

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

MARCH 2011

UNEMPLOYMENT RATE (percent of labor force)	JAN 2011	PREVIOUS 3 MOS AVERAGE	JAN 2010
U.S. (seasonally adjusted)	9.0	9.6	9.7
U.S. (not seasonally adjusted)	9.8	9.1	10.6
Region (not seasonally adjusted)	9.0	8.4	9.6

NON-FARM EMPLOYMENT (thousands)	JAN 2011	PREVIOUS 3 MOS AVERAGE	% CHANGE JAN 2011 / JAN 2010
U.S.	128,183	131,164	0.7
REGION	7,635	7,861	0.5
Construction	240	271	-5.6
Manufacturing	342	349	-1.4
Services	7,053	7,240	0.8

GDP (percentage change in the GDP)	2010Q4	2010Q3	2010Q2
U.S. (seasonally adjusted at annual rates)	3.1	2.6	1.7
REGION (quarterly at annual rate)	3.9	3.0	2.0

CONSUMER PRICES (percentage change in the CPI)	FEB '11 / FEB '10	FEB '11 / JAN '11	JAN '11 / JAN '10
U. S.	2.1	0.5	1.6
Core	1.1	0.4	1.0
REGION	2.1	0.5	1.5
Core	1.4	0.4	1.0
Food & Beverages	2.7	0.4	2.0
Housing	0.8	0.0	0.7
Transportation	6.7	1.4	5.3
Energy	8.5	1.2	6.2

CONSTRUCTION COST (percentage change in the CCI)	FEB '11/ FEB '10	JAN '11 / DEC '10	JAN '11/ JAN '10
U.S. 20-CITY	3.8	0.7	3.2
NY REGION	3.7	0.2	3.5

GASOLINE PRICES (US Dollars Per Gallon)	Current	A month ago	A year ago
U.S. (all types NSA)	\$3.72	\$3.47	\$2.95
New York City (all types NSA)	\$3.93	\$3.73	\$3.12
Newark, NJ (all types NSA)	\$3.54	\$3.35	\$2.79

HOUSING PRICES ¹ (12-Month Percentage Change)	JAN '11 / JAN '10	DEC '10 / DEC '09	NOV '10 / NOV '09
U.S. 20-CITY COMPOSITE	-3.1	-2.4	-1.7
NY METROPOLITAN AREA	-3.0	-2.4	-1.9

INTERNATIONAL TRADE (billions of dollars)	JAN 2011	% CHANGE VS. JAN 2010	% CHANGE YTD 2010 VS. 2009
U.S.	166.3	-27.3	-27.3
NY CUSTOMS DISTRICT	19.1	-25.8	-25.8
NY Imports	19.1	19.5	22.2
NY Exports	11.7	20.1	18.9

MANHATTAN COMMERCIAL REAL ESTATE (Class A Office Market)	FEBRUARY 2011	JANUARY 2011	FEBRUARY 2010
Vacancy Rate			
OVERALL	11.3	11.2	12.4
Midtown	11.7	11.4	13.9
Downtown	11.3	11.4	8.4
Average Asking Rent (\$/square foot)			
OVERALL	59.5	58.9	62.0
Midtown	65.9	65.3	66.8
Downtown	42.1	42.2	42.8

REGIONAL ECONOMIC FORECASTS ²	2011	2012	2013
CPI percent change, NYC MSA	1.8	2.2	2.3
Employment change (000's), Region	75	127	133

¹ Since the peak in June 2006, housing prices have fallen by 31.8 percent nationally and by 22.7 percent in the New York Region

² For optimistic and pessimistic alternative forecasts please contact the Planning and Regional Development Department.

Sources available upon request.

SPECIAL FOCUS

Benchmark revisions kind to the PA region

Every year, the Bureau of Labor Statistics (BLS) adjusts its monthly sample-based employment statistics to realign based on March data with comprehensive counts of employment derived primarily from unemployment insurance tax reports. The March 2010 benchmark level for total nonfarm employment is 378,000 below the sample-based estimate, an adjustment of -0.3 percent – the absolute benchmark revision average of the past ten years in percentage terms. Although the Great Recession that started in December 2007 technically ended in June 2009, the employment impact is still widely felt as the nation continued to shed jobs in the second half of 2009 and in 2010. As of December 2010, the nation's benchmark level for total nonfarm employment is 131 million down from 139 million at the start of the recession and from the December 2010 sample-based estimate of 131.5, leaving the employment shortfall since the start of the recession at 7.8 million jobs.

The magnitude of the March 2010 State benchmark revisions ranged from -1.3 to 1.4 and averaged -0.8 percent. Examining the revisions to State total nonfarm employment through December 2010, both New York and New Jersey were among the States that revised upward, 0.6 and 0.4 percent respectively. The revisions decreased the estimated jobs losses from December 2007 to December 2010 from 419,000 to 330,000 for the 17-County New York-New Jersey region, as shown in Figure 1. Although a relatively small gain, the region ended 2010 with approximately 8,000 jobs more than in December 2009. In December 2010, the industry with the most year-over-year (YOY) employment growth in percentage terms was Leisure and Hospitality at 3.2 percent (19,000 jobs), while the Construction industry contracted by 5.5 percent or 15,000 jobs. The revisions paint a less gloomy picture for State and local government employment, which based on the benchmarked figures dropped by 28,000 (2.3 percent) from December 2009 to December 2010 as opposed to 47,000 (3.9 percent).

The distribution of job expansions and contraction by sector in the 17-County sub regions points to the source of strength for future regional job growth. In December 2010, the strongest growth across each sub regional sector from December 2009 occurred in the New York City Professional Business Services industry, growing by 3.7 percent or 21,000 jobs. Both Leisure and Hospitality and Financial Services employment grew in each of the three sub regions (New York City, New York Suburbs, and Northern New Jersey) by at least 3 percent and 1 percent respectively.

Figure 1: Regional Recessionary Employment Deficit - Benchmarked vs. Original Estimate

