

MONTHLY ECONOMIC INDICATORS

THE PORT AUTHORITY OF NY & NJ

Planning and Regional Development Department

December 2015

	Actual		Annual Forecast
UNEMPLOYMENT RATE	NOV 2015	NOV 2014	2015
U.S.	5.0%	5.8%	5.1%
REGION (OCT 2015)	4.6%	6.0%	-
NON-FARM EMPLOYMENT	NOV 2015	NOV '15/ NOV '14	2015
U.S.	142.37M	2.0%	2.5%
REGION	8.85M	1.0%	1.5%
REAL GDP	2015Q3	2015Q2	2015
U.S.	2.0%	3.9%	2.1%
REGION	2.3%	5.1%	2.2%
INTERNATIONAL TRADE	OCT 2015	OCT '15/ OCT '14	2015
U.S.	\$325.7B	-8.7%	
NY CUSTOMS DISTRICT	\$35.7B	-7.1%	-
NY Imports	\$25.6B	3.8%	-
NY Exports	\$12.2B	-12.1%	-
GASOLINE PRICE	NOV 2015	NOV 2014	2015
New York City	\$2.48/g	\$3.46/g	\$2.33/g
Newark, NJ	\$1.96/g	\$2.88/g	\$1.84/g
PRICES	NOV '15/ NOV '14	NOV '14/ NOV '13	2015
Consumer Prices - U. S.	0.0%	1.6%	0.4%
Consumer Prices - REGION	0.3%	1.0%	0.5%
Personal Income - U. S.	3.5%	5.2%	3.5%
Personal Income - REGION	3.1%	3.9%	3.1%
Construction Costs - U.S. 20-CITY	1.8%	-2.5%	-
Construction Costs - NYC	3.4%	-0.7%	-
Housing Prices - U.S. 20-CITY	5.5%	4.5%	-
Housing Prices - NYC	2.9%	2.0%	-
CLASS A OFFICE SPACE AVERAGE ASKING RENT	JUL 2015	JUL 2014	2015
Manhattan Totals	\$77.43/sf	\$75.25/sf	-
Midtown	\$86.12/sf	\$82.70/sf	-
Downtown	\$62.10/sf	\$55.07/sf	-

* For Unemployment Rates, Employment and GDP, U.S. data are seasonally adjusted, regional data are not.

* Forecast developed by PA Planning staff using Oxford Economics' Macro Model.

SPECIAL FOCUS

An Interesting Year!

The year 2015 produced many unexpected twists and turns for the economy, and the MEI has sought to illuminate how these developments affect Port Authority operations as well as the regional, national, and global economies. In general, we have furthered our knowledge of topics that relate to the core mission of the Port Authority to keep commuters, travelers and global shippers moving. Specifically, we have observed the development of interesting new trends at our container terminals, airports and toll facilities and we have used national and regional economic data to shed light on new trends such as the sharing economy.

We explored the dynamics of eastbound automobile traffic across the Hudson by looking at weekend and weekday traffic separately across the time of day. We saw that although weekday traffic accounts for the majority of overall traffic, weekends accommodate more traffic on a per day basis than weekdays. Combining this analysis with a payment type analysis showed that robust traffic growth at the George Washington Bridge (GWB) accounted for the majority of the increase in traffic we saw at Port Authority facilities this year. For the first time in many years, weekend cash traffic at the GWB has consistently risen and, by the end of the year, weekday cash traffic followed suit. The GWB accounts for a large portion of overall Port Authority toll traffic and as such, this reversal of fortunes has substantially lifted year-end aggregate traffic volumes. We suggested that a possible contributing explanation for this phenomenon is a significant drop in gas prices which might not be sustainable in the long term.

After witnessing the ups and downs in energy markets in recent years, we looked extensively at what the dramatic drop in gas prices might do to the economy. We specifically looked at how historically low oil prices have distorted export and import data and how low fuel prices have hardly affected domestic airline ticket prices. We have also seen rising construction costs in the region and a significant economic slowdown in China. The latter trend, combined with an appreciating dollar, has significantly affected US exports. Additionally, we explored CPI calculation methods in an attempt to clarify inflation numbers that are seemingly counterintuitive given the recent uptick in the economy.

Several special topics also merited attention as we looked at how the sharing economy has unfolded in the New York region and how millennial are flocking to cities. We investigated the dynamics surrounding a recent drop in regional automobile access as well as the geographic locations of trans-Hudson commuters. We looked at how people access our airports in addition to how the west coast port disruptions have shifted some shipping container traffic to the east coast for the time being. We also spotlighted the fact that more passengers are ferried to the central business district by bus than by rail and ferry combined.

Each of these topics sheds a unique light on how the region is developing now and how it may develop in the future. We will continue to monitor important trends that contribute to the dynamic nature of our region and we are thankful to our colleagues and readers for supporting our analyses. The Port Authority is committed to keeping commuters, travelers and shippers moving throughout the region and we are committed to reporting on topics that further that aim.