

New York City Economic Snapshot

March 2023

Dear NYC Partner,

As the entity charged with driving the city's economic growth, we are pleased to release our latest monthly Economic Snapshot. This report assembles and highlights data from key sources that we track most closely in measuring the strength of NYC's economy. This month, due to annual re-benchmarking of data by NYS Department of Labor, there are two releases of labor market data: for January and February. This Snapshot covers the second release, which reflects February employment and unemployment data.

While decisive federal action appears to have limited the negative impacts of the recent Silicon Valley National and Signature bank closures, we continue to monitor the banking sector and work closely with our partners in the NYC tech ecosystem. The city is now home to 369,000 tech jobs and this sector has grown faster than any other over the last 15 years.

A few highlights from this month's report include:

- The private sector added 26,600 jobs in February, bouncing back after what revised data showed was a loss of 19,800 jobs in January. Private sector employment is now at 99.5% of pre-COVID levels, and the city is 21,700 jobs away from a full recovery.
- The labor force participation rate hit 61.7% in February, a new record high and another sign of progress in the city's economic recovery.
- We continue to monitor potential headwinds facing specific sectors. Revised January data revealed job losses in both the Information and the Professional, Scientific and Technical sectors, reflecting in part the challenges facing tech firms, film and music production companies, and telecommunications providers among others.
- Return-to-office metrics were stable in February, and office occupancy has doubled over the past year as New Yorkers continue to return to the office.
- Tourism metrics were stable as well over the past month, and the tourism sector remains firmly on the path to recovery.

Despite some headwinds, the City continues to add jobs and our residents continue to start businesses—hallmarks of a continuing recovery. Having a clear picture of the city's economic data informs our work here at NYCEDC, as we build a more vibrant and inclusive economy. We hope you find it useful in your work as well.



Andrew Kimball
President & CEO,
New York City Economic Development Corporation

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
Key Takeaways: Labor Market NYC added 26,600 private sector jobs in February, bouncing back from what revised data shows was a loss of 19,800 jobs in January. The city is now at 99.5% of pre-pandemic employment levels, 21,700 jobs away from a full recovery. Revised January data showed losses in Information (-10,200) and Professional, Scientific and Technical (-9,200), reflecting in part recent weakness in industries like tech, film and music production, and telecommunications. Accommodation and Food Services employment has increased 18% in the past year, the strongest growth of any sector. The city's labor force continues to grow—the labor force participation rate rose to a new record high of 61.7%, while the unemployment rate rose slightly to 5.4%.				
City Private Sector Employment Change & Annual Growth Rate (Feb 2023)	+26,600 +4.7% y/y	-19,800 +5.6% y/y	+239,900	+6,500 per month +2.4% y/y (2019 avg)
Metro Area Employment (Feb 2023)	+20,000 +3.0% y/y	+21,600 +3.7% y/y	+411,400	+7,800 per month, +1.3% y/y (2019 avg)
Job Postings (Feb 2023)	68,300	71,100	1,148,000	76,600 (2019 avg)
Labor Force Participation (Feb 2023)	61.7%	61.4%	+1.3 pct pts	60.2% (Feb 2020)
Unemployment Rate (Feb 2023)	5.4%	5.3%	-2.6 pct pts	4.3% (Feb 2020)
BIPOC Unemployment Rate (2022:Q4)	7.3%*	7.4%	-1.4 pct pts	4.6% (2020:Q1)
Black Unemployment Rate (2022:Q4)	11.1%*	11.0%	-0.5 pct pts	5.3% (2020:Q1)
White Unemployment Rate (2022:Q4)	2.8%*	3.4%	-2.5 pct pts	1.9% (2020:Q1)
Key Takeaways: Business Activity New business creation reached a five-year high during 2022:Q2, as over 32,100 (or 1 in 9) businesses in NYC started in the past year (including 6,700 businesses in Q2). VC funding weakened in Q4, and at \$3.6 billion, was down 75% from 2022:Q1. However, VC funding still managed to post its second-best year ever in 2022, with \$28 billion of VC activity this past year, which is 20% higher than the city's funding total in 2019.				
New business formation (2022:Q2)	6,700	6,900	13,600	7,100 (2019 avg)
Net business formation (2022:Q2)	+2,250	+100	+2,350	+400 (2019 avg)
VC Funding (2022:Q4)	\$3.599B	\$6.121B (2022:Q3)	\$27.976B	\$5.599B (2019:Q4)
VC Funding (2022 through Q4)	\$27.976B	\$48.845B (2021 through Q4)	n/a	\$23.248B (2019 through Q4)

