



Office of the
New York City Comptroller
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ECONOMIC NOTES | APRIL 2010

NYC: A Fragile Recovery After Seven Quarters Of Recession

Overview: The city's economy posted its first quarter of growth in 4Q09 after seven quarters of decline. The U.S. economy, leading the city's out of recession, grew for the second straight quarter. Although economic growth should continue, the recovery is expected to be slow and fragile.

- **Real Gross City Product (GCP) grew an estimated 0.9 percent in 4Q09 after seven quarters of negative growth.** The U.S. economy posted its second consecutive positive quarter, increasing at a 5.6 percent annual rate (final) in 4Q09. For the full year 2009, the Comptroller's Office estimates that real GCP declined 3.0 percent. At an estimated \$602 billion, the city's GCP represented about 4.2 percent of the nation's total economic output in 2009.
- **The city added 10,500 payroll jobs in 1Q10, the second positive quarter in almost two years and the biggest gain since 1Q08.** The private sector added 16,800 jobs in 1Q10, the first positive quarter since 3Q08. From the employment cycle peak in August 2008 through the end of 2009, the city lost 184,700 payroll jobs. However, between December 2009 and March 2010, the city added 37,100 jobs, of which 36,400 were in the private sector.
- **NYC's unemployment rate fell to 10.2 percent in 1Q10 from 10.5 percent in 4Q09.** The city's unemployment rate has fallen steadily, to 10.0 percent in March 2010 from 10.5 percent in December 2009. The number of unemployed city residents, which soared from 179,400 in February 2008 to 418,100 in December 2009, declined to 397,200 in March 2010. The city's labor force, which had declined by about 29,100 between July 2009 and January 2010—a sign that many job seekers became discouraged and gave up actively looking for work—increased 4,900 in February and March of 2010. The number of employed city residents rose by 10,000 in March 2010, the second increase since March 2008.
- **NYC personal income tax withheld from paychecks fell 6.4 percent, to just over \$1.3 billion in 4Q09, from \$1.4 billion in 4Q08.** Personal income taxes withheld fell 10.5 percent for all of 2009, on a year-over-year basis, reflecting higher unemployment

and smaller Wall Street bonuses after substantial industry losses in 2008. Personal income taxes withheld during the first quarter of 2010 were up only 7.1 percent over the same period of 2009, indicating that financial firms were restrained in awarding cash bonuses despite the strong recovery in industry profits. Estimated tax payments, which are based on taxpayers' estimates of interest earned, rental income, and capital gains, rose 49 percent in 4Q09, reflecting the rebound of the stock market.

- **General sales tax collections rose in 4Q09 after four quarters of consecutive decline.** On a year-over-year basis, sales tax collections rose 12.1 percent in 4Q09. However, a 12.5 percent rate increase took effect on August 1, 2009, so collections were still down on a common rate and base basis. Sales tax revenues were up 11.4 percent in January-February compared to the same period of 2009. It appears that consumers, constrained by job and income losses, are still spending cautiously.

- **The Manhattan office vacancy rate, including sublease space, rose to 11.6 percent in 1Q10,** according to Cushman & Wakefield. Vacancy rates rose to 10.0 percent in Downtown and 12.6 percent in Midtown, but fell slightly to 9.9 percent in Midtown South. The direct Manhattan vacancy rate was 9.0 percent in 1Q10, compared to 6.9 percent in 1Q09. However, leasing activity in the first quarter totaled over 5.6 million square feet, making it the most active quarter since 2Q08.

- **The number of Manhattan apartments sold almost doubled to 2,384 in 1Q10 from 1,195 in 1Q09,** according to a report from Prudential Douglas Elliman. The average sales price per square foot for condos fell 18.3 percent while prices for co-op units fell 6.2 percent, on a year-over-year basis. The firm reports that the number of 1- to 3-family homes sold in Brooklyn rose 45 percent, and in Queens rose 66 percent, in 1Q10 compared to 1Q09. The average sales price per square foot rose 1.8 percent in Brooklyn, but fell 3.4 percent in Queens, compared to a year earlier.

- **The average weekday ridership on NYC Transit dropped less than 1 percent in January after 1.4 percent drop in 4Q09,** on a year-over-year basis. Average weekday subway ridership rose about 1 percent, according to the MTA, while Long Island Rail Road ridership dropped 2.7 percent and Metro North ridership declined 1.6 percent in January 2010, compared to January 2009. A fare increase took effect in June, 2009.

Inside Focus: INCOME MOBILITY IN THE CITY

- Putting a value on an education.
- Pay disparity among men and women still persists.

