

Overview of the New York City Economy: Recent and Long Term Trends

Workforce Investment Board
Economic Trends Roundtable

May 16, 2008

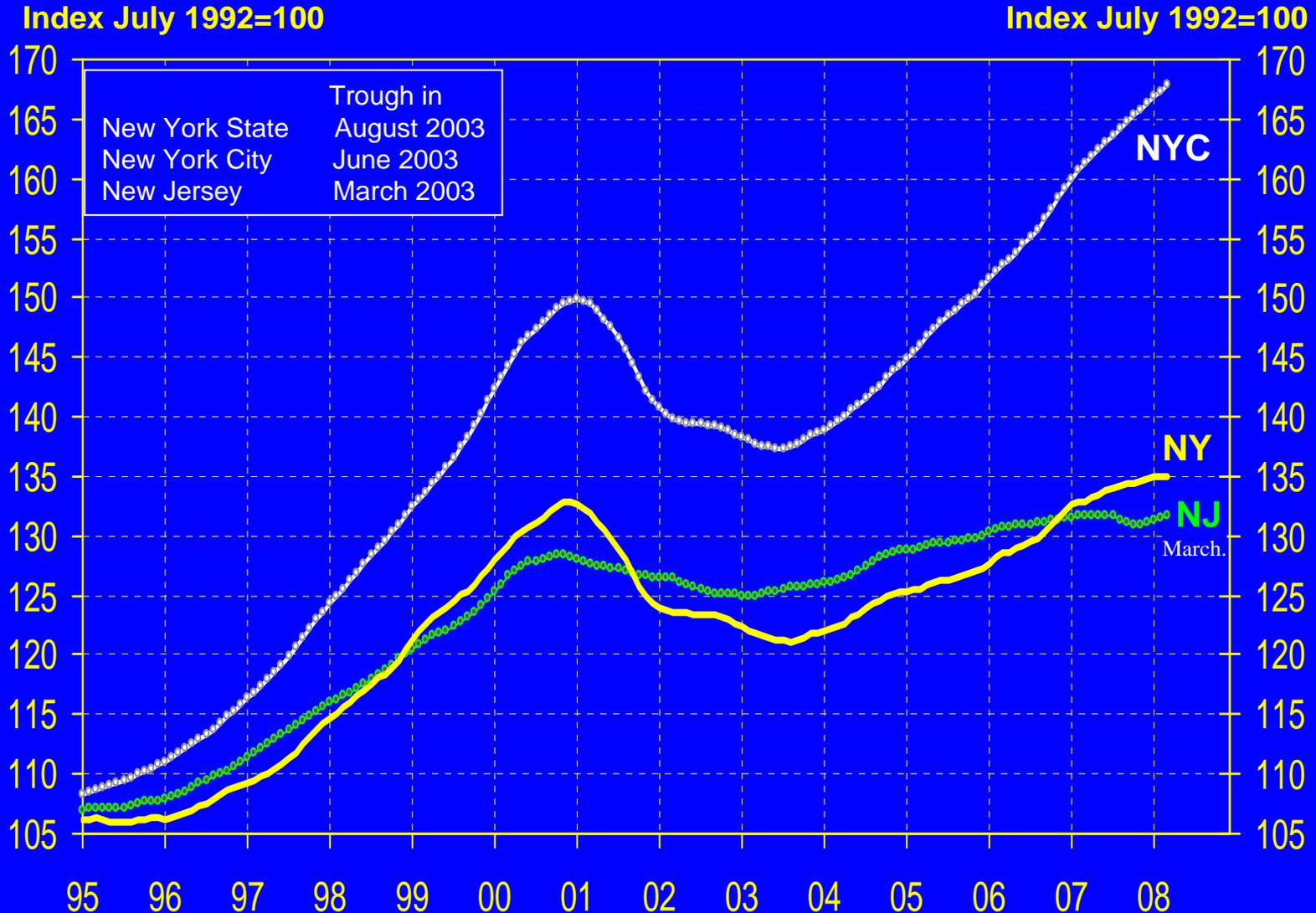
Presented by Jason Bram, Regional Economist
Federal Reserve Bank of NY

Any comments or statements in this presentation represent the views of the author only and not necessarily those of the Federal Reserve Bank of New York or the Federal Reserve System.

Overview

- How is our region doing in terms of
 - Overall Activity
 - Job Growth
 - Unemployment
 - Industry Mix
 - Commercial Real Estate
 - Housing

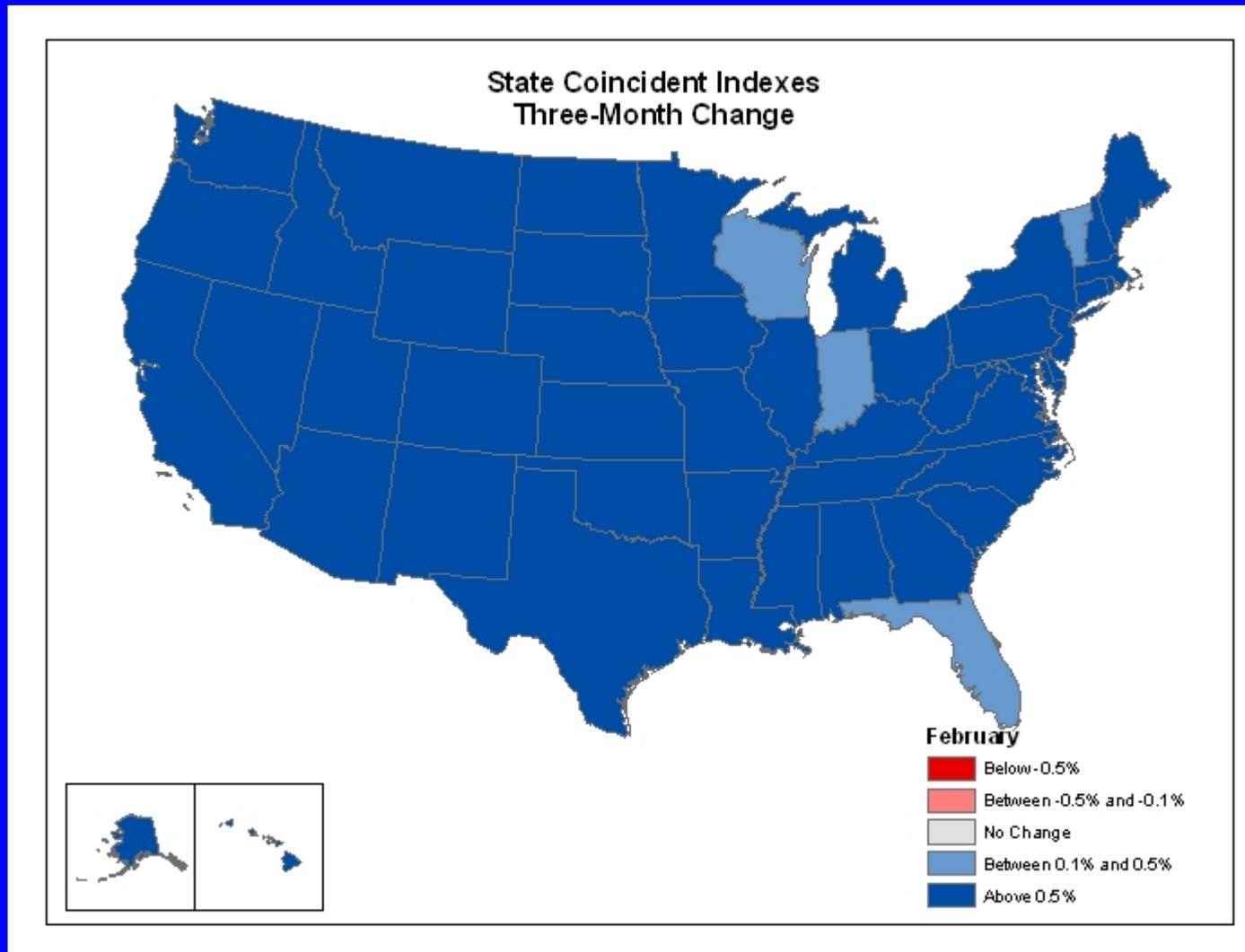
INDEX OF COINCIDENT ECONOMIC INDICATORS



Source: Federal Reserve Bank of New York (based on data from Bureau of Labor Statistics, Bureau of Economic Analysis, NY State Department of Labor, and NJ Department of Labor.)

PHILADELPHIA FED COINCIDENT INDEXES

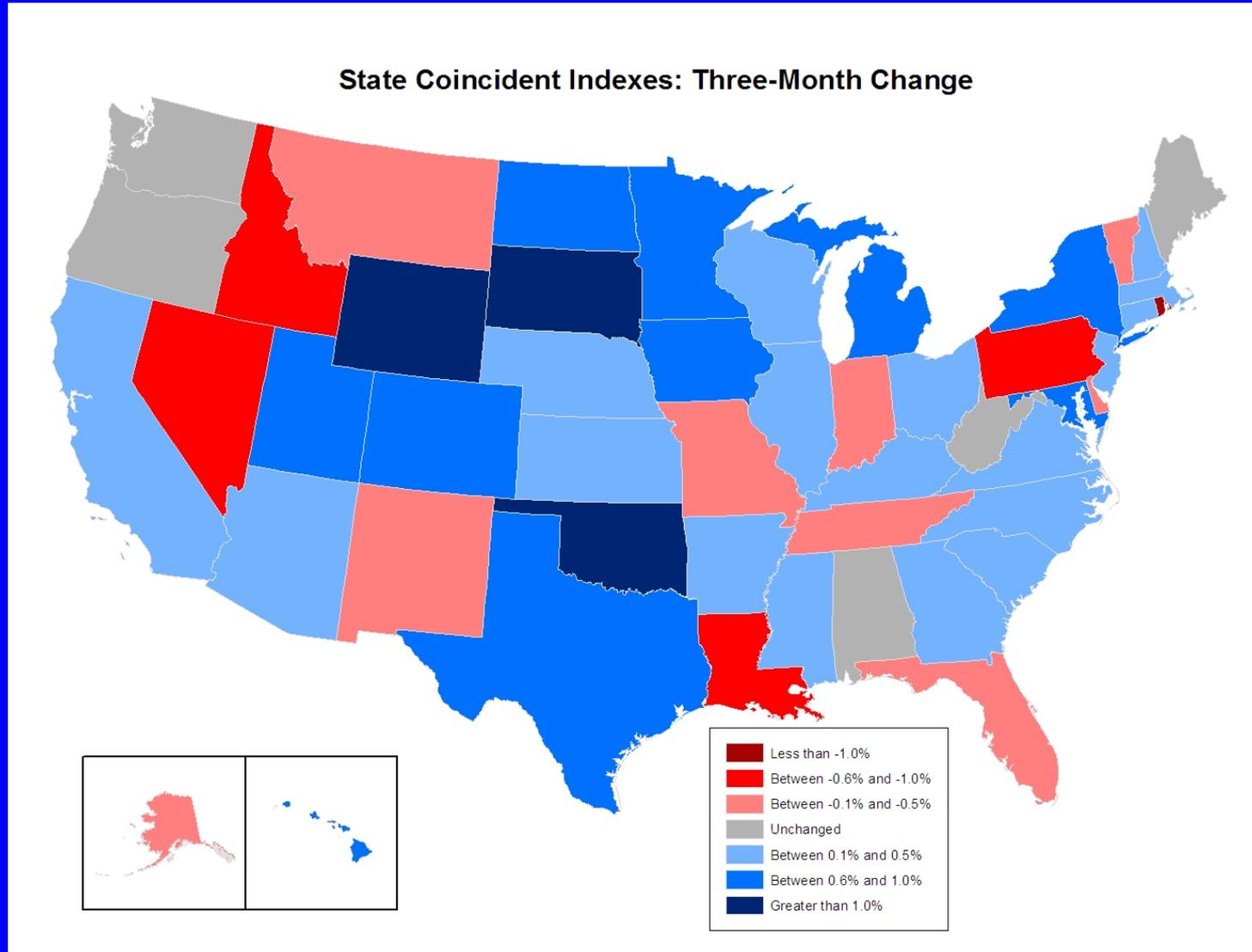
February 2007



Source: Federal Reserve Bank of Philadelphia (<http://www.phil.frb.org/econ/stateindexes>)

PHILADELPHIA FED COINCIDENT INDEXES

March 2008

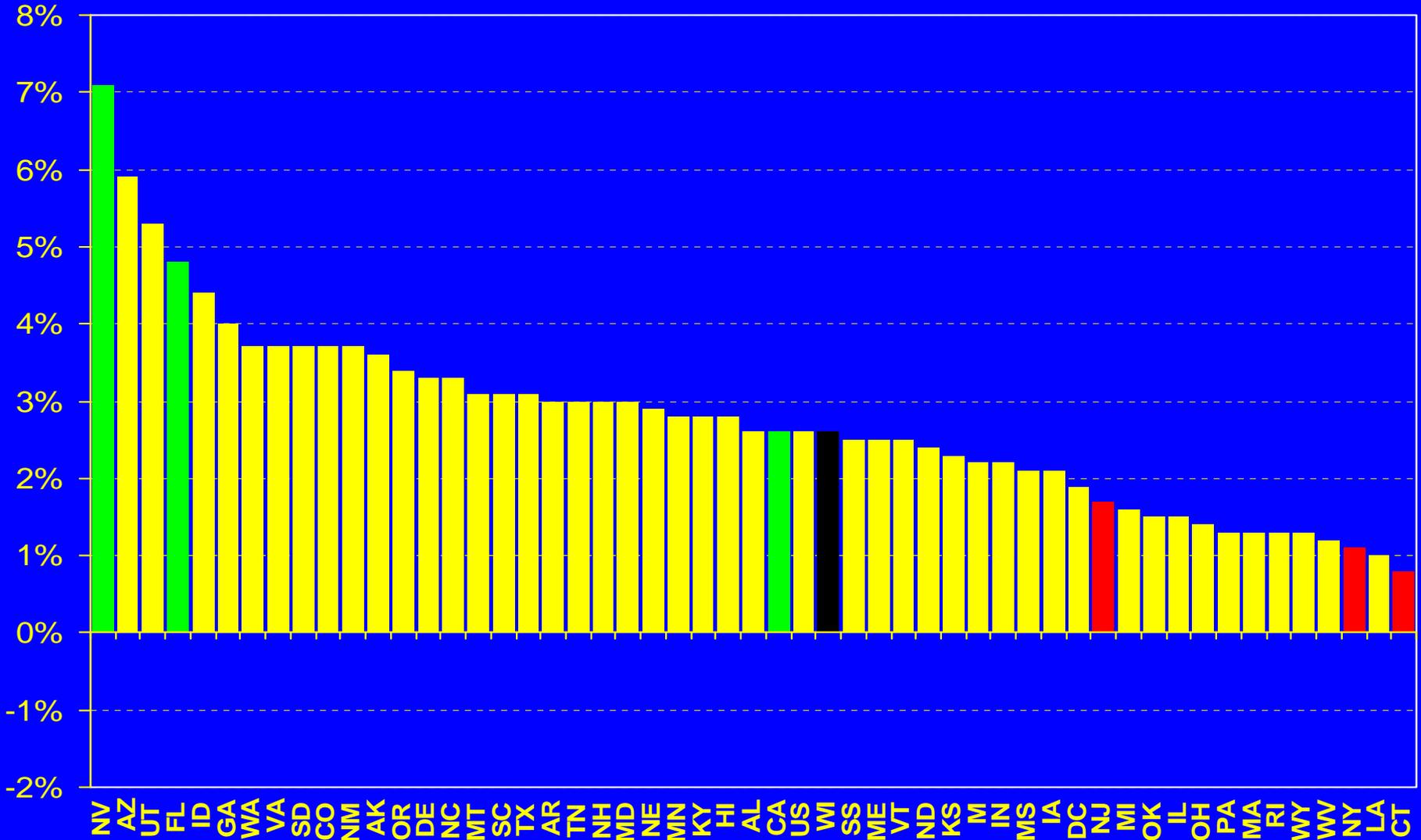


Source: Federal Reserve Bank of Philadelphia (<http://www.phil.frb.org/econ/stateindexes>)

