

New York City

New York City is comprised of five counties: New York (the borough of Manhattan), Kings (the borough of Brooklyn), Queens, Bronx, and Richmond (the borough of Staten Island).



New York City Data Bank			
	NYC	NYS	US
Population	8,104,079	---	---
2004 Estimate			
%Change 2000-2004	1.19%	1.32%	4.35%
Employment			
1st Half 2005-2004 (%Chg)			
New York City	0.97%	0.95%	1.70%
Unemployment			
2005 1st Half(#)	211,767	472,583	---
2005 1st Half(rate)	5.7%	5.1%	5.3%
# of Private business('03)	NYC	NYS	
Establishments	211,605	530,527	
Total Payroll (Bil\$)	\$179.8	\$326.0	
Per Capita Income('03)	2003	93-'03 %Chg	
USA	\$31,472	47.4%	
New York State	\$36,112	43.6%	
New York City	\$37,815	40.6%	

Demography

In 2004 the population in New York City was estimated at 8.1 million. Between 2000 and 2004, the population in New York City increased by 95,425, but with a 1.2% growth rate the city ranked 8th in population growth among labor market regions in the state. The population count increased in every county in the region, with Richmond gaining fastest at a growth rate of about 4.4%. Between 2000 and 2004, there was a net domestic out migration of over 640,000, offset by net international migration of +431,000 and a natural increase of about 278,000.

Gradual employment gains, but still some miles to go

Between 2000 and 2004, New York City lost 168,000 jobs, a decline of 4.7%, the fastest decrease among labor market regions in the state. Industries that lost jobs included: manufacturing (-52,600); finance and insurance (-45,000); information (-39,000); professional, scientific and technical services (-32,200); and administrative

services (-25,100). Construction was down by nearly 10,000 jobs. As in some other regions of the state, arts, entertainment and recreation, food and drinking places, health care and social services, and educational services, offset some of the decline. Job gains in these sectors ranged from 3,500 to 35,700. From the 1st half of 2001 to the 1st half of 2005, employment in the New York City region was down about 161,200 jobs, or 4.3%, in comparison to Long Island which was up 1.7% and Putnam-Rockland and Westchester which grew 3.0%.

Finance continues to improve but is unlikely to be a job engine in the future

Recent employment data indicate that the finance sector added slightly over 1,000 jobs between 2003 and 2004. This is a gain of three tenths of 1%, and suggests that employment gains in the sector will not make up for the large employment losses in the regional economy. Retail trade (+5,500), and health care and social services (+5,300) lead recent gains in employment, followed by professional, scientific, and technical services (+4,800), food services (+4,700), arts, recreation and entertainment (+1,800), educational services (+1,800), accommodation (+1,100). Significant job losses during the recent period occurred in manufacturing (-6,500), management of companies (-3,300), and information (-2,600).

SUPERSECTOR	2004	% 2004		
		Total	Change 2003-2004	% Change 2003-2004
Total	3,437,506	100.0%	13,523	0.4%
Public	544,567	15.8%	-1,383	-0.3%
Utilities	14,313	0.4%	-437	-3.0%
Construction	107,494	3.1%	-1,352	-1.2%
Manufacturing	119,645	3.5%	-6,500	-5.2%
Wholesale Trade	137,372	4.0%	573	0.4%
Retail Trade	268,185	7.8%	5,536	2.1%
Transportation & Warehousing	126,887	3.7%	-458	-0.4%
Information	150,186	4.4%	-2,556	-1.7%
Finance & Insurance	312,856	9.1%	1,037	0.3%
Real Estate and Rental and Leasing	113,506	3.3%	817	0.7%
Professional, Scientific, and Technical Services	280,102	8.1%	4,773	1.7%
Management of Companies and Enterprises	54,582	1.6%	-3,343	-5.8%
Administrative and Support Services	176,881	5.1%	144	0.1%
Waste Management and Remediation Services	5,333	0.2%	341	6.8%
Educational Services	122,063	3.6%	1,793	1.5%
Health Care and Social Assistance	513,300	14.9%	5,276	1.0%
Arts, Entertainment, and Recreation	58,404	1.7%	1,837	3.2%
Accommodation	39,122	1.1%	1,084	2.8%
Food Services and Drinking Places	165,682	4.8%	4,694	2.9%
Other Services	131,878	3.8%	-275	-0.2%

Note: Data for industry 521 (Monetary Authorities) are unavailable in 2000. Therefore, the 2000 total shown for finance & insurance can not be compared to subsequent years.
Source: New York State Department of Labor's ES-202 data.

