

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

OCTOBER 2008

HIGHLIGHTS

Private Employment rose by 3,300 jobs in August, after an increase of 8,700 jobs in July.

The unemployment rate rose to 5.8 percent in August, from 5.0 percent in July.

The NYC hotel occupancy rate in August 2008 was 92.4 percent, up from 90.0 percent in August 2007.

The Direct Class A office vacancy rate was 5.4 percent in September 2008, while the average asking rent was \$90 PSF.

Passengers in NYC area airports totaled 10.4 million in July 2008, down 0.2 percent from July 2007.

Unemployment Rates

Place of Residence	12 Months Ending	
	Aug-08	Aug-07
Bronx	6.9%	6.6%
Brooklyn	5.5%	5.2%
Manhattan	4.4%	4.2%
Queens	4.6%	4.3%
Staten Island	4.7%	4.4%
NYC	5.1%	4.8%

Source: New York State Department of Labor (NYSDDL)

Employment

- Private sector jobs in New York City increased by 3,300 in August 2008 after an increase of 8,700 in July 2008.
- Government jobs in the City fell by 2,300 for a net gain of 1,000 total (private and public sector) jobs.
- Since August 2007, the private sector has grown by 1.0 percent, adding 31,000 total jobs.
- The City's unemployment rate rose to 5.8 percent in August, from 5.0 percent in July.
- The number of employed City residents fell by 2,700 and the number of unemployed City residents rose by 32,900 between July and August.

Industry	Employment (000s)			
	Aug-08	Jul-08	Change From Prev. Month	Change From Aug-07
FIRE	464	465	-1	-5
Finance and Insurance	339	339	0	-9
Securities	177	177	1	-10
Banking	95	96	-1	-1
Other	67	67	0	1
Real Estate	125	126	-1	4
SERVICES	1,955	1,951	3	30
Information	172	173	-1	6
Professional & Business	597	596	0	2
Educational	156	156	0	3
Health & Social Assistance	563	561	2	8
Arts & Entertainment	66	65	2	1
Accommodation & Food	242	242	0	8
Other	160	159	1	2
TRADE	454	453	1	7
Retail	305	303	1	7
Wholesale	149	150	0	-1
MANUFACTURING	93	94	-1	-7
TRANSPORTATION & UTILITY	128	128	0	4
CONSTRUCTION	130	129	1	2
TOTAL PRIVATE	3,222	3,219	3	31
GOVERNMENT	558	560	-2	0
TOTAL (Private & Government)	3,780	3,779	1	31

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

Hourly Wages in New York and Other Metropolitan Areas

- In 2007, the average hourly wage for workers in the New York Metropolitan Statistical Area (MSA) was \$24.43; the median wage was \$18.81.
- Among the MSAs that include the ten largest US cities, New York workers earned the second highest average hourly wage; San Jose employees earned the highest (\$29.67 in 2007).
- The average hourly wage for workers in most of these MSAs was higher than the national average. In 2005 and 2007, San Antonio and Phoenix wages were lower than the US average. In both these MSAs the growth in average hourly wages from 2005 to 2007 lagged the US.
- Compared with the US, the average hourly wages in New York were higher for all occupations in 2007. From 2005 to 2007, the overall average hourly wage in New York remained relatively flat.



- The increase in average hourly wages from 2005 to 2007, for 10 of the 16 occupation categories, was lower in New York than the U.S. as a whole. For Community, Social Services, Education, Training and Library, Healthcare Support, and Transportation and Material Moving occupations, the average hourly wages declined in New York, while increasing nationwide.
- Among the various occupation categories, in New York, wages increased the most for Legal (5.2 percent) and Business and Financial occupations (4.5 percent). For the US as a whole, the highest increases in hourly wages occurred for the Healthcare Practitioner and Technical (3.5 percent) and the Arts, Design, Entertainment, Sports and Media (2.9 percent) occupations.
- The average hourly pay for the Food Preparation and Serving related occupations (lowest among all occupations) rose at a relatively high rate (3.3 percent in New York and 2.7 percent nationally) from 2005 to 2007.