LONG-RUN JOB GROWTH BY STATE (1981-2007)

Private-Sector Payroll Employment

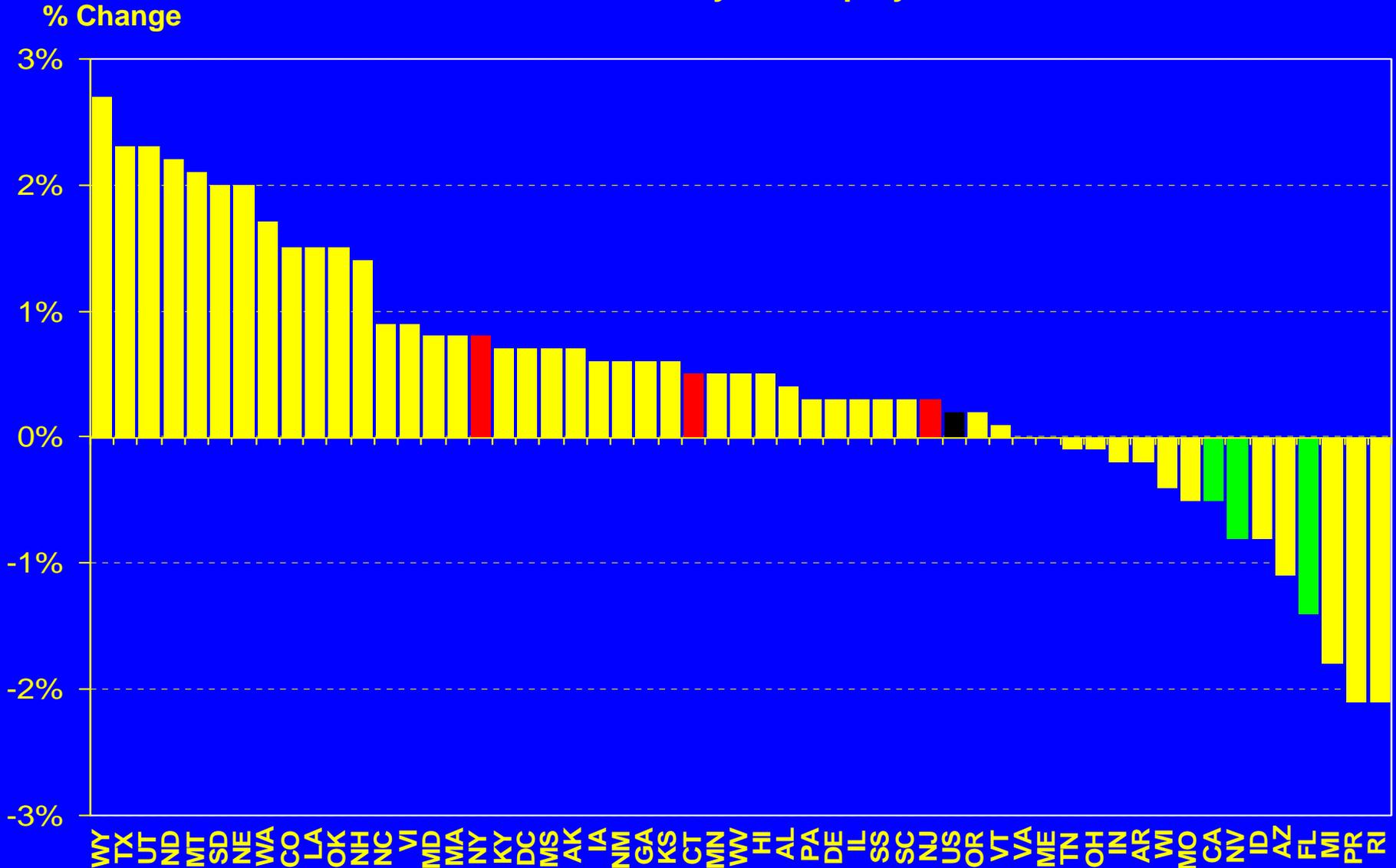
Annualized % Change



Source: US Bureau of Labor Statistics; Economy.com

JOB GROWTH BY STATE (Mar. 2007 – Mar. 2008)

