

EMPLOYMENT

UPDATED THROUGH AUGUST 2025 | 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 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

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Takeaways | EPOP

- The employment-to-population ratio (EPOP) in the region is following many of the trends observed in the nation. In particular, EPOP stands at 80.2% in August 2025, slightly higher than in August 2019 (78.6%).
- As in the nation, employment gaps in the region are largest for Black workers, followed by Hispanic and AAPI workers. These all rose in the pandemic and have since declined to roughly pre-pandemic levels. In particular, the Black-white employment gap has been rising since September 2024 and stands at 10.8 percentage points in August 2025, higher than the nationwide Black-white gap and above its regional pre-pandemic level.
- The gender employment gap has risen to 10.6 percentage points in August 2025 while the college employment gap has risen slightly to about 11.8 percentage points in May 2025, from a recent low of 11.3 percentage points in June 2025.

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

Full Report Highlights

- **INFLATION**

Relative to the 2021-22 inflationary episode, inflation rates have converged across groups with different incomes, ages, and education levels. This is in part because of rising inflation in a variety of important consumption categories in the region.

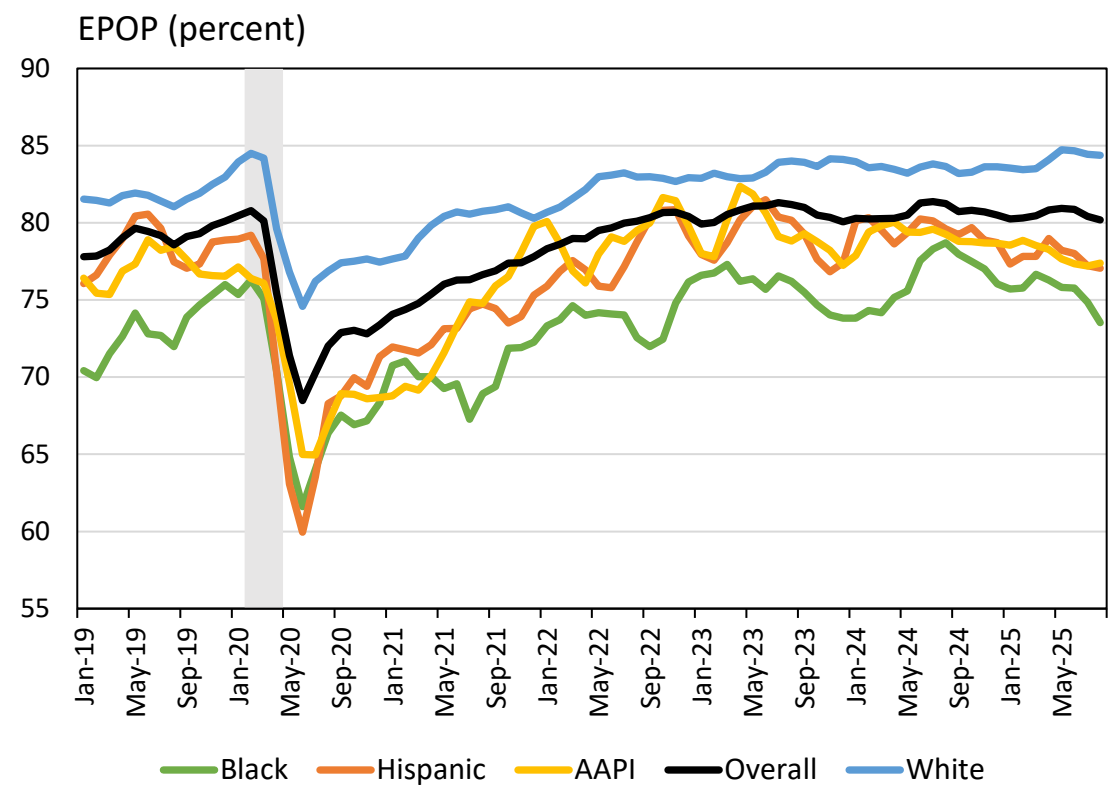
- **EARNINGS**

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**

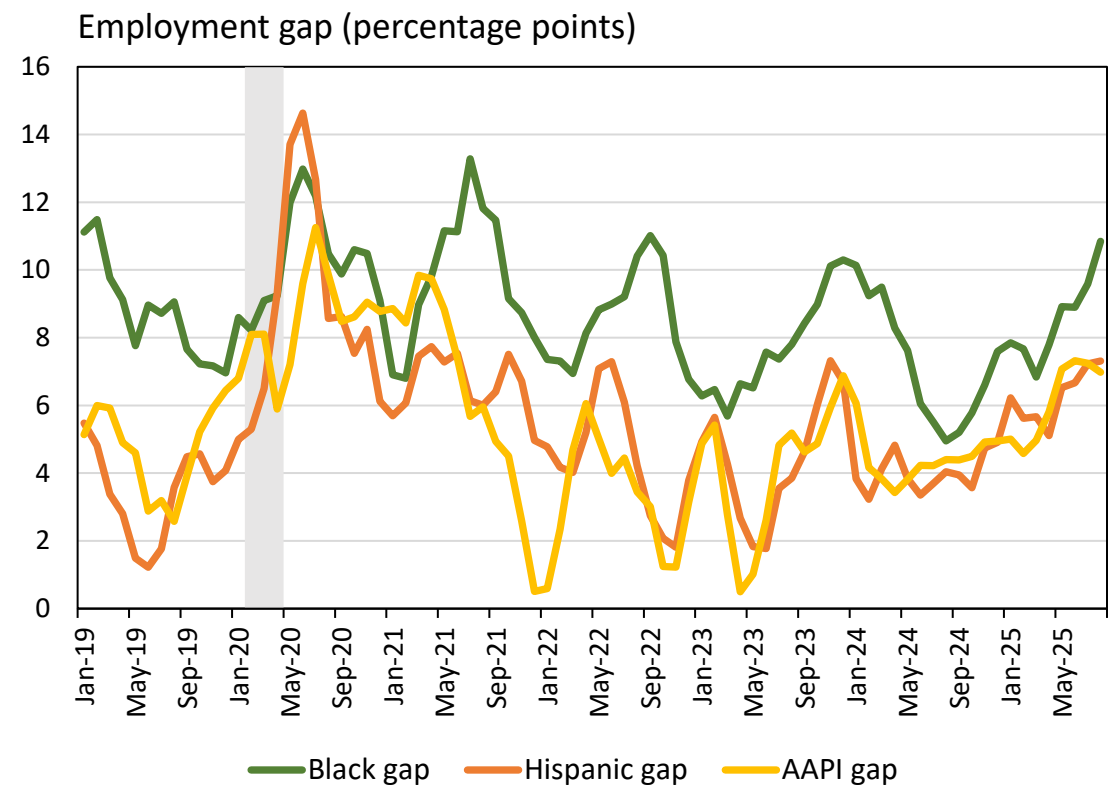
Labor market gaps have declined in the region at rates similar to those of the nation as a whole. However, the gender employment gap in the region has tended to decline faster and be lower than the national gender employment gap. Currently, racial gaps have been increasing, gender gaps have been stalling,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

EPOP by Race/Ethnicity



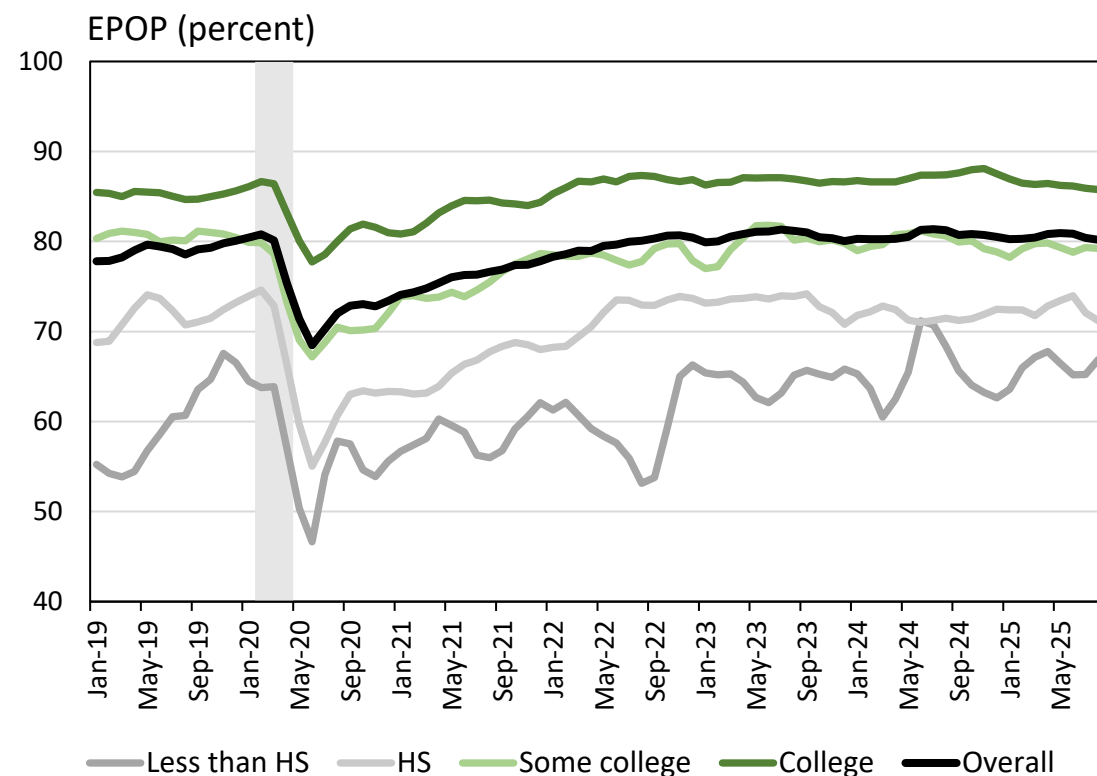
Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

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.

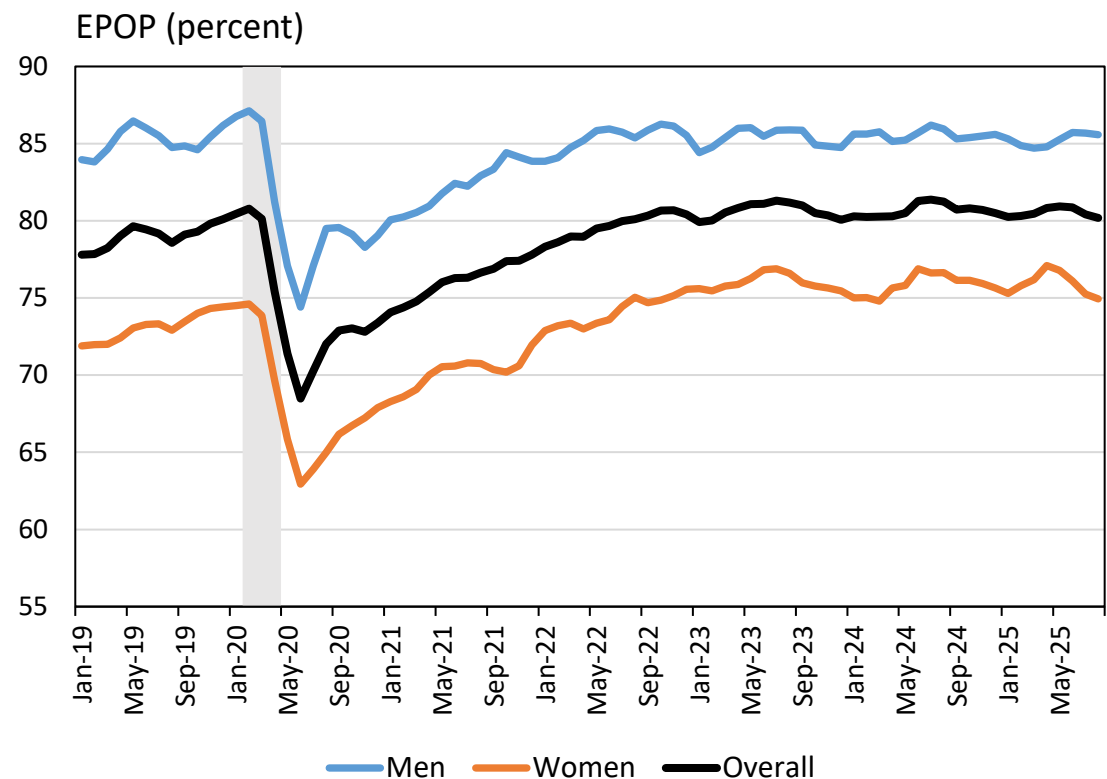
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College employment gap (percentage points)



