



# REGIONAL ECONOMY REPORT

*Review and Outlook for the  
New York–New Jersey  
Metropolitan Region  
August 2008*



**THE PORT AUTHORITY** OF NY & NJ



Review and Outlook for the  
New York–New Jersey Metropolitan Region



*The New York-New Jersey Metropolitan Region*

The New York-New Jersey Metropolitan Region consists of the five New York City counties of Kings (Brooklyn), Manhattan, Richmond (Staten Island), Queens, and The Bronx; the four suburban New York counties of Nassau, Rockland, Suffolk, and Westchester; and the eight northern New Jersey counties of Bergen, Essex, Hudson, Middlesex, Morris, Passaic, Somerset, and Union.

AREA	3,900 SQUARE MILES
POPULATION	17.2 MILLION (ESTIMATE FOR 2007)
LABOR FORCE	8.5 MILLION (AVERAGE FOR 2007)
TOTAL WAGE AND SALARY JOBS	8.0 MILLION (AVERAGE FOR 2007)
TOTAL PERSONAL INCOME	\$924 BILLION (ESTIMATE FOR 2007)



DEAR COLLEAGUE,

I AM PLEASED TO SHARE WITH YOU the Port Authority's report *Regional Economy Review and Outlook*. The last four years have been a period of great economic vitality for the New York-New Jersey metropolitan region. The region saw the creation of almost 300,000 new jobs and over \$105 billion of new construction during this period, and this good fortune continued throughout 2007. This past year alone 116,000 new jobs were created and construction activity approached nearly \$28 billion. The activity levels at Port Authority facilities reflected the robustness of the regional economy. Driven by the international visitor market, the number of passengers at the three major airports reached 109 million, up 4.8 percent from the previous year. Led by exports, port general cargo increased by 5.2 percent, to 32.8 million metric tons. PATH passenger trips totaled 71.6 million, up 6.9 percent. In contrast, total traffic on the bridges and tunnels was unchanged at 127 million vehicles.

The region's strong economic performance took place as the U.S. economy was showing signs of significant weakness, signs that began in the housing sector but soon spilled into the financial sector and beyond. Although the region is not immune from the forces now threatening the national economy, the impact of this downturn on the region could be less severe than the previous two recessions for several reasons. First, the growth of the global economy and the weakened dollar have boosted the international export of regional goods and spurred ebullient spending on local goods and services by a record number of international visitors. Second, the region's very large Educational and Health Services sector – now one-fifth of the economy – is strong and likely to continue to grow. Third, over the last several years, demand for office space in most parts of the region has persistently exceeded supply, leaving this market well positioned to ride out an economic downturn. And, fourth, the housing market crisis within the region is tempered by an unusually small amount of speculative building for immediate resale.

Although the national housing crisis has so far had a relatively small direct impact on the New York-New Jersey metropolitan area, the impact on the regional financial industry is expected to be noteworthy and will bring with it repercussions to the related Professional and Business Services sector. Because both these sectors are key economic drivers and sources of the region's highest paying jobs, this impact will work its way throughout many other sectors of the economy. Even so, the economic reverberations will be contained if, as expected, the nation's current slump is mild. Under this scenario, the region will experience a small decline in employment in 2008, a slightly steeper job loss in 2009, and the beginning of recovery in 2010.

We live and do business in a remarkably resilient region, and experience has shown us the wisdom of building a foundation for the next round of growth. While our economy faces an almost certain cool-down in the near term, this period offers an opportunity for the region's strained infrastructure to catch up with the demands generated by the phenomenal growth of recent years and to invest for the future. To that end, the Port Authority is staying on course with its aggressive \$29.5 billion capital program to rebuild the World Trade Center and ease congestion in the skies, on our roads and rails, through our ports, and on our bridges and tunnels – continuing the agency's ongoing commitment to the growth and development of the region. This is essential given the pivotal role Port Authority facilities play in maintaining the region as a global competitor. We undertake this effort bolstered by our dedicated and resourceful employees and decades of prudent management and efficient operations. We remain focused and committed and look forward to the challenge.

Sincerely,  
Christopher O. Ward  
Executive Director



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## Economic Overview

### The New York-New Jersey Metropolitan Region Gained Strength in 2007

THE REGION ended 2007 with its strongest economic performance in four years, adding 116,000 jobs – a 1.5 percent increase – and surpassing the nation's 1.1 percent rate of growth. New York City remained at the forefront of the region's expansion, adding 78,800 jobs, an increase of 2.2 percent. The four-county New York Suburbs<sup>1</sup> added 25,000 jobs, a growth rate of 1.4 percent. The eight-county Northern New Jersey subregion<sup>2</sup> added 12,100 jobs, a gain of 0.5 percent. In the past four years, New York City generated 72 percent of the nearly 300,000 new jobs in the region.

Regional construction activity for 2007 totaled close to \$28 billion and resulted in 12,600 more jobs, a 4 percent increase over the previous year. While housing starts fell by nearly 30 percent during the year, investments in other areas kept the construction industry active. Investment in infrastructure led the way with construction on major sports stadiums, water supply systems, bridges, and streets and highways as well as many types of more traditional urban infrastructure.

The regional office market is dominated by Manhattan, which concluded 2007 with a 5.3 percent vacancy rate for Class A space, down from 6 percent in 2006.

<sup>1</sup> The New York Suburbs consists of Nassau, Rockland, Suffolk, and Westchester counties.

<sup>2</sup> The Northern New Jersey subregion consists of Bergen, Essex, Hudson, Middlesex, Morris, Passaic, Somerset, and Union counties.

Office rental rates in Manhattan rose to \$85.69 per square foot in 2007, up 25.5 percent from 2006. In addition, there was only 22 million square feet of total office space available within the entire Manhattan market, the lowest inventory level of the entire decade. Jersey City is another strong office market within the region, with the vacancy rate for Class A space declining to 11.8 percent and asking rents climbing by 17.8 percent in 2007.

International markets for the region's goods and services were a primary strength in 2007. New York City experienced a record level of visitors for the year, and the continued weakness in the dollar ensured that the streets of the city were crowded with travelers spending their euros, British pounds, and Canadian dollars. Record international tourism supported an 8 percent increase in international passengers at the region's three major airports, to 33.5 million passengers.<sup>3</sup>

In addition, a rejuvenated U.S. export market is helping both goods and service exports from New York and New Jersey. While employment in manufacturing is still declining, improvement in the market for regional exports is helping to moderate manufacturing job losses and is driving job growth at the ports and within industries that provide support for trade. For example, all of the port cargo growth in 2007 was derived from exports, which increased by 18.8 percent, to 10.8

<sup>3</sup> Domestic passengers increased by a relatively slower 3.2 percent, to 75.5 million.

million metric tons. Imports, on the other hand, declined 0.4 percent, to 22 million metric tons.

### As the U.S. Economy Weakened in 2007, the Region's Securities Industry Began to Feel the Impact

The U.S. economy changed course dramatically in 2007. The year opened with guarded optimism in the hope that other sectors of the economy would withstand the burgeoning downturn in the housing market. However, by the summer of 2007, growing stress in the subprime mortgage market, and the repercussions for the securities tied to those markets, came into full view, sparking a global credit crunch. By the fourth quarter, the housing sector was pounded by a rapid buildup in the inventory of unsold homes, which led to falling prices and rising delinquencies. About 380,000 mortgages tracked by the Mortgage Bankers Association went into foreclosure in the fourth quarter of 2007. According to Global Insight, the economic forecasting company, foreclosures could approach 2 million in 2008. The deterioration in the housing markets exacerbated financial problems with collateralized debt obligations (CDOs) linked to subprime mortgages as these began to mount, and the financial industry saw the need to write off massive amounts of assets. By the end of 2007, the global issuance of CDOs had come to a virtual standstill. As a result, merger and acquisition activity became a casualty of a tighter credit environment.

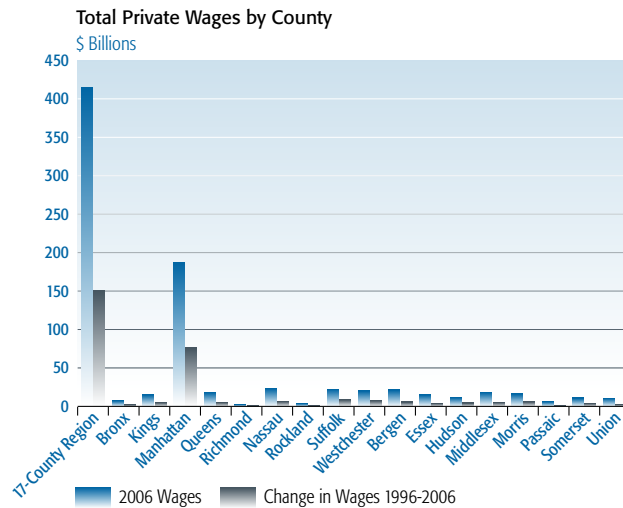
Major global financial institutions have taken significant hits as a result

of housing losses tied to investment vehicles. Merrill Lynch, Citigroup, UBS, and Morgan Stanley have taken major write-downs, some as high as \$25 billion. Deutsche Bank, Royal Bank of Scotland, Barclays, Credit Suisse, and PNB Paribas have also absorbed losses indicative of the global nature of the financial fallout. To forestall a potential panic of major proportions in global financial markets, the Federal Reserve orchestrated JP Morgan Chase's purchase of Bear Stearns in March 2008. The Federal Reserve guaranteed \$29 billion of Bear Stearns securities and also opened the discount window to investment banks for the first time.

Although the housing crisis has had a relatively small direct impact on the New York-New Jersey region, the reverberating impact on the financial industry is expected to be noteworthy. In particular, the impact on the Securities Industry, which accounts for 5.8 percent of New York City's private jobs and 26 percent of wages, is of major significance. This industry also has a reaching impact on Professional and Business Services because of related purchases in accounting, legal, advertising, computer, and other services. These industries, located primarily in Manhattan, provide the core of high-skilled, high-paid jobs for residents of the New York-New Jersey metropolitan region. Between 1997 and 2006, the 17-county region registered a gain of \$180 billion in nominal wages and salaries, with Manhattan generating 48 percent of this growth, or \$86 billion.

The current downturn in the national economy and the threat to the continuation of the region's expansion has been three years in the making. Residential construction activity peaked in the second quarter of 2005 after which

EXHIBIT I  
MANHATTAN  
GENERATED  
NEARLY  
HALF OF THE  
REGION'S WAGE  
GROWTH FROM  
1996 TO 2006



SOURCE: NEW YORK AND NEW JERSEY STATE DEPARTMENTS OF LABOR

the slowdown in residential fixed investment launched a multiyear drag on the U.S. economy. The run up in housing demand was spawned by unrestrained mortgage practices that encouraged buyers to purchase homes beyond their financial means. By the second quarter 2006, the glut of housing and the subsequent decline in residential investment began to weaken the economy. A year later, with increased delinquencies and mounting foreclosures, the downturn spread to the financial sector of the economy. The current phase of the U.S. economic slowdown is rooted in mounting pressure on the consumer due to erosion of housing prices and equity markets. Increasing credit problems are also likely to spread to credit cards and auto loans. When added to rising energy and food prices, the result has been a loss in consumer confidence. In the near-term, the stressed consumer is expected to retrench and spend less, further slowing the economy.

Even though U.S. Gross Domestic Product (GDP) grew at an average rate of 1.4 in the first half of the

year<sup>4</sup>, housing continues to dampen the economy (as evidenced in the record high inventory of unsold homes in 2008), credit remains tight, and high commodity prices are raising the cost of food and energy. Consumers are being stretched, and, given their weakened balance sheets, consumption spending is expected to be constrained.

## OUTLOOK

### Regional Job Loss Will Depend on the Severity of the National Recession

Every recession attends with unique causes and outcomes. The last national recession officially ended a few months after the attacks of September 11, but the events of that day had impacts on the regional economy for two additional years. The attacks also had a dramatic effect on travel and tourism, a time when the stronger dollar also dampened international travel. Tourism to the region has been booming, and the U.S. slowdown does not appear to be driving the global economy into recession. Leisure and

<sup>4</sup> At press time, the revised estimates showed an average GDP growth of 2.1 percent for the first half of 2008.

Hospitality supports 600,000 jobs in the region and does not appear to be at risk during the current downturn. Another large sector of the economy, Educational and Health Services, which accounted for 20 percent of private sector jobs in 2007, has been recession proof and should continue to expand even through the recession.

Any recession that affects the financial sector usually brings disproportionately bad news for this region because of the industry's size, market share, and large income base. The Financial Activities industry accounts for almost 10 percent of regional jobs. The two sectors of the regional economy most at risk during this financial-led downturn are Financial Activities – particularly the Securities industry – and Professional and Business Services. Consequently, in 2008 and 2009, the region is expected to lose jobs. However, the depth of this downturn is unlikely to be as severe as that of the last, when the region lost approximately 270,000 jobs. If the U.S. recession is shallow, as many economists predict, then we expect a total loss of 50,000 jobs during the 2008-09 period, with 60 percent of the losses occurring in New York City. The loss could be more serious if the price of oil continues to exceed the short-run supply and demand equilibrium. If oil remains significantly above equilibrium, the increased cost of energy products could take more steam out of the economy and mute the stimulus effect of the tax rebates leading to a more prolonged and severe recession. Under this scenario, the region could lose as many as 125,000 jobs, half of them in New York City.

Regional inflation has increased by 3.8 percent in the first half of 2008, compared with a 2.7 percent

increase over the same period last year. High energy prices and rising food costs are the main components contributing to the current high rate of inflation.

### The U.S. Economy is Expected to Experience Slow Growth

With some indicators pointing to a U.S. economy that is either currently in a recession or experiencing recessionary conditions, both Economy.com and Global Insight are forecasting weak economic growth for 2008 and 2009. Following an average GDP growth of 1.4 percent in the first half of 2008, Global Insight's August 2008 forecast projects growth of 1.5 percent in the third quarter, followed by a mild decline of 0.7 percent in the fourth quarter. The predominant view among forecasters is that the economy faces many stresses that are likely to prevail into early 2009, with Global Insight expecting negative growth to continue into the first quarter of 2009.

One of the significant factors weighing in favor of a mild recession is the expected relatively strong performance of the global economy, which would ensure that the demand for U.S. exports remains strong. In addition, corporate balance sheets for firms that have businesses outside of housing and financial industries have stayed strong. Perhaps most importantly, policy makers are fully engaged in stemming the recession using both monetary and fiscal policy. Since September 2007, the Federal Reserve has lowered interest rates seven times, for a cumulative reduction of 3.25 percentage points. In addition, Congress and the President enacted the Economic Stimulus Act of 2008, resulting in \$107 billion of

purchasing power being returned to consumers. However, many consumers may have to rely on this money to keep up with inflation, rather than on purchases that they otherwise might have made.

Economy.com's August forecast is projecting a 1.7 percent gain in real GDP growth by the end of 2008, followed by a moderate 2 percent increase in 2009. Global Insight, in contrast, envisions a more protracted recovery, projecting a 1.6 percent increase in GDP in 2008, followed by a very modest 1 percent recovery in 2009. According to the latter view, it is not until 2010 that GDP would resume near trend growth of 2.9 percent. Consistent with a slow recovery, Global Insight is projecting no growth in payroll employment in 2008 and a decline of 0.2 percent in 2009. Employment growth is expected to resume in 2010, with a projected 1.1 percent increase. Coming out of the downturn, lending standards are likely to remain stringent for a while; initially, the slow growth may not raise household income appreciably. This forecast assumes that the rest of the world will not succumb to the U.S. slowdown. If that assumption proves wrong, the resulting slower growth in U.S. exports would deepen the national downturn.

### The Global Economy is Expected to Avoid a Recession

The global economy is projected to shift from a period of above average growth to slower than average growth. According to Global Insight, World GDP is expected to move below 3 percent in the third and fourth quarters of 2008 and resume growth above 3 percent by the fourth quarter 2009. Global GDP is projected to be 3 percent in 2008, down from 3.9 percent

in 2007. Growth is forecasted to dip in 2009, to 2.8 percent, and accelerate to 3.7 percent in 2010.

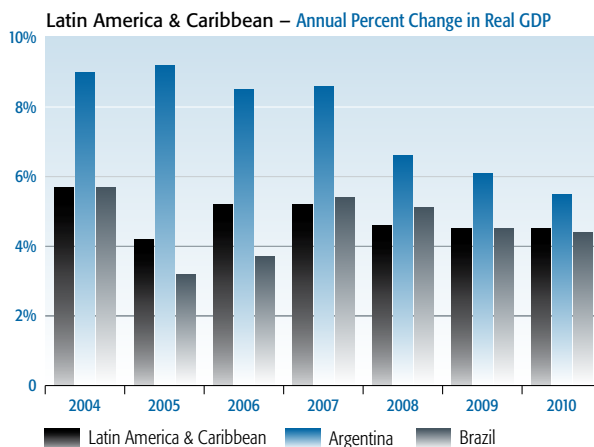
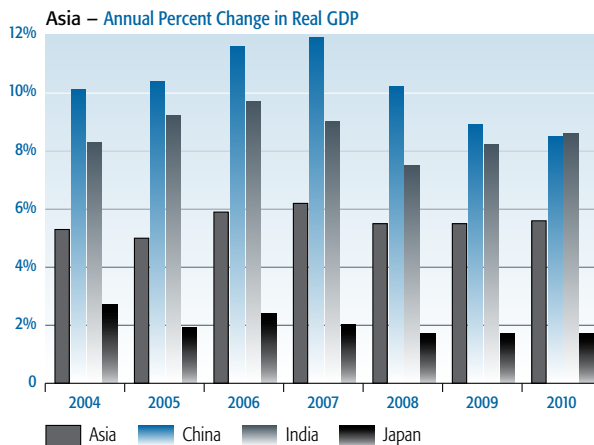
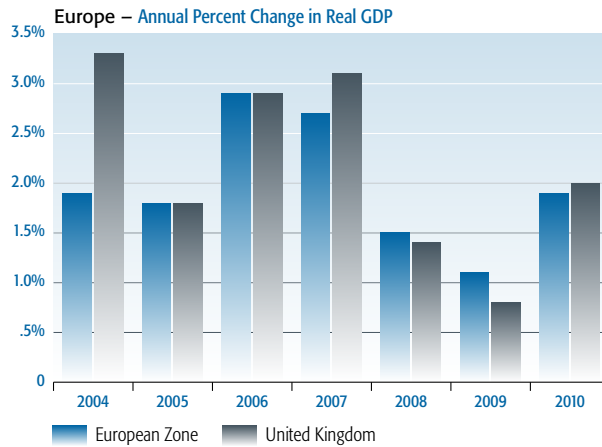
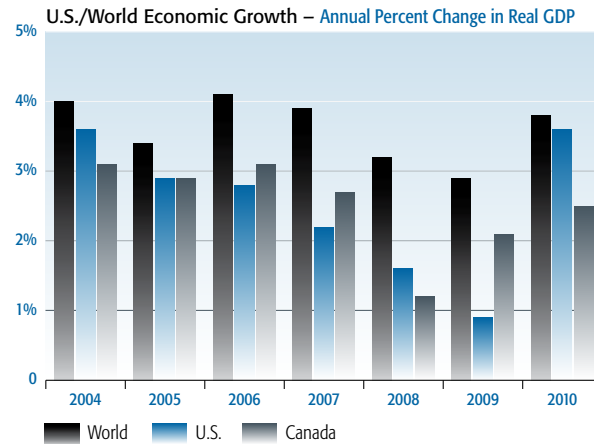
Our region's neighbor and a major trading partner, Canada, is expected to slow with the U.S. economy. The stronger Canadian dollar combined with weaker demand from the U.S. will weaken Canadian exports and drag down its economy. GDP growth in Canada is projected to be 1.2 percent in 2008, down from 2.7 percent in 2007. Growth is expected to increase to 2.1 percent in 2009.

The Eurozone economies, an important market for the New York-New Jersey region, are expected to slow dramatically in 2008, to 1.5 percent real GDP growth. This would represent the slowest growth rate in five years for this 15-country region. Growth is projected to slow in all major economies within this region, including Germany, France and Italy. Spain is expected to register a major slowdown, from 3.8 percent in 2007, to 1.4 percent in 2008, a fifteen-year low growth rate. This region, after quicker paced growth over the last several years, is being depressed by the strong euro, tighter credit conditions, high oil and commodity prices, and slower growth in key export markets.

Growth in the United Kingdom is also projected to moderate in 2008, after growing by 3.1 percent in 2007. With slower consumer spending, a weaker housing market, and tighter credit markets, Global Insight is forecasting 1.4 percent GDP growth in 2008. The U.K.'s GDP is expected to remain weak in 2009 and is unlikely to repeat the strong 2007 performance over the next several years.

As demand in the U.S. softens, the demand for exports from China should also soften and begin a mild

EXHIBIT 2  
THE U.S.  
ECONOMY  
SLOWS AS  
THE GLOBAL  
ECONOMY  
WEATHERS  
THE STORM



SOURCE: GLOBAL INSIGHT

tempering of China's economic growth. China grew by 11.9 percent in 2007 and is expected to slow to 8.5 percent by 2010. Export growth is expected to decelerate from a 16.8 percent real increase in 2007 to 11.8 percent by 2010. Growth in India, by contrast, is projected to hold well, increasing by 7.5 percent in 2008 and by 8.2 percent in 2009. India's GDP increased by 9 percent in 2007. India's fast growing service economy is a main driver of growth, complemented by strong consumer demand and private investment. India is the third largest economy in Asia behind China and Japan. With decelerating exports and slow domestic consumption, Japan's economy once again will shift below 2 percent. After growing by 2 percent in 2007, GDP growth is expected to slow, to 1.7 percent in 2008.

Economic growth in Latin America and the Caribbean was 5.2 percent in 2007 and is expected to slow to 4.6 percent in 2008. A slowdown in the Mexican economy in 2007, from 4.8 percent in 2006 to 3.3 percent in 2007, was offset by stronger growth in Brazil. Mexico is projected to slow further in 2008, to 2.9 percent before resuming healthier growth in 2009. Brazil expanded by 5.4 percent in 2007, after a much slower 3.7 percent growth in 2006. Growth in Brazil should remain strong at 5.1 percent in 2008. Argentina registered 8.6 percent real GDP growth in 2007 and is projected to expand by 6.6 percent in 2008.



# Employment Analysis

## Overview

**N**EW YORK CITY captured more than two-thirds of the metropolitan area's employment growth in 2007. The city added 78,800 jobs, growing by 2.2 percent, and its strong showing led the region to its fastest rate of annual employment increase since the last recession. The four-county New York Suburbs added 25,000 jobs in 2007, a gain of 1.4 percent, and the eight-county Northern New Jersey area added 12,100 jobs, or 0.5 percent. Professional and Business Services, Education and Health Services, and Leisure and Hospitality led the region's growth for the year. Construction and Retail Trade also experienced a healthy level of growth, while increases in Financial Activities and Transportation, Warehousing, and Utilities were much more modest.

Having fully recovered from a protracted loss in employment during the first part of the decade, the New York-New Jersey region faces the impending economic slowdown from a position of

strength. New York City more than recouped its job losses from the last recession, and the employment base of the New York Suburbs at the end of 2007 exceeded its 2001 peak by 4.2 percent, or 73,000 jobs. Only the Northern New Jersey economy remained below the 2001 peak, by about 11,000 jobs.

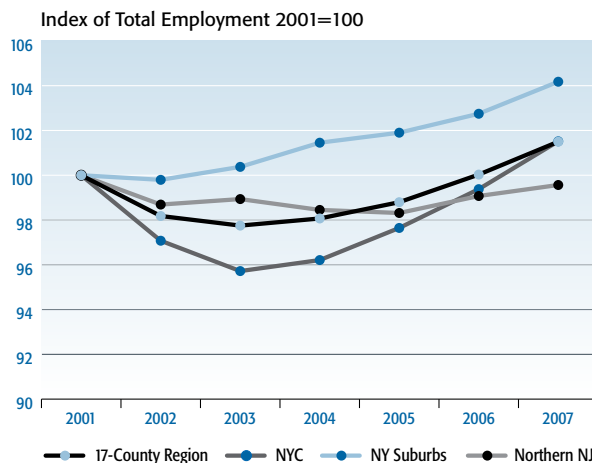
### Healthy Employment Growth in 2007

The New York-New Jersey region fared well in 2007, adding 116,000 jobs, for a growth of 1.5 percent. While New York City dominated the distribution of that growth geographically, the increase reached across nearly every industry. Professional and Business Services added 28,000 jobs, for a growth rate of 2.3 percent. Education and Health Services grew by 2.1 percent, adding 27,300 jobs. The Leisure and Hospitality industry increased by 18,000 jobs, or 3.1 percent. Construction, with a 4 percent rate of increase, had the fastest rate of growth, adding 12,600 jobs. Retail Trade added a similar number of jobs, 12,300, for a growth rate of 1.6 percent.

