

ECONOMIC SNAPSHOT

A Summary of New York City's Economy

MAY 2013

HIGHLIGHTS

Private employment rose by 16,200 in March 2013 after a decrease of 16,100 jobs in February.

The unemployment rate fell from 9.1 percent in February to 8.9 percent in March.

The Manhattan hotel occupancy rate in March 2013 was 88.5 percent, up from 86.2 percent in March 2012.

The Manhattan Class A office vacancy rate was 9.4 percent in April 2013, while the average asking rent was \$68 PSF.

Passengers in NYC area airports totaled 7.3 million in February 2013, down 0.7 percent from February 2012.

Employment

- Private sector jobs in New York City rose by 16,200 in March 2013 after a decrease of 16,100 in February.
- In the same period, government jobs in the City fell by 1,700, resulting in a net increase of 14,400 total private and public sector jobs.
- Since March 2012, private sector employment has risen by 57,900 jobs or 1.8 percent.
- The City's unemployment rate fell from 9.1 percent in February to 8.9 percent in March.
- Between February and March, the number of employed City residents fell by 14,200, and the number of unemployed City residents fell by 10,600.

Industry	Employment (000s)			
	Mar-13	Feb-13	Change From Prev. Month	Change From Mar-12
FIRE	434	435	(1)	(6)
Finance & Insurance	317	317	(0)	(4)
Securities	165	164	1	(2)
Banking	89	89	(0)	(1)
Other	63	63	(1)	(1)
Real Estate	117	118	(1)	(2)
SERVICES	2,149	2,138	11	51
Information	175	171	4	0
Professional & Business	634	635	(1)	23
Prof., Scientific & Tech.	357	358	(1)	10
Mgt. of Companies & Enterprises	63	63	1	(2)
Administrative	214	214	(0)	15
Educational	187	182	4	3
Health & Social Assistance	616	613	3	20
Arts & Entertainment	74	74	1	1
Accommodation & Food	289	290	(1)	1
Other	174	174	(0)	5
TRADE	476	475	2	11
Retail	334	333	1	9
Wholesale	143	142	1	2
MANUFACTURING	75	75	-	(1)
TRANSPORTATION & UTILITIES	122	117	4	0
CONSTRUCTION	118	117	1	3
TOTAL PRIVATE	3,373	3,357	16	58
GOVERNMENT	544	546	(2)	(4)
TOTAL (Private & Government)	3,917	3,903	14	54

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

Unemployment Rates

Place of Residence	12 Months Ending	
	Mar-13	Mar-12
Bronx	12.4%	12.6%
Brooklyn	9.8%	9.9%
Manhattan	7.6%	7.7%
Queens	8.2%	8.2%
Staten Island	8.4%	8.4%
NYC	9.1%	9.2%

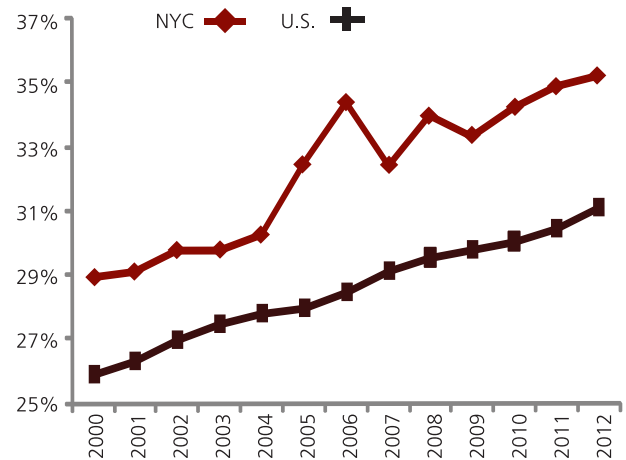
Source: New York State Department of Labor (NYSDOL)