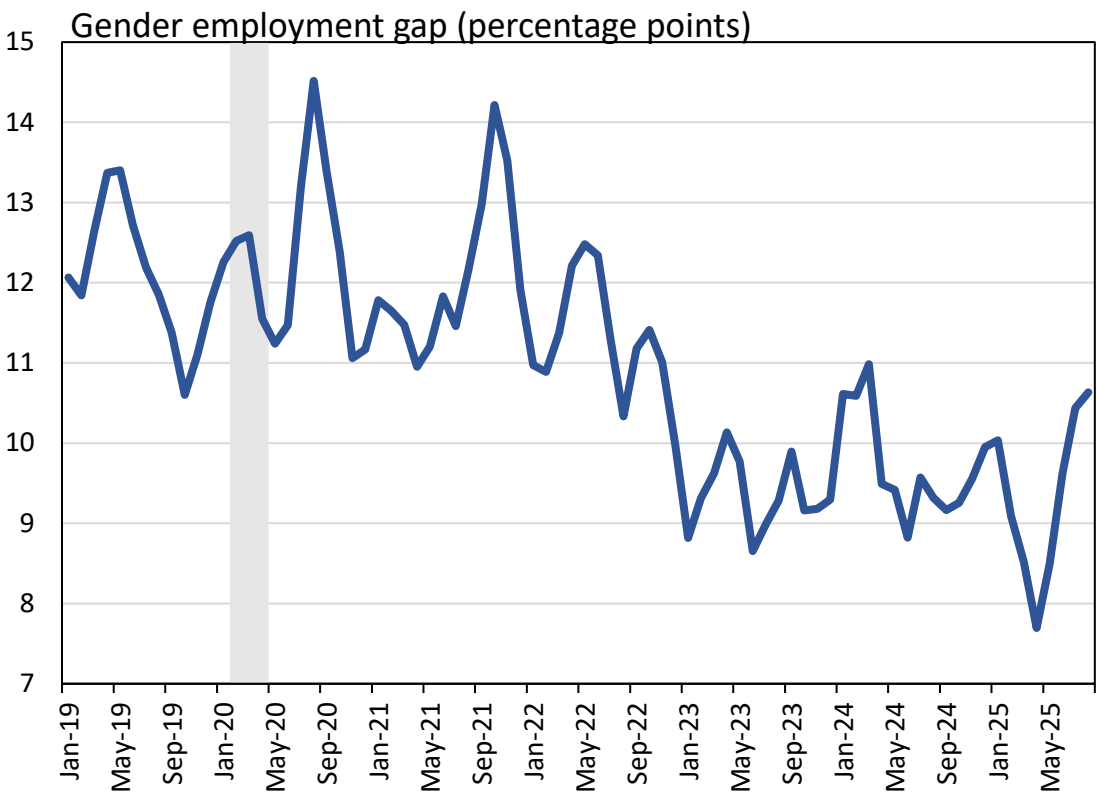
The college gap is the employment of workers with a bachelor's degree minus the employment of workers without one.

EPOP by Gender



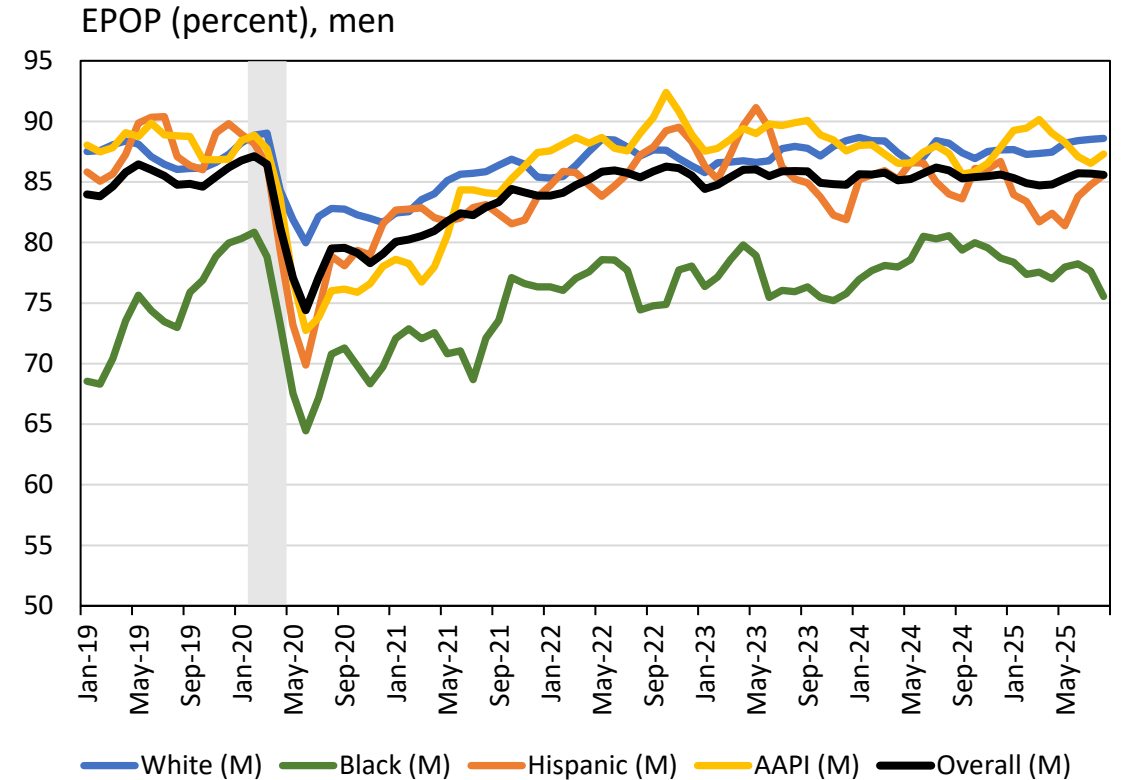
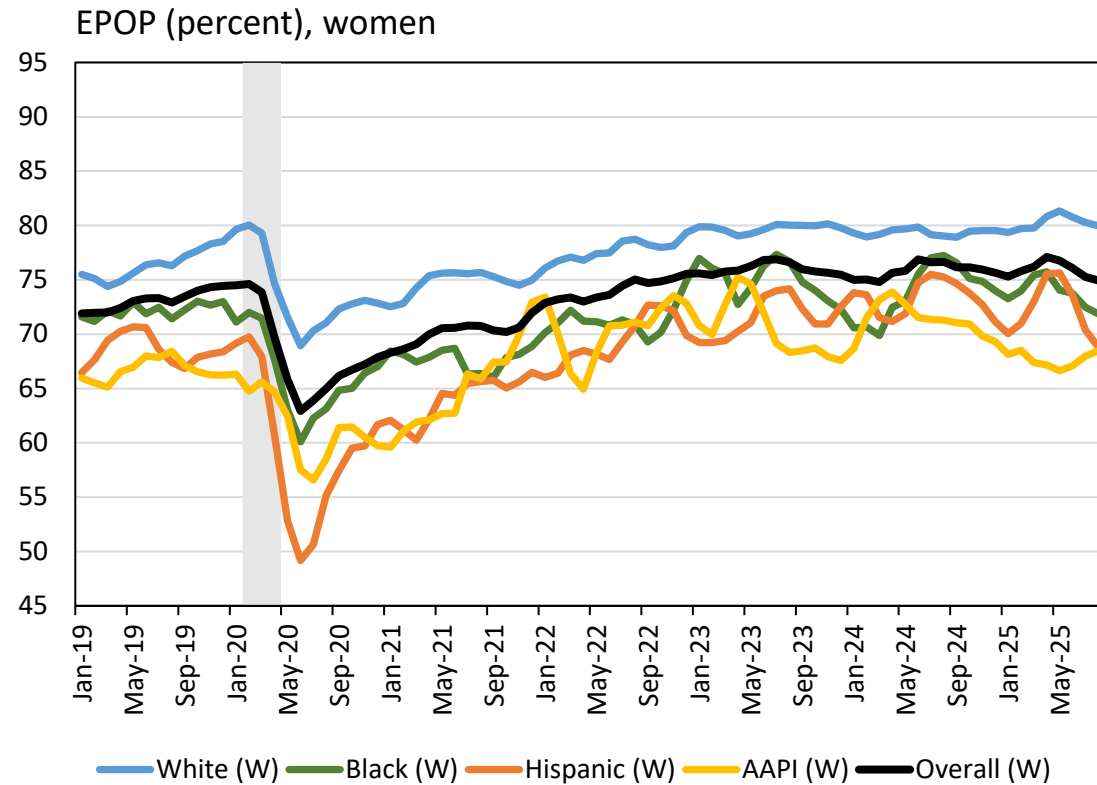
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The gender gap is defined as the employment of men minus the employment of women.