Private-Sector Payroll Employment

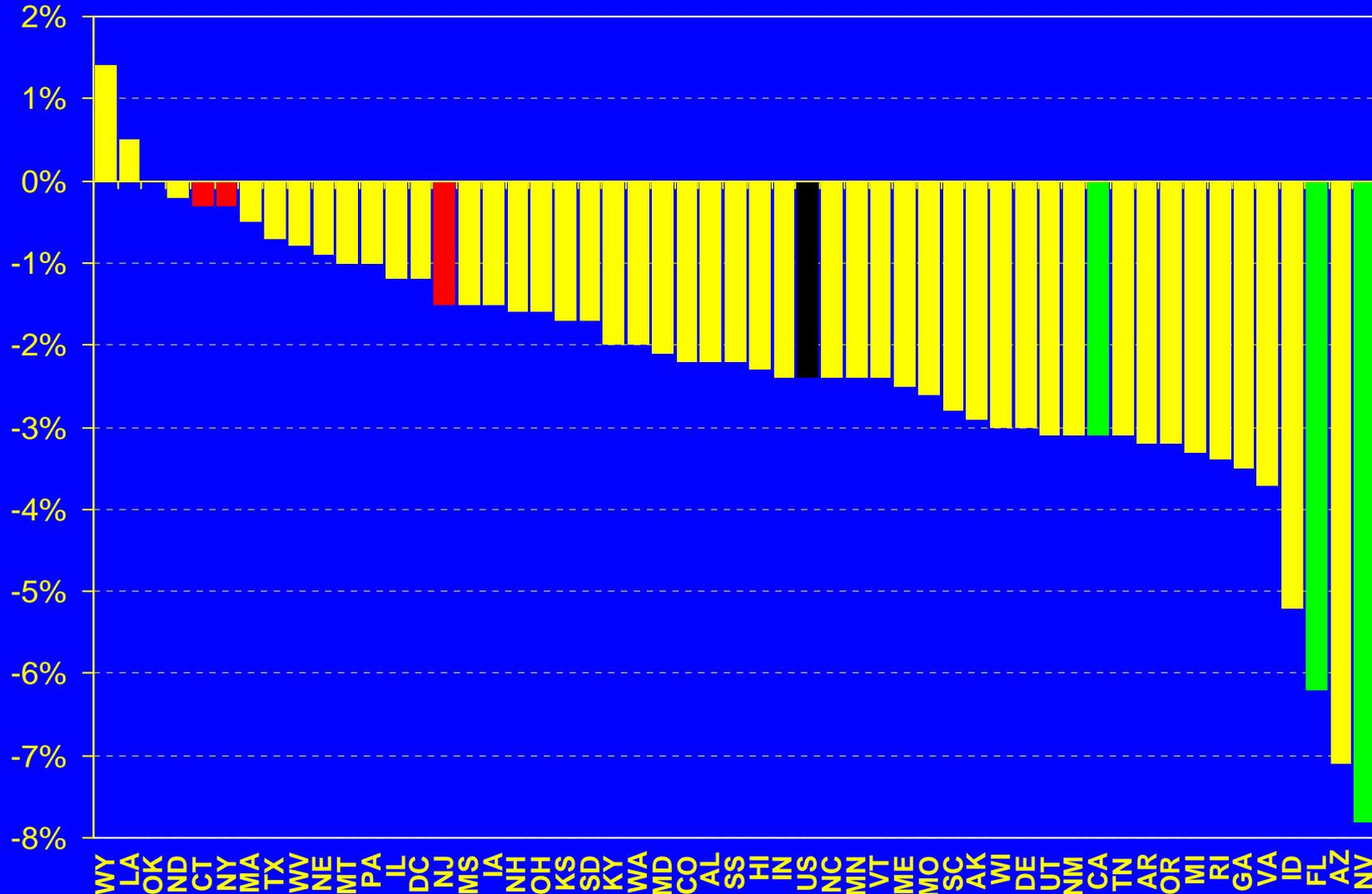


Source: US Bureau of Labor Statistics; Economy.com

RECENT JOB GROWTH BY STATE RELATIVE TO TREND

Private-Sector Payroll Employment

% Change

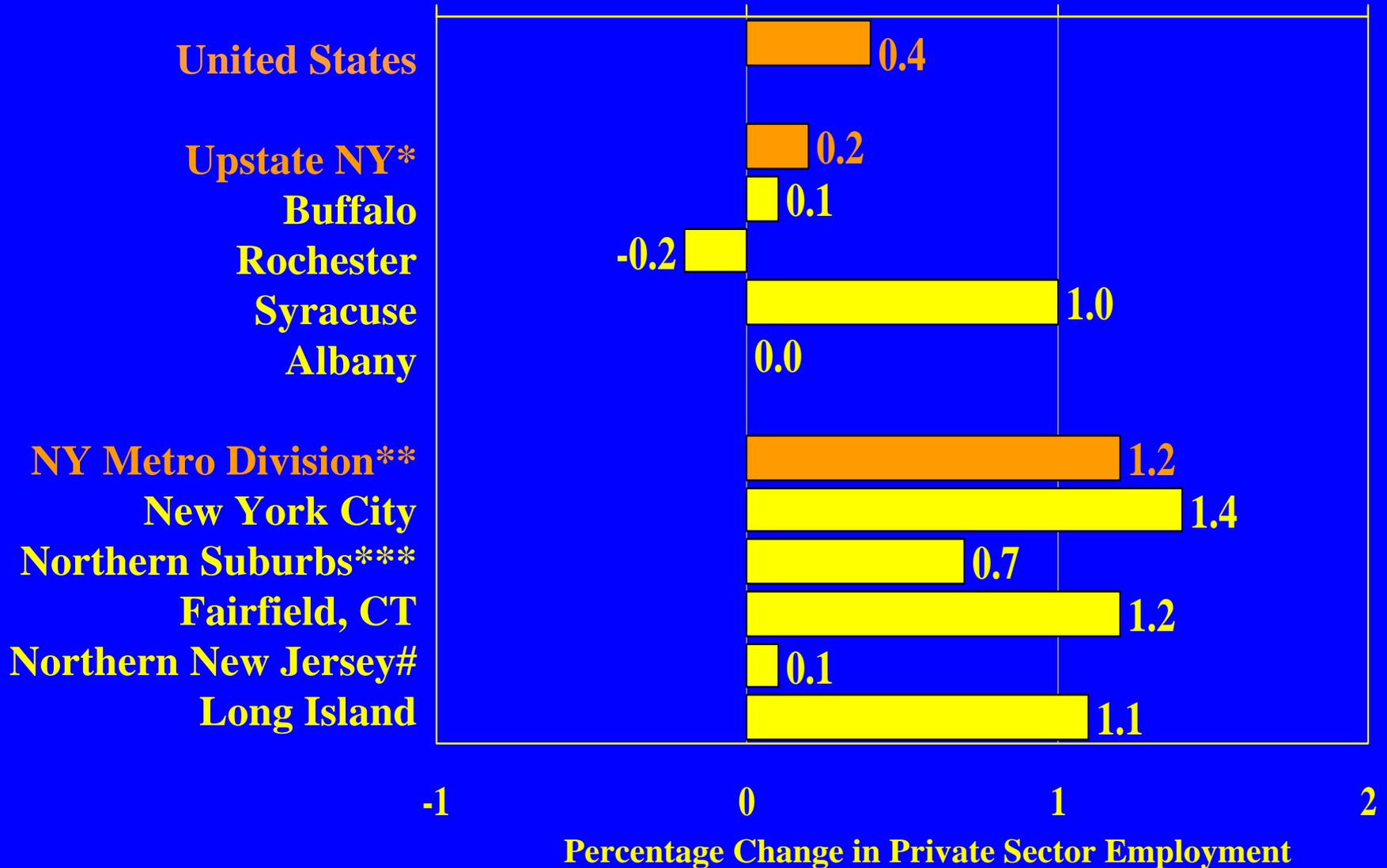


Source: US Bureau of Labor Statistics; Economy.com



Private-Sector Job Growth: US & Selected Local Areas

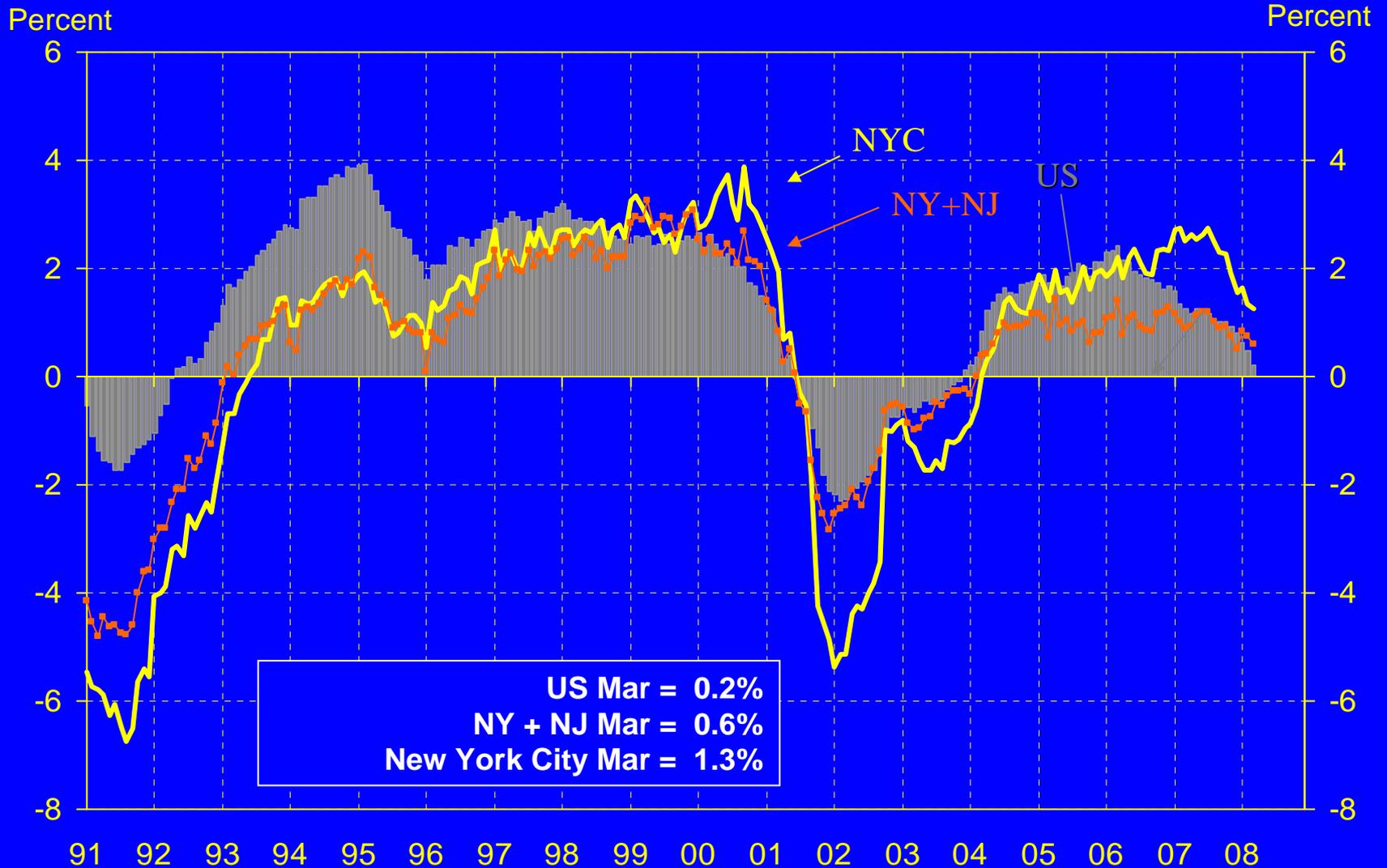
From Jan-March 2007 to Jan-March 2008



*Includes the four areas listed, as well as Binghamton, Elmira, Glens Falls, Utica-Rome, and Ithaca.. ** Includes Bergen NJ, Hudson NJ, Passaic NJ, NY City, New York NY, Putnam NY, Rockland NY, and Westchester counties. *** Includes Dutchess, Orange, Putnam, Rockland, and Westchester counties. # Includes Bergen-Hudson-Passaic counties, Newark-Union, NJ-PA and Edison NJ Metro Divisions.

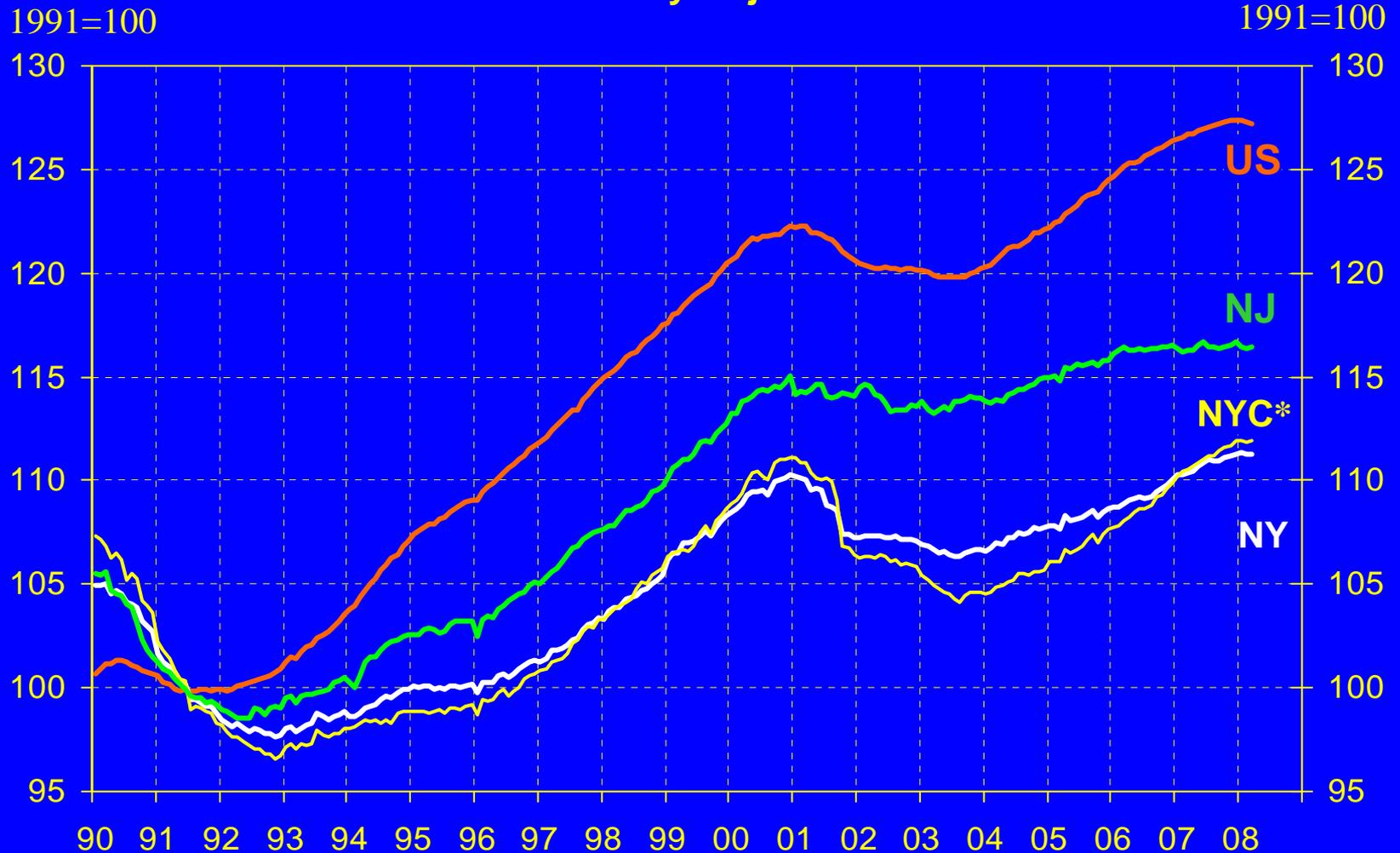
PRIVATE-SECTOR JOB GROWTH: U.S. AND REGION

12 Month Percent Change in Private-Sector Employment



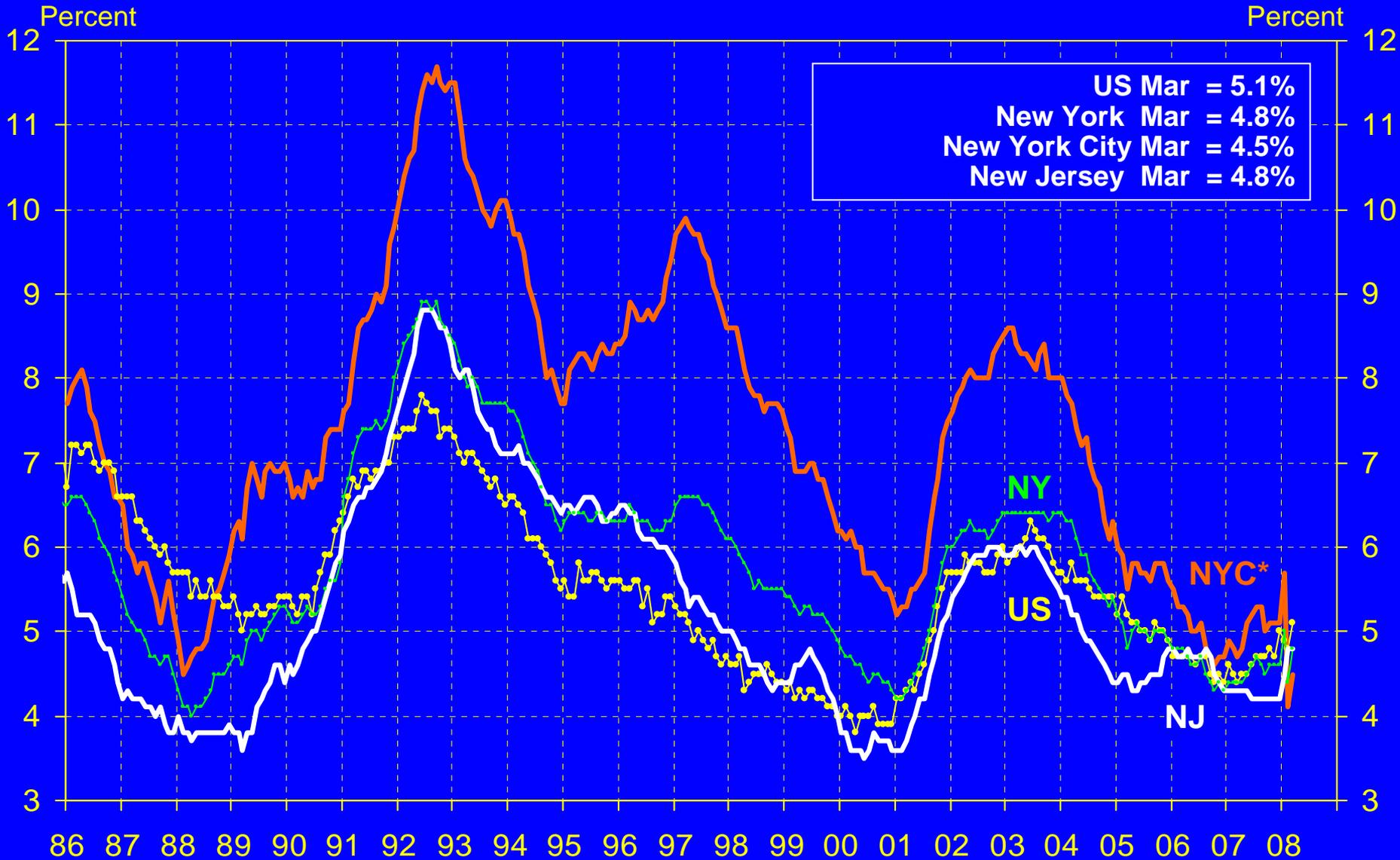
RECENT TRENDS IN U.S. AND REGIONAL EMPLOYMENT

Seasonally Adjusted



UNEMPLOYMENT RATES

Seasonally Adjusted



Source: Bureau of Labor Statistics and Economy.com.

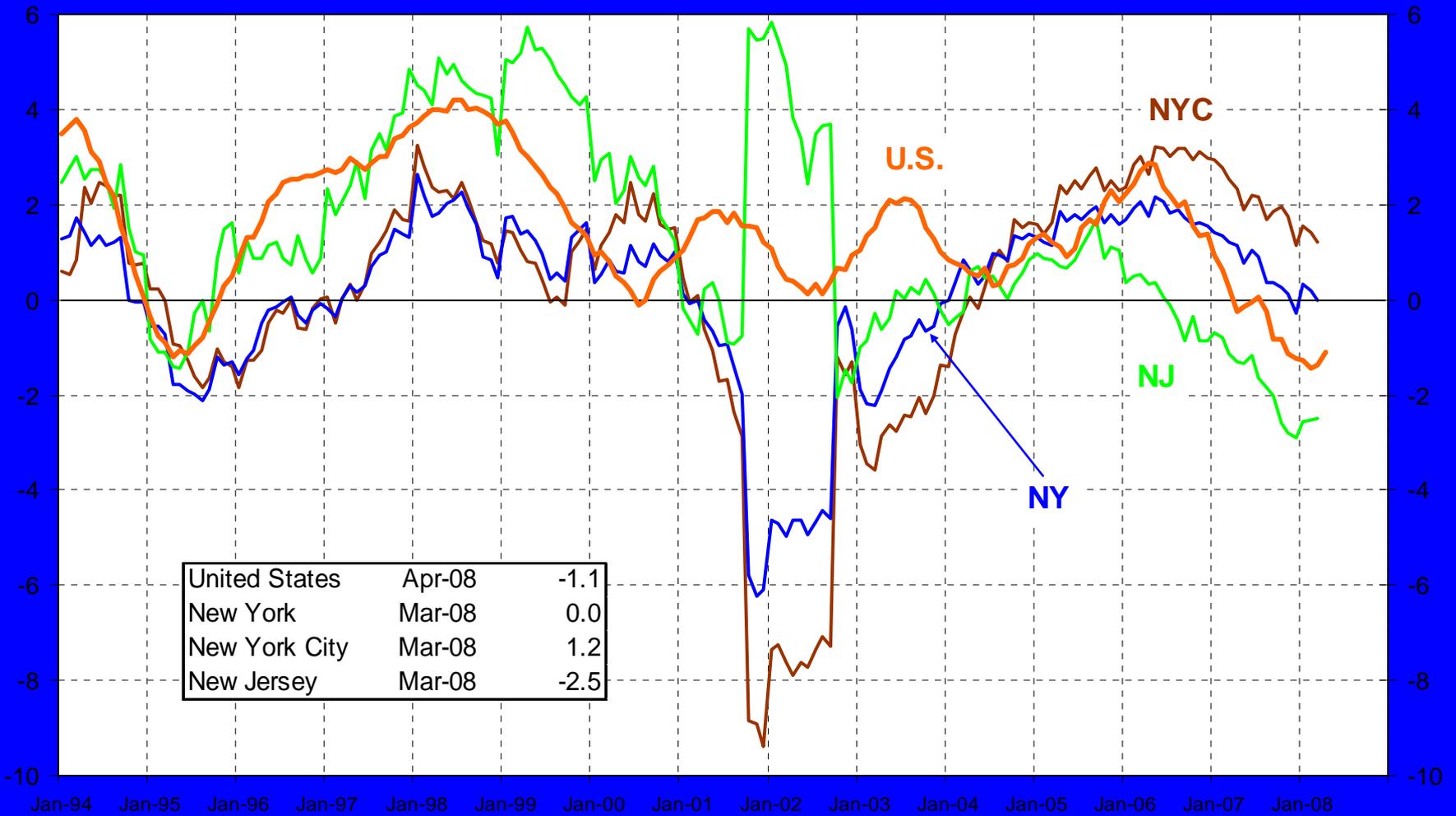
* Data seasonally adjusted by Economy.com.

