

# The Racial Jobs Gap: Who Benefits from New York's Economic Growth

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## ACKNOWLEDGEMENTS

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The Association for Neighborhood & Housing Development (ANHD) builds community power to win affordable housing and thriving, equitable neighborhoods for all New Yorkers. As a coalition of community groups across New York City, we use research, advocacy, and grassroots organizing to support our members in their work to build equity and justice in their neighborhoods and city-wide.

ANHD values justice, equity and opportunity. We believe in the importance of movement-building that centers marginalized communities in our work.

Since our founding in 1974, ANHD has been helping to make New York City's community development and grassroots neighborhood-based groups among the most effective in the country by providing comprehensive training, robust capacity-building and apprenticeship programs, and high-impact policy research.

ANHD's non-profit members have built over 123,000 units of affordable housing in our city's most distressed neighborhoods; worked directly with tenants and homeowners to save thousands of at-risk affordable apartments and homes; and consistently shaped the housing policy landscape to better meet the needs of low- and moderate-income New Yorkers.

Today, ANHD is committed to serving our member organizations and the causes they fight for, as they work in some of New York City's most marginalized, distressed, and struggling neighborhoods, directly touching the lives of approximately 450,000 low- and middle-income New Yorkers annually.





# The Racial Jobs Gap: Who Benefits from New York's Economic Growth

New York City's economy is booming. In October 2018, unemployment hit an all-time low of 4%.<sup>1</sup> Sectors like real estate and healthcare, which have been traditional strongholds of the New York economy, remain robust. The City's job growth strategy, outlined in the de Blasio administration's New York Works plan<sup>2</sup>, has invested in burgeoning sectors like tech and the life sciences with great success; tech jobs in New York grew by 57% between 2010 and 2016.<sup>3</sup> However, the plan's efficacy hinges on attracting new residents to the City to fill these jobs. **Many New Yorkers, especially low wealth New Yorkers of color, remain disconnected from the good jobs the City has created.**

This analysis finds that while unemployment has dropped and total jobs have grown citywide, a disconnect remains between local jobs and opportunity and employment for local residents, particularly in communities of color that have faced historic disinvestment. This remains true even in low- and moderate-income neighborhoods of color that have seen substantial investment in economic development projects through the City's job growth strategy. The jobs are there, but residents continue to be left behind. Communities of color are particularly vulnerable to displacement due to the double threat of rising housing costs and limited access to good paying jobs. Neighborhood stability is dependent on both strong housing protections and access to stable wages.

**Many New Yorkers, especially low wealth New Yorkers of color, remain disconnected from the good jobs the City has created.**

Using 2017 LEHD Origin-Destination Employment Statistics (LODES)<sup>4</sup> data, Jobs-to-Jobs Flows statistics<sup>5</sup>, and 2016 and 2017 American Community Survey (ACS) data<sup>6</sup>, the Association for Neighborhood & Housing Development (ANHD) analyzed jobs<sup>7</sup> at a hyperlocal level by census tract, and then aggregated them by the Public Use Microdata Area (PUMA) level to correspond with the city's 59 community districts. Unlike other labor market analyses that focus on employee demographics, this report provides a detailed look at jobs in New York City by wages, race of job holder, and geography. By analyzing both work area characteristics – which account for jobs located in a neighborhood – and residential area characteristics – which account for jobs held by residents of that neighborhood – this report locates where the greatest disconnect between local jobs and local residents exist.

## CITYWIDE – LOW UNEMPLOYMENT, HIGH INCOME INEQUALITY

Although New York is the wealthiest city in the country, that wealth is unevenly distributed. As the City has grown increasingly unaffordable, wages have not kept up with the cost of living for average New Yorkers.

Though New York City's economy has experienced steady growth over the past decade, with a 19% increase in total number of jobs since 2009<sup>8</sup>, it has come at a cost. Income inequality is at an all-time high, homelessness continues to rise, and displacement is a citywide concern. Average monthly asking rent<sup>9</sup> in New York City was \$2,700 in 2017<sup>10</sup>. However, 43% of all jobs in New York City pay less than \$3,333 a month, or roughly \$40,000 a year. **And while 57% of jobs in the City are good paying jobs, they are less likely to go to employees of color. Communities of color are not only excluded from the City's economic boom, they are at greater risk of displacement as housing costs rise and access to good paying jobs remains limited.**

A lack of affordable housing, coupled with a dearth of good paying jobs, has put low- and moderate-income New Yorkers in a state of constant precariousness – 44% of New Yorkers are rent burdened<sup>11</sup>, meaning they spend 30% or more of their income on housing costs. Communities of color, in particular, have been left out of the City's great economic growth and are disproportionately impacted by the City's affordability crisis; 50% of families of color in New York City are rent burdened.

