

# ECONOMICSNAPSHOT

## A Summary of New York City's Economy

JULY 2016

### HIGHLIGHTS

Private employment in New York City rose 26,400 between May and June 2016.

The unemployment rate fell to 5.0%, down from 5.5% this time last year.

Subway ridership was up from May 2015; bus ridership was down over this time period.

11.4 million passengers total used the region's airports in May 2016.

In April 2016, the average daily hotel room rate was \$271, a 5.3% decrease from April 2015.

Hotel occupancy was 89% in April 2016, down from 91.3% in April 2015.

### Employment

- Private sector jobs in New York City rose by 26,400, following May's decline of 6,700.
- Government jobs in the city increased by 600, resulting in a net overall increase of 27,000 jobs between May and June 2016.
- Employment gains were led by the Educational Services sector, which saw an overall increase of 14,200 jobs (note: this sector is historically erratic with gains or losses fluctuating heavily with the seasons).
- The Information sector, which lost 3,500 jobs largely due to the Verizon strike the previous month, saw an increase of 5,700 jobs as striking workers returned to work in June.
- Other notable job increases were in the Accommodation and Food Services, where 15,900 jobs were added since June 2015.
- Private sector employment has risen by 98,500 jobs since June 2015, an increase of 2.7% (compared to the national growth rate of 2.0%).
- New York City's unemployment rate fell to 5.0% in June 2016 from May's 5.1%.

Industry	Employment (000s)			
	Jun-16	May-16	Change From Prev. Month	Change From June-15
<b>FIRE</b>	<b>457</b>	<b>460</b>	<b>(3.2)</b>	<b>-0.6%</b>
Finance & Insurance	332	334	(1.8)	-0.3%
Securities	173	174	(0.9)	0.3%
Banking	95	95	(0.1)	-1.1%
Other	64	65	(0.7)	-0.8%
Real Estate	125	126	(1.4)	-1.5%
<b>SERVICES</b>	<b>2,458</b>	<b>2,432</b>	<b>26.2</b>	<b>3.9%</b>
Information	196	191	5.7	4.2%
Professional & Business	714	717	(3.2)	1.9%
Prof., Scientific & Tech.	409	409	0.2	2.8%
Mgt. of Companies & Enterprises	71	72	(0.2)	0.0%
Administrative	234	237	(3.1)	1.0%
Educational	239	225	14.2	12.5%
Health & Social Assistance	674	672	2.3	3.2%
Arts & Entertainment	87	86	0.7	5.7%
Accommodation & Food	358	352	6.1	4.5%
Other	190	189	0.3	2.4%
<b>TRADE</b>	<b>497</b>	<b>496</b>	<b>1.5</b>	<b>-0.4%</b>
Retail	348	347	1.0	-1.4%
Wholesale	149	148	0.6	1.9%
<b>MANUFACTURING</b>	<b>78</b>	<b>78</b>	<b>0.5</b>	<b>0.3%</b>
<b>TRANSPORTATION &amp; UTILITIES</b>	<b>136</b>	<b>135</b>	<b>0.7</b>	<b>2.7%</b>
<b>CONSTRUCTION</b>	<b>146</b>	<b>145</b>	<b>0.7</b>	<b>4.9%</b>
<b>TOTAL PRIVATE</b>	<b>3,772</b>	<b>3,746</b>	<b>26.4</b>	<b>2.7%</b>
GOVERNMENT	554	553	0.6	0.8%
<b>TOTAL (Private &amp; Government)</b>	<b>4,326</b>	<b>4,299</b>	<b>27.0</b>	<b>2.4%</b>

### Unemployment Rates

Place of Residence	12 Months Ending	
	May-16	May-15
Bronx	7.4%	9.1%
Brooklyn	5.4%	7.0%
Manhattan	4.5%	5.6%
Queens	4.6%	5.9%
Staten Island	5.2%	6.7%
<b>NYC</b>	<b>5.2%</b>	<b>6.7%</b>

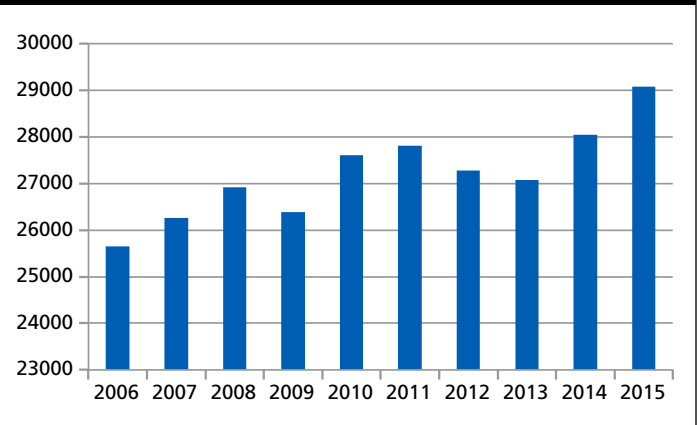
Source: New York State Department of Labor (NYSDOL)  
Note: Data are not seasonally adjusted.

