

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

March 2014

UNEMPLOYMENT RATE (percent of labor force)	FEB 2014	PREVIOUS 3 MONTHS AVERAGE	FEB 2013
U.S. (seasonally adjusted)	6.7	6.8	7.7
U.S. (not seasonally adjusted)	7.0	6.7	8.1

UNEMPLOYMENT RATE (percent of labor force)	JAN 2014	PREVIOUS 3 MONTHS AVERAGE	JAN 2013
REGION (not seasonally adjusted)	7.9	7.1	9.3

NON-FARM EMPLOYMENT (thousands)	FEB 2014	PREVIOUS 3 MONTHS AVERAGE	% CHANGE FEB 2014 / FEB 2013
U.S.	137,699	137,410	1.6
REGION	8,338	8,474	1.0
Construction and Manufacturing	626	645	-0.1
FIRE / Professional / Business	2,056	2,084	1.2
Government	1,186	1,187	-3.0
All Others	4,470	4,558	2.3

REAL GDP (percentage change)	2013Q4	2013Q3	2013Q2
U.S. (seasonally adjusted at annual rates)	2.6	4.1	2.5
REGION (Oxford Economics Estimate)	3.5	3.4	3.2

CONSUMER PRICE INDEX (percentage change)	FEB '14/ FEB '13	FEB '14/ JAN '14	JAN '14/ JAN '13
U. S.	1.1	0.1	1.6
Core	1.6	0.1	1.6
REGION	1.1	-0.2	1.9
Core	1.4	0.0	2.0 #
Food & Beverages	0.7	0.3	0.1 #
Housing	2.3	-0.8	3.3 #
Transportation	-0.9	0.4	0.4 #
Energy	-1.5	-3.4	4.0 #

CONSTRUCTION COST INDEX (percentage change)	FEB '14/ FEB '13	FEB '14/ JAN '14	JAN '14/ JAN '13
U.S. 20-CITY	2.4	2.6	2.8
NY REGION	7.5	0.0	7.6

GASOLINE PRICES (US dollars per gallon)	FEB 2014	A month ago	A year ago
U.S. (all types NSA)	\$3.71	\$3.61	\$3.81
New York City (all types NSA)	\$4.00	\$3.94	\$4.18
Newark, NJ (all types NSA)	\$3.57	\$3.56	\$3.70

HOUSING PRICES (12-month percentage change)	JAN '14/ JAN '13	DEC '13/ DEC '12	NOV '13/ NOV '12
U.S. 20-CITY COMPOSITE	13.2	13.4	13.7
NY METROPOLITAN AREA	6.6	6.3	6.0

INTERNATIONAL TRADE (billions of dollars)	JAN 2014	% CHANGE VS. JAN 2013	% CHANGE YTD 2014 VS JAN 2013
U.S.	312.1	911.9	911.9
NY CUSTOMS DISTRICT	33.3	1.0	1.0
NY Imports	20.9	4.0	4.0
NY Exports	12.4	-3.6	-3.6

MANHATTAN COMMERCIAL REAL ESTATE	FEB 2014	JAN 2014	DEC 2013
Availability (%)			
Manhattan Totals	10.7	10.8	10.8
Midtown	11.0	11.1	10.8
Downtown	12.7	13.3	12.9
Average Asking Rent (Class A Office APRket) (\$/square foot)			
Manhattan Totals	73.5	72.8	72.1
Midtown	81.6	80.9	80.0
Downtown	55.3	55.0	55.3

REGIONAL ECONOMIC FORECAST	2014	2015	2016
Real GDP (%)	2.7	2.7	2.5
Nonfarm Employment Growth (%)	1.4	1.7	1.6