The Financial Activities industry grew by 0.9 percent, increasing by 6,800 jobs. Transportation, Warehousing, and Utilities increased by 3,500 jobs, or 1.2 percent. The only two industries with declining employment were Manufacturing, which lost 15,000 jobs, or 3.4 percent, and Information,<sup>1</sup> which lost 200 jobs, down 0.1 percent.

New York City was, by far, the fastest growing part of the metropolitan area, adding 78,800 jobs in 2007, for an impressive 2.2 percent growth rate, twice the growth rate of the U.S. As with the region at large, most industries within New York City participated in the growth. The Professional and Business Services industry added 20,100 jobs, for a growth rate of 3.5 percent; Education and Health Services added 12,300 jobs, an increase of 1.2 percent; and Leisure and Hospitality added 12,100 jobs, for a robust growth rate of 4.2 percent. The city's Financial Activities sector added 9,600 jobs, an increase of 2.1 percent. The Retail Trade sector increased by 8,800 jobs, or 3 percent, and the Construction industry added 8,600 jobs, for a 7.3 percent increase. Jobs in Transportation, Warehousing, and Utilities increased by 2,600, or 2.1 percent, for the year. New York City's Manufacturing industry shed 5,100 jobs, for a 4.8 percent decline that, while significant, was still a slower pace of decline than had been typical in recent years. Finally, employment in Information fell off by 1,300 jobs, for a decline of 0.8 percent.

EXHIBIT 3  
REGIONAL  
EMPLOYMENT  
REACHED NEW  
PEAK IN 2007

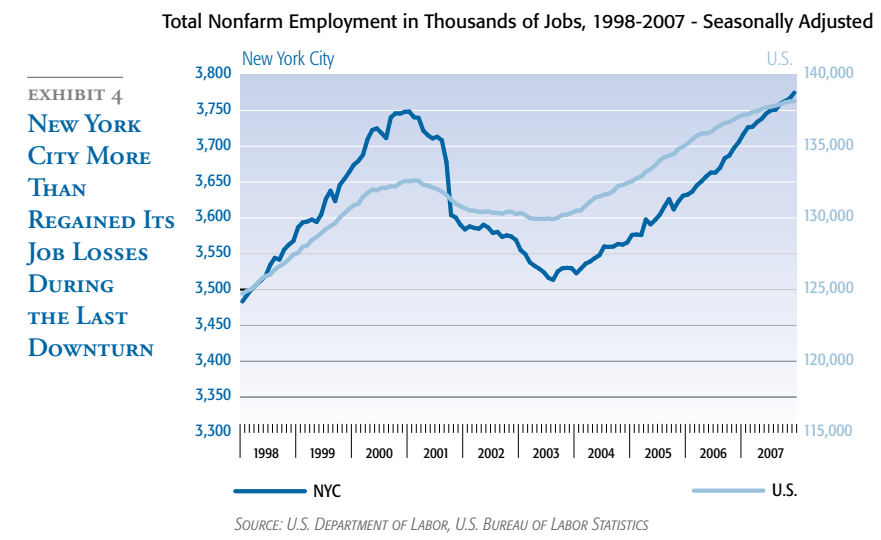


SOURCE: NEW YORK AND NEW JERSEY STATE DEPARTMENTS OF LABOR

<sup>1</sup> The Information category includes Publishing, Motion Picture and Sound Recording Industries, Radio and TV Broadcasting including Cable, and Telecommunications.

The four-county New York Suburbs added 25,000 jobs in 2007, for a growth rate of 1.4 percent. Here, too, most industries grew, with a strong lead by Education and Health Services, which added 7,900 jobs, a 2.6 percent gain. The Construction industry grew by 4.1 percent, adding 4,200 jobs. Leisure and Hospitality expanded by 2.7 percent, adding 3,600 jobs. Professional and Business Services also gained 3,600 jobs, for a growth rate of 1.6 percent. Transportation, Warehousing, and Utilities added 100 jobs for the year, an increase of 0.2 percent. Manufacturing employment declined by 2,200 jobs, or 1.9 percent. Within the New York Suburbs, the Long Island economy contributed 15,600 jobs, for a 1.2 percent rate of growth. More than one-third of the new jobs on Long Island were generated in Education and Health Services. Other areas of strength on Long Island included the Construction industry, Retail Trade, and Transportation Warehousing, and Utilities.

The Northern New Jersey economy added 12,100 jobs in 2007, a gain of 0.5 percent, and a slowdown from 2006 when it gained 18,600 jobs. The only industry to gain traction during the year was Education and Health Services, which, in adding 7,200 jobs, represented 60 percent of the area's total job gains. Professional and Business Services contributed an additional 4,300 jobs, and Leisure and Hospitality gained 2,200 jobs. Transportation, Warehousing, and Utilities gained 700 jobs, or 0.6 percent. Other sectors that provided modest growth were Miscellaneous Services and Retail Trade. These gains were, however, cut into by a 7,700 loss of jobs in Manufacturing, which shed 3.5 percent of its base. In addition, Northern New Jersey's Financial Activities industry lost



1,400 jobs, and Construction jobs declined by 200. The fastest growing part of Northern New Jersey was the Middlesex and Somerset area. Together, these two counties expanded by 1 percent, accounting for 5,800 jobs. The Bergen-Passaic-Hudson labor market area contributed 3,300 jobs to Northern New Jersey, for a 0.4 percent rate of growth. Essex, Morris, and Union counties combined added 3,000 jobs, a growth rate of 0.3 percent.

**Recession and Recovery: Geographic Differences 2001-2007**

A national recession and the September 11, 2001 terrorist attacks catapulted the New York-New Jersey region into three years of successive job loss. New York City had begun to show a downturn in jobs by the end of 2000, but the rest of the region's job growth remained positive until nearly a year later. In total, the region lost 3 percent of its private sector jobs between 2001 and 2003. New York City bore most of this decline. Between January 2001 and August 2003, the city lost 6.3 percent of its job base, or 235,000 jobs, on a seasonally adjusted basis. Although New York City followed a pattern of job loss similar to that of the U.S., the declines experienced in this region

were amplified and lasted much longer, as illustrated in Exhibit 4.

Meanwhile, Northern New Jersey and the New York Suburbs weathered the recession with less hardship. Together, Northern New Jersey and the New York Suburbs lost less than 1 percent, or 36,000, of their combined job base during the recession. Indeed, by 2003, as New York City continued to feel the repercussions of the national recession and the September 11th terrorist attacks, the New York Suburbs gained over 10,000 jobs and Northern New Jersey added 6,000 jobs to begin the region's recovery. A year later, in 2004, jobs began to return to New York City at which point the city became the leader in regional job creation.

**Recession and Recovery: Industry Close-Ups: 2001-2007**

**Education and Health Services** currently accounts for one out of every five private sector jobs in the region and was a significant generator of new jobs throughout the recession. From 2001 to 2007, businesses in the Education and Health Services industry added 157,000 jobs. Net new jobs to the region for the same period totaled less than that: 118,000, (Continued on page 10)



## Sources of Strength: New York City's Economic Drivers

During the 2003-2007 growth cycle, New York City's expansion was driven by several key sectors: Professional and Business Services, Education and Health Services, Leisure and Hospitality, Financial Activities, Retail Trade, and Construction. Exhibit 5 provides additional detail on what activities provided the impetus for growth within the major industry groups in New York City's economy.

Professional and Business Services has long been a key barometer of the strength of New York City's economy, accounting for nearly 19 percent of private payroll jobs. Within this sector, accounting, computer processing, advertising, and management and engineering consulting were critical drivers of job growth starting in 2004. Education and Health Services has been on a long-term upward trend, continuing to add jobs even during those periods when the economy turns down. This sector now accounts for 22 percent of New York City's private employment. Its growth has been dominated by ambulatory health care services, while employment in hospitals has experienced very little job growth. Home health care employment has expanded by almost 50 percent in just four years. Employment at social service agencies also increased, and employment at both universities and colleges and elementary and secondary schools increased by 11,700 jobs over this time period. New York City's signature industry is Financial Services. Within this sector, the Securities industry is of disproportionate importance – for even though it represents only 5.8 percent of the city's private employment, it generates almost

EXHIBIT 5

INDUSTRIES THAT LED NEW YORK CITY'S EXPANSION			
Industry	2007 Jobs	Gains Since 2003	% Increase Since 2003
<b>PROFESSIONAL AND BUSINESS SERVICES</b>	591,400	54,800	10.2%
ACCOUNTING & PAYROLL	52,100	11,300	27.7%
COMPUTER SYSTEM DESIGN	42,700	9,500	28.6%
ADVERTISING	54,100	8,100	17.5%
MANAGEMENT CONSULTING	31,000	6,300	25.5%
ARCHITECTURAL & ENGINEERING	28,600	6,900	31.8%
<b>EDUCATION AND HEALTH SERVICES</b>	707,000	48,800	7.4%
AMBULATORY HEALTH CARE	158,700	28,900	22.3%
HOME HEALTH CARE	59,900	19,500	48.3%
SOCIAL ASSISTANCE	160,300	8,000	5.3%
EDUCATIONAL SERVICES	153,900	11,700	8.2%
<b>LEISURE AND HOSPITALITY</b>	297,000	36,700	14.1%
FOOD SERVICES & DRINKING PLACES	191,200	26,800	16.3%
ARTS, ENTERTAINMENT & RECREATION	64,600	7,100	12.3%
ACCOMMODATION	41,200	2,800	7.3%
<b>FINANCIAL ACTIVITIES</b>	467,900	34,300	7.9%
SECURITIES INDUSTRY	185,700	22,400	13.9%
REAL ESTATE & RENTAL	120,900	6,100	5.3%
<b>RETAIL TRADE</b>	296,200	28,900	10.8%
CLOTHING & ACCESSORIES	70,400	9,100	14.8%
HEALTH & PERSONAL CARE	36,500	6,000	19.7%
GENERAL MERCHANDISE	31,600	2,400	8.2%
<b>CONSTRUCTION</b>	127,100	14,400	12.8%
CONSTRUCTION OF BUILDINGS	34,300	6,700	24.3%
SPECIALTY TRADE CONTRACTORS	85,000	8,500	11.1%

SOURCE: NEW YORK STATE DEPARTMENT OF LABOR

26 percent of private wages and salaries. In 2006, the average wage in the Securities industry was \$340,000. The Securities industry added 22,400 jobs in four years, a 13.9 percent growth. Due to the large output and wages in this sector, it has a large multiplier effect on the regional economy as it expands or contracts.

The burgeoning tourism industry has contributed to a 14.1 percent increase in Leisure and Hospitality employment since 2003. Restaurants and eating places were key to this increase, adding

27,000 jobs over the past four years. The arts and entertainment community has also benefited by the growth in tourism, with an additional 7,100 jobs between 2003 and 2007. Hotels added 2,800 jobs during this period and should continue to add jobs as new hotel rooms come on line over the next few years. The retail sector of New York City's economy also benefited from visitors shopping with their highly valued currency and was supported by the region's population and income growth. In the past four years, Retail Trade added 28,900 new jobs.

(Continued from page 8)

reflecting the hefty losses in the Manufacturing; Transportation, Warehousing, and Utilities; and Information Services industries. Half of the new jobs in Education and Health Services were added in New York City, a 12.7 percent increase. The New York Suburbs experienced the fastest pace of growth in Education and Health Services during the 2001 to 2007 period, growing by 14.1 percent. Northern New Jersey added 13.4 percent more jobs in this sector.

The second largest employment generator in the services industry, **Professional and Business Services**, accounts for 18 percent of regional private employment and contributed 76,000 jobs, or 27 percent, to the region's economic expansion. This important sector of the economy provides well-paying jobs for the region's high-skilled workers in accounting, advertising, legal services, and management and engineering consulting. New York City alone achieved a 55,000, or 10.2 percent, increase in this sector between 2003 and 2007, accounting for 72 percent of the region's total new jobs in this industry. The New York Suburbs followed with growth of 6.6 percent. Northern New Jersey has seen this sector increase by 1.7 percent since 2003 and has yet to recover its 2001 peak level of employment within this industry.

While the level of employment in the **Financial Activities Sector** of the economy had not returned to its previous peak, the importance of this industry has grown because of the large growth in wages and bonuses during this decade. The Financial Activities Sector accounts for 11.3 percent of the region's private employment base. Employment within this industry

EXHIBIT 6  
EDUCATION AND HEALTH SERVICES ACCOUNTS FOR 20 PERCENT OF THE REGION'S PRIVATE SECTOR JOBS

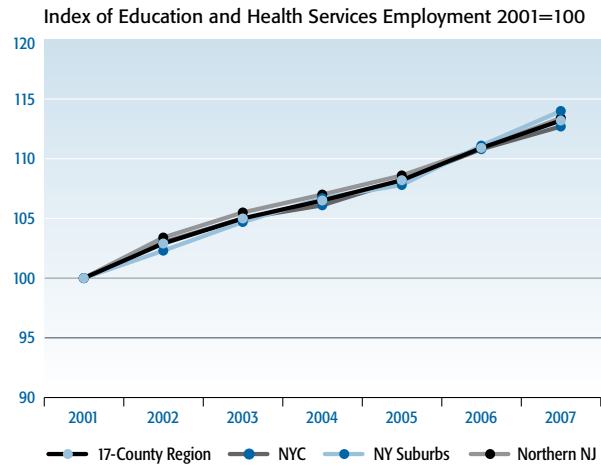


EXHIBIT 7  
PROFESSIONAL AND BUSINESS SERVICES ADDED OVER ONE-QUARTER OF THE REGION'S NEW JOBS DURING THE EXPANSION

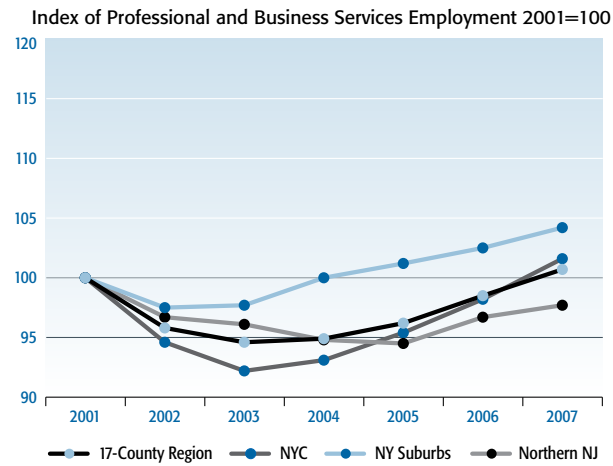
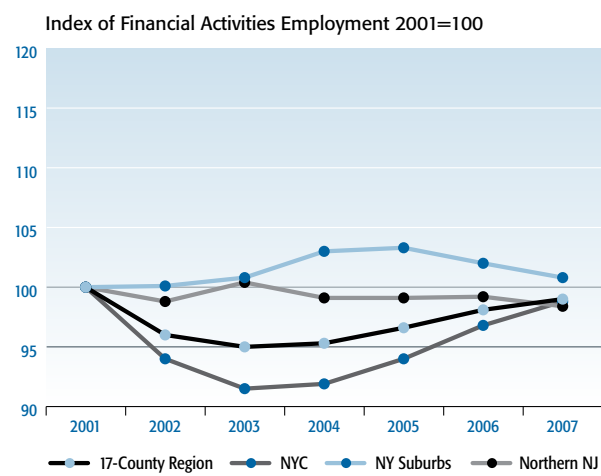


EXHIBIT 8  
THE INCOME FROM FINANCIAL ACTIVITIES JOBS ARE CRITICAL TO THE REGIONAL ECONOMY



SOURCE: NEW YORK AND NEW JERSEY STATE DEPARTMENTS OF LABOR

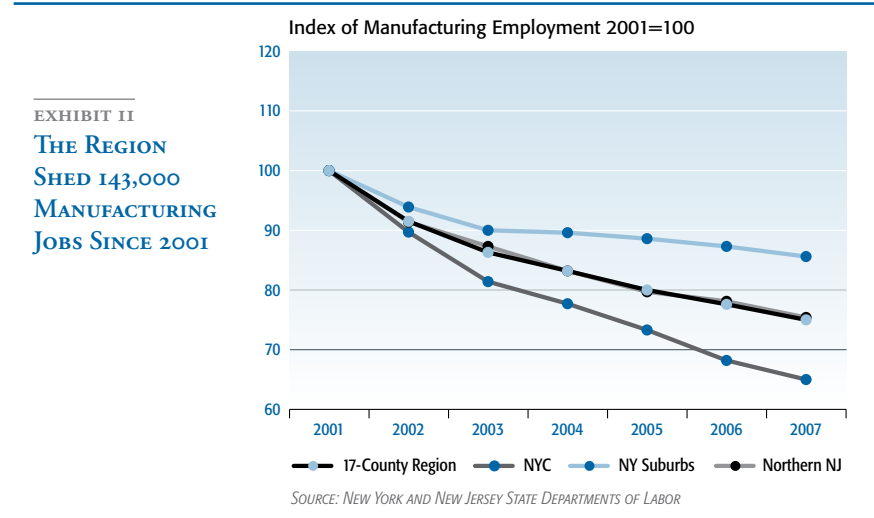
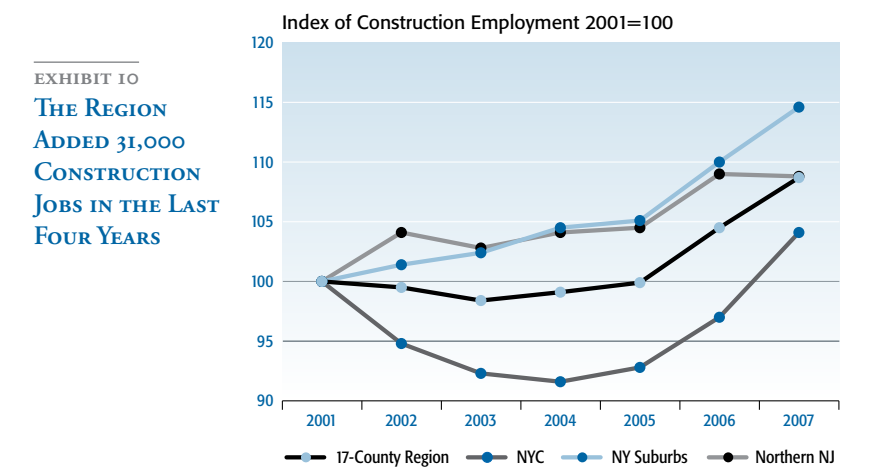
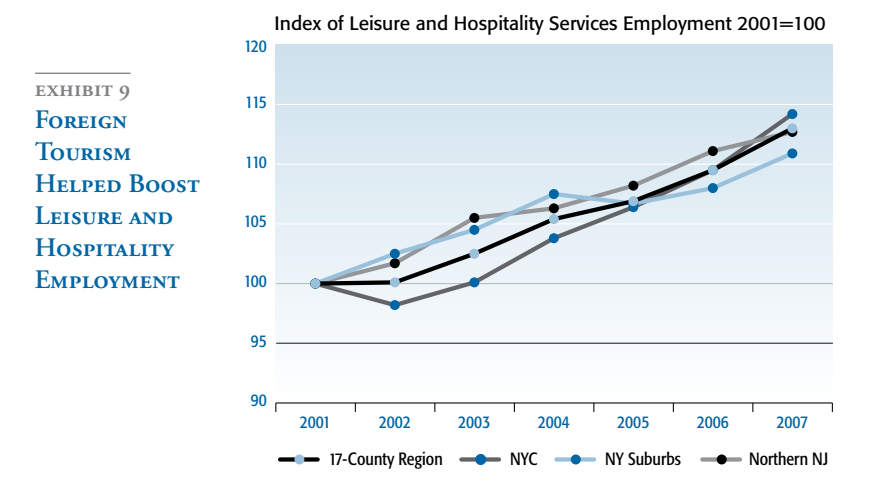
grew by 4.2 percent, to 767,000, between 2003 and 2007, after falling 5 percent between 2001 and 2003. Employment in the Financial Activities Sector in New York City fell by 8.4 percent between 2001 and 2003 and then grew by 7.9 percent to recover many of these jobs by 2007. Northern

New Jersey's Financial Activities Sector employment remained stable, with its 2007 level of nearly 184,000 jobs, just a few thousand below the 2001 peak. Similarly, the New York Suburbs employment in this industry showed little movement, accounting for 115,400 jobs, just above the 2001 level.

The **Leisure and Hospitality** industry provides nearly 600,000 jobs to the region. Between 2003 and 2007, this industry added almost 55,000 jobs, a 10.2 percent increase. This was one of only two sectors (see Education and Health Services) that did not decline between 2001 and 2003, adding more than 13,000 jobs with growth in the New York Suburbs (5,700) and Northern New Jersey (7,400). Between 2003 and 2007, the boom in tourism stimulated the growth of 36,700 jobs in New York City, or two-thirds of the region's growth in this sector during that period. For the New Jersey economy, Leisure and Hospitality has been an important area of growth. Between 2003 and 2007, Northern New Jersey added 9,800 jobs in this industry, an increase of 6.9 percent. The New York Suburbs added 8,000 jobs between 2003 and 2007, a 6.1 percent increase.

After shedding 5,000 jobs during the 2001 to 2003 downturn, the region added almost 31,000 **Construction** jobs during the expansion period between 2003 and 2007. New York City was the source for 46 percent of that growth, with the addition of 14,400 jobs as well as the source of most of the earlier decline. Between 2003 and 2007, the New York Suburbs gained 11,400 Construction jobs; Northern New Jersey added 5,000. During that period, the region benefited from the robust growth in housing construction and infrastructure spending.

The region still provides a significant number of **Manufacturing** jobs. In 2007, Manufacturing provided jobs for almost 429,000 workers, a 13.2 percent decline from its 2003 level. Between 2001 and 2003, an additional 13.7 percent loss occurred. The region shed 143,000 Manufacturing jobs since 2001.



New York City's Manufacturing employment was 35 percent below 2001 levels, a 54,500 job decrease. The New York Suburbs lost 19,000 jobs since 2001, a 14.4 percent decrease. Northern New Jersey lost nearly 70,000 Manufacturing jobs during this period, half of the region's decline.



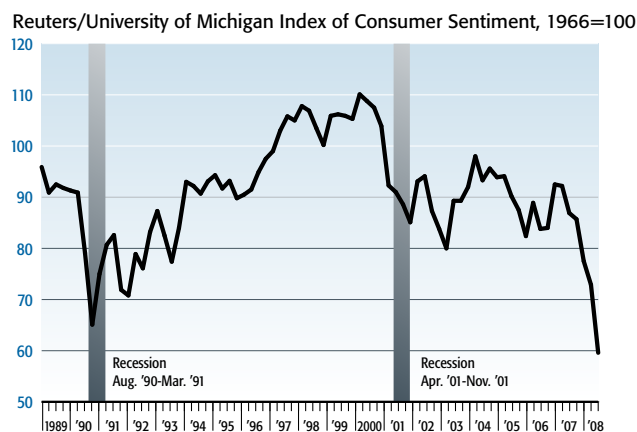
### The Loss of Consumer Confidence Indicates Recession

THE EVAPORATION of consumer confidence is a clear signal that the economy is contracting. At the start of 2007, the Reuters/University of Michigan Consumer Sentiment Index was 96.9, a value indicative of a relatively strong consumer economy. Throughout the year, the index fell, posting a steeper pace of decline in the second half of the year as economic conditions deteriorated. By year's end, the index had fallen to 75.5, a 22 percent decline. After a brief improvement in January 2008, consumer confidence plunged even deeper in February, to 70.8, and then to 69.5 in March. By July, the index dropped to 61.2, the lowest level since June 1980. The loss of consumer confidence during the 2001 recession and after the September 11 attacks never approached this level.

