

EMPLOYMENT

UPDATED THROUGH October 2023 | REGIONAL

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Full Report Highlights

- **INFLATION**

Housing and transportation inflation is driving inflation heterogeneity across groups in the region, with Black, Hispanic, AAPI, higher-income, college-educated, and young households experiencing above-average inflation in 2023.

- **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 men and women have remained in their long-run ranges, though the Black earnings gap appears to be slowly shrinking over time.

- **EMPLOYMENT**

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

- **CONSUMER SPENDING**

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

EMPLOYMENT

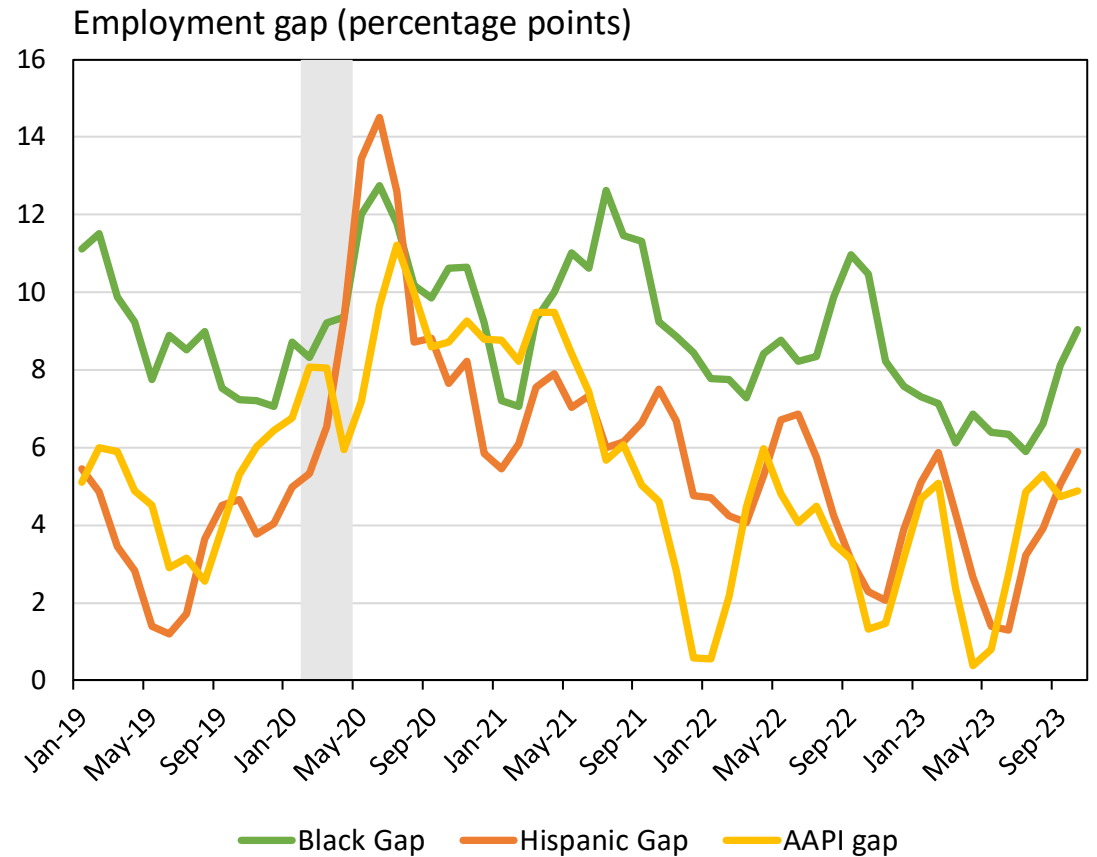
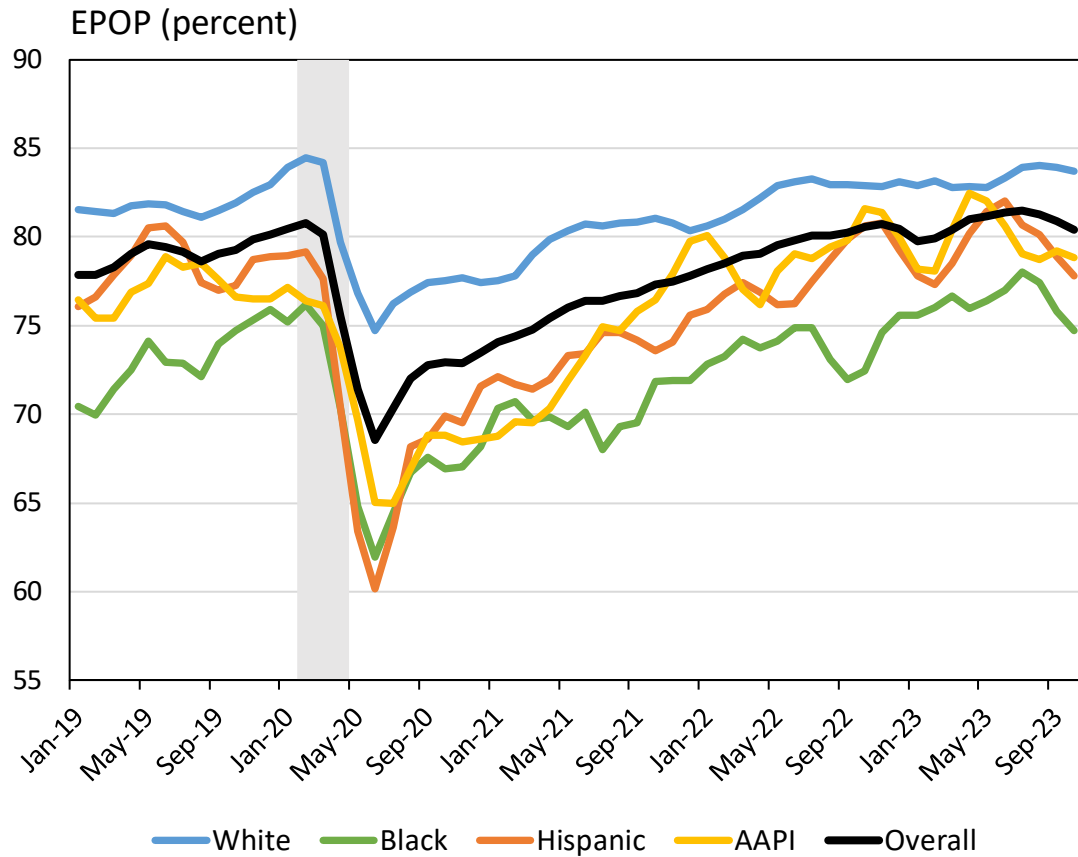
EMPLOYMENT TO POPULATION RATIO | REGIONAL
UPDATED THROUGH October 2023



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 as a whole, employment gaps are largest for Black workers, followed by Hispanic and AAPI workers. These gaps have declined to pre-pandemic levels but the rate of decline has slowed.
- 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 and stands at 3.66 percentage points in October.
- 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.

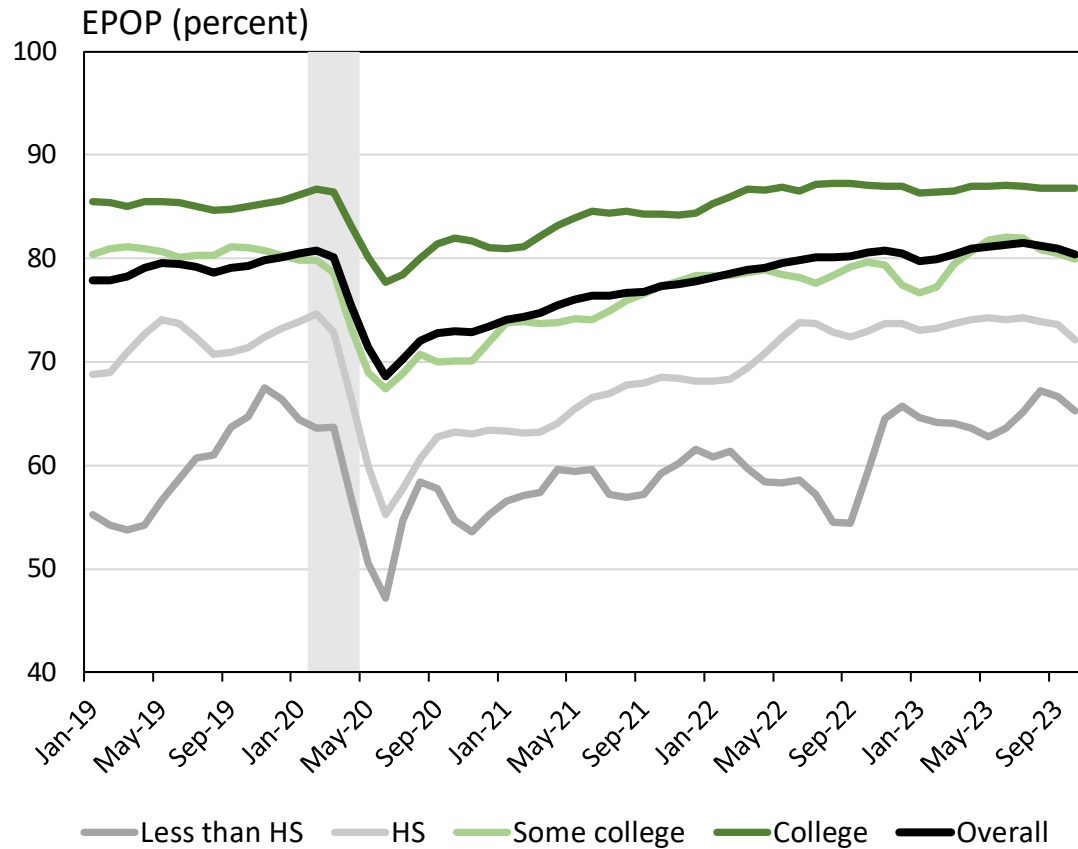
EPOP by Race/Ethnicity



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.

EPOP by Education



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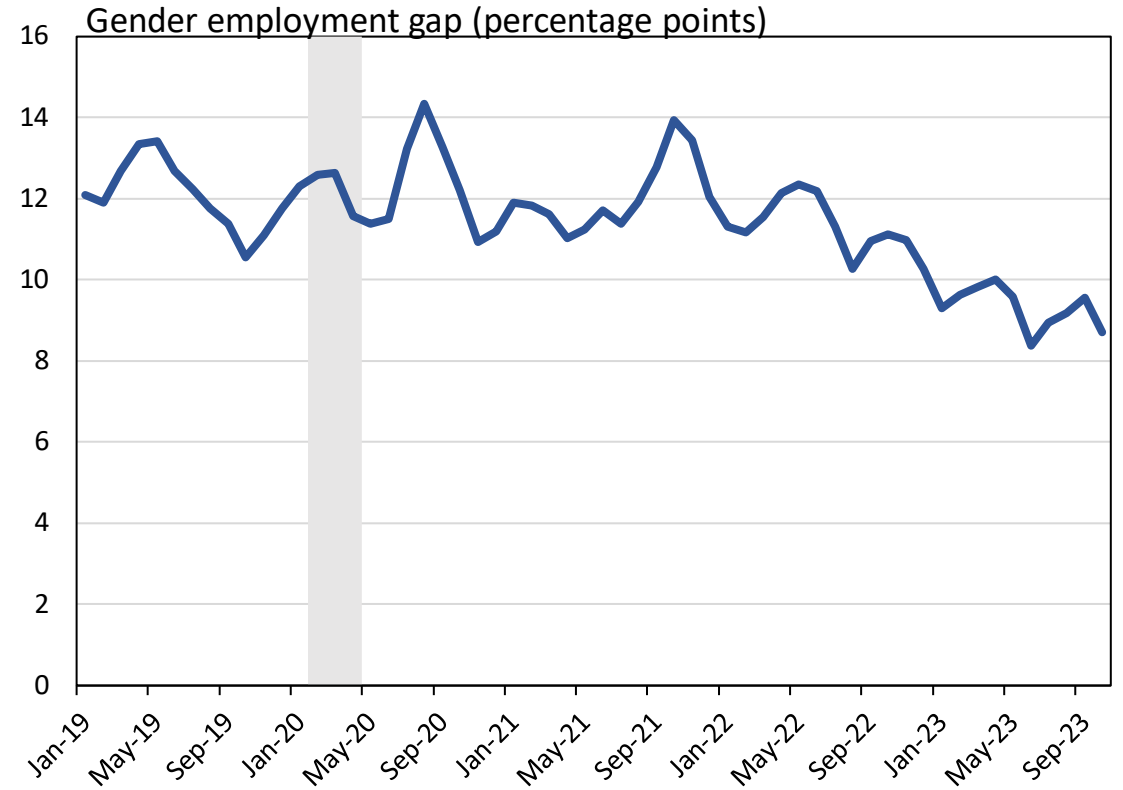
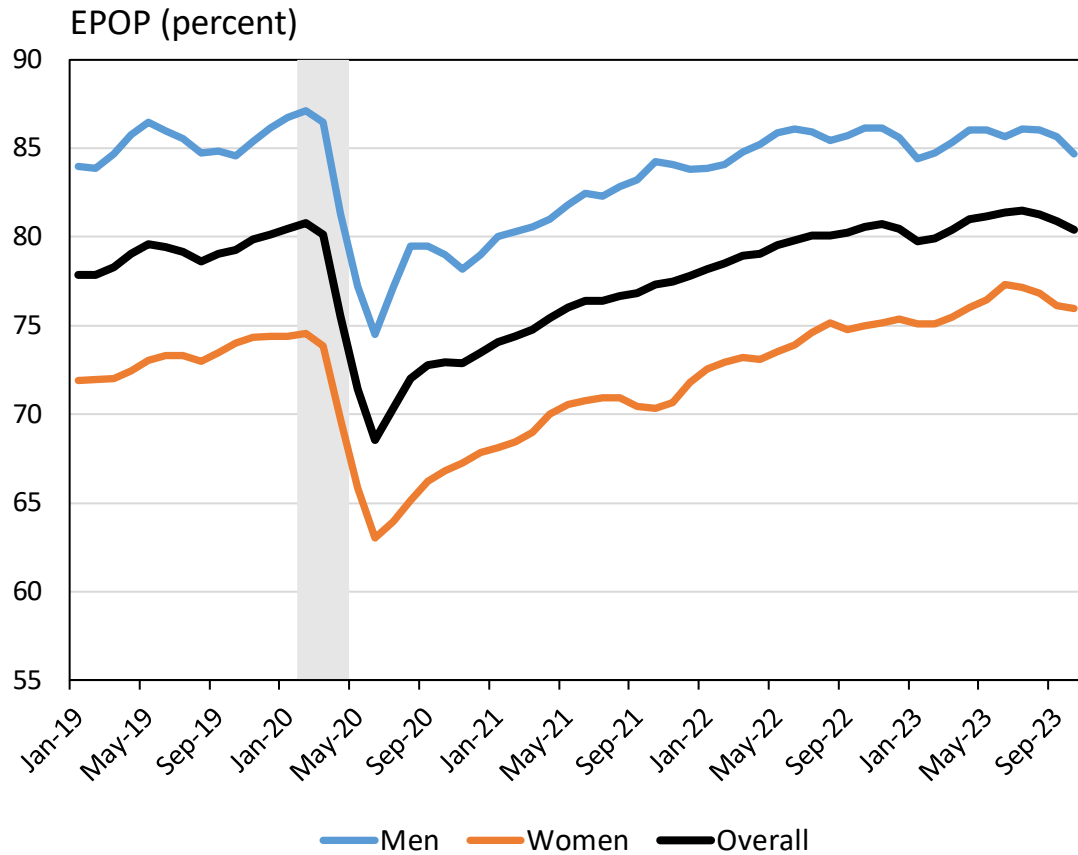
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College employment gap (percentage points)



