

# The New York Job Market in 2024-2025

by Gregory DeFreitas

The U.S. labor market began 2025 in very healthy shape, according to standard economic measures. Though the November election results reflected widespread popular anxiety about the pay, prices and housing options that many voters face, the latest payroll and hiring surveys of employers show that the year ended with a big bump in hiring and a rise in average worker pay, even after adjustment for inflation. But with a new Republican president and Congressional majority promising major changes in tariff, tax, environmental, regulatory and immigration policies, will those trends be maintained, improved or reversed? And how will blue states like New York fare in this fast-changing landscape?

Across all of 2024, the U.S. gained 2.2 million new jobs – more even than in the pre-pandemic year 2019. Where were most of the new jobs? According to the U.S. Labor Department’s massive employer survey, about half of this total were in private educational and health services. Other major growth sectors were: leisure and hospitality services, professional and business services and government.

Healthy job growth nationwide has kept unemployment at or below a low 4% rate these past three years (see Figure 1). Over the four years of the Biden-Harris administration, that rate fell from 6.4% in January 2021 to the lowest average jobless rate of any presidential administration in a half-century. Still, there remain marked discrepancies in job progress among racial, ethnic and age groups. The white unemployment rate was little changed over 2024 at about 3.6% (seasonally adjusted). But 6.1% of blacks were unemployed by year end, up from 5.2% last January. One in five black teenage jobseekers were unemployed by December and 16% of Hispanics, compared to just 11.1% of whites their age.

In the government’s separate job vacancies survey, the number of job openings was stable at about 8 million through most of autumn. Since the unemployed numbered 7.1 million, this means there was an average of roughly one opening for each unemployed person.

How has New York compared to these and other national trends? Over this election year, New York City in particular has been both denounced as a failed urban hellscape and praised for its steep recovery from the 2020 pandemic. On the right, it was labeled a crime-ridden wasteland, so jammed with undocumented and homeless migrants that it was turning into “a third-world country, if it isn’t already.”

By contrast, the city’s defenders describe 2024 as a “boom” year, marked by rapid job growth and record high levels of labor force participation and employment. As shown in Table 1, over the 12 months up to this November (the latest local data available), the city’s job growth (1.8%) exceeded the national average (1.5%). The availability of more jobs enticed more New Yorkers to join the labor force, pushing the city’s labor force participation rate to a record high 62.7% today. The share of jobholders in the adult population has also hit a record today: 59.3%.

Labor Force Participation & Employment/ Population Rates, NYC: Nov. 2019-2024		
	Labor Force Participation Rate (%)	Employment Population Rate (%)
November 2019	60.1	57.8
November 2020	58.0	50.5
November 2023	61.7	58.4
November 2024	62.7	59.3

*Sources: US Bureau of Labor Statistics & NY State Dept. of Labor.*

In the first pandemic year 2020, among New York City residents ages 16 and over, the fraction of jobholders had dropped sharply from the 2019 pre-pandemic level (57.8%) to just 50.5% 12 months later. By November 2023, the employment-population and labor force participation rates had more than recovered and exceeded pre-pandemic levels. And both have continued to rise over the past year. However, the overall trend in labor force participation was driven largely by the city’s white women. The fractions of African Americans and Hispanics employed or seeking jobs fell slowly over this same period.

Throughout the past two years, unemployment rates in the city have held at about 5% of the labor force (seasonally adjusted). As shown in Figure 1, that is at least 1 percentage point more than the national average and two percentage points above the suburban Long Island rates. In pre-pandemic 2019, the NYC rate (3.8%) was just as low as the national rate. But the city, with its large, in-person entertainment and tourism sectors, was hit first and hardest by the 2020 COVID pandemic. Unemployment peaked that year at 21.5% in New York, compared to a national average of

13.2%. But the city's jobless rate plunged to 8.1% by 2021, before falling further to the 5% range the following year.

Where have the new jobs come from? As seen in Figure 2, two industries were dominant job generators: Health Care and tourism-related Leisure & Hospitality industries. Private Health Care & Social Assistance employers added 83,600 jobs since November 2023 – equivalent to nearly all the city's job growth. (The broader Eds and Meds sector was slightly lower due to a decline of 2,600 in private education positions). In addition, strong recovery of domestic and global tourism to New York added 15,100 new jobs in the Leisure and Hospitality sector, led by more jobs in hotels (+2,600) and restaurants (+6,600) over the year. In fact, the city welcomed more tourists in 2024 (65 million) than in any year other than 2019. Why has a “hellscape” city been more attractive than any other to so many visitors? It probably helped that – despite claims of political and media critics – NYC crime rates were actually 3% lower in 2024 and have fallen 81% over the last three decades.

