

MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

June 2014

| UNEMPLOYMENT RATE (percent of labor force) | MAY 2014 | PREVIOUS 3 MONTHS AVERAGE | MAY 2013 |
|---|----------|---------------------------|----------|
| U.S. (seasonally adjusted) | 6.3 | 6.6 | 7.5 |
| U.S. (not seasonally adjusted) | 6.1 | 6.6 | 7.3 |

| UNEMPLOYMENT RATE (percent of labor force) | APR 2014 | PREVIOUS 3 MONTHS AVERAGE | APR 2013 |
|---|----------|---------------------------|----------|
| REGION (not seasonally adjusted) | 6.3 | 7.9 | 7.6 |

| NON-FARM EMPLOYMENT (thousands) | MAY 2014 | PREVIOUS 3 MONTHS AVERAGE | % CHANGE MAY 2014 / MAY 2013 |
|------------------------------------|----------|---------------------------|------------------------------|
| U.S. | 138,463 | 136,492 | 1.7 |
| REGION | 8,550 | 8,334 | 1.0 |
| Construction and Manufacturing | 659 | 637 | 0.6 |
| FIRE / Professional / Business | 2,096 | 2,056 | 1.1 |
| Government | 1,197 | 1,199 | -2.7 |
| All Others | 4,598 | 4,443 | 2.0 |

| REAL GDP (percentage change) | 2014Q1 | 2013Q4 | 2013Q3 |
|--|--------|--------|--------|
| U.S. (seasonally adjusted at annual rates) | -2.9 | 2.6 | 4.1 |
| REGION (Oxford Economics Estimate) | 1.3 | 1.9 | 5.0 |

| CONSUMER PRICE INDEX (percentage change) | MAY '14/ MAY '13 | MAY '14/ APR '14 | APR '14/ APR '13 |
|---|---------------------|---------------------|---------------------|
| U. S. | 2.1 | 0.4 | 2.0 |
| Core | 1.9 | 0.3 | 1.8 |
| REGION | 1.9 | 0.5 | 1.6 |
| Core | 1.7 | 0.3 | 1.7 |
| Food & Beverages | 1.8 | 0.7 | 0.6 |
| Housing | 2.8 | 0.5 | 2.7 |
| Transportation | 1.5 | 1.0 | 0.9 |
| Energy | 3.9 | 2.0 | 2.5 |

| CONSTRUCTION COST INDEX (percentage change) | MAY '14/ MAY '13 | MAY '14/ APR '14 | APR '14/ APR '13 |
|--|---------------------|---------------------|---------------------|
| U.S. 20-CITY | 2.9 | 0.5 | 2.8 |
| NY REGION | 7.4 | 0.0 | 7.5 |

| GASOLINE PRICES (US dollars per gallon) | MAY 2014 | A month ago | A year ago |
|--|----------|-------------|------------|
| U.S. (all types NSA) | \$3.86 | \$3.84 | \$3.70 |
| New York City (all types NSA) | \$4.22 | \$4.15 | \$4.01 |
| Newark, NJ (all types NSA) | \$3.75 | \$3.69 | \$3.58 |

| HOUSING PRICES (12-month percentage change) | APR '14/ APR '13 | MAR '14/ MAR '13 | FEB '14/ FEB '13 |
|--|---------------------|---------------------|---------------------|
| U.S. 20-CITY COMPOSITE | 10.7 | 12.3 | 12.8 |
| NY METROPOLITAN AREA | 4.9 | 6.2 | 5.8 |

| INTERNATIONAL TRADE (billions of dollars) | APR 2014 | % CHANGE VS. APR 2013 | % CHANGE YTD 2014 VS APR 2013 |
|--|----------|-----------------------|-------------------------------|
| U.S. | 334.6 | 4.4 | 2.9 |
| NY CUSTOMS DISTRICT | 34.0 | -3.9 | 0.9 |
| NY Imports | 22.3 | 5.0 | 6.5 |
| NY Exports | 11.8 | -17.2 | -7.2 |

