

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

MAY 2009

HIGHLIGHTS

Private Employment fell by 10,600 in March, after a decrease of 16,100 jobs in February.

The unemployment rate remained at 8.1 percent in March from one month earlier.

The Manhattan hotel occupancy rate in March 2009 was 72.7 percent, down from 86.3 percent in March 2008.

The Direct Class A office vacancy rate was 7.3 percent in April 2009, while the average asking rent was \$80 PSF.

Passengers in NYC area airports totaled 6.7 million in February 2009, down 11.9 percent from February 2008.

Employment

- Private sector jobs in New York City fell by 10,600 in March 2009 after a decrease of 16,100 in February.
- In the same period, government jobs in the City increased by 100 for a net loss of 10,500 private and public sector jobs.
- Since March 2008, private sector employment has declined by 82,600 jobs or 2.6 percent.
- Between February and March 2009, the City's unemployment rate remained at 8.1 percent.
- Between February and March 2009, the number of employed City residents rose by 1,500 and the number of unemployed City residents rose by 3,000.

Industry	Employment (000s)			
	Mar-09	Feb-09	Change From Prev. Month	Change From Mar-08
FIRE	446	448	-2	-24
Finance and Insurance	326	328	-2	-22
Securities	171	174	-3	-17
Banking	89	89	0	-5
Other	66	65	0	0
Real Estate	120	120	0	-2
SERVICES	1,944	1,949	-5	-8
Information	165	167	-2	-3
Professional & Business	584	588	-4	-19
Educational	165	164	1	8
Health & Social Assistance	564	566	-2	6
Arts & Entertainment	68	67	0	0
Accommodation & Food	235	235	0	-4
Other	163	163	0	3
TRADE	434	433	0	-17
Retail	293	292	1	-7
Wholesale	141	142	-1	-9
MANUFACTURING	83	85	-2	-15
TRANSPORTATION & UTILITY	119	121	-2	-6
CONSTRUCTION	121	120	1	-12
TOTAL PRIVATE	3,146	3,157	-11	-83
GOVERNMENT	560	560	0	-4
TOTAL (Private & Government)	3,706	3,717	-11	-86

Place of Residence	Unemployment Rates	
	12 Months Ending	
	Mar-09	Mar-08
Bronx	8.4%	6.6%
Brooklyn	6.8%	5.3%
Manhattan	5.6%	4.2%
Queens	5.7%	4.3%
Staten Island	5.7%	4.4%
NYC	6.3%	4.9%

Source: New York State Department of Labor (NYSDOL)

Source: New York State Department of Labor (NYSDOL)
Data are seasonally adjusted

Average Wage For New Hires

- The U.S. Census Bureau Quarterly Workforce Indicators (QWI) data includes average wages for New Hire Stable Jobs (new hires) and Total Stable Jobs (stable jobs). Stable jobs are those with positive earnings from the same employer in the current and previous quarter and expected to be retained in the next quarters. New hires were not working for the current employer in the year before the last quarter.
- In 2007, the majority (51 percent) of the new hires were between ages 25 and 44 (31 percent were 25 to 34 and 20 percent were 35 to 44); 28 percent of new hires were below the age of 25 and 21 percent above the age of 44.
- In 2007, the NYC average private real wage for new hires was \$46,944. Between 2001 and 2007, the average wage increased by 11.3 percent for stable jobs, whereas it decreased by 1.6 percent for new hires. The average wage for new hires as a fraction of that of stable jobs, declined from 62 percent in 2001 to 55 percent in 2007.
- Among five of the largest U.S. cities, new hires earned the highest average wage in NYC, in 2007. In all these cities, new hires in the Finance and Insurance sector earned the highest average wage; those in the Accommodation and Food Services sector earned the lowest, except in Philadelphia, where, on average, Retail new hires earned the least.



Sources: U.S. Census, Quarterly Workforce Indicators and U.S. Bureau of Labor Statistics
*Wages are adjusted for overall price inflation for wage earners, presented in 2007\$

■ From 2001 to 2007, overall average private real wage for new hires fell in all cities except San Francisco (the only city where new hires' wages in the Finance and Insurance sector fell) and rose in the Transportation and Utilities and Arts, Entertainment and Recreation sectors. In Los Angeles, all industries except FIRE and Manufacturing recorded a decline in new hires' average wage. Among the five cities, Los Angeles

showed the largest fall in overall average wages. Philadelphia was the only city where the average wage for Wholesale new hires increased from 2001 to 2007. During the same period, in all the five cities, average wage for new hires in the Information and Retail sectors declined, while it rose for those in the Real Estate sector.

