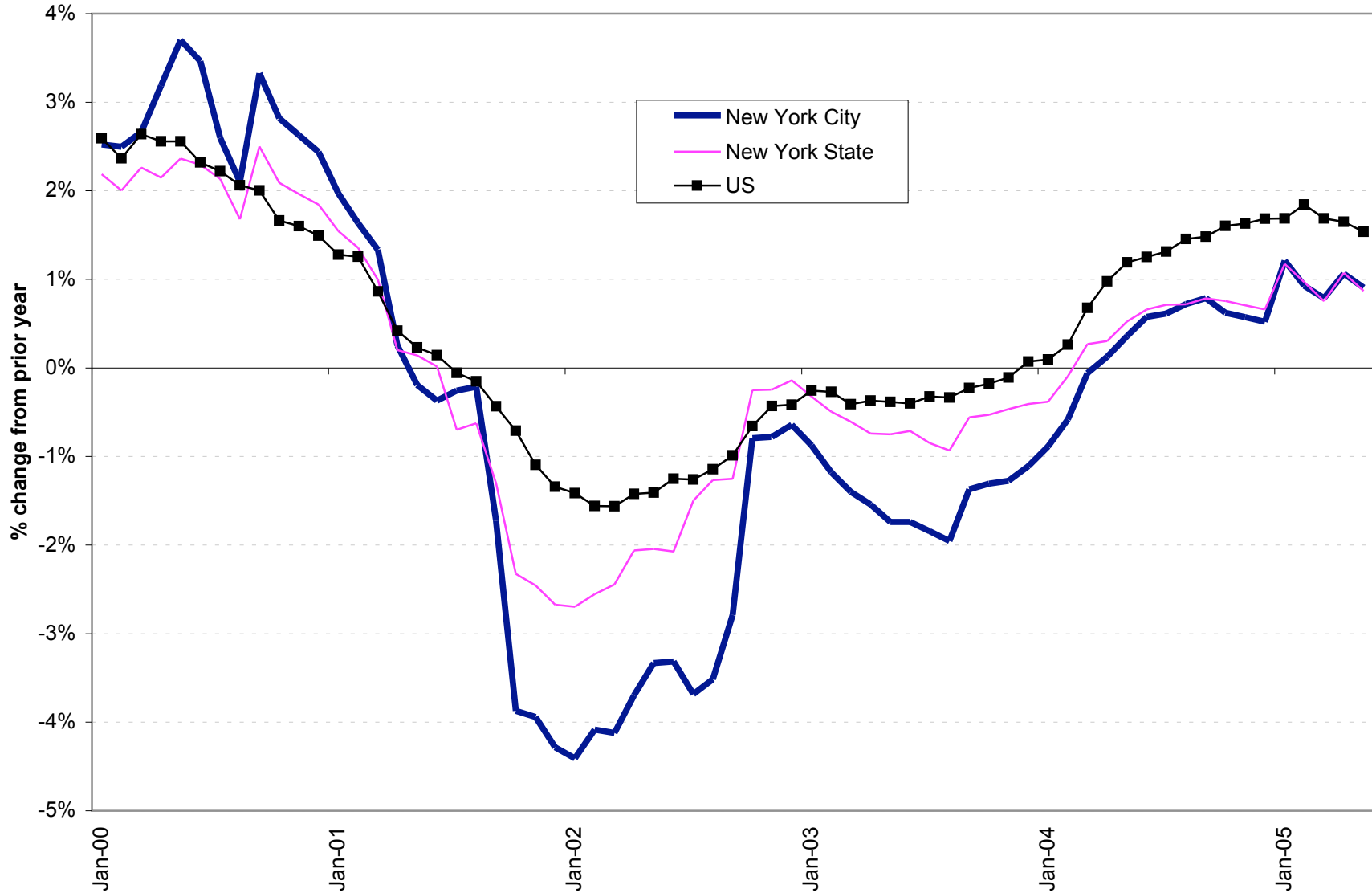


Fig 1.1 Job Growth: New York City, New York State, and the U.S.



Sources: New York State Department of Labor (NYSDOL) and U.S. Bureau of Labor Statistics (BLS).
New York City employment seasonally adjusted by the Fiscal Policy Institute (FPI).

