EQUITABLE GROWTH INDICATORS

Raji Chakrabarti, Dan Garcia, and Maxim Pinkovskiy
Summary

• **INFLATION**
  Inflation is declining overall, as well as in the high-inflation categories of food and housing. Households headed by young people and college-educated people continue to experience higher inflation rates at 0.4 and 0.2 percentage point higher than the national average, respectively.

• **EARNINGS**
  The gender earnings gap has appeared to stabilize around 20%, while the urban-rural gap continues to fall, with rural workers now earning roughly 22% less than their urban counterparts.

• **EMPLOYMENT**
  The labor force participation and employment gaps between men and women are at their lowest levels in more than four years. Men are now 11 percentage points more likely to participate in the labor force, while the unemployment gap remains very small.

• **CONSUMER SPENDING**
  Real spending of the young (aged 25-34) continues to fall with a decline of nearly 60% between March and June 2023, while other groups have begun to recover since bottoming out in May 2023.
EMPLOYMENT

Employment-Population Ratio
Takeaways | EPOP

• Employment as a ratio to population (EPOP) for people aged 25 to 54 declined precipitously during the pandemic recession and rebounded quickly thereafter, returning to pre-pandemic levels in early 2022.
• EPOP decreased more than the U.S. average for Black people, Hispanics, women, the young, people in rural areas, and people without a college education during the pandemic.
• EPOP for Black people, Hispanics and Asians have been rising steadily post-pandemic, but have been roughly stable across age, education, and gender.
• The Black EPOP equaled the Hispanic EPOP from February 2023 to May 2023, although the former fell one percentage point in June 2023. Women’s EPOP grew faster than that for men since January 2023.
• Black men and Hispanic and Asian women have EPOP ratios considerably below the national averages for their genders, a pattern driven almost entirely by their labor force participation.
• Veterans have systematically lower EPOP than comparable* nonveterans, mainly because they have lower labor force participation.

*Comparable nonveterans are male high school graduates reweighted by age, race and birthplace to match veterans.
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.
EPOP by Education

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.
EPOP by Gender

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EQUITABLE GROWTH INDICATORS | Employment-Population Ratio

EPOP by Race x Gender

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.
EPOP Gaps by Race x Gender

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.
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.
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EQUITABLE GROWTH INDICATORS | Employment-Population Ratio

EPOP by Urban Status

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.
EPOP by Veteran Status

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

**Notes:** Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.
Takeaways | Unemployment Rate

- We define unemployment rate as the fraction of unemployed in the labor force. The overall unemployment rate peaked at more than 11 percent during the pandemic but has since declined to pre-pandemic levels.
- Unemployment rate gaps increased during the pandemic but are now close to pre-pandemic levels.
- The unemployment rate gap for Hispanic workers rose sharply since January 2023 owing mostly to the increase in the gap for Hispanic women workers but has since begun to re-converge. Black workers, on the other hand, experienced an increase in unemployment in June 2023.
- Unemployment rate gaps are highest for the young, followed by Black workers, and by people without a college degree.
- Veterans and comparable* nonveterans have had essentially the same unemployment rate since the pandemic.

*Comparable nonveterans are male high school graduates reweighted by age, race and birthplace to match veterans.
Unemployment Rate 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.
Unemployment Rate by Education

Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors’ calculations, three-month moving averages.
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Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors’ calculations, three-month moving averages.
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Unemployment Rate by Race x Gender

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.
Unemployment Rate Gaps by Race x Gender

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.
Unemployment Rate 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.
Unemployment Rate by Urban Status

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.
Unemployment Rate by Veteran Status

Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors’ calculations, three-month moving averages.
Notes: Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.
Takeaways | Labor Force Participation

- Labor force participation rates (LFP) declined during the pandemic and are currently about half a percentage point above pre-pandemic levels.
- Black, Hispanic, and Asian workers have LFPs below the U.S. average. The LFP of Asians was close to the LFP of Black workers and Hispanics in 2019, but it has risen to nearly the national average LFP.
- The LFP gender gap is large with women’s LFP about 11 percentage points lower than that of men, although this gap is decreasing. The LFP gaps by age and education are larger.
- Veterans have lower LFP than comparable* nonveterans, and the gap has grown since 2019.

*Comparable nonveterans are male high school graduates reweighted by age, race and birthplace to match veterans.
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.
Labor Force Participation by Education

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

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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.
Labor Force Participation by Race x Gender

Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors’ calculations; three-month moving averages.
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Labor Force Participation by Age

Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors’ calculations, three-month moving averages.
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Labor Force Participation by Urban Status

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.
Labor Force Participation by Veteran Status

Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors’ calculations; three-month moving averages.
Notes: Restricted to men, 25-55, with at least a high school diploma. Shaded region indicates the COVID-19 recession.