

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

December 2013

UNEMPLOYMENT RATE (percent of labor force)	NOV 2013	PREVIOUS 3 MONTHS AVERAGE	NOV 2012
U.S. (seasonally adjusted)	7.0	7.3	7.8
U.S. (not seasonally adjusted)	6.6	7.1	7.4
REGION (not seasonally adjusted)	N/A	8.2	8.3

NON-FARM EMPLOYMENT (thousands)	NOV 2013	PREVIOUS 3 MONTHS AVERAGE	% CHANGE NOV 2013 / NOV 2012
U.S.	136,765	136,370	1.7
REGION	8,556	8,445	2.0
Construction and Manufacturing	650	655	2.0
FIRE / Professional / Business	2,081	2,087	0.6
Government	1,198	1,165	-2.5
All Others	4,626	4,538	3.9

REAL GDP (percentage change)	2013Q3	2013Q2	2013Q1
U.S. (seasonally adjusted at annual rates)	4.1	2.5	1.1
REGION (Oxford Economics Estimate)	3.1	2.9	1.8

CONSUMER PRICE INDEX (percentage change)	NOV '13/ NOV '12	NOV '13/ OCT '13	OCT '13/ OCT '12
U. S.	1.2	0.0	0.9
Core	1.7	0.2	1.7
REGION	1.2	0.1	1.1
Core	2.2	0.3	1.9
Food & Beverages	0.3	0.1	0.7
Housing	1.9	0.2	2.0
Transportation	-0.1	0.6	-1.3
Energy	-6.4	-1.1	-5.6

CONSTRUCTION COST INDEX (percentage change)	NOV '13/ NOV '12	NOV '13/ OCT '13	OCT '13/ OCT '12
U.S. 20-CITY	2.9	-0.2	3.3
NY REGION	7.6	-0.1	7.6

GASOLINE PRICES (US dollars per gallon)	NOV 2013	A month ago	A year ago
U.S. (all types NSA)	\$3.40	\$3.39	\$3.38
New York City (all types NSA)	\$3.89	\$3.80	\$4.01
Newark, NJ (all types NSA)	\$3.49	\$3.39	\$3.56

HOUSING PRICES (12-month percentage change)	SEP '13 / SEP '12	AUG '13 / AUG '12	JUL '13 / JUL '12
U.S. 20-CITY COMPOSITE	13.3	12.8	12.4
NY METROPOLITAN AREA	4.4	3.7	3.5

INTERNATIONAL TRADE (billions of dollars)	OCT 2013	% CHANGE VS. OCT 2012	% CHANGE YTD 2013 VS OCT 2012
U.S.	347.6	4.6	0.6
NY CUSTOMS DISTRICT	37.8	17.6	0.0
NY Imports	24.4	23.3	0.6
NY Exports	13.4	8.5	-1.1

MANHATTAN COMMERCIAL REAL ESTATE	NOV 2013	OCT 2013	SEP 2013
Availability (%)			
Manhattan Totals	11.0	11.1	11.2
Midtown	10.8	11.0	11.2
Downtown	13.3	13.1	13.5
Average Asking Rent (Class A Office APRket) (\$/square foot)			
Manhattan Totals	71.3	71.1	70.0
Midtown	78.8	78.6	77.2
Downtown	55.6	53.4	52.6

REGIONAL ECONOMIC FORECAST	2013	2014	2015
Real GDP (%)	1.5	2.5	3.0
Nonfarm Employment Growth (%)	1.1	1.1	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 New Food Economy

As part of our work to understand and forecast vehicle traffic between New York and New Jersey, we've taken a look at some of the top commodities shipped between the states. The number one commodity is one we all consume every day: food and beverages. Shipments of food and beverages appear to have grown only slightly over the last few years, reflecting the region's growing population, tourism, and maybe slight growth in our waistlines. Yet restaurants, bars, and other food service establishments have been one of the fastest-growing sources of employment in the metropolitan region. Since 2001, the region has added 150,000 food service jobs, growing 41 percent to 520,000 jobs in 2012. Manhattan alone added 50,000 jobs in this sector, an increase of 53 percent.

