



**EMPLOYMENT:
EMPLOYMENT-TO-
POPULATION RATIO**

UPDATED THROUGH February 2024 | REGIONAL

Raji Chakrabarti, Kasey Chatterji-Len, and Maxim Pinkovskiy

Takeaways | EPOP

- The employment-to-population ratio (EPOP) in the region is following many of the trends observed in the nation. In particular, EPOP has recovered to its pre-pandemic levels (comparing with October 2019) both in the aggregate, for men and women, and for all racial and ethnic groups. Employment rates peaked around July 2023 and have been moderately declining since.
- As in the nation, employment gaps are largest for Black workers, followed by Hispanic and AAPI workers. Except for the Black employment gap, these gaps have declined to pre-pandemic levels. The Black employment gap remains above the pre-pandemic level.
- The Black employment gap in the region remains large (10 percentage points) and has been growing since the spring of 2023. The narrowing of the Black employment gap overall and specifically for Black women in the nation over this quarter has not been observed in the region.
- The college and gender employment gaps have also been declining steadily, as in the national data.
- The rural employment gap has been rising in 2023.
- We define the region in the CPS for all labor market charts to be the union of the New York-New Jersey metro area (excluding counties in Pennsylvania) with all other counties in New York state.

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.

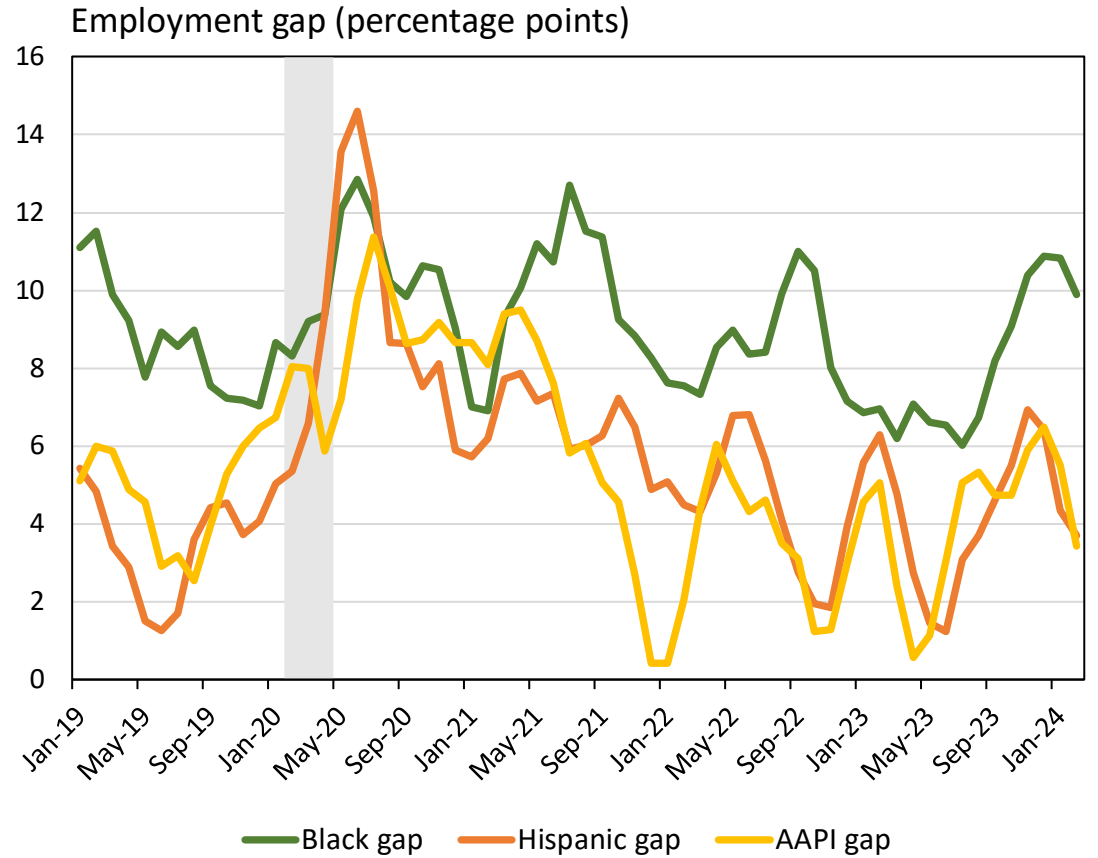
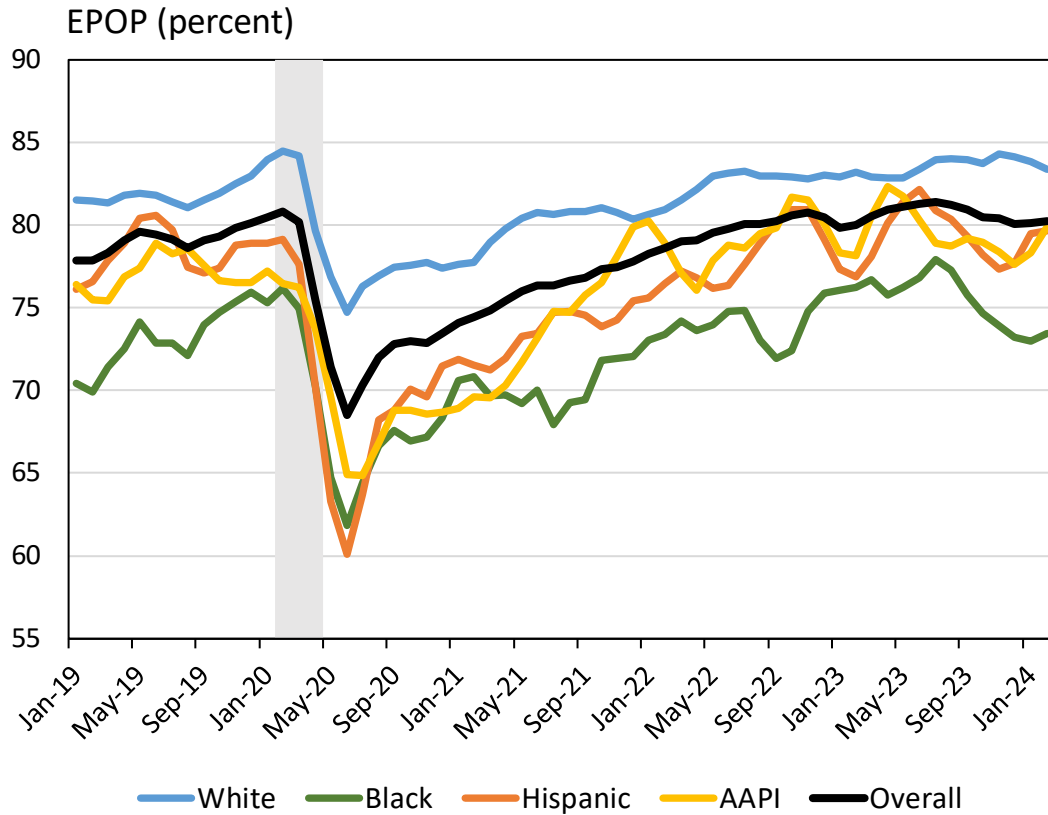
- **EMPLOYMENT**

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.

EPOP by Race/Ethnicity

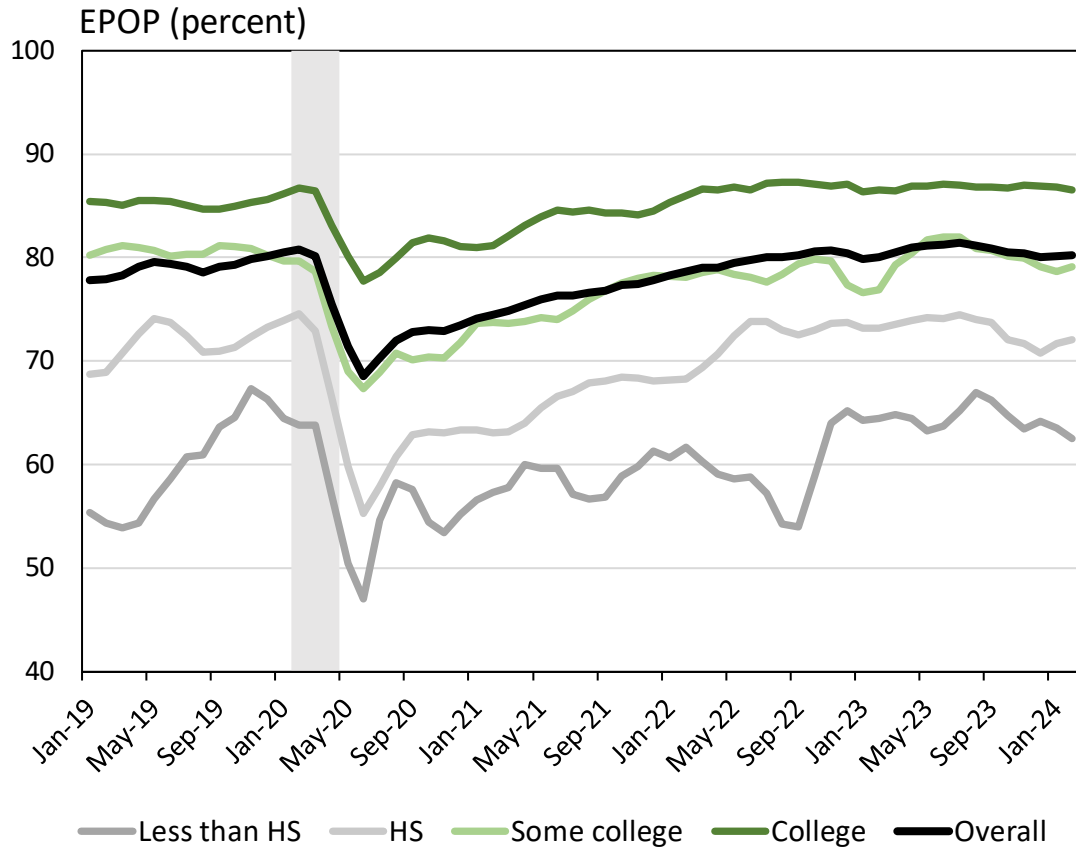


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

Notes: Restricted to prime-age individuals (25-54). 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.

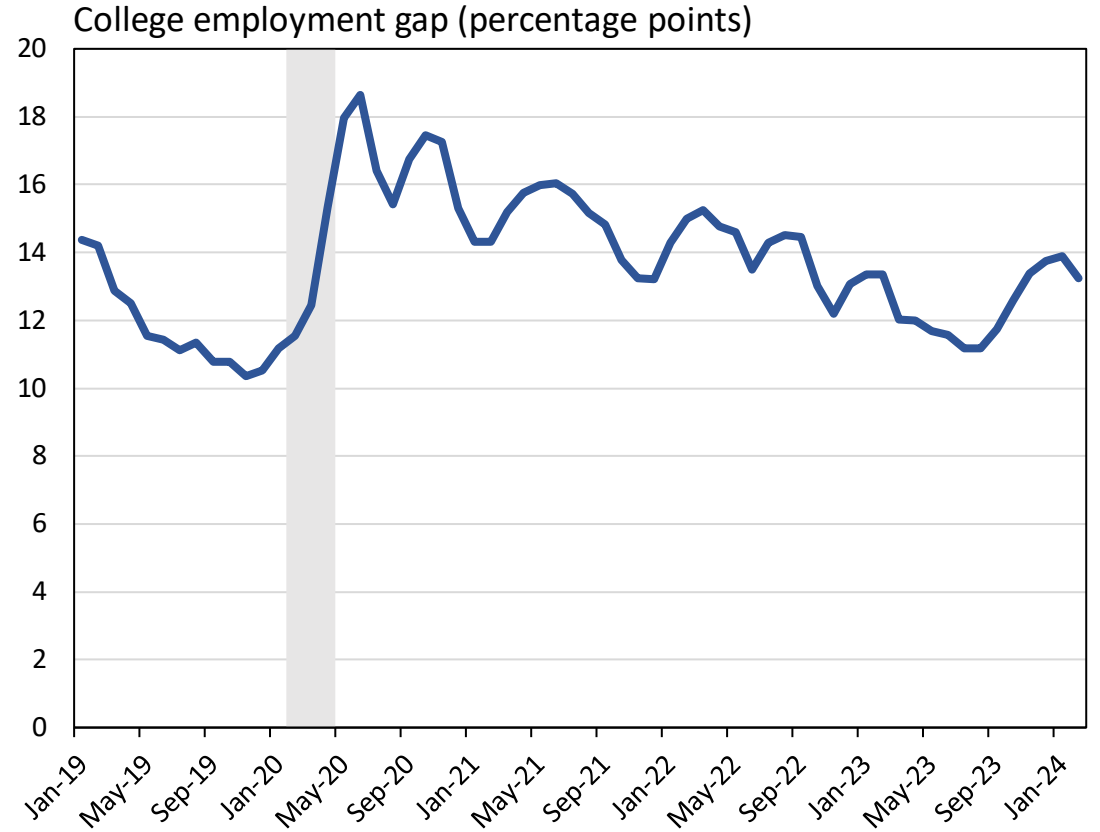
Employment gap defined relative to white employment.

