

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

NOVEMBER 2013

HIGHLIGHTS

Private employment rose by 9,000 in August 2013 after an increase of 13,000 in July.

The unemployment rate rose to 8.6 percent in August from 8.4 percent in July.

The Manhattan hotel occupancy rate in September 2013 was 90.3 percent, up from 89.2 percent in September 2012.

The Manhattan Class A office vacancy rate was 9.7 percent in October 2013, while the average asking rent was \$70 PSF.

Passengers in NYC area airports totaled 11.0 million in August 2013, up 1.3 percent from August 2012.

Employment

September employment data was delayed as a result of the federal government shutdown from October 1 to October 16. September and October job numbers will be reported in the December 2013 Economic Snapshot. The following employment and labor force data are identical to those reported in last month's Snapshot.

- Private sector jobs in New York City rose by 9,000 in August 2013 after an increase of 13,000 in July.
- In the same period, government jobs in the City rose by 1,900, resulting in a net increase of 10,800 total private and public sector jobs.
- Since August 2012, private sector employment has risen by 84,700 jobs or 2.5 percent.
- The City's unemployment rate rose to 8.6 percent in August from 8.4 percent in July.
- Between July and August, the number of employed City residents increased by 10,300, and the number of unemployed City residents rose by 8,700.

Industry	Employment (000s)			
	Aug-13	Jul-13	Change From Prev. Month	Change From Aug-12
FIRE	437	443	(6)	(2)
Finance & Insurance	318	321	(2)	(2)
Securities	163	165	(2)	(3)
Banking	92	91	0	2
Other	64	64	(1)	(1)
Real Estate	118	122	(4)	(0)
SERVICES	2,196	2,186	10	66
Information	175	175	(0)	(3)
Professional & Business	639	634	5	15
Prof., Scientific & Tech.	361	358	4	8
Mgt. of Companies & Enterprises	63	63	0	(2)
Administrative	215	213	1	9
Educational	201	198	3	14
Health & Social Assistance	621	621	0	18
Arts & Entertainment	82	80	2	8
Accommodation & Food	301	300	1	7
Other	178	178	-	7
TRADE	482	481	1	14
Retail	338	336	2	10
Wholesale	144	145	(1)	4
MANUFACTURING	75	74	1	(1)
TRANSPORTATION & UTILITIES	126	124	2	4
CONSTRUCTION	119	119	0	5
TOTAL PRIVATE	3,436	3,427	9	85
GOVERNMENT	544	542	2	(0)
TOTAL (Private & Government)	3,980	3,969	11	84

Unemployment Rates		
Place of Residence	12 Months Ending	
	Aug-13	Aug-12
Bronx	11.9%	12.9%
Brooklyn	9.5%	10.1%
Manhattan	7.3%	7.8%
Queens	7.8%	8.4%
Staten Island	7.9%	8.6%
NYC	8.7%	9.4%

Source: New York State Department of Labor (NYSDOL)

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Note: Rows may not sum to totals due to rounding.