Undoubtedly, the combination of falling home and stock prices, rising unemployment, record oil prices, and tightening credit conditions are the source of consumer distress. The loss in confidence is a harbinger of weaker consumer spending. The growth in real consumer expenditures slowed in the fourth quarter 2007, to 1 percent, down from 2 percent growth in the third quarter. For all of 2007, real consumer expenditures increased by 2.8 percent, compared to 3 percent growth in 2006. Of the 2 percent growth in GDP in 2007, consumer spending was by far the dominant contributing factor. The tax rebate stimulus package, with the first round

EXHIBIT 12

### CONSUMER SENTIMENT FELL TO RECESSION LEVELS



SOURCE: REUTERS/UNIVERSITY OF MICHIGAN

of checks sent out in May 2008, gave a moderate lift to consumer spending in the second quarter of 2008. Real consumer expenditures, according to initial estimates, increased by 1.5 percent in the second quarter of 2008<sup>1</sup>, compared with an anemic growth of 0.9 percent in the first quarter. For the entire year, Global Insight is forecasting that consumer spending will grow by just 1 percent.

Two components of consumer spending that will be especially hard hit are purchases for new automobiles and home furnishings. As a result of credit tightening and lower demand, sales of new light vehicles are expected to drop to 14 million units in 2008, which would be the lowest sales volume since 1993. Further drops in new and existing home sales and sliding home values will lead to

less spending on home furnishings and home improvements.

### Regional Inflation Moderated in 2007; Oil Prices Chief Concern in 2008

The region's inflation rate for 2007 was 2.8 percent, the lowest rate of increase in the Consumer Price Index since 2002 and a full point below the 3.8 percent increase of the prior year. The nation also registered a 2.8 percent inflation rate, down from 3.2 percent in 2006. The region's core inflation, which excludes food and energy due to their volatile price movements, fell from 3.4 percent in 2006 to 2.3 percent, the lowest level since 1999.

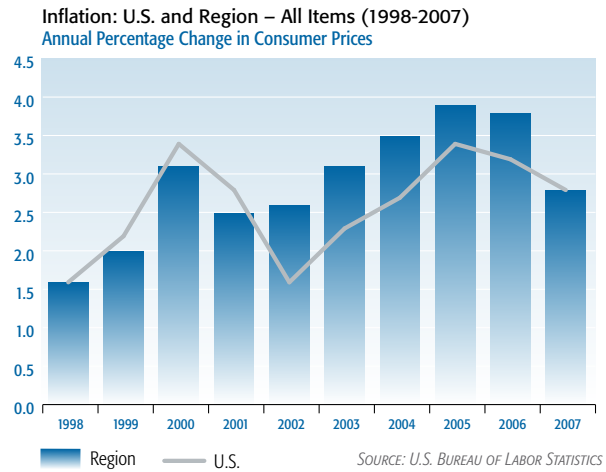
The improvement in the region's core inflation was prompted by reductions in Housing and Transportation inflation. Housing inflation, which has a weight of almost 48 percent in the index, increased by 3.5 percent in 2007, down from 5.1 percent in 2006.

<sup>1</sup> At press time, the revised estimates showed an increase of 1.7 percent in the second quarter of 2008.

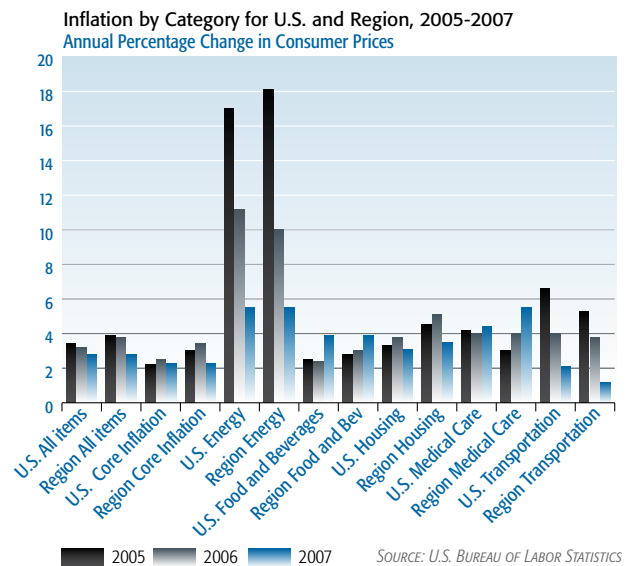
The improvement in housing costs was due to lower rents and lower costs for fuel and utilities. Transportation inflation, with a weight of 14 percent in the index, fell dramatically, from a 3.8 percent increase in 2006 to a 1.2 percent increase in 2007. The improvements in Housing and Transportation inflation are very much connected to falling energy prices earlier in the year. During the first three quarters in 2007, Energy inflation averaged 1.9 percent as oil prices began the year below \$55 per barrel. Consequently, Energy inflation in the region was dramatically reduced from 10 percent in 2006 to 5.5 percent in 2007. However, energy prices began to rise significantly in the fourth quarter 2007 and have increased even more during the first half of 2008. Prices edged up to \$68 per barrel by the end of the second quarter, and on November 20, 2008 oil prices almost broke the \$100 per barrel mark, the highest price reached in 2007. Energy inflation spiked to 17.7 percent in the fourth quarter as a result of the rapid rise in petroleum prices. Prices rose above \$100 per barrel on February 20, 2008 and hit \$145 per barrel in July, more than twice the price in early 2007. According to Global Insight, crude petroleum prices are likely to stay above \$100 per barrel for the near future. In the near term, the path of oil prices will have a large influence on the inflation outlook. However, a declining rate of core inflation is a good sign for the longer term.

Driven by higher commodity prices, Food and Beverage inflation rose to 3.9 percent in 2007, after registering a 3 percent gain in 2006. Medical Care inflation also worsened in 2007, increasing by 5.5 percent compared to a 4 percent gain in 2006.

**EXHIBIT 13**  
**REGION REGISTERED LOWEST RATE OF INFLATION SINCE 2002**



**EXHIBIT 14**  
**IMPROVEMENTS IN HOUSING AND TRANSPORTATION INFLATION BENEFITED THE REGION**



### Visitors Continued to Set New Records Led By Robust Growth in Foreign Tourism

Travel and tourism are important drivers of the New York and New Jersey regional economy. Travel and tourism provide jobs to approximately 370,000 regional residents. Despite higher airfares caused by rising jet fuel prices and gasoline prices and more expensive hotel rooms, the tourism revival, first fueled by domestic visitors and now by foreign visitors, has continued unabated following the September 11 attacks and the inevitable slump that followed. An estimated 46 million tourists visited

New York City in 2007, a solid increase of 5 percent over 2006 and much higher than the 2.8 percent rise in 2006. Visitors to New York City spent \$28 billion, a nominal increase of 11 percent over 2006.

Responding to extremely favorable exchange rates, along with an extensive overseas marketing campaign, foreign travelers have flocked to New York City. The weaker dollar has made hotels, food, shopping, and entertainment seem extremely affordable to foreign travelers. The number of foreign tourists set a record in 2007 at 8.5 million, a 17.1 percent increase over 2006 volumes. For many

Europeans, New York City was the top tourist destination in the U.S.; when combined with the currency advantage, it is hardly surprising to find that the highest increases in visitor volumes were from Europe. In 2007, visitors from the United Kingdom increased by 291,000, to 1.46 million, a 24.9 percent increase; visitors from Germany rose by 50,000, for a total of 470,000, or an advance of 12 percent; and visitors from Italy grew by 113,000, for a total of 400,000, an increase of 36 percent. Canadian visitors, another important international market for New York City, increased by 4.8 percent as Canadians crossed the border to take advantage of the weaker U.S. dollar. Visitors from Japan continued to decline from its 2000 peak, down by more than one-third, to 260,000 visitors.

For 2007, New York City received 37.8 million domestic visitors, an increase of 3.6 percent over 2006. The number of domestic visits set an all-time record high, and the rate of growth outpaced that of the previous year, even as the U.S. economy began to soften in the second half of the year. A likely U.S. recession combined with higher domestic airfares and record gasoline prices could constrain the domestic visitor market in 2008.

Faced with a solid demand for hotel rooms, New York City's occupancy and room rates rose in 2007. Hotel occupancy rates averaged 86.5 percent, up from 85.6 percent in 2006. Room rates increased from an average of \$270 per night last year to \$305 in 2007. The city added a net of almost 1,000 hotel rooms in 2007, and thousands of additional rooms are planned to come online by 2010.

Broadway is a major cultural attraction for both domestic and international visitors, and its

EXHIBIT 15  
GROWTH IN HIGH-SPENDING FOREIGN TOURISTS FUELED ROBUST VISITOR ECONOMY

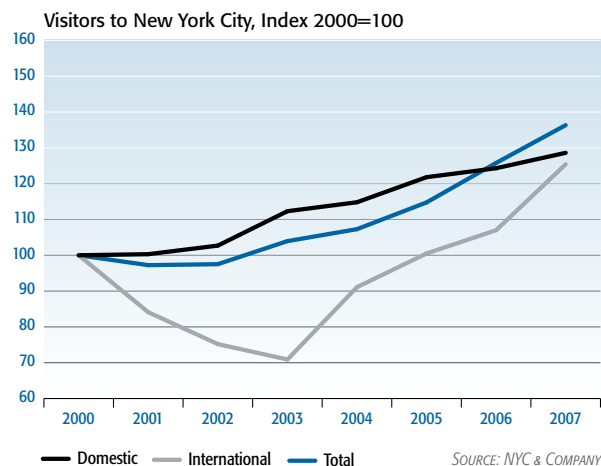
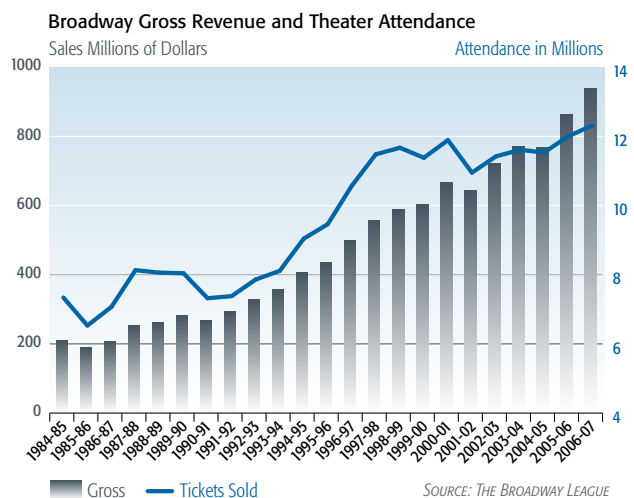


EXHIBIT 16  
FOREIGN TOURISM MARKET SPURRED GROWTH ON BROADWAY



economic contribution to New York City is of vital importance. The record-breaking number of visitors discussed above would have been even higher if it were not for the almost three-week Broadway stagehand strike. The strike affected over two dozen Broadway shows in November, decreasing Broadway attendance by 400,000, for a 41 percent drop from October. Due to the strike, more than a dozen Broadway shows were closed; the New York City Comptroller reported economic losses of \$2 million per day based on lost spending on tickets, dining, and shopping. The day-tripper<sup>2</sup> market was the most affected by the strike.

<sup>2</sup> A day-tripper is someone who comes to the region for a single day of entertainment, dining, and shopping.

According to the League of American Theaters and Producers, paid attendance in the 2006-2007 theater season (June 2006 to June 2007) was 12.3 million, up 2.6 percent over the 2005-2006 season. Domestic and foreign visitors accounted for approximately 65 percent of the tickets sold, the largest percentage in the last 20 years. Gross revenue was \$939 million, an increase of 8.9 percent. There were 35 new productions in the 2006-2007 season compared to 39 new productions the previous year. In the 2007-2008 theater season, there were 36 new productions, generating 12.3 million in ticket sales, with a gross of \$937.5 million.





# Construction and Real Estate Markets

## Construction Spending Softened from Breathless Pace of 2006

TOTAL CONSTRUCTION starts in the New York-New Jersey region totaled \$27.7 billion in 2007, a 10.4 percent decline from 2006,<sup>1</sup> but still indicative of robust construction activity through the end of the year. Regional housing construction led the slowdown with a decline of almost 30 percent over 2006 levels, but the \$7.7 billion spent on housing

a 6.2 percent decline compared to 2006. The data show that the single biggest fall-off, at \$2.6 billion, came from office construction. This apparent slowdown is more statistical than real as construction for the World Trade Center site and the new Goldman Sachs headquarters began in 2006 and, consequently, was reported as a start in that year even though both are large, multi-year projects. School and college construction activity increased in

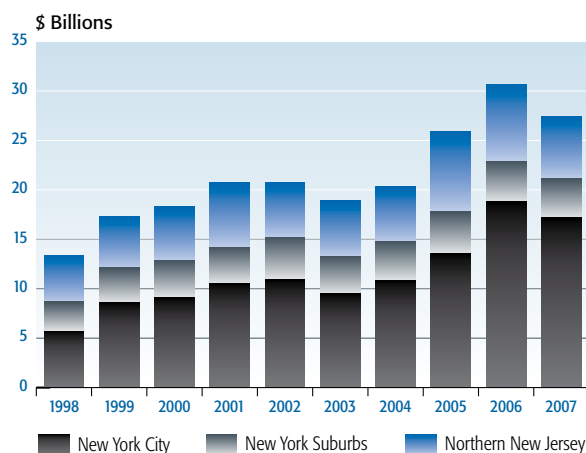
in Bergen County boosted 2007 activity levels. Overall, Non-Building starts, at \$8.1 billion, reflected a 10.4 percent increase in starts over 2006. In addition to shoring up sports infrastructure, major expenditures were made for water supply systems, bridges, streets and highways, and myriad other types of more traditional urban infrastructure.

## Residential Construction

The current decade brought an increase of nearly 345,000 new housing units in the region. The pace of housing construction peaked in 2005, and a marked slowdown commenced in 2007, with the construction of 35,000 units valued at \$7.7 billion. In comparison to 2006, this represented a 29.4 percent decline in value and a 35.4 percent decline in housing units.

Although housing activity in New York City followed the regional trend of decline, it did so at a much slower rate. The number of units started in New York City in 2007 declined by 32 percent; the value of the units totaled \$4.45 billion, a decrease of 23.1 percent. Having the number of units decline faster than corresponding value likely reflects a concentration in higher valued units. This phenomenon was driven, perhaps surprisingly, by activity in Queens where the value of housing construction increased by 53 percent – to more than \$1.3 billion – while the number of units decreased by 20 percent. In Manhattan, by contrast, the number of units under construction declined by 25 percent, to more than 7,860 units, while the value of these units dropped even more steeply, by nearly 31

EXHIBIT 17  
TOTAL  
CONSTRUCTION



SOURCE: MCGRAW-HILL CONSTRUCTION RESEARCH AND ANALYTICS (REPRODUCTION NOT PERMITTED WITHOUT PRIOR CONSENT)

in 2007 still surpassed the norm for most years in recent decades. Unlike other parts of the nation, the region experienced very little speculative construction by builders or buyers who purchased units to flip them for immediate re-sale.

Regional Non-Residential<sup>2</sup> construction starts also fell, with a value of \$11.9 billion representing

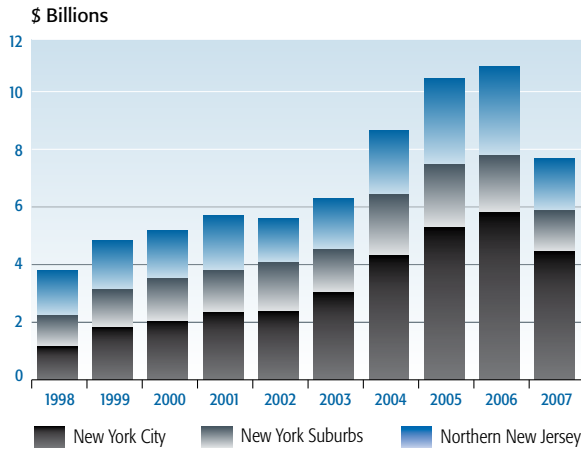
2007, with starts jumping from \$1.1 billion to \$4 billion for the year. The increasing demand for hotel rooms, which is attendant with the record-breaking number of visitors to the region, kept hotel construction high, at \$327 million, but did fall below the 2006 level of \$447 million.

Non-Building construction primarily tracks spending on the region's infrastructure. It also includes important infrastructure for the region's sports fans – new stadiums. Major contracts for the new Yankee Stadium in the Bronx and Citi Field in Queens were signed in 2006 while the new Meadowlands Stadium for the Giants and Jets

<sup>1</sup> Based on data provided by McGraw-Hill Construction Research and Analytics.

<sup>2</sup> Includes such categories of buildings as offices, schools and colleges, government facilities, stores and restaurants, hospitals and health treatment centers, hotels, recreational facilities (excluding stadiums), museums, manufacturing plants, and warehouses.

EXHIBIT 18  
RESIDENTIAL  
CONSTRUCTION



SOURCE: MCGRAW-HILL CONSTRUCTION RESEARCH AND ANALYTICS (REPRODUCTION NOT PERMITTED WITHOUT PRIOR CONSENT)

percent. In Brooklyn, the value of housing construction dropped almost 50 percent, to \$671 million; in the Bronx, the value of housing starts fell by 43 percent, to \$273 million. In Staten Island, housing activity had already started to slow dramatically in 2006 and leveled off in 2007. The value of construction in Staten Island was down in 2007 by 6 percent, to \$194 million – less than half the outlay made in 2003, the peak year for Staten Island.

The value of housing construction in the four-county New York Suburbs fell 30 percent, to \$1.4 billion, in 2007 and by a similar proportion as measured in the number of units. Suffolk County, which accounts for almost half of the suburbs’ activity, experienced a 20 percent decline in the value of construction, to \$756 million. The decline in Westchester County in 2007 was more severe, down 47 percent, to \$340 million. Nassau County registered a 25 percent decline in housing construction, to \$258 million. The decline in Rockland neared 30 percent, to just over \$50 million.

Housing construction, by value, in Northern New Jersey fell 41 percent in 2007, to \$1.8 billion. The number of housing units being built declined by a comparable percentage, to 9,300 new units.

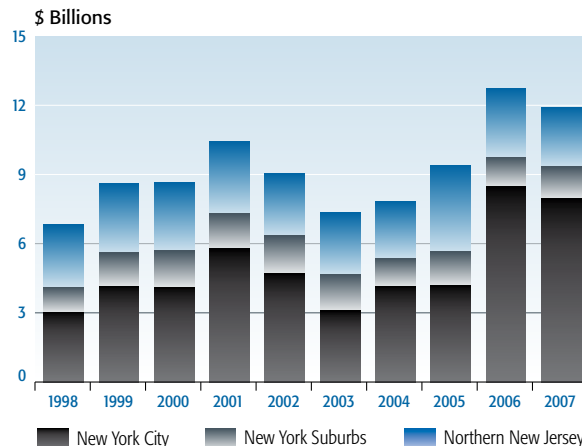
Performance within this part of the region was uneven. For example, in Hudson County housing starts dropped by more than two-thirds, to \$308 million – down from \$972 million in 2006, which was also the peak year for housing in this county since the decade began. Essex, Middlesex, and Passaic Counties each saw housing activity drop by half in 2007. Somerset County, with the fastest population growth in the region, did not experience a significant drop in housing activity. While construction was below Somerset’s 2003 peak value of \$252 million, housing starts totaled \$148 million in 2007, up 3.8 percent over 2006. Morris and Bergen Counties experienced declines in 2007, but at a much slower pace than neighboring counties. Morris’ housing construction activity fell

10 percent for the year, to \$255 million; Bergen’s dropped off by only 4 percent, to \$486 million.

Non-Residential Construction

Non-Residential activity typically generates the largest flow of construction expenditures in the region. Since the start of this decade, 2005 stands alone as the year when regional Residential investment outpaced Non-Residential construction activity. In 2007, regional Non-Residential construction declined, by 6 percent, to almost \$8 billion. Given the relative size of its economy, New York City is home to the firms that generate a major portion of the commercial construction in the region. In 2007, New York City accounted for two-thirds of the region’s total Non-Residential construction; Manhattan alone generated about 56 percent of the city’s total. Indeed, the region’s decline in Non-Residential construction is primarily the result of a decline in office construction activities in Manhattan. While the amount of \$1.7 billion for office construction in 2007 would be considered a high rate of activity in most years, it represents a significant decline from the \$4.3 billion of 2006 when the contracts for the World Trade

EXHIBIT 19  
NON-RESIDENTIAL  
CONSTRUCTION



SOURCE: MCGRAW-HILL CONSTRUCTION RESEARCH AND ANALYTICS (REPRODUCTION NOT PERMITTED WITHOUT PRIOR CONSENT)

Center site and Goldman Sach's new headquarters at Battery Park City both went "on the books."

Other areas of increased construction activity within New York City during 2007 included stores and restaurants, growing 69 percent, to \$232 million. Expenditures for court houses, recreational facilities, and laboratories all experienced growth in construction starts. Other noteworthy increases in the city's construction activity occurred in Queens where expenditures for a variety of functions, such as stores and restaurants, schools and colleges, and government service buildings, increased by 88 percent, to nearly \$1.5 billion. Brooklyn and the Bronx registered an increase in Non-Residential construction activity, while Staten Island's fell.

In the New York Suburbs, expenditures for Non-Residential structures increased by 8.4 percent, to \$1.4 billion. Growth in parking garages and automotive services, manufacturing and processing plants, and government service buildings accounted for the increase. Most other categories of construction declined in this part of the region. The growth that did occur took place primarily in Westchester County, which increased by 44 percent, to \$572 million, and Rockland County, which increased by 19 percent, to \$107 million.

In Northern New Jersey, construction of Non-Residential structures fell by 13 percent, to \$2.6 billion. The decline in activity affected most categories of building, including schools and colleges, offices, stores and restaurants, and hospitals and other treatment centers. The largest decline was in school construction, down 22 percent, at \$856 million. Slowing activity affected all counties in Northern New Jersey

except Essex and Union Counties. In Essex County, expenditures rebounded sharply from a sub par 2006, growing to \$702 million, up from \$199 million. Increased school construction, parking garages, and miscellaneous buildings accounted for most of the gain in Essex. Union County construction spending totaled \$268 million, up 7 percent over 2006. While school construction activity fell sharply in Union, this decline was offset by growth in warehouse building, stores and restaurants, and laboratories.

### Construction in Non-Building Structures (Infrastructure)

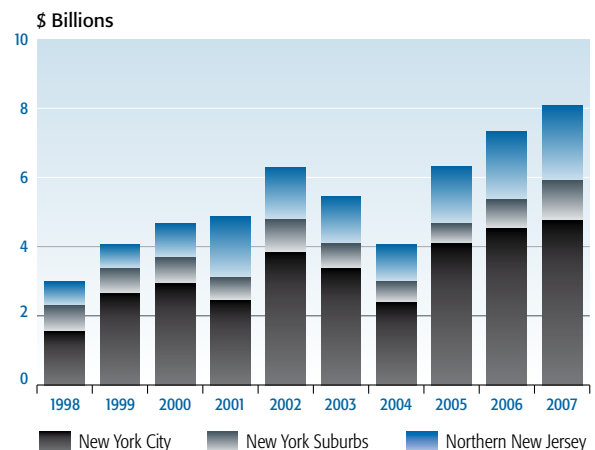
Investing in the region's infrastructure is critical to providing the capacity for economic growth over time. Infrastructure investment can also boost a slowing economy. Indeed, the region's spending on Non-Building construction in 2007 provided the only source of region-wide growth in this industry, with starts totaling \$8.1 billion, a 10.4 percent increase over 2006. The retooling of the region's sports infrastructure had a major influence on activity levels in both 2006 and 2007. In 2006, contracts for the new Yankee Stadium in the Bronx and Citi Field in Queens bolstered 2006 levels by \$1.6 billion. In 2007, contracts for Meadowlands Stadium

in Bergen County added \$750 million to spending in the county.

In New York City, infrastructure spending totaled 4.8 billion, up 5.3 percent over 2006. The growth in activity was primarily due to large increases in the Bronx and Manhattan and a modest increase in Staten Island. Work on the Croton water filtration treatment plant in the Bronx generated over \$1.3 billion of spending, accounting for most of the \$1.8 billion of infrastructure projects in the borough. Other major expenditures were made on bridges. In Manhattan, spending on infrastructure totaled \$1.9 billion, double the expenditures of the prior year. In Staten Island, spending also doubled, to \$155 million. Queens and Kings Counties both experienced less infrastructure construction activity in 2007 than in 2006.

