

EMPLOYMENT

UPDATED THROUGH APRIL 2026 | 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 a degree.
- 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 (April 2026)

- The employment-to-population ratio (EPOP) declined from 81.6 in January 2026 to 80.1 in April 2026 in the Second District, in contrast to the nation as a whole where it remained steady during this period.
- As in the nation, demographic employment gaps in the region typically are largest for Black workers, followed by Hispanic and AAPI workers, although in April 2026, the gap for Black workers was the lowest of the three. These all rose in the pandemic and have since declined to roughly pre-pandemic levels. Owing to small sample sizes, regional employment gaps exhibit considerable volatility.
- The gender employment gap has risen to 9.2 percentage points in April 2026 from 7.6 percentage points a year ago, while the college employment gap has risen to about 13.1 percentage points in April 2026, up from a recent low of 11.1 percentage points in June 2025.

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

Full Report Highlights through April 2026

- **INFLATION**

Inflation rates have diverged following the March 2026 gasoline price shock, with Hispanic, Black, low-income and non-college households experiencing higher inflation than the regional average.

- **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 generally remained in their long-run ranges.

- **EMPLOYMENT**

Labor market gaps have declined in the region at rates similar to those of the nation as a whole. However, the gender employment gap in the region has tended to decline faster and be lower than the national gender employment gap. Currently, racial and gender gaps have been decreasing, and education gaps have partially rebounded from record lows in accordance with national trends.

- **CONSUMER SPENDING**

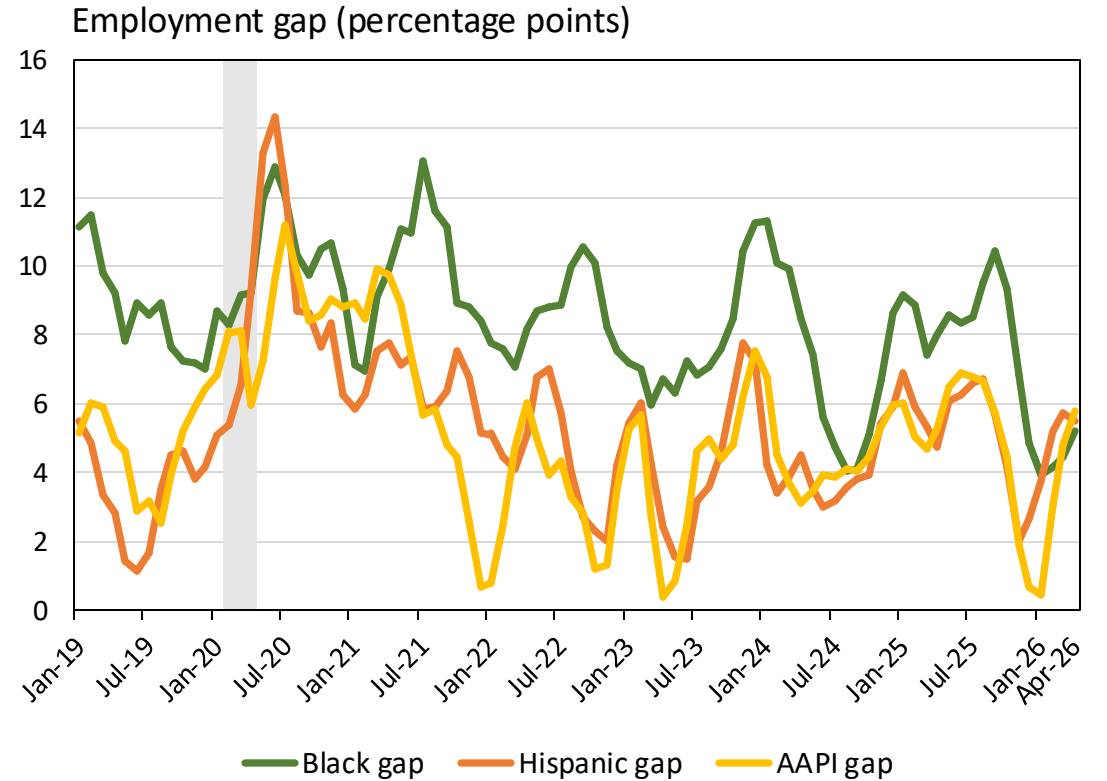
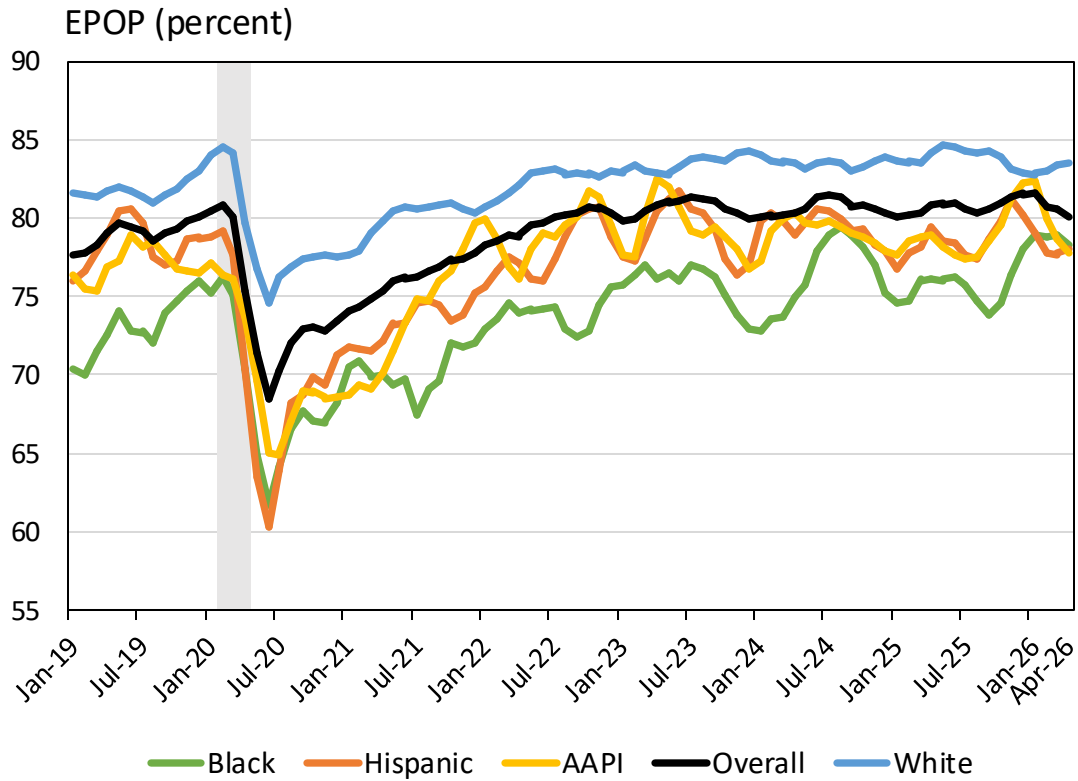
Following the March 2026 gas price shock, higher-income groups in the region increased nominal gas spending more and cut real gas consumption less than did lower-income groups.

Full Report Highlights through April 2026 (continued)

- **SMALL BUSINESS**

Small businesses in the region struggled mightily this year, reporting large declines in revenues and employment growth more severe than those of national firms. Expectations of employment in 2026 were the most pessimistic since 2019 while anticipated revenue generation also decreased markedly for 2026.

EPOP by Race/Ethnicity

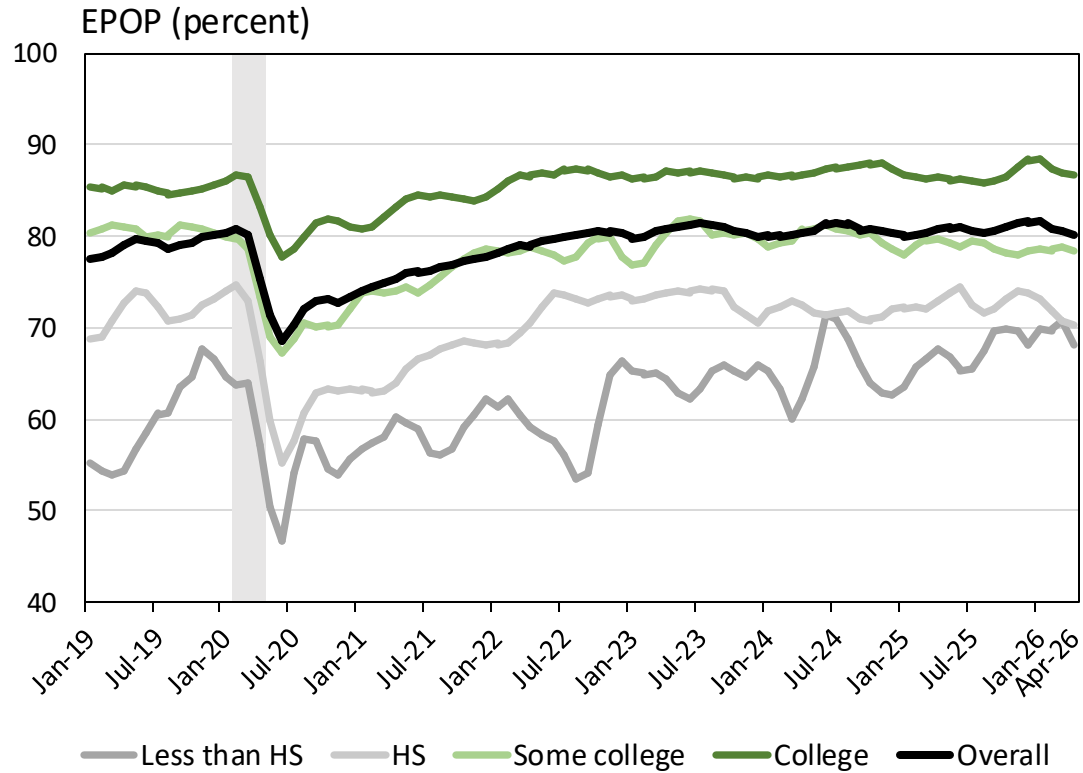


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

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.

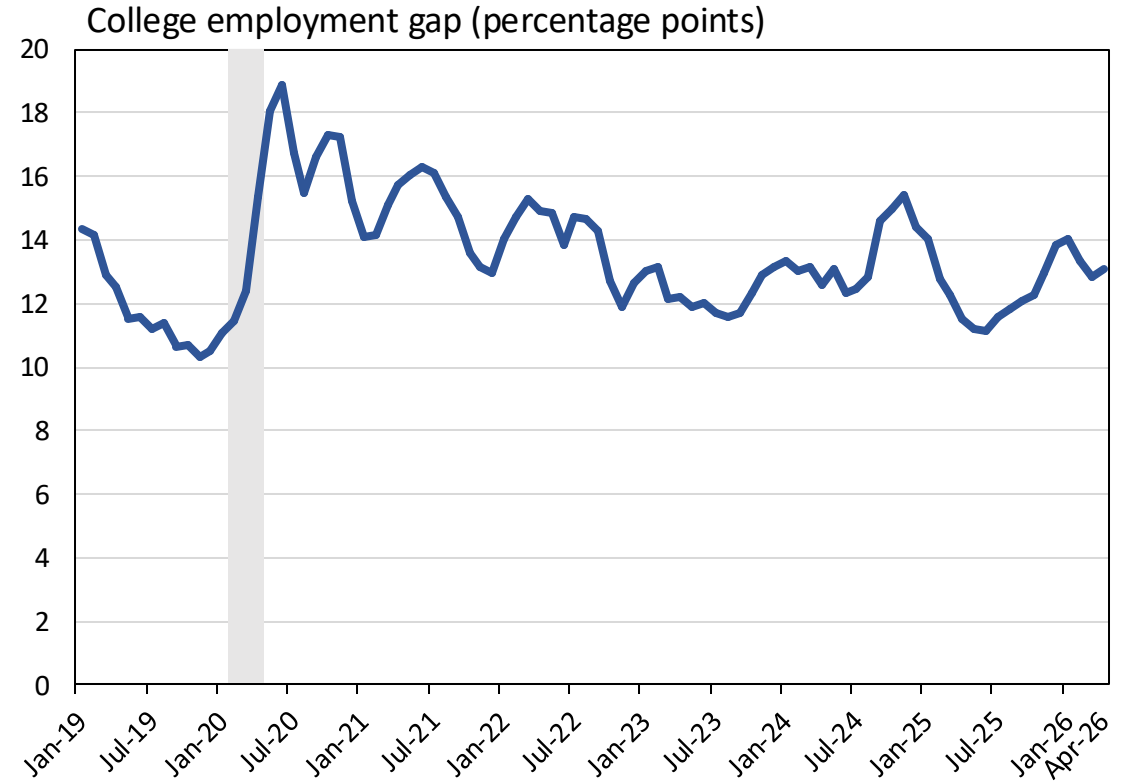
The racial gaps are defined as the employment of white workers minus the employment of the given race or ethnicity.

