

New York City Economic Snapshot

May 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.

A few key points from this month's report include:

- The private sector lost 11,000 jobs in April, and the city is now at 99.4 percent of pre-pandemic private sector employment levels—24,900 jobs away from a full recovery. Since the beginning of the Adams administration, the city has added 236,800 jobs.
- Positive signs of economic recovery in this month's numbers include the Arts & Entertainment and Accommodation & Food sectors—two sectors hit hard by the pandemic and two sectors critical to the city's dynamism—adding a combined 8,100 jobs.
- The labor force participation rate hit 62.1 percent in April, another new record high and the eighth consecutive increase. The largest gains have been experienced by Black and female New Yorkers as well as those with a high school diploma but no college education—all groups that have historically experienced lower rates of participation.
- Subway and bus ridership both increased in the past month, with subway ridership now at 70.9 percent of pre-pandemic levels. Subway ridership hit 4.09 million on May 17, a record high since the start of the pandemic.

While there is still more work to be done, New Yorkers continue to enter the labor force 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, inclusive, and globally competitive 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 lost 11,000 private sector jobs in April. The city's private sector is now at 99.4% of pre-pandemic employment levels, 24,900 jobs away from a full recovery. The Arts & Entertainment and Accommodation & Food Services sectors had strong months, however, signs of continued recovery in part of the economy hit hard by the pandemic. The labor force participation rate rose 0.2 percentage points to 62.1%, another record high, while the unemployment rose slightly to 5.4%.				
City Private Sector Employment Change & Annual Growth Rate (Apr 2023)	-11,000 +3.8% y/y	+3,800 +4.5% y/y	+236,800	+6,500 per month +2.4% y/y (2019 avg)
Metro Area Employment (Apr 2023)	-2,500 +2.5% y/y	+14,800 +2.9% y/y	+418,100	+7,800 per month, +1.3% y/y (2019 avg)
Job Postings (Apr 2023)	70,900	76,500	1.3M	76,600 (2019 avg)
Labor Force Participation (Apr 2023)	62.1%	61.9%	+1.7 pct pts	60.2% (Feb 2020)
Unemployment Rate (Apr 2023)	5.4%	5.3%	-2.6 pct pts	4.3% (Feb 2020)
BIPOC Unemployment Rate (2023:Q1)	7.0%*	6.4%	-2.0 pct pts	5.3% (2020:Q1)
Black Unemployment Rate (2023:Q1)	10.4%*	9.1%	-0.2 pct pts	8.1% (2020:Q1)
White Unemployment Rate (2023:Q1)	2.5%*	3.1%	-4.3 pct pts	2.7% (2020:Q1)
Key Takeaways: Business Activity				
New business creation reached a five-year high during 2022:Q2, with over 32,100 (or 1 in 9) businesses in NYC starting in the past year (including 6,700 businesses in Q2). VC funding increased 15.8% in 2023:Q1 compared to 2022:Q4, but the total funding of \$4.98B was 30.0% lower than the average quarter in 2022.				
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 (2023:Q1)	\$4.979B	\$4.300B (2022:Q4)	\$34.527B	\$5.645B (2019:Q4)
VC Funding (2023 through Q1)	\$4.979B	\$8.950B (2022 through Q1)	n/a	\$9.130B (2019 through Q4)
Key Takeaways: Real Estate				
Office occupancy metrics improved in April, with occupancy up 11% since last year, signaling more New Yorkers are returning to office. Vacancy rates ticked up in 2023:Q1 and are elevated compared to pre-COVID. Office leasing activity improved, up to 67% of leasing activity seen in 2020: Q1.				
Kastle Metro Area Office Occupancy (4-wk avg, 5/4/23)	48%	45.2%	+24.8 pct pts	100%

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
PFNYC Return to Office Survey (Feb 2023)	52%	49% (Sept 2022)	+24 pct pts (Oct 2021)	n/a
Manhattan Office Availability Average** (2023:Q1)	18.6%	18.3%	+0.8 pct pts	10.3% (2019 avg)
Office Vacancy Rate (2023:Q1)	13.6%	13.1%	+1.5 pct pts	7.6% (2019 avg)
Office Leasing Activity (2023:Q1)	67%	53%	0.0 pct pts	100%
Retail Vacancy Rate (2023:Q1)	4.2%	4.1%	+0.3 pct pts	3.3% (2019 avg)
StreetEasy Rent Index	114.7	114.2	+14.3	100.0 (Feb 2020)
StreetEasy Inventory Index	110.5	100.5	18.9	100.0 (Feb 2020)

Key Takeaways: Tourism & Transit

Subway and bus ridership both increased in the past month, with subway ridership now at 70.9% of pre-COVID levels. Tourism metrics were mixed, although all are up since the start of the administration.

