

# Fiscal Policy Institute

World Trade Center Impacts Take a  
Heavy Toll on Low-Wage Workers

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# Overview

- Defined economic event
- Estimated and modeled industry impact
- Estimated occupational/wage impact

# **Defining Economic Event**

## **Scope of Study for Sept. 11<sup>th</sup> Attack**

- Separated Impact and Recession
- Location - NYC
- Time – thru 4<sup>th</sup> Q 2001

# Estimating and Modeling Industry Impact

- Estimated employment impact on key affected industries
- 3-part analysis used IMPLAN to model direct, indirect and induced effects
- Evaluated output effects

# Estimating Industry-specific Impacts

- Newspaper reports
- Industry representatives
- Union representatives
- Knowledge of industries, particularly those harder to track (contingent)
- Tax receipts
- Government analysts

# Key Areas Analyzed for Impact

World Trade Center Area  
Security and Commodity Brokers  
Retail  
Restaurants  
Banking  
Apparel  
Building Services  
Other Finance-related Industries

Spillover Industries  
Air Transportation  
Local Transportation  
Food Manufacturing  
Hotels and Motels  
Restaurants  
Theatrical and Other Producers  
Advertising-related Industries

Consumption Spending

# 3-Part Analysis

1. JOBS LOST: industry estimates used to model indirect and induced effects
2. JOBS RELOCATED: used to model indirect effects
3. CONSUMER SPENDING DECLINE: used to model induced effects

# IMPLAN Model for Direct, Indirect and Induced Effects

31-Oct-01					
COMPOSITE DIRECT IMPACT ESTIMATE: EMPLOYMENT					
IMPACT NAME: Nov 2nd Composite Direct Impact Estimate      MULTIPLIER: Type SAM					
Copyright I      2001 1998 NYC Data Model.iap					
Industry		Direct*	Indirect*	Induced*	Total*
433	Railroads and Related Services	0	9.1	7.1	16.2
434	Local- Interurban Passenger Transit	3,722.00	35.7	54	3,811.70
435	Motor Freight Transport and Warehou	0	217.1	93	310.1
436	Water Transportation	0	7.7	12.5	20.2
437	Air Transportation	5,500.00	140.9	71.5	5,712.50
438	Pipe Lines- Except Natural Gas	0	0.3	0.1	0.4
439	Arrangement Of Passenger Transport	0	626.3	22.7	649
440	Transportation Services	0	58.9	15.8	74.7
441	Communications- Except Radio and	0	128.7	74.3	203
442	Radio and TV Broadcasting	0	73.1	14.6	87.7
443	Electric Services	0	61.5	51.5	113
444	Gas Production and Distribution	0	14.6	16.8	31.4
445	Water Supply and Sewerage System	0	0	0	0
446	Sanitary Services and Steam Supply	0	6.3	1.8	8.1
447	Wholesale Trade	0	1,022.60	470.5	1,493.10
448	Building Materials & Gardening	0	5	78	83
449	General Merchandise Stores	1,250.00	6.1	303	1,559.10
450	Food Stores	0	6.1	464.1	470.2
451	Automotive Dealers & Service Station	0	3.7	135	138.7
452	Apparel & Accessory Stores	1,250.00	3.4	225.8	1,479.20
453	Furniture & Home Furnishings Stores	0	3.6	173.2	176.8
454	Eating & Drinking	15,000.00	425.2	1,238.00	16,663.20
455	Miscellaneous Retail	2,500.00	25.7	781.8	3,307.50
456	Banking	0	77.6	103.6	181.1
457	Credit Agencies	0	249.3	128.8	378.1
458	Security and Commodity Brokers	2,000.00	235.6	43.7	2,279.30

# Evaluating output effects

In some industries a drop in business revenues reduced hours and earnings:

A few of these are:

- Garment workers
- Graphic artists
- Taxi and livery service
- Restaurant workers

# Estimating Occupational and Wage Impact

- Occupational Employment Survey Industry-Occupation matrix
- Methodology
- Results

# Occupational Employment Survey Industry Occupation Matrix

New York City OES DATA 1998			
INDUSTRY	OCC COD	TITLE	ESTIMATE
6210	130023	Financial managers	4513
6210	130053	Personnel, training, labor relations managers	443
6210	130083	Purchasing managers	34
6210	130113	Marketing, advertising, public relations managers	1324
6210	130143	Administrative services managers	1529
6210	130173	Engineering, mathematical, natural sciences manage	507
6210	150113	Property & real estate managers	138
6210	150233	Communications, transportation, utilities managers	39
6210	190053	General managers & top executives	5195
6210	199993	Managers & administrators, n.e.c.	2920

Median and mean regional wages are associated with each occupational code.

# Methodology

1. Analyzed largest industries
2. Wages adjusted to 2001
3. Ranked occupations by average wage

# Results

**Table 3**

**September 11 World Trade Center-Related Layoffs  
Twenty-Five Hardest Hit Occupations**

Rank	Occupational Title	Sum	Median Wage	Mean Wage
1	Waiters & waitresses	4,200	\$7.08	\$8.87
2	Janitors & cleaners	3,400	\$14.91	\$14.18
3	Salespersons, retail	2,800	\$9.15	\$11.45
4	Food preparation workers	2,300	\$8.90	\$9.69
5	Cashiers	2,300	\$7.36	\$8.58
6	Maids & housekeeping cleaners	1,800	\$13.42	\$13.00
7	Food preparation & fast-food servers	1,700	\$7.09	\$8.14
8	Cooks, restaurant	1,600	\$11.58	\$12.97
9	General managers & top executives	1,400	\$51.34	\$47.10
10	Sales supervisors	1,200	\$22.42	\$27.26
11	Service supervisors, n.e.c.	1,100	\$16.46	\$18.98
12	Cooks, fast-food	1,100	\$7.05	\$7.38
13	Sewing machine operators	1,000	\$8.02	\$9.10
14	Flight attendants	1,000	\$18.91	\$23.95
15	Stock clerks, sales floor	1,000	\$7.80	\$9.20
16	Clerks, general office	900	\$12.96	\$13.56
17	Accountants & auditors	800	\$25.22	\$27.95
18	Reservation & transportation ticket agents	800	\$13.07	\$14.99
19	Secretaries, except legal & medical	800	\$17.54	\$18.26
20	Truck drivers, light	800	\$13.22	\$14.27
21	Helpers, laborers, movers, n.e.c.	700	\$11.32	\$14.18
22	Bartenders	700	\$7.55	\$9.37
23	Bookkeeping, accounting, auditing clerks	700	\$16.43	\$17.50
24	Counter attendants	700	\$7.08	\$7.87
25	Dining room & bartender helpers	600	\$7.02	\$8.36
	Total, These 25 Occupations	35,500		

Source: Fiscal Policy Institute's estimates using New York State Dept. of Labor' Occupational-Industry Employment Matrix. Wages estimated for 2001.

Taken together, 60% of the jobs affected by September 11<sup>th</sup> have an average wage of \$11.00 an hour.