To some extent, job growth in the food services sector reflects the continuation of a decades-long trend of Americans increasingly eating out. Food service jobs nationally have grown 20 percent since 2001, compared with economy-wide job growth of just 2 percent. Faster regional growth may reflect both the surge in tourism in New York and the explosive growth of a new food culture. According to NYC & Co., tourist trips to New York City have increased 48 percent since 2001, with visits by international travelers, who tend to spend the most, up 86 percent. At the same time, the region has developed a new food economy, exemplified by food trucks trawling for lunch time customers, long lines for creations like the Cronut and ramen burgers, and the opening of dozens if not hundreds of restaurants in Manhattan by celebrity chefs. Dining out is no longer restricted to traditional restaurants: cafes at museums are often an attraction in their own right, CitiField has over twenty eateries, and the IKEA home furnishings store has become famous for its meatballs. The food economy trend is much stronger in the region than in the nation as a whole – the number of restaurants in the New York-New Jersey region has grown 36 percent since 2001, versus 23 percent for the US.

Despite this growth, jobs at these new establishments tend to be among the lowest-paying in the entire economy. Including tips, food service jobs in the region pay about \$22,000 per year – about one-third of what the average job pays. Shorter hours account for some of the difference – a large number of these jobs are part-time. Some of these jobs reflect regional residents taking advantage of the dynamism of our economy to make money from activities that for some used to be a hobby. But more broadly, the growth of the food service sector is part of a long-term shift to low-paying jobs in both the region and the nation. Nationally, the food service sector has grown by 1.7 million jobs since 2001, accounting for 80 percent of net new jobs. In our metropolitan region, the shift is even more dramatic: if growth in the food services sector is excluded, the rest of the economy, both in Manhattan and in the rest of the region, actually lost jobs since 2001. The magnitude of this shift to lower-paying jobs helps explain why so many households have seen their incomes stagnate or even drop over the last decade.

Given the obvious importance of food in our lives, it seems poised to retain its status as the top commodity shipped across the Hudson. At the same time, food shipments are not likely to grow much faster than the region's population. After all, we each have a finite appetite (maybe we've even stopped loosening our waistbands). There's only so much pizza – and dried kale – a body can take.

