# MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

**October 2012**

| UNEMPLOYMENT RATE (percent of labor force) | SEP 2012 | PREVIOUS 3 MONTHS AVERAGE | SEP 2011 |
|---|---|---|---|
| U.S. (seasonally adjusted) | 7.8 | 8.2 | 9.0 |
| U.S. (not seasonally adjusted) | 7.6 | 8.4 | 8.8 |
| REGION (not seasonally adjusted) | 8.5 | 9.4 | 8.2 |

| NON-FARM EMPLOYMENT (thousands) | SEP 2012 | PREVIOUS 3 MONTHS AVERAGE | % CHANGE SEP 2012/ SEP 2011 |
|---|---|---|---|
| U.S. | 133,584 | 133,189 | 1.4 |
| REGION | 8,204 | 8,243 | 2.8 |
| Construction and Manufacturing | 629 | 631 | -1.2 |
| FIRE / Professional / Business | 2,083 | 2,086 | 4.8 |
| Government | 1,125 | 1,142 | -0.2 |
| All Others | 4,367 | 4,384 | 3.2 |

| REAL GDP (percentage change) | 2012Q3 | 2012Q2 | 2012Q1 |
|---|---|---|---|
| U.S. (seasonally adjusted at annual rates) | 2.0 | 1.3 | 2.0 |
| REGION (quarterly at annual rate) | 1.8 | 2.3 | 2.3 |

| CONSUMER PRICE INDEX (percentage change) | SEP '12 / SEP '11 | SEP '12 / AUG '12 | AUG '12 / AUG '11 |
|---|---|---|---|
| U. S. | 2.0 | 0.6 | 1.7 |
| Core | 2.0 | 0.1 | 1.9 |
| REGION | 1.6 | 0.4 | 1.4 |
| Core | 1.6 | 0.2 | 1.6 |
| Food & Beverages | 1.9 | -0.1 | 2.3 |
| Housing | 1.1 | 0.2 | 0.7 |
| Transportation | 1.8 | 1.2 | 0.6 |
| Energy | 1.1 | 3.4 | -2.6 |

| CONSTRUCTION COST INDEX (percentage change) | SEP '12 / SEP '11 | SEP '12 / AUG '12 | AUG '12 / AUG '11 |
|---|---|---|---|
| U.S. 20-CITY | 2.5 | -0.1 | 2.9 |
| NY REGION | 5.1 | -0.1 | 5.3 |

| GASOLINE PRICES (US dollars per gallon) | OCT 2012 | A month ago | A year ago |
|---|---|---|---|
| U.S. (all types NSA) | $3.64 | $3.97 | $3.56 |
| New York City (all types NSA) | $4.21 | $4.37 | $3.91 |
| Newark, NJ (all types NSA) | $3.84 | $3.99 | $3.51 |

| HOUSING PRICES (12-month percentage change) | AUG '12 / AUG '11 | JUL '12 / JUL '11 | JUN '12 / JUN '11 |
|---|---|---|---|
| U.S. 20-CITY COMPOSITE | 2.0 | 1.2 | 0.6 |
| NY METROPOLITAN AREA | -2.3 | -2.6 | -2.1 |

| INTERNATIONAL TRADE (billions of dollars) | AUG 2012 | % CHANGE VS. AUG 2011 | % CHANGE YTD 2012 VS AUG 2011 |
|---|---|---|---|
| U.S. | 313.6 | 2.1 | 5.9 |
| NY CUSTOMS DISTRICT | 34.9 | -0.1 | 1.4 |
| NY Imports | 22.8 | 3.4 | 1.4 |
| NY Exports | 12.1 | -6.0 | 1.4 |

| MANHATTAN COMMERCIAL REAL ESTATE (Class A Office Market) | SEP 2012 | AUG 2012 | SEP 2011 |
|---|---|---|---|
| Vacancy Rate | | | |
| OVERALL | 9.6 | 9.8 | 9.7 |
| Midtown | 10.6 | 10.9 | 10.5 |
| Downtown | 8.4 | 8.4 | 8.5 |
| Average Asking Rent ($/square foot) | | | |
| OVERALL | 69.5 | 68.2 | 61.3 |
| Midtown | 76.8 | 75.1 | 67.4 |
| Downtown | 43.9 | 43.1 | 41.8 |

| REGIONAL ECONOMIC FORECAST[1] | 2012 | 2013 | 2014 |
|---|---|---|---|
| Real GDP (%) | 2.2 | 1.9 | 2.8 |
| Nonfarm Employment Growth (%) | 1.7 | 1.7 | 1.9 |

Sources available upon request.

The views expressed herein are solely those of the authors and do not reflect the official positions of PANYNJ or its leadership.

[1] For optimistic and pessimistic alternative forecasts please contact the Planning and Regional Development Department.

