



New York State Comptroller
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Economic and Policy Insights

New York City's Uneven Recovery: Youth Labor Force Struggling

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New York City’s Young Labor Force Still Reeling from COVID-19 Pandemic

When the COVID-19 pandemic first hit, workers aged 16 to 24 experienced the worst outcomes of all age groups nationwide.¹ Young workers in New York City were hit significantly harder than in the rest of the nation, facing an unemployment rate of 22 percent (compared to 15.9 percent in the rest of the nation) and a labor force participation rate (or those working or actively seeking work as a share of the working age population) of 40.8 percent (compared to 53.8 percent) in 2020.² While the rest of New York State and the nation have seen strong rebounds in their youth workforces, with fewer people unemployed now than in 2019, as of October 2022, the City’s young workers have not yet recovered from the pandemic (see Figure 1). There are currently over 70,000 unemployed young workers in New York City, nearly two times as many as in 2019.

FIGURE 1
Unemployment and Labor Force Participation Rates for Workers Aged 16 to 24 by Geography

	Unemployment			Labor Force Participation		
	New York City	Rest of New York State	United States	New York City	Rest of New York State	United States
2019	10.1%	10.1%	8.7%	45.3%	51.4%	56.5%
2020	22.0%	16.5%	15.9%	40.8%	51.3%	53.8%
2021	21.8%	9.9%	10.2%	42.4%	49.7%	55.6%
2022	17.9%	9.3%	8.3%	43.6%	52.2%	56.0%
Difference, 2019 to 2022	7.9	-0.8	-0.4	-1.6	0.9	-0.6

Note: All data reference first 10 months of the year. Difference refers to percentage points, which may be subject to rounding. As of October 2022, youth unemployment rates are still significantly higher than those for all workers, at 5.6% in New York City, 1.6% in the rest of New York State and 3.4% in the nation.

Sources: U.S. Bureau of Labor Statistics, Current Population Survey; OSC analysis

Young workers of all racial and ethnic groups are struggling in New York City, where unemployment rates remain well above pre-pandemic levels (see Figure 2). Unemployment for young Asian and Black workers remains very high at 23.3 percent and 20.4 percent, respectively. While young Black workers are closest to their pre-pandemic levels, historically this group has experienced relatively high unemployment. The experience of young workers is different from that of workers aged 25 to 54 (i.e., prime age), where all racial and ethnic groups are about two points above their pre-pandemic unemployment rates (while White prime-age workers are only 0.4 points above). Disparities exist, however, as Black and Hispanic prime-age workers currently face elevated rates of 10.2 percent and 6.4 percent, respectively.

The City's young workers are also still facing double-digit unemployment, a very different experience from the rest of the country. In the nation, young White, Black and Hispanic workers recovered their pre-pandemic unemployment rates in 2022, while Asian workers remained less than two points above at 8.9 percent.

FIGURE 2
Unemployment Rates for Workers Aged 16 to 24 by Race and Ethnicity in New York City

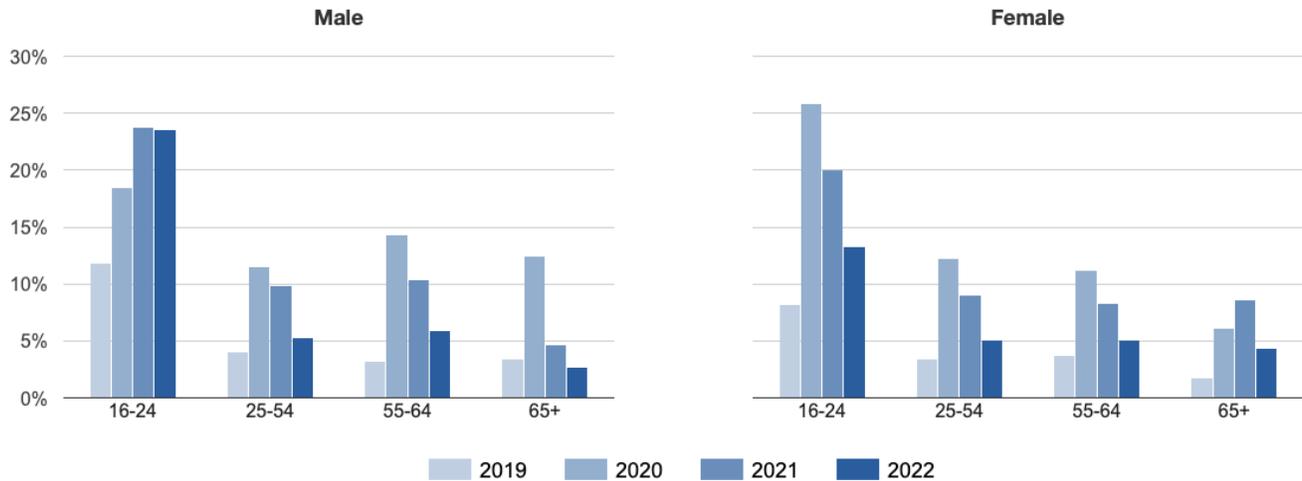
	White	Black	Hispanic	Asian
2019	9.0%	15.5%	10.5%	10.9%
2020	20.4%	26.9%	27.0%	21.4%
2021	23.2%	26.7%	18.0%	22.1%
2022	16.2%	20.4%	18.5%	23.3%
Difference, 2019 to 2022	7.2	4.8	8.0	12.5