Data source: US Dept. of Labor, Bureau of Labor Statistics

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AVIATION	Oct '13	Oct '12	Change
Revenue Passengers (000's)	9,490.3	8,615.7	10.2%
John F. Kennedy International Airport (JFK)	4,208.8	3,844.5	9.5%
LaGuardia Airport (LGA)	2,320.6	2,176.9	6.6%
Newark Liberty International Airport (EWR)	2,934.6	2,570.3	14.2%
Stewart International Airport (SWF)	26.3	24.0	9.4%
Revenue Freight (Short Tons)	179,422	167,058	7.4%
Domestic	61,537	60,568	1.6%
International	117,885	106,491	10.7%
Flights	106,278	95,695	11.1%
Domestic Air Carrier	77,041	69,053	11.6%
International Air Carrier	23,631	21,555	9.6%
General Aviation	5,606	5,087	10.2%
Paid Parked Cars	667,905	674,970	-1.0%
Revenue AirTrain Passengers	692,594	620,533	11.6%
FERRY OPERATIONS	Oct '13	Oct '12	Change
Passengers (000's)			
New Jersey Ferries	695.3	632.5	9.9%
PATH	Oct '13	Oct '12	Change
Passengers (000's)	6,777.0	6,272.0	8.1%
Average Weekday	259.2	233.8	10.9%
Average Saturday	125.5	137.7	-8.9%
Average Sunday	93.5	92.1	1.5%
PORT COMMERCE	Oct '13	Oct '12	Change
Port Trade			
Container Imports (TEUs)	255,804	198,768	28.7%
Container Exports (TEUs)	129,205	115,865	11.5%
Containers lifted on/off Express Rail	38,912	33,589	15.8%
TUNNELS, BRIDGES & TERMINALS	Oct '13	Oct '12	Change
Eastbound Vehicle Volumes (000's)	9,962	9,282	7.3%
George Washington Bridge	4,271	3,950	8.1%
Lincoln Tunnel	1,635	1,556	5.1%
Holland Tunnel	1,397	1,272	9.8%
Bayonne Bridge	302	280	7.9%
Goethals Bridge	1,240	1,092	13.6%
Outerbridge Crossing	1,117	1,132	-1.3%
Eastbound Volumes by Vehicle Type (000's)			
Autos	9,049	8,448	7.1%
Trucks	651	596	9.2%
Buses	261	237	10.1%
PORT AUTHORITY PULSE	Oct '13	Sep '13	Change
(Seasonally Adjusted, 2010=100)			
PA Pulse (Transportation Activity Index)	n/a	93.8	n/a
PA Freight Pulse	n/a	90.0	n/a
PA Passenger Pulse	n/a	97.7	n/a
U.S. TRANSPORT. SERVICES INDEX	Oct '13	Sep '13	Change
(Prelim., Seasonally Adj., 2000=100)			
TSI - Combined Index	115.3	115.8	-0.4%
TSI - Freight	114.3	115.1	-0.7%
TSI - Passenger	117.7	117.4	0.3%

TRANSPORTATION FOCUS

A review of 2013 – Monthly Economy Indicators

Over the course of 2013, the Monthly Economic Indicators newsletter (MEI) has reported on an assortment of issues pertinent to the Port Authority and its mission to keep the region's commuters, travelers and global shippers moving. This edition looks back at the year and summarizes presents past topics in three main categories: the local and regional economies, the global and national economies, and various transportation trends important to the region.

The MEI has uncovered a variety of topics with specific relevance to New York City. Predictably, Manhattan has been the center of several of these topics. Not only has the borough experienced the disappearance of parking spaces but also asking rents for class A office space have proved remarkably resistant to change despite record regional office employment gains. The resiliency of all five borough after Superstorm Sandy, even in some of the hard hit areas such as the financial district, was a testament to both the hard working individuals cleaning up after the storm and the people of New York and New Jersey.

The greater New York metropolitan area produced several interesting stories as well. The federal statistical definition of the New York Metropolitan area grew to encompass 35 counties and the New York portion of the region was shown to have strong growth in STEM related employment. Such events signal that the regional economy is primed for strong growth, a fact that may help explain some of the dramatic increase in the regional market share of the airline travel market originating in China.

The global and national economies have also produced a number of issues relevant to the Port Authority that have been explored in the MEI. Detailing the economic outlook for both the national economy and specific sectors such as the housing sector or the developing natural gas industry is always important, but doing so in the face of wholesale economic data revisions or important developments in the economies of important trading partners such as India, is all the more essential. Additionally, the MEI has paid close attention to important social and regulatory issues such as income inequality and the national change in the limitations on hours of service for truck drivers.

Of particular interest to the Port Authority are the transportation trends observed both nationally and regionally. The MEI detailed not only the creation and maintenance of a regional travel index partially showing and illustrating the national and regional decline in VMT. We reported that travel-time across the Lincoln Tunnel was experiencing declining variability over the last three years. Also discussed were the major trends defining truck traffic in the region, such as the shifts of trucks to off-peak travel periods as well as advances in logistics that improve truck routing to distribution centers such as the Hunts Point food distribution center. Additionally the MEI highlighted other trends such as the implications of flexible work hours on transportation and the dynamics of the Chinatown bus market.

The diversity of the MEI is reflective of the diversity and complexity of the regional economy and transit system. Count on the MEI to deliver thoughtfully prepared analysis of these and other topics in 2014.

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