

EMPLOYMENT

UPDATED THROUGH FEBRUARY 2025 | REGIONAL

Raji Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Data & Methods

- Employment is calculated using weighted estimates from the Current Population Survey (CPS).
- Comparable nonveterans are male high school graduates reweighted by age, race, and birthplace to match veterans.
- Gaps are defined as the percentage point difference in employment, labor force participation, and unemployment rate between different groups.
- The gender gap is defined as the outcome for men minus the outcome for women.
- The racial gaps are defined as the outcome for white workers minus the outcome for the given race or ethnicity.
- The college gap is the outcome for workers with a bachelor's degree minus the outcome for workers without one.
- 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.



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

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Takeaways | EPOP

- The employment-to-population ratio (EPOP) in the region is following many of the trends observed in the nation. In particular, EPOP stands at 80.3%, slightly lower than in February 2020 (80.8%).
- As in the nation, employment gaps are largest for Black workers, followed by Hispanic and AAPI workers. These all rose in the pandemic and have since declined to roughly pre-pandemic levels. In particular, the Black-white employment gap has been rising since September 2024 and stands at 7.7 percentage points in February 2025, higher than the nationwide Black-white gap, but close to its regional pre-pandemic level.
- The gender employment gap has fluctuated slightly above 9 percentage points in the past quarter, while the college employment gap has returned to its long-run level at about 12.7 percentage points in February 2025, from a high of 15.3 percentage points in November 2024.

Gaps and all other relevant definitions can be found on the data and methods slide.

Full Report Highlights

- **INFLATION**

Inflation rates have converged across groups with different incomes, ages, and education levels. This is in part because of rising inflation in a variety of important consumption categories in the region.

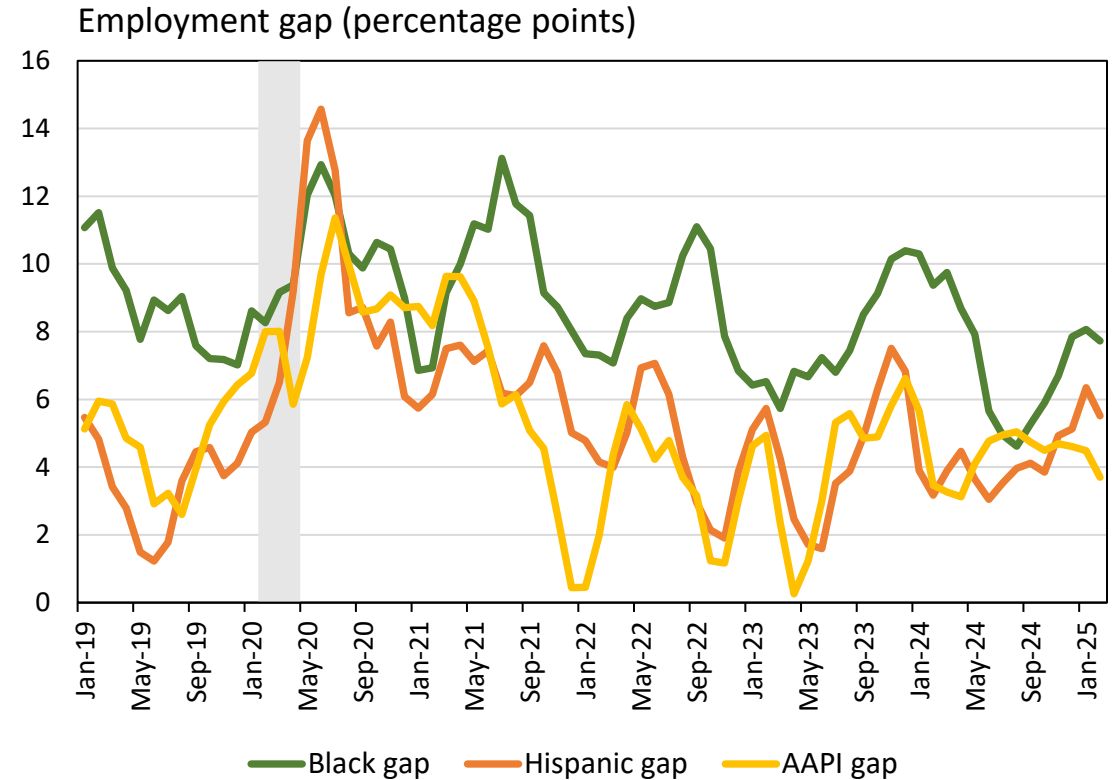
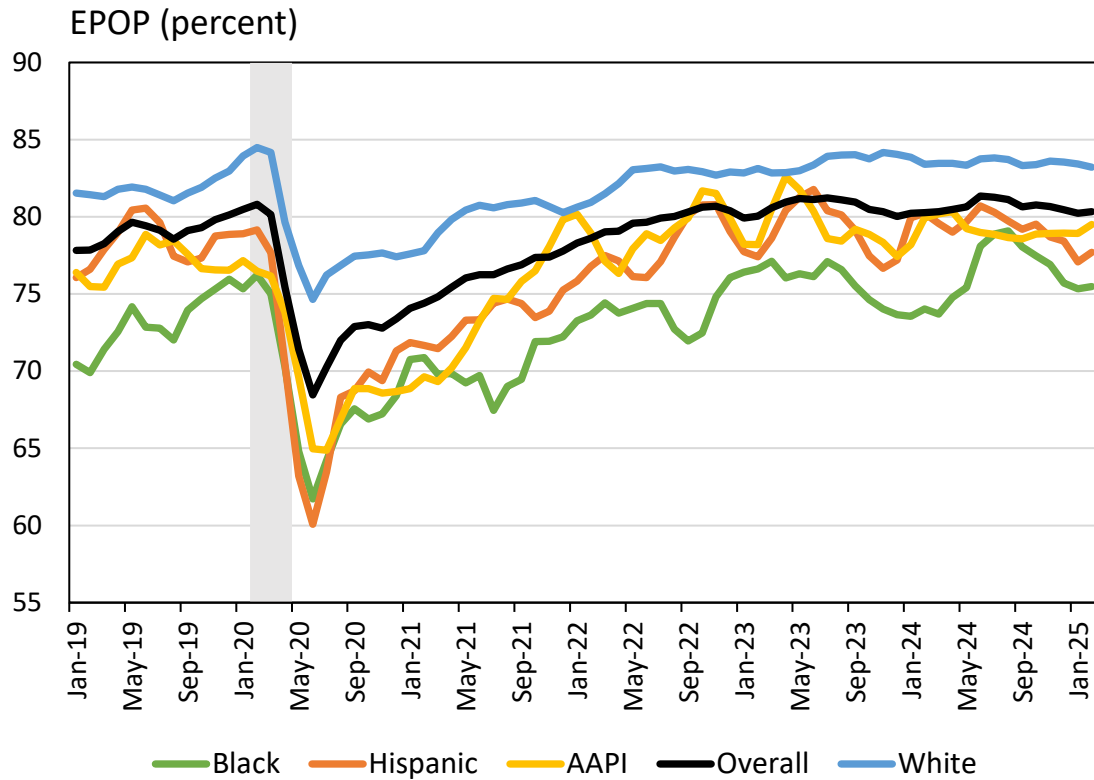
- **EARNINGS**

Average real earnings are higher in the region compared to the national average. Real earnings gaps across racial and ethnic groups, educational groups, and between men and women have remained in their long-run ranges, though the gender earnings gap is slowly shrinking over time.

- **EMPLOYMENT**

Labor market gaps have declined in the region at rates similar to those of the nation as a whole. In particular, the gender gap in the region has declined faster and fallen lower than the national gender gap.

EPOP by Race/Ethnicity

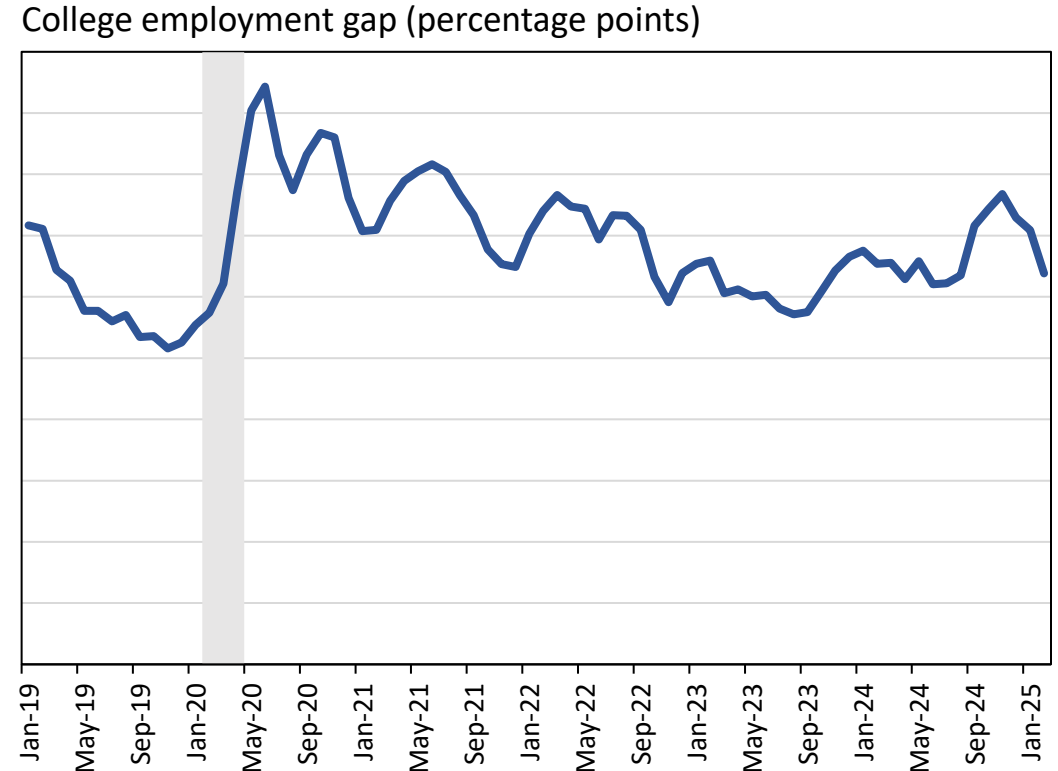
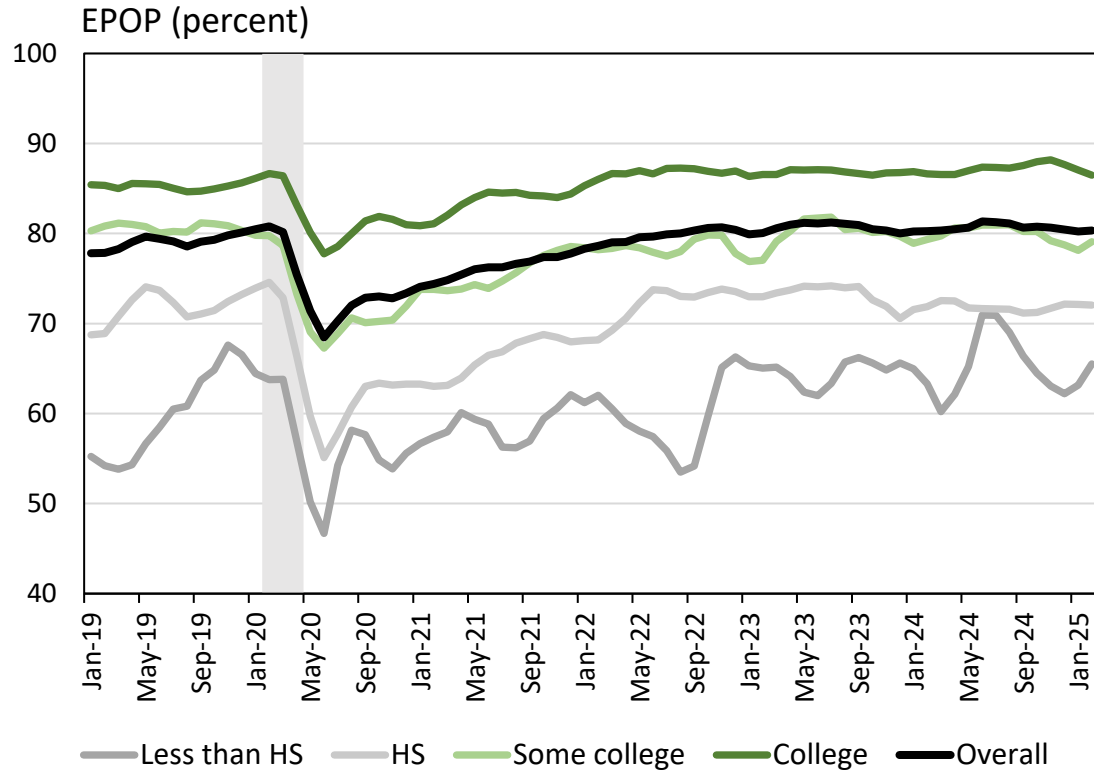


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

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 U.S. Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

The racial gaps are defined as the employment of white workers minus the employment of the given race or ethnicity.