EPOP by Education



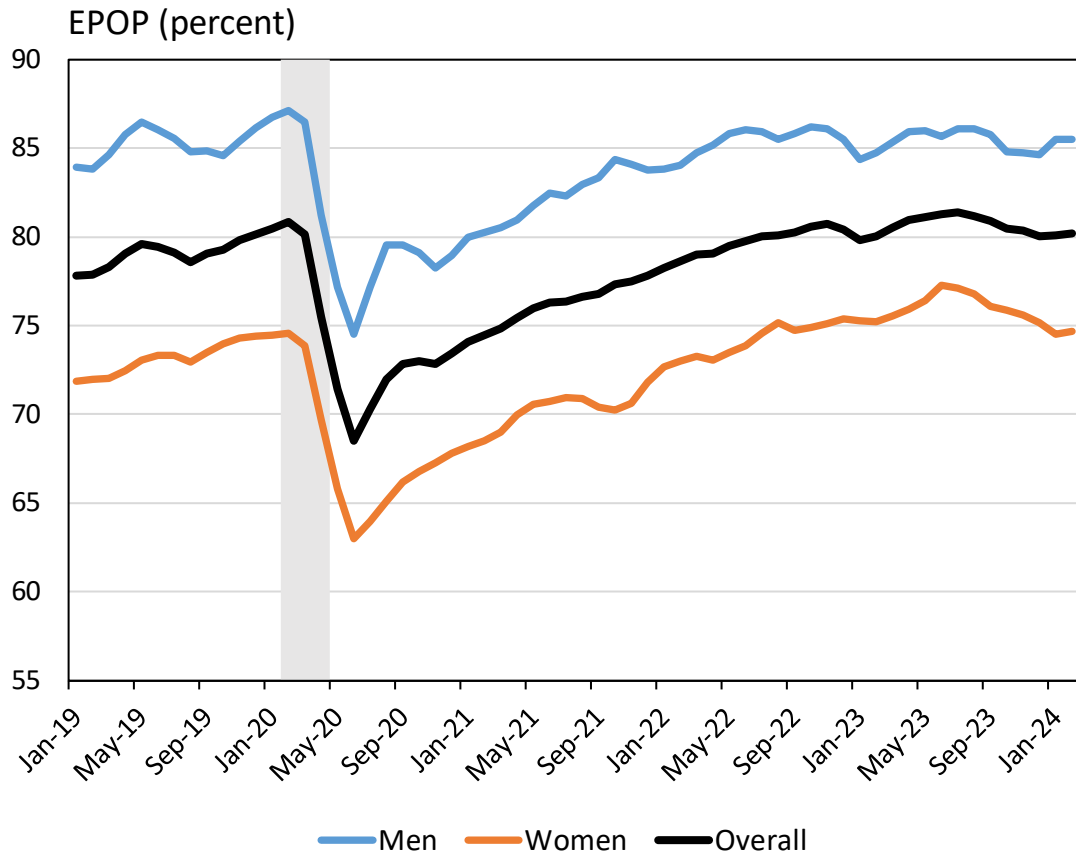
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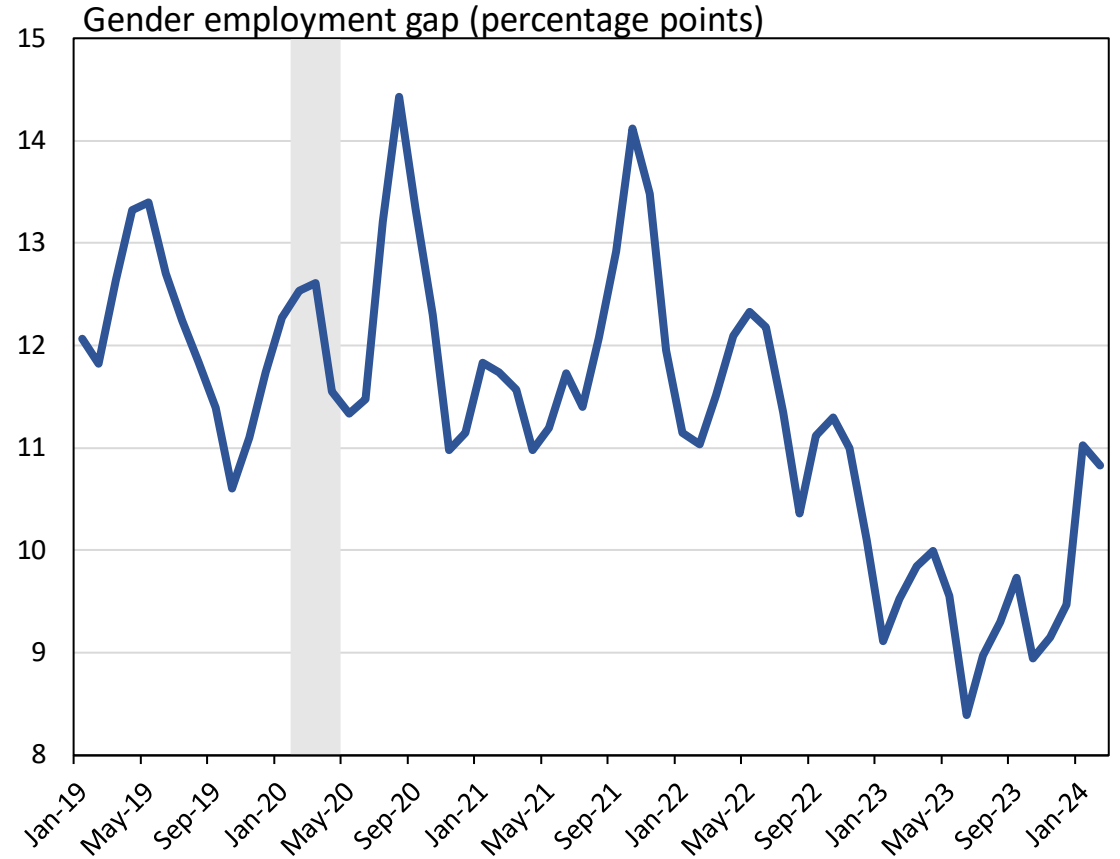
College employment gap defined as employment of college graduates relative to non-graduates.

EPOP by Gender



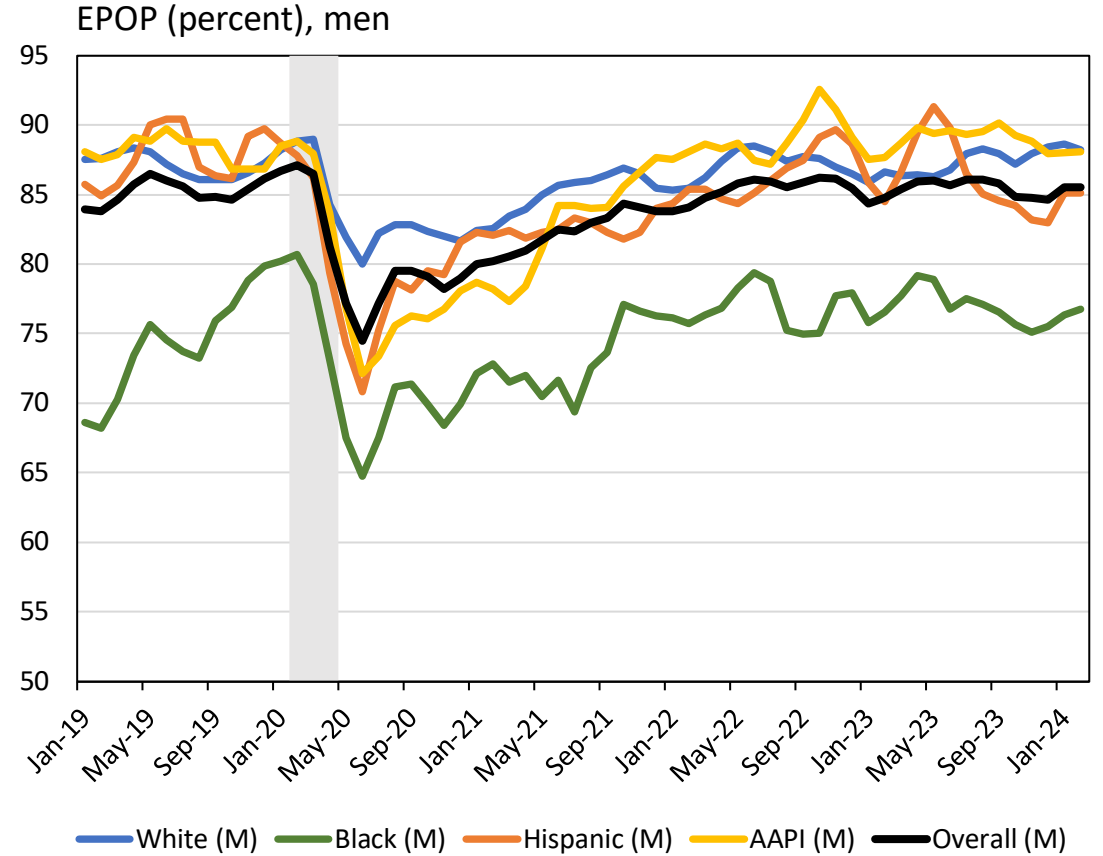
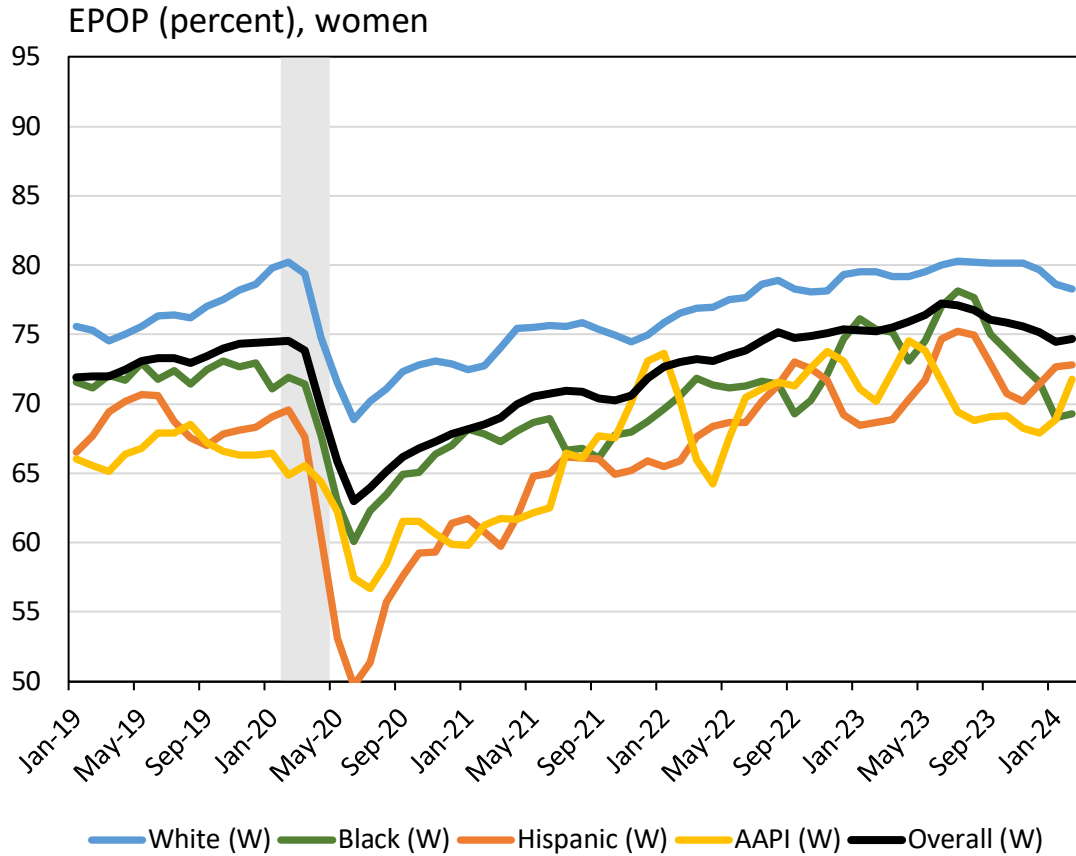
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Gender employment gap defined as employment of men relative to women.

