

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

July 2014

UNEMPLOYMENT RATE (percent of labor force)	JUN 2014	PREVIOUS 3 MONTHS AVERAGE	JUN 2013
U.S. (seasonally adjusted)	6.1	6.4	7.5
U.S. (not seasonally adjusted)	6.3	6.3	7.8
UNEMPLOYMENT RATE (percent of labor force)	MAY 2014	PREVIOUS 3 MONTHS AVERAGE	MAY 2013
REGION (not seasonally adjusted)	6.7	7.6	7.9
NON-FARM EMPLOYMENT (thousands)	JUN 2014	PREVIOUS 3 MONTHS AVERAGE	% CHANGE JUN 2014 / JUN 2013
U.S.	138,780	138,241	1.8
REGION	8,630	8,412	1.3
Construction and Manufacturing	665	647	0.7
FIRE / Professional / Business	2,129	2,070	1.3
Government	1,191	1,201	-2.8
All Others	4,644	4,493	2.4
REAL GDP (percentage change)	2014Q2	2014Q1	2013Q4
U.S. (seasonally adjusted at annual rates)	4.0	-2.1	2.6
REGION (Oxford Economics Estimate)	2.8	0.7	1.9
CONSUMER PRICE INDEX (percentage change)	JUN '14/ JUN '13	JUN '14/ MAY '14	MAY '14/ MAY '13
U. S.	2.1	0.3	2.1
Core	1.9	0.1	1.9
REGION	1.7	0.0	1.9
Core	1.7	0.0	1.7
Food & Beverages	1.3	0.1	1.8
Housing	2.5	0.1	2.8
Transportation	1.7	0.3	1.5
Energy	2.8	0.2	3.9
CONSTRUCTION COST INDEX (percentage change)	JUN '14/ JUN '13	JUN '14/ MAY '14	MAY '14/ MAY '13
U.S. 20-CITY	2.7	0.0	2.9
NY REGION	7.4	0.0	7.4
GASOLINE PRICES (US dollars per gallon)	JUN 2014	A month ago	A year ago
U.S. (all types NSA)	\$3.70	\$3.86	\$3.79
New York City (all types NSA)	\$4.13	\$4.22	\$4.19
Newark, NJ (all types NSA)	\$3.66	\$3.75	\$3.76
HOUSING PRICES (12-month percentage change)	MAY '14/ MAY '13	APR '14/ APR '13	MAR '14/ MAR '13
U.S. 20-CITY COMPOSITE	9.3	10.7	12.3
NY METROPOLITAN AREA	4.5	4.9	6.2
INTERNATIONAL TRADE (billions of dollars)	MAY 2014	% CHANGE VS. MAY 2013	% CHANGE YTD 2014 VS MAY 2013
U.S.	338.2	2.5	2.8
NY CUSTOMS DISTRICT	36.2	0.7	0.9
NY Imports	23.4	0.2	5.0
NY Exports	12.8	1.7	-5.6
MANHATTAN COMMERCIAL REAL ESTATE	JUN 2014	MAY 2014	APR 2014
Availability (%)			
Manhattan Totals	10.1	10.1	10.6
Midtown	10.4	10.3	10.7
Downtown	10.9	10.9	12.0
Average Asking Rent (Class A Office APRket) (\$/square foot)			
Manhattan Totals	74.9	74.6	74.0
Midtown	82.2	82.6	82.5
Downtown	55.2	55.2	55.1
REGIONAL ECONOMIC FORECAST	2014	2015	2016
Real GDP (%)	2.7	2.7	2.5
Nonfarm Employment Growth (%)	1.4	1.7	1.6

SPECIAL FOCUS

Emerging Diversification in Manhattan's White-Collar Employment

Job growth in Manhattan's finance industry has stalled after failing to fully recover from the Great Recession. Although it may be premature to declare that sluggish job growth on Wall Street poses a threat to regional economic growth (the sector still contributes around 20 percent of wages earned in Manhattan), fewer finance jobs in Gotham means less tax revenue for the city and fewer benefits for regional businesses from the income generated by the securities industry. At the same time, a broad swath of Manhattan's lucrative jobs in sectors other than finance (the highest earning 15 percent of jobs that pay at least \$125,000 on average) have fully recovered from the recession and exhibited robust growth. The moderate decline of Wall Street employment and growth of other white-collar jobs highlights the impact of the Great Recession on financial firms' balance sheets and business models and the rising demand for skilled workers in other fields.

