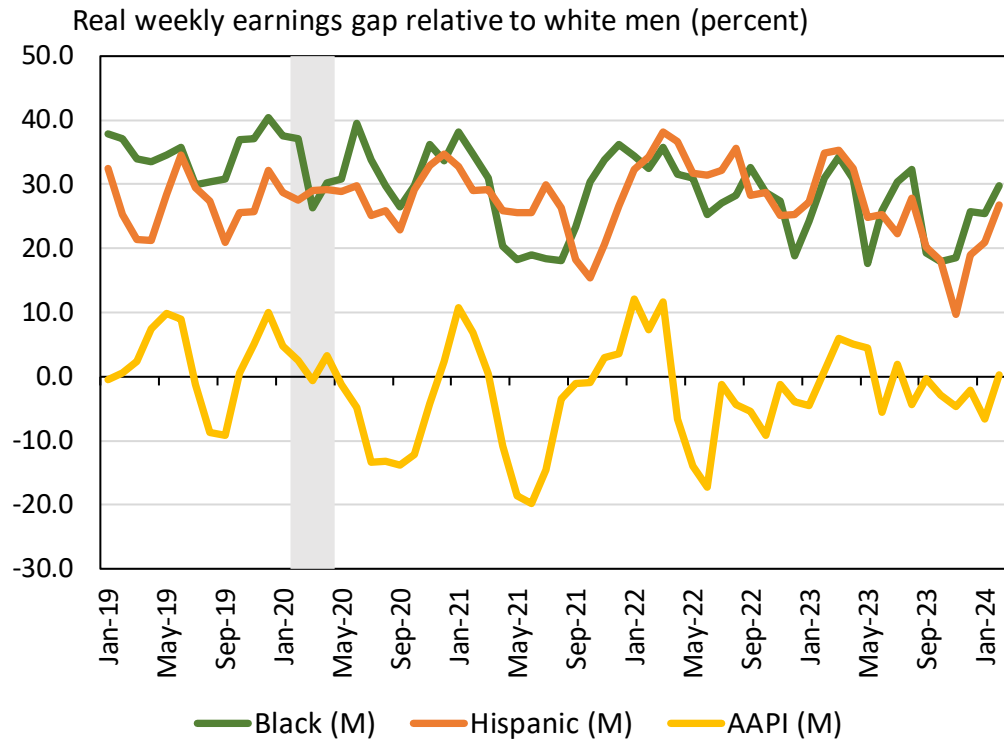


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to June 2019. Shaded region indicates the COVID-19 recession. The earnings gap is defined here as the percent less that a woman of each racial/ethnic group earns on average compared to white men. For instance, a gap of 40% implies that the average Black/Hispanic/AAPI/white woman earns 60% of the average white man. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the US Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

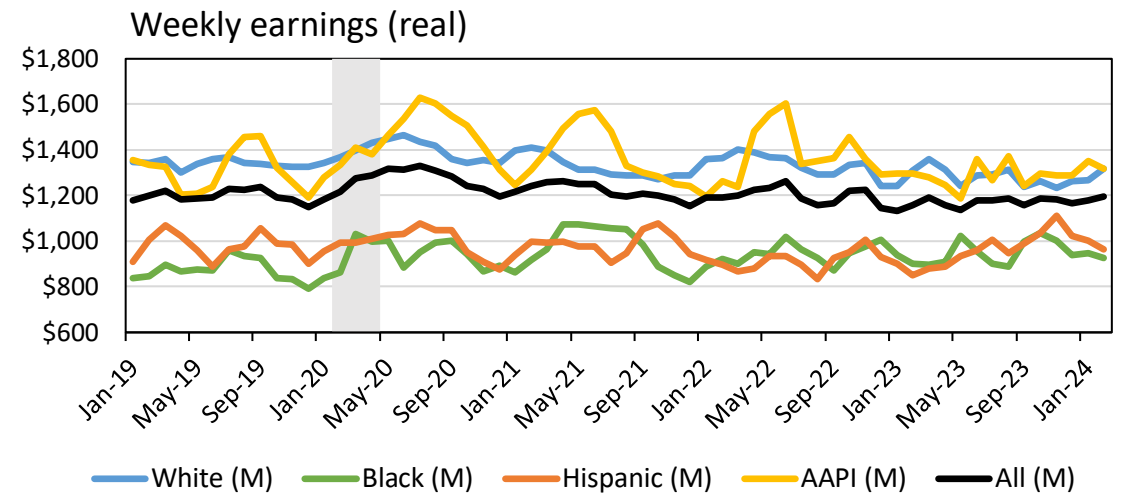
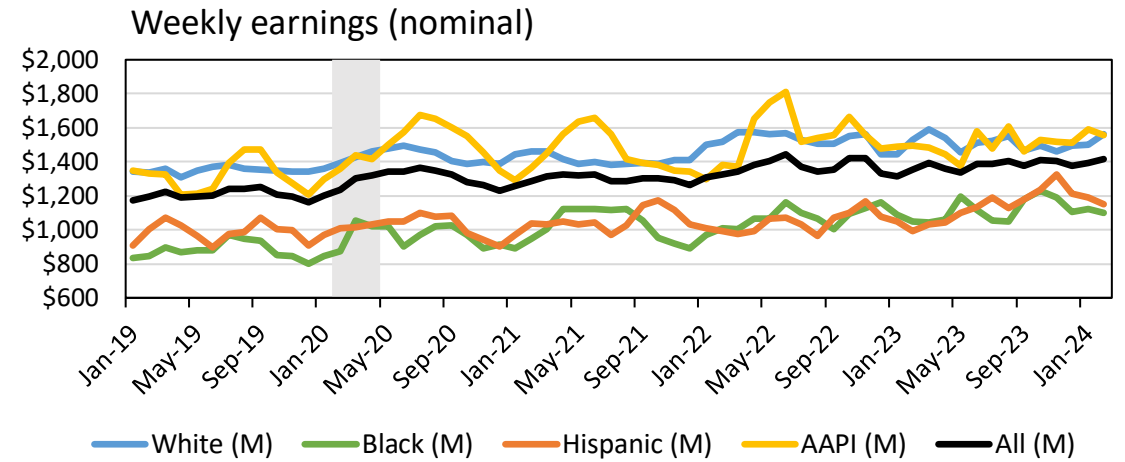
Individual weekly earnings from April 2023 onward are top coded to \$2,884.61, in accordance with pre-April 2023 CPS data conventions for continuity.

Real/Nominal Earnings by Race x Gender (Men)



Sources: U.S. Census Bureau/BLS - Current Population Survey microdata, authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to June 2019. Shaded region indicates the COVID-19 recession. The earnings gap is defined here as the percent less that a man of each racial/ethnic group earns on average compared to white men. For instance, a gap of 20% implies that the average Black/Hispanic/AAPI man earns 80% of the average white man. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the US Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.



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