



REPORT ECONOMIC OUTLOOK

# Hard times are harder for some New Yorkers

## Crain's identifies groups hit by biggest job losses

BY MIKE REICHER

DEPENDING ON WHO'S ASKING, when they're asking and what they're asking, New York City's job losses have fallen particularly hard on different demographic groups in the city. One organization says it's Latinos. Another group says it's non-Hispanic blacks and the well-educated, or maybe it's black men. Their assessments have also changed over time.

Looking back over the past three years of the recession, some New

Yorkers have definitely suffered more than others. *Crain's* analyzed the Census Bureau's monthly survey results for the three months ending in November. (The borough-wide figures are for the three months ended in October.) To determine how unemployment has shifted over time, the 2009 period was compared with the same period in 2008 and 2007. A few surprises emerged:

- Having attended some college, but leaving or finishing short of a four-year degree, didn't provide an advantage over those with only a high school diploma. In fact, people who attended some college or had an associate's degree actually had higher unemployment rates than just high school graduates.

- Blacks and Hispanics have the highest rates of unemployment,

with blacks faring just slightly worse in 2007 (6.8% for blacks and 6.1% for Hispanics), but then job losses hit blacks much harder in 2008 (11.2% compared with 6.9%).

- The Bronx suffered the highest unemployment rate of the five boroughs, with Brooklyn second-highest. In 2009, the Bronx, at 13.3%, was more than two percentage points higher than Brooklyn, at 11.1%. The other three boroughs topped out at 9.2%.

- Males were hit harder during this recession than females, especially in 2008, when they had a 6.8% unemployment rate, compared with 5.1% for females.

The analysis was based on the U.S. Bureau of Labor Statistics' Current Populations Survey and was not seasonally adjusted. ■

## Small firms' survival

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the strength of e-commerce, religiously keeping abreast of his customers' needs on social networking sites. He asked those who had shopped with him only one time, "What should we do?" One idea: make a cheaper pair of pants. The company did.

And Eugene Choi, the owner of Grace Cleaners, a dry-cleaning store in midtown, launched his first direct-mail campaign and hired an extra worker to improve service, even though the moves pushed him into the red. "It's a gamble," he admits, insisting the steps will position the business to benefit as the economy improves.

Continuing high unemployment worries even the most optimistic small business people.

The city's jobless rate remains in double digits, with online help-wanted ads flat last fall and down

30.5% last year compared with 2008, according to the Monster Employment Index, which scours online hiring across hundreds of sites, including Monster.com.

### Working harder

SARAH BERMAN, founder and president of marketing firm Berman Group Inc., has not replaced five workers lost through attrition since the recession hit.

"When people ask me, 'How's business?' I think of an anecdote I heard: You have to work a lot harder to not get as far," she says.

Back when the luxury condominium market was red hot, Ms. Berman says, print campaigns for the construction industry were her bread and butter. She has since stabilized business at the four-year-old firm by diversifying into union and trade association work—and by focusing more on Internet campaigns.

Those wanting to take advantage of new opportunities to expand are still finding banks unwilling to part with cash. In fact, the credit squeeze has gotten worse in recent months, with no banker reporting eased credit standards, according to the New York Fed. Even the federal government's small business lending, designed for creditworthy borrowers who have had trouble finding loans elsewhere, fell 36% for fiscal year 2009, ended Sept. 30.

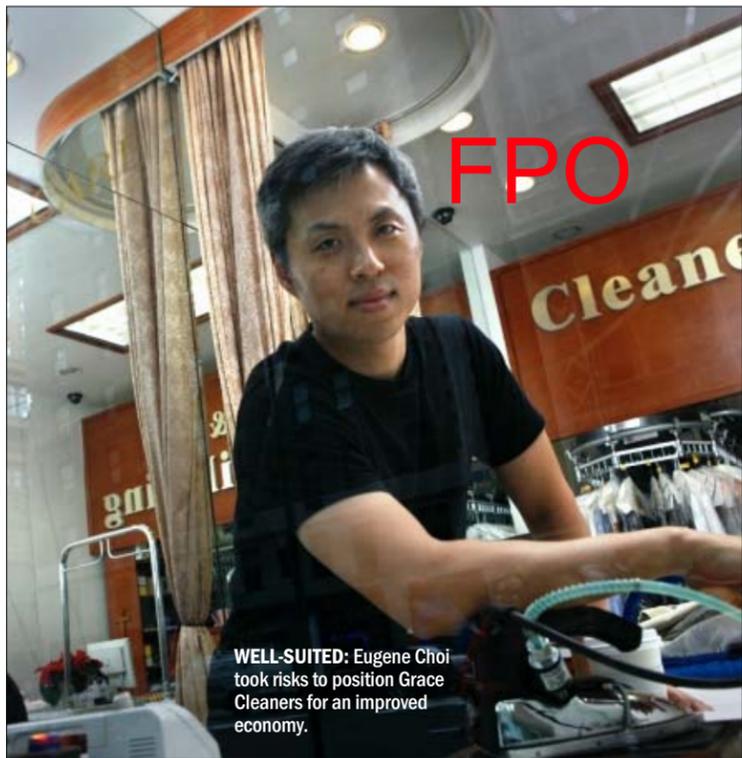
Pravina Raghavan, New York district director for the Small Business Administration, says the numbers are less dire if you start the tally in February, after President Obama's stimulus act eliminated fees and upped the guarantee for banks. Lending surged 80% since February, she says. But money for those special loans ran out in November, leaving more than 700 businesses nationwide to languish on a federal wait list until the president can deliver renewed funding for the program as promised. In the meantime, other businesses can try their luck with a regular SBA loan.