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
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Key Takeaways: Real Estate
 Office occupancy metrics were relatively stable in February and are much improved from a year ago, signaling more New Yorkers are returning to office. Vacancy rates ticked up in Q4 and are elevated compared to pre-COVID, but they are not at crisis levels. Manhattan office vacancy rates are elevated compared to Citywide vacancy rates, and they increased in Q4 to 18.3%.

Kastle Office Occupancy (4-wk avg, 11/16)	46.2%	48.1%	+23.2 pct pts	100%
PFNYC Return to Office Survey (Sep 2022)	52%	49% (Sept. 2022)	+24 pct pts (Oct 2021)	n/a
Manhattan Office Vacancy Average** (2022:Q4)	18.3%	17.8%	+0.5 pct pts	10.3% (2019 avg)
Office Vacancy Rate (2022:Q4)	13.0%	12.8%	+0.9 pct pts	7.6% (2019 avg)
Retail Vacancy Rate (2022:Q4)	4.1%	4.1%	+0.3 pct pts	3.4% (2019 avg)

Key Takeaways: Tourism & Transit
 Tourism indicators were stable this month and are still firmly on the path to recovery. Subway ridership ticked up this month, while bus ridership fell slightly to 65.5%.

Broadway Attendance (4 wk avg, 2/26/23)	81.5%	83.4%	+11 pct pts	100%
Hotel Occupancy Rate (Nov 2022)	69.6%	65.8%		78.1% (Feb 2019)
Times Sq. Ped Count (30-day avg, 1/8/23)	74.7%	76.4%	+2.2 pct pts	100%
Subway Ridership (30-day avg, 3/9/23)	69.6%	69.4%	+13 pct pts	100%
Bus Ridership (30-day avg, 3/9/23)	65.5%	66.5%	+2 pct pts	100%

Sources for the New York City Economic Snapshot include the NYS Department of Labor, the US Bureau of Labor Statistics, Lightcast, Pitchbook, Kastle Systems, the Partnership for New York City, Costar, Cushman & Wakefield, Newmark, Savills, Colliers, JLL, Broadway League, STR, Times Square Alliance, and MTA Open Data.

* Quarter-to-quarter changes within 1 percentage point are likely statistically insignificant due to the small sample size.

** this is a simple average of vacancy rates from Cushman & Wakefield and JLL, and availability rates from Newmark, Savills, Costar, and Colliers. The Citywide rates are using Costar data.

Legend

- Indicator improved from prior reading
- Indicator worsened from prior reading
- No change

