

# ECONOMIC SNAPSHOT

A Summary of New York City's Economy

DECEMBER 2007

## HIGHLIGHTS

Private employment rose by 3,700 jobs in October, after an increase of 100 jobs in September.

The unemployment rate rose to 5.3 percent in October, from 5.1 percent in September.

The NYC hotel occupancy rate in October 2007 was 92 percent, up from 90 percent in October 2006.

The Direct Class A office vacancy rate was 4.3 percent in November 2007, while the average asking rent was \$79 PSF.

Passengers in NYC's airports totaled 8.6 million in September 2007, up 6.1 percent from September 2006.

## Employment Facts

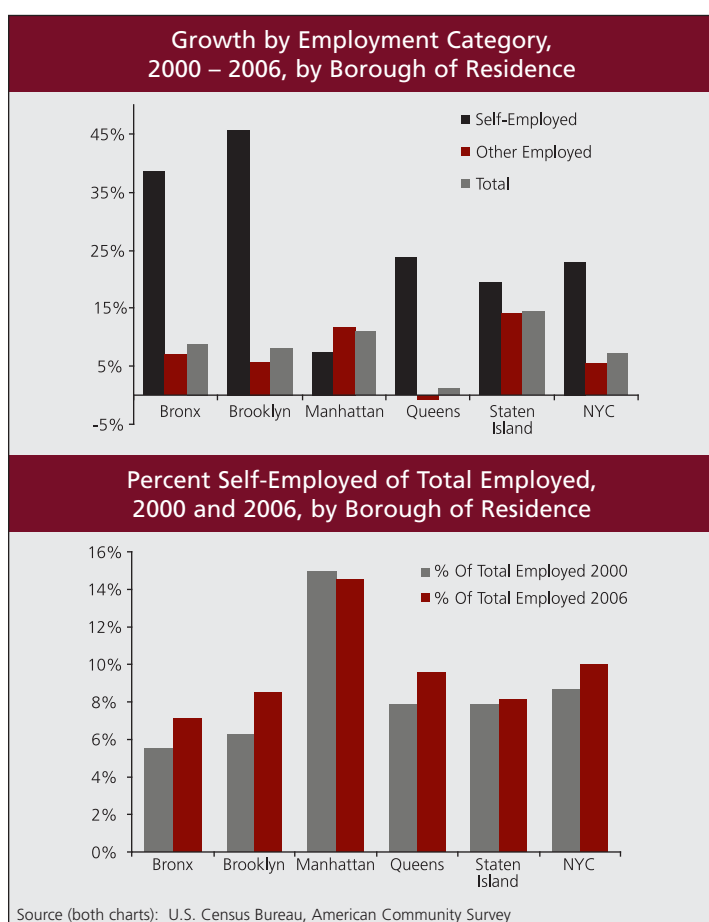
- Private sector jobs in New York City rose by 3,700 in October 2007 after an increase of 100 in September 2007.
- Government jobs in the City rose by 700 for a net gain of 4,400 total (private and public sector) jobs.
- Since October 2006, the private sector has grown by 1.7 percent, adding 54,200 total jobs.
- The City's unemployment rate rose to 5.3 percent in October 2007, from 5.1 percent in September 2007.
- In October 2007, Finance and Insurance sector jobs rose by 200; reaching the highest employment level for this sector since September 2001.

Industry	Employment (000s)			
	Oct-07	Sept-07	Change From Prev. Month	Change From Oct-06
<b>FIRE</b>	<b>476</b>	<b>474</b>	<b>1</b>	<b>13</b>
Finance and Insurance	355	355	0	11
Real Estate	121	120	1	2
<b>SERVICES</b>	<b>1,915</b>	<b>1,913</b>	<b>2</b>	<b>34</b>
Information	166	165	0	0
Professional & Business	591	589	1	15
Educational	150	152	(2)	(2)
Health & Social Assistance	559	558	1	12
Arts & Entertainment	65	65	0	2
Accommodation & Food	229	228	1	7
Other	155	155	(0)	(0)
<b>TRADE</b>	<b>439</b>	<b>439</b>	<b>(0)</b>	<b>3</b>
Retail	293	293	0	5
Wholesale	146	146	(1)	(2)
<b>MANUFACTURING</b>	<b>99</b>	<b>99</b>	<b>0</b>	<b>(6)</b>
<b>TRANSPORTATION &amp; UTILITY</b>	<b>126</b>	<b>125</b>	<b>0</b>	<b>4</b>
<b>CONSTRUCTION</b>	<b>126</b>	<b>126</b>	<b>0</b>	<b>7</b>
<b>TOTAL PRIVATE</b>	<b>3,179</b>	<b>3,175</b>	<b>4</b>	<b>54</b>
GOVERNMENT	559	559	1	3
<b>TOTAL (Private &amp; Government)</b>	<b>3,738</b>	<b>3,734</b>	<b>4</b>	<b>57</b>

