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EASTERN CONSOLIDATED
Real estate investment services

# NYC Employment Alert

**December 2011**

*The following report covers the New York City employment results for December 2011. The results are based on preliminary data released from the New York State Department of Labor that was seasonally adjusted by Eastern Consolidated. In early March, the Department of Labor will release its annual "Benchmark Revisions" which could alter these results considerably.*

Reversing last month's gains, New York City lost 8,700 jobs in December including 8,400 job losses in the private sector. The government sector only lost 300 jobs all of which were local government jobs. In November, the city had added 10,600 jobs.

Surprisingly, the heaviest losses were found in restaurants and drinking places that shed 2,400 jobs in December. This industry had added 9,300 jobs in the first 11 months of the year, thus December's loss does not pose a concern.

What is more of a concern, though less of a surprise, were the 2,000 job losses in securities. A number of firms had announced potential layoffs, and the State Comptroller's office and other agencies had forecasted that securities could lose as many as 10,000 jobs. Commercial banks lost 500 jobs and real estate firms lost 1,500 jobs in December.

On a brighter note, the health services industry added 2,300 jobs in December. After steadily adding jobs for more than 20 years, health services posted losses in 2011 that netted 1,200 fewer jobs (net) at year end. Although, the annual benchmark revisions could shed better light on this and many other volatile trends in the 2011 jobs data.

The other positive news in the December data was that nearly all of the professional business services industries posted a gain. Only the legal industry lost 500 jobs. Advertising added 700 jobs, while the employment services industry was flat.

For the year, New York City added 36,500 jobs, including 38,500 private sector jobs. The public sector lost 2,000 jobs in 2011 after losing 11,500 jobs in 2010. All of the 2011 government job losses were at the state and federal level, the city government added 1,000 jobs in 2011.

The table below ranking industries by gains and losses shows how the rate of growth in New York City exceeded that of the U.S. for nearly every industry that added jobs; however, the rate of job loss was also higher for all but one industry that lost jobs.

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**New York City And U.S. Employment Changes In 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.** | |
| Retail Trade | 13,300 | 4.5% | 239,700 | 1.7% | Construction | -4,500 | -4.2% | 46,000 | 0.8% |
| Educational Services | 8,600 | 4.9% | 76,300 | 2.4% | Other Manufacturing | -2,800 | -4.7% | 228,700 | 2.0% |
| Food Services and Drinking Places | 6,900 | 3.2% | 230,400 | 2.4% | Federal Government | -2,100 | -3.9% | -36,000 | -1.3% |
| Accounting | 5,700 | 13.3% | 61,400 | 7.0% | Publishing | -2,000 | -4.3% | -3,900 | -0.5% |
| Advertising and Public Relations | 3,900 | 7.2% | N/A | | Securities | -2,000 | -1.2% | -700 | -0.1% |
| Management Consulting | 2,800 | 8.5% | 60,900 | 6.0% | Health Services | -1,200 | -0.3% | 314,700 | 2.3% |
| Wholesale Trade | 2,500 | 1.8% | 84,400 | 1.5% | Apparel Manufacturing | -1,100 | -6.7% | -3,700 | -2.3% |
| Social Services | 2,500 | 1.5% | 35,600 | 1.3% | State Government | -900 | -1.9% | -63,000 | -1.2% |
| Air Transportation | 1,400 | 5.2% | 5,000 | 1.1% | Telecommunications | -800 | -3.8% | -44,600 | -5.1% |
| Real Estate | 1,300 | 1.1% | 13,300 | 0.7% | Banking | -800 | -0.9% | 3,100 | 0.1% |
| Arts, Entertainment, Recreation | 1,100 | 1.7% | -5,400 | -0.3% | Insurance | -600 | -1.1% | -8,600 | -0.4% |
| Employment Services | 1,000 | 1.5% | 113,100 | 4.0% | Legal Services | -600 | -0.8% | -2,700 | -0.2% |
| Local Government | 1,000 | 0.2% | -181,000 | -1.3% | Broadcasting | -500 | -1.8% | -3,000 | -1.0% |

