

NYC Employment Alert

January 2012

The following report covers the New York City employment results for January 2012. The results are based on data released from the New York State Department of Labor that was seasonally adjusted by Eastern Consolidated. The enclosed data also includes the annual "Benchmark Revisions" for the 2010 and 2011 employment statistics.

Breaking numerous records, New York City added 31,200 jobs in January. Not only is January's result the highest one-month gain in the last 23 years (that was not impacted by a strike), but the total employment level jumped well ahead of the previous peak of April 2008. In fact, the numbers were so extraordinary that New York City's employment level is now higher than it has been since the statistics have been kept (the 1950s). The previous peak employment was in June 1969.

Moreover, according to the annual benchmark revisions, New York City added 1,400 jobs in the fourth quarter of 2011. We previously reported that the City had lost 4,900 jobs last quarter. For all of 2011, the City added 54,200 jobs, nearly 50% more than what we previously reported: a gain of 36,500 jobs.

Most industries saw an upward revision, but the most dramatic change was in financial services. The securities industry added 3,700 jobs in 2011, a sharp contrast from the earlier report of a loss of 2,500 jobs. Health services also added 3,800 jobs in 2011, but our earlier report showed a loss of 1,200 jobs in health services.

The private education industry had equally puzzling revisions but in the opposite direction. After peaking last summer, private education lost 16,000 jobs in the second half of 2011 but then added 4,500 jobs in January. The level in January is just below the level at the end of 2010.

The table below ranking industries by gains and losses over the last 13-months shows that retail and restaurants added the most jobs in New York City. With nearly 325,000 jobs, the retail industry has added 25,000 jobs (8%) since April 2008, which was the peak month for employment prior to the recession. Restaurants have added 33,700 jobs (17%) since the peak. The table also shows that only construction and manufacturing remain significant laggards.

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Industries with the Biggest Gains and Losses from December 2010 to January 2012							
Biggest Gainers				Biggest Losers			
Industry	One Month (Dec 2011 to Jan 2012)	13 Months December 2010 to January 2012		Industry	One Month (Dec 2011 to Jan 2012)	13 Months December 2010 to January 2012	
		Total	Percent			Total	Percent
Retail Trade	4,900	18,600	6.1%	Construction	-3,000	-2,300	-2.1%
Food Services & Drinking Places	1,500	13,300	6.1%	Manufacturing	400	-2,200	-2.9%
Accounting	3,100	7,600	18.5%	Motion Picture & Sound Recording	1,600	-1,800	-3.6%
Securities	2,700	6,400	3.9%	Government	-400	-1,600	-0.3%
Health Services	2,600	6,400	1.5%	Federal Government	-300	-1,500	-2.8%
Advertising and Public Relations	800	4,600	8.2%	Apparel Manufacturing	-300	-1,200	-7.2%
Management Consulting	100	3,700	11.0%	Educational Services	4,500	-1,200	-0.7%
Social Services	1,200	3,200	1.9%	Transportation, Util.	-700	-1,000	-0.8%
Computer Systems Design	300	2,500	5.0%	State Government	-100	-500	-1.0%
Banking	200	2,200	2.5%	Broadcasting	-200	-200	-0.7%
Hotels	400	2,100	4.8%				
Legal Services	400	2,100	2.7%				

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

It is an understatement to say that these gains exceeded all expectations. Most have been concerned about Wall Street layoffs when in reality the industry added jobs steadily over the last two years. In fact, at 172,600 jobs, the securities industry is only 16,400 jobs off its peak of January 2008.

The gains in professional and business services are also striking and contradict anecdotal reports from the office leasing market that leasing activity has been slow for more than six months. We believe many of these professional business services jobs are technology-related and are not captured in the traditional industry categories such as accounting, advertising or computer systems design.

The employment numbers from the employer survey also contradict the labor force statistics from the household survey that showed that unemployment went up in January to 9.3%! The first conclusion one would make from this disparity is that most of these added jobs went to commuters. This is because the labor force statistics account for residents who are either unemployed (but looking for a job) or employed, while the employment statistics count jobs at New York City firms. We don't believe the commuter argument is driving the gap, but the issue clearly warrants more research.

Since bottoming in September 2009, New York City has added 156,400 jobs, a growth rate of 4.3%. The private sector has added 165,500 jobs, a growth rate of 5.3%. At the national level, the U.S. has added 3.17 million jobs since the trough of February 2010, a growth rate of 2.4%; the national private sector has grown by 3.66 million jobs or 3.4%.


The changes by industry are shown in the table below.

January results are preliminary. The NYS Department of Labor revises its estimates on a monthly basis as well as annually.

Eastern Consolidated is a full-service real estate investment services firm, headquartered in New York City.