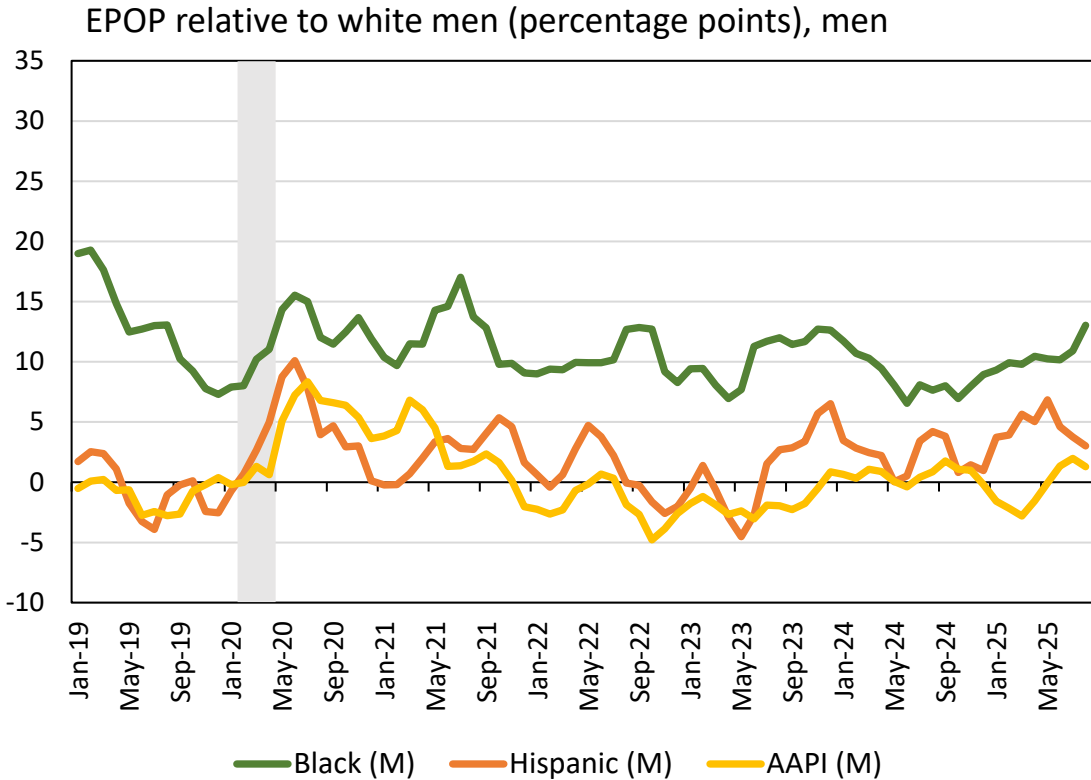
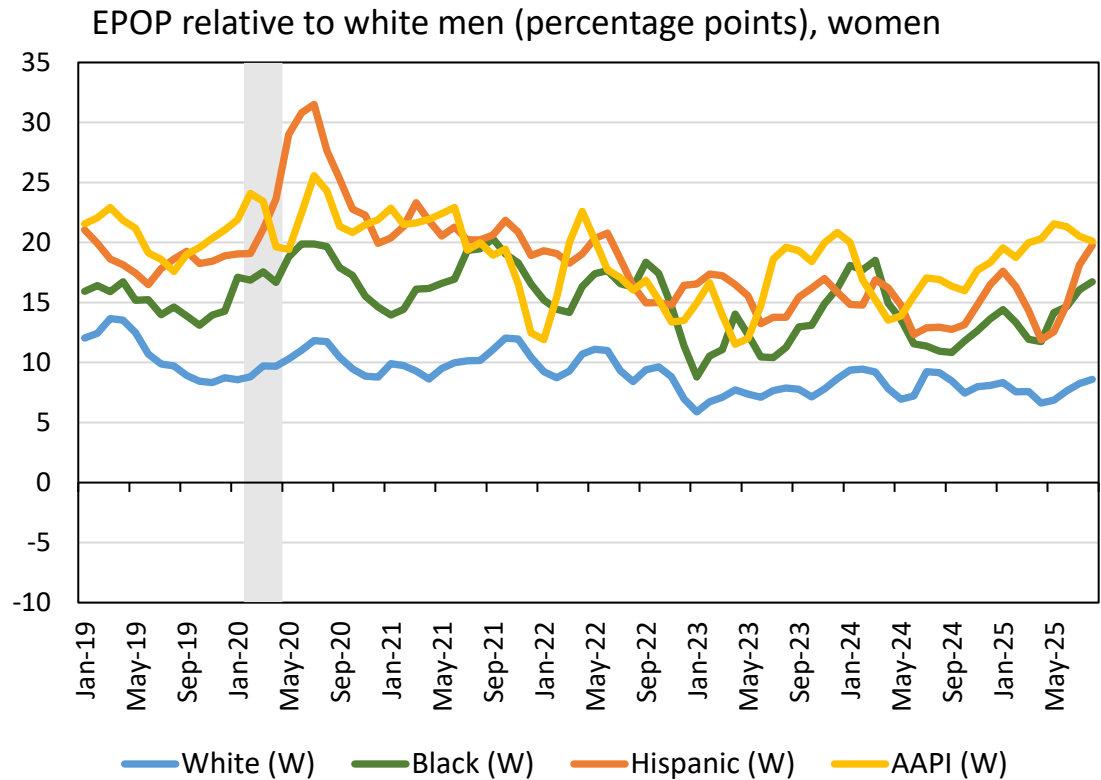
EPOP by Race x Gender



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

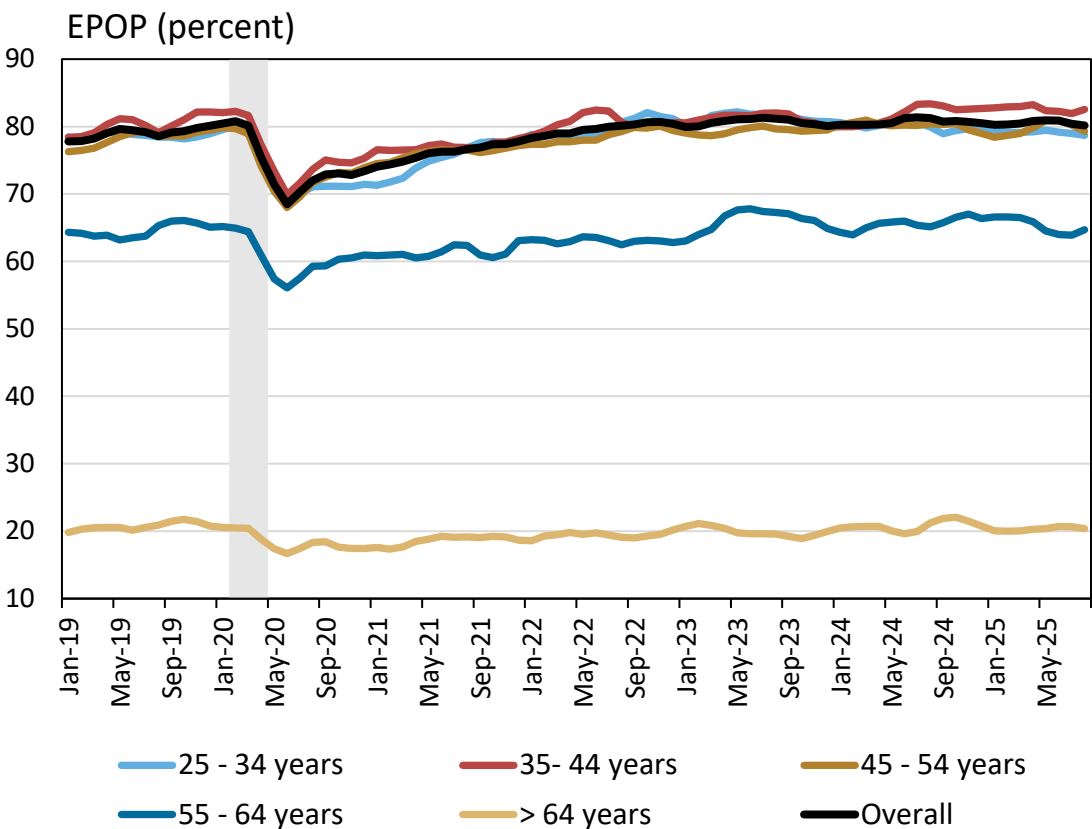


Sources: U.S. Census Bureau/BLS - Current Population Survey microdata; authors' calculations; three-month moving averages.

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 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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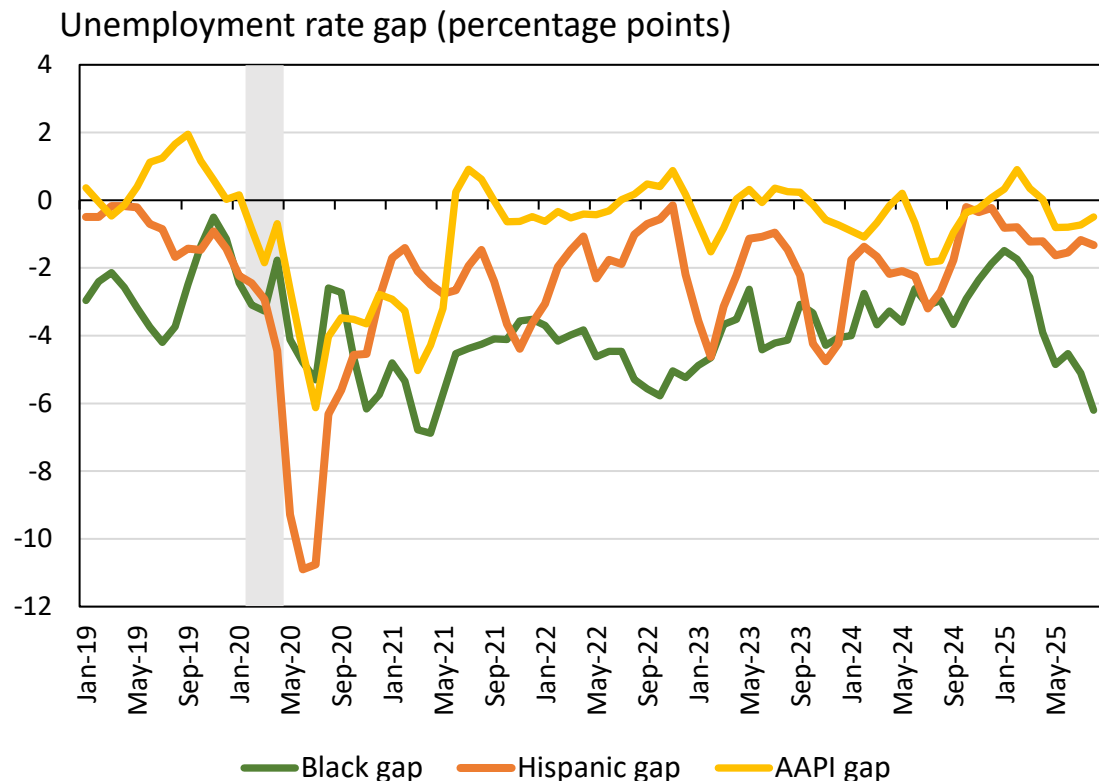
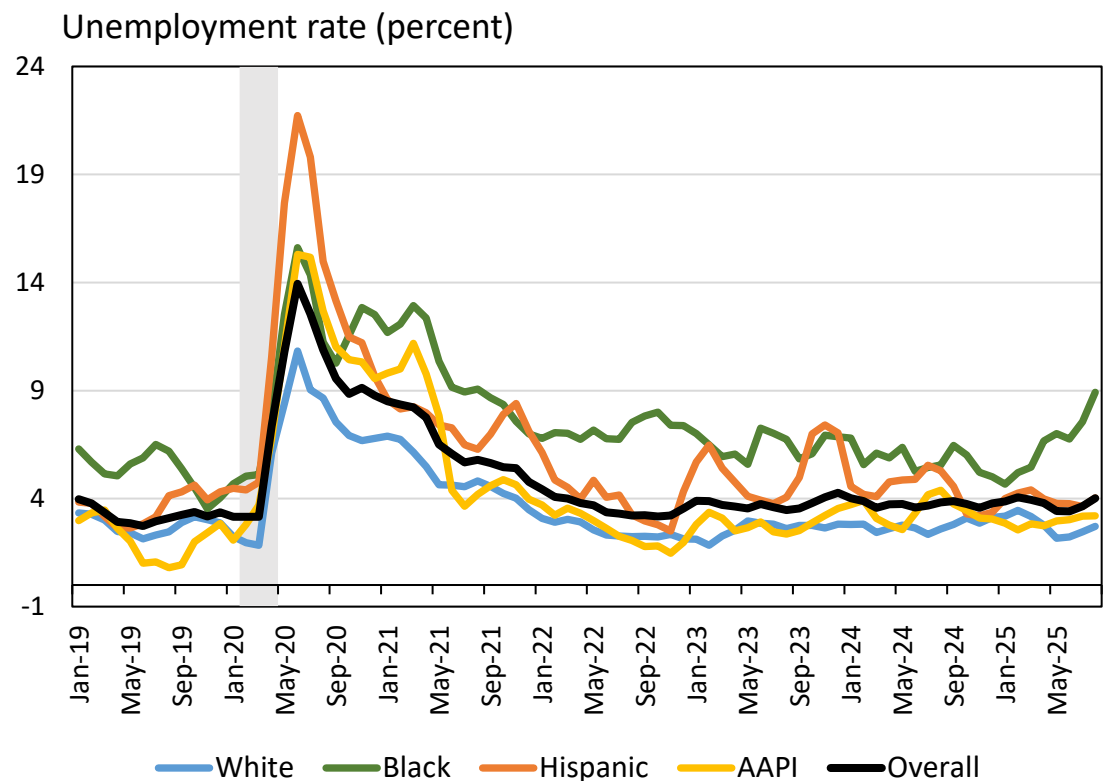
Raji Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Takeaways | Unemployment Rate

- 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.
- In both the region and the nation, unemployment rate gaps increased during the pandemic, but are now close to pre-pandemic levels.
- Unemployment rates in the region are highest for Black workers and workers without a college degree. Unemployment rates and gaps for Black workers have risen in magnitude during 2025:Q3, as has the unemployment of people aged 25-34.
- The college unemployment gap peaked at 11 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 (2.8 percentage points).

