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EASTERN CONSOLIDATED
Real estate investment services

NYC Employment Alert

October 2011

The following report covers the New York City employment results for October 2011. The results are based on preliminary data released from the New York State Department of Labor that was seasonally adjusted by Eastern Consolidated.

New York City lost 2,100 jobs in October while the private sector lost 5,700 jobs. The public sector added 3,600 jobs, mostly at the local level.

The surprising finding in the data was the breadth of losses: of the 30 individual industries tracked by Eastern Consolidated, 16 posted a loss and three had no growth. While most of the losses were small, it is still disappointing. New York City has posted three consecutive months of job losses. This contrasts positive growth at the national level.

The largest loss was in private education that shed 5,600 jobs last month after losing 10,000 jobs in September. This industry has been volatile all year and still posts a year-to-date gain of 9,600 jobs. October's losses are surprising given that the common seasonal adjustment effects in some months (June and September) should not be affecting October numbers, but very likely are.

Other losses were in real estate (-2,100 jobs), retail trade (-1,700) and health services (-1,200). These losses are also unexpected and do not follow any anecdotal data that may have presaged this, although health services has been retrenching all year.

On a brighter note, employment services added 2,400 jobs. Job growth in this industry tends to be a lead indicator of future job growth elsewhere as many prefer to add temporary positions, which represent the lion's share of employment services jobs, before adding permanent staff. Arts and entertainment added 1,600 jobs, restaurants added 1,500 jobs and membership organizations / non-profits added 1,200 jobs after losing the same amount last month.

Despite numerous layoff announcements on Wall Street, the securities industry only lost 300 jobs in October and commercial banks lost 400 jobs. For the year, securities has added 800 jobs thus far. That said, we expect the losses in this industry to continue for the next several months. Another interesting finding is that the computer system design industry – the catch-all for most technology firms – lost 100 jobs, contradicting significant anecdotal evidence of a burgeoning tech sector in New York City. For the year, this industry has only added 100 jobs.

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New York City And U.S. Employment Changes In 2011 As Of October 2011
(Ranked By New York City Growth Or Loss)

Biggest Gainers in 2011					Biggest Losers in 2011				
Industry	**New York City**		**U.S.**		**Industry**	**New York City**		**U.S.**	
Educational Services	9,600	5.5%	69,100	2.2%	Health Services	-4,000	-1.0%	265,900	1.9%
Food Services & Drinking Places	9,600	4.5%	147,800	1.6%	Manufacturing	-3,400	-4.5%	194,000	1.7%
Retail Trade	9,000	3.0%	165,500	1.1%	Construction	-2,200	-2.0%	27,000	0.5%
Accounting	5,700	13.3%	50,400	5.7%	Publishing	-1,900	-4.1%	-1,500	-0.2%
Advertising & Related	3,200	5.9%	n.a.		Federal Government	-1,800	-3.4%	-41,000	-1.4%
Wholesale Trade	3,000	2.2%	70,400	1.3%	Telecommunications	-1,100	-5.3%	-37,600	-4.3%
Motion Picture & Sound Recording	2,900	6.6%	-14,100	-3.8%	Apparel Manufacturing	-1,000	-6.1%	-1,500	-1.0%
Local Government	2,900	0.6%	-150,000	-1.1%	State Government	-900	-1.9%	-82,000	-1.6%
Real Estate	2,400	2.1%	9,900	0.5%	Religious, Civic & Non-Profits	-500	-0.5%	5,800	0.2%
Management Consulting	2,100	6.3%	53,000	5.3%	Legal Services	-400	-0.5%	-800	-0.1%
Employment Services	1,900	2.8%	130,200	4.6%	Banking	-300	-0.3%	-8,200	-0.3%
Air Transportation	1,700	6.4%	7,200	1.5%	Insurance	-300	-0.6%	-12,700	-0.6%

Source: Eastern Consolidated, New York State Department of Labor and U.S. Bureau of Labor Statistics