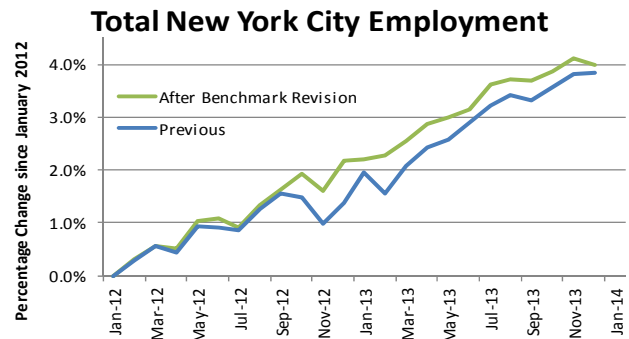
SPECIAL FOCUS

Improved Employment Conditions in 2013

Earlier this month the Bureau of Labor Statistics (BLS) released its 2013 benchmark revisions. In these revisions, labor market data for the last year is corrected by comparing the initial survey-based estimates with data from unemployment insurance records. At this point, other commentators have provided more comprehensive analysis of the benchmark revisions but we want to call out several interesting observations:

In summary, the benchmarked data now support the story of national and regional labor markets that were expanding at a slightly more positive rate than initially thought in 2013. In both New York and New Jersey state employment counts were revised upwards. These revisions also meant that employment growth in the Port Authority 18-county region was ahead of what initial estimates had been. Regardless, the narrative of declining and expanding industrial sectors remained the same. Whereas sectors such as trade, transportation & utilities, construction and government remained flat or showed declines, industries such as retail, professional business services, healthcare, and leisure & hospitality experienced gains across the entire region and both states. The gap between employment as measured by the location of the job and the place of residence also narrowed after having been quite significant throughout 2013.

The benchmarked data also yield interesting observations about the aftermath of Superstorm Sandy. In fact, the much-described negative employment impact following the hurricane was much more modest than initially thought. An analysis by economist Barbara Denham, also reported by Crains and illustrated by the graph below, concludes that the job losses in the months following the storm were roughly half of what the initial estimates had been. Employment then bounced back quickly in early 2013 and reverted back to its longer term growth trend. While the storm impacts certainly were devastating for families and businesses involved, they did not result in lasting employment effects in New York City.



Lastly, the trend in the unemployment rate in New Jersey throughout 2013 was much smoother than what was reported at the time in the monthly estimates. The monthly unemployment series for NJ initially showed an up-and-down pattern with an unemployment rate starting at 9.5 percent in January 2013, falling by roughly 1 full percentage point by May, staying constant for five months, and then plummeting to 7.3 percent over just a few months by year end. The benchmarked unemployment rate experienced a much smoother decline from 8.9 to 7.2 percent over the course of 12 months. Among the reasons for the decline in unemployment were the relatively strong employment growth in the state and the decline in the labor force participation rate.

The one lesson learned is clearly that one needs to be cautious when interpreting monthly employment data. Variations can be quite large and there is ample room for monthly estimates to be revised when more reliable data are considered. However, the monthly, survey-based estimates provide a valuable analysis tool in our understanding and analysis of national and regional labor market trends.