Average Hourly Wage Rates (Change 2005-2007): NY MSA and US			
	Occupation	NYC	US
Management	\$60.07 (1.0%)	\$46.22 (2.4%)	
Legal	\$52.95 (5.2%)	\$42.53 (2.8%)	
Computer and Mathematical	\$39.68 (0.4%)	\$34.71 (1.4%)	
Healthcare Practitioner & Technical	\$37.98 (3.9%)	\$31.26 (3.5%)	
Business and Financial Operations	\$37.36 (4.5%)	\$30.01 (1.5%)	
Architecture, Engineering, Life, Physical, & Social Science	\$35.30 (0.9%)	\$32.01 (1.2%)	
Arts, Design, Entertainment, Sports, & Media	\$31.05 (2.0%)	\$23.27 (2.9%)	
Community, Social Services, Education, Training, & Library	\$25.65 (-5.7%)	\$21.89 (1.1%)	
Construction, Extraction, Installation, Maintenance, & Repair	\$24.43 (-1.6%)	\$19.38 (-0.5%)	
Sales and Related	\$22.34 (1.9%)	\$16.94 (1.2%)	
Office, Administrative Support & Protective Service	\$17.78 (-1.8%)	\$15.43 (-0.6%)	
Transportation and Material Moving	\$16.84 (-0.3%)	\$14.75 (0.3%)	
Farming, Fishing, Forestry and Production	\$15.65 (0.1%)	\$14.87 (-1.3%)	
Building, Grounds Maintenance, Personal Care & Service	\$13.86 (0.5%)	\$11.42 (1.4%)	
Healthcare Support	\$13.21 (-1.3%)	\$12.31 (1.1%)	
Food Preparation and Serving Related	\$11.54 (3.3%)	\$9.35 (2.7%)	
Total	\$24.43 (0.9%)	\$19.56 (1.2%)	

Source: BLS Occupational Employment Statistics
Change in average hourly wage was calculated by adjusting the 2005 data to 2007 dollars for region specific inflation

Real Estate and Construction

Real Estate

- In September 2008, the Midtown South Class A direct vacancy rate rose to 3.5%, while the average direct office rental rate rose \$1 to \$64 PSF.
- In the same month, the Downtown direct vacancy rate fell to 3.5 percent while the average rental rate rose to \$64 PSF.
- The total Manhattan sublease vacancy rate was 2.3 percent in September, up from 2.2 percent in August.

Construction Starts

For the four months ending August 2008:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 38.5 percent and infrastructure (non-building) project starts increased by 3.4 percent from the four months ending August 2007.
- Planned space for building project starts fell 51.5 percent from the same period in 2007.
- 902 residential buildings with 5,266 units of housing started construction, decreases of 39.5 and 41.3 percent respectively from the previous year.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Sep-08	Aug-08	Sep-08	Sep-08	Aug-08	Sep-08
Midtown	6.0%	6.0%	2.1%	\$96	\$96	\$83
Midtown South	3.5%	3.0%	0.5%	\$64	\$63	\$57
Downtown	3.5%	3.6%	3.3%	\$64	\$63	\$52
Manhattan Totals	5.4%	5.4%	2.3%	\$90	\$91	\$74

Source: Cushman and Wakefield

Construction Starts, Four Months Ending:				
Indicator	Building		Non-Building	
	Aug-08	Aug-07	Aug-08	Aug-07
Number of projects	1,714	2,787	151	146
Square Feet (000s)	8,756	18,058	n.a.	n.a.
Value (\$,000s)	3,474,278	5,289,120	1,497,306	2,137,430

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in July 2008 was roughly 218 million, an increase of 7.3 percent from July 2007.
- In July 2008, bus ridership was roughly 62 million, an increase of 4.8 percent from July 2007.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In July 2008, 10.4 million passengers flew into and out of the region's airports, a decrease of 0.2 percent from July 2007.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

- In August 2008, the average daily hotel room rate was \$286, a 7.9 percent increase from August 2007.
- Hotel occupancy was 92.4 percent in August 2008, up from 90.0 percent in August 2007.

Source: PKF Consulting

Broadway Ticket Sales

- Broadway attendance during the four weeks ending September 28, 2008 was approximately 766,000, an 8.7 percent increase from the same period last year.
- Broadway revenue during this period was roughly \$58.1 million, a 7.6 percent increase from last year.

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