EPOP by Education

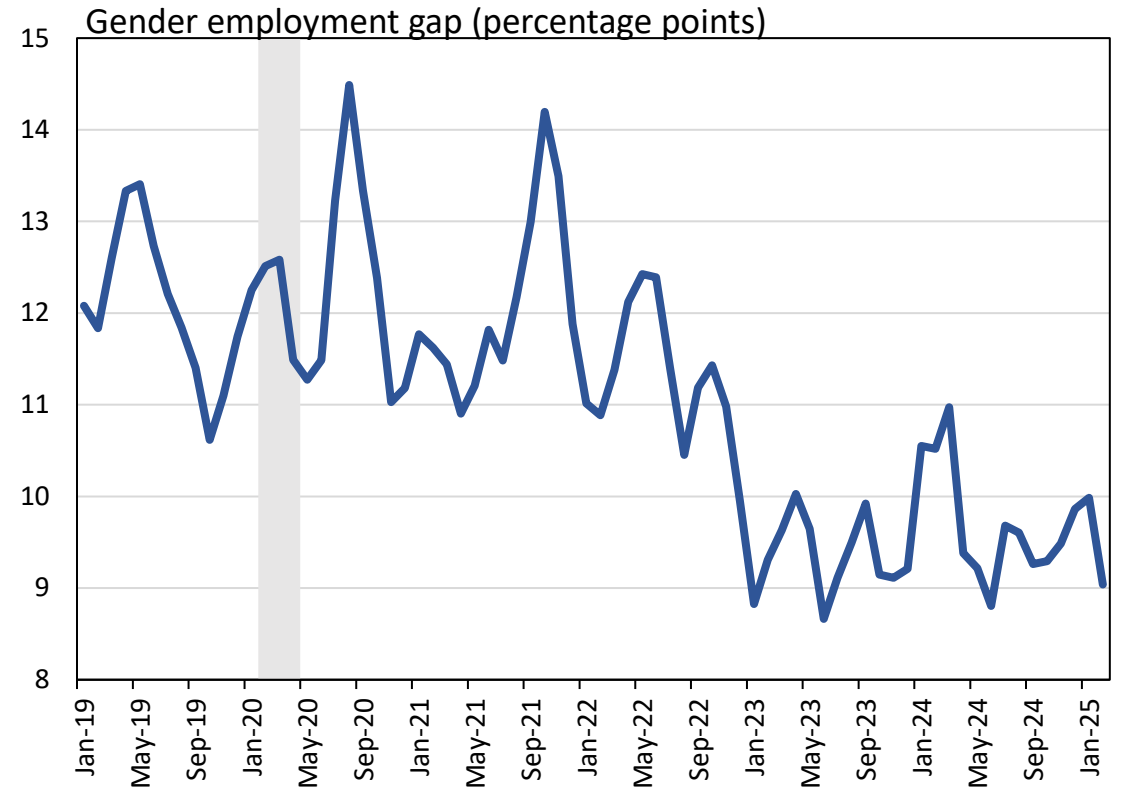
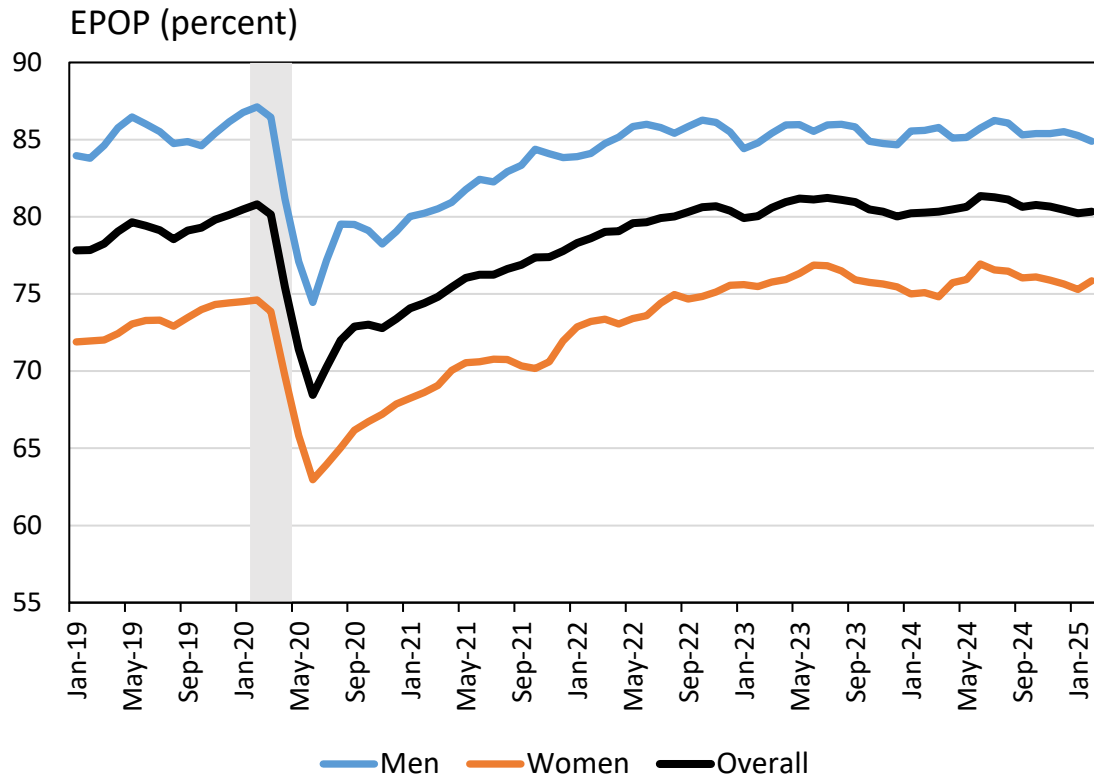


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The college gap is the employment of workers with a bachelor's degree minus the employment of workers without one.

EPOP by Gender



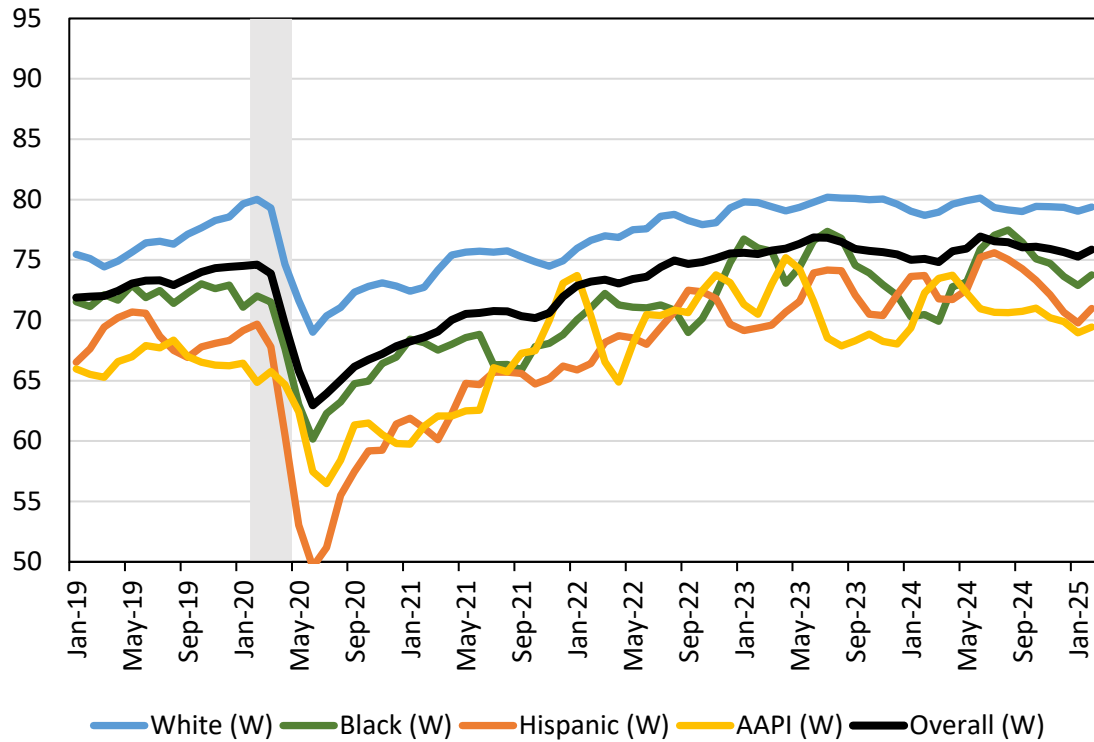
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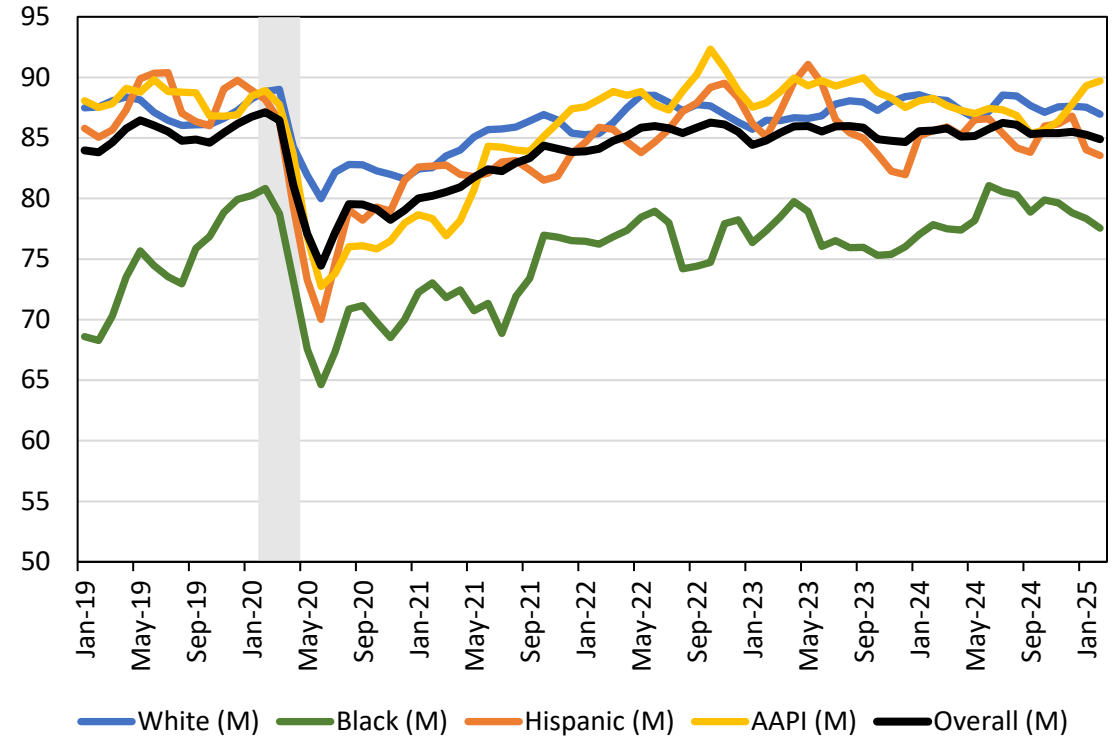
The gender gap is defined as the employment of men minus the employment of women.

