

UPDATED THROUGH AUGUST 2026 | REGIONAL

ECONOMIC HETEROGENEITY INDICATORS

Raji Chakrabarti, Julian Haas, Maxim Pinkovskiy, and Grace Wang

Table of Contents

Full Report Highlights3

Inflation.....4

Earnings.....9

Employment.....17

 Employment-to-Population Ratio..... 18

 Unemployment Rate.....22

 Labor Force Participation.....27

Full Report Highlights

▪ INFLATION

- ✓ Inflation gaps in the region widened. Inflation in the region in August 2026 was 1.5 percentage points higher for Hispanic households and 1.1 percentage points higher for Black households than for white households.
- ✓ Inflation in the region was 0.6 percentage point lower for high-income households than for middle-income households and 0.85 percentage point lower for high-income households than for low-income households.

▪ EARNINGS

- ✓ Similar to the rest of the nation, real earnings in the region peaked following the pandemic recession and have fallen since. Both nominal and real disparities are largest across education categories, with smaller but still substantial gaps across racial and ethnic categories, and gender.

▪ EMPLOYMENT

- ✓ Labor force participation of Black people and people with less than a high school degree declined in the region between April and August 2026, as it did for the nation.
- ✓ Women's employment rate were 7.4 percentage points lower than men's employment rate in August 2026.

INFLATION

UPDATED THROUGH AUGUST 2026 | REGIONAL

Raji Chakrabarti, Julian Haas, Maxim Pinkovskiy, and Grace Wang

Takeaways | Inflation

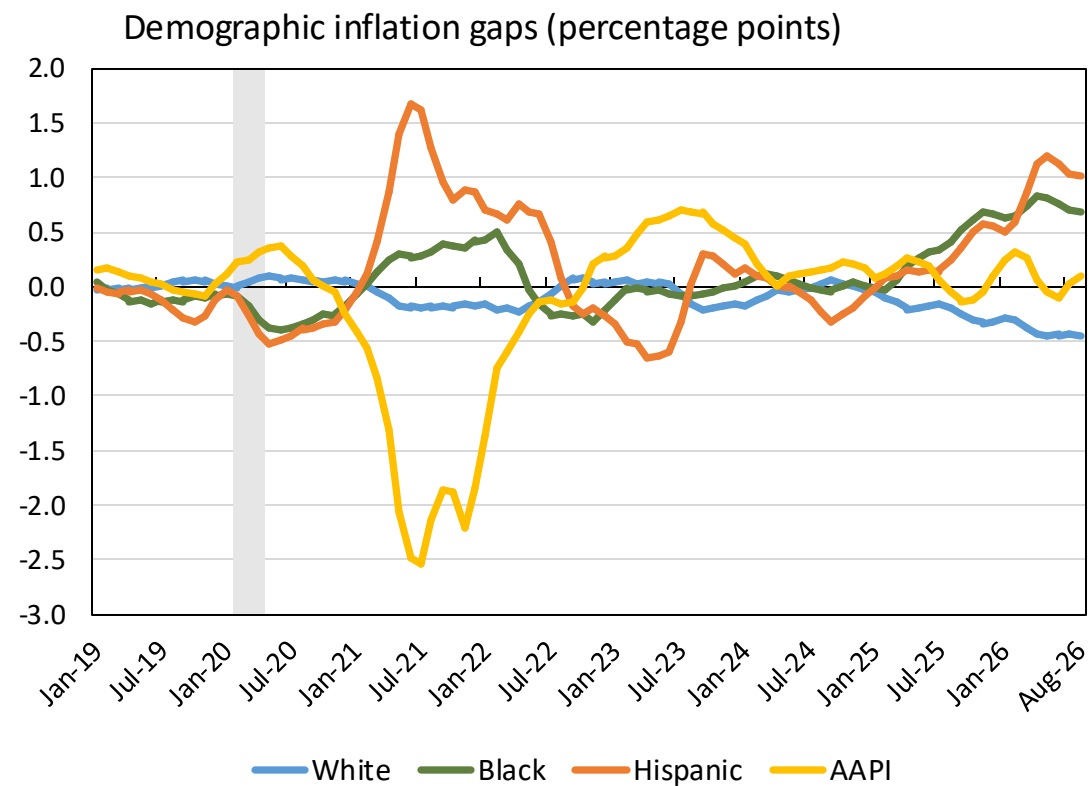
- Inflation gaps* in the region widened. Inflation in the region in August 2026 was 1.5 percentage points higher for Hispanic households and 1.1 percentage points higher for Black households than for white households.
- Inflation in the region was 0.6 percentage point lower for high-income households than for middle-income households and 0.85 percentage point lower for high-income households than for low-income households.
- The March 2026 gasoline price shock was a major contributor to these differences as Hispanic, Black, and lower-income households had higher gasoline consumption shares.

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

Data & Methods

- Data on inflation by demographic groups are not produced by the Bureau of Labor Statistics.
- To calculate demographic inflation, the Consumer Expenditure Survey (CEX) is used to compute spending shares of various consumption categories (for example, cereal, rent, and used cars) by demographic group (for example, Black, Hispanic, some college, and aged 45-54).
- The region in the CEX is defined to be the union of the New York-New Jersey metro area (excluding counties in Pennsylvania) with all other counties in New York state.
- To compute the contribution of a consumption category in a particular city to demographic inflation for a specific group, that group's spending share on that category in that city (from the CEX) in the previous year is multiplied by the twelve-month inflation for that consumption category in that city (from the Consumer Price Index).
- All the contributions are then summed to get an inflation index for the demographic group.
- This method is similar to the previous literature, for example, Hobijn and Lagakos (2005), McGranahan and Paulson (2006), and Jaravel (2019). The EHIs are the first to exploit price variation across cities whereas the aforementioned studies assume people in different demographic groups and cities face the same prices.
- Demographic inflation gaps are calculated as demographic inflation less Second District overall inflation.

