

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

JANUARY 2012

HIGHLIGHTS

Private employment rose by 10,100 in November 2011 after a decrease of 9,400 jobs in October.

The unemployment rate rose to 8.9 percent in November from 8.8 percent in October.

The Manhattan hotel occupancy rate in November 2011 was 88.2 percent, up from 85.0 percent in November 2010.

The Manhattan Class A office vacancy rate was 7.9 percent in December 2011, while the average asking rent was \$68 PSF.

Passengers in NYC area airports totaled 9.0 million in October 2011, down 0.9 percent from October 2010.

Unemployment Rates

Place of Residence	12 Months Ending	
	Nov-11	Nov-10
Bronx	12.2%	12.9%
Brooklyn	9.5%	10.3%
Manhattan	7.2%	8.1%
Queens	7.9%	8.7%
Staten Island	8.0%	8.7%
NYC	8.8%	9.6%

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

Employment

- Private sector jobs in New York City rose by 10,100 in November 2011 after a decrease of 9,400 in October.
- In the same period, government jobs in the City fell by 1,000 resulting in a net increase of 9,200 total private and public sector jobs.
- Since November 2010, private sector employment has risen by 27,000 jobs or 0.8 percent.
- The City's unemployment rate rose to 8.9 percent in November from 8.8 percent in October.
- Between October and November 2011, the number of employed City residents rose by 200 and the number of unemployed City residents rose by 7,500.

Industry	Employment (000s)			
	Nov-11	Oct-11	Change From Prev. Month	Change From Nov-10
FIRE	434	435	(1)	1
Finance and Insurance	316	318	(1)	0
Securities	168	169	(0)	1
Banking	86	86	-	(0)
Other	62	63	(1)	-
Real Estate	118	117	1	1
SERVICES	2,019	2,014	4	19
Information	159	160	(1)	(6)
Professional & Business	601	600	0	13
Prof., Scientific, & Tech.	335	334	1	12
Mgt. of Companies & Enterprises	67	66	1	3
Administrative	199	201	(1)	(1)
Educational	184	184	(0)	6
Health & Social Assistance	585	581	4	(1)
Arts & Entertainment	66	64	2	1
Accommodation & Food	268	267	1	11
Other	156	156	(0)	(5)
TRADE	452	446	7	14
Retail	312	306	6	12
Wholesale	140	139	1	3
MANUFACTURING	72	72	-	(4)
TRANSPORTATION & UTILITIES	119	118	1	1
CONSTRUCTION	105	105	(1)	(5)
TOTAL PRIVATE	3,200	3,190	10	27
GOVERNMENT	549	550	(1)	(4)
TOTAL (Private & Government)	3,749	3,740	9	24

Source: New York State Department of Labor (NYS DOL)
Data are seasonally adjusted by NYC OMB.

Professional and Business Services

- Professional and Business (P&B) Services employment can be defined by industry or occupation. According to recently released Census Bureau American Community Survey data for 2010, 12.7% of New York City's private employment is in a P&B industry. The largest subsector is Legal Services, which accounts for 15% of the City's P&B industry employment.¹
- P&B occupations cut across industries. The 92 occupations that compose P&B Services constitute 29.2% of New York City's total private employment and can be classified into six categories: Management, Business and Financial Operations, Computer and Mathematical Science, Architecture and Engineering, Legal, and Office and Administrative Support. Five occupations account for more than one third of the total; the largest group is Secretaries and Administrative Assistants (11%).²
- Private sector workers employed in a P&B occupation within a P&B industry tend to be more educated and are more likely to be white and female than in other occupations and/or industries. Full-time private employees working a P&B occupation and industry had an average income of nearly \$115,000 in 2010, compared with average annual income of \$71,083 for all full-time private workers in New York City.³
- In a sample of nine U.S. cities or counties, eight have a larger concentration of P&B employment than the nation.⁴ While New York City has only a slightly higher concentration of P&B industry employment than the U.S., the Advertising and Related Services, Specialized Design Services, and Legal Services subsectors show particular strength compared to both the nation and the restricted sample.
- Payroll employment in P&B industries follows the City's private sector trends, but has historically been significantly more volatile.⁵ During the economic downturns of the early 1990s, early 2000s, and most recently from 2008 through 2009, P&B payroll employment shrank more on a percentage basis than in the City's overall private sector. Employment in P&B industries also experienced faster growth during economic upturns, especially between 1992 and 2001. During that time period, New York City's economy became more service-intensive and has remained that way.
- As of November 2011, payroll employment in P&B industries recovered 87% of jobs lost during the last private sector job contraction and was 7,000, or 1.2%, shy of its 2008 peak (and 2,900, or 0.5%, shy of its 2001 peak).