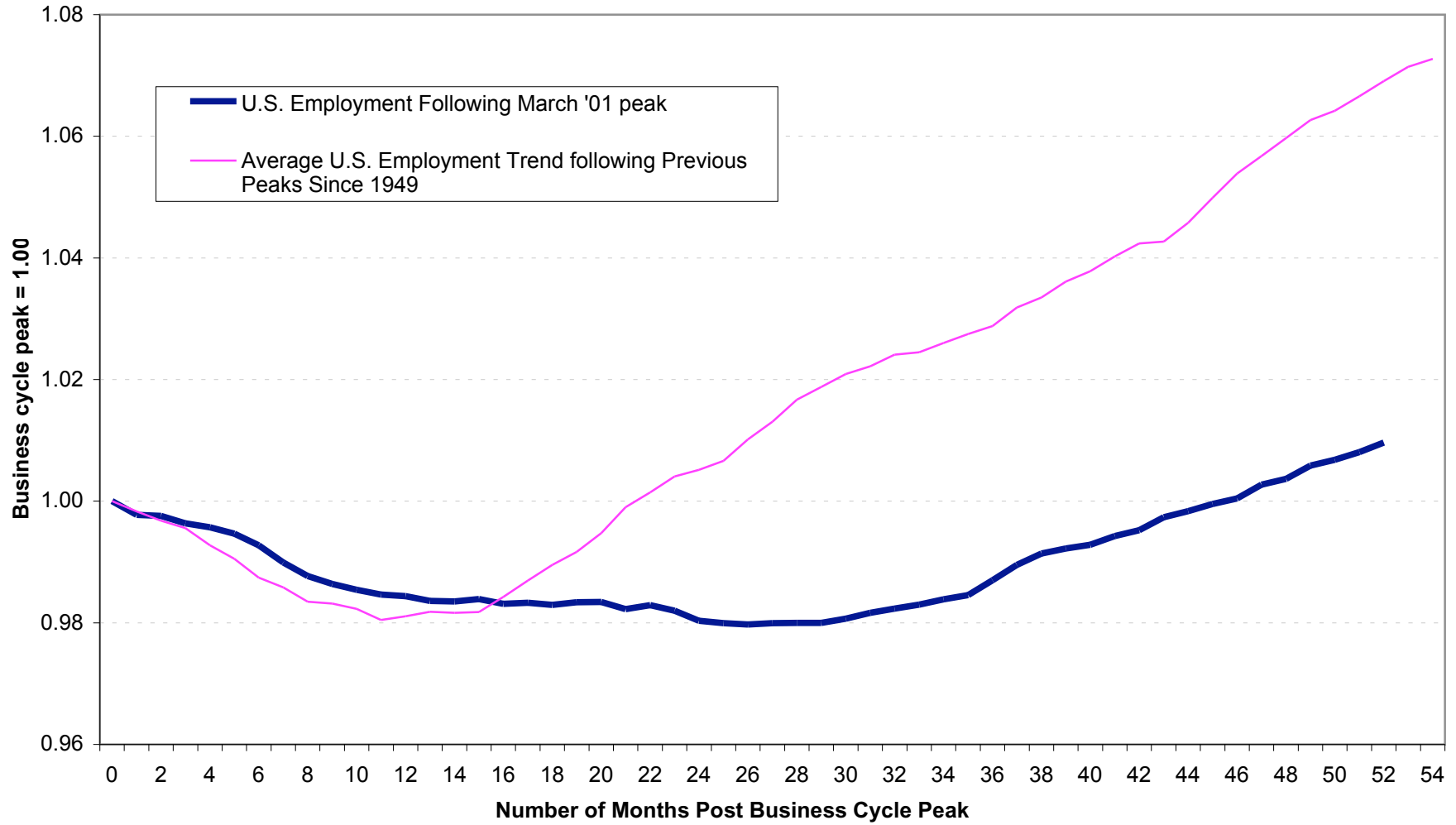
Fig.1.1

Figure 1.2**The U.S. debt-induced recovery**

| (\$billions, nominal) | 2001:I | 2005:I | change | % change |
|---|------------|------------|-----------|----------|
| <i>Gross Domestic Product and Major Components</i> | | | | |
| Gross domestic product (GDP) | \$10,021.5 | \$12,191.7 | \$2,170.2 | 21.7% |
| Personal consumption expenditures | \$6,955.8 | \$8,538.5 | \$1,582.7 | 22.8% |
| Nonresidential fixed investment | \$1,229.6 | \$1,307.0 | \$77.4 | 6.3% |
| Residential investment | \$455.6 | \$709.8 | \$254.2 | 55.8% |
| Government expenditures | \$1,783.3 | \$2,259.4 | \$476.1 | 26.7% |
| Net exports, goods & services | -\$392.9 | -\$690.7 | -\$297.8 | 75.8% |
| <i>The Growth in Debt Levels</i> | | | | |
| Total domestic nonfinancial debt | \$18,378.1 | \$24,772.7 | \$6,394.6 | 34.8% |
| Home mortgage debt | \$4,925.9 | \$7,768.6 | \$2,842.7 | 57.7% |
| Consumer credit | \$1,771.4 | \$2,165.5 | \$394.1 | 22.2% |
| Federal government debt | \$3,386.6 | \$4,546.5 | \$1,159.9 | 34.2% |
| State/Local government debt | \$1,219.2 | \$1,742.8 | \$523.6 | 42.9% |
| Total business debt | \$6,614.3 | \$7,968.1 | \$1,353.8 | 20.5% |
| <i>National Income, Wages and Profits</i> | | | | |
| National income | \$8,987.6 | \$10,768.4 | \$1,780.8 | 19.8% |
| Wages and salaries | \$4,961.1 | \$5,646.9 | \$685.8 | 13.8% |
| Corporate profits | \$778.7 | \$1,288.2 | \$509.5 | 65.4% |

Sources: U.S. Bureau of Economic Analysis, National Income and Product Accounts, and Federal Reserve System, Flow of Funds, First Quarter 2005

Fig. 1.3
The U.S. Employment Recovery Has Been Much Weaker than
in Previous Recovery Periods
 4+ years from business cycle peak



