

Jobless rate signals slow recovery

NYC's rise to 10.6% means Street's gains haven't taken hold

BY DANIEL MASSEY

RECORD WALL STREET PROFITS and hints of a national recovery have yet to reverberate through the local economy, judging by the city's jobless rate—which hit 10.6% last month, up from 10% in November.

The unemployment rate, which has climbed from 7% in December 2008, is at its highest level in nearly 17 years, according to data released Thursday by the state Department

of Labor. There are now a record 424,500 unemployed city residents.

Across the state, the unemployment rate jumped to 9% in December, from 8.6% the previous month, matching a 26-year high. Nationally, the December rate was unchanged, at 10.0%.

“While there might be some recovery on Wall Street, it’s not trickling down to other parts of the economy,” says James Parrott, chief economist at the Fiscal Policy Institute, a liberal think tank. “It’s a reminder that we’re still in a very serious recession and that job growth is going to be very slow to come back.”

After each of the past two recessions ended, it took more than a year before unemployment in the city

began to stabilize, notes James Brown, principal economist at the state DOL.

The city lost 9,100 jobs last month, including 5,800 private-sector positions, according to a seasonally adjusted analysis of state data by real estate services firm Eastern Consolidated. Losses were concentrated in accounting (1,400), restaurants (1,300) and retail (1,100).

One bright spot: Wall Street added 600 jobs last month, continuing a multimonth trend in which securities employment has been flat or higher—and fueling hope that the bloodletting is over.

“We’re not really seeing heavy layoffs anymore coming out of that industry,” Mr. Brown says. ■