EPOP by Race x Gender

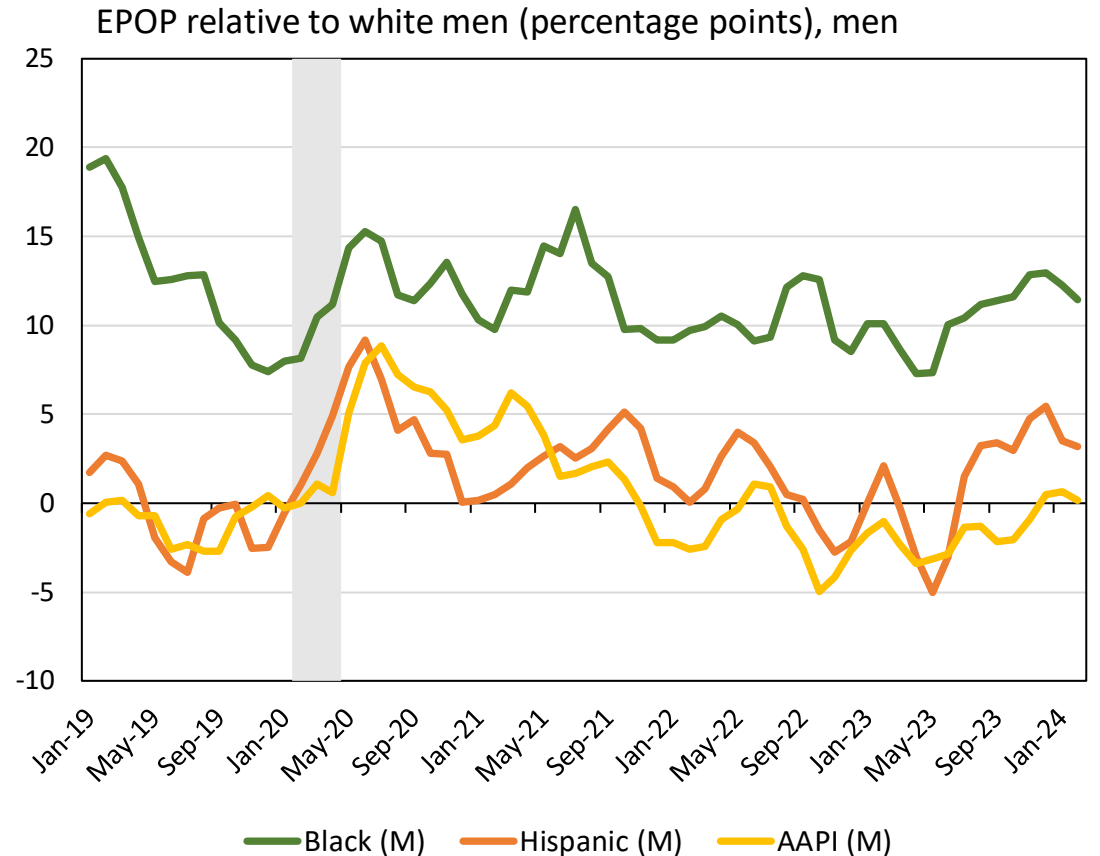
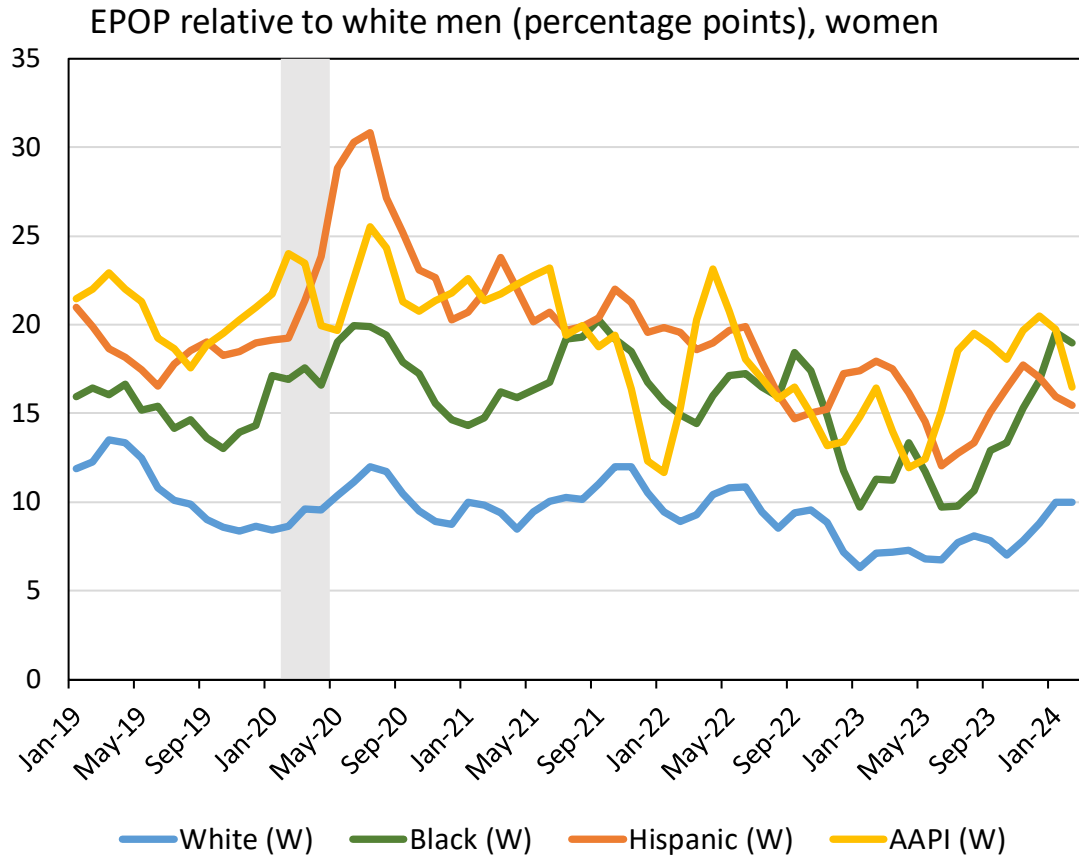


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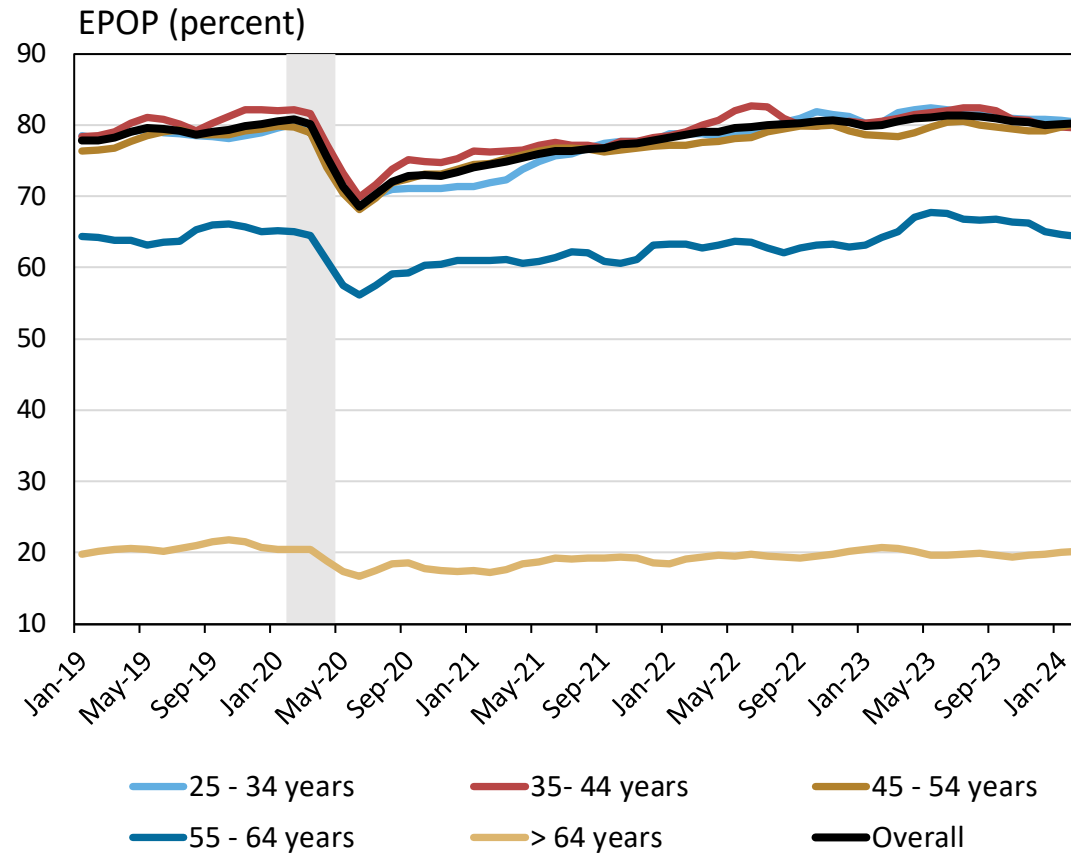
EPOP Gaps by Race x Gender



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

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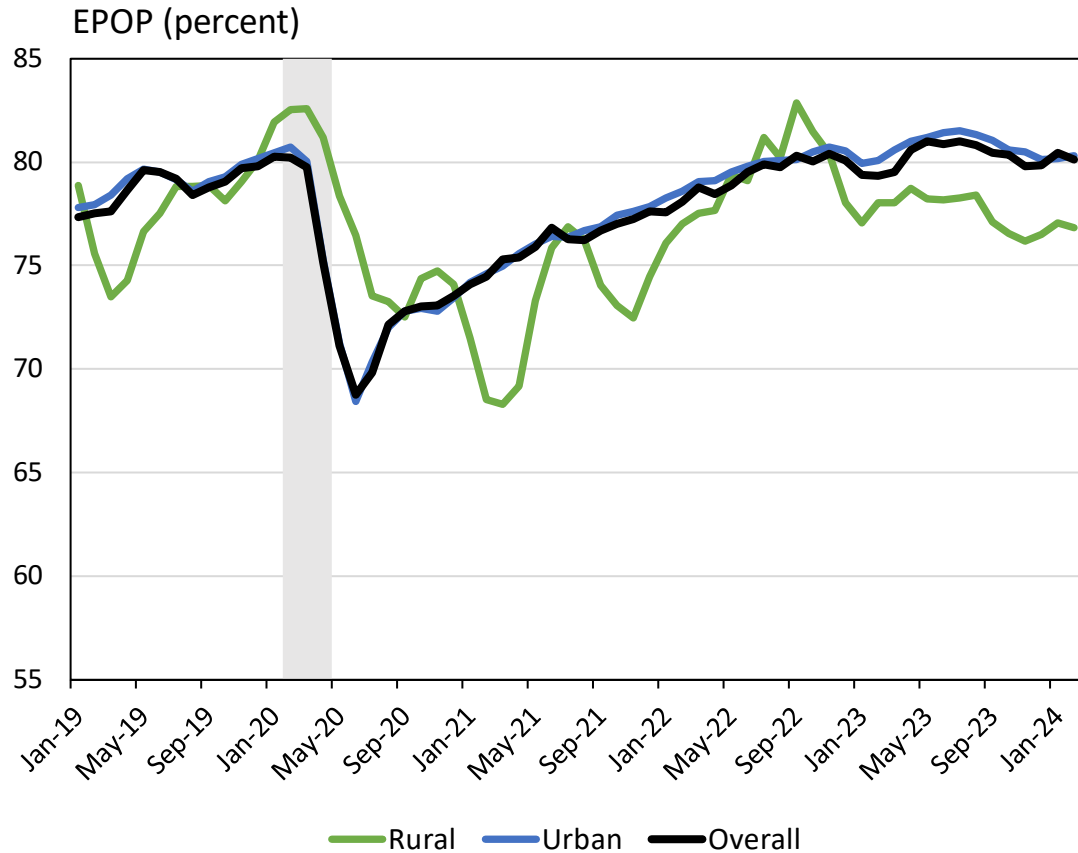
EPOP by Age



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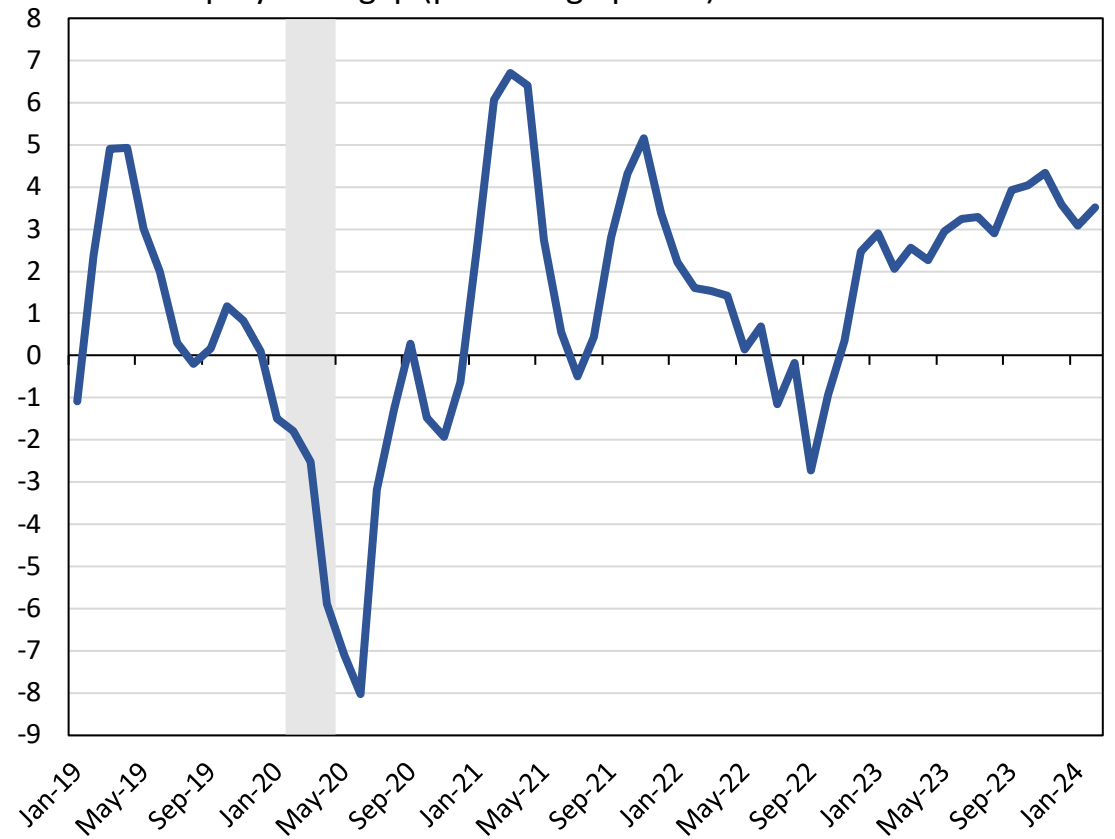
EPOP by Urban Status



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Rural employment gap (percentage points)



Rural employment gap defined as employment of urban workers relative to rural workers.