NYC Employment by Industry

INDUSTRY	EMPLOYMENT (thousands)								
	February 2023	January 2023	Previous Month Change	Year-Over-Year Change	Jobs Lost, Pre-Pandemic to Trough	Jobs Regained, Trough to February 2023	Percent of Lost Jobs Regained	Job Change, Pre-Pandemic to February 2023	
FIRE	496	496	0.0%	3.8%	25,600	34,200	133.5%	8,600	
Finance & Insurance	364	362	0.5%	4.6%	10,800	26,200	243.1%	15,400	
Securities	195	194	0.6%	5.0%	5,600	17,900	318.1%	12,300	
Banking	108	107	0.6%	4.4%	3,700	5,800	156.4%	2,100	
Other	62	62	-0.3%	3.7%	1,400	2,500	173.5%	1,000	
Real Estate	132	134	-1.4%	1.6%	16,200	9,300	57.5%	-6,900	
SERVICES	2,799	2,776	0.8%	6.0%	641,700	684,500	106.7%	42,800	
Information	233	229	1.7%	-0.5%	35,400	39,000	110.1%	3,600	
Professional & Business	790	786	0.5%	3.6%	101,500	110,000	108.3%	8,400	
Professional, Scientific & Technical	457	454	0.7%	3.4%	37,500	48,900	130.4%	11,400	
Management of Companies & Enterprises	71	71	0.0%	4.0%	11,100	9,700	87.5%	-1,400	
Administrative & Support	261	260	0.3%	3.7%	57,500	55,900	97.2%	-1,600	
Educational	259	252	2.6%	-2.3%	27,700	30,000	108.5%	2,300	
Healthcare & Social Assistance	899	894	0.6%	8.8%	116,000	191,600	165.1%	75,500	
Arts & Entertainment	81	81	0.4%	5.4%	55,700	41,100	73.7%	-14,700	
Accommodation & Food	353	351	0.6%	18.0%	268,600	247,300	92.0%	-21,400	
Other	185	183	0.9%	5.6%	66,900	55,800	83.5%	-11,100	
TRADE	437	436	0.3%	0.7%	147,300	98,800	67.1%	-48,500	
Retail	307	304	0.9%	0.7%	115,800	76,900	66.4%	-38,900	
Wholesale	130	132	-1.1%	0.7%	31,600	22,000	69.6%	-9,600	
MANUFACTURING	56	57	-1.0%	0.0%	28,100	18,700	66.4%	-9,500	
TRANSPORTATION AND UTILITIES	146	147	-0.6%	-2.8%	39,700	35,600	89.6%	-4,100	
NATURAL RESOURCES, MINING AND CONSTRUCTION	152	148	2.3%	4.8%	74,900	63,900	85.3%	-11,000	
TOTAL PRIVATE	4,086	4,060	0.7%	4.7%	946,300	924,600	97.7%	-21,700	
GOVERNMENT	575	584	-1.4%	0.8%	22,000	2,600	11.9%	-19,400	
TOTAL (PRIVATE + GOVERNMENT) NYC	4,661	4,643	0.4%	4.2%	956,500	915,400	95.7%	-41,100	

Note: Numbers may not add to totals due to rounding. Employment trough is April 2020 except for the following sectors, for which the trough is July 2020: FIRE (inclusive of all sub-sectors), Information, and Government

NYC Metro Area Employment

Compared to Other Major Metro Areas

To give local employment data a national perspective, we compare employment in the NYC Metro Area to other major metro areas around the US. We use metro areas rather than cities to provide a more consistent basis for regional economic comparison.