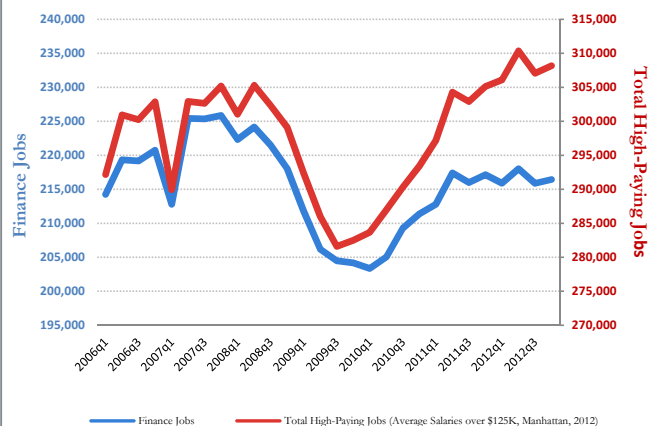
Only half of the more than 20,000 finance jobs that Manhattan shed during the Great Recession have been recovered to date. A combination of post-recession layoffs and firm relocations have caused job growth to stagnate in Manhattan's finance sector. Big banks began layoffs after the recession and cuts are still ongoing. While trading floors contract, major banks are relocating offices outside of New York City, where cheaper rents, lower taxes and lower employee compensation all present cost saving opportunities. Financial employment has expanded significantly in areas like Phoenix, San Antonio, Houston and Nashville, and northern New Jersey, all areas where companies can take advantage of the aforementioned incentives. Telecommunications technology, which allows employees to network easily and work remotely, has also enabled financial firms to have more flexibility in their office location decisions.

In contrast to the financial sector, jobs in technology and information services are on the rise in Manhattan. Data from the BLS Quarterly Census of Employment and Wages suggests that a large portion of the growth can be attributed to this tech-related sector, which includes computer and software development occupations. Since the recession ended, employment in the information services sector has grown an impressive 33%, adding over 4,500 jobs to Manhattan's economy. Another major contributor to the white-collar jobs recovery is management, adding nearly 2,500 jobs since the end of the Great Recession. These two sectors combined contributed close to 65% of the post-recession growth among white-collar sectors.

While growth in white-collar jobs outside of finance benefits the region, the compensation of these jobs falls short of the stratospheric salaries and bonuses paid to employees of global financial firms located in Manhattan. For example, average salaries in the technology and information services sector fail to reach even half of the more than \$350,000 earned by employees in the securities industry on average. The lower relative salaries are partly attributable to the fact that many technology-related companies are relatively young start-ups living on tight budgets. But if tech firms continue to be drawn to Manhattan, the demand for talent may increase, driving wages higher.

Jobs in white-collar industries like technology may not challenge the financial industry in its level of employment or wages any time soon, but greater diversification of Manhattan's employment base could help create a more resilient regional economy going forward.

High-Wage Employment in Manhattan



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AVIATION	May '14	YTD	May '13/'14	YTD '13/'14
Revenue Passengers (000's)	10,007.2	45,118.7	2.2%	1.6%
John F. Kennedy International Airport (JFK)	4,532.7	20,120.9	4.8%	3.9%
LaGuardia Airport (LGA)	2,448.0	10,606.0	3.2%	-0.2%
Newark Liberty International Airport (EWR)	2,997.6	13,756.3	-2.4%	-0.6%
Stewart International Airport (SWF)	28.9	127.5	12.5%	0.1%
Revenue Freight (Short Tons)	171,090	812,073	0.2%	-1.2%
Domestic	55,304	268,043	-9.4%	-9.0%
International	115,786	544,030	5.6%	3.2%
Flights	103,729	488,613	-4.1%	-4.2%
Domestic Air Carrier	71,244	343,817	-7.1%	-5.6%
International Air Carrier	24,961	114,667	4.2%	0.8%
General Aviation	7,524	30,129	0.8%	-4.6%
Paid Parked Cars	725,815	3,253,399	-2.6%	-4.7%
Revenue AirTrain Passengers	614,992	3,189,451	-20.4%	0.9%

FERRY OPERATIONS	May '14	YTD	May '13/'14	YTD '13/'14
Passengers (000's)				
New Jersey Ferries	708.4	3,045.9	6.0%	-3.6%