Summary Table. Five Key Economic Indicators, NYC and U.S., 4Q09, 1Q10, and 2009

	1. GCP/GDP Growth, SAAR		2. Payroll-Jobs Growth, SAAR		3. PIT Withheld, Growth, NSA		4. Inflation Rate, NSA		5. Unemployment Rate, SA	
	NYC	U.S.	NYC	U.S.	NYC	U.S.	NYC	U.S.	NYC	U.S.
4Q09 / 3Q09	0.9% B	5.6% B	-5.7% W	-1.3% B	-6% B	-14% B	1.4% W	1.4% B	10.5% W	10% W
1Q10 / 4Q09	Not available	Not available	1.2% B	0.0% B	Not available	Not available	2.1% W	2.4% W	10.2% B	9.7% B
2009 / 2008	-3.0% W	-2.4% W	-2.8% W	-4.3% W	-11% W	-14% W	0.4% B	-0.4% B	9.5% W	9.3% W

NSA means Not Seasonally Adjusted. SA means Seasonally Adjusted. SAAR means SA Annualized Rate. PIT means Personal Income Tax. Comparisons for "Better", "Worse", or "No Change" are with the prior quarter.

Economic Mobility in the City

Summary: Economic mobility has always been one of the great promises of New York City. This report documents how New Yorkers experience earnings growth over the life cycle and compares it with earnings growth in other major metropolitan areas. The report also compares the earnings of contemporary age cohorts with those in the past. The findings underscore the importance of education and English language skills in facilitating economic mobility, but also reveal persistent earnings disparities between men and women and a perplexing late-career slide in New Yorkers' earnings.

It is common to look at the income profile of the city to evaluate how equitably income is distributed, how proposed tax changes might play out, or how many families are in need of services or income support. These income profiles are usually presented as cross-sectional “snap-shots” of the income distribution at a particular point in time. In actuality, however, most individuals and households move through the income distribution over time, often starting their working lives with low incomes, becoming middle-income as they reach their peak earning years, and sometimes falling back into poverty or near-poverty when their working lives are over. A truer picture of the economic opportunities available, then, can be obtained by looking at how the incomes of families or individuals change as they progress through their life-cycles, and the factors that determine that income trajectory.

Labor economists have long recognized the life-cycle nature of earnings, and since Jacob Mincer's seminal study in 1974, have explored various aspects of the issue.¹ They have refined methods for estimating the age-earnings curve and identified the individual characteristics that affect it. More recently, researchers have explored how external conditions, such as baby booms or recessions, can reverberate through the working lives of affected populations.²

¹ Jacob Mincer. *Schooling, Experience, and Earnings*. National Bureau of Economic Research, 1974.

² Richard B. Freeman, “The Effect of Demographic Factors on Age-Earnings Profiles,” *Journal of Human Resources*, 1979; Mark C. Berger, “The Effect of Cohort Size on Earnings Growth: A Reexamination of the Evidence,” *Journal of Political Economy*, 1985; Philip Oreopoulos, Till von Wachter, and Andrew Heisz, “The Short- and Long-Term Career Effects of Graduating in a Recession: Hysteresis and Heterogeneity in the Market for College Graduates,” *NBER Working Paper No. 12159*, 2006; Lisa B. Kahn, “The Long-

In its January, 2009 issue of *Economic Notes*, The Comptroller's Office looked at changes in the income distribution of the city and its suburbs between 1990 and 2007. That study found a slight upward shift in the city's income distribution over the seventeen-year period but overall a remarkable stability. More recently, the Comptroller's Office has used Census microdata to evaluate the income mobility New Yorkers experience and whether the city is providing more or less opportunity for economic advancement than it used to.

New York's Earnings Curve

One method for estimating the life-cycle earnings curve is to plot the average earnings of workers, by age, for a cross section of workers in a given year. This can be readily done using Census or American Community Survey (ACS) data. The reader should keep in mind, however, that such analysis shows the age-earnings curve as it exists at a point in time; it does not take into account how labor market conditions might change by the time a person who is currently, say, 22 years old, becomes 50 years old.

Chart 1- Average Earnings of Men and Women in the New York Metropolitan Area, by Age, 2008

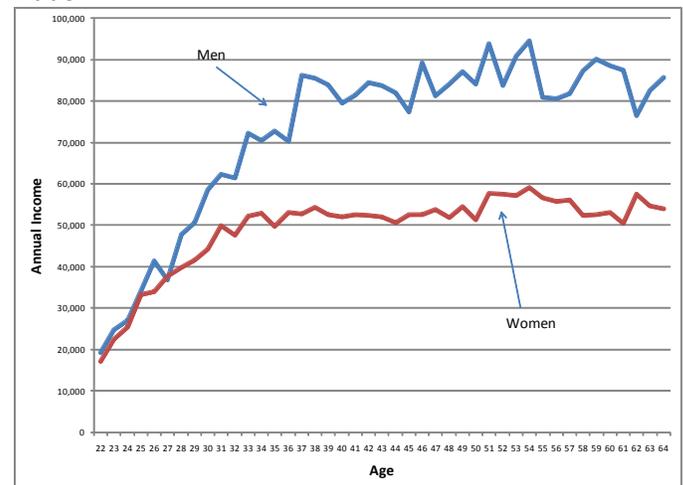


Chart 1 plots average income of men and women of each age between 21 and 65 for the New York metropolitan area in 2008.³ The entire metropolitan area is used to allow for the extensive inter-jurisdictional mobility that

Term Labor Market Consequences of Graduating College in a Bad Economy,” Yale School of Management, 2009.

