

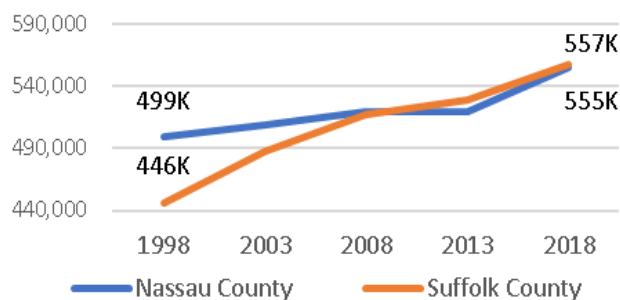
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Summer in the Suburbs, Part I: Long Island's Economic Indicators

As jobs consolidate in the city, what hope do NYC's suburbs have? Across the river, New Jersey has struggled to rebound from the Great Recession. In the north, Connecticut counties have stagnated. But Long Island has experienced sustained, if moderate, employment growth. This month's MEI focuses on the drivers of this comparably positive labor market and Long Island's long-term challenges. In our August newsletter, we'll turn to counties just west of the Hudson River.

Employment on Long Island grew by 18% over the last 20 years. The Island outpaced New Jersey's dismal 6% growth, was on par with the nation's 19% growth but was overshadowed by NYC's 31%. Long Island faced different trends before and after the Great Recession and in its two counties: Nassau and Suffolk. In the 10 years before the recession, Suffolk fueled the Island's job expansion as it grew at four times the rate of Nassau. But in the 10 years since, the two counties have converged – Suffolk slowing and Nassau gaining – to annual growth rates below 1%.

Private Sector Jobs in Long Island Counties, 1998-2018



Source: PANYNJ analysis of BLS QCEW county-level data, 1998,

Long Island has followed the national trend in trading high-wage jobs for moderate- and low-wage ones. While Long Island added about 200,000 jobs moderate- and low-wage industries between 1998 and 2018, it faced a net loss of 17,000 high-paying jobs in manufacturing, finance, information and other industries. Job losses in defense manufacturing hit Long Island especially hard with Northrop Grumman, Telephonics and BAE Systems and other manufacturers downsizing or moving employees to other states.

THE WATCHLIST

Economic Variables		Current	One Year Trend
UNITED STATES			
Real GDP [Annual Rate]	2019Q2	2.1%	Jun 2018 - Jun 2019
Unemployment Rate	Jun-19	3.7%	
Consumer Price Index [Annual]	Jun-19	1.7%	
Gasoline Price [Regular]	Jun-19	\$2.72	
PORT AUTHORITY REGION			
Regional Employment [NY MSA]	Jun-19	9,949	
Consumer Price Index [Annual]	Jun-19	1.7%	
Port District Exports [\$Bill]	May-19	\$11.06	
Port District Imports [\$Bill]	May-19	\$24.18	
Case-Shiller Home Price Index	May-19	1.9%	
Commercial Real Estate Asking Rent			
Midtown	2019Q2	\$81.69	
Downtown	2019Q2	\$67.88	

Nassau made up all the net losses of high-wage jobs, mainly in manufacturing and finance, while Suffolk sustained a moderate increase in high-wage jobs.

Healthcare, restaurants and construction sectors have driven Long Island's employment growth. Healthcare made up 54% of the increase in jobs since 1998, and a third of healthcare jobs were in the high-wage hospital subsector. Four of Long Island's 10 largest employers are hospitals, including Northwell Health, which employs nearly 70,000 people.

The accommodations and food sector grew by about 70% since 1998, primarily in restaurants, which the NYS Department of Labor attributes to increased dining-out and tourism. The high-wage construction industry grew primarily in Suffolk. Construction's strong post-recession job growth has been fueled by the expansion of universities like Stony Brook and mixed-use and multi-family residential developments near LIRR hubs (an emerging trend for Long Island), according to NYSDOL.

Fewer Suffolk residents are commuting out of the county for jobs since the recession, perhaps due to its moderate job growth, retention of high-wage industries and its distance from jobs in NYC. However, the number of Nassau residents commuting to NYC has increased by 15% and to Suffolk by 45%. Nassau's loss of high-wage industries and stronger growth and hiring in NYC and Suffolk may contribute to this increased out-migration. Meanwhile, the number of workers from NYC who commute to Long Island jobs has increased only by 4% since the recession, with all boroughs seeing small increases except for Brooklyn.