While the city welcomes new jobs from any source, the fact that only two sectors are expanding while others are stagnant or declining is a cause for concern. Average earnings in these growing industries rank near the bottom: \$65,853 in Eds and Meds and just \$56,086 in Leisure and Hospitality. Job counts in high-wage sectors like Finance, Information and Professional & Business Services each shrank by several thousand over the past year. The result of this growing imbalance between growing low-wage jobs and shrinking high-wage jobs has been to worsen the city's already extreme levels of income inequality.

A fairly similar pattern has characterized the past 12 months in the Long Island suburbs (Figure 3). Of the total jobs increase of 18,900, nearly all was attributable to Eds and Meds (+12,300) and just Leisure and Hospitality (+6,600). The main exception was in construction, where the job count contracted (-7,800) in the city, but grew (+4,100) on the island. So both downtown and suburbs enjoyed substantial, but narrow job growth and continued on a path of rising economic inequality.

With the presidential transition starting in January 2025, potentially dramatic economic changes may be on the agenda. The promised extension of the regressive 2017 individual and corporate income tax cuts would likely both exacerbate inequality trends and deepen the already massive federal budget deficits. This in turn would raise the pressure on Congress to approve painful austerity budget cuts in wide swaths of spending, including federal aid to states and their urban areas. New York City currently receives about \$100 billion per year in federal funds of all sorts, including Social Security, food stamps and other safety net support. Of this total, some \$9.5 billion (8.3% of the year's NYC budget) is crucial federal categorical aid for public health and education, infrastructure and a wide variety of other needs. If Republican promises to end the city's new traffic congestion pricing, as well as challenge the infrastructure and green energy initiatives of the Biden administration's Inflation Reduction Act, both local and national efforts against climate change could be at serious risk.

Sharp new increases in U.S. tariffs on imported goods are likely to be employed as an economic weapon against selected countries these next few years. Most economists expect such a policy to both invite retaliation by the targeted countries and to heat up U.S. price inflation. This could reverse our progress in markedly lowering inflation from its near-double-digit annual rates in 2022 to the low 2.5-3% range of the past year. A revival of high inflation could, in turn, shrink the purchasing power of working families' earnings, and pressure the Federal Reserve to start raising interest rates again.

Finally, the new administration is preparing mass deportations of millions of undocumented immigrants. Aside from the myriad personal consequences for the migrants and their families, the costs and practical implementation issues of such a policy are considerable. The economic impacts in the New York Metro Area are likely to be particularly disruptive. A majority of New York City residents today are immigrants or immigrants' children. Immigrants alone account for about one-fifth of the local work force.

Out of the city's total foreign-born population of 3.1 million, an estimated 412,000 lack proper documents to live or work here. Many started arriving in early 2022 when Republican governors shipped them in busloads from the southern border. Any such sudden influx draws public attention and concern and imposes housing and schooling costs on the host society. But, of the 225,000 mostly Venezuelan and Central American migrants who arrived and moved into temporary shelters since then, about three-fourths had left the public shelters by December 2024. Many single adults were forced out by Mayor Adams' 30-60 day shelter limits. Over 47,000 took advantage of city-paid travel to other cities or states. Many Venezuelans, granted Temporary Protected Status, by the Biden administration began obtaining work permits and they and others began integrating themselves into the city's economic fabric. Should the new administration in Washington remove TPS status and embark on mass deportations, the city could lose much of its work force in immigrant-intensive sectors, as well as a significant source of population growth and dynamism.

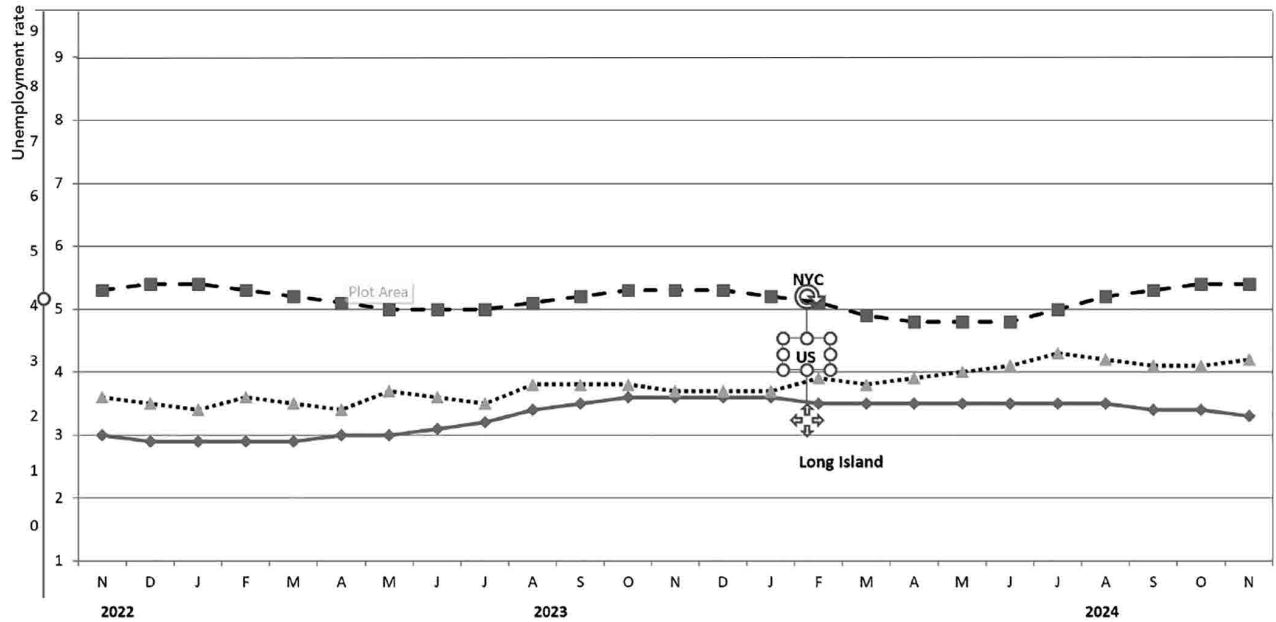
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**Figure 1:**  
**Unemployment Rates in US, NYC & Long Island November 2022-2024**  
*(% monthly, seasonally adjusted)*