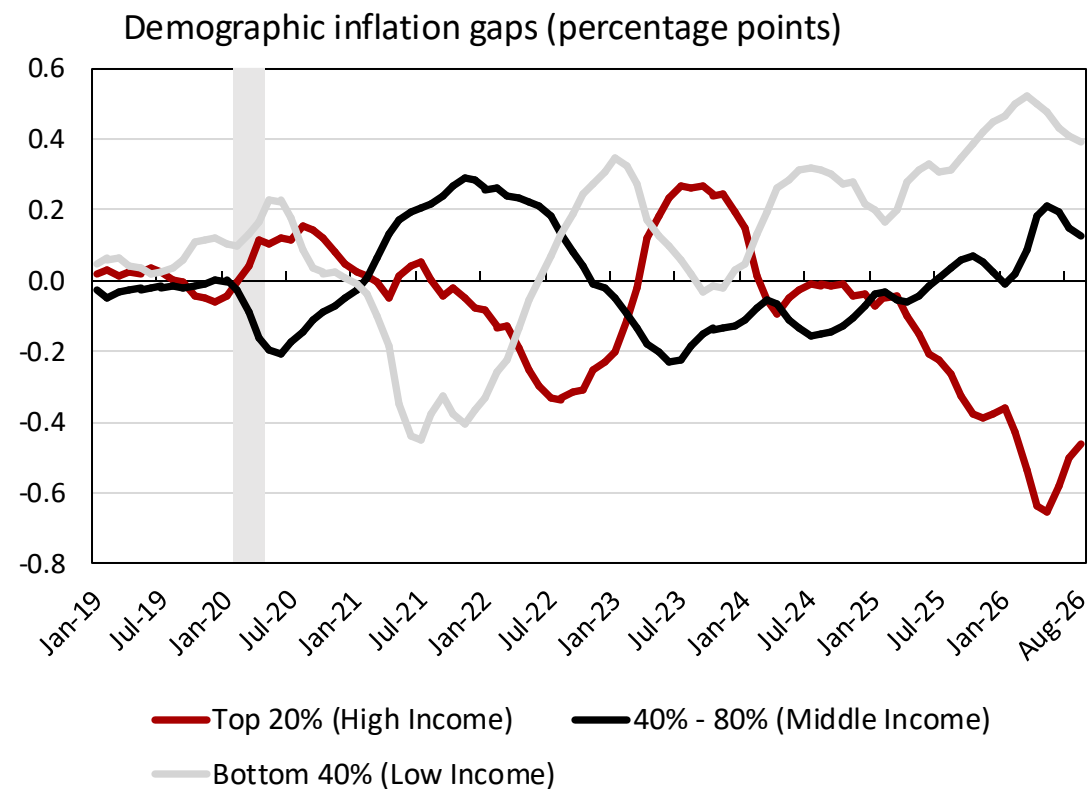
Demographic Inflation by Race/Ethnicity



Sources: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes.

Notes: Expenditure shares use 2021 CEX microdata. 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.

Demographic Inflation by Income



Sources: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes.

Notes: Expenditure shares use 2021 CEX microdata. 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.

EARNINGS

UPDATED THROUGH AUGUST 2026 | REGIONAL

Raji Chakrabarti, Julian Haas, Maxim Pinkovskiy, and Grace Wang

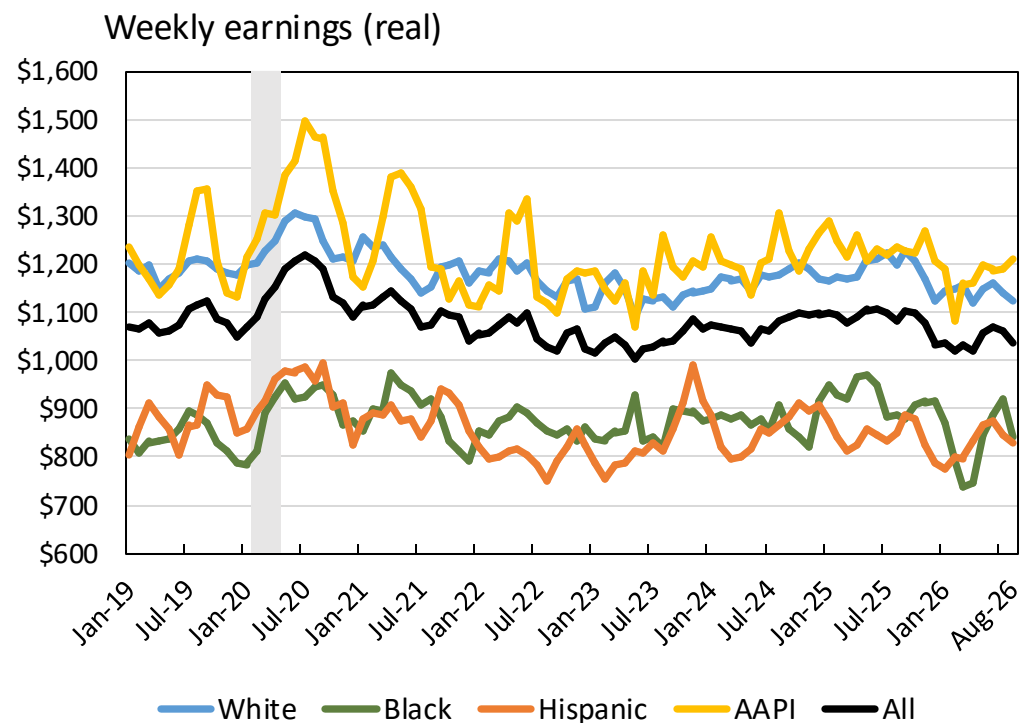
Takeaways | Earnings

- Similar to the rest of the nation, real earnings in the region peaked following the pandemic recession and have fallen since. Both nominal and real disparities are largest across education categories, with smaller but still substantial gaps across racial and ethnic categories, and gender.
- Women in the region earned 85 cents on the dollar relative to men in August 2026, up from 80 cents in March 2026.
- Earnings of Black and Hispanic workers stand at 74.7% and 73.7% of those of white workers, respectively.
- Workers without a college degree made 55.2% of the earnings of college graduates.

