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EASTERN CONSOLIDATED
Real estate investment services

NYC Employment Alert

May 2012

The following report covers the New York City employment results for May 2012. The results are based on data released from the New York State Department of Labor that was seasonally adjusted by Eastern Consolidated.

For the fifth straight month, New York City recorded strong job growth with 12,300 added jobs in May putting the year-to-date gain at 62,400 jobs. In all of 2011, 54,600 jobs were added. At no other period in the last 40 years has the City enjoyed job growth of this magnitude and consistency. In fact, of the 189,000 jobs added in the last 32 months since the bottom of the recession (September 2009), one-third came in the last five months.

The private sector job gain was 14,100 for May and 70,100 for the year.

Some have questioned the validity of the seasonally adjusted results in the last few months. Surely New York City's data has exhibited anomalies over the last few years showing wild month-to-month fluctuations, but that has not been the case this year with five consistent months of strong job growth.

That said, the employment results once again contradict the growth in the unemployment rate from 9.5% in April to 9.7% in May. The growth in the unemployment rate was driven by the growth in the labor force as a number of residents likely joined the labor force sensing their prospects for acquiring a job went up. The household survey data shows that the number of employed New York City residents increased by 5,000 in May.

The professional business services industries added 8,500 jobs in May, and for the fifth straight month, the underlying industries did not show as strong a growth pattern. We believe that the gap between the gains in the broader professional services sector and that of the underlying industries is due to technology firms that are not easily classified. In May the difference between professional business services growth and the sum of the underlying industries was 2,000 jobs; for the year, the difference was 7,800 jobs that are likely attributed to technology-related firms.

However, employment services, including temporary agencies, added 4,800 jobs in May. This gain is seen as a positive indicator of future employment growth because employers often hire temps before hiring permanent staff. Employment services has added 10,500 jobs in the last three months.

Other industries with strong growth include real estate that added 2,200 jobs in May, arts/entertainment/recreation (+2,100 jobs) and wholesale trade (+2,100). The biggest surprise was in securities that added 1,500 jobs in May. For the year, securities has added 3,400 jobs. This growth contradicts recent announcements in the press of layoffs on Wall Street.

The other surprise in the May numbers was the loss of 3,600 jobs in construction following small gains in March and April. This loss is likely an aberration given the jump in building permits across the City in 2012. No other industry had a significant loss in May; however, each of the industries in the information sector had a small loss.

The table below ranking industries by gains and losses since the bottom of the (respective) recession(s) shows how strong New York City's employment trend has been compared to the U.S. The trends in the two series of data have truly diverged over the last three months as U.S. growth has decelerated while New York City's has accelerated.

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Industries with the Biggest Gains and Losses Since the Bottom of the Recession									
Industry	**New York City Gain Since September 2009**		**U.S. Change Since February 2010**		**Industry**	**New York City Loss Since September 2009**		**U.S. Change Since February 2010**	
	Total	**Percent**	**Total**	**Percent**		**Total**	**Percent**	**Total**	**Percent**
Retail Trade	33,300	11.4%	359,200	2.5%	Construction	-10,300	-8.8%	-13,000	-0.2%
Food Services and Drinking Places	32,600	16.1%	556,600	6.0%	Local Government	-7,600	-1.7%	-377,000	-2.6%
Health Services	21,700	5.3%	624,100	4.6%	Federal Government	-7,300	-13.3%	-52,000	-1.8%
Employment Services	18,300	31.7%	542,700	20.9%	Manufacturing	-4,900	-6.2%	491,000	4.3%
Securities	10,900	6.7%	1,600	0.2%	Publishing	-3,000	-6.2%	-24,000	-3.1%
Advertising and Public Relations	9,400	18.1%			Apparel Manufacturing	-2,100	-12.2%	-11,400	-7.1%
Computer Systems Design	9,000	20.3%	151,300	10.6%	Transportation, Utilities	-2,000	-1.7%	234,700	5.7%
Management Consulting	7,300	23.5%	136,000	13.8%	State Government	-1,600	-3.3%	-73,000	-1.4%
Accounting	7,100	15.9%	64,000	7.1%	Legal Services	-100	-0.1%	6,700	0.6%
Social Services	6,700	4.1%	28,200	1.1%					
Hotels	6,400	15.5%	72,700	4.2%					
Motion Picture and Sound Recording	6,200	14.1%	-9,100	-2.4%					

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

Since bottoming in September 2009, New York City has added 189,400 jobs, a growth rate of 5.2%. The private sector has added 205,800 jobs, a growth rate of 6.6%. At the national level, the U.S. has added 3.76 million jobs since the trough of February 2010, a growth rate of 2.9%; the national private sector has grown by 4.27 million jobs or 4.0%.

May results are preliminary. The NYS Department of Labor revises its estimates on a monthly basis as well as annually. See complete list of employment changes on page 4.

