

**An Analysis of Public Funding** for Workforce Development in New York City



**MARCH 2025** 

### ABOUT NEW YORK CITY EMPLOYMENT AND TRAINING COALITION (NYCETC)

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## Introduction

In this report, the NYC Employment and Training Coalition (NYCETC) presents the most up-to-date picture of publicly originating workforce expenditures in New York City. Its primary aim is to provide information on total workforce spending from all sources, focusing on how City policymakers have chosen to direct the funds they control through local tax revenue. As the mayor and all 51 New York City Council members face voters in 2025, NYCETC hopes this information prompts discussion about spending and those choices. The report includes three primary sections. It begins with a high-level overview of recent policy trends through the last several mayoral administrations and a look at the funding sources that support workforce programs and services. Next, it provides a more detailed look at three major categories of expenditures by population group: youth and young adults, priority adult populations, and other working-age adults.<sup>1</sup> The analysis concludes by identifying several takeaways arising from these findings.

## **Key Findings**

Highlights of the analysis below include the following:

- In Fiscal Year 2024, the city's adopted budget included nearly \$640 million for workforce development programs for youth and young adults, public benefits recipients, public housing residents, and other adult job seekers. This amount accounted for about 0.6 percent of the City's total \$107 billion budget. It does not include several employment and training programs for other target populations, nor does it include most investments in public education through NYC Public Schools or the City University of New York.
- The three primary agencies responsible for workforce development in New York City—the Department of Youth and Community Development (DYCD), Department of Social Services/ Human Resource Administration (HRA), and Department of Small Business Services (SBS) received a total of \$589 million for workforce development programs and services in Fiscal Year 2024. This amount includes \$225 million in funds allocated at the federal or state level, passed through to the City, and \$364 million, accounting for 62 percent of the total, in locally originating funds negotiated between the mayoral administration and City Council to support programming.

- The last 15 years have seen a dramatic shift in funding across the three primary agencies toward far more significant investment in youth-serving programs. In constant dollars, DYCD's funding for workforce programs has increased by 127 percent since 2009, while funding for workforce programs at HRA and SBS has fallen by 43 percent and 28 percent, respectively, over the same period.
- New York City increasingly directs most of its discretionary spending on workforce programs and services for youth and young adults. This trend predates Mayor Eric Adams's election. Still, the Adams administration doubled down on youth-focused investments, making new commitments of over \$100 million to expand the Summer Youth Employment Program administered by DYCD and launch the Student Pathways initiative within NYC Public Schools.
- On both a percentage and an absolute basis, relatively few dollars are spent supporting workforce programs for prime-age working adults who are not on cash assistance. This group of over one million New Yorkers includes the unemployed who are actively looking for work, part-time workers who would prefer a full-time job, and workers in low-wage, high-turnover positions.

The report focuses on programs administered by three city agencies that include workforce development as part of their core mission:

- The Human Resources Administration (HRA) within the Department of Social Services, which serves clients receiving public assistance or other public benefits;
- The Department of Small Business Services (SBS), which operates a network of Workforce1 Career Centers and administers training programs available to all New Yorkers age 18 and older; and
- The Department of Youth and Community Development (DYCD), which offers a range of career exploration and work experience programs for in-school and out-of-school youth up to age 24 and adults with basic education and literacy needs.

The report also considers recently launched programming within NYC Public Schools that directly supports career exploration and work-based learning experiences and selected programs from the NYC Housing Authority and the Department of Parks and Recreation that are explicitly workforce-focused. See the Appendix for a fuller description of the methodology used to shape this analysis, including what is excluded. While data limitations preclude a truly definitive or comprehensive assessment, the numbers present a directionally accurate picture of the City's workforce spending activity, reflecting its policy choices.



## **Mayoral choices**

The analysis below focuses on 2009–2024 and assesses how New York City allocated and invested its workforce dollars over those years. To understand those numbers, it is helpful to briefly consider the policy and political context in which the city's mayors and other policymakers made those decisions.

Under Mayor Michael Bloomberg, the city embraced a "demand-driven" workforce strategy to help employers fill vacancies.<sup>2</sup> To implement the plan, Bloomberg tapped the Department of Small Business Services (SBS) as the recipient of federal Workforce Investment Act (WIA) funds to serve adults and dislocated workers, with the Department of Youth and Community Development (DYCD) now responsible for programs serving younger New Yorkers. The Human Resources Administration (HRA) administered federal <u>Temporary</u> <u>Assistance for Needy Families (TANF)</u> funds and provided employment services to help public assistance recipients quickly find work.

In 2014, Mayor Bill de Blasio took office and resolved to change what he viewed as Bloomberg's excessive

deference to employers at workers' expense. Following recommendations from the Jobs for New Yorkers Task <u>Force</u>, a group he convened to help define his administration's workforce agenda, the new mayor de-emphasized rapid attachment to any job regardless of quality, in favor of more support for education and training within adult workforce programs.<sup>3</sup> He also put new emphasis on workforce services for young New Yorkers, eventually baselining investments in the Summer Youth Employment Program (SYEP) in the annual City budget.

In 2022, Mayor Eric Adams built on aspects of his two predecessors' work while promising to elevate workforce issues as a higher priority than it had been for either. To show this commitment, in August 2022, Adams issued <u>Executive Order 22</u> (EO22)<sup>4</sup>, which included six ambitious goals for the City's workforce system and economy:

- By age 25, young New Yorkers should launch successfully into fulfilling, economically secure careers.
- All New Yorkers in paid employment should earn a living wage.

- Employers should have access to local talent they need to thrive.
- Demographics of the workforce should reflect those of the city's population.
- Wage and employment data should show progress in reducing inequity.
- Public resources should be efficiently and effectively invested.