Source: New York State Department of Labor (NYSDDL)

## Self-Employed Workers and Non-Employers

- Individuals who work as employees of their own incorporated businesses are normally counted in payroll employment statistics (e.g., above). However, when analyzing trends in employment structure, it is useful to group them with independent contractors who are not incorporated into a category called 'self-employed'. In 2006, one-third of the self-employed in NYC were employees of their own incorporated businesses.
- In 2006 there were 375,000 self-employed residents in NYC, 10 percent of total resident employment (employed civilian population ages 16 and over).
- The number of self-employed City resident civilian workers over the age of 16 has been increasing in recent years at a faster pace than those employed by other employers. From 2000 to 2006 self-employed residents increased by 23 percent compared with a 6 percent growth in residents employed by other employers.
- In all the boroughs except Manhattan, growth in self-employment outpaced growth in overall resident employment. Compared with other boroughs, Brooklyn experienced the fastest self-employment growth from 2000 to 2006. The self-employed share of its resident employed population is smaller than the average for the City.
- Non-employers are businesses without employees. Many non-employer businesses are part-time, and an individual may operate more than one. In 2005 NYC non-employer receipts totaled \$30.4 billion, which was 14.6 percent as large as the total NYC private sector payroll for the year.



- Among all boroughs in New York City, the greatest proportion of non-employer receipts was in businesses in the Real Estate sector: 27 percent Citywide (ranging from 20 to 30 percent across the boroughs). The sector accounted for 10 percent of the non-employer businesses in the City (ranging from 6 to 14 percent in the boroughs).
- The Educational Services sector experienced the largest percentage increase in receipts during 1997 and 2005, Citywide as well as in all the boroughs except Brooklyn. For the same period, the Brooklyn Information sector had the highest increase in receipts.

Non-Employer Business Receipts (\$, 000s) Industry Distribution, 2000 and Change, 1997-2005, by Borough												
	Bronx		Brooklyn		Manhattan		Queens		Staten Island		New York City	
	2005	Change 97-05	2005	Change 97-05	2005	Change 97-05	2005	Change 97-05	2005	Change 97-05	2005	Change 97-05
<b>FIRE</b>	<b>667,871</b>	<b>92%</b>	<b>1,847,202</b>	<b>89%</b>	<b>5,923,643</b>	<b>50%</b>	<b>1,641,431</b>	<b>60%</b>	<b>353,446</b>	<b>44%</b>	<b>10,433,593</b>	<b>60%</b>
Finance & Insurance	31,777	0%	179,797	-3%	1,645,043	29%	166,683	-42%	98,211	-26%	2,121,511	11%
Real Estate & Rental/Leasing	636,094	102%	1,667,405	110%	4,278,600	61%	1,474,748	101%	255,235	128%	8,312,082	80%
<b>SERVICES</b>	<b>817,450</b>	<b>116%</b>	<b>2,615,160</b>	<b>100%</b>	<b>6,858,975</b>	<b>40%</b>	<b>2,097,962</b>	<b>60%</b>	<b>488,368</b>	<b>79%</b>	<b>12,877,915</b>	<b>57%</b>
Information	14,111	113%	130,458	262%	424,206	54%	60,020	107%	10,759	89%	639,554	81%
Professional, Scientific, & Technical	127,718	29%	785,641	75%	2,971,741	32%	535,271	30%	163,881	53%	4,584,252	38%
Administrative/Support & Waste Management/Remediation	73,927	141%	151,230	67%	252,079	36%	178,445	54%	44,617	95%	700,298	57%
Educational	16,257	278%	63,179	246%	101,946	114%	49,141	194%	16,320	312%	246,843	171%
Health Care & Social Assistance	273,653	169%	561,838	89%	959,781	42%	445,994	65%	115,469	84%	2,356,735	67%
Arts, Entertainment & Recreation	34,993	100%	347,562	184%	1,407,803	57%	141,450	117%	28,346	140%	1,960,154	76%
Accommodation & Food	41,078	114%	107,272	113%	169,997	45%	117,980	102%	17,034	99%	453,361	79%
Other (except Public Administration)	235,713	135%	467,980	90%	571,422	23%	569,661	66%	91,942	84%	1,936,718	61%
<b>TRADE</b>	<b>263,974</b>	<b>21%</b>	<b>804,880</b>	<b>14%</b>	<b>1,232,168</b>	<b>21%</b>	<b>851,160</b>	<b>5%</b>	<b>164,280</b>	<b>29%</b>	<b>3,316,462</b>	<b>15%</b>
Retail	210,425	21%	520,737	23%	611,170	32%	493,846	3%	97,344	23%	1,933,522	19%
Wholesale	53,549	21%	284,143	1%	620,998	12%	357,314	9%	66,936	38%	1,382,940	10%
<b>MANUFACTURING</b>	<b>21,481</b>	<b>20%</b>	<b>76,252</b>	<b>15%</b>	<b>133,735</b>	<b>-15%</b>	<b>83,939</b>	<b>15%</b>	<b>13,023</b>	<b>61%</b>	<b>328,430</b>	<b>2%</b>
<b>TRANSPORTATION &amp; UTILITY</b>	<b>253,069</b>	<b>96%</b>	<b>583,516</b>	<b>54%</b>	<b>233,633</b>	<b>46%</b>	<b>919,347</b>	<b>57%</b>	<b>97,997</b>	<b>87%</b>	<b>2,087,562</b>	<b>60%</b>
<b>CONSTRUCTION</b>	<b>127,222</b>	<b>69%</b>	<b>365,421</b>	<b>64%</b>	<b>163,862</b>	<b>7%</b>	<b>477,814</b>	<b>74%</b>	<b>163,852</b>	<b>85%</b>	<b>1,298,171</b>	<b>59%</b>
<b>ALL INDUSTRIES</b>	<b>2,152,855</b>	<b>84%</b>	<b>6,295,644</b>	<b>72%</b>	<b>14,552,109</b>	<b>41%</b>	<b>6,073,919</b>	<b>49%</b>	<b>1,281,714</b>	<b>61%</b>	<b>30,356,241</b>	<b>51%</b>

