

# ECONOMIC SNAPSHOT

A Summary of New York City's Economy

JUNE 2008

## HIGHLIGHTS

Private employment rose by 1,500 jobs in April, after an increase of 900 jobs in March.

The unemployment rate rose to 4.7 percent in April, from 4.5 percent in March.

The NYC hotel occupancy rate in April 2008 was 87.0 percent, down from 88.4 percent in April 2007.

The Direct Class A office vacancy rate was 5.0 percent in May 2008, while the average asking rent was \$89 PSF.

Passengers in NYC's airports totaled 9.4 million in March 2008, up 2.3 percent from March 2007.

## Employment Facts

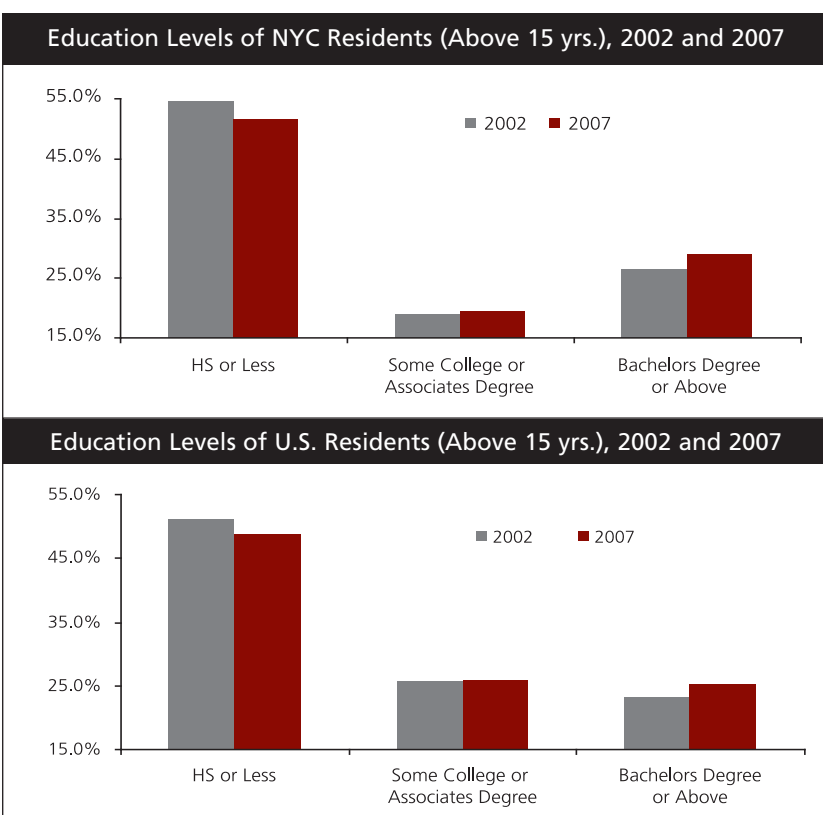
- Private sector jobs in New York City increased by 1,500 in April 2008 after an increase of 900 in March 2008.
- Government jobs in the City fell by 800 for a net gain of 700 total (private and public sector) jobs.
- Since April 2007, the private sector has grown by 1.1 percent, adding 35,500 total jobs.
- The City's unemployment rate rose to 4.7 percent in April, from 4.5 percent in March.
- The number of employed City residents rose by 25,800 between March and April, the largest month-over-month increase since January 1978 (the earliest time period for which this data has been estimated by NYS DOL using the current methodology).

Industry	Employment (000s)			
	Apr-08	Mar-08	Change From Prev. Month	Change From Apr-07
<b>FIRE</b>	<b>462</b>	<b>465</b>	<b>(3)</b>	<b>3</b>
Finance and Insurance	339	341	(2)	(0)
Real Estate	123	124	(1)	3
<b>SERVICES</b>	<b>1,938</b>	<b>1,935</b>	<b>3</b>	<b>25</b>
Information	174	171	3	8
Professional & Business	592	592	(0)	3
Educational	152	153	(0)	(2)
Health & Social Assistance	560	559	1	10
Arts & Entertainment	64	64	0	(1)
Accommodation & Food	237	238	(1)	6
Other	159	160	(0)	1
<b>TRADE</b>	<b>455</b>	<b>454</b>	<b>1</b>	<b>10</b>
Retail	305	304	1	10
Wholesale	150	151	(0)	(0)
<b>MANUFACTURING</b>	<b>95</b>	<b>95</b>	<b>(1)</b>	<b>(8)</b>
<b>TRANSPORTATION &amp; UTILITY</b>	<b>128</b>	<b>127</b>	<b>1</b>	<b>4</b>
<b>CONSTRUCTION</b>	<b>128</b>	<b>128</b>	<b>1</b>	<b>2</b>
<b>TOTAL PRIVATE</b>	<b>3,205</b>	<b>3,204</b>	<b>2</b>	<b>36</b>
GOVERNMENT	563	564	(1)	5
<b>TOTAL (Private &amp; Government)</b>	<b>3,768</b>	<b>3,767</b>	<b>1</b>	<b>41</b>

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

## CITIZENSHIP STATUS AND EDUCATION LEVELS

- From 2002 to 2007, the NYC population above age of 15 increased at a higher rate (11.0 percent) than for the U.S. as a whole (8.3 percent). In 2007, there were 6.4 million such residents in NYC and 236.0 million nationwide.
- Between 2002 and 2007, the overall education level of residents increased in the City as well as in the country. A higher proportion of the population had at least a Bachelor's degree in 2007 than in 2002, while the proportion of those with a high school education or less declined.
- In 2007, residents with a high school education or less made up about half of the population in the City as well as the country. In comparison, NYC had a higher proportion of residents with at least a Bachelor's degree.
- Compared with the U.S., the NYC native born population had higher education levels; for this population group, the City had a greater proportion with at least some higher education than for the country as a whole.