EPOP by Race x Gender

EPOP (percent), women



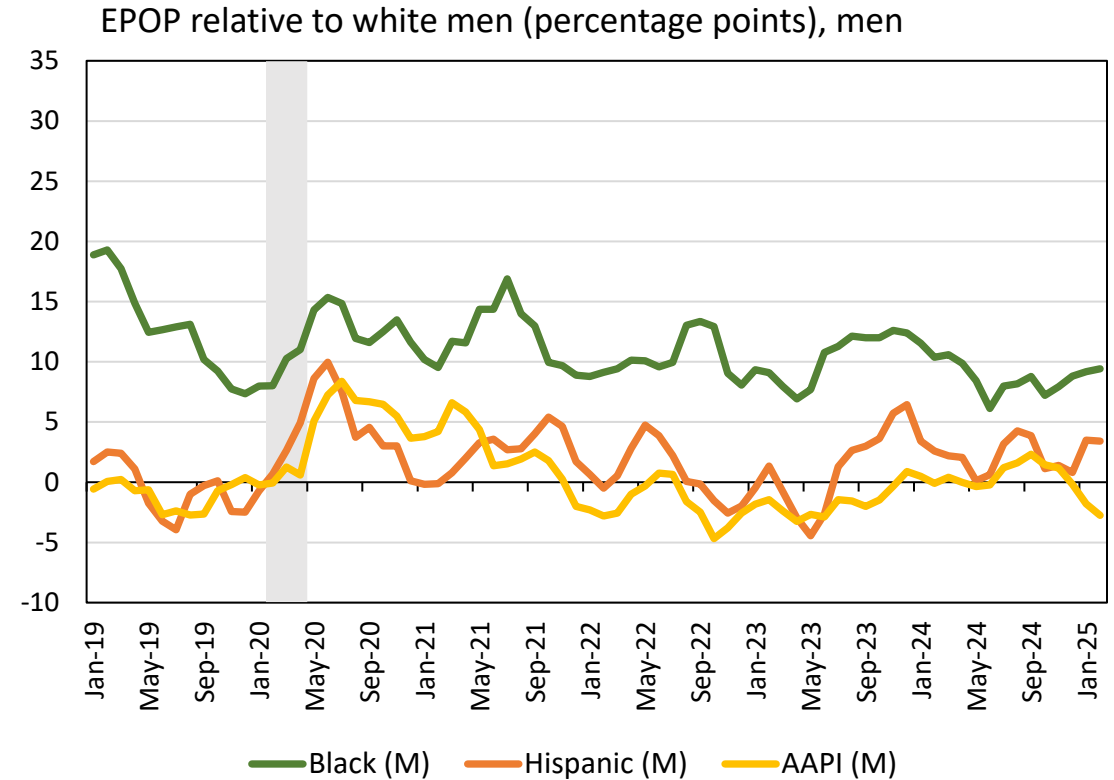
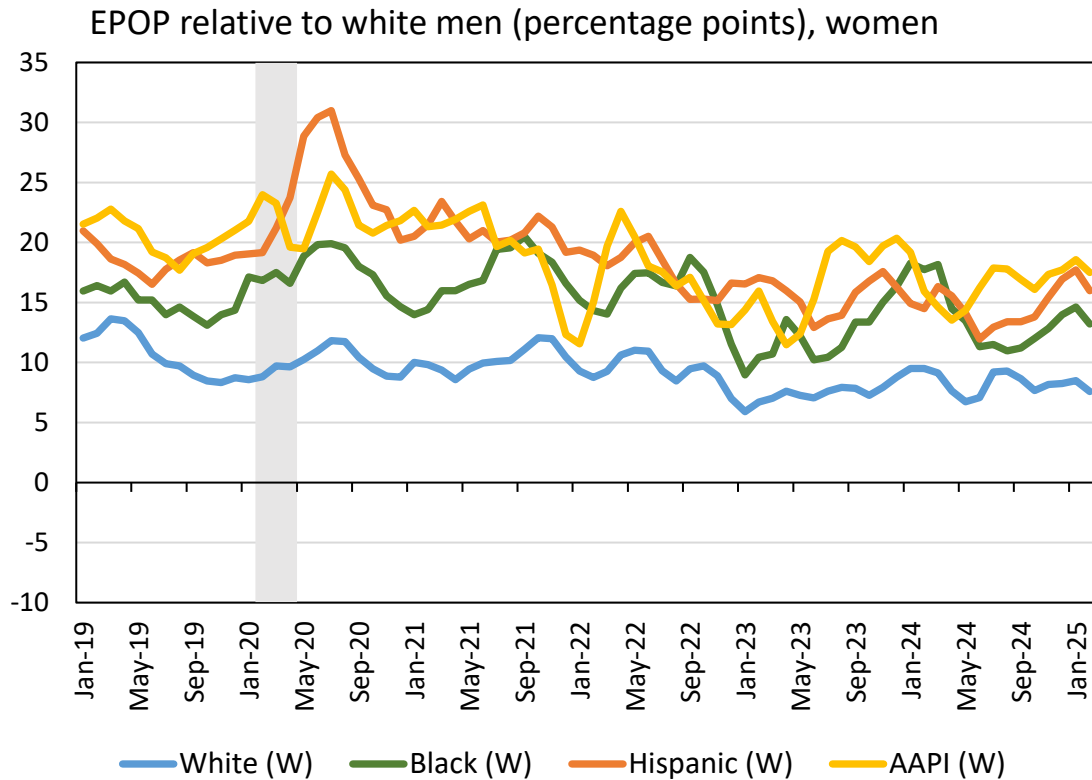
EPOP (percent), men



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

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EPOP Gaps by Race x Gender

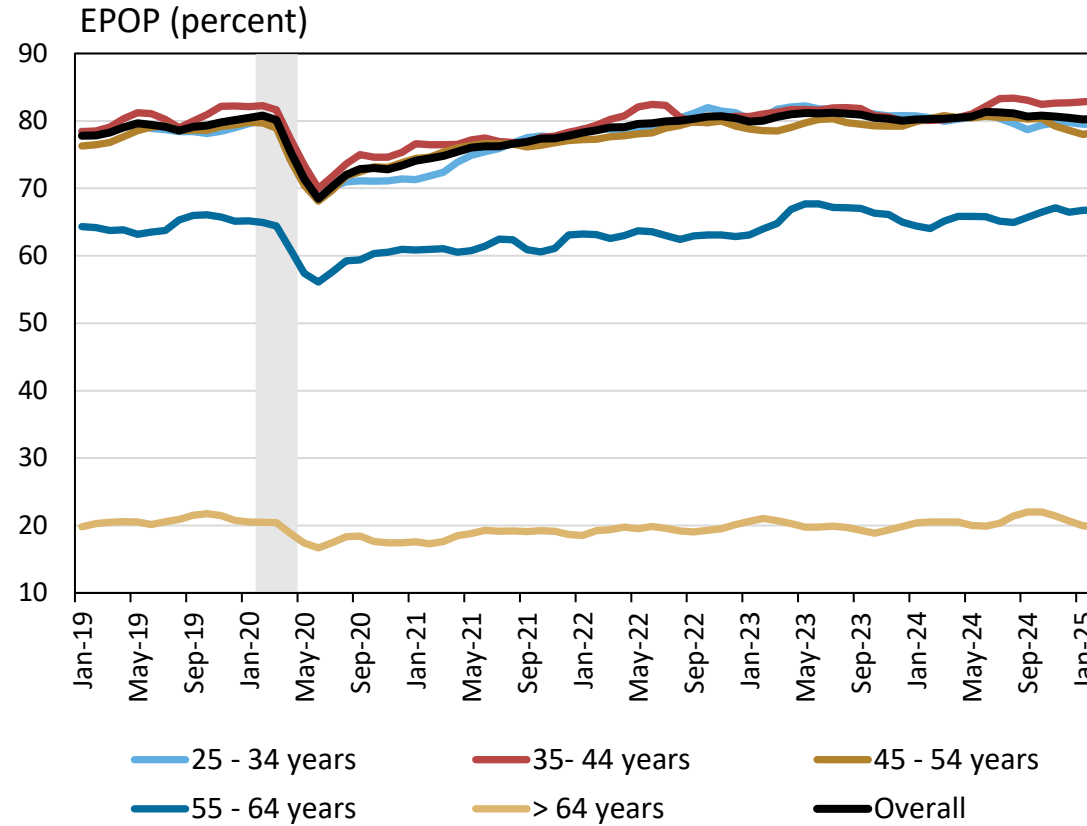


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The race by gender gap is defined as the employment of white men minus the employment of women or men of the given race or ethnicity.

EPOP by Age



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

Notes: Overall line uses prime-age (25-54) sample. Shaded region indicates the COVID-19 recession. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the U.S. Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.



EMPLOYMENT: UNEMPLOYMENT RATE

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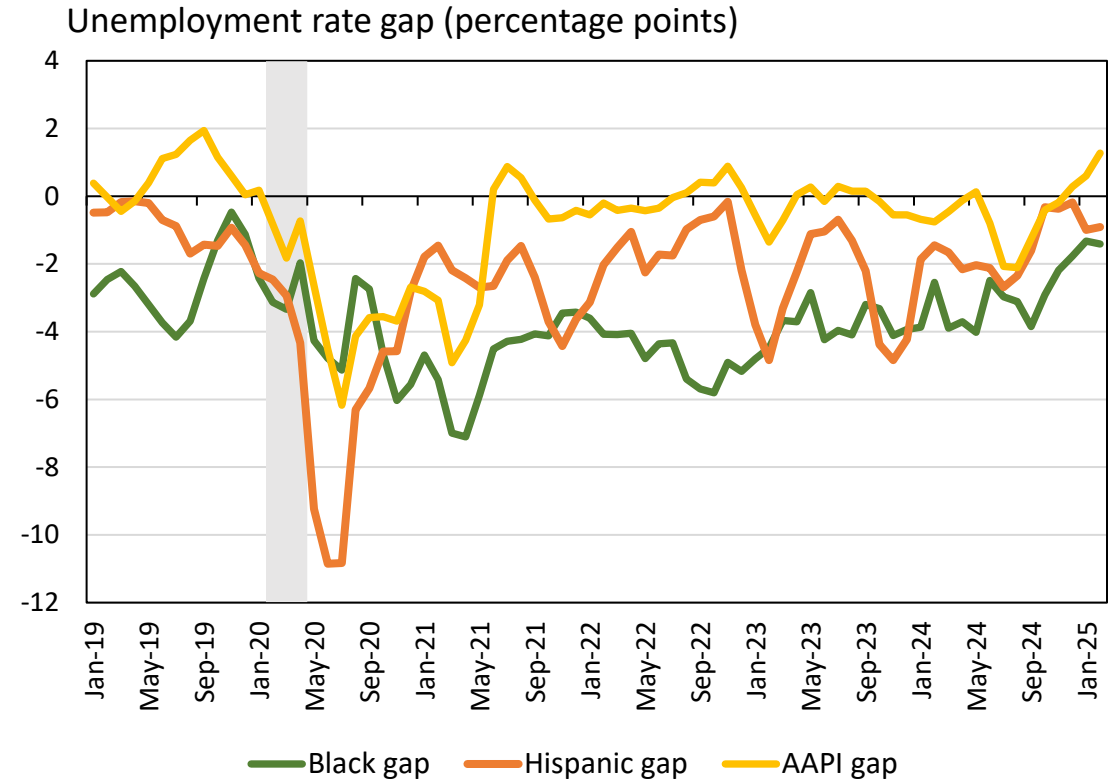
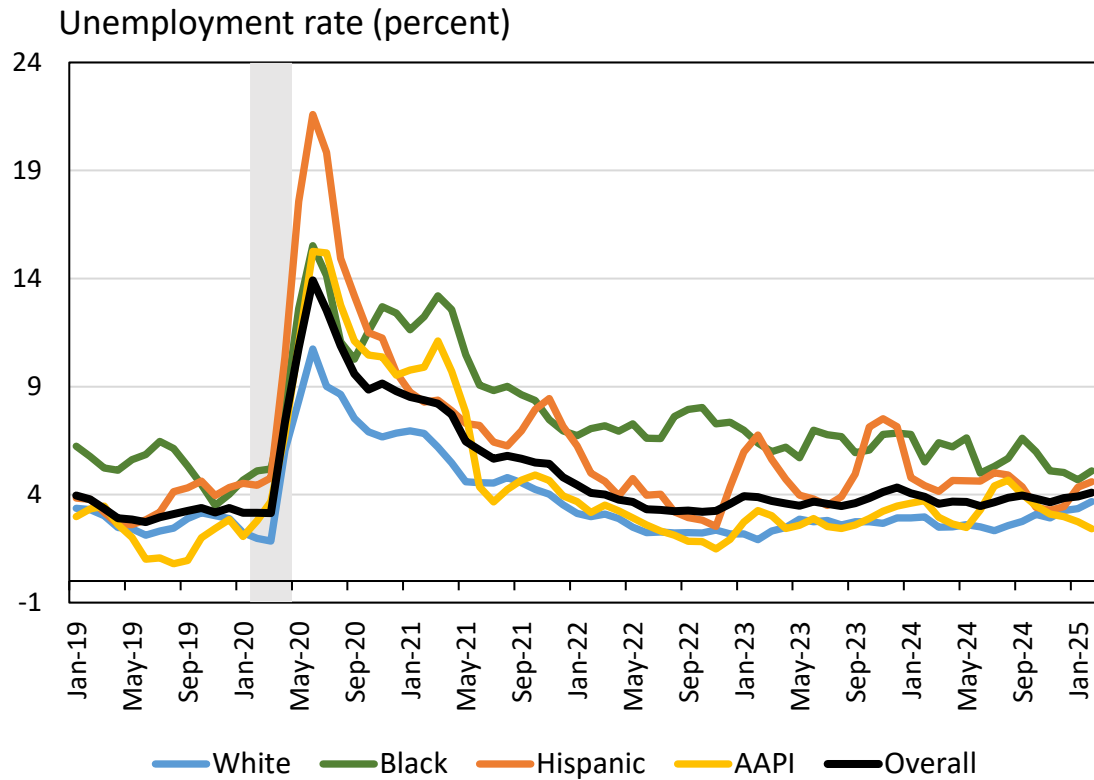
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Takeaways | Unemployment Rate

