

New York City Economic Snapshot

July 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 16,600 jobs in June, and the city is now just 600 jobs away from a full recovery. Since the beginning of the Adams administration, the city has added 261,100 jobs.
- The city's labor force participation rate hit an all-time high in June, reaching 62.6 percent. More New Yorkers are joining or rejoining the labor force, and more are finding jobs, which suggests the labor market continues to heal.
- The city's Black unemployment rate improved in Q2, down 0.4 percentage points to 9.9 percent. And labor force participation rates improved in Q2 for Black, Latinx, and white workers. Specifically, the Black labor force participation rate hit an eight-year high last quarter, at 60 percent.

This month, in addition to my normal highlights, I wanted to spotlight business formation in the city. New research at NYCEDC finds that nearly 29,000 new businesses started in 2022. To put this another way, 1 out of 7 businesses in New York City started in the past year.

New York City is a city of entrepreneurs, and we're excited to see new businesses continue to form. Entrepreneurship is thriving particularly in Brooklyn, where entrepreneurs started 9,200 businesses in 2022. New York City is a hub for tech startups, as over 400 new tech firms started in 2022, collectively employing over 10,000 workers. And our storefronts continue to recover, as nearly 1,800 restaurant and hotel businesses started last year. To learn more about small business formation in New York City, check out our recent research report, [Small Business Dynamism in NYC's Economic Recovery](#).

Despite this overall positive backdrop, it would be remiss of me not to mention that the city's economy faces headwinds. We continue to monitor office vacancy and acknowledge that a higher interest rate environment has negatively impacted venture capital funding.

There is still much work to be done across industries and communities as we build a vibrant, inclusive, and globally competitive economy for all New Yorkers. I hope you find this data and research as useful to your own work as we do here at NYCEDC.



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 16,600 private sector jobs in June. The city's private sector is now at 99.99% of pre-pandemic employment levels, just 600 jobs away from a full recovery. The labor force participation rate reached another record high at 62.6%, as labor force participation rates improved across all demographic groups. And the Black unemployment rate declined for the first time in three quarters.				
City Private Sector Employment Change & Annual Growth Rate (June 2023)	+16,600 +3.9% y/y	+12,600 +3.9% y/y	+261,100	+6,500 per month +2.4% y/y (2019 avg)
Metro Area Employment (June 2023)	+13,300 +2.7% y/y	-21,400 +2.6% y/y	+444,400	+7,800 per month, +1.3% y/y (2019 avg)
Job Postings (June 2023)	66,100	67,400	1.43M	76,600 (2019 avg)
Labor Force Participation (June 2023)	62.6%	62.4%	+2.2 pct pts	60.2% (Feb 2020)
Unemployment Rate (June 2023)	5.4%	5.3%	-2.6 pct pts	4.3% (Feb 2020)
BIPOC Unemployment Rate (2023:Q2)	6.9%*	6.9%	-2.2 pct pts	5.3% (2020:Q1)
Black Unemployment Rate (2023:Q2)	9.9%*	10.3%	-0.8 pct pts	8.1% (2020:Q1)
Latinx Unemployment Rate (2023:Q2)	6.6%*	6.4%	-2.5 pct pts	5.3% (2020:Q1)
White Unemployment Rate (2023:Q2)	2.6%*	2.5%	-4.2 pct pts	2.7% (2020:Q1)
BIPOC Labor Force Participation Rate (2023:Q2)	60.0%	59.4%	+2.0 pct pts	58.3% (2020:Q1)
Black Labor Force Participation Rate (2023:Q2)	60.0%	59.7%	+4.4 pct pts	56.2% (2020:Q1)
Latinx Labor Force Participation Rate (2023:Q2)	58.6%	57.1%	-0.2 pct pts	58.9% (2020:Q1)
White Labor Force Participation Rate (2023:Q2)	67.2%	66.3%	+3.1 pct pts	63.8% (2020:Q1)

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
Key Takeaways: Business Activity				
About 28,700 businesses (or 1 in 7) were started in the past year (including 5,180 in 2022:Q4). However, VC funding continues to be weak so far in 2023.				
New Business Formation (2022:Q4)	5,180	9,900	28,700	7,100 (2019 avg)
Net Business Formation (2022:Q4)	+1,280	+5,190	+8,260	+400 (2019 avg)
VC Funding (2023:Q2)	\$3.776B	\$5.614B (2023:Q1)	\$37.736B	\$5.645B (2019:Q4)
VC Funding (2023 through Q2)	\$9.390B	\$18.390B (2022 through Q2)	n/a	\$13.649B (2019 through Q2)