Source: New York State Department of Labor (NYSDOL)  
Note: Rows may not sum to totals due to rounding. Data are seasonally adjusted by NYC OMB.

## SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS

- STEM refers to educational and professional fields in science, technology, engineering, and mathematics. STEM is a key driver of innovation, and is vital to New York City's status as a leader in the global economy. STEM education is on the rise in New York City, with 29,080 students enrolled in science and engineering disciplines in 2015 (an increase of 13% from 2006). This growing education pipeline is vital for expanding the City's talent pool, as STEM employment typically requires a high level of education. For example, of the City's 217,000 STEM workers, 36.4% hold a post-graduate degree and 81.9% hold at least a bachelor's degree.
- New York City has a large concentration of universities engaged in STEM research, with the state placing second in the country for research and development funding for universities or academic institutions, behind only California. The City's institutions saw an increase of 32% for R&D spending between 2006 and 2015, reaching nearly \$2.9 billion, roughly one-third of which falls within STEM-dominant industries. Major research projects include over \$600 million directed at life-sciences research and Columbia University, and more than 70% of New York University's budget going to medical and biological science research activities.
- The City's STEM landscape includes a broad range of jobs with computer-related professions being the most dominant. Of occupations identified by the Census Bureau to be in the STEM sector, the top five all relate to computer and information system management, programming, and analysis. In total, tech jobs account for nearly two-thirds of the City's STEM sector, with engineering and science professions at 17.5% and 13.6%, respectively. Mathematicians represent the smallest share of the group (3.1% of STEM employment), however they are the highest paid, earning \$112,800 on average compared to the \$94,700 for the three other STEM occupation groups.
- Gender and race gaps are a defining element of the STEM sector across the country. In the City, 72% of workers are men and 84% identify as white or Asian. Nevertheless, this picture varies widely across the sector. Engineering jobs tend to have the lowest representation of women, who hold just 15.8% of those jobs, where in science jobs women outnumber men, holding 56.7% of jobs. This trend is led by psychologists, natural science managers, and biological and chemical technicians. It may be the case, however, that occupations with larger female participation experience higher wage gaps. While the relatively few women in tech and engineering jobs earn, respectively, 86.6% and 83.9% of men's wages on average, the wages for better-represented women in math and science are 70.8% and 76.6% of those of men, respectively.

**Graduate and Post-doc Students in S&E Disciplines at NYC Institutions**

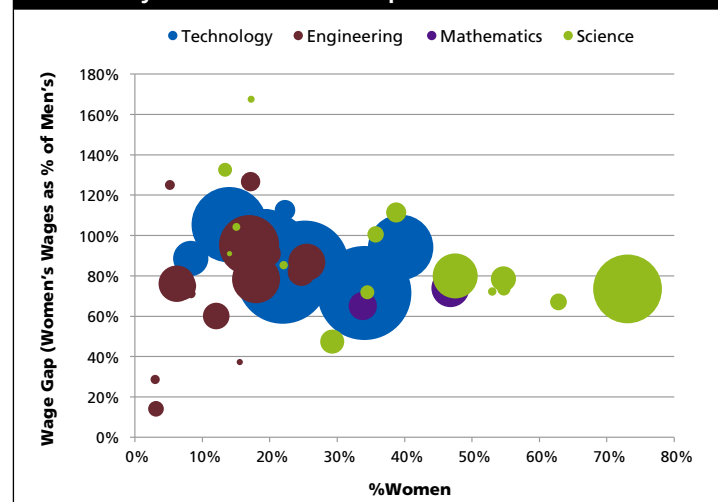


Source: NSF-NIH Survey of Graduate Students & Postdoctorates in Science and Engineering, 2015

Rank	University	R&D Spending 2014 (\$ thousands)
1	Columbia University	\$ 890,642
2	New York University	\$ 523,623
3	Icahn School of Medicine at Mount Sinai	\$ 463,429
4	The Rockefeller University	\$ 316,368
5	Yeshiva University	\$ 306,826
6	CUNY, City College	\$ 52,654
7	CUNY, Hunter College	\$ 38,879
8	SUNY, Downstate Medical Center	\$ 33,331
9	CUNY, Queens College	\$ 23,434
10	Columbia University, Teachers College	\$ 20,538

Source: NSF Survey of Research and Development Expenditures at Universities and Colleges/Higher Education Research and Development Survey, 2014

**Gender Dynamics of STEM Occupations**



Source: US Census Bureau, ACS 2014; Bubble sizes reflect total occupational employment.

## Real Estate and Construction

### Manhattan Office Market

- In June 2016, the Manhattan Class A direct vacancy rate fell to 8.5% from 8.8% the previous month, while the average rental rate held steady at \$81 per square foot.
- Direct vacancy rates fell across all Manhattan submarkets; the largest decline occurred downtown.
- The Downtown Class A sublease rental rate and vacancy rate rose by \$1 and 0.2%, respectively, from the previous month.

### Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Jun-16
	June-16	May-16	Jun-16	Jun-16	May-16	
Midtown	8.3%	8.5%	1.2%	\$88	\$88	\$58
Midtown South	3.2%	3.4%	1.2%	\$85	\$83	\$60
Downtown	11.1%	11.6%	0.6%	\$63	\$62	\$47
<b>Manhattan Totals</b>	<b>8.5%</b>	<b>8.8%</b>	<b>1.1%</b>	<b>\$81</b>	<b>\$81</b>	<b>\$57</b>

Source: Cushman and Wakefield  
Note: based on latest available data

### Construction

For the 12-months ending June 2016:

- The number of residential construction projects rose by 12.4% between the 12-months ending June 2016. Despite a nearly 24.0% decline in non-building construction projects over this time period, the total number of construction projects was up 6.5%.
- In spite of growth in project numbers, both the value and square footage of construction projects were down from last year's June totals. Total new building square footage was down 25.7%, while the corresponding value of new projects was down 28.3%.

### Construction Starts, Twelve Months Ending

Indicator	Building		Non-Building	
	Jun-16	Jun-15	Jun-16	Jun-15
Number of projects	7,347	6,776	378	494
Square feet (000s)	56,179	75,623	n.a.	n.a.
Value (\$000ws)	26,692,318	35,972,125	2,683,657	4,971,060

Source: McGraw-Hill

## Transit, Travel, and Tourism

### Transit Ridership

- Total ridership on MTA subways, trains, and buses was 208.5 million in May 2016, a decrease of 0.3% from May 2015.
- While subway ridership was up 0.22% since last May, bus ridership declined 1.8% over this time period.
- The MTA Long Island Railroad saw the greatest growth in ridership with an increase of 3.0%.

Source: Metropolitan Transportation Authority

### Travel and Tourism

#### Air Traffic

- In May 2016, 11.4 million passengers passed through the region's airports, an increase of 4.9% from May 2015.
- There were 79,805 domestic flights, carrying nearly 7.5 million passengers in May 2016. This compares to the 25,144 international flights carrying nearly 4 million passengers in the same month last year.
- There were over 700,000 taxis dispatched, 713,625 parked cars, and 920,000 passengers riding the Air Train at the region's airports.

Source: Port Authority of New York and New Jersey

#### Broadway Ticket Sales

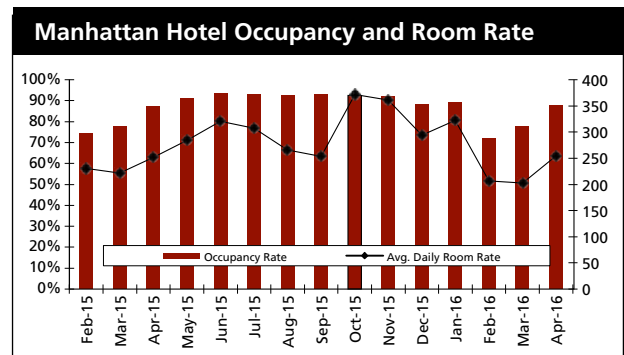
- Total Broadway attendance was approximately 1,020,886 during the four weeks ending July 17, 2016, up 1.9% from the same period last year.
- Broadway revenues during this period were about \$106.9 million, down 2.1% from last year.

Source: The Broadway League

Note: Gross revenue and attendance figures may not include all shows

#### Hotel Occupancy

- In April 2016, the average daily hotel room rate was \$271, a 5.3% decrease from April 2015.
- Hotel occupancy was 89% in April 2016, down from 91.3% in April 2015.
- The average daily hotel room rate decreased the most in the Midtown West submarket, falling 6.3% from last year.



Source: PKF Consulting

Note: Based on latest available data

### **About NYCEDC**

The New York City Economic Development Corporation is the City's primary engine for economic development charged with leveraging the City's assets to drive growth, create jobs and improve quality of life. NYCEDC is an organization dedicated to New York City and its people. We use our expertise to develop, advise, manage and invest to strengthen businesses and help neighborhoods thrive. We make the city stronger.

### **About NYCEDC Economic Research & Analysis**

The Economic Research and Analysis group from NYCEDC's Center for Economic Transformation conducts economic analysis of New York City projects, performs industry and economic research on topics affecting the city and tracks economic trends for the Mayor, policy-makers and the public as a whole. As part of its goal of providing up-to-date economic data, research and analysis to New Yorkers, it publishes a monthly New York City Economic Snapshot as well as the Trends & Insights series of publications covering such topics as Tech Venture Capital Investment, Borough & Local Economies, and Industry Economic Sectors. It also sponsors the Thinking Ahead series of events that brings together thought leaders and stakeholders to discuss and debate key issues shaping New York City's economic future.

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