

# MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

DECEMBER 2011

UNEMPLOYMENT RATE (percent of labor force)	NOV 2011	PREVIOUS 3 MOS AVERAGE	NOV 2010
U.S. (seasonally adjusted)	8.6	9.1	9.8
U.S. (not seasonally adjusted)	8.2	8.8	9.3
Region (not seasonally adjusted)	8.5	8.2	8.4

NON-FARM EMPLOYMENT (thousands)	NOV 2011	PREVIOUS 3 MOS AVERAGE	% CHANGE NOV 2011 / NOV 2010
U.S.	131,708	131,451	1.2
REGION	8,121	8,013	0.3
Construction and Manufacturing	635	638	-1.7
FIRE and Professional Business	1,995	1,993	0.6
Government	1,171	1,143	-1.7
All Others	4,320	4,239	1.0

REAL GDP (percentage change)	2011Q3	2011Q2	2011Q1
U.S. (seasonally adjusted at annual rates)	1.8	1.3	0.4
REGION (quarterly at annual rate)	2.4	1.9	2.3

CONSUMER PRICE INDEX (percentage change)	NOV '11 / NOV '10	NOV '11 / OCT '11	OCT '11 / OCT '10
U. S.	3.4	0.0	3.6
Core	2.2	0.2	2.1
REGION	3.0	-0.3	3.3
Core	2.5	-0.2	2.5
Food & Beverages	3.3	-0.3	3.7
Housing	1.7	-0.1	1.7
Transportation	8.6	-0.6	10.1
Energy	8.2	-0.8	11.8

CONSTRUCTION COST INDEX (percentage change)	DEC '11/ DEC '10	DEC '11 / NOV '11	NOV '11/ NOV '10
U.S. 20-CITY	2.5	0.0	2.5
NY REGION	3.0	0.0	3.0

GASOLINE PRICES (US dollars per gallon)	Current	A month ago	A year ago
U.S. (all types NSA)	\$3.36	\$3.50	\$3.14
New York City (all types NSA)	\$3.76	\$3.87	\$3.50
Newark, NJ (all types NSA)	\$3.33	\$3.47	\$3.14

HOUSING PRICES <sup>1</sup> (12-month percentage change)	OCT '11 / OCT '10	SEP '11 / SEP '10	AUG '11 / AUG '10
U.S. 20-CITY COMPOSITE	-4.5	-3.6	-3.8
NY METROPOLITAN AREA	-3.1	-2.6	-3.1

INTERNATIONAL TRADE (billions of dollars)	OCT 2011	% CHANGE VS. OCT 2010	% CHANGE YTD 2011 VS. 2010
U.S.	322.6	12.1	11.9
NY CUSTOMS DISTRICT	36.2	11.2	15.1
NY Imports	22.6	11.8	18.6
NY Exports	13.6	10.2	19.8

MANHATTAN COMMERCIAL REAL ESTATE (class A office market)	NOV 2011	OCT 2011	NOV 2010
Vacancy Rate			
OVERALL	9.9	10.0	11.3
Midtown	10.9	10.9	11.4
Downtown	8.3	8.7	11.9
Average Asking Rent (\$/square foot)			
OVERALL	64.0	63.1	58.1
Midtown	70.4	69.6	64.7
Downtown	42.6	42.1	41.8

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

<sup>1</sup> Since the peak in June 2006, housing prices have fallen by 32.3 percent nationally and by 23.3 percent in the New York Region

<sup>2</sup> For optimistic and pessimistic alternative forecasts please contact the Planning and Regional Development Department.

Sources available upon request.

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## SPECIAL FOCUS

### Regional Employment on par for (most of) 2011

Over the course of most of 2011, the employment data for the 18-county Port Authority economic region has improved modestly. After a first half characterized by job growth across several sectors from their seasonally low base in January 2011, the early fall showed signs of retrenchment in the total employment estimates. For instance, employment in the region increased by roughly 3% on a non-seasonally adjusted basis between January and June, but then declined back to only a 1.7% increase by September. Similar trends could also be found in the components of the PA region, i.e. New York City, and the NY and NJ suburbs. By November 2011, growth resumed and the region overall as well as the three sub-regions have experienced employment growth of between 3 and 4 percent since January. For the twelve months ending in November, the region appears to have grown slightly in terms of employment with all of the growth coming from New York City.

