



## New York State’s Labor Market, Spring 2026: The Calm Before the Storm?

By David Fischer sponsored by United Way of New York State

### The big picture:

Considering all the upheaval in the economy and labor market over the last year-plus, it is somewhat surprising that the underlying numbers have not moved all that much during that time.

Overall employment in New York State is relatively level compared to early 2025, and the job mix across sectors and occupations is mostly unchanged since then. But there’s reason to believe danger lies ahead: rising inflation is already adding pressure, and other disruptions—including immigration restrictions, changes to Medicaid and other social safety net programs, and the continuing implementation of AI—are likely to make themselves felt as well.

### **Unemployment rates**

	<b>March 2026</b>	<b>February 2026</b>	<b>March 2025</b>
NYS unemployment rate	4.6%	4.6%	4.1%
NYC unemployment rate	5.7%	5.8%	5.1%
Rest of NYS unemployment rate	3.8%	3.8%	3.6%
US unemployment rate	4.3%	4.4%	4.2%

*Source: New York State Department of Labor, Division of Research and Statistics*

Quick take: New York’s employment situation has slightly worsened since early last year, with the overall jobless rate up by half a point. Statewide unemployment is rising at a somewhat faster pace than nationally. An increase in unemployment in New York City largely has driven the statewide rise, though as shown below, nearly every county in New York saw at least a slight rise before March 2025 and March 2026.

Understanding U-6 Rates: U-6 is a measure that the federal Bureau of Labor Statistics tracks capturing “labor underutilization”: all workers who are unemployed, involuntary under-employed—holding part-time when they would prefer to work full-time—and “discouraged,” meaning they are no longer actively looking for work. Over the last two years, New York’s statewide U-6 average has exactly tracked the national rate. New York City saw a slight decline in U-6 from 2023 to 2024.

### **U-6 rates**

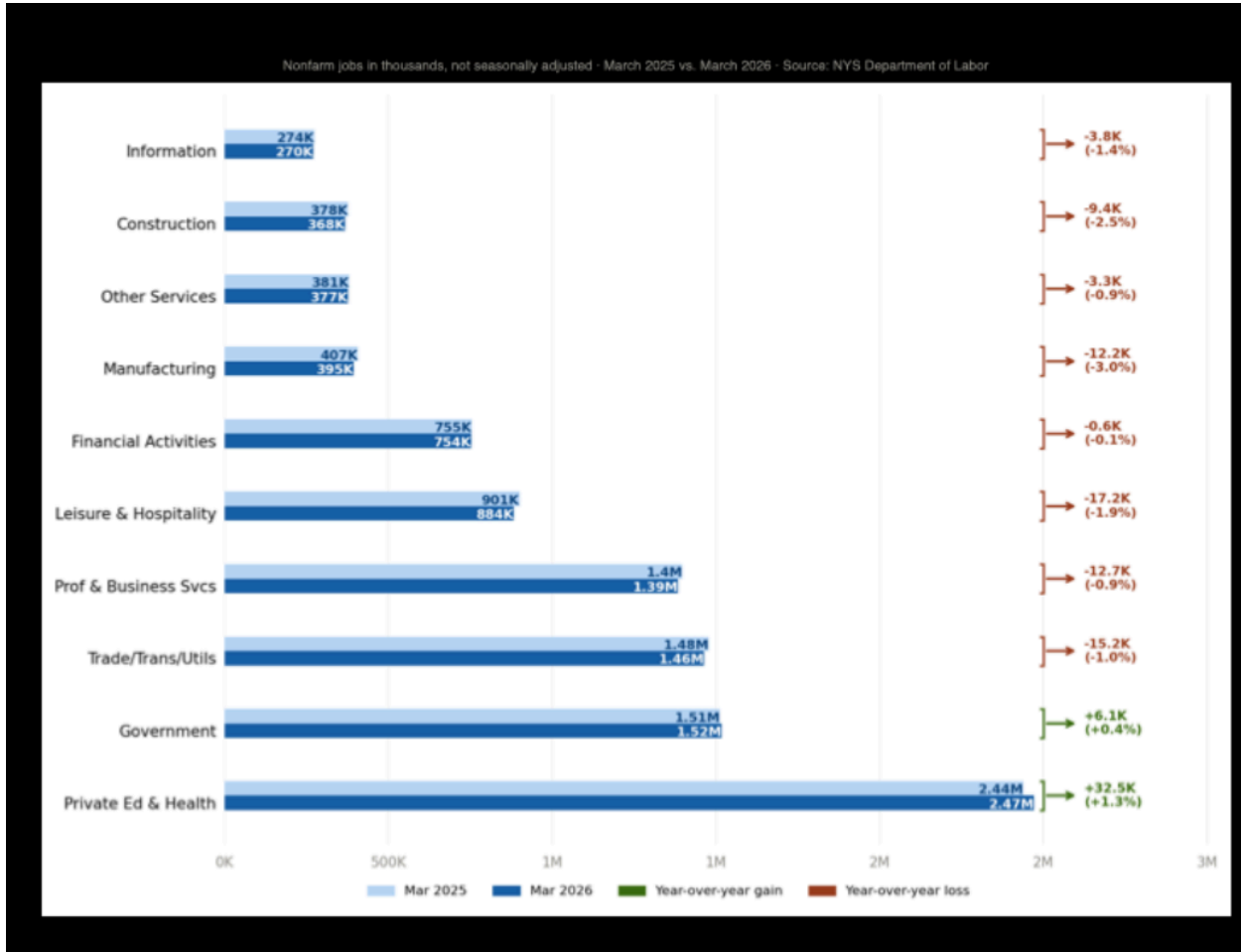
	<b>U-6 rate, 2025</b>	<b>U-6 rate, 2024</b>	<b>U-6 rate, 2023</b>