FINANCIAL ACTIVITIES EMPLOYMENT

12 Month Percent Change

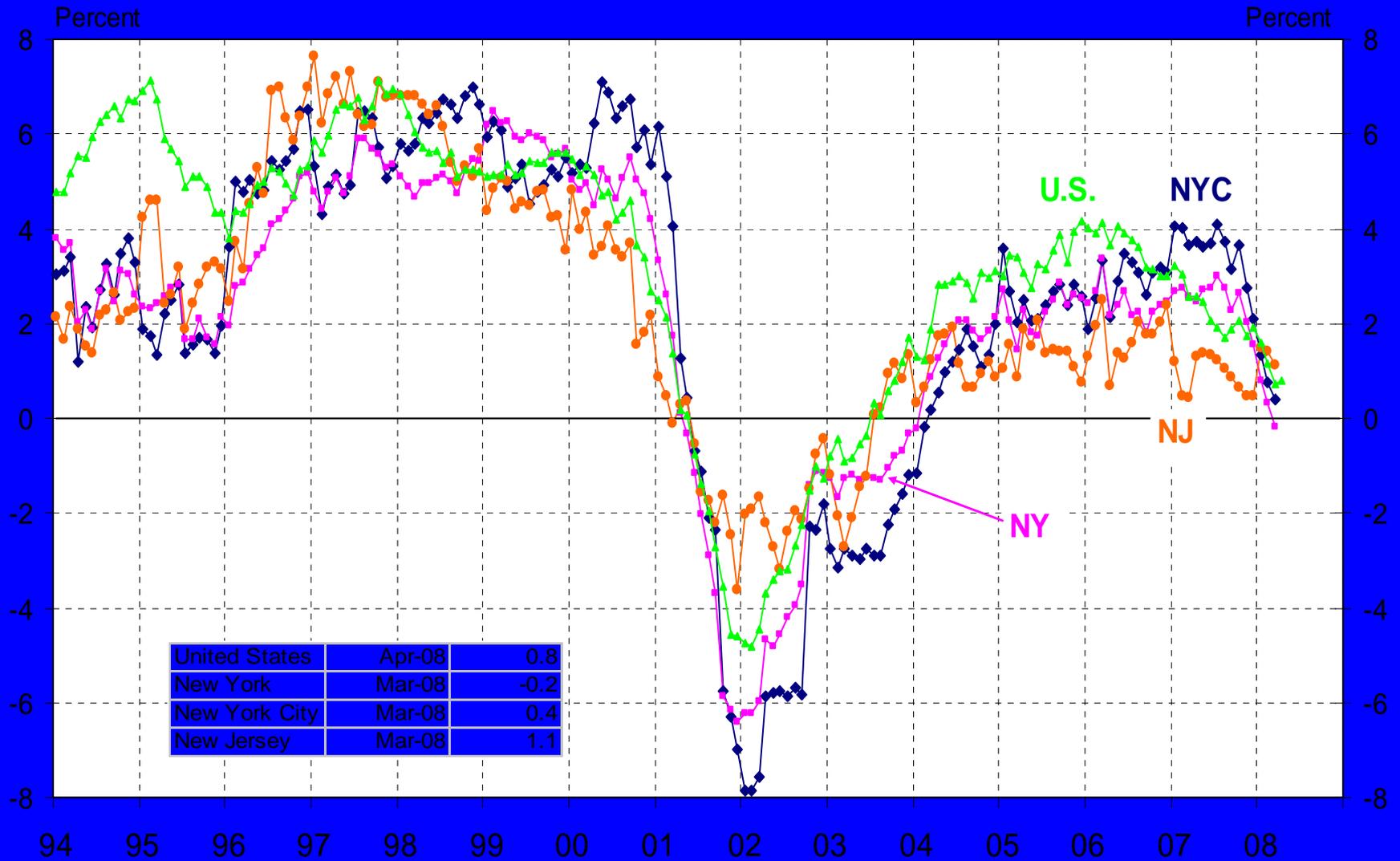
Percent

Percent



Sources: Bureau of Labor Statistics and Moody's Economy.com.

PROFESSIONAL AND BUSINESS SERVICES EMPLOYMENT



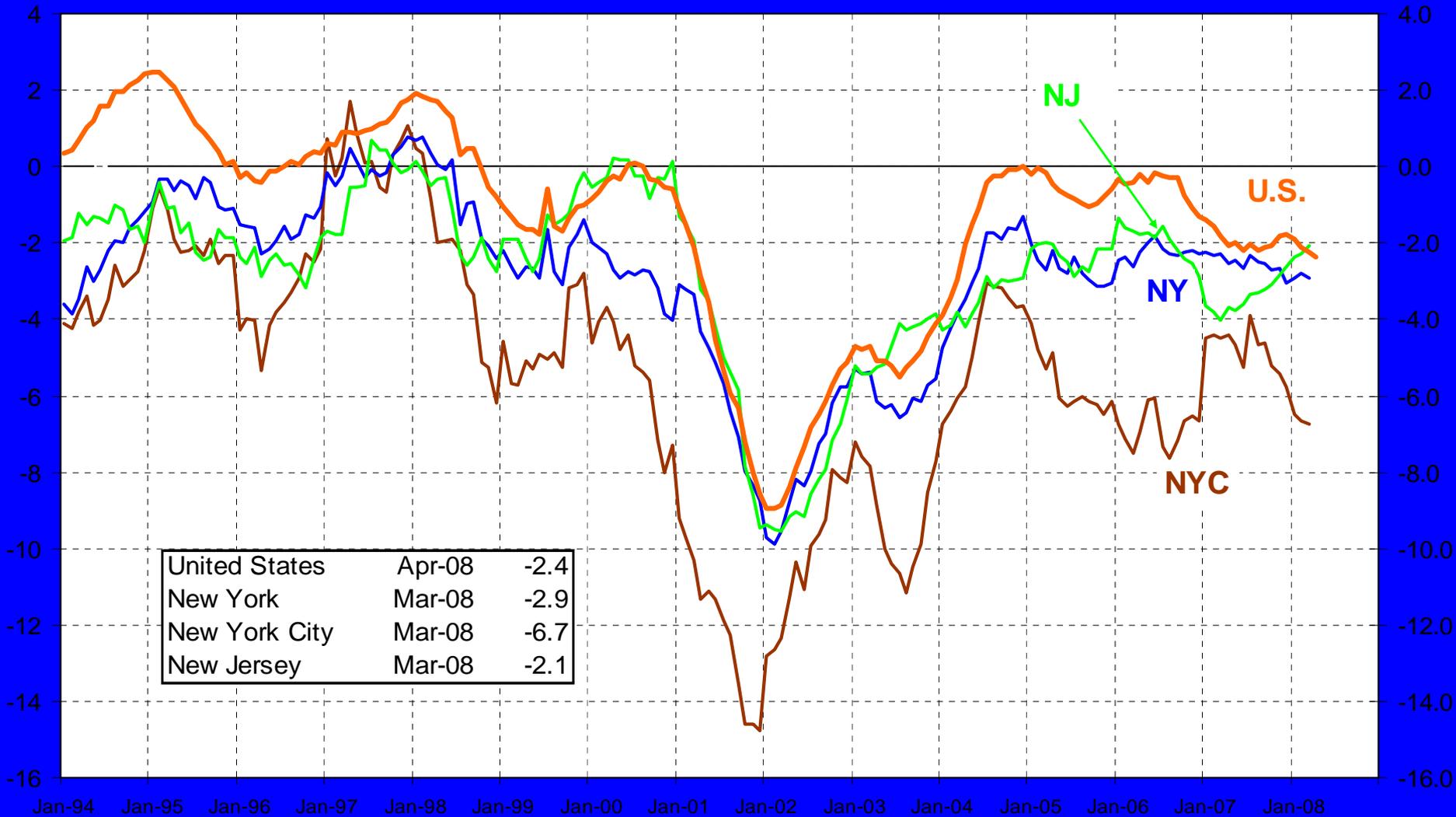
Sources: Bureau of Labor Statistics and Moody's Economy.com.

MANUFACTURING EMPLOYMENT

12 Month Percent Change

Percent

Percent



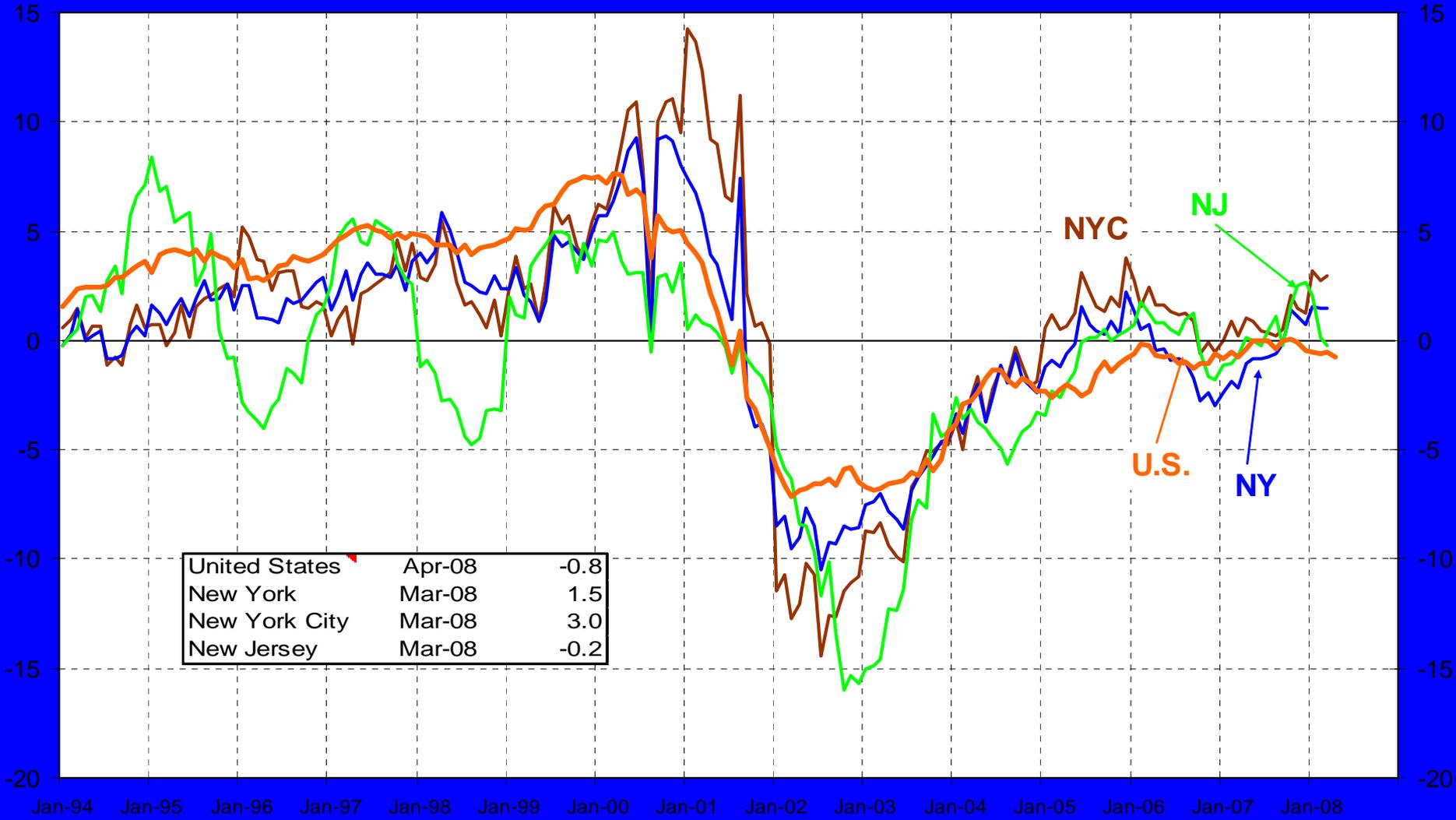
Sources: Bureau of Labor Statistics and Moody's Economy.com.

