MONTHLY ECONOMIC INDICATORS

THE PORT AUTHORITY OF NY & NJ

Planning and Regional Development Department

September 2016

	Actual		Annual Forecast
UNEMPLOYMENT RATE	**AUG 2016**	**AUG 2015**	**2016**
U.S.	4.9%	5.1%	4.9%
REGION	5.2%	5.5%	-
NON-FARM EMPLOYMENT	**AUG 2016**	**AUG '16/ AUG '15**	**2016**
U.S.	144.60M	1.7%	1.6%
REGION	9.07M	1.7%	1.4%
REAL GDP	**2016Q2**	**2016Q1**	**2016**
U.S.	1.4%	0.8%	1.7%
REGION	2.3%	5.1%	2.1%
INTERNATIONAL TRADE	**JUL 2016**	**JUL '16/ JUL '15**	**2016**
U.S. (Imports + Exports)	$126.3B	-8.2%	
NY CUSTOMS DISTRICT	$16.8B	-6.7%	-
NY Imports	$13.1B	-7.1%	-
NY Exports	$3.7B	-5.2%	-
GASOLINE PRICE	**AUG 2016**	**AUG 2015**	**2016**
New York City	$2.45/g	$2.61/g	$2.23/g
Newark, NJ	$2.00/g	$2.00/g	$1.82/g
PRICES	**AUG '16/ AUG '15**	**AUG '15/ AUG '14**	**2016**
Consumer Prices - U. S.	1.1%	0.2%	1.5%
Consumer Prices - REGION	1.1%	0.1%	1.2%
Personal Income - U. S.	4.9%	3.7%	2.8%
Personal Income - REGION	4.6%	3.7%	2.7%
Construction Costs - U.S. 20-CITY	3.5%	2.0%	-
Construction Costs - NYC	3.0%	4.2%	-
Housing Prices - U.S. 20-CITY	5.0%	4.9%	4.8%
Housing Prices - NYC	1.9%	1.9%	-
CLASS A OFFICE SPACE AVERAGE ASKING RENT	**2016Q2**	**2016Q1**	**2016**
Manhattan Totals	$78.50/sf	$77.59/sf	-
Midtown	$84.28/sf	$83.54/sf	-
Downtown	$62.24/sf	$62.13/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

Close to Home

As economists and analysts, we sometimes get very carried away by transportation trends. Obvious trends worth watching include commuting patterns across the Hudson River. You may also recall that we have on several occasions discussed the declining volume of auto trips from New Jersey into New York, a trend that ended with significant positive growth in 2015. We've also kept an eye on total transit trips into Manhattan, a data point that has grown strongly in recent years. There are many New Jersey residents working in our offices at the World Trade Center, so a Port Authority employee might be forgiven for occasionally assuming the New Jersey-to-Manhattan commute is the norm for many or even most Garden State residents. But a review of the U.S. Census Bureau's journey-to-work data reveals quite a different situation.

When we look at the nine New Jersey counties that make up the western half of the Port District, we notice that roughly 50 percent of residents stay within their respective counties. They do not commute very far, certainly not across the Hudson River. The graph below illustrates this situation by breaking out commuting into categories of commuters' destinations: their home county, a different New Jersey county, Manhattan, and somewhere else. Morris and Bergen County are the two entities with the largest share of intra-county commuters. Sussex County has the lowest share, but still measures above 40 percent.

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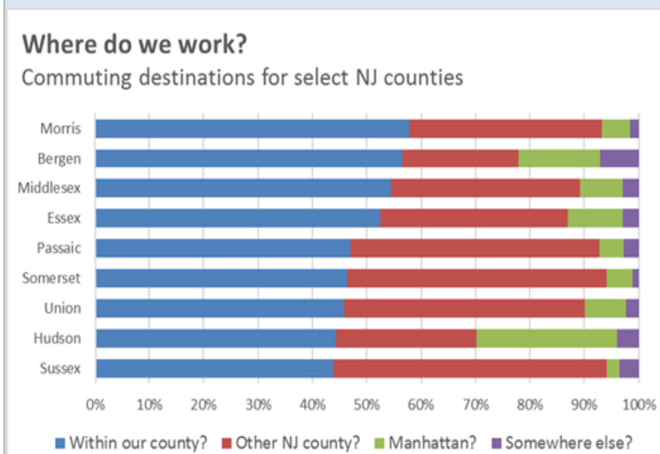