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

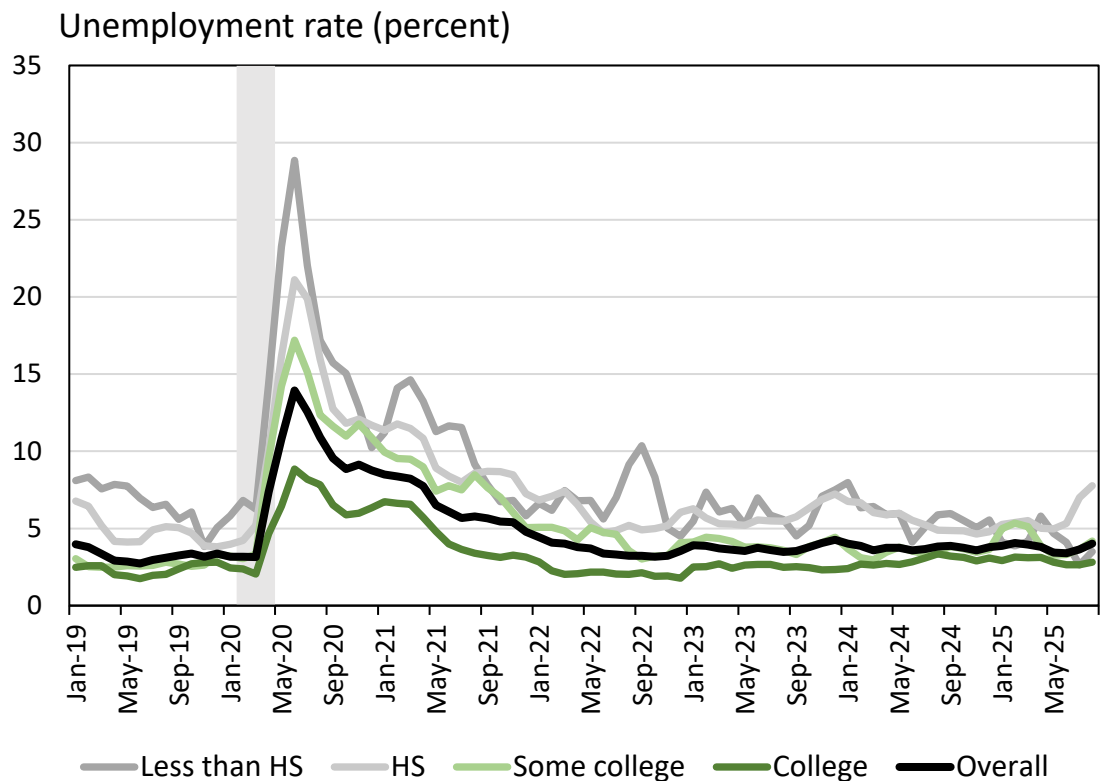
Unemployment Rate by Race/Ethnicity



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.

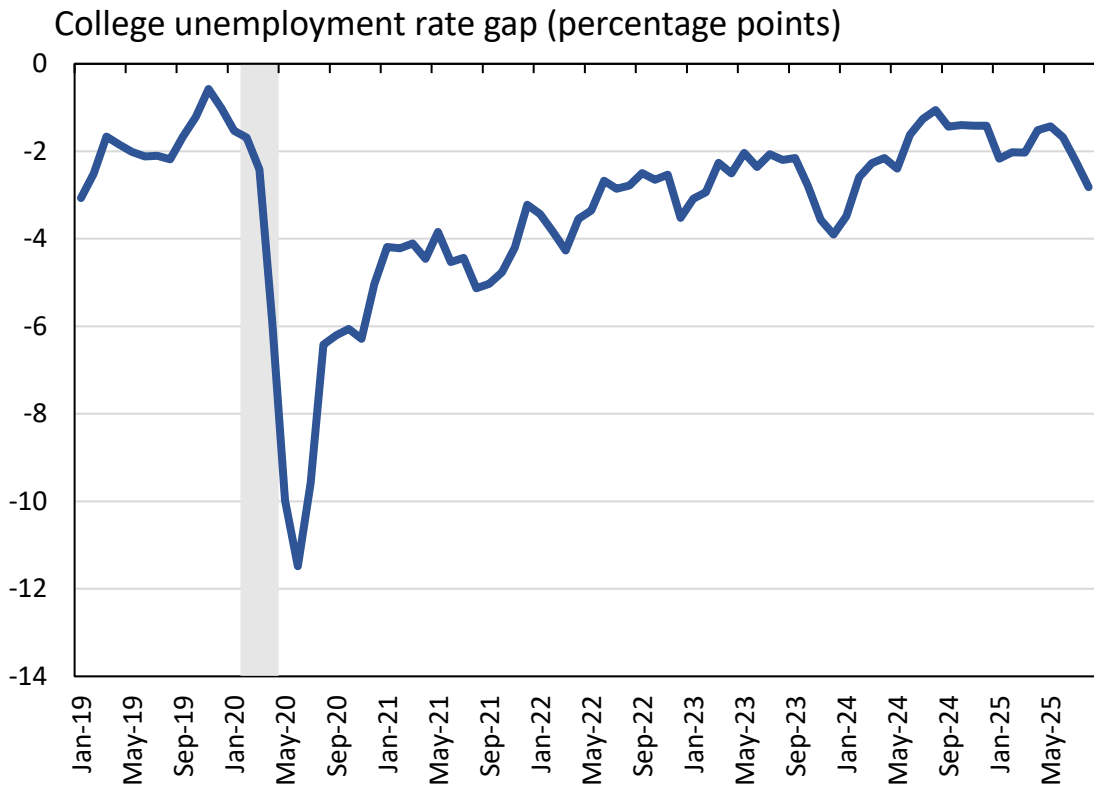
The racial gaps are defined as the unemployment rate of white workers minus the unemployment rate of the given race or ethnicity.

Unemployment Rate by Education



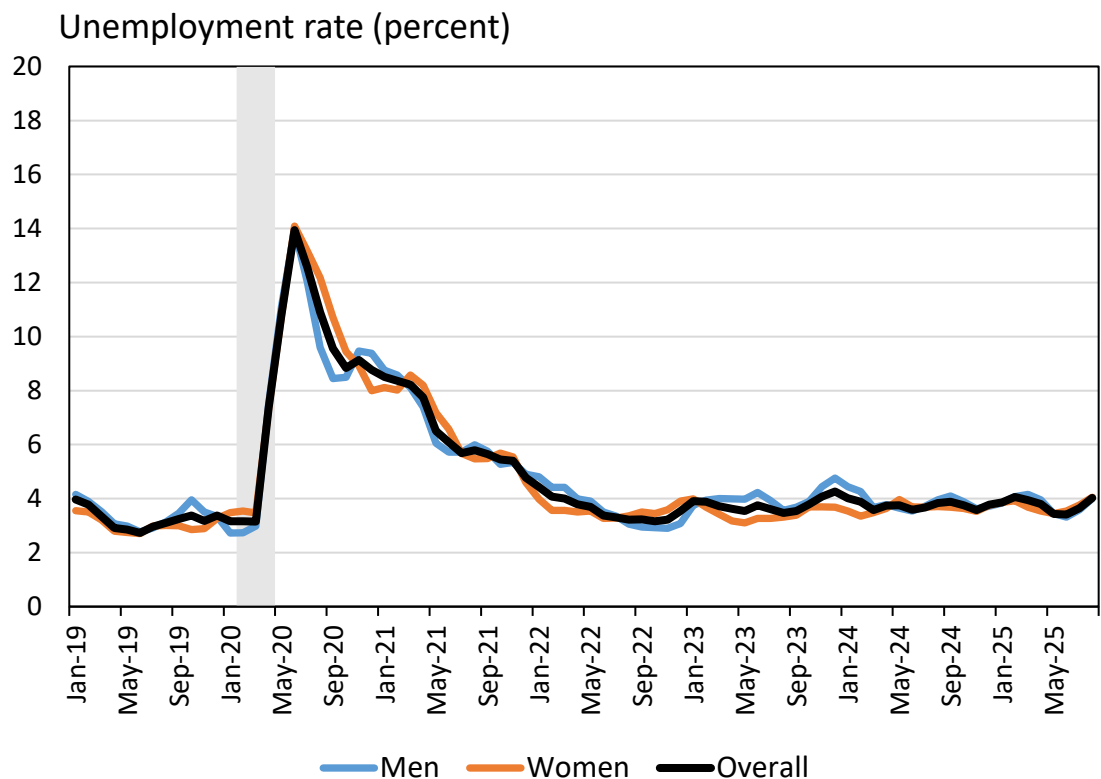
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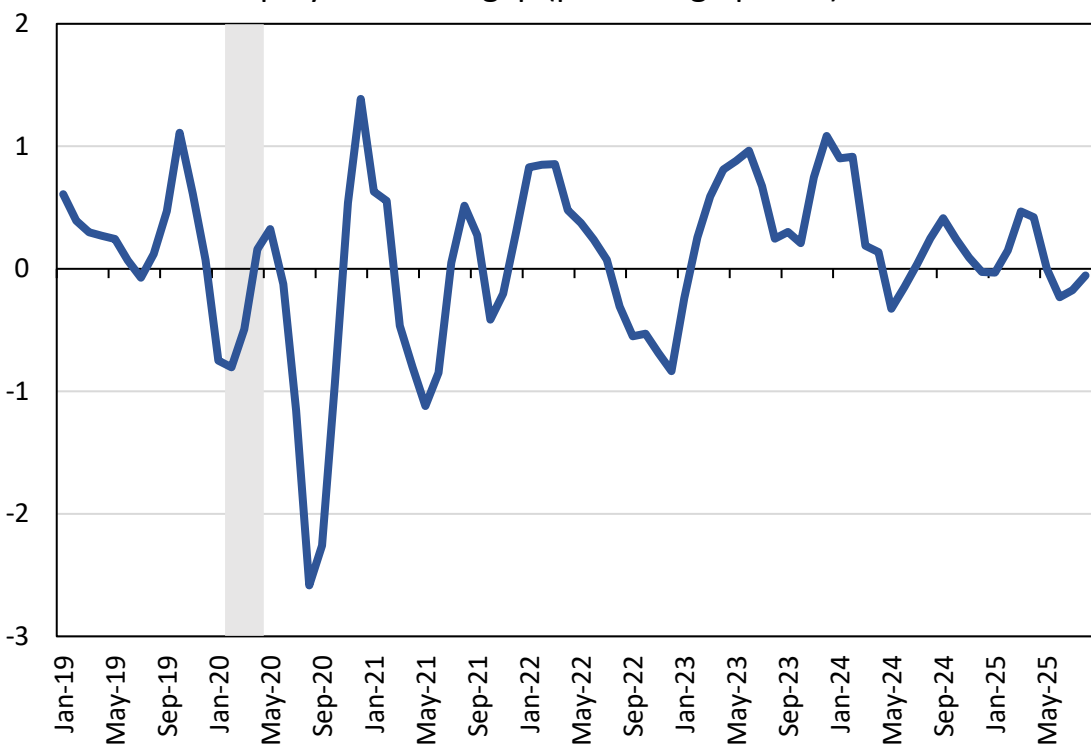


The college gap is the unemployment rate of workers with a bachelor's degree minus the unemployment rate of workers without one.