INFORMATION EMPLOYMENT

12 Month Percent Change

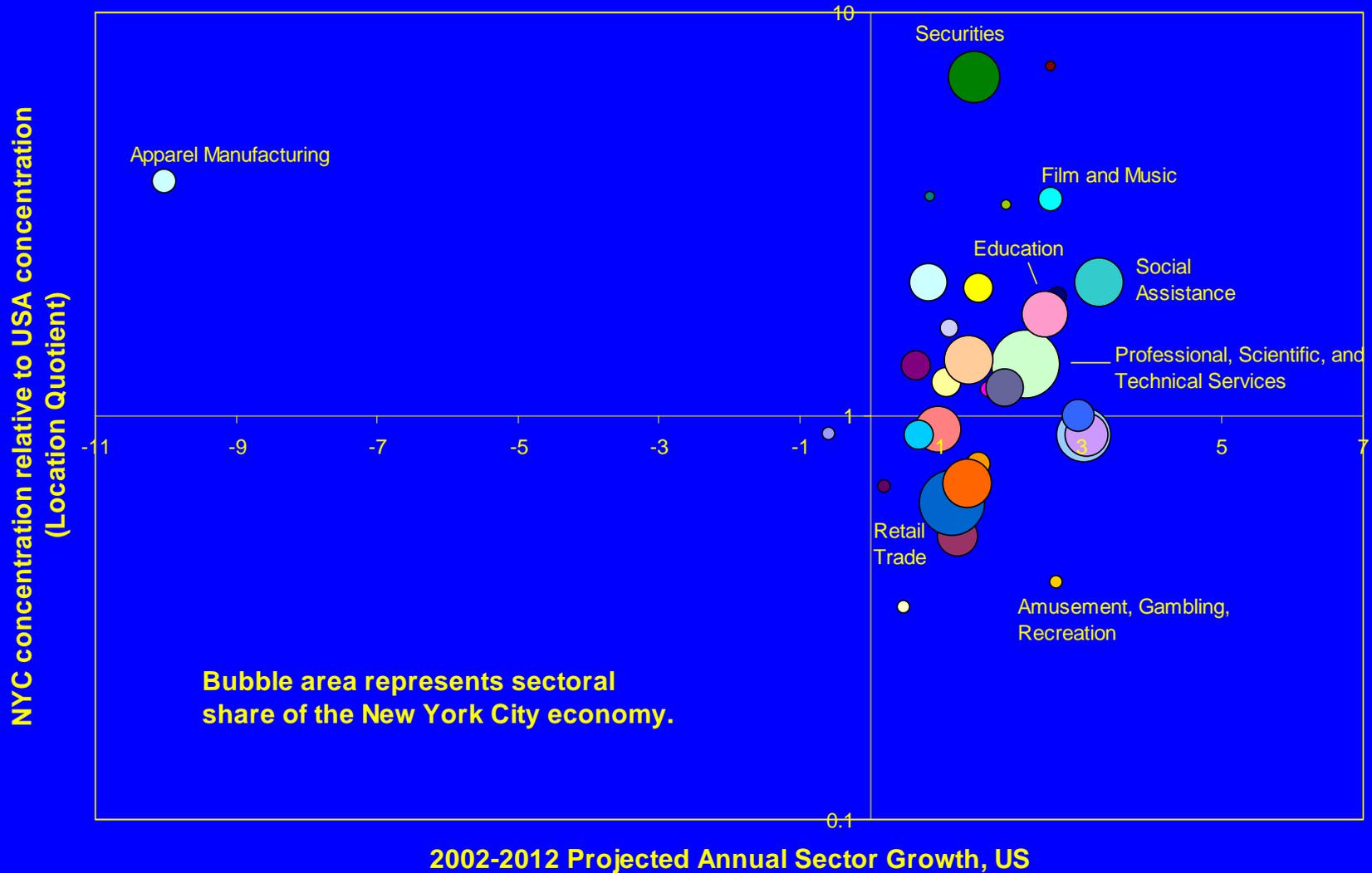
Percent

Percent



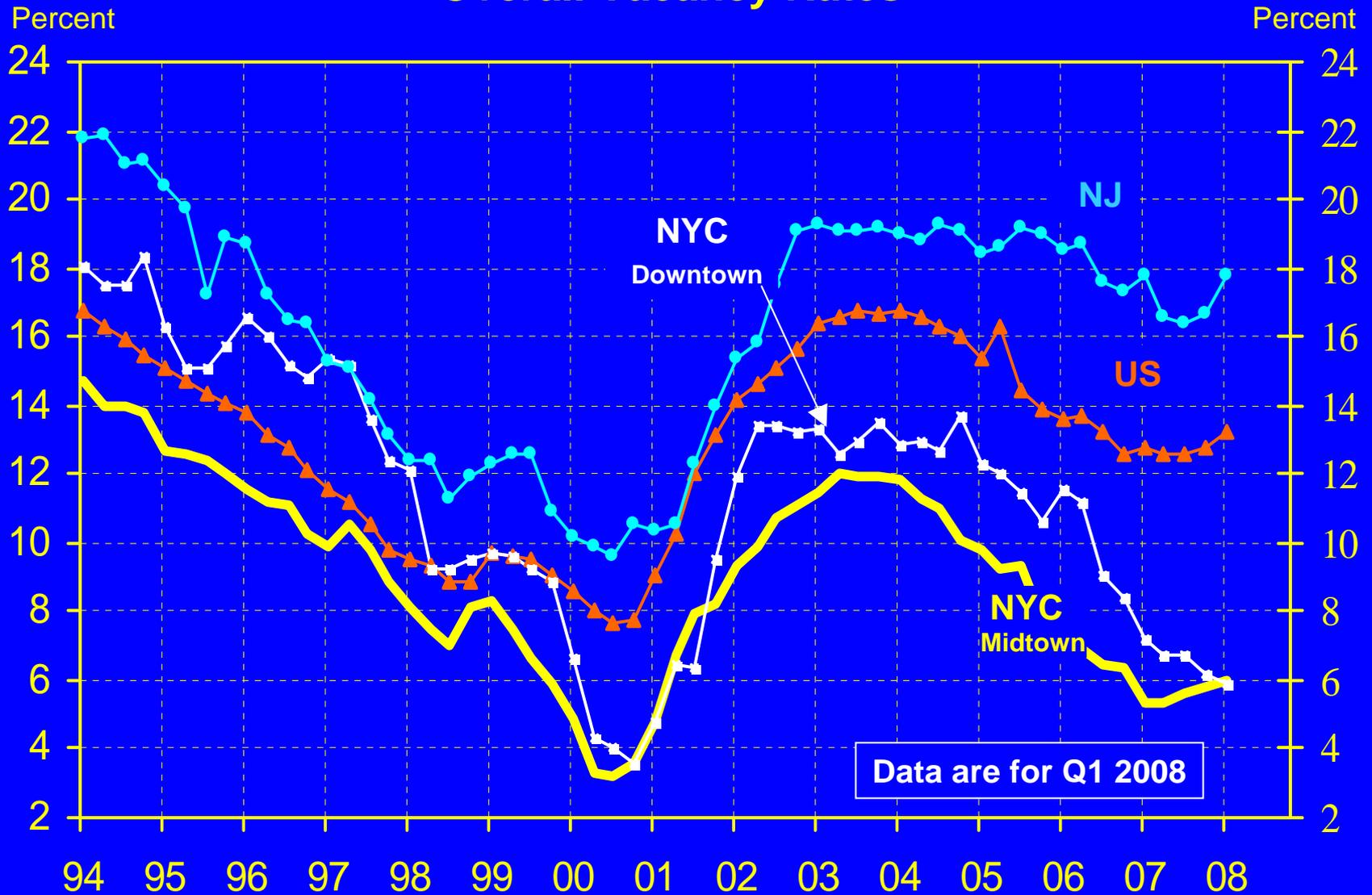
Sources: Bureau of Labor Statistics and Moody's Economy.com.

NYC INDUSTRY CONCENTRATION & PROJECTED U.S. JOB GROWTH RATES: 2002-2012



OFFICE VACANCY RATES

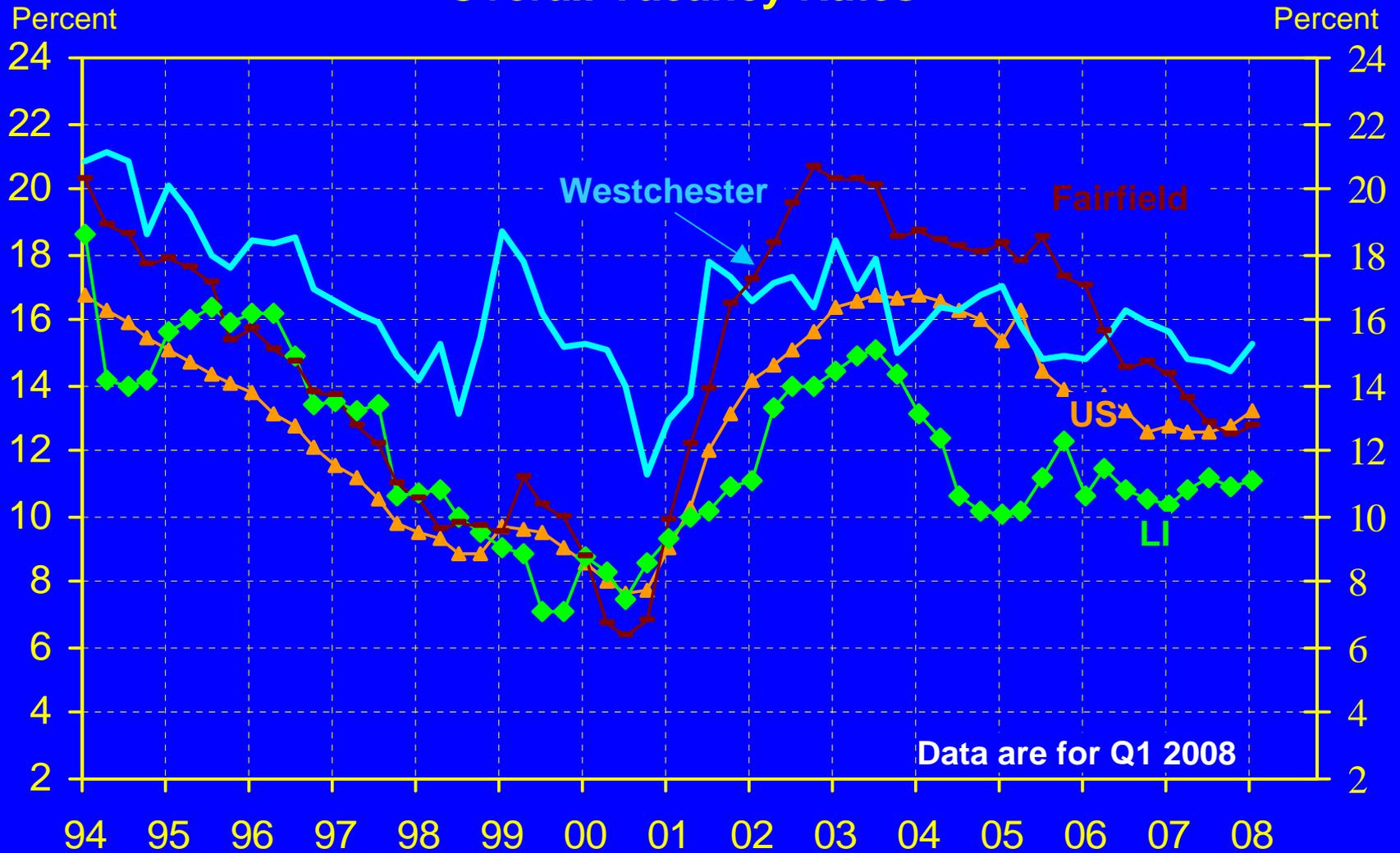
Overall Vacancy Rates



Sources: Cushman & Wakefield (local areas); CB Commercial (U.S.); Moody's Economy.com.

OFFICE VACANCY RATES

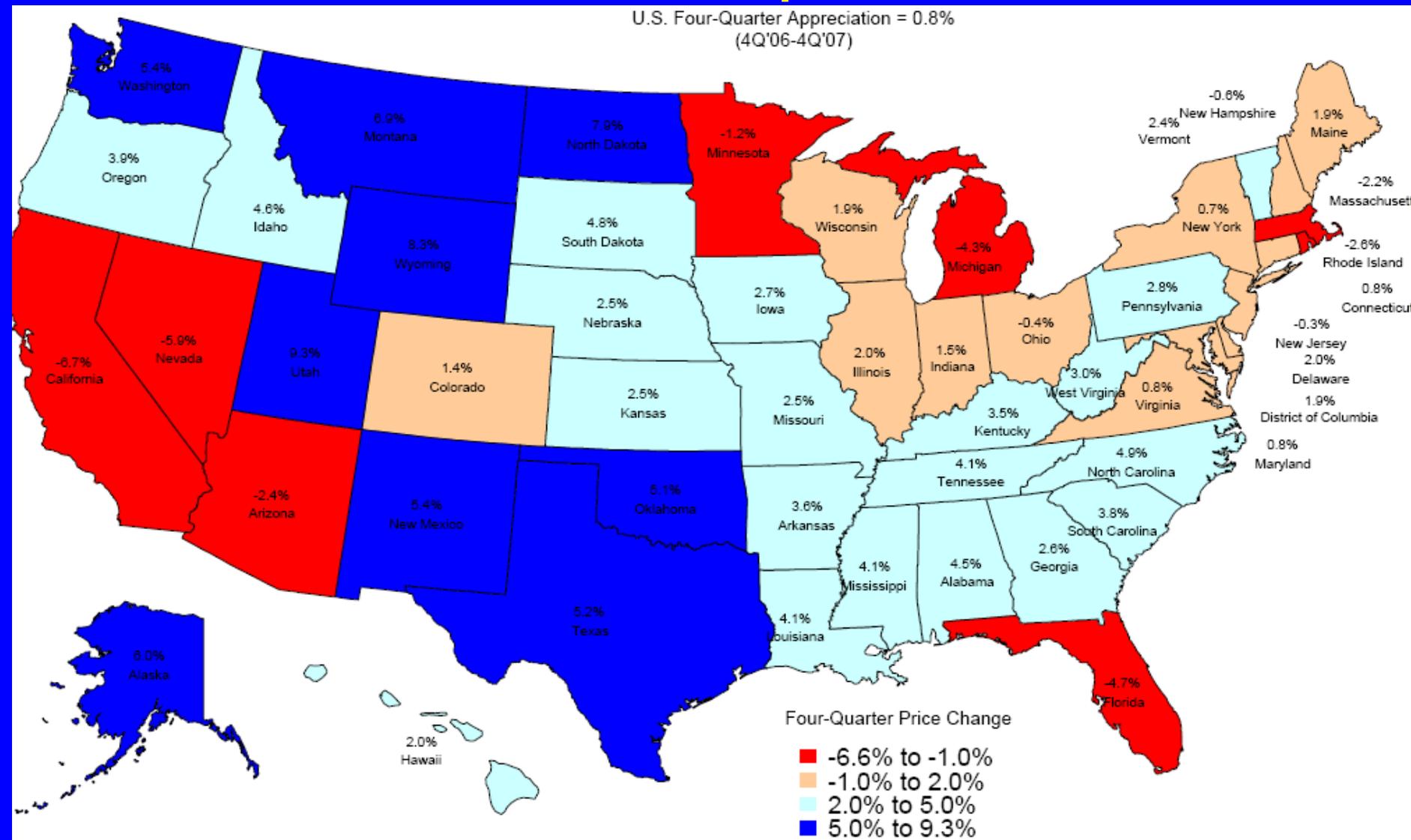
Overall Vacancy Rates



HOUSE PRICE APPRECIATION BY STATE (2006Q4-2007Q4)

