

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

NOVEMBER 2011

UNEMPLOYMENT RATE (percent of labor force)	OCT 2011	PREVIOUS 3 MOS AVERAGE	OCT 2010
U.S. (seasonally adjusted)	9.0	9.1	9.7
U.S. (not seasonally adjusted)	8.5	9.1	9.0
Region (not seasonally adjusted)	8.2	8.4	8.4

NON-FARM EMPLOYMENT (thousands)	OCT 2011	PREVIOUS 3 MOS AVERAGE	% CHANGE OCT 2011 / OCT 2010
U.S.	131,516	131,296	1.2
REGION	7,849	7,794	0.7
Construction and Manufacturing	616	615	-2.2
Fire and Professional Business	1,946	1,947	1.4
Government	1,161	1,142	1.0
All Others	4,126	4,090	0.8

REAL GDP (percentage change)	2011Q3	2011Q2	2011Q1
U.S. (seasonally adjusted at annual rates)	2.0	1.3	0.4
REGION (quarterly at annual rate)	2.5	2.0	2.4

CONSUMER PRICE INDEX (percentage change)	OCT '11 / OCT '10	OCT '11 / SEP '11	SEP '11 / SEP '10
U. S.	3.6	-0.1	3.9
Core	2.1	0.1	2.0
REGION	3.3	-0.2	3.8
Core	2.5	0.2	2.4
Food & Beverages	3.7	0.3	4.0
Housing	1.7	-0.3	1.9
Transportation	10.1	-1.1	13.0
Energy	11.8	-4.4	18.0

CONSTRUCTION COST INDEX (percentage change)	OCT '11/ OCT '10	OCT '11 / SEP '11	SEP '11/ SEP '10
U.S. 20-CITY	2.5	0.3	3.2
NY REGION	3.0	0.0	3.1

GASOLINE PRICES (US dollars per gallon)	Current	A month ago	A year ago
U.S. (all types NSA)	\$3.44	\$3.59	\$3.01
New York City (all types NSA)	\$3.83	\$3.92	\$3.37
Newark, NJ (all types NSA)	\$3.42	\$3.51	\$3.06

HOUSING PRICES ¹ (12-month percentage change)	SEP '11 / SEP '10	AUG '11 / AUG '10	JUL '11 / JUL '10
U.S. 20-CITY COMPOSITE	-3.8	-3.8	-4.1
NY METROPOLITAN AREA	-3.1	-3.1	-3.5

INTERNATIONAL TRADE (billions of dollars)	SEP 2011	% CHANGE VS. SEP 2010	% CHANGE YTD 2011 VS. 2010
U.S.	316.4	15.4	11.9
NY CUSTOMS DISTRICT	37.4	27.8	15.6
NY Imports	21.9	21.1	19.5
NY Exports	15.5	38.5	21.0

MANHATTAN COMMERCIAL REAL ESTATE (class A office market)	OCT 2011	SEP 2011	OCT 2010
Vacancy Rate			
OVERALL	10.0	9.7	11.3
Midtown	10.9	10.5	11.3
Downtown	8.7	8.5	12.1
Average Asking Rent (\$/square foot)			
OVERALL	63.1	61.3	57.5
Midtown	69.6	67.4	64.0
Downtown	42.1	41.8	41.9

REGIONAL ECONOMIC FORECASTS ²	2011	2012	2013
CPI percent change, NYC MSA	2.8	3.2	3.4
Employment change ('000's), Region	14	37	51

¹ Since the peak in June 2006, housing prices have fallen by 30.6 percent nationally and by 20.7 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.

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SPECIAL FOCUS

The Recession's Squeeze on Households

Since the beginning of the recession, most American households have faced tough economic times. Household incomes have fallen, as wages have stagnated and millions of workers have been unable to find jobs. The bursting of the housing bubble and the 2008 stock market crash left households with fewer financial reserves. At the same time, as consumers struggle to sustain their pre-recession standard of living, they face rising costs. To make do with less, households have made some notable shifts in spending over the last three years.

