

New York City Economic Snapshot

June 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 added 16,000 jobs in May, and the city is now at 99.7 percent of pre-pandemic private sector employment levels—13,700 jobs away from a full recovery. Since the beginning of the Adams administration, the city has added 247,900 jobs.
- Year-over-year, the NYC metro area has added nearly 255,000 jobs, roughly the same as the Miami and Dallas metro areas combined.
- Accommodation & Food Services saw the strongest growth of any sector in May, adding 12,100 jobs. After losing nearly 270,000 jobs during the pandemic, Accommodation & Food Services is now 9,700 jobs away from a full recovery.
- Subway and bus ridership both increased in the past month, with subway ridership now at 70.3 percent of pre-pandemic levels. Tourism metrics have also been improving, with hotel occupancy and Broadway attendance both up in the past month.
- During the first week of June, average weekly office occupancy in the New York metro area rose above 50% for the first time since the pandemic began.

This month, in addition to my normal highlights, I wanted to take some extra time to discuss the city's historic labor force participation rate, which stood at 62.4 percent in May—yet another record high. Defined simply as the share of the civilian population age 16 and over that are either employed or unemployed and actively looking for work, labor force participation is an important measure of an area's economic wellbeing. Higher rates of participation reflect greater confidence in the labor market as individuals who might otherwise not look for work seek to participate in the economy.

Over the past several months, we have continued to report increases in the labor force participation rate, and last month, we mentioned that increases were being led by groups that have historically participated at lower levels. **Since Q2 2020, increases have been strongest for New York City's Black and African American (+8.8 percentage points), female (+8.1 percentage points), and high-school-educated (+8.1 percentage points) populations.** Additionally, for each of these groups, we see that a higher share of the adult population is employed today than prior to the pandemic. For Black New Yorkers in particular, we see that 53.3% of the adult population was employed in the first quarter of 2023, compared to 52.0% in the first quarter of 2020.

These findings do not take away from the fact that unemployment remains an important issue: The growing divergence in unemployment rates between Black and white New Yorkers is troubling. As we strive toward an equitable economic recovery, data and insights like these continue to equip NYCEDC and the City with relevant and actionable information. Going forward, in addition to unemployment rates by race, we will be reporting labor force participation rates by race in our Economic Snapshot, providing a fuller picture of New York City's labor market and 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 16,000 private sector jobs in May. The city's private sector is now at 99.7% of pre-pandemic employment levels, 13,700 jobs away from a full recovery. The Accommodation & Food Services sector had another strong month, adding over 12,000 jobs. The labor force participation rate rose 0.3 percentage points to 62.4%, another record high, while unemployment fell slightly to 5.3%.				
City Private Sector Employment Change & Annual Growth Rate (May 2023)	+16,000 +4.0% y/y	-16,000 +3.7% y/y	+247,900	+6,500 per month +2.4% y/y (2019 avg)
Metro Area Employment (May 2023)	+26,500 +2.6% y/y	-10,900 +2.4% y/y	+436,200	+7,800 per month, +1.3% y/y (2019 avg)
Job Postings (May 2023)	67,300	70,800	1.4M	76,600 (2019 avg)
Labor Force Participation (May 2023)	62.4%	62.1%	+2.0 pct pts	60.2% (Feb 2020)
Unemployment Rate (May 2023)	5.3%	5.4%	-2.7 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)
Latinx Unemployment Rate (2023:Q1)	6.4%	6.0%	-2.7 pct pts	5.3% (2020:Q1)
White Unemployment Rate (2023:Q1)	2.5%*	3.1%	-4.3 pct pts	2.7% (2020:Q1)
BIPOC Labor Force Participation Rate (2023:Q1)	59.4%	58.6%	+1.3 pct pts	58.3% (2020:Q1)
Black Labor Force Participation Rate (2023:Q1)	59.7%	59.1%	+4.1 pct pts	56.2% (2020:Q1)
Latinx Labor Force Participation Rate (2023:Q1)	57.1%	56.9%	-1.7 pct pts	58.9% (2020:Q1)
White Labor Force Participation Rate (2023:Q1)	66.3%	65.8%	+2.2 pct pts	63.8% (2020:Q1)

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
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)