Note: All data reference first 10 months of the year. Difference refers to percentage points, which may be subject to rounding.
 Sources: U.S. Bureau of Labor Statistics, Current Population Survey; OSC analysis

Young Male Workers Slow to Recover

Recent research has noted the wide disparity between young male and female workers in the City, where male workers have driven the high young worker unemployment rate.³ Indeed, young male workers are the only age and gender group that experienced a rising unemployment rate in not only 2020 but also 2021, and a still high rate in 2022 (see Figure 3). Young male unemployment currently sits at 23.6 percent, significantly higher than the pre-pandemic rate of 11.8 percent. In the rest of the State the rate is 11.2 percent, and in the nation it is only 8.8 percent.

FIGURE 3
Unemployment Rates by Age and Gender in New York City



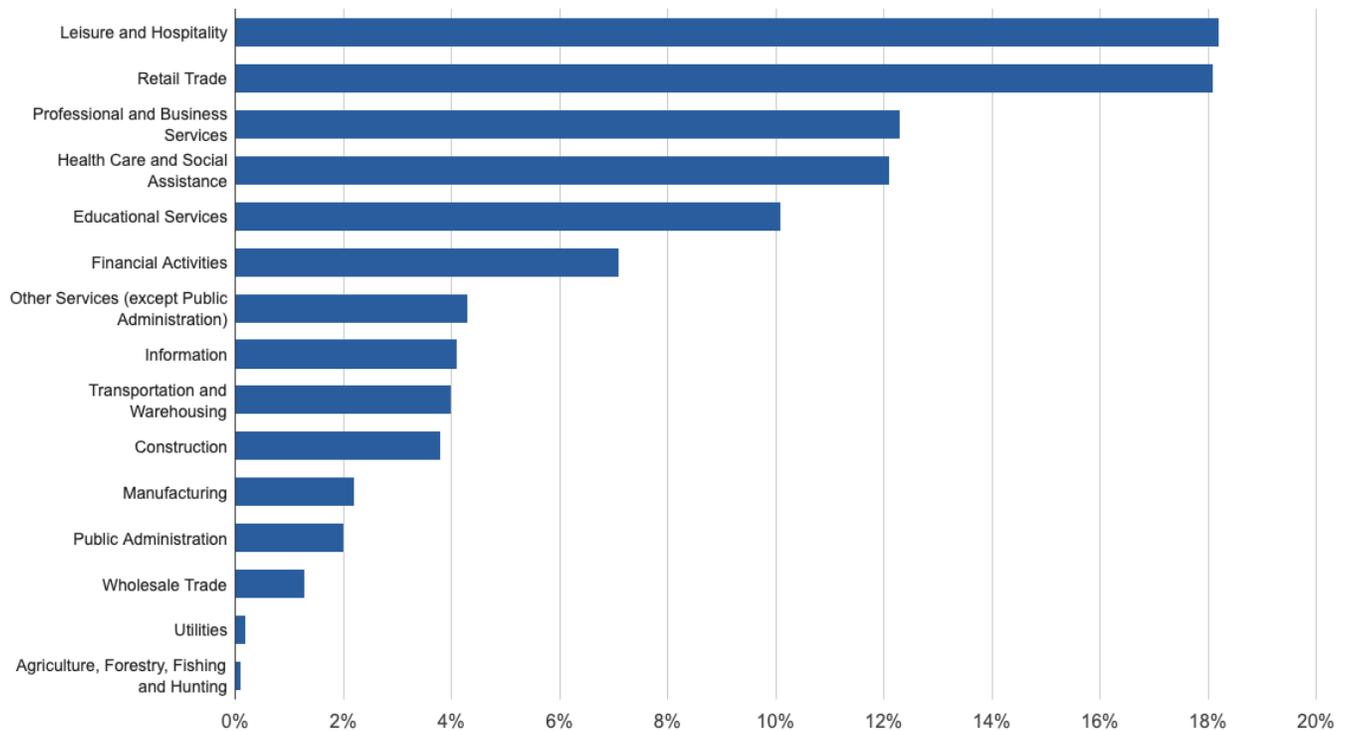
Note: All data reference first 10 months of the year.