Immigrants & International Students in New York City

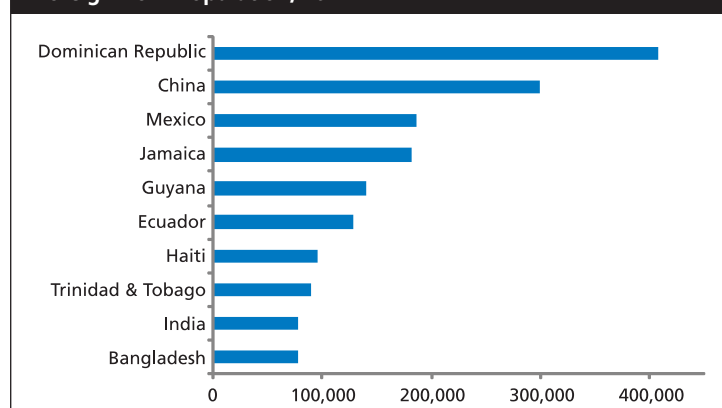
- New York has long been a gateway for immigrants to the United States. But with 3,136,592 foreign-born residents and over 40,000 international students currently calling the city home today, it may be as Mayor Bloomberg recently said “the most immigrant-friendly city in the world.”¹
- According to the 2012 American Community Survey, foreign-born residents comprise 37.6 percent of NYC’s total population and even higher shares of the City’s working-age population (44.7 percent) and labor force (46.1 percent). Immigrants also display a higher labor force participation rate (65.5 percent) and lower unemployment rate (6.0 percent) than native-born residents. Foreign-born households in NYC contain 31.7 percent more occupants, on average, than native ones.
- While the proportion of immigrants in NYC with at least a Bachelor’s degree is well below that of natives (27.3 percent versus 41.5 percent), the New York metro area² hosts more international students than any other metropolitan region in the U.S. 64,823 international students were enrolled at 125 NY metro-area institutions during the 2011-2012 school year, nearly 44,000 of them in NYC.³
- More foreign students in NY are pursuing graduate degrees (45.3 percent) than undergraduate degrees (34.6 percent). In contrast, nationally the distribution is 39.2 percent and 40.4 percent, respectively.
- The H-1B visa program allows foreigners with a bachelor’s-equivalent degree or higher to work for a U.S. employer for up to three years (with the possibility to extend to six years). The NY metro region⁴ requested nearly 53,000 H-1B visas from the Department of Labor’s Office of Foreign Labor Certification from 2010 to 2011 — just over 16 percent of the national total. This is three times the next largest share of 5.5 percent from the LA metro region.⁵
- Though the NY metro area requested the most STEM-related visas of large metro areas from 2010 to 2011 — more than twice those of San Jose or San Francisco — its proportion of STEM requests as a share of its total was the lowest. The H-1B program, though capped at 65,000 issuances per fiscal year, allows for an additional 20,000 permits for students with advanced degrees from U.S. universities, providing an opportunity for NYC’s foreign-born students to obtain visas upon graduation.
- International students in NYC supported about 19,500 direct and indirect jobs according to a recent report and injected more than \$1.4 billion into the economy through tuition fees, living expenses, and the costs incurred by their dependents.⁶

New York City Labor Market Composition — Native vs. Foreign-Born Residents, 2012

	Share of total NYC Population	% Pop >16 Years in Labor Force	Share of total NYC Labor Force	Unemployment Rate
Native	62.4%	62.1%	53.9%	7.3%
Foreign-Born	37.6%	65.5%	46.1%	6.0%

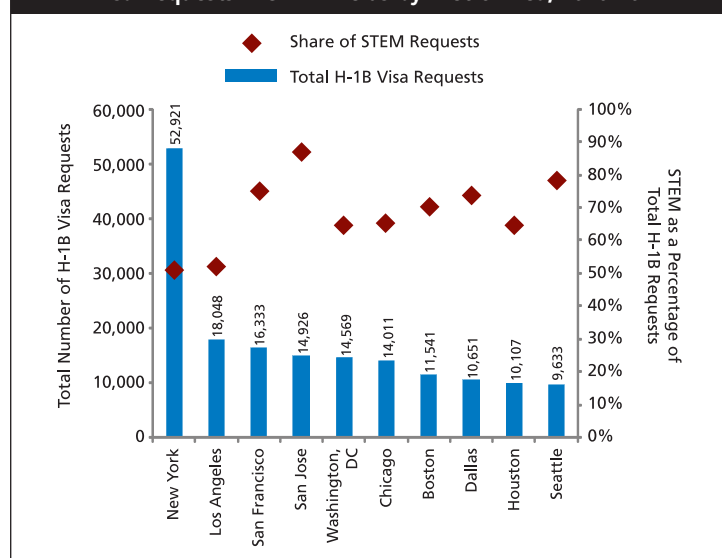
Source: U.S. Census Bureau, 2012 American Community

Top Countries of Origin among NYC’s Foreign-Born Population, 2012



Source: U.S. Census Bureau, 2012 American Community Survey

H-1B Visa Requests in STEM Fields by Metro Area, 2010-2011



Source: Brookings Metropolitan Policy Program

¹ Mayor Michael Bloomberg at a public hearing on Local Laws 982 and 999

² Defined here as the NY-Newark-Edison, NY-NJ-PA Metropolitan Statistical Area

³ Open Doors 2012: New York City Metro Analysis. Center for Academic Mobility Research, Institute of International Education.