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
Key Takeaways: Real Estate				
Office occupancy metrics improved in May, with occupancy up 10% 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, 5/27/23)	48.2%	46.2%	+24.9 pct pts	100%
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	115.5	114.5	+15.1	100.0 (Feb 2020)
StreetEasy Inventory Index	107.6	112.6	+15.9	100.0 (Feb 2020)

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
Key Takeaways: Tourism & Transit				
Subway and bus ridership both increased in the past month, with subway ridership now at 70.3% of pre-COVID levels. Tourism metrics improved as well, with hotel occupancy rates up and Broadway attendance at 90% of pre-COVID levels.				
Broadway Attendance (4-wk avg, 5/28/23)	90.0%	86.8%	+26.9 pct pts	100%
Hotel Occupancy Rate (Apr 2023)	82.8%	79.4%		84.4% (Feb 2019)
Times Sq. Pedestrian Count (30-day avg, 5/28/23)	80.9%	83.3%	+8.4 pct pts	100%
Visa Domestic Visitor Spending (2023:Q1)	111%	108%	+12 pct pts	100%
Future Flights Booked to NYC (Apr 2023)	69.9%	103.3%	+12 pct pts	100%
Subway Ridership (30-day avg, 6/8/23)	70.3%	69.2%	+13.7 pct pts	100%
Bus Ridership (30-day avg, 6/8/23)	65.5%	65.3%	+2.0 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 half of a percentage point are likely statistically insignificant due to the small sample size. We do not report quarterly estimates for the Asian population due to high margins of error, caused by heterogeneity in the population.