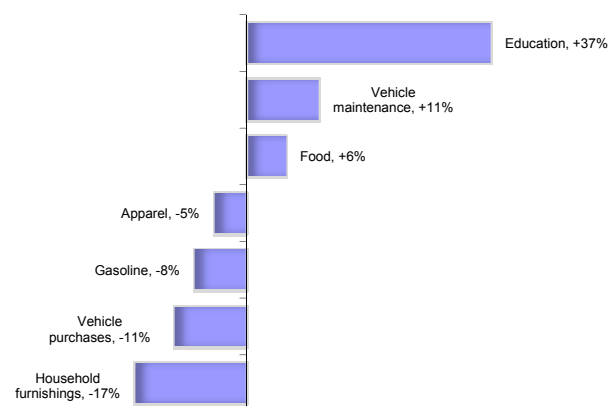
Analysis of the government's Consumer Expenditure Survey, shown in the chart below, suggests that consumers in the New York-New Jersey region have adjusted their spending by deferring purchases of some items and switching to cheaper alternatives. For example, consumers are spending less on new cars and more on maintaining their existing cars. The average age of cars in the US fleet has indeed increased during the recession by over a year to 10.6 years, and regional consumers are spending 11 percent more on vehicle maintenance. At the same time, they appear to be driving less, not just because fewer people have jobs to drive to but also because of higher gasoline prices. In some cases, drivers may be switching to less-expensive transit alternatives for both commuting and non-essential recreational travel. Our own PATH system has seen a surge in weekend ridership, while weekend auto travel on our bridges and tunnels is flat or down over the last three years. (See this month's Transportation Focus on the next page.)

Consumers are also deferring purchases of some household items and searching out bargains. For example, spending on home furnishings such as furniture and appliances is down 17 percent since 2007. Despite higher prices, spending on clothing and shoes is down 5 percent. Food prices are up nine percent, but spending on food is up only six percent, with consumers spending less on restaurants – probably through some combination of skipping dessert, switching to lower-end establishments, and cooking more at home.

As is typical with recessions, some of those who are unemployed are going back to school. Nationally, college and university enrollment has grown by about 15 percent in 3 years, and graduate school enrollment in the New York region is up 19 percent. With tuition prices soaring, this has meant that regional households are spending 37 percent more on education than in 2007.

Unfortunately, consumers will probably have to tighten their belts another notch. Over the last year, US consumer spending rose \$575 billion, more than the \$325 billion increase in disposable income. As a result, households dipped further into savings and the savings rate recently fell to its lowest level in four years. Unless employment picks up sharply or wages rise again, households will need to find new ways to economize in the months ahead.

Changes in Average Household Spending, 2007-2010
NY-NJ Metro Region



Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September, 2011

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AVIATION	Sep '11	Sep '10	PCT. CHANGE
Revenue Passengers (000's)	8,792.5	8,603.0	2.2%
John F. Kennedy International Airport (JFK)	4,036.5	3,933.3	2.6%
LaGuardia Airport (LGA)	2,000.9	2,028.2	-1.3%
Newark Liberty International Airport (EWR)	2,721.5	2,610.3	4.3%
Stewart International Airport (SWF)	33.6	31.3	7.2%
Revenue Freight (Short Tons)	181,638	194,894	-6.8%
Flights	103,143	100,235	2.9%
Domestic Air Carrier	74,773	73,068	2.3%
International Air Carrier	22,271	21,093	5.6%
General Aviation	6,099	6,074	0.4%
Ground Transportation			
Paid Parked Cars	707,028	743,708	-4.9%
Revenue AirTrain Passengers	640,000	666,420	-4.0%

FERRY OPERATIONS	Sep '11	Sep '10	PCT. CHANGE
Passengers (000's)			
New Jersey Ferries	677.9	658.2	3.0%

PATH	Sep '11	Sep '10	PCT. CHANGE
Passengers (000's)	6,546.0	6,345.0	3.2%
Average Weekday	263.3	255.4	3.1%
Average Saturday	130.1	126.2	3.1%
Average Sunday	100.0	94.5	5.8%

PORT COMMERCE	Sep '11	Sep '10	PCT. CHANGE
Port Trade			
Container Imports (TEUs)	242,771	225,947	7.4%
Container Exports (TEUs)	138,158	117,289	17.8%
Containers lifted on/off Express Rail	38,319	32,377	18.4%

