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**This Week on Inside Albany:**

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**Treading water**

**Labor Day report says NY is having a jobs recovery but many workers' wages aren't keeping up.**



The fourth edition of the “State of Working New York” by the Fiscal Policy Institute’s is a collection and analysis of economic data affecting NY workers. Subtitled “Treading Water in a Tenuous Recovery,” it comes out Labor Day. Executive Director Frank Mauro gave IA a preview.

Mauro acknowledges that NYS has seen a recovery beginning in August 2003 of 140,700 private sector jobs, about half of what was lost in the recession. He called the recovery “tenuous” because even though NY’s job growth rate increased from 48th to 42nd among the states, workers don’t seem to be sharing the benefits of the recovery as much as profits and high wage earners.

Mauro said: “The people at the middle (of the income scale) are treading water while the people at the bottom are losing ground.”

In addition, the data on income distribution revealed that in the broad middle class, the number of people with incomes between \$35,000 and \$150,000 are going down. Mauro called that a “hollowing out” of the middle of the income scale.

There are hopeful signs too. The three step increase in the \$5.15 an hour minimum wage that bumped it up to \$6.00 last January will help wage earners at the bottom. Instead of job losses in retail and food service that legislative opponents predicted, those sectors have grown. At the top of income scale, similar dire predictions about NYC’s economy were wrong.

Mauro recalled that prognosticators said the combination of the Wall Street bubble bursting and the September 11 attacks would cripple NYC’s economy for a long time. Instead NYC jobs and economy came back

earlier and stronger than in the rest of the nation.

The rest of the state has had mixed results. Mauro used the model of a Cornell economist who divides New York into three economic areas--NYC, Eastern NYS (the Hudson Valley up to the Capital region) and the rest of the state, Northern and Western NY.

In that model, NYC is almost back, said Mauro. Eastern NY job growth is up 2.3%, much stronger than the state average. Northern & Western NY job growth is down.

That result can be attributed to steep declines in manufacturing jobs, more than in any state except Michigan, Massachusetts and North Carolina.

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underwriters for 2005



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