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
Key Takeaways: Real Estate				
Office occupancy metrics improved in June, despite potential seasonal effects from summer vacation, signaling more New Yorkers are returning to the office. Vacancy rates ticked up in 2023:Q1 and are elevated compared to pre-COVID. Office leasing activity faltered, down to 58% of leasing activity seen in 2019:Q2.				
Kastle Metro Area Office Occupancy (4-wk avg, 7/12/23)	49.2%	48.4%	+26.0 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:Q2)	18.9%	18.6%	+1.2 pct pts	10.3% (2019 avg)
Office Vacancy Rate (2023:Q2)	14.0%	13.6%	+2.0 pct pts	7.6% (2019 avg)
Office Leasing Activity (2023:Q2)	58%	67%	-9.0 pct pts	100%
Retail Vacancy Rate (2023:Q2)	4.3%	4.3%	+0.4 pct pts	3.3% (2019 avg)
StreetEasy Rent Index (June 2023)	117.2	116.1	+16.8	100.0 (Feb 2020)
StreetEasy Inventory Index (June 2023)	133.0	126.5	+41.3	100.0 (Feb 2020)

Indicator	Latest	Previous	Since Jan. 1 '22 (Adams Admin)	Pre-COVID
Key Takeaways: Tourism & Transit				
Another mixed month, as Broadway, hotels, tourist spending, and flight data all trend better, while transit indicators have slightly declined.				
Broadway Attendance (4-wk avg, 7/9/23)	89.1%	86.6%	+18.6 pct pts	100%
Hotel Occupancy Rate (May 2023)	83.9%	82.8%		90.7% (May 2019)
Times Sq. Pedestrian Count (30-day avg, 7/9/23)	70.1%	78.8%	-2.4 pct pts	100%
Visa Domestic Visitor Spending (2023:Q1)	111%	108%	+12 pct pts	100%
Future Flights Booked to NYC (May 2023)	72.8%	69.9%	+12 pct pts	100%
Subway Ridership (30-day avg, 7/13/23)	69.8%	70.0%	+13.2 pct pts	100%
Bus Ridership (30-day avg, 7/13/23)	63.6%	65.3%	+0.1 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.