³ The average is taken over men and women in the labor force. Among men, labor force participation is fairly consistent at about 90 percent until the age of 50, after which it begins to fall. Among women, labor force participation peaks at age 25, then falls slightly and averages about 77 percent through age 55.

exists in our region over the life-cycle. People may live or work in the city or suburbs at various times during their lives, and the opportunity set they face, to a large degree, influences those moves.

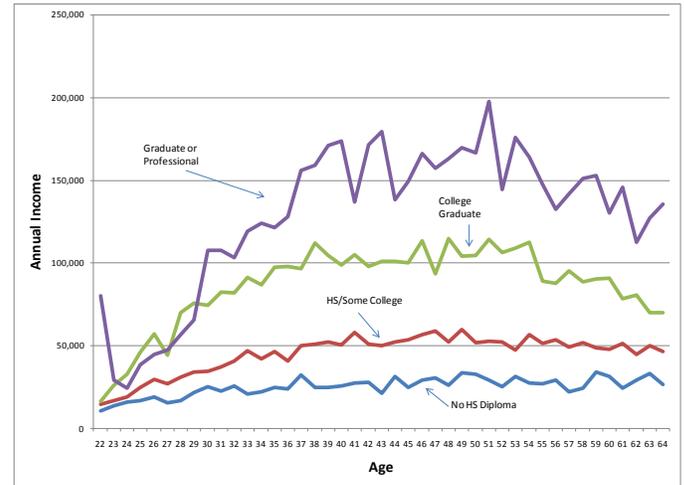
The plots for both men and women are surprisingly jagged, and remain so even when earnings for each age are averaged over the 2006-2008 period. Apparently, the spikes and dips in the plots are caused by so-called “cohort effects,” whereby certain economic and demographic effects can affect entire age groups of workers.

Despite the cohort effects, it is apparent that incomes of both genders rise rapidly during the first ten years of working life (roughly, from 20 to 30 years old), and then flatten quite abruptly. For women, the earnings plateau is reached at about 33 years of age, while for men, average incomes continue to rise until about 37 years of age and then flatten out. For men, peak earnings are reached at about 54 years old, after which there is a pronounced decline.

The earnings gap between men and women opens up when workers are in their late twenties, and widens dramatically thereafter. Although women who are in their thirties are slightly more educated than their male counterparts, they earn only about 70 percent as much. The gap revealed by Chart 1, however, neither proves nor disproves discrimination against women in New York’s workplace. In particular, the averages are not adjusted for occupation. Nevertheless, the chart underscores the persistent income disparities between the genders.

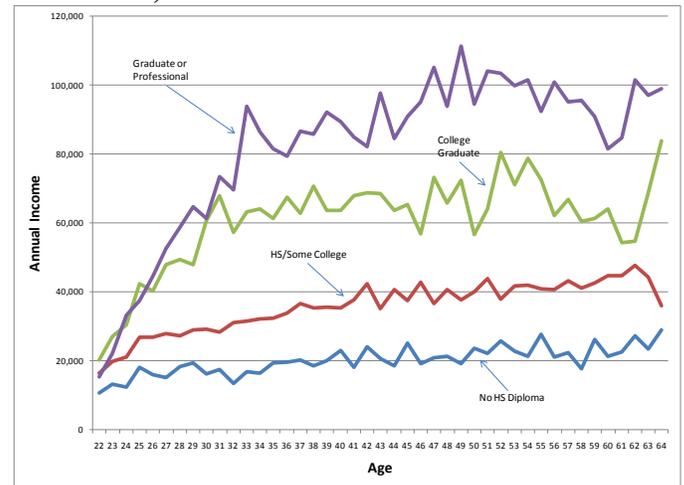
Chart 2 shows the earnings curves for all New York metropolitan area males, separated by education level. Despite the jaggedness of the curves, it is quite apparent that educational attainment is a major determinant of lifetime earnings. For men without a high school diploma, there is virtually no lifetime earnings growth, with average annual income peaking at about \$34,000 at age 49. Males with a high school diploma and/or some college (but less than a four-year degree) experience more earnings growth during their twenties and thirties and average about \$53,000 in annual income from their mid-thirties to their mid-fifties. College graduates (with four-year degrees) experience earnings growth until their late thirties, and average about \$105,000 in annual income from age 38 through age 54. Males with graduate or professional degrees average over \$163,000 in annual income during the same peak earning years.

Chart 2- Average Earnings of Men in the New York Metropolitan Area, by Age and Education, 2008



If the age-earnings curves prevailing in 2008 were to stay roughly stable in the future, the net present value of the additional lifetime earnings resulting from a four-year college degree (relative to a high school diploma and/or some college) would amount to about \$650,000 for a New York area male.⁴ The net present value of a graduate or professional degree, relative to a four-year college degree, would be about \$550,000.