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

EPOP by Gender

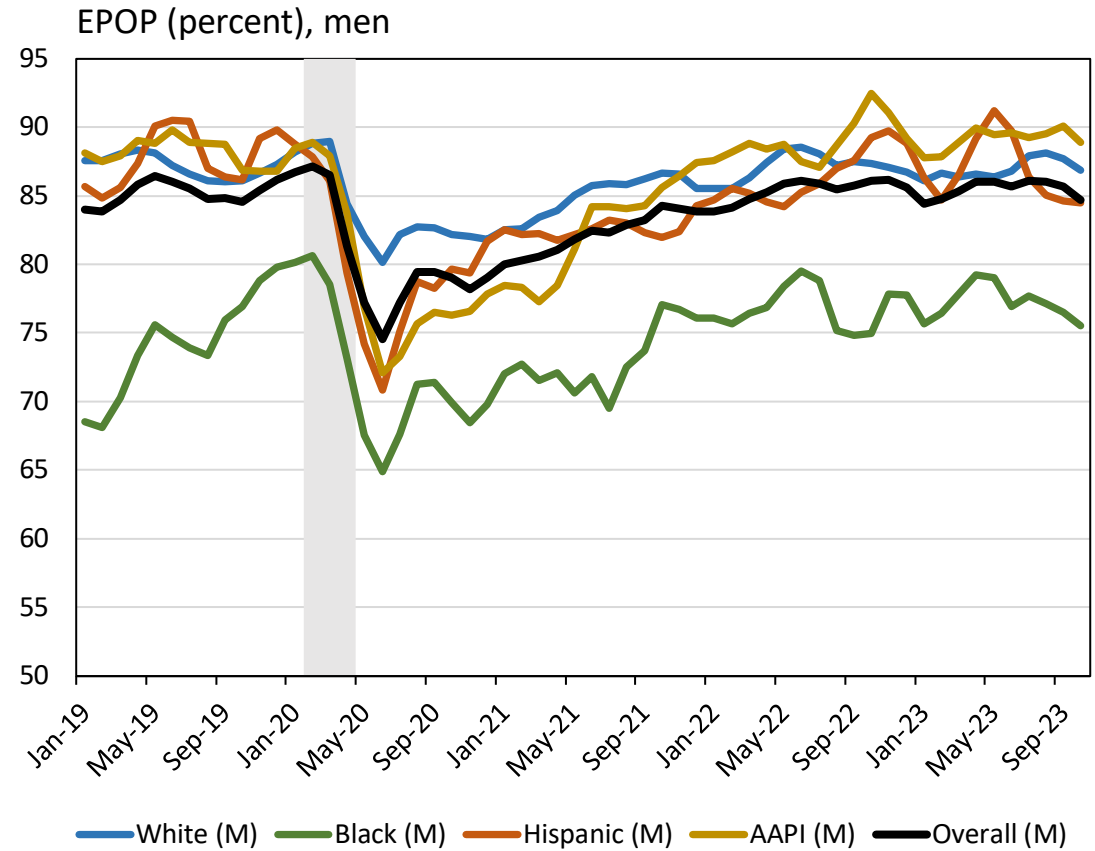
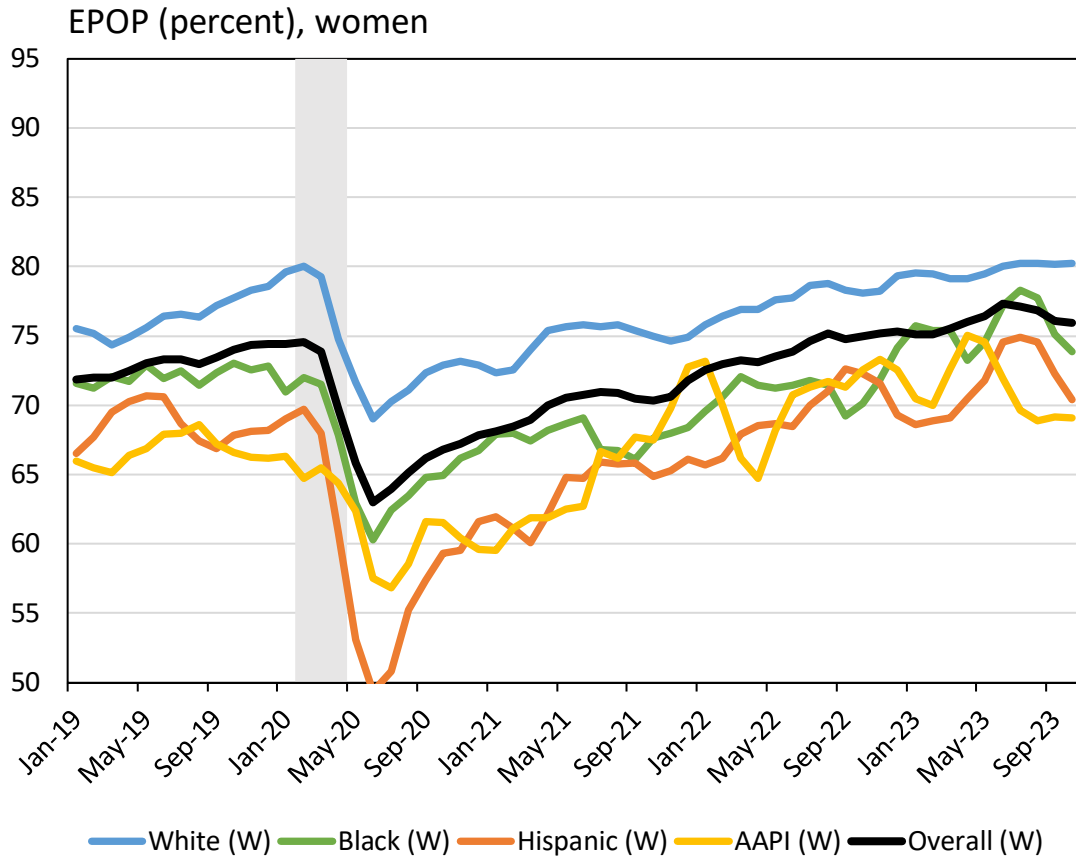


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Gender employment gap defined as employment of men relative to women.

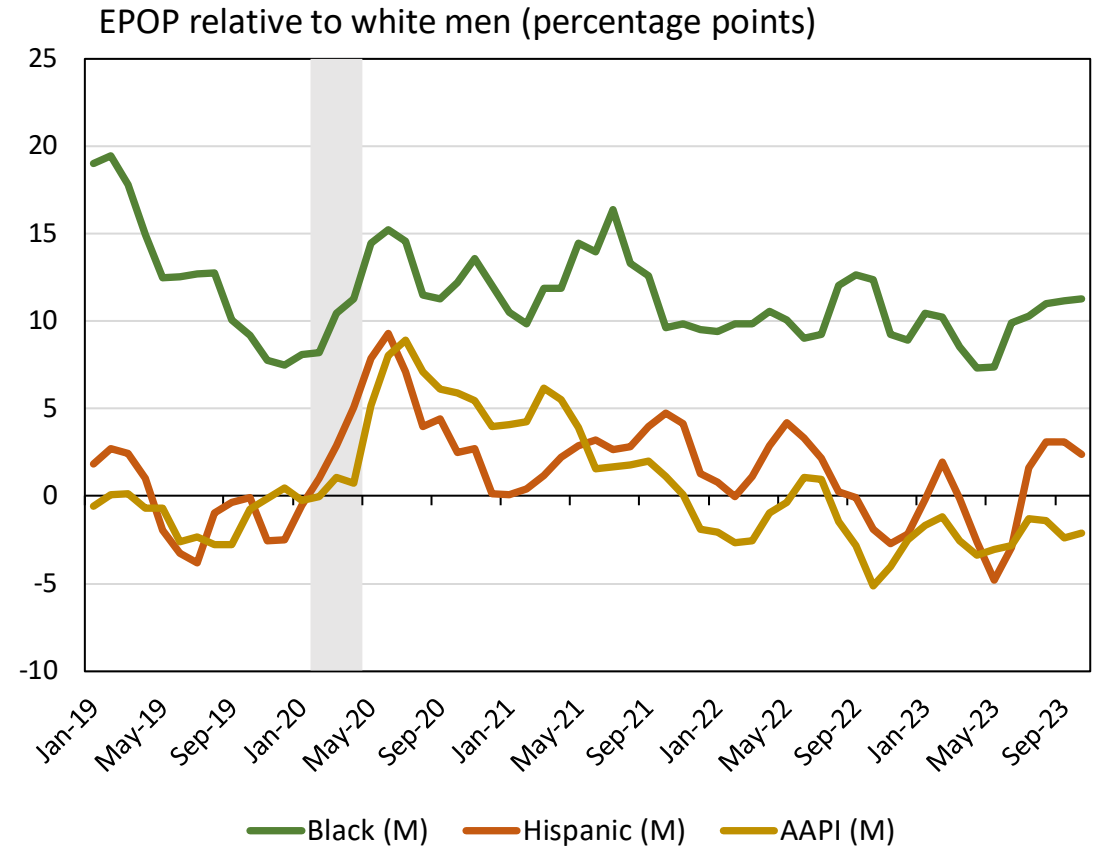
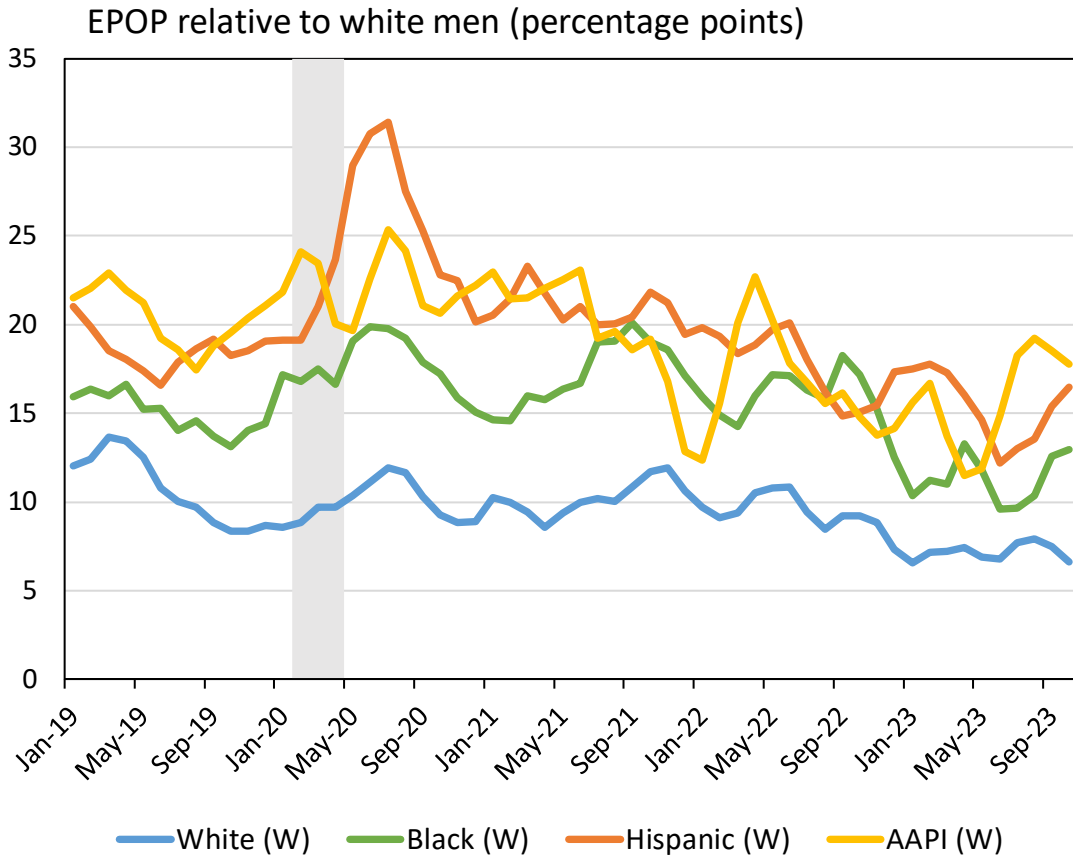
• **EPOP by Race x Gender**