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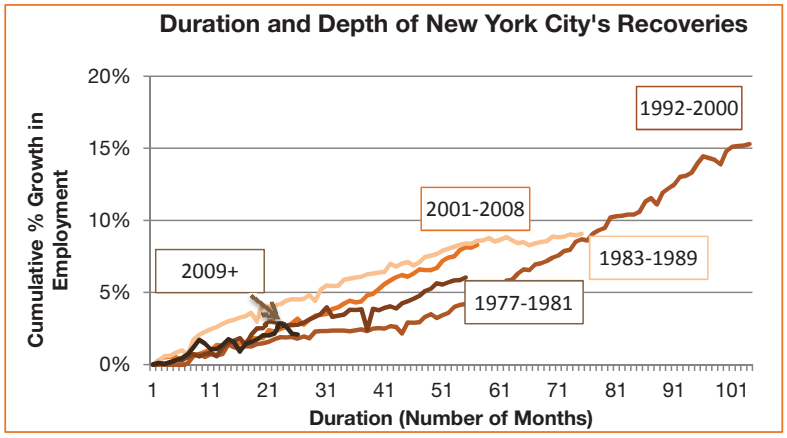
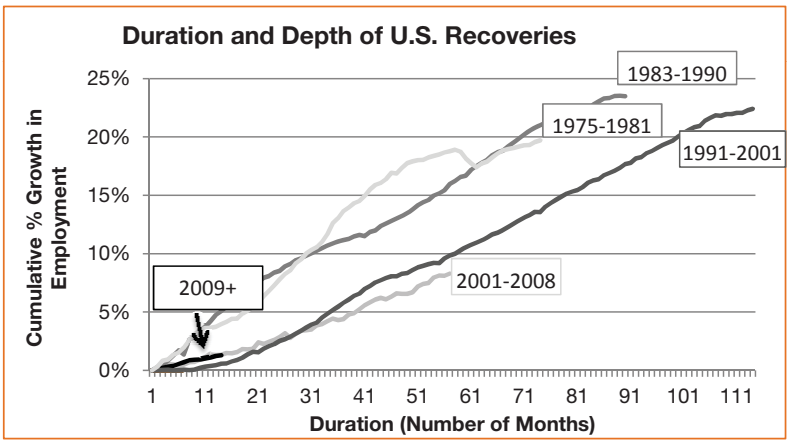


This chart showing the depth and duration of each of the last five job recoveries for New York City shows that the current trend in job growth for New York City is starting to sag, falling below the comparable rate of growth in previous recoveries.



Similarly, this chart showing the depth and duration of each of the last five recoveries for the United States shows that the rate of job growth at the national level is in line with two of the last four recoveries.

Since bottoming in October 2009, New York City has added 76,200 jobs, or 2.1%. The U.S. has added 2.27 million jobs since its nadir, February 2010, a growth rate of 1.8%. The City is 47,200 private sector jobs short of its peak in April 2008, or 1.5% below. The U.S. remains 6.07 million short of its peak in January 2008, or 5.3% below.

Again, October's results were so disappointing because of the unexpected losses in industries that had been so solid in the city: private education, retail and even real estate.

We are not very optimistic that this trend will reverse course in the next month or two mainly because the fourth quarter has traditionally posted job losses in a number of industries, namely retail. Moreover, the securities industry will likely post losses given recent announcements. Still, the data has gotten significantly more volatile over the last three years than had been the case prior, which suggests that anything is possible. Moreover, as regular as the fourth quarter has been on showing job losses, the ensuing first quarter gains have been equally as regular and we expect that the city will post gains in January and February again.

The October results represent one month of data. The NYS Department of Labor revises its estimates on a monthly basis.

