

MONTHLY ECONOMIC INDICATORS

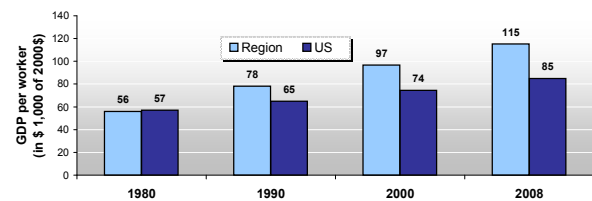
SPECIAL FOCUS

Relative Strengths of the NY-NJ Regional Economy

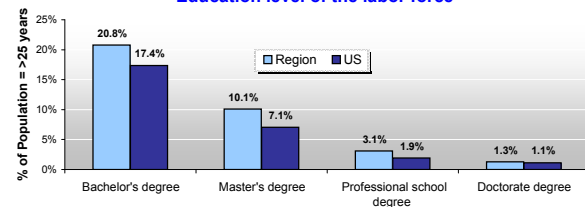
During the three prior recessions (1969-76, 1989-92 and 2001-03) the NY-NJ region suffered severe job losses, ranging from 245,000 to 650,000. While the Education and Health Services industry remained resilient during and after these downturns, all other private sector industries experienced acute declines in their workforce -- with the Leisure and Hospitality industry being the less affected among the major industries. In the first three years after each trough, the recovery was driven primarily by job gains in the Professional and Business Services and the Financial Activities industries, followed by the Construction and Wholesale and Retail Trade industries. A slightly different pattern is likely to emerge as the current global recession comes to an end. Looking ahead to 2013 -- three years after the expected end in 2010 of the regional downturn -- the path to recovery will yield a new mix in the relative strengths of industry sectors. For example, while Economy.com is once again forecasting resurgence in the Business and Professional Services industry of 108,000 jobs, Education and Health Services will trump that gain, with an expected job increase of 253,000. Meanwhile, the role of the Financial Activities industry as a leading sector out of the recovery is in doubt as former Wall Street investment firms have converted to bank holding companies and firms within this sector come under tougher federal regulations. However, whatever form the industrial mix may take after the next recovery, one thing is clear: as the following graphs show, the NY-NJ region has the foundation -- in terms of productivity, skills, and income -- to transform itself once more to a future filled with economic growth and promise.

The region outperforms the nation in ...

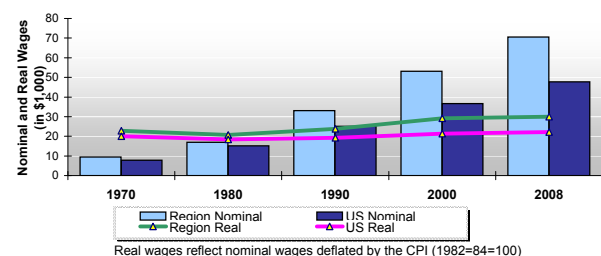
Output (GDP) per worker



Education level of the labor force



Nominal and real wage per worker



INDICATOR	Mar-09	Apr-09	May-09
NON-FARM EMPLOYMENT (YTD average - in thousands)			
U.S.	132,172.3	132,213.3	132,314.4
Percentage change ¹	-3.1	-3.3	-3.4
Region	7,804.3	7,814.6	7,828.0
Percentage change ¹	-2.2	-2.3	-2.4
Construction.....	287.3	289.7	292.4
Percentage change ¹	-8.9	-9.1	-9.1
Manufacturing.....	380.9	379.8	379.5
Percentage change ¹	-8.0	-8.2	-8.2
Services.....	7,136.2	7,145.0	7,156.1
Percentage change ¹	-1.6	-1.7	-1.7
CONSUMER PRICES (YTD percentage change ¹ in the CPI)			
U. S.	0.0	-0.2	-0.4
Region	1.3	1.2	0.9
Food & Beverages.....	5.4	5.7	4.5
Housing	2.5	2.8	2.2
Transportation.....	-9.5	-9.6	-10.0
Medical Care	1.0	0.8	0.8
All others	3.2	3.9	3.5
CONSTRUCTION COST (YTD percentage change ¹ in the CCI)			
U. S. 20-City	5.4	5.4	5.4
NY Region	4.3	4.3	4.2
INTERNATIONAL TRADE (YTD Total in billions of current dollars)			
U.S.	599.2	799.2	999.7
Percentage change ¹	-26.9	-28.1	-29.0
NY Customs District	67.2	88.3	110.7
Percentage change ¹	-27.5	-29.6	-30.0
NY Imports	41.2	54.2	67.4
Percentage change ¹	-26.4	-28.6	-30.1
NY Exports	26.0	34.1	43.3
Percentage change ¹	-29.2	-31.1	-29.9
UNEMPLOYMENT RATE (Percentage of labor force unemployed)			
U.S. (seasonally adjusted).....	8.5	8.9	9.4
U.S. (not seasonally adjusted).....	9.0	8.6	9.1
Region (not seasonally adjusted).....	8.0	7.6	8.2
MANHATTAN COMMERCIAL REAL ESTATE (Class A Office Market)			
Vacancy Rate			
Overall	10.8	11.3	11.9
Midtown.....	12.2	13	13.7
Downtown.....	7.5	7.4	7.7
Average Asking Rent (\$/square foot)			
Overall	69.6	68.8	65.4
Midtown.....	74.8	73.4	69.2
Downtown	49.7	49.6	49.3
HOUSING PRICES ³ (12-month Percentage Change)			
U.S. 20-City Composite	-18.7	-18.1	-17.1
NY Metropolitan Area	-11.8	-12.4	-12.2

¹ Percentage Change 2009 / 2008

² The U.S. unemployment rate was 9.5 percent in June, bringing total job losses to 6.5 million since the start of the December 2007 recession

³ Since the peak in June 2006, housing prices have fallen by 31.9 percent nationally and by 20.9 percent in the New York Region

Sources:

Employment and Unemployment - New York and New Jersey Departments of Labor and U.S. Bureau of Labor and Statistics
 Consumer Price Index - U.S. Bureau of Labor and Statistics
 Construction Cost - Engineering News-Record
 International Trade - Global Trade Informational Services Inc.
 Commercial Real Estate - Colliers ABR
 Housing Prices - The Case-Shiller Price Index, which tracks the change in prices of a grouping of the same homes yearly
 For graphs, Global Insight, ACS 2007 and Economy.com