Sources: U.S. Bureau of Labor Statistics, Current Population Survey; OSC analysis

Over the course of the pandemic, as the number of unemployed young male workers in the City has grown, so has the number of labor force dropouts, further slowing the overall recovery. Prior to the pandemic, over 52 percent of the City’s young male population was not in the labor force compared to only 43 percent in the nation. During the first 10 months of 2022, this gap widened as the number of young males not in the labor force in the City grew by over 14 percent compared to less than 1 percent for the nation.

Some of these workers left low-paying jobs. Due to limited experience, young workers tend to have [fewer job options](#) and, as a result, are more prone to work in industries with lower skill requirements. Leisure and hospitality and retail trade are two such service industries that were also hit hard by the pandemic. In the City, 36 percent of young workers were employed in these industries in 2020 (see Figure 4). In the nation, it was 45 percent.

FIGURE 4
Share of Workers Aged 16 to 24 in Major Industries in New York City, 2020



Sources: U.S. Census Bureau, 2020 American Community Survey 5-year estimates; OSC analysis

While the concentration of young workers in leisure and hospitality and retail trade in the City is smaller than in the nation, the gender make-up is very different. In the City, 10.4 percent of all male workers were employed in the leisure and hospitality industry, whereas in the nation, 8.9 percent were, suggesting that greater reliance on the slow-to-recover industry may be driving the persistently elevated unemployment rate for young male workers. The male share of leisure and hospitality in the City was also larger than the female share, as over a quarter of female workers instead worked in the health care and social assistance industry.

Additionally, the leisure and hospitality and retail trade industries in the City have not fully recovered their pandemic job losses, while the retail trade industry in the nation had done so by December 2021.⁴ In the City, while related businesses have been able to acquire COVID-19 relief to help withstand revenue losses, the current state of these sectors suggests more time is necessary for them to fully recover, even without considering a looming recession that could make matters worse.

Young Workers Actively Looking for Work in the City

Among all unemployed people, “job seekers,” or those who re-entered the workforce or entered the workforce for the first time, declined across the nation in 2020. However, in 2021, the number of young job seekers in the City grew, while those in the nation continued to decline. The delayed rebound of young job seekers in the City is due, in part, to a more prolonged period of COVID-19 restrictions and depressed activity especially among the restaurant, retail and recreation sectors that hindered the ability of young people to find work earlier.⁵ The difference between the City and nation has persisted in 2022 as the City continues to recover from the pandemic. Compared to the first 10 months of 2019, there are still 54 percent more young job seekers in the City. In the nation, which fully recovered its pandemic job losses in July 2022, there are almost 11 percent fewer young people seeking work than in 2019, as overall employment has already reached pre-pandemic levels (see Figure 5). A large portion of young people in the City are actively looking for work, bolstering the high unemployment rate.

FIGURE 5
Number of Job Seekers Aged 16 to 24 by Geography

Year	New York City	Rest of New York State	United States
2019	30,704	53,808	1,213,078
2020	30,986	44,291	1,212,251
2021	51,903	34,758	1,191,289
2022	47,286	31,395	1,082,026
Percentage Change, 2019 to 2022	54.0%	-41.7%	-10.8%

Note: All data reference first 10 months of the year.

Sources: U.S. Bureau of Labor Statistics, Current Population Survey; OSC analysis

While there is currently a large percentage of young job seekers in the City, there do not appear to be adequate job openings in service industries. Over the course of 2021 through the first half of 2022, the City saw large increases in job openings in leisure and hospitality (which employs a significant share of workers aged 16 to 24) compared to before the pandemic.⁶ However, since June 2022 (when there were about 70 percent more job openings than before the pandemic), postings in the industry have declined steadily. As of the middle of November 2022, there are fewer postings than before the pandemic. The leisure and hospitality sector has yet to recover 15 percent of its pandemic job losses.