Average Annual Real Wage for New Hires, 2007 and (% Change from 2001 to 2007) for Large U.S. Cities by Sector										
	NYC		Philadelphia		Los Angeles		Chicago		San Francisco	
FIRE	\$110,492	(31.7)	\$48,206	(4.0)	\$46,923	(4.7)	\$54,229	(4.9)	\$74,632	(-3.0)
Finance and Insurance	\$132,707	(33.3)	\$55,588	(5.7)	\$54,606	(4.2)	\$59,971	(3.2)	\$82,029	(-7.1)
Real Estate and Rental and Leasing	\$40,389	(5.7)	\$30,911	(7.1)	\$33,186	(12.0)	\$37,617	(13.7)	\$52,001	(22.8)
SERVICES	\$40,242	(-10.6)	\$30,093	(-2.5)	\$27,602	(-5.9)	\$29,814	(-0.8)	\$40,497	(3.0)
Information	\$62,812	(-22.9)	\$50,395	(-1.6)	\$40,678	(-12.1)	\$50,809	(-5.7)	\$66,400	(-5.4)
Professional & Business	\$55,203	(-4.2)	\$40,636	(4.2)	\$32,607	(-6.9)	\$38,003	(2.7)	\$58,433	(13.0)
Educational	\$26,345	(-13.5)	\$33,856	(-5.1)	\$26,883	(-4.7)	\$26,863	(10.9)	\$29,897	(17.5)
Health Care & Social Assistance	\$32,437	(-10.0)	\$31,140	(-0.6)	\$30,152	(-0.5)	\$28,609	(3.2)	\$33,044	9.0
Arts, Entertainment, & Recreation	\$33,779	(-14.1)	\$19,203	(-12.8)	\$30,300	(-5.0)	\$24,663	(-3.4)	\$30,887	(39.3)
Accommodation & Food Services	\$21,183	(0.8)	\$15,890	(-1.4)	\$14,916	(-1.2)	\$14,444	(-0.4)	\$19,869	(8.8)
Other Services	\$29,899	(1.2)	\$23,025	(3.5)	\$15,722	(-7.2)	\$24,224	(-5.8)	\$20,413	(-8.8)
TRADE	\$30,229	(-9.1)	\$21,291	(2.6)	\$24,607	(-7.2)	\$24,492	(-12.5)	\$28,148	(-9.4)
Retail	\$22,539	(-10.5)	\$15,291	(-9.2)	\$19,664	(-10.9)	\$17,048	(-16.3)	\$23,391	(-14.2)
Wholesale	\$52,486	(-0.3)	\$45,159	(17.5)	\$37,598	(-0.3)	\$47,536	(-7.8)	\$49,411	(-1.3)
MANUFACTURING	\$31,977	(7.6)	\$30,890	(-4.5)	\$34,326	(5.6)	\$38,691	(-2.6)	\$38,227	(14.6)
TRANSPORTATION & UTILITY	\$29,275	(-38.3)	\$24,743	(-24.2)	\$28,565	(-10.4)	\$31,053	(-2.3)	\$40,102	(7.4)
CONSTRUCTION	\$49,725	(-5.4)	\$44,333	(2.0)	\$36,950	(-2.6)	\$49,367	(-3.1)	\$47,931	(0.2)
TOTAL PRIVATE	\$46,944	(-1.6)	\$30,216	(-2.3)	\$29,048	(-4.9)	\$32,177	(-3.3)	\$42,454	(1.0)

Sources: U.S. Census, Quarterly Workforce Indicators and U.S. Bureau of Labor Statistics. Wages are adjusted for overall price inflation for wage earners, presented in 2007\$. Counties included in the City definitions: NYC (Bronx, Kings, New York, Queens, Richmond); Philadelphia (Philadelphia); Los Angeles (Los Angeles); Chicago (Cook, DuPage); San Francisco (San Francisco).

Real Estate and Construction

Real Estate

- In April 2009, the Manhattan Class A direct vacancy rate rose to 7.3 percent and average asking rate fell \$2 PSF to \$80 PSF.
- In the same month, the Downtown Class A direct vacancy rate rose to 4.2 percent, while the average direct office rental rate remained at \$55 PSF.
- The total Manhattan sublease vacancy rate was 3.9 percent in April, up from 3.5 percent in March.

Construction

For the four months ending March 2009:

- Building projects (including new, additions and alterations) that started construction in NYC declined by 38.2 percent and infrastructure (non-building) project starts decreased by 47.7 percent from the four months ending March 2008.
- Planned space for building project starts decreased 66.7 percent from the same period in 2008.
- 629 residential buildings with 4,047 units of housing started construction, decreases of 44.9 and 49.7 percent respectively from the previous year.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Apr-09	Mar-09	Apr-09	Apr-09	Mar-09	Apr-09
Midtown	8.4%	7.7%	4.1%	\$84	\$86	\$63
Midtown South	3.9%	3.7%	2.7%	\$63	\$64	\$47
Downtown	4.2%	3.8%	3.5%	\$55	\$55	\$43
Manhattan Totals	7.3%	6.7%	3.9%	\$80	\$82	\$59

Source: Cushman and Wakefield

Construction Starts, Four Months Ending				
Indicator	Building		Non-Building	
	Mar-09	Mar-08	Mar-09	Mar-08
Number of projects	1,376	2,228	67	128
Square Feet (000s)	6,912	20,752	n.a.	n.a.
Value (\$,000s)	1,960,567	7,657,217	478,935	1,870,454

Source: McGraw Hill Construction

Tourism, Travel and Transit

Tourism and Travel

Broadway Ticket Sales

- There were approximately 1.3 million tickets sold during the five weeks ending May 3, 2009, a 0.1 percent decrease from the same period last year.
- Broadway revenue during this period was roughly \$97.0 million, a 2.4 percent increase from last year.

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

Air Traffic

- In February 2009, 6.7 million passengers flew into and out of the region's airports, a decrease of 11.9 percent from February 2008.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In March 2009, the average daily hotel room rate was \$218, a 23.4 percent decrease from March 2008.
- Hotel occupancy was 72.7 percent in March 2009, down from 86.3 percent in March 2008.

Source: PKF Consulting

Transit Ridership

- Total ridership on MTA subways, trains and buses in March 2009 was roughly 218.9 million, an increase of 0.7 percent from March 2009.
- In March 2009, total subway ridership was roughly 136.6 million, an increase of 0.1 percent from March 2008

Source: Metropolitan Transportation Authority