| MANHATTAN COMMERCIAL REAL ESTATE | MAY 2014 | APR 2014 | MAR 2014 |
|--|----------|----------|----------|
| Availability (%) | | | |
| Manhattan Totals | 10.1 | 10.6 | 10.4 |
| Midtown | 10.3 | 10.7 | 10.8 |
| Downtown | 10.9 | 12.0 | 12.1 |
| Average Asking Rent (Class A Office APRket) (\$/square foot) | | | |
| Manhattan Totals | 74.6 | 74.0 | 73.8 |
| Midtown | 82.6 | 82.5 | 82.1 |
| Downtown | 55.2 | 55.1 | 55.4 |

| REGIONAL ECONOMIC FORECAST | 2014 | 2015 | 2016 |
|-------------------------------|------|------|------|
| Real GDP (%) | 2.2 | 2.7 | 2.5 |
| Nonfarm Employment Growth (%) | 1.4 | 1.7 | 1.6 |

SPECIAL FOCUS

Transportation in a Sharing Economy

There are fast becoming new ways to drive around in cities besides hailing a cab or hopping on a bus. The last decade has seen a steady rise in sharing services such as bike and car sharing. Technological advances and the growth of mobile applications have helped fuel this trend, as they have provided the means for sharing vehicles and bikes among large groups of users. More Americans living in large cities are transitioning to a car-free lifestyle as tough economic times have made car ownership more of a cost burden. This trend appears to be part of a larger transition into a "sharing economy" in which technological and social forces are enabling more intensive use of physical assets.

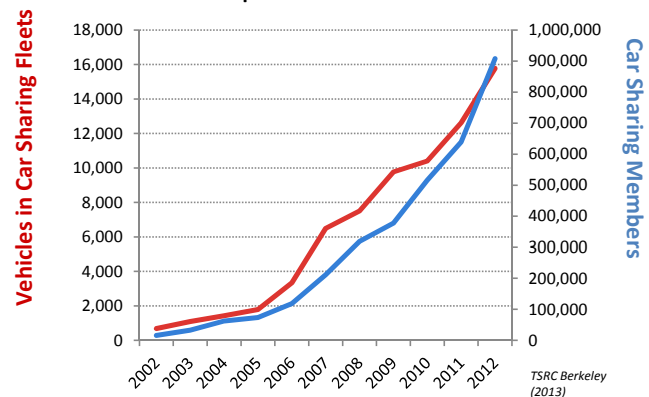
Car sharing is perhaps the most notable innovation of this new sharing economy. Car sharing companies in North America topped one million members as of January 2013 and a total fleet size of over 15,600 vehicles. In the U.S., Zipcar is by far the leading car share service. The firm saw membership more than double from 2009 to 2013. Each of the vehicles in its fleet has a designated parking spot and can be reserved at any time by members. In Manhattan alone, there are over 200 Zipcar locations, with around 5-10 vehicles at each site. These services have changed the traditional car rental game by providing convenient access to vehicles within walking distance of home, work, and other destinations. Combined with internet-based applications, prearranged short-term rental options and competitive pricing models, car sharing makes it very convenient for consumers to get around without the responsibilities of owning, insuring, and maintaining a vehicle.

Another form of car sharing that captures the spirit of the sharing economy is known as peer-to-peer (P2P) car sharing. P2P car sharing separates itself from the traditional model by replacing the standard fleet with a virtual community of vehicles owned by the members of the service. P2P companies process transactions, approve drivers, and take a cut from each privately arranged ride. The leading P2P company, Uber, dominates this service, and has expanded not only to most major U.S. cities, but to 39 countries worldwide.

As car sharing services expand, cities face many challenges from setting aside parking for car sharing companies to regulating passenger safety, insurance, and the companies' co-existence with standard taxi services. Uber and other P2P car sharing services have already faced strong opposition from city officials and taxi cab associations, most notably in Boston, San Francisco, New York, and in Europe, where public demonstrations have captured headlines.