Broadway Attendance (4-wk avg, 5/7/23)	86.3%	88.1%	+15.8 pct pts	100%
Hotel Occupancy Rate (Mar 2023)	79.4%	69.6%		84.4% (Feb 2019)
Times Sq. Pedestrian Count (30-day avg, 5/7/23)	78.9%	83.5%	+6.4 pct pts	100%
Visa Domestic Visitor Spending (Dec 2022)	110%	103%	+14 pct pts	100%
Future Flights Booked to NYC (Mar 2023)	103%	81.5%	+45.4 pct pts	100%
Subway Ridership (30-day avg, 5/14/23)	70.9%	68.3%	+14.3 pct pts	100%
Bus Ridership (30-day avg, 5/14/23)	66.2%	64.4%	+2.7 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, StreetEasy, Broadway League, STR, Times Square Alliance, and MTA Open Data.

* Estimates for the previous quarter were based on a three-month sample and this quarter and following quarters' estimate are based on a 12-month sample to increase sample and related accuracy. Quarter-to-quarter changes within one 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)

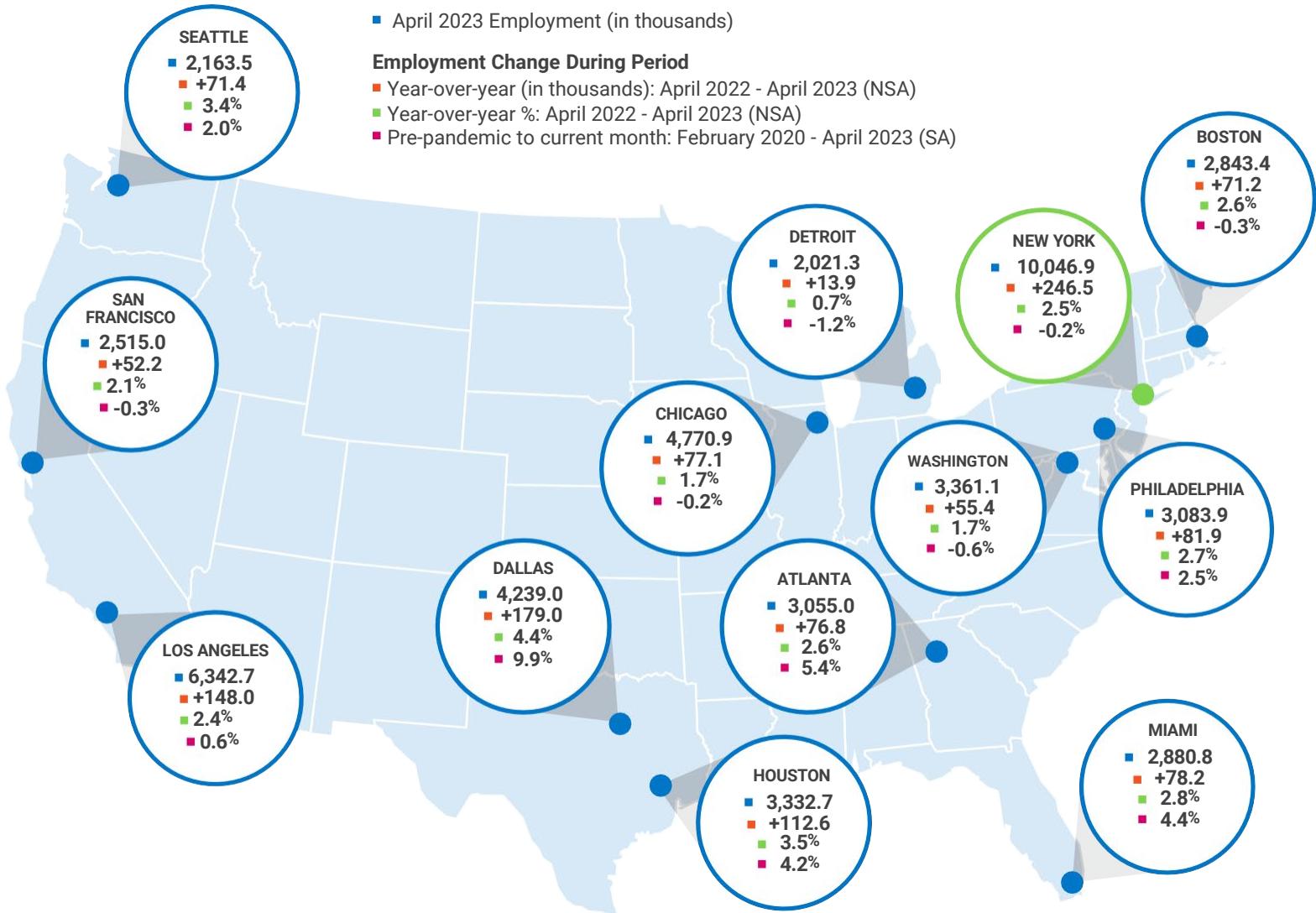
	April 2023	March 2023	Previous Month Change	Year-Over-Year Change	Jobs Lost, Pre-Pandemic to Trough	Jobs Regained, Trough to April 2023	Percent of Lost Jobs Regained	Job Change, Pre-Pandemic to April 2023
FIRE	493	495	-0.4%	2.9%	25,600	31,600	123.3%	6,000
Finance & Insurance	362	364	-0.6%	3.4%	10,800	23,800	220.1%	13,000
Securities	193	194	-0.7%	2.9%	5,600	15,900	281.8%	10,300
Banking	107	108	-0.8%	4.4%	3,700	5,600	149.7%	1,900
Other	61	62	-0.2%	3.6%	1,400	2,300	160.6%	900
Real Estate	132	131	0.4%	1.5%	16,200	9,200	56.8%	(7,000)
SERVICES	2,809	2,809	0.0%	5.2%	641,700	694,200	108.2%	52,500
