MONTHLY ECONOMIC INDICATORS

THE PORT AUTHORITY OF NY & NJ

Planning and Regional Development Department

June 2012

Unemployment Rate (percent of labor force)	May 2012	Previous 3 Months Average	May 2011
U.S. (seasonally adjusted)	8.2	8.2	9.0
U.S. (not seasonally adjusted)	7.9	8.3	8.7
REGION (not seasonally adjusted)	8.8	8.8	8.3

Non-Farm Employment (thousands)	May 2012	Previous 3 Months Average	% Change May 2012 / May 2011
U.S.	133,009	132,841	1.4
REGION	8,231	8,107	2.4
Construction and Manufacturing	620	608	-0.8
FIRE / Professional / Business	2,061	2,030	4.6
Government	1,170	1,167	-0.8
All Others	4,379	4,301	2.7

Real GDP (percentage change)	2012Q1	2011Q4	2011Q3
U.S. (seasonally adjusted at annual rates)	1.9	3.0	1.8
REGION (quarterly at annual rate)	2.3	2.9	1.9

Consumer Price Index (percentage change)	May 2012 / May 2011	May 2012 / Apr 2012	Apr 2012 / Apr 2011
U. S.	1.7	-0.3	2.3
Core	2.3	0.2	2.3
REGION	1.8	0.1	2.4
Core	2.3	0.2	2.5
Food & Beverages	3.6	0.5	3.5
Housing	1.0	0.3	1.2
Transportation	0.4	-0.7	3.4
Energy	-5.7	-1.2	-0.9

Construction Cost Index (percentage change)	May 2012 / May 2011	May 2012 / Apr 2012	Apr 2012 / Apr 2011
U.S. 20-City Composite	2.8	1.0	2.7
NY Metropolitan Area	2.9	1.0	2.8

Gasoline Prices (US dollars per gallon)	May 2012	Apr 2012	May 2011
U.S. (all types NSA)	$3.52	$3.78	$3.69
New York City (all types NSA)	$3.89	$4.12	$4.12
Newark, NJ (all types NSA)	$3.72	$3.72	$3.93

Housing Prices (12-month percentage change)	Apr 2012 / Apr 2011	Mar 2012 / Mar 2011	Feb 2012 / Feb 2011
U.S. 20-City Composite	-1.9	-2.6	-3.6
NY Metropolitan Area	-3.8	-3.0	-3.3

International Trade (billions of dollars)	Apr 2012	% Change VS Apr 2011	% Change YTD 2012 VS 2011
U.S.	316.7	4.7	7.6
NY Customs District	34.7	0.0	4.1
NY Imports	20.5	-4.6	3.8
NY Exports	14.3	6.5	4.6

Manhattan Commercial Real Estate (Class A Office Market)	Apr 2012	Mar 2012	Apr 2011
Vacancy Rate			
Overall	9.6	9.8	11.0
Midtown	10.4	10.5	11.4
Downtown	8.5	8.9	10.7
Average Asking Rent ($/square foot)			
Overall	65.8	65.2	59.7
Midtown	72.5	72.5	66.4
Downtown	42.7	41.9	41.1

Regional Economic Forecasts	2012	2013	2014
Real GDP (%)	1.7	2.1	3.2
Nonfarm Employment Growth	1.0	1.4	1.8

Sources available upon request.

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SPECIAL FOCUS

Post-Recession Employment Trends in NYC

In the aftermath of the 2008 financial crisis, New York City has not only weathered the recession better than most parts of the country, but has regained all of the jobs lost during the recession. Over the last 12 months, the city has posted a record gain of 77,500 jobs to reach a historical high of 3.87 million jobs, according to the Bureau of Labor Statistics. Yet these figures stand starkly against an unemployment rate that has climbed nearly a full percentage point over the last year and stands just below its 2010 peak of 10.0 percent.