Data & Methods

- Real earnings are computed by deflating nominal earnings for each demographic using the EHI estimates of demographic-specific inflation.
- Black, Hispanic, and AAPI earnings ratios are defined as the ratio of earnings of workers of the race or ethnicity in question to the earnings of white workers.
- The non-college earnings ratio is defined as the ratio of non-college graduates' earnings to college graduates' earnings.
- The women's earnings ratio is defined as the ratio of women's to men's earnings.
- The race by gender earnings ratios are defined as the ratio of earnings of workers of the race or ethnicity and gender in question to the earnings of white men.
- 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



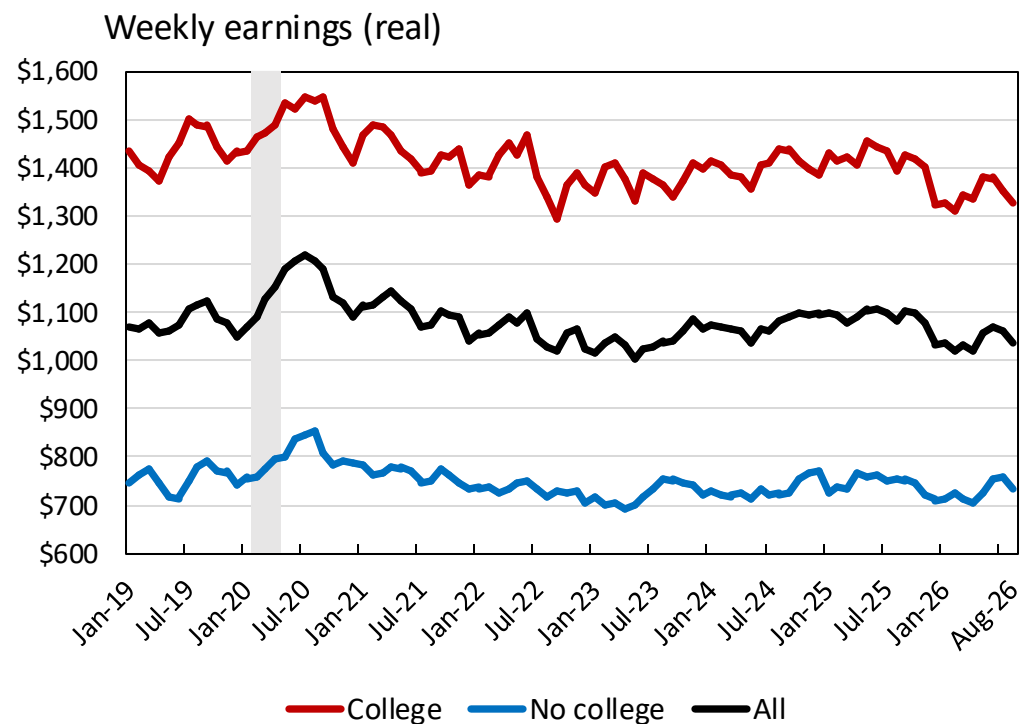
Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to June 2019. Shaded region indicates the COVID-19 recession. The weekly earnings ratio by race is defined here as the ratio of earnings of workers of the race or ethnicity in question to the earnings of white workers. For instance, a ratio of 80% 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 U.S. 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 Education



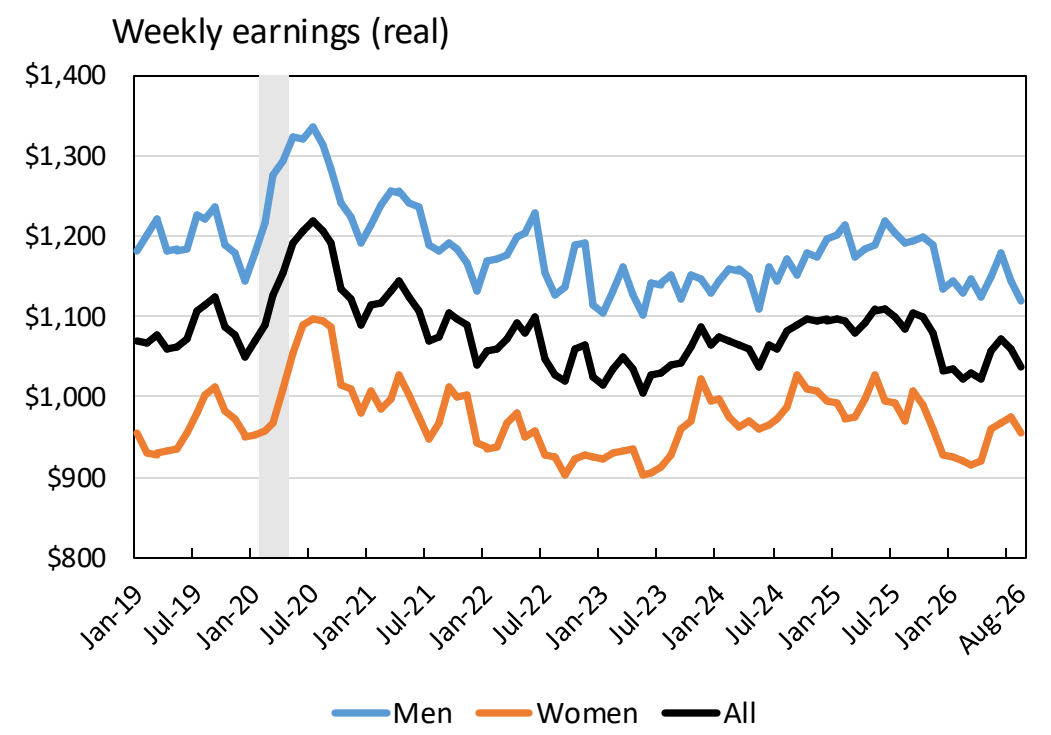
Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations, three-month moving averages.