Source: BLS data analyzed by FPI

Fig.1.3

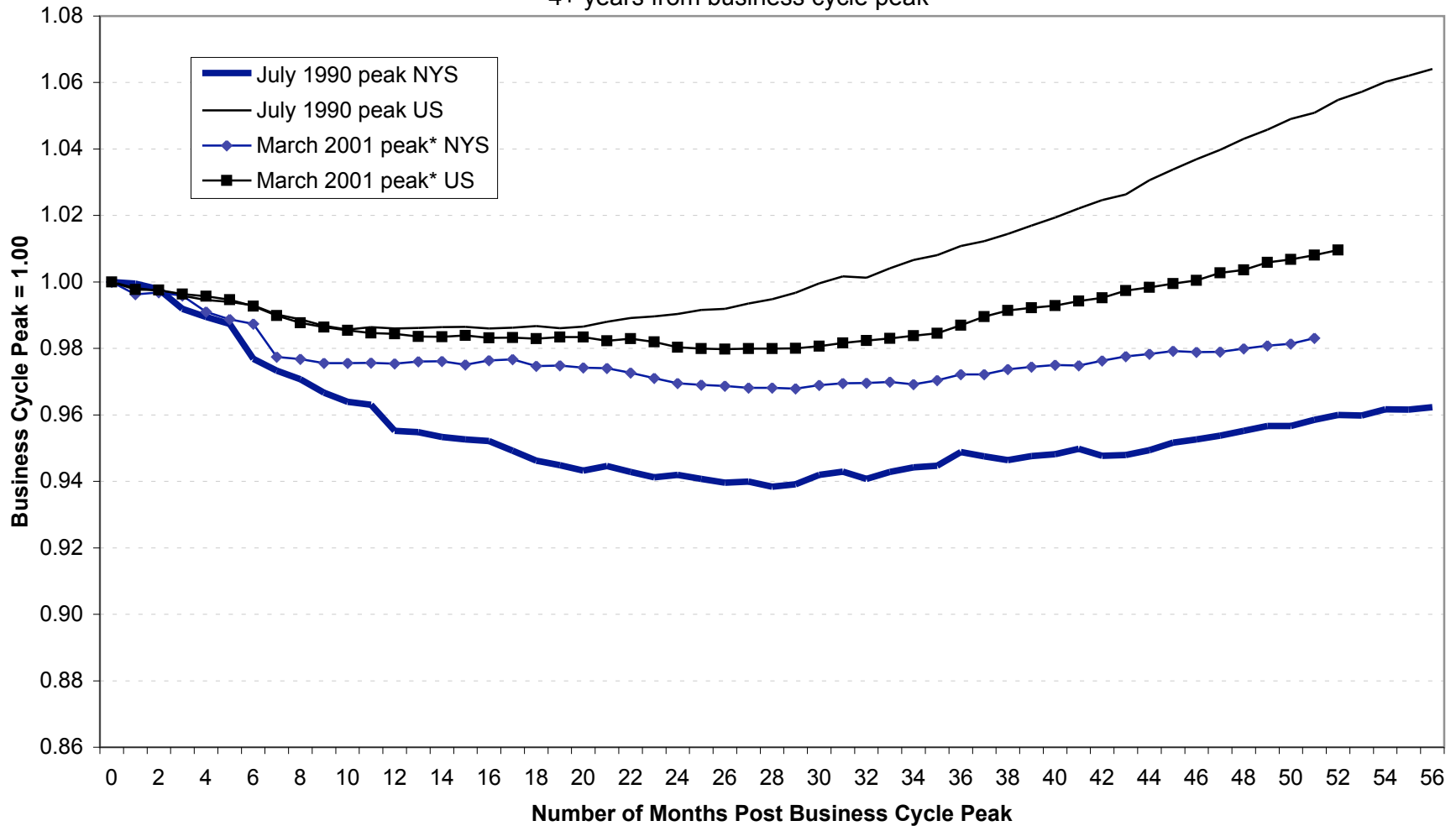
Fig. 1.4

Employment in the U.S., New York State, and New York City During and Since the Recession

| Employment (in thousands, seasonally adjusted) | U.S. | New York State | New York City |
|--|-------------|-----------------------|----------------------|
| March 2001 | 132,511 | 8,671 | 3,741 |
| November 2001 | 130,879 | 8,472 | 3,603 |
| May 2003 | 129,827 | 8,399 | 3,529 |
| May 2004 | 131,373 | 8,444 | 3,541 |
| June 2005 (preliminary) | 133,537 | 8,526 | 3,577 |
| March 2001 - November 2001 (Recession) | | | |
| Change | -1,632 | -200 | -138 |
| % change | -1.2% | -2.3% | -3.7% |
| November 2001 - May 2003 (Post-recession Downturn) | | | |
| Change | -1,052 | -73 | -74 |
| % change | -0.8% | -0.9% | -2.1% |
| May 2003 - May 2004 (1st year of Recovery) | | | |
| Change | 1,546 | 45 | 13 |
| % change | 1.2% | 0.5% | 0.4% |
| May 2004 - June 2005 (2nd year [plus 1 month] of Recovery) | | | |
| Change | 2,164 | 82 | 36 |
| % change | 1.6% | 1.0% | 1.0% |
| May 2003 - June 2005 (25 months of Recovery) | | | |
| Change | 3,710 | 127 | 48 |
| % change | 2.9% | 1.5% | 1.4% |
| March 2001 - June 2005 (from national pre-recession peak to latest month) | | | |
| Change | 1,026 | -145 | -165 |
| % change | 0.8% | -1.7% | -4.4% |

Source: Bureau of Labor Statistics (BLS), New York State Dept. of Labor, NYS and NYC seasonal adjustment by FPI.

Fig. 1.5 New York State's recent job recovery is better than following the early 1990s recession, although the pace of U.S. job growth is slower
 4+ years from business cycle peak



* July 2005 marked the 44th month in the most recent recovery.
 Source: US Bureau of Labor Statistics. Analysis by Fiscal Policy Institute.