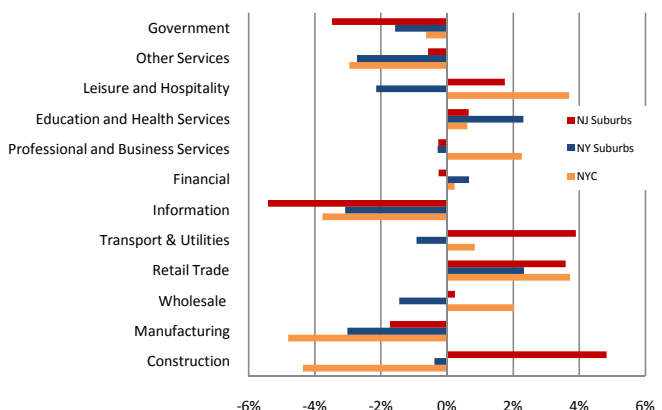
Monthly Employment Changes, Nov 2010 - Nov 2011, NSA													
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Region	100	99.7	96.9	97.3	98.0	99.2	99.3	99.9	99.5	98.8	98.6	99.6	100.3
NYC	100	99.8	97.4	98.0	98.6	99.2	99.5	99.7	100.0	99.3	99.1	99.8	100.6
NY Suburbs	100	99.8	96.1	96.1	97.0	98.4	99.0	99.9	98.9	97.9	97.7	99.1	99.8
NJ Suburbs	100	99.8	96.1	96.1	97.0	98.4	99.0	99.9	98.9	97.9	97.7	99.1	99.8

Which economic sectors contributed most to these annual changes? The chart below illustrates the percentage growth rates by economic sector for the PA region. Over the last 12 months, the losses in government and manufacturing have continued while sectors such as leisure & hospitality, education & health and retail trade have seen modest job growth. Information industries, triggered by changes in motion picture employment, declined markedly but even more surprising are the region-wide swing in construction employment when one compares New York City with the New Jersey suburbs. While construction employment declined by more than 4 percent in the city, it rose by roughly the same percentage in the New Jersey counties.

Going forward, we expect that employment will continue to recover from its recessionary trough. Government and manufacturing will likely see additional drops in employment while sectors such as leisure & hospitality and education & health will experience above average increases. The strength of consumer spending will determine the growth in retail employment but recent data on declining real incomes, a drop in the national savings rate, and debt financed holiday shopping may affect the sustainability of such employment growth. In light of the increased number of layoff announcements combined with the challenges for banks resulting from the European debt crisis, financial services will not be a major employment growth sector in the New Year.

We are cautiously optimistic that the positive year-end trends will continue and become more pronounced in 2012. We will continue to monitor the data and report on the economic health of the region and the nation. HAPPY NEW YEAR!

### Employment Change: Nov 2010 - Nov 2011



Source: Bureau of Labor Statistics

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December 2011

AVIATION	Oct '11	Oct '10	PCT. CHANGE
<b>Revenue Passengers (000's)</b>	<b>8,950.9</b>	<b>9,022.4</b>	<b>-0.8%</b>
John F. Kennedy International Airport (JFK)	4,003.4	4,013.2	-0.2%
LaGuardia Airport (LGA)	2,105.9	2,171.2	-3.0%
Newark Liberty International Airport (EWR)	2,805.2	2,804.4	0.0%
Stewart International Airport (SWF)	36.3	33.6	8.1%
<b>Revenue Freight (Short Tons)</b>	<b>186,639</b>	<b>211,185</b>	<b>-11.6%</b>
<b>Flights</b>	<b>103,914</b>	<b>103,464</b>	<b>0.4%</b>
Domestic Air Carrier	77,070	76,313	1.0%
International Air Carrier	21,162	21,403	-1.1%
General Aviation	5,682	5,748	-1.1%
<b>Ground Transportation</b>			
Paid Parked Cars	737,437	754,789	-2.3%
Revenue AirTrain Passengers	625,000	615,770	1.5%
FERRY OPERATIONS	Oct '11	Oct '10	PCT. CHANGE
<b>Passengers (000's)</b>			
New Jersey Ferries	677.7	651.7	4.0%
PATH	Oct '11	Oct '10	PCT. CHANGE
<b>Passengers (000's)</b>	<b>6,705.0</b>	<b>6,564.0</b>	<b>2.1%</b>
Average Weekday	269.1	261.0	3.1%
Average Saturday	123.1	128.4	-4.1%
Average Sunday	100.2	100.3	-0.1%
PORT COMMERCE	Oct '11	Oct '10	PCT. CHANGE
<b>Port Trade</b>			
Container Imports (TEUs)	223,892	232,438	-3.7%
Container Exports (TEUs)	141,546	139,182	1.7%
Containers lifted on/off Express Rail	37,611	35,714	5.3%
TUNNELS, BRIDGES & TERMINALS	Oct '11	Oct '10	PCT. CHANGE
<b>Eastbound Vehicle Volumes (000's)</b>	<b>9,921</b>	<b>10,499</b>	<b>-5.5%</b>
George Washington Bridge	4,145	4,407	-5.9%
Lincoln Tunnel	1,686	1,793	-6.0%
Holland Tunnel	1,391	1,477	-5.8%
Bayonne Bridge	294	314	-6.4%
Goethals Bridge	1,187	1,254	-5.3%
Outerbridge Crossing	1,218	1,254	-2.9%
<b>Eastbound Volumes by Vehicle Type (000's)</b>			
Autos	9,023	9,576	-5.8%
Trucks	640	649	-1.4%
Buses	257	274	-6.0%
USDOT	Oct '11p	Sep '11p	PCT. CHANGE
<b>TRANSPORT. SERVICES INDEX (TSI)</b>			
U.S. - Seasonally Adjusted			
TSI - Freight	109.4	109.6	-0.2%
TSI - Passenger	116.1	116.5	-0.3%