Notes: Real earnings uses corresponding demographic prices, indexed to June 2019. Shaded region indicates the COVID-19 recession. The weekly earnings ratio by race is defined here as the ratio of earnings of workers of the race or ethnicity in question to the earnings of white workers. For instance, a ratio of 80% 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 U.S. 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 weekly earnings ratio by race is defined here as the ratio of earnings of workers of the race or ethnicity in question to the earnings of white workers. For instance, a ratio of 80% 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 U.S. 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.

EMPLOYMENT

UPDATED THROUGH AUGUST 2026 | REGIONAL

Raji Chakrabarti, Julian Haas, Maxim Pinkovskiy, and Grace Wang

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

UPDATED THROUGH AUGUST 2026 | REGIONAL

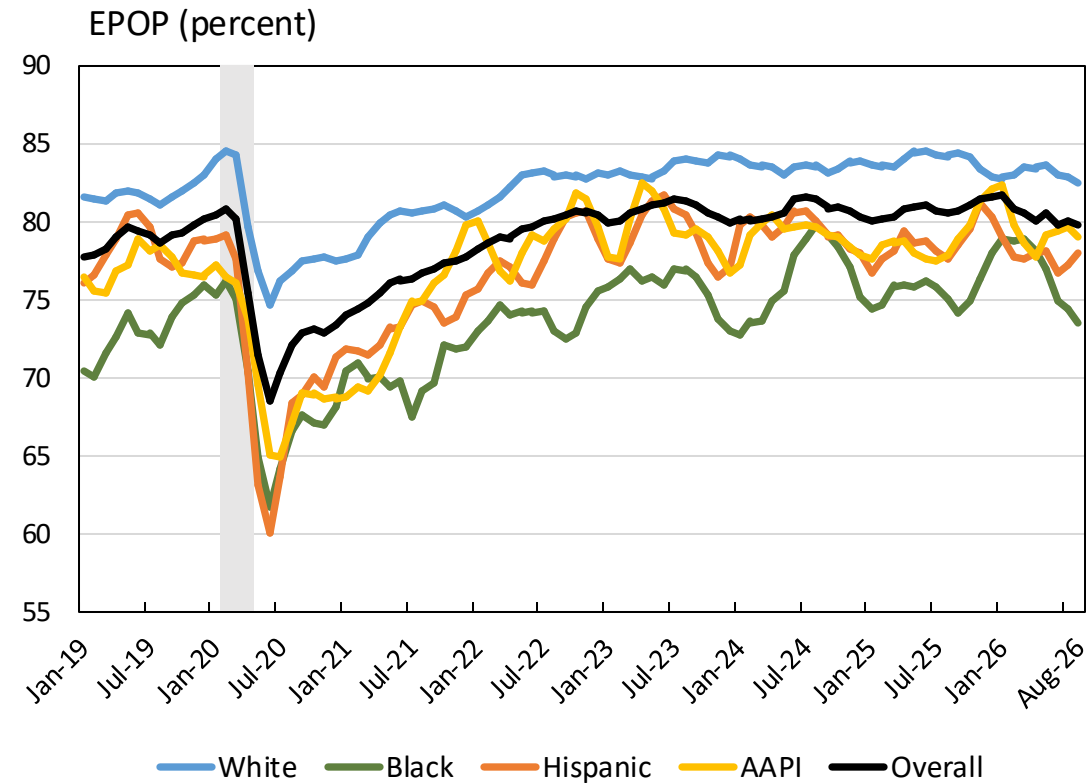
Raji Chakrabarti, Julian Haas, Maxim Pinkovskiy, and Grace Wang

Takeaways | EPOP

- As in the nation, demographic employment rates in the region typically are lowest for Black workers, followed by Hispanic and AAPI workers. These rates all fell during the pandemic and have since returned roughly to pre-pandemic levels. Owing to small sample sizes, regional employment gaps exhibit considerable volatility.
- The employment to population ratio in August 2026 was lower in the region (79.7%) than in the nation (80.3%).
- Women's employment rate was 7.4 percentage points lower than men's employment rate in August 2026.