EPOP by Education



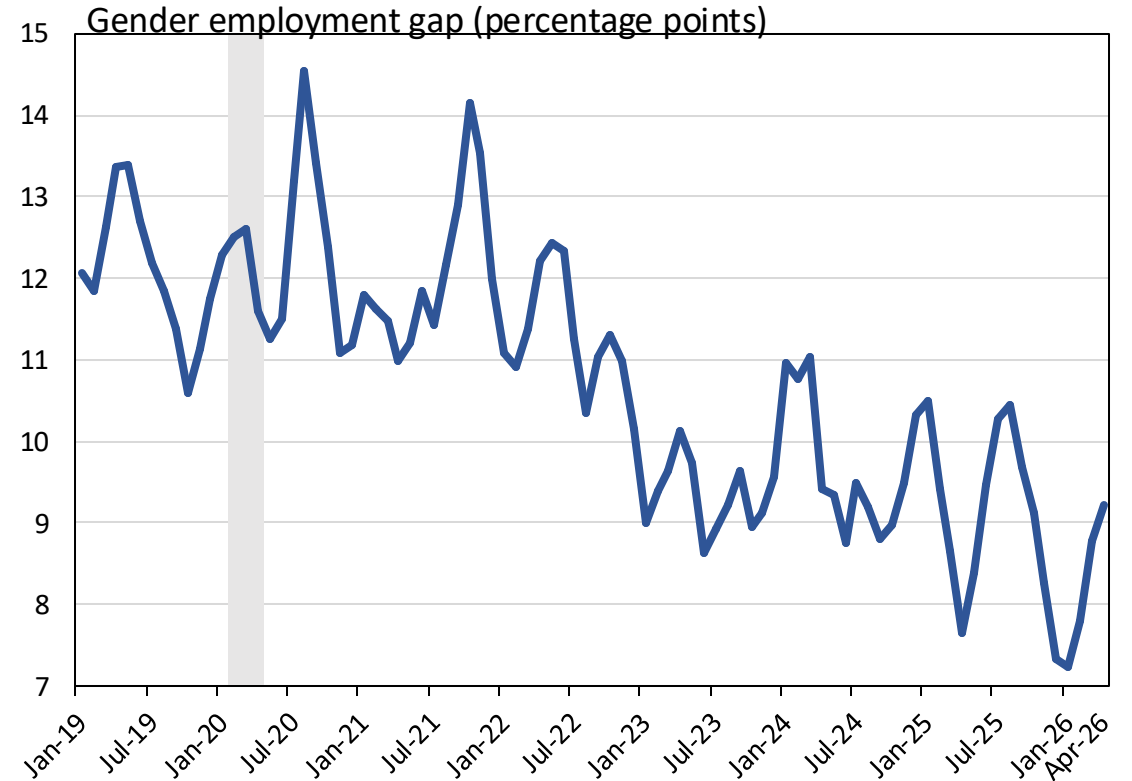
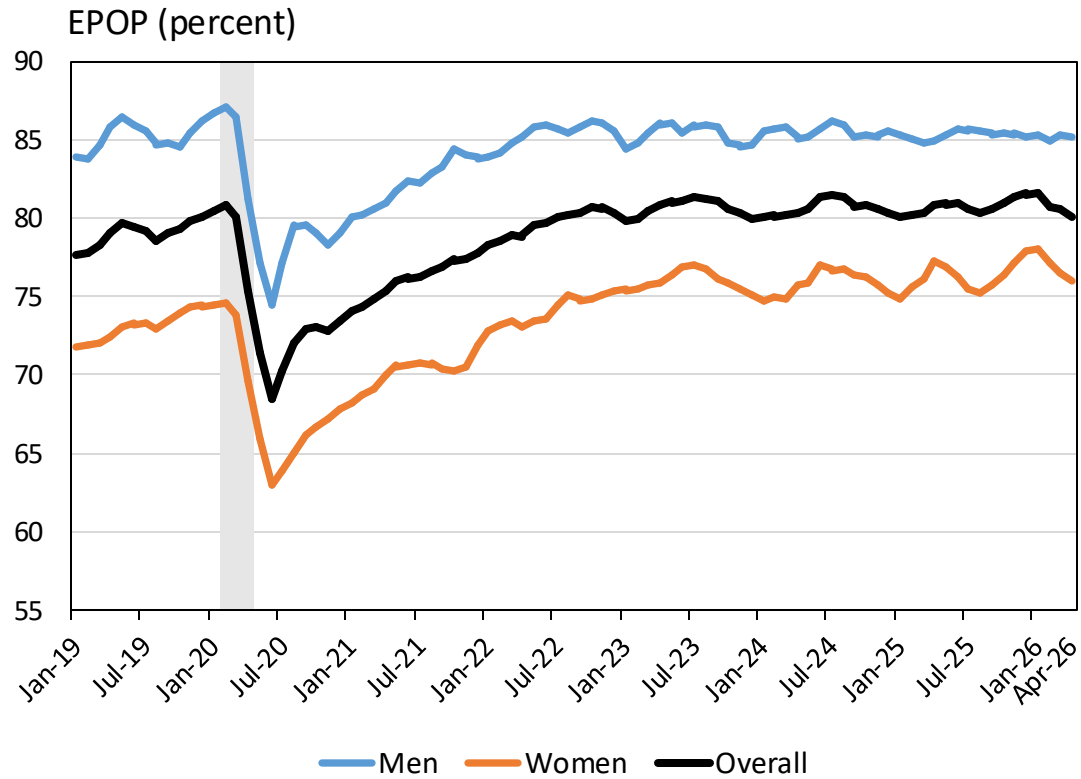
Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

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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

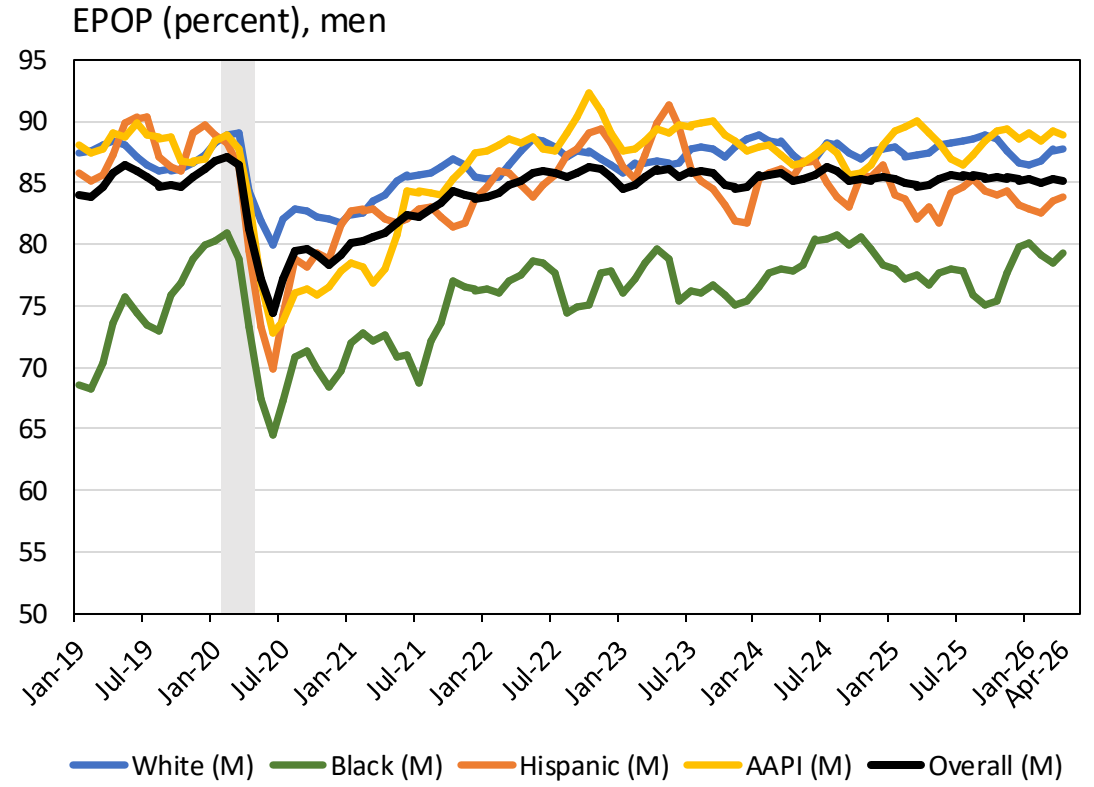
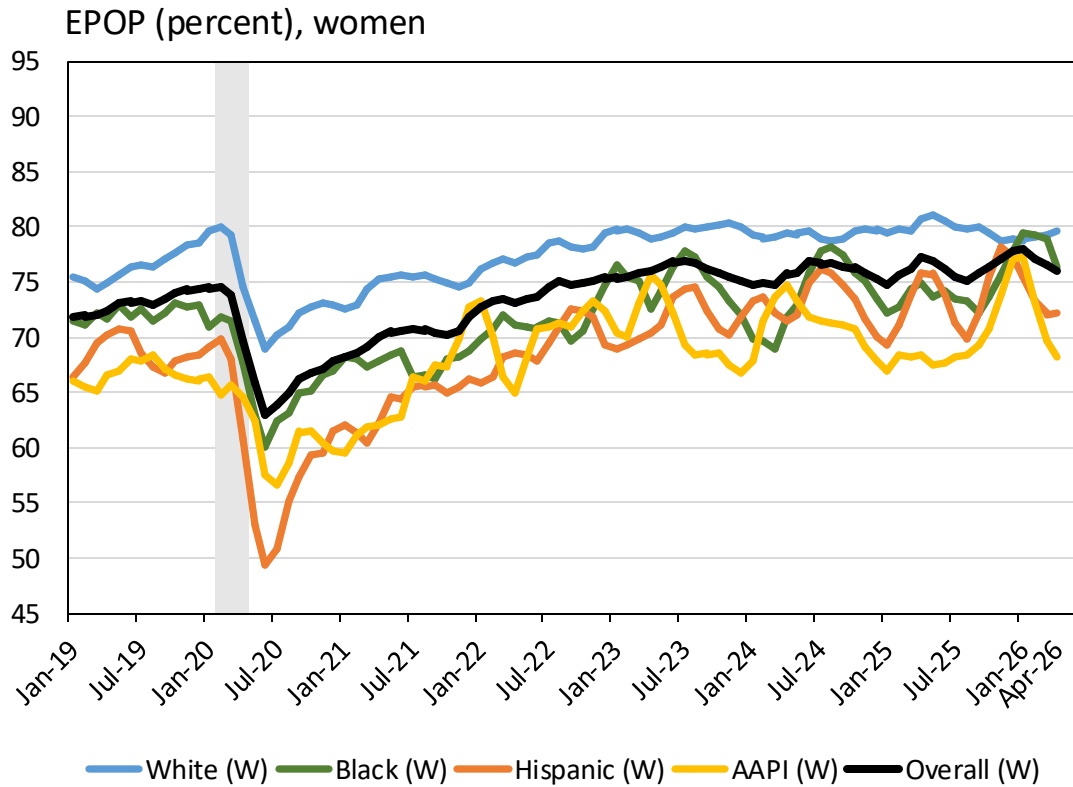