- 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.
- Unemployment rates in the region are highest for Black workers and workers without a college degree.
- The college unemployment gap peaked at 11 percentage points during the pandemic in the region (compared to 7 percentage points in the nation) but has returned to a similar level to the nationwide gap (less than 2 percentage points).

Gaps and all other relevant definitions can be found on the data and methods slide.

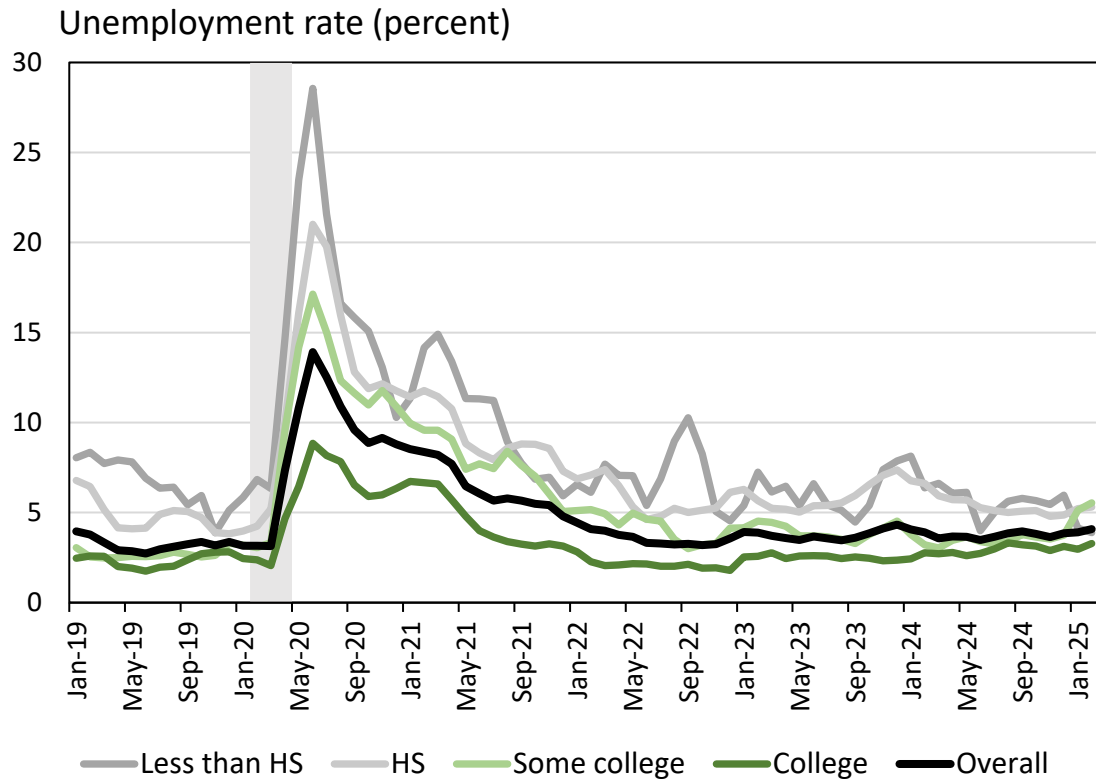
Unemployment Rate by Race/Ethnicity



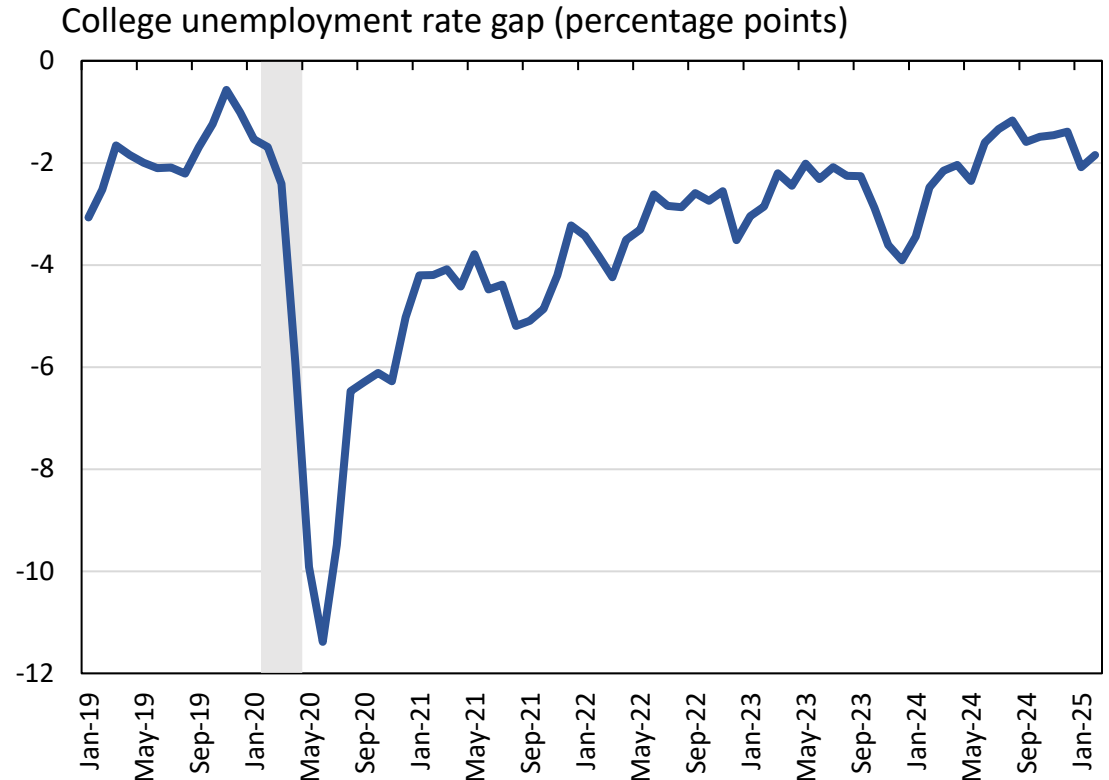
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The racial gaps are defined as the unemployment rate of white workers minus the unemployment rate of the given race or ethnicity.