Source: U.S. Census Bureau, Current Population Survey Data

- The relatively highly educated NYC native born population, the largest in size, did not grow as fast as the City's population as a whole. Within this group, those with some college and Bachelor's degree or above grew faster than the people with high school education or less.
- Trends among foreign-born citizens were comparable nationally and locally; this group experienced the highest rate of overall growth between 2002 and 2007. Within this group, the growth among those with at least a Bachelor's degree outpaced the growth of those with a high school education or less and with some college or an Associates degree, both in the City and the country.
- The U.S. non-citizen population was relatively less educated than in NYC. Nationally, this group grew substantially and the proportions of non-citizens in the three education groups stayed relatively constant. However, in NYC, from 2002 to 2007, this population group shrank; the decline occurred entirely within the least educated groups.

Distribution of the Population by Education levels and Citizenship status, 2007, and Change 2002-2007				
	NYC (Change from 2002)		U.S. (Change from 2002)	
<b>Total</b>	<b>6,431,277</b>	<b>(11.0%)</b>	<b>236,036,415</b>	<b>(8.3%)</b>
High School or Less	3,310,132	(5.0%)	115,386,935	(3.3%)
Some College or Associates Degree	1,255,918	(13.5%)	61,288,278	(9.6%)
Bachelors Degree or Above	1,865,228	(21.8%)	59,361,202	(17.7%)
<b>Native Citizens</b>	<b>3,527,757</b>	<b>(10.4%)</b>	<b>198,758,281</b>	<b>(5.7%)</b>
High School or Less	1,634,867	(4.1%)	94,151,852	(-0.1%)
Some College or Associates Degree	763,522	(14.3%)	54,876,951	(8.2%)
Bachelors Degree or Above	1,129,367	(18.0%)	49,729,477	(15.5%)
<b>Foreign-Born Citizens</b>	<b>1,565,283</b>	<b>(29.5%)</b>	<b>16,688,691</b>	<b>(27.2%)</b>
High School or Less	838,207	(26.1%)	7,560,048	(20.2%)
Some College or Associates Degree	286,369	(25.8%)	3,641,641	(27.0%)
Bachelors Degree or Above	440,707	(39.1%)	5,487,003	(38.3%)
<b>Non-Citizens</b>	<b>1,338,238</b>	<b>(-3.5%)</b>	<b>20,589,442</b>	<b>(22.2%)</b>
High School or Less	837,057	(-8.8%)	13,675,035	(23.2%)
Some College or Associates Degree	206,027	(-2.1%)	2,769,685	(18.1%)
Bachelors Degree or Above	295,154	(14.6%)	4,144,722	(21.5%)

Source: U.S. Census Bureau, Current Population Survey Data

### Real Estate

- In May 2008, the Midtown Class A direct vacancy rate increased 0.8% to 5.7%, while the average direct office rental rate rose \$5 to \$93 PSF.
- In the same month, the Midtown South vacancy rate dropped to 1.4 percent while the average rental rate rose \$4 to \$79 PSF.
- The total Manhattan sublease vacancy rate was 1.8 percent in May, up from 1.6 percent in April.

### Class A Office Vacancy Rates and Average Rents

	Vacancy Rate				Average Rents/SF		
	Direct		Sublease	Direct		Sublease	
	May-08	Apr-08	May-08	May-08	Apr-08	May-08	
Midtown	5.7%	4.9%	1.6%	\$93	\$88	\$89	
Midtown South	1.4%	1.9%	0.8%	\$79	\$75	\$54	
Downtown	3.3%	3.5%	3.1%	\$63	\$62	\$50	
<b>Manhattan Totals</b>	<b>5.0%</b>	<b>4.5%</b>	<b>1.8%</b>	<b>\$89</b>	<b>\$84</b>	<b>\$75</b>	

Source: Cushman and Wakefield

### Other Indicators

#### Tourism and Travel

##### Air Traffic

- In March 2008, 9.4 million passengers flew into and out of the region's airports, an increase of 2.3 percent from March 2007.

Source: Port Authority of New York and New Jersey

##### Hotel Occupancy

- In April 2008, the average daily hotel room rate was \$306, a 7.6 percent increase from April 2007.
- Hotel occupancy was 87.0 percent in April 2008, down from 88.4 percent in April 2007.

Source: PKF Consulting

##### Broadway Ticket Sales

- Broadway attendance during the four weeks ending May 25, 2008 was approximately 1.1 million, a 3.3 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$79 million, a 2.8 percent decrease from last year.

Source: The Broadway League

#### Transit Ridership

- Total ridership on MTA subways, trains and buses in March 2008 was roughly 218 million, an increase of 0.2 percent from March 2007.
- In March 2008, subway ridership was roughly 137 million, an increase of 1.5 percent from March 2007.

Source: Metropolitan Transportation Authority

#### New Construction

For the four months ending April 2008:

- There were 1,817 building projects (including new, additions and alterations) that started construction in NYC, a 21.7 percent decrease from the four months ending April 2007. There were 88 infrastructure (non-building) project starts, a decrease of 1.1 percent from last year.
- Planned space for building project starts is approximately 13.7 million square feet, a 26.2 percent increase from the same period in 2007.

Source: McGraw Hill Construction