Personal transportation is not the only sector affected by the new sharing economy. Parts of the traveler accommodations business have been transformed by companies like Airbnb, which allow members to list rooms or whole apartments on the internet for rent. As with P2P car sharing, which allows car owners to become part-time chauffeurs, the Airbnb innovation is allowing individuals to supplement their incomes by, in effect, becoming part-time hoteliers. Both car sharing and room rentals represent more intensive use of physical assets that would otherwise sit idle. The rise of a sharing economy may also create new dynamics in the balance of capital and labor; one can imagine car companies ramping down production as consumers steadily shift away from car ownership and chauffeured travel becomes more common. Although the young sharing economy may hit some regulatory road bumps as it expands, now that many consumers have learned how to get more value out of existing assets, they will likely look for more ways to share—and profit from it.

Car Sharing Membership and Vehicle Fleet Size for Companies in North America



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| AVIATION | Apr '14 | YTD | Apr '13/'14 | YTD '13/'14 |
|---|----------------|------------------|--------------|--------------|
| Revenue Passengers (000's) | 9,777.6 | 34,588.1 | 6.3% | 1.2% |
| John F. Kennedy International Airport (JFK) | 4,469.9 | 15,572.1 | 12.7% | 3.4% |
| LaGuardia Airport (LGA) | 2,346.0 | 8,158.0 | 4.4% | -1.2% |
| Newark Liberty International Airport (EWR) | 2,935.1 | 10,759.3 | -0.7% | 0.0% |
| Stewart International Airport (SWF) | 26.6 | 98.7 | 3.6% | -2.9% |
| Revenue Freight (Short Tons) | 166,013 | 640,805 | 2.7% | -1.6% |
| Domestic | 55,873 | 212,534 | -1.6% | -9.0% |
| International | 110,140 | 428,271 | 5.1% | 2.6% |
| Flights | 103,024 | 384,275 | -2.4% | -4.2% |
| Domestic Air Carrier | 72,701 | 271,979 | -3.5% | -5.5% |
| International Air Carrier | 23,816 | 89,691 | 2.3% | -0.2% |
| General Aviation | 6,507 | 22,605 | -6.6% | -6.3% |
| Paid Parked Cars | 672,288 | 2,527,584 | -4.1% | -5.3% |
| Revenue AirTrain Passengers | 722,434 | 2,574,459 | 8.6% | 7.7% |

| FERRY OPERATIONS | Apr '14 | YTD | Apr '13/'14 | YTD '13/'14 |
|---------------------------|---------|---------|-------------|-------------|
| Passengers (000's) | | | | |
| New Jersey Ferries | 704.3 | 2,337.5 | 3.6% | -6.1% |

| PATH | Apr '14 | YTD | Apr '13/'14 | YTD '13/'14 |
|---------------------------|----------------|-----------------|-------------|-------------|
| Passengers (000's) | 6,332.0 | 23,482.0 | 0.3% | 3.3% |
| Average Weekday | 252.2 | 964.7 | 1.4% | 3.2% |
| Average Saturday | 112.8 | 424.5 | -8.2% | 4.4% |
| Average Sunday | 83.1 | 308.4 | -6.2% | 2.9% |

| PORT COMMERCE | Apr '14 | YTD | Apr '13/'14 | YTD '13/'14 |
|---------------------------------------|---------|---------|-------------|-------------|
| Port Trade | | | | |
| Container Imports (TEUs) | 229,683 | 903,326 | 6.1% | 6.7% |
| Container Exports (TEUs) | 125,266 | 458,491 | -4.9% | -8.2% |
| Containers lifted on/off Express Rail | 41,768 | 146,494 | 11.0% | 5.4% |