Unemployment Rate by Education

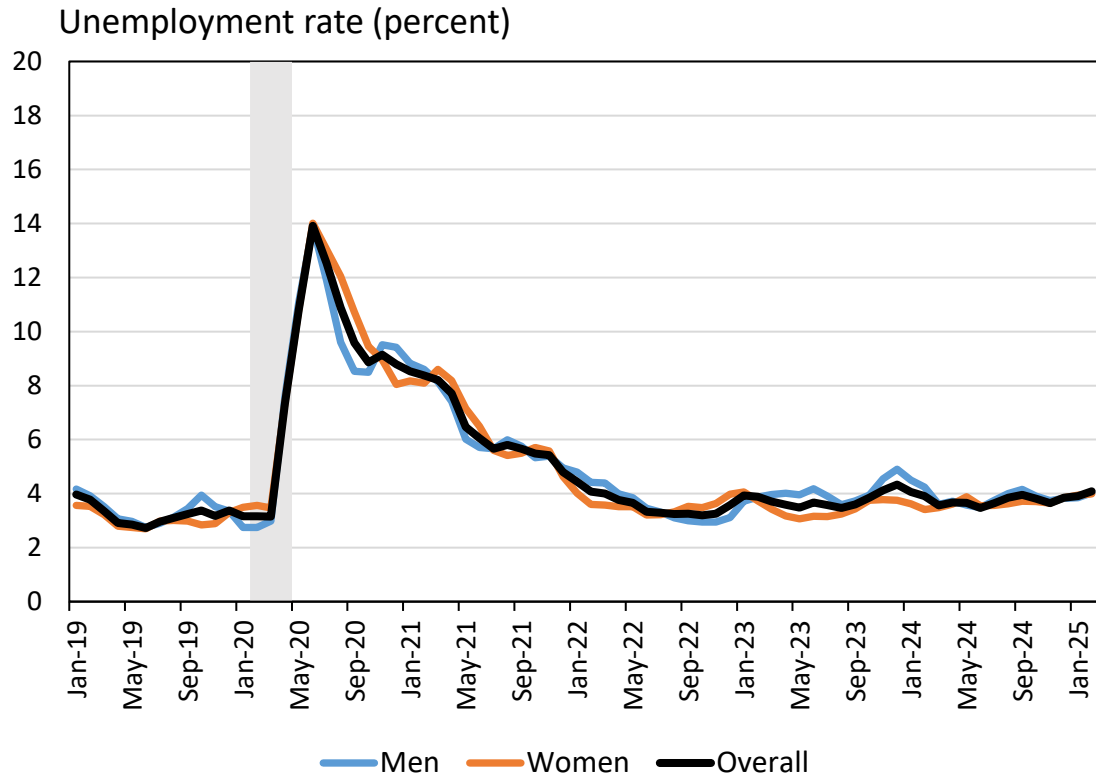


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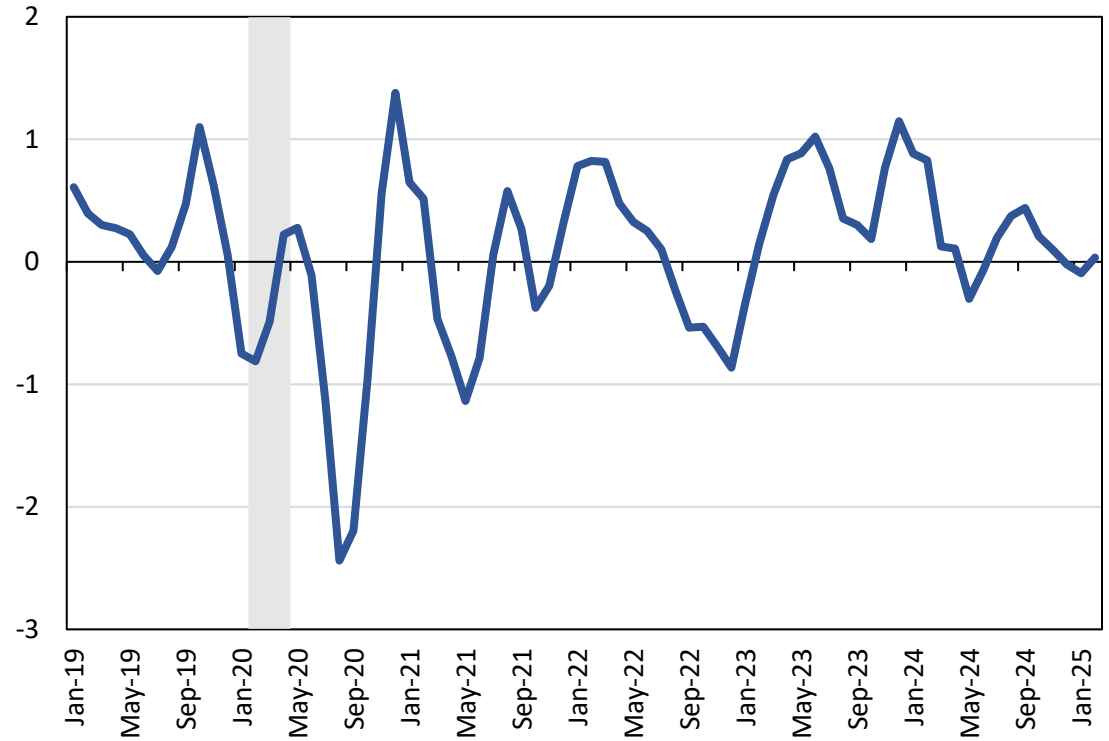


The college gap is the unemployment rate of workers with a bachelor's degree minus the unemployment rate of workers without one.

Unemployment Rate by Gender



Gender unemployment rate gap (percentage points)

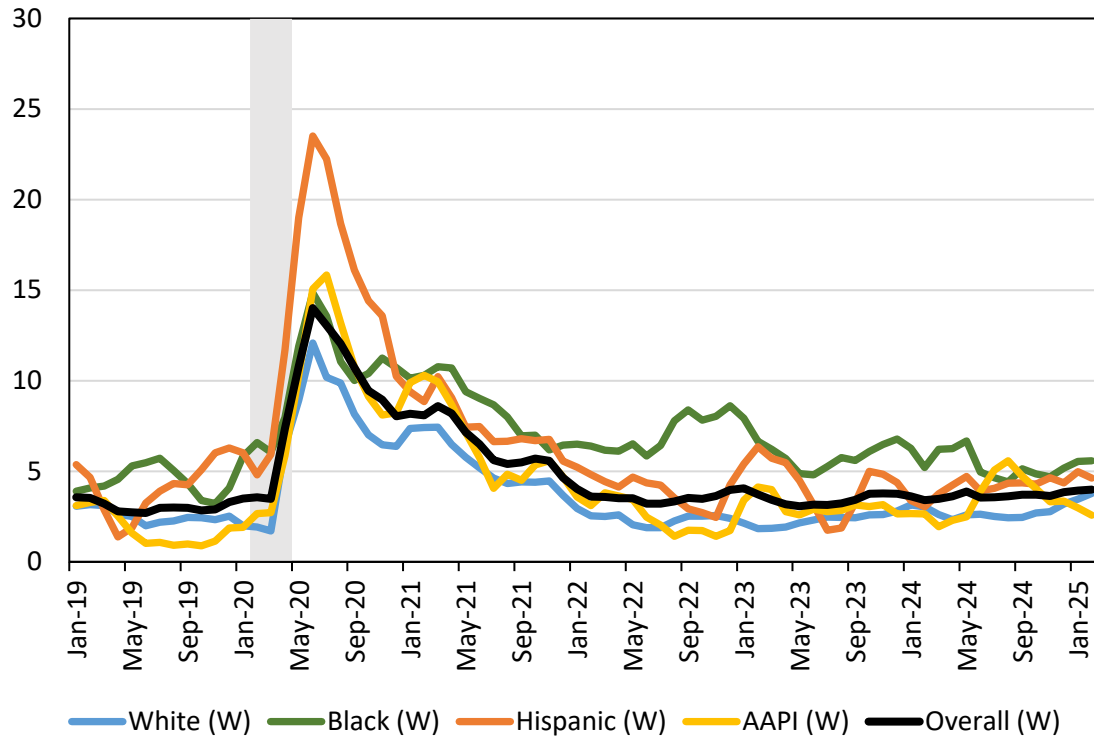


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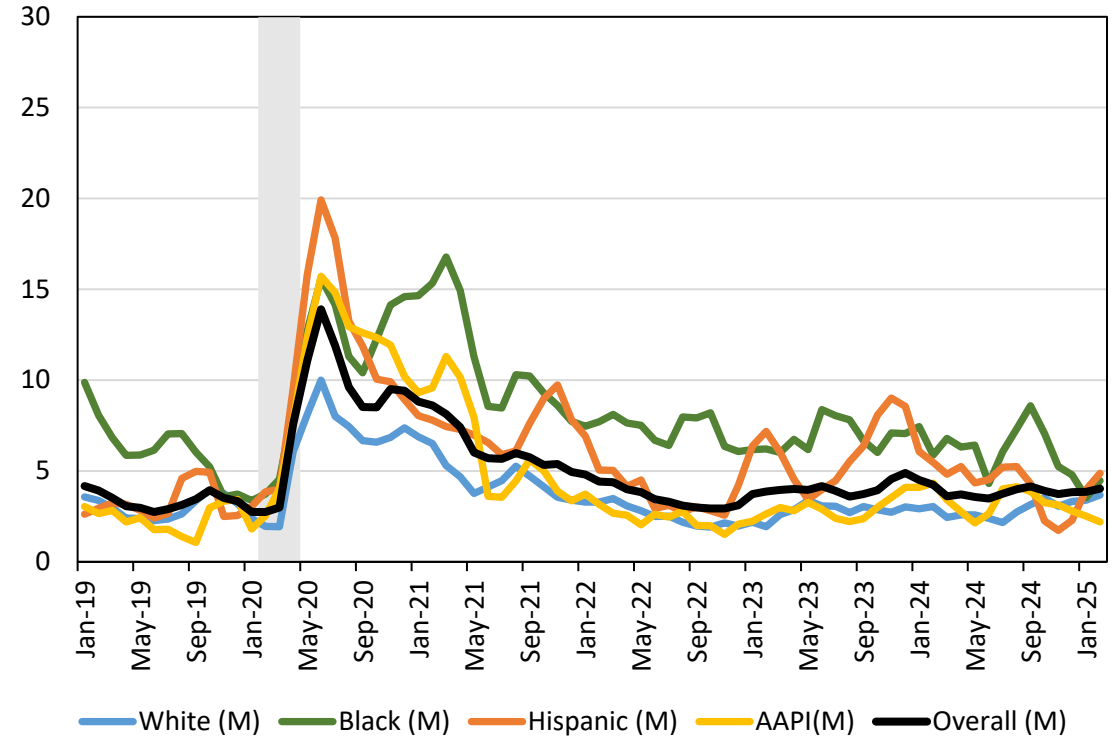
The gender gap is defined as the unemployment rate of men minus the unemployment rate of women.

Unemployment Rate by Race x Gender

Unemployment rate (percent), women

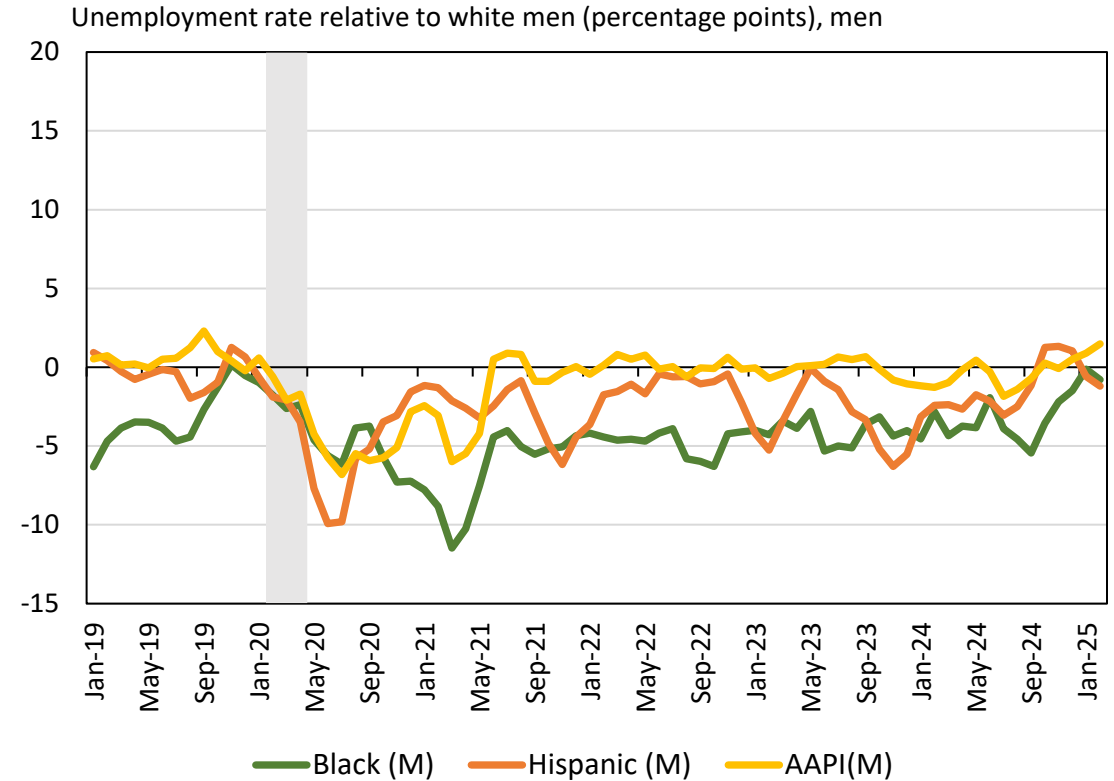
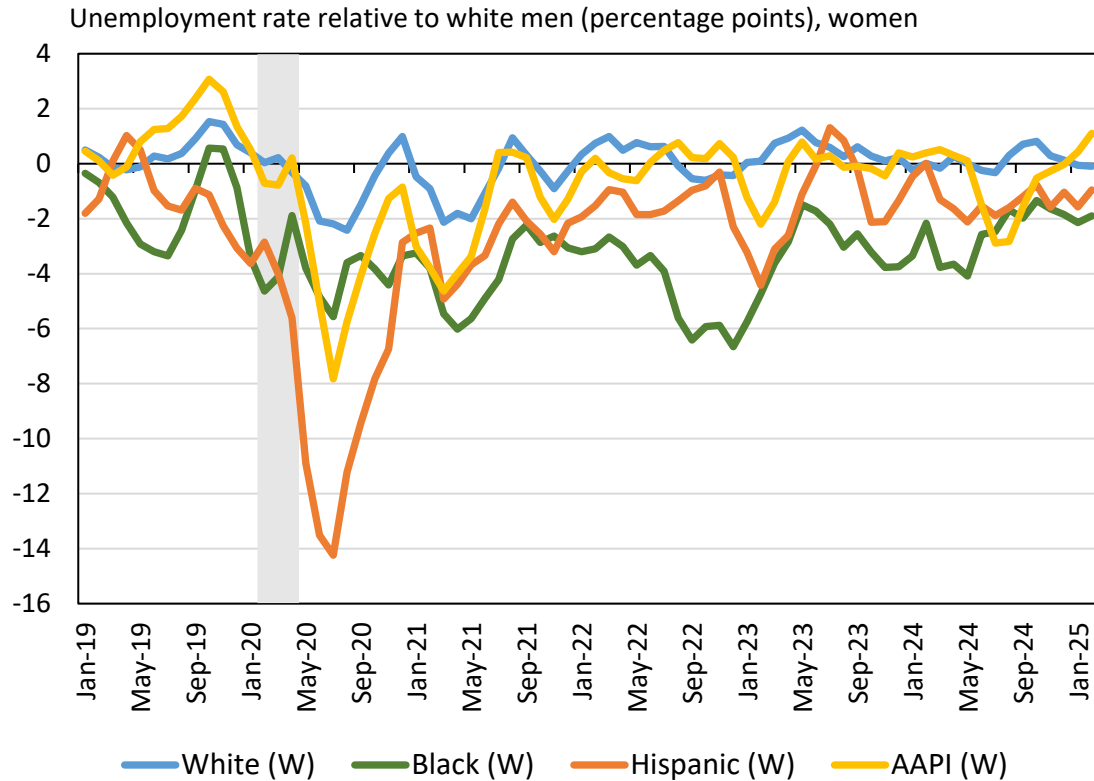