Chart 3- Average Earnings of Women in the New York Metropolitan Area, by Age and Education, 2008



As Chart 3 shows, the income disparities among women with different levels of educational attainment are not quite as great as among men but are nevertheless

⁴ With future income discounted at a 5 percent rate beginning at age 22.

substantial. If the earnings curve were to remain roughly stable in the future, the net present value⁵ of the additional earnings resulting from a four-year college degree would be approximately \$400,000, and of a graduate or professional degree, \$260,000, for a New York area female.

Chart 4- Estimated Value of Educational Degrees on Lifetime Earnings of New York Men and Women

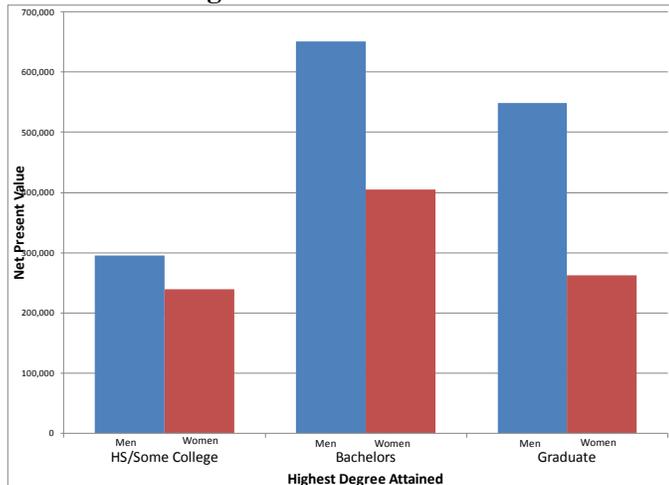


Chart 4 shows the estimated net present value of a high school diploma, a four-year college degree, and a graduate or professional degree for New York area men and women. In each case the present value of a degree is expressed as the incremental value over the previous degree, at age 22. So, the value of a high school diploma is compared to no high school diploma; a four-year college degree is compared to a high school diploma or a high school diploma with some college; and a graduate or professional degree is compared to a four-year college degree. In each case the estimated value of a degree is greater for men, and the difference increases with more advanced degrees. Of course, these values are based on presently-observed age-earnings differences, and may change for people currently making their educational choices.

Immigrant Earnings Growth

New York has long been a beacon for immigrants who want to make a better life for themselves and their families. In 2008, over 37 percent of the city’s residents and 30 percent of the metro area’s residents were born outside of the United States.⁶ Looking at the age-

⁵ Calculated over women in the labor force.

⁶ For purposes of this study, all persons born outside of the United States are considered “immigrants,” although about 3.3

earnings curves for immigrant men and women provides some insight into the rate of economic assimilation for foreign-born residents.

Chart 5- Average Earnings of U.S.-Born and Immigrant Men in the New York Metropolitan Area, by Age, 2008

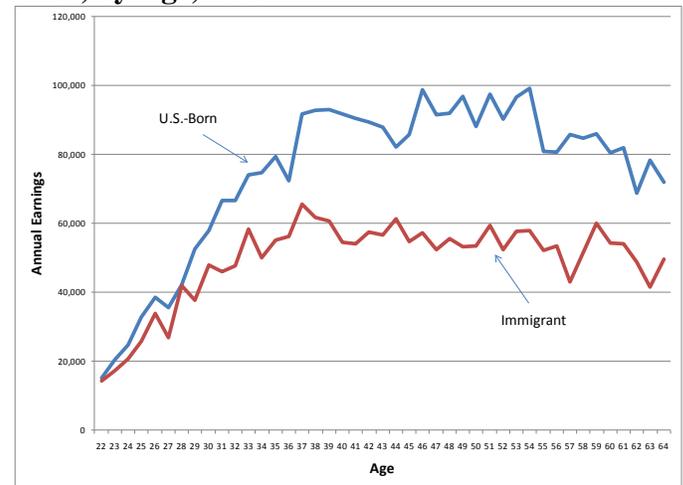


Chart 5 plots the average annual income for U.S.-born and immigrant men in the metropolitan area, by age. There is a clear divergence in the incomes of the two groups beginning around 30 years of age. By their mid-forties, U.S.-born men are earning about 58 percent more per year. There is a similar pattern among women, although the income differential at middle-age is somewhat less. Some of that is attributable to education; about 41 percent of working-age U.S.-born males and 44 percent of U.S.-born females have at least a four-year college degree, compared to 32 percent of immigrant males and females. However, the disparities in income growth cannot be attributed solely, or even primarily, to differences in educational attainment. Significant disparities in earnings between U.S.-born and immigrants exist even among men and women of similar educational attainment.