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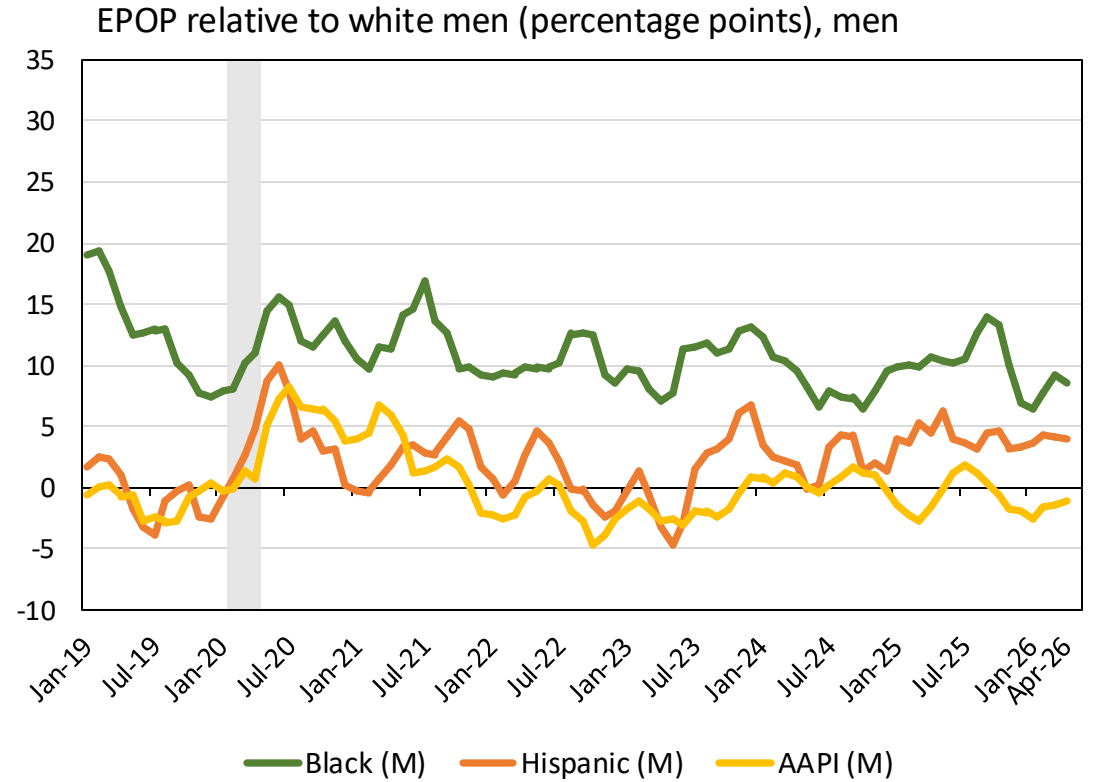
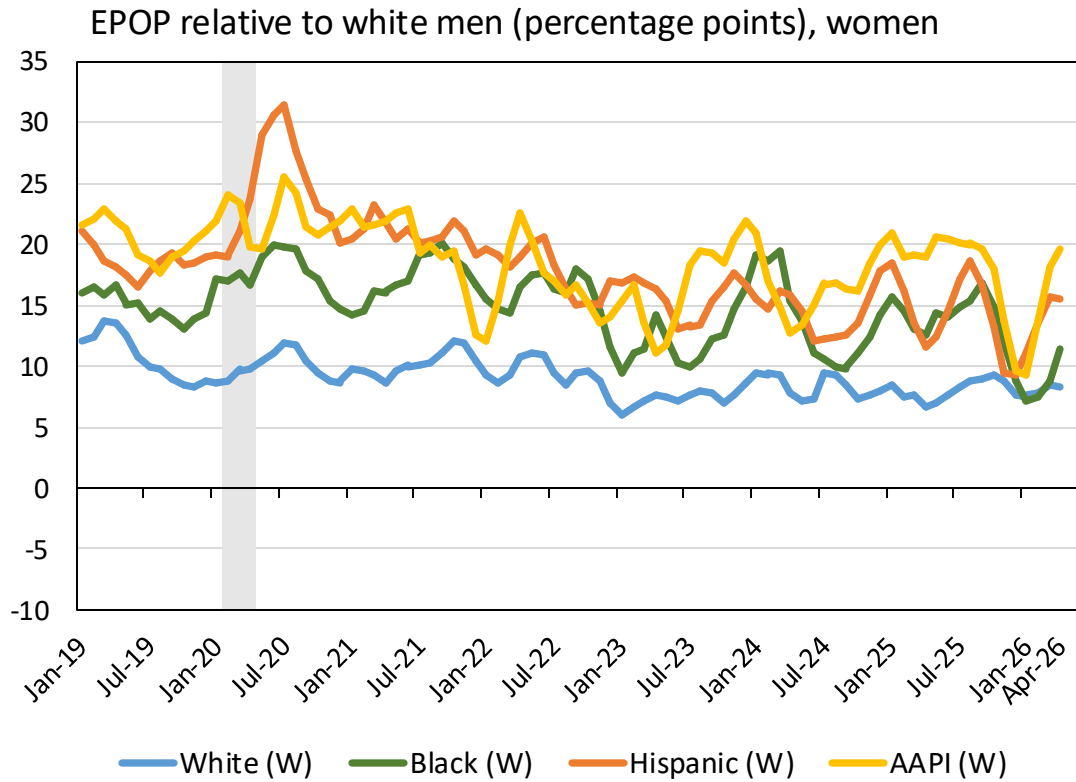
The gender gap is defined as the employment of men minus the employment of women.

EPOP by Race x Gender



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

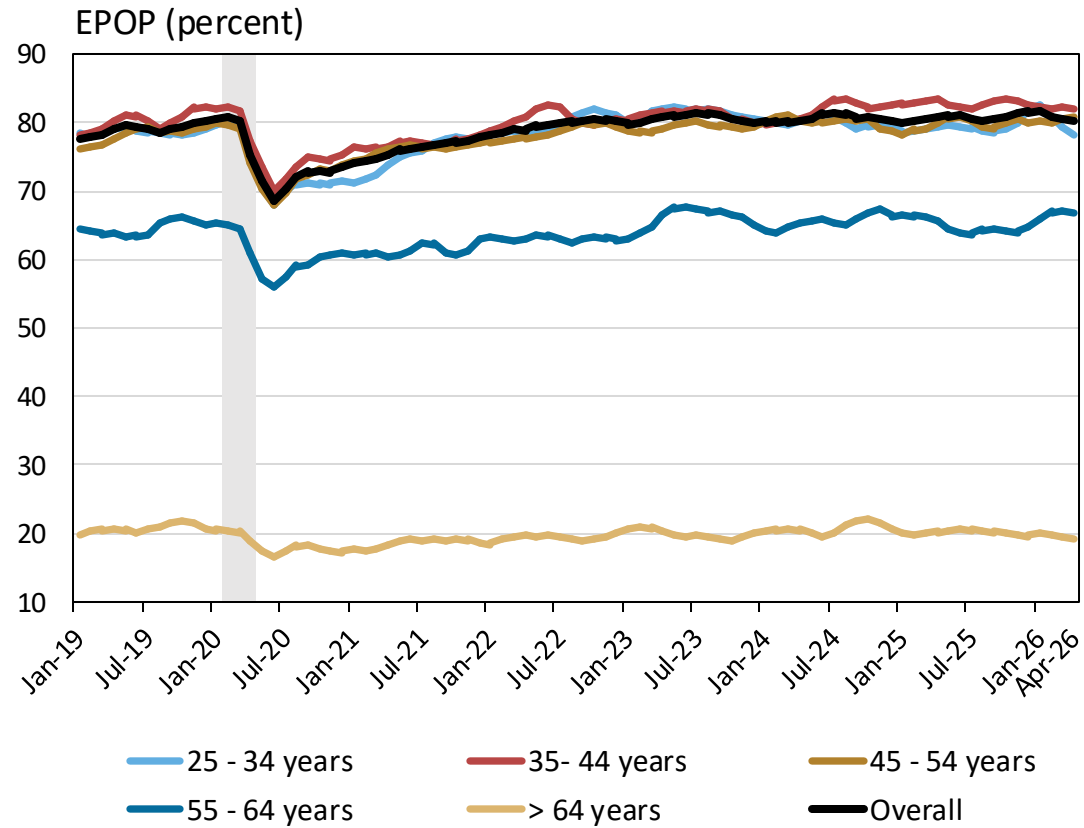


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The race by gender gap is defined as the employment of white men minus the employment of women or men of the given race or ethnicity.

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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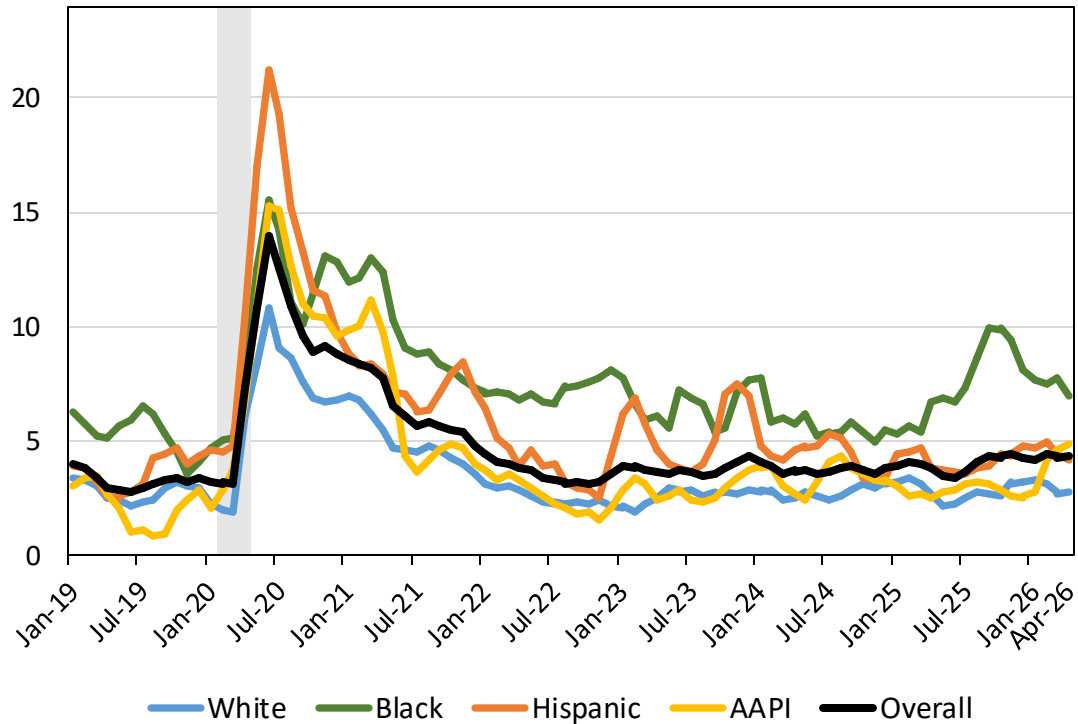
Takeaways | Unemployment Rate (April 2026)

- 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.
- Unemployment rates in the region are highest for Black workers, people aged 25-34 and workers without a college degree. Unemployment rates and gaps for Black workers have fallen since 2025:Q3, as has the unemployment rate of people aged 25-34.
- The college unemployment gap peaked at 11.5 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 (2.6 percentage points).

