

DECEMBER 22, 2009

Jobless Middle-Class New Yorkers Struggle to Get By

High Unemployment Takes Toll on Once-Thriving Neighborhoods, Where Foreclosures Are Up and Recovery Is Elusive

By SUZANNE SATALINE

High unemployment is spreading in New York City beyond the poorest neighborhoods to once-secure middle-class enclaves, where some residents are falling behind on rent and mortgage payments.

Among the hardest-hit spots are the northern Bronx and southeastern Queens. Both areas have seen unemployment double since the third quarter of 2007, according to the Fiscal Policy Institute, a nonpartisan think tank.

"The recovery in the labor market is a long way off and it will be a long time coming to middle-income neighborhoods," said James Parrott, the institute's deputy director and chief economist.

Close to half of all New Yorkers work for small and medium-size businesses, Mr. Parrot said, "and they don't readily recover in a downturn."

New York City has shed 144,000 jobs since August 2008, leaving it with an unemployment rate of 10% as of November, on par with the national average. But some pockets are much worse, including neighborhoods that haven't typically experienced such severe joblessness.

The Bronx, with its big public-housing complexes, lower education levels and large unskilled population, long has had the highest unemployment rate in the city.

In the third quarter, the Bronx's jobless rate was 13%, the institute said. But in the northernmost stretch, populated by middle- and working-class families, bordering Westchester County suburbs, unemployment was 12.2% in the third quarter, more than double the rate of two years earlier, the institute found.

Residents, city officials and economists said there have been more foreclosure cases this year in that northern part of the Bronx, as well as an increase in small-business closings, illegal renting of bedrooms and basements, and court petitions by landlords seeking back rent.

Restaurant employee Gregory Ramsden, a 46-year-old renter in the Norwood neighborhood of the north Bronx, has been looking for full-time work since June 2008. He has been teaching classes in English as a second language, but hasn't had enough money to pay the rent on his apartment since July. His landlord has begun eviction proceedings.

"I'd take anything. I'd take a job cleaning toilets," said Mr. Ramsden, who, as a full-time waiter, used to make \$50,000 a year, the area's median income. "I believe I'm running out of options."

On the southeastern strip of Queens, where generations of families have entered the middle class by buying

starter homes, unemployment has doubled in the past two years to 12.2%.

In 2008, there were more than 1,800 foreclosure cases filed in the area, and 1,589 filed as of the third quarter of this year, according to the Furman Center for Real Estate and Urban Policy at New York University.

Residents said vacant homes in the area -- known largely as Jamaica -- have attracted illegal dumping, more rodents and break-ins. "You've got squatters going in," said Yvonne Reddick, district manager of a community board for the area.

The Center for an Urban Future, a nonpartisan think tank, has found that food, housing and utility costs for New Yorkers rose significantly between 2002 and 2007 while wages in boroughs other than Manhattan stagnated.

"The path into the middle class has gotten a lot harder for New Yorkers," said Jonathan Bowles, director of the think tank.

Write to Suzanne Sataline at suzanne.sataline@wsj.com