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## PERCENTAGE OF TOTAL NYC JOBS BY BOROUGH

Brooklyn	17%
Bronx	8%
Manhattan	58%
Queens	15%
Staten Island	2%

Some of the poorest areas in the city are home to high concentrations of good jobs, meaning that of all the jobs located in the neighborhood, a large percentage of those jobs pay over \$3,333 a month, and yet a disconnect remains between those jobs and local residents. This is especially true in neighborhoods that are home to large economic development and infrastructural projects. For example, the Hunts Point neighborhood of the Bronx is undergoing a major redevelopment process led by the New York City Economic Development Corporation (NYCEDC). 49% of jobs in Hunts Point pay over \$3,333 per month. In Jamaica, Queens, home to John F. Kennedy airport, 39% of local jobs pay over \$3,333 per month. Yet both neighborhoods remain among the poorest in the city<sup>12</sup>. In all five boroughs, the disconnect between good local jobs and those jobs going to local residents is especially apparent in neighborhoods predominantly comprised of people of color.

What follows is a more detailed analysis of this new data for each borough.

## THE BRONX – LOCAL RESIDENTS ARE NOT REAPING THE BENEFITS OF LIVING WAGE JOBS

Nowhere is the divide between good paying jobs and local residents starker than in the Bronx. Though only 8% of all of New York City jobs are located in the Bronx, the borough is home to the highest concentration of living wage jobs outside of Manhattan, with 48% of all Bronx jobs paying more than \$40,000 a year. The healthcare sector comprises 27% of all jobs in the borough followed by the retail, social assistance, and hospitality sectors. The Bronx remains a stronghold for manufacturing, especially food manufacturing in Hunts Point, home to the Hunts Point Produce Market, one of the largest food distribution centers in the world. The food manufacturing sector pays, on average, \$65,100 a year.

While the Bronx gained 40,900 new positions between 2007 and 2017, growing from 199,000 to 239,900 jobs<sup>13</sup>, 57.5% of all jobs in the borough are held by people who live outside of the borough. Despite the availability of good paying local jobs, 66% of people living in the Bronx earn less than \$40,000 per year. This means that the majority of good paying jobs available in the Bronx are not held by Bronx residents. While the Bronx remains among the poorest counties in the country, with a poverty rate of 28.4%, some neighborhoods have seen rapidly rising rents in the past year. Borough wide, median asking rents rose from \$1,600 to \$1,700 between 2016 and 2017, and the percentage of residents experiencing rent burden has risen from 31.8% in 2016 to 34.9% in 2017.

This discrepancy in neighborhood job quality and jobs held by neighborhood residents is especially stark in the South and Northwest Bronx. In Kingsbridge, 60% of jobs available in the neighborhood pay over \$3,333 per month. But of all employed residents in the neighborhood, only 31% hold jobs that pay over that amount. In Hunts Point, which accounted for 25% of all new job gains in the borough, 48% of jobs in the neighborhood pay more than \$3,333 a month, but only 26% of employed residents hold jobs that pay over that amount. In both neighborhoods, unemployment remains higher than the citywide average of 4.8%, at 10.7% in Kingsbridge and 11.6% in Hunts Point. Thirty-one percent of Kingsbridge residents and 37% of Hunts Point residents live in poverty. Meanwhile, these neighborhoods have experienced steep rises in rent. In Kingsbridge, median asking rent increased by 23% between 2010 and 2017, from \$1,050 to \$1,500, while rent in Hunts Point rose from \$1,600 to \$1,750 between 2016 and 2017.

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The divide between access to local jobs and local employment grows even larger when race is taken into account. Residents of color, in particular Black and Latinx residents, do not have access to the good paying jobs in their neighborhoods. In Kingsbridge, 67% of all working age residents, or those between the ages of 18 and 84, are Latinx. However, only 28% of jobs located in Kingsbridge are held by Latinx workers. In Hunts Point, 68% of working age residents are Latinx, while only 38% of local jobs are held by Latinx residents.