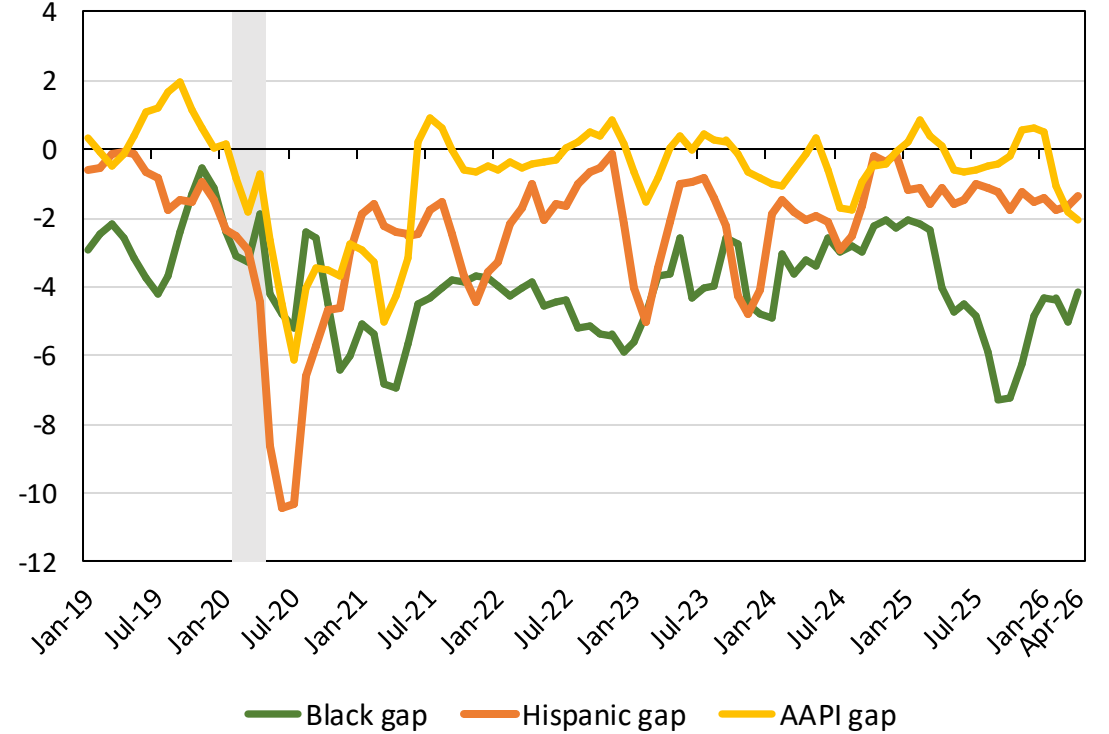
Gaps and all other relevant definitions can be found on the data and methods slide.

Unemployment Rate by Race/Ethnicity

Unemployment rate (percent)



Unemployment rate gap (percentage points)

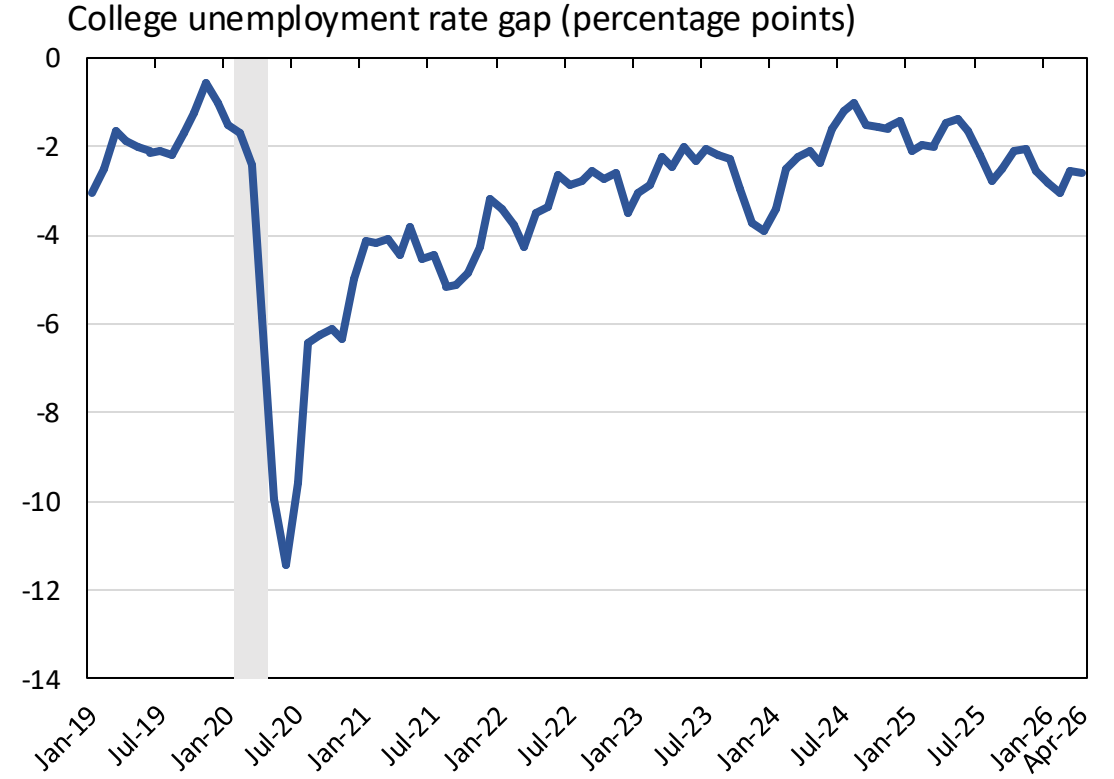
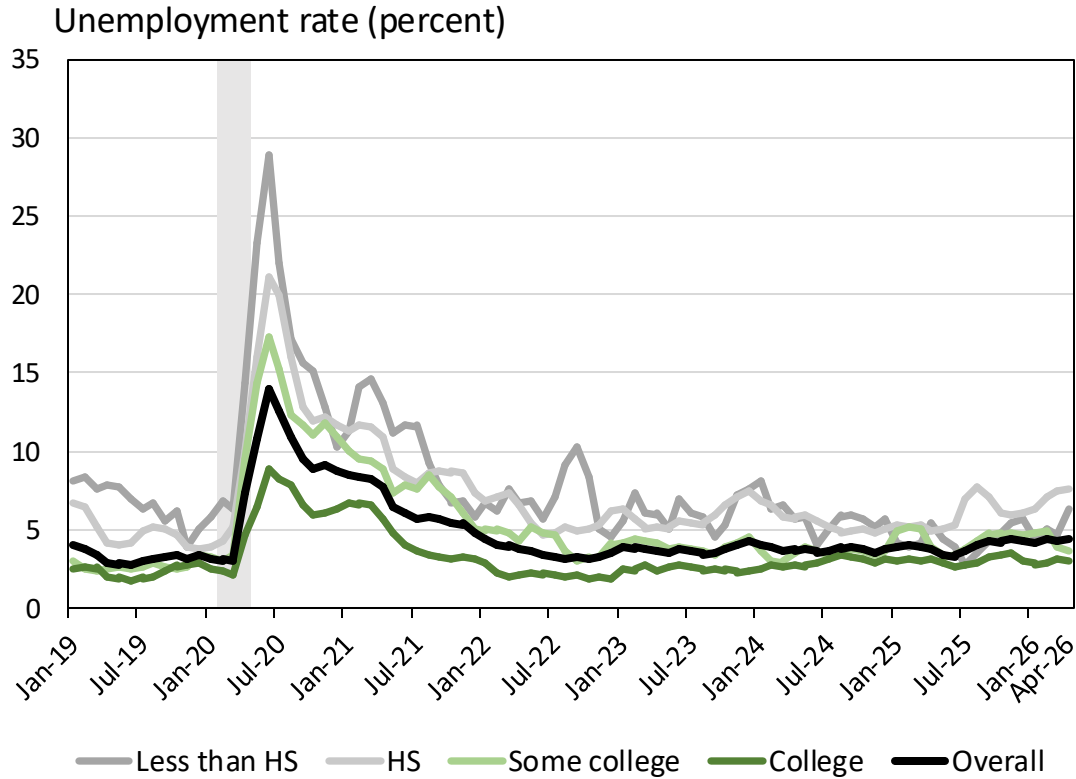


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The racial gaps are defined as the unemployment rate of white workers minus the unemployment rate of the given race or ethnicity.

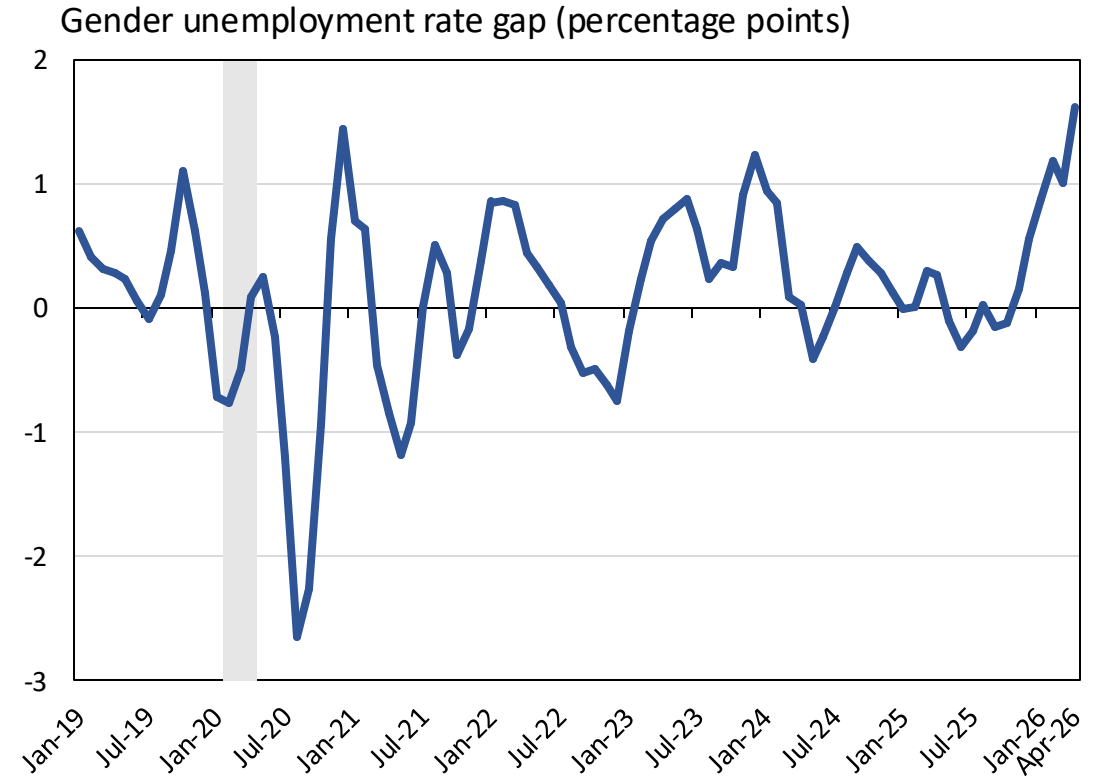
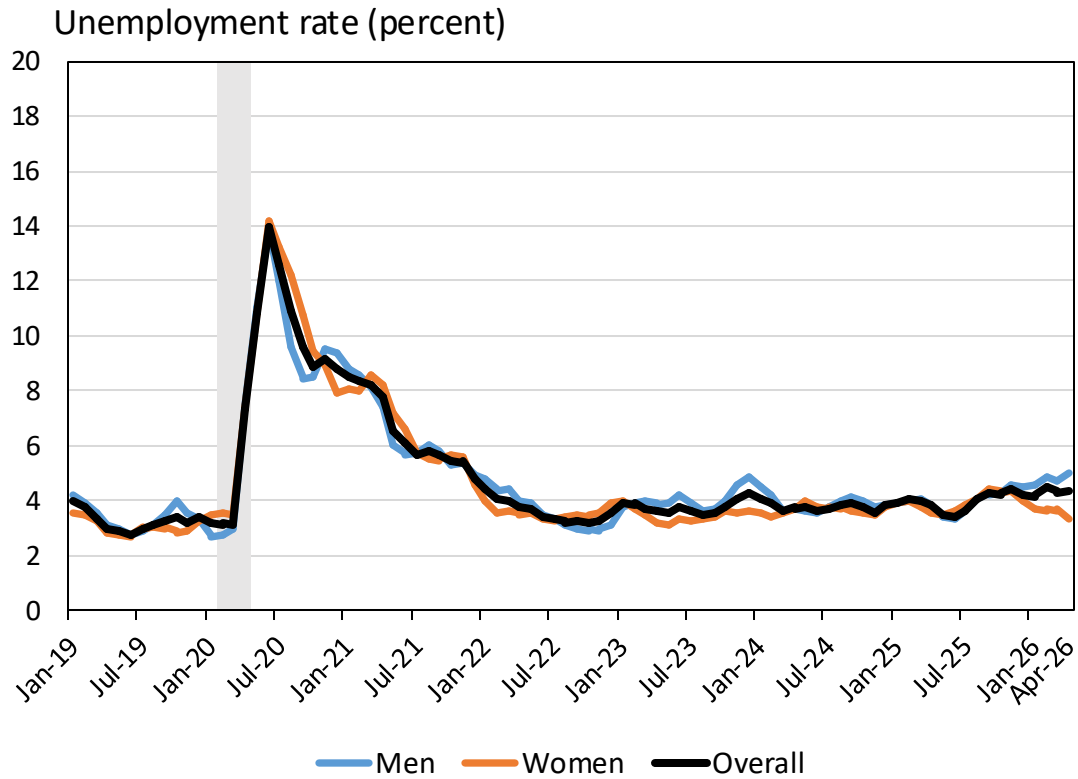
Unemployment Rate by Education