EO22 additionally created the Mayor's Office of Talent and Workforce Development (NYC Talent) to coordinate programs and partners across the system. It convened a Future of Workers Task Force to define priorities for this policy area. <u>Its report</u>, published in 2023, included recommendations to rebuild the infrastructure of the system, including by empowering the federally mandated Workforce Development Board, strengthening data capacity and public accountability, and aligning public and private investments through a new Talent Investment Fund.<sup>5</sup>

## Where the money goes

A look at the last 15 years of workforce development funding reveals how spending has roughly tracked these shifting priorities. Chart 1 shows that during Mayor Bloomberg's third term (2010–2013), funding for DYCD programs was about one-third of what it was for HRA programs. That gap began to close under Mayor de Blasio, with the trend accelerating under Mayor Adams. By 2024, the City budget contained more funding for DYCD workforce programs than for HRA programs. As Chart 2 illustrates, overall, in inflation-adjusted dollars, funding for workforce development at HRA and SBS decreased from the end of the Bloomberg administration to 2024, while funding at DYCD more than doubled. The increase in DYCD funding has primarily been fueled by a significant expansion of the Summer Youth Employment Program (SYEP), which includes significantly higher hourly wages for participants, as discussed later in this report.

## CHART 1: ADOPTED BUDGETS FOR WORKFORCE DEVELOPMENT BY AGENCY





(in FY2024 \$ thousands)

## CHART 2: CHANGES IN ADOPTED BUDGET FOR WORKFORCE DEVELOPMENT BY AGENCY (FY09-FY24)



## **Funding sources**

Before turning to detailed analysis of workforce spending in New York City, it is essential to consider where the funding comes from and how the source of funds restricts or enables what policymakers can do with them. The funding allocated in the City's adopted budget comes from city, state, and federal dollars. The table below shows the funding sources for the primary agencies tasked with administering workforce development programs. It does not include NYC Public Schools and CUNY, which receive substantial funding from New York State.

### TABLE 1: SOURCE OF WORKFORCE DEVELOPMENT FUNDING

Agency/Program	City	State	Federal	Total
DYCD	\$237,874 (77.7%)		\$68,276 (22.3%)	\$306,150
Adult literacy	\$39,497 (91.0%)		\$3,899 (9.0%)	\$43,396
In-School Youth	\$307 (7.6%)		\$3,724 (92.4%)	\$4,031
Out-of-School Youth	\$873 (4.8%)		\$17,454 (95.2%)	\$18,327
• SYEP	\$197,197 (82.0%)		\$43,199 (18.0%)	\$240,396
DSS/HRA	\$100,669 (44.7%)	\$11,135 (4.9%)	\$113,678 (50.4%)	\$225,482
SBS	\$24,722 (43.0%)		\$32,812 (57.0%)	\$57,534
Total	\$363,265 (61.7%)	\$11,135 (1.9%)	\$214,766 (36.5%)	\$589,166

(FY2024 Adopted Budget, in \$ thousands)

DYCD

HRA

■ SBS

In Fiscal Year 2024, DYCD, HRA, and SBS received \$589 million for workforce development programs and services. Of that \$589 million, the City is responsible for 62 percent of this funding—\$363.3 million. This is important for two reasons. First, the total of these investments represents the affirmative commitment of the mayoral administration and New York City Council, who jointly negotiate the annual budget, to workforce programs and services. Second, the choices made within that commitment signal the priorities of the administration and Council within the entire workforce ecosystem. As Table 1 shows, the City has chosen to cover the vast majority of costs for DYCD's SYEP and Adult Literacy programs. In 2024, federal sources accounted for 37 percent of the City's workforce development funding, including most funding for programs at HRA and SBS. As seen in Chart 3, however, this wasn't always the case: as recently as 2019, City dollars accounted for 57 percent of funding at HRA and 65 percent at SBS. Those numbers dropped to 45 and 43 percent for each agency respectively in 2024.

#### CHART 3: CITY FUNDING SHARE OF WORKFORCE DEVELOPMENT BY AGENCY

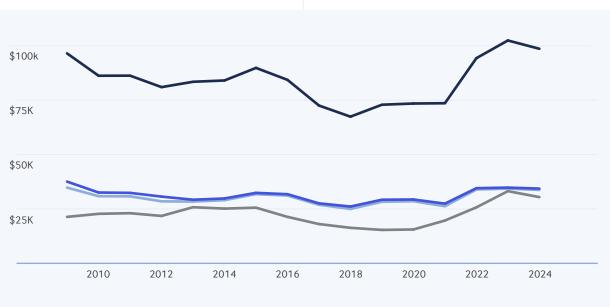
20192024



City funds are entirely flexible and usable for whatever purposes policymakers assign them as defined within contracts that the government executes with provider organizations. By contrast, federal dollars come with tight restrictions. Local officials can use money allocated under Temporary Assistance to Needy Families (TANF) or the Workforce Investment and Opportunity Act (WIOA) only for the purposes defined in those federal laws. As shown in Table 1, federal dollars provide the bulk of funding for DYCD's In-School Youth and Out-of-School Youth programs and a smaller majority for HRA and SBS programs. Passed in 2014 to replace WIA, WIOA is the largest source of federal workforce dollars coming to New York City. Congress makes an annual appropriation to support the program, and those funds are distributed among states and local areas according to a formula that provides relatively more program dollars to economically worse-off states and local areas.