New York City	9.4%	9.4%	9.8%
New York State	8.0%	8.0%	8.1%
US	8.0%	8.0%	6.9%

Source: U.S. Bureau of Labor Statistics, [“Alternative Measures of Labor Underutilization in New York – 2025”](#)

### NYS Employment by Sector



Source: [New York State Department of Labor, Division of Research and Statistics](#)

**Quick take:** Eight of the ten sectors that employ the most New Yorkers statewide lost jobs between March 2025 and March 2026, with the largest percentage decline in manufacturing employment (3 percent) and the largest numerical losses in leisure & hospitality (-17,200 jobs) and trade/transportation/utilities (-15,200).





highest unemployment are Hamilton (7.5 percent), the Bronx (6.6 percent), Lewis (6.0 percent), Jefferson (5.7 percent), and Schuyler (5.6 percent).

What's next: The economic headwinds being felt nationally have potential to bite harder in New York than elsewhere. The ongoing impact of federal tariff policy over the last year-plus could have a negative impact across sectors that depend on international trade, as well as finance and professional services. Immigration enforcement poses another threat: employment is already down in sectors such as construction, manufacturing, and leisure/hospitality that employ large numbers of workers born outside the U.S., and more aggressive enforcement could further depress the labor supply.

But perhaps the most significant threat to New York's labor market comes from the One Big Beautiful Bill Act. Passed by Congress in 2025 on a strict party-line vote, this legislation will impose significant cuts to Medicaid and other essential programs that serve as the foundation of New York's social safety net. Hundreds of thousands of New Yorkers are at risk of losing health insurance as a result of the new law.

Reliable forecasters and trusted sources estimate that OBBBA cuts could eliminate 78,000 direct healthcare jobs statewide, with related economic effects that could wipe out an additional 136,000 jobs. Additional cuts to the Supplemental Nutrition Assistance Program (SNAP) are projected to reduce spending at small grocery stores—driving a fall in retail employment. Most of OBBBA's most significant cuts go into effect toward the end of 2026, suggesting that 2027 could be a very challenging year for New York's labor market.