

# MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

October 2014

UNEMPLOYMENT RATE (percent of labor force)	SEP 2014	PREVIOUS 3 MONTHS AVERAGE	SEP 2013
U.S. (seasonally adjusted)	5.9	6.1	7.2
U.S. (not seasonally adjusted)	5.7	6.4	7.0

UNEMPLOYMENT RATE (percent of labor force)	AUG 2014	PREVIOUS 3 MONTHS AVERAGE	AUG 2013
REGION (not seasonally adjusted)	6.4	7.3	7.9

NON-FARM EMPLOYMENT (thousands)	SEP 2014	PREVIOUS 3 MONTHS AVERAGE	% CHANGE SEP 2014 / SEP 2013
U.S.	139,435	138,986	1.9
REGION	8,553	8,585	1.2
Construction and Manufacturing	663	665	-0.2
Financial / Professional / Business	2,131	2,136	1.7
Government	1,155	1,166	-2.2
All Others	4,603	4,619	2.2

REAL GDP (percentage change)	2014Q3	2014Q2	2014Q1
U.S. (seasonally adjusted at annual rates)	3.5	4.6	-2.1
REGION (Oxford Economics Estimate)	2.0	2.4	1.9

CONSUMER PRICE INDEX (percentage change)	SEP '14/ SEP '13	SEP '14/ AUG '14	AUG '14/ AUG '13
U. S.	1.7	0.1	1.7
Core	1.7	0.1	1.7
REGION	1.0	0.0	1.3
Core	1.4	0.1	1.5
Food & Beverages	2.5	0.6	2.1
Housing	1.4	-0.3	2.2
Transportation	-1.5	-0.9	-0.9
Energy	-5.4	-2.4	-1.4

CONSTRUCTION COST INDEX (percentage change)	SEP '14/ SEP '13	SEP '14/ AUG '14	AUG '14/ AUG '13
U.S. 20-CITY	3.3	0.2	3.2
NY REGION	N/A	N/A	7.6

GASOLINE PRICES (US dollars per gallon)	SEP 2014	A month ago	A year ago
U.S. (all types NSA)	\$3.22	\$3.53	\$3.46
New York City (all types NSA)	\$3.65	\$3.87	\$3.83
Newark, NJ (all types NSA)	\$3.13	\$3.39	\$3.40

HOUSING PRICES (12-month percentage change)	AUG '14/ AUG '13	JUL '14/ JUL '13	JUN '14/ JUN '13
U.S. 20-CITY COMPOSITE	5.5	6.7	8.0
NY METROPOLITAN AREA	3.0	3.5	4.1

INTERNATIONAL TRADE (billions of dollars)	AUG 2014	% CHANGE VS. AUG 2013	% CHANGE YTD 2014 VS 2013
U.S.	334.4	2.6	3.2
NY CUSTOMS DISTRICT		2.0	1.1
NY Imports	22.1	1.4	4.9
NY Exports	12.7	2.9	-5.0

MANHATTAN COMMERCIAL REAL ESTATE	SEP 2014	AUG 2014	JUL 2014
Availability (%)			
Manhattan Totals	9.5	9.4	9.7
Midtown	9.9	9.7	10.0
Downtown	9.8	10.0	10.3
Average Asking Rent (Class A Office APRket) (\$/square foot)			
Manhattan Totals	75.8	75.5	75.3
Midtown	83.1	83.1	82.7
Downtown	54.9	55.2	55.1

REGIONAL ECONOMIC FORECAST	2014	2015	2016
Real GDP (%)	1.8	2.7	2.6
Nonfarm Employment Growth (%)	1.3	1.4	0.8

## SPECIAL FOCUS

### Transit and the evolving payment landscape

Today, users of the region's extensive public transit network often have to wait in line at multiple vending machines to buy unique tickets for different transit modes, a chore that costs commuters and visitors time and, sometimes, extra money. An open payment system, which promises riders the ability to use one card or mobile device to access multiple transit systems, has been under development in the region since 2005 when the Port Authority, New Jersey Transit and New York's MTA officially agreed to work together to develop a seamless fare payment infrastructure. For customers, an open payment system could mean less time in line selecting and purchasing different tickets. Transit agencies hope the system can improve customer satisfaction, attract new riders, and cut operating costs by consolidating or eliminating some fare collection functions. So why is an open payment system for transit not yet widely available in the New York – New Jersey region?

