



# *News from the* Fiscal Policy Institute

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## High unemployment persists, but New York has not fared as badly as most states in the downturn

*State and local government job losses far exceed losses in other sectors this year*

New York, New York—A report released today by the U.S. Department of Labor shows that while the Great Recession has taken a terrible toll in New York, the Empire State has not been as hard hit as most of the country. From December 2007—the start of the national recession—through September 2010, New York’s 3.3 percent total job loss ranked it 39th among all states. That is, 38 states had even worse job performance over that period.

“This certainly does not mean that New Yorkers have been spared the recession’s devastating effects,” said James Parrott, the Fiscal Policy Institute’s Deputy Director and Chief Economist. “It just means that New York was hit a lot less hard than most parts of the country.” (See attached table with state rankings.)

FPI’s Executive Director Frank Mauro stated, “Claims that New York is doing badly compared to the rest of the nation are not borne out by this record of New York’s relative performance during the Great Recession. Since the start of the recession in December of 2007, 38 states have had greater percentage job losses than New York; and 33 states have experienced a greater increase in their unemployment rates than New York’s 3.6 percentage point increase.”

Mauro concluded, “Given the effects of the Great Recession in reducing employment and undercutting state and local tax revenues, New York’s economic and budget challenges are far from unique.”

Yesterday, the New York State Department of Labor released new figures showing that the state lost 15,000 jobs (on a seasonally adjusted basis) in September with job losses roughly evenly

divided between the private sector and the state and local government sector. Given the job gains earlier this year, the state has experienced a net gain of nearly 63,000 jobs since the low point reached in December of 2009. The state's 0.7 percent job growth this year is better than the national job growth of 0.5 percent.

The state's job growth this year has been concentrated in food services and health care (both with net gains of 14,000 jobs), professional and technical services (13,000), temporary employment agencies (10,000), retail trade (8,000), and manufacturing (5,000). However, since private sector employment levels bottomed out last December, New York State has lost 26,000 government jobs, with 23,000 of that occurring at the state and local government levels. No other major sector in the state's economy has lost more than 3,000 jobs since December 2009.

"Job losses in state and local government this year now far exceed those of any other sector in New York," noted Parrott of the Fiscal Policy Institute. Parrott added, "Job cuts by New York State and local governments are creating a significant drag on the state's economic and employment recovery. The loss of 26,000 government jobs further reduces the dwindling supply of middle income jobs that have long been the mainstay of New York's economy."

New York State's unemployment rate held steady at 8.3 percent in September and down from 8.8 percent in September of 2009. Still, there were 800,000 New Yorkers officially unemployed in September, a number nearly 75 percent higher than when the recession began in New York in the spring of 2008. When discouraged workers and the under-employed (those working part-time involuntarily) are factored in, the underemployment rate in New York is 15 percent.

The protracted downturn has meant that half of New York's unemployed have been jobless for nearly six months. This is more than twice the length of the median unemployment duration during the 2001-to-2003 downturn. Also, nearly 30 months after the recession began in New York in April 2008, initial unemployment claims data released yesterday show that New York workers are still losing jobs at a pace 28 percent greater than before the recession. About 25,000 New Yorkers file initial unemployment claims each week.

*The Fiscal Policy Institute ([www.fiscalpolicy.org](http://www.fiscalpolicy.org)) is an independent, nonpartisan, nonprofit research and education organization committed to improving policies and practices to better the economic and social conditions of all New Yorkers.*

## The Continuing Impact of the Great Recession on the States

Rank	Point Increase in Unemployment Rate, Dec. 2007 - Sept. 2010	% Change in Nonfarm Employment Dec. 2007 - Sept. 2010	Unemployment Rate, September 2010
1	Nevada	-14.2%	14.4%
2	Florida	-10.3%	13.0%
3	California	-10.0%	12.4%
4	Michigan	-9.4%	11.9%
5	Rhode Island	-9.0%	11.5%
6	Idaho	-8.3%	11.0%
7	Indiana	-8.1%	10.6%
8	South Carolina	-8.0%	10.1%
9	Arizona	-7.7%	10.1%
10	Oregon	-7.5%	10.0%
11	West Virginia	-6.9%	10.0%
12	Alabama	-6.9%	9.9%
13	Georgia	-6.5%	9.8%
14	New Jersey	-6.5%	9.7%
15	North Carolina	-6.4%	9.6%
16	Delaware	-6.3%	9.4%
17	Kentucky	-6.3%	9.4%
18	New Mexico	-6.3%	9.3%
19	Pennsylvania	-6.3%	9.2%
20	Ohio	-6.0%	9.1%
21	Illinois	-5.9%	9.0%
22	Utah	-5.7%	9.0%
23	Washington	-5.5%	9.0%
24	Connecticut	-5.4%	8.9%
25	Missouri	-5.3%	8.9%
26	Wyoming	-5.2%	8.4%
27	Louisiana	-5.2%	8.4%
28	Massachusetts	-5.2%	<b>8.3%</b>
29	Maryland	-5.2%	8.2%
30	Tennessee	-5.1%	8.2%
31	Colorado	-5.0%	8.1%
32	Mississippi	-4.8%	8.1%
33	Texas	-4.3%	7.8%
34	<b>New York</b>	<b>-3.3%</b>	7.8%
35	Virginia	-4.3%	7.8%
36	Montana	-3.6%	7.7%
37	Hawaii	-3.6%	7.7%
38	Oklahoma	-3.5%	7.7%
39	Wisconsin	-3.4%	7.5%
40	Maine	-3.4%	7.5%
41	Iowa	-3.4%	7.4%
42	Arkansas	-3.3%	7.4%
43	Kansas	-3.3%	7.4%
44	Minnesota	-2.9%	7.0%
45	New Hampshire	-2.7%	6.9%
46	Vermont	-2.7%	6.9%
47	Nebraska	-2.3%	6.8%
48	South Dakota	-2.3%	6.8%
49	Alaska	-2.0%	6.8%
50	North Dakota	-1.8%	6.6%
		-1.6%	6.3%
		-1.5%	5.8%
		-0.6%	5.5%
		0.8%	4.6%
		2.2%	4.4%
			3.7%

Source: Seasonally adjusted data for employment and unemployment from the US Bureau of Labor Statistics (BLS).