Source: U.S. Census Bureau

### Real Estate

- In November 2007, Downtown Class A direct office vacancy rates remained at 4.0 percent while average rental rates increased to \$56 PSF.
- From October to November 2007, total Manhattan sublease vacancy rates remained at 1.1 percent.
- Over the same period, total Manhattan sublease average rents increased \$1 PSF to \$68 PSF, due to a \$1 PSF increase in Midtown areas.

### Class A Office Vacancy Rates and Average Rents

	Vacancy Rate			Average Rents/SF		
	Direct		Sublease	Direct		Sublease
	Nov-07	Oct-07	Nov-07	Nov-07	Oct-07	Nov-07
Midtown	4.7%	4.6%	1.2%	\$84	\$84	\$75
Midtown South	0.7%	0.5%	0.2%	\$62	\$56	\$41
Downtown	4.0%	4.0%	1.1%	\$56	\$55	\$42
<b>Manhattan Totals</b>	<b>4.3%</b>	<b>4.2%</b>	<b>1.1%</b>	<b>\$79</b>	<b>\$78</b>	<b>\$68</b>

Source: Cushman and Wakefield

### Other Indicators

#### Tourism and Travel

##### Air Traffic

- In September 2007, 8.6 million passengers flew into and out of the region's airports, a 6.1 percent increase from September 2006 passenger levels.

Source: Port Authority of New York and New Jersey

##### Hotel Occupancy

- In October 2007, the average daily hotel room rate was \$366, a 15.5 percent increase from October 2006.
- Hotel occupancy was 92 percent in October 2007, up from 90 percent in October 2006.

Source: PKF Consulting

##### Broadway Ticket Sales

- Due to the stagehand strike, Broadway attendance during the four weeks ending December 2, 2007 was approximately 448 thousand, a 56.3 percent decrease from the same period last year.
- Broadway revenue during this period was nearly \$33 million, a 59.5 percent decrease from last year.

Source: The League of American Theatres and Producers

#### Subway Ridership

- Total ridership on MTA subways, trains and buses in September 2007 was 207 million, an increase of 0.32 percent from September 2006.
- In September 2007, subway ridership was over 128 million, an increase of 1.58 percent from September 2006.

Source: Metropolitan Transportation Authority

#### New Construction

For the four months ending October 2007:

- There were 2,426 building projects (including new, additions and alterations) that started construction in NYC, a 22.6 percent decrease from the four months ending October 2006. There were 100 infrastructure (non-building) project starts, a decrease of 17 percent from last year.
- Planned space for building project starts were 7.4 million square feet, a 59.2 percent decrease from the same period in 2006.

Source: Dodge Analytics

For more information regarding this issue of *Economic Snapshot*, please contact [snapshot@nycedc.com](mailto:snapshot@nycedc.com)



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