#### **CHART 4: NYC WIOA ALLOCATIONS**

# Total Adults Youth Dislocated Worker



(in FY2024 \$ thousands)

From 2009 to 2018, federal workforce dollars coming to New York City declined by roughly \$30 million. While this partly reflected declining unemployment before and after the Great Recession, it left city officials under Mayors Bloomberg and de Blasio with steadily declining resources even as they sought to build a functional system. Beginning in 2018, however, funding rose significantly, with particularly notable jumps in 2022 and again in 2023. NYC's slower-than-average recovery from the post-COVID recession drove some of that increase.

Workforce development funding comes from various sources in addition to those outlined above. The City Council distributes millions of dollars annually to workforce development programs through funding that individual Council members procure for their districts. City Council funding for workforce development has risen from just over \$23 million in 2018 to nearly \$27 million in 2024, in constant dollars.<sup>6</sup>

Competitive federal and state grants provide another source of funds for workforce development. For example, in 2022, <u>New York City won an \$18.6 million grant through</u> the U.S. Economic Development Administration's Good <u>Jobs Challenge</u>. The City used these funds to launch NYC PINCC (Pathways to Industrial and Construction Careers) through HRA, supporting cash assistance recipients and public housing residents in these sectors through training, job placement, and wraparound services.<sup>7</sup> The City additionally has secured a total of \$9 million in state grants through New York's newly created Office of Strategic Workforce Development since Fall 2022.<sup>8</sup>

Finally, philanthropic dollars have bolstered the workforce development system in the City and filled in crucial gaps left by public funding, such as support for community-based providers of workforce services for low-wage adult workers. The New York City Workforce Funders Collaborative comprises 12 funders that pool resources, collaborate on strategy, and jointly administer grants. The Collaborative also engages upwards of 40 funders as part of its learning network. According to its most recent survey, administered in 2021, member funders made nearly \$82 million in workforce grants that year, up from \$18 million when members were first surveyed in 2004.9 While these funds are not considered in this analysis, they are an important part of the larger workforce ecosystem, often paying for new pilot programs and research to assess public and privately funded workforce initiatives.

## NYC's Workforce Expenditures and Outcomes

The analysis now turns to expenditures within three categories: youth and young adults, priority adult populations, and the general adult population.<sup>10</sup>

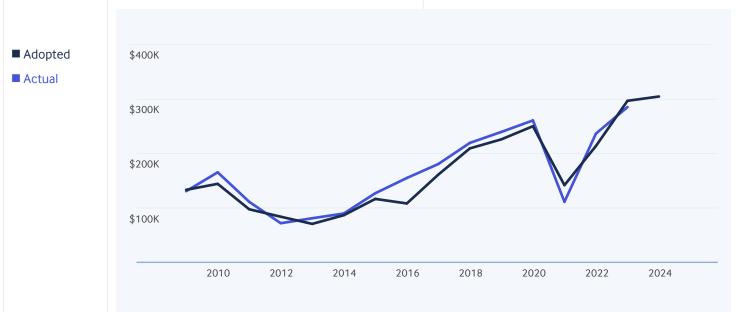
## Youth and young adults

The Department of Youth and Community Development (DYCD) administers several programs that provide workforce development services. While the agency's workforce portfolio is mainly directed toward younger New Yorkers, it also offers programs for adults, including Adult Basic Education (ABE), high school equivalency, and English for Speakers of Other Languages (ESOL). These expenditures are included in DYCD's budget here, but are considered part of general adult population spending in the analysis below.

DYCD's largest workforce program, and the largest in New York City, is the <u>Summer Youth Employment</u> <u>Program (SYEP)</u>, which provides youth ages 14 to 24 with summer employment opportunities. SYEP enrolled over 90,000 participants in the summer of 2023 (Fiscal Year 2024). Additionally, the Work, Learn, and Grow program, which runs through the fall and winter, enrolls 7,000 high school students who participated in SYEP the previous summer for an early-college experience, career exploration activities, and a paid internship of up to 200 hours.<sup>11</sup>

DYCD also offers a range of programs that aim to prevent youth and young adults from disconnecting from school and work or to reconnect those currently out-of-school/out-of-work (OSOW). Learn & Earn, a WIOA-funded program that serves in-school youth, provides high school juniors and seniors considered at risk of becoming OSOW with career counseling, mentoring, internships, and other opportunities to prepare for employment and higher education. Two other initiatives for OSOW New Yorkers, the WIOAfunded Train & Earn and the City-funded Advance & Earn, both focus on vocational training and education for youth ages 16 to 24.<sup>12</sup>

## CHART 5: DYCD WORKFORCE DEVELOPMENT FUNDING

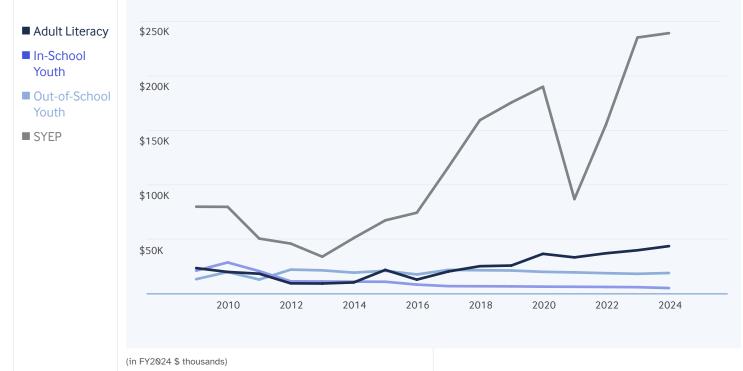


(in FY2024 \$ thousands)

As discussed earlier in the report, funding for DYCD programs has increased substantially over the past decade-plus. Other than a one-year dip in Fiscal 2021 driven by COVID—when SYEP was suspended and replaced by a smaller summer program offered remotely—

budgets have risen every year since 2013. In nominal dollars, the adopted budget for DYCD workforce development programs was under \$100 million in 2009; by 2024, it was over \$300 million. In constant dollars, funding more than doubled over the same period.