EMPLOYMENT: UNEMPLOYMENT RATE

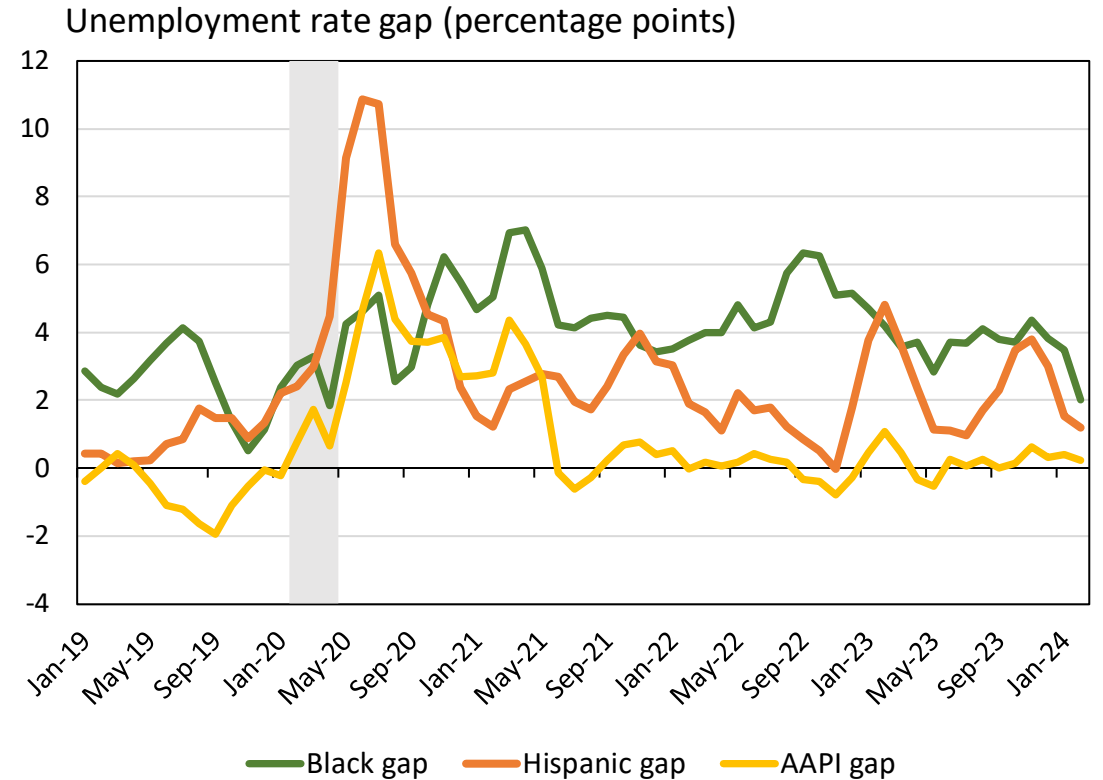
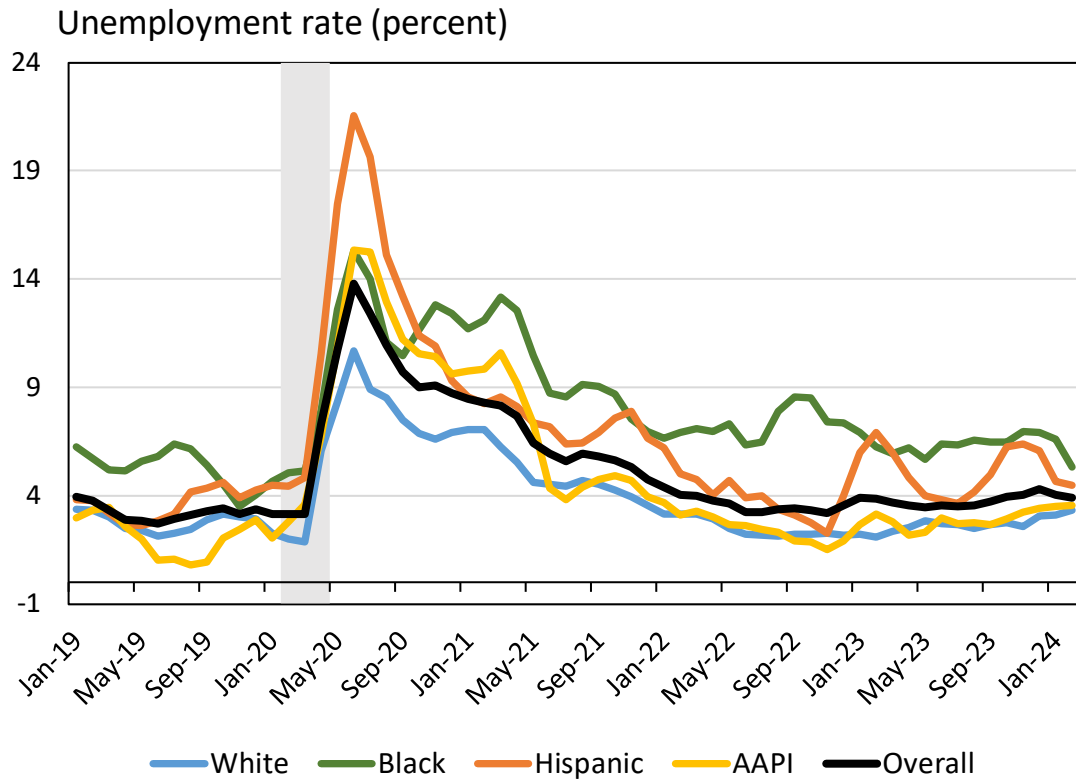
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Takeaways | Unemployment Rate

- We define unemployment rate as the fraction of unemployed in the labor force. The overall unemployment rate in the region peaked at more than 14% during the pandemic, which was higher than the national peak at 11%. Both have returned to pre-pandemic levels.
- In both the region and the nation, unemployment rate gaps increased during the pandemic, but are now close to pre-pandemic levels.
- The Black unemployment rate in the region has declined during this quarter by nearly a percentage point but remains above the national Black unemployment rate.
- Unemployment rates in the region in October 2023 are highest for workers with less than a high school diploma (6.66%), followed by Black workers (5.32%), followed by workers aged over 64 (5.08%)
- The college unemployment gap peaked at 11% during the pandemic in the region (compared to 7% in the nation) but has returned to a similar level to the nationwide gap.

Unemployment Rate by Race/Ethnicity

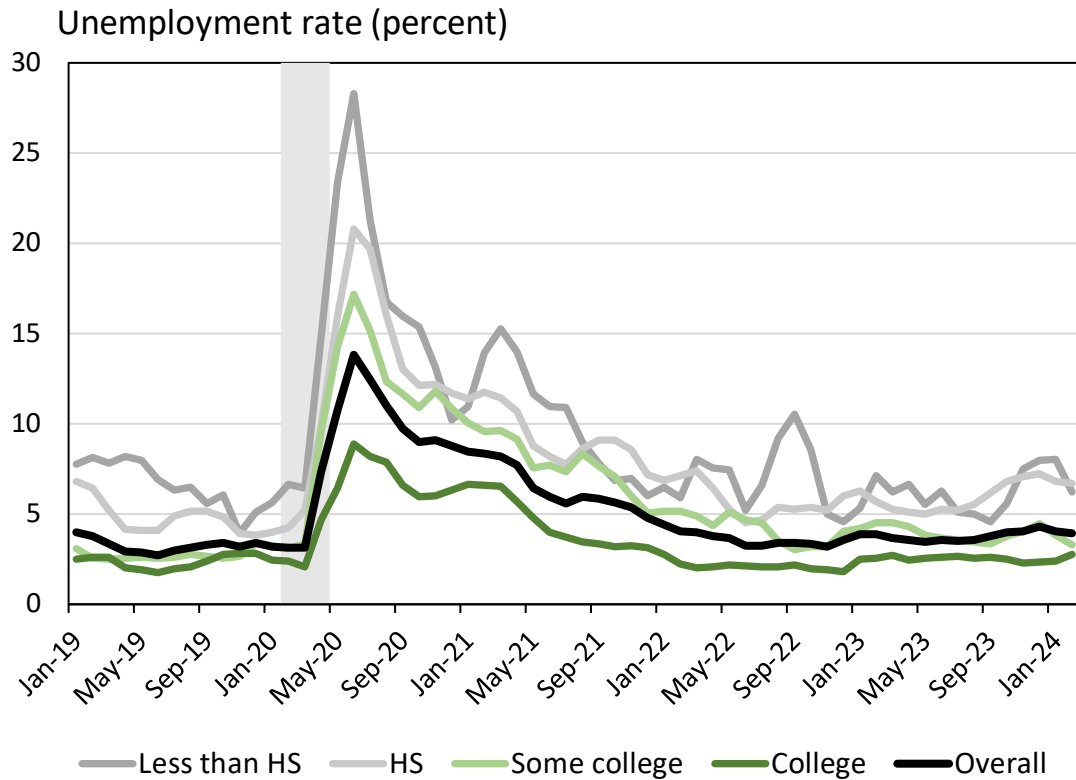


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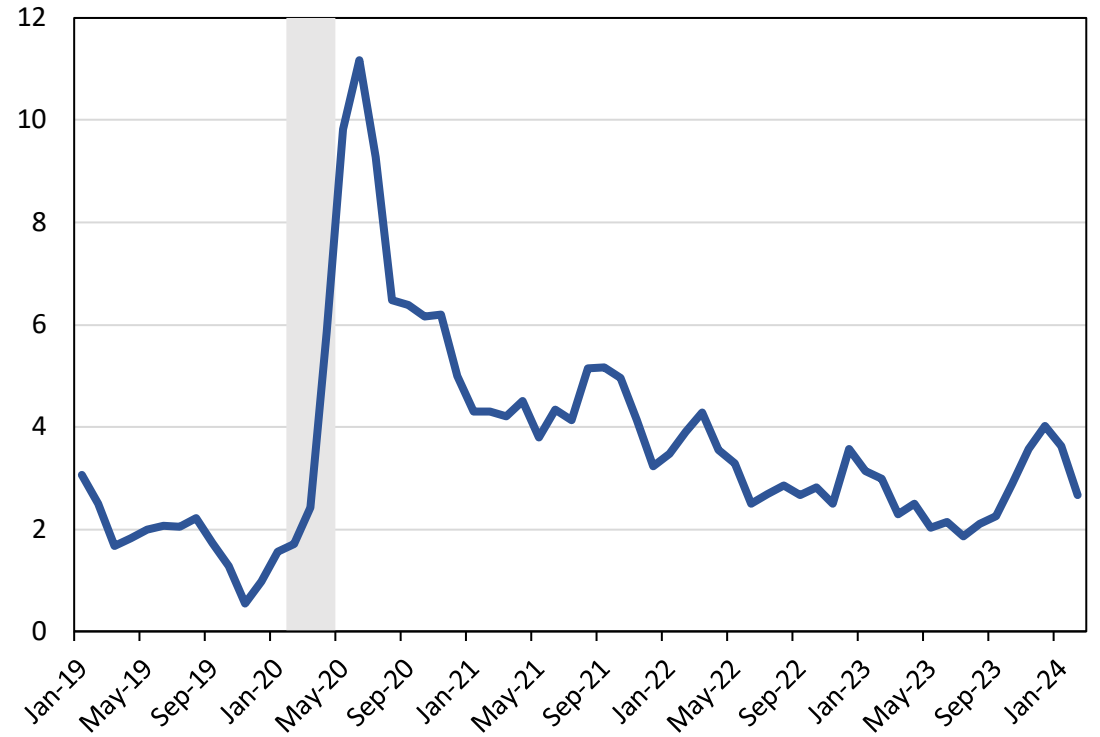
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Unemployment gap defined relative to white unemployment.

Unemployment Rate by Education



College unemployment rate gap (percentage points)

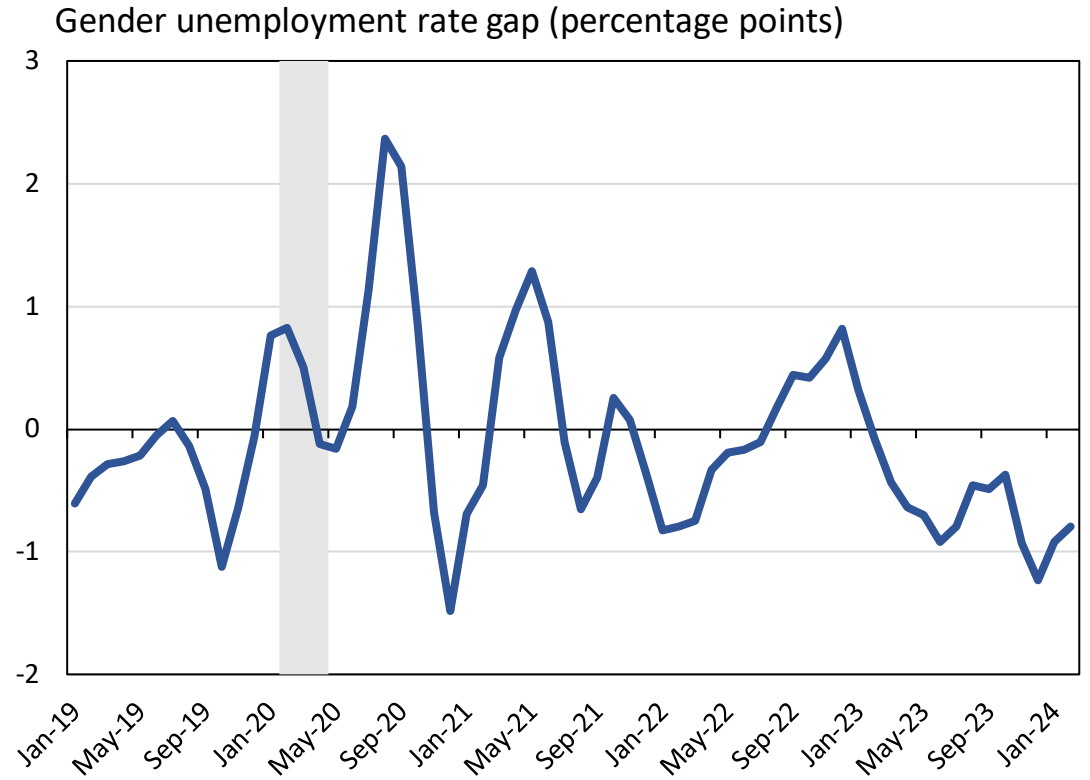


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College unemployment gap defined as unemployment of non-college graduates relative to graduates.