## TRANSPORTATION FOCUS

### A Profile of Interstate Commuting

Manhattan is the NY/NJ region's dominant business district, and the need to accommodate "hub-bound" commuters receives a significant share of attention. But the region's economy also relies critically on employment clusters outside the CBD, many of which also share a competitive need for access to the region's skilled but widely scattered labor force. A key set of facilities that connect the region's businesses with its regional labor force is the "Interstate Transportation Network," the multimodal infrastructure crossing the Hudson River and Staten Island waterways between the George Washington Bridge and the Outerbridge Crossing, a traditional planning focus of the Port Authority.

The Census Bureau's American Community Survey (ACS) provides demographic and economic statistics on the region's households, including their commuting patterns. We examined ACS data for individuals who live in NY, NJ, PA or CT and work in the Port Authority's 18-county planning region. The 18-county region was divided into three subregions for analysis: west of Hudson counties (including nine NJ counties and Rockland County, NY); Manhattan; and other east of Hudson counties (including the remaining NYC boroughs, Long Island, and Westchester).

Based on the recently released 2008-2010 ACS sample, 31.9% of the 18-county region's employees work in the west of Hudson counties, 27.6% work in Manhattan and 40.5% work in other east of Hudson counties. This distribution has remained relatively stable since the 1990 Census.

"Interstate" commuters, who cross the Hudson River or Staten Island waterways to reach their workplaces, are about 6.9% of all workers region wide. A few counties are particularly reliant on interstate commuters for their labor force. In the 2008-2010 ACS, interstate commuters comprised 15.2% of Manhattan's employees (up from 12.8% in 1990), 11.9% of Hudson County's employees (up from 8.1%); and 9.9% of Staten Island's employees (unchanged since 1990).

Overall, about 60.3% of interstate commuters work in Manhattan, up from 56.1% in 1990. The share of interstate commuters who work outside Manhattan is also significant: 18.3% work west of the Hudson (down from about 22% in 1990) and 21.4% work elsewhere east of the Hudson (about the same as in 1990).

Transit plays an important role in all interstate commuting markets. Among interstate commuters into Manhattan, transit is the dominant mode for commuting, with 71.3% taking one or more transit modes. While auto is still the dominant mode used for commuting to other parts of the region, 16.6% use transit to cross to the east of Hudson counties, while 32.5% use transit to reach the west of Hudson counties. The transit share has increased across the board in the 18-county region since 1990 while the auto share has consistently decreased.

From another perspective, the majority of interstate transit commuters (81.9%) work in Manhattan, 11.3% work in the west of Hudson counties and 6.7% work in the east of Hudson counties. The distribution of the work locations of the interstate auto commuters (driving in car, truck or van) are comparatively balanced among the three subregions: 35.7% work in Manhattan, 26.1% work in west of Hudson counties, and 38.2% work in east of Hudson counties.

Work Location of Interstate Commuters 2008-2010

