

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

MAY 2011

UNEMPLOYMENT RATE (percent of labor force)			
	APR 2011	PREVIOUS 3 MOS AVERAGE	APR 2010
U.S. (seasonally adjusted)	9.0	8.9	9.8
U.S. (not seasonally adjusted)	8.7	9.5	9.5
Region (not seasonally adjusted)	8.0	8.7	8.7

NON-FARM EMPLOYMENT (thousands)			
	APR 2011	PREVIOUS 3 MOS AVERAGE	% CHANGE APR 2011 / APR 2010
U.S.	131,028	130,558	1.0
REGION	7,828	7,676	0.3
Construction	254	242	-6.2
Manufacturing	342	340	-2.3
Services	7,232	7,095	-1.1

GDP (percentage change in the GDP)			
	2011Q1	2010Q4	2010Q3
U.S. (seasonally adjusted at annual rates)	1.8	3.1	2.6
REGION (quarterly at annual rate)	3.6	3.4	3.7

CONSUMER PRICES (percentage change in the CPI)			
	APR '11 / APR '10	APR '11 / MAR '11	MAR '11 / MAR '10
U. S.	3.2	0.6	2.7
Core	1.3	0.2	1.2
REGION	2.5	0.4	2.3
Core	1.4	0.1	1.3
Food & Beverages	2.1	0.0	2.5
Housing	0.9	0.1	0.8
Transportation	10.9	2.2	9.3
Energy	13.9	3.1	12.6

CONSTRUCTION COST (percentage change in the CCI)			
	MAY '11 / MAY '10	MAY '11 / APR '11	APR '11 / APR '10
U.S. 20-CITY	3.1	0.1	4.0
NY REGION	0.4	0.0	3.8

GASOLINE PRICES (US Dollars Per Gallon)			
	Current	A month ago	A year ago
U.S. (all types NSA)	\$3.95	\$4.01	\$2.91
New York City (all types NSA)	\$4.28	\$4.30	\$3.23
Newark, NJ (all types NSA)	\$3.95	\$3.92	\$2.87

HOUSING PRICES ¹ (12-Month Percentage Change)			
	FEB '11 / FEB '10	JAN '11 / JAN '10	DEC '10 / DEC '09
U.S. 20-CITY COMPOSITE	-3.3	-3.1	-2.4
NY METROPOLITAN AREA	-3.1	-3.1	-2.4

INTERNATIONAL TRADE (billions of dollars)			
	MAR 2011	% CHANGE VS. FEB 2010	% CHANGE YTD 2011 VS. 2010
U.S.	317.0	18.4	3.5
NY CUSTOMS DISTRICT	36.1	18.9	7.4
NY Imports	21.3	17.1	20.0
NY Exports	14.9	21.7	25.3

MANHATTAN COMMERCIAL REAL ESTATE (Class A Office Market)			
	MARCH 2011	FEBRUARY 2011	MARCH 2010
Vacancy Rate			
OVERALL	11.6	11.2	12.8
Midtown	11.6	11.7	13.9
Downtown	11.3	11.3	10.3
Average Asking Rent (\$/square foot)			
OVERALL	59.6	59.5	62.0
Midtown	66.2	65.9	67.5
Downtown	42.3	42.1	43.9

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 32.5 percent nationally and by 23.5 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

Economic Anxiety forcing later Retirement?

As the US economy has finally strung together three months of solid employment growth for the first time since 2007, some long-term trends are appearing that will shape the recovery through the rest of the decade.

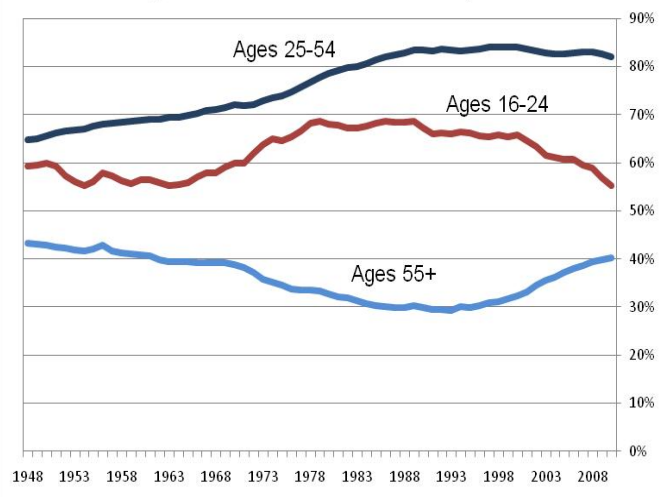
Since the late 1980s, an increasing percentage of older workers, aged 55 and above is choosing not to retire. In 1986, 30% of the 55-and-older population was in the labor force, either working or looking for work. By 2010, that portion had increased to 40%, and the Bureau of Labor Statistics expects the share to continue increasing over the next few years (see Figure 1).

While improvements in health care mean that more individuals can stay healthy and productive longer than before, much of this trend arises from economic anxiety in one form or another. The bursting of the housing bubble, the dot-com crash in 2000, and the financial crisis and Great Recession decimated the retirement savings of many older workers, forcing them to continue working to rebuild their nest eggs. These savings, often in the form of 401(k) accounts, have become more important to individuals, as corporations have phased out pension programs that once guaranteed a retiree's income. The statutory elimination of mandatory retirement ages in 1986 and changes in Social Security benefits have encouraged some to work longer. Rising health care costs have also played a part: as companies have trimmed expensive retiree health care benefits, some workers have deferred retirement until they become eligible for Medicare. Wages that have hardly budged over the last 30 years have also forced some to work longer to pay for retirement.

It is not necessarily easy for older workers to stay in the work force. If they lose their jobs, they have a harder time finding new work than do younger workers. But their growing labor force participation implies fewer available jobs. In fact, over the last two decades, an increasing number of 16-24 year olds are delaying their entry into the work force. Many are pursuing higher education: full-time college enrollment jumped from 10 million in 1999 to more than 14 million in 2009, with much of this in the first two years of the recession.

Eventually these young workers will need to join the labor force. As the baby boom generation reaches 65, many will retire, making room for the new generation. But the delayed pace of these retirements, due to the economic stresses facing older workers, means less space for new workers – and higher unemployment. As a result, unless the pace of job creation picks up dramatically from the pace of the last few months, unemployment is likely to stay high for years to come.

Figure 1: US Labor Force Participation



Source: BLS