Based on OFHEO Repeat-Sales Index

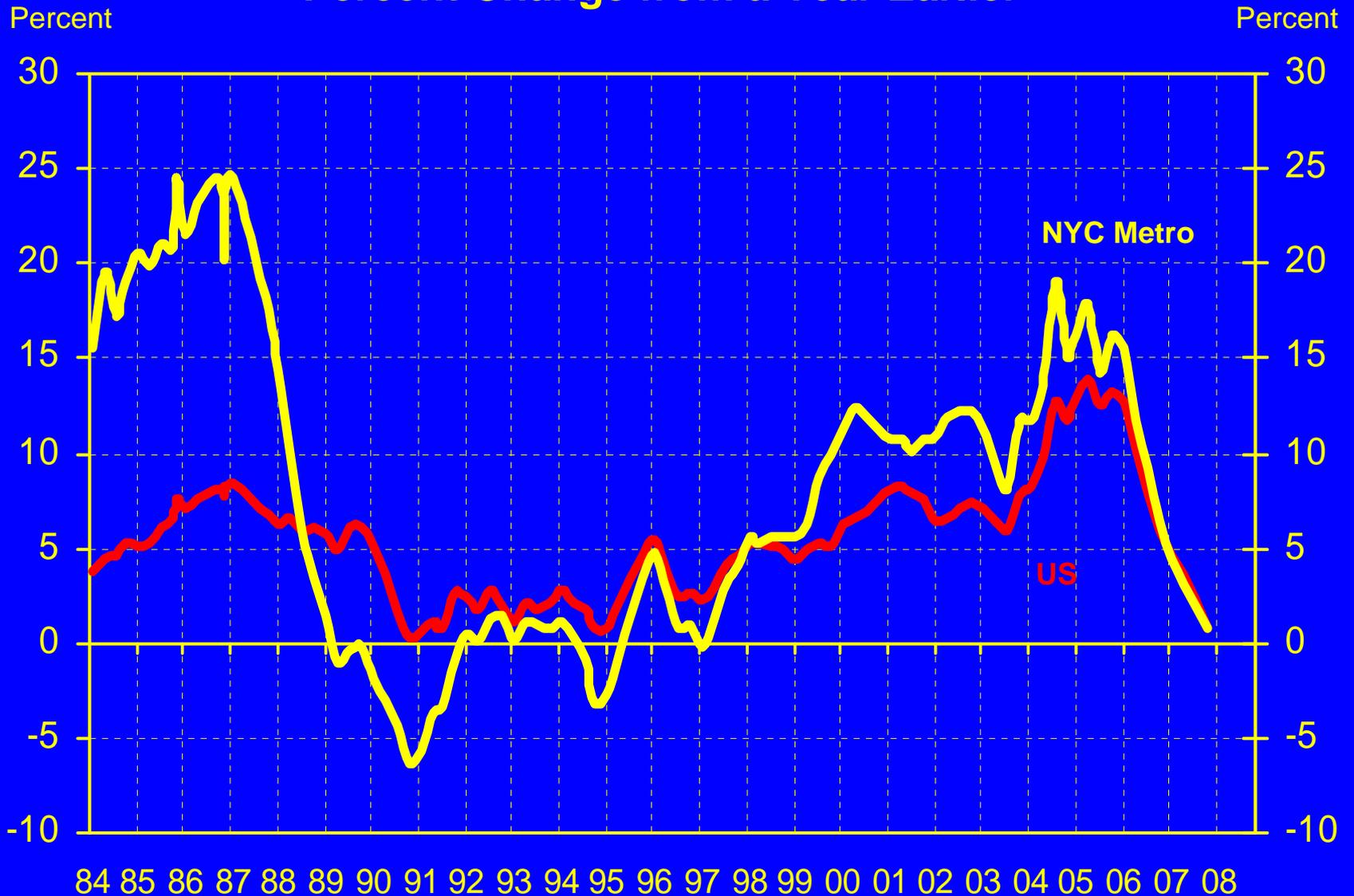
U.S. Four-Quarter Appreciation = 0.8%
(4Q'06-4Q'07)



Source: OFHEO

HOME PRICES: US & NYC Metro Area

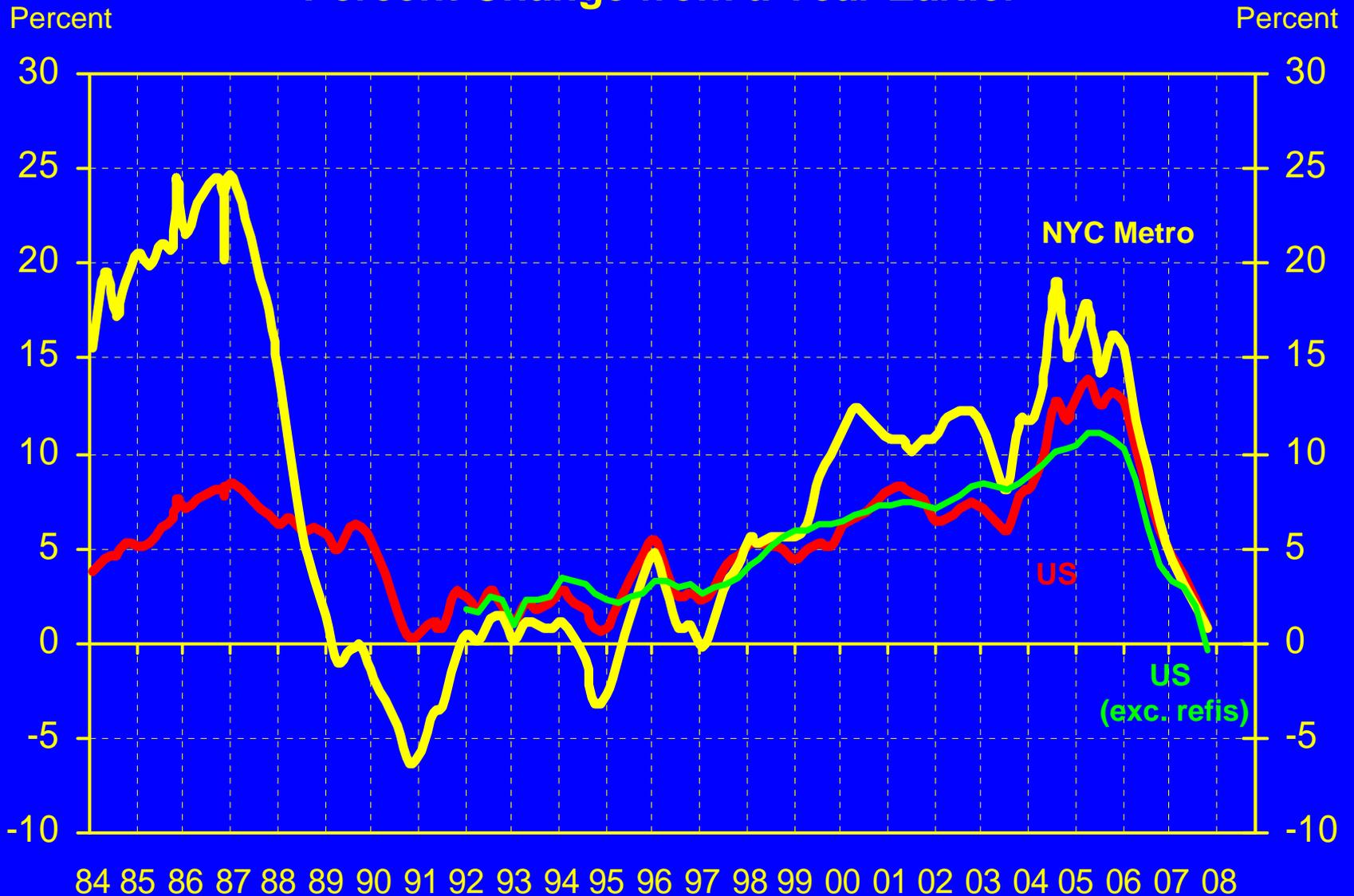
Percent Change from a Year Earlier



Sources: OFHEO price index based on repeat sales.

HOME PRICES: US & NYC Metro Area

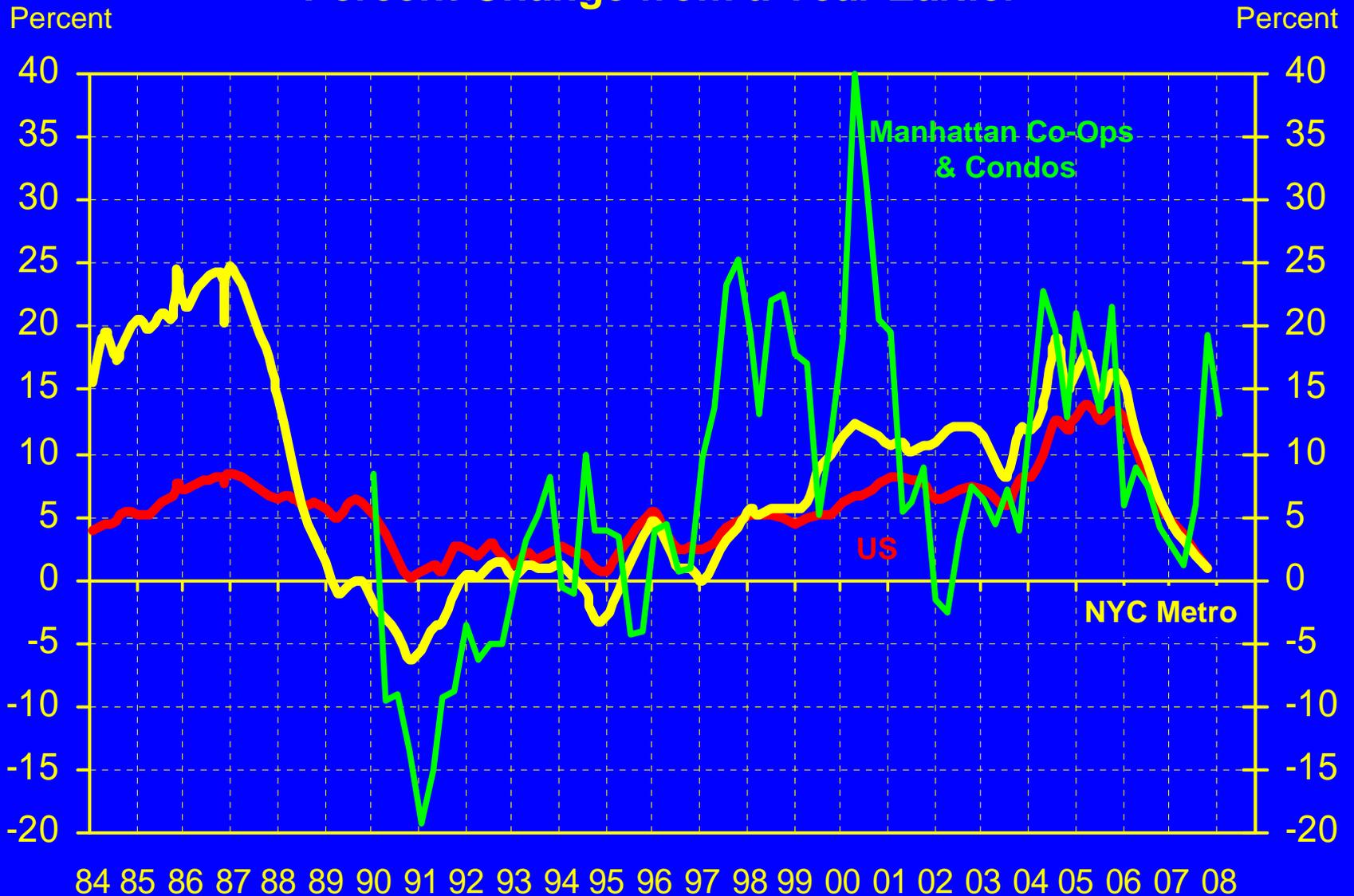
Percent Change from a Year Earlier



Sources: OFHEO price index based on repeat sales.

HOME PRICES: US, NYC Metro Area & Manhattan

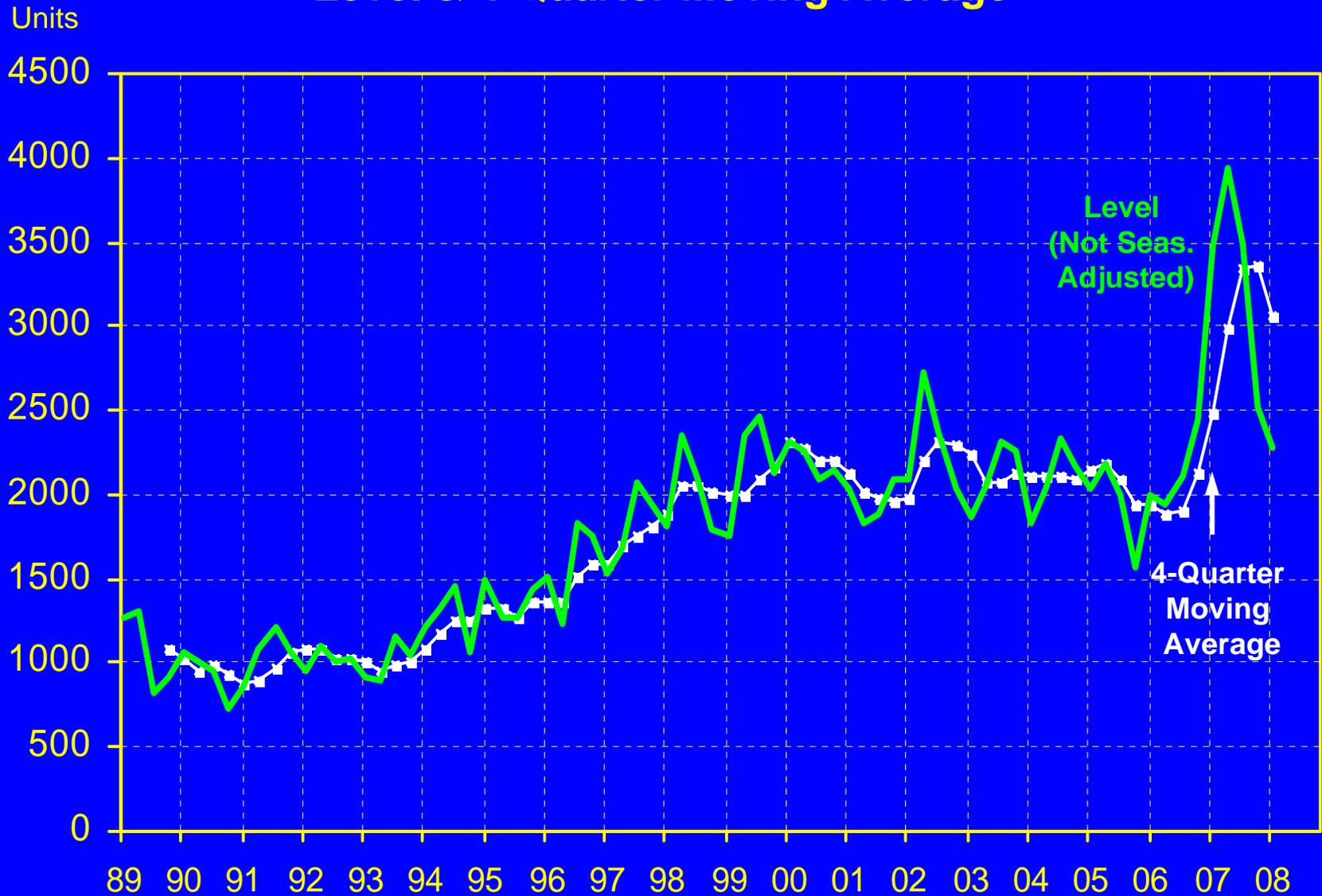
Percent Change from a Year Earlier



Sources: OFHEO price index based on repeat sales; Manhattan data are from Miller Samuel.