The implementation of an open payment system hinges on the adoption of standard device technology and broad acceptance and market saturation of mobile devices and contactless credit cards (replacing magnetic stripes with computer chips). For years, contactless payment technology has struggled to reach a tipping point in the US. The recent release of several Near Field Communication (NFC) enabled phones, such as the iPhone 6, and the imminent, large-scale transition of credit cards to a new contactless standard with greater anti-fraud protections (known as EMV), are two game-changing developments. NFC-enabled phones allow people to use mobile payment applications on smartphones to pay for purchases securely using credit and debit card information. At the same time, EMV cards, which users can tap against NFC-enabled scanners to issue payments, are expected to be more widely accepted by merchants in the near future. Credit card companies are requiring US retailers to accept EMV cards by October 1, 2015, or risk bearing the financial liability for fraudulent transactions.

Even with the adoption of NFC-enabled phones and the EMV standard, several technical challenges remain before the wide-scale adoption of an open payment network in transit. A transit environment has unique payment authentication, authorization and processing concerns that differ from a typical retail environment. Notably, transactions must occur more quickly at turnstiles than at typical retail locations, like restaurants, while the same, rigorous payment processing and anti-fraud procedures remain in place.

The payment industry appears undeterred by these technical challenges. The industry expects that the more that transit riders use a card or mobile device on transit, the more they will use the same systems at other merchants. This creates a powerful incentive for the payment industry to collaborate with the public sector to make open payment in transit a reality. Several transit agencies are actively developing, or recently launched, phased open payment programs, including New Jersey Transit, Pennsylvania's SEPTA, and Chicago's CTA. Lessons learned from these deployments, including customer satisfaction and system functionality successes and challenges, will further enable all transit agencies to work collectively toward an open payment system on a bigger scale.

Whether you are a commuter regularly traversing the regional transit system or a traveler using transit to get downtown from an airport, the recent advances in the payment industry move you one step closer to tapping your way from one transit service to the next.

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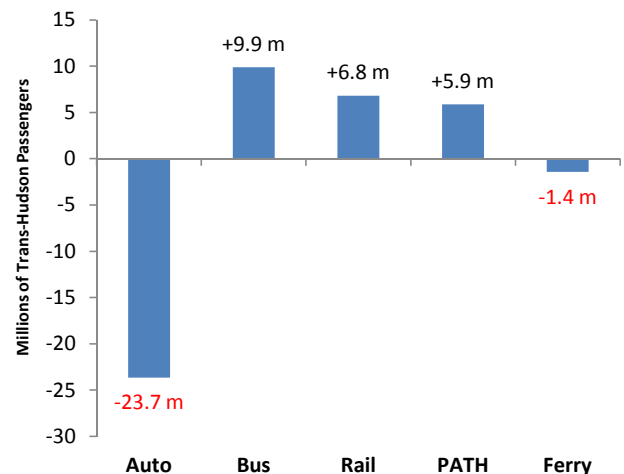
October 2014