In the New York Suburbs, Non-Building construction spending totaled \$1.2 billion, up 39.5 percent. Activity increased in three out of the four counties in the suburbs. In Westchester County, spending totaled \$512 million, up 32 percent over 2006. Nassau County doubled its activity, to \$281 million, and Suffolk grew by 70 percent, to \$223 billion.

EXHIBIT 20  
NON-BUILDING  
(INFRASTRUCTURE)  
CONSTRUCTION



SOURCE: MCGRAW-HILL CONSTRUCTION RESEARCH AND ANALYTICS (REPRODUCTION NOT PERMITTED WITHOUT PRIOR CONSENT)

Spending in Rockland County fell by 17 percent, to \$135 million.

In Northern New Jersey, spending on infrastructure totaled \$2.2 billion, a 10 percent increase over 2006. Most of the increase was accounted for by the new Meadowlands Stadium in Bergen County, leading to an expenditure of more than \$1 billion for the county, up from \$186 million in 2006. Growth also occurred in Essex County, up 36 percent, to \$289 million. In contrast, all of the other counties in this area registered less activity. Middlesex dropped significantly, to \$282 million, down from \$961 million in 2006.

### Office Markets Are Positioned to Weather the Downturn

Though not immune from a slowing economy, the regional office market is well-situated to contain the impact. This is the result of three factors: a moderate volume of new construction for more than a decade; low vacancy rates; and robust prices. However, in the future, the pullback in employment in industries that require office space is probable, and a resultant softening demand will likely drive up vacancy rates and halt the rapid rise in prices that occurred over the past several years. Even so, the region is fortunate to enter the anticipated weakening of the commercial real estate market from a position of strength.

The price of office space rose substantially as vacancy rates tightened in 2007. Manhattan office space is now priced – in real terms – more dearly than at the previous peak of 2000. At year-end, the vacancy rate for Class A space in Manhattan fell to 5.3 percent, down from 6 percent at the end of 2006. Scarce inventory of space within Manhattan drove

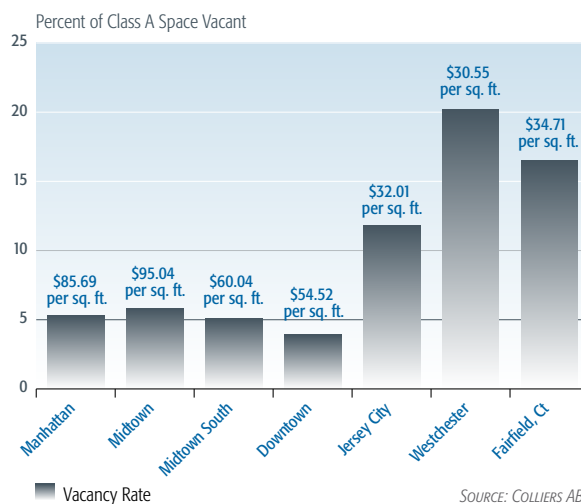
The oncoming real estate market is likely to experience conditions more akin to the 2001 recession than to the steeper recession of the early 1990s. This is, in part, because of the minimal amount of office space built in the Manhattan office market since the early 1990s – especially when compared to previous decades. In addition, a noteworthy amount of Manhattan’s office space inventory was destroyed by the terrorist attacks of 2001. According to New York City’s Office of Management and Budget, 80 million square feet of space was built between 1981 and 1992. Therefore, with an enormous amount of speculative construction leading up to the 1987 stock market crash and subsequent recession, office vacancy rates in Manhattan started the recession of the early 1990s with a 10 percent vacancy rate that rose to 18 percent. By contrast, between 1993 and 2007, only 20 million square feet of office space was constructed and the loss of the World Trade Center on September 11 reduced that inventory by approximately 13 million square with another 10 million square feet consumed by the conversion of downtown commercial buildings to residential use. According to Cushman and Wakefield, at the end of 2007 there was little more than 22 million square feet of office space available within the entire Manhattan market, the lowest inventory level of the decade. In addition, nearly all large parcels of space were pre-leased.

the average rental rate to \$85.69 per square foot, up 25.5 percent from 2006. The trend of increasing prices and dwindling supply continued even as New York City’s economy showed clear signs of slowing in the second half of the year.

In Midtown, Manhattan’s largest office market, the vacancy rate for 2007 ended at 5.8 percent, just slightly above the 5.6 percent vacancy rate in 2006. The Midtown market was affected by the lure of a significant price advantage of Downtown office space. Midtown was undeterred by the competition

and saw its own prices climb an additional 19.4 percent during the year, to \$95.04 per square foot. The \$40 per square foot price differential between Midtown and Downtown space did, however, benefit the Downtown market, where the vacancy rate edged down to 3.9 percent, the lowest since early 2001. Downtown rental rates in 2007 rose by 12.6 percent, to \$54.52 per square foot. The Downtown market is now approximately one-third the size of the much larger Midtown commercial market, and the large price premium for Midtown

EXHIBIT 21  
VACANCY RATES AND PRICES FOR REGIONAL OFFICE MARKETS IN 2007



SOURCE: COLLIERS ABR

The Manhattan housing market is unique. According to Miller Samuel, the average sales price of a Manhattan apartment in 2007 set a record for the eleventh consecutive year. By the end of last year, the average sales price of co-ops and condos in Manhattan had increased by 4.3 percent, to \$1.35 million. The pace of price growth, however, has slowed significantly since 2005. In terms of sales, Manhattan experienced a 58.1 percent increase, or 13,430 units, in 2007. As a result, the inventory of units available for sale dropped, by 13.5 percent. With the opening of signature properties like 15 Central Park West and The Plaza, Manhattan witnessed several sales of striking prices: in 2007 there were five sales of units for a price of over \$30 million each and, in the first quarter alone of 2008, an additional four sales of units priced at over \$30 million each. Notwithstanding these transactions, even the Manhattan housing market is expected to slow along with the regional economy. Sales activity should be less, and properties for sale may be expected to stay on the market longer.

space should help keep demand strong for Downtown as well.

Class A space in the Midtown South area, which represents about 14 percent of the total inventory of Midtown South's space, ended 2007 with a vacancy rate of 5.1 percent, down from 5.9 percent. Midtown South prices rose dramatically during the year, to \$60.04 per square foot, up 35.1 percent. Prices for the more plentiful Class B space also rose by a healthy 28.2 percent, to \$49.77. In Jersey City, the vacancy rate for Class A space declined to 11.8 percent, the lowest level since the second quarter 2004. Asking rents in Jersey City for Class A space climbed by 17.8 percent in 2007, to \$32.01 per square foot.

In Westchester County, the vacancy rate remained extremely high, ending the year at 20.2 percent, but this market is showing signs of improvement. The Class A asking rent at the end of 2007 was \$30.55, up 10.6 percent over the year. Within the county, a high vacancy rate in White Plains – the result of several large blocks of space lingering on the market – has kept the rest of the area's vacancy rates high. In Fairfield County, the vacancy rate was

16.5 percent, and average asking rents for Class A space edged up to \$34.71 per square foot.

### Housing Prices

Many different indices measure trends in housing prices. These indices differ in part because of what they measure and, therefore, in the results they report. These differences aside, all price indices agree on this: the housing market of 2007 experienced a significant deterioration in prices. According to the National Association of Realtors, which monitors the median price for sales of existing single family homes, the national price of a single family home fell by 5.8 percent, to \$206,000. However, in another sign of good news for the New York-Northern New Jersey-Long Island metropolitan statistical area,<sup>3</sup> the same index showed a much more modest decline of 1.1 percent for the year. The findings of the index varied within the region: housing prices in the New York-White Plains-Wayne, NY-NJ

<sup>3</sup> Includes New York City, Long Island, Westchester, Rockland, and Putnam Counties in New York, Bergen, Hudson, Passaic, Essex, Morris, Union, Middlesex, Somerset, Monmouth, Ocean, Hunterdon, and Sussex Counties in New Jersey, and Pike County in Pennsylvania.

Metropolitan Division<sup>4</sup> actually rose, by 3.6 percent, to a median price of \$523,000. Prices in the Newark-Union, NJ-PA Metropolitan Division<sup>5</sup> also increased, by 5.3 percent, to a median of \$436,000. Prices on Long Island, however, fell by 2.5 percent, to \$462,000.

The U.S. Office of Federal Housing Enterprise Oversight (OFHEO) also reported falling home prices nationally in the third and fourth quarters of 2007. The seasonally adjusted purchase-only house price index fell at an annualized rate of 2.2 percent in the third quarter and declined at a faster rate of 5.2 percent in the fourth quarter. At the end of the second quarter of 2008, the OFHEO index declined 4.8 percent relative to the same quarter a year earlier, with the Mid Atlantic states registering a lower 2.6 percent fall. The Case-Shiller<sup>6</sup> home price index for the fourth quarter 2007 shows housing prices falling by 8.9 percent nationally compared to the prior year. In a measurement of the 20 largest metropolitan statistical areas within the U.S., the Case-Shiller index shows a 7.2 percent decline in housing prices for the NY-Northern NJ-Long Island metro area between the second quarter of 2007 and the second quarter of 2008. Overall, the 20-City Composite Index is down 18.8 percent from its peak in June/July 2006.

<sup>4</sup> Includes New York City, Westchester, Rockland, and Putnam Counties in New York and Bergen, Hudson, and Passaic Counties in New Jersey.

<sup>5</sup> Includes Essex, Hunterdon, Morris, Sussex, and Union Counties in New Jersey and Pike County in Pennsylvania.

<sup>6</sup> Unlike most other indices, the Case-Shiller index tracks the change in prices for a grouping of the same homes year after year; therefore, the data is not skewed by the introduction of newly built homes into the analysis.



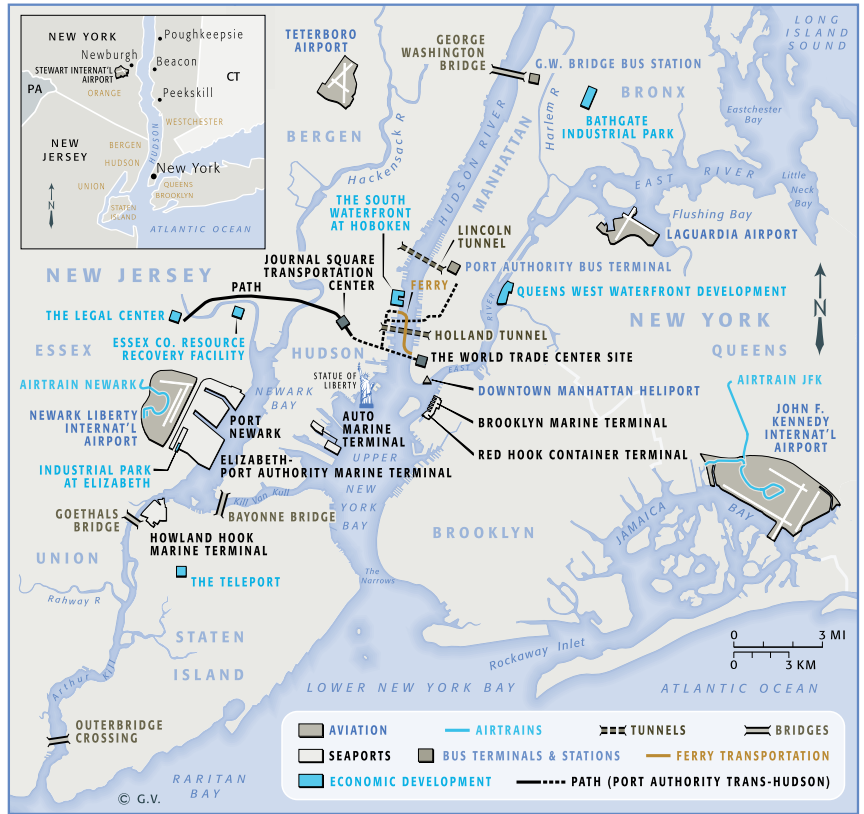
# Port Authority Facilities

## Growing Regional Economy Increased Demand at Most Port Authority Facilities

PORT AUTHORITY facilities are critical assets that move people and goods within the region and provide vital connections to the rest of the nation and the world. These assets serve to move workers into the core, enable business travel and meetings, and support the region's booming tourism economy. In addition, the Port Authority's ocean and air gateways provide for the largest flow of international trade of any region in the United States. The map (Exhibit 22) shows the location of all Port Authority facilities, including the agency's newest acquisition, Stewart International Airport, which the Port Authority began operating on Nov 1, 2007.

The region continues to prosper as a global competitor, and Port Authority facilities remain an integral component of its economic engine, serving over 250 million commuters, travelers, and visitors; 127 million vehicles; and \$341 billion of international cargo in 2007. Since 2003, both passenger and cargo activity at all Port

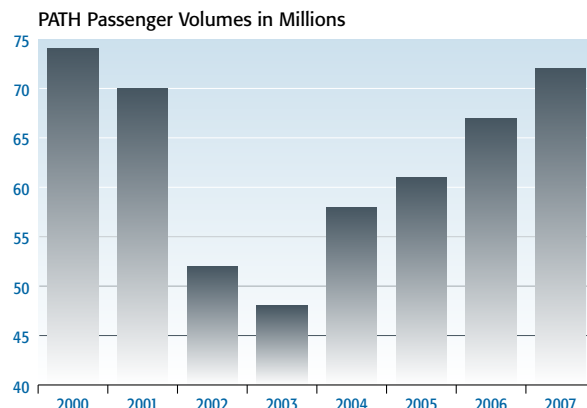
EXHIBIT 22  
PORT AUTHORITY FACILITIES



Authority facilities has shown a strong upward trend, reflecting the positive turnaround of the regional economy following the national recession and the terrorist attacks of September 11, 2001. Evidence of the vitality of the region can be found

in the fact that passengers at the three major airports exceeded the 2000 peak by 16 million passengers and the region's ports handled two-thirds more containers than it did only seven years ago. Furthermore, PATH was only 3.4 percent below its 2000 peak, even without the new employment concentration that will exist with the redevelopment of the World Trade Center.

EXHIBIT 23  
PATH PASSENGERS  
APPROACHED PEAK  
VOLUME OF 2000

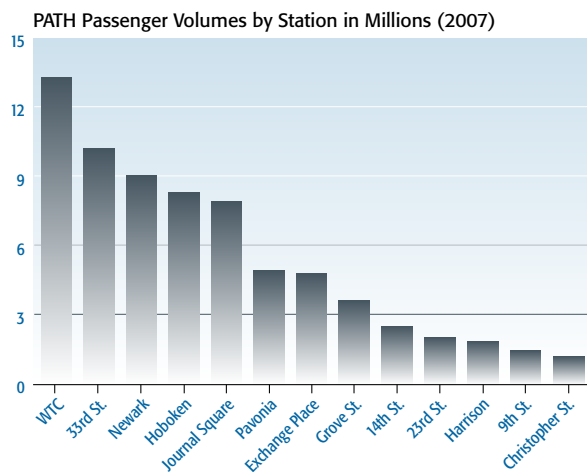


SOURCE: THE PORT AUTHORITY OF NY & NJ

## PATH Ridership Continued Strong Upward Trend

PATH ridership in 2007 totaled 71.6 million passengers, a 6.9 percent increase over the previous year. The growth in passengers is a reflection of the region's strong economic performance in 2007 combined

**EXHIBIT 24**  
**WTC STATION**  
**HANDLED ONE**  
**OUT OF FIVE**  
**PASSENGERS**



SOURCE: THE PORT AUTHORITY OF NY & NJ

with a shift toward increasing use of mass transit. After falling 35.4 percent below its 2000 peak volume during the first few years of the decade, PATH passengers grew 50 percent following the restoration of service to Lower Manhattan at the end of 2003.

The World Trade Center is the largest station on the PATH system, and its destruction in 2001 was a major blow to the region's transportation services. However, after the World Trade Center station reopened, it quickly resumed its status as the largest station within the PATH system, handling 13.3 million passengers, or 19 percent of the total by the end of 2007. Other leading PATH stations include 33rd Street with 10.3 million passengers, Newark with 9.1 million passengers, Hoboken with 8.3 million passengers, and Journal Square with 8 million passengers. The Newark and Hoboken stations also serve as important transfer points for New Jersey Transit rail and bus passengers. Pavonia and Exchange Place stations both bring workers to key centers of activity along the Jersey City waterfront.

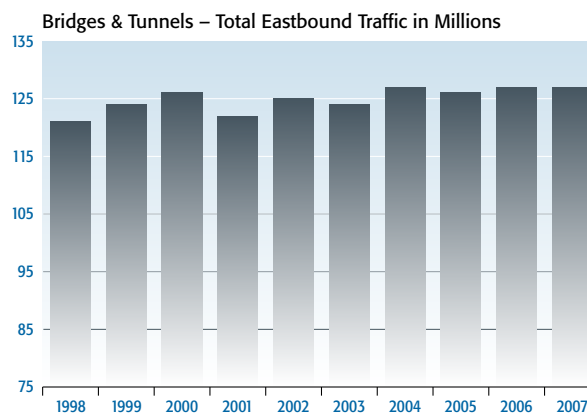
**Interstate Vehicular Volumes Steady**

In 2007, the Port Authority's six vehicular bridges and tunnels

handled 127 million eastbound vehicles, unchanged from 2006 volumes. Auto volumes, which accounted for almost 91 percent of all vehicles, declined by 0.1 percent, to 115.3 million vehicles. Truck volumes, however, increased by 1.7 percent, to 8.5 million vehicles, and bus volumes were unchanged, at 3.1 million vehicles and 71.6 million passengers.

The George Washington Bridge is the most heavily utilized Port Authority interstate facility, accounting for 43 percent of the total vehicles on the network. The Holland and Lincoln Tunnels handled 31 percent of the volume in 2007 and the three Staten Island Bridges 27 percent.

**EXHIBIT 25**  
**BRIDGE AND**  
**TUNNEL TRAFFIC**  
**HELD STEADY**



SOURCE: THE PORT AUTHORITY OF NY & NJ

**International Visitors Led**  
**Air Passenger Growth**

The region's three major airports continued to grow rapidly in 2007, outpacing the overall growth in the national system. JFK International, Newark Liberty International, and LaGuardia Airports handled 109 million passengers, an increase of 4.8 percent over 2006 levels. This compares to a 1.1 percent increase for the nation as a whole. International passengers led the growth in regional air traffic, expanding by 8 percent, to 33.5 million – more than twice the rate of regional growth in domestic passengers. Domestic passengers advanced by 3.2 percent, to 75.5 million.

JFK led the region's air passenger growth, increasing 11.9 percent, to 47.7 million passengers. Passenger volumes at JFK exceeded 2000 levels by 45 percent, reflecting growth both in the domestic market fostered by JetBlue Airways and a strong international performance. At JFK, domestic passenger volumes grew a robust 13.8 percent, to 26.2 million, while international passengers grew by 9.8 percent, to 21.5 million. The growth at Newark Liberty was driven solely by the 7.2 percent increase in international passengers, to 10.8 million. Domestic passengers at Newark Liberty remained unchanged

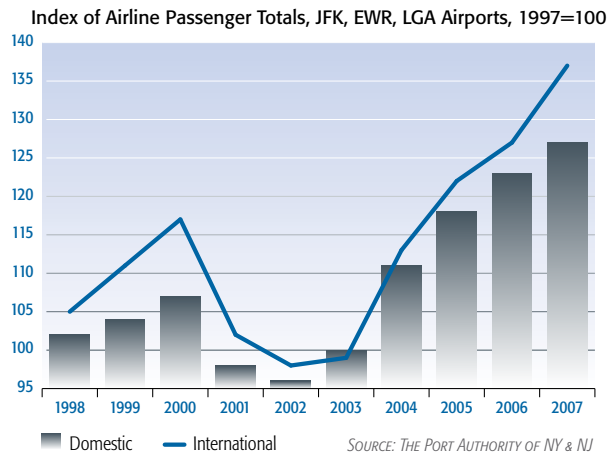


at 25.6 million. At LaGuardia, total passenger traffic fell 3.2 percent, to 25 million. International passenger growth was aided by the continued fall of the dollar against major currencies, reasonably good global economic growth, and a successful focus on the international market by

been declining and fell 11.2 percent below 2000 activity levels. Air cargo has been affected by high jet fuel prices and fuel surcharges, increased substitution by truck for shorter distances, and a shift to vessel from air for some Asian cargo. Nonetheless, the New York-New Jersey region

billion. Air cargo primarily consists of high value goods, such as Precious Stones and Metals, Machinery, Precision Medical Instruments, Art and Antiques, Aircraft Parts, and Pharmaceutical Products. The value of air cargo imports through the New York District totaled \$94.6 billion in 2007, up 3.2 percent. Air imports for the nation increased by a faster-paced 5.3 percent, to \$415.3 billion.

**EXHIBIT 26**  
**GROWTH IN INTERNATIONAL PASSENGERS OUTPACED DOMESTIC MARKET**



the region's air carriers that added international seat capacity and new non-stop services. The domestic growth at JFK was triggered by significant capacity expansion by Delta and JetBlue at the airport.

Stewart International Airport in Orange County, New York is the newest addition to the Port Authority's airport system, having been added to the agency's portfolio in the fourth quarter of last year. Stewart handled almost 914,000 passengers in 2007, an all-time record, and a tripling of 2006 passenger volumes, all aided by the introduction of two low cost carriers, AirTran and JetBlue. In 2007, Stewart was served by seven carriers as well as FedEx, UPS, and ABX.

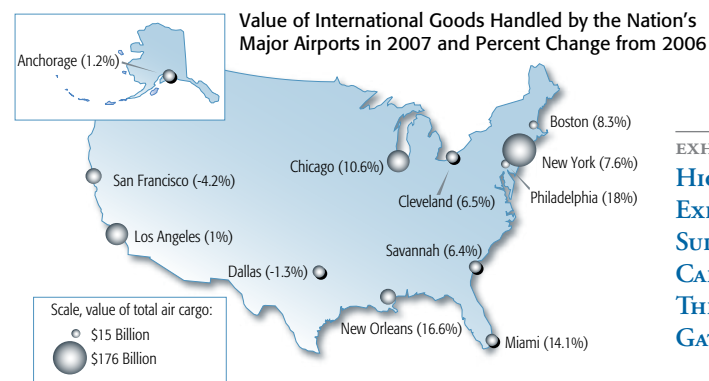
**Air Cargo Lagged; Port Cargo Growth Moderated**

The region's total air cargo decreased by 2.6 percent in 2007, to 2.6 million tons. Air cargo volumes have

remains a premier gateway for international air cargo, handling 22.5 percent of the value of all air cargo leaving or entering the United States. In 2007, the value of air cargo increased 7.6 percent to \$175.5 billion over 2006. This region's airports handled more than twice the value of international air cargo than did Chicago and Los Angeles. In 2007, this growth was triggered by exports, which increased 13.3 percent, to \$80.9

The value of international oceanborne trade through the New York-New Jersey ports totaled \$166 billion in 2007, up 11 percent compared to 2006. This region ranks behind the Los Angeles region (Los Angeles and Long Beach), which had export and import trade valued at \$338 billion and Houston/Galveston with \$170 billion in total international trade. The Los Angeles and Long Beach ports handled 58 percent, or \$158 billion of total U.S. trade with China, and China accounts for approximately half of the value of trade moving through the Los Angeles District. The value of trade through Houston/Galveston is dominated by petroleum products and chemicals and was inflated in 2007 by rising oil prices.

On a tonnage basis, the volume of general cargo (non bulk cargo) at the New York-New Jersey ports increased



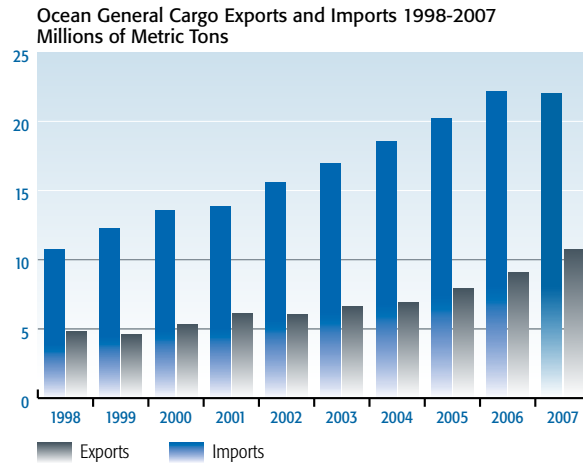
**EXHIBIT 27**  
**HIGH VALUE EXPORTS SUPPORTED AIR CARGO GROWTH THROUGH MAJOR GATEWAYS**

SOURCE: U.S. DEPARTMENT OF COMMERCE

by 5.2 percent, to 32.8 million metric tons. In a break with recent history, all of the port cargo growth in this region was derived from exports, which increased by 18.8 percent, to 10.8 million metric tons. Imports, on the other hand, declined 0.4 percent, to 22 million metric tons. Exports by value accounted for approximately 25 percent, or \$41.2 billion, of the total trade through the ports. In terms of value, exports out of the region grew by 22.7 percent over 2006, reflecting the increased foreign demand for cheaper U.S. goods.