Young Worker Engagement

Earlier this year, the Mayor announced 25,000 more summer employment opportunities at \$15 an hour for young workers through the Summer Youth Employment Program.⁷ While there are no publicly available data, various news sources indicate that over 130,000 young people annually have applied to the Program in prior years. At only 75,000 spots prior to the Mayor's expansion, many were turned away. This year, 167,000 young people applied, suggesting that 60 percent of applicants succeeded, better than in prior years.⁸

It is possible the Mayor's expansion of the Program helped lower the unemployment rate of young workers in the City, as prior to 2022 this was the only age group to face rising unemployment one year following the onset of the pandemic. As policymakers have become more focused on improving youth labor force outcomes via summer youth employment programs, recent research examining their effectiveness finds these programs are successful in providing employment to youth from low-income households and at risk of involvement with the criminal justice system.⁹ While these programs have been effective, they are temporary and may not provide young workers with a stable job and steady career path. In fact, while labor force participation among young workers spiked in July 2022, when the Program began, it has since declined, suggesting the need for a permanent workforce pipeline. As a step in this direction, the Mayor recently signed Executive Order 22, which aims to place low-income residents in industrial and construction careers with the support of a federal grant.¹⁰

While outcomes for young workers have improved in 2022, the group is still far from recovered, especially when compared to the rest of the nation. The City should continue to prioritize youth employment by creating programs that pair active job seekers with local employers and by fostering an atmosphere where employers reexamine their hiring and job advancement practices. Efforts to build on the City University of New York's (CUNY) existing industry partnerships, such as the CUNY Inclusive Economy Initiative, are also welcome.

Without this outreach, the City's young people are more likely to become disconnected from the local economy, that is, neither in school nor working. While the disconnected population was declining prior to the pandemic, its onset dismantled that progress.¹¹ The City and the Future of Workers Task Force, established by Executive Order 22 and due to issue recommendations in January 2023, must continue to prioritize the long-term career success of young adults by supporting full-time job opportunities with good wages, thereby helping them avoid continued detachment from the economy. Efforts to improve employment outcomes for youths are especially important as a looming economic recession threatens to further slow or reverse the post-pandemic growth of the service industries that employ large shares of young people.

Endnotes

- 1 Office of the New York State Comptroller (OSC), *New York City's Uneven Recovery: An Analysis of Labor Force Trends*, Report 3-2023, May 2022, at <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-3-2023.pdf>.
- 2 U.S. Bureau of Labor Statistics, Current Population Survey. OSC analyzed annual data aggregated from monthly files of the Current Population Survey. Estimates reflect first 10 months of the year.
- 3 James A. Parrott, "New York City's Young Adults Are Bearing the Brunt of the Pandemic Jobs Displacement; the Employment Rate for Young Men Plunges to 34 Percent," *Center for New York City Affairs*, July 21, 2022, at <http://www.centrernyc.org/reports-briefs/new-york-citys-young-adults-are-bearing-the-brunt-of-the-pandemic-jobs-displacement-the-employment-rate-for-young-men-plunges-to-34-percent>.
- 4 OSC, New York City Industry Sector Dashboards, March 2022, at <https://www.osc.state.ny.us/osdc/reports/nyc-sectors/arts-entertainment-and-recreation>.
- 5 OSC, *New York City Restaurant, Retail and Recreation Sectors Face Uphill Recovery*, Report 17-2022, January 2022, at <https://www.osc.state.ny.us/files/reports/osdc/pdf/report-17-2022.pdf>.
- 6 Raj Chetty, et al., "Opportunity Insights Economic Tracker," 2020, at <https://tracktherecovery.org/>.
- 7 New York City Mayor Eric Adams, press release (Summer Youth Employment), February 15, 2022, at <https://www1.nyc.gov/office-of-the-mayor/news/081-22/new-york-city-mayor-eric-adams-record-100-000-summer-youth-employment-opportunities#/0>.
- 8 Reema Amin, "NYC's Summer Work Program for Youth Called a Success, With 100K Jobs Filled," *Chalkbeat*, August 17, 2022, at <https://ny.chalkbeat.org/2022/8/17/23310506/nycs-summer-work-program-for-youth-called-a-success-with-100k-jobs-filled>.
- 9 Mera Cronbaugh, "What Rigorous Evidence Has To Say About Summer Youth Employment Programs," *MIT News*, May 24, 2022, at <https://news.mit.edu/2022/summer-youth-employment-programs-research-0524>.
- 10 New York City Mayor Eric Adams, press release (\$18.6 Million Federal Grant), August 15, 2022, at <https://www.nyc.gov/office-of-the-mayor/news/599-22/mayor-adams-major-investment-nyc-workers-employers-new-approach-talent-and>.
- 11 New York City's Disconnected Youth Task Force, *Connecting Our Future*, January 2021, at <https://www.nyc.gov/assets/youthemployment/downloads/pdf/dytf-connecting-our-future-report.pdf>.

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