Fig.1.5

Fig. 1.6

Annual Change in Major Economic Indicators, New York State

| | <u>Peak</u> | <u>Recession</u> | | | <u>Recovery</u> | |
|---|-------------|------------------|-------|-------|-----------------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| Personal Income (\$2004 dollars) | 3.5% | -0.2% | -2.0% | 0.2% | 3.1% | 2.5% |
| Total Wages and Salaries (\$2004 dollars) | 4.0% | -0.6% | -4.0% | -0.7% | 3.4% | 2.8% |
| Payroll Employment | 2.1% | -0.5% | -1.5% | -0.6% | 0.5% | 0.9% |
| Gross State Product (\$2000 dollars) | 5.1% | 1.8% | -0.8% | 3.1% | 5.2% | n.a. |

Sources: BEA, NYS DOL, FPI forecasts for 2005.

Figure 1.7

New York State's Job Growth Ranking Among 50 States and D.C. During the Recovery

| | <u>New York State</u> | | <u>U.S. job growth</u> | <u>New York's</u> |
|------------------------|-----------------------|----------------|------------------------|----------------------|
| | <u>job gain</u> | <u>percent</u> | <u>percent</u> | <u>ranking among</u> |
| | | | | <u>51 states**</u> |
| 1st year of recovery | | | | |
| May 2003 to May 2004 | 43,600 | 0.5% | 1.2% | 45 |
| 2nd year of recovery * | | | | |
| May 2004 to July 2005 | 82,900 | 1.0% | 1.8% | 42 |

* this 14-month period used to reflect the latest month of data

** includes the District of Columbia

Source: BLS, analysis by Fiscal Policy Institute.

Figure 1.8
Job Growth by Major Sector, NYS and U.S., May 2003 to June 2005

| (Employment change in thousands) | New York | | U.S. | |
|--|-----------------|-------------|--------------|-------------|
| | difference | % change | difference | % change |
| Total Nonfarm | 127.2 | 1.5% | 3,710 | 2.9% |
| Construction | 4.7 | 1.5% | 541 | 8.1% |
| Manufacturing | -37.8 | -6.1% | -285 | -2.0% |
| Wholesale Trade | -4.0 | -1.1% | 100 | 1.8% |
| Retail Trade | 24.5 | 2.9% | 275 | 1.8% |
| Utilities | -1.6 | -3.9% | -2 | -0.4% |
| Transportation and Warehousing | 2.2 | 1.0% | 180 | 4.3% |
| Information | -8.9 | -3.2% | -41 | -1.3% |
| Finance and Insurance | 8.9 | 1.7% | 128 | 2.2% |
| Real Estate Rental and Leasing | 4.2 | 2.4% | 89 | 4.3% |
| Professional, Scientific, and Technical Services | 16.6 | 3.3% | 345 | 5.2% |
| Management of Companies and Enterprises | -1.3 | -1.1% | 55 | 3.3% |
| Admin. & Supp. and Waste Manage. & Remed. Servs. | 19.6 | 4.8% | 590 | 7.7% |
| Educational Services | 22.7 | 6.8% | 122 | 4.5% |
| Health Care and Social Assistance | 36.1 | 3.1% | 634 | 4.6% |
| Leisure and Hospitality | 32.6 | 5.1% | 660 | 5.5% |
| Other Services | 7.3 | 2.1% | 84 | 1.6% |
| Government | -0.1 | 0.0% | 179 | 0.8% |

Source: BLS, analysis by FPI.

Figure 1.9

Fastest Growing Detailed Industries, NYS, May 2003 to June 2005

(Industries that have grown more than 3 times New York's overall 1.5% job growth)

| Detailed industry | Absolute change (000s) | May 2003 to June 2005 percent change |
|---|-----------------------------------|---|
| Temporary help services | 14.9 | 16.0% |
| Investment banking and securities dealing | 4.9 | 12.7% |
| Residential building construction | 3.4 | 8.8% |
| Amusement, gambling and recreation | 5.9 | 8.7% |
| Accounting and payroll services | 5.9 | 8.5% |
| Home health care services | 5.9 | 8.2% |
| Building finishing contractors | 3.4 | 7.7% |
| Architectural and engineering services | 4.4 | 7.7% |
| Retail- building materials | 4.4 | 7.2% |
| Retail- health and personal care stores | 5.0 | 7.1% |
| Colleges, universities and professional schools | 14.4 | 6.7% |
| Personal care services | 2.4 | 6.2% |
| Retail- clothing and accessory stores | 6.7 | 5.7% |
| Retail- sporting goods, book and music | 2.3 | 5.5% |
| Nursing and residential care facilities | 11.3 | 5.1% |
| School and employee bus transportation | 1.6 | 5.0% |
| Food and drinking places | 20.9 | 4.8% |
| Religious organizations | 5.3 | 4.7% |
| Performing arts and spectator sports | 2.1 | 4.6% |
| Traveler accomodation | 3.4 | 4.6% |
| Retail- general merchandise stores | 5.5 | 4.5% |
| TOTAL NYS Nonfarm employment | 127.2 | 1.5% |