Higher Education in New York City

- Each May, thousands of students put on graduation caps and gowns and receive degrees from New York City universities. This month's Economic Snapshot examines higher education in the City using data from the U.S. Census Bureau's Current Population Survey and American Community Survey.
- New York City has a more educated population, on average, than the nation as a whole. In 2012, 35.2% of the City's population 25 and over had a bachelor's degree or greater, compared to 31.1% for the nation. While the share of population with at least a bachelor's degree has risen in both NYC and the U.S. over the last decade, it has increased at a faster rate in NYC: 6.3 percentage points since 2000, compared with 5.2 percentage points in the U.S.
- Manhattan has the highest share of college-educated people of any borough, with 60.4% of its population 25 and over holding at least a bachelor's degree in 2012. This represents an increase of 12.2 percentage points since 2000. Brooklyn posted the second-highest increase since 2000, rising 6.6 percentage points to 29.6%.
- New York also has more foreign-born people in the share of its educated population. In 2011, 13.2% of people 25 and over in NYC with at least a bachelor's degree were foreign-born, compared to 4.5% for the U.S. as a whole.
- The most popular majors of City residents with bachelor's degrees is Science and Engineering, with 34.0% holding bachelor's degrees in those fields in 2011. Of this larger category, 11.3% held degrees in Social Sciences, while 5.7% held degrees in Engineering.
- Not surprisingly, New York has a much higher share of people studying the arts than the country as a whole. 9.6% of NYC residents majored in Visual and Performing Arts, compared to 4.0% in the United States.
- In 2011, about 512,000 people in New York City were enrolled in an undergraduate degree, with another 160,000 enrolled in a graduate or professional program.
- Of the five largest U.S. cities, New York has the second-highest median earnings, behind Houston, for people 25 and over with a bachelor's or graduate/professional degree. 2011 median earnings in NYC were \$51,492 for bachelor's degree holders and \$70,285 for those with a graduate or professional degree.
- New York women with degrees have the highest female median earnings in the five largest U.S. cities. NYC women holding bachelor's degrees received median earnings of \$49,087, while women with graduate or professional degrees earned a median of \$62,094. These figures are about \$1,600 and \$3,700 higher, respectively, than those in the next-highest city.
- With 163 higher education institutions and 99,000 people employed in 2011 at public and private colleges, universities, and professional schools in New York City, higher education is a significant contributor to the City's economic growth.¹ With thousands of families and guests set to visit NYC and celebrate their graduates this month, this impact will surely grow.

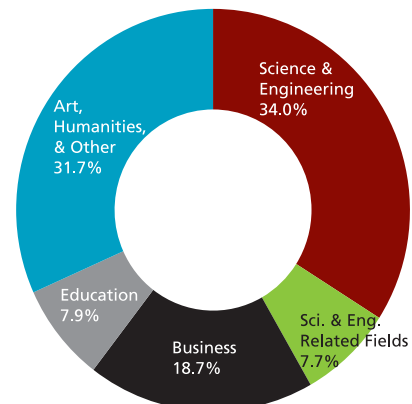
¹ NYS Department of Labor (Quarterly Census of Employment and Wages)

NYC and U.S. Population 25 and Over with Bachelor's Degree or Higher, 2000–2012



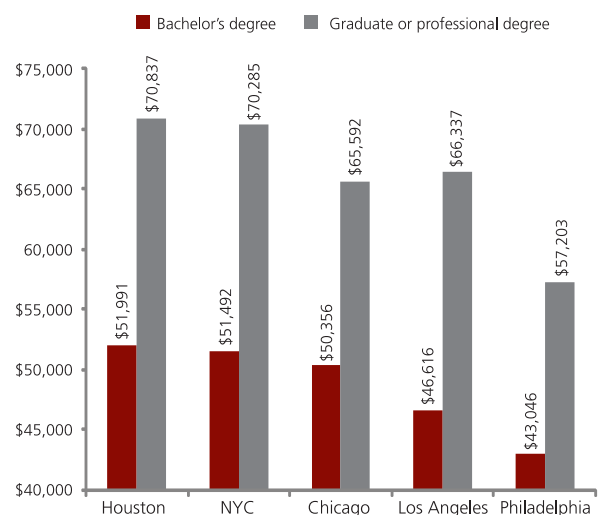
Source: U.S. Census Bureau, Current Population Survey

First Major of Bachelor's Degree, NYC Population 25 and Over with Bachelor's Degree or Higher, 2011



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

Median Earnings for Population 25 and Over, 2011



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

Real Estate and Construction

Manhattan Office Market

- In April 2013, the Manhattan Class A direct vacancy rate rose to 9.4 percent while the average rental rate fell \$1 PSF to \$68 PSF.
- In the same month, the Downtown Class A direct vacancy rate rose to 12.4 percent, and the rental rate rose to \$52 PSF.
- The Manhattan Class A sublease vacancy rate rose to 2.2 percent between March and April.