UNIT SALES: Manhattan Condos & Co-Ops

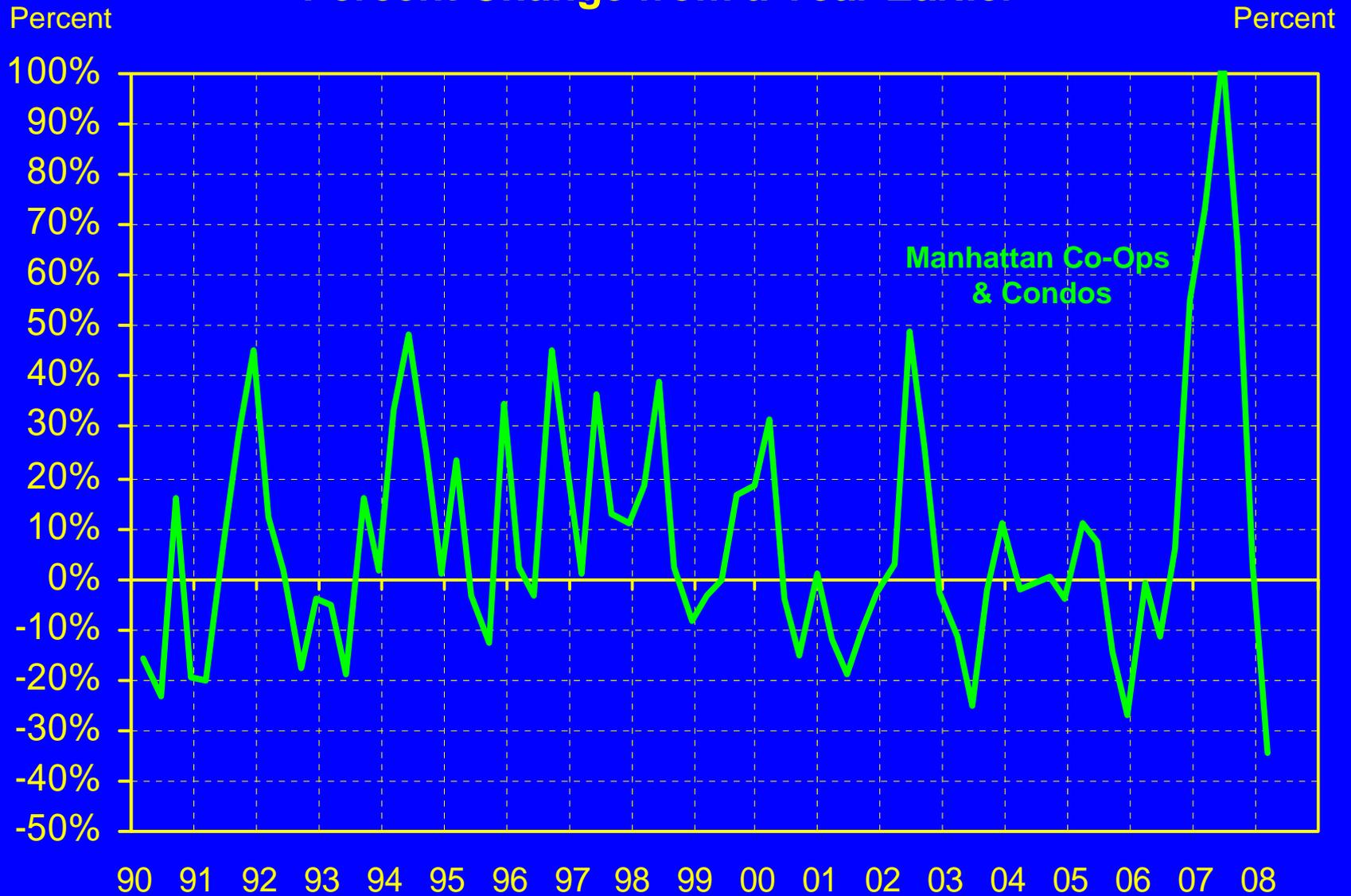
Level & 4-Quarter Moving Average



Source: Miller Samuel.

UNIT SALES: Manhattan Condos & Co-ops

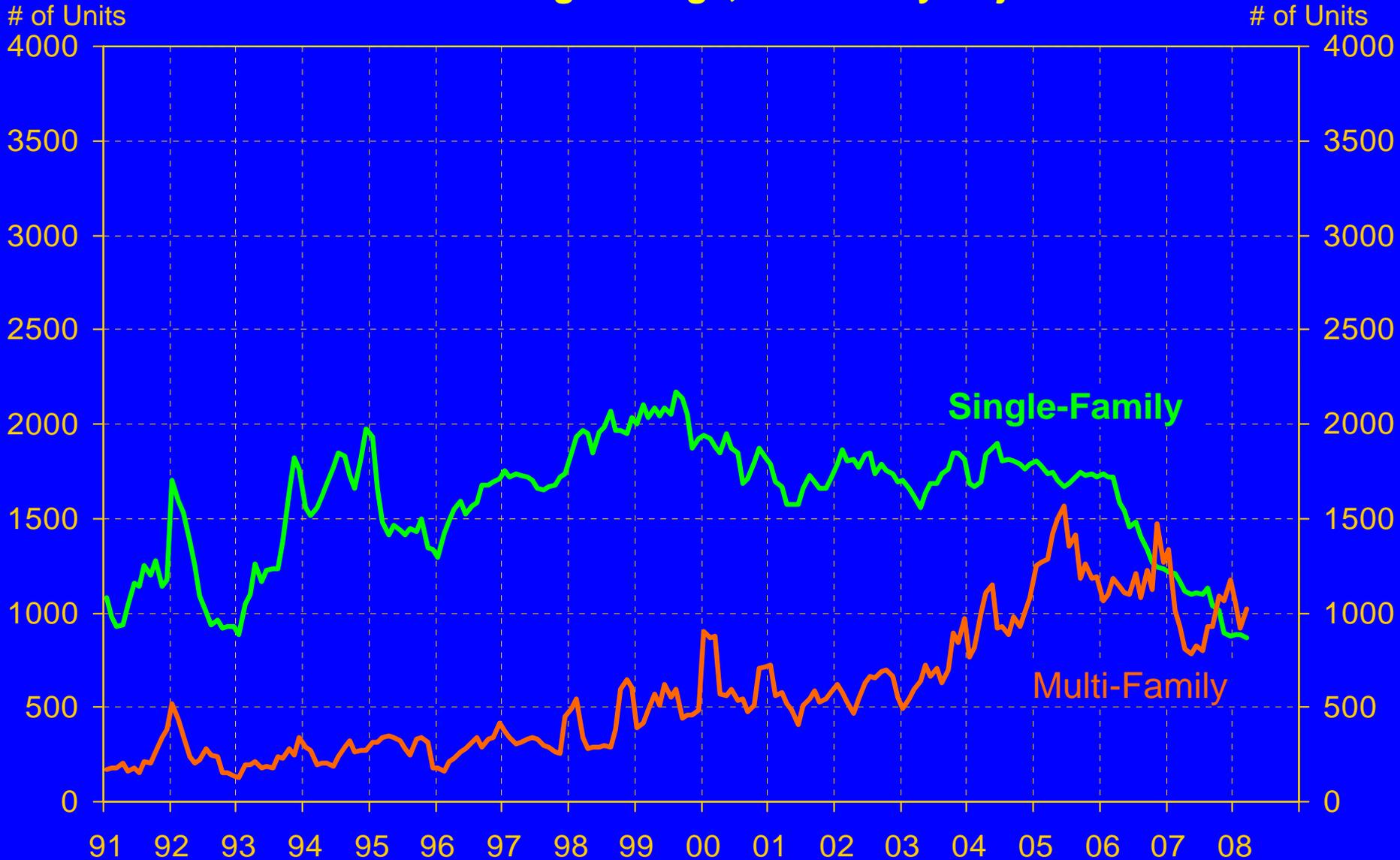
Percent Change from a Year Earlier



Source: Miller Samuel.

SINGLE & MULTI-FAMILY BUILDING PERMITS: NEW JERSEY

3-Month Moving Average, Seasonally Adjusted

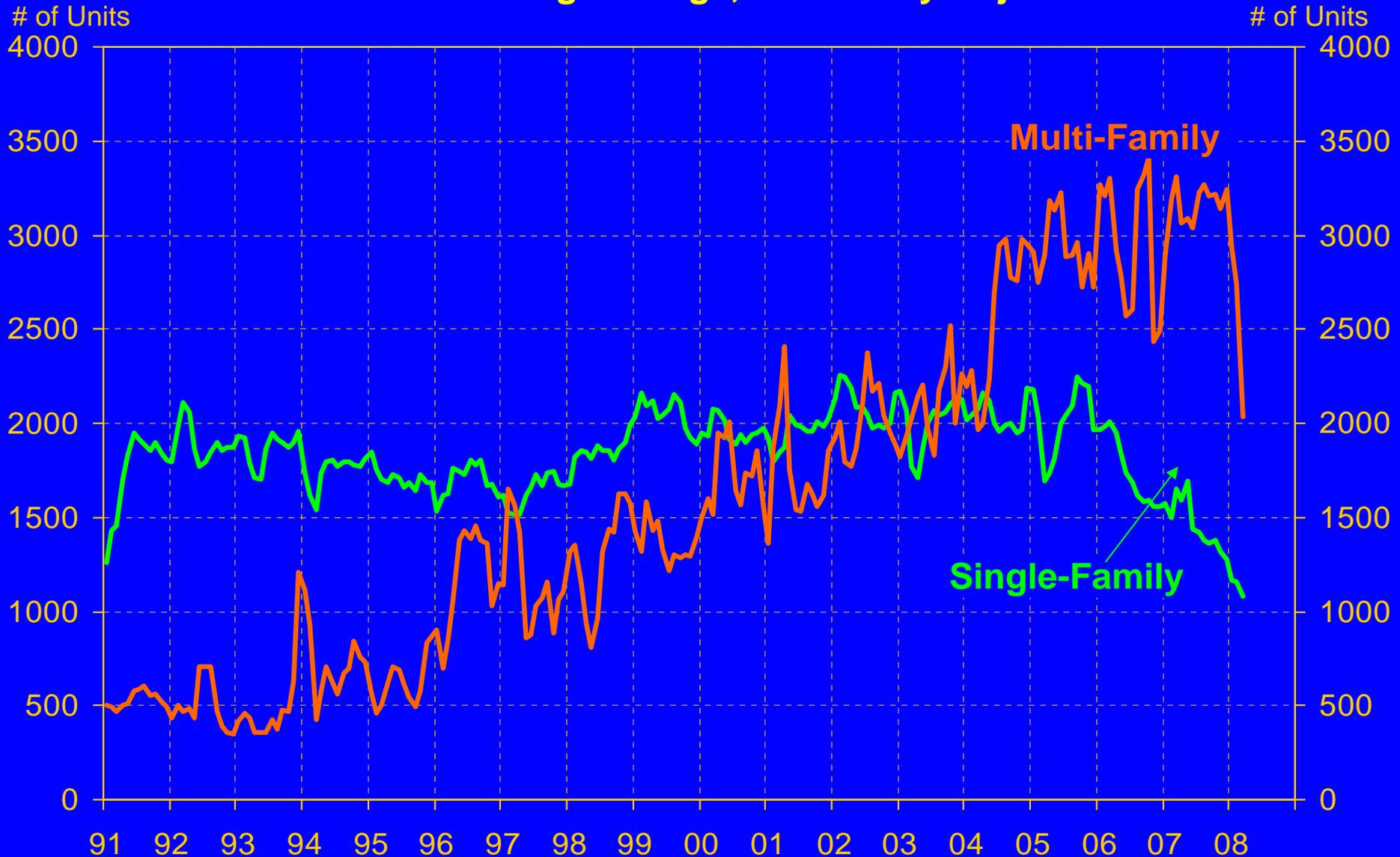


Source: Bureau of Labor Statistics; Moody's Economy.com

Data seasonally adjusted by FRBNY staff.

SINGLE & MULTI-FAMILY BUILDING PERMITS: NEW YORK

3-Month Moving Average, Seasonally Adjusted

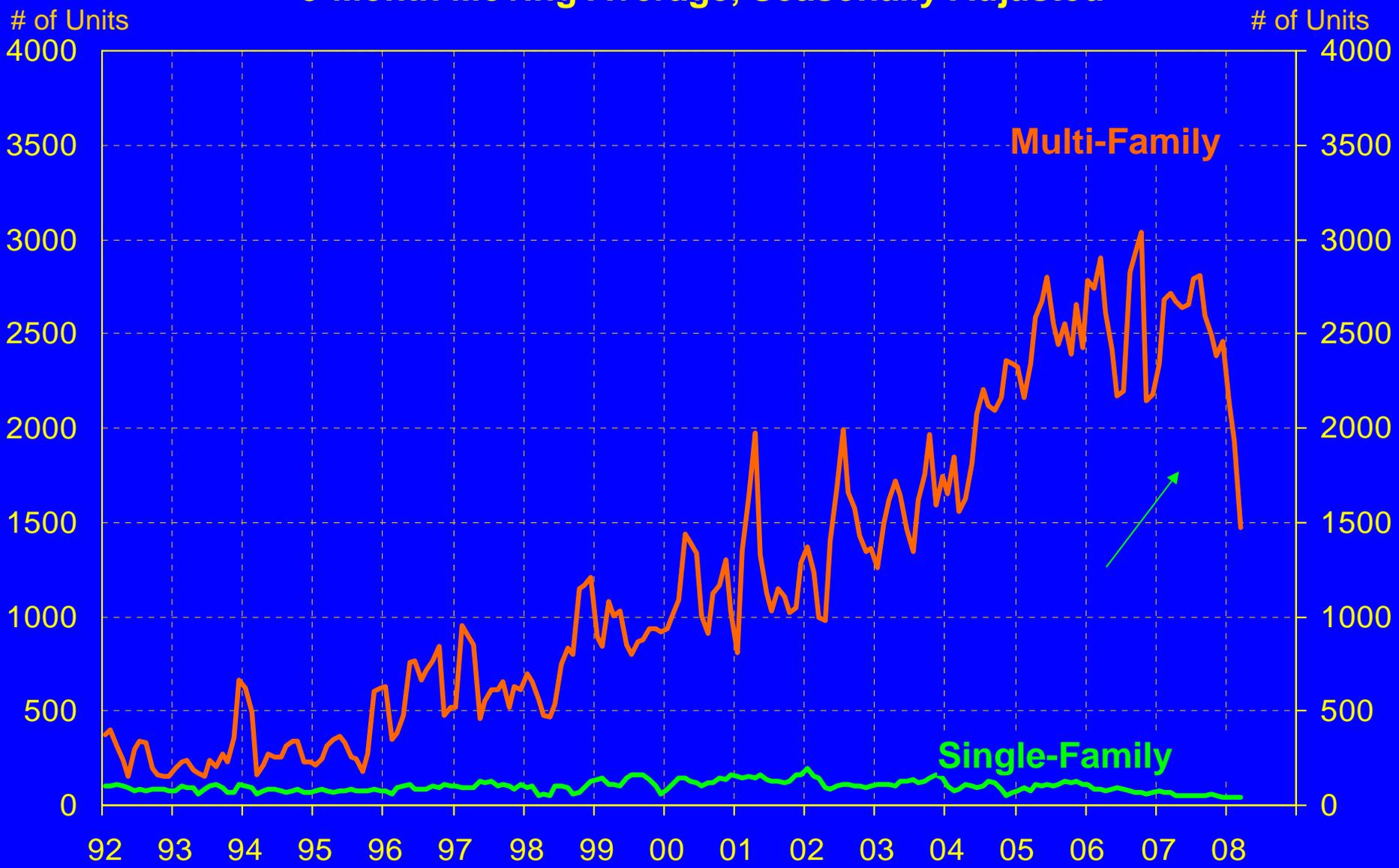


Source: Bureau of Labor Statistics; Moody's Economy.com

Data seasonally adjusted by FRBNY staff.