Unemployment rate (percent), men



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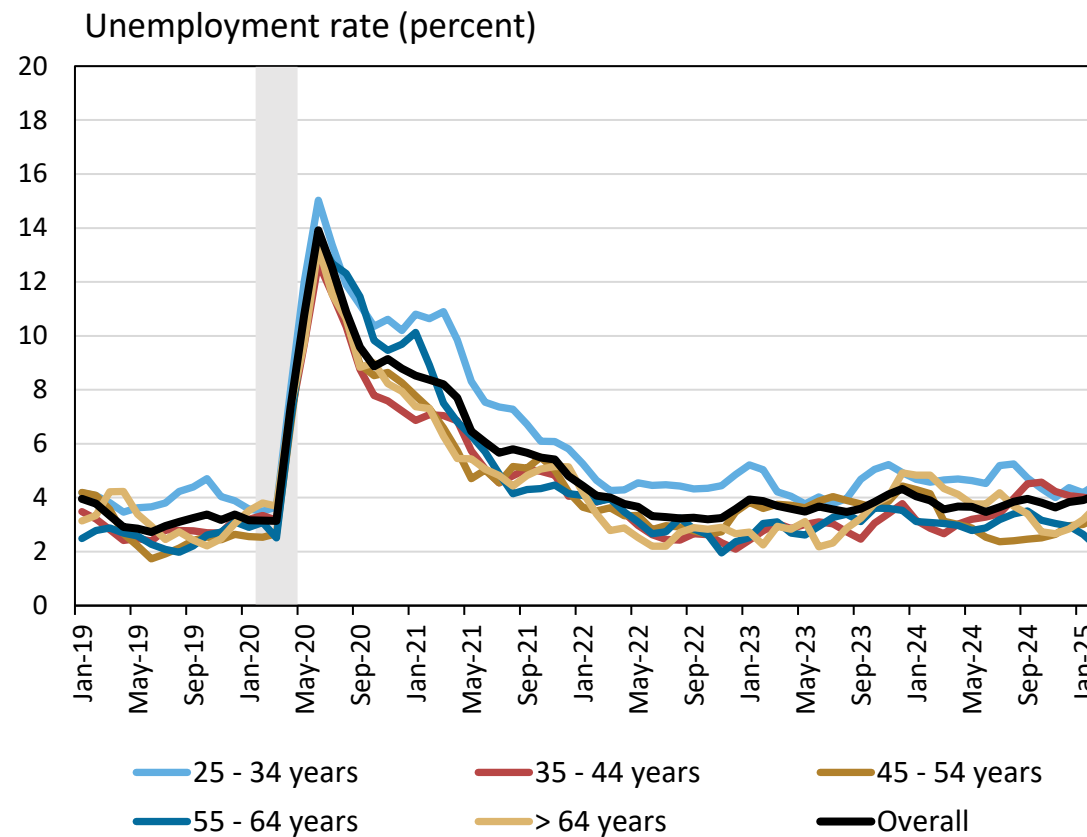
Unemployment Rate Gaps by Race x Gender



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The race by gender gap is defined as the unemployment rate of white men minus the unemployment rate of women or men of the given race or ethnicity.

Unemployment Rate by Age



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EMPLOYMENT: LABOR FORCE PARTICIPATION

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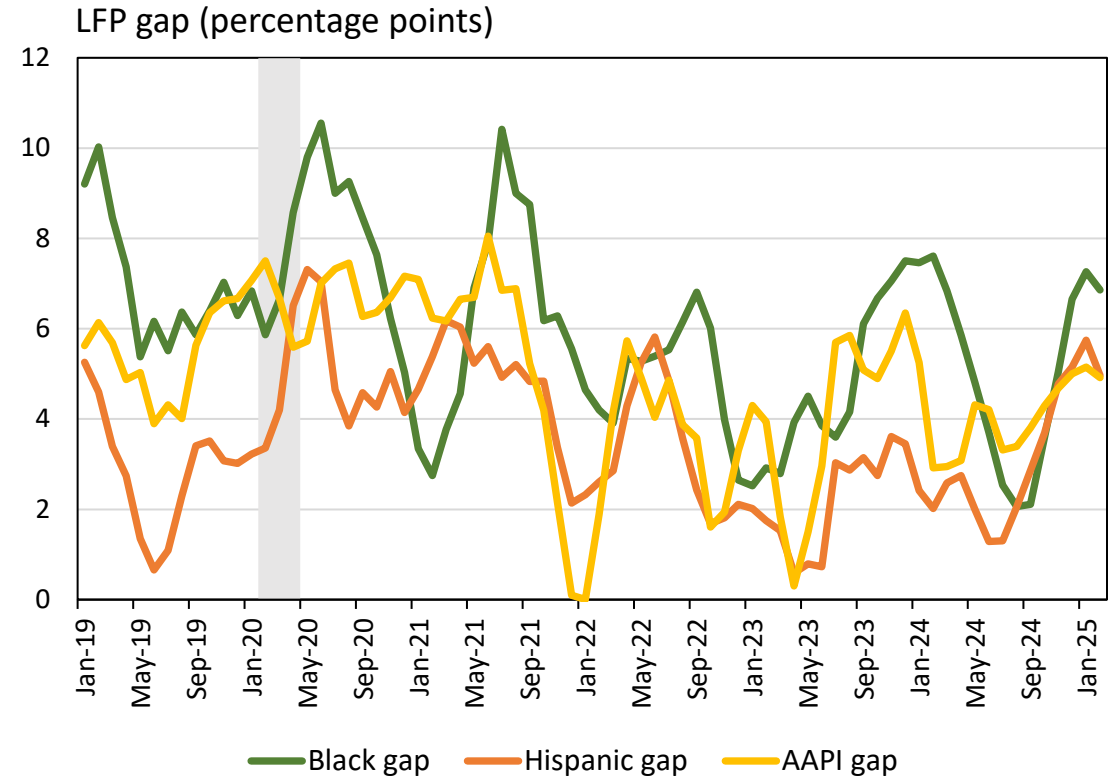
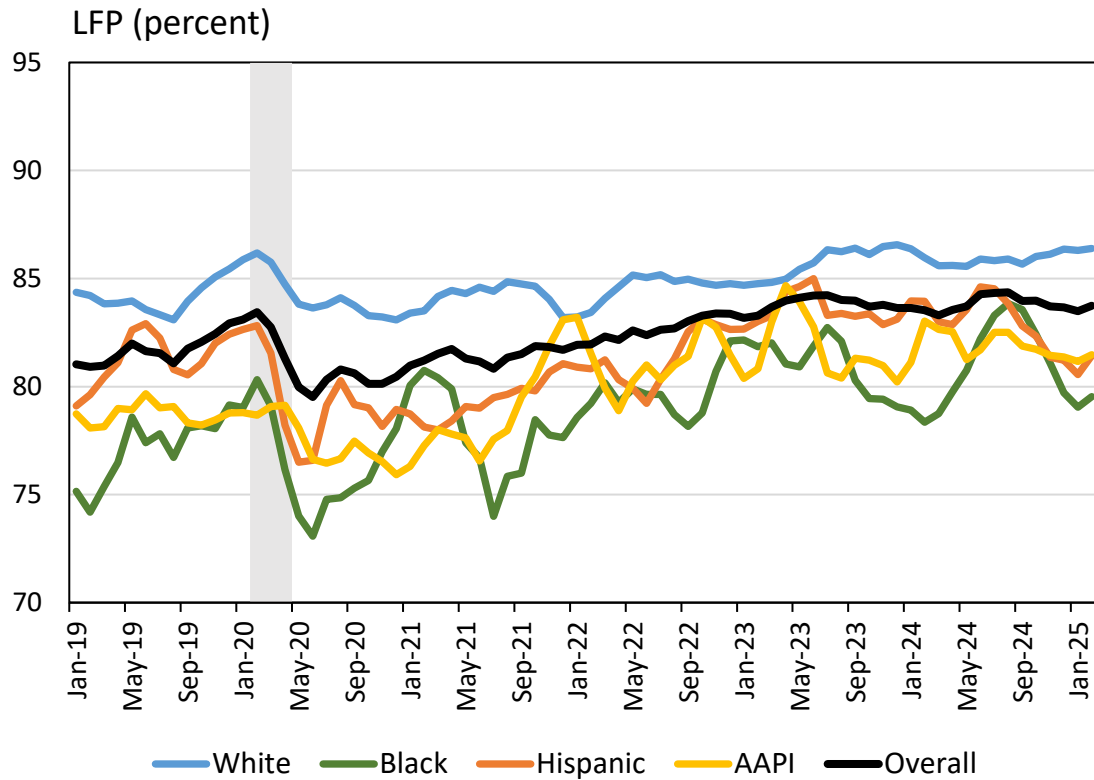
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Takeaways | Labor Force Participation

- The dynamics and heterogeneity in labor force participation (LFP) in the region mirror those of EPOP.
- LFP rates in the region are now close to their pre-pandemic levels (compared with November 2019, both on average and for men, women, and all racial and ethnic groups).
- Black, Hispanic, and Asian workers have LFPs about 5-7 percentage points below that of white workers in November 2024.
- The college LFP gap in the region has decreased back to 11.7 percentage points in February 2025 from a high of nearly 15 percentage points in 2024.
- The gender LFP gap in the region has remained steady during 2024:Q4, as it has in the nation. It stands at 9.45 percentage points in February 2025.

Gaps and all other relevant definitions can be found on the data and methods slide.