Class A Office Vacancy Rates and Average Rents						
	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Apr-13	Mar-13	Apr-13	Apr-13	Mar-13	Apr-13
Midtown	9.1%	8.5%	2.3%	\$74	\$75	\$58
Midtown South	4.1%	3.5%	2.3%	\$66	\$67	\$51
Downtown	12.4%	6.0%	1.6%	\$46	\$46	\$37
Manhattan Totals	9.4%	7.7%	2.2%	\$69	\$70	\$54

Source: Cushman and Wakefield

Construction

For the twelve months ending March 2013:

- Building projects (including new, additions and alterations) that started construction in NYC fell by 1.4 percent and infrastructure (non-building) project starts rose by 11.4 percent from the twelve months ending March 2012.
- Planned space for building project starts rose by 39.9 percent from the same period in 2012.
- 2,468 residential building project starts on 17,264 units of housing began construction during the period, increases from the previous year of 0.2 percent and 57.4 percent, respectively.

Construction Starts, Twelve Months Ending				
Indicator	Building		Non-Building	
	Mar-13	Mar-12	Mar-13	Mar-12
Number of projects	5,601	5,681	487	437
Square feet (000s)	33,342	23,831	n.a.	n.a.
Value (\$000s)	15,072,347	11,054,010	3,159,480	3,053,901

Source: McGraw Hill Construction

Tourism, Travel and Transit

Transit Ridership

- Total ridership on MTA subways, trains and buses in March 2013 was 225.1 million, a decrease of 4.0 percent from March 2012.
- Subway ridership in March 2013 was 142.9 million, a decrease of 3.1 percent from March 2012.

Source: Metropolitan Transportation Authority

Tourism and Travel

Air Traffic

- In February 2013, 7.3 million passengers flew into and out of the region's airports, a decrease of 0.7 percent from February 2012.
- Domestic air carriers accounted for 4.9 million passengers, a 1.2 percent decrease from February 2012.
- 2.4 million passengers traveled with international air carriers in February 2013, a 0.3 percent increase from February 2012.

Source: Port Authority of New York and New Jersey

Broadway Ticket Sales

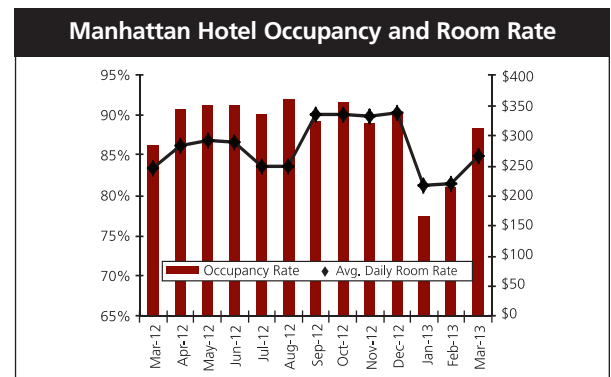
- Total Broadway attendance was approximately 1.0 million during the four weeks ending April 28, 2013, down 13.9 percent from the same period last year.
- Broadway revenue during this period was about \$98.4 million, down 8.4 percent from last year.

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

Source: The Broadway League

Hotel Occupancy

- In March 2013, the average daily hotel room rate was \$265, an 8.1 percent increase from March 2012.
- Hotel occupancy was 88.5 percent in March 2013, up from 86.2 percent in March 2012.
- The average daily hotel room rate increased the most in the lowest-price hotels (charging under \$175 per night).



Source: PKF Consulting

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