Despite the region's economic depth, the quality of jobs has deteriorated

Between 2000 and 2004, job losses in manufacturing, finance and insurance, information, and professional, scientific and technical services have caused deterioration in job quality. The average wage of industries losing share in the economy was \$85,600, which compares to an average wage of \$44,800 in industries gaining job share. Job-gaining industries included health care and related services, government, educational services, and food and drinking places, most of them traditionally paying wages toward the bottom of the spectrum. New York ranked last among the state's labor market regions on the job quality ratio, which measures wages of industries gaining employment share to those losing share. New York's job quality ratio at -0.63, was lower than the state average of -0.53.

New York City Job Quality 2000-2004 (employment in thousands)							
SUPERSECTOR*	Employment		2004 Average Annual Wage	Job Change		Share Change	
	2000	2004		Change	Gain/Loss	Change (pps.**)	Gain/Loss
Health Care and Social Assistance	477.6	513.3	\$40,636	35.7	gained jobs	1.74	gained share
Government	549.1	544.6	\$51,291	-4.6	lost jobs	0.68	gained share
Educational Services	106.3	122.1	\$41,082	15.8	gained jobs	0.62	gained share
Food Services and Drinking Places	156.1	165.7	\$20,991	9.6	gained jobs	0.51	gained share
Retail Trade	274.3	268.2	\$31,459	-6.1	lost jobs	0.23	gained share
Arts, Entertainment, and Recreation	54.9	58.4	\$55,468	3.5	gained jobs	0.18	gained share
Management of Companies and Enterprises	51.3	54.6	\$150,274	3.3	gained jobs	0.17	gained share
Other Services	135.0	131.9	\$35,237	-3.2	lost jobs	0.11	gained share
Real Estate and Rental and Leasing	115.8	113.5	\$50,374	-2.3	lost jobs	0.10	gained share
Accommodation	39.1	39.1	\$43,158	0.0	lost jobs	0.06	gained share
Utilities	14.5	14.3	\$84,335	-0.2	lost jobs	0.02	gained share
Subtotal, industries gaining job share	1,974.0	2,025.6	\$44,763	51.6		4.4	
Manufacturing	172.3	119.6	\$45,034	-52.6	lost jobs	-1.27	lost share
Information	189.2	150.2	\$89,322	-39.0	lost jobs	-0.85	lost share
Finance and Insurance	357.9	312.9	\$195,857	-45.1	lost jobs	-0.78	lost share
Professional, Scientific, and Technical Services	312.3	280.1	\$89,675	-32.2	lost jobs	-0.47	lost share
Administrative and Support Services	202.0	176.9	\$38,030	-25.1	lost jobs	-0.43	lost share
Transportation and Warehousing	145.0	126.9	\$45,163	-18.1	lost jobs	-0.31	lost share
Wholesale Trade	150.9	137.4	\$65,266	-13.6	lost jobs	-0.17	lost share
Construction	117.2	107.5	\$57,337	-9.7	lost jobs	-0.11	lost share
Waste Management and Remediation Services	5.6	5.3	\$44,821	-0.3	lost jobs	0.00	lost share
Subtotal, industries losing job share	1,652.4	1,416.8	\$85,579	-235.6		-4.4	
Total Nonfarm	3,606.0	3,437.5	\$64,773	-168.5			
*Analysis excludes natural resources and mining and not elsewhere classified.						Job Quality Ratio -0.63	
** Percentage point change.							
Note: The average wage for the two groups is computed by weighting the industry average wage by each industry's share of the change in the job share for its group.							
Source: New York State Department of Labor Insured Employment series, analyzed by Fiscal Policy Institute.							

Personal income declines

Between 2000 and 2003, real total personal income declined by an annual average rate of 1.0%. This compares to a growth rate of 4.2% in the 1980s, and a 2.2% in the 1990s. Between 2000 and 2003, the wage and salary component of personal income declined by an average annual rate of 3.1% compared to increases of 3.4% in the 1980s and 3.2% in the 1990s. Transfer payments increased by 4.7% between 2000 and 2004 compared to 3.0% in both the 1980s and 1990s. Dividends, interest and rent fell by 7.0% in between 2000 and 2003 compared to increases of 5.6% in the 1980s and .3% in the 1990s.