¹ American Community Survey data reflects the primary job for all New York City workers residing in New York State, New Jersey, Connecticut, or Pennsylvania.

² The remaining top occupations are Accountants and Auditors (9%); Financial Managers (6%); Lawyers, and Judges, Magistrates and Other Judicial Workers (6%); and Customer Service Representatives (5%). (Source: Census Bureau American Community Survey, 2010)

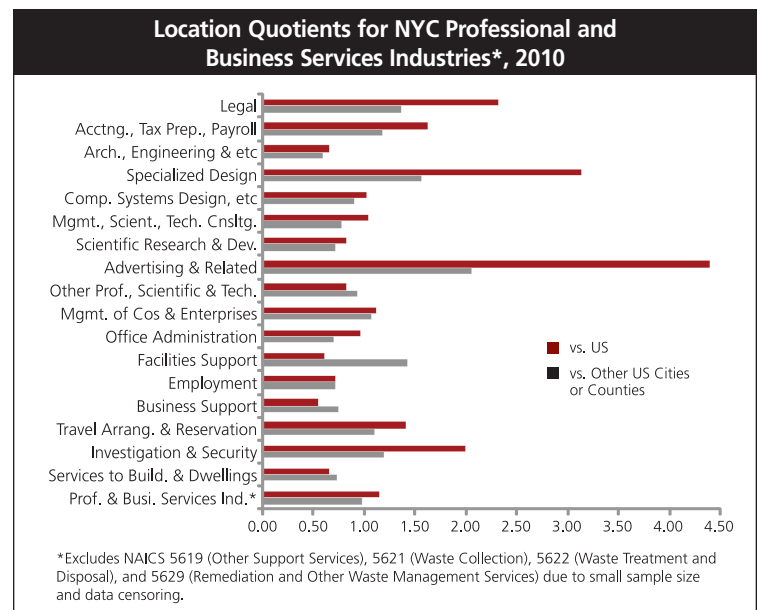
³ Full-time employees are those working an average of 35 hours or more per week.

⁴ In Boston, Chicago, Houston, Los Angeles, New York City, San Antonio, San Francisco, and San Jose, the percentage of employees working in P&B industries is greater than it is in the nation. Philadelphia has a slightly lower concentration of employees in P&B industries compared to the U.S.

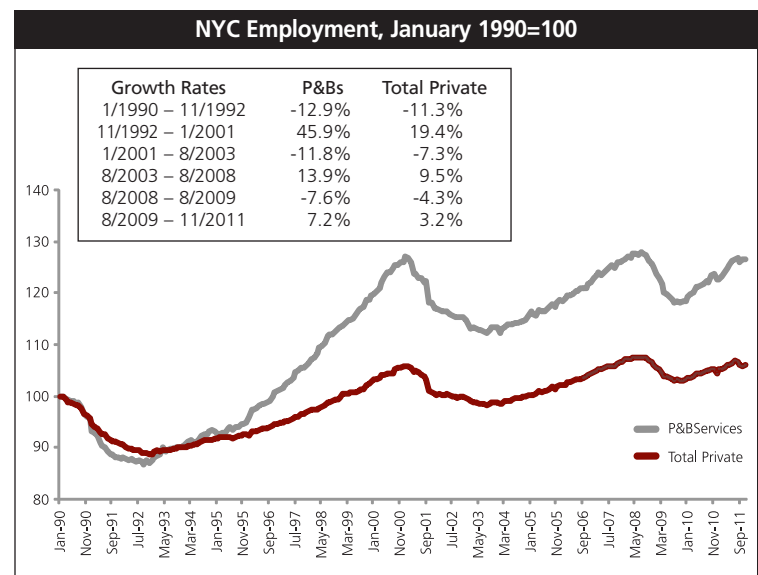
⁵ Source: Bureau of Labor Statistics Current Employment Statistics, seasonally adjusted by New York City Office of Management and Budget. Payroll employment reflects all job positions in New York City (i.e., accounts for people having multiple jobs) irrespective of place of residence.