⁴ Defined here as NY-Northern NJ-Long Island, NY-NJ-PA

⁵ Ruiz, Neil, Jill H. Wilson, and Shyamali Choudhury (July 2012). The Search for Skills: Demand for H-1B Immigrant Workers in U.S. Metropolitan Areas. Brookings Metropolitan Policy Program.

⁶ The Economic Benefits of International Students to the U.S. Economy, Academic Year 2011-2012, NASFA: Association of International Educators. Economic impacts of international students in Congressional Districts 5-16 were added together to get the total economic benefits accruing to NYC.

Real Estate and Construction

Manhattan Office Market

- In October 2013, the Manhattan Class A direct vacancy rate fell to 9.7 percent while the average rental rate remained at \$70 PSF.
- In the same month, the Downtown Class A direct vacancy rate remained at 11.6 percent, and the rental rate remained at \$52 PSF.
- The Manhattan Class A sublease vacancy rate rose to 2.3 percent in October from 2.2 percent in September.

Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Oct-13	Sep-13	Oct-13	Oct-13	Sep-13	Oct-13
Midtown	9.5%	9.6%	2.6%	\$75	\$75	\$61
Midtown South	6.0%	6.3%	1.5%	\$80	\$82	\$51
Downtown	11.6%	11.6%	1.4%	\$52	\$52	\$34
Manhattan Totals	9.7%	9.8%	2.3%	\$70	\$70	\$58

Source: Cushman and Wakefield

Construction

For the twelve months ending September 2013:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 19.9 percent and infrastructure (non-building) project starts fell by 9.2 percent from the twelve months ending September 2012.
- Planned space for building project starts rose by 66.3 percent from the same period in 2012.
- 2,118 residential building project starts began construction, a 15.9 percent decrease from the twelve months ending in September 2012. These starts contained 21,338 units, an increase of 82.1 percent from last year.

Construction Starts, Twelve Months Ending

Indicator	Building		Non-Building	
	Sep-13	Sep-12	Sep-13	Sep-12
Number of projects	4,723	5,897	432	476
Square feet (000s)	39,512	23,755	n.a.	n.a.
Value (\$000s)	14,462,357	11,892,316	3,645,861	3,554,437

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in September 2013 was 223.1 million, an increase of 3.0 percent from September 2012.
- Subway ridership in September 2013 was 141.5 million, an increase of 3.3 percent from September 2012.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In August 2013, 11.0 million passengers flew into and out of the region's airports, an increase of 1.3 percent from August 2012.
- Domestic air carriers accounted for 6.8 million passengers, a 0.4 percent decrease from August 2012.
- 4.1 million passengers traveled with international air carriers in August 2013, a 4.1 percent increase from August 2012.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

- Total Broadway attendance was approximately 1.1 million during the five weeks ending November 3, 2013, up 9.2 percent from the same period last year.
- Broadway revenue during this period was about \$115.7 million, up 15.7 percent from last year.

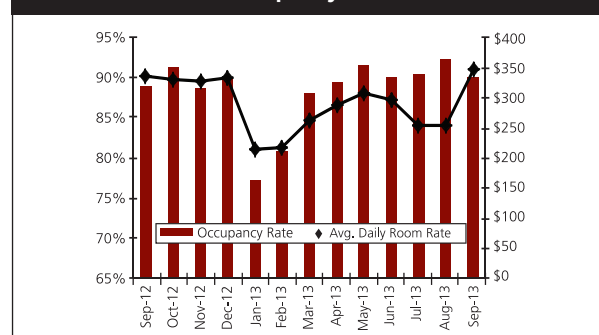
Note: Gross revenue and attendance figures may not include all shows.

Source: The Broadway League

Hotel Occupancy

- In September 2013, the average daily hotel room rate was \$353, a 3.6 percent increase from September 2012.
- Hotel occupancy was 90.3 percent in September 2013, up from 89.2 percent in September 2012.
- The average daily hotel room rate increased the most in the lowest-priced hotels (those charging \$230 and under).

Manhattan Hotel Occupancy and Room Rate



Source: PKF Consulting

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For more information regarding this issue of *Economic Snapshot*, please contact NYCEconomics@nycdc.com