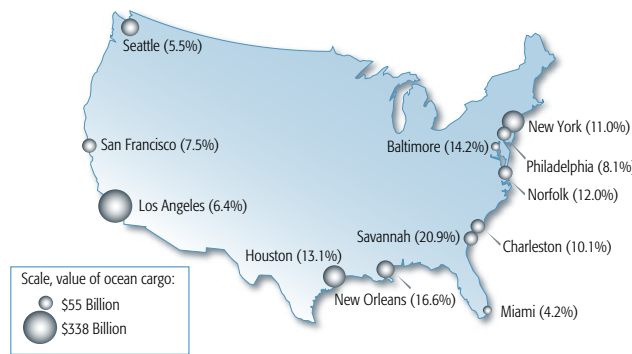
This region's total value of air and vessel trade in 2007 was \$341 billion. Europe remains this region's major trading region, accounting for 48 percent, or \$162 billion in total export-import trade with the New York-New Jersey region. In 2007, trade with Europe increased by 6.2 percent, with regional exports growing slightly more quickly than imports. Trade with Asia continued to grow rapidly and accounted for 35 percent of the region's international trade. In 2007, trade with Asia increased by 10.6 percent, to \$118 billion. Exports to Asia increased by 14.3 percent, more than twice the increase in imports. Trade with China, specifically, increased by 18 percent, to \$35 billion. The Middle East and Africa is the third largest regional trading partner, with imports and exports totaling \$38 billion in 2007. Total trade with this region expanded 14.8 percent in 2007, with comparable growth in exports and imports. Trade with Latin America and the Caribbean increased by 15.9 percent in 2007, to \$23 billion. Exports to Latin America and the Caribbean increased by 15.2 percent, to \$15 billion, while imports from Latin America to this region grew by 17.2 percent, to \$8 billion.

EXHIBIT 28  
EXPORTS ALSO CONTRIBUTED TO GROWTH IN WATERBORNE CARGO THROUGH THE PORT OF NEW YORK-NEW JERSEY



SOURCE: U.S. DEPARTMENT OF COMMERCE & THE PORT AUTHORITY OF NY & NJ

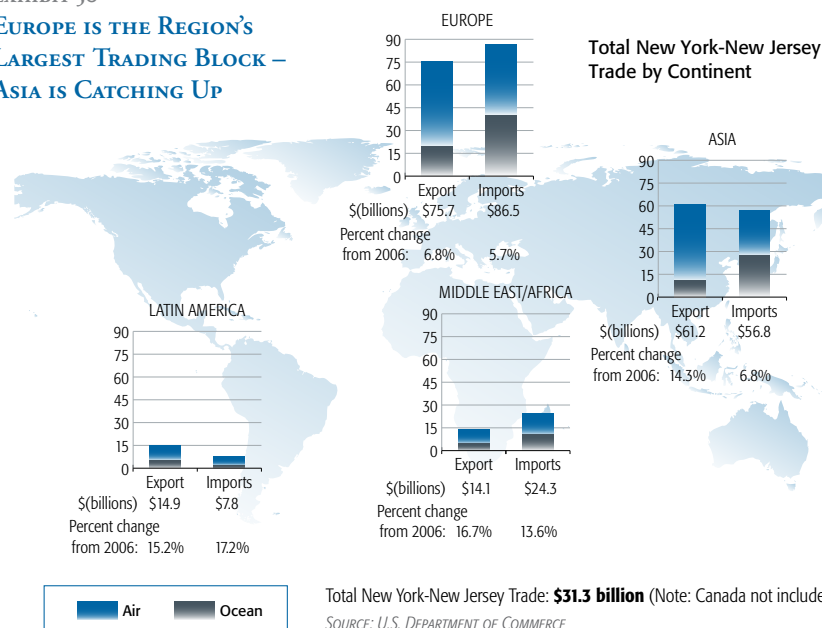
Value of Total Ocean Cargo Handled by the Nation's Major Ports in 2007 and Percent Change from 2006



SOURCE: U.S. DEPARTMENT OF COMMERCE

EXHIBIT 29  
GROWTH IN THE VALUE OF TRADE IN THE PORT OF NEW YORK-NEW JERSEY IS COMPETITIVE WITH OTHER U.S. PORTS

EXHIBIT 30  
EUROPE IS THE REGION'S LARGEST TRADING BLOCK – ASIA IS CATCHING UP



Total New York-New Jersey Trade: **\$31.3 billion** (Note: Canada not included)  
SOURCE: U.S. DEPARTMENT OF COMMERCE

### The U.S. Economy Heads for a Slowdown

WITHIN THE United States, 2007 opened with guarded optimism. Economists and investors anticipated a year of moderate growth in economic activity that was expected to be anchored by steady consumer spending. The expectation of moderation was based on a slowing, but steady, housing market. It was a time of relatively few delinquencies on mortgage loans, although delinquency on subprime mortgages was beginning to rise. Overall, though, the prevailing view was that other sectors of the economy would weather a downturn in the housing market.

By the fourth quarter of 2007, much had changed. The housing sector was pounded by a rapid buildup in the inventory of unsold homes with the attendant slumping prices and rising delinquencies. According to the Federal Reserve, by December 2007, more than one-fifth of subprime adjustable rate mortgages was seriously delinquent. In the financial markets, investors became increasingly unwilling to bear risk, especially on securities backed by mortgages. This led to the start of a credit crunch, one in which financial institutions began tightening credit standards and reducing the availability of credit to both households and some businesses. By the end of the year, aggregate economic activity had begun to deteriorate enough to warrant talk of a recession.

After real GDP grew at an annual rate of 4.8 percent in the third

quarter of 2007, the combination of a housing downturn and tightening credit led to a contraction of 0.2 percent during the fourth quarter, with annual GDP growth of just 2 percent. Compared to a 6.2 percent rise in the previous year, nominal retail and food service sales grew by 4.1 percent, with the second half of the year slowing to 3.8 percent, down from 5.4 percent in the first half. Concomitantly, nonfarm employment advanced by 1.1 percent for the year, with growth slowing to less than 1 percent in the last half of the year, down from an annual rate of 1.3 percent in the first half. Overall, the economy added 1.5 million jobs in 2007, around 850,000 fewer than the increase in jobs one year earlier.

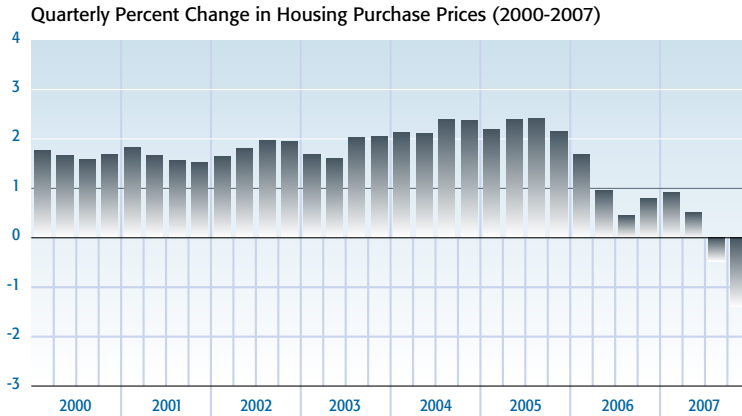
Nationally, labor productivity<sup>1</sup> in the nonfarm business sector remained weak in 2007, increasing by 1.4 percent. Although 2007 represented an improvement over the 1 percent increase in 2006, U.S. labor productivity for the year remained far below the average of 3.6 percent reached during the recent three-year peak of 2002 through 2004. The unemployment rate held steady in 2007, at 4.6 percent, but the number of workers unemployed went up by 600,000 in the fourth quarter of 2007, as compared to the same period in 2006. Inflation, as measured by the consumer price index, fell from 3.2 percent in 2006 to 2.8 percent, but there was upward pressure on food and gasoline prices, which increased by 4 percent and 8.2 percent, respectively. Consumer expenditures, a pillar of

the economy and accounting for 70 percent of national spending in 2007, began to slow by the end of the year. This trend was a response to the slowing economy, softening home values, and weakened household wealth. Ending the year at a sluggish 1 percent rate of growth in the fourth quarter, real consumer spending slowed to 2.8 percent in 2007, from 3 percent in 2006. Real consumer durables, however, remained strong throughout the year, advancing at 4.8 percent, higher than the 4.5 percent increase in 2006. But consumption of nondurables, a category in which consumers spend twice as much as durables, slowed markedly, increasing by 2.5 percent, in comparison to the 3.7 percent rise a year earlier. Consumer spending on services edged up slightly to 2.6 percent in 2007, as compared to 2.5 percent in 2006.

Growth in real disposable income, the primary source for consumer spending, held steady at 2.8 percent, but real household net worth increased by a scant 0.1 percent, pulled down by a fourth quarter slide of \$530 billion, principally in the value of financial and real estate holdings. In the last two quarters of 2007, seasonally adjusted home prices, as measured by the Office of Federal Housing Enterprise Oversight (OFHEO) House Price Index, fell for the first time since the fourth quarter of 1993. In the third quarter, the seasonally adjusted purchase price index fell 0.5 percent over the second quarter and accelerated to a decline of 1.4 percent in the fourth quarter over the third quarter. For the year, the real price of homes

<sup>1</sup> Labor productivity is measured by real output per hour worked.

**HOUSING PRICES FELL IN 2007 AFTER YEARS OF HEALTHY GAINS**



SOURCE: OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

fell by 4.6 percent, and household owners' equity in real estate as a percentage of home value averaged 49 percent, the first time it has fallen below the 50 percent mark.

Responding to low vacancy rates for office, retail, and industrial buildings, private spending on structures for these uses was the driver behind a healthy gain in nonresidential investment. However, the decline in housing investment was so sizeable that the net effect was a fall in real private fixed investment. In 2007, real nonresidential private investment grew by 4.9 percent, with structures growing at 12.7 percent and outlays on equipment and software growing at 1.7 percent. With residential investment declining by 17.9 percent,

total private fixed investment fell by 3.1 percent for the year. Real after-tax profits, an important source of funding for investment projects, fell slightly, by 0.1 percent, the first decline since the recession of 2001.

For 2007, real government purchases increased by 2.1 percent, led by an increase of 2.3 percent in real state and local government purchases, followed by a 1.6 percent gain in real federal purchases. Much of the increase in state and local government purchases went for construction and equipment expenditures.

Net exports contributed significantly to U.S. economic growth during 2007. Exports of goods and services,

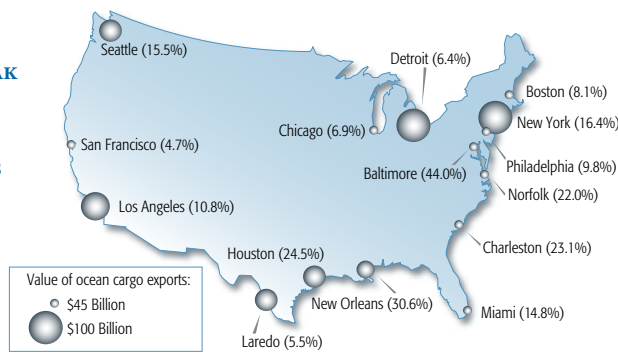
aided by a weak dollar, grew at a healthy clip of 8.4 percent, lower than the 9.1 percent increase in 2006, while imports slowed markedly to 2.2 percent from the 6 percent growth in 2006. The combination of increased exports and lower imports reduced the trade deficit from \$753 billion in 2006 to \$700 billion last year. Exports were strong in chemicals, pharmaceuticals, aircraft, and machinery; among the major economies, shipments surged to Brazil, Germany, and China.

For the year, consumer spending contributed 1.9 percentage points, or 95 percent, to GDP growth. Net exports added 0.6 percentage point and government outlays 0.4 percentage point, while domestic investment reduced growth by 0.9 percentage point.

Saddled by weakened household balance sheets, a credit crisis, and a housing crash, the economy is poised for slower growth in 2008. The outlook is for weak consumer demand throughout 2008 in spite of the \$107 billion in personal tax rebates contained in the Economic Stimulus Act of 2008 enacted to reinvigorate the ailing economy. Notwithstanding the proposed \$45 billion in business incentives contained in the stimulus package, the combination of tightened credit and slower sales is expected to produce a significant slowdown in investment spending. With state revenues softening, spending by state and local government should rise slowly, offset by higher federal purchases. Providing there is no significant transmission of the credit crisis to the rest of the world and the dollar stays competitive, the expectation is for continued solid growth in exports. With even slower growth in imports caused by the slowing economy, the trade deficit should continue to narrow.

Value of Goods Exported in 2007 and Percentage Change from 2006

**STRONG FOREIGN DEMAND AND A WEAK DOLLAR BOOSTED EXPORTS THROUGH THE NATION'S PORTS**



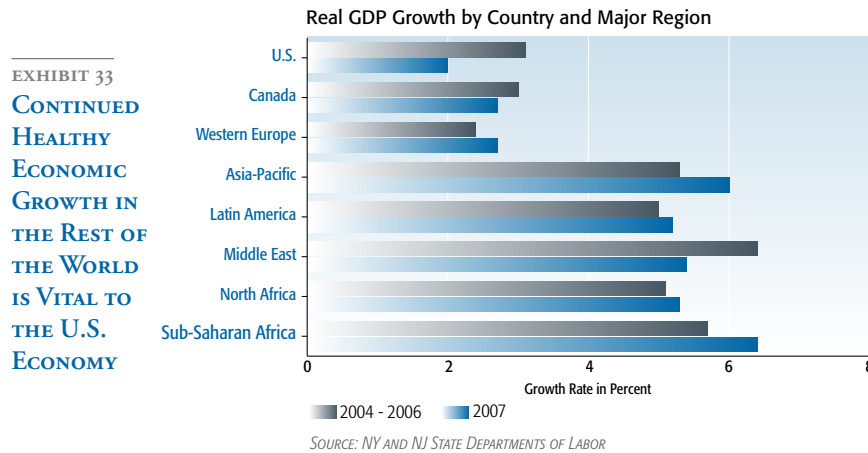
SOURCE: U.S. DEPARTMENT OF COMMERCE

## The Global Economy Weathered a U.S. Slowdown

The regions of Europe, Asia-Pacific, Latin America, the Middle East, and Africa all experienced moderate to solid growth in 2007, even though world real GDP growth slipped from 4.1 percent in 2006 to 3.9

of Portugal, France, and Italy. Continued strength in the euro, a pullback in the housing market, especially in the United Kingdom, a steady focus by the European Central Bank on containing inflation, the persistence of high-priced oil, and the U.S. slowdown are expected to combine to reduce

experienced its second consecutive year of below-trend growth. The economy rose by 2.7 percent in 2007, less than the 3.1 percent growth the previous year. The energy sector of the economy should continue to perform well, but the downturn in the neighboring U.S. economy will likely weaken growth even further in 2008.



percent last year. Global real exports of goods and services grew by 7.3 percent, with the level of exports in the year accounting for a 31 percent share of world real GDP, estimated around \$40 trillion in 2000 U.S. dollars. As the housing slump and credit crisis begin to weaken demand and output in the U.S., the net effect is for a slowdown in world GDP growth in 2008.

Overall, the Western European economies grew moderately in 2007. Real GDP growth in the region was 2.7 percent down from the 3 percent growth in 2006. Among the major economies, growth was robust in Ireland at 6 percent, Finland at 4.4 percent, Greece at 4.4 percent, and Spain at 3.8 percent. The United Kingdom had a solid year, with economic growth of 3.1 percent, followed by Sweden and Germany, where growth was 2.9 percent and 2.6 percent, respectively. Weakness persisted in the economies

growth in the European economies.

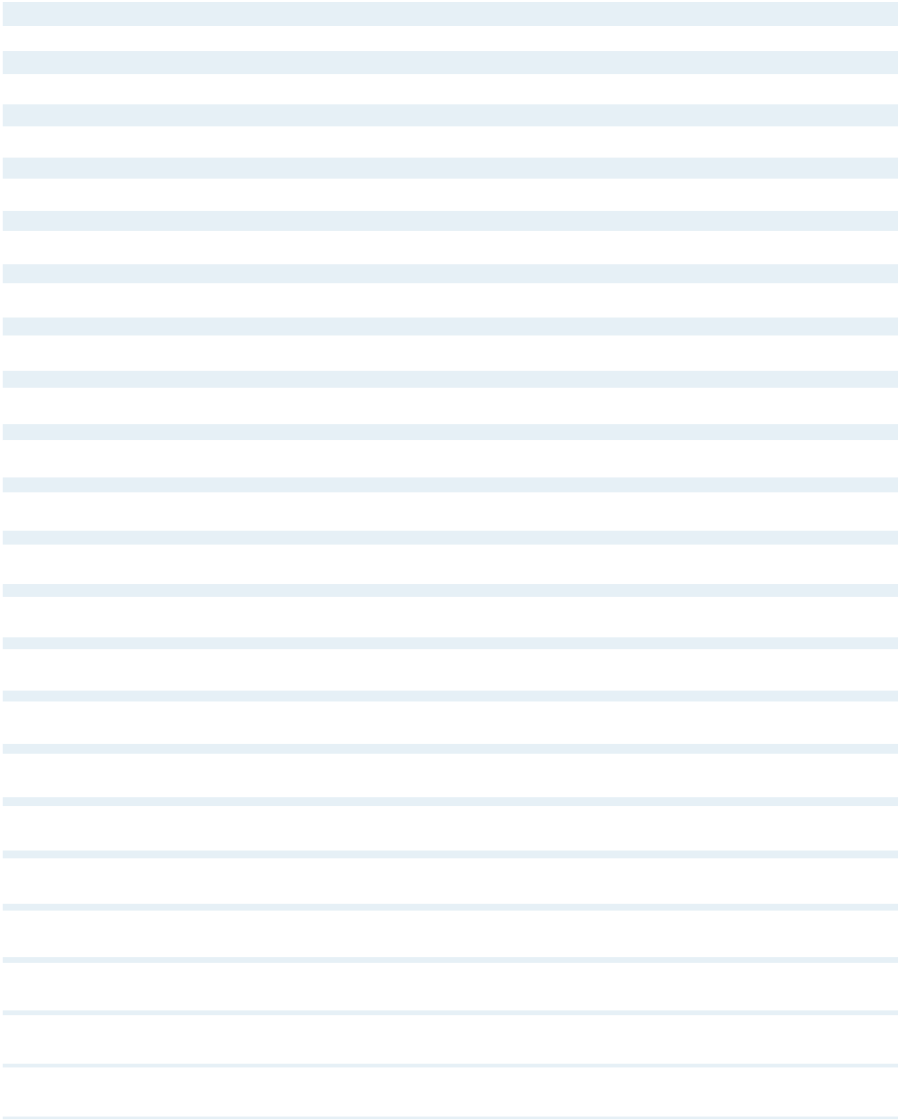
Propelled by strong aggregate demand and the commodity boom, the Russian economy grew at a robust 8.1 percent rate in 2007, trumping the 7.4 percent increase in 2006. Real consumer spending and real fixed investment grew at 13 percent and 21 percent respectively, following strong performances the previous year. Exports rose at 7.7 percent, with energy and metals accounting for more than three-quarters of Russia's export revenues. Continued vigorous domestic demand, high energy prices, strong capital inflows, and rising business confidence should keep the Russian economy advancing in 2008, though at a slower rate than in 2007 as Western European demand slows, the ruble appreciates, and capacity constraints take hold in the energy sector.

With a rising currency and a slowing U.S. economy, Canada's economy

Led by China and India, the Asia-Pacific economies had a strong economic performance in 2007. Real GDP in the region grew by 6 percent in 2007, up from 5.7 in 2006. China advanced at 11.9 percent, India at 9 percent, but Japan lagged, growing at just 2 percent. Given the significance of exports to the current U.S. economy, continued robust demand in Asia for foreign goods is of vital importance in helping to mute the magnitude and duration of the U.S. slowdown. Fortunately, the outlook is for continued strong growth in Asia, paced, again, by China and India.

Driven by strong international demand for commodities, Latin America and the Caribbean had another year of solid economic growth. In 2007, the region grew by 5.2 percent, the same rate as in 2006. Among the major economies of the region, Brazil grew at 5.4 percent, Argentina at 8.6 percent, and Mexico at 3.3 percent. With commodities playing such a central role in exports, the level of commodity prices during 2008 will have a major impact on the economies of the region. Although the Asian economies are still absorbing huge volumes of basic commodities, slower growth in the U.S. and Europe may lead to a mild reduction in growth rates throughout the Latin American region.

In 2007, real GDP growth in the Middle East, North Africa, and Sub-Saharan Africa mirrored the healthy growth seen in the Asia-Pacific region. The Middle East grew at 5.4 percent, North Africa at 5.3 percent, and Sub-Saharan Africa at 6.4. Oil exports were a major driver for many of the fastest growing economies in the three regions, including the United Arab Emirates, Sudan, Angola, and Equatorial Guinea. Continued strength in the international demand for commodities plus rising domestic demand are expected to result in another year of solid growth in these regions.



## Exports Emerge as a Source of Economic Strength: A Review of Exports from the States of New York and New Jersey

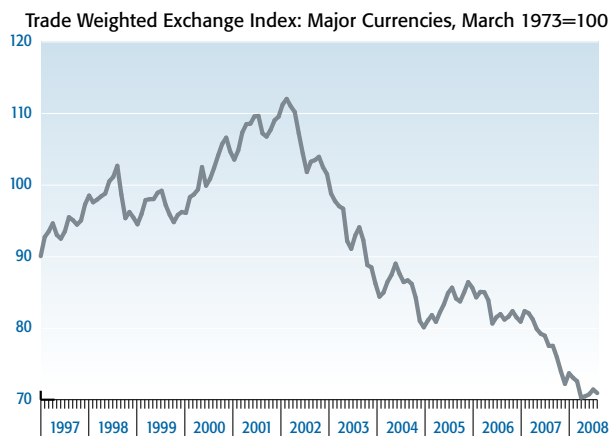
**A**MID A time when mostly negative economic news has clouded expectations for the future, the performance of U.S. exports offers a silver lining. The nation's flourishing export market is especially welcome given the size of the U.S. trade deficit, a number that has swelled over the years as a result of a big appetite for foreign-made goods in contrast to slower demand abroad for U.S. products. The trade deficit peaked, at \$637 billion,<sup>1</sup> in the fourth quarter 2005 and then began to improve from that point. The dramatic improvement in U.S. exports was seeded in the first quarter of 2002 when the dollar began its multi-year march downward. Between February 2002 and July 2008, the value of the dollar fell by almost 37 percent against other major world currencies. Simultaneously, the global economy began several years of above trend growth that was fueled by increased consumption and a concurrent robust growth in worldwide export activity. Together these factors set the stage for today's surge and the revival of exports as an important contributor to the U.S. economy.

Real U.S. exports of goods began to increase in 2003, valued on an annualized basis at \$703.5 billion in the second quarter 2003 and reaching \$1,037 billion in the fourth quarter 2007, for an increase of 47.4 percent. Service exports<sup>2</sup> also

<sup>1</sup> This figure is expressed in constant 2000 dollars.

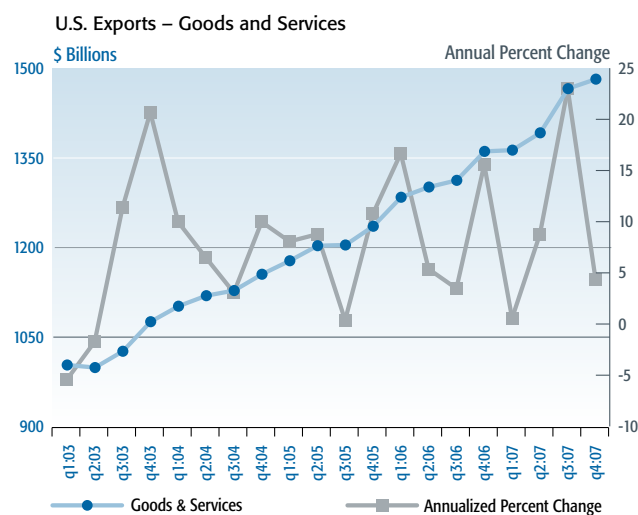
<sup>2</sup> Exported services include business, professional and technical services, tourism receipts, foreign students, and royalties and license fees.