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EASTERN CONSOLIDATED Real estate investment services October 2011	New York City Employment Changes					U.S. Employment Changes			
	One Month	Year to Date (Since December 2010)	Year to Date % (Since December 2010)	Since Trough (September 2009)	Since Trough % (September 2009)	One Month	Year to Date (Since December 2010)	Year to Date % (Since December 2010)	Since Trough (Feb-2010)
Construction	100	-2,200	-2.0%	-11,700	-10.0%	-20,000	27,000	0.5%	-8,000
Manufacturing	0	-3,400	-4.5%	-7,000	-8.8%	5,000	194,000	1.7%	297,000
Apparel Manufacturing	0	-1,000	-6.1%	-1,800	-10.5%	500	-1,500	-1.0%	-4,900
Wholesale Trade	500	3,000	2.2%	2,900	2.1%	8,100	70,400	1.3%	106,800
Retail Trade	-1,700	9,000	3.0%	13,900	4.8%	17,800	165,500	1.1%	229,200
Transportation, Utilities	-700	500	0.4%	-2,300	-1.9%	9,400	18,000	0.4%	143,200
Air Transportation	-200	1,700	6.4%	1,400	5.2%	-200	7,200	1.5%	10,600
Information	-400	-3,200	-2.0%	-4,000	-2.4%	-5,000	-38,000	-1.4%	-75,000
Publishing	100	-1,900	-4.1%	-4,100	-8.5%	900	-1,500	-0.2%	-8,300
Motion Picture and Sound Recording	-200	2,900	6.6%	2,700	6.1%	-2,700	-14,100	-3.8%	-12,200
Broadcasting	-300	-200	-0.7%	0	0.0%	-600	-1,900	-0.6%	-700
Telecommunications	-600	-1,100	-5.3%	-1,500	-7.0%	-4,900	-37,600	-4.3%	-74,400
Financial Activities	-2,800	5,900	1.4%	7,300	1.7%	4,000	-6,000	-0.1%	-46,000
Banking	-400	-300	-0.3%	1,000	1.2%	-2,000	-8,200	-0.3%	-5,500
Securities	-300	800	0.5%	6,200	3.8%	-900	5,200	0.6%	10,600
Insurance	400	-300	-0.6%	-800	-1.5%	2,500	-12,700	-0.6%	-45,100
Real Estate	-2,100	2,400	2.1%	-200	-0.2%	4,000	9,900	0.5%	-6,500
Professional and Business Services	3,900	18,500	3.2%	39,100	7.0%	32,000	419,000	2.5%	777,000
Legal Services	-100	-400	-0.5%	-2,400	-3.1%	400	-800	-0.1%	300
Accounting	-800	5,700	13.3%	3,800	8.5%	2,000	50,400	5.7%	34,900
Architectural and Engineering	100	600	2.4%	300	1.2%	-2,200	23,700	1.9%	21,400
Computer Systems Design	-100	100	0.2%	4,900	11.1%	2,900	57,900	4.0%	95,200
Management Consulting	100	2,100	6.3%	4,200	13.5%	3,800	53,000	5.3%	72,400
Advertising and Related	400	3,200	5.9%	5,600	10.8%	N/A			
Employment Services	2,400	1,900	2.8%	11,400	19.9%	14,400	130,200	4.6%	364,400
Educational and Health Services	-7,600	5,400	0.7%	28,400	3.8%	28,000	362,000	1.8%	723,000
Educational Services	-5,600	9,600	5.5%	20,200	12.3%	11,000	69,100	2.2%	129,700
Health Services	-1,200	-4,000	-1.0%	7,500	1.8%	11,600	265,900	1.9%	500,600
Social Assistance	-500	-100	-0.1%	900	0.5%	4,700	26,400	1.0%	91,800
Leisure and Hospitality	2,900	10,700	3.3%	21,600	6.9%	22,000	201,000	1.5%	343,000
Arts, Entertainment, Recreation	1,600	500	0.8%	-2,700	-4.0%	6,500	5,700	0.3%	8,000
Museums and Historical Sites	0	500	4.3%	700	6.2%	1,000	4,600	3.6%	4,500
Hotels	-100	900	2.1%	2,300	5.6%	3,000	47,800	2.7%	73,100
Food Services and Drinking Places	1,500	9,600	4.5%	22,200	11.0%	12,800	147,800	1.6%	261,900
Other Services	100	-1,200	-0.8%	-4,000	-2.5%	-2,000	37,000	0.7%	138,000
Religious, Civic and Non-Profits	1,200	-500	-0.5%	-4,700	-4.6%	-1,200	5,800	0.2%	84,600
Government	3,600	300	0.1%	-7,900	-1.4%	-24,000	-273,000	-1.2%	-495,000
Federal Government	700	-1,800	-3.4%	-3,800	-6.9%	-2,000	-41,000	-1.4%	-60,000
State Government	0	-900	-1.9%	-3,200	-6.5%	-20,000	-82,000	-1.6%	-85,000
Local Government	3,000	2,900	0.6%	-900	-0.2%	-2,000	-150,000	-1.1%	-350,000
Total	-2,100	43,300	1.2%	76,200	2.1%	80,000	1,256,000	1.0%	2,270,000
Total Private Sector	-5,700	43,000	1.4%	84,200	2.7%	104,000	1,529,000	1.4%	2,765,000
Office Sector	2,400	23,800	1.7%	40,600	2.9%	37,900	451,200	1.3%	847,400

Sectors are in bold, the industries underneath them are included in the sector totals, but the sum of the listed industries does not necessarily add to the sector total.

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