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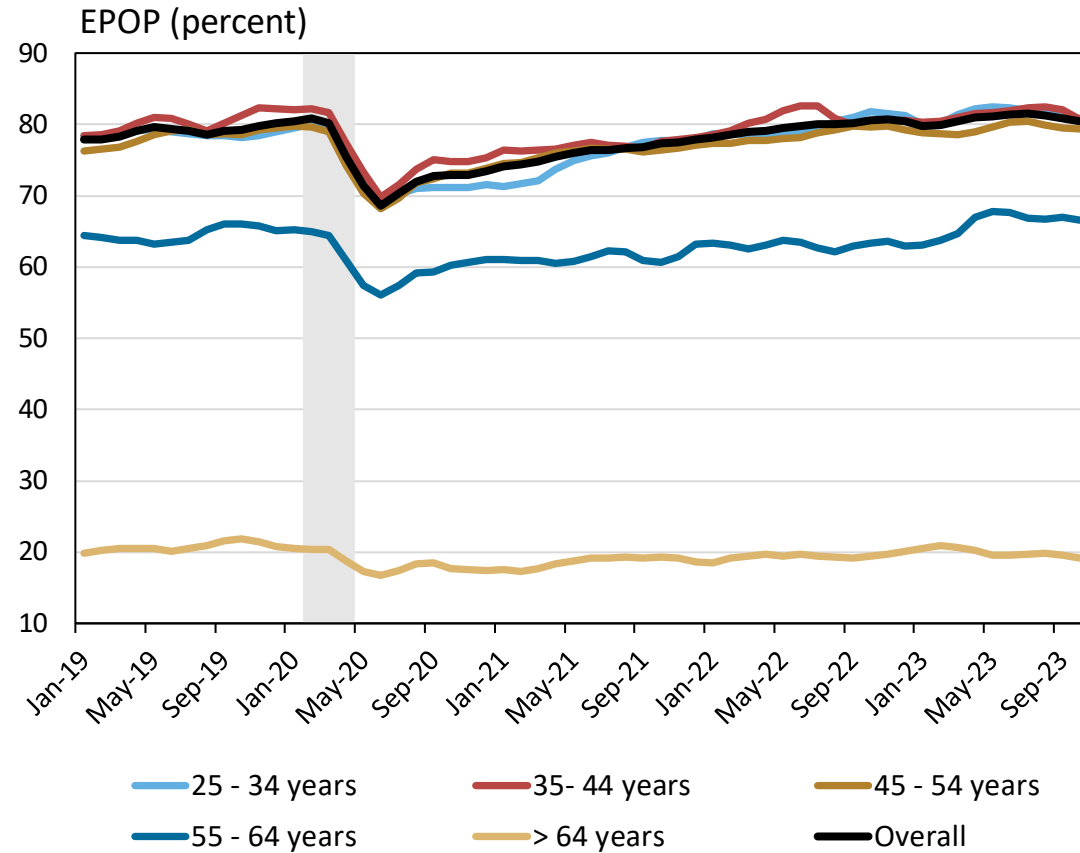
• **EPOP Gaps by Race x Gender**



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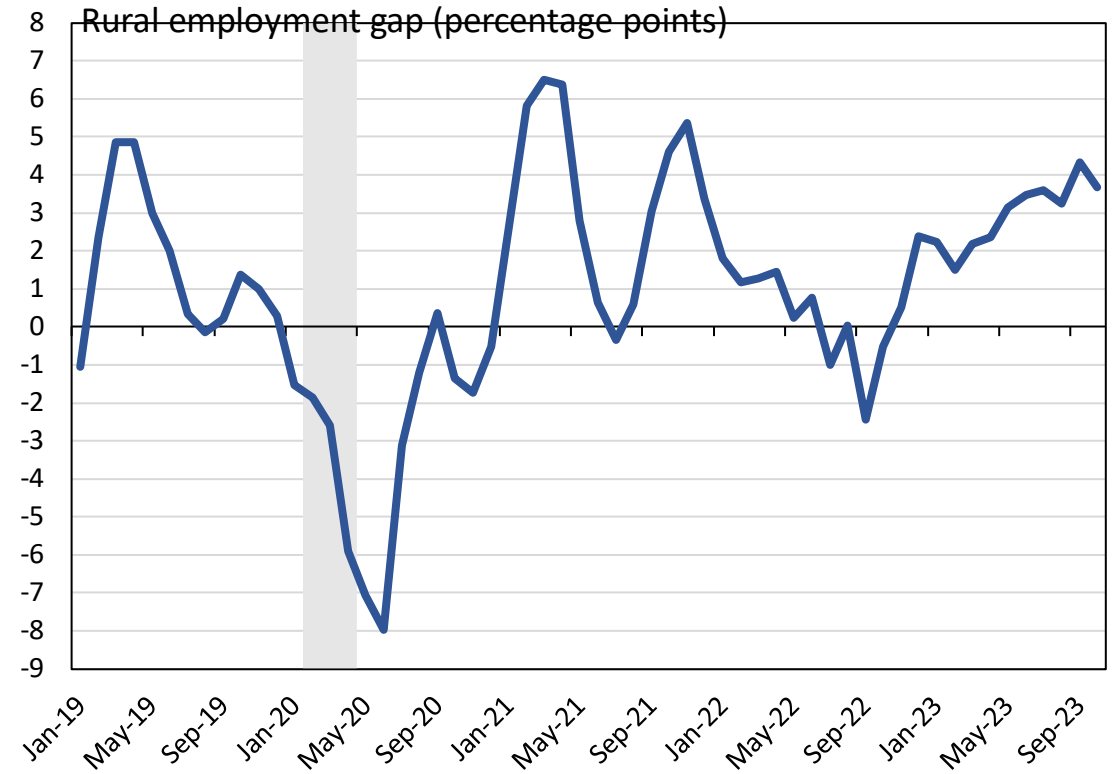
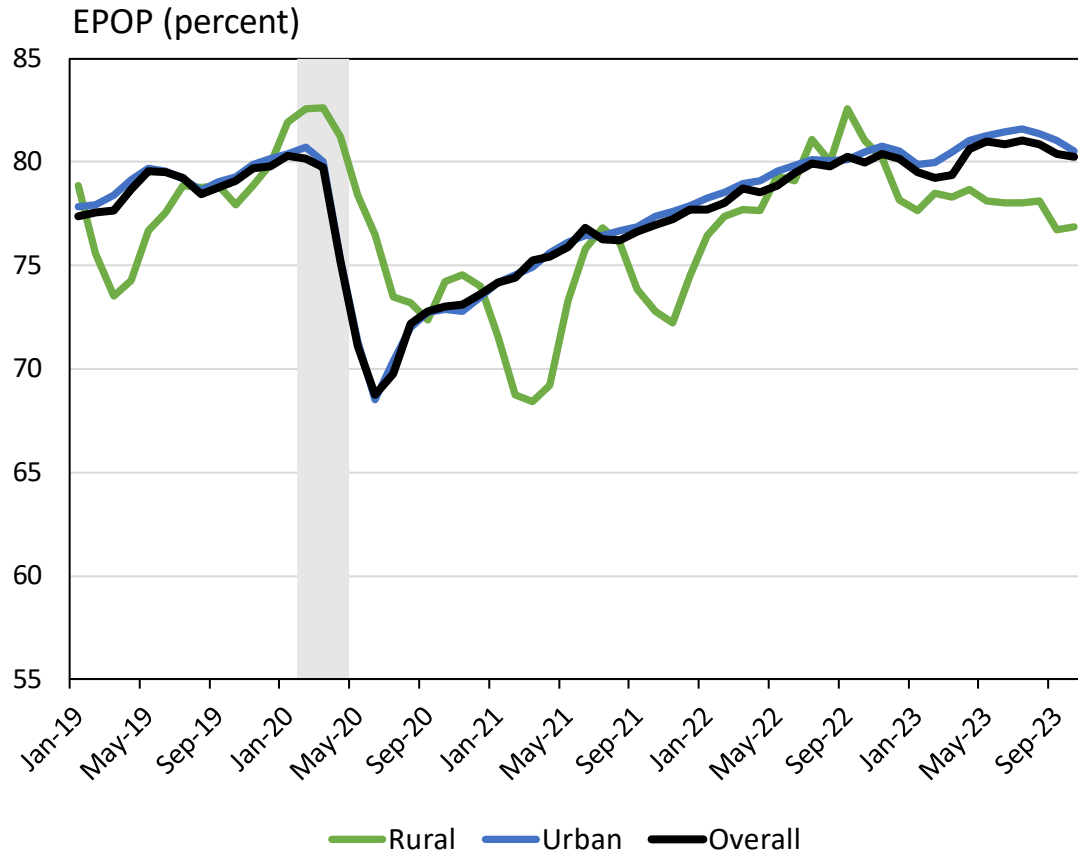
• **EPOP by Age**



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• **EPOP by Urban Status**



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

EMPLOYMENT

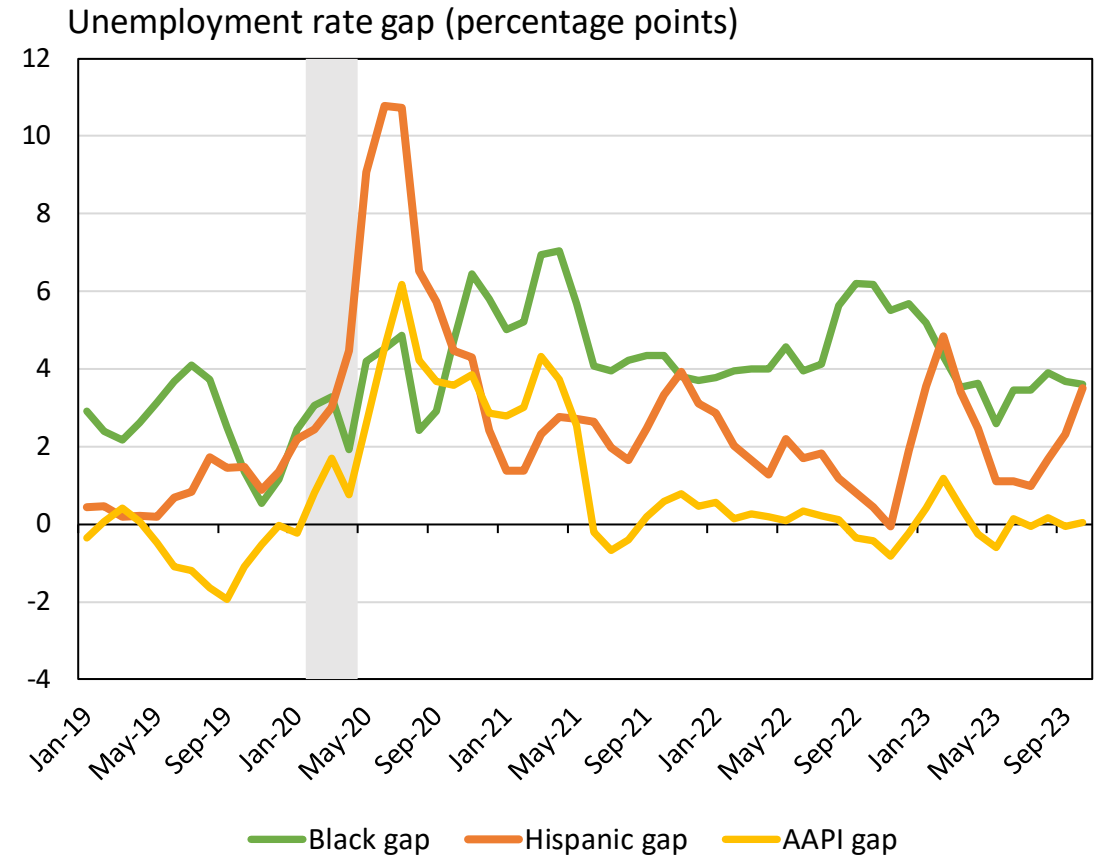
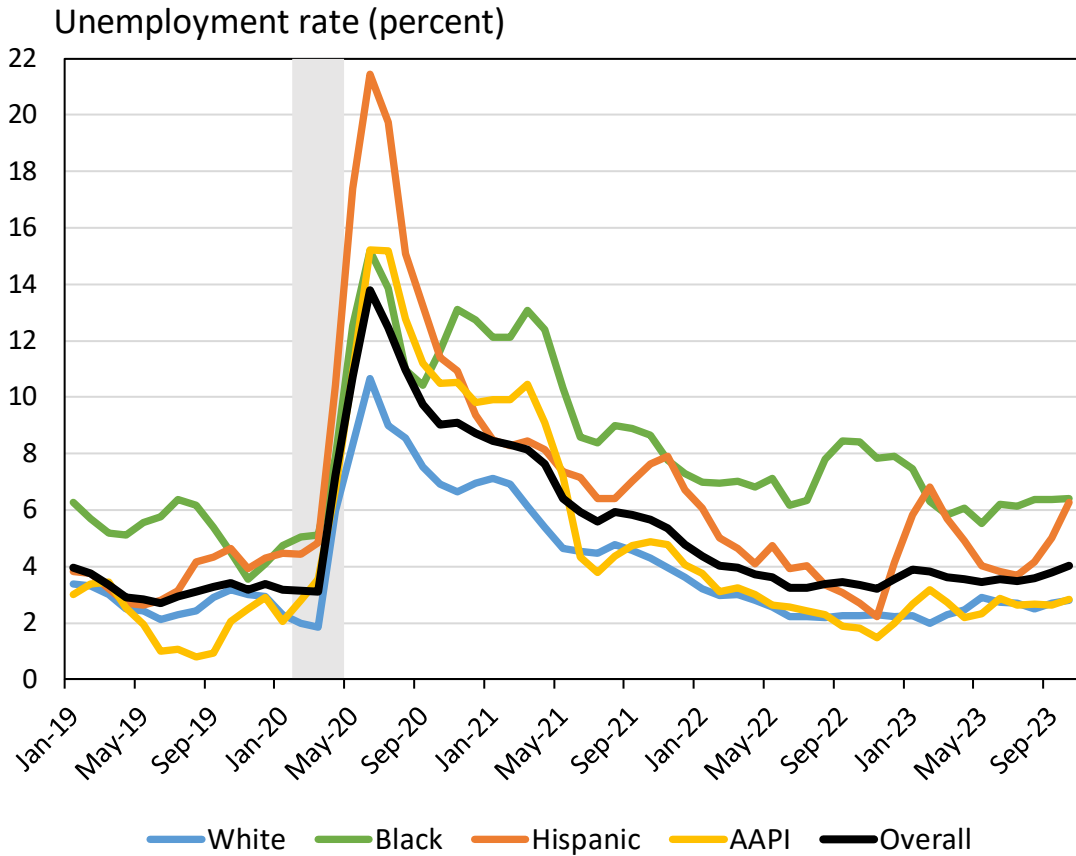
UNEMPLOYMENT | REGIONAL
UPDATED THROUGH October 2023



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 in October 2023 are highest for workers with less than a high school degree (6.70%), followed by Black workers (6.28%), followed by workers aged 25-34 (4.97%)
- 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 in 2023.