## CHART 6: ADOPTED BUDGETS FOR DYCD BY PROGRAM



OSY does not include Advance & Earn because historical spending data is not available.

A steadily increasing commitment to SYEP across the last two mayoral administrations has powered DYCD's workforce budget growth. In 2013, funding for SYEP had dropped to just over \$33 million (2024 dollars); in 2024 it was over \$240 million, a 627 percent increase. This influx of funds helped both to double the number of participants in the program and cover the much higher per-participant cost driven by the rise in New York State's minimum wage from \$7.25 per hour in 2012 to \$15 per hour by 2020 (further increasing to \$16 in summer 2024). Also contributing to DYCD's budget growth—albeit at much lower levels than SYEP—the City has more than doubled funding for adult literacy programs since 2009.

## **Career readiness in K-12 schools**

At the same time the Adams administration expanded SYEP, it made substantial new investments in supporting students in the K-12 system to start thinking about their interests, developing skills, and learning about potential career paths. Building upon its long-established portfolio of <u>Career and Technical Education</u> (CTE) programs and schools, NYC Public Schools under Adams substantially expanded the reach of workforce development activities and programs for in-school youth. The Student Pathways Initiative committed tens of millions of dollars for two new flagship programs, <u>FutureReady NYC</u> and the <u>Career</u> <u>Ready Modern Youth Apprenticeship</u>, both designed to prepare students for the world of work. FutureReady NYC launched in 34 high schools during the 2022–23 school year, then expanded the following year to 100 schools.

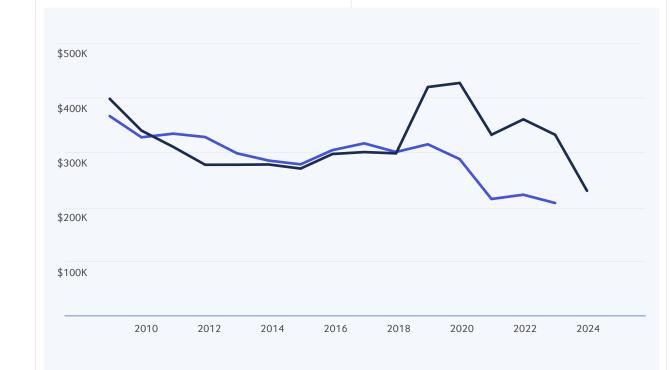
#### TABLE 3: STUDENT PATHWAYS INITIATIVE PROGRAMS

Program	FY2023 funding	FY2024 funding	Description
FutureReady NYC	\$11,643,264	\$18,833,486	FutureReady NYC will provide students at participating schools career-connected learning; early college credit and credentials; work-based learning experiences; individual advising; and financial literacy so that students can build skills and plan their future.
Modern Youth Apprenticeships		\$1,780,000	The Modern Youth Apprenticeship program will provide students in participating schools with an opportunity to apply for employer-led apprentice- ships that may last three years, and pay for education and training one year beyond high school.
Pathways Advising Pilot		\$3,926,000	The Pathways Advising Pilot will provide students at participating schools with certified school counselors who serve as Pathways Advisors and focus on advising for college and career pathways
TOTAL	\$11,643,264	\$24,539,486	

## **Priority adult populations**

The <u>Human Resources Administration (HRA)</u> within the Department of Social Services offers various workforce training programs for individuals receiving cash assistance and/or federal Supplemental Nutrition Assistance Program (SNAP) benefits. HRA also administers the Jobs Plus program for public housing residents in New York City. These programs offer adult clients access to education, training, internships, and employment opportunities.

#### **CHART 7: HRA WORKFORCE DEVELOPMENT FUNDING**



(in FY2024 \$ thousands)

Under Mayor Bloomberg, HRA largely pursued a rapid attachment approach to connecting cash assistance recipients to work. Mayor de Blasio pushed HRA to adjust policies to provide more opportunities for recipients to access education and training. However, the results remained essentially unchanged as the agency continued using federal dollars to contract with large providers that placed clients into primarily low-wage jobs. As seen in Chart 7, recent increases in the adopted budget for workforce development at HRA have not been reflected in actual expenditures, and the significant decrease in the 2024 adopted budget is more in line with recent spending. In addition to its direct workforce programs for cash assistance recipients, HRA partners with the Department of Parks and Recreation to operate the <u>Parks Opportunity Program</u> (POP). Among the city's most robustly funded workforce programs, POP provides paid work experience to qualified participants for six months of the year.<sup>13</sup> Another set of workforce programs for priority adult populations serves public housing residents through the New York City Housing Authority (NYCHA) and its <u>Office of Resident Economic</u> <u>Empowerment and Sustainability</u> (REES). REES programs offer residents services, including employment and career advancement, adult education and vocational training, financial empowerment, and business development.

Adopted

Actual

## TABLE 4: NYC PARKS DEPARTMENT WORKFORCE DEVELOPMENT PROGRAMS

Parks	2018	2019	2020	2021	2022	2023	2024
Parks Opportunity Program	\$62,006	\$66,495	\$73,139	\$68,581	\$67,311	\$63,401	\$58,266

(In FY2024 \$ thousands)

Other programs administered by the NYC Parks Workforce Development unit include Green Applied Projects for Parks (GAPP) and Youth Sustainability Corps (YSC- Green Roofs).

These figures for the Parks Opportunity Program are included in the HRA numbers presented in this report.