There are several possible explanations for the mid-career divergence of earnings between U.S.-born and immigrants. Because the composition of immigration changes over time, the younger cohorts of immigrants do not necessarily resemble their older counterparts in terms of ethnicity, cultural background, and education. However, educational disparities are actually narrower between U.S.-born and immigrants who are in their

percent of New York metropolitan area residents who were born outside of the United States were born abroad of American parents.

forties than among those in their twenties, so that factor is not likely to be the cause of the mid-career divergence revealed by Chart 5.

Immigrants in the New York area are somewhat more likely to be self-employed than U.S.-born workers. Among the U.S.-born, self-employed workers earn more by mid-career than those who are wage and salary employees. Among immigrant workers, the opposite is true. It appears that higher rates of self-employment and a concentration in trades and businesses with less potential for income growth can account for some of the age-earnings divergence.

Regression analysis adds further insight into the effects of nativity on earnings. Least squares regressions confirm that foreign nativity is associated with a large negative difference in income.⁷ However, good English speaking ability eliminates about half of the income differential, and years in the United States and naturalization also contribute to narrowing the gap, especially for immigrant workers without college degrees. Nevertheless, even accounting for those attributes, it does not appear that the earnings gap is completely eliminated, so the hypothesis that immigrant employees are not accorded the same opportunities for career and earnings growth as U.S.-born workers cannot be ruled out.

How New York Compares

Many migrants, whether born domestically or abroad, gravitate to New York with the hope that the city will provide greater economic opportunities than other possible destinations. It is consequently worth considering how our area's lifetime earnings curve compares to that of the nation and to other major metropolitan areas.

It will come as no surprise that lifetime earnings of workers in the New York area exceed those of comparably-educated workers in the nation at large. Using 2008 age-earnings relationships, for example, we estimate that employment in the New York area will add about \$256,000, or 23 percent, to the lifetime earnings of

a male college graduate and \$184,000, or 28 percent, to the lifetime earnings of a female college graduate, compared to employment elsewhere in the country.⁸ That, however, may not be the relevant comparison, insofar as people do not live in "the nation at large" but in specific places within it. Consequently, it is more instructive to compare the earnings curves of New Yorkers with those of workers in competitive cities.

Chart 6- Regression Earnings Curves of Male College Graduates in Four Cities, 2008

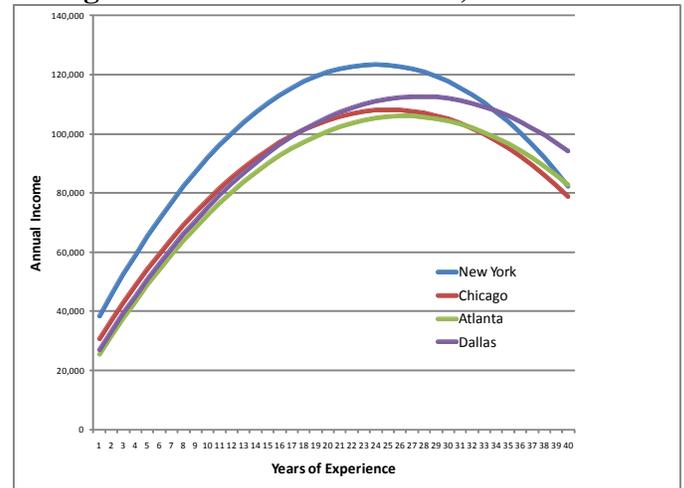


Chart 6 shows the earnings curve for college-educated (four-year degree) males in the New York area in 2008, compared to their counterparts in Chicago, Atlanta and Dallas. The comparison cities were chosen to provide have been smoothed using regression analysis; in effect, regional diversity. For easier comparison, the curves show the underlying earnings trajectory with the year-to-year cohort effects ironed out. The horizontal axis has been changed to "years of experience," which for college graduates essentially means years in the workforce beginning with age 22.

The chart clearly shows that college-educated men in the New York metropolitan area start their careers earning somewhat more than their counterparts in Chicago, Atlanta and Dallas, and that the income differential widens until they have about 15 years of labor-force experience, or when they are in their late thirties. Thereafter, workers in all of the other cities begin to catch up, and by age 57, college-educated men in Dallas actually have higher estimated incomes than those in New York.

⁷ Regressions were run for New York metro area workers for each gender and four educational categories. Explanatory variables were: experience, experience squared, nativity, citizenship status interacted with nativity, years in US interacted with nativity, and good English speaking ability interacted with nativity.

⁸ Net present value from age 22 through age 64.

