

New York City Immigrants in the Great Recession



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The Fiscal Policy Institute (FPI) has closely followed how the Great Recession—the longest and steepest national economic downturn since the 1930s—has played out in New York City. While it’s true that the city has lost proportionately fewer payroll jobs than the nation as a whole or than the city lost during the last two recessions, unemployment among city residents rose faster, and wages for most New Yorkers fell further, than in the early 1990s recession or during the 2001-to-2003 recession and downturn following the September 11th attacks. In previous work, FPI has tracked the very uneven incidence of unemployment across city neighborhoods and by race/ethnic group and gender. FPI has also examined how the social safety net has performed during the recession and how the American Recovery and Reinvestment Act helped brake the economy’s freefall in the wake of the September 2008 financial market meltdown. In this report, we look at the effect of the recession on the city’s three million immigrants.

New York City Immigrants in the Great Recession

How are New York City immigrants faring in the Great Recession? With immigrants making up 37 percent of the city's population and 48 percent of the labor force, the answer is important to immigrants and to the city as a whole.¹

In general, unemployment rates are up sharply compared to two years ago for both immigrants and U.S.-born workers, though the rates have increased somewhat less sharply for immigrants.

Comparing the unemployment rates just before the recession (the first five months of 2008) with the most current rates available (the first five months of 2010), the overall unemployment rate for New York City residents jumped from 4.7 percent in 2008 to 9.9 percent in 2010. The rate for U.S.-born residents alone increased from 5.3 percent to 10.9 percent, while the rate for immigrants increased from 4.0 to 8.8 percent.²

Unemployment rates for New York City
2008 and 2010 (first five months)

	Unemployment 2008	Unemployment 2010
All	4.7%	9.9%
All men	4.7%	11.0%
All women	4.8%	8.6%
White	3.0%	6.2%
Black	5.7%	14.0%
Hispanic/Latino	6.1%	12.3%
Asian & other	4.7%	7.9%
Native	5.3%	10.9%
Immigrant	4.0%	8.8%

Source: Fiscal Policy Institute analysis of Current Population Survey.

Throughout, immigrants have a somewhat lower rate of unemployment than U.S.-born workers.

¹ “Immigrant” here, as is customary in the economics literature, is defined to mean all people residing in the United States who were born in another country, including both documented and undocumented immigrants. People born in United States territories such as Puerto Rico and the U.S. Virgin Islands, as well as children born abroad to U.S. citizen parents, are included in the count of U.S.-born.

² In this analysis, unemployment rates are not adjusted for seasonal variation, since they are for the same months of the year. Five months were pooled to provide a sufficient sample size to look at specific groups in detail. On a seasonally adjusted basis, the New York State Labor Department reports that the city’s unemployment rate reached a peak of 10.5 percent in November and December of 2009. By June, the seasonally adjusted unemployment had receded to 9.5 percent.

Unemployment rates for New York City residents

2008 and 2010 (first five months)

	Unemployment 2008	Unemployment 2010	"Real" unemployment rate (U6) 2008	"Real" unemployment rate (U6) 2010	Labor force participation 2008	Labor force participation 2010
All	4.7%	9.9%	8.1%	16.5%	59.6%	60.2%
All men	4.7%	11.0%	7.9%	17.5%	67.3%	68.0%
All women	4.8%	8.6%	8.4%	15.5%	52.8%	53.4%
White	3.0%	6.2%	5.4%	11.6%	59.1%	60.9%
Black	5.7%	14.0%	9.9%	21.0%	60.5%	60.8%
Hispanic/Latino	6.1%	12.3%	9.9%	21.5%	58.0%	59.3%
Asian & other	4.7%	7.9%	8.4%	12.4%	62.6%	59.4%
Less than High School	9.0%	15.1%	15.5%	25.2%	32.6%	37.0%
High School	5.9%	11.8%	9.3%	19.0%	56.8%	58.4%
Some college	4.9%	11.3%	8.0%	19.3%	62.3%	62.1%
Bachelor's degree or higher	2.6%	6.2%	5.1%	10.6%	80.0%	76.6%
Native	5.3%	10.9%	8.3%	17.1%	59.2%	57.1%
Immigrant	4.0%	8.8%	7.8%	15.9%	60.0%	64.1%
Male	3.3%	9.3%	6.6%	15.9%	71.7%	74.3%
Female	4.9%	8.2%	9.3%	15.8%	50.1%	54.8%
Recent immigrants (10 years or less)	6.3%	8.4%	10.7%	16.5%	60.4%	68.1%
Immigrants who are long-term residents (more than 10 years)	3.3%	8.9%	7.0%	15.7%	59.9%	62.5%

Source: Fiscal Policy Institute analysis of Current Population Survey.