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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.

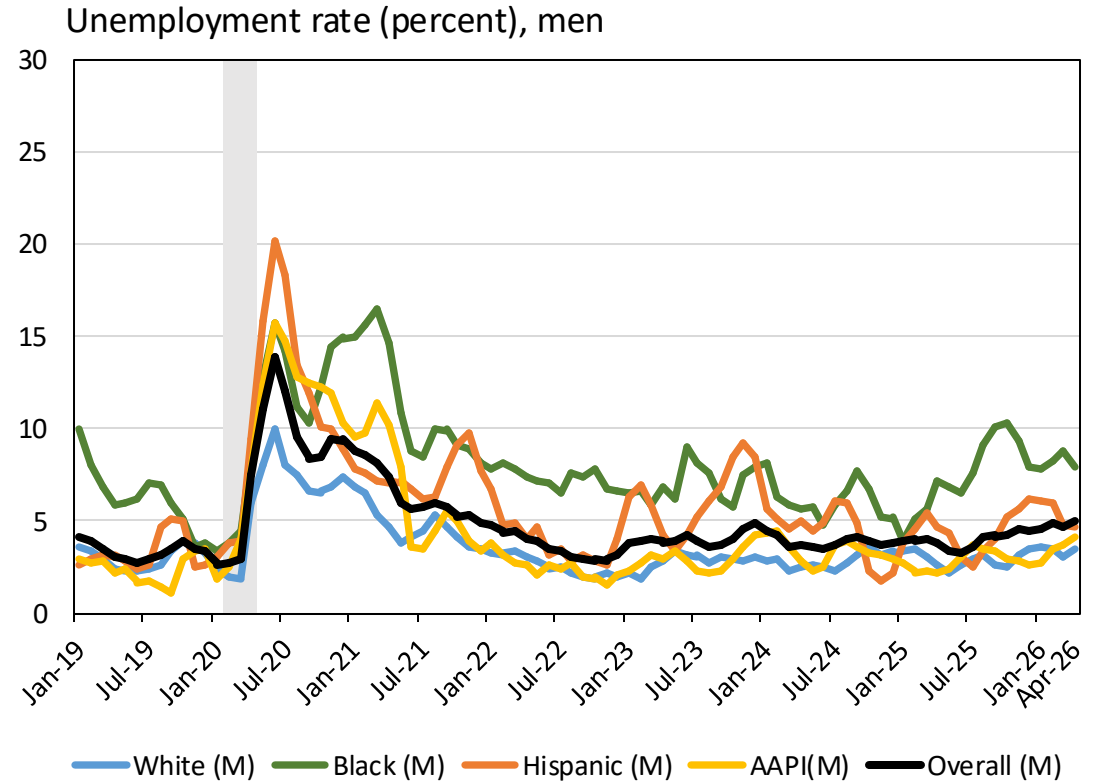
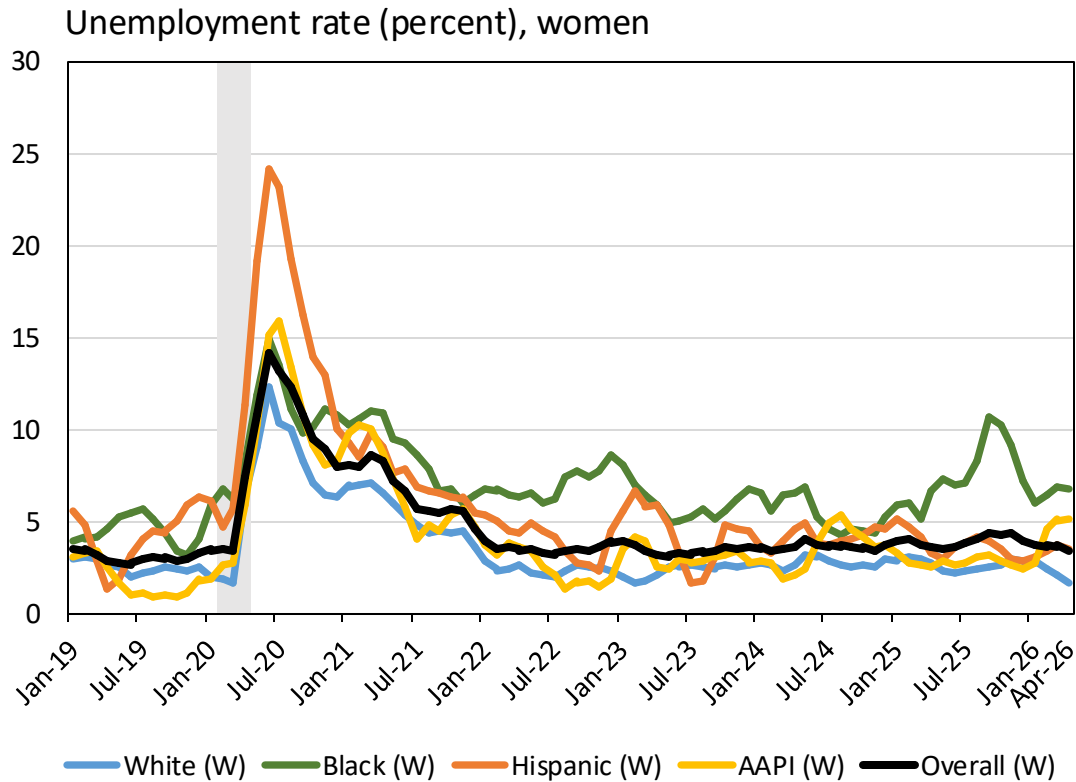
Unemployment Rate by Gender



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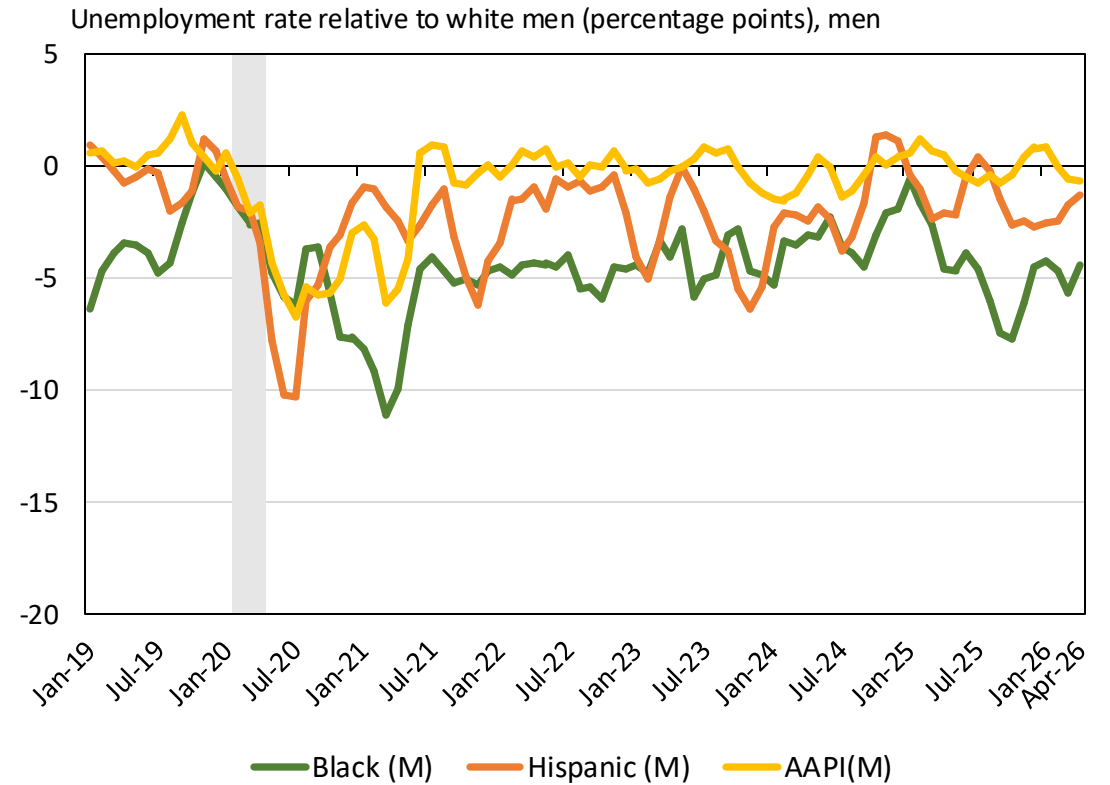
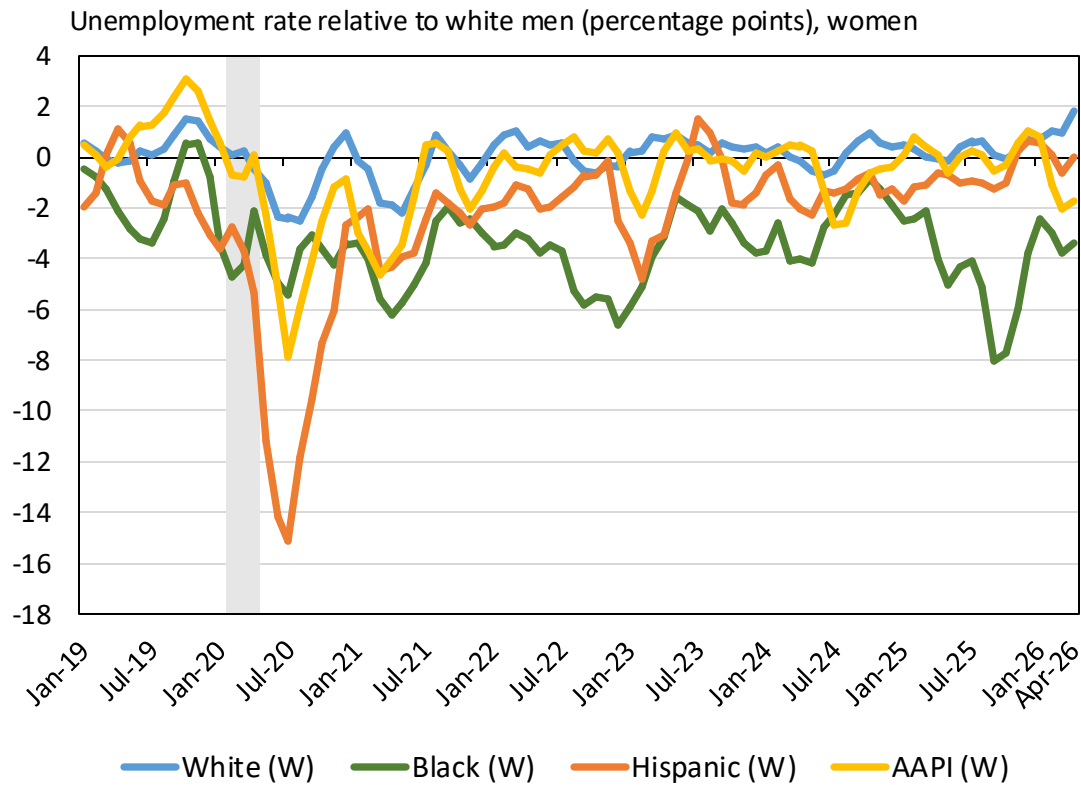
Unemployment Rate by Race x Gender