EXHIBIT 34  
THE U.S.  
DOLLAR  
DEPRECIATED  
SHARPLY SINCE  
2002



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FEDERAL RESERVE BANK OF ST. LOUIS

EXHIBIT 35  
U.S. EXPORT  
OF GOODS AND  
SERVICES GREW  
DRAMATICALLY



SOURCE: U.S. DEPARTMENT OF COMMERCE

experienced rapid growth during this period, expanding from \$295.5 billion to \$444.7 billion, or 50.5 percent. Over this period, exports of goods and services contributed, on average, close to one full point to GDP growth. Meanwhile, a weakening dollar combined with a slowing economy to dampen domestic consumption of imports. Thus, in 2007, net exports (exports less imports) added 58 basis points to GDP growth, the first positive

contribution since 1995. The trade sector is serving as a partial buffer to the negative effects of the recent downturn in residential construction and the increasingly leery American consumer.

### New York and New Jersey Benefited from the Export Boom

While the states of New York and New Jersey are better known for their service economies, the

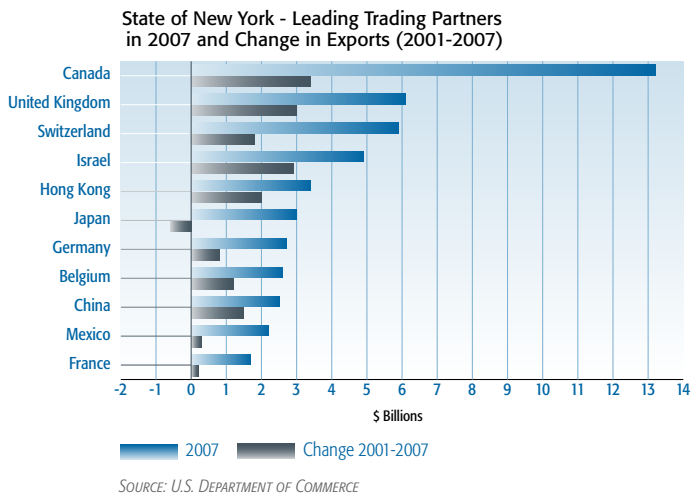
growth in the export of goods is providing new stimulus for both states.<sup>3</sup> The following will examine their performance in this area.

## NEW YORK

With \$69.3 billion in international exports in 2007, the State of New York ranks third among all states in the U.S. Since 2001, exports from New York grew by 64.2 percent; in 2007, exports advanced by 17.3 percent. Of the exports originating within New York, \$39.3 billion moved by air, \$15.3 billion by vessel, and \$14.6 billion by truck and rail. As expected, New York's proximity to the Canadian border makes Canada the most important market for the state's exports, with \$13.2 billion in sales in 2007. Other leading trading partners for the state's goods include the United Kingdom, Switzerland, Israel, Hong Kong, Japan, Germany, and Belgium. Increased trade to

<sup>3</sup> Data on the export of services are not available at the state level.

EXHIBIT 36  
NEW YORK'S  
LARGEST  
TRADING  
PARTNER IS  
CANADA



Canada, the United Kingdom, Israel, Hong Kong, Switzerland, and China spearheaded the growth in exports from 2001 to 2007.

Precious Stones and Metals accounted for almost 30 percent of New York's exports by value. This category consists predominantly of diamonds, gold, and jewelry with precious metals. The diamonds were primarily exported to Israel, Belgium, Hong Kong,

and Switzerland, while gold was exported mostly to Switzerland and the United Kingdom. Other leading exports included Machinery, which is comprised, among other things, of gas turbines, computers and parts, office machine parts, piston engines, and printing machinery; Electric Machinery, which includes integrated circuits and telecommunications equipment; and Passenger Motor Vehicles and parts.

EXHIBIT 37  
NEW YORK'S LEADING EXPORT COMMODITIES BY VALUE

Description	In Millions of U.S. Dollars			% Share			% Change
	2005	2006	2007	2005	2006	2007	2007/2006
Precious Stones/Metals	10,497	13,950	20,452	20.3	23.6	29.5	46.6
Machinery	9,254	9,088	10,073	17.9	15.4	14.5	10.9
Electrical Machinery	4,942	5,359	5,553	9.5	9.1	8.0	3.6
Art and Antiques	3,381	4,552	5,477	6.5	7.7	7.9	20.3
Special Other	3,426	3,920	2,710	6.6	6.6	3.9	-30.9
Vehicles/Not Railway	1,564	1,899	2,651	3.0	3.2	3.8	39.6
Optical and Medical Instruments	2,443	2,460	2,437	4.7	4.2	3.5	-0.9
Aircraft/Spacecraft	2,387	1,949	1,844	4.6	3.3	2.7	-5.4
Plastic	1,326	1,383	1,590	2.6	2.3	2.3	15.0
Aluminum	981	1,216	1,346	1.9	2.1	1.9	10.7
Mineral Fuel/Oil Etc.	366	894	1,214	0.7	1.5	1.8	35.8
Perfumery/Cosmetic/Etc.	943	997	1,132	1.8	1.7	1.6	13.5
Iron and Steel	590	634	1,009	1.1	1.1	1.5	59.2
Photographic/Cinematographic	1,078	1,127	950	2.1	1.9	1.4	-15.7
Pharmaceutical Products	837	684	829	1.6	1.2	1.2	21.2

SOURCE: U.S. DEPARTMENT OF COMMERCE

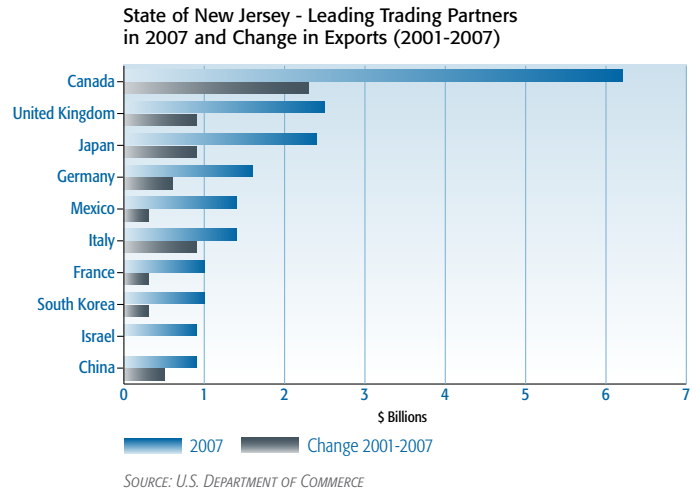


## NEW JERSEY

New Jersey ranks tenth among the states in the export of goods. New Jersey exported \$30.5 billion of goods in 2007, an increase of 11.9 percent over 2006. Since 2001, exports from the state have increased by 60.8 percent. Of the exports originating in New Jersey, \$13.3 billion were transported by air, \$10.6 billion by vessel, and \$6.6 billion by truck and rail. Canada is the leading market for New Jersey's goods, purchasing \$6.2 billion worth in 2007. Other leading markets include the United Kingdom, Japan, Germany, Mexico, and Italy. Increased trade with Canada, the United Kingdom, Japan, and Italy led the growth between 2001 and 2007.

New Jersey's leading export commodities included Precious Stones and Metals, which accounted for \$5.3 billion in sales. Platinum Waste and Scrap dominated New Jersey's precious materials and accounted for \$3 billion of the state's exports in 2007. Other

EXHIBIT 38  
NEW JERSEY EXPORT GROWTH WAS FUELED BY CANADA AND EUROPE



leading exported goods included Machinery at \$2.5 billion; Electrical Machinery, \$2.2 billion; Vehicles, \$2.0 billion; Medical Instruments, \$1.9 billion; and Plastic, \$1.9 billion.

Notably, exports displaced imports as the key driver of cargo growth at the Port of New York and New Jersey in 2007. General cargo exports increased by 18.8 percent, offsetting a 0.4 percent decline in imports, which led to the net result of a 5.2 percent general cargo growth.

Exported automobiles from New Jersey increased 65.1 percent in 2007, to 266,759 vehicles.

As the growth in the service economy becomes more tenuous in 2008, the export of goods should continue to provide support to the economies of both New York and New Jersey. In addition, service exports will provide additional stimulus to the economy, especially during a period where domestic demand nationally and within the region will be slowing.

EXHIBIT 39

## NEW JERSEY'S LEADING EXPORT COMMODITIES BY VALUE

Description	In Millions of U.S. Dollars			% Share			% Change
	2005	2006	2007	2005	2006	2007	2007/2006
Precious Stones/Metals	2,496	4,597	5,303	11.8	16.9	17.4	15.3
Machinery	2,118	2,096	2,530	10.0	7.7	8.3	20.7
Electrical Machinery	1,781	1,871	2,162	8.4	6.9	7.1	15.6
Vehicles/Not Railway	1,154	1,249	1,997	5.5	4.6	6.6	59.9
Optical and Medical Instruments	1,612	1,727	1,927	7.6	6.3	6.3	11.6
Plastic	1,558	2,112	1,898	7.4	7.8	6.2	-10.1
Pharmaceutical Products	1,091	1,430	1,695	5.2	5.3	5.6	18.5
Organic Chemicals	1,277	2,294	1,600	6.1	8.4	5.3	-30.3
Perfumery/Cosmetic/Etc.	1,004	1,100	1,177	4.8	4.0	3.9	7.1
Mineral Fuel/Oil Etc.	257	908	1,098	1.2	3.3	3.6	21.0
Aircraft/Spacecraft	571	656	898	2.7	2.4	3.0	36.8
Iron and Steel	474	550	779	2.3	2.0	2.6	41.7
Misc. Chemical Products	614	817	685	2.9	3.0	2.3	-16.2

SOURCE: U.S. DEPARTMENT OF COMMERCE



# Census Update: A Comparison of Census 2000 and the American Community Survey (ACS) for 2006

**T**HIS focus piece compares regional demographic changes as measured by Census 2000 and the 2006 American Community Survey (ACS). The ACS is conducted annually by the U.S. Census Bureau and provides economic, social, demographic, housing, and transportation information. The ACS is intended to update each year the level of census detail previously available only when a decennial population census was conducted. The Census Bureau uses the data collected by the ACS to create estimates for these characteristics and provides measures of sampling error for each estimate. The 2006 ACS data is carefully compared to the Census 2000 data with guidance from the Census Bureau. Despite differences between the 2006 ACS and the Census 2000 (namely residence rules, universe, and reference periods), the Bureau has determined that most population and housing subjects are comparable, with relatively small margins of error. One key exception is the income statistics, which are not deemed comparable. Many noteworthy regional trends have emerged from a comparison of 2000 and 2006, warranting the summary prepared below.

## Overview

Notwithstanding the national recession during April to November of 2001 and the September 11 terrorist attacks, the New York-New Jersey region's population

grew substantially between 2000 and 2006, adding nearly 425,000 new residents. During this period, regional amenities and the recovering economy attracted newcomers from many different parts of the world to fortify this region's position as one of the nation's largest, most diverse, and most dynamic. In a trend that bucks the established settlement patterns of post-1970 America, the urban core, New York City, grew faster than any other part of the region.

The first six years of the 21st century ushered in several milestones for the New York-New Jersey metropolitan region population base. Record highs were reached in the proportion of the population who were foreign-born, of retirement age, and elderly. Meanwhile, quick-paced domestic out-migration and foreign immigration combined to cause both the proportion of White non-Hispanic residents region-wide to dip below 50 percent for the first time in modern history<sup>1</sup> and the proportion of

<sup>1</sup> The distribution of change among the White non-Hispanic population is fairly consistent throughout the region. Both the New York Suburbs (Nassau, Rockland, Suffolk and Westchester counties) and Northern New Jersey (Bergen, Essex, Hudson, Middlesex, Morris, Passaic, Somerset and Union) are no longer comprised of a majority of White non-Hispanics, as both the size and proportion of this population have decreased. Setting itself apart from the rest of the region and the other four boroughs of New York City, Manhattan experienced nearly 10 percent growth in the size of its White non-Hispanic population while its Hispanic population contracted by 2.2 percent.

Black non-Hispanics to drop slightly as well.<sup>2</sup> Also declining during this period were both the total number and the proportion of people of prime working age. The region's fastest growing demographic groups were the Asian, Hispanic, 55 to 59 year-old, and the 85 and older populations.

In 2006, nearly 35 percent of the New York-New Jersey region's 25 year and older population had a bachelor's degree or higher. This was a 4.1 percentage point improvement over 2000. For the U.S., 27 percent of the 25 and older population had attained a bachelor's degree or higher.

In 2006, the region's commuters experienced travel times that exceeded the nation's by an average of 14 minutes, or more. Within the region, 17 percent more commuters relied on public transportation in 2006 than in 2000. Although the number of commuters driving to work increased during this period, the share of auto users as a proportion of total workers declined from almost 60 percent to 55 percent.

## Total Population and the Components of Change

Total population in the 17-county region grew by 2.5 percent from 2000 to 2006, adding nearly

<sup>2</sup> While the Black non-Hispanic population declined in proportion to the total, it grew in actual size, by 1.7 percent.

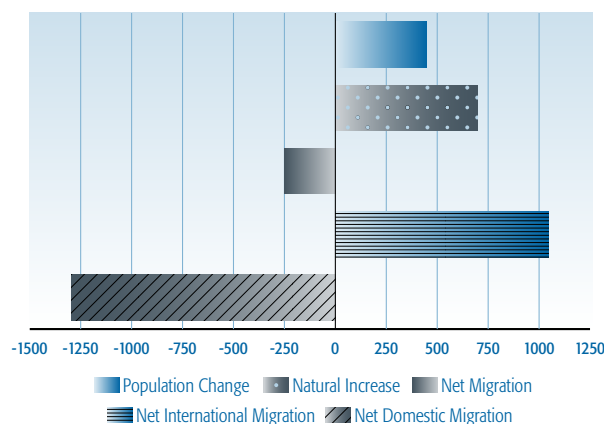
425,000.<sup>3</sup> This compares to a 6.4 percent rate of growth for the U.S. as a whole. Within the New York-New Jersey metropolitan area, New York City's population grew the fastest, by 3 percent; Northern New Jersey grew by 2.2 percent, and the New York Suburbs grew by 1.9 percent. Somerset County, New Jersey, with a 9 percent growth rate, was the region's single fastest growing county, followed by Richmond, New York, which had a growth rate of 7.9 percent for the period. Only three counties – Hudson and Essex in New Jersey and Nassau in New York – posted a decline in population.

The change in regional population comes from the confluence of natural factors (the net effect of births and deaths), net domestic migration (the number of residents moving into the region less the number moving out of the region), and new international immigration. According to the Census Bureau's Population Estimates Program, the net result of domestic migration for the region was a loss of nearly 1.3 million individuals between April 2000 and July 2006.<sup>4</sup> Simultaneously, natural change proved a powerful counter-force, adding a net addition of 696,000 to the region's population. Natural increase alone, however, was not enough to result in total population growth for the region; such growth was made possible because

3 This number includes New York City's successful challenge to the Census Bureau's population estimates for 2006.

4 Although at the regional and sub-regional level, international immigration did not exceed the volume of domestic out-migration, there were several counties that experienced positive net domestic migration. In New Jersey, nearly 50 percent of the population increase in Somerset County and 27 percent in Morris County were due to net domestic in-migration. In Richmond County, 41.5 percent of the population increase was similarly attributable.

EXHIBIT 40  
COMPONENTS  
OF POPULATION  
CHANGE FOR THE  
REGION (000's)  
2000-2006



SOURCE: U.S. CENSUS BUREAU, NEW YORK CITY DEPARTMENT OF CITY PLANNING

of the in-migration of over one million foreign-born individuals.

### Immigration

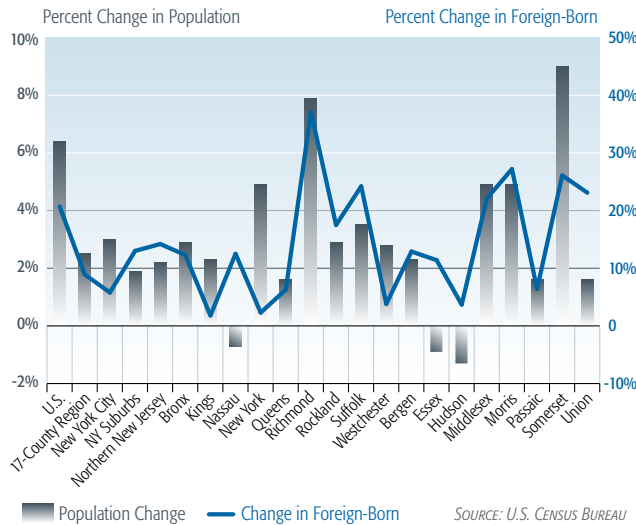
Containing one of the nation's highest concentrations of foreign-born residents, the region, especially New York City, continued to be a popular choice for immigrants from all over the world. Since 2000, the region's immigrant population has swelled by about 422,000 foreign-born residents,<sup>5</sup> an 8.9 percent increase. As a result, by 2006, almost 30 percent of the region's population was foreign-born, more than 5.1 million in number and more than twice the national share of 12.5 percent. In New York City, 37 percent of the population was foreign-born, over 3 million residents. Queens and

5 According to the U.S. Census Bureau, "foreign-born" refers to anyone who is not a U.S. citizen at birth and includes naturalized citizens, lawful permanent residents, temporary migrants, humanitarian migrants (such as refugees), and illegal residents. Net international migration is estimated with slightly different demographic components including: net migration of the foreign-born, net movement from Puerto Rico, net movement of the U.S. Armed Forces, and emigrations of the native born. The largest component, net migration of the foreign-born, includes lawful permanent residents, temporary migrants, humanitarian migrants, and people illegally present in the United States. One of the differences between the two indicators is that foreign-born estimates do not count Puerto Rican residents since they have U.S. citizenship at birth.

Hudson Counties had the largest share of foreign-born population in the region, at 48.5 percent and 40.5 percent, respectively. The share of immigrants in Union County rose 5.3 percentage points, to 30.3 percent, between 2000 and 2006. Richmond experienced a 37 percent increase in its foreign-born population, triggered by a large increase in its Asian population.

Between 2000 and 2006, the European foreign-born population of the region contracted. With just under one million European-born immigrants present in the region as of 2000, this population declined by 8 percent, to 919,000 as of 2006. The decline occurred throughout the region. By contrast, the nation's European-born immigration population increased slightly from 4.92 million to almost 5 million. The population of European origin decreased by 6.6 percent in New York City, 6.9 percent in the New York Suburbs, and 11.6 percent in Northern New Jersey. Kings County, which retains the region's largest concentration of European immigrants, went from having 238,000 foreign-born Europeans in 2000 to 205,000 in 2006, a 14 percent decrease over the six-year period.

EXHIBIT 41  
**CHANGES IN THE  
 REGION'S TOTAL  
 POPULATION  
 AND FOREIGN-  
 BORN  
 POPULATION,  
 2000 - 2006**



of Asian-born individuals grew by 13.2 percent, to comprise 9.4 percent of the city's total population. Queens was home to the largest share of foreign-born Asians, with over 366,000, accounting for 16 percent of the Queens total population in 2006 and representing an increase of 14.9 percent over 2000. In Northern New Jersey and the New York Suburbs, Asian immigrants increased 25 percent and 24 percent, respectively. For comparison, the Asian population in the United States increased at a faster pace than the region, by 22.2 percent, for the period.

Meanwhile, the Latin American immigrant population grew within the region, increasing by 11 percent. This was, however, a rate less than half of the increase for the nation, where this group increased by almost 25 percent. The Latin American immigrants in Northern New Jersey and the New York Suburbs both increased by 20 percent, but in New York City the rate of growth was only 6 percent. Even so, New York City remained the sub-region with the largest percentage of Latin American immigrants, accounting for nearly 20 percent of its total population. The Latin American foreign-born population in Hudson

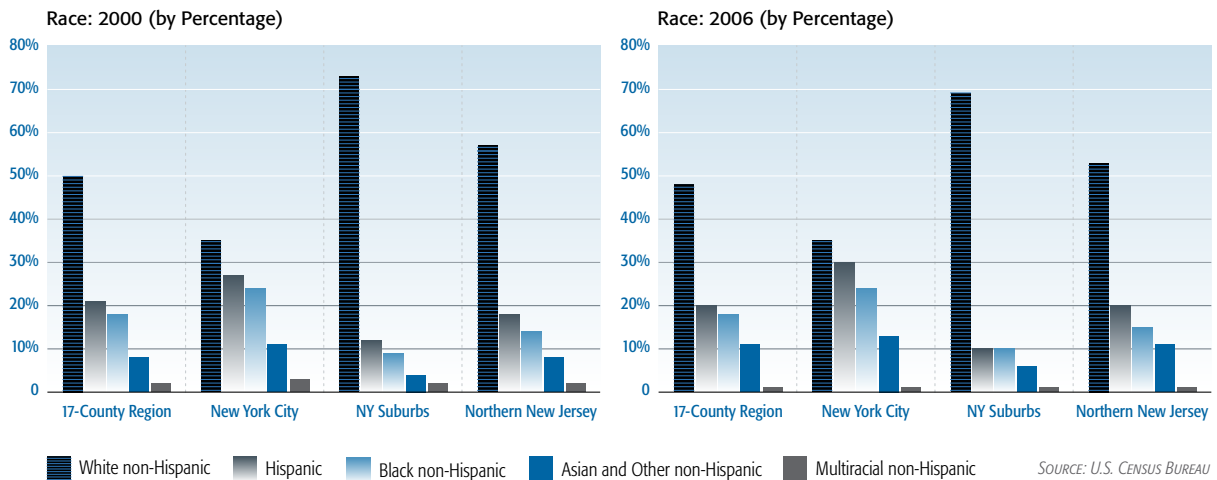
County made up almost 26 percent of the total population, making Hudson the county with the largest share of Latin American foreign-born population in the region. As of 2006, Queens was home to 540,000 foreign-born Latin Americans, or 24 percent of its total population.

The Asian foreign-born population in the 17-county region also expanded, increasing by almost 18 percent, raising the count to over 1.35 million and accounting for nearly 8 percent of the total regional population as of 2006. In New York City, the concentration of Asians was greater – the number

### Race

Within the 17-county region, the White non-Hispanic population declined by 2.5 percent and, as of 2006, comprised 48 percent of the total population. The Hispanic population grew by 11 percent and made up 22.5 percent of the total. The Black non-Hispanic population increased by 1.7 percent and accounted for 17.9 percent of the total as of 2006. The Asian population increased by 27 percent, to become 9.7 percent of the total population. By contrast, the

EXHIBIT 42  
**THE REGION'S COMPOSITION BY RACE AND ETHNICITY: 2000 & 2006**



racial composition of the nation diversified at a more rapid pace than that of the region. However, the region's overall population was more diverse than that of the nation. The White non-Hispanic population accounted for over 66 percent of the nation's population as of 2006 and increased nearly 2 percent from 2000 to 2006. The nation's Hispanic population increased by a hearty 25.6 percent but still comprised only 14.8 percent of the nation's total population. Similarly, the nation's Black non-Hispanic population grew more quickly than the region's for the period, expanding by 8.1 percent, but continued to comprise a smaller share – 12.2 percent – of the nation's total population in comparison to the region. With only 3.6 percent of the nation's total population in 2000, the Asian population increased by nearly 29 percent by 2006, to become 4.3 percent of the total.

The pattern of population change in New York City differed in several important ways from the rest of the region. First, New York City grew faster than any other part of the metropolitan area – adding 2.6 percent more residents in total, compared to an increase of 1.9 percent for the New York Suburbs and 2.2 percent for Northern New Jersey. Second, New York City was the only part of the region where the White non-Hispanic population increased – by 1.9 percent (in Manhattan it grew by 9.6 percent) – and the Black non-Hispanic population decreased, by 0.3 percent. In contrast, the New York Suburbs lost 3.4 percent of its White non-Hispanic population but added 8.4 percent to its Black non-Hispanic population. The comparable figures for Northern New Jersey are a 5.9 percent decline in the White non-Hispanic population

and a 3.5 percent increase in the Black non-Hispanic population.