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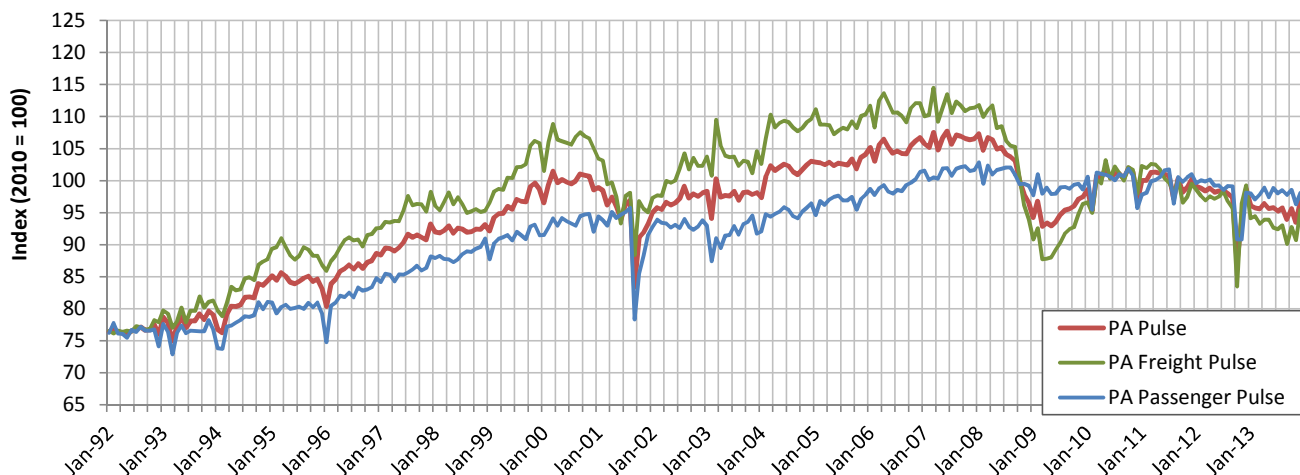
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AVIATION	Jan '14	Jan '13	Change	PORT COMMERCE	Jan '14	Jan '13	Change
Revenue Passengers (000's)	8,144.7	8,229.6	-1.0%	Port Trade			
John F. Kennedy International Airport (JFK)	3,734.6	3,725.8	0.2%	Container Imports (TEUs)	231,885	215,142	7.8%
LaGuardia Airport (LGA)	1,861.0	1,927.3	-3.4%	Container Exports (TEUs)	104,646	116,455	-10.1%
Newark Liberty International Airport (EWR)	2,524.3	2,552.2	-1.1%	Containers lifted on/off Express Rail	32,586	34,315	-5.0%
Stewart International Airport (SWF)	24.7	24.3	1.5%	TUNNELS, BRIDGES & TERMINALS	Jan '14	Jan '13	Change
Revenue Freight (Short Tons)	154,006	162,108	-5.0%	Eastbound Vehicle Volumes (000's)	8,371	9,062	-7.6%
Domestic	54,260	61,659	-12.0%	George Washington Bridge	3,569	3,830	-6.8%
International	99,746	100,449	-0.7%	Lincoln Tunnel	1,410	1,474	-4.3%
Flights	92,607	100,324	-7.7%	Holland Tunnel	1,182	1,283	-7.9%
Domestic Air Carrier	65,222	72,228	-9.7%	Bayonne Bridge	236	280	-15.7%
International Air Carrier	22,039	22,744	-3.1%	Goethals Bridge	976	1,069	-8.7%
General Aviation	5,346	5,351	-0.1%	Outerbridge Crossing	998	1,126	-11.4%
Paid Parked Cars	653,440	671,134	-2.6%	Eastbound Volumes by Vehicle Type (000's)			
Revenue AirTrain Passengers	536,958	557,010	-3.6%	Autos	7,581	8,216	-7.7%
FERRY OPERATIONS	Jan '14	Jan '13	Change	Trucks	564	612	-7.8%
Passengers (000's)				Buses	225	234	-4.0%
New Jersey Ferries	544.8	693.3	-21.4%	PORT AUTHORITY PULSE			
PATH	Jan '14	Jan '13	Change	(Seasonally Adjusted, 2010=100)	Dec '13	Nov '13	Change
Passengers (000's)	5,724.0	5,316.0	7.7%	PA Pulse (Transportation Activity Index)	96.8	93.5	3.5%
Average Weekday	231.4	217.2	6.6%	PA Freight Pulse	95.5	90.7	5.2%
Average Saturday	91.3	81.7	11.7%	PA Passenger Pulse	98.1	96.3	1.9%
Average Sunday	72.8	61.9	17.6%	U.S. TRANSPORT. SERVICES INDEX			
				(Prelim., Seasonally Adj., 2000=100)	Jan '14	Dec '13	Change
				TSI - Combined Index	115.0	117.2	-1.9%
				TSI - Freight	113.6	116.8	-2.8%
				TSI - Passenger	118.1	117.8	0.2%

TRANSPORTATION FOCUS

The PA Pulse - A Seasonally Adjusted Transportation Activity Indicator



2013 ended with the PA Pulse recording a twelve-month high Freight Pulse value of 95.5, driven in part by strong air cargo performance, and a near-twelve month high Passenger Pulse value of 98.1, driven by a strong increase in air passengers. However, freight and passenger values are all still considerably lower than their all-time highs reached in 2007 and 2008, respectively. The underlying reasons for the modest growth in activity since the recession are complex, but are strongly associated with the changing demographics and occupations of the regional workforce as well as innovation in the loading, routing, and delivery of freight.

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