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

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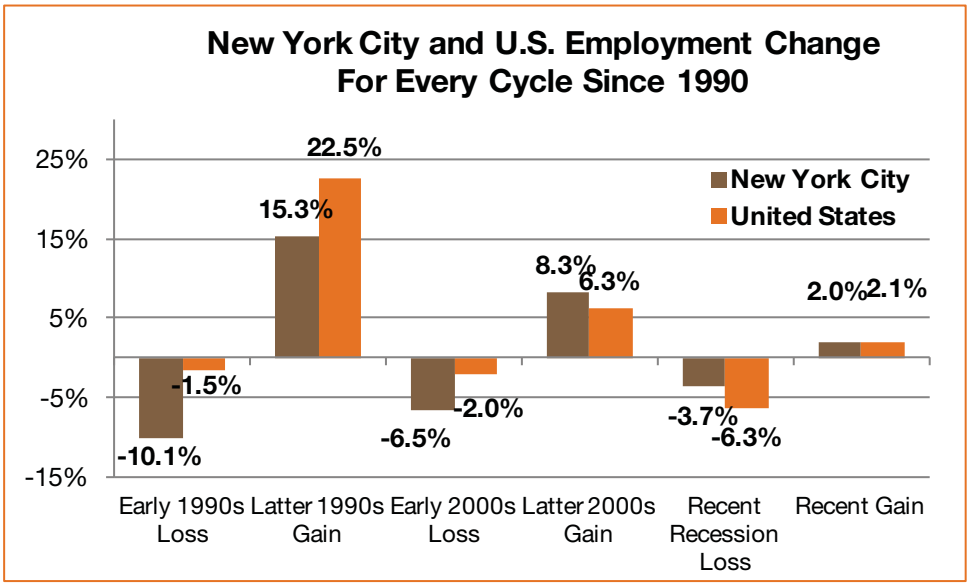
Indeed, it is the city's construction and manufacturing industries that have yet to reap any of the gains seen in other parts of the U.S. The lack of job growth in December for the city's construction industry was especially surprising given the unseasonably warm weather. We expect this trend to reverse course in a few months given the turnaround in the city's real estate market.

As for the losses in manufacturing, we do not expect these to turn around in the near future as much of the national manufacturing growth is in automobile and heavy machinery of which New York City does not have a significant share.

One noteworthy development in the December data is that New York's overall growth rate in the current recovery is no longer higher than the U.S. That is, since bottoming in September 2009, New York City has added 73,000 jobs, for a growth rate of 2.0%; however, the U.S. has added 2.65 million jobs since its nadir, February 2010, for a growth rate of 2.1%.

Note in the table below how New York City and the U.S. are growing at a similar pace in contrast to previous recoveries when the trends differed dramatically.




*The City has recovered 52% of its cumulative 139,200-job loss from April 2008 through September 2009. The U.S. has recovered 30% of its 8.75 million-job loss from January 2008 through February 2010.*

*We reiterate that December's data will be revised in the next month or so; therefore, we caution against reading too much into this current month's loss especially in light of the fact that the data has been so erratic over the last six months. The annual revisions should provide a much better reflection of the city's employment picture.*