## The Bronx



**57.5%** of Bronx jobs are held by people who live **outside of the Bronx**.



But **66%** of people living in the Bronx earn < \$40,000 a year and **28.4%** of people live in poverty.



## BROOKLYN – NEW INDUSTRIES, LOW WAGES

**The jobs are there, but not for Bronx residents.**

Brooklyn is home to the highest number of jobs outside of Manhattan, with 17% of all New York City jobs located within the borough. However, the borough also has the highest concentration of low-paying jobs in the City – 59% of all jobs in Brooklyn pay less than \$3,333 a month. This may be the case because the borough has seen a rise in service sector and retail jobs, which pay less than other sectors on average. Along with service sector growth, the borough has seen a rise in new office and tech hubs – Downtown Brooklyn is the second largest business district in New York City, and the Brooklyn Tech Triangle has attracted a burgeoning tech sector.

### WORKERS OF COLOR BY RACE AND BOROUGH

BOROUGH	BLACK WORKERS	ASIAN WORKERS	LATINX WORKERS
Brooklyn	28%	10%	18%
Bronx	31%	7%	32%
Manhattan	18%	12%	17%
Queens	24%	14%	22%
Staten Island	17%	7%	15%
Citywide	21%	12%	19%

While Brooklyn has attracted citywide investment in a sectoral strategy focused on high paying tech and biotech industries, good-paying jobs still remain out of reach for most residents of the borough. Fifty-eight percent of Brooklynites hold jobs that pay less than \$3,333 per month. As Brooklyn's economy continues to grow, wages have not kept up with the cost of housing. Households that are severely rent burdened, or spend more than 50% of their household income on rent, grew by 17% between 2007 and 2016. Median asking rent rose from \$2,100 in 2010 to \$2,500 in 2017 borough-wide.

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## Brooklyn



**48%** of Brooklyn jobs are held by people who live **outside of Brooklyn**.



**59%** of those Brooklyn jobs pay **> \$40,000** a year.

But **58%** of people living in Brooklyn earn **< \$40,000** a year and those who are severely rent burdened **grew by 17%** between 2007 and 2016.



**The jobs are there, but not for Brooklyn residents.**

Brownsville, where Black and Latinx residents comprise 74% and 21% of all residents respectively. While 47% of jobs in Brownsville pay more than \$3,333 a month, 70% of residents hold jobs that pay less than that. Though the majority of neighborhood residents hold low paying jobs, rents across the neighborhood have risen dramatically. Between 2016 and 2017 alone, Brownsville experienced a 30% increase in median asking rents, from \$1,650 to \$2,150. Rising rents coupled with little access to good paying jobs leaves residents especially at risk of displacement. Thirty-six percent of residents are severely rent burdened, and the neighborhood has one of the highest rates of unemployment in New York City, at 13.8%. Despite historically low unemployment citywide and despite Brooklyn's growing economy, Brownsville residents continue to be left behind.

In historically Black neighborhoods in particular, the presence of good paying jobs in their neighborhoods has not led to economic mobility. In Crown Heights, 53% of neighborhood jobs pay more than \$3,333 per month, while 61% of residents hold jobs that pay less than that amount. And Black residents are less likely to be employed locally. Additionally, 29% of residents are severely rent burdened, meaning that more than 50% of their monthly income is spent on rent. Median asking rent in the neighborhood rose at a startling 35% from \$1,850 to \$2,500 between 2010 and 2017.

In East Flatbush, 53% of neighborhood jobs pay \$3,333 or more a month, while 64% of jobs held by residents pay less than that. Only 42% of local jobs are held by Black workers even though 91% of neighborhood residents are Black. And median asking rent rose from \$1,650 in 2010 to \$1,900 in 2017<sup>14</sup>.