*Contact: Alexander Heil, Chief Economist, aheil@panynj.gov*

SPECIAL FOCUS

## Sandy's Impact on the Regional Economy

In the aftermath of a natural disaster such as Tropical Storm Sandy, estimates of the economic impact of the event frequently enter the public discussion. Such impact analyses may appear to be straight forward, but in fact the economic consequences for a large metropolitan area are complex. To derive an accurate assessment, it is therefore important to carefully consider how households, businesses, and governments are affected. While we are not attempting to add another economic impact estimate of our own at this point, we offer below a framework of how such economic impact numbers should be viewed in light of the storm's diverse range of effects on the regional economy's inputs and outputs.

Of the storm's manifold negative effects on the economy, the most apparent is the immediate destruction of economic inputs: personal and business property and infrastructure assets in the region that were damaged or destroyed; freight in the port that has been rendered unusable; rail lines that have been washed away; electrical generators that have shorted out. Insurance payouts and Federal aid may cover some of these costs, resulting potentially in higher insurance premiums in the future.

Then there are the negative impacts on current economic output, which are harder to measure. The virtual shutdown of much of the region's economy for part of last week, and the continued loss of business in areas still suffering power and transportation outages, reduces output and, for non-salaried staff, wages. Businesses in coastal areas that were particularly hard-hit may be wiped out. Other businesses will see a loss in sales – for example, shops along the route of the New York City marathon did not see a wave of tourists this year. In the aggregate, however, the net impact on Gross Regional Product (GRP) is not easy to estimate, because much of the economic activity that would have normally occurred may simply be delayed or compensated by overtime activity when the storm has passed. For example, most construction projects that had already begun will simply be pushed out a week or two, and purchases of clothing and home appliances that were delayed will probably be made up over time.

Over the next few months, the region will likely see an uptick in construction activity to rebuild homes, commercial structures, and transportation infrastructure. This may give a boost to GRP because rebuilding infrastructure counts as an addition to GRP while the loss of infrastructure does not subtract from it. However, because of the timing of this construction, it is too early to say if this boost will offset the negative effects on a quarterly basis. Some of this activity might carry an opportunity cost if it forces businesses and governments to defer other projects that were in the pipeline, such as capacity improvements or normal replacement activities. On the other hand, where antiquated infrastructure is replaced and brought up to modern standards, users could see better safety, energy efficiency, and customer service. And in the long term, more resilient infrastructure could save money by reducing the costs of future storms.

# MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

**October 2012**

| AVIATION | Aug '12 | Aug '11 | Change |
|---|---|---|---|
| **Revenue Passengers (000's)** | **10,873.5** | **9,863.6** | **10.2%** |
| John F. Kennedy International Airport (JFK) | 4,999.7 | 4,539.9 | 10.1% |
| LaGuardia Airport (LGA) | 2,538.3 | 2,168.6 | 17.0% |
| Newark Liberty International Airport (EWR) | 3,297.7 | 3,113.8 | 5.9% |
| Stewart International Airport (SWF) | 37.8 | 41.2 | -8.4% |
| **Revenue Freight (Short Tons)** | **177,847** | **173,990** | **2.2%** |
| Domestic | 68,426 | 65,896 | 3.8% |
| International | 109,421 | 108,094 | 1.2% |
| **Flights** | **112,907** | **104,929** | **7.6%** |
| Domestic Air Carrier | 80,869 | 75,097 | 7.7% |
| International Air Carrier | 26,462 | 23,826 | 11.1% |
| General Aviation | 5,576 | 6,006 | -7.2% |
| **Paid Parked Cars** | **856,202** | **854,905** | **0.2%** |
| **Revenue AirTrain Passengers** | **777,752** | **626,723** | **24.1%** |

| FERRY OPERATIONS | Aug '12 | Aug '11 | Change |
|---|---|---|---|
| **Passengers (000's)** | | | |
| New Jersey Ferries | 750.2 | 713.2 | 5.2% |

| PATH | Aug '12 | Aug '11 | Change |
|---|---|---|---|
| **Passengers (000's)** | **6,789.0** | **6,468.0** | **5.0%** |
| Average Weekday | 256.1 | 253.3 | 1.1% |
| Average Saturday | 124.0 | 98.0 | 26.5% |
| Average Sunday | 100.6 | 62.3 | 61.4% |

| PORT COMMERCE | Aug '12 | Aug '11 | Change |
|---|---|---|---|
| **Port Trade** | | | |
| Container Imports (TEUs) | 257,122 | 244,589 | 5.1% |
| Container Exports (TEUs) | 128,966 | 126,531 | 1.9% |
| Containers lifted on/off Express Rail | 40,976 | 34,824 | 17.7% |

| TUNNELS, BRIDGES & TERMINALS | Aug '12 | Aug '11 | Change |
|---|---|---|---|
| **Eastbound Vehicle Volumes (000's)** | **10,458** | **10,309** | **1.4%** |
| George Washington Bridge | 4,422 | 4,416 | 0.1% |
| Lincoln Tunnel | 1,641 | 1,664 | -1.4% |
| Holland Tunnel | 1,444 | 1,391 | 3.8% |
| Bayonne Bridge | 312 | 301 | 3.6% |
| Goethals Bridge | 1,296 | 1,255 | 3.2% |
| Outerbridge Crossing | 1,343 | 1,281 | 4.8% |
| **Eastbound Volumes by Vehicle Type (000's)** | | | |
| Autos | 9,545 | 9,348 | 2.1% |
| Trucks | 650 | 685 | -5.1% |
| Buses | 264 | 276 | -4.3% |

| PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100) | Aug '12 | Jul '12 | Change |
|---|---|---|---|
| **PA Pulse (Transportation Activity Index)** | 99.2 | 99.1 | 0.0% |
| **PA Freight Pulse** | 96.3 | 98.1 | -1.8% |
| **PA Passenger Pulse** | 102.1 | 100.2 | 1.9% |

| U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100) | Aug '12 | Jul '12 | Change |
|---|---|---|---|
| **TSI - Combined Index** | 111.2 | 111.8 | -0.5% |
| **TSI - Freight** | 109.0 | 109.6 | -0.6% |
| **TSI - Passenger** | 117.4 | 117.7 | -0.3% |

## TRANSPORTATION FOCUS

### *Analysis of Airport Taxi Flows*

Taxis have long been one of the most popular means of access to the NY/NJ region's airports, but until recently, relatively little has been known about these trips. Now, new Global Positioning System (GPS) data allows for the assessment of taxi activity patterns by time of day. This is possible due to a New York City Taxi and Limousine Commission (NYCTLC) requirement in 2007 that made NYC medallion holders install GPS devices in their vehicles.

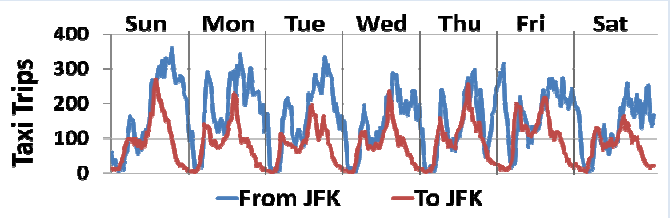
Recently, with support from NYCTLC, the Port Authority began to examine what these new data can tell us about travel to and from the airports. Initially, we examined one week of data, covering a period from June 5 through June 11, 2011. Over this seven-day period, the dataset captured approximately 202,000 yellow taxi trips to or from John F. Kennedy International Airport (JFK) and LaGuardia Airport (LGA). LGA generated 74,450 pick-up trips and 46,700 drop-off trips, while JFK generated 52,950 pick-up trips and 27,900 drop-off trips.

The data confirmed that Manhattan is the dominant taxi market for both airports. Some 55% of passengers picked up by cabs at JFK are going to Manhattan, while 74% of passengers boarding cabs at LGA are Manhattan-bound. In the reverse direction, Manhattan generates a larger share of trips to the airports likely due to the difficulty of hailing yellow cabs in the Outer Boroughs: 74% of taxi drop offs at JFK and 89% of taxi drop-offs at LGA. For both airports, taxi flows to and from Queens ranked second highest, while Brooklyn ranked third. Overall, 98% of pickups from JFK and LGA had a destination within the five boroughs, while 99% of the airport drop-off trips originated within NYC.

| Trip Type | Manhattan | Queens | Brooklyn | All Others | Total |
|---|---|---|---|---|---|
| Pick Ups at LGA | 55,095 | 10,777 | 6,903 | 1,675 | 74,450 |
| Pick Ups at JFK | 29,052 | 13,874 | 8,033 | 1,991 | 52,950 |
| Drop Offs at LGA | 41,447 | 4,480 | 744 | 29 | 46,700 |
| Drop Offs at JFK | 20,579 | 6,816 | 462 | 43 | 27,900 |

NYCTLC yellow cabs make about 450,000 trips daily. About 7% of these trips carry passengers to and from JFK and LGA. In this particular week, peak demand for taxi trips from the airports occurred on Monday (17% of the week's total for JFK and 18% for LGA). Peak demand for taxi trips to the airports occurred on Friday (17% of the week's total for JFK and 20% for LGA). Saturday was the day of lowest demand in both directions.

The dataset includes medallion number, date, time, and coordinates of origin and terminus, payment info, trip distance, duration, and other attributes. Examining the data by time of day, airport, and direction can provide insights on the dynamics of daily taxi service at the airports. These data could be used to support analysis of taxi queuing patterns, relationships between taxi demand and supply, impacts of weather events on demand (e.g. the large thunderstorm on Thursday evening in the chart below), and more. This kind of archived activity data has significant potential to yield new insights into how well the transportation system serves its customers.




**Port Authority of NY & NJ**
**Planning & Regional Development Department**
**233 Park Avenue South, 11th Floor**
**New York, NY 10003**

Alexander Heil, Ph.D., Chief Economist; aheil@panynj.gov
Graciela Ramirez, Input-Output Modeling & Regional Economics
Mark Seaman, Cost-Benefit Analysis & World Economy
Andrew Liebowitz, Forecasting
Nichola O. Angel & Huajing Shi, Ph.D., Transportation Indicators Page