



Who Has Been Hurt by the Recession in New York State?

Thomas P. DiNapoli
New York State Comptroller

Kenneth B. Bleiwas
Deputy Comptroller

Report 20-2010

February 2010

The current recession has had a significant impact on New York State's residents. Jobs have been lost in virtually all industries in New York State, and the unemployment rate reached 9 percent in December 2009—a rate last seen in April 1983. The recession has also had a proportionally greater impact on some sectors and demographic groups—such as men, minorities, and the less educated.

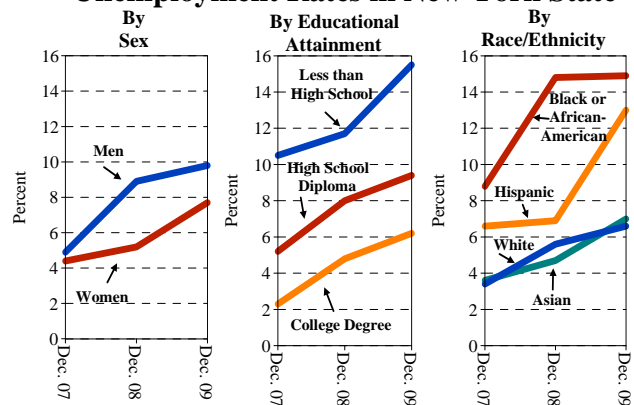
Unemployment Rate

Between December 2007 and December 2009, the unemployment rate in New York nearly doubled, from 4.6 percent to 9 percent. (The unemployment rate rose to 10.6 percent in New York City and 7.8 percent in the rest of New York State.) While the unemployment rate has increased for all New Yorkers, the impact of the current recession has not been uniform and some segments of the population have been hit harder than others (see Figure 1).

- The unemployment rates for men (4.9 percent) and women (4.4 percent) were similar in December 2007, but within 12 months the unemployment rate for men had climbed by 4 percentage points, while the unemployment rate for women had risen by less than one percentage point. By December 2009, the unemployment rate for men had doubled to 9.8 percent—more than two full percentage points higher than for women (7.7 percent).
- The unemployment rate rose quickly over the past two years regardless of the level of educational attainment, but the starting point was higher and the increase was greater for those without a college degree. The unemployment rate for workers without a high school diploma, for example, rose by five percentage points from 10.5 percent in 2007 to 15.5 percent in 2009.
- The unemployment rate for Black or African-American workers rose quickly during the first year—growing from 8.8 percent in December 2007 to 14.8 percent in December 2008—and then remained at a high level; the unemployment rate for Hispanic workers more than doubled

from 6.6 percent to 13 percent during the two-year period, with most of the growth occurring in the past year. The unemployment rates for White Non-Hispanic workers and Asian workers rose steadily but less dramatically during this period, reaching 6.6 percent and 7 percent, respectively.

Figure 1
Unemployment Rates in New York State



Sources: U.S. Census Bureau; OSC analysis

Employment

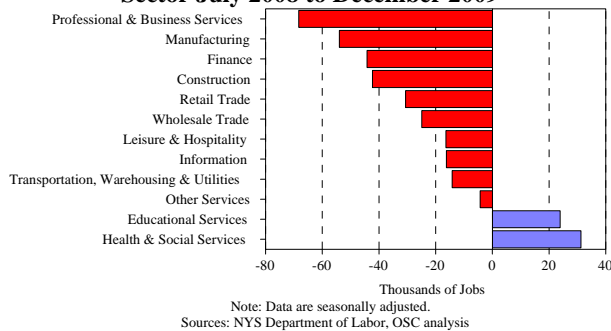
New York State lost 291,900 jobs from a peak in July 2008 through December 2009, a decline of 3.3 percent. (More than 70 percent of the losses were in New York City and its suburbs.) Excluding educational and health services sectors, which added jobs, the workforce declined by 347,000 jobs.