• Unemployment Rate by Race/Ethnicity

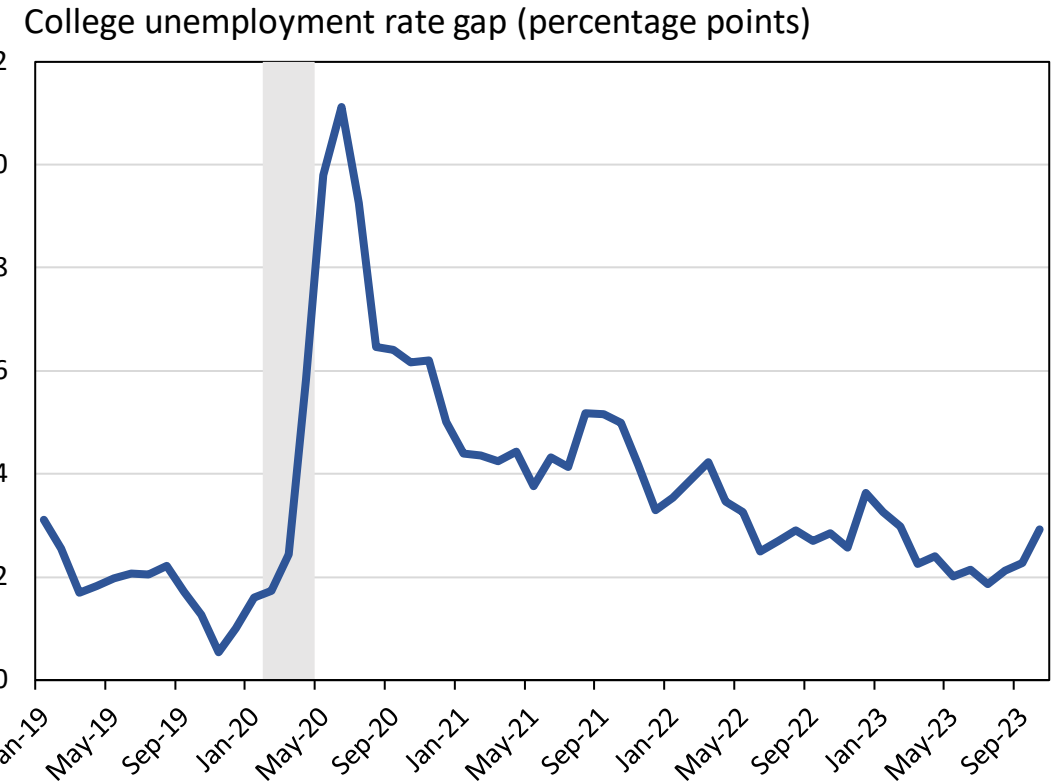
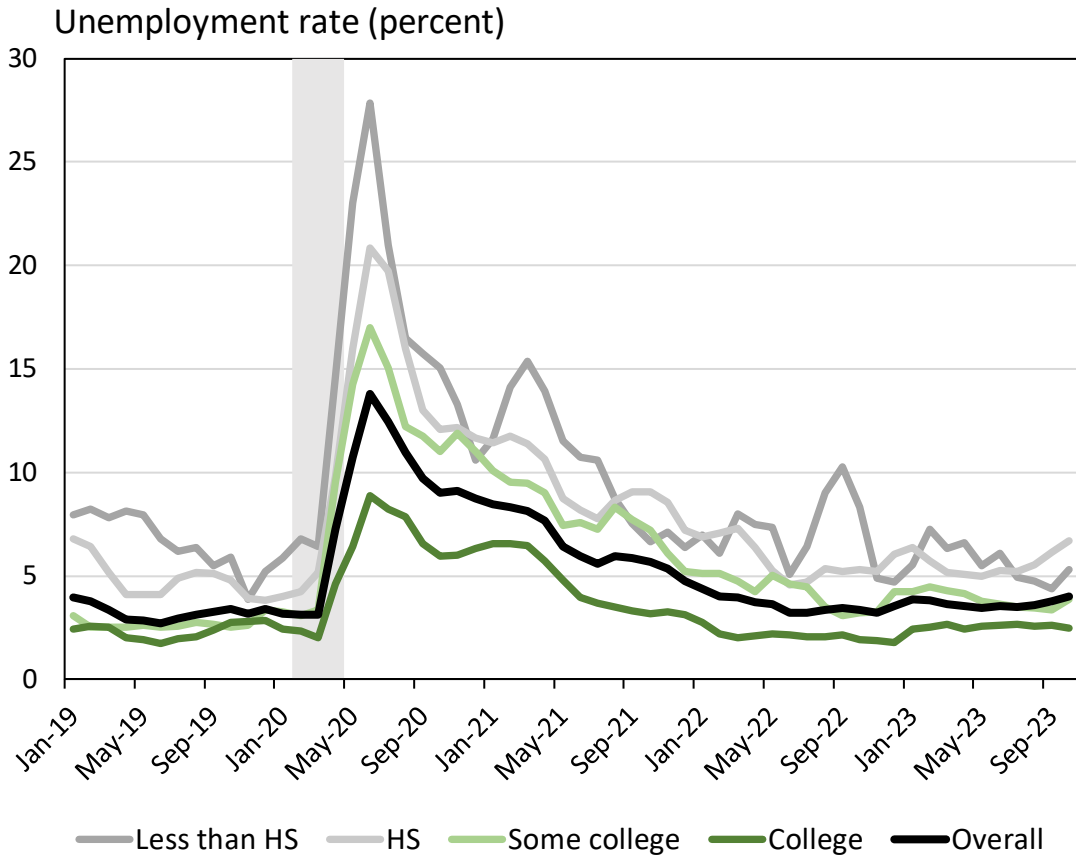


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Unemployment gap defined relative to white unemployment.

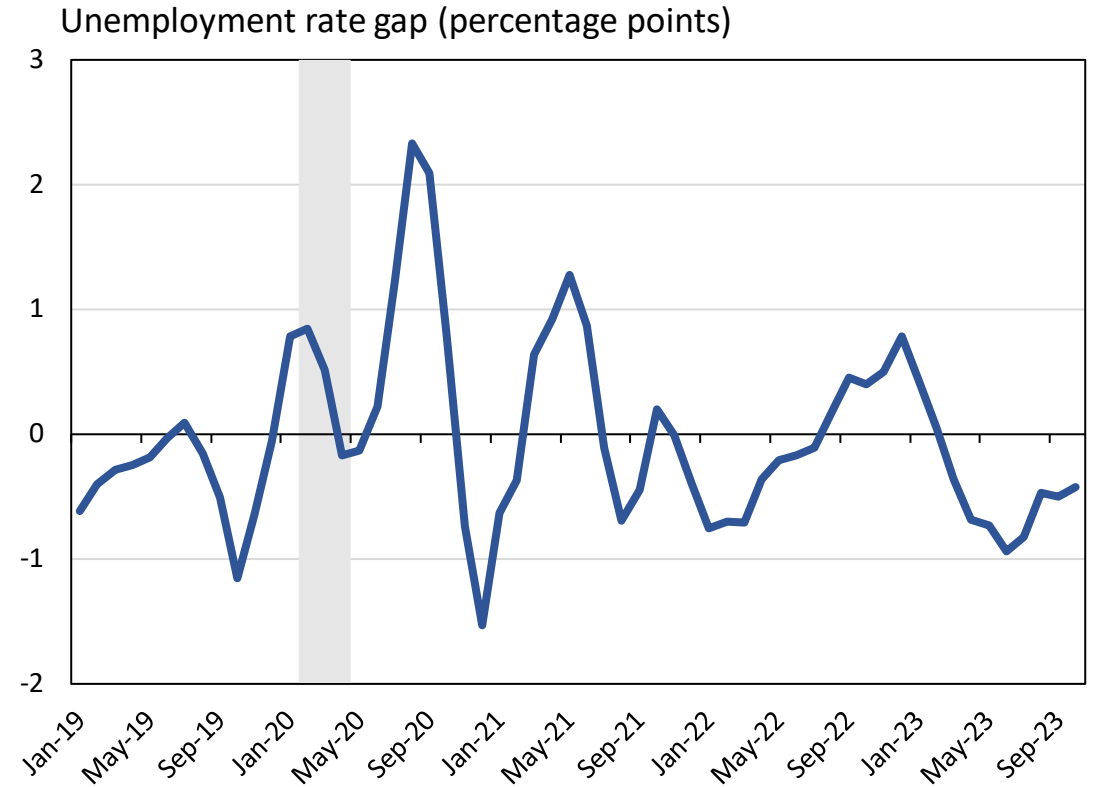
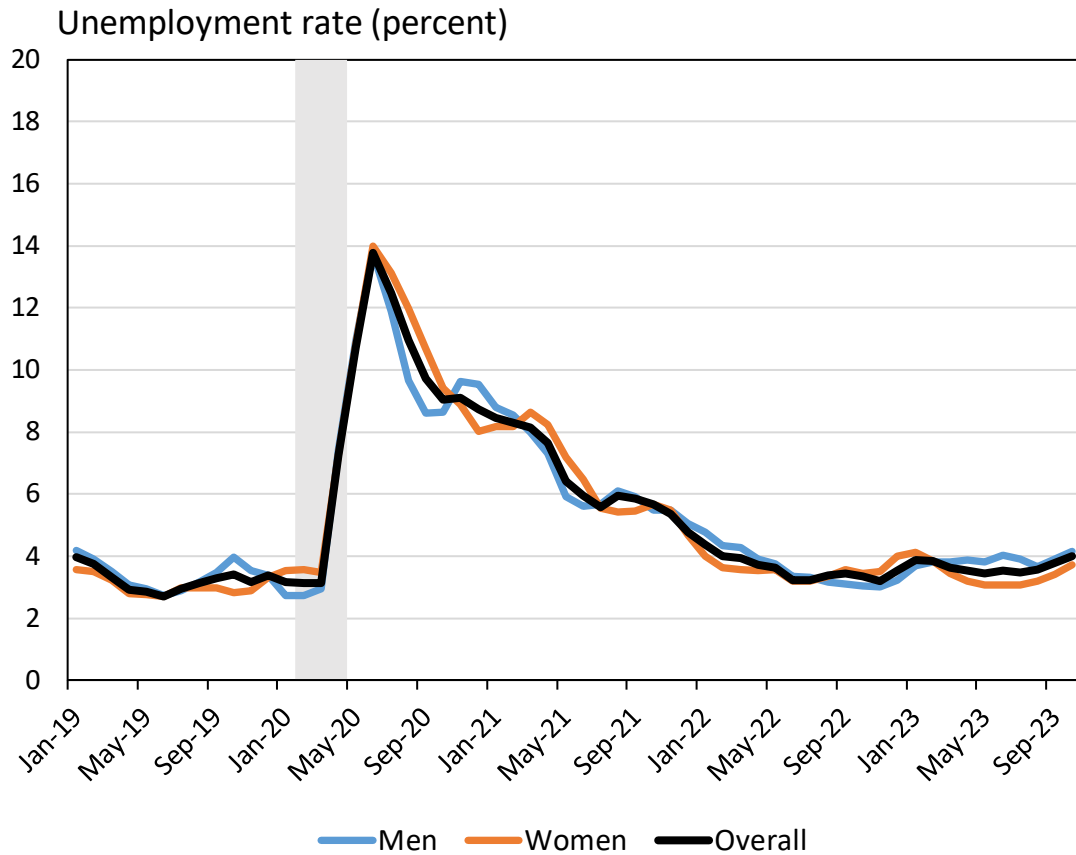
• **Unemployment Rate by Education**