** 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)

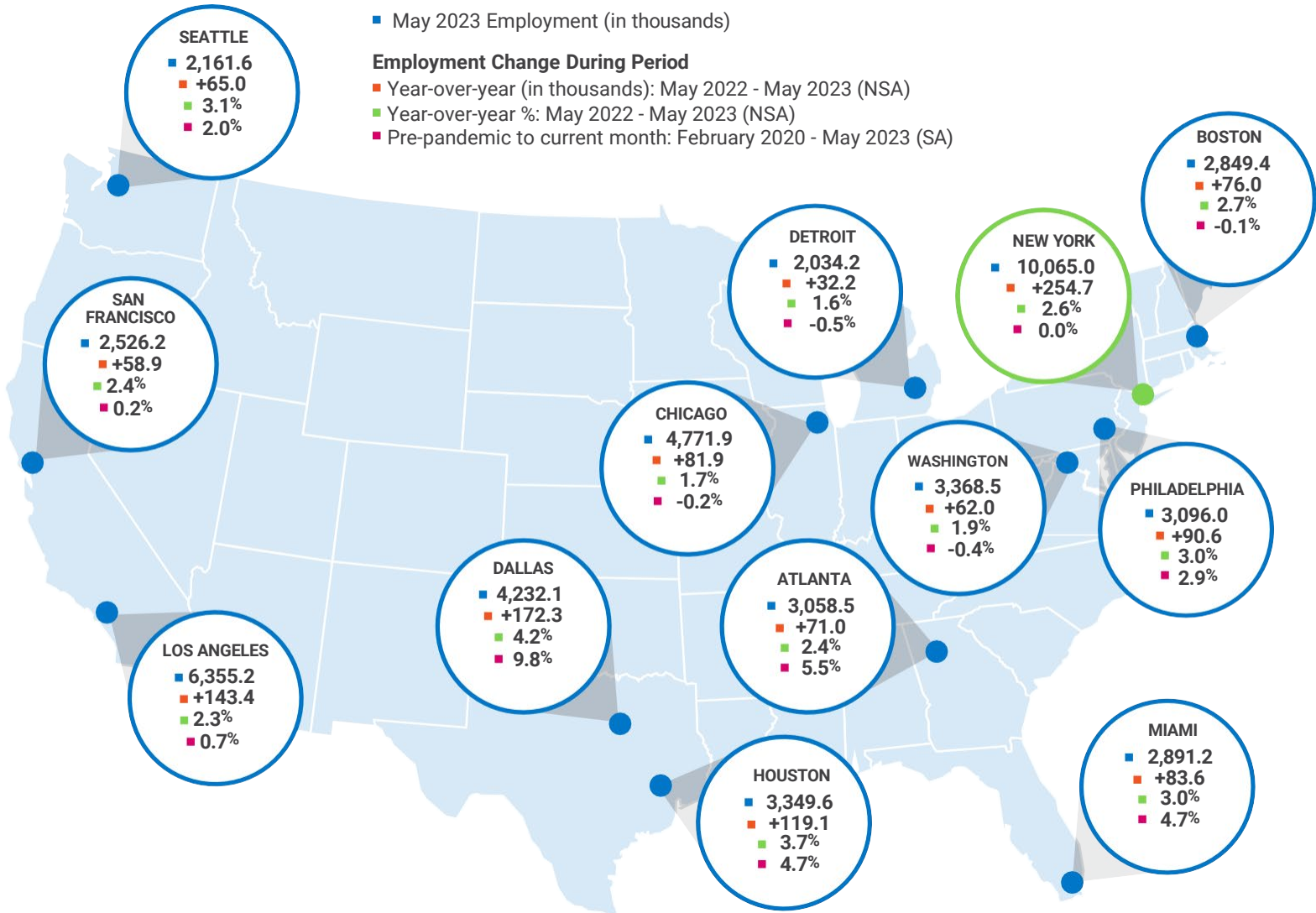
	May 2023	April 2023	Previous Month Change	Year-Over-Year Change	Jobs Lost, Pre-Pandemic to Trough	Jobs Regained, Trough to May 2023	Percent of Lost Jobs Regained	Job Change, Pre-Pandemic to May 2023
FIRE	495	494	0.2%	3.0%	25,600	33,100	129.1%	7,500
Finance & Insurance	362	362	-0.2%	3.3%	10,800	23,800	220.1%	13,000
Securities	192	194	-0.7%	2.4%	5,600	15,400	272.6%	9,700
Banking	108	107	0.3%	5.0%	3,700	6,000	159.9%	2,200
Other	61	61	0.2%	3.4%	1,400	2,400	170.2%	1,000
Real Estate	133	131	1.5%	2.0%	16,200	10,700	65.9%	-5,500
SERVICES	2,814	2,804	0.3%	5.2%	641,700	698,700	108.9%	57,000
Information	231	230	0.5%	-1.4%	35,400	37,200	104.8%	1,700
Professional & Business	786	788	-0.3%	2.5%	101,500	106,700	105.0%	5,100
Professional, Scientific & Technical	455	460	-1.1%	1.6%	37,500	46,600	124.1%	9,000
Management of Companies & Enterprises	71	72	-1.1%	3.5%	11,100	9,500	85.1%	-1,700
Administrative & Support	261	257	1.4%	3.7%	57,500	55,300	96.1%	-2,300
Educational	256	262	-2.3%	-0.6%	27,700	27,600	99.8%	0
Healthcare & Social Assistance	914	903	1.2%	7.9%	116,000	206,300	177.8%	90,300
Arts & Entertainment	79	86	-8.3%	8.8%	55,700	39,100	70.1%	-16,700
Accommodation & Food	365	353	3.4%	14.3%	268,600	259,000	96.4%	-9,700
Other	182	182	0.2%	3.1%	66,900	53,200	79.5%	-13,700
TRADE	434	435	-0.3%	-0.5%	147,300	95,000	64.5%	-52,300
Retail	304	306	-0.6%	-0.5%	115,800	73,400	63.4%	-42,300
Wholesale	130	129	0.5%	-0.5%	31,600	21,600	68.4%	-10,000
MANUFACTURING	58	58	0.7%	-0.3%	28,100	20,200	71.8%	-7,900
TRANSPORTATION AND UTILITIES	142	138	3.2%	-1.9%	39,700	32,100	80.8%	-7,600
NATURAL RESOURCES, MINING AND CONSTRUCTION	152	150	1.6%	6.7%	74,900	64,500	86.2%	-10,300
TOTAL PRIVATE	4,094	4,078	0.4%	4.0%	946,300	932,600	98.5%	-13,700
GOVERNMENT	569	570	-0.1%	0.8%	22,000	(3,200)	-14.4%	-25,200
TOTAL (PRIVATE + GOVERNMENT) NYC	4,664	4,648	0.3%	3.6%	956,500	917,600	95.9%	-38,900

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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