Unemployment Rate by Gender



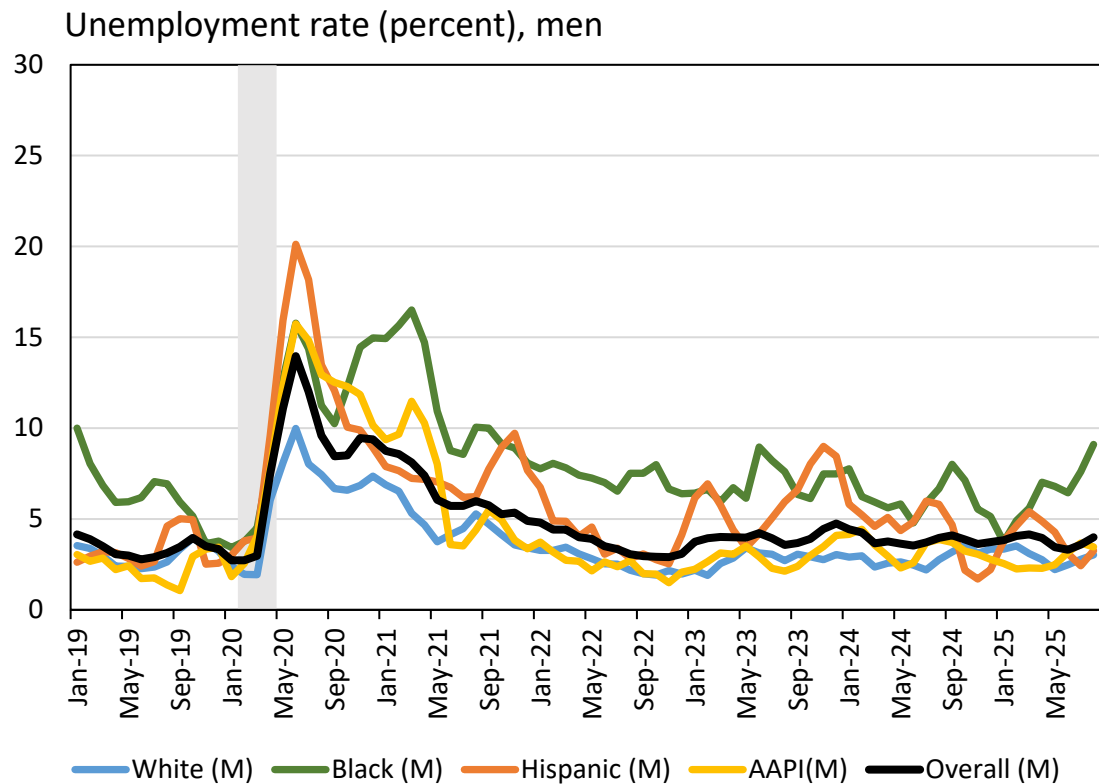
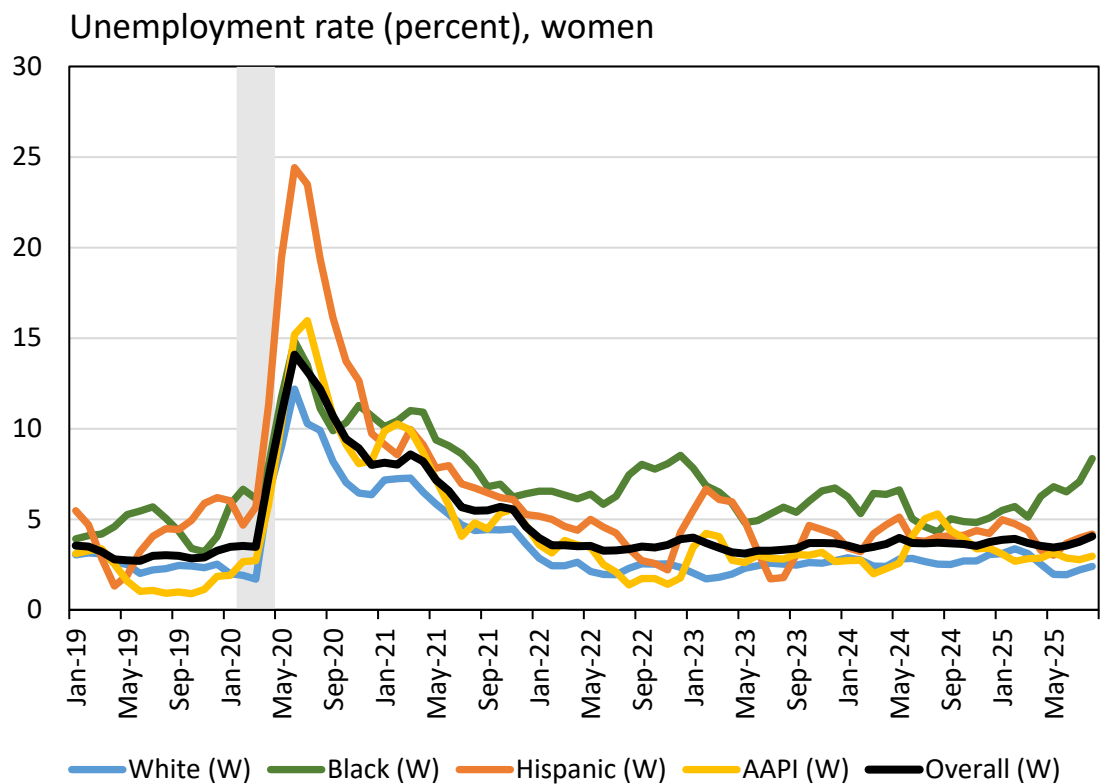
Gender unemployment rate gap (percentage points)



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.

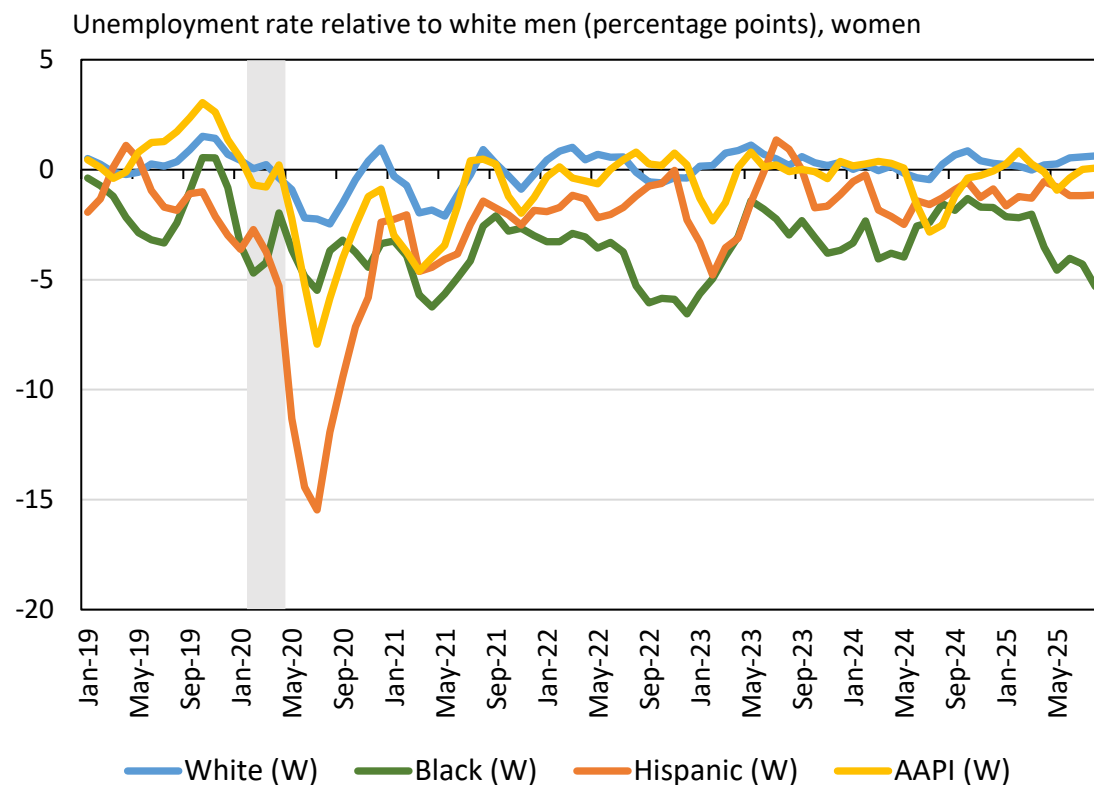
The gender gap is defined as the unemployment rate of men minus the unemployment rate of women.

Unemployment Rate by Race x Gender

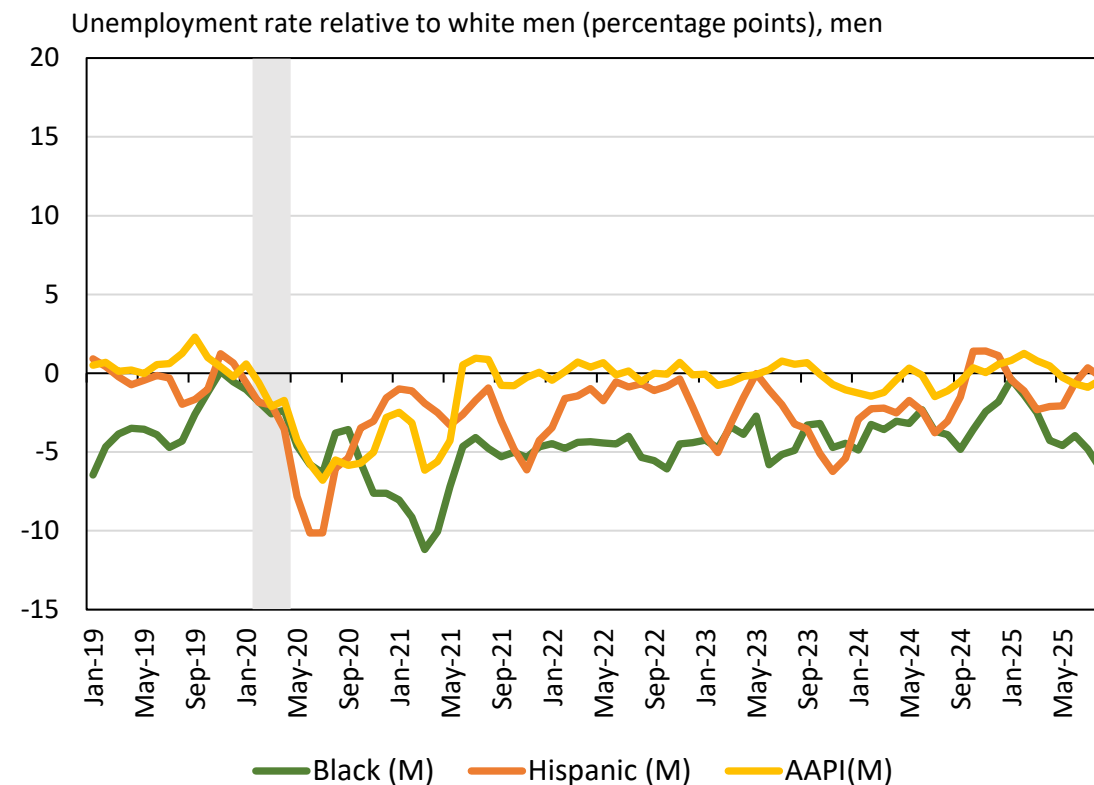


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Unemployment Rate Gaps by Race x Gender