## TABLE 5: NYCHA WORKFORCE DEVELOPMENT PROGRAMS

NYCHA	2018	2019	2020	2021	2022	2023	2024
REES	\$6,806	\$7,112	\$8,167	\$8,096	\$7,444	\$6,959	\$6,179

(in FY2024 \$ thousands)

Does not include Jobs Plus, which receives substantial funding to serve NYCHA residents, but is administered by HRA

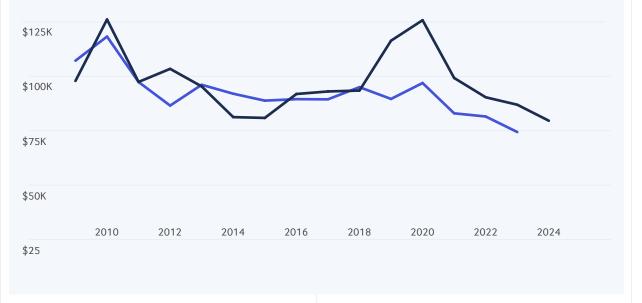
## **General adult population**

The Department of Small Business Services (SBS) operates a network of <u>Workforce1 Career Centers</u> to provide free assistance to all adult New Yorkers ages 18 and older. These sites offer a range of job placement and skills training programs. SBS prepares and assists New Yorkers in finding jobs by developing job search skills through resume and interviewing workshops, training residents to acquire skills in growing fields, and connecting job seekers to employers with open positions. It also operates several training programs for special populations and low-wage workers.

#### **CHART 8: FUNDING FOR SBS WORKFORCE DEVELOPMENT**



Actual



(in FY2024 \$ thousands)

As noted above, the bulk of workforce funding at SBS comes from federal sources, particularly WIOA. Compared to the much larger workforce budgets of DYCD and HRA, funding for workforce services at SBS is relatively modest, typically ranging between \$60-\$80 million per year in constant dollars.<sup>14</sup>

During the Bloomberg administration, SBS was the primary driver of workforce programs and services when the newly created Center for Economic Opportunity (CEO) identified "making work pay" as a priority within its overall antipoverty mission. Leveraging both public and private dollars, CEO launched several innovative pilot programs, including services for New Yorkers on probation, an initiative to support low-income workers' retention and advancement, and the first sector-focused career centers. SBS was responsible for managing all these efforts, among others.<sup>15</sup>

Under Mayor Adams, SBS has continued to lead City programming to help connect working-age adult New Yorkers to employment. Recent priorities have included serving asylum seekers, migrants, and other newly arrived job seekers who often require more intensive support services in addition to job placements, as well as supporting the Jobs NYC initiative through hiring hall events across the city. SBS also continues to offer skills training for positions in technology, healthcare, industrial, food service, and media.<sup>16</sup>

## Who is Being Served—and Who Isn't

This analysis section considers the primary recipients of the workforce services offered across the three categories detailed above. The numbers below are from Fiscal Year 2024, reflecting the most recent data available on program participation.

A few important caveats apply to the data presented in Table 6. Because programs have different intended outcomes, the table distinguishes between job placements (for programs designed to connect individuals to employment) and participants (for programs that have other purposes, such as career exploration or building work experience). These numbers present a highlevel picture of how NYC is spending its workforce dollars, and do not speak either to the quality of job placements or program experiences or to the return on public investments.

## TABLE 6: FUNDING AND PARTICIPANTS/JOB PLACEMENTS BY POPULATION SERVED

Program	Agency	FY 2024 adopted	FY 2024 participants	FY 2024 job placements
Youth/Young Adults				
In-School Youth (Learn & Earn)	DYCD	\$4,031,000	1,587	
Out-of-School Youth (Train & Earn)	DYCD	\$18,327,000	1,635	
Advance & Earn**	DYCD	\$12,900,000	837	
SYEP	DYCD	\$225,890,000	95,563	
Work, Learn & Grow**	DYCD	\$23,900,000	4,227	
Student Pathways Initiative	NYCPS	\$20,613,000	22,426	
Subtotal		\$305,661,000	126,275	
Priority Adult Populations				
Employment Services	HRA/DSS	\$125,146,000		8,100
Subsidized Employment*	HRA/DSS, Parks	\$100,336,000	1,790	
REES**	NYCHA	\$6,736,000		2,652
Subtotal		\$232,218,000	1,790	10,752
General Adult Population				
Adult Literacy	DYCD	\$43,396,000	18,191	
Workforce1 Centers	SBS	\$57,534,000		22,270
Subtotal		\$100,930,000	18,191	22,270
Total		\$638,809,000	146,256	33,022

\* Includes Parks Opportunity Program

\*\* Figures are for FY 2023

All participant and job placement figures from the 2024 Mayor's Management Report with the exception of the Student Pathways Initiative which come from Student Pathways Initiative School Allocation Memorandum. Funding and participant figures in this table do not include the Pathways Advising Pilot. Data for Advance & Earn comes from the Mayor's Office for Economic Opportunity Fiscal 2023 Performance Data; Work, Learn & Grow data comes from the Department of Youth & Community Development 2023 Annual report.