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Unemployment Rate Gaps by Race x Gender

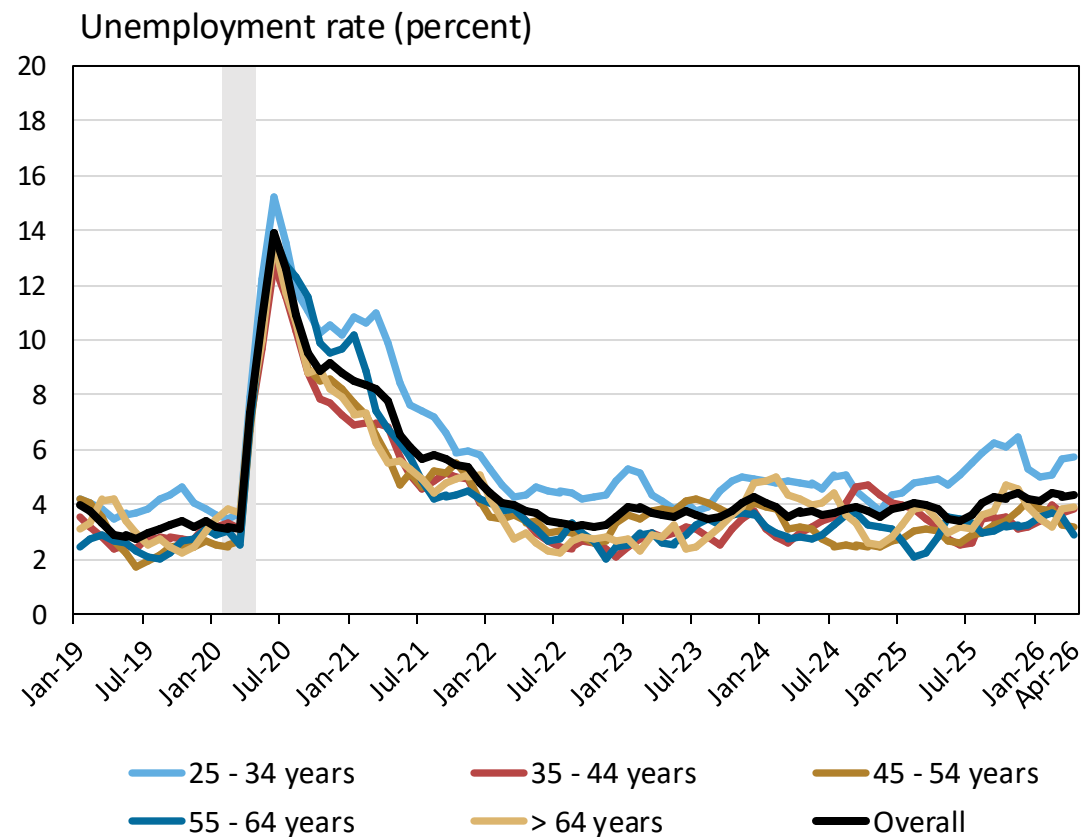


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The race by gender gap is defined as the unemployment rate of white men minus the unemployment rate of women or men of the given race or ethnicity.

Unemployment Rate by Age



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EMPLOYMENT: LABOR FORCE PARTICIPATION

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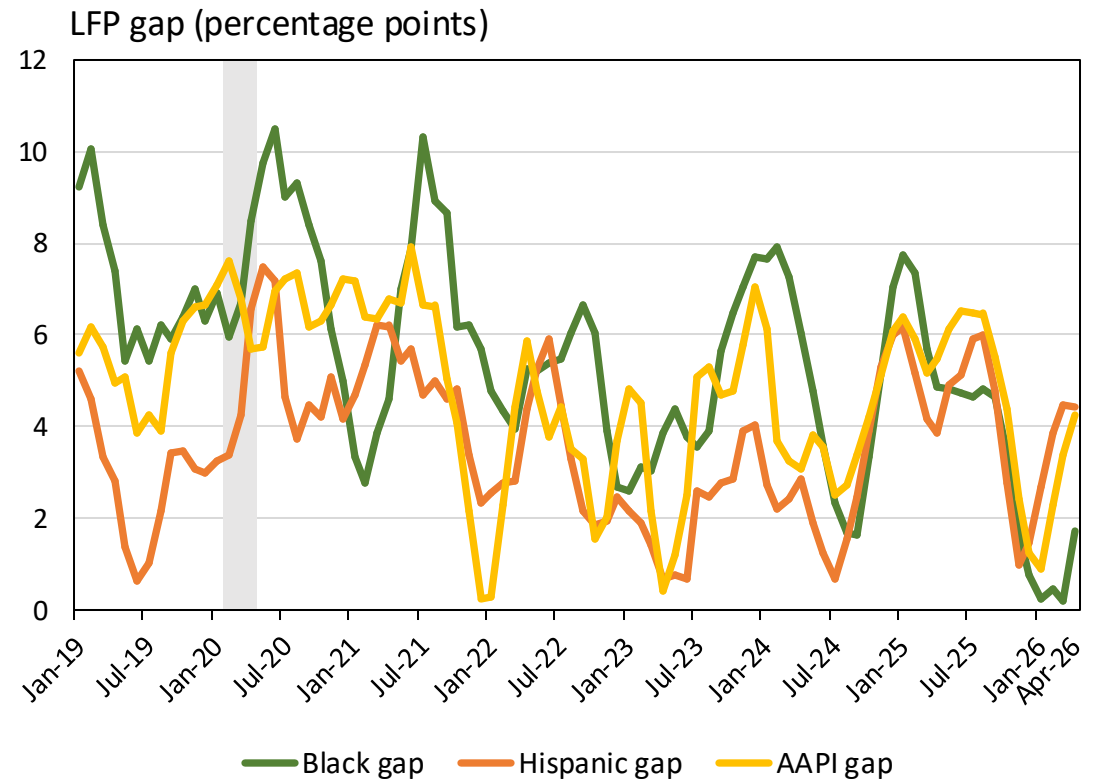
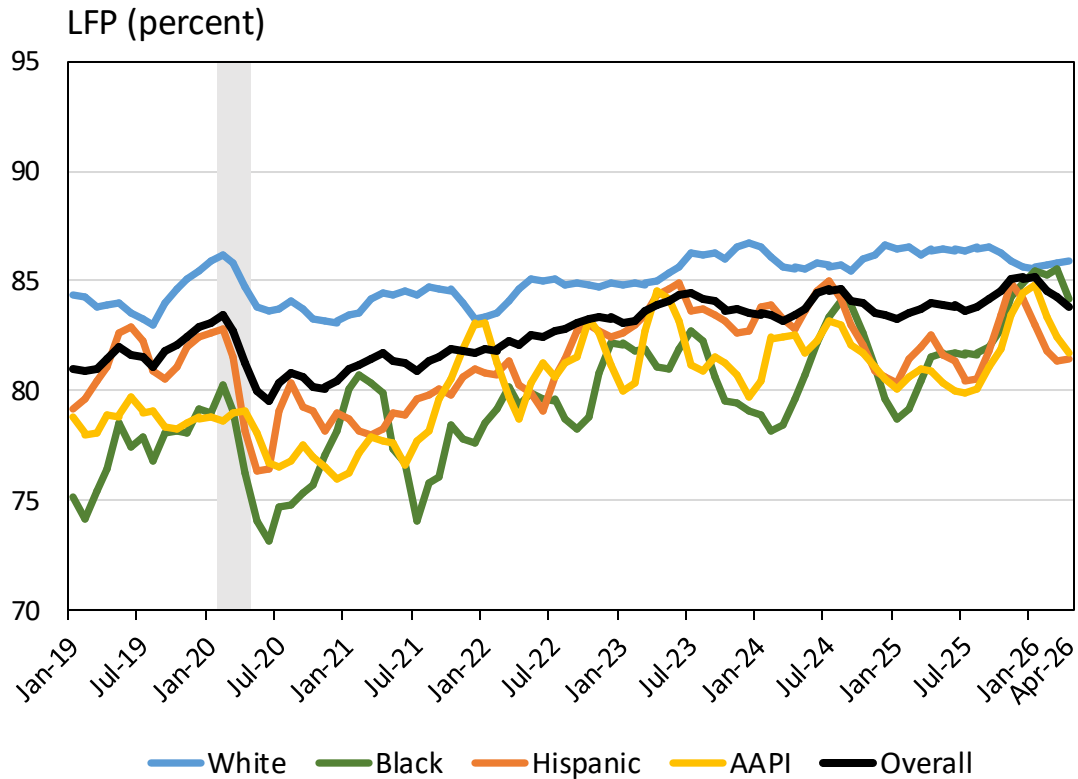
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Takeaways | Labor Force Participation (April 2026)

- The dynamics and heterogeneity in labor force participation (LFP) in the region mirror those of EPOP.
- LFP rates in the region are now below their pre-pandemic levels.
- Black workers have LFPs within two percentage points of white workers in April 2026. LFP gaps for different races and ethnicities relative to white workers have been volatile but generally declining over time. Black unemployment in the region remains elevated, so an atypically large fraction of Black workers are seeking employment in April 2026.
- The college LFP gap in the region stands at 11.4 percentage points in April 2026, higher than the recent low of 9.9 percentage points in August 2025 but still below its prevailing level during the post-pandemic period. This is consistent with the partial rebound in the college premium in the labor market observed nationwide.
- The gender LFP gap in the region has rebounded to 11.0 percentage points in April 2026 from 8.2 percentage points in December 2025 but remains on a gradual downward trend since the pre-pandemic period.