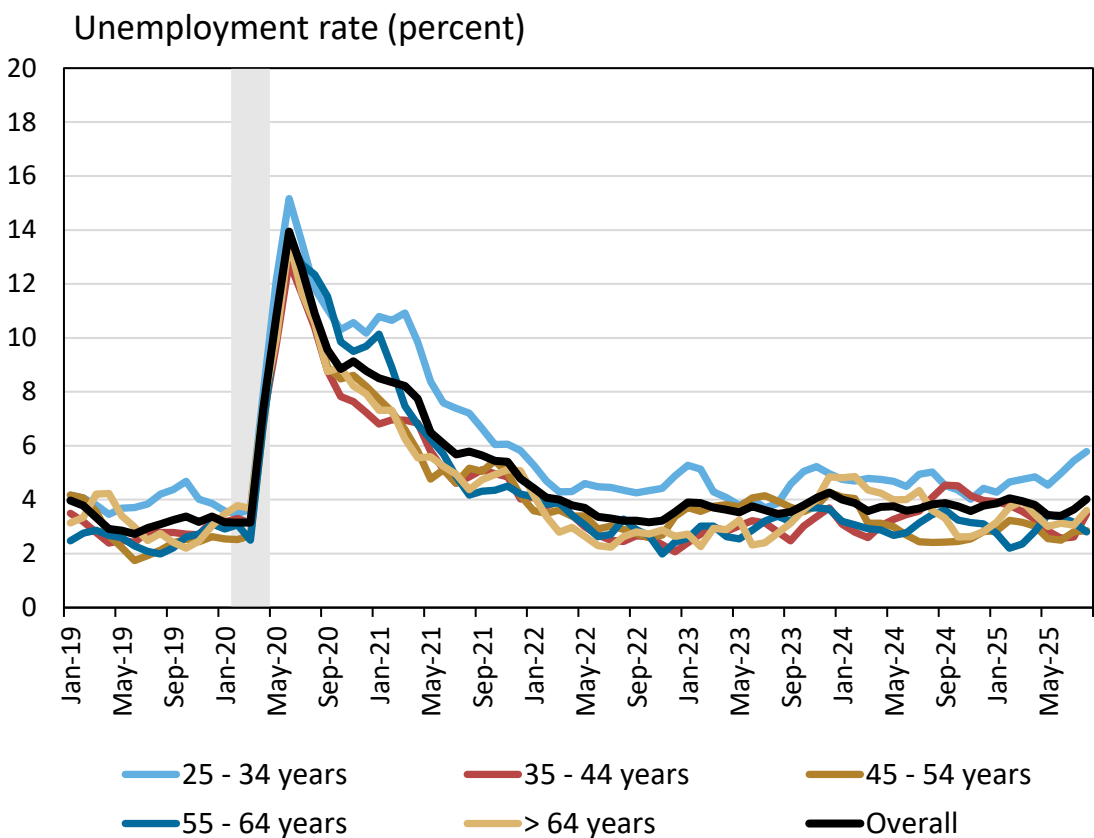


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The race by gender gap is defined as the unemployment rate of white men minus the unemployment rate of women or men of the given race or ethnicity.

Unemployment Rate Gaps by Age



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A group of five diverse professionals are seated around a dark table in a modern office with large windows overlooking a city. One person is in a wheelchair. They are engaged in a meeting, with some looking at laptops and others talking. The scene is dimly lit with a blue tint.

EMPLOYMENT: LABOR FORCE PARTICIPATION

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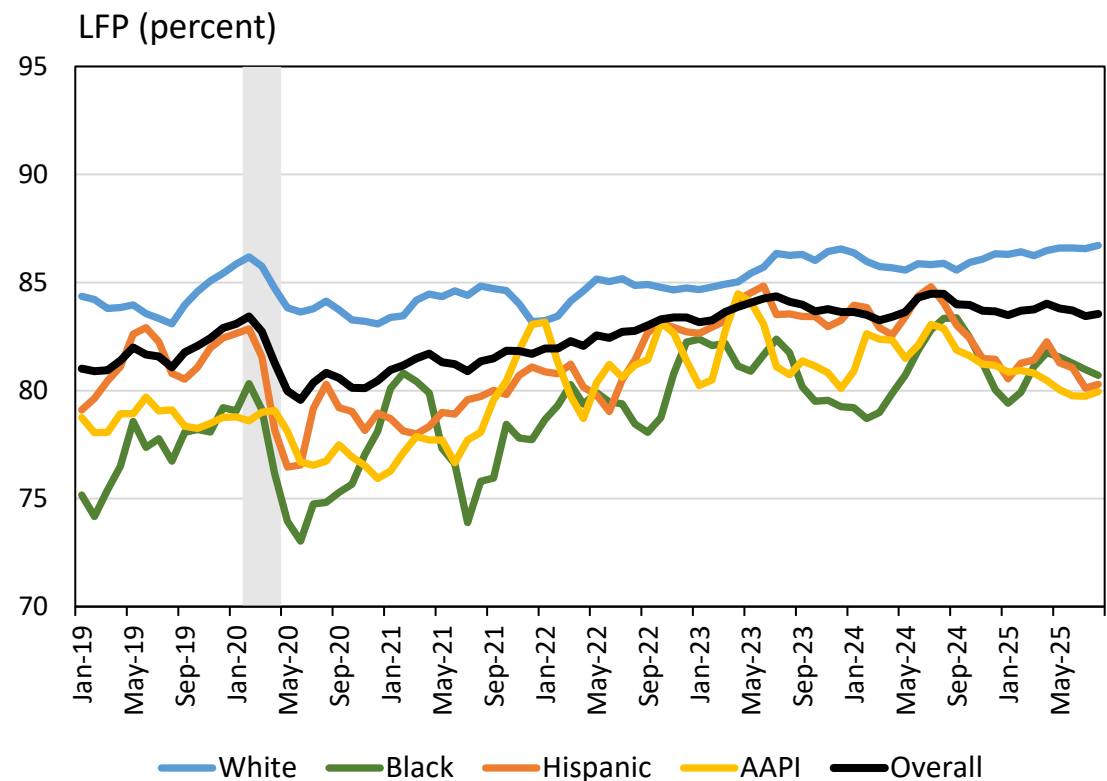
Raji Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

Takeaways | Labor Force Participation

- The dynamics and heterogeneity in labor force participation (LFP) in the region mirror those of EPOP.
- LFP rates in the region are now close to their pre-pandemic levels.
- Black, Hispanic, and Asian workers have LFPs about 6-7 percentage points below white workers in August 2025.
- The college LFP gap in the region has decreased to 9.9 percentage points in August 2025 from a recent high of 14.6 percentage points in November 2024. This is consistent with the decline in the college premium in the labor market observed nationwide.
- The gender LFP gap in the region has risen to 11 percentage points in August 2025.

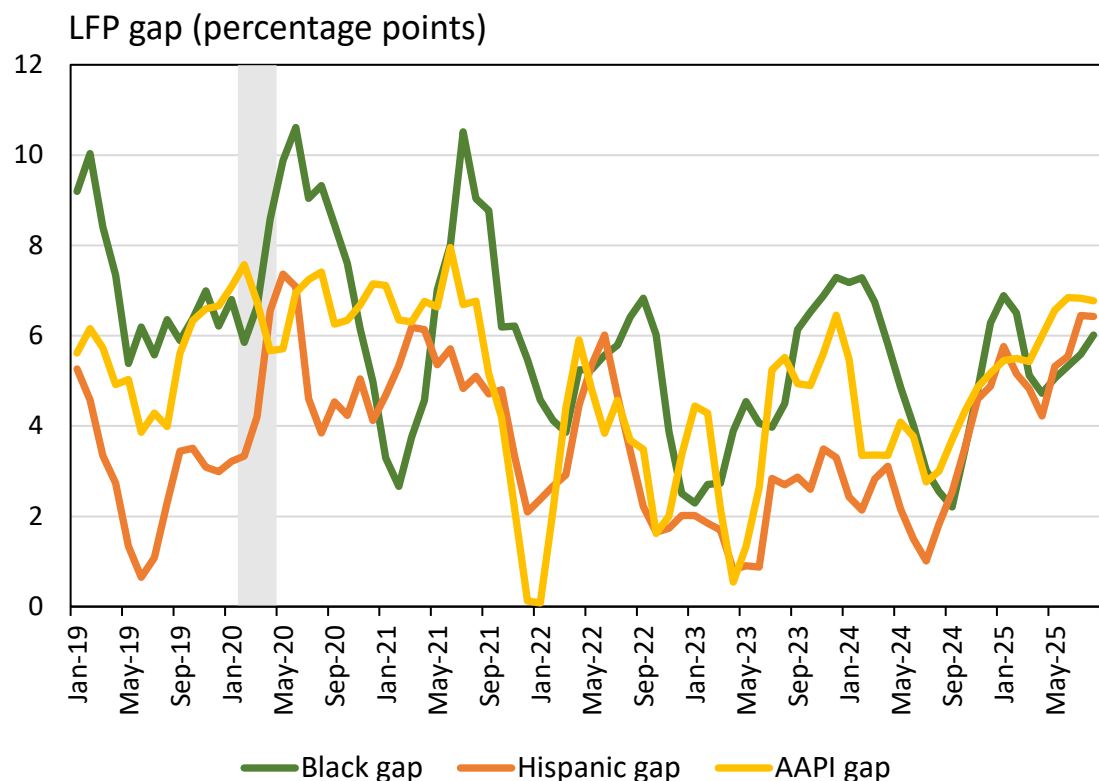
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Labor Force Participation by Race/Ethnicity