The third important change in racial make-up is also based in New York City, which had a much smaller increase in its Hispanic population – only 4.9 percent (and an actual 2.2 percent decline in Manhattan) – compared to a 19.2 percent increase for Northern New Jersey and a 23.9 percent increase in the New York Suburbs. Finally, the growth in New York City's Asian population was slower, at 22.4 percent, compared to the respective 38.2 percent and 32.1 percent gains of the New York Suburbs and Northern New Jersey.

### Age Structure

Substantial change occurred in the region's age structure during the first six years of the decade. The story is a complex one, as different parts of the region experienced growth

EXHIBIT 43

### THE REGION'S POPULATION BY RACE AND ETHNICITY IN 2006

		White Non-Hispanic	Hispanic	Black Non-Hispanic	Asian and Other Non-Hispanic	Multiracial Non-Hispanic	Total
New Jersey	Bergen	593,029	127,346	48,062	127,543	8,057	904,037
	Essex	279,205	141,459	314,347	44,050	7,086	786,147
	Hudson	202,616	246,723	75,985	72,894	2,928	601,146
	Middlesex	426,536	132,920	72,656	145,217	9,642	786,971
	Morris	380,966	50,461	14,533	44,398	2,802	493,160
	Passaic	239,768	169,250	57,557	27,325	3,193	497,093
	Somerset	215,551	38,412	26,683	41,010	2,530	324,186
	Union	256,630	130,477	110,299	29,310	4,372	531,088
New York	Bronx	175,240	693,884	419,239	61,498	11,612	1,361,473
	Kings	897,885	496,304	843,161	248,005	23,465	2,508,820
	Nassau	916,133	160,017	141,613	98,993	8,906	1,325,662
	New York	770,921	408,712	226,562	184,321	21,065	1,611,581
	Queens	691,410	597,773	413,301	529,879	22,812	2,255,175
	Richmond	319,063	71,154	45,065	37,577	4,518	477,377
	Rockland	202,873	37,423	32,013	19,415	3,241	294,965
	Suffolk	1,106,206	191,552	103,656	54,409	13,892	1,469,715
	Westchester	576,941	175,990	128,556	57,907	9,961	949,355
<b>17-County Region</b>	<b>8,250,973</b>	<b>3,869,857</b>	<b>3,073,288</b>	<b>1,823,751</b>	<b>160,082</b>	<b>17,177,951</b>	
<b>New York City</b>	<b>2,854,519</b>	<b>2,267,827</b>	<b>1,947,328</b>	<b>1,061,280</b>	<b>83,472</b>	<b>8,214,426</b>	
<b>NY Suburbs</b>	<b>2,802,153</b>	<b>564,982</b>	<b>405,838</b>	<b>230,724</b>	<b>36,000</b>	<b>4,039,697</b>	
<b>Northern New Jersey</b>	<b>2,594,301</b>	<b>1,037,048</b>	<b>720,122</b>	<b>531,747</b>	<b>40,610</b>	<b>4,923,828</b>	

SOURCE: U.S. CENSUS BUREAU

and declines among the various age groups at varying rates. As of 2006, 38 percent of the region's population was in the fastest growing age groups – the over 45 year-old population, which grew by 11.8 percent between 2000 and 2006.

At the same time, the size of the region's 25 to 44 year-old population shrunk by 402,000, or 7.4 percent. This group, considered to be of prime working age, represented 32.1 percent of the 17-county region's population in 2000 but fell to a 29 percent share just six years later. The greatest decline of the prime working age population, a 14.5 percent drop, took place in the New York Suburbs, but there the young adult population, ages 20-24, grew substantially – by nearly 24 percent – as its under 5 year-old population dropped by 4.5 percent. In New York City, a different pattern was observed. In that part of the region, the prime working age group declined less drastically, by 3.7 percent, the young adult population declined by 4.2 percent, and the younger than 5 year-old population increased by 8.2 percent. In Northern New Jersey, the prime working age population

EXHIBIT 44

CHANGE IN AGE STRUCTURE – THE REGION AND THE NATION, 2000-2006

Percent Change by Age Cohort					
Age Cohort	U.S.	17-County Region	New York City	New York Suburbs	Northern New Jersey
Under 5	7.0%	3.2%	8.2%	-4.5%	1.2%
5 to 9	-4.2%	-8.4%	-9.3%	-10.1%	-5.6%
10 to 14	0.3%	1.0%	-0.6%	2.0%	2.8%
15 to 19	9.0%	11.8%	6.2%	21.0%	14.2%
20 to 24	10.1%	3.4%	-4.2%	23.8%	4.5%
25 to 34	0.8%	-11.7%	-8.0%	-18.9%	-13.4%
35 to 44	-4.4%	-3.6%	0.8%	-11.3%	-4.1%
45 to 54	15.3%	11.8%	10.0%	12.4%	14.0%
55 to 59	34.9%	28.6%	28.4%	30.3%	27.4%
60 to 64	25.8%	18.4%	14.3%	23.0%	21.3%
65 to 74	2.4%	-0.2%	3.3%	-2.6%	-3.4%
75 to 84	7.6%	2.7%	8.0%	3.0%	-5.3%
85+	20.3%	19.9%	13.2%	28.4%	23.6%

SOURCE: U.S. CENSUS BUREAU

decreased by 8.4 percent, the young adult population grew by 4.5 percent, and the under 5 year-old population grew by 1.2 percent. The most senior of the region's population, the 85 and over age group, grew fastest in the suburbs – for an increase of 23.6 percent in Northern New Jersey and 28.4 percent in the New York Suburbs. In New York City, the over 85 year-old population grew by 13.2 percent. The nation's over 45 year-old

population grew slightly faster – by 16 percent – than the region's but accounted for approximately the same proportion of the total population by 2006. The nation's 25 to 44 year-old population decreased by nearly 1.7 million, or 2 percent. In 2000 this age group accounted for over 30 percent of the nation's population, but that share declined to 28 percent by the year 2006. Nationally, the share of the under 5 year-old

EXHIBIT 45

THE REGION'S AGE STRUCTURE, 2000 & 2006

Age Cohort	2000: Share of Population by Age Cohort					2006: Share of Population by Age Cohort				
	U.S.	17-County Region	New York City	New York Suburbs	Northern New Jersey	U.S.	17-County Region	New York City	New York Suburbs	Northern New Jersey
Under 5	6.8%	6.7%	6.7%	6.8%	6.8%	6.8%	6.8%	7.0%	6.4%	6.7%
5 to 9	7.3%	7.2%	7.0%	7.5%	7.1%	6.6%	6.4%	6.2%	6.6%	6.6%
10 to 14	7.3%	6.8%	6.7%	7.1%	6.8%	6.9%	6.7%	6.5%	7.2%	6.8%
15 to 19	7.1%	6.2%	6.4%	6.1%	6.0%	7.2%	6.8%	6.6%	7.2%	6.7%
20 to 24	6.8%	6.5%	7.3%	5.2%	6.0%	7.0%	6.5%	6.9%	6.3%	6.2%
25 to 34	14.1%	15.3%	16.8%	12.8%	14.9%	13.3%	13.2%	15.1%	10.2%	12.7%
35 to 44	16.3%	16.8%	16.2%	17.4%	17.4%	14.7%	15.8%	15.9%	15.1%	16.3%
45 to 54	13.4%	13.3%	12.7%	14.2%	13.5%	14.5%	14.5%	13.6%	15.7%	15.1%
55 to 59	4.8%	4.8%	4.6%	5.3%	4.9%	6.0%	6.1%	5.7%	6.8%	6.1%
60 to 64	3.8%	4.0%	3.9%	4.1%	3.9%	4.5%	4.6%	4.3%	5.0%	4.6%
65 to 74	6.6%	6.6%	6.2%	7.2%	6.6%	6.3%	6.4%	6.3%	6.9%	6.2%
75 to 84	4.4%	4.3%	4.0%	4.6%	4.6%	4.4%	4.3%	4.2%	4.7%	4.2%
85+	1.5%	1.5%	1.5%	1.6%	1.5%	1.7%	1.8%	1.6%	2.0%	1.8%

SOURCE: U.S. CENSUS BUREAU

population remained the same, but the size of that age group rose 7 percent over the six-year period.

### Household Formation

Even though the region experienced a population increase of 2.5 percent and a multi-year housing construction boom between 2000 and 2006, the ACS reports that the number of total regional households declined slightly, by .1 percent. Family households posted a steeper decline of 2.4 percent. By contrast, non-family households increased by 4.4 percent for the six-year period, rising in total household share from 32.6 percent in 2000 to 34.1 percent in 2006.

Within the context of overall decline in number of households, pockets of the region experienced some growth. For example, from 2000 to 2006 the number of total households formed in Somerset County increased by 4.7 percent. Richmond saw the largest increase, 6.4 percent, of any other county within the region.

The number of non-family households increased throughout the region: in New York City by 3.9 percent, the New York Suburbs by 8 percent, and Northern New Jersey by 3.5 percent. Somerset, Kings, and Rockland Counties led the region in non-family household formation with double-digit growth. The only counties that saw declines in the number of non-family households were Union and Manhattan.

### School Enrollment and Educational Attainment

The region's increase in and pattern of school enrollment differed somewhat from the nation's during the 2000 to 2006 period. While both the region and the nation saw a decrease in enrollment in

elementary schools, 5.7 percent and 4.1 percent, respectively, the region's graduate school enrollment decreased by 5.1 percent as the nation's increased by 9 percent.

Enrollment among the school-aged population in the region slightly declined by 0.3 percent over the analysis period, as the nation grew 3.2 percent. High school enrollment, partially driven by the 11.8 percent increase in the region's 15 to 19 age cohort, rose 4.1 percent, adding almost 40,000 teenagers to the high school education system. Comparably, the nation's high school enrollment expanded by 6.8 percent. Colleges in the region saw the greatest rise in enrollment at 9.2 percent, but only half of the nation's increase of 18.7 percent. Even with the fall in graduate school enrollment, the region maintained a slight advantage over the nation in the share of the enrolled population attending colleges or graduate schools – 26 percent versus 25.8 percent. However, the region's lead in this indicator was nearly cut in half over the six-year period – in 2000 the share of the enrolled population attending colleges or graduate schools for the region was 24.5 percent versus 22.8 percent for the nation.

As college enrollment increased so did educational attainment. In 2006, nearly 35 percent of the 17-county region's 25 and older population had a bachelor's degree or higher, a 16.4 percent increase. This was a 4.1 percentage point improvement over 2000. The New York Suburbs had the highest proportion, 38 percent, or over one million individuals over the age 25 who had attained a minimum of a bachelor's degree. The Northern New Jersey share was 36.1 percent. While New York City has the

largest volume of graduate and post-graduate degree residents, at 1.8 million, it also represents the sub-region with the lowest share of residents with higher degrees – 32 percent. While the nation's gain in college-educated adults exceeded the region's at 19 percent, only 27 percent of the nation's 25 and older had attained a bachelor's degree or higher as of 2006.

### Commuting to Work and Travel Time

Counterintuitive though it may be, the ACS found that the 17-county region's average time to work improved – lessened – by 1.4 minutes between 2000 and 2006. This improvement may be related both to the striking increase in the number of workers taking public transportation, which grew by 470,000, or 17.1 percent, and the 80,000, or 37.5 percent, increase in the number of residents who worked from home. The ACS also found that residents of New York City continued to have a longer average travel to work – 45 minutes – than the comparable 32.6 minutes for Northern New Jersey residents and 35.6 minutes for workers who live in the New York Suburbs.

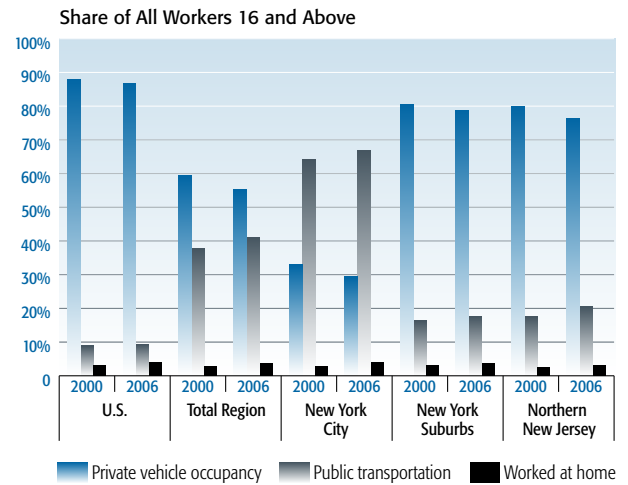
During the six-year period, the residents of the New York Suburbs experienced the greatest improvement in travel time, by an average 2.55 minutes, than any other part of the region. The residents of Northern New Jersey, however, showed the greatest increase (23 percent) in the use of public transportation. Public transportation is used for trips to work by 66 percent of New York City residents and 83 percent of those who live in Manhattan. In 2006, the shortest average commute time in the region was in Passaic County, where over 80 percent of commuters used private vehicles



to get to work. In Richmond County, commuters, on average, spent 50 minutes commuting to work. Rockland County commuters experienced a four minute decrease in commute time from 2000 to 2006, the largest improvement in commuting time for the region. The only counties with virtually no change in commute time were New York and Passaic, where average travel time went from 34 minutes to 33.8 minutes, and 29.7 minutes to 29.6 minutes, respectively.

Notwithstanding the large proportion of the regional population – 41 percent – who take public transportation to work, the average travel time to work

EXHIBIT 46  
**THE REGION'S  
 COMMUTING  
 PATTERN BY  
 TRANSPORTATION  
 MODE**



SOURCE: U.S. CENSUS BUREAU

within the metropolitan area is considerably higher than for the rest of the nation, which in 2006 showed a 3.4 minute decrease in

commute time, to 25 minutes on average. Only 9 percent of worker's nationwide used public transportation as of 2006.



# Statistical Compendium

**Table 1**  
**REGIONAL WAGE & SALARY EMPLOYMENT (in thousands)**  
 By Industry, 2001-2007

NEW YORK-NEW JERSEY METROPOLITAN REGION													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
2001	7,891.9	300.3	572.2	433.3	753.2	321.8	332.6	774.7	1,226.2	1,189.6	521.4	314.6	1,151.8
2002	7,748.2	298.8	523.8	417.2	748.3	306.5	303.1	744.1	1,175.1	1,224.4	522.0	317.6	1,167.3
2003	7,714.4	295.5	493.9	415.3	748.8	301.2	283.4	736.3	1,159.5	1,249.5	534.7	320.2	1,176.1
2004	7,739.5	297.8	476.1	413.1	754.6	299.2	276.4	738.3	1,164.1	1,266.5	549.4	326.6	1,177.4
2005	7,796.9	300.0	457.8	411.3	760.2	297.6	276.8	748.2	1,179.4	1,287.3	557.6	334.9	1,185.6
2006	7,894.2	313.8	443.8	413.0	765.1	302.4	278.4	760.1	1,207.3	1,319.3	571.2	333.0	1,187.0
2007	8,010.1	326.4	428.9	415.3	777.4	305.8	278.1	767.0	1,235.3	1,346.6	589.2	341.0	1,199.3
NEW YORK CITY													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
2001	3,689.1	122.1	155.5	155.9	272.0	129.4	200.4	473.6	581.9	627.1	260.1	148.7	562.4
2002	3,581.1	115.8	139.4	149.1	268.1	119.3	176.9	445.1	550.4	646.0	255.3	149.7	566.2
2003	3,531.1	112.7	126.5	147.7	267.3	118.5	163.9	433.6	536.6	658.2	260.3	149.1	556.6
2004	3,549.3	111.8	120.8	147.8	273.5	118.0	160.2	435.5	541.5	665.3	270.1	150.5	554.4
2005	3,602.2	113.3	113.9	147.5	281.3	118.7	162.8	445.1	555.3	678.8	276.7	153.2	555.6
2006	3,666.2	118.5	106.1	148.9	287.4	122.0	164.6	458.3	571.3	694.7	284.9	154.3	555.2
2007	3,745.0	127.1	101.0	149.8	296.2	124.6	165.9	467.9	591.4	707.0	297.0	158.1	559.2
NEW YORK SUBURBS													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
2001	1,747.9	93.2	133.2	98.8	224.1	53.8	53.0	114.5	224.7	277.9	125.7	70.3	278.8
2002	1,744.3	94.5	125.1	96.8	221.9	52.8	51.4	114.6	219.1	284.2	128.8	71.1	284.1
2003	1,754.5	95.4	119.9	96.6	223.8	53.3	46.9	115.4	219.6	291.0	131.4	72.2	289.0
2004	1,773.3	97.4	119.3	96.5	225.1	54.0	46.3	117.9	224.7	296.6	135.2	73.3	287.2
2005	1,781.1	97.9	117.9	96.4	225.7	54.6	46.0	118.3	227.5	299.5	134.2	74.1	289.0
2006	1,795.9	102.5	116.2	96.7	225.5	54.4	45.4	116.7	230.5	308.8	135.8	74.6	288.8
2007	1,820.9	106.8	114.0	97.4	228.2	54.5	43.9	115.4	234.1	316.7	139.4	75.7	294.7
NORTHERN NEW JERSEY													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
2001	2,454.9	85.1	283.5	178.6	257.1	138.7	79.2	186.6	419.6	284.7	135.6	95.6	310.7
2002	2,422.7	88.5	259.3	171.3	258.3	134.4	74.8	184.4	405.7	294.3	137.9	96.9	317.0
2003	2,428.8	87.5	247.4	170.9	257.7	129.4	72.6	187.4	403.2	300.2	143.0	98.9	330.5
2004	2,416.9	88.6	235.9	168.8	256.1	127.2	69.9	184.9	398.0	304.7	144.1	102.8	335.8
2005	2,413.5	88.8	226.0	167.4	253.2	124.4	68.0	184.9	396.7	309.0	146.7	107.5	340.9
2006	2,432.1	92.7	221.6	167.4	252.1	125.9	68.4	185.1	405.6	315.7	150.6	104.1	343.0
2007	2,444.2	92.5	213.9	168.1	253.0	126.7	68.3	183.6	409.9	322.9	152.8	107.2	345.4

TWU = TRANSPORTATION, WAREHOUSING & UTILITIES

SOURCES: NEW YORK AND NEW JERSEY STATE DEPARTMENTS OF LABOR, THE PORT AUTHORITY OF NY & NJ

**Table 2**  
**WAGE AND SALARY EMPLOYMENT BY LABOR MARKET AREA**  
 By Major Industry, 1990-2007

NEW YORK CITY													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
1990	3,563.6	114.4	265.2	183.1	263.0	154.6	169.2	521.4	466.9	476.0	218.1	124.8	607.0
1991	3,372.5	98.2	237.7	169.9	244.8	143.2	159.9	493.7	427.4	486.3	200.3	119.1	592.0
1992	3,280.1	86.0	225.5	163.2	233.6	136.7	152.7	471.5	415.4	500.2	193.3	118.2	583.9
1993	3,289.3	84.9	219.3	158.6	233.6	134.6	151.8	464.9	425.0	515.6	194.3	119.8	587.0
1994	3,320.4	88.1	211.8	157.4	236.6	130.6	152.4	471.8	437.1	535.6	200.8	120.7	577.7
1995	3,337.3	89.8	207.8	157.7	243.0	130.8	154.4	467.2	445.1	551.0	208.5	122.6	559.5
1996	3,367.3	90.9	200.5	153.3	248.2	130.5	158.9	464.2	468.4	565.5	216.6	125.2	545.1
1997	3,439.8	93.5	201.2	154.8	253.1	129.4	162.6	467.7	493.7	576.2	227.9	129.3	550.5
1998	3,526.9	101.3	195.9	153.2	260.1	128.6	166.5	477.3	525.2	588.7	235.8	133.9	560.4
1999	3,618.8	112.5	186.8	155.5	270.2	130.6	172.8	481.0	552.9	604.4	243.7	141.5	567.0
2000	3,717.7	120.5	176.8	155.1	281.5	133.0	187.3	488.8	586.5	615.2	256.7	147.4	568.9
2001	3,689.1	122.1	155.5	155.9	272.0	129.4	200.4	473.6	581.9	627.1	260.1	148.7	562.4
2002	3,581.1	115.8	139.4	149.1	268.1	119.3	176.9	445.1	550.4	646.0	255.3	149.7	566.2
2003	3,531.1	112.7	126.5	147.7	267.3	118.5	163.9	433.6	536.6	658.2	260.3	149.1	556.6
2004	3,549.3	111.8	120.8	147.8	273.5	118.0	160.2	435.5	541.5	665.3	270.1	150.5	554.4
2005	3,602.2	113.3	113.9	147.5	281.3	118.7	162.8	445.1	555.3	678.8	276.7	153.2	555.6
2006	3,666.2	118.5	106.1	148.9	287.4	122.0	164.6	458.3	571.3	694.7	284.9	154.3	555.2
2007	3,745.0	127.1	101.0	149.8	296.2	124.6	165.9	467.9	591.4	707.0	297.0	158.1	559.2

LONG ISLAND													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
1990	1,125.7	53.6	139.2	71.0	147.1	35.7	32.6	87.2	116.8	138.8	79.6	39.1	185.0
1991	1,076.4	44.8	122.3	66.5	145.3	35.6	30.9	83.3	111.9	142.4	75.2	38.0	180.1
1992	1,051.4	38.8	114.1	64.7	141.3	35.5	29.2	81.3	112.7	147.5	74.6	38.2	173.6
1993	1,060.5	40.2	109.3	65.6	140.9	35.6	28.7	82.0	118.2	152.5	75.0	38.1	174.5
1994	1,077.3	41.7	103.4	65.7	144.8	35.6	27.0	82.4	125.7	157.1	76.2	39.8	178.1
1995	1,095.9	43.2	102.2	65.9	148.8	35.9	26.8	80.9	129.9	163.1	77.8	41.7	179.6
1996	1,104.0	45.0	102.4	66.3	149.1	35.3	27.1	80.4	132.6	167.3	77.1	42.5	178.9
1997	1,124.1	48.0	103.3	66.9	150.9	37.0	28.7	80.8	137.9	169.5	78.6	43.6	178.7
1998	1,151.5	52.0	104.8	69.0	152.3	37.1	30.3	81.4	142.5	175.4	80.1	44.7	182.1
1999	1,193.5	57.8	106.2	70.6	158.7	38.2	30.8	85.3	149.4	179.7	83.2	48.1	185.7
2000	1,221.9	61.2	105.9	71.7	162.9	38.9	31.9	84.0	156.7	182.6	86.3	49.1	190.2
2001	1,222.9	62.4	98.9	73.9	160.8	37.1	32.9	81.9	158.5	184.4	88.8	49.7	194.1
2002	1,220.1	64.3	92.1	72.3	159.1	36.0	32.5	82.2	154.1	191.2	90.1	50.1	196.3
2003	1,227.3	64.3	88.3	72.6	161.5	36.2	29.1	82.7	153.4	196.8	92.5	50.7	198.9
2004	1,238.7	66.4	88.2	72.6	162.0	36.7	28.9	83.4	155.8	200.7	95.7	51.4	196.9
2005	1,244.5	66.7	86.9	72.3	162.2	36.5	29.4	81.6	159.7	203.0	95.8	51.9	198.7
2006	1,252.5	69.8	85.9	72.9	161.5	36.3	29.2	80.4	162.3	206.2	97.5	51.9	198.7
2007	1,268.1	71.9	84.0	73.4	163.1	37.2	28.1	79.6	164.2	211.8	99.4	52.7	202.7

