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City jobs growing, real wages shrinking

New York City workers are growing in number, but their pay is not keeping pace with inflation, data released Thursday show. Average weekly wages here only rose 1.3% in a year.

By [Daniel Massey](#)

Published: June 30, 2011 - 12:36 pm

New York City is adding jobs at a brisker pace than the nation, but data released Thursday by the U.S. Bureau of Labor Statistics shows that wages here are not growing as much as they are in the rest of the country.

The average weekly wage in the city edged up by 1.3%, or \$14.11, between May 2010 and May 2011, according to the new data. That's less than the 2.1% statewide increase and the 2.6% jump in the United States. The modest increase here in the city, to \$1,089.93 a week, was well short of the 2.9% increase in the consumer price index during the same period.

"This is part of a larger picture that shows this is an extremely tentative recovery," said James Parrott, chief economist at the Fiscal Policy Institute. "And directional indicators are not positive at all."

Michael Dolfman, the bureau's regional commissioner, said jobs being added in low-wage industries and a decline in work hours are the likely reasons the city continues to underperform the nation on wages.

The average length of the work week in the city declined by 0.2 hours, to 34.9, from May 2010 to May 2011, probably because the city does not have many manufacturing jobs. Employers in that sector, who cut hours during recessions, tend to bring them back quickly as the economy recovers. The workweek lengthened by 0.2 hours in the state and by 0.6 hours in the nation in the same period.

Mr. Parrott said the miniscule jump in hours statewide is a sign of a weak recovery. "You'd expect to see hours go up by more than that before you get any real employment growth," he said.

New York could also be trailing the nation on wages precisely because it is ahead in adding jobs, Mr. Dolfman said. The city has recovered two-thirds of the private-sector jobs lost in the recession, while the nation has only gained back a quarter of its private-sector losses.

The five boroughs have added 46,900 jobs this year, according to real estate services firm Eastern Consolidated. Many of the jobs added here during the recovery have come in low-wage sectors like leisure and hospitality, which has gained 15,800 jobs since September 2009, Eastern Consolidated data show.

"The high-end sectors like Wall Street are not adding," Mr. Dolfman said. "In terms of job growth, we're doing better than the nation, but in terms of the kinds of jobs, they tend to be lower-paying."



Buck Ennis

Jobs in the city are growing faster than wages.