SINGLE & MULTI-FAMILY BUILDING PERMITS: NYC

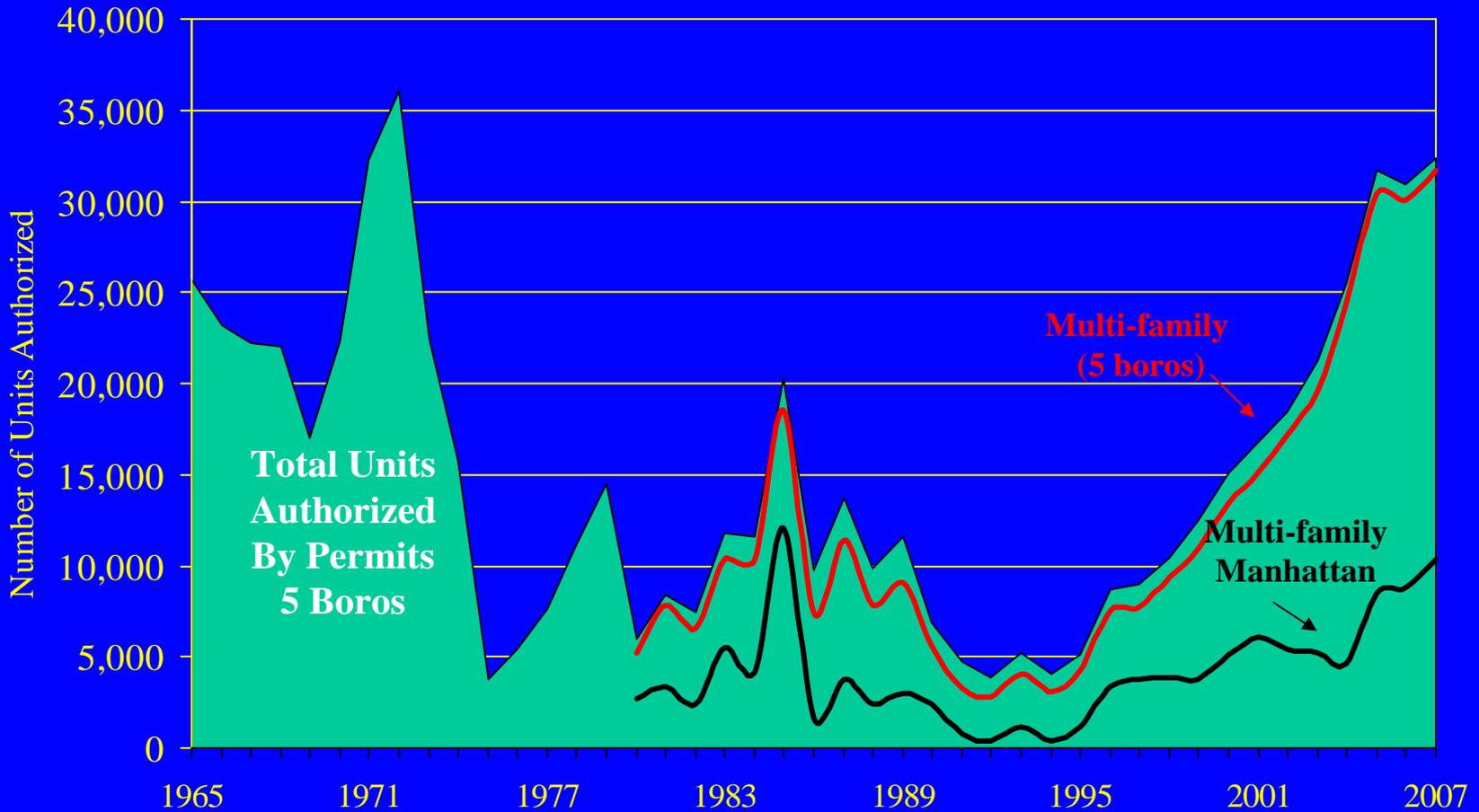
3-Month Moving Average, Seasonally Adjusted



Source: Bureau of Labor Statistics; Moody's Economy.com

Data seasonally adjusted by FRBNY staff.

NYC HOUSING PERMITS: Annual Number of Units Authorized



Sources: Census Bureau, NYC Dept. of City Planning; FRBNY staff calculations
* 2007 level is estimated based on data through November 2007.

Occupations with Lower Training Requirements

Paying \$14 an Hour and Up

<i>Occupation</i>	<i>Median Wage</i>	<i>High School or less</i>	<i>Biggest Industry</i>	<i># of Firms</i>
Industrial Truck and Tractor Operators	\$14.98	80.9%	Warehousing & Storage; Grocery Wholesalers	152
Carpet Installers	\$16.98	77.7%	Home Furnishing Stores	727
Tree Trimmers and Pruners	\$17.30	77.0%	Landscaping Services	320
Welders, Cutters, Solderers, and Brazers	\$15.05	75.2%	Architectural & Structural Metals	218
Automotive Body and Related Repairers	\$16.60	75.0%	Auto Repair & Maintenance Shops	2,363
Cabinetmakers and Bench Carpenters	\$16.48	73.4%	Household & Institutional Furniture Mfg	336
Upholsterers	\$19.38	73.3%	Reupholstery & Furniture Repair	162
Truck Drivers, Heavy and Tractor-Trailer	\$20.50	71.7%	General Freight Trucking	655
Automotive Glass Installers and Repairers	\$15.25	70.6%	Auto Repair & Maintenance Shops	2,363
Glaziers	\$16.79	69.7%	Glass & Glazing Contractors	125
Coin, Vending, and Amusement Machine Servicers and Repairers	\$14.32	68.4%	Vending Machine Operators	62
Home Appliance Repairers	\$15.36	64.3%	Electronics & Appliance Stores	1,322
Locksmiths and Safe Repairers	\$18.54	62.4%	Locksmiths	171
Bus Drivers, School	\$15.42	61.4%	School & Employee Bus Transportation	154
Pest Control Workers	\$14.70	52.2%	Exterminating & Pest Control Services	191
Bill and Account Collectors	\$17.18	45.9%	Collection Agencies	86

Growing Industries in the Outer Boroughs

NAICS	Industry	3Q 2007	3Q 2006	Net	Avg Pay	Firms
0	TOTAL PRIVATE SECTOR	1,176,851	1,156,013	20,838	\$39,077	108,609
6216	HOME HEALTH CARE SERVICES	36,221	32,954	3,267	\$26,130	159
2382	BUILDING EQUIPMENT CONTRACTORS	37,976	35,097	2,879	\$62,517	3,001
7221	FULL-SERVICE RESTAURANTS	25,508	22,743	2,765	\$18,614	3,030
2361	RESIDENTIAL BUILDING CONSTRUCTION	13,365	11,765	1,601	\$39,478	3,213
6211	OFFICES OF PHYSICIANS	27,538	26,152	1,386	\$62,499	4,021
4811	SCHEDULED AIR TRANSPORTATION	23,799	22,552	1,247	\$59,907	87
5171	WIRED TELECOMMUNICATIONS CARRIERS	7,924	6,787	1,137	\$72,828	202
5179	OTHER TELECOMMUNICATIONS	956	36	920	\$52,358	140
4461	HEALTH & PERSONAL CARE STORES	19,198	18,343	855	\$31,888	2,186
2383	BUILDING FINISHING CONTRACTORS	12,796	12,118	678	\$49,330	1,825
5313	ACTIVITIES RELATED TO REAL ESTATE	7,918	7,296	622	\$40,176	1,280
7211	TRAVELER ACCOMMODATION	4,231	3,616	615	\$32,997	120
4859	OTHER TRANSIT & GROUND PASSENGER	3,750	3,150	600	\$32,228	153
8121	PERSONAL CARE SERVICES	6,432	5,834	599	\$13,797	2,374
7222	LIMITED-SERVICE EATING PLACES	30,051	29,487	563	\$15,089	3,643
6232	RESIDENTIAL MENTAL HEALTH & SUBSTANCE ABUSE	13,612	13,057	555	\$28,637	564
4881	SUPPORT ACTIVITIES - AIR TRANSPORT	6,782	6,257	524	\$25,511	40
6111	ELEMENTARY & SECONDARY SCHOOLS	21,248	20,742	506	\$34,129	632
4244	GROCERY & RELATED PRODUCT WHSLE	17,586	17,111	475	\$43,069	1,394
2362	NONRESIDENTIAL BUILDING CONSTRUCTION	6,585	6,118	468	\$62,047	557
6231	NURSING CARE FACILITIES	39,211	38,793	419	\$41,110	171
5629	REMEDICATION & OTHER WASTE MANAGEMENT	3,217	2,816	401	\$42,420	137
8131	RELIGIOUS ORGANIZATIONS	10,193	9,796	397	\$19,845	1,465
2381	FOUNDATION STRUCTURE & BLDG EXTERIORS	9,751	9,357	394	\$55,726	956
5191	OTHER INFORMATION SERVICES	4,296	3,905	391	\$34,404	110
4481	CLOTHING STORES	19,267	18,885	382	\$19,399	1,756
4431	ELECTRONICS & APPLIANCE STORES	5,134	4,756	378	\$32,492	830
6223	SPECIALTY HOSPITALS(EX PSYCH & ABU	1,283	907	376	\$53,602	7
4832	INLAND & WATER TRANSPORTATION	1,578	1,205	373	\$71,094	12
6213	OFFICES OF OTHER HEALTH PRACTITION	5,787	5,471	316	\$33,307	1,523
5222	NONDEPOSITORY CREDIT INTERMEDIATIO	7,114	6,843	271	\$73,940	378
5415	COMPUTER SYSTEMS DESIGN & RELATED	2,674	2,412	263	\$60,937	1,139
8123	DRYCLEANING & LAUNDRY SERVICES	6,791	6,529	262	\$21,274	1,655
5312	OFFICES-REAL ESTATE AGENTS & BROKERS	3,886	3,633	253	\$32,925	1,532
5223	ACTIVITIES RELATED TO CREDIT INTERMEDIATION	3,421	3,185	236	\$36,766	637
4851	URBAN TRANSIT SYSTEMS	3,054	2,823	231	\$55,939	16
4532	OFFICE SUPPLY STATIONERY & GIFT STORES	3,328	3,097	231	\$20,482	519
8129	OTHER PERSONAL SERVICES	2,559	2,329	230	\$23,074	466
5413	ARCHITECTURAL ENGINEERING & RELATE	2,942	2,713	229	\$47,919	544
2211	ELEC. POWER GEN TRANS & DISTRIB	6,956	6,728	228	\$88,336	17
4512	BOOK PERIODICAL & MUSIC STORES	2,866	2,640	226	\$20,377	353
5419	OTHER PROFESSIONAL SCIENTIFIC & TE	2,896	2,670	226	\$30,017	454
8114	PERSONAL & HOUSEHOLD GOODS REPAIR	1,438	1,215	224	\$41,180	277
4511	SPORTING GOODS HOBBY & MUSICAL STO	3,369	3,150	219	\$17,729	396
4422	HOME FURNISHINGS STORES	2,469	2,257	213	\$23,769	415
5412	ACCOUNTING-TAX PREP-BOOKKEEPING	4,798	4,589	209	\$35,441	1,237
5411	LEGAL SERVICES	7,538	7,334	204	\$46,454	1,812
4841	GENERAL FREIGHT TRUCKING	4,974	4,772	203	\$41,460	649
4242	DRUGS & DRUGGISTS SUNDRIES WHSLE	1,357	1,174	183	\$39,709	154
4812	NONSCHEDULED AIR TRANSPORTATION	1,344	1,161	183	\$57,280	15
7139	OTHER AMUSEMENT & RECREATION	5,762	5,582	181	\$17,280	481
8141	PRIVATE HOUSEHOLDS	2,363	2,187	176	\$16,913	1,738
6219	OTHER AMBULATORY HEALTH CARE SERVI	3,221	3,050	172	\$34,832	87
4521	DEPARTMENT STORES	9,882	9,729	153	\$18,437	86

Lower-Wage Occupations that Reward Experience

- Patternmakers
- Insurance Sales Agents
- Photographers
- Home Appliance Repairers
- Door-to-Door Salesperson
- Meat Cutter/Trimmer
- Photographic Process Workers
- Radio & TV Announcers
- Fitness Trainers/Aerobics
- Massage Therapists
- Jewelry & Precious Stone Workers
- Tax Preparers
- Construction Laborers
- Butchers & Meat Cutters
- Watch Repairers
- Driver/Sales Workers
- Furniture Finishers
- Light Truck Drivers
- Automotive Service Technicians
- Poultry & Fish Trimmers

Industry Sectors Ranked by Percent of Front Line Supervisors Jobs

- Retail Trade (6.9%)
- Accommodation & Food Service (6.8%)
- Construction (6.1%)
- Finance & Insurance (4.5%)
- Manufacturing (3.7%)
- Wholesale Trade (3.0%)