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

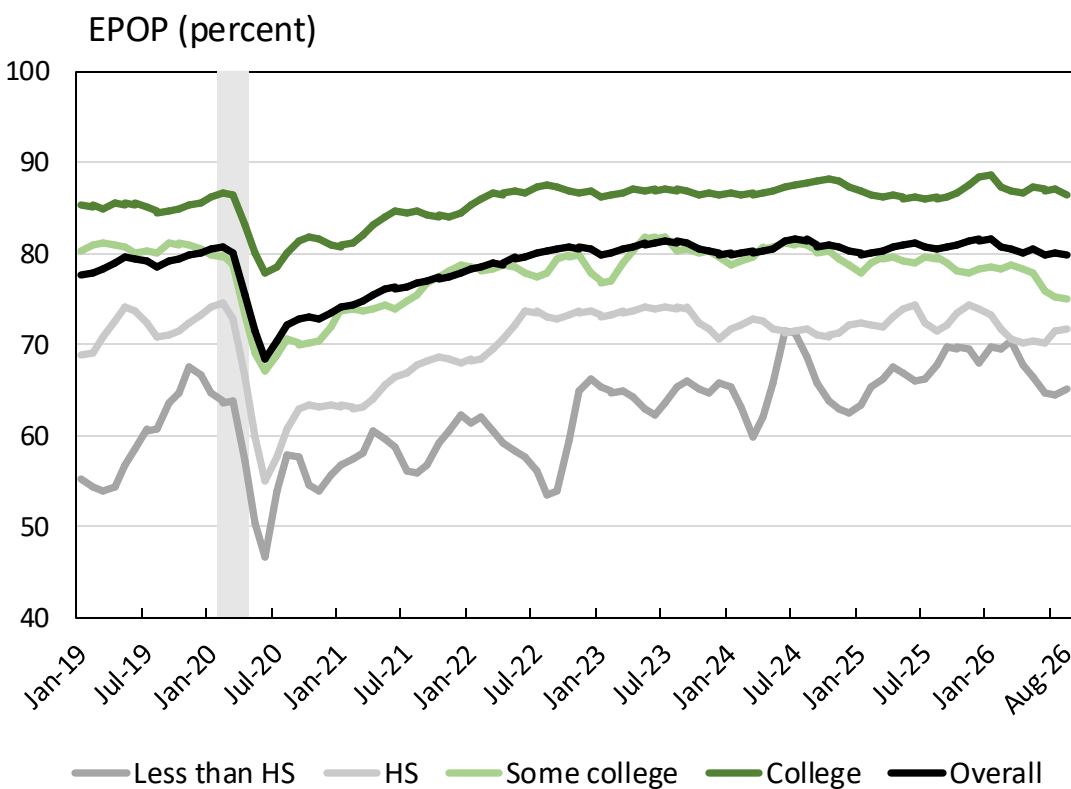
EPOP by Race/Ethnicity



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.

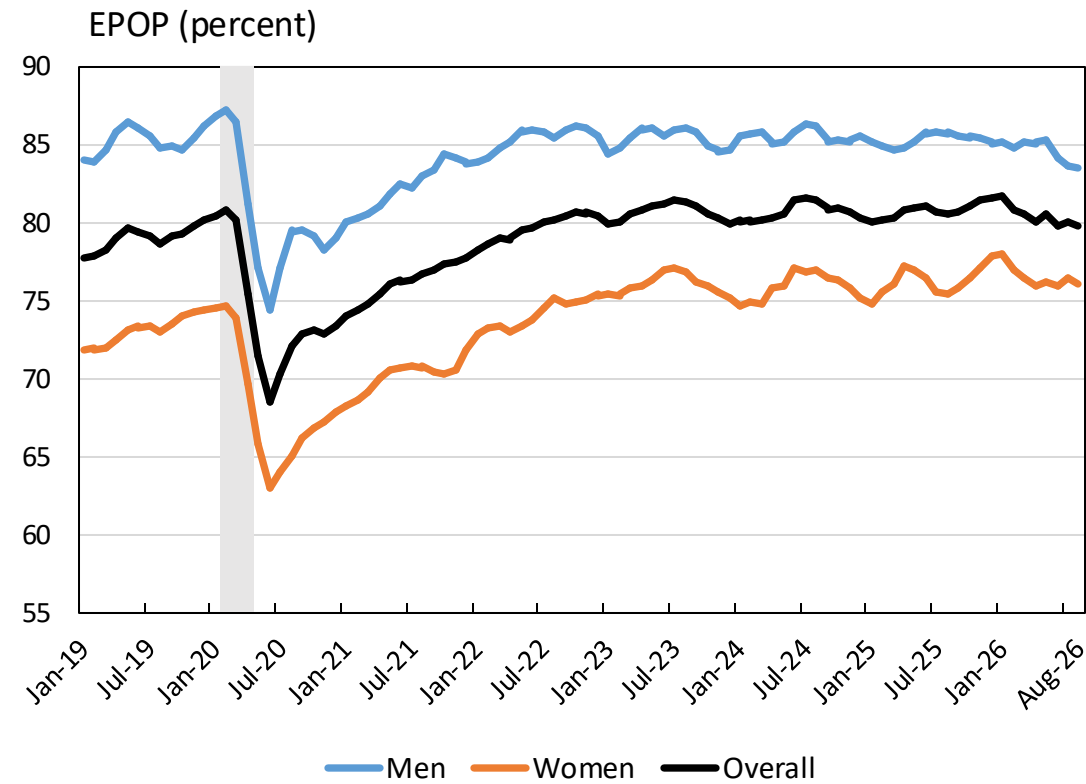
EPOP by Education



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. 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.

EPOP by 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. 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