Demographics & Avg. Annual Income			
		Occupation	
		P&B Services	Not P&B Services
Industry	P&B Services	Bachelor's degree or higher: 73.8% White: 65.5%; Male: 46.8% Under Age 45: 67.9% Average Annual Income: \$114,984	Bachelor's degree or higher: 58.3% White: 57.8%; Male: 63.2% Under Age 45: 69.0% Average Annual Income: \$73,439
	Not P&B Services	Bachelor's degree or higher: 54.8% White: 59.0%; Male: 47.5% Under Age 45: 62.9% Average Annual Income: \$91,839	Bachelor's degree or higher: 34.7% White: 47.0%; Male: 54.7% Under Age 45: 62.3% Average Annual Income: \$57,974

Source: Census Bureau American Community Survey, 2010.



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages



Source: Bureau of Labor Statistics Current Employment Statistics, seasonally adjusted by New York City Office of Management and Budget

Real Estate and Construction

Manhattan Office Market

- In December 2011, the Manhattan Class A direct vacancy rate rose to 7.9 percent from 7.8 percent in November while the average rental rate rose \$1 PSF to \$68 PSF.
- In the same month, the Midtown Class A direct vacancy rate remained unchanged at 8.3 percent and the rental rate rose to \$74 PSF.
- The Manhattan Class A sublease vacancy rate in December fell to 1.7 percent from 1.8 percent in November.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Dec-11	Nov-11	Dec-11	Dec-11	Nov-11	Dec-11
Midtown	8.3%	8.3%	2.0%	\$74	\$73	\$58
Midtown South	3.8%	1.3%	0.8%	\$60	\$62	\$45
Downtown	7.8%	7.8%	0.9%	\$45	\$44	\$35
Manhattan Totals	7.9%	7.8%	1.7%	\$68	\$67	\$55

Source: Cushman and Wakefield

Construction

For the twelve months ending November 2011:

- Building projects (including new, additions and alterations) that started construction in NYC increased by 34.1 percent and infrastructure (non-building) project starts rose by 1.5 percent from the twelve months ending November 2010.
- Planned space for building project starts rose by 7.2 percent from the same period in 2010.
- 2,645 residential building projects with 11,600 units of housing started construction, increases of 27.5 percent and 33.6 percent, respectively over the period.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Nov-11	Nov-10	Nov-11	Nov-10
Number of projects	6,204	4,625	466	459
Square Feet (000s)	24,958	23,281	n.a.	n.a.
Value (\$,000s)	11,723,724	15,232,450	2,278,247	5,111,886

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in November 2011 was 222.8 million, an increase of 1.1 percent from November 2010.
- Subway ridership in November 2011 was 139.6 million, an increase of 2.9 percent from November 2010.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In October 2011, 9.0 million passengers flew into and out of the region's airports, a decrease of 0.9 percent from October 2010.
- Domestic air carriers accounted for 6.0 million passengers, a 0.9 percent decrease from the same month last year.
- 3.0 million passengers traveled with international air carriers in October 2011, a 0.9 percent decrease from October 2010.

Source: Port Authority of New York and New Jersey

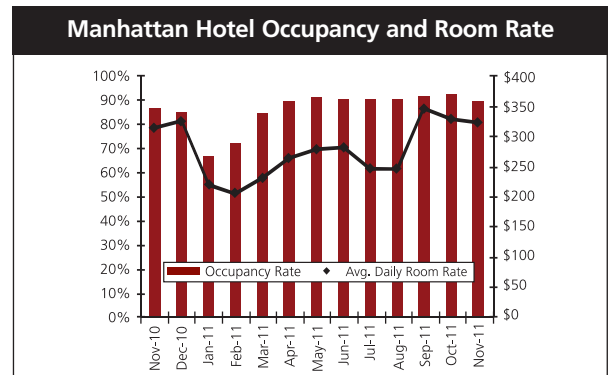
Broadway Ticket Sales

- Total Broadway attendance was approximately 985,000 during the four weeks ending December 25, 2011, down 5.2 percent from the same period last year.
- Broadway revenue during this period was about \$96.3 million, down 1.6 percent from last year.

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

Hotel Occupancy

- In November 2011, the average daily hotel room rate was \$318, a 2.5 percent increase from November 2010.
- Hotel occupancy was 88.2 percent in November 2011, up from 85.0 percent in November 2010.
- The average daily hotel room rate increased the most in mid-priced hotels (charging between \$250 and \$350 per night).



Source: PKF Consulting

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