| TUNNELS, BRIDGES & TERMINALS | Apr '14 | YTD | Apr '13/'14 | YTD '13/'14 |
|--|--------------|---------------|--------------|--------------|
| Eastbound Vehicle Volumes (000's) | 9,547 | 34,777 | -0.9% | -4.6% |
| George Washington Bridge | 4,118 | 14,863 | 0.1% | -3.7% |
| Lincoln Tunnel | 1,595 | 5,857 | 1.9% | -1.6% |
| Holland Tunnel | 1,277 | 4,835 | -5.8% | -6.4% |
| Bayonne Bridge | 241 | 932 | -16.3% | -15.3% |
| Goethals Bridge | 1,157 | 4,110 | 3.0% | -3.9% |
| Outerbridge Crossing | 1,159 | 4,180 | -2.9% | -7.4% |

| Eastbound Volumes by Vehicle Type (000's) | Apr '14 | YTD | Apr '13/'14 | YTD '13/'14 |
|---|---------|--------|-------------|-------------|
| Autos | 8,680 | 31,570 | -0.9% | -4.7% |
| Trucks | 616 | 2,283 | -1.8% | -4.0% |
| Buses | 250 | 921 | -0.6% | -2.0% |

| PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100) | Apr '14 | Mar '14 | Change |
|---|---------|---------|--------|
| PA Pulse (Transportation Activity Index) | 96.3 | 96.5 | -0.2% |
| PA Freight Pulse | 94.6 | 94.9 | -0.3% |
| PA Passenger Pulse | 98.0 | 98.1 | 0.0% |

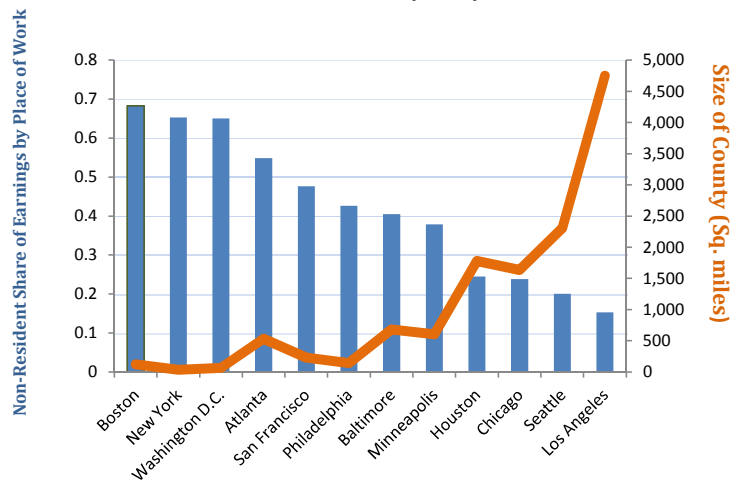
| U.S. TRANSPORT SERVICES INDEX (Prelim., Seasonally Adj., 2000=100) | Apr '14 | Mar '14 | Change |
|---|---------|---------|--------|
| TSI - Combined Index | 118.2 | 117.9 | 0.3% |
| TSI - Freight | 117.6 | 117.1 | 0.4% |
| TSI - Passenger | 119.3 | 119.3 | 0.1% |

TRANSPORTATION FOCUS

Non-Resident Commuter Earnings at the National Level

Commuters have a large impact on income distribution in highly populated cities. Last week, we showed the outflow of earnings for the Port Authority region. We expanded that study to look at other major U.S. regions. As a reminder, gross outflow of earnings data come from the U.S. Bureau of Economic Analysis and represent the wages and salaries earned by workers residing in a different county from which they work. The graph shows this statistic for several selected counties that contain a major U.S. city and the size of that county. Cities located in small counties with high population densities, such as Boston and New York, represent the largest percentages of earnings by non-resident commuters. As one might expect, as the size of a county increases, it becomes less likely that commuters to the county's major city will live beyond the county's borders. Yet not all small counties' earnings flows are alike. San Francisco County is only slightly larger than New York, but differences in geography and the structure of transit systems contribute to San Francisco having a smaller share of earnings from non-resident commuters than New York.

Non-Resident Commuter Share of Earnings by Place of Work (2012)



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