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EASTERN CONSOLIDATED Real estate investment services May 2012	New York City Employment Changes					U.S. Employment Changes			
	One Month	Year-to-Date (Since December 2011)	Year-to-Date % (Since December 2011)	Since Trough (September 2009)	Since Trough % (September 2009)	One Month	Year-to-Date (Since December 2011)	Year-to-Date % (Since December 2011)	Since Trough (Feb-2010)
Construction	-3,600	-3,700	-3.3%	-10,300	-8.8%	-28,000	-30,000	-0.5%	-13,000
Manufacturing	700	1,200	1.6%	-4,900	-6.2%	12,000	145,000	1.2%	491,000
Apparel Manufacturing	-100	-600	-3.8%	-2,100	-12.2%	-500	-300	-0.2%	-11,400
Wholesale Trade	2,100	1,800	1.3%	3,400	2.5%	15,900	53,800	1.0%	178,400
Retail Trade	-400	6,800	2.1%	33,300	11.4%	2,300	24,100	0.2%	361,500
Transportation, Util.	-100	-400	-0.3%	-2,000	-1.7%	35,600	56,600	1.3%	234,700
Air Transportation	400	1,100	3.9%	2,200	8.1%	-900	1,600	0.4%	-5,500
Information	-1,400	3,100	1.8%	8,800	5.4%	-2,000	-17,000	-0.6%	-106,000
Publishing	-100	-900	-1.9%	-3,000	-6.2%	-600	-6,400	-0.9%	-24,000
Motion Picture and Sound Recording	-300	4,200	9.1%	6,200	14.1%	0	1,100	0.3%	-9,100
Broadcasting	-400	-500	-1.8%	300	1.1%	200	2,600	0.9%	-11,800
Telecommunications	-100	-200	-0.9%	200	0.9%	-2,000	-13,400	-1.6%	-85,000
Financial Activities	3,200	10,800	2.5%	21,600	5.1%	3,000	28,000	0.4%	64,000
Banking	-100	900	1.0%	4,900	5.8%	-2,100	7,500	0.3%	29,800
Securities	1,500	3,400	2.0%	10,900	6.7%	-500	-4,700	-0.6%	1,100
Insurance	-100	100	0.2%	1,300	2.4%	-300	2,700	0.1%	27,800
Real Estate	2,200	3,600	3.1%	2,400	2.0%	6,600	23,500	1.2%	10,100
Professional and Business Services	8,500	26,100	4.3%	72,300	12.9%	-1,000	222,000	1.3%	1,273,000
Legal Services	-100	-300	-0.4%	-100	-0.1%	600	4,300	0.4%	6,700
Accounting	1,700	6,200	13.6%	7,100	15.9%	-14,000	-6,700	-0.7%	50,000
Architectural and Engineering	-200	100	0.4%	1,400	5.5%	300	20,600	1.6%	44,600
Computer Systems Design	-100	800	1.5%	9,000	20.3%	5,300	28,600	1.8%	156,600
Management Consulting	400	1,000	2.7%	7,300	23.5%	2,200	27,000	2.5%	138,200
Advertising and Public Relations	0	1,600	2.7%	9,400	18.1%				2,000
Employment Services	4,800	8,900	13.2%	18,300	31.7%	6,100	100,900	3.3%	548,800
Educational and Health Services	1,200	9,100	1.2%	32,100	4.4%	46,000	228,000	1.1%	914,000
Educational Services	1,000	1,100	0.7%	4,100	2.5%	11,900	60,100	1.8%	227,700
Health Services	800	6,300	1.5%	21,700	5.3%	32,800	158,300	1.1%	656,900
Social Services	700	2,000	1.2%	6,700	4.1%	1,200	9,700	0.4%	29,400
Leisure and Hospitality	3,800	11,200	3.3%	44,100	14.2%	-9,000	112,000	0.8%	652,000
Arts, Entertainment, Recreation	2,100	5,400	8.0%	5,100	7.5%	-18,700	-5,700	-0.3%	13,200
Museums and Historical Sites	0	100	0.9%	300	2.6%	-2,000	-3,800	-2.8%	4,900
Hotels	600	1,800	3.9%	6,400	15.5%	1,800	13,500	0.7%	74,500
Food Services and Drinking Places	900	3,900	1.7%	32,600	16.1%	7,100	104,200	1.1%	563,700
Other Services	800	5,100	3.1%	7,500	4.7%	6,000	6,000	0.1%	48,000
Religious, Civic and Non-Profits	400	1,400	1.4%	800	0.8%	4,700	12,300	0.4%	-12,800
Government	-1,800	-7,700	-1.4%	-16,500	-3.0%	-13,000	-24,000	-0.1%	-502,000
Federal Government	-900	-4,500	-8.6%	-7,300	-13.3%	-5,000	-17,000	-0.6%	-52,000
State Government	0	-200	-0.4%	-1,600	-3.3%	-5,000	25,000	0.5%	-73,000
Local Government	-900	-3,000	-0.7%	-7,600	-1.7%	-3,000	-32,000	-0.2%	-377,000
Total	12,300	62,400	1.6%	189,400	5.2%	69,000	823,000	0.6%	3,765,000
Total Private Sector	14,100	70,100	2.2%	205,800	6.6%	82,000	847,000	0.8%	4,267,000
Office Sector	12,800	43,300	3.0%	106,900	7.7%	20,600	299,100	0.8%	1,396,600

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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