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AVIATION	Jul '16	YTD	Jul '16/'15	YTD '16/'15
Revenue Passengers (000's)	**12,021.6**	**73,798.4**	**0.9%**	**5.3%**
John F. Kennedy International Airport (JFK)	5,668.5	33,697.7	0.4%	4.3%
LaGuardia Airport (LGA)	2,606.4	16,958.1	-2.5%	4.9%
Newark Liberty International Airport (EWR)	3,720.3	22,986.3	4.1%	7.6%
Stewart International Airport (SWF)	26.3	156.2	-2.2%	-4.8%
Revenue Freight (Short Tons)	**170,837**	**1,162,142**	**-0.3%**	**-1.4%**
Domestic	58,134	414,841	-1.5%	5.2%
International	112,703	747,301	0.4%	-4.7%
Flights	**113,667**	**756,808**	**-2.8%**	**3.3%**
Domestic Air Carrier	77,122	535,327	-4.8%	3.4%
International Air Carrier	27,955	172,274	-0.5%	1.6%
General Aviation	8,590	49,207	10.7%	8.6%
Paid Parked Cars	**759,526**	**4,731,828**	**-4.4%**	**0.8%**
Revenue AirTrain Passengers	**891,000**	**5,584,245**	**1.0%**	**5.1%**

FERRY OPERATIONS	Jul '16	YTD	Jul '16/'15	YTD '16/'15
Passengers (000's)				
New Jersey Ferries	809.6	5,022.4	-2.5%	9.7%

PATH	Jul '16	YTD	Jul '16/'15	YTD '16/'15
Passengers (000's)	**6,561.0**	**45,519.0**	**-4.3%**	**3.9%**
Average Weekday	272.5	1,867.3	4.1%	5.2%
Average Saturday	111.6	777.6	-8.2%	0.8%
Average Sunday	91.3	590.4	-0.2%	0.1%

PORT COMMERCE	Jul '16	YTD	Jul '16/'15	YTD '16/'15
Port Trade				
Container Imports (TEUs)	275,337	1,818,826	-6.9%	-2.8%
Container Exports (TEUs)	109,204	785,523	-9.6%	-4.2%
Containers lifted on/off Express Rail	48,114	314,738	2.6%	3.5%

TUNNELS, BRIDGES & TERMINALS	Jul '16	YTD	Jul '16/'15	YTD '16/'15
Eastbound Vehicle Volumes (000's)	**10,578**	**68,112**	**1.5%**	**3.3%**
George Washington Bridge	4,666	29,527	0.9%	3.2%
Lincoln Tunnel	1,644	11,084	1.9%	2.5%
Holland Tunnel	1,324	8,867	-2.3%	0.0%
Bayonne Bridge	121	935	-28.8%	-26.3%
Goethals Bridge	1,429	9,006	7.1%	9.9%
Outerbridge Crossing	1,394	8,693	5.5%	6.6%
Eastbound Volumes by Vehicle Type (000's)				
Autos	9,727	62,206	2.3%	3.6%
Trucks	592	4,189	-8.1%	0.4%
Buses	259	1,719	-3.7%	0.2%

PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	Mar '16	Feb '16	Change
PA Pulse (Transportation Activity Index)	99.1	102.2	-3.1%
PA Freight Pulse	94.2	98.0	-3.8%
PA Passenger Pulse	103.9	106.4	-2.4%

U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	Jul '16	Jun '16	Change
TSI - Combined Index	125.0	123.6	1.1%
TSI - Freight	124.6	122.6	1.6%
TSI - Passenger	125.6	125.3	0.2%

TRANSPORTATION **FOCUS**

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Roughly an additional third of commuters stays within the state when traveling to work and only a relatively small share of trips is made from a New Jersey county into Manhattan. As a side note, the reverse statement about Manhattan residents is certainly not true; in that case, less than 3 percent of commuting trips take place across the Hudson east-to-west while more than 85 percent of work trips end elsewhere within the borough.

What is the significance of this pattern for the regional economy and policy analysis? Most Americans live close to home, and only 5 percent work outside their home state, so New Jersey is actually an outlier, with 14 percent of northern New Jersey workers commuting to New York State. The region's compact geography and transportation infrastructure make New York City accessible to much of New Jersey. So there is a greater awareness here than in many regions of the importance of interstate transportation links, including public transit. Yet in daily life, the transportation infrastructure within individual counties serves many more people, and the large majority of intra-county trips are not via public transit but by private automobile.

The bottom line is that much of New Jersey commutes as does the nation as a whole: people aren't traveling far to get to and from work, with around half staying within their counties of residence and the lion's share staying inside the state. But things are different in the state's northeast corner, where many commuters cross county and state lines every day, relying less on cars and more on rail and buses. The share is not insignificant, perhaps enough to carry public policy implications for the state as a whole if a given taxpayer's willingness to pay for road and highway construction varies with his or her commuting habits. Other fiscal dimensions to this phenomenon could exist as well, and we will continue to investigate regional commuting patterns with the aim of addressing questions relevant to economics and transportation policy.

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