Information	230	234	-1.9%	0.3%	35,400	35,900	101.2%	400
Professional & Business	794	791	0.3%	3.4%	101,500	114,200	112.5%	12,700
Professional, Scientific & Technical	463	459	1.0%	3.6%	37,500	55,000	146.6%	17,500
Management of Companies & Enterprises	72	71	0.6%	4.3%	11,100	10,200	91.3%	(1,000)
Administrative & Support	259	261	-0.9%	2.8%	57,500	53,700	93.3%	(3,900)
Educational	262	260	0.9%	-0.8%	27,700	33,800	122.0%	6,100
Healthcare & Social Assistance	900	907	-0.8%	7.2%	116,000	192,700	166.0%	76,600
Arts & Entertainment	87	83	5.8%	15.9%	55,700	47,400	85.0%	(8,400)
Accommodation & Food	353	350	1.0%	11.5%	268,600	247,200	92.0%	(21,400)
Other	183	184	-0.8%	2.9%	66,900	53,300	79.7%	(13,600)
TRADE	435	437	-0.3%	-0.4%	147,300	96,600	65.6%	(50,700)
Retail	306	305	0.1%	-0.2%	115,800	75,400	65.2%	(40,300)
Wholesale	129	131	-1.4%	-0.7%	31,600	21,200	67.2%	(10,400)
MANUFACTURING	58	57	1.6%	0.3%	28,100	20,200	71.8%	(7,900)
TRANSPORTATION AND UTILITIES	137	146	-6.0%	-5.0%	39,700	27,100	68.3%	(12,600)
NATURAL RESOURCES, MINING AND CONSTRUCTION	150	150	0.1%	5.1%	74,900	62,800	83.8%	(12,100)
TOTAL PRIVATE	4,083	4,094	-0.3%	3.8%	946,300	921,500	97.4%	(24,900)
GOVERNMENT	570	575	-0.9%	0.9%	22,000	(2,400)	-11.0%	(24,500)
TOTAL (PRIVATE + GOVERNMENT) NYC	4,653	4,669	-0.3%	3.5%	956,500	907,200	94.8%	(49,300)

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.



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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