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

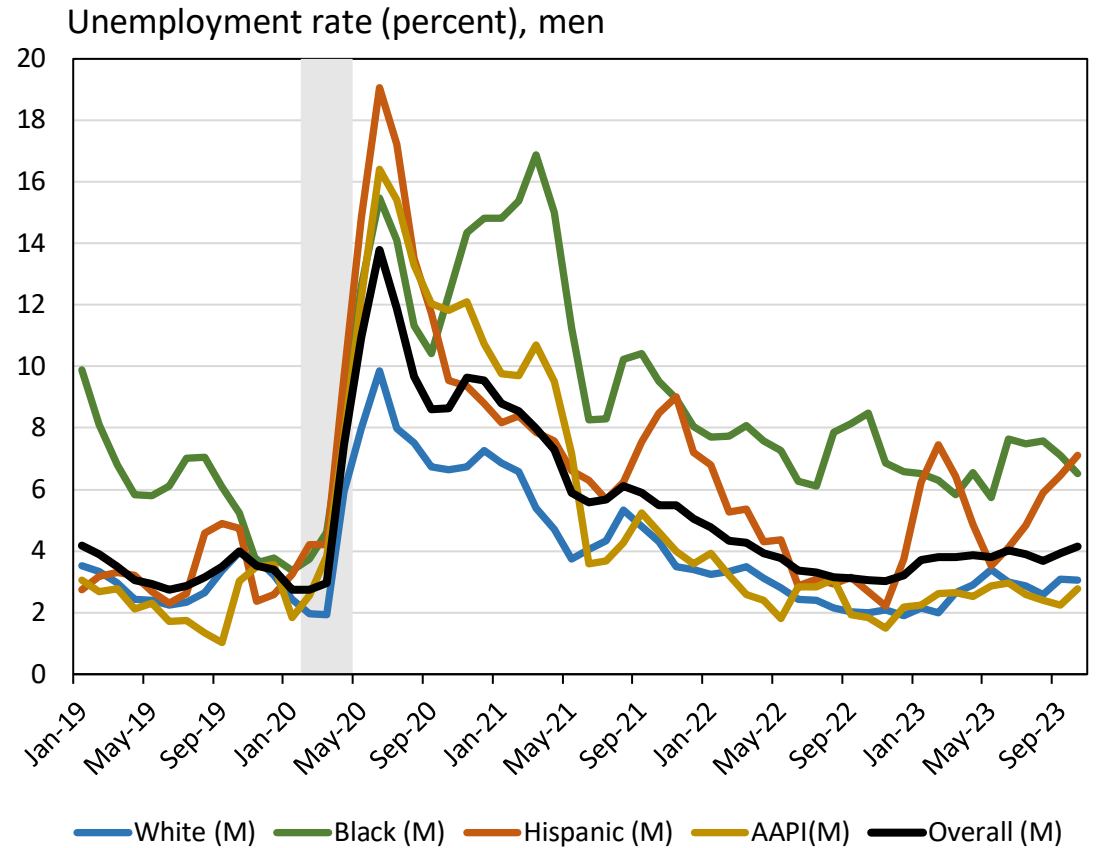
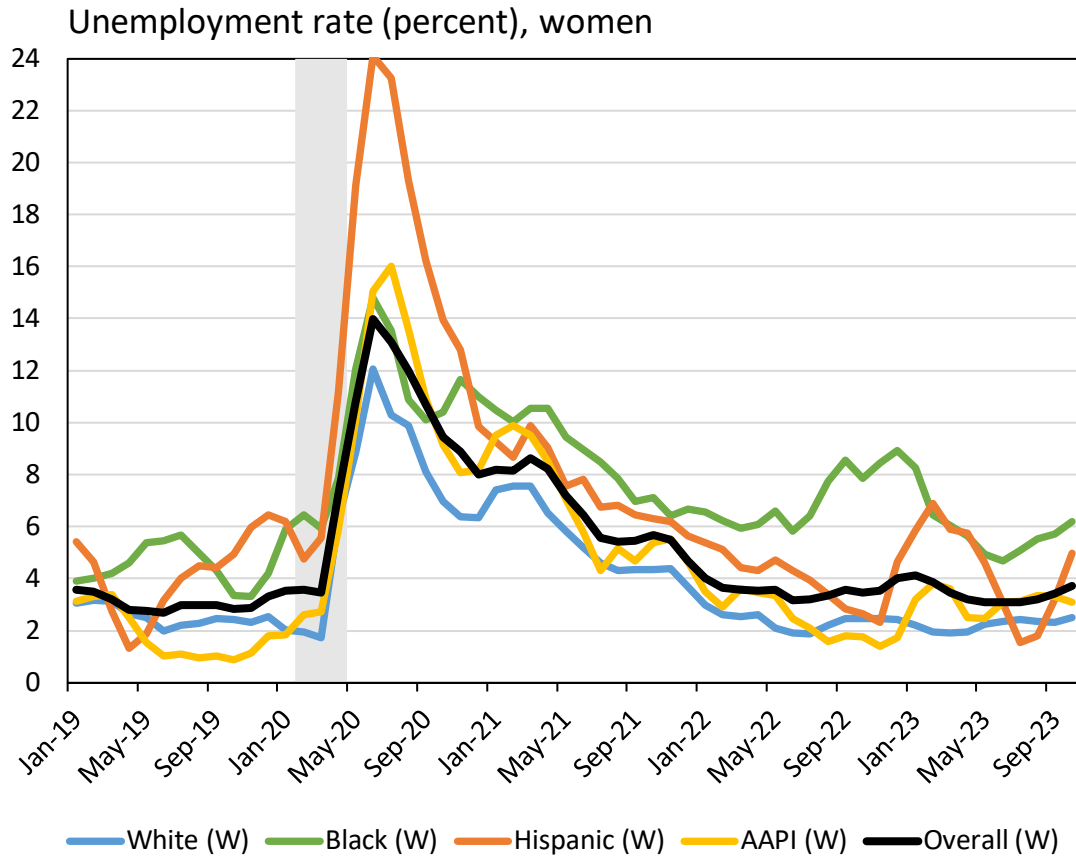
Unemployment Rate by Gender



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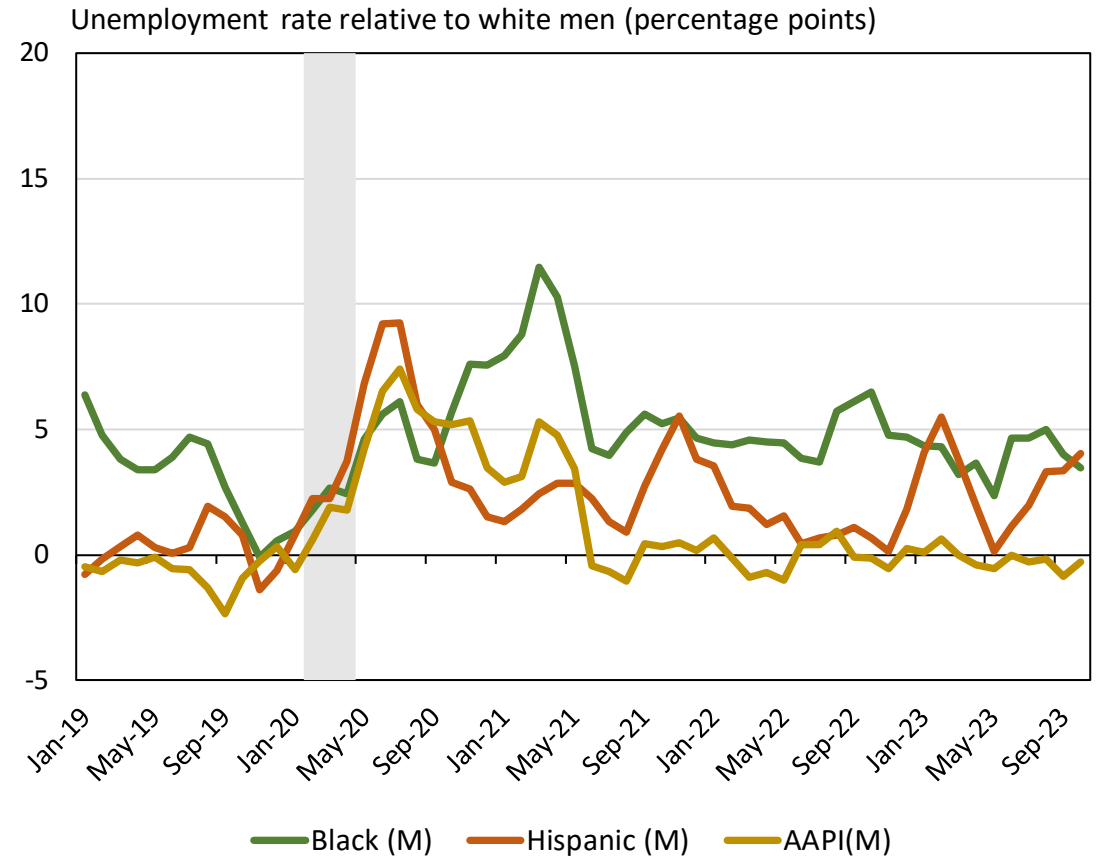
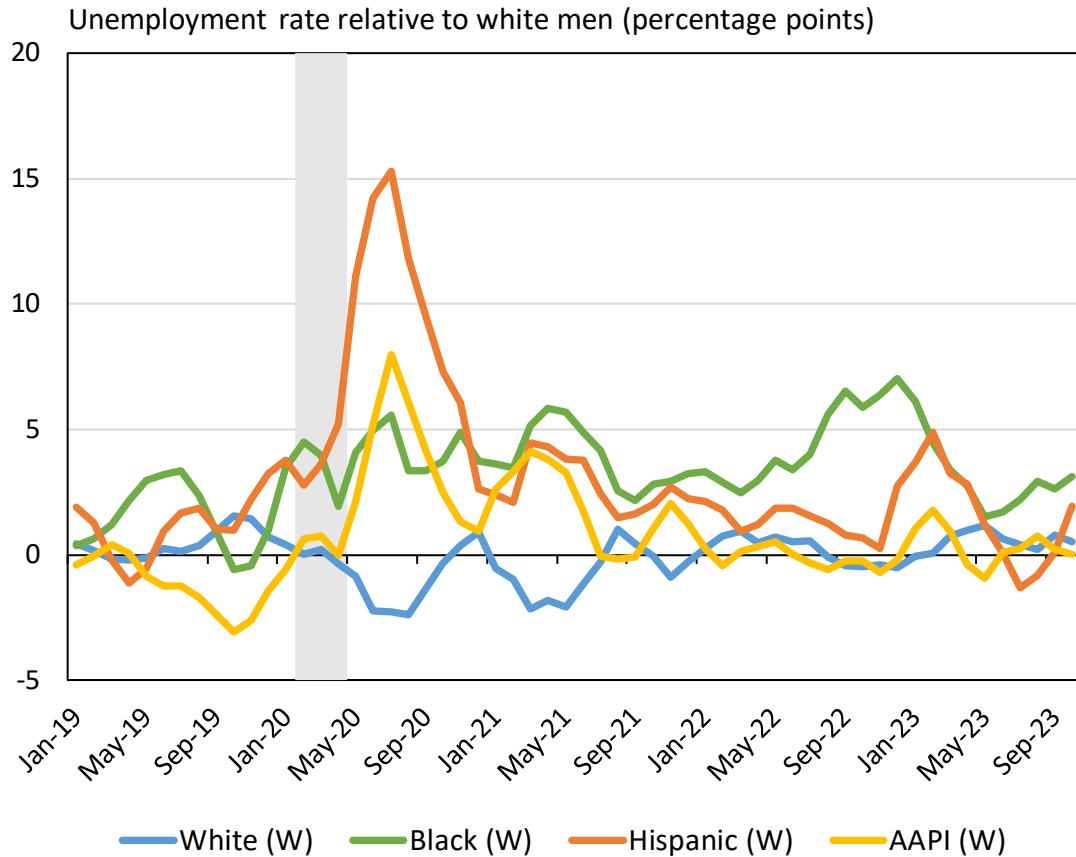
Gender employment gap defined as unemployment of women relative to men.

Unemployment Rate by Race x Gender



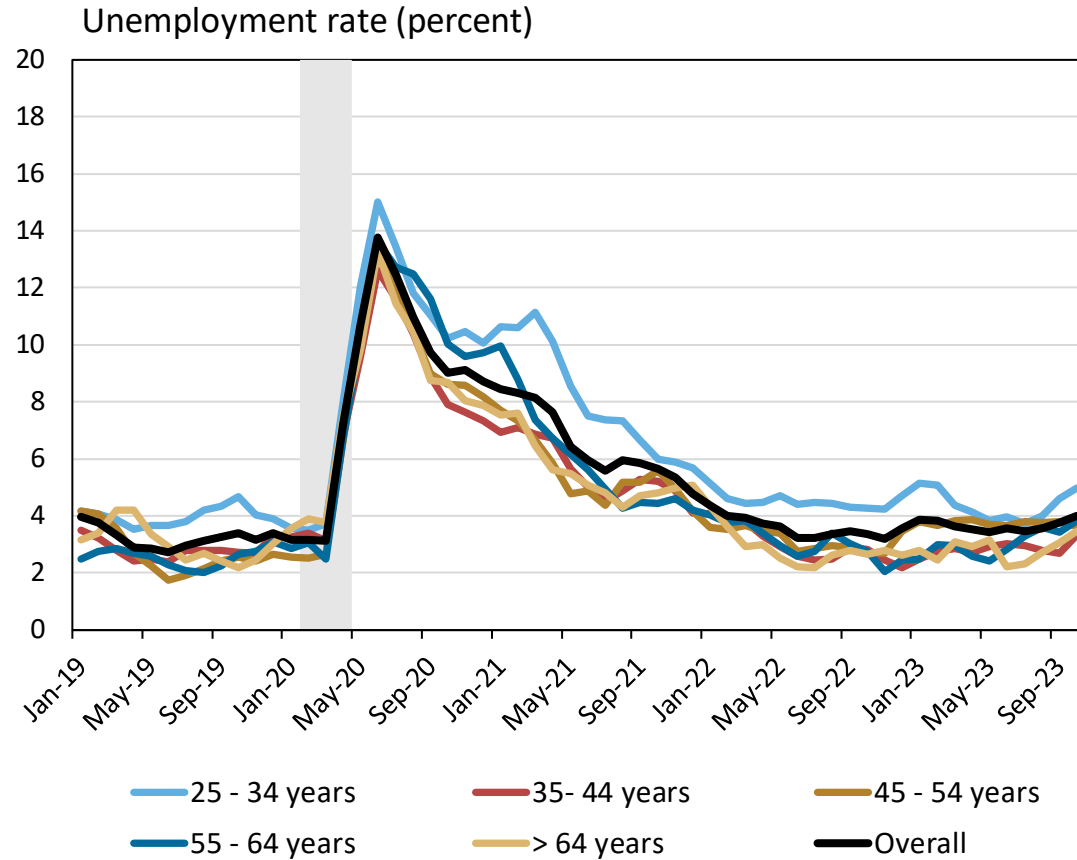
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Unemployment Rate Gaps by Race x Gender



