

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

FEBRUARY 2009

HIGHLIGHTS

Private Employment fell by 28,200 in December, after a decrease of 25,400 jobs in November.

The unemployment rate rose to 7.4 percent in December from 6.3 percent in November.

The Manhattan hotel occupancy rate in December 2008 was 81.8 percent, down from 85.4 percent in December 2007.

The Direct Class A office vacancy rate was 5.9 percent in January 2009, while the average asking rent was \$86 PSF.

Passengers in NYC area airports totaled 7.8 million in November 2008, down 11.6 percent from November 2007.

Employment

- Private sector jobs in New York City decreased by 28,200 in December 2008 after a decrease of 25,400 in November 2008.
- In the same period, government jobs in the City fell by 1,200 for a net loss of 29,400 private and public sector jobs.
- Since December 2007, private sector employment has declined by 53,600 jobs or 1.4 percent.
- Between November 2008 and December 2008, the City's unemployment rate rose from 6.3 percent to 7.4 percent.
- Between November 2008 and December 2008, the number of employed City residents fell by 33,900 and the number of unemployed City residents rose by 45,900.

Industry	Employment (000s)			
	Dec-08	Nov-08	Change From Prev. Month	Change From Dec-07
FIRE	451	455	-4	-19
Finance and Insurance	326	329	-3	-21
Securities	169	170	-1	-18
Banking	93	94	-1	-2
Other	65	66	-1	-1
Real Estate	125	126	-1	2
SERVICES	1,929	1,940	-12	-3
Information	167	170	-3	-1
Professional & Business	585	592	-7	-9
Educational	152	152	0	-2
Health & Social Assistance	565	565	1	8
Arts & Entertainment	64	64	0	0
Accommodation & Food	237	238	-1	2
Other	158	160	-2	-1
TRADE	436	443	-7	-12
Retail	294	298	-4	-5
Wholesale	142	146	-4	-7
MANUFACTURING	90	92	-1	-7
TRANSPORTATION & UTILITY	123	125	-1	-1
CONSTRUCTION	122	125	-3	-7
TOTAL PRIVATE	3,152	3,180	-28	-49
GOVERNMENT	558	559	1	-5
TOTAL (Private & Government)	3,710	3,740	-29	-54

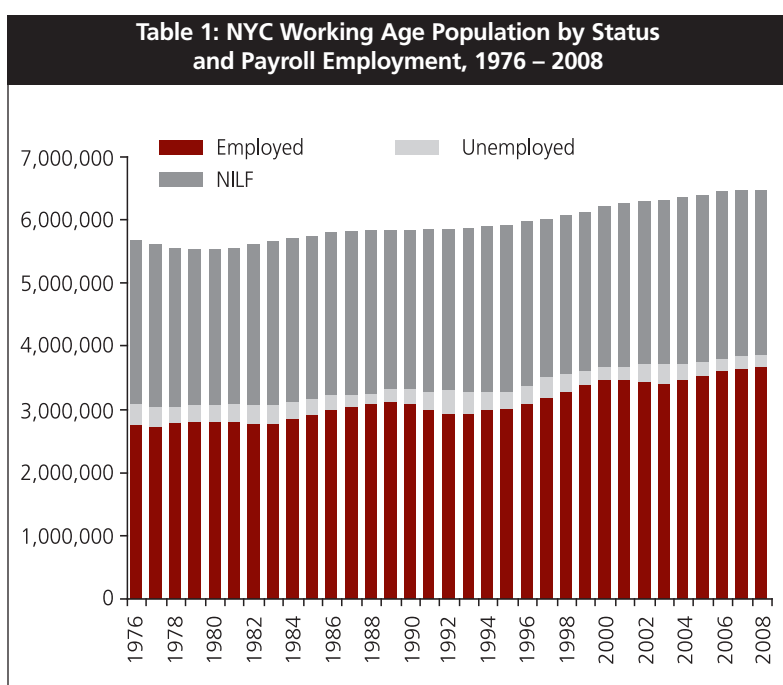
Place of Residence	Unemployment Rates	
	12 Months Ending	
	Dec-08	Dec-07
Bronx	7.4%	6.9%
Brooklyn	5.9%	5.5%
Manhattan	4.8%	4.4%
Queens	4.9%	4.5%
Staten Island	5.0%	4.6%
NYC	5.5%	5.1%

Source: New York State Department of Labor (NYS DOL)

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Data are seasonally adjusted

People Not in the Labor Force

- The Not In the Labor Force (NILF) population is given by the working age population (individuals aged 16 and above) that is neither employed nor actively looking for work (unemployed).
- The New York City working age population increased at an annual average growth rate of 0.6 percent between 1980 and 2008 after dropping slightly in the late 1970s.
- The NILF percentage of the working age population was between 43 and 46 percent from 1976 to 1996 and later dropped to between 40 and 42 percent.
- Data from the Census Current Population Survey reported in Table 2 shows that the NILF percentage of the working age population remained essentially stable between 2000 and 2008. However, the NILF share increased appreciably among people without a bachelor's degree.
- For those with less than a high school diploma, the biggest increase from 2000 to 2008 was in the share of population in school (4.2 percentage points [pp]), while High School Graduates and those with some college or Associates degree are increasingly in school (2.5pp) or taking care of house or family (0.7pp).