UPDATED THROUGH AUGUST 2026 | REGIONAL

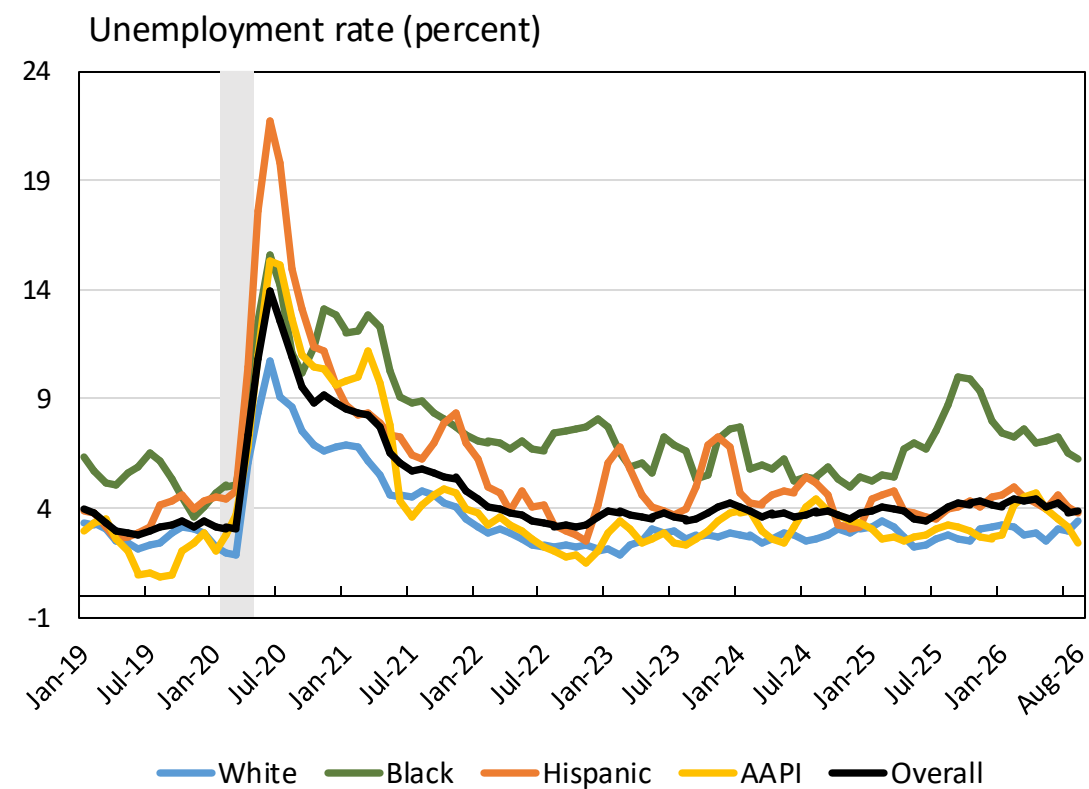
Raji Chakrabarti, Julian Haas, Maxim Pinkovskiy, and Grace Wang

Takeaways | Unemployment Rate

- The overall unemployment rate in the region peaked around 14% during the pandemic, which was higher than the national peak of 11%. Both rates have returned to pre-pandemic levels.
- Unemployment rates in the region are highest for Black workers and workers without a high school degree. As for the nation, these unemployment rates have fallen largely because of labor force exits.

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

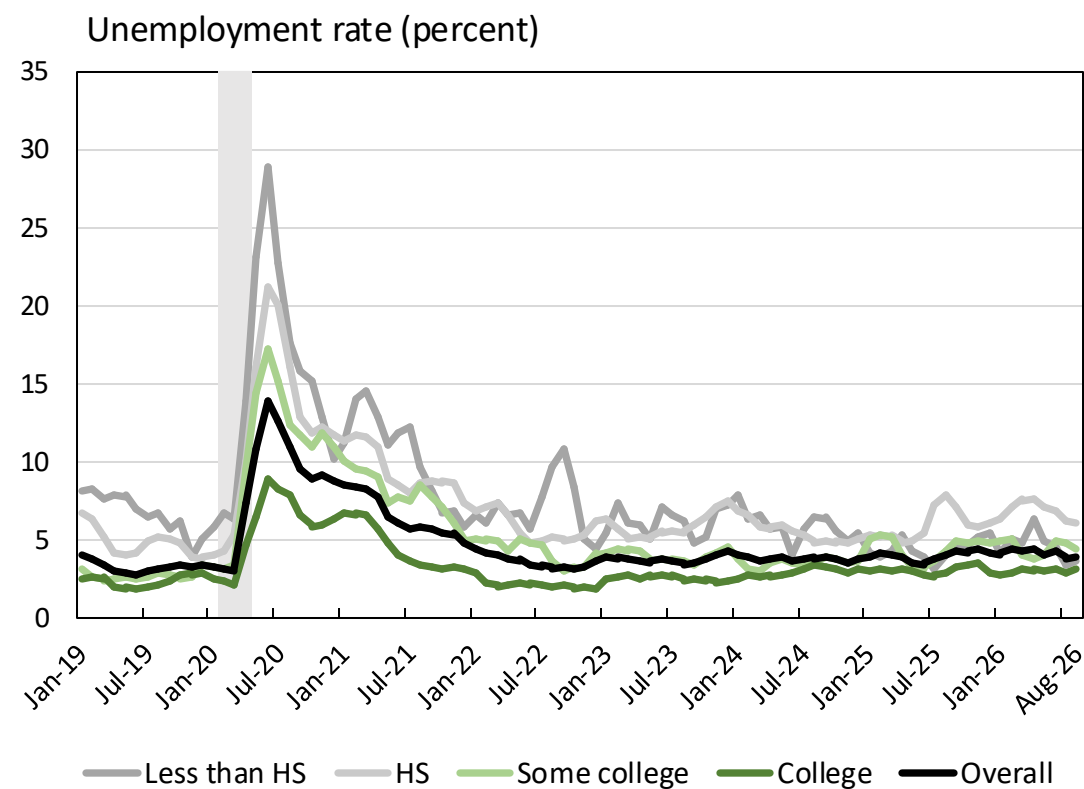
Unemployment Rate by Race/Ethnicity



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. 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.

