Employment

- Private sector jobs in New York City rose by 7,100 in May 2007 after an increase of 2,400 in April 2007.
- Government jobs in the City increased by 900 for a net gain of 8,000 (private and public sector) jobs.
- Since May 2006, the private sector has grown by 2 percent, adding 52,000 total jobs.
- The City’s unemployment rate rose to 4.9 percent in May from 4.4 percent in April.
- Reaching its highest employment level since September 2001, the Finance and Insurance Sector led job growth in May 2007, adding 1,800 jobs.

Wage Supplements

- The compensation provided by employers consists of wages and wage supplements (pension and insurance contributions and social insurance). Wage supplements for NYC employees increased at a pace similar to the U.S. as a whole from 1998 to 2005, according to the U.S. Bureau of Economic Analysis.
- Average wage supplements provided by NYC employers are higher than for the U.S. However, the proportion of employer compensation that consists of supplements for NYC employees (19 percent in 2005) is lower than the national average (24 percent in 2005). This reflects NYC’s relatively high average wage and the fact that some supplements (e.g., health insurance) do not tend to increase proportionally with wages.
- While the pension and insurance proportion of the total employer compensation has increased in NYC and the U.S., the proportion of total compensation attributable to social insurance has remained relatively the same in the period from 1998 to 2005.
- Employers contributed over twice as much for pensions and private insurance as for social insurance in 2005.
- Average wage supplements per job in NYC ($8,351 in pensions and insurance funds and $4,596 in social insurance) were the highest among the largest cities in 2005; the U.S. average was lower than the four largest U.S. cities — ($6,567 in pensions and insurance funds and $3,062 in social insurance).
Wage Supplements

■ In all the large cities studied, the employer contributions to both types of supplements increased from 1998 to 2005. NYC’s growth was smallest (65.4 percent in pension and insurance and 30.2 in social insurance) compared with other large cities and the U.S as a whole, while its employees experienced the second highest average wage gain (30.7 percent), below Houston. Los Angeles had the highest growth rate in employer contributions to social insurance and Houston employers increased their average contribution for pensions and insurance funds per job the most.

■ Comparing the change in the wage supplements proportions of the total compensation across the large cities and the country as a whole, New York City employees experienced the slowest growth (23.8 percent) in the pension and insurance proportion of the total compensation. In fact, unlike the other three large cities and the U.S., there was a decline in the social insurance proportion of the total compensation in NYC.

Average Wages and Wage Supplements as % of Average Wages, 2005

% Change in Wage Supplement Share of Total Compensation, 1998-2005

Source: U.S. Bureau of Economic Analysis

Real Estate

■ In June 2007, Downtown Class A direct office vacancy rates increased to 5 percent from 4.5 percent the previous month while average rents decreased $1 PSF to $53 PSF.

■ From May to June 2007, Midtown Class A average rents increase 6% to $79 PSF; the largest monthly increase percent since October 2006.

■ Over the same period, total Manhattan sublease average rents increased $2 PSF, while total Class A sublease vacancy rates decreased to 1.1 percent from 1.2 percent.

Other Indicators

Tourism and Travel

Air Traffic

■ In April 2007, 9.4 million passengers flew into and out of the region’s airports, a 5 percent increase from April 2006 passenger levels.

Source: Port Authority of New York and New Jersey

Hotel Occupancy

■ In May 2007, the average daily hotel room rate was $300, a 14 percent increase from May 2006.

■ Hotel occupancy was 89 percent in May 2007, up from 88 percent in May 2006.

Source: PKF Consulting

Broadway Ticket Sales

■ Total Broadway attendance was approximately 1.3 million during the five weeks ending July 1, 2007, a 10 percent increase from the same period last year.

■ Broadway revenue during this period was roughly $99 million, an 8 percent increase from last year.

Source: The League of American Theatres and Producers

Subway Ridership

■ Total ridership on MTA subways, trains and buses, and bridge and tunnel use in April 2007 was roughly 227 million, an increase of 3 percent from April 2006.

■ In April 2007, subway ridership was roughly 126 million, an increase of 5 percent from April 2006.

Source: Metropolitan Transportation Authority

New Construction

For the four months ending May 2007:

■ There were 2,182 building projects (including new, additions and alterations) that started construction in NYC, a 26 percent decrease from the four months ending May 2006. There were 119 infrastructure (non-building) project starts, an increase of 17 percent from last year.

■ Planned space for building project starts is approximately 11 million square feet, a 45 percent decrease from the same period ending 2006.

Source: Dodge Analytics

For more information regarding this issue of Economic Snapshot, please contact snapshot@nycedc.com

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