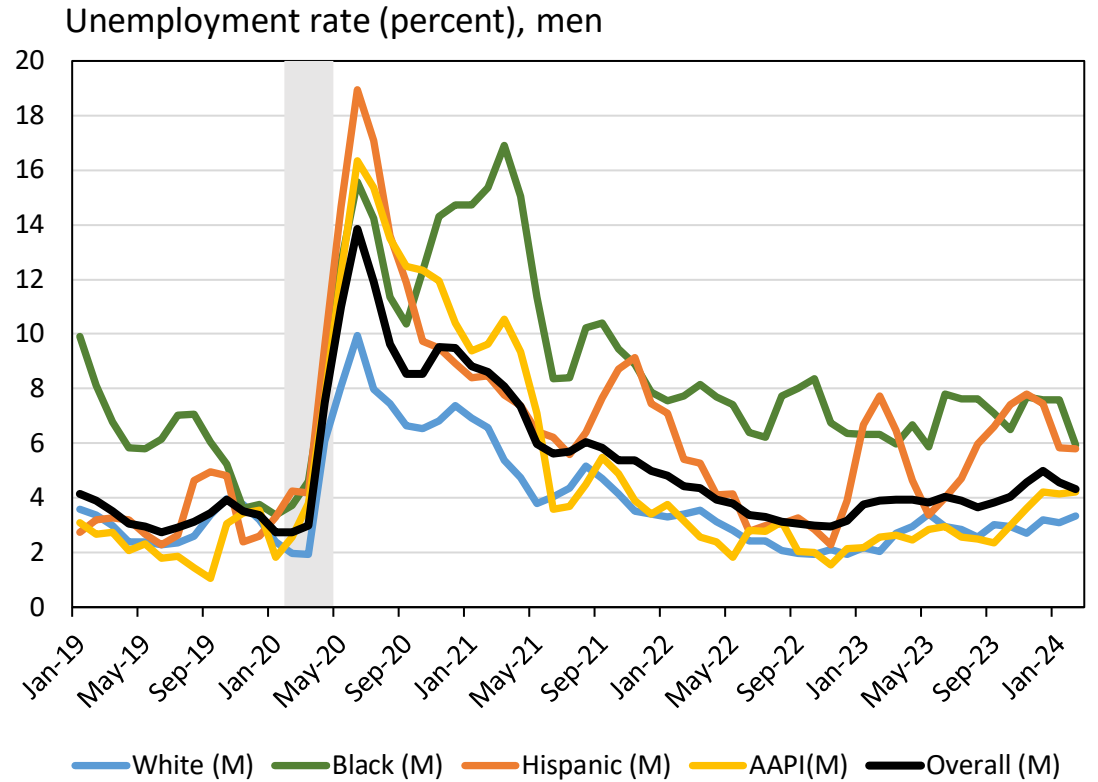
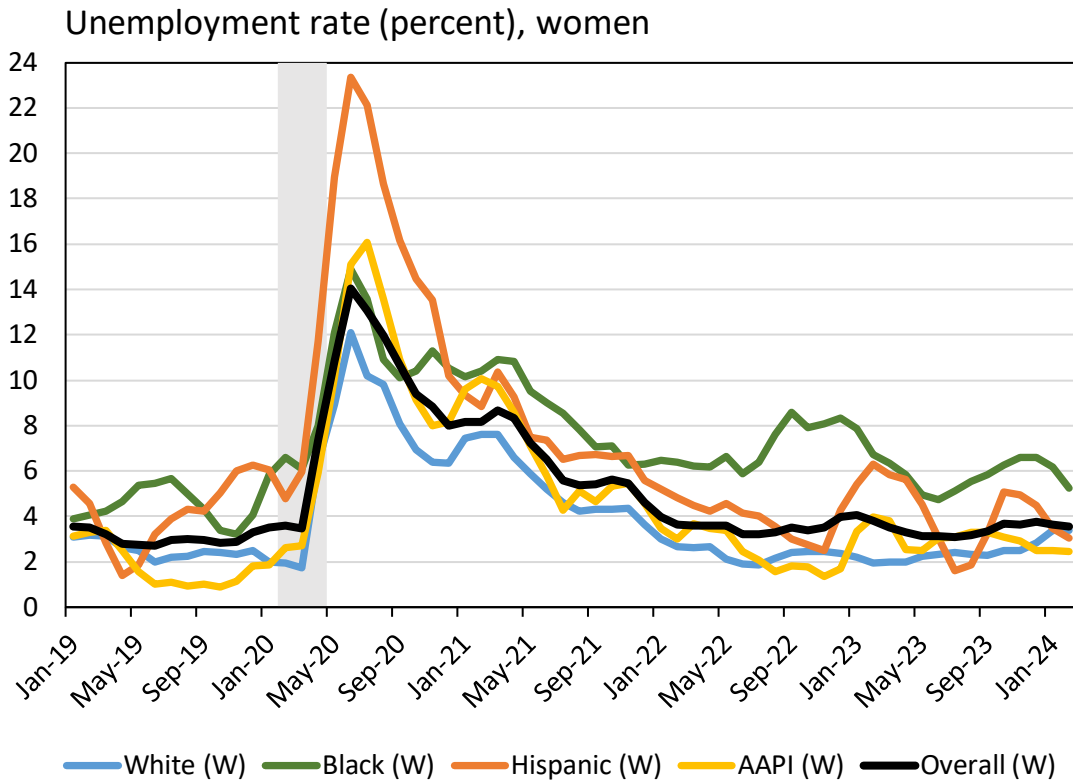
Unemployment Rate by Gender



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Gender employment gap defined as unemployment of women relative to men.

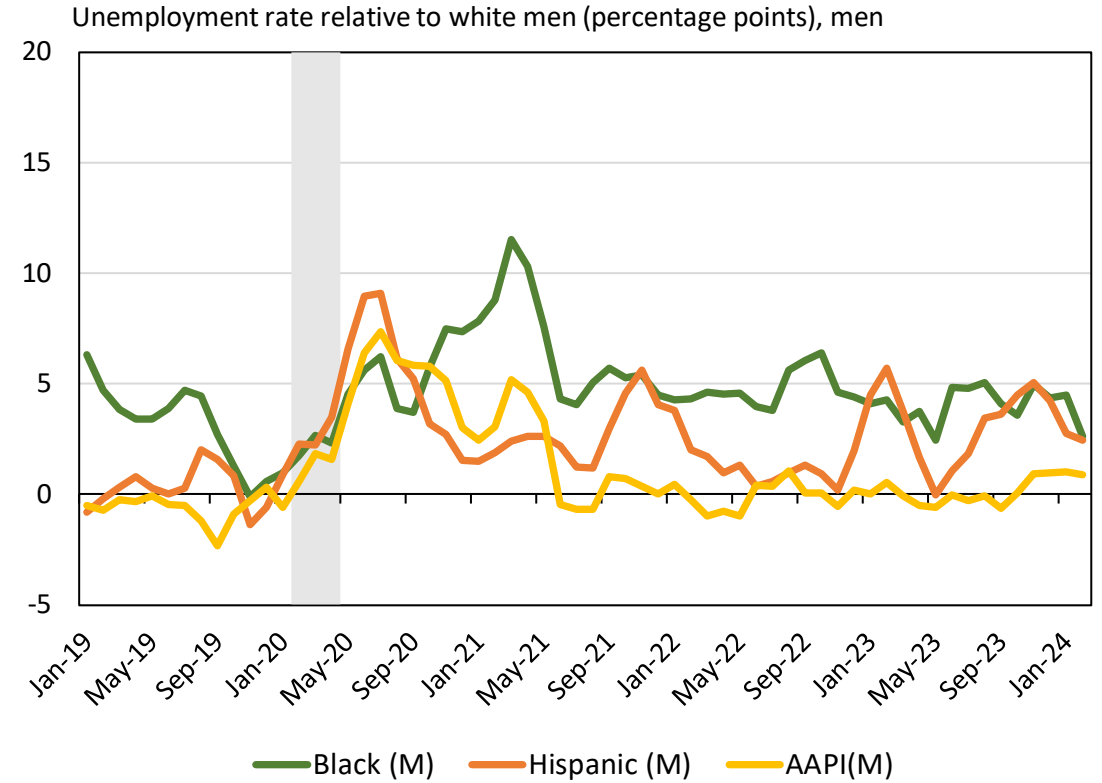
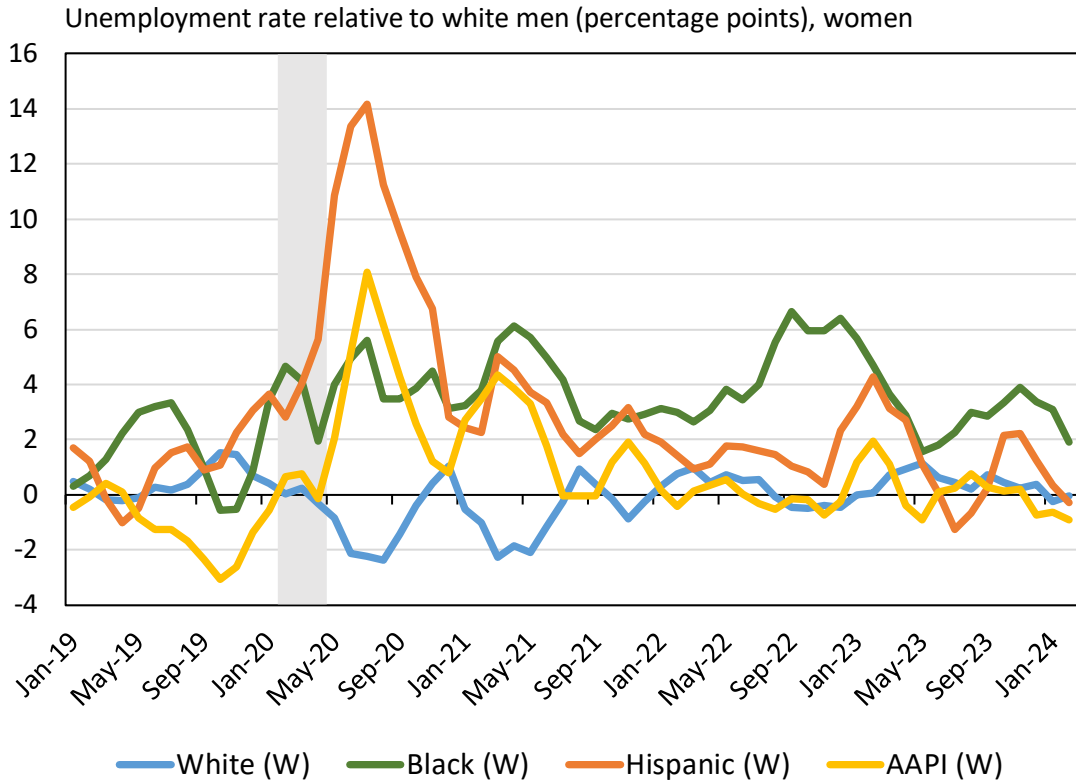
Unemployment Rate by Race x Gender



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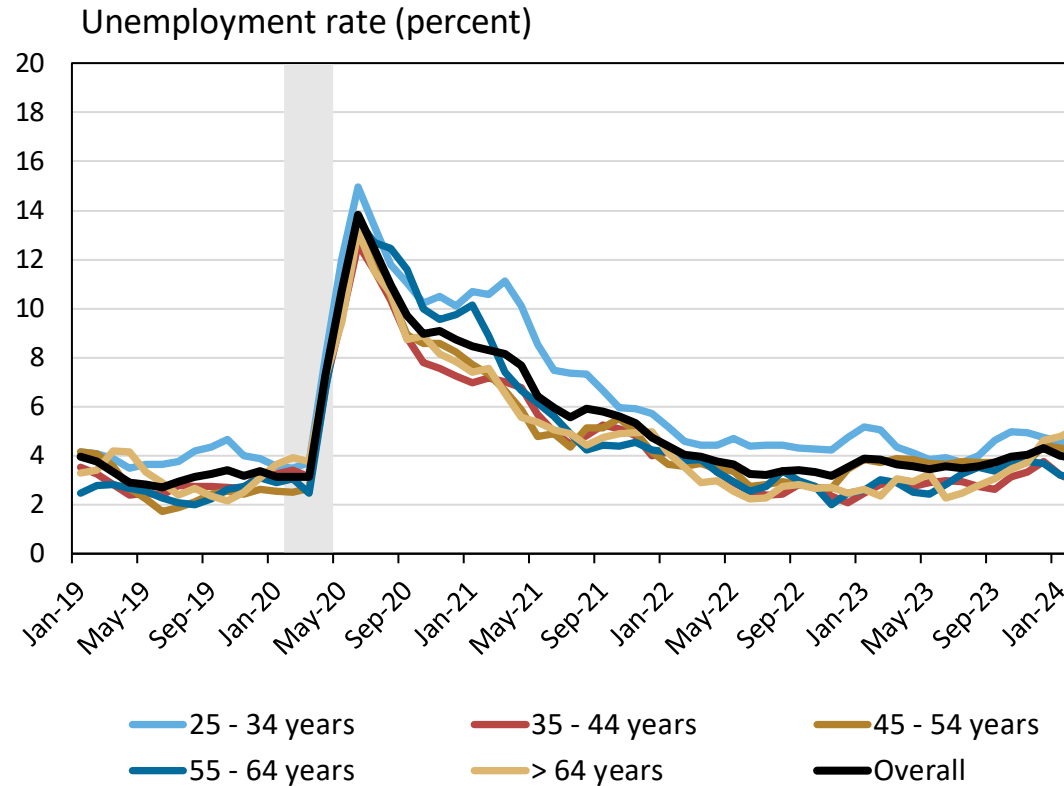
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Unemployment Rate Gaps by Race x Gender