One of the biggest discrepancies between local jobs and local wages in New York City is in

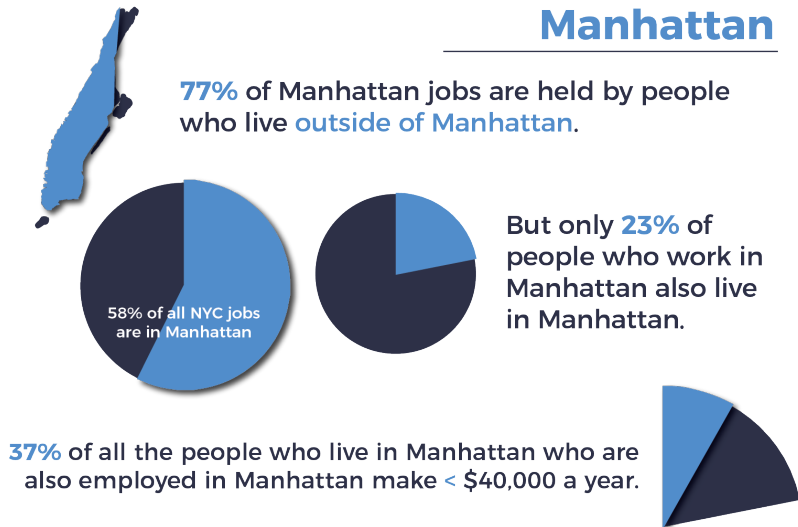
## MANHATTAN – NEIGHBORHOODS OF COLOR FACE GROWING DISPLACEMENT PRESSURES

Fifty-eight percent of New York City jobs are concentrated in Manhattan. As the City's economic center, the majority of workers in Manhattan commute into the borough from elsewhere. Only 23% of people who work in Manhattan also live in Manhattan. Income inequality is a major issue for the borough. Despite its concentration of high paying jobs, 37% of all employed Manhattan residents are employed in positions that pay less than \$3,333 a month.

The greatest discrepancy in local jobs and local wages occurs in the neighborhoods that remain majority nonwhite and face growing displacement pressures due to rising rents. In Washington Heights/Inwood, 51% of local jobs pay more than \$3,333 per month, but 61% of residents hold jobs where they earn less than that. Sixty-eight percent of working age residents of the neighborhood are Latinx, but only 33% of the local workforce is Latinx – while Latinx residents make up the majority of the neighborhood population, they only comprise a third of its workforce. Residents of Washington Heights and Inwood are at particular risk of displacement as rents outpace income – 32.3% of households are rent burdened, and median asking rent rose from \$1,600 in 2010 to \$2,090 in 2017. And, as reported by the Furman Center, the number of rental units affordable at 80% of the Area Median Income (AMI) decreased from 61% of the housing stock in 2010 to only 42% in 2017. As the neighborhood faces a rezoning that further heats the local housing market, this gap will likely continue to grow.

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## Manhattan



A similar racial jobs gap exists in the Lower East Side/Chinatown. **While 32% of residents are Asian, only 23% of jobs in the neighborhood are held by Asian workers and while 23% of the neighborhood is comprised of Latinx residents, only 18% of jobs are held by Latinx workers.** Both groups face levels of unemployment that are higher than the Citywide average – 7% of Asian and 15.4% of Latinx residents in the Lower East Side/Chinatown are unemployed, as compared to 6% of New York City's total Asian population and 10% of the City's total Latinx population<sup>15</sup>. Nearly a quarter of neighborhood households are rent burdened – median asking rent in the neighborhood grew from \$2,500 in 2010 to \$3,000 in 2017.

**The jobs are there, but not for Manhattan residents.**

## QUEENS – STABILITY AT RISK

Job growth in Queens has grown at a rapid clip since 2009, with private sector jobs growing by 24% since 2009. Queens has seen several large scale economic development projects in the past ten years. This includes a \$10 million economic development investment by New York State into Jamaica's neighborhood economy, office growth in Long Island City, and the rise of a growing hotel industry in Flushing. Jobs have grown rapidly in the health care, hospitality, and business services fields. Growth in the City's transportation sector has been concentrated in Queens – transportation is the second largest sector after healthcare with an average salary of \$63,400 annually<sup>16</sup>.

### PERCENTAGE OF JOBS THAT PAY LESS THAN \$40,000/YR VS. THOSE THAT PAY MORE THAN OR EQUAL TO \$40,000/YR

	< \$40,000/YR	≥ \$40,000/YR
Brooklyn	59%	40.6%
Bronx	53%	47.3%
Manhattan	42%	58.1%
Queens	56%	43.6%
Staten Island	58%	42.3%

The borough had the highest average salary outside of Manhattan at \$48,400 in 2016. But despite its strong supply of good paying jobs, 54% of jobs in Queens pay less than \$40,000 a year. The borough also has the highest percentage of severely rent burdened low-income households in the City, with 48.7% of all low income households in Queens spending 50% or more of their income on housing.

