

# MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

April 2013

UNEMPLOYMENT RATE (percent of labor force)	MAR 2013	PREVIOUS 3 MONTHS AVERAGE	MAR 2012
U.S. (seasonally adjusted)	7.6	7.8	8.2
U.S. (not seasonally adjusted)	7.6	8.1	8.4
REGION (not seasonally adjusted)	8.2	8.8	8.7

NON-FARM EMPLOYMENT (thousands)	MAR 2013	PREVIOUS 3 MONTHS AVERAGE	% CHANGE MAR 2013/ MAR 2012
U.S.	135,195	134,879	1.4
REGION	8,258	8,338	1.3
Construction and Manufacturing	622	636	0.5
FIRE / Professional / Business	2,043	2,069	1.7
Government	1,160	1,162	-0.8
All Others	4,432	4,471	1.8

REAL GDP (percentage change)	2013Q1	2012Q4	2012Q3
U.S. (seasonally adjusted at annual rates)	2.5	0.4	3.1
REGION (Oxford Economics Estimate)	2.3	1.3	2.1

CONSUMER PRICE INDEX (percentage change)	MAR '13 / MAR '12	MAR '13 / FEB '13	FEB '13 / FEB '12
U. S.	1.5	-0.2	2.0
Core	1.9	0.1	2.0
REGION	1.9	0.1	2.4
Core	2.1	0.3	2.3
Food & Beverages	1.6	0.1	1.4
Housing	2.1	0.0	2.6
Transportation	2.0	0.7	2.6
Energy	0.4	-1.5	4.7

CONSTRUCTION COST INDEX (percentage change)	MAR '13 / MAR '12	MAR '13 / FEB '13	FEB '13 / FEB '12
U.S. 20-CITY	1.6	0.0	2.3
NY REGION	5.0	0.0	5.1

GASOLINE PRICES (US dollars per gallon)	APR 2013	A month ago	A year ago
U.S. (all types NSA)	\$3.67	\$3.80	\$3.96
New York City (all types NSA)	\$3.97	\$4.17	\$4.32
Newark, NJ (all types NSA)	\$3.53	\$3.70	\$3.91

HOUSING PRICES (12-month percentage change)	FEB '13 / FEB '12	JAN '13 / JAN '12	DEC '12 / DEC '11
U.S. 20-CITY COMPOSITE	9.3	8.1	6.9
NY METROPOLITAN AREA	1.9	0.4	-0.3

INTERNATIONAL TRADE (billions of dollars)	FEB 2012	% CHANGE VS. FEB 2012	% CHANGE YTD 2013 VS FEB 2012
U.S.	293.3	-0.8	0.8
NY CUSTOMS DISTRICT	30.9	-6.3	-2.6
NY Imports	17.9	-8.5	-5.3
NY Exports	13.0	-3.2	1.6

MANHATTAN COMMERCIAL REAL ESTATE	APR 2013	MAR 2013	FEB 2013
Availability (%)			
Manhattan Totals	11.8	11.8	11.4
Midtown	12.2	12.0	11.6
Downtown	13.3	13.6	13.0
Average Asking Rent (Class A Office Market) (\$/square foot)			
Manhattan Totals	70.1	70.3	70.2
Midtown	77.7	78.5	78.6
Downtown	52.6	52.6	52.4

REGIONAL ECONOMIC FORECAST	2013	2014	2015
Real GDP (%)	1.9	3.5	3.5
Nonfarm Employment Growth (%)	0.7	1.2	1.6

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.

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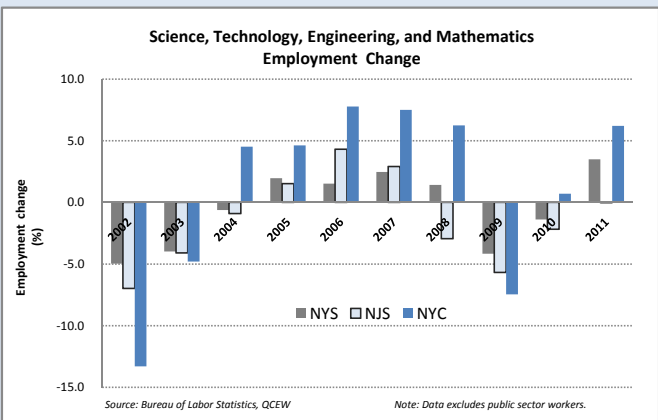
## SPECIAL FOCUS

### The STEM Industry in the Region

Since at least 2002, the U.S. government has projected that jobs requiring skills in science, technology, engineering, and mathematics (STEM) fields will experience rapid growth as technology-focused jobs play an increasingly important role. The U.S. economy largely realized this projection over the past decade: employment in STEM fields grew 7.9 percent from 2000 to 2010 while non-STEM employment grew just 2.6 percent for the same period according to the U.S. Department of Commerce. However, the STEM workforce has grown unevenly in the PA region over roughly the same period and since the Great Recession in particular.