TUNNELS, BRIDGES & TERMINALS	Sep '11	Sep '10	PCT. CHANGE
Eastbound Vehicle Volumes (000's)	9,902	10,116	-2.1%
George Washington Bridge	4,196	4,258	-1.5%
Lincoln Tunnel	1,638	1,701	-3.7%
Holland Tunnel	1,347	1,409	-4.4%
Bayonne Bridge	298	298	-0.1%
Goethals Bridge	1,198	1,189	0.8%
Outerbridge Crossing	1,225	1,261	-2.9%

Eastbound Volumes by Vehicle Type (000's)			
Autos	8,986	9,212	-2.5%
Trucks	657	645	1.8%
Buses	259	259	-0.1%

USDOT TRANSPORT. SERVICES INDEX (TSI)	Sep '11p	Aug '11p	PCT. CHANGE
U.S. - Seasonally Adjusted			
TSI - Freight	109.6	108.7	0.9%
TSI - Passenger	116.5	115.4	0.9%

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TRANSPORTATION FOCUS

More Than a Commuter Railroad

The New York/New Jersey region has seen a much noted resurgence and revitalization of its urban core. Much of this growth has occurred along waterfronts and other areas that are especially well served by public transit. While transit has long been the primary option for Manhattan-bound commuters, transit is increasingly becoming the mode of choice for discretionary travelers as well.

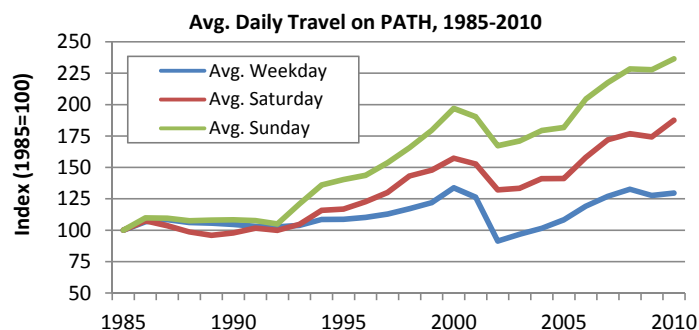
Over the past 25 years, PATH ridership has shown strong growth especially on weekends. From 1985 to 2010, the average daily PATH ridership has grown by 87 percent on Saturdays and 136 percent on Sundays, compared to 29 percent on weekdays. Weekend PATH ridership began to build around 1992, and maintained strong growth since then, except for the temporary decline after 9/11. In 2010, PATH weekend ridership accounts for about 14.3 percent of the total weekly demand, up from 9.5 percent a quarter century ago.

For the PATH ridership by station, the most significant increases in weekend ridership took place at the 33rd Street, Newport, and Hoboken stations. On a percentage basis, the fastest growth has occurred at Newport, which closed on weekends 25 years ago, and Exchange Place, which has seen weekend ridership increase tenfold. In the past five years, there has been particularly sharp growth at several locations where weekend ridership had previously lagged, including Grove Street, Harrison, Journal Square, and the World Trade Center.

On Saturdays, about 50 percent of PATH's customer trips are recreation, entertainment, or social visiting trips. About 26 percent are work trips and about 12 percent are shopping. In the morning, 40 percent of PATH riders begin their travel east of the river, and over half have destinations in New Jersey. In contrast, on weekdays, only 22 percent of AM riders begin their trips east of the Hudson, while about 66 percent end their trips there. About 79 percent of daily trips are work commuting or business-related trips.

A number of factors have likely contributed to the rise in weekend travel since 1992. Transit ridership growth accelerated around the same time that perceptions of crime and personal safety in cities began to shift, encouraging more urban discretionary travel. Transit oriented development, such as the tremendous residential and office development near the New Jersey waterfront played a significant role, as have new transit-accessible attractions like the new Harrison and Newark sports arenas. Similar increases have been noted by NJ Transit and MTA as well. MTA weekend ridership doubled over the past 20 years.

As the region's waterfronts and commercial districts continue their transformation into mixed-use neighborhoods and cultural and recreational attractions, and the World Trade Center Memorial Museum is completed, it is likely that these trends will continue. The days of deserted transit stations on weekends are long past.



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