TWU = TRANSPORTATION, WAREHOUSING & UTILITIES  
 SOURCE: NEW YORK STATE DEPARTMENT OF LABOR

**Table 2**  
**WAGE AND SALARY EMPLOYMENT BY LABOR MARKET AREA**  
 By Major Industry, 1990-2007(continued)

PUTNAM-ROCKLAND-WESTCHESTER													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
1990	529.8	28.9	53.0	31.6	62.6	17.6	22.0	36.8	56.8	82.5	35.6	17.8	84.8
1991	507.1	23.5	47.9	29.6	58.0	17.0	21.1	35.3	55.2	85.0	33.4	17.4	83.8
1992	493.2	19.8	46.2	28.2	55.4	17.5	20.1	34.6	52.6	86.6	32.2	17.5	82.6
1993	491.4	19.8	43.7	27.2	56.0	17.6	19.7	33.6	52.1	87.7	33.0	18.0	82.9
1994	494.8	20.6	42.5	26.0	57.6	17.9	19.1	33.3	54.2	88.5	33.9	18.1	83.4
1995	500.0	21.4	41.1	26.4	59.3	17.6	18.6	33.0	55.7	90.5	34.2	18.5	83.8
1996	505.0	22.4	39.3	27.4	58.9	17.2	19.3	33.8	57.3	93.5	34.1	19.0	83.0
1997	511.6	23.9	38.8	25.9	59.6	17.3	19.6	34.9	59.9	95.0	33.7	19.5	83.5
1998	522.6	26.0	38.1	25.9	63.1	16.7	18.8	35.2	61.6	98.5	34.5	20.2	84.2
1999	538.9	29.6	38.1	25.7	65.2	16.4	18.8	34.9	64.3	101.5	35.5	21.9	87.0
2000	548.9	32.0	37.4	24.9	67.4	16.6	20.2	35.0	64.7	101.0	37.2	22.4	90.2
2001	552.7	33.1	35.8	25.4	65.7	17.2	20.8	34.2	68.3	101.2	39.0	22.0	90.2
2002	552.4	32.4	34.4	25.0	65.4	17.2	19.5	33.8	67.1	101.2	40.7	22.4	93.5
2003	555.2	33.3	32.9	24.7	64.8	17.9	18.4	33.9	68.5	102.7	40.8	22.7	94.8
2004	563.7	33.3	32.5	24.7	65.7	18.1	18.1	35.7	71.1	104.5	41.5	23.2	95.3
2005	566.2	33.7	32.4	24.9	66.3	18.7	17.2	38.0	70.1	105.7	40.5	23.5	95.2
2006	569.5	35.4	31.9	24.8	66.8	18.7	16.8	37.4	70.6	107.9	40.4	23.9	94.9
2007	579.5	37.7	31.6	25.0	67.8	17.9	16.4	36.9	72.4	110.4	42.2	24.3	97.1

NEWARK-UNION (ESSEX, HUNTERDON, MORRIS, SUSSEX, UNION COUNTIES, NJ; PIKE COUNTY, PA)													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
1990	967.9	35.3	153.5	58.1	95.2	47.0	27.7	86.0	133.2	101.6	55.4	40.3	134.5
1991	923.6	30.2	144.0	54.9	89.3	47.0	24.8	80.4	127.2	101.2	52.4	37.6	134.8
1992	909.8	27.5	136.8	53.5	86.6	48.2	23.5	76.5	127.4	104.7	52.9	37.1	135.0
1993	912.0	28.0	130.3	54.3	86.3	49.4	23.0	75.6	131.2	107.0	52.9	37.8	136.3
1994	923.4	30.9	128.8	55.2	86.7	52.0	23.2	76.3	130.4	110.4	53.5	38.1	138.0
1995	931.9	30.9	125.7	57.0	87.1	52.7	23.6	76.9	133.6	112.3	54.9	39.4	137.9
1996	941.1	30.7	122.0	58.6	88.5	52.8	23.8	78.0	139.3	114.9	55.5	39.8	137.2
1997	960.2	32.2	121.1	59.0	91.6	54.4	24.7	78.2	147.6	118.2	56.8	40.7	135.9
1998	983.9	33.6	120.3	59.4	95.5	56.8	24.4	80.7	154.3	121.9	57.6	41.5	138.0
1999	1,001.4	35.6	117.7	59.1	97.7	59.4	26.3	80.2	159.7	125.3	59.3	41.4	139.6
2000	1,017.2	36.7	116.0	60.3	100.2	60.8	27.2	79.1	164.5	127.7	59.7	42.0	142.9
2001	1,025.6	38.4	111.1	59.7	101.3	61.5	28.7	78.5	165.3	131.2	60.0	43.2	146.8
2002	1,025.4	41.9	100.4	58.1	102.3	59.6	27.7	79.0	164.4	135.6	61.2	44.5	150.9
2003	1,033.9	41.3	97.0	56.8	102.9	58.2	27.1	80.5	166.9	136.7	63.6	45.1	157.8
2004	1,031.5	41.7	94.3	55.7	103.1	57.7	25.8	80.7	162.8	137.7	64.8	46.7	160.5
2005	1,026.3	42.1	92.1	54.7	102.7	56.2	23.6	78.2	159.7	138.6	65.8	48.3	164.3
2006	1,032.6	44.2	90.7	54.3	102.9	56.8	23.9	77.5	162.2	141.3	66.6	46.7	165.5
2007	1,036.3	44.5	88.1	54.0	103.4	57.3	24.3	76.2	160.8	145.1	68.2	47.8	166.7

TWU = TRANSPORTATION, WAREHOUSING & UTILITIES  
 SOURCES: NEW YORK AND NEW JERSEY STATE DEPARTMENTS OF LABOR

**Table 2**  
**WAGE AND SALARY EMPLOYMENT BY LABOR MARKET AREA**  
 By Major Industry, 1990-2007(continued)

<b>BERGEN-HUDSON-PASSAIC</b>													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
1990	898.7	29.8	155.9	85.6	111.7	37.5	22.5	62.9	124.7	78.9	49.1	35.2	104.8
1991	855.8	25.3	144.3	81.5	103.8	36.8	21.0	60.7	115.8	81.0	46.4	32.8	106.2
1992	837.1	22.3	136.0	78.2	100.1	39.1	20.8	60.6	112.1	84.2	45.8	32.2	105.8
1993	837.3	22.9	129.5	77.2	100.5	40.7	19.7	60.9	114.2	86.9	46.5	32.7	106.0
1994	846.4	24.3	125.5	77.4	102.8	42.0	20.5	61.9	114.4	89.4	48.9	33.0	106.1
1995	848.3	24.3	122.3	75.8	103.0	42.4	21.3	62.5	116.6	93.4	49.8	33.2	103.7
1996	859.3	25.4	120.9	75.7	103.9	42.1	23.1	62.6	122.5	95.2	49.8	34.6	103.6
1997	874.9	26.8	120.7	76.7	104.2	43.3	24.3	63.3	129.6	97.8	50.2	35.3	103.1
1998	897.2	28.3	117.6	78.6	104.8	45.0	25.8	65.2	138.5	102.8	51.7	35.6	103.1
1999	904.6	29.5	112.3	78.6	104.4	46.9	26.2	68.7	140.6	105.0	52.0	36.1	104.4
2000	920.0	30.3	108.8	77.6	106.1	48.1	27.2	73.3	142.8	108.5	52.7	37.0	107.7
2001	923.4	31.7	102.8	76.2	105.4	49.3	27.1	73.8	142.7	113.0	53.6	37.1	110.7
2002	901.6	33.1	92.5	71.0	106.0	47.2	24.8	72.3	134.2	117.0	54.4	36.2	113.1
2003	905.1	32.1	86.8	71.5	104.9	46.8	23.8	72.3	134.5	120.8	57.1	36.9	117.6
2004	902.5	32.2	82.4	70.4	103.4	45.2	23.2	72.6	133.6	123.5	58.2	38.3	119.4
2005	903.2	31.8	78.3	70.4	101.9	43.9	24.4	73.6	133.6	125.9	59.9	39.2	120.2
2006	904.2	33.2	75.7	70.9	101.2	44.1	25.1	73.1	132.5	128.5	61.3	37.6	121.0
2007	907.5	33.1	72.3	71.0	101.4	43.6	24.4	74.1	134.2	130.8	61.2	39.6	121.8

<b>EDISON (MIDDLESEX, SOMERSET, MONMOUTH &amp; OCEAN COUNTIES)</b>													
	Total	Constr.	Manuf.	Wholes. Trade	Retail Trade	TWU	Info.	Finan. Activ.	Prof. & Bus. Serv.	Edu. & Health	Leis. & Hosp.	Other Serv.	Govt.
1990	810.9	30.9	101.1	46.0	111.9	37.7	26.9	55.2	108.8	79.6	60.7	27.0	124.9
1991	790.2	26.4	97.4	44.0	106.0	37.1	26.9	53.8	108.0	81.7	57.5	26.0	125.1
1992	797.6	25.9	93.8	44.3	107.3	38.1	27.4	54.2	109.5	85.1	59.2	26.9	125.7
1993	815.3	27.8	92.9	43.8	110.3	38.9	28.3	54.1	115.0	89.6	60.7	27.8	126.0
1994	833.2	31.1	92.3	44.4	112.6	40.7	29.2	53.5	118.5	92.3	62.2	29.3	126.8
1995	848.7	31.9	92.1	45.9	113.3	41.4	30.9	52.5	125.0	96.3	64.0	30.2	125.2
1996	871.0	33.1	92.4	47.3	115.4	41.3	31.2	53.4	133.5	100.4	65.7	31.9	125.3
1997	894.5	34.6	93.3	50.5	117.4	41.7	32.8	54.9	140.0	103.8	67.7	32.4	125.5
1998	919.2	36.1	95.1	53.2	116.2	41.9	34.2	57.9	148.0	106.5	70.1	33.8	126.0
1999	946.9	38.4	95.0	54.0	120.9	42.1	35.4	57.9	159.5	109.6	70.6	35.0	127.9
2000	971.3	40.5	95.8	55.9	125.3	42.0	36.9	58.3	165.7	112.9	69.9	35.4	132.3
2001	992.7	43.4	93.2	57.7	126.5	41.7	36.7	58.1	171.8	118.4	71.8	37.0	136.1
2002	997.7	43.9	89.2	57.6	126.9	41.0	34.1	59.4	167.2	124.3	75.5	39.4	138.6
2003	1,002.4	43.9	86.2	59.0	128.7	37.7	33.5	63.3	161.0	127.3	76.0	41.6	144.3
2004	1,008.9	46.8	81.3	59.3	130.2	38.0	31.8	62.6	163.1	129.3	76.8	43.1	146.6
2005	1,013.9	47.4	76.9	59.3	129.7	37.2	30.7	63.9	164.7	131.5	77.1	47.3	148.2
2006	1,031.4	48.7	76.6	59.9	128.7	38.7	30.0	64.3	173.2	135.3	80.0	47.3	148.7
2007	1,041.8	47.8	74.3	61.0	129.5	39.8	30.5	62.4	178.5	138.6	82.3	47.4	149.7

TWU = TRANSPORTATION, WAREHOUSING & UTILITIES  
 SOURCE: NEW JERSEY STATE DEPARTMENT OF LABOR

**Table 3**  
**DEMOGRAPHIC INDICATORS, 1990-2007**

<b>POPULATION</b>				
	17-County NY-NJ Region	New York City	NY Suburbs	Northern NJ Sector
1990	15,526,515	7,322,564	3,749,553	4,454,398
1991	15,623,379	7,374,501	3,766,264	4,482,614
1992	15,739,871	7,428,944	3,791,137	4,519,790
1993	15,878,104	7,506,166	3,813,794	4,558,144
1994	15,992,810	7,570,458	3,830,886	4,591,466
1995	16,108,255	7,633,040	3,848,935	4,626,280
1996	16,224,717	7,697,812	3,864,053	4,662,852
1997	16,358,461	7,773,443	3,880,128	4,704,890
1998	16,510,306	7,858,259	3,907,351	4,744,696
1999	16,674,462	7,947,660	3,940,773	4,786,029
2000	16,788,583	8,008,278	3,964,125	4,816,180
2001	16,923,254	8,070,650	3,998,347	4,854,257
2002	16,985,794	8,094,004	4,019,212	4,872,578
2003	17,057,212	8,144,343	4,031,316	4,881,553
2004	17,107,735	8,184,492	4,036,080	4,887,163
2005	17,123,721	8,213,839	4,024,977	4,884,905
2006	17,143,002	8,250,567	4,013,546	4,878,889
2007	17,169,517	8,274,527	4,007,570	4,887,420

SOURCE: U.S. BUREAU OF THE CENSUS

<b>TOTAL LABOR FORCE</b>					<b>UNEMPLOYMENT RATES</b>				
	17-County NY-NJ Region	New York City	NY Suburbs	Northern NJ Sector		17-County NY-NJ Region	New York City	NY Suburbs	Northern NJ Sector
1990	7,755,931	3,335,982	2,022,747	2,397,202	1990	5.6%	6.9%	3.8%	5.1%
1991	7,636,898	3,288,233	1,991,216	2,357,449	1991	7.4%	8.7%	6.2%	6.7%
1992	7,634,399	3,304,347	1,968,100	2,361,952	1992	9.3%	11.1%	7.2%	8.5%
1993	7,596,391	3,288,265	1,956,899	2,351,227	1993	8.5%	10.3%	6.3%	7.9%
1994	7,593,091	3,274,904	1,953,006	2,365,181	1994	7.4%	8.8%	5.4%	7.0%
1995	7,629,128	3,288,617	1,953,945	2,386,566	1995	6.8%	8.2%	4.8%	6.6%
1996	7,771,426	3,384,709	1,964,878	2,421,839	1996	6.9%	8.8%	4.2%	6.3%
1997	7,982,489	3,524,190	1,995,628	2,462,671	1997	6.8%	9.4%	3.9%	5.4%
1998	8,033,365	3,567,482	2,013,203	2,452,680	1998	5.7%	7.9%	3.3%	4.5%
1999	8,131,134	3,620,694	2,033,457	2,476,983	1999	5.3%	6.9%	3.3%	4.5%
2000	8,150,685	3,665,918	2,022,741	2,462,026	2000	4.6%	5.8%	3.4%	3.7%
2001	8,169,481	3,673,891	2,032,700	2,462,890	2001	5.0%	6.1%	3.8%	4.4%
2002	8,270,553	3,729,500	2,052,700	2,488,353	2002	6.6%	8.0%	4.6%	6.1%
2003	8,269,722	3,721,800	2,061,600	2,486,322	2003	6.7%	8.3%	4.7%	6.0%
2004	8,276,109	3,720,900	2,083,900	2,471,309	2004	5.8%	7.1%	4.6%	5.0%
2005	8,347,929	3,754,300	2,101,700	2,491,929	2005	5.0%	5.8%	4.1%	4.4%
2006	8,460,095	3,801,900	2,122,700	2,535,495	2006	4.5%	5.0%	3.9%	4.4%
2007	8,497,475	3,846,700	2,131,100	2,519,675	2007	4.5%	5.0%	3.7%	4.2%

SOURCE: NEW YORK & NEW JERSEY STATE DEPARTMENTS OF LABOR

SOURCES: NEW YORK & NEW JERSEY STATE DEPARTMENTS OF LABOR

**Table 4**  
**CONSUMER PRICE INDEX – U.S. AND NY-NJ METROPOLITAN REGION**

ANNUAL PERCENT CHANGE	ALL ITEMS		CORE INFLATION		ENERGY		HOUSING		TRANSPORTATION	
	U.S.	NY-NJ Region	U.S.	NY-NJ Region	U.S.	NY-NJ Region	U.S.	NY-NJ Region	U.S.	NY-NJ Region
	1990	5.4	6.0	5.0	6.0	8.3	8.6	4.5	5.7	5.6
1991	4.2	4.5	4.9	5.1	0.4	0.9	4.0	4.6	2.7	3.9
1992	3.0	3.6	3.7	4.4	0.5	0.8	2.9	3.9	2.2	2.8
1993	3.0	3.0	3.3	3.2	1.2	3.1	2.7	2.7	3.1	4.7
1994	2.6	2.4	2.8	2.6	0.4	0.6	2.5	2.8	3.0	3.0
1995	2.8	2.5	3.0	2.6	0.6	0.5	2.6	2.2	3.6	2.9
1996	3.0	2.9	2.7	2.9	4.7	4.9	2.9	2.6	2.8	4.5
1997	2.3	2.3	2.4	2.5	1.3	0.7	2.6	2.4	0.9	1.1
1998	1.6	1.6	2.3	2.2	-7.7	-6.1	2.3	2.4	-1.9	-1.9
1999	2.2	2.0	2.1	1.8	3.6	1.8	2.2	2.1	2.0	0.8
2000	3.4	3.1	2.4	2.5	16.9	16.0	3.5	3.6	6.2	5.1
2001	2.8	2.5	2.6	2.7	3.8	0.6	4.0	3.5	0.7	0.5
2002	1.6	2.6	2.4	3.6	-5.9	-6.7	2.2	3.8	-0.9	-0.6
2003	2.3	3.1	1.4	2.5	12.2	15.0	2.5	4.1	3.1	4.1
2004	2.7	3.5	1.8	2.9	10.9	10.1	2.5	4.2	3.5	3.4
2005	3.4	3.9	2.2	3.0	17.0	18.1	3.3	4.5	6.6	5.3
2006	3.2	3.8	2.5	3.4	11.2	10.0	3.8	5.1	4.0	3.8
2007	2.8	2.8	2.3	2.3	5.5	5.5	3.1	3.5	2.1	1.2

SOURCE: U.S. DEPARTMENT OF LABOR, U.S. BUREAU OF LABOR STATISTICS



**Table 5**  
**REGIONAL CONSTRUCTION CONTRACT AWARDS**  
 (Billions of Nominal Dollars)

TOTAL CONSTRUCTION CONTRACT AWARDS					RESIDENTIAL CONSTRUCTION CONTRACT AWARDS				
	17-County NY-NJ Region	New York City	NY Suburbs	Northern NJ Sector		17-County NY-NJ Region	New York City	NY Suburbs	Northern NJ Sector
1998	\$13.6	\$5.7	\$3.0	\$4.9	1998	\$3.8	\$1.1	\$1.1	\$1.6
1999	\$17.5	\$8.6	\$3.5	\$5.4	1999	\$4.8	\$1.8	\$1.3	\$1.7
2000	\$18.5	\$9.1	\$3.8	\$5.6	2000	\$5.2	\$2.0	\$1.5	\$1.7
2001	\$21.0	\$10.6	\$3.6	\$6.8	2001	\$5.7	\$2.3	\$1.5	\$1.9
2002	\$20.9	\$10.9	\$4.3	\$5.7	2002	\$5.6	\$2.4	\$1.7	\$1.5
2003	\$19.1	\$9.5	\$3.8	\$5.8	2003	\$6.3	\$3.0	\$1.5	\$1.8
2004	\$20.5	\$10.8	\$3.9	\$5.8	2004	\$8.7	\$4.3	\$2.1	\$2.2
2005	\$26.2	\$13.6	\$4.2	\$8.4	2005	\$10.5	\$5.3	\$2.2	\$3.0
2006	\$30.9	\$18.8	\$4.1	\$8.0	2006	\$10.9	\$5.8	\$2.0	\$3.1
2007	\$27.7	\$17.2	\$3.9	\$6.6	2007	\$7.7	\$4.5	\$1.4	\$1.8

NON-RESIDENTIAL CONSTRUCTION CONTRACT AWARDS					NON-BUILDING (INFRASTRUCTURE) CONSTRUCTION CONTRACT AWARDS				
	17-County NY-NJ Region	New York City	NY Suburbs	Northern NJ Sector		17-County NY-NJ Region	New York City	NY Suburbs	Northern NJ Sector
1998	\$6.8	\$3.0	\$1.1	\$2.7	1998	\$3.0	\$1.5	\$0.8	\$0.7
1999	\$8.6	\$4.2	\$1.4	\$3.0	1999	\$4.1	\$2.6	\$0.7	\$0.7
2000	\$8.6	\$4.1	\$1.6	\$3.0	2000	\$4.7	\$2.9	\$0.7	\$1.0
2001	\$10.4	\$5.8	\$1.5	\$3.1	2001	\$4.9	\$2.4	\$0.7	\$1.8
2002	\$9.0	\$4.7	\$1.6	\$2.7	2002	\$6.3	\$3.8	\$0.9	\$1.5
2003	\$7.3	\$3.1	\$1.6	\$2.7	2003	\$5.5	\$3.4	\$0.7	\$1.4
2004	\$7.8	\$4.2	\$1.2	\$2.5	2004	\$4.0	\$2.4	\$0.6	\$1.0
2005	\$9.4	\$4.2	\$1.5	\$3.7	2005	\$6.3	\$4.1	\$0.6	\$1.6
2006	\$12.7	\$8.5	\$1.3	\$3.0	2006	\$7.3	\$4.5	\$0.8	\$2.0
2007	\$11.9	\$8.0	\$1.4	\$2.6	2007	\$8.1	\$4.8	\$1.2	\$2.2

SOURCE: MCGRAW-HILL CONSTRUCTION RESEARCH AND ANALYTICS / REPRODUCTION OR USE PERMITTED ONLY BY EXPRESSED WRITTEN CONSENT

**Table 6**  
**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY – FACILITY TRAFFIC TRENDS**

<b>THREE MAJOR AIR TERMINALS: JOHN F. KENNEDY INTERNATIONAL, LAGUARDIA, AND NEWARK LIBERTY INTERNATIONAL AIRPORTS</b>			
<b>AIR PASSENGER TRAFFIC IN MILLIONS</b>			
	Domestic	International	Total
1990	54.1	20.7	74.8
1991	49.6	18.5	68.1
1992	52.1	19.6	71.7
1993	52.8	19.6	72.4
1994	56.8	20.8	77.6
1995	55.4	22.2	77.6
1996	57.6	23.4	81.0
1997	59.5	24.4	83.9
1998	60.8	25.7	86.5
1999	62.2	27.1	89.3
2000	64.0	28.4	92.4
2001	58.2	24.8	83.0
2002	57.3	23.8	81.1
2003	59.7	24.0	83.7
2004	66.3	27.5	93.8
2005	70.2	29.6	99.8
2006	73.2	31.0	104.2
2007	75.5	33.5	109.0

<b>INTERSTATE TRANSPORTATION NETWORK TOTAL EASTBOUND TRAFFIC IN MILLIONS</b>			
	Tunnels & Bridges Vehicles	Bus Facilities Passengers	PATH Passengers
1990	112.4	65.2	56.0
1991	110.2	67.1	53.4
1992	110.9	67.5	53.0
1993	109.9	62.2	56.2
1994	109.0	64.1	59.2
1995	112.5	65.8	59.3
1996	113.6	66.3	60.7
1997	118.0	69.4	62.2
1998	121.4	68.9	65.0
1999	124.3	71.5	67.3
2000	126.3	71.4	74.1
2001	121.9	71.6	69.8
2002	125.2	69.2	51.9
2003	123.8	69.4	47.9
2004	126.5	69.7	57.7
2005	125.9	69.1	60.8
2006	127.0	72.7	67.0
2007	127.0	71.5	71.6

<b>OCEANBORNE GENERAL CARGO IN MILLIONS OF METRIC TONS</b>			
	Exports	Imports	Total
1990	NA	NA	NA
1991	4.4	7.8	12.2
1992	4.5	8.5	13.0
1993	4.2	8.9	13.1
1994	4.4	9.7	14.1
1995	4.9	8.8	13.7
1996	4.7	8.7	13.4
1997	4.9	9.6	14.5
1998	4.8	10.7	15.5
1999	4.6	12.3	16.9
2000	5.3	13.5	18.8
2001	6.1	13.9	20.0
2002	6.0	15.6	21.6
2003	6.6	16.9	23.5
2004	6.9	18.6	25.5
2005	7.9	20.2	28.1
2006	9.1	22.1	31.2
2007	10.8	22.0	32.8

<b>AIR CARGO IN MILLIONS OF SHORT TONS</b>	
	Total
1990	1.9
1991	2.0
1992	2.0
1993	2.2
1994	2.4
1995	2.6
1996	2.7
1997	2.8
1998	2.7
1999	2.9
2000	3.0
2001	2.5
2002	2.6
2003	2.7
2004	2.8
2005	2.7
2006	2.7
2007	2.6



**THE PORT AUTHORITY** OF NY & NJ

## Governors

The Honorable David A. Paterson  
*Governor, State of New York*

The Honorable Jon S. Corzine  
*Governor, State of New Jersey*

## Board of Commissioners

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David S. Steiner

Christopher O. Ward, *Executive Director*

Susan Bass Levin, *First Deputy Executive Director*

Richard W. Roper, *Director, Planning Department*

Linda K. Bentz, *Assistant Director, Planning Department*

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This report was prepared by the Regional Economic Analysis  
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Employment Analysis

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Consumer Markets

Graciela Ramirez

Construction and Real Estate Markets

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Port Authority Facilities

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Special Focus: Census Update

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