

New York City Economic Snapshot

February 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.

Before we dive into the past month's highlights, I have to take a moment and address the recent closure of Silicon Valley Bank and Signature Bank. While the closure of these banks shows that NYC's economy is still susceptible to such shocks, it was heartening seeing the quick response from the federal government to ensure that small businesses were not impacted and able to secure 100% of their funds in a timely manner. I remain confident in the banking system—the decisive actions led by the federal government work to ensure that our banking system protects deposits and promotes strong and sustainable growth.

A few highlights from this month's report include:

- The labor market continues to recover, as the private sector has added jobs for 12 consecutive months and the labor force participation rate has hit a record high. Private sector employment is now at 99.4% of pre-COVID levels. However, growth has slowed in recent months, and recent job losses in the Information sector show evidence of the potential headwinds facing parts of the economy.
- Return-to-office metrics remained stable in February, as office occupancy has doubled over the past year.
- While tourism indicators have declined slightly, the tourism sector remains firmly on the path to recovery.
- While the transit ridership recovery has slowed, both subway and bus ridership have seen strong improvement in the past year, with subway ridership near 70% of pre-COVID levels.

Despite some slowdown in labor market improvements, 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 jobs for the 12th consecutive month and is now 24,100 jobs shy of pre-pandemic employment levels. Job growth improved slightly in the NYC metro area, most other large cities, and nationwide in the past month, although growth is still slower than in the first half of 2022. The city's labor force continues to grow—the labor force participation rate rose to a record high of 61.5%, while the unemployment rate rose slightly to 5.3%. Healthcare and social assistance continues to be a key driver of job growth, and the sector has added 83,200 jobs in the past year. The Information sector lost 5,100 jobs in January, but sector employment remains above pre-COVID levels.				
City Private Sector Employment Change & Annual Growth Rate (Jan 2023)	+4,500 +6.2% y/y	+26,300 +6.1% y/y	+237,600	+6,500 per month +2.4% y/y (2019 avg)
Metro Area Employment (Jan 2023)	+44,100 +4.0% y/y	+42,300 +3.5% y/y	+413,900	+7,800 per month, +1.3% y/y (2019 avg)
Job Postings (Jan 2023)	69,100	59,400	1,055,000	76,600 (2019 avg)
Labor Force Participation (Jan 2023)	61.5%	61.2%	+1.1 pct pts	60.2% (Feb 2020)
Unemployment Rate (Jan 2023)	5.3%	5.1%	-2.7 pct pts	4.3% (Feb 2020)
White Unemployment Rate (2022:Q4)	2.8%*	3.4%	-2.5 pct pts	1.9% (2020:Q1)
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)
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)	47.0%	47.6%	+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 have declined slightly from recent post-COVID highs but are still firmly on the path to recovery. Recovery in subway ridership is slowing near 70%, while bus ridership fell slightly to 65.7%.

Broadway Attendance (4 wk avg, 2/26/23)	80.6%	87.9%	+10.1 pct pts	100%
Hotel Occupancy Rate (Nov 2022)	79.6%	84.5%	+7.4 pct pts	n/a
Times Sq. Ped Count (30-day avg, 1/8/23)	83.0%	85.4%	+10.5 pct pts	100%
Subway Ridership (30-day avg, 3/9/23)	69.7%	70.2%	+13.1 pct pts	100%
Bus Ridership (30-day avg, 3/9/23)	65.7%	67.7%	+2.2 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 (in thousands)