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EASTERN CONSOLIDATED  Real estate investment services January 2012	New York City Employment Changes					U.S. Employment Changes			
	One Month	13-Month (Since December 2010)	13-Month % (Since December 2010)	Since Through (September 2009)	Since Through % (September 2009)	One Month	13-Month (Since December 2010)	13-Month % (Since December 2010)	Since Through (Feb-2010)
Construction	-3,000	-2,300	-2.1%	-9,800	-8.3%	21,000	95,000	1.7%	43,000
Manufacturing	400	-2,200	-2.9%	-5,600	-7.1%	50,000	287,000	2.5%	400,000
Apparel Manufacturing	-300	-1,200	-7.2%	-1,800	-10.4%	100	-4,600	-3.0%	-11,400
Wholesale Trade	1,500	1,000	0.7%	3,100	2.3%	14,000	109,500	2.0%	138,700
Retail Trade	4,900	18,600	6.1%	31,400	10.7%	10,500	228,200	1.6%	347,300
Transportation, Util.	-700	-1,000	-0.8%	-2,200	-1.8%	13,100	101,300	2.4%	192,800
Air Transportation	400	1,700	6.3%	1,600	5.9%	-1,000	800	0.2%	-8,900
Information	500	400	0.2%	6,000	3.7%	-13,000	-55,000	-2.0%	-102,000
Publishing	100	0	0.0%	-2,100	-4.3%	-1,800	-7,800	-1.0%	-19,500
Motion Picture and Sound Recording	1,600	-1,800	-3.6%	3,600	8.2%	-7,900	-13,600	-3.7%	-19,600
Broadcasting	-200	-200	-0.7%	600	2.2%	-700	-6,700	-2.3%	-15,000
Telecommunications	100	1,100	5.3%	700	3.3%	-300	-43,200	-4.9%	-71,100
Financial Activities	5,600	10,400	2.4%	16,000	3.7%	-5,000	21,000	0.3%	30,000
Banking	200	2,200	2.5%	4,200	5.0%	-5,200	1,400	0.1%	15,800
Securities	2,700	6,400	3.9%	10,000	6.2%	-2,900	-2,500	-0.3%	1,800
Insurance	100	800	1.5%	1,200	2.2%	1,100	5,500	0.2%	28,200
Real Estate	900	100	0.1%	-400	-0.3%	1,600	18,400	1.0%	-11,800
Professional and Business Services	9,300	35,000	6.0%	55,500	9.9%	70,000	645,000	3.8%	1,112,000
Legal Services	400	2,100	2.7%	600	0.8%	1,000	1,400	0.1%	3,400
Accounting	3,100	7,600	18.5%	4,200	9.4%	12,500	91,000	10.3%	72,300
Architectural and Engineering	-100	1,100	4.3%	1,200	4.7%	6,900	32,900	2.6%	30,200
Computer Systems Design	300	2,500	5.0%	8,500	19.2%	1,700	76,000	5.1%	129,500
Management Consulting	100	3,700	11.0%	6,300	20.3%	3,000	75,300	7.3%	113,200
Advertising and Public Relations	800	4,600	8.2%	8,600	16.5%		N/A		
Employment Services	-3,000	500	0.8%	6,200	10.7%	33,200	207,600	7.3%	469,100
Educational and Health Services	8,300	8,500	1.1%	31,000	4.2%	36,000	432,000	2.2%	717,000
Educational Services	4,500	-1,200	-0.7%	7,100	4.3%	5,600	93,900	2.9%	175,900
Health Services	2,600	6,400	1.5%	18,200	4.5%	30,900	322,200	2.3%	523,900
Social Services	1,200	3,200	1.9%	5,800	3.5%	-1,200	16,000	0.6%	16,600
Leisure and Hospitality	2,900	15,900	4.8%	35,700	11.5%	44,000	353,000	2.7%	575,000
Arts, Entertainment, Recreation	1,100	700	1.0%	700	1.0%	14,900	19,300	1.0%	31,700
Museums and Historical Sites	-100	0	0.0%	100	0.9%	200	7,400	5.8%	8,900
Hotels	400	2,100	4.8%	5,000	12.1%	-3,900	30,500	1.7%	55,800
Food Services and Drinking Places	1,500	13,300	6.1%	30,500	15.1%	32,800	303,200	3.2%	487,400
Other Services	1,900	2,700	1.7%	4,400	2.7%	7,000	26,000	0.5%	48,000
Religious, Civic and Non-Profits	1,300	900	0.9%	700	0.7%	6,800	-8,800	-0.3%	-18,000
Government	-400	-1,600	-0.3%	-9,100	-1.6%	-14,000	-285,000	-1.3%	-498,000
Federal Government	-300	-1,500	-2.8%	-3,100	-5.6%	-6,000	-42,000	-1.5%	-42,000
State Government	-100	-500	-1.0%	-1,500	-3.1%	3,000	-74,000	-1.4%	-92,000
Local Government	-100	400	0.1%	-4,500	-1.0%	-11,000	-169,000	-1.2%	-364,000
Total	31,200	85,400	2.3%	156,400	4.3%	243,000	2,063,000	1.6%	3,165,000
Total Private Sector	31,600	86,900	2.7%	165,500	5.3%	257,000	2,348,000	2.2%	3,663,000
Office Sector	18,200	47,600	3.3%	81,300	5.8%	72,800	711,700	2.0%	1,160,700

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.