Labor Force Participation by Race/Ethnicity

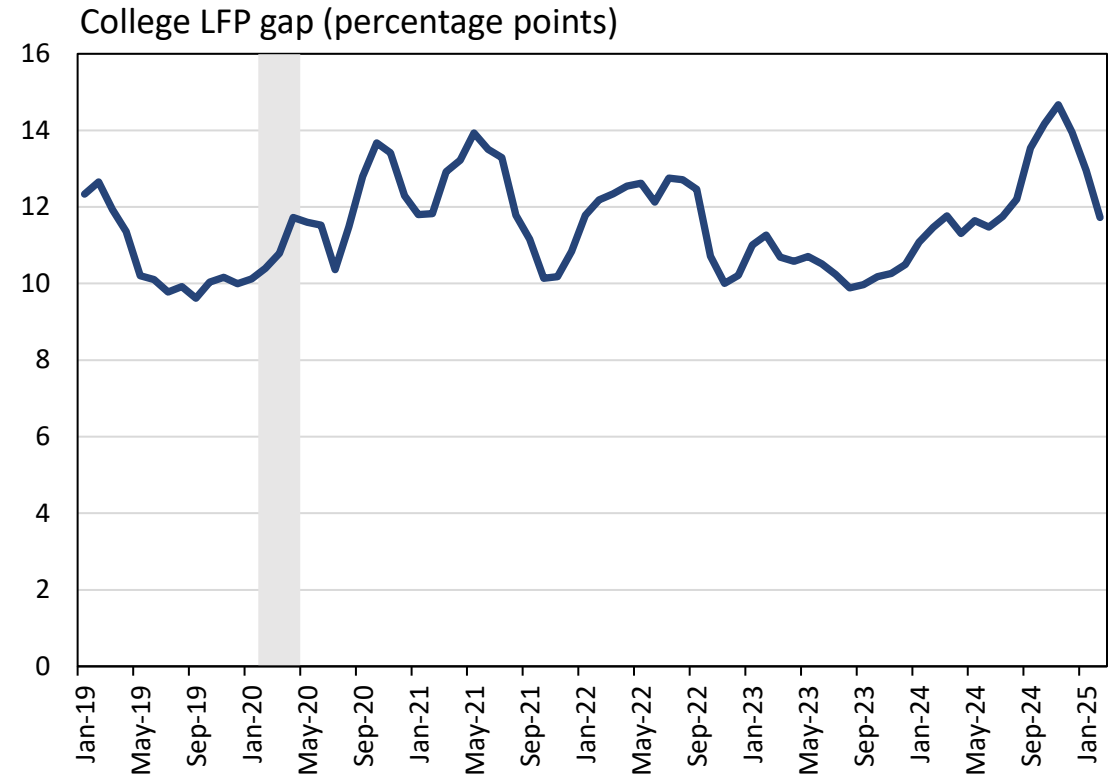
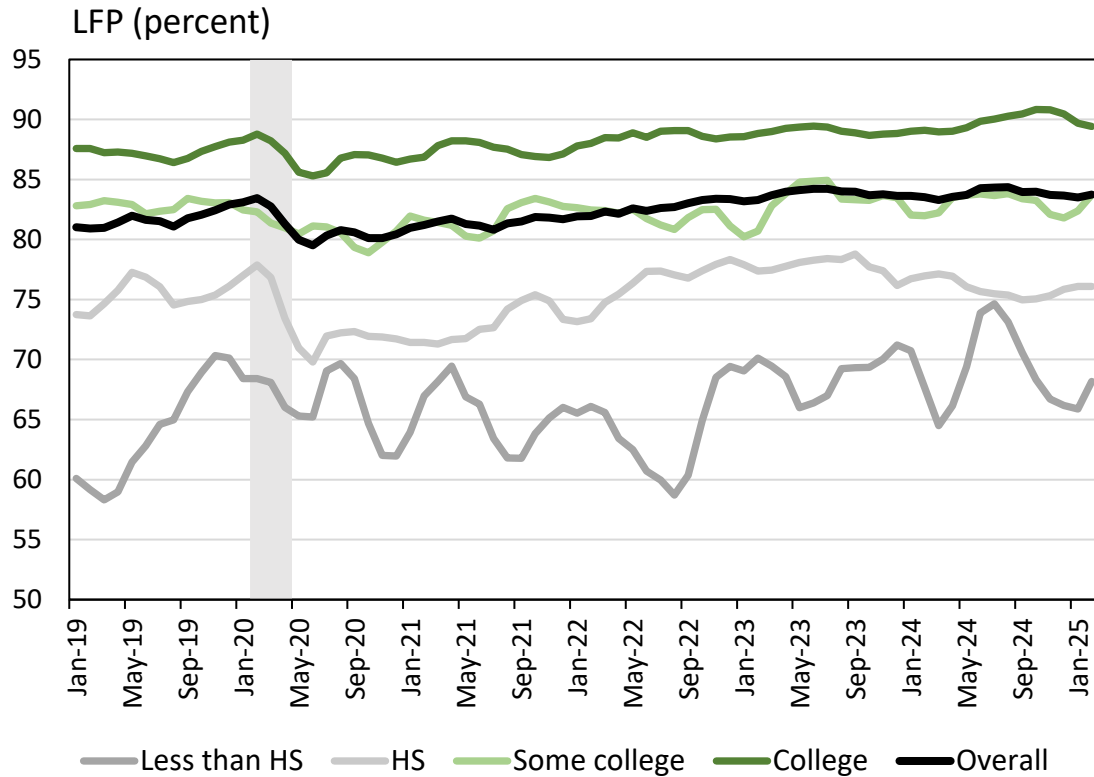


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The racial gaps are defined as the LFP of white workers minus the LFP of the given race or ethnicity.

Labor Force Participation by Education

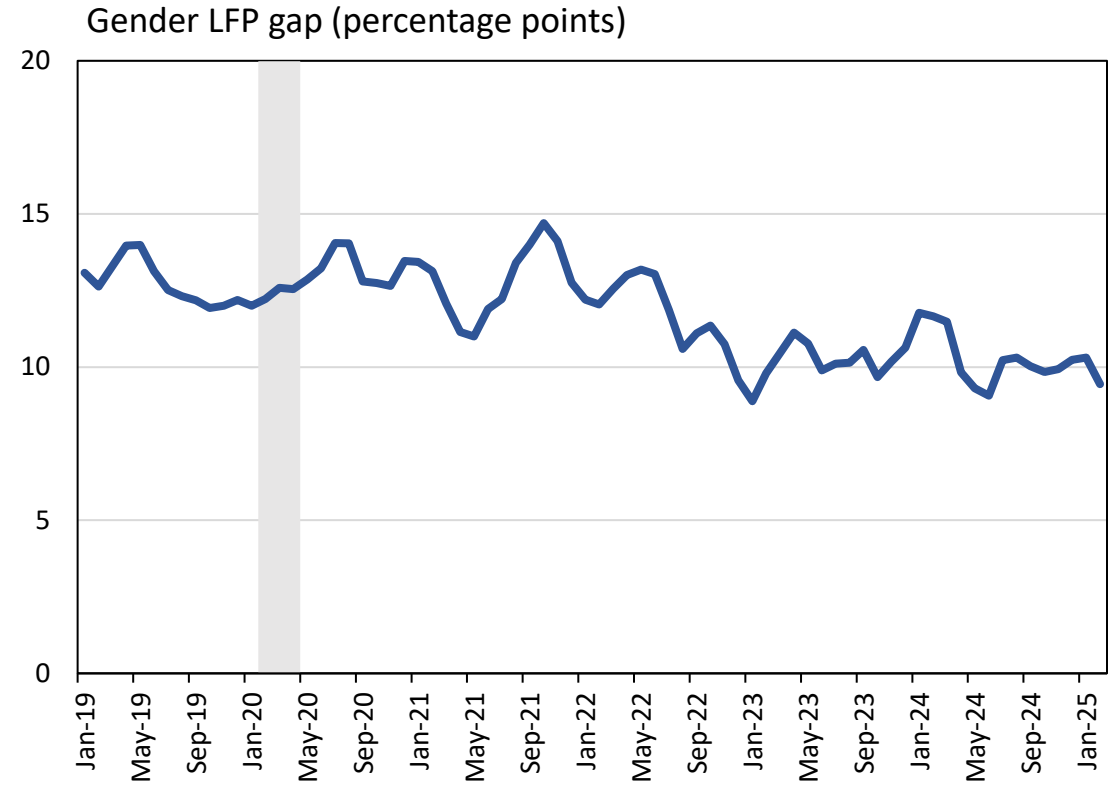
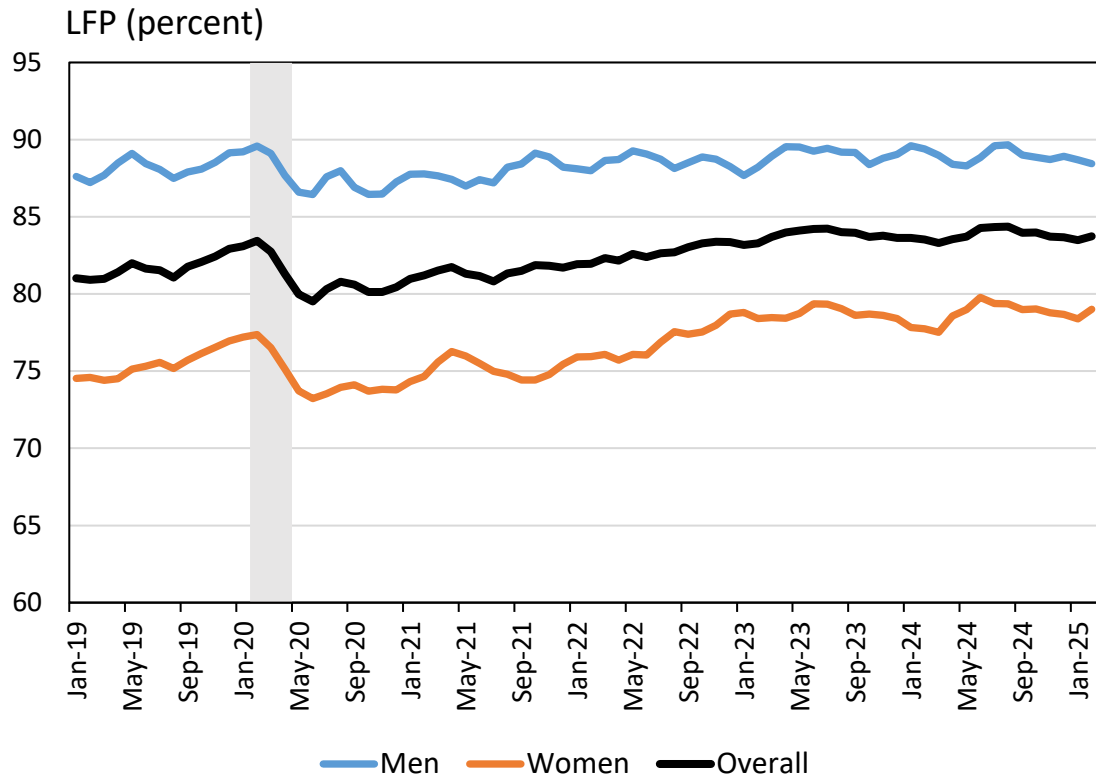


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Labor Force Participation by Gender