### Not banking on banks

"I DON'T SEE THE BANKS opening up," says David Kistner, founder of Green Apple Cleaners, which targets upscale customers in Manhattan, Brooklyn and New Jersey. After being denied a loan a year ago, Mr. Kistner changed his focus at the fast-growing three-year-old company from "expanding to retaining." He sold two stores, closed one and renegotiated leases at his other four stores. Counter workers were retrained as "brand ambassadors" to win accounts at buildings with doormen.

The next time he raises money, it will be through an equity offering, a plan the founders of Bonobos and Sweetriot also say they favor in lieu of debt financing.

"We are bullish on the second half of next year, but into the first quarter it is still going to be tough," Mr. Kistner says. "I still see a lot of friends with résumés, and that is always an indicator." ■



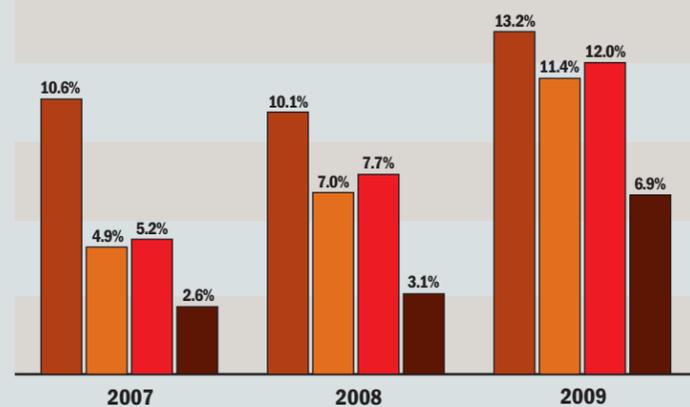
WELL-SUITED: Eugene Choi took risks to position Grace Cleaners for an improved economy.

### NEW YORK GRITTY: A BREAKDOWN

NOT EVERYONE HAS BEEN HIT EQUALLY by job losses this recession. The charts below show unemployment rates for the three months ended in November in each of the past three years; figures are not seasonally adjusted.

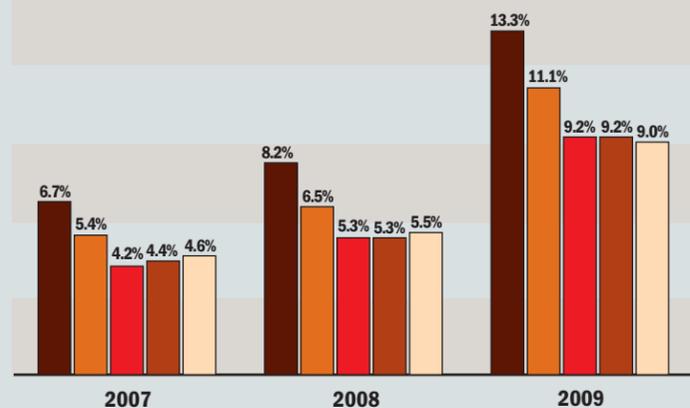
#### BY EDUCATION

■ No high school diploma ■ High school diploma ■ Some college ■ College grad



#### BY BOROUGH

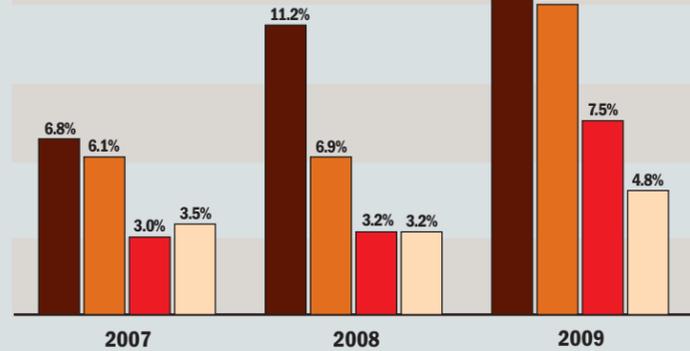
■ Bronx ■ Brooklyn ■ Manhattan ■ Queens ■ Staten Island



Figures are for the three months ended in October.

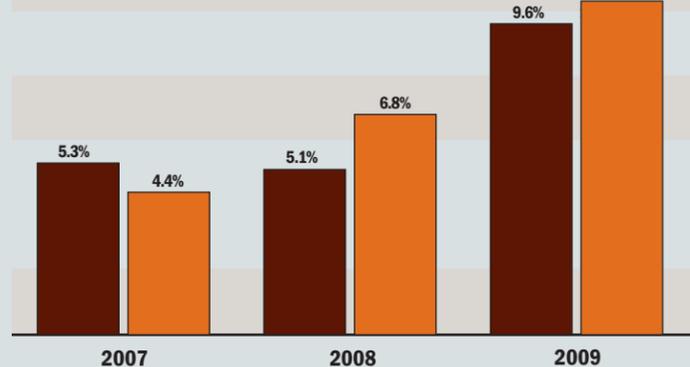
#### BY RACE

■ Black, non-Hispanic ■ Hispanic ■ White, non-Hispanic ■ Asian and all other



#### BY GENDER

■ Female ■ Male



Sources: Bureau of Labor Statistics, Census Bureau