New Jersey's STEM workforce has been declining since 2007. In 2011, the last year for which full-year data are available, the workforce touched its lowest level since 2001. While employment in the aerospace product and parts manufacturing industry increased 20 percent, this burst of growth did not offset employment declines in other STEM industries. For example, employment in the pharmaceutical and medicine manufacturing industry decreased 8 percent on average for the last four years and the computer and peripheral equipment manufacturing industry employment decreased an average of 18 percent over the same period.

Conversely, in 2011, New York State realized STEM employment growth of 3.5 percent, its highest increase between 2001 and 2011. In the same year, the computer systems design and related services industry increased 10.6 percent statewide with Manhattan contributing almost 50 percent of that increase. In 2011, Manhattan almost returned to its peak STEM employment level since 2008.



One of the potential reasons for different trends in STEM job growth in New York compared with New Jersey is the fact that the STEM jobs in New York have been focused on information services rather than manufacturing. While human resources are not easily substituted with capital in the development of digital applications—a large focus of New York's STEM industries—labor and capital are often substituted in manufacturing: a core focus of New Jersey's STEM industries. It is possible that STEM manufacturers in New Jersey realized cost savings by substituting capital for labor during the recession and have subsequently been less inclined to invest in labor given current levels of demand for their products.

Given that the earning levels of STEM workers are among the highest of the skilled workforce in the U.S., the PA region and the U.S. have a great incentive to encourage education and entrepreneurship in STEM fields. Although still relatively small in number compared with other sectors of the labor pool, the STEM workforce has an outsized impact on a nation's competitiveness, economic growth, and overall standard of living. The ability of the U.S. to adapt and foster technological innovation in STEM fields will play a large role in determining its level of economic competitiveness relative to other developed and emerging nations that are also investing in STEM education and business development.

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AVIATION	Feb '13	Feb '12	Change
<b>Revenue Passengers (000's)</b>	<b>7,260.7</b>	<b>7,310.6</b>	<b>-0.7%</b>
John F. Kennedy International Airport (JFK)	3,181.6	3,240.0	-1.8%
LaGuardia Airport (LGA)	1,780.3	1,698.6	4.8%
Newark Liberty International Airport (EWR)	2,276.2	2,341.8	-2.8%
Stewart International Airport (SWF)	22.5	30.2	-25.3%
<b>Revenue Freight (Short Tons)</b>	<b>150,331</b>	<b>161,028</b>	<b>-6.6%</b>
Domestic	54,635	59,655	-8.4%
International	95,696	101,373	-5.6%
<b>Flights</b>	<b>87,722</b>	<b>96,261</b>	<b>-8.9%</b>
Domestic Air Carrier	63,701	70,858	-10.1%
International Air Carrier	20,134	20,292	-0.8%
General Aviation	3,887	5,111	-23.9%
<b>Paid Parked Cars</b>	<b>578,341</b>	<b>610,626</b>	<b>-5.3%</b>
<b>Revenue AirTrain Passengers</b>	<b>503,008</b>	<b>520,174</b>	<b>-3.3%</b>
FERRY OPERATIONS	Feb '13	Feb '12	Change
<b>Passengers (000's)</b>			
New Jersey Ferries	519.9	582.8	-10.8%
PATH	Feb '13	Feb '12	Change
<b>Passengers (000's)</b>	<b>5,153.0</b>	<b>6,151.0</b>	<b>-16.2%</b>
Average Weekday	233.6	261.5	-10.6%
Average Saturday	83.7	114.9	-27.2%
Average Sunday	69.4	86.6	-19.8%
PORT COMMERCE	Feb '13	Feb '12	Change
<b>Port Trade</b>			
Container Imports (TEUs)	202,521	219,087	-7.6%
Container Exports (TEUs)	119,052	123,307	-3.5%
Containers lifted on/off Express Rail	30,056	34,482	-12.8%
TUNNELS, BRIDGES & TERMINALS	Feb '13	Feb '12	Change
<b>Eastbound Vehicle Volumes (000's)</b>	<b>8,108</b>	<b>8,840</b>	<b>-8.3%</b>
George Washington Bridge	3,426	3,717	-7.8%
Lincoln Tunnel	1,325	1,465	-9.6%
Holland Tunnel	1,158	1,259	-8.0%
Bayonne Bridge	250	272	-8.1%
Goethals Bridge	948	1,040	-8.8%
Outerbridge Crossing	1,001	1,087	-7.9%
<b>Eastbound Volumes by Vehicle Type (000's)</b>			
Autos	7,353	8,035	-8.5%
Trucks	544	578	-5.9%
Buses	210	225	-6.5%
PORT AUTHORITY PULSE	Feb '13	Jan '13	Change
(Seasonally Adjusted, 2010=100)			
<b>PA Pulse (Transportation Activity Index)</b>	<b>95.8</b>	<b>96.1</b>	<b>-0.3%</b>
<b>PA Freight Pulse</b>	<b>94.5</b>	<b>94.1</b>	<b>0.4%</b>
<b>PA Passenger Pulse</b>	<b>97.1</b>	<b>98.0</b>	<b>-1.0%</b>
U.S. TRANSPORT. SERVICES INDEX	Feb '13	Jan '13	Change
(Prelim., Seasonally Adj., 2000=100)			
<b>TSI - Combined Index</b>	<b>114.4</b>	<b>113.5</b>	<b>0.8%</b>
<b>TSI - Freight</b>	<b>113.9</b>	<b>112.6</b>	<b>1.2%</b>
<b>TSI - Passenger</b>	<b>115.7</b>	<b>115.8</b>	<b>-0.1%</b>