AVIATION					PORT COMMERCE				
	Aug '14	YTD	Aug '13/14	YTD '13/14		Jul '14	YTD	Jun '13/14	YTD '13/14
<b>Revenue Passengers (000's)</b>	<b>11,448.7</b>	<b>77,847.1</b>	<b>4.4%</b>	<b>2.8%</b>	<b>Port Trade</b>				
John F. Kennedy International Airport (JFK)	5,477.2	35,814.7	7.6%	5.3%	Container Imports (TEUs)	NA	1,393,580	5.4%	5.5%
LaGuardia Airport (LGA)	2,524.2	17,974.7	0.2%	0.7%	Container Exports (TEUs)	NA	704,599	4.4%	-5.0%
Newark Liberty International Airport (EWR)	3,419.0	23,847.7	2.8%	1.0%	Containers lifted on/off Express Rail	NA	222,840	-0.7%	5.0%
Stewart International Airport (SWF)	28.2	210.0	-12.6%	-2.8%					
<b>Revenue Freight (Short Tons)</b>	<b>166,840</b>	<b>1,315,791</b>	<b>1.7%</b>	<b>0.1%</b>	TUNNELS, BRIDGES & TERMINALS				
Domestic	54,637	430,667	-2.6%	-6.3%		Aug '14	YTD	Aug '13/14	YTD '13/14
International	112,203	885,124	3.9%	3.7%	<b>Eastbound Vehicle Volumes (000's)</b>	<b>10,403</b>	<b>75,428</b>	<b>-0.4%</b>	<b>-2.4%</b>
<b>Flights</b>	<b>116,478</b>	<b>831,326</b>	<b>1.6%</b>	<b>-1.9%</b>	George Washington Bridge	4,504	32,394	0.1%	-1.9%
Domestic Air Carrier	80,960	582,547	0.9%	-2.4%	Lincoln Tunnel	1,643	12,404	-0.8%	-0.1%
International Air Carrier	28,049	196,656	5.0%	2.6%	Holland Tunnel	1,397	10,308	-0.6%	-4.3%
General Aviation	7,469	52,123	-3.5%	-4.9%	Bayonne Bridge	216	1,878	-29.6%	-18.4%
<b>Paid Parked Cars</b>	<b>813,717</b>	<b>5,647,226</b>	<b>-2.1%</b>	<b>-3.9%</b>	Goethals Bridge	1,318	9,175	-3.7%	-1.6%
<b>Revenue AirTrain Passengers</b>	<b>690,000</b>	<b>5,408,691</b>	<b>-16.5%*</b>	<b>-1.1%</b>	Outerbridge Crossing	1,325	9,269	10.3%	-1.9%
* AirTrain EWR had a series of planned and unplanned outages in Aug '14					<b>Eastbound Volumes by Vehicle Type (000's)</b>				
					Autos	9,555	68,758	0.1%	-2.4%
					Trucks	585	4,703	-7.4%	-4.0%
					Buses	263	1,963	0.4%	-0.5%
FERRY OPERATIONS					PORT AUTHORITY PULSE				
	Aug '14	YTD	Aug '13/14	YTD '13/14	(Seasonally Adjusted, 2010=100)				
<b>Passengers (000's)</b>					Jul '14	Jun '14	Change		
New Jersey Ferries	784.8	5,414.4	10.6%	2.7%	<b>PA Pulse (Transportation Activity Index)</b>	NA	96.9	NA	
					<b>PA Freight Pulse</b>	NA	93.7	NA	
					<b>PA Passenger Pulse</b>	NA	100.2	NA	
PATH					U.S. TRANSPORT. SERVICES INDEX				
	Aug '14	YTD	Aug '13/14	YTD '13/14	(Prelim., Seasonally Adj., 2000=100)				
<b>Passengers (000's)</b>	<b>6,192.0</b>	<b>48,917.0</b>	<b>-3.0%</b>	<b>1.7%</b>	Aug '14	Jul '14	Change		
Average Weekday	250.2	1,987.4	1.9%	2.9%	<b>TSI - Combined Index</b>	120.6	120.1	0.4%	
Average Saturday	104.5	862.2	-13.5%	-1.5%	<b>TSI - Freight</b>	120.9	120.1	0.7%	
Average Sunday	83.1	651.9	-11.8%	-3.1%	<b>TSI - Passenger</b>	119.7	119.8	-0.1%	

## TRANSPORTATION FOCUS

Since 2006, the number of eastbound automobiles crossing the Port Authority's bridges and tunnels between New York and New Jersey has declined by 10 million, or 8.7 percent. A dip in traffic would normally be expected during a recession, but New York City employment has returned to and exceeded its pre-recession level, and the region's population continues to grow. So what's happened with the auto trips? Examination of data underlying the Port Authority's Passenger Pulse shows that growth in transit trips since 2006 offsets nearly all of the losses in automobile trips. The decline in eastbound auto trips implies an estimated 23.7 million drop in annual passenger trips in both directions since 2006; during the same period, annual transit trips across the Hudson have grown by 21.1 million. This still suggests an overall decline of 2.6 million trips by all modes and doesn't account for the growth one might expect would go along with a rising population. Other factors that could account for this decline are changes in the way people work and regional population dynamics. Nationally, a growing number of workers are working at home at least some of the time and commuting less. Metro areas across the country are also seeing population growth in their centers, which could imply fewer long-distance commutes. In line with that trend, our own metropolitan region has seen population growth since 2010 concentrated in New York City and Hudson County, possibly translating into lower growth in trans-Hudson trips – and auto trips in particular – to Manhattan workplaces.

**Estimated Changes in Trans-Hudson Person-Trips, 2006 to 2013**



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