Data from January to May, adjusted using the Local Area Unemployment Statistics (LAUS). "Real" unemployment rate includes discouraged workers, marginally attached workers, and people working part time who would like to be working full time.

The low unemployment rates are likely explained in part by the fact that immigration is generally responsive to labor market conditions in the United States. Previous research by Fiscal Policy Institute has shown that immigrants generally come to areas *where* there are jobs, and parallel work by the Economic Policy Institute shows that immigrants generally come at a period *when* there are jobs. As a result, it makes sense that unemployment rates for immigrants are consistently lower than for U.S.-born workers.³

At the same time, it is also likely that on average immigrants have fewer options but to take whatever work they can get, since recent immigrants and undocumented immigrants have less access to safety net protections when they lose a job. In New York City, this is reflected in the fact that labor force participation rates have increased for immigrants — from 60 to 64 percent—as more working age adults in each family seek jobs. By contrast, labor force participation for U.S.-born workers decreased over the same period, from 59 to 57 percent, as the worsening labor market conditions left more workers giving up altogether on finding a job.

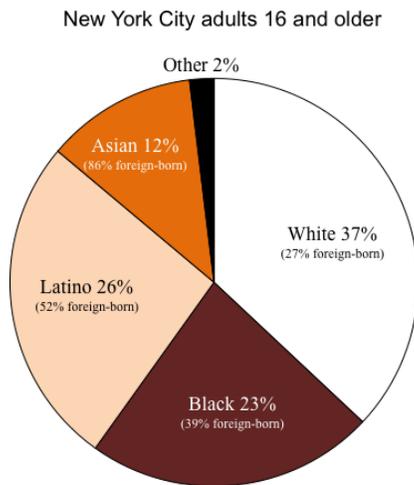
The “real” unemployment rate tells a similar story. “Real” unemployment is the combination of unemployed workers with those who have become discouraged and are no longer seeking work, those who are marginally attached to the labor force, and those

³ See Fiscal Policy Institute, “Immigrants and the Economy: Contribution of Immigrant Workers to the Country’s 25 Largest Metropolitan Areas,” December 2009, and Heidi Shierholz, “Immigration and Wages—Methodological Advancements Confirm Modest Gains for Native Workers,” February 4, 2010, Economic Policy Institute, p. 18.

who are involuntarily working part time rather than full time. While the overall commonly cited unemployment rate for New York City is 9.9 percent for the first five months of the year, real unemployment is 16.5 percent. It is higher for U.S. born workers (17.1 percent) than for immigrants (15.9 percent).

This recession has hit men particularly hard, and the same is true among immigrants. The unemployment rate for women overall is 8.6 percent, while for men it is 11.0 percent. The unemployment rate for foreign-born women is 8.2 percent, while the rate for foreign-born men is 9.3 percent.

Black and Latino workers are also being hit much harder than white and Asian workers. Looking at New York City residents overall—combining U.S.- and foreign-born—the official unemployment rate for whites is 6.2 percent and for Asians it is 7.9 percent, while for Latinos the rate is 12.3 percent and for blacks it is a staggering 14.0 percent. In New York City, 39 percent of all blacks over 16 years old, and 52 percent of Latinos over 16 are foreign born.



Source: Fiscal Policy Institute analysis of 2008 ACS, population 16 and older.

And, the recession is affecting those with lower degrees of educational attainment more than those with a post-secondary degree. The unemployment rate for workers who have graduated from college is nearly ten percentage points lower than those who did not graduate from high school. For those with a bachelor degree or higher, the unemployment rate is 6.2 percent, compared to 11.3 percent for those with some college, 11.8 percent for those with a high school degree, and 15.1 percent for those with less than high school.

Just as for the nation, New York City might have turned the corner and started on the path to recovery. Since the low point reached last December, New York City has gained back 50,000 jobs. However, projections indicate that it will take at least two more years to recoup the jobs lost during the recession and that it will take even longer to reduce the city's unemployment rate below five percent.⁴ The earnings of many New Yorkers—native-born and immigrant alike—will remain under intense pressure over the next several years.

For additional information on the economic contribution of immigrants and related issues, contact David Dyssegaard Kallick, director of FPI's Immigration Research Initiative at ddkallick@fiscalpolicy.org.

⁴ From May 2006 to April 2008, New York City's unemployment rate averaged 4.8 percent.