In Elmhurst, where 37% of residents are severely rent burdened, 40% of neighborhood jobs pay more than \$3,333 per month, but 65% of residents earn less than that. Median asking rent in the neighborhood has risen from \$1,150 in 2010 to \$1,850 in 2017, a 60% increase. While 15% of all jobs in Elmhurst are held by Asian workers, 35% of residents are Asian. Similarly, while Latinx residents comprise 48% of the neighborhood population, only 26% of all workers employed in the neighborhood are Latinx.



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In Jamaica, home to John F. Kennedy Airport, one of the City's largest employers, and recipient of a \$10 million economic development investment from New York State, 39% of jobs in the neighborhood pay more than \$3,333 per month. However, 63% of Jamaica residents are employed at jobs that pay less than \$3,333 per month. Thirty-two percent of households are severely rent burdened. While 65% of Jamaica residents are Black, only 35% of the neighborhood workforce is comprised of Black employees. And, unemployment disproportionately impacts Black residents. Though citywide unemployment may be at a record low, 12.8% Black residents in Jamaica are unemployed<sup>17</sup>.



## STATEN ISLAND – BLACK AND LATINX WORKERS ARE NOT BENEFITING FROM NEW JOB GROWTH

The jobs are there, but not for Queens residents.

Staten Island, like the rest of New York City, has experienced record low unemployment at a rate of 3.9% as of October 2018<sup>18</sup>. While Staten Island is home to the fewest jobs of any borough, it added 11,000 jobs between 2012 and 2017, mainly in the construction, social assistance, hospitality, and health care sectors. Large new projects such as Harbor Commons in St. George and the rise of luxury developments such as Urby in Stapleton are slated to create new jobs in retail and construction. However, there is no guarantee that these will be good jobs.

While most of Staten Island's labor force both lives and works in the borough, there remains a discrepancy in who benefits from the borough's good paying jobs. **Staten Island is home to the second highest concentration of low paying jobs after Brooklyn, with 58% of total jobs in the borough paying less than \$3,333 a month. Thirty-two percent of Staten Island renters are rent burdened.** Like elsewhere in the City, communities of color face the largest gaps in local employment. In Stapleton and St. George, the two areas most impacted by new construction and new economic development initiatives, Black workers represent only 18% of all employees, though 23% of working age adults in the neighborhood are Black. Latinx workers represent 27% of all working age people in Stapleton and St. George, but comprise only 15% of workers employed in the neighborhood.

## CONCLUSION & RECOMMENDATIONS

While New York City prospers, many of its low wealth communities have not reaped the benefits of that prosperity. The wealth generated by the City's economic boom has been distributed unequally across the five boroughs and even more unequally for low wealth communities and communities of color. This is a result both of long-term economic trends, as well as specific economic development strategy decisions made by the City's leadership. While New York is succeeding in its goal



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## Staten Island



**49.7%** of Staten Island jobs are held by people who live **outside of Staten Island**.



**58%** of those Staten Island jobs earn **> \$40,000** a year.

**32%** of Staten Island renters are rent burdened.



**The jobs are there, but not for Staten Island residents.**

of growing and diversifying its tax base, this growth has not equally benefited, and may even come at the expense of, New Yorkers from middle-income and low wealth communities and communities of color. Economic development initiatives such as the New York Works plan have committed to a job growth strategy that focuses on attracting new, highly paid workers to the city rather than ensuring that current residents directly benefit from new opportunities. The residents that are overlooked by the City's job growth strategy are the same residents who have continually been excluded from opportunities for economic mobility because of policies rooted in systemic racism. **A job growth strategy that does not take into account historic discrepancies in access to economic opportunity simply continues the same legacy of systemic exclusion of communities of color.** Unless these discrepancies are addressed, good jobs might exist in New York City, but they will remain out of reach for communities of color.

Few mechanisms are in place to ensure that existing residents can reap the benefits of job growth and economic development initiatives in their communities and neighborhoods. The City's Hire NYC policy, overseen by the New York City Economic Development Corporation (NYCEDC), has limited impact because while it suggests that developers who receive city subsidies take a "first look" at a limited pool of potential employees entered into the City's Workforce1 system, **there is no enforceable requirement to hire locally or from a targeted demographic, such as low-income candidates.** There has been limited discussion on how to address the particular needs of specific neighborhoods and communities to create a jobs strategy that meaningfully connects local residents with local jobs.