Chart 7- Regression Earnings Curves of Female College Graduates in Four Cities, 2008

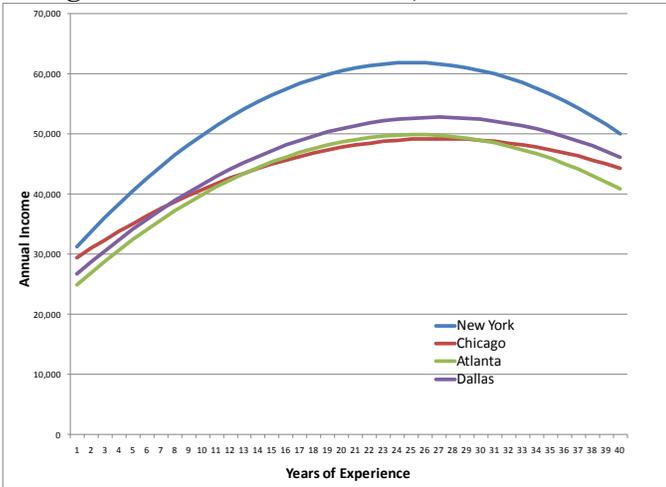
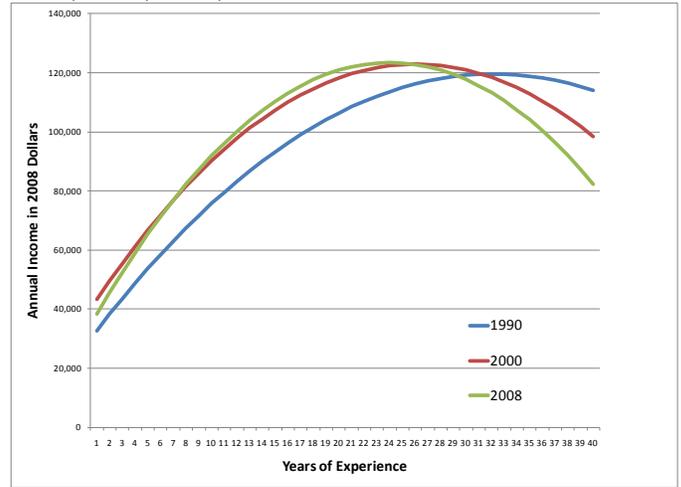


Chart 7 shows the similar regression age-earnings curves for college-educated women in the same four cities. As with men, college-educated women in the New York area earn more than in the other three cities, and their wage premium in percentage terms is even greater. Furthermore, unlike men, their counterparts in the other cities do not catch up. The earnings curve bends down sharply for New York women after about 25 years of experience, however, just as it does for New York men.

There are several possible explanations for the patterns shown in Charts 6 and 7. Most favorably to New York, it could be that the wage premium (among college-educated workers) has been increasing faster here, so the earnings of younger people are relatively higher. In that interpretation, their large earnings differential will persist throughout their careers, and eventually New Yorkers of all age groups will be relatively more prosperous.

A less favorable interpretation is that worker incomes in the New York area really do peak earlier than in competing cities, and that that pattern will repeat for younger workers who are temporarily enjoying large wage premiums. Such an effect could be caused by a particular mix of industries and jobs that are geared towards youth. Firms might also find that large wage premiums are necessary to lure young workers to the city's high-cost environment, but less necessary to keep them here once they are settled and established.

Chart 8- Regression Earnings Curves of Male College Graduates in the New York Metropolitan Area, 1990, 2000, and 2008



Some further evidence on the steep mid-career decline in our area's earnings curve can be gained by looking at how it has changed over time. Chart 8 shows the earnings curve for college-educated males in the New York area for 1990, 2000 and 2008. Dollar figures are inflation-adjusted to 2008 values. It appears that the city's job market for college-educated men has been shifting towards a higher-early career, and lower late-career, earnings pattern for several decades. There does not seem to be a corresponding trend among college-educated women.

Chart 9- Regression Earnings Curves of Female College Graduates in the New York Metropolitan Area, 1990, 2000, and 2008

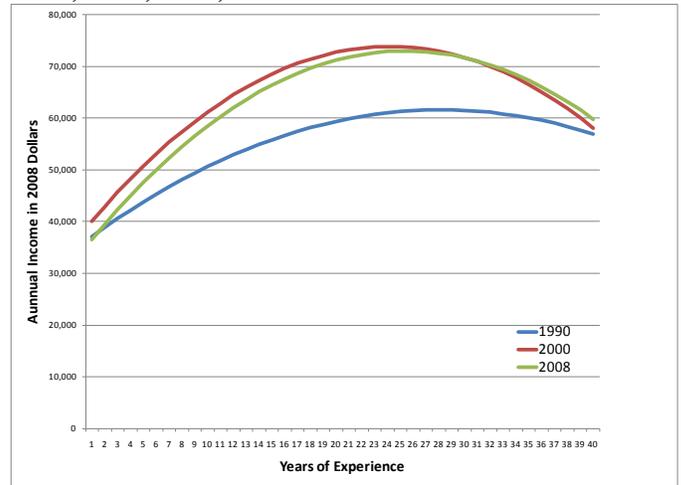
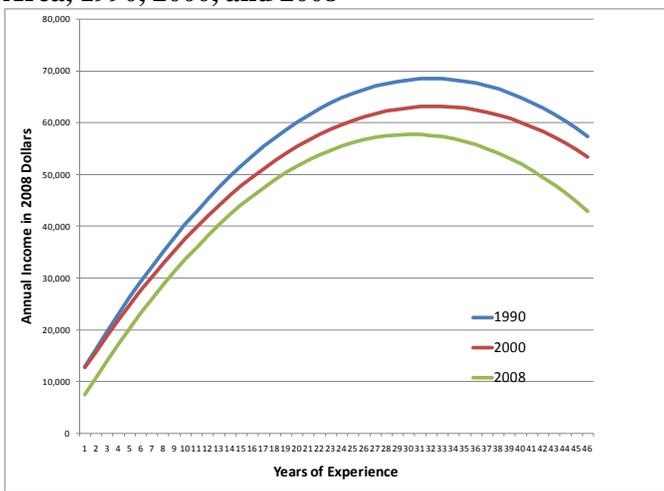