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## TRANSPORTATION FOCUS

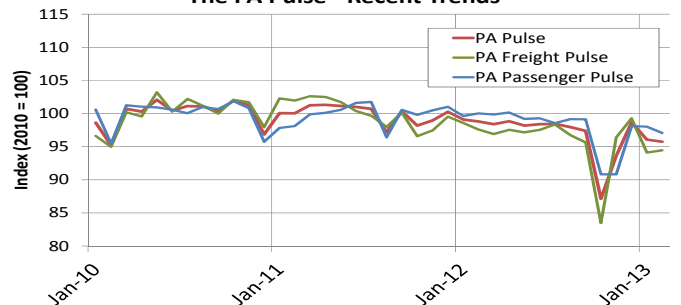
### The PA Pulse Revisited

Last spring, the Port Authority announced the creation of the PA Pulse, an indicator that tracks the ebb and flow of freight and passenger activity levels at the region's ports, airports, and interstate transportation facilities. This index controls for the effects of seasonality and quirks of the calendar on transportation activity levels, providing a more meaningful way to compare month-to-month changes than analysis of raw data would allow.

One year later, we are pleased to release the first annual update to the PA Pulse. The fundamental methodology and components of the index remain the same as before. But as with all such indices, it is important for the index itself to keep up with change as activity patterns themselves evolve over time. The 2013 annual revision included incorporation of revisions to data series; re-estimation of seasonal adjustment factors using data series through December 2012 and the Census Bureau's new X-13-ARIMA-SEATS software; development of new weights for the freight variables using the latest FAF data; and greater use of both historic and contemporary bus survey data to improve estimates of bus passengers.

Overall, as of February 2013, the PA Pulse stood at 95.8, several percentage points below its 2010 baseline. This seems counterintuitive at a time when the region's economic indicators have been generally positive, but is consistent with a number of other trends. Overall, automobile use has been falling, a national trend that has been attributed to high gasoline prices, retirement of the auto-oriented Baby Boomer generation, and the relative preference for an auto-free lifestyle by the Millennials who are replacing them in the workforce. And while Manhattan has seen a modest employment recovery, it is not clear that the workforce for these new jobs is drawn as heavily from the suburbs as the workforce that lost jobs in the recession. As for goods movement, a similar, persistent drop in truck traffic has also contributed to the index's decline from the 2010 baseline. This decline in truck activity is consistent with indications in national freight data that the trucks on the road today may each be carrying more freight than they have in years past.

The PA Pulse - Recent Trends



Finally, the end of 2012 was a tumultuous time for the regional transportation network, with Superstorm Sandy causing the greatest disruption to the system since 9/11. While most regional transportation services have been restored, trans-Hudson travel levels remain below their pre-storm values. The reasons for this are not clear, but it is likely that overall activity levels in Lower Manhattan, as well as other parts of the region, have not fully recovered.

For more information on the PA Pulse, including downloadable data series and a discussion of its methodology, visit <http://www.panynj.gov/about/pa-pulse.html>.

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