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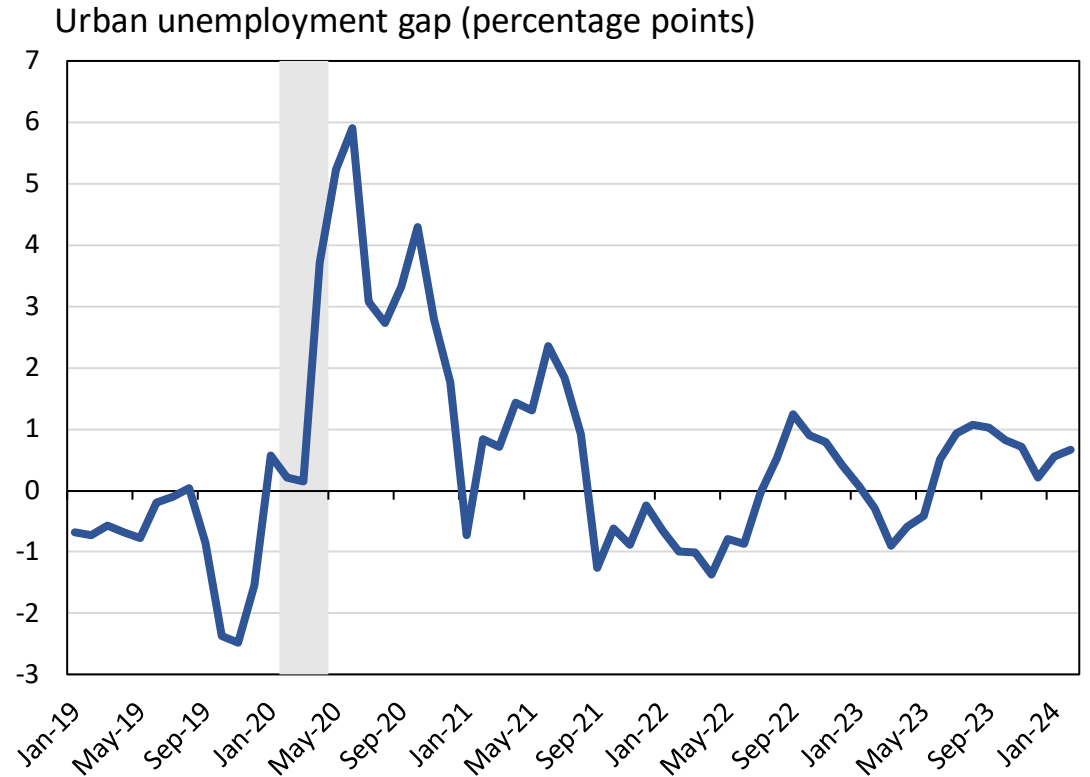
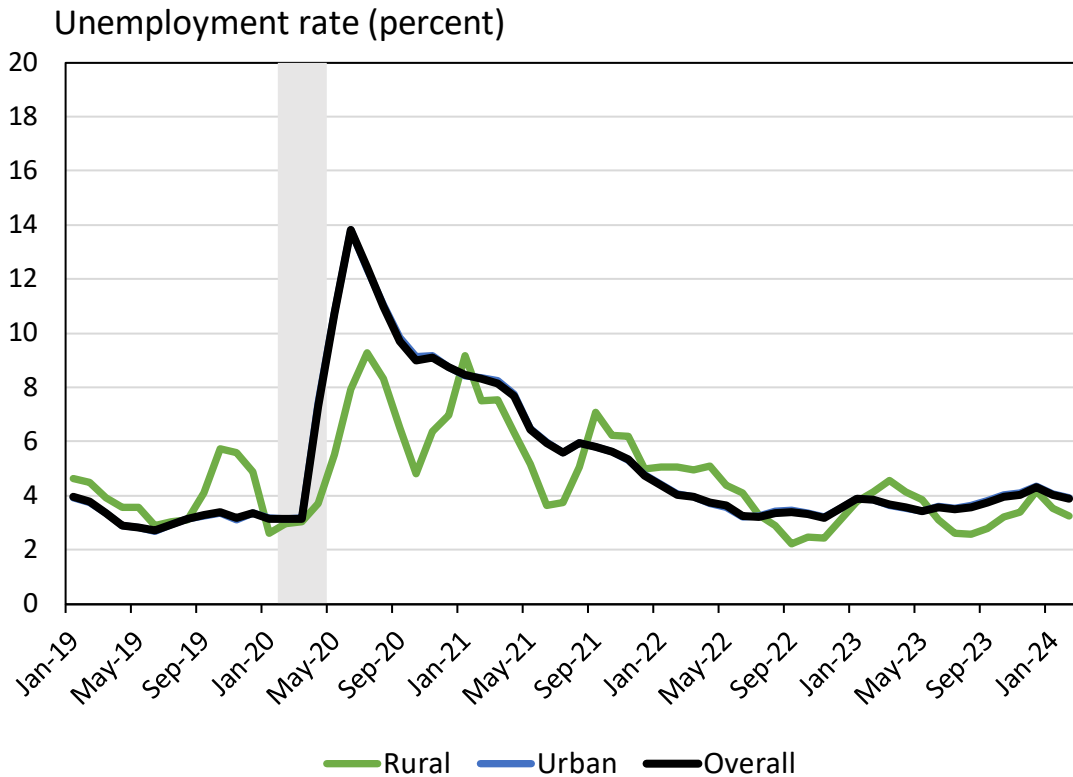
Unemployment Rate Gaps by Age



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Unemployment Rate by Urban Status



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Urban unemployment gap defined as unemployment of urban workers relative to rural workers.



EMPLOYMENT: LABOR FORCE PARTICIPATION

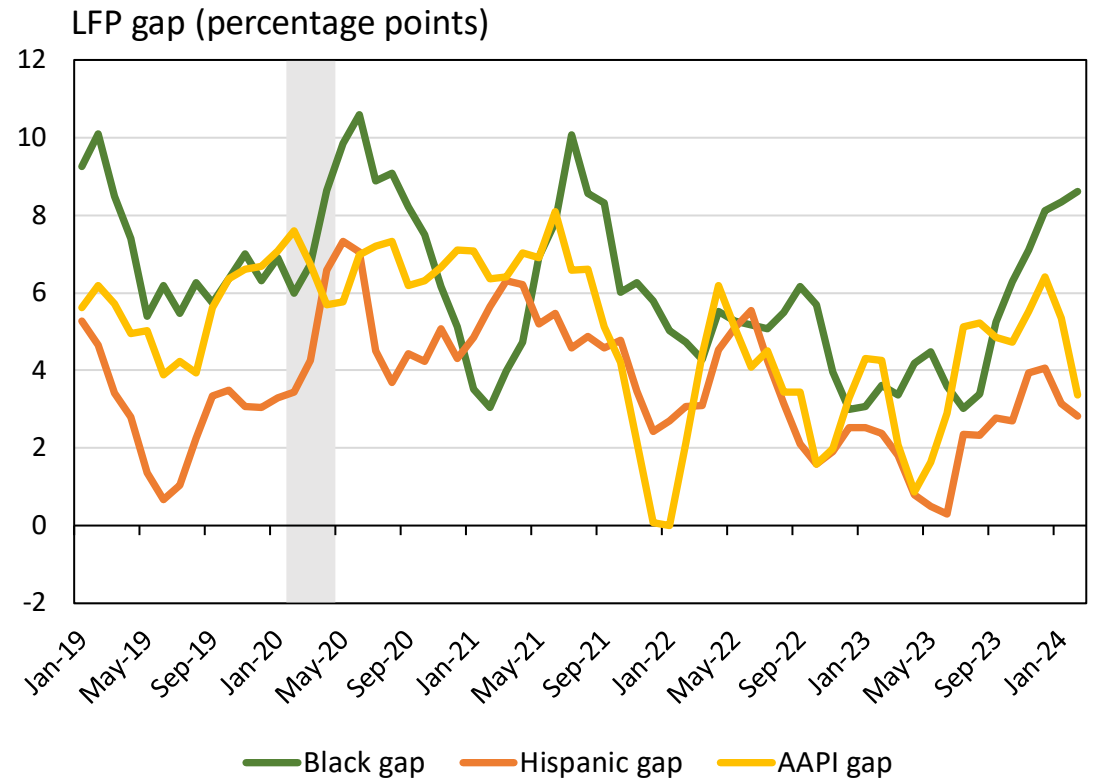
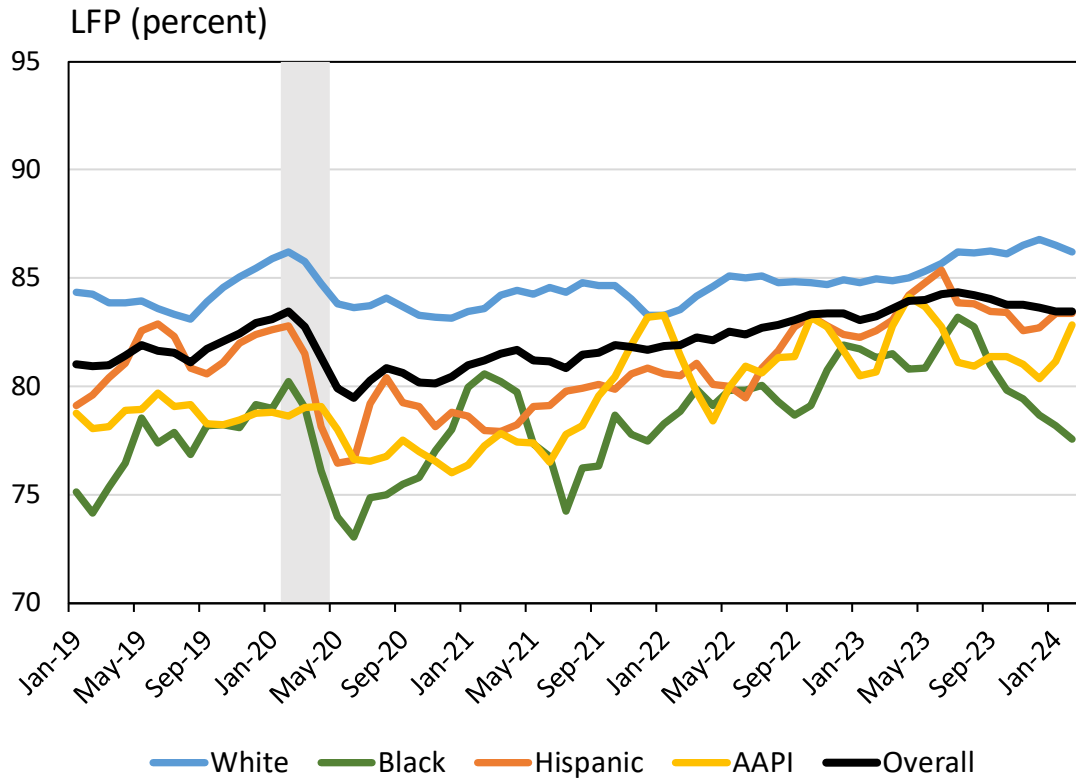
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Takeaways | Labor Force Participation

- The dynamics and heterogeneity in labor force participation (LFP) in the region mirror those of EPOP.
- LFP rates for minorities in the region are now above their pre-pandemic levels (comparing with February 2020), with one exception. The LFP rate of Black workers is falling and is currently below its February 2020 levels.
- Black, Hispanic, and Asian workers have LFPs below the region average, with the LFP of Black workers (and especially Black women workers) having fallen substantially since August 2023.
- The college LFP gap and the gender LFP gap in the region have both risen over the course of the last quarter, but the gender LFP gap (11.96%) is still below its pre-pandemic levels.
- The rural-urban LFP gap is stabilizing in the 4-5% range.