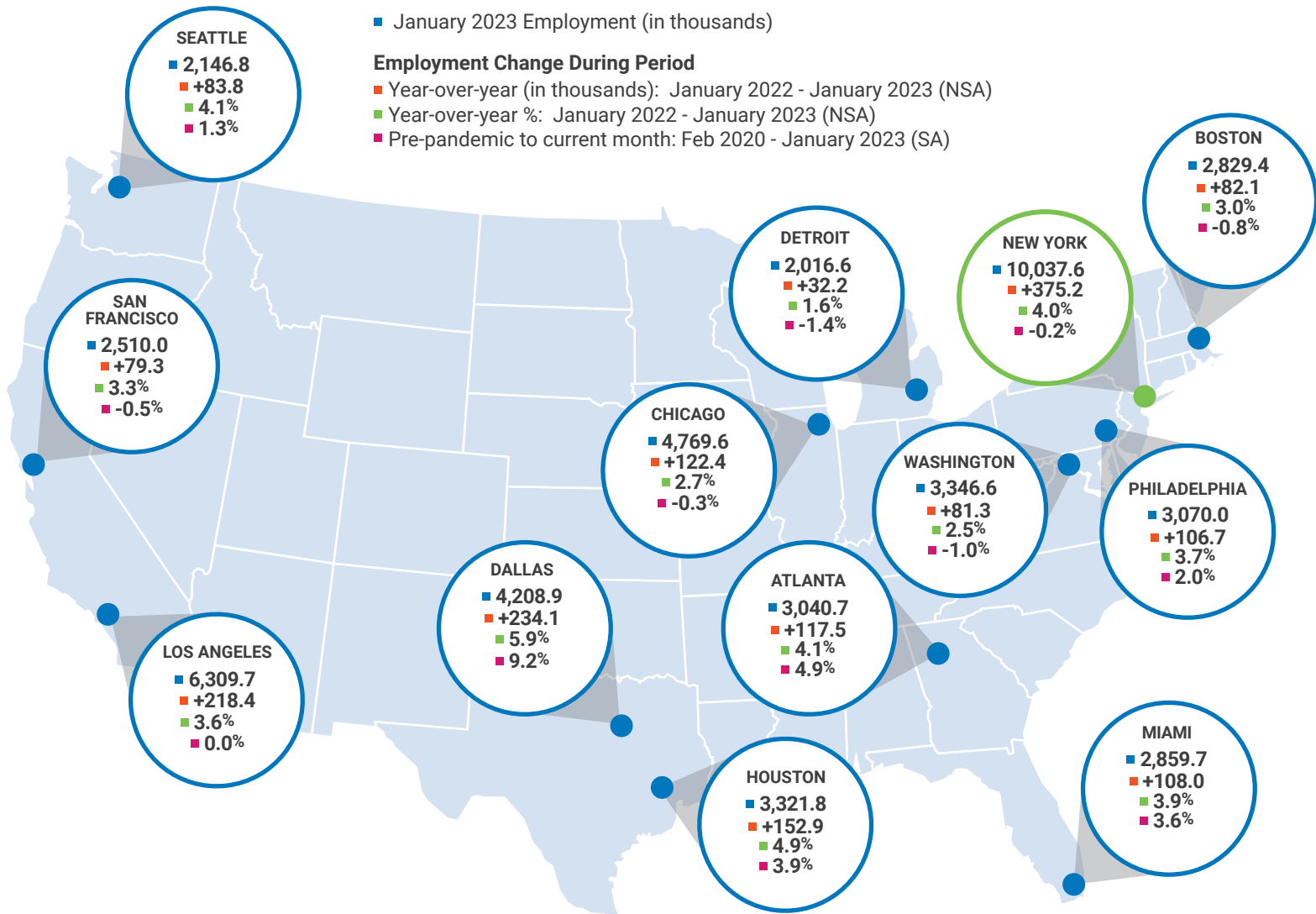
	January 2023	December 2022	Previous Month Change	Year-Over-Year Change	Jobs Lost, Pre-Pandemic to Trough	Jobs Regained, Trough to January 2023	Percent of Lost Jobs Regained	Job Change, Pre-Pandemic to January 2023
FIRE	497	498	-0.2%	4.3%	25,600	35,700	139.4%	10,100
Finance & Insurance	363	364	-0.1%	4.6%	10,800	25,700	238.1%	14,900
Securities	195	196	-0.3%	5.5%	5,600	18,000	319.1%	12,400
Banking	107	107	0.2%	3.9%	3,700	5,200	140.6%	1,500
Other	62	62	-0.2%	3.4%	1,400	2,500	173.1%	1,000
Real Estate	134	134	-0.2%	3.5%	16,200	11,400	70.3%	-4,800
SERVICES	2,794	2,792	0.1%	7.7%	641,700	679,000	105.8%	37,200
Information	234	239	-2.1%	1.6%	35,400	40,400	113.9%	4,900
Professional & Business	793	794	-0.2%	4.7%	101,500	113,100	111.4%	11,500
Professional, Scientific & Technical	461	463	-0.5%	4.8%	37,500	52,800	140.6%	15,200
Management of Companies & Enterprises	71	72	0.0%	6.3%	11,100	10,200	91.2%	-1,000
Administrative & Support	260	259	0.4%	4.0%	57,500	54,800	95.3%	-2,700
Educational	252	253	-0.2%	1.6%	27,700	23,400	84.4%	-4,300
Healthcare & Social Assistance	896	890	0.7%	10.2%	116,000	188,300	162.3%	72,200
Arts & Entertainment	80	81	-1.5%	4.7%	55,700	40,100	72.0%	-15,600
Accommodation & Food	355	351	1.0%	20.9%	268,600	249,000	92.7%	-19,600
Other	184	184	0.1%	5.9%	66,900	55,000	82.2%	-11,900
TRADE	438	434	0.8%	1.8%	147,300	99,200	67.4%	-48,100
Retail	305	302	0.9%	1.3%	115,800	74,700	64.5%	-41,100
Wholesale	133	132	0.5%	3.2%	31,600	24,500	77.8%	-7,000
MANUFACTURING	58	58	-1.2%	1.6%	28,100	19,800	70.3%	-8,400
TRANSPORTATION AND UTILITIES	150	150	0.1%	2.7%	39,700	39,800	100.2%	100
NATURAL RESOURCES, MINING AND CONSTRUCTION	148	147	0.6%	3.1%	74,900	59,800	79.9%	-15,100
TOTAL PRIVATE	4,084	4,080	0.1%	6.2%	946,300	922,300	97.5%	-24,100
GOVERNMENT	583	572	2.0%	0.8%	22,000	11,000	49.7%	-11,100
TOTAL (PRIVATE + GOVERNMENT) NYC	4,667	4,651	0.3%	5.5%	956,500	921,300	96.3%	-35,200

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 creates shared prosperity across New York City by strengthening neighborhoods and creating good jobs. We work with and for communities to bring emerging industries to New York City; develop spaces and facilities for businesses; empower New Yorkers through training and skill-building; and invest in sustainable and innovative projects that make the city a great place to live and work.

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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