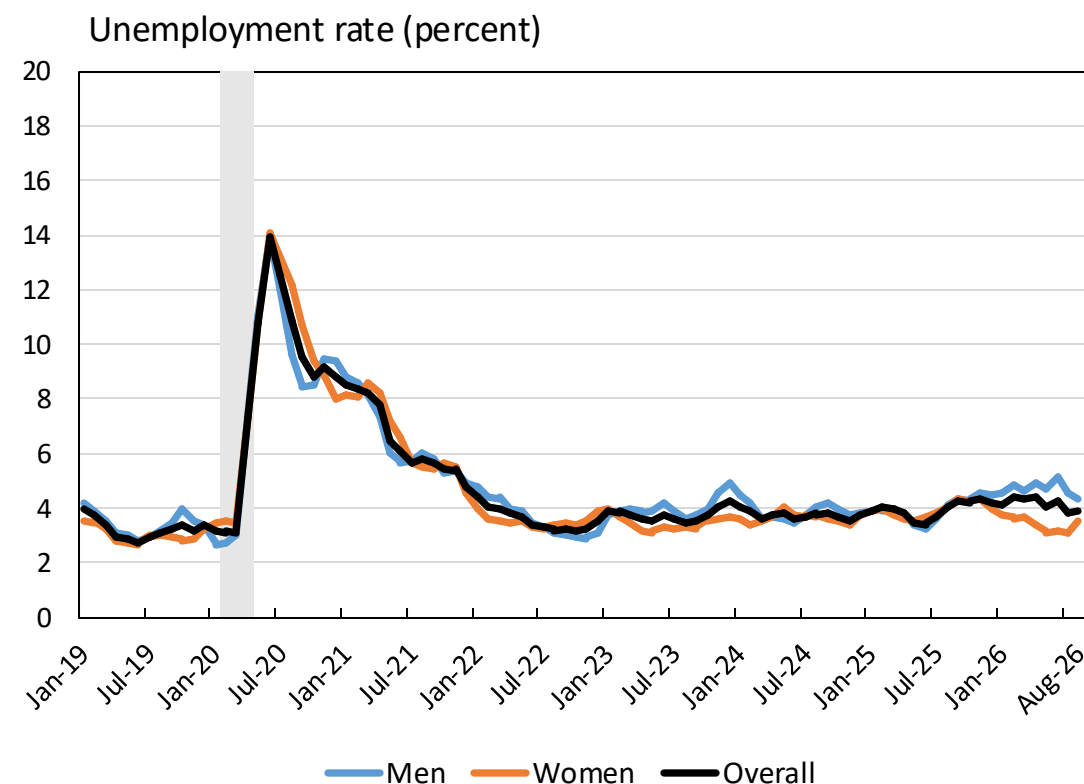
Unemployment Rate by Education



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. 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.

Unemployment Rate by 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. 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: LABOR FORCE PARTICIPATION

UPDATED THROUGH AUGUST 2026 | REGIONAL

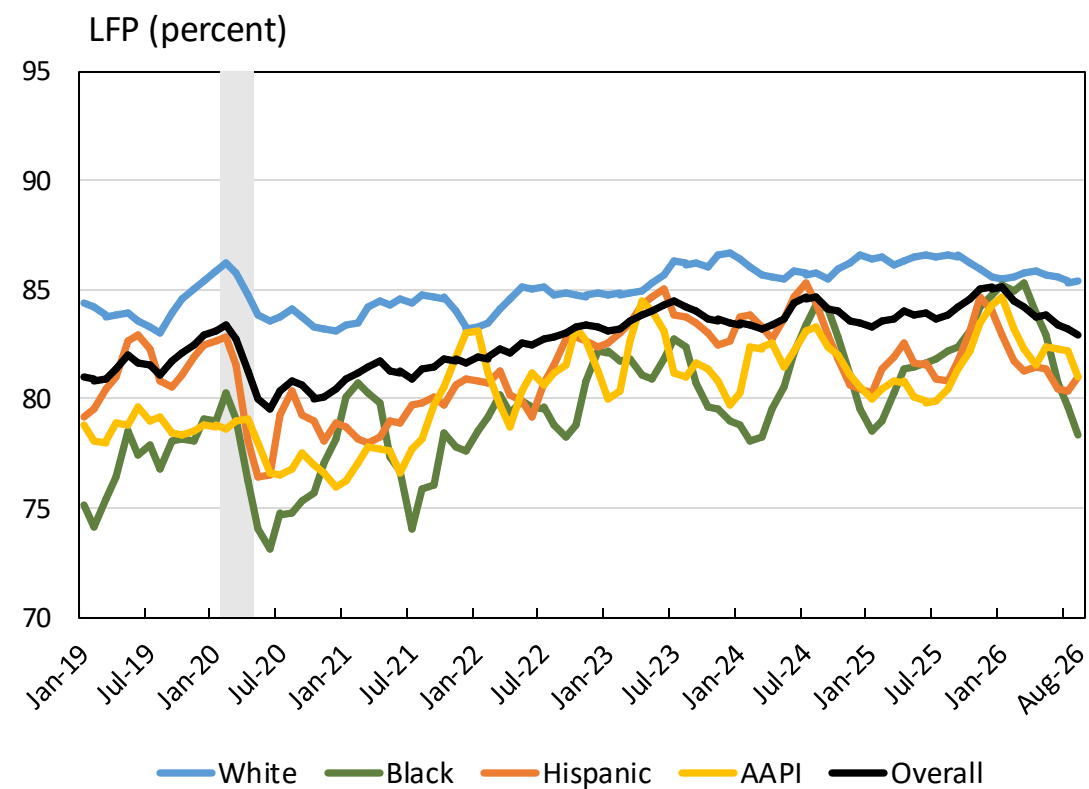
Raji Chakrabarti, Julian Haas, Maxim Pinkovskiy, and Grace Wang

Takeaways | Labor Force Participation

- Labor force participation of Black people and people with less than a high school degree declined in the region between April and August 2026, as it did for the nation.
- People without a college degree were 12.8 percentage points less likely to be in the labor force than college graduates.
- Women were 8.4 percentage points less likely to be in the labor force than men, a gap* close to the post-pandemic lows.