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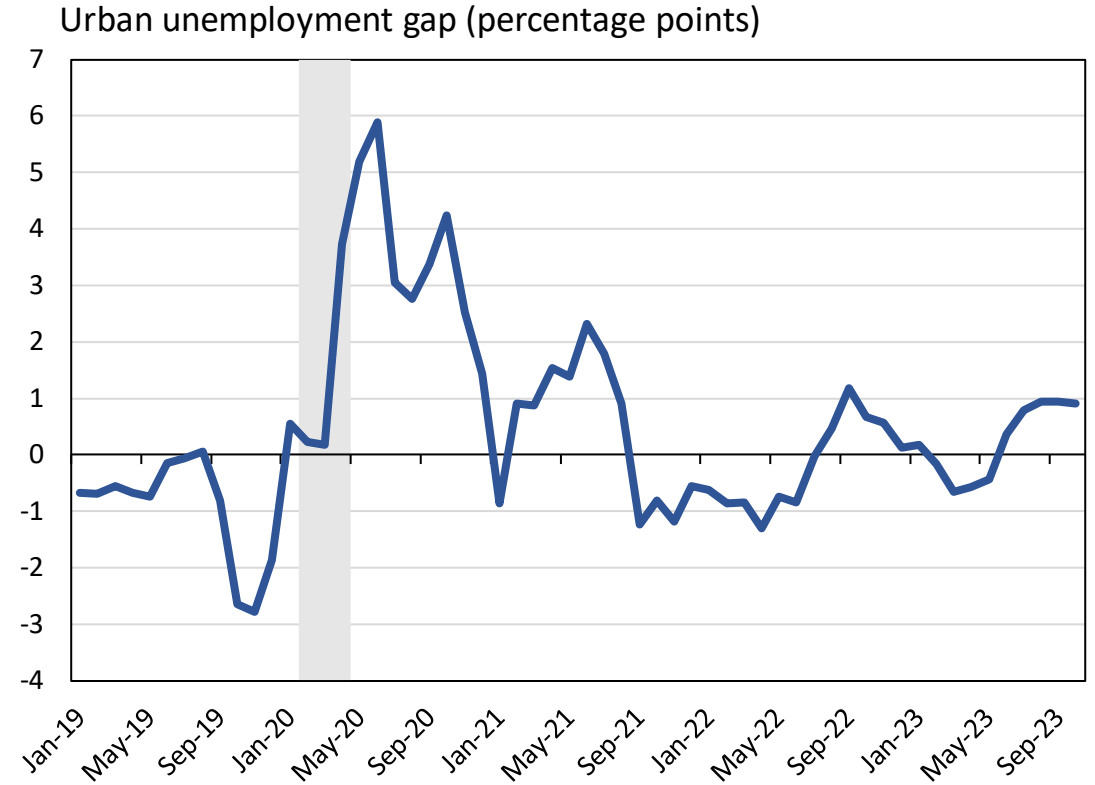
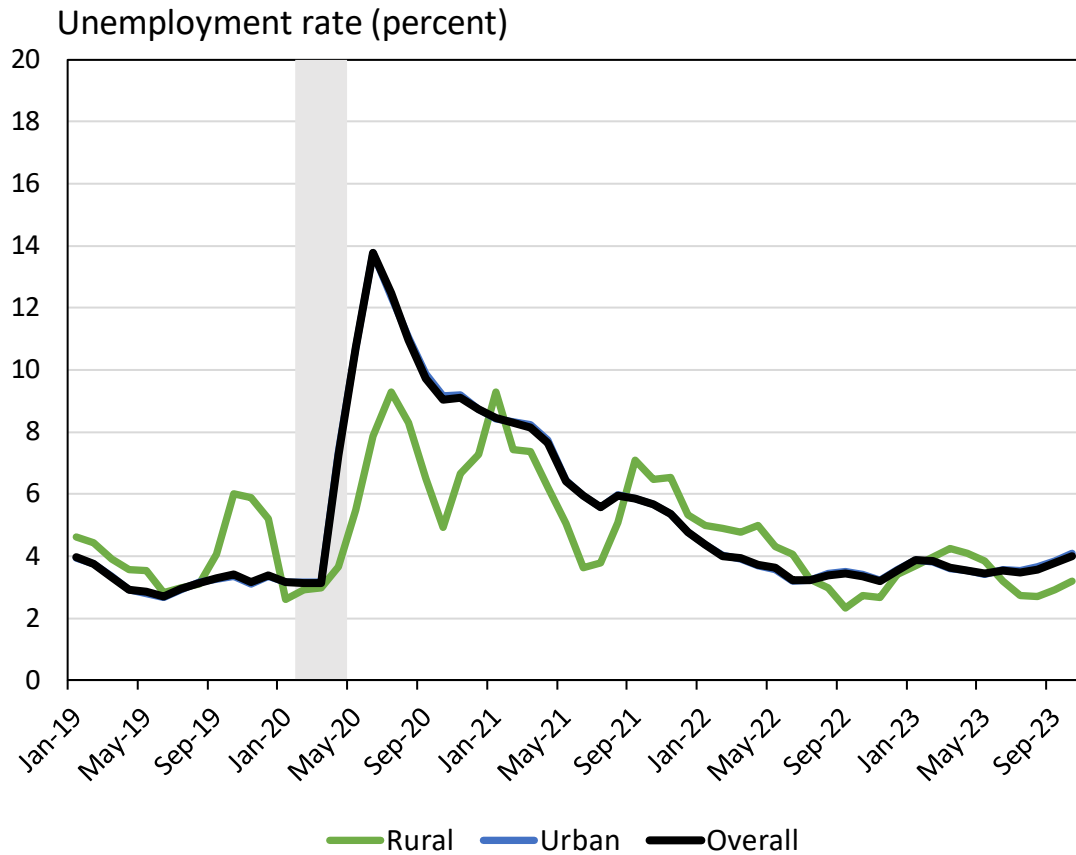
Unemployment Rate by Age



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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.

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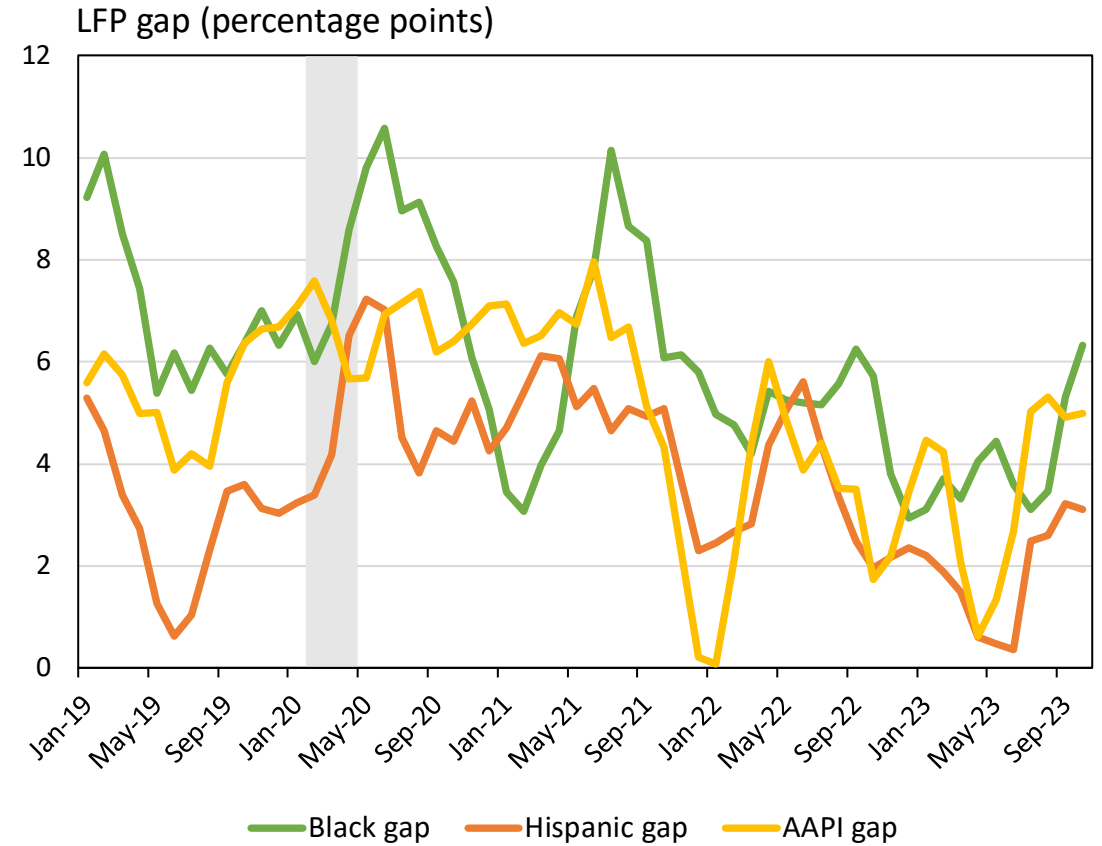
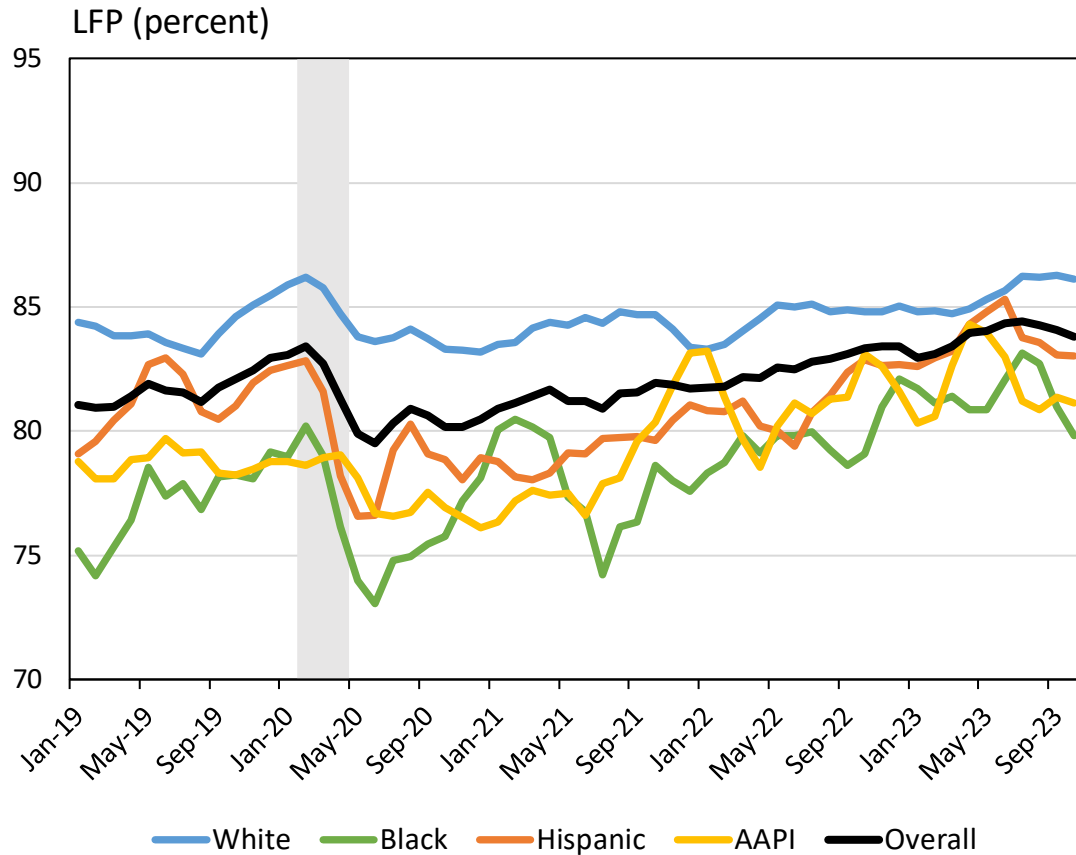
LABOR FORCE PARTICIPATION | REGIONAL
UPDATED THROUGH October 2023



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 at or above their pre-pandemic levels (comparing with October 2019, both on average and for men, women, and all racial and ethnic groups).
- Black, Hispanic, and Asian workers have LFPs below the region average.
- The college LFP gap in the region has not fallen below pre-pandemic levels. However, the gender LFP gap in the region continues to decline, reaching 9.4% in October 2023.

Labor Force Participation by Race/Ethnicity

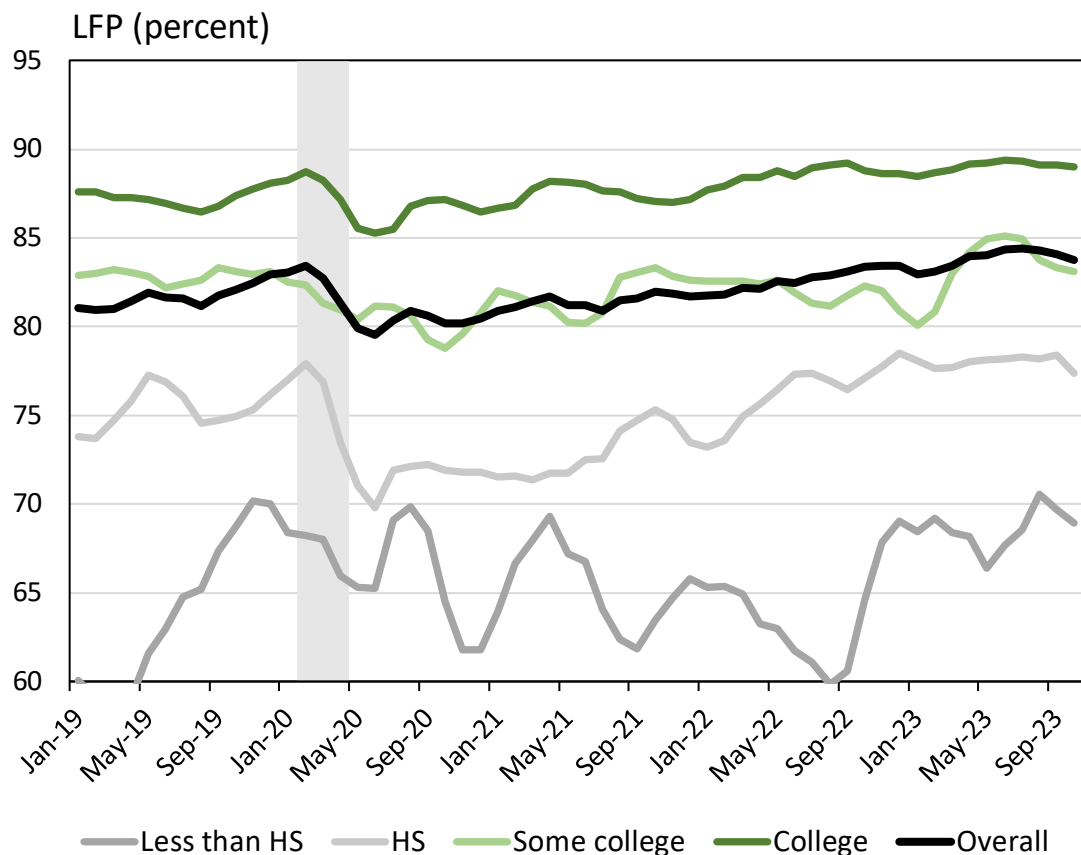


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LFP gap defined relative to white LFP.