- Professional and business services (e.g., legal, accounting, and employment services) lost 68,300 jobs—more than any other employment sector—a decline of 5.9 percent (see Figure 2).

Nearly half of the jobs lost (31,400) were in professional, scientific, and technical services. This industry includes accounting and legal services, advertising, and scientific research, and has a highly educated workforce: 70 percent of employees had at least a college degree in 2008, compared to the statewide average of 37 percent.¹

¹ Demographic data based on 2008 U.S. Census data.

Figure 2
Change In Statewide Employment by Major Sector July 2008 to December 2009



- Manufacturing lost 54,000 jobs, a decline of 10.1 percent of the jobs in that sector.

The fabricated metal manufacturing industry had the largest job loss (8,200 jobs), representing a 14.6 percent decline. This industry's workforce is mostly male (80 percent); generally less educated (54 percent have a high school diploma or less); and employed a smaller percentage of minority workers in 2008 than the statewide average.

The auto industry in New York State lost 11,800 jobs during this period, a decline of 12.5 percent. Manufacturing jobs accounted for about two-thirds of the loss.

- The financial services sector lost 44,200 jobs, a decline of 6.1 percent.

Almost 60 percent of the jobs lost were in the securities industry. The securities industry lost 26,000 jobs during this period, a decline of 12.5 percent. More than 75 percent of the employees in this industry had a bachelor's or advanced degree in 2008, and 14 percent of the workers were Asian, which was twice the statewide average (7.3 percent).

The credit intermediation industry (e.g., banks and credit unions) lost 8,300 jobs, a decline of 4.9 percent. More than half of the employees in this industry had graduated college, and the share of female workers (51.6 percent) exceeded the statewide average (46.8 percent).

- Construction was the employment sector hit hardest by the recession, with a job loss of 42,300, representing 11.6 percent of the jobs in the sector. Construction jobs are largely held by men (92.4 percent); almost 62 percent of workers had a high school diploma or less; and 21.8 percent were Hispanic, compared with the statewide average of 14.7 percent.

- Retail trade lost 30,600 jobs during this period, a decline of 3.4 percent. Almost one-fifth of the jobs lost were in the food and beverage industry (5,900 jobs). Women made up 51.6 percent of the food and beverage industry in 2008, and more than half had graduated college. The industry had a greater percentage of Asians (11.1 percent) than the statewide average (7.3 percent).
- The information sector lost 16,200 jobs, a decline of 6.2 percent. Publishing (excluding Internet publishing) accounted for more than 60 percent of the jobs lost. Print media-related industries, including manufacturing, lost 11,800 jobs, a decline of 10.5 percent. Many of these workers had graduated college (53.3 percent compared to the statewide average of 37 percent), and there were fewer minorities (22.2 percent) than the statewide average (36.8 percent).
- The transportation, warehousing, and utilities sector lost 14,200 jobs during this period, a decline of 5.1 percent. More than one out of six jobs lost were in courier and messenger services, which accounted for 13.6 percent of all employees in the sector. Minority workers made up 55.3 percent of this industry in 2008, with Blacks or African-Americans composing 27.5 percent of the total workforce. Half of the employees in the industry never attended college, and most workers were male (80.7 percent).
- The wholesale trade sector lost 24,900 jobs during this period, a decline of 7.1 percent. Many of the jobs lost were related to durable goods (e.g., machinery equipment), which accounted for 71 percent of the decline in the sector. Workers in wholesale trade were more likely to be male (69.6 percent) in 2008, and Asian workers represented a higher proportion of the workforce (10.7 percent) than the statewide average (7.3 percent).
- The leisure and hospitality sector lost 16,400 jobs during this period, a decline of 2.3 percent. Most of the jobs lost (13,000) were in the arts, entertainment, and recreation industry, which includes performing arts, spectator sports, and gambling. Nearly half of the workers in this sector (46.8 percent) were 35 years old or younger, which was higher than the statewide average (35.4 percent); and nearly 60 percent were single, compared with the statewide average of 47.6 percent.