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MONTHLY ECONOMIC INDICATORS

THE PORT AUTHORITY OF NY & NJ

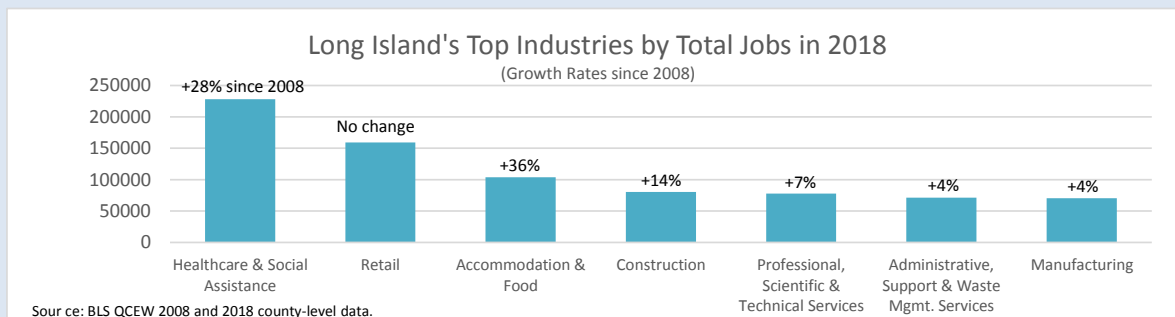
Planning and Regional Development Department

July 2019

AVIATION	May '19	YTD	May '19/18	YTD '19/18	PORT	May '19	YTD	May '19/18	YTD '19/18
Revenue Passengers (000's)	12,519.8	55,523.8	0.8%	3.6%	Port Trade				
John F. Kennedy International Airport (JFK)	5,578.7	24,726.7	0.8%	4.8%	Container Imports (TEUs)	340,680	1,544,354	12.8%	6.7%
LaGuardia Airport (LGA)	2,861.7	12,212.8	4.9%	4.4%	Container Exports (TEUs)	132,315	618,855	1.5%	-1.3%
Newark Liberty International Airport (EWR)	4,024.6	18,359.2	-1.8%	1.6%	Containers lifted on/off Express Rail	55,757	275,801	-3.4%	6.0%
Stewart International Airport (SWF)	54.9	225.1	-9.8%	-7.0%					
Revenue Freight (Short Tons)	188,930	904,803	-1.6%	-1.5%	TUNNELS, BRIDGES & TERMINALS	May '19	YTD	May '19/18	YTD '19/18
Domestic	75,211	349,720	6.8%	6.0%	Eastbound Vehicle Volumes (000's)	10,653	48,668	1.6%	2.2%
International	113,719	555,083	-6.4%	-5.7%	George Washington Bridge	4,512	20,632	-0.4%	0.8%
Flights	129,845	602,496	-0.7%	1.3%	Lincoln Tunnel	1,629	7,576	-1.7%	-1.5%
Domestic Air Carrier	80,726	385,068	-2.1%	1.7%	Holland Tunnel	1,362	6,267	4.5%	5.2%
International Air Carrier	26,114	123,437	0.2%	2.5%	Bayonne Bridge	295	1,158	11.7%	2.7%
General Aviation	23,005	93,991	3.3%	-1.5%	Goethals Bridge	1,551	7,047	11.5%	11.4%
Paid Parked Cars	563,955	2,556,504	-1.1%	-2.7%	Outerbridge Crossing	1,304	5,988	-3.1%	-1.4%
Revenue AirTrain Passengers	1,807,698	7,570,372	1.1%	3.8%	Eastbound Volumes by Vehicle Type (000's)				
					Autos	9,725	44,384	1.7%	2.2%
					Trucks	667	3,072	0.2%	1.8%
					Buses	261	1,210	0.0%	0.6%
FERRY OPERATIONS	May '19	YTD	May '19/18	YTD '19/18	U.S. TRANSPORT. SERVICES INDEX	May '19	Apr '19	Change	
Passengers (000's)					(Prelim., Seasonally Adj., 2000=100)				
New Jersey Ferries	943.2	4,233.9	19.1%	18.9%	TSI - Combined Index	134.8	135.2	-0.3%	
					TSI - Freight	135.4	136.3	-0.7%	
					TSI - Passenger	133.3	132.8	0.4%	
PATH	May '19	YTD	May '19/18	YTD '19/18					
Passengers (000's)	7,240.0	33,626.0	-1.0%	0.1%					
Average Weekday	289.4	281.6	-0.8%	1.5%					
Average Saturday	115.6	102.9	-0.6%	-9.0%					
Average Sunday	80.3	72.2	-5.4%	-9.8%					

TRANSPORTATION FOCUS

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Long Island's comparably positive labor market has performed better than most of its peer suburban regions surrounding NYC. But the Island's growth has slowed since the recession and job losses in finance, manufacturing and other key sectors in Nassau may threaten the Island's economic stability. Suffolk and Nassau boast a low unemployment rate of 3% and a high labor force participation rate. Yet, beyond the labor market, other trends — such as the aging population, difficulty attracting younger workers, and the effect of the 2017 Tax Cut and Jobs Act — are likely to put pressure on Long Island's economic wellbeing.



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