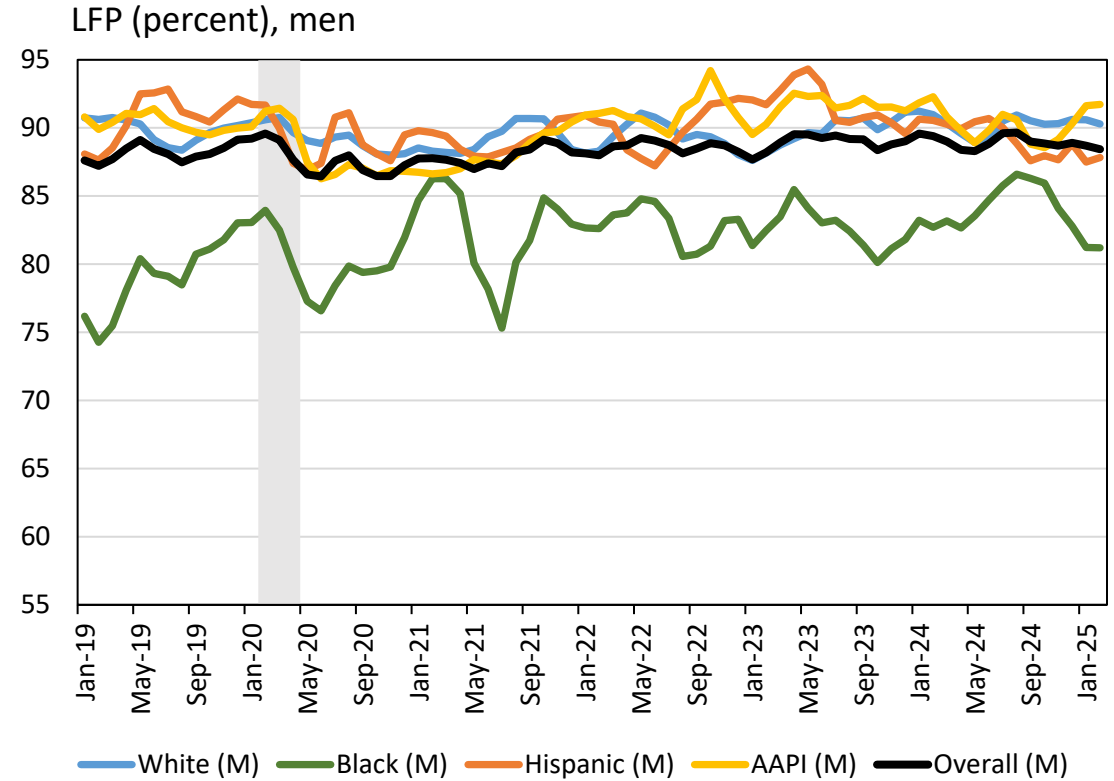
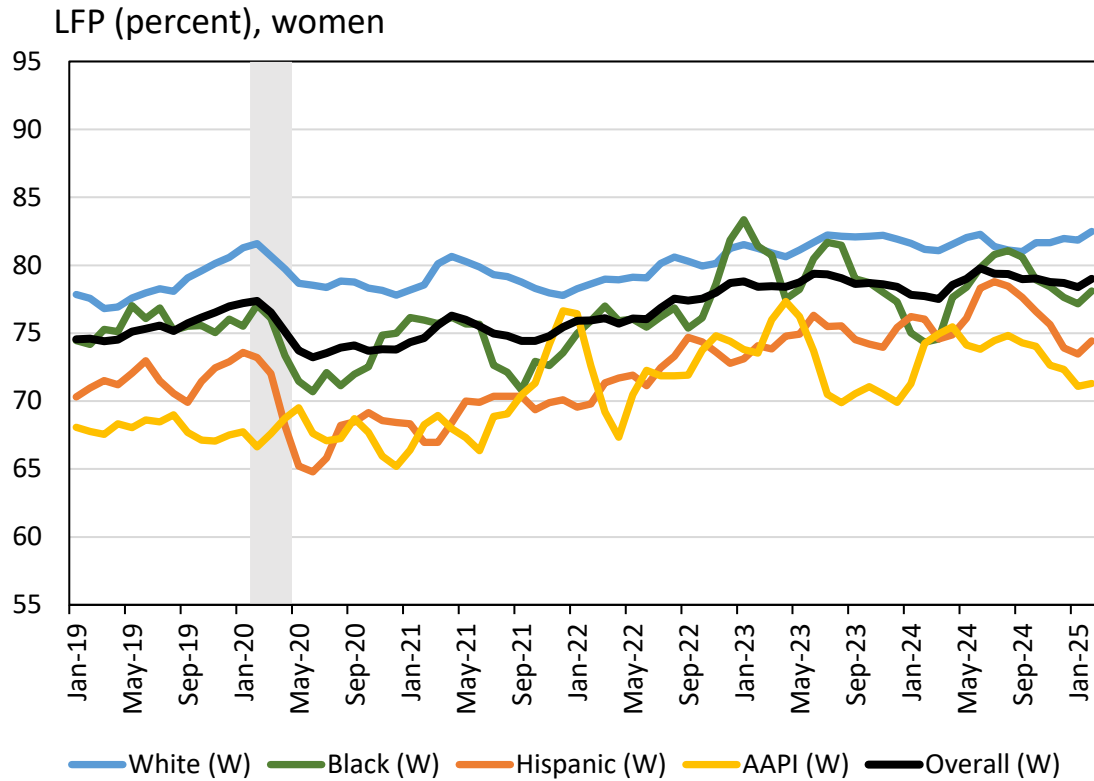


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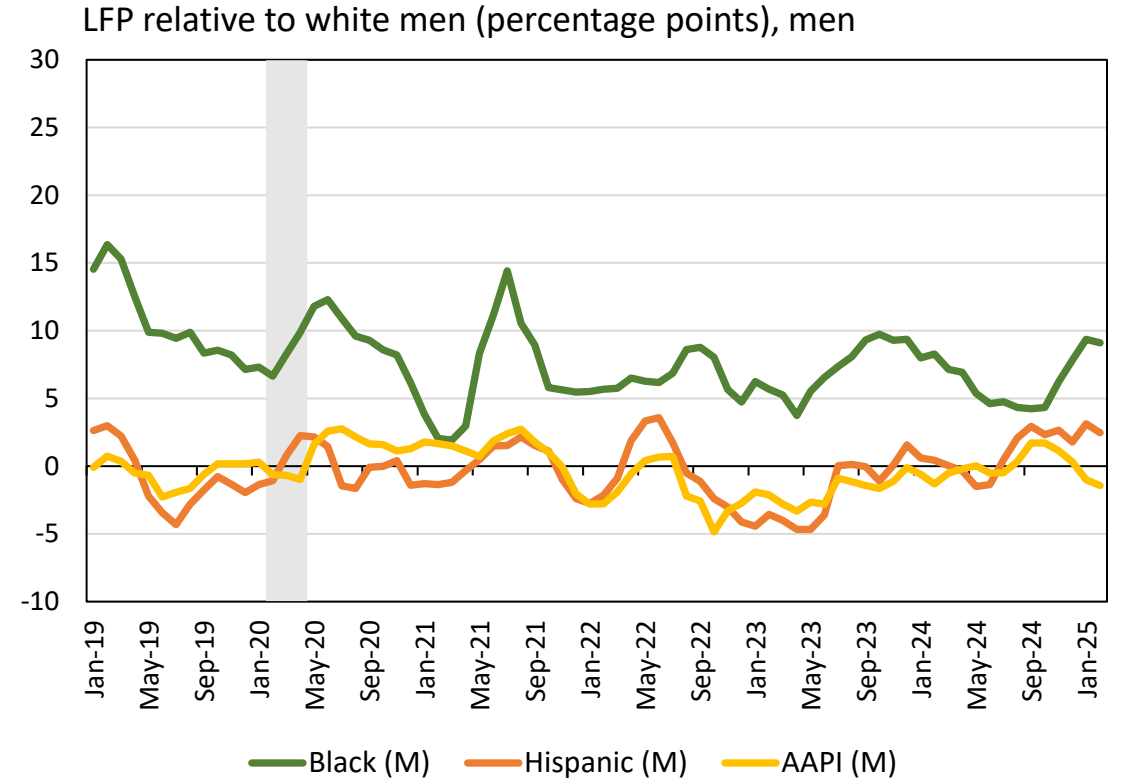
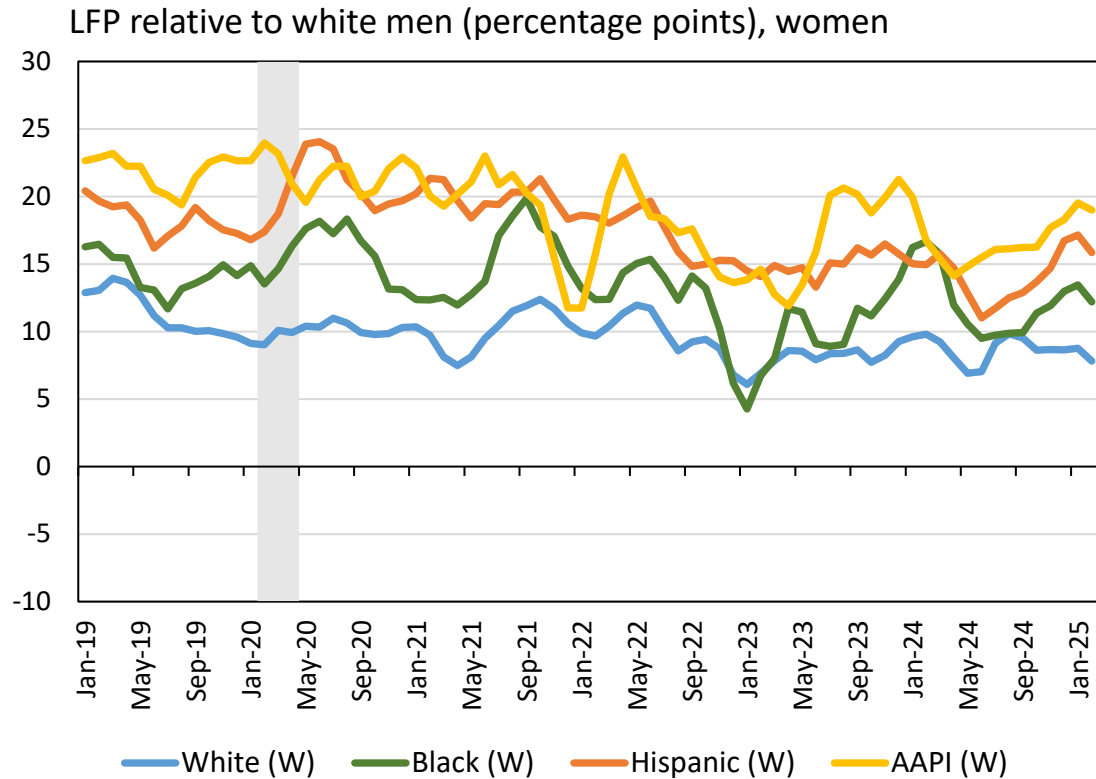
Labor Force Participation by Race x Gender



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Labor Force Participation Gaps by Race x Gender

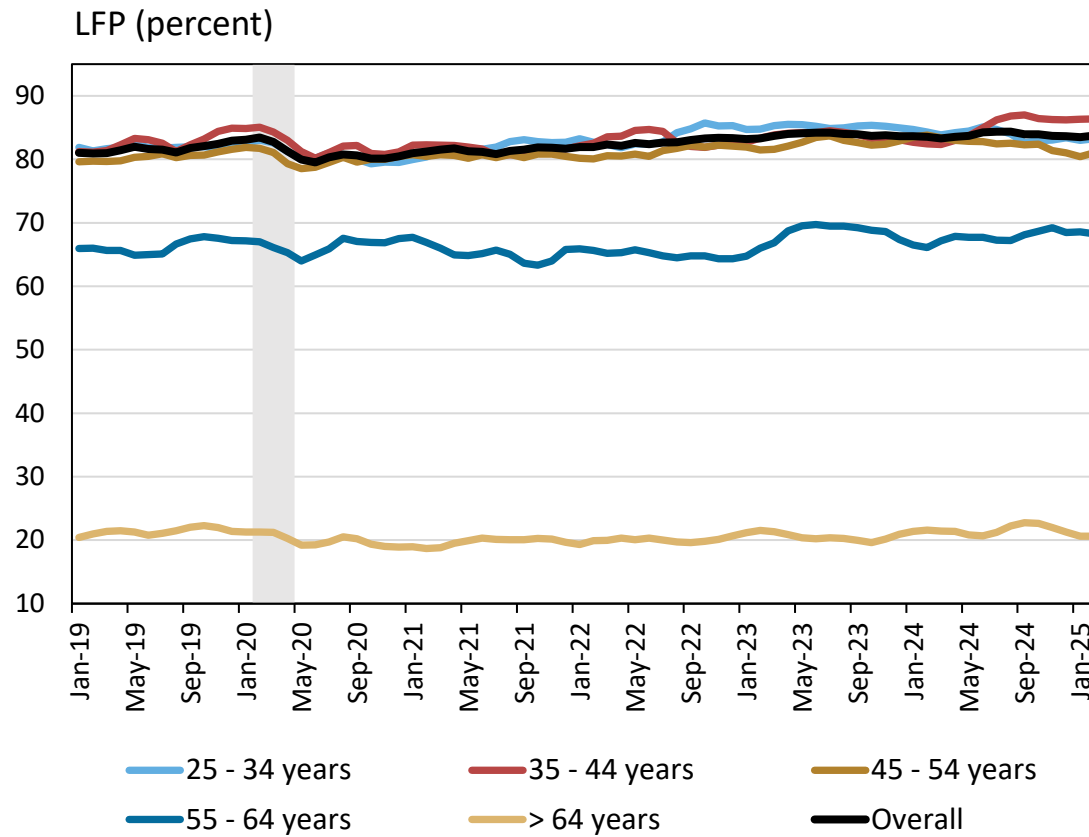


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Labor Force Participation by Age



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