*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

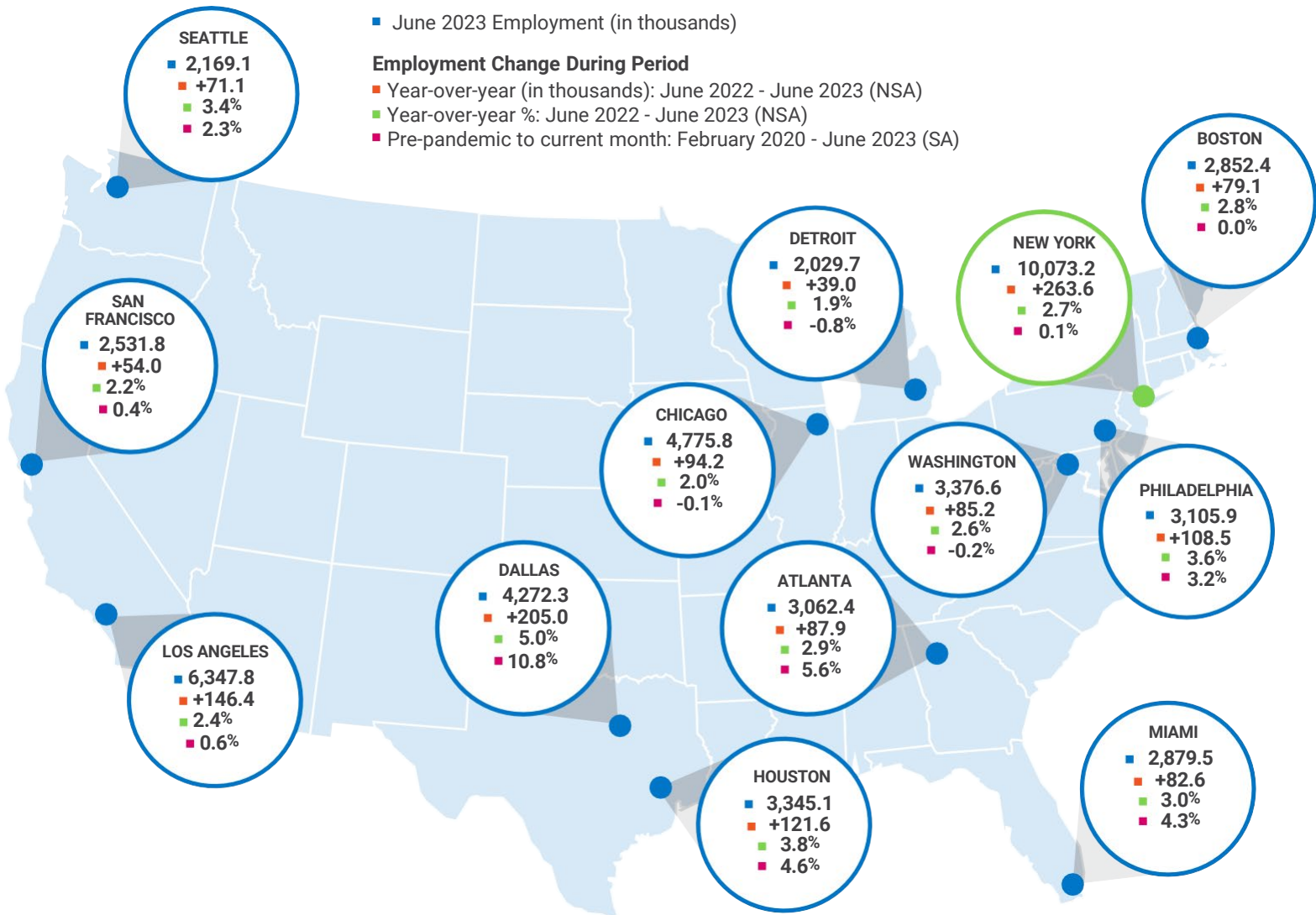
INDUSTRY	EMPLOYMENT (thousands)							
	June 2023	May 2023	Previous Month Change	Year-Over-Year Change	Jobs Lost, Pre-Pandemic to Trough	Jobs Regained, Trough to June 2023	Percent of Lost Jobs Regained	Job Change, Pre-Pandemic to June 2023
FIRE	498	494	0.8%	2.4%	25,600	36,800	143.6%	11,200
Finance & Insurance	364	361	0.6%	2.6%	10,800	25,700	238.4%	14,900
Securities	192	192	-0.3%	0.6%	5,600	14,700	260.5%	9,000
Banking	109	108	1.6%	5.2%	3,700	7,600	202.7%	3,800
Other	63	61	1.9%	4.7%	1,400	3,500	244.4%	2,100
Real Estate	135	133	1.4%	1.8%	16,200	12,400	76.7%	-3,800
SERVICES	2,825	2,811	0.5%	5.1%	641,700	710,100	110.6%	68,300
Information	228	231	-1.7%	-3.9%	35,400	33,800	95.4%	-1,600
Professional & Business	795	788	0.9%	2.5%	101,500	115,700	114.0%	14,200
Professional, Scientific & Technical	458	454	0.9%	0.9%	37,500	49,500	131.8%	11,900
Management of Companies & Enterprises	73	71	2.0%	4.6%	11,100	11,200	100.8%	100
Administrative & Support	265	263	0.6%	4.6%	57,500	59,700	103.8%	2,200
Educational	255	258	-0.9%	3.7%	27,700	26,700	96.5%	-1,000
Healthcare & Social Assistance	923	914	1.0%	8.3%	116,000	215,900	186.1%	99,900
Arts & Entertainment	84	79	5.8%	10.8%	55,700	44,000	78.9%	-11,700
Accommodation & Food	353	357	-1.1%	9.5%	268,600	247,700	92.2%	-21,000
Other	186	182	1.9%	4.6%	66,900	56,400	84.4%	-10,500
TRADE	434	434	-0.1%	-0.5%	147,300	95,200	64.6%	-52,100
Retail	303	304	-0.2%	-0.7%	115,800	73,000	63.0%	-42,800
Wholesale	130	130	0.2%	-0.1%	31,600	22,200	70.4%	-9,300
MANUFACTURING	58	58	0.4%	-0.2%	28,100	20,200	71.9%	-7,900
TRANSPORTATION AND UTILITIES	140	142	-0.9%	-3.3%	39,700	30,000	75.5%	-9,700
NATURAL RESOURCES, MINING AND CONSTRUCTION	152	153	-0.2%	7.0%	74,900	64,600	86.3%	-10,300
TOTAL PRIVATE	4,107	4,091	0.4%	3.9%	946,300	945,800	99.9%	-600
GOVERNMENT	573	569	0.6%	0.8%	22,000	400	1.6%	-21,700
TOTAL (PRIVATE + GOVERNMENT) NYC	4,680	4,660	0.4%	3.5%	956,500	934,200	97.7%	-22,300

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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