So how can record job growth coincide with climbing unemployment? This question has left most experts guessing. At the heart of the matter are the two surveys that BLS uses to measure employment. The Current Employment Statistics (CES) counts the number of employees on businesses' payrolls, while the Current Population Survey (CPS) directly asks individuals about the employment situation of their household. By design, the CES captures the number of *jobs* in the local economy, while the CPS accounts for the number of *residents* in a particular area who are working, while also providing data to calculate the official unemployment rate. Although they measure different aspects of the labor force, historically, both surveys are highly correlated and complement each other. Recently, however, the CES indicates strong job growth (+51,000 in the city since January), while the CPS points to a year-to-date deficit (-20,000 jobs).

The discrepancy between the two surveys suggests, at first glance, that the new jobs are going to commuters from outside the city and not to city residents. Indeed, some city residents have suffered disproportionately. James Parrott of the Fiscal Policy Institute has noted in the New York Times that black unemployment in the city has increased at a much greater rate than for other groups and has averaged 14.0 percent over the last year. At least part of the reason for this discrepancy is that employment growth has been concentrated in the professional and business services sectors, where blacks are generally under-represented, whereas the largest declines have been in construction and government, sectors where blacks are over-represented. One could theorize that many of the jobs that have been created have gone to commuters from outside the city, who may be disproportionately represented in the sectors that are growing.

While this may in fact be the case, BLS data for the wider metro region show the same discrepancy between job growth and household employment. Conceivably, the job growth could be going to new commuters from outside the region (see Transportation Focus on next page), but such a large shift in commuting patterns over the course of a few months seems unlikely. In the end, we have to join the crowd of head-scratchers and watch for revisions to the data and further analysis over the coming months to explain this trend in the labor market and the impact it may have on the region's residents and businesses.

Top Growing/Declining Industries in NYC	12-Month Net Change	
	Jobs	Percent
1) Professional and Business Services	40,300	6.8%
2) Leisure and Hospitality	18,400	5.4%
3) Retail Trade	12,900	4.2%
1) Natural Resources, Mining and Construction	40,300	-4.5%
2) Federal Government	12,900	-3.7%
3) Transportation, Warehousing, and Utilities	18,400	-2.1%

Source: NYSDOL, Current Employment by Industry, Data Not Seasonally Adjusted

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AVIATION	Apr '12	Apr '11	Change
Revenue Passengers (000's)	**9,409.3**	**8,965.4**	**5.0%**
John F. Kennedy International Airport (JFK)	4,130.0	3,969.2	4.1%
LaGuardia Airport (LGA)	2,212.8	2,030.6	9.0%
Newark Liberty International Airport (EWR)	3,033.3	2,931.8	3.5%
Stewart International Airport (SWF)	33.2	33.7	-1.5%
Revenue Freight (Short Tons)	**167,349**	**189,608**	**-11.7%**
Domestic	60,601	68,483	-11.5%
International	106,748	121,125	-11.9%
Flights	**104,246**	**102,511**	**1.7%**
Domestic Air Carrier	76,842	74,815	2.7%
International Air Carrier	21,573	22,485	-4.1%
General Aviation	5,831	5,211	11.9%
Paid Parked Cars	**724,004**	**733,691**	**-1.3%**
Revenue AirTrain Passengers	**588,154**	**620,640**	**-5.2%**

FERRY OPERATIONS	Apr '12	Apr '11	Change
Passengers (000's)			
New Jersey Ferries	673.3	642.4	4.8%

PATH	Apr '12	Apr '11	Change
Passengers (000's)	**6,445.0**	**6,328.0**	**1.8%**
Average Weekday	260.7	256.0	1.9%
Average Saturday	132.5	118.4	11.9%
Average Sunday	88.2	90.2	-2.2%

PORT COMMERCE	Apr '12	Apr '11	Change
Port Trade			
Container Imports (TEUs)	224,808	216,412	3.9%
Container Exports (TEUs)	131,268	140,657	-6.7%
Containers lifted on/off Express Rail	38,538	34,881	10.5%

TUNNELS, BRIDGES & TERMINALS	Apr '12	Apr '11	Change
Eastbound Vehicle Volumes (000's)	**9,790**	**10,046**	**-2.6%**
George Washington Bridge	4,134	4,256	-2.9%
Lincoln Tunnel	1,634	1,705	-4.2%
Holland Tunnel	1,365	1,404	-2.7%
Bayonne Bridge	293	300	-2.4%
Goethals Bridge	1,166	1,167	-0.1%
Outerbridge Crossing	1,198	1,216	-1.5%
Eastbound Volumes by Vehicle Type (000's)			
Autos	8,926	9,154	-2.5%
Trucks	616	627	-1.8%
Buses	248	265	-6.3%

PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	Apr'12	Mar '12	Change
PA Pulse (Transportation Activity Index)	99.9	98.8	1.1%
PA Freight Pulse	98.0	95.6	2.5%
PA Passenger Pulse	101.9	101.9	-0.1%

U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	Apr'12	Mar '12	Change
TSI - Combined Index	111.7	111.3	0.4%
TSI - Freight	109.6	109.4	0.2%
TSI - Passenger	117.6	116.7	0.8%

TRANSPORTATION **FOCUS**

Analyzing Regional Commuting Trends

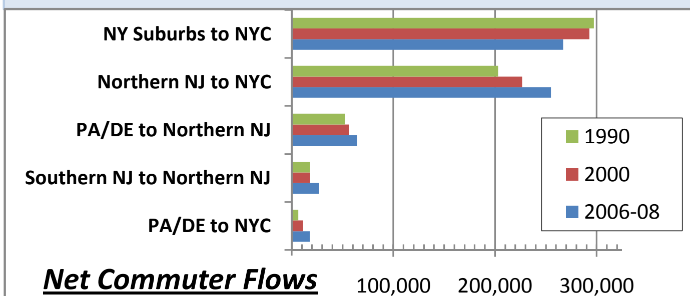
The metropolitan region surrounding New York City continues to grow in population and employment. As the concentration of jobs has spread outward from the region's core, more people are commuting to the region from greater distances.

Journey-to-work data from the Census Bureau, as provided in the Census Transportation Planning Package (CTPP), helps facilitate a better understanding of these regional commuting patterns. The analysis presented here is based on data from the 1990 and 2000 decennial census, as well as the 2006-08 American Community Survey (from which AASHTO has developed comparable CTPP data files). This analysis begins with the 28-county region used in NYMTC's and the Port Authority's travel demand forecasting models, and then looks at a larger area that includes 40 additional counties within 80 miles of the smaller region's boundary. A few key subregions are defined to simplify the analysis: the New York suburbs, Northern New Jersey, Southern New Jersey, and Pennsylvania/Delaware.

Much has changed in regional transportation patterns since 1990, but much has also remained stable. Overall, worker flows within the 68-county region have grown steadily: The census showed an increase of 9% between 1990 and 2006-08, although it is important to note that the 2006-08 estimate used a different data source than the prior estimates, which could slightly alter these values. The 2006-08 data shows roughly 15.5 million commuters flowing within this region (compared with 14.2 million in 1990), a total that excludes commuters who live or work beyond the 68 counties.

New York City is still the place of employment for the largest share of the 68-county region's commuters (nearly 30%), with about 2.3 million workers commuting to Manhattan alone. The 14 counties of northern New Jersey, meanwhile, are the destination for 20 percent of regional worker flows—a total that surpasses Manhattan's. As shares of the regional total, flows between each of these subregions (Manhattan, Northern New Jersey, etc.) have stayed quite stable.

Examining the net flows between subregions reveals more significant changes. Net flow is the balance of residents commuting between two regions to reach their jobs, and can be positive or negative. From 1990 to 2006, the net flow of workers from Northern New Jersey into New York City increased by 52,000, or 26%. Meanwhile, the net flows of workers from Southern New Jersey and Pennsylvania into Northern New Jersey increased by 9,000 (48%) and 12,000 (23%), respectively. In short, this means that Northern New Jersey has increased in relative importance as an employment center for people who live farther from Manhattan as well as a place of residence for those who work in New York City. Additionally, the net flow of workers from Pennsylvania to New York City has increased by more than 11,000—a 171% jump—indicating a tolerance for longer commutes to jobs in the region's core. Finally, the net flow of workers from New York's suburbs (Long Island and Hudson Valley) to New York City has decreased by 30,000 or 10%, largely due to a rise in reverse commuting.



Net Commuter Flows

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