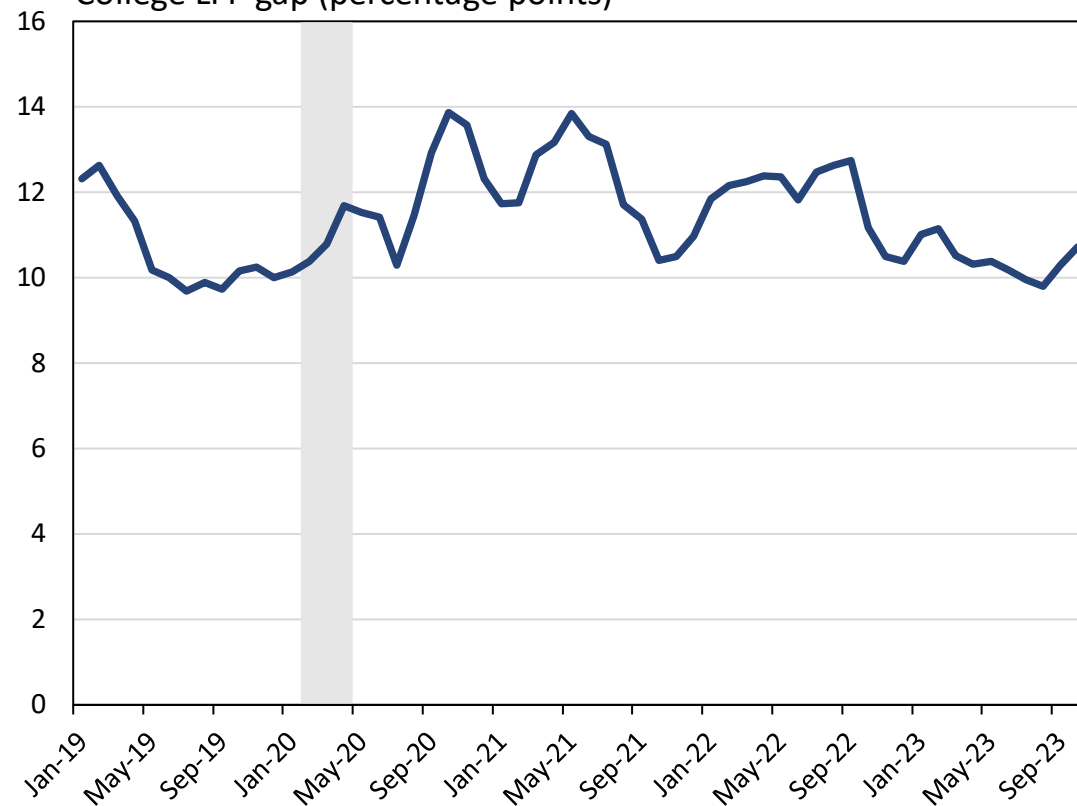
Labor Force Participation by Education



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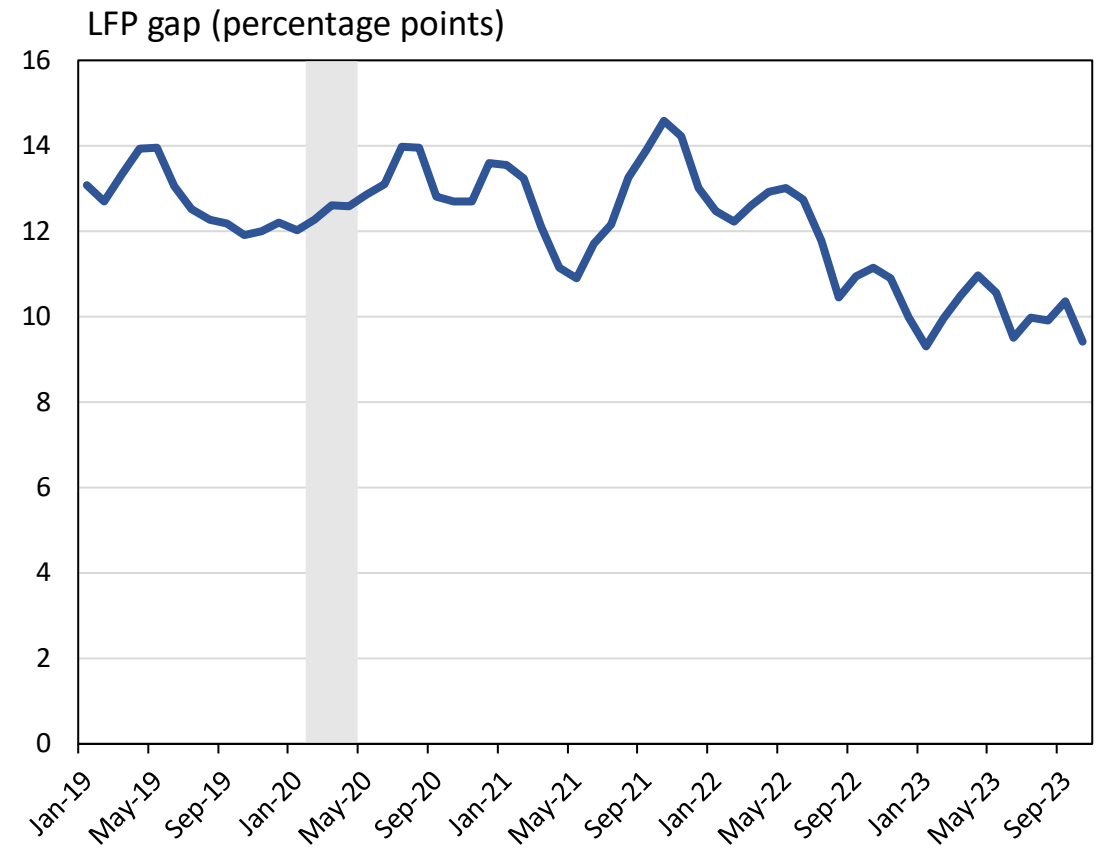
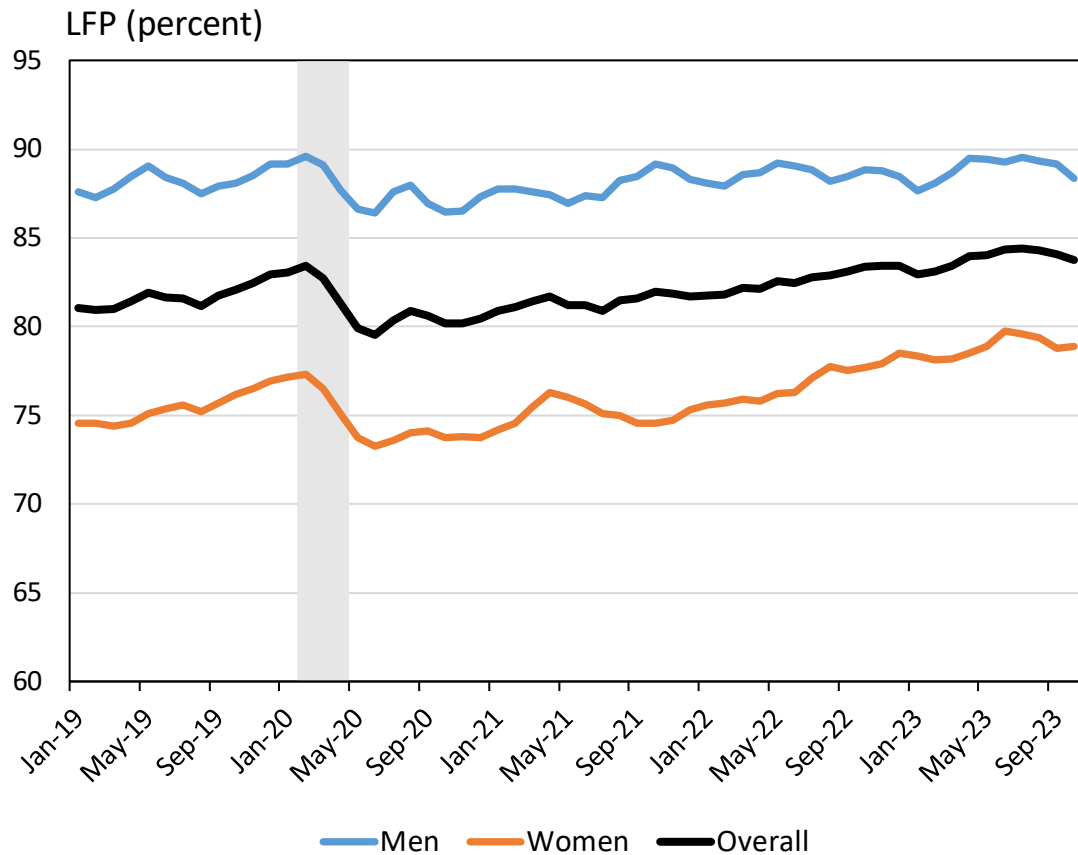
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College LFP gap (percentage points)



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

Labor Force Participation by Gender

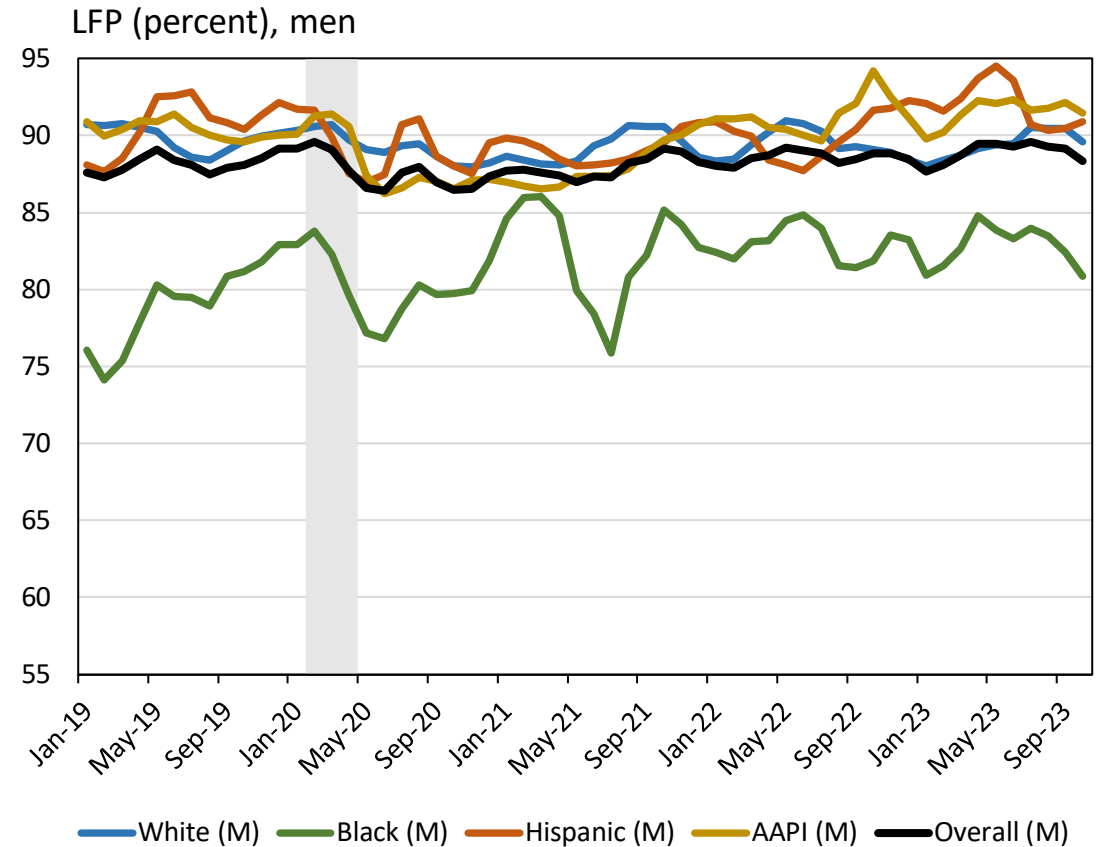
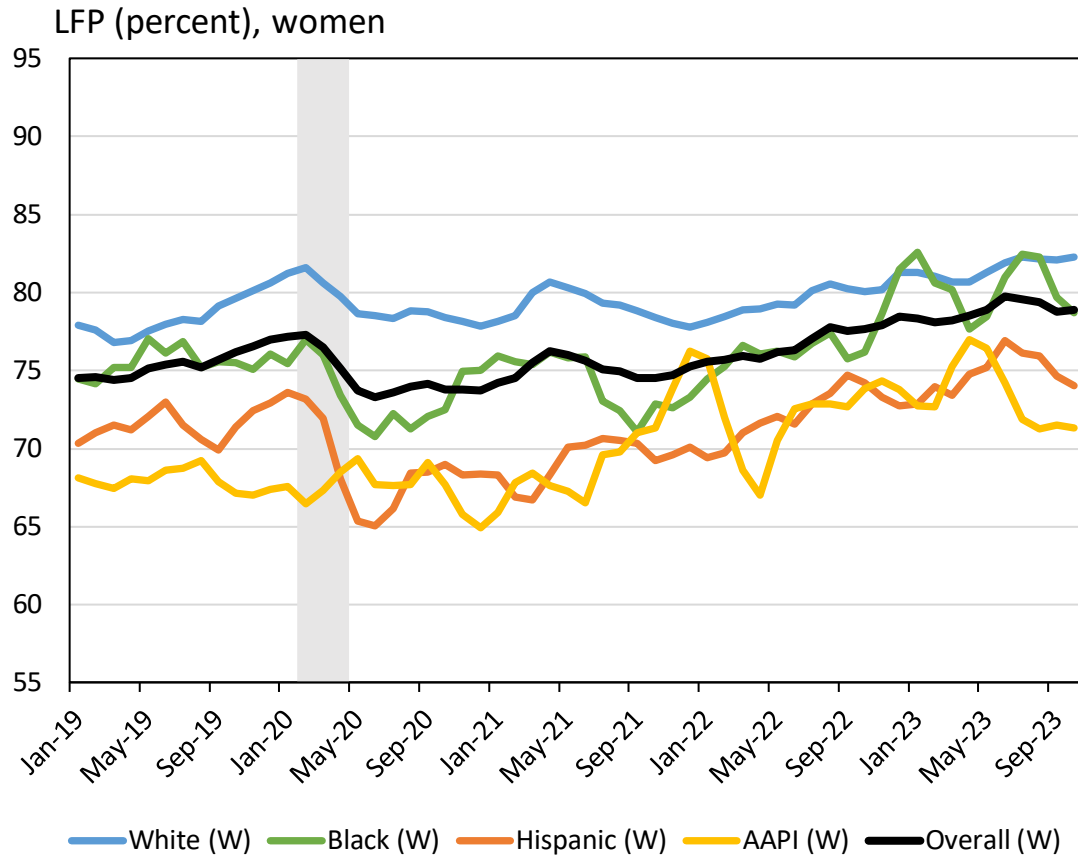


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Gender LFP gap defined as LFP of men relative to women.