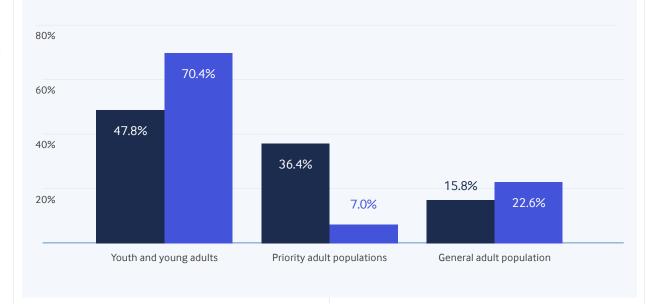
This analysis vividly shows how City policymakers have prioritized workforce investments in programming for youth and young adults. Among the agencies and programs examined here, 48 percent of workforce dollars support programs serving young people. The share of funding for these programs would be even more significant if we considered the funding that supports CUNY programs and classified HRA's YouthPathways initiative as a youth program. By contrast, Chart 9 indicates that only 16 percent of the City's total workforce budget in FY2024 supported programs that serve adults who are not on public assistance or living in NYCHA. Further, nearly half of that funding went toward adult literacy programs, which only serve a small subset of the adult population.

## CHART 9: SHARE OF FUNDING AND PARTICIPANTS/PLACEMENTS BY POPULATION SERVED

Funding

Participants/

Placements



(FY2024)

#### TABLE 7: NEW YORK CITY UNEMPLOYMENT BY RACE/ETHNICITY AND BOROUGH

Race/ethnicity	Unemployment rate	Approximate # of unemployed
White, non-Hispanic	3.1%	48,600
Black, non-Hispanic	6.6%	54,000
Asian	1.8%	12,600
Hispanic	5.9%	64,200
Other*	16.4%	10,000

Borough		
Bronx	7.0%	41,000
Brooklyn	4.4%	58,100
Manhattan	3.3%	27,800
Queens	4.5%	52,000
Staten Island	3.2%	10,500

(average of Jan-April 2024)

\*Should be interpreted with caution due to small sample size Source: Author's analysis of the Current Population Survey January–April 2024 The case for a stronger focus on primary-age working adults is straightforward. As of November 2024, New York City's unemployment rate was up to 5.4 percent, compared to 4.4 percent statewide and 4.2 percent nationally.<sup>17</sup> In a city of over 8 million residents, an unemployment rate around 5 percent means well upwards of 200,000 unemployed residents. Further, as with many socioeconomic outcomes in the city, there are substantial disparities in labor market outcomes, most notably along racial-ethnic and geographic lines.

As Table 7 shows, the unemployment rate for Black New Yorkers was more than twice that of White residents through the first months of 2024, while Bronx residents were more than twice as likely to be jobless as Manhattan residents.

Beyond those who are "officially" unemployed is a much larger number of New Yorkers who have not looked for work recently and are considered out of the labor force. Many of these individuals are in school, have family responsibilities, are retired, or have some other reason that they are not seeking employment.<sup>18</sup> However, a small but significant number of these individuals (approximately 62,000 across New York City)<sup>19</sup> are "discouraged workers," who do want a job and have looked for work within the previous 12 months, but gave up looking because they did not believe there was a job available for them or for which they could qualify. In addition to those not working, another 900,000-plus New Yorkers are employed in low-wage positions that may not offer a viable path toward advancement or economic security. A considerable number of people work part-time but would prefer full-time work. As with unemployment figures, data show substantial disparities concerning the types of jobs that New Yorkers are employed in. Asian, Black, and Latino workers are most likely to be concentrated in low-wage occupations; a 2022 report found that even among workers with a Bachelor's degree, Black and Latino workers often have difficulty accessing higher-paying roles.<sup>20</sup> Outer-borough residents are overrepresented among the low-wage workforce as well. While 22 percent of all employed New York City residents work in low-wage jobs, that figure approaches nearly one-third for Hispanic workers and residents of the Bronx.

#### TABLE 8: SHARE OF WORKERS IN LOW-WAGE OCCUPATIONS BY RACE/ETHNICITY AND BOROUGH

Age group	Share of workers in low-wage occupations	Share of workers in mid-wage occupations	Share of workers in high-wage occupations	Approx # in low-wage occupations
16-24	41.7%	45.7%	12.5%	146,700
25–54	19.5%	53.6%	26.9%	561,100
55+	22.8%	56.1%	21.1%	198,300
Race/Ethnicity				
White, non-Hispanic	10.8%	51.9%	37.3%	152,000
Black, non-Hispanic	24.5%	60.6%	14.9%	195,400
Asian	28.8%	41.6%	29.6%	180,900
Hispanic	31.5%	56.8%	11.8%	343,000
Other*	20.1%	55.0%	25.0%	34,900
Borough				
Bronx	32.6%	56.0%	11.4%	188,600
Brooklyn	21.8%	54.9%	23.3%	273,700
Manhattan	13.7%	45.2%	41.1%	121,500
Queens	24.5%	55.7%	19.9%	280,400
Staten Island	18.5%	59.8%	21.7%	42,000
Total	22.1%	53.4%	24.4%	906,200

Low-wage jobs were defined as those with a median wage of less than two-thirds of the overall median wage (\$28.50/hr); middle-wage jobs are those with a median wage between two-thirds and two times the overall median wage; and high-wage jobs are those with a median wage of more than twice the overall median wage.

\*Should be interpreted with caution due to small sample size

Source: Author's analysis of the 2018-2022 American Community Survey

While young adults comprise the largest percentage of low-wage workers, many in this category are in school and/or working part-time jobs to gain valuable experience. Most low-wage workers—over 560,000are of prime working age, between 25 and 54. Among the low-wage occupations that employ the most workers are home health aides, cashiers, retail salespersons, waiters and waitresses, and cooks.

## Conclusion

Each of New York City's last three mayors has put in place key premises that continue to shape the policy and budgetary landscape in workforce policy. Michael Bloomberg prioritized employer demand for adult workers and SBS and DYCD as the key agencies responsible for programming. Bill de Blasio attempted to rebalance the orientation of services between employers and job seekers while beginning to redirect investment toward youth by expanding SYEP. Eric Adams cemented that shift, emphasizing career readiness within the public school system, and articulated a more complete workforce policy agenda through Executive Order 22, including a commitment that 'young New Yorkers should be on track for career success and economic security by age 25.'