Chart 9 shows similar curves for college-educated women. It is clear that, like men, women in the metropolitan area have dramatically increased their real

mid-career earnings since 1990, although the majority of that improvement had occurred by 2000. The women's earnings curves also show a dramatic tail off beyond 25 years of experience, or beginning in their late forties. It is unclear whether appearance of a steep late-career earnings decline is created because younger women have improved their earnings dramatically, or whether the earnings curves of college-educated women are beginning to resemble those of their male counterparts. In either case, there has been relatively little earnings growth for college-educated women in the later stages of their careers.

Chart 10- Regression Earnings Curves of Male High School Graduates in the New York Metropolitan Area, 1990, 2000, and 2008



As Chart 10 shows, the story is more adverse for area males who have high school diplomas and possibly some college, but who do not possess a four-year degree.⁹ For that category or worker, the trend has been uniformly bad. Like their college-graduate counterparts, the late-career deterioration has become more pronounced since 1990. Moreover, they earn less, in real terms, than they did in 1990 or 2000, at every age.

It might be speculated that the increasingly sharp drop off in the earnings of older men is due to more favorable retirement benefits encouraging them to leave the workforce earlier. While it is true that fewer metro area men in their fifties are in the labor force than was the case in 1990, a smaller proportion of men aged 50 to 62 report receiving retirement income. In 2008, 8.7 percent of all New York area men aged 50 to 62 reported receiving retirement income, compared to 10.6 percent

⁹ In 2008, about half of this group had some college experience.

in 1990. Rather, it seems that the decrease in labor force participation of men in that age group is the result of less favorable employment and earnings prospects. That problem can only be expected to grow worse as a result of the economic crisis of the past two years.¹⁰

Chart 11- Regression Earnings Curves of Female High School Graduates in the New York Metropolitan Area, 1990, 2000, and 2008

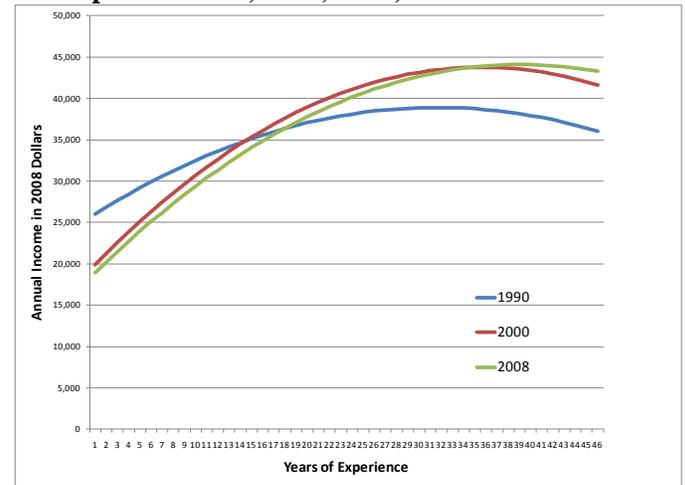


Chart 11 shows the analogous earnings curves for area women for 1990, 2000, and 2008. The chart reveals a somewhat dramatic shift in the earnings curve over time for women with a high school diploma (and possibly some college) but no four-year degree. In 2000 and 2008 the curves started out lower but increased more rapidly with years of experience. By 2008, area women in this educational cohort with 40 or more years of experience earned about 18 percent more than did their predecessors in 1990. However, because of the apparent drop in real earnings early in their work-lives, the estimated lifetime earnings in a present value sense actually fell 4 percent.

Chart 11, it should be pointed out, also underscores the difficulties in interpreting age-earnings curves. The shifting curves suggest that there has been a long-term improvement in earnings for experienced female workers, possibly because of broader occupational access or declining gender discrimination in job promotions. However, the shifting curves could also be reflective of a deteriorating labor market for women without college-degrees; there is no guarantee that presently-young female workers will experience similar earnings growth as the cohorts who came before them.

¹⁰ For a detailed discussion of such labor supply effects, see Finis Welch, "Wages and Participation," *Journal of Labor Economics*, Vol. 15, No. 1.