Labor Force Participation by Race/Ethnicity

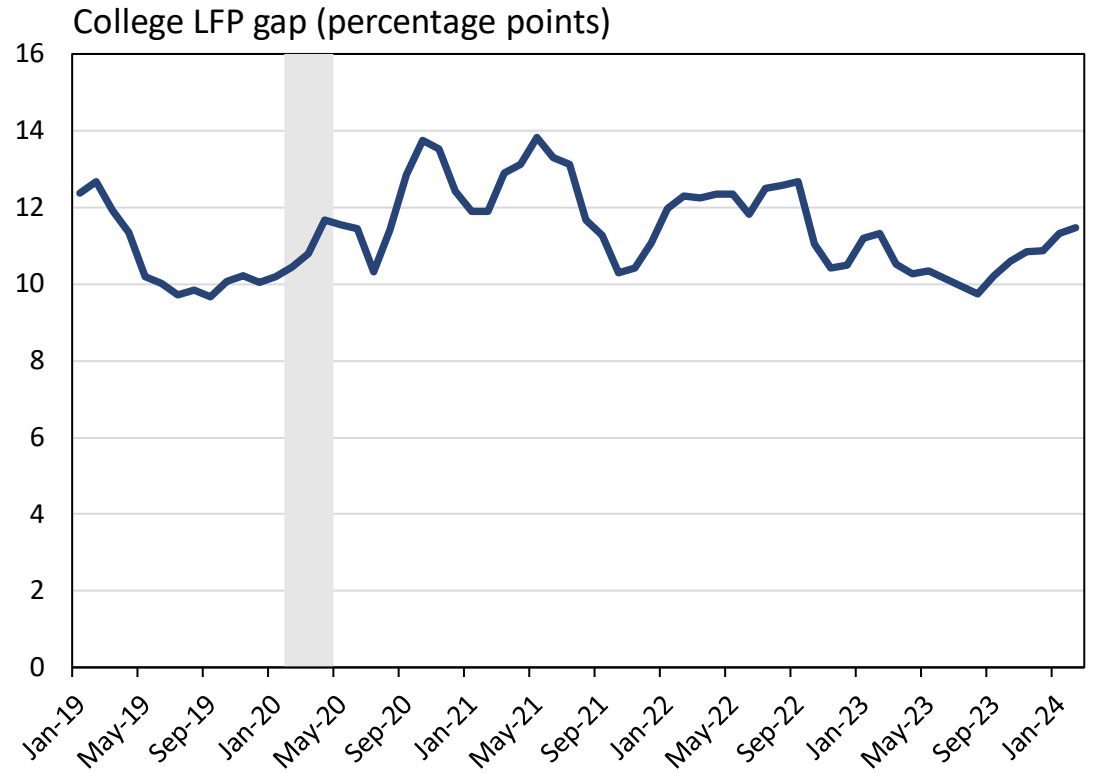
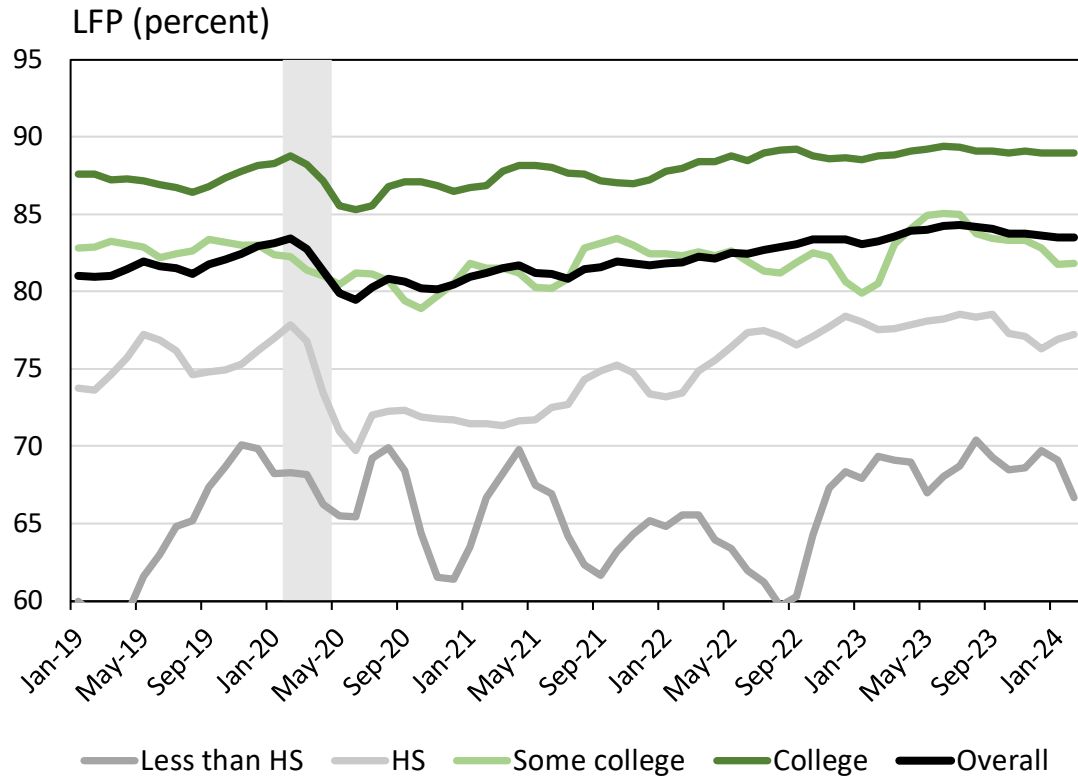


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LFP gap defined relative to white LFP.

Labor Force Participation by Education

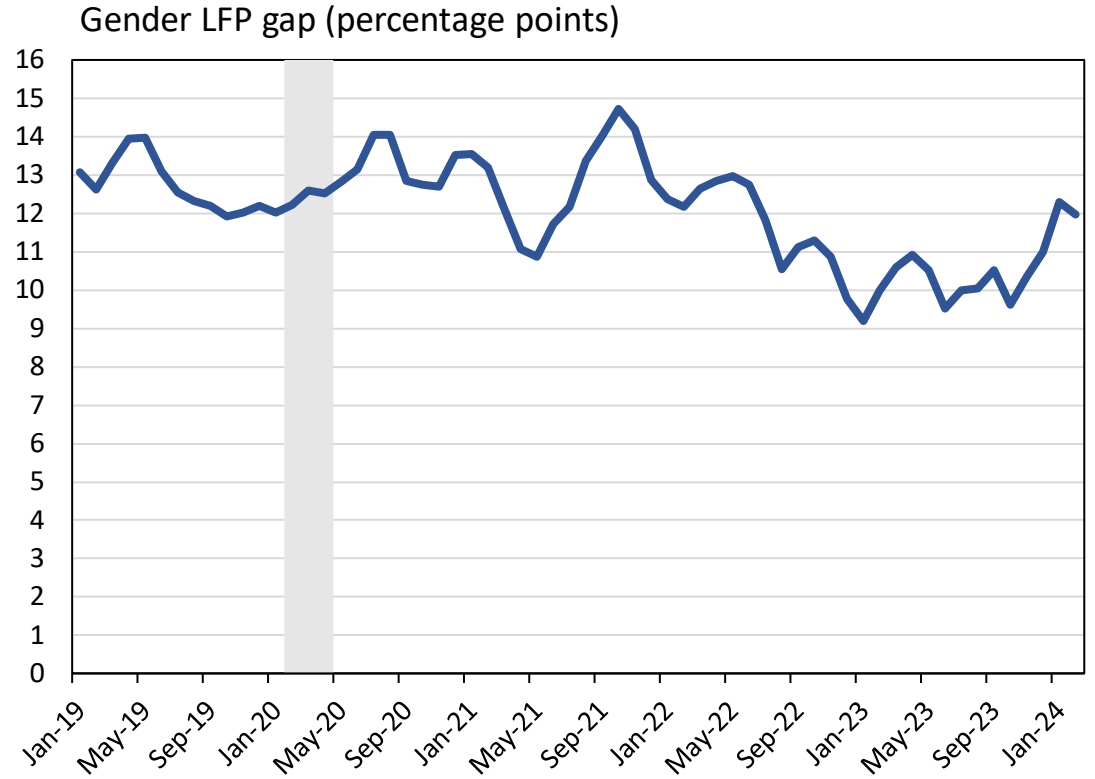
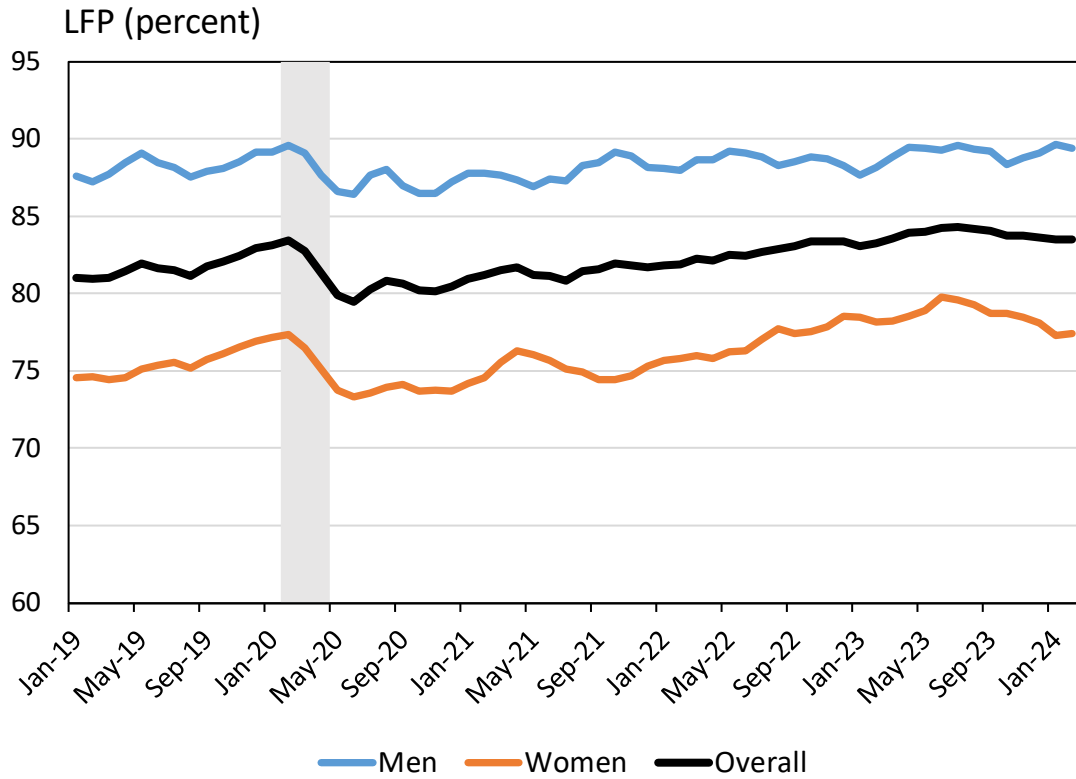


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College LFP gap defined as LFP of college graduates relative to non-graduates.

Labor Force Participation by Gender

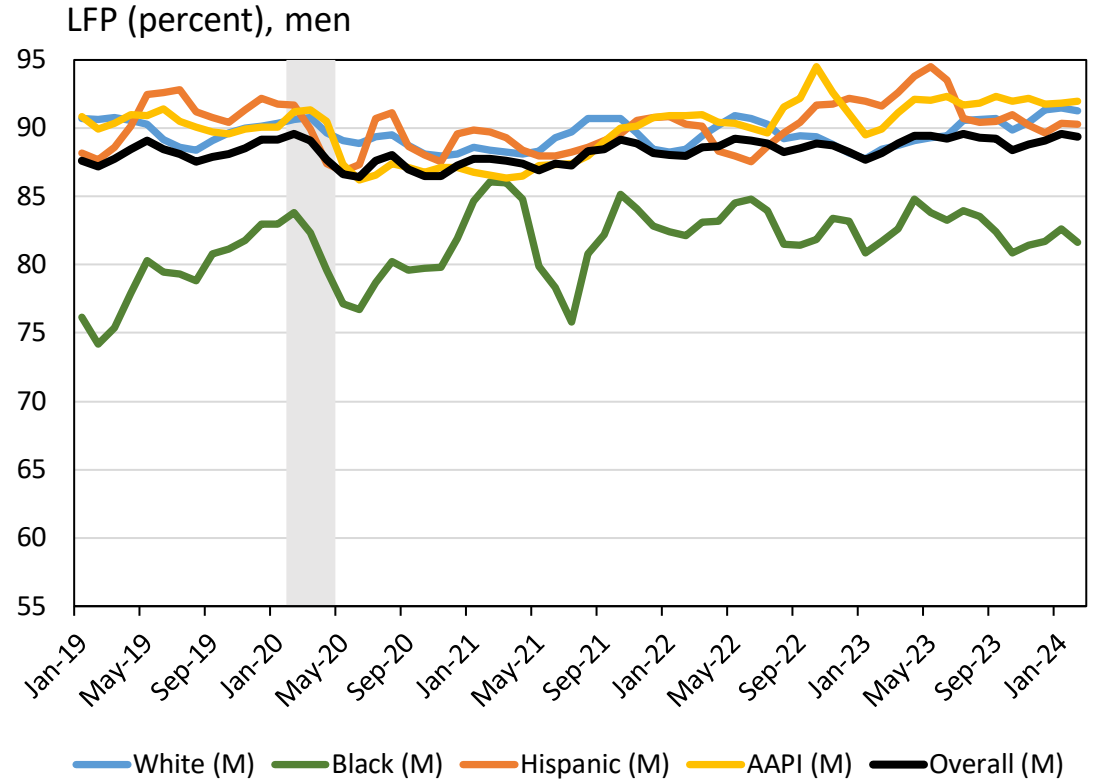
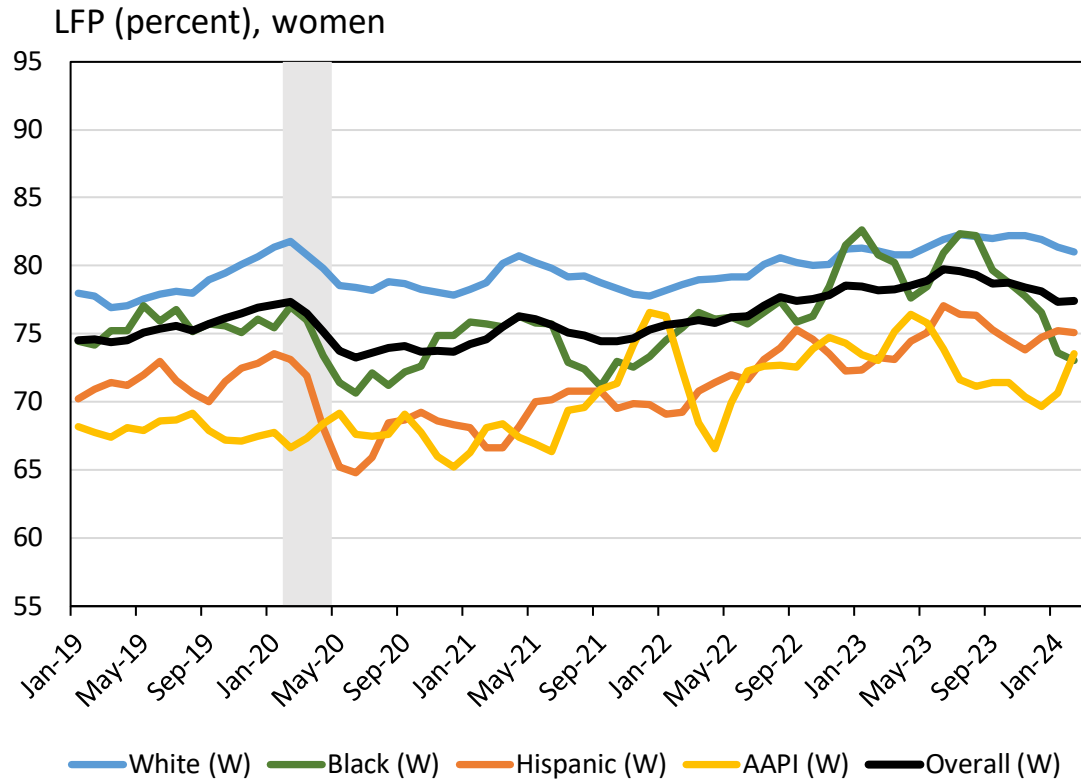


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Gender LFP gap defined as LFP of men relative to women.