**Table 1**  
**Civilian Labor Force, Employment & Unemployment, 2023-2024**  
*(in thousands, not seasonally adjusted)*

AREA	Labor Force		Employed		Unemployed		Unemp. Rate	
	November 2024	November 2023	November 2024	November 2023	November 2024	November 2023	November 2024	November 2023
U.S.	168,164	167,976	161,456	162,149	6,708	5,827	4.0%	3.5%
NYS	9,643	9,744	9,239	9,336	404.1	407.6	4.2	4.2
NYC	4,202	4,157	3,973.0	3,935.0	228.9	222.0	5.4	5.3
LONG ISLAND	1,519	1,549	1,473	1,496	45.7	53.3	3.0	3.4
Nassau Co.	724	728	703	704	20.9	24.4	2.9	3.3
Suffolk Co.	795	810	770	781	24.8	28.9	3.1	3.6

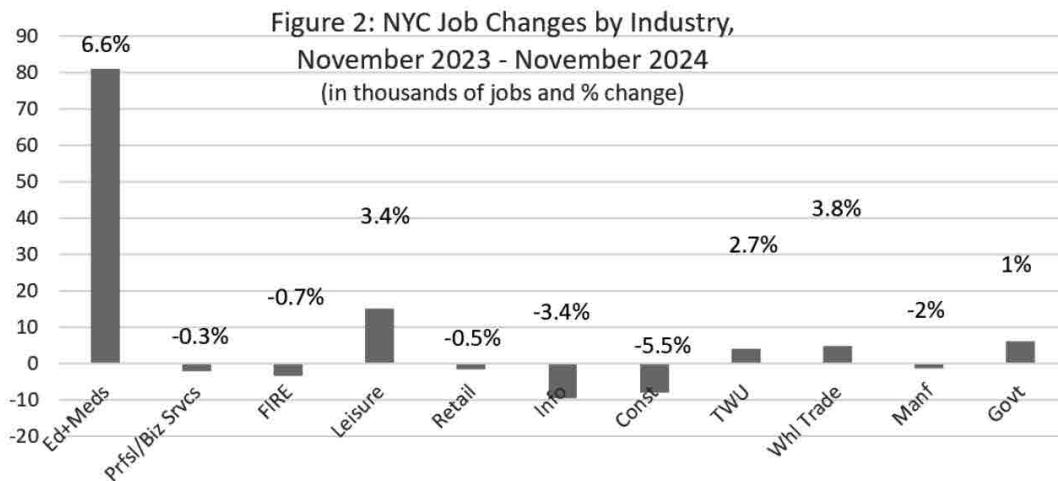
Table 1 Source: CPS household survey data from NYS Dept. of Labor. Data reflect their regular revisions .

**Table 2:**  
**Number of Nonfarm Jobs:**  
**New York City, Long Island**  
**& All U.S., 2023-2024**  
*(in thousands,*  
*not seasonally adjusted)*

	November 2024	November 2023	2023-2024 Change	
			Net Chg	% Chg
U.S.	160,600	158,300	2,300.0	1.5%
NY State	9,986.6	9,833.6	153.0	1.6%
NYC	4,818.0	4,732.0	86.0	1.8%
Long Island	1,378.3	1,360.0	18.3	1.3%

Table 2 Source: Establishment survey data from US Department of Labor. Note that data reflect regular revisions by Dept. of Labor.

**Figure 2:**  
**NYC Job Changes by Industry, November 2023-November 2024**  
*(in thousands of jobs and % change)*



**Figure 3:**  
**LI Job Changes by Industry, November 2023-November 2024**  
*(in thousands of jobs and % change)*