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

Labor Force Participation by Race/Ethnicity

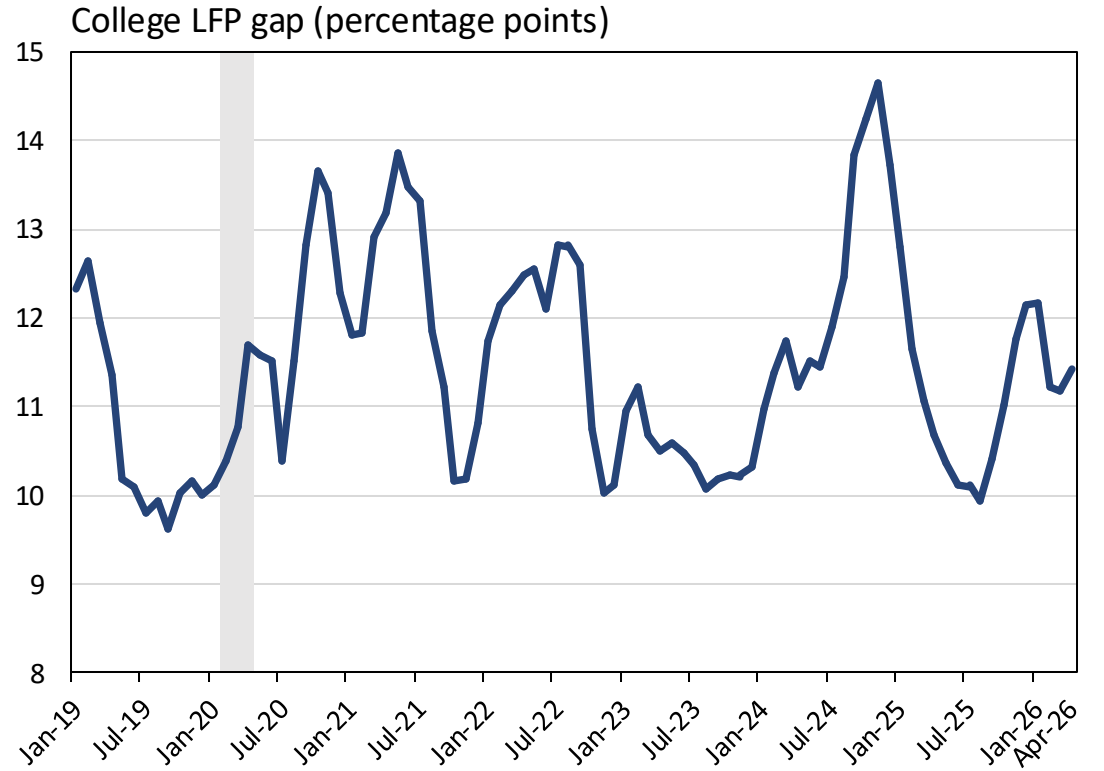
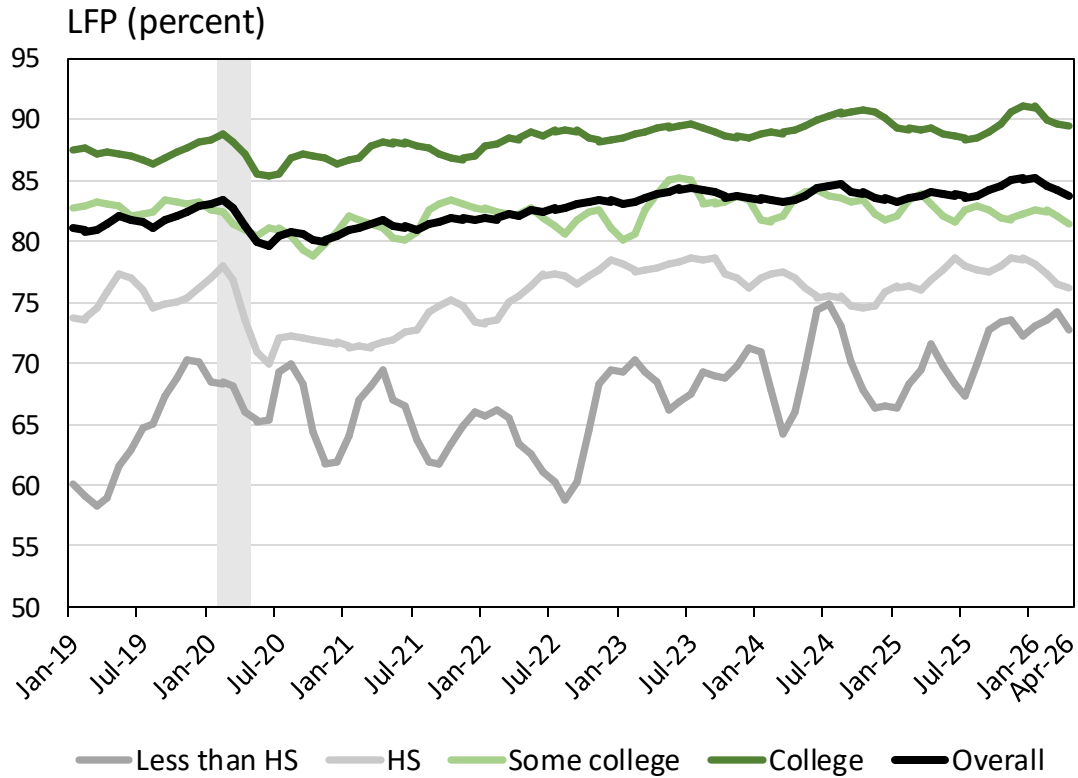


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The racial gaps are defined as the LFP of white workers minus the LFP of the given race or ethnicity.

Labor Force Participation by Education

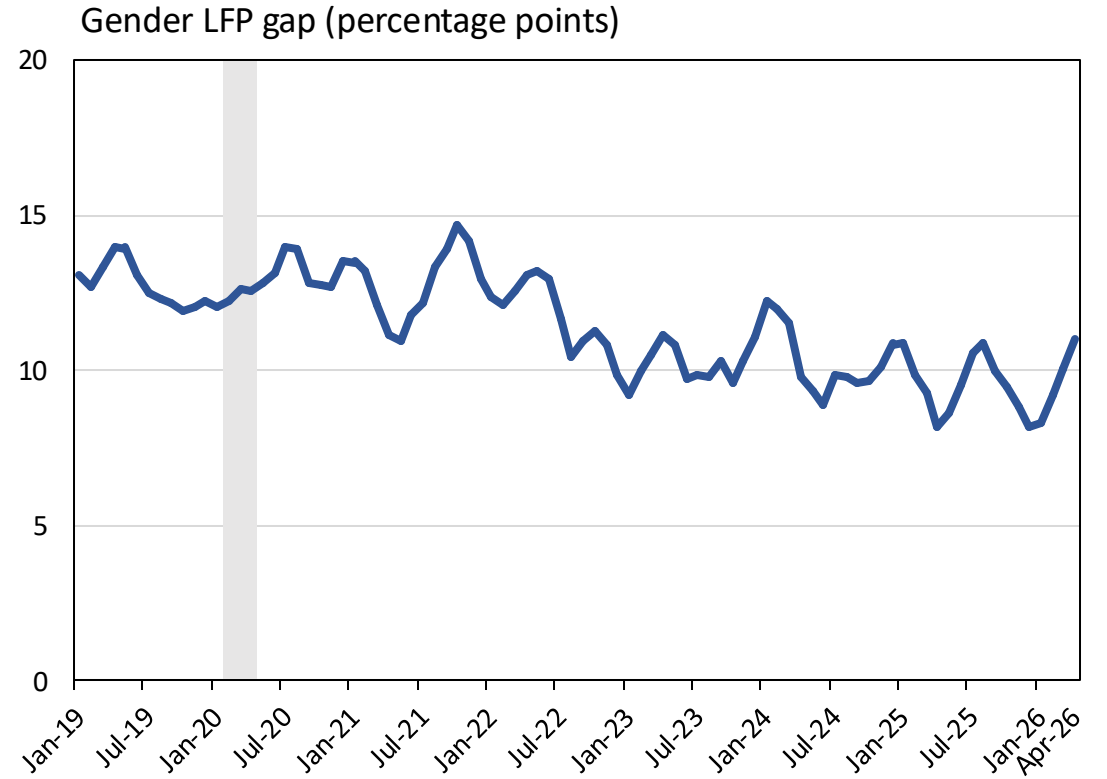
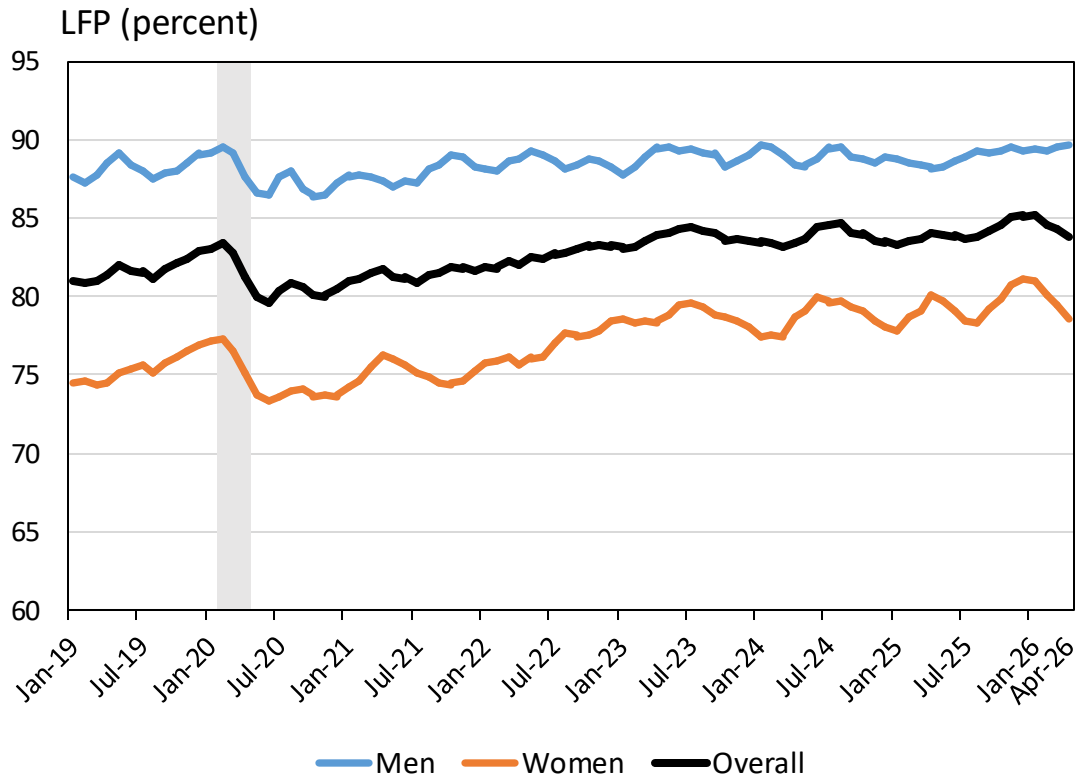


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Labor Force Participation by Gender