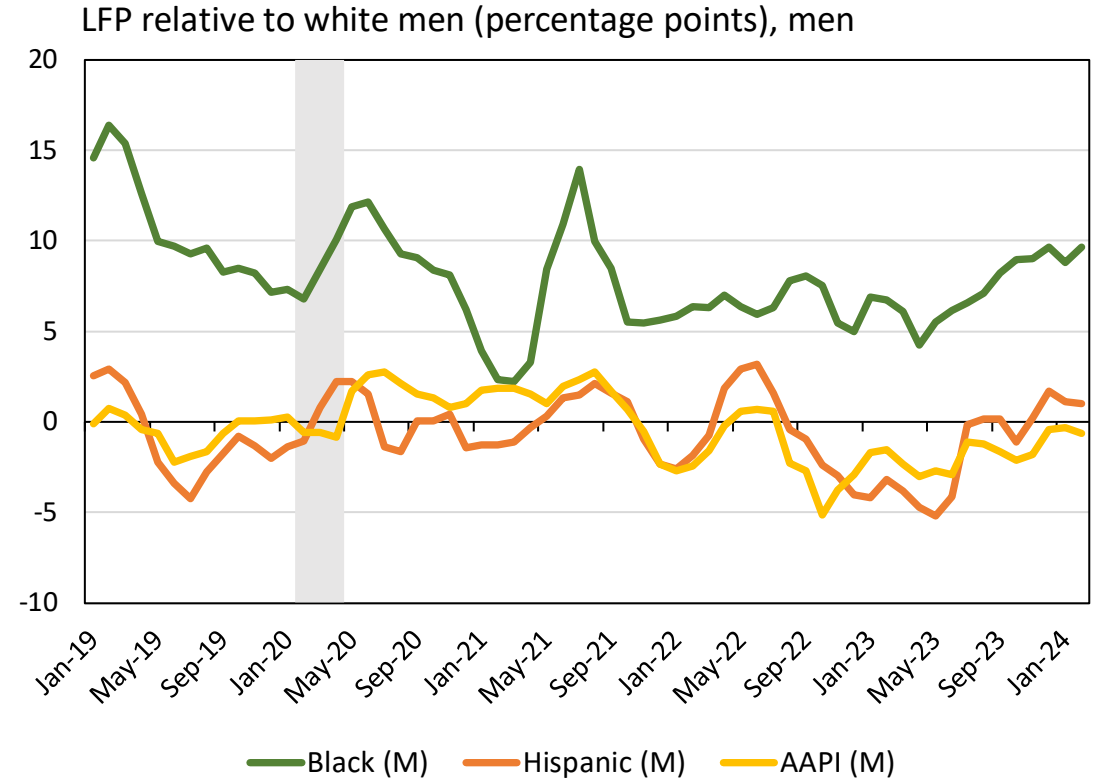
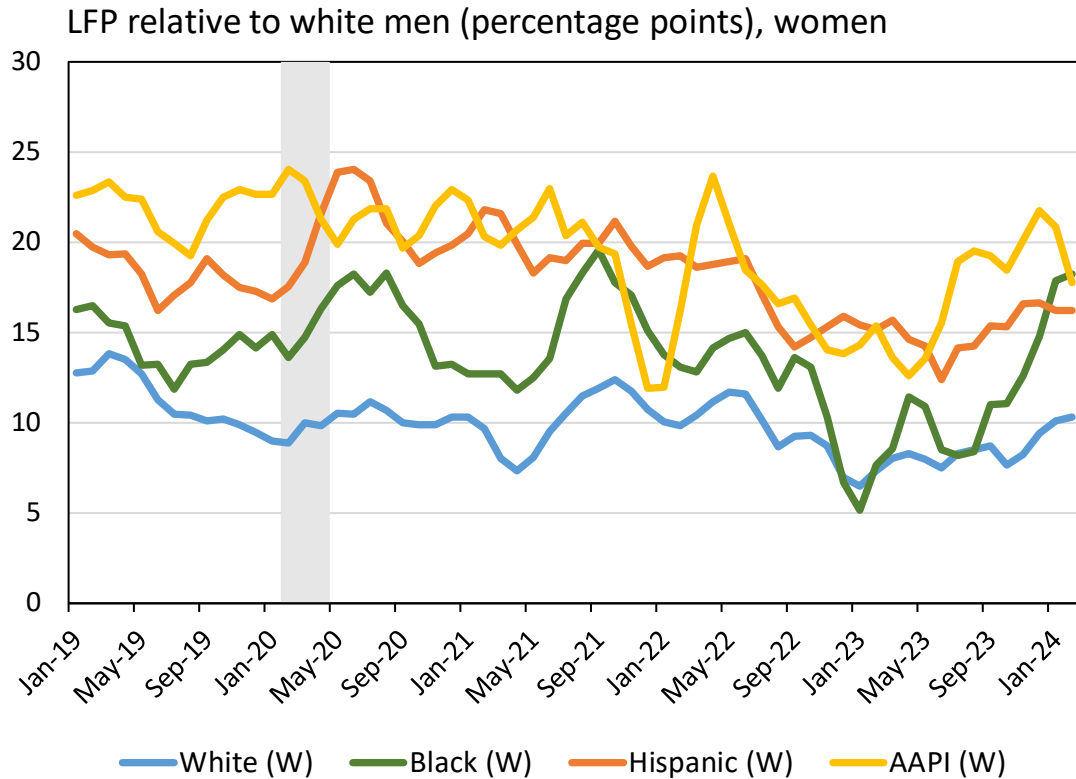
Labor Force Participation by Race x Gender



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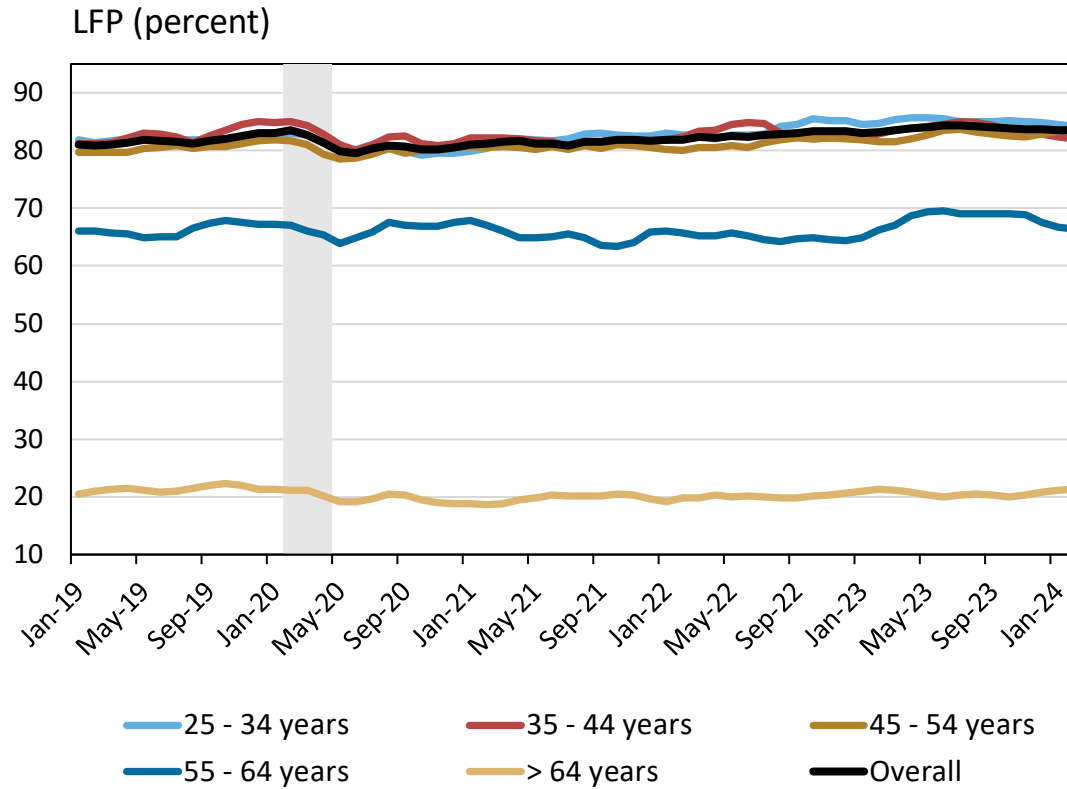
Labor Force Participation Gaps by Race x Gender



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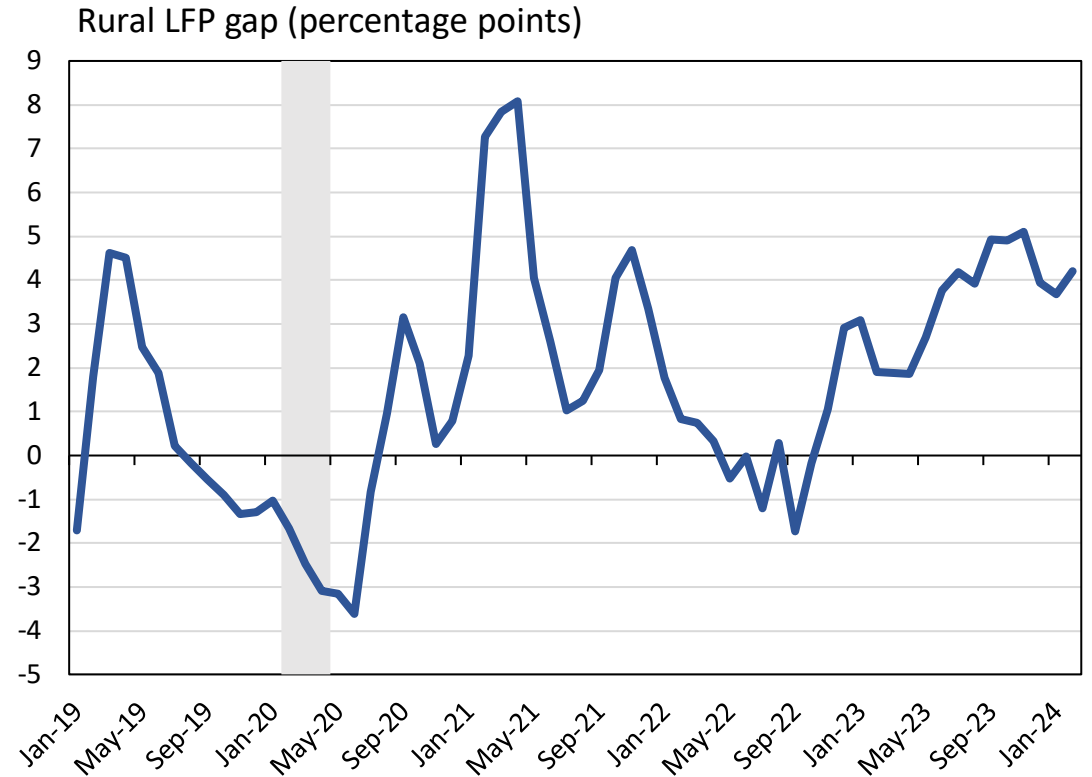
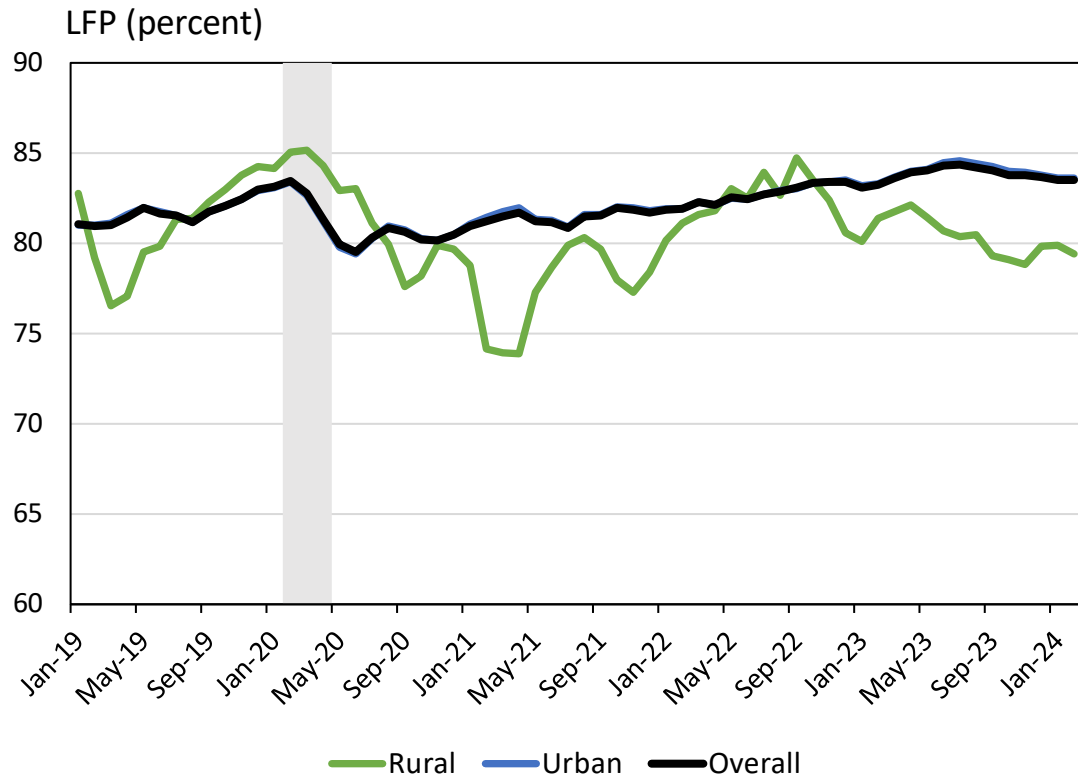
Labor Force Participation by Age



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Labor Force Participation by Urban Status



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Rural LFP gap defined as LFP of urban workers relative to rural workers.