Source: NYSDOL, seasonal adjustment by Fiscal Policy Institute.

Figure 1.10

**Detailed Industries Declining by more than 5%,
NYS, May 2003 to June 2005**

| Detailed industry | Absolute change (000s) | May 2003 to June 2005 percent change |
|---|---------------------------------------|---|
| ISPs, web search portals and data processing | -4.6 | -16.4% |
| Private urban transit systems | -0.8 | -15.7% |
| Apparel manufacturing | -5.4 | -13.9% |
| Chemical manufacturing | -8.4 | -13.8% |
| Heavy construction | -3.6 | -12.3% |
| Transportation equipment manufacturing | -3.5 | -9.2% |
| U.S. Postal Service | -5.7 | -9.0% |
| Wired telecommunications carriers | -3.5 | -7.9% |
| Prof. & commercial equip. wholesale trade | -3.5 | -7.8% |
| State government education | -4.7 | -7.4% |
| Plastics manufacturing | -2.0 | -7.2% |
| Travel arrangement and reservation services | -1.1 | -7.2% |
| Cable and other program distribution | -0.6 | -7.0% |
| Vocational rehabilitation services | -3.1 | -6.4% |
| Motion picture and sound recording | -2.9 | -6.1% |
| Electrical & electronic goods wholesale trade | -1.3 | -5.7% |
| Semiconductor and electronic component mfg. | -1.4 | -5.6% |
| Furniture manufacturing | -1.1 | -5.6% |
| Machinery manufacturing | -2.8 | -5.1% |
| TOTAL NYS Nonfarm employment | 127.2 | 1.5% |

Source: NYSDOL, seasonal adjustment by Fiscal Policy Institute.

Figure 1.11

Net Job Change by Major Sector, from NYS Peak in December 2000 to June 2005

| | December 2000 employment level | June 2005 employment level | Employment change from December 2000 to June 2005 | |
|---|-----------------------------------|-------------------------------|---|--------------|
| | | | difference | % change |
| Total Nonfarm | 8,692,779 | 8,526,240 | -166,538 | -1.9% |
| Construction | 334,494 | 324,033 | -10,461 | -3.1% |
| Manufacturing | 739,735 | 578,121 | -161,614 | -21.8% |
| Wholesale Trade | 379,142 | 350,247 | -28,895 | -7.6% |
| Retail Trade | 886,943 | 880,225 | -6,718 | -0.8% |
| Utilities | 41,789 | 39,694 | -2,095 | -5.0% |
| Transportation and Warehousing | 241,966 | 223,810 | -18,156 | -7.5% |
| Information | 329,461 | 270,185 | -59,276 | -18.0% |
| Finance and Insurance | 563,696 | 526,157 | -37,539 | -6.7% |
| Real Estate Rental and Leasing | 184,976 | 183,649 | -1,328 | -0.7% |
| Professional, Scientific, and Technical Services | 564,347 | 524,606 | -39,741 | -7.0% |
| Management of Companies and Enterprises Servs. | 116,663 | 120,506 | 3,843 | 3.3% |
| Educational Services | 454,135 | 431,281 | -22,854 | -5.0% |
| Health Care and Social Assistance | 298,537 | 354,569 | 56,031 | 18.8% |
| Leisure and Hospitality | 1,102,250 | 1,195,189 | 92,938 | 8.4% |
| Other Services | 647,152 | 677,465 | 30,313 | 4.7% |
| Government | 343,107 | 356,679 | 13,572 | 4.0% |
| | 1,462,439 | 1,484,179 | 21,740 | 1.5% |

Source: NYSDOL, seasonal adjustment by Fiscal Policy Institute.