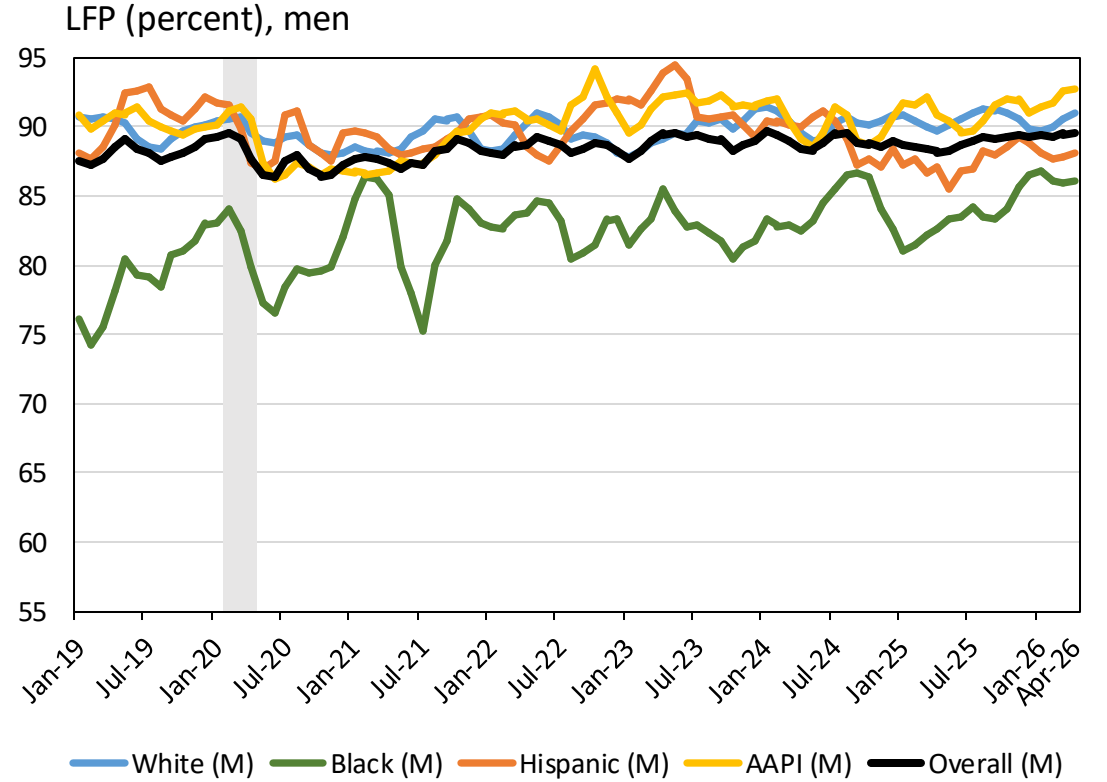
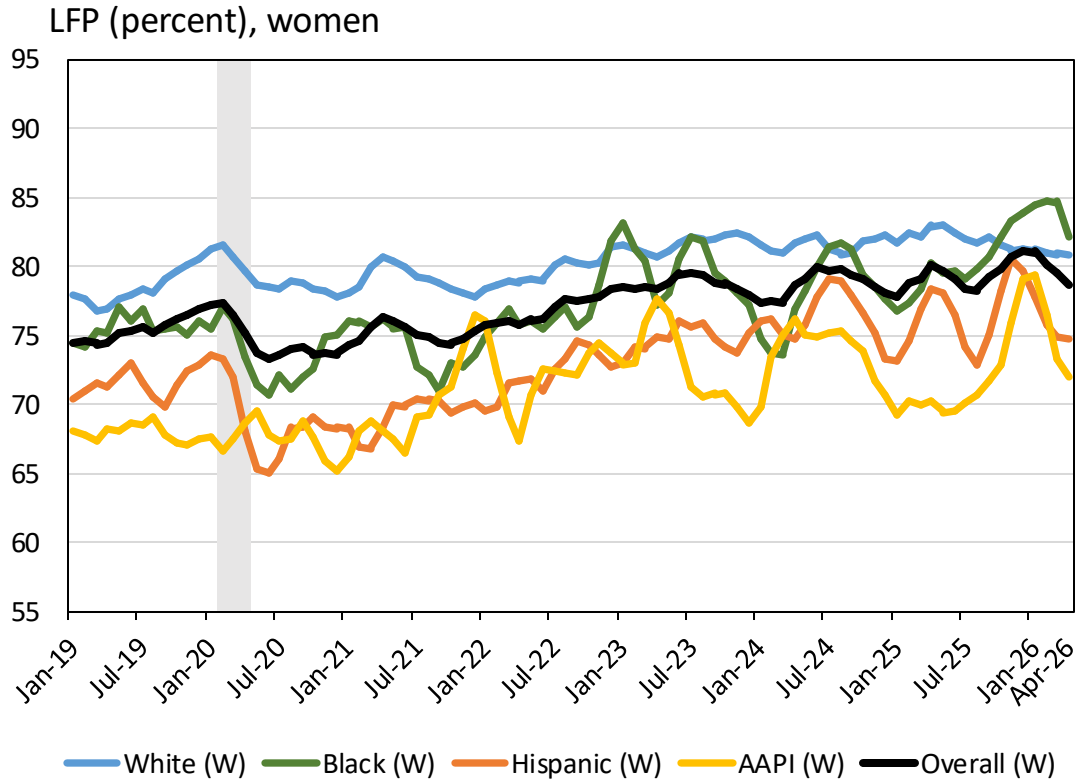


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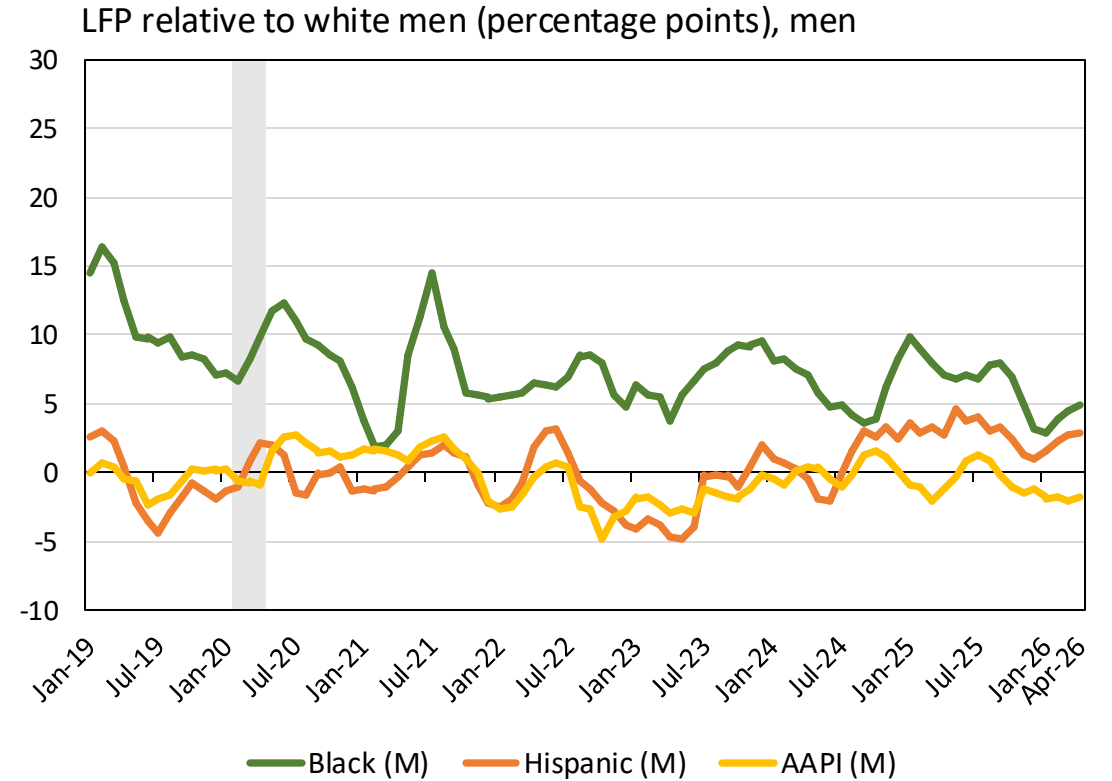
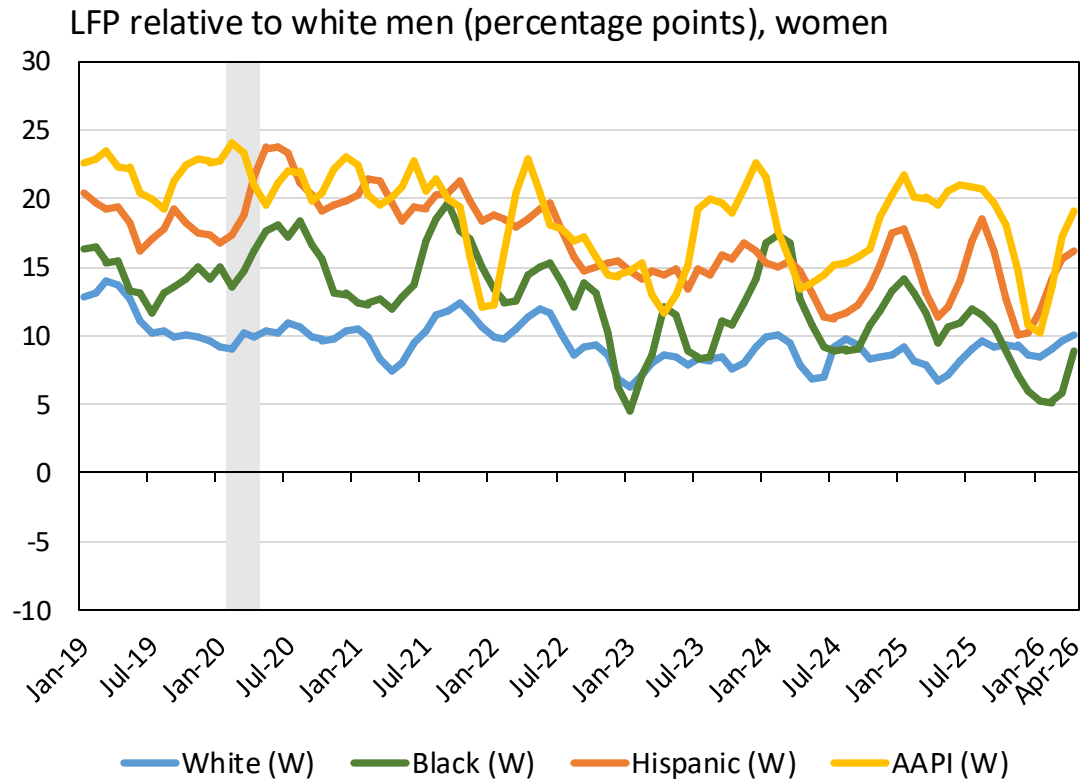
Labor Force Participation by Race x Gender



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Labor Force Participation Gaps by Race x Gender

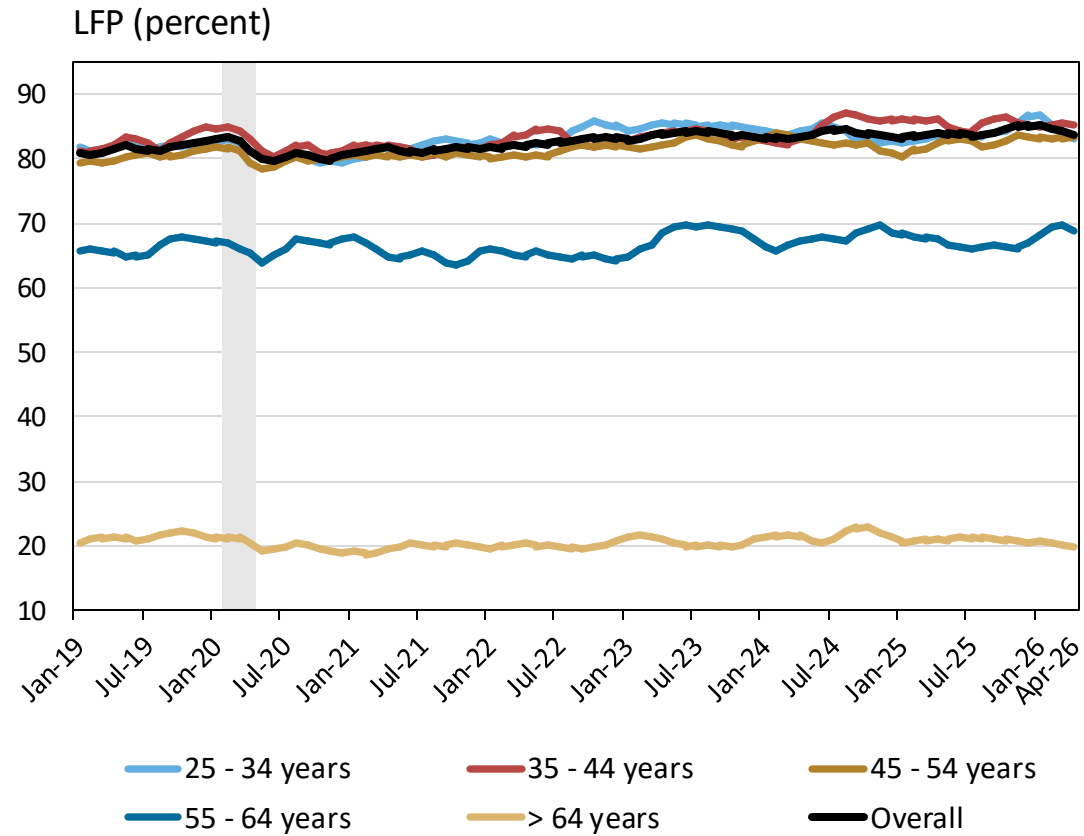


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Labor Force Participation by Age



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