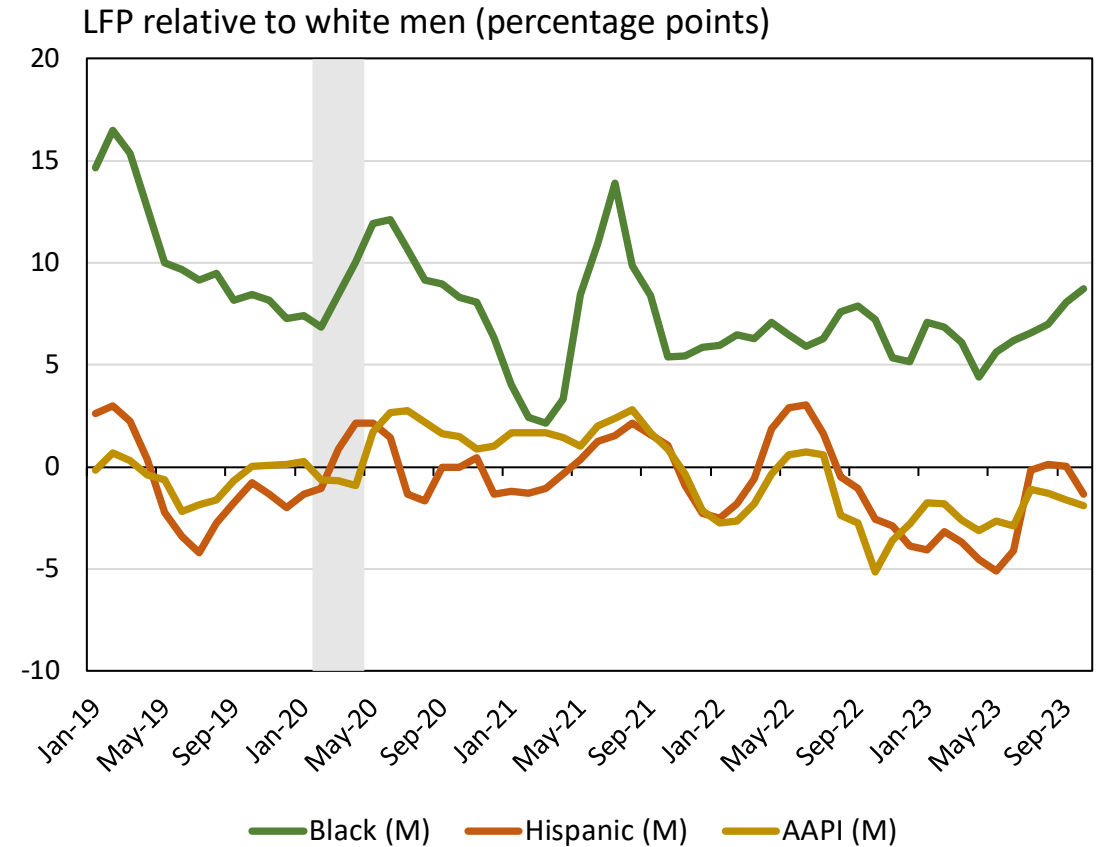
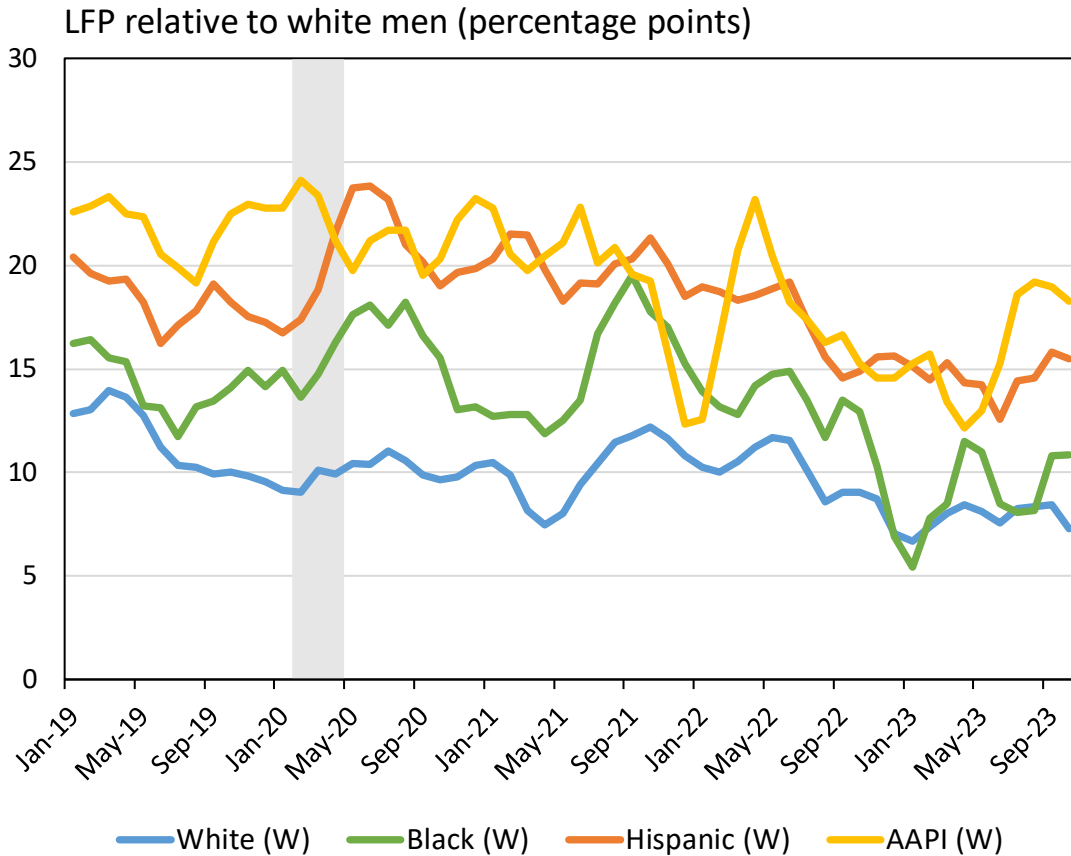
Labor Force Participation by Race x Gender



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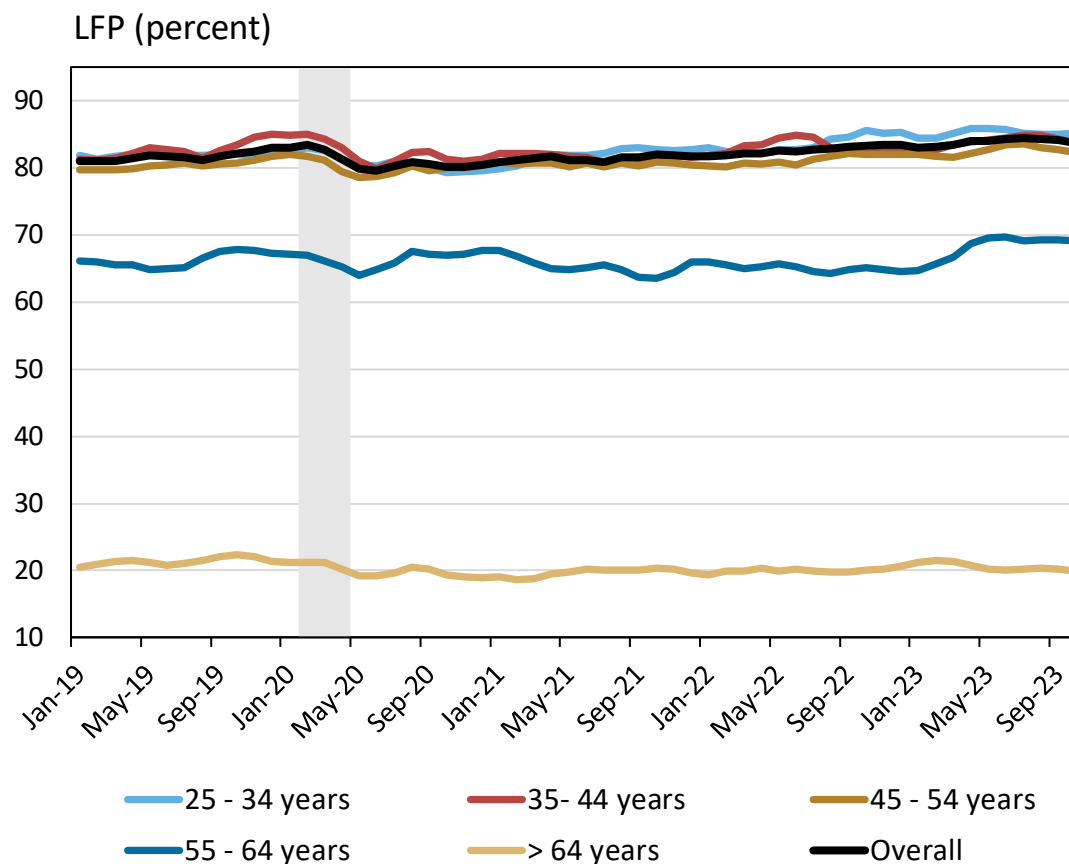
Labor Force Participation Gaps by Race x Gender



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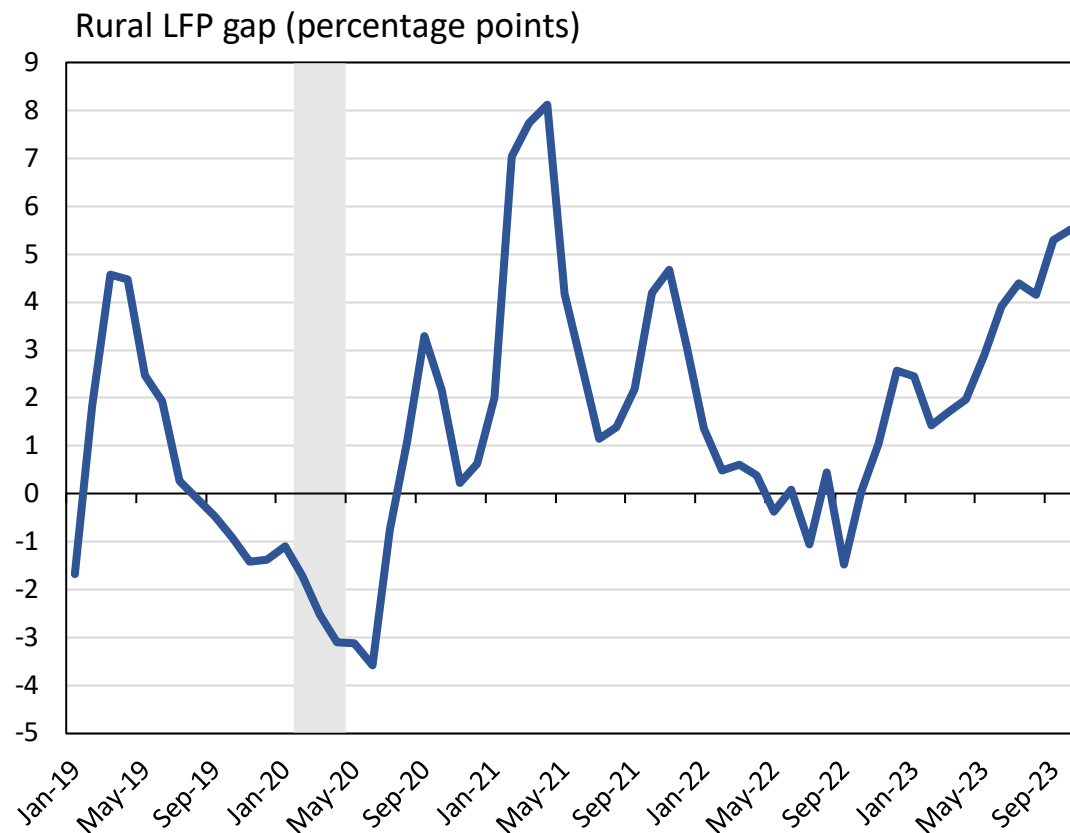
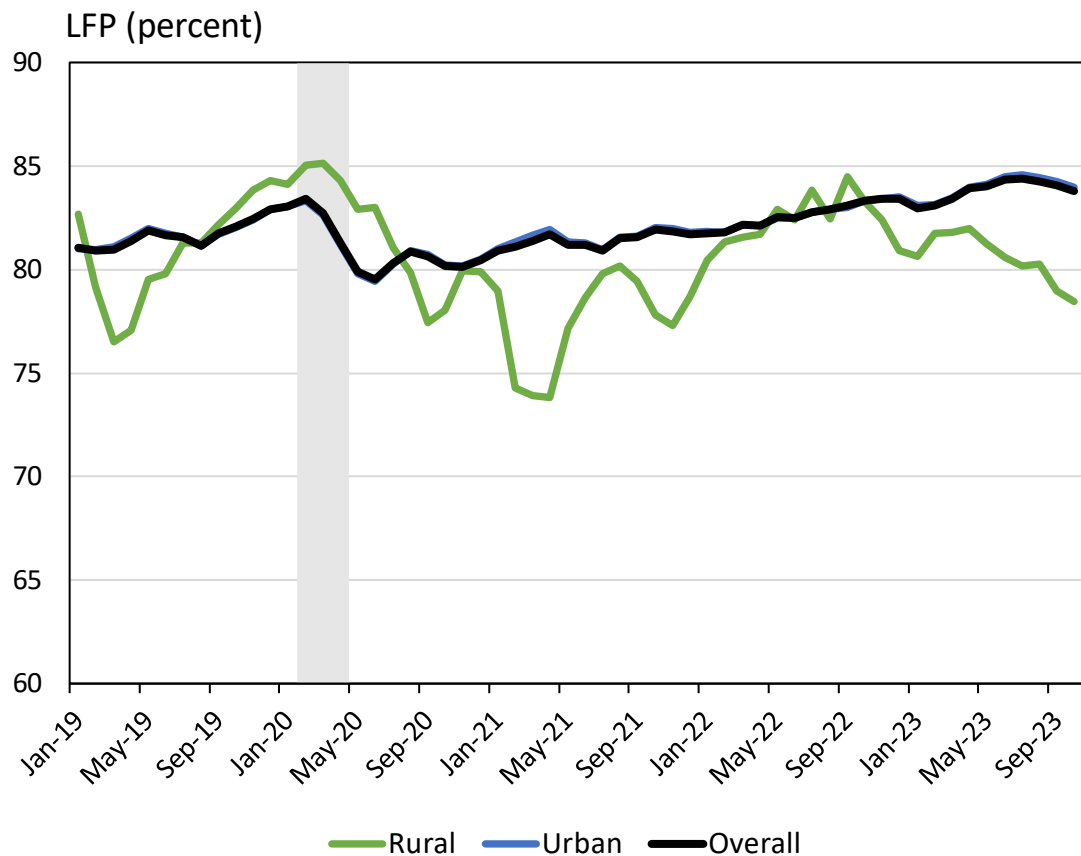
Labor Force Participation by Age



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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.