**A job growth strategy that does not take into account historic discrepancies in access to economic opportunity simply continues the same legacy of systemic exclusion of communities of color. Unless these discrepancies are addressed, good jobs might exist in New York City, but they will remain out of reach for communities of color.**

A more equitable economic development and job growth strategy must address historic and systemic racial inequities that remain embedded in traditional approaches to economic development. This includes job training, a commitment to making sure local jobs go to local people, an enforceable targeted hire policy, and a strategy that addresses the very real issues of displacement that arise as a result of new development. As a city, we need to move beyond simple job creation to a focus on good jobs for all New Yorkers. **In order to actually put New York to work, City leadership must create a clear strategy that links investment in place to investment in people.**

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## ENDNOTES

<sup>1</sup>U.S. Bureau of Labor Statistics (BLS). <https://www.bls.gov/regions/new-york-new-jersey/data/xg-tables/ro2xglausnyc.html>

<sup>2</sup>Office of the Mayor, City of New York. "New York Works: Creating Good Jobs", 2017

<sup>3</sup>Office of the New York State Comptroller, "The Technology Sector in New York City", February 2018.

<sup>4</sup>U.S. Census Bureau. (2018) LEHD Origin-Destination Employment Statistics Data (2002–2015), Washington, DC: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program], accessed on July 30th 2018 at <https://lehd.ces.census.gov/data/#lodes>. LODES 7.3

<sup>5</sup>U.S. Census Bureau. (2018). Job-to-Job Flows Data (Beta) (2000–2017) Washington, DC: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program [distributor], accessed on July 30th 2018 at [https://lehd.ces.census.gov/data/j2j\\_beta.html](https://lehd.ces.census.gov/data/j2j_beta.html). R2017Q4

<sup>6</sup>United States Census Bureau / American FactFinder. "S2301 : Employment Status 2012– 2016 American Community Survey. U.S. Census Bureau's American Community Survey Office, 2018.

<sup>7</sup>This analysis focuses on total primary jobs. According to the U.S. Census Bureau, the dominant (or primary) job for an individual is defined as the job that earned the individual the most money.

<sup>8</sup>New York City Employment Trends, Office of the New York State Comptroller, February 2018.

<sup>9</sup>State of New York City's Housing and Neighborhoods 2017, NYU Furman Center', 2017.

<sup>10</sup>All median asking rent information in this report was accessed via the Furman Center's 2017 CoreData.

<sup>11</sup>According to the Furman Center, this indicator calculates median rents as advertised by landlords seeking potential tenants based on data accessed from StreetEasy. Median asking rent will appear higher than median rent for all renters, which encapsulates tenants with subsidized rents and rent regulated units. This indicator is not adjusted for inflation. Not all landlords post listings on StreetEasy, so this sample is not representative of all available rental units within a geography.

<sup>12</sup>Fiscal Policy Institute, "New York's Rent Affordability Crisis Harshly Impacts Families of Color", <http://fiscalpolicy.org/wp-content/uploads/2018/04/April-2018.Final-Rent-Inequality-Brief.pdf>, April 2018

<sup>13</sup>LODES data divides jobs by wages into categories that pay above \$3,333/month and those that pay below \$3,333/month. Throughout this report, a good job is defined by those metrics, as a job that pays \$3,333 or more a month, in order to capture both salaried positions and hourly positions.

<sup>14</sup>Office of the New York State Comptroller, "An Economic Snapshot of The Bronx", July 2018

<sup>15</sup>State of New York City's Housing and Neighborhoods 2017, NYU Furman Center, 2017.

<sup>16</sup>Office of the New York State Comptroller, "An Economic Snapshot of Queens", May 2018

<sup>17</sup>United States Census Bureau / American Factfinder. "S2301: Employment Status 2012– 2016 American Community Survey. U.S. Census Bureau's American Community Survey Office, 2018.

<sup>18</sup>New York State Department of Labor (NYSDOL), Unemployment Rate Rankings by Region, MSA, and County, October 2018 <https://www.labor.ny.gov/stats/LSLAUS.shtm>