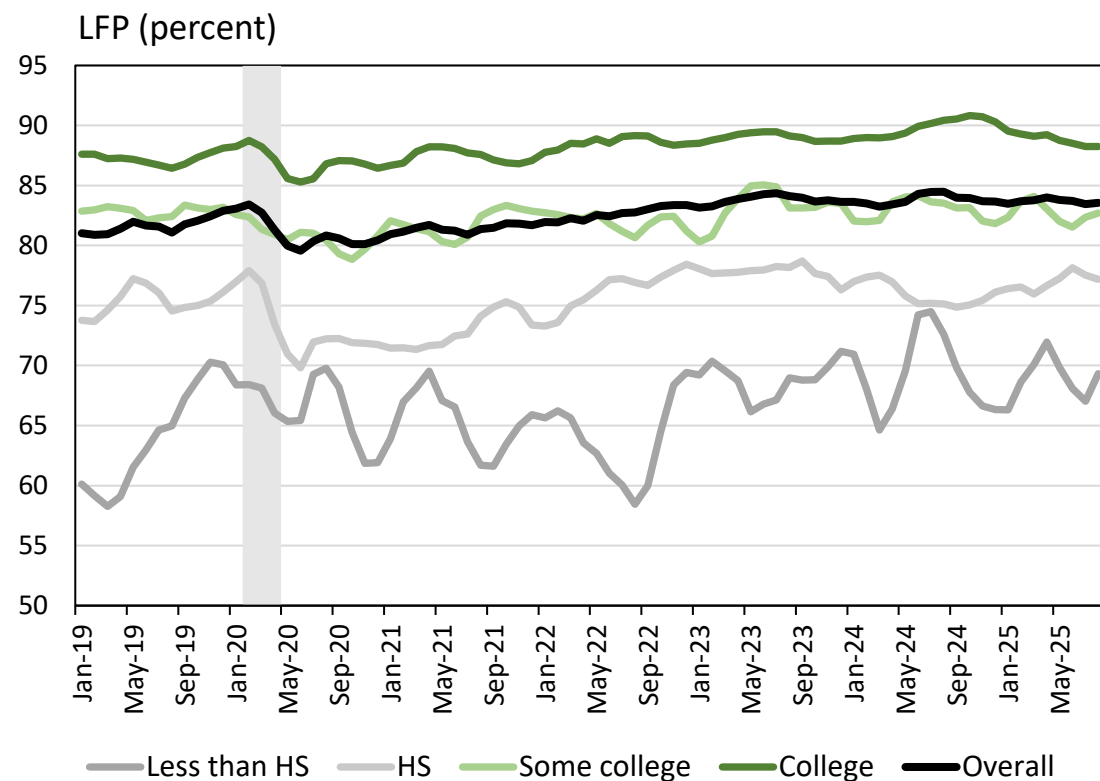
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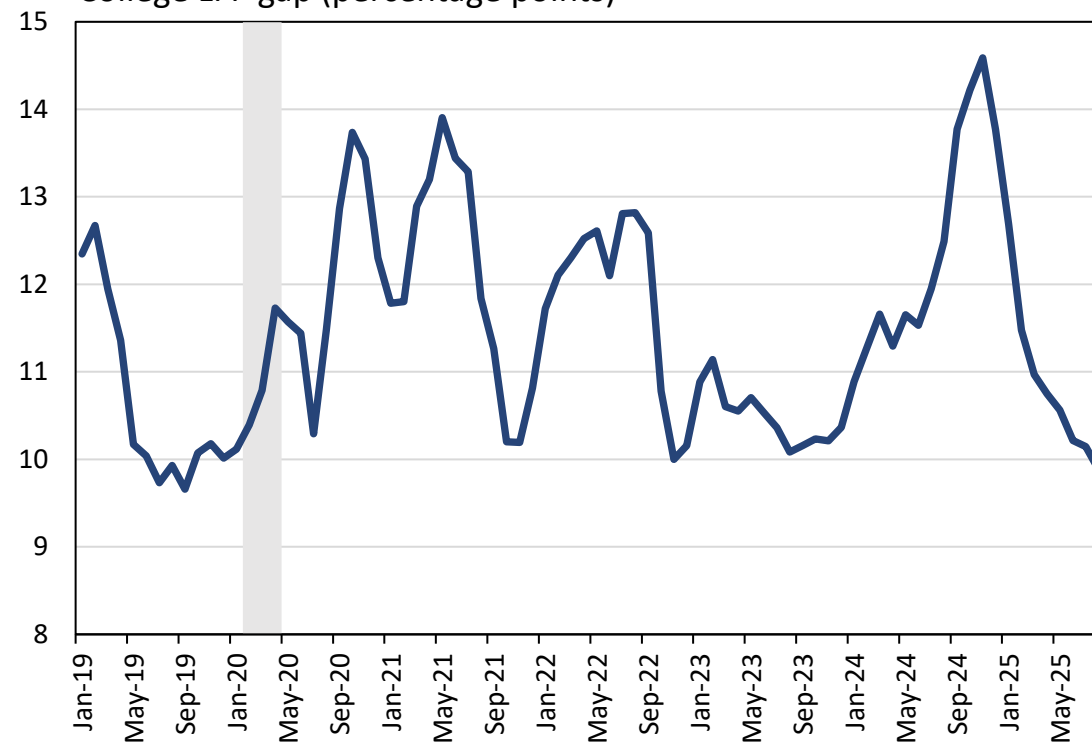
Labor Force Participation by Education



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

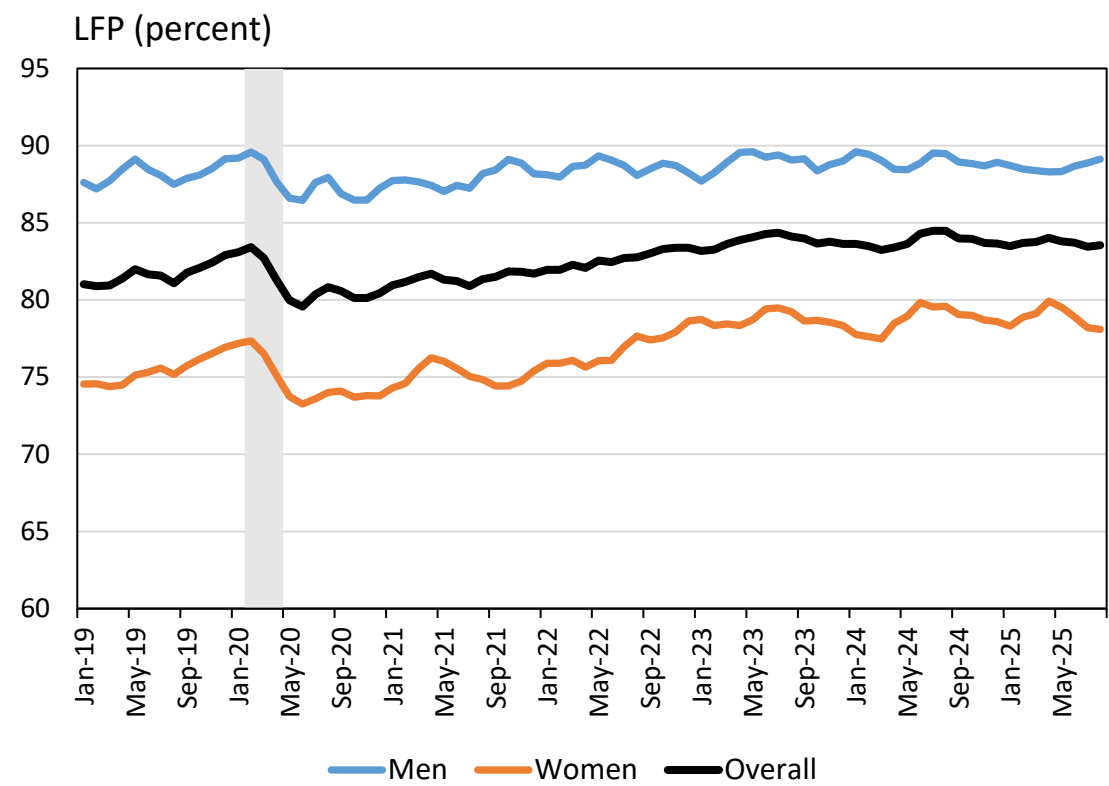
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College LFP gap (percentage points)



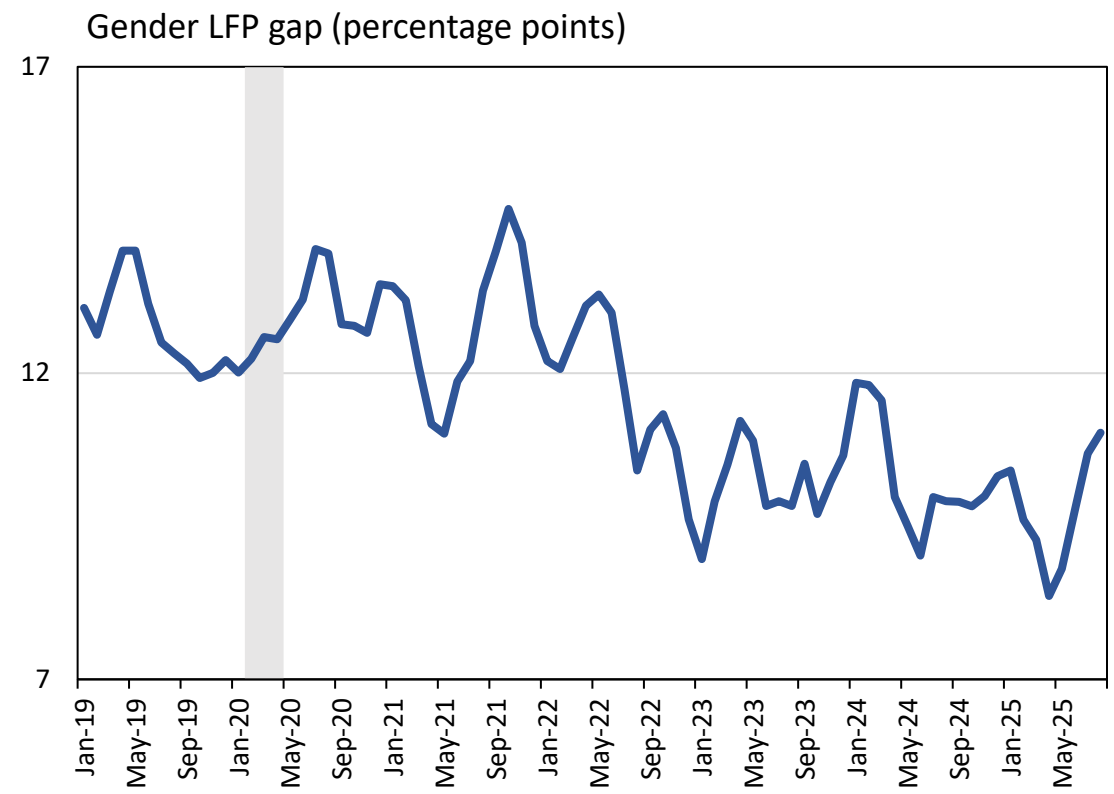
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Labor Force Participation by Gender