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| EASTERN CONSOLIDATED Real estate investment services December 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 Through (September 2009) | Since Through % (September 2009) | One Month | Year to Date (Since December 2010) | Year to Date % (Since December 2010) | Since Through (Feb-2010) |
| **Construction** | -800 | -4,500 | -4.2% | -14,000 | -11.9% | 17,000 | 46,000 | 0.8% | 11,000 |
| **Manufacturing** | -400 | -3,900 | -5.2% | -7,600 | -9.6% | 23,000 | 225,000 | 1.9% | 328,000 |
| Apparel Manufacturing | 0 | -1,100 | -6.7% | -1,900 | -11.0% | -500 | -3,700 | -2.3% | -7,100 |
| **Wholesale Trade** | -500 | 2,500 | 1.8% | 2,600 | 1.9% | 11,600 | 84,400 | 1.5% | 120,800 |
| **Retail Trade** | -100 | 13,300 | 4.5% | 18,500 | 6.3% | 27,900 | 239,700 | 1.7% | 303,400 |
| **Transportation, Util.** | -1,200 | -300 | -0.3% | -3,000 | -2.5% | 50,200 | 67,000 | 1.6% | 192,200 |
| Air Transportation | -300 | 1,400 | 5.2% | 1,200 | 4.4% | 800 | 5,000 | 1.1% | 8,400 |
| **Information** | -500 | -4,800 | -2.9% | -5,300 | -3.2% | 6,000 | -36,000 | -1.3% | -73,000 |
| Publishing | 100 | -2,000 | -4.3% | -4,300 | -8.9% | 1,300 | -3,900 | -0.5% | -10,700 |
| Motion Picture and Sound Recording | -1,200 | 400 | 0.9% | 1,000 | 2.3% | 5,200 | -1,800 | -0.5% | 100 |
| Broadcasting | 0 | -500 | -1.8% | -200 | -0.7% | 1,400 | -3,000 | -1.0% | -1,800 |
| Telecommunications | 200 | -800 | -3.8% | -1,200 | -5.6% | -3,000 | -44,600 | -5.1% | -81,400 |
| **Financial Activities** | -4,900 | 400 | 0.1% | 2,300 | 0.5% | 2,000 | 7,000 | 0.1% | -33,000 |
| Banking | -500 | -800 | -0.9% | 600 | 0.7% | 2,800 | 3,100 | 0.1% | 5,800 |
| Securities | -2,000 | -2,000 | -1.2% | 3,500 | 2.2% | -3,900 | -700 | -0.1% | 4,700 |
| Insurance | 100 | -600 | -1.1% | -1,000 | -1.9% | 3,300 | -8,600 | -0.4% | -41,000 |
| Real Estate | -1,500 | 1,300 | 1.1% | -900 | -0.8% | -1,300 | 13,300 | 0.7% | -3,100 |
| **Professional and Business Services** | 1,300 | 19,000 | 3.3% | 39,900 | 7.1% | 12,000 | 452,000 | 2.7% | 810,000 |
| Legal Services | -500 | -600 | -0.8% | -2,500 | -3.2% | -1,800 | -2,700 | -0.2% | -1,600 |
| Accounting | 0 | 5,700 | 13.3% | 3,900 | 8.7% | 3,100 | 61,400 | 7.0% | 45,900 |
| Architectural and Engineering | 100 | 700 | 2.8% | 400 | 1.6% | 500 | 26,600 | 2.1% | 24,300 |
| Computer Systems Design | 100 | 800 | 1.6% | 5,500 | 12.4% | 1,200 | 60,200 | 4.1% | 97,500 |
| Management Consulting | 300 | 2,800 | 8.5% | 4,900 | 15.8% | 4,300 | 60,900 | 6.0% | 80,300 |
| Advertising and Public Relations | 700 | 3,900 | 7.2% | 6,300 | 12.1% | | N/A | | |
| Employment Services | 0 | 1,000 | 1.5% | 10,400 | 18.1% | -11,600 | 113,100 | 4.0% | 347,300 |
| **Educational and Health Services** | 2,000 | 9,900 | 1.3% | 33,400 | 4.5% | 29,000 | 427,000 | 2.2% | 788,000 |
| Educational Services | -300 | 8,600 | 4.9% | 20,000 | 12.1% | 100 | 76,300 | 2.4% | 136,900 |
| Health Services | 2,300 | -1,200 | -0.3% | 10,300 | 2.5% | 22,600 | 314,700 | 2.3% | 549,400 |
| Social Services | 400 | 2,500 | 1.5% | 3,500 | 2.1% | 6,100 | 35,600 | 1.3% | 101,000 |
| **Leisure and Hospitality** | -3,100 | 8,400 | 2.6% | 19,600 | 6.3% | 21,000 | 268,000 | 2.0% | 410,000 |
| Arts, Entertainment, Recreation | -500 | 1,100 | 1.7% | -2,100 | -3.1% | -3,100 | -5,400 | -0.3% | -3,100 |
| Museums and Historical Sites | 100 | 600 | 5.2% | 800 | 7.0% | 700 | 6,500 | 5.1% | 6,400 |
| Hotels | -200 | 400 | 0.9% | 2,000 | 4.9% | 700 | 43,300 | 2.5% | 68,600 |
| Food Services and Drinking Places | -2,400 | 6,900 | 3.2% | 19,800 | 9.8% | 24,000 | 230,400 | 2.4% | 344,500 |
| **Other Services** | 0 | -1,500 | -1.0% | -4,400 | -2.7% | 4,000 | 44,000 | 0.8% | 145,000 |
| Religious, Civic and Non-Profits | -100 | 700 | 0.7% | -3,700 | -3.6% | 4,200 | 16,300 | 0.5% | 95,100 |
| **Government** | -300 | -2,000 | -0.4% | -9,100 | -1.6% | -12,000 | -280,000 | -1.3% | -502,000 |
| Federal Government | 0 | -2,100 | -3.9% | -3,800 | -6.9% | 2,000 | -36,000 | -1.3% | -55,000 |
| State Government | 0 | -900 | -1.9% | -3,200 | -6.5% | 0 | -63,000 | -1.2% | -66,000 |
| Local Government | -300 | 1,000 | 0.2% | -2,000 | -0.4% | -14,000 | -181,000 | -1.3% | -381,000 |
| **Total** | -8,700 | 36,500 | 1.0% | 73,000 | 2.0% | 200,000 | 1,640,000 | 1.3% | 2,654,000 |
| **Total Private Sector** | -8,400 | 38,500 | 1.2% | 82,100 | 2.6% | 212,000 | 1,920,000 | 1.8% | 3,156,000 |
| **Office Sector** | -4,800 | 17,800 | 1.3% | 35,800 | 2.6% | 35,800 | 523,700 | 1.5% | 919,900 |

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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