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

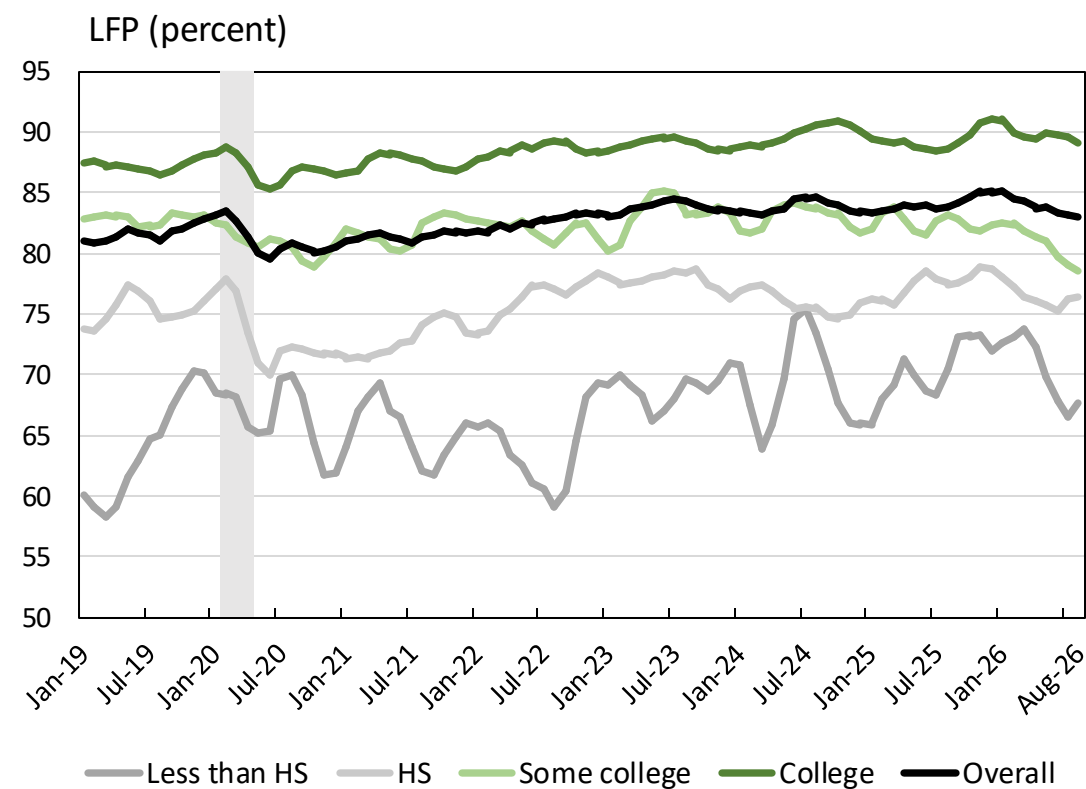
Labor Force Participation by Race/Ethnicity



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.

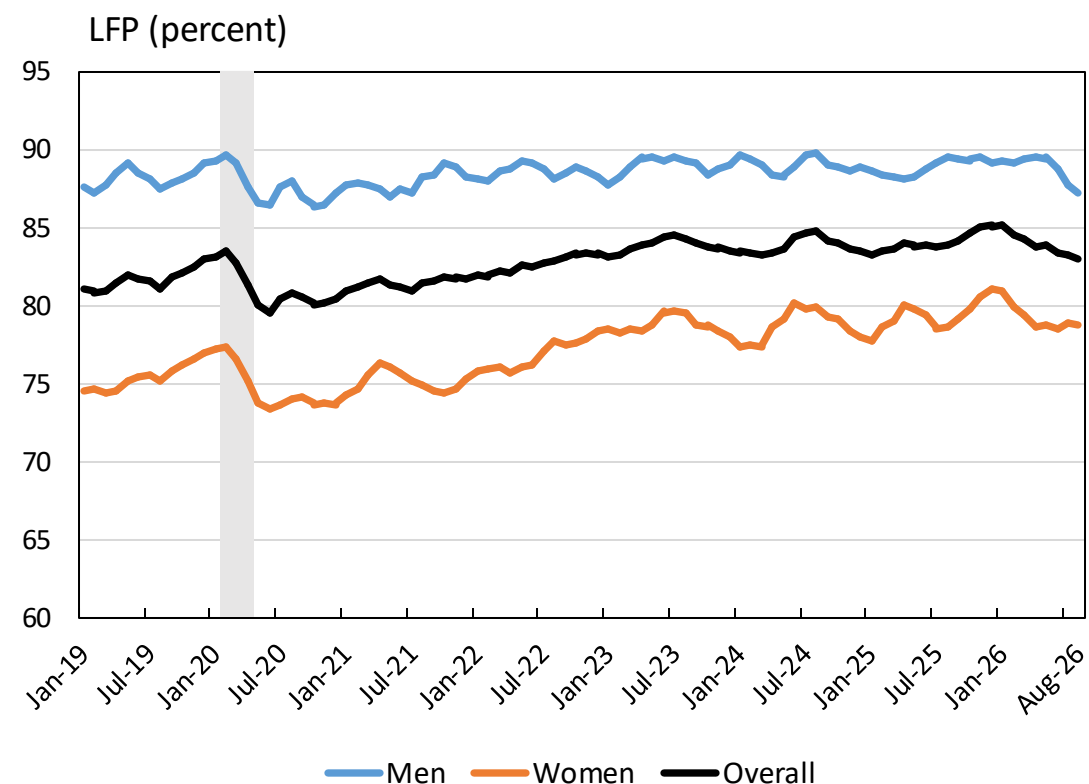
Labor Force Participation by Education



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. 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.

Labor Force Participation by 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. 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.