As this report shows, City spending on workforce development has roughly followed these policy shifts. Under de Blasio and Adams, youth programs, particularly SYEP, have received robust funding support. At the same time, the City has not directed substantial new money to put more than 900,000 low-income workers on a path to economic security. Nor has it yet unlocked the significant private sector funding required to scale successful programs and innovations. Public dollars are finite, and workforce development, while a critical part of the City's broader economic efforts, is not the only urgent priority. Balancing the needs of different groups and stakeholders within the workforce ecosystem remains a pressing challenge. In this election year, NYCETC hopes this report can help frame a conversation on how to utilize workforce development dollars most effectively to support equitable growth.

## Appendix I — Methodology and Budget Tables

New York City does not have a standard definition of "workforce development," nor is there a single official "workforce budget." As such, researchers must decide what to include in an analysis of this kind. Due to the scope and varying nature of workforce development activities across different city agencies, this report does not claim to present an exhaustive account of the City's workforce development efforts.

Excluded from this analysis are the many programs that provide workforce services for particular target populations, such as youth in foster care (run by the Administration for Children's Services), individuals with developmental disabilities (Department of Health and Mental Hygiene), older New Yorkers (Department for the Aging), and justice-involved individuals (Mayor's Office of Criminal Justice), among others. Significantly, workforce programs operated by the City University of New York (CUNY) and its 25 colleges are omitted. These programs include career advising and job placement assistance; applied degree programs emphasizing industry connection and hands-on learning; and professional development and non-degree training courses and programs.

Unless otherwise noted, funding levels represent allocations determined in the City's adopted budget for that fiscal year. They may not represent final allocations or spending (we include adopted budgets and actuals for the three primary City agencies). Below are adopted budget figures, along with year-over-year and cumulative changes, for the three primary agencies administering workforce development programs in New York City.

Year	Nominal	FY2024 dollars	Change (year over year)	Change (cumulative since 2009)
2009	\$93,602	\$134,975		
2010	\$102,173	\$145,975	8.1%	8.1%
2011	\$70,909	\$99,292	-32.0%	-26.4%
2012	\$62,976	\$85,665	-13.7%	-36.5%
2013	\$54,194	\$72,508	-15.4%	-46.3%
2014	\$67,110	\$88,414	21.9%	-34.5%
2015	\$90,441	\$118,295	33.8%	-12.4%
2016	\$84,647	\$109,974	-7.0%	-18.5%
2017	\$127,728	\$162,936	48.2%	20.7%
2018	\$169,061	\$210,969	29.5%	56.3%
2019	\$186,201	\$227,587	7.9%	68.6%
2020	\$209,060	\$251,652	10.6%	86.4%
2021	\$121,997	\$143,504	-43.0%	6.3%
2022	\$196,232	\$215,438	50.1%	59.6%
2023	\$288,695	\$298,231	38.4%	121.0%
2024	\$306,150	\$306,150	2.7%	126.8%

### DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

## HUMAN RESOURCES ADMINISTRATION (HRA)

Year	Adopted	FY2024 dollars	Change (year over year)	Change (cumulative since 2009)
2009	\$276,382	\$398,546		
2010	\$238,280	\$340,431	-14.6%	-14.6%
2011	\$221,842	\$310,639	-8.8%	-22.1%
2012	\$204,278	\$277,876	-10.5%	-30.3%
2013	\$206,601	\$276,420	-0.5%	-30.6%
2014	\$210,346	\$277,120	0.3%	-30.5%
2015	\$206,353	\$269,907	-2.6%	-32.3%
2016	\$229,915	\$298,706	10.7%	-25.1%
2017	\$237,188	\$302,569	1.3%	-24.1%
2018	\$238,855	\$298,063	-1.5%	-25.2%
2019	\$346,525	\$423,546	42.1%	6.3%
2020	\$358,148	\$431,114	1.8%	8.2%
2021	\$283,125	\$333,038	-22.7%	-16.4%
2022	\$328,514	\$360,666	8.3%	-9.5%
2023	\$320,835	\$331,433	-8.1%	-16.8%
2024	\$225,482	\$225,482	-32.0%	-43.4%

## SMALL BUSINESS SERVICES (SBS)

Year	Adopted	FY2024 dollars	Change (year over year)	Change (cumulative since 2009)
2009	\$55,722	\$80,352		
2010	\$80,902	\$115,585	43.8%	43.8%
2011	\$56,974	\$79,779	-31.0%	-0.7%
2012	\$64,163	\$87,280	9.4%	8.6%
2013	\$57,697	\$77,195	-11.6%	-3.9%
2014	\$45,241	\$59,603	-22.8%	-25.8%
2015	\$45,214	\$59,139	-0.8%	-26.4%
2016	\$56,073	\$72,850	23.2%	-9.3%
2017	\$58,253	\$74,310	2.0%	-7.5%
2018	\$59,974	\$74,841	0.7%	-6.9%
2019	\$84,616	\$103,423	38.2%	28.7%
2020	\$95,682	\$115,176	11.4%	43.3%
2021	\$69,750	\$82,046	-28.8%	2.1%
2022	\$64,649	\$70,976	-13.5%	-11.7%
2023	\$64,574	\$66,707	-6.0%	-17.0%
2024	\$57,534	\$57,534	-13.8%	-28.4%



# **Appendix II — Data Sources**

Data for this report comes from a variety of sources. Data on citywide unemployment comes from the New York State Department of Labor. Data on the demographic composition of the unemployed comes from the author's Current Population Survey data analysis. Data on workers by wage category comes from the author's analysis of the American Community Survey.