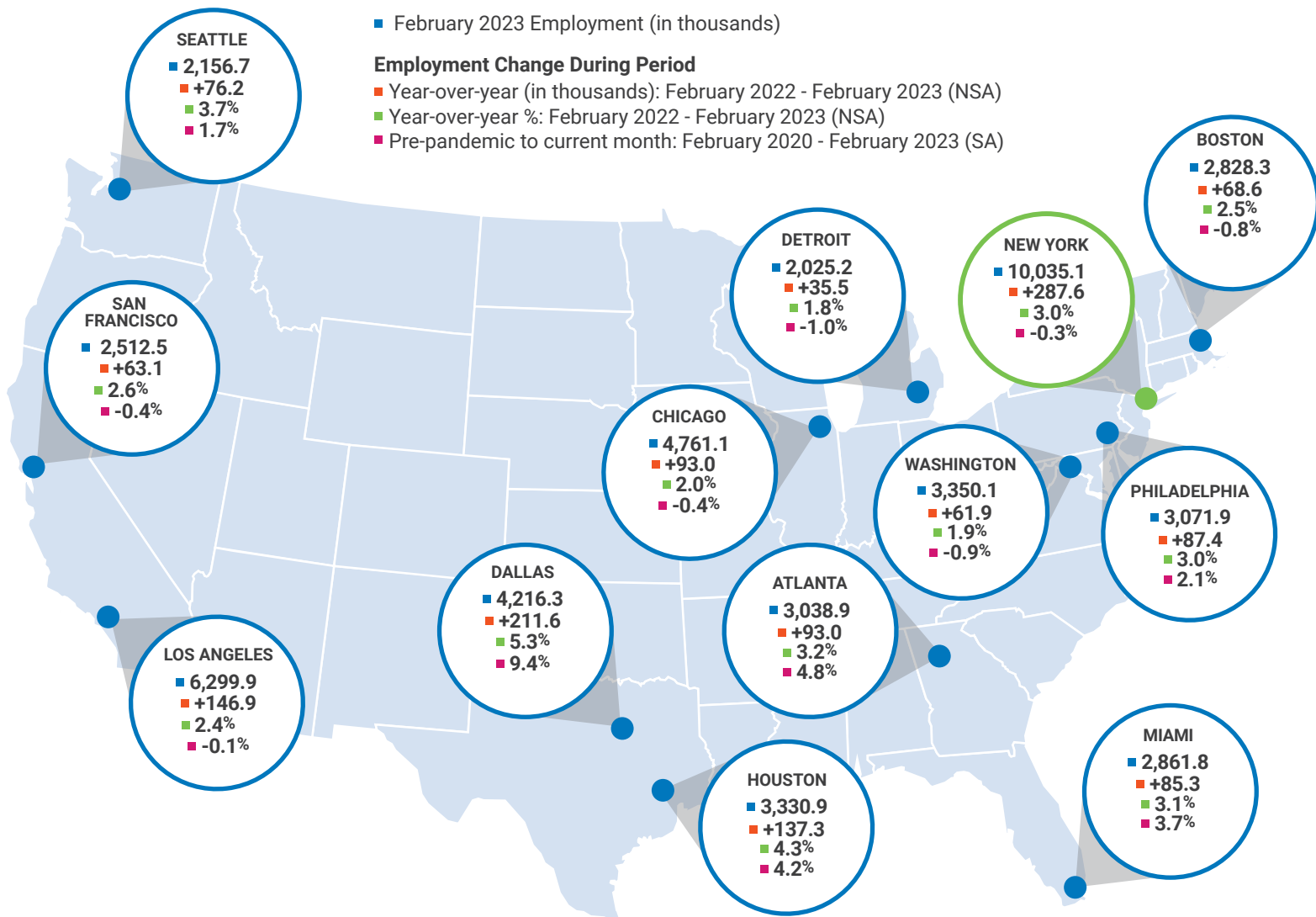
■ February 2023 Employment (in thousands)

Employment Change During Period

■ Year-over-year (in thousands): February 2022 - February 2023 (NSA)

■ Year-over-year %: February 2022 - February 2023 (NSA)

■ Pre-pandemic to current month: February 2020 - February 2023 (SA)



NSA - non seasonally adjusted

SA - seasonally adjusted

Source: US Bureau of Labor Statistics

About NYCEDC

New York City Economic Development Corporation is a mission-driven, nonprofit organization that works for a vibrant, inclusive, and globally competitive economy for all New Yorkers. We take a comprehensive approach, through four main strategies: strengthen confidence in NYC as a great place to do business; grow innovative sectors with a focus on equity, build neighborhoods as places to live, learn, work, and play; and deliver sustainable infrastructure for communities and the city's future economy.

For more economic data, insights, and analysis from NYCEDC's Economic Research & Policy group, and to receive economic reports via email, visit edc.nyc/insights.

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