PATH	May '14	YTD	May '13/'14	YTD '13/'14
Passengers (000's)	6,357.0	29,839.0	-0.5%	2.5%
Average Weekday	255.5	1,220.2	2.5%	3.0%
Average Saturday	109.9	534.4	-1.0%	3.3%
Average Sunday	87.5	395.9	-5.7%	0.9%

PORT COMMERCE	May '14	YTD	May '13/'14	YTD '13/'14
Port Trade				
Container Imports (TEUs)	248,601	1,151,927	1.6%	5.5%
Container Exports (TEUs)	128,260	586,751	-0.7%	-6.6%
Containers lifted on/off Express Rail	38,137	184,631	10.5%	6.4%

TUNNELS, BRIDGES & TERMINALS	May '14	YTD	May '13/'14	YTD '13/'14
Eastbound Vehicle Volumes (000's)	10,157	44,934	0.2%	-3.5%
George Washington Bridge	4,412	19,275	1.6%	-2.5%
Lincoln Tunnel	1,666	7,523	1.9%	-0.9%
Holland Tunnel	1,361	6,196	-3.5%	-5.8%
Bayonne Bridge	230	1,162	-23.8%	-17.2%
Goethals Bridge	1,249	5,359	5.6%	-1.8%
Outerbridge Crossing	1,239	5,419	-2.0%	-6.2%

Eastbound Volumes by Vehicle Type (000's)	May '14	YTD	May '13/'14	YTD '13/'14
Autos	9,269	40,839	0.5%	-3.6%
Trucks	630	2,913	-3.1%	-3.8%
Buses	259	1,180	-0.5%	-1.7%

PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	May '14	Apr '14	Change
PA Pulse (Transportation Activity Index)	97.7	96.3	1.4%
PA Freight Pulse	94.4	94.6	-0.3%
PA Passenger Pulse	101.1	98.2	2.9%

U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	May '14	Apr '14	Change
TSI - Combined Index	119.8	119.3	0.4%
TSI - Freight	120.0	119.3	0.6%
TSI - Passenger	118.9	118.9	0.0%

TRANSPORTATION FOCUS

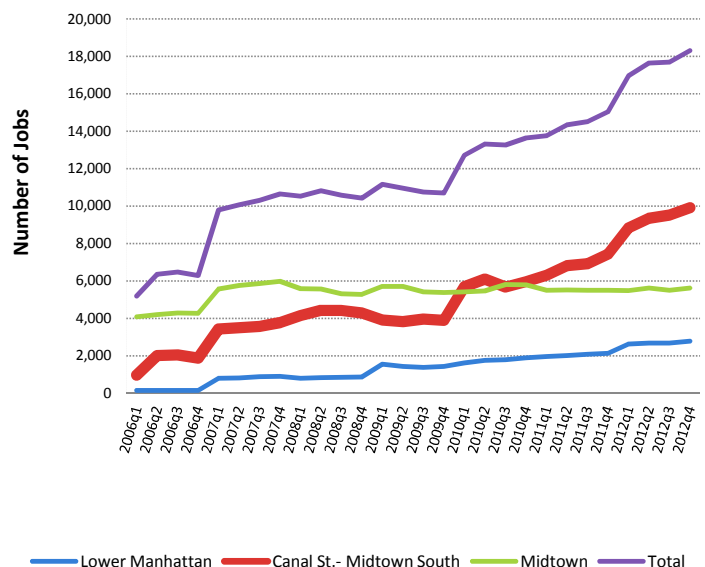
A Closer Look at Information Services

While there is no perfect definition for the jobs included in the technology sector, there are clear signs that sectors with tech-related occupations are expanding in Manhattan. Computer occupations and software development are just a few of the many jobs that contribute to the tech sector, but the growth of these jobs points to the overall employment trend in Manhattan's tech sector.

Since 2006, the sector defined by the North American Industry Classification System as Other Information Services, which includes computer occupations and software development, has grown over 250%: from 5,000 jobs to over 18,000 jobs in Manhattan alone. While tech and information services related occupations jumped slightly in Lower Manhattan, the areas between Canal Street and Midtown South have seen massive growth in the sector, adding nearly 9,000 jobs since 2006. This is in part due to the availability of older Class A office space that is priced attractively and located in neighborhoods replete with shops and amenities that are desirable to start-up employees.

As an influx of new tech businesses soaks up office space in Midtown South, it will be interesting to see whether tech firms expand their office footprints to other boroughs and localities within the region.

NAICS 519 - Other Information Services



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