Source: U.S. Census Bureau; Current Population Survey, New York State Department of Labor.

Table 2: NYC Working Age Population Not in the Labor Force by Reason and Education Level, 2000 and 2008

	2000				2008			
	Total	Less than HS Diploma	HS Grad, Some College, Associates	Bachelor's or Higher	Total	Less than HS Diploma	HS Grad, Some College, Associates	Bachelor's or Higher
Retired	15.4%	21.8%	15.0%	9.3%	14.7%	21.0%	15.4%	9.3%
Disabled/Ill	6.8%	12.1%	6.0%	2.5%	6.3%	12.5%	6.1%	2.3%
In School	7.8%	14.2%	6.7%	3.1%	9.0%	18.4%	8.2%	3.7%
Care of House/Family	8.2%	10.7%	8.2%	5.3%	8.2%	11.4%	8.9%	4.8%
Something Else/Other	2.1%	2.7%	2.0%	1.7%	1.7%	2.3%	1.6%	1.3%
Not in Labor Force*	40.3%	61.6%	37.9%	22.0%	40.0%	65.5%	40.3%	21.4%
Unemployed	3.4%	4.4%	3.6%	1.9%	3.4%	3.4%	3.9%	2.5%
Employed	56.3%	34.0%	58.5%	76.2%	56.7%	31.0%	55.8%	76.2%
Labor Force*	59.7%	38.4%	62.1%	78.0%	60.0%	34.5%	59.7%	78.6%
Total Working Age*	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: U.S. Census Bureau; Current Population Survey
 *Note: Total Working Age equals Not in Labor Force plus Labor Force.

- Among college graduates, the NILF percentage fell slightly between 2000 and 2008 (-0.6pp), driven, among other things, by a decrease in those taking care of house or family (-0.5pp).
- Within the NILF population, the share of those with less than a high school education fell from 42.1 percent in 2000 to 35.6 percent in 2008. At the same time, the NILF share of people with high school, some college or associates degrees increased from 43.9 percent in 2000 to 48.0 percent in 2008.

Real Estate and Construction

Real Estate

- In January 2009, the Manhattan Class A direct vacancy rate rose to 5.9% and average asking rate fell \$1 PSF to \$86 PSF.
- In the same month, the Midtown South Class A direct vacancy rate remained at 3.6%, while the average direct office rental rate remained at \$60 PSF.
- The total Manhattan sublease vacancy rate was 3.1 percent in January 2009, up from 2.7 percent in December 2008.

Construction

For the four months ending December 2008:

- Building projects (including new, additions and alterations) that started construction in NYC declined by 10.7 percent and infrastructure (non-building) project starts increased by 29.4 percent from the four months ending December 2007.
- Planned space for building project starts increased 10.6 percent from the same period in 2007.
- 1,033 residential buildings with 9,223 units of housing started construction, a decrease of 11.0 and increase of 11.0 percent respectively from the previous year.

Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Jan-09	Dec-08	Jan-09	Jan-09	Dec-08	Jan-09
Midtown	6.7%	6.4%	3.1%	\$90	\$92	\$70
Midtown South	3.6%	3.6%	1.6%	\$64	\$64	\$56
Downtown	3.7%	3.4%	3.2%	\$58	\$60	\$44
Manhattan Totals	5.9%	5.6%	3.1%	\$86	\$87	\$64

Source: Cushman and Wakefield

Construction Starts, Four Months Ending

Indicator	Building		Non-Building	
	Dec-08	Dec-07	Dec-08	Dec-07
Number of projects	2,003	2,243	110	85
Square Feet (000s)	15,525	14,038	n.a.	n.a.
Value (\$,000s)	3,523,137	3,619,447	1,466,547	1,449,260

Source: McGraw Hill Construction

Tourism, Travel and Transit

Tourism and Travel

Broadway Ticket Sales

- There were approximately 1.0 million tickets sold during the five weeks ending February 1, 2009, a 7.8 percent decrease from the same period last year.
- Broadway revenues during this period were roughly \$80.1 million, a 0.1 percent decrease from last year.

Note: Gross revenue and attendance figures do not include all shows
 Source: The Broadway League

Air Traffic

- In November 2008, 7.8 million passengers flew into and out of the region's airports, a decrease of 11.6 percent from November 2007.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In December 2008, the average daily hotel room rate was \$339, an 8.3 percent decrease from December 2007.
- Hotel occupancy was 81.8 percent in December 2008, down from 85.4 percent in December 2007.

Source: PKF Consulting

Transit Ridership

- Total ridership on MTA subways, trains and buses in December 2008 was roughly 213 million, an increase of 3.9 percent from December 2007.
- In December 2008, subway ridership was roughly 136 million, an increase of 3.9 percent from December 2007.

Source: Metropolitan Transportation Authority