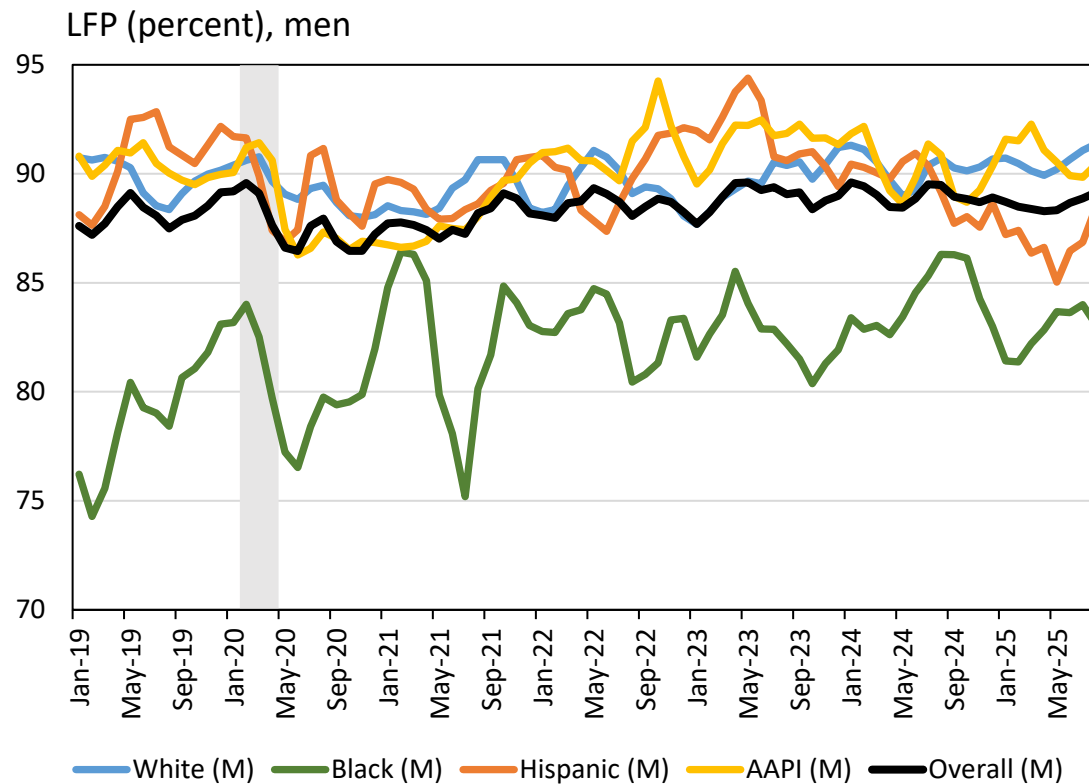
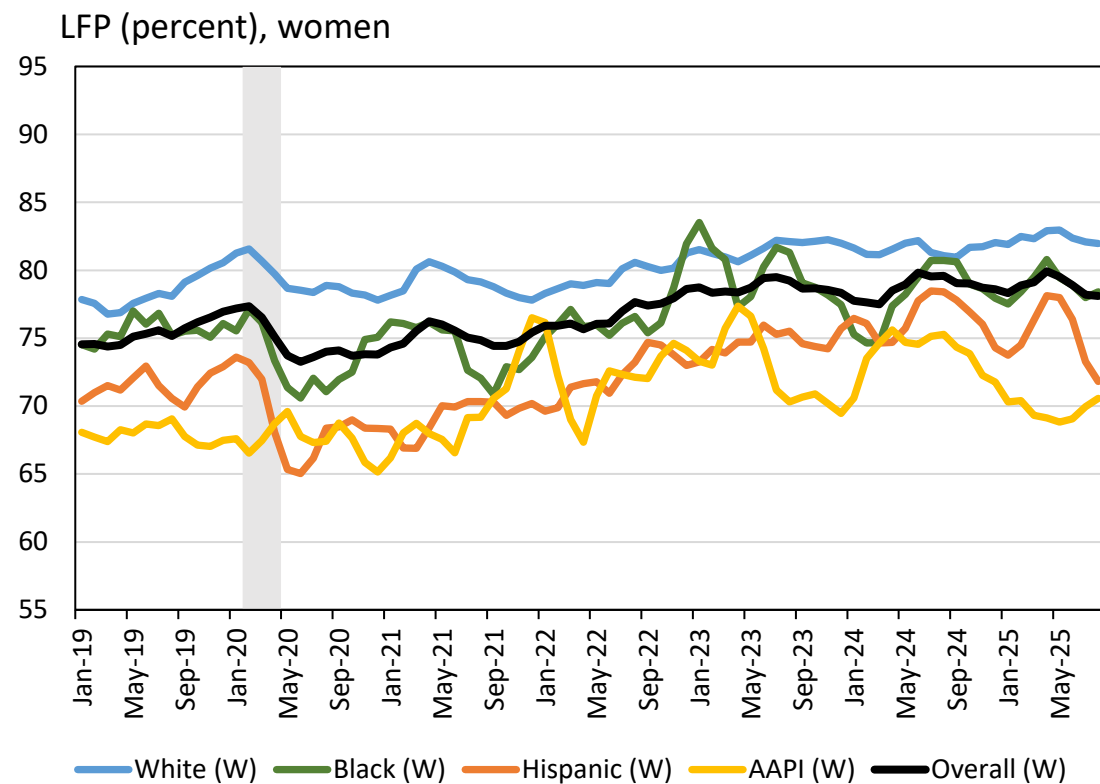
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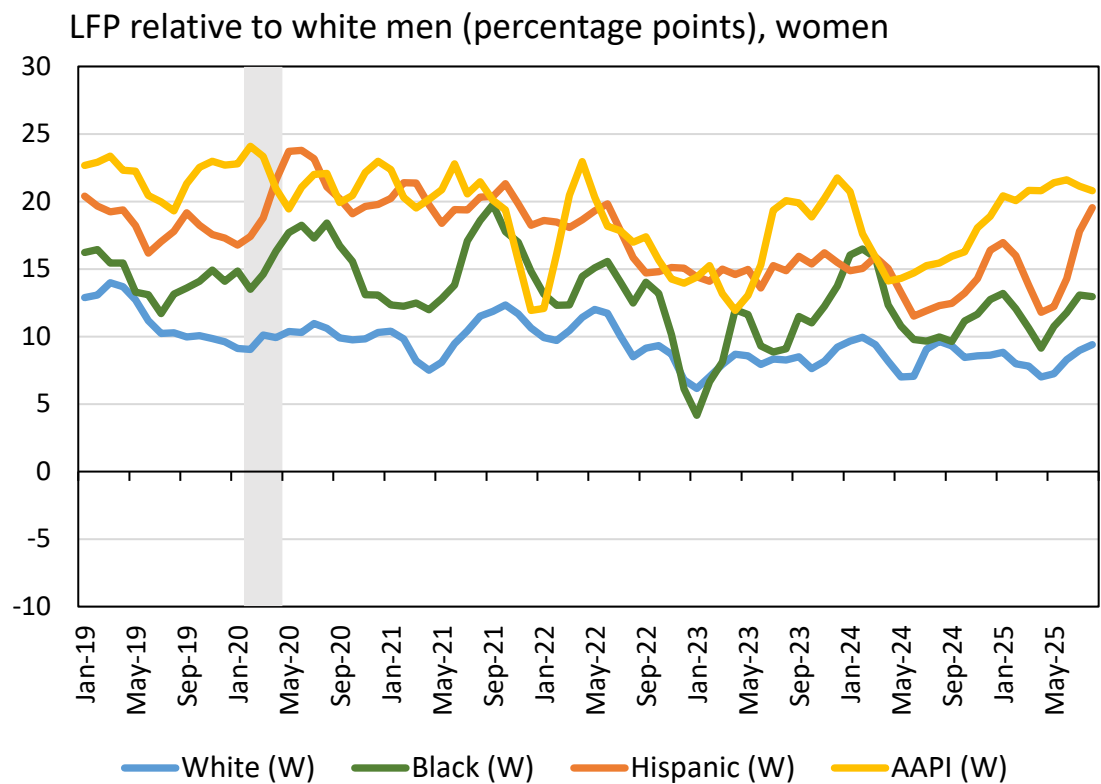
Labor Force Participation by Race x Gender



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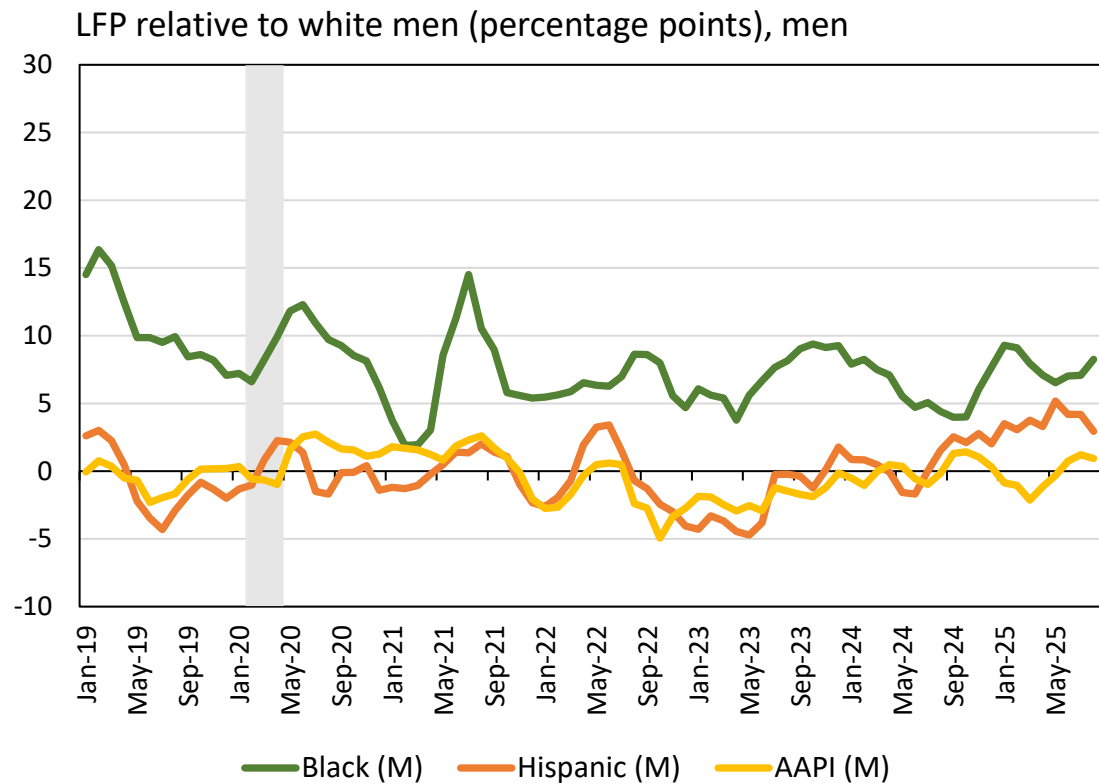
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Labor Force Participation Gaps by Race x Gender



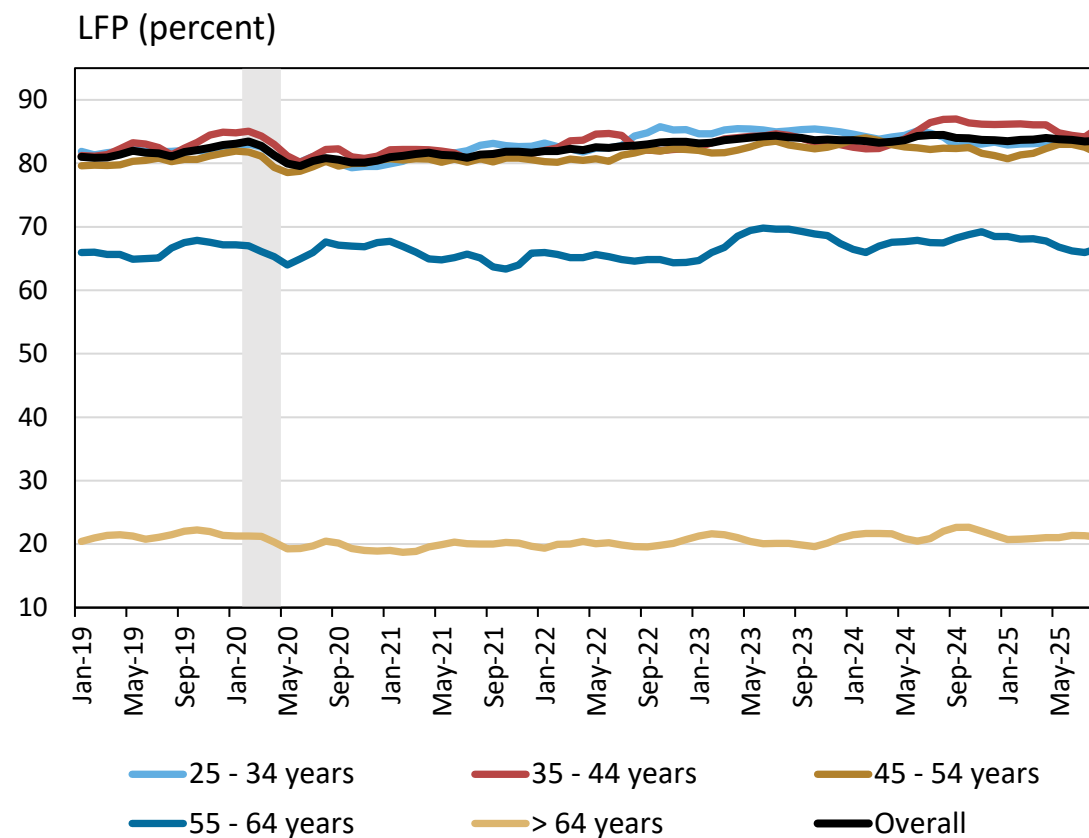
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Labor Force Participation by Age



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