



New York City Comptroller  
Scott M. Stringer

NEWS

PRESS RELEASE

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## A STRONG 2014 FOR NEW YORK CITY TEMPERED BY SLOWER ECONOMIC GROWTH IN THE FOURTH QUARTER

### *Unemployment Fell to Lowest Rate in Six Years*

(NEW YORK, NY) – New York City’s economy continued its solid growth in 2014, outpacing the nation on many fronts despite a slowdown in the fourth quarter, according to the NYC [Quarterly Economic Update](#) released today by New York City Comptroller Scott M. Stringer. “While our economy lost momentum late in the year, most indicators are trending in the right direction for New York City,” Comptroller Stringer said. “Job growth has been robust, unemployment is down and personal income tax revenues are at the highest level on record. In 2015, we expect to see continued progress in restoring all of the City’s communities to economic health.”

2014 was one of the best job-producing years for New York City on record, with 88,900 (2.6 percent) private-sector jobs added, but in the fourth quarter, those jobs dropped slightly on a seasonally adjusted basis. Real Gross City Product (GCP), a measure of the City’s total economic output, grew at an estimated 2.8 percent annual rate in 4Q14, a healthy but still weaker pace than the 4.2 percent registered in the previous quarter. Consumer spending, powered by rising employment and lower gasoline and heating prices, continued to drive economic growth.

Despite this data, bright spots remained in the City’s fourth quarter performance:

- New York City’s unemployment rate (seasonally adjusted) fell to 6.3 percent in 4Q14, the lowest quarterly average rate in over six years. The New York City and the U.S. unemployment rates averaged 7.3 and 6.2 percent respectively, in 2014. Both rates were the lowest since 2008.
- New York City personal income tax revenues rose 10.8 percent, on a year-over-year basis, to over \$2.3 billion in 4Q14, the highest fourth-quarter level on record. This reflects the city’s employment growth and possibly some redemptions of previously-awarded restricted stock bonuses. It may also indicate improving wage rates and salaries, which have been stagnant through much of the recovery.
- Venture capital investment in the New York metro area was about \$1.2 billion in 4Q14, the same as last year’s fourth quarter, but below the \$1.7 billion in 3Q14 (Chart 2). Nonetheless, total venture capital investment in 2014 surpassed \$5 billion, which was about 59 percent higher than the \$3.2 billion in 2013.

- New leasing activity of Manhattan office space in 4Q14 totaled almost 8.4 million square feet (msf), over 16 percent higher than 4Q13 and the best fourth quarter since 2004. As a result, year-to-date leasing activity was about 32.8 msf, about 28 percent higher than 2013 and the highest level since 1998.
- Hotel occupancy rates remain above 90 percent, with initial data suggesting that 4Q14 could see the highest fourth-quarter rates in the city's history. The average daily hotel room cost \$336 in October-November of 2014, up from \$334 in the same period of 2013.

“The economic recovery continued to build in 2014 for New York City; a slower final quarter should be viewed in that context,” Stringer said. “As we head into 2015, we will continue to watch whether some of the wage gains we saw this past year will raise the paychecks of working New Yorkers.”

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