The Polarization of Earnings

Throughout this article we have presented an analysis of the average, or estimated average, earnings for different age, demographic and educational groups. In reality, however, career trajectories are diverse and most workers exceed, or fall short of, the typical pattern. Therefore, it is useful to consider how the outcomes differ within age cohorts and demographic groups.

Table 1 shows the distribution of earnings for the age cohort of people born between 1961 and 1965 at two points in time. In 1990 that age cohort was in their late twenties (25 to 29), and by 2008 they were in their mid-forties (43 to 47). Of course, the data do not represent the identical group of people; many left the region and others arrived.¹¹ However, the distribution of earnings can be assumed to be roughly representative of the opportunities that existed in the regional labor market at each point in time, regardless of the place of birth of those who filled the positions.

The table shows that in 1990 the majority of the people in that cohort had incomes below \$60,000 (in 2008 dollars). By 2008, that was still the case, but a substantial portion of them had entered the upper income brackets. Among men in 2008, about 29 percent had incomes of \$80,000 or more, compared to only 9 percent in 1990. About 18 percent of women had reached or exceeded \$80,000 in annual income.

At the same time, a substantial number of the men and women still earned below \$40,000 annually in 2008. More than half of the women in the labor force and 40 percent of all men earned below that threshold once they had reached their mid-forties. In fact, more than one-fifth of the men, and one-quarter of the women, earned less than \$20,000.

What are the factors that determine economic success by mid-career? Primarily those mentioned earlier, with education first and foremost. Of the men earning \$40,000 or less, 31 percent had no high school diploma and, whereas of those earning more than \$100,000, only 1 percent had no high school diploma and 71 percent had at least a four-year college degree. For women, education proved even more of a prerequisite for high earnings in middle age; nearly 80 percent of the women earning \$100,000 or more had at least a four-year degree.

¹¹ In 2008, about half of the people in the metropolitan area aged 43-47 were born in New York, New Jersey or Connecticut.

Nevertheless, educational attainment does not provide total insurance against low earnings. Among the lower-earners, 37 percent of the men and 46 percent of the women had at least some college experience. It needs also to be remembered that income is only one criterion, albeit an important one, of a successful career. For example, 16 percent of those who listed their occupation as clergy in 2008 earned \$40,000 or less, as did 24 percent of those who listed their occupation as artist, actor or musician.

A probability regression provided added insight into the factors that resulted in low incomes by mid-career, and substantially confirmed results reported earlier. Lack of a high school degree, for example, more than doubled the chance that a man or woman would have a low income (\$40,000 or below) by middle age, relative to a person with a college degree or more. Also, foreign-born

Table 1- Incomes of New York Metropolitan Area Residents Born 1961-1965, in 1990 and 2008

Individual Income	1990	2008
	Ages 25-29	Ages 43-47
	(percent)	(percent)
<i>Men:</i>		
\$20,000 and under	27.4	21.3
\$20,001 to \$40,000	27.2	18.9
\$40,001 to \$60,000	24.4	18.7
\$60,001 to \$80,000	12.4	12.4
\$80,001 to \$100,000	4.3	7.8
\$100,001 to \$250,000	3.9	16.2
Over \$250,000	0.4	4.7
Total	100.0	100.0
<i>Women:</i>		
\$20,000 and under	23.9	25.9
\$20,001 to \$40,000	34.1	26.0
\$40,001 to \$60,000	28.1	19.2
\$60,001 to \$80,000	9.2	11.5
\$80,001 to \$100,000	2.4	6.8
\$100,001 to \$250,000	2.1	9.2
Over \$250,000	0.2	1.5
Total	100.0	100.0
Note: The earnings distributions shown are for all men and for women in the labor force.		

men and women were significantly more likely to be low-income in middle age, but good English skills, citizenship, and years in the United States were able to substantially offset that disadvantage.

Implications

Some new insights into the economic circumstances of New Yorkers emerge by looking at incomes over the life-cycle rather than at a single point in time. In part, this approach underscores the importance of well-known factors such as education and good language skills as pathways to economic success. At the same time, it raises some subtle, and often overlooked, concerns.

The analysis underscores the continued income disparities between men and women and between foreign born and native-born men. This may be due, in part, to continued discrimination against those groups in career advancement, as well as to the channeling of them into lower-paying occupational niches.

The lifetime earnings differentials of workers in the New York metropolitan area compared to competing areas are superficially impressive, and indirectly provide testimony to the high productivity of the area's workforce. However, it is unclear whether those earnings premiums fully offset the higher cost of living here, and it is a concern that those earnings premiums diminish significantly in the later working years.

The analysis also provides a puzzle as to why New Yorker's earnings seem to tail off so dramatically in later years, and why that effect appears to be increasing over time. This may become a more important economic concern to our region in the wake of the recent recession and with the baby-boom generation now entering that phase of their working lives.