Adopted and actual budgets for DYCD, HRA, SBS, and the Parks Opportunity Program and City Council spending come from the City Council's budget website (https://council.nyc.gov/budget/). Amounts are made available in the preliminary budget reports for the relevant agency. NYCHA funding comes from the NYCHA budget book (https://www.nyc.gov/site/nycha/about/ annual-plan-financial-information.page). Data on NYC Public Schools budgets comes from School Allocation Memorandums (<u>https://infohub.nyced.org/</u> reports/financial/financial-data-and-reports/school-allocation-memorandums).

Data on program participants and job placements comes from the FY2024 Preliminary Mayor's Management Report, with the following exceptions: Data on the Student Pathways Initiative comes from the Student Pathways Initiative School Allocation Memorandum; data for Advance & Earn comes from the Mayor's Office for Economic Opportunity Fiscal 2023 Performance Data report; and Work, Learn & Grow data comes from the Department of Youth & Community Development 2023 Annual Report.

Data on WIOA funding comes from the New York State Department of Labor.

## Endnotes

- 1. This report defines "youth and young adults" as New Yorkers up to age 24; "priority adult populations" as those receiving cash assistance or related support such as SNAP (Supplemental Nutrition Assistance Program), living in public housing, or other defined category of high need; and "other working-age adults" as all New Yorkers ages 18 to 65 who are able to work. There is overlap between these categories: for instance, all three main workforce agencies might serve 18-24 year-olds, and adult cash assistance recipients or NYCHA residents might utilize SBS services.
- 2. Ester Fuchs, Rachel Hare, and Hannah Nudell, "Innovations in City Government: The Case of New York City's Workforce Development System," Columbia University, 2008.
- 3. Jobs for New Yorkers Task Force, "Career Pathways: One City Working Together," November 2014.
- 4. City of New York, "Executive Order 22". August 2022.
- 5. Mayor's Office of Talent and Workforce Development, "Pathways to an Inclusive Economy: The Future of Workers Task Force Blueprint," June 2023.
- The Council of the City of New York, Fiscal Year 2025 Adopted Expense Budget, Adjustment Summary/Schedule C, June 30, 2024. These figures include funding for some SBS programs that could be considered business services, and does not include funding for all workforce programs that fall under different discretionary spending categorizations.
- 7. "Mayor Adams Announces Major Investment in NYC Workers and Employers, new Approach to Talent and Workforce Development with \$18.6 Million Federal Grant". Office of the Mayor. Official Website for the City of New York. August 15, 2022.
- 8. "Annual Report," New York State Office of Strategic Workforce Development. February 1, 2024.
- 9. Information provided to the author by the New York City Workforce Funders Collaborative. The total funding amount was higher, as the survey included responses from only 30 funders.
- 10. As a note of caution, these figures are neither as comprehensive nor as categorical as one might wish. For instance, HRA expenditures include a program for public assistance recipients ages 18 to 24, called <u>YouthPathways</u>, and thus could be considered as youth/young adult spending instead of priority adult populations.
- 11. City of New York: "Pathways to an Inclusive Economy: A Blueprint for Young Adult Career Success," December 11, 2023.
- 12. Due to a lack of available historical data, the Work, Learn & Grow and Advance & Earn programs are not included in DYCD's budget figures.
- 13. Previously limited to public assistance recipients, POP eligibility is now effectively universal.
- 14. Unlike DYCD or HRA, most SBS programs do not pay participants' wages or award cash grants.
- 15. NYC Center for Economic Opportunity, Evidence and Impact, 2009.
- 16. The City of New York, "Mayor's Management Report," September 2024.
- 17. New York State Department of Labor, "NYS Private Sector Employment Up 11,900 Jobs in November 2024," Dec. 19, 2024.
- 18. Hipple, Steven F. "People who are not in the labor force: why aren't they working?" United States Bureau of Labor Statistics.

   December 2015.
- 19. Author's analysis of 2023 Current Population Survey Outgoing Rotation Group file
- 20. Treschan, Lazar & Mehrotra, Apurva. "The Key for an Inclusive Economy: Reimagining Youth Talent Development for the Next New York City." HERE to HERE August 2021.

#### ABOUT NEW YORK CITY EMPLOYMENT AND TRAINING COALITION (NYCETC)

The New York City Employment and Training Coalition (NYCETC), the largest city-based workforce development association in the U.S., works to ensure that every New Yorker can access the skills, training, and education necessary to thrive in the post-pandemic economy, and that every business can maintain a highly skilled workforce. NYCETC aims to expand access to quality jobs and wages by shaping an effective, sustainable workforce development ecosystem in NYC.

#### NYCETC's work centers on two main goals:

- Serving as an intermediary between training providers and employers to streamline connections between job seekers and employment opportunities, especially in high-growth sectors.
- Advancing budgetary, legislative, and compliance initiatives that strengthen partnerships between employers and training providers, reduce workforce barriers for underserved populations, and support local economies.

To achieve these goals, NYCETC fosters collaboration among networks of education, training, and employment providers, partners on research and policy briefs, and regularly engages members through briefings, conferences, and communications to highlight successful practices.

For nearly 30 years, NYCETC has increased access to investments and support for underserved New Yorkers primarily people of color, low- and moderate-income individuals, and those facing systemic barriers to employment—positioning them for workforce success. Today, NYCETC's membership includes over 200 organizations operating at more than 400 locations across New York City, each dedicated to expanding access to education and employment opportunities and preparing New Yorkers for sustainable careers in growing industries.

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