New York City Change in Personal Income and Components, Selected Years (in billions of 2003 dollars)								
Year	Personal Income	Earnings by place of work			Contributions for gov't soc. ins.**	Dividends, Interest, Rent	Transfer Payments	Residency Adjustment
		Wages & Salaries	Supplements to Wages & Salaries*	Proprietors Income				
1980	168.9	126.9	24.9	17.4	-16.3	28.2	29.8	-42.1
1990	253.8	176.6	32.3	29.5	-26.2	48.8	40.0	-47.2
2000	316.1	243.1	39.6	45.4	-32.9	50.3	53.8	-83.1
2001	314.6	241.2	40.2	43.6	-33.2	46.3	58.5	-82.1
2002	306.1	224.9	42.1	42.9	-32.2	42.4	60.2	-74.2
2003	306.7	220.9	42.7	44.6	-32.0	40.5	61.6	-71.6
1980-1990 Change	84.9	49.7	7.3	12.2	-9.9	20.6	10.2	-5.1
Ann Avg % Change	4.2%	3.4%	2.6%	5.5%	4.9%	5.6%	3.0%	1.2%
1990-2000 Change	62.3	66.5	7.3	15.9	-6.7	1.5	13.8	-36.0
Ann Avg % Change	2.2%	3.2%	2.1%	4.4%	2.3%	0.3%	3.0%	5.8%
2000-2001 Change	-1.6	-1.9	0.6	-1.8	-0.3	-4.0	4.7	1.0
% Change	-0.5%	-0.8%	1.4%	-3.9%	0.8%	-7.9%	8.8%	-1.2%
2001-2002 Change	-8.4	-16.4	1.9	-0.7	1.0	-3.9	1.7	7.9
% Change	-2.7%	-6.8%	4.7%	-1.6%	-3.1%	-8.4%	2.9%	-9.6%
2002-2003 Change	0.5	-4.0	0.6	1.6	0.2	-2.0	1.5	2.6
% Change	0.2%	-1.8%	1.4%	3.8%	-0.5%	-4.6%	2.5%	-3.5%
2000-2003 Change	-9.5	-22.2	3.0	-0.9	1.0	-9.8	7.9	11.6
Ann Avg % Change	-1.0%	-3.1%	2.5%	-0.6%	-1.0%	-7.0%	4.7%	-4.9%

* Includes employer contributions to pensions and social security. Supplements are added to earnings by place of work.
** Includes employer and employee contributions to social security. These contributions are subtracted from personal income.
Source: BEA. Deflator applied by Fiscal Policy Institute.

Prospects

New York City accounts for 42% of the state's population, 43% of its employment base, and 45% of its personal income. It is thus critical to the economic and fiscal and health of the state as a whole. While New York has becoming increasingly over reliant on the very volatile finance sector in recent years, the city still has a broad range of economic assets and a diverse and deep economy that helps the region sustain itself even when the economy is in a downturn, and unemployment rates are higher than in other regions of the state. It has a diverse and highly trained population, and the city is a prime destination for immigrants.

Although the city lost nearly 170,000 jobs between 2000 and 2004, there are signs that the economy is gradually recovering from the attacks of September 11, 2001, the "dot.com" bust, and the erosion of finance sector. According to the NYS Department of Labor the city is beginning to gain jobs in a number of industries since the economy began to rebound.

Professional, scientific and technical services jobs, which are sensitive to the overall economy, increased employment by nearly 5,000 between 2003 and 2004. Although small compared to the economy, jobs in arts, entertainment and recreation—which are important to the city and have significant ripple effects in tourism—increased by 3,500. Reflecting a stronger economy, retail employment has grown by over 5,000 and a number of retail projects, including the high-shopping center at Columbus Circle, have opened in New York City.

Many of the city's job losses since December 2000 have occurred in the industries that grew rapidly during the late 1990s boom. These include several high-paying industries: securities, computer programming, advertising,

publishing, motion pictures, internet-related industries, telecommunications, and consulting. A number of these industries are unlikely to return to the similar employment and wage levels.

Restructuring and relocation of financial firms outside the region will constrain growth in the financial sector. Between 2003 and 2004, the sector increased employment at a modest 0.3%. On the positive side, year-end bonuses are almost back to levels in past years, thereby providing a boost to both the economy and the fiscal environment. Mid-sized, consumer-oriented banks have begun to expand in the city, growth that may be related to the active housing market. Jobs have also been added in the real estate sector.

Rents for commercial space have been down, thus constraining the growth in construction. Lower Manhattan has not completely recovered from the destruction of the World Trade Center and the economic downturn. On the other hand, the residential market, supercharged by low interest rates, has been very hot, though that trend may be reversed if interest rates continue to rise.

Major Employers in New York City, 2004	
American Airlines Inc	Montefiore Hospital & Medical Center
Beth Israel Medical Center	Morgan Stanley & Co Inc
Chase Manhattan Bank	Mount Sinai Hospital
City of New York	New York & Presbyterian Hospital
City University of New York	New York City Housing Authority
Columbia University	New York City School District
Consolidated Edison Co of NY Inc	New York City Transit Authority
Credit Suisse First Boston Inc	New York Hospital
Gap Stores	North Shore University Hospital
Goldman Sachs & Co	Salomon Smith Barney Inc
Harlem Hospital Center	The Bank of New York
Macys Stores	U.S. Bureau of Immigration & Customs
Manhattan-Bronx Surface Transit Authority	U.S. Postal Service
Memorial Sloan-Kettering Cancer Center	United Parcel Service Inc
Merrill Lynch Pierce Fenner Smith	Verizon (Utility)
Source: Empire State Development	
Note: Employers are not ranked by size.	