



New York City Comptroller
Scott M. Stringer

NEWS

PRESS RELEASE

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NEW YORK CITY COMPTROLLER SCOTT M. STRINGER ANALYSIS FINDS CITY HAS OPERATING SURPLUS FOR FIRST TIME IN SEVEN YEARS

(New York, NY) New York City took in more money than it spent in Fiscal Year 2015, the first time that has happened in seven years, according to an analysis of the state of the City's economy and finances submitted today to the New York City Council by New York City Comptroller Scott M. Stringer. However, the same report found that the City's budget cushion remains between \$1.2 to \$6.1 billion below optimal levels.

"The City's fiscal health is in the best shape it has been in years," Comptroller Stringer said. "Steady economic growth and strong job creation have brought in more revenue than the City anticipated. While this was a good year for the City, we must continue to repair the roof while the sun is still shining by putting more money away to protect against a potential economic downturn."

The Comptroller's report "The State of the City's Economy and Finances" is submitted to the City Council annually in accordance with the New York City Charter mandate that the Comptroller present his findings on the condition of the City's economy and finances and evaluate its most recent financial plan.

Tax Revenues and Budget Gaps

- In Fiscal Year 2015, the City achieved an operating surplus of \$1.83 billion, the first time that it generated more revenue than it spent since FY 2008.

NEW YORK CITY OPERATING SURPLUS/DEFICIT

FY 2006 - FY 2015 (in millions)



- The City's November financial plan shows FY 2016 budgeted at \$79.93 billion. The Comptroller's Office forecasts that tax revenues will be above the City's projections by:
 - \$539 million in FY 2016
 - \$846 million in FY 2017
 - \$865 million in FY 2018
 - \$1.01 billion in FY 2019
- However, the higher revenue estimates were almost completely offset by higher identified spending risks which brought the resulting budget gaps close to the City's estimate. The Comptroller's restated budget gaps are:
 - \$125 million in FY 2016
 - \$1.19 billion in FY 2017
 - \$1.88 billion in FY 2018
 - \$2.75 billion in FY 2019

Comptroller Stringer's analysis of the size of the City's budget cushion also shows that more funds should be put away to cover unexpected revenue shortfalls, or expenditure needs during the next downturn, in order to avoid disruption to City services. Using a measure of funds available for current and future budget relief developed by the Comptroller's office known as Prior-Year Accumulated Resources and Reserves, the analysis found the City's current PARR was between \$1.2 - \$6.1 billion short of the optimal level. To read more about how PARR is calculated and how it is comprised, please click [here](#).

Job Creation and Unemployment

- Robust job creation in the City helped reduce its unemployment rate to an average of 6 percent in the first ten months of 2015, which was 1.3 percentage points below what it was for the same period in 2014.

- Private employers added 76,000 jobs in the first ten months of 2015, putting the City within range of topping 100,000 new jobs for the third consecutive year.
- In October 2015, there were 3.68 million private-sector jobs, about 435,000 more than the previous peak total reached in August 2008.
- Despite the strong job growth, wage gains have remained weak, largely due to the fact that 41 percent of the new jobs created were in low-wage industries such as retail trade, home healthcare and food services.
- Overall average weekly earnings growth for private sector workers increased at a one percent annual rate between the third quarter of 2008 and the same period in 2015. When inflation is factored in, it represents a decline in real average income.

“Strong job growth is a great indicator of the resilience of our economy, but sluggish wage growth remains problematic. We need to continue to find ways to make sure that New Yorkers feel the economic recovery in their wallets,” Stringer said.

Capital Budget

- The City achieved capital commitments totaling \$9.26 billion in FY 2015, which was 65% of its authorized capital spending for the year. This is an improvement over FY 2014 when the City’s capital achievement rate was 52%, as outlined in the Comptroller’s previous [capital commitments report](#).
- Agencies that saw the most improvement in the amount of capital spending they achieved in FY 2015 include the Department of Health and Mental Hygiene (From 31.8% to 63.6%), Department of Correction (From 44.2% to 73%) and the Department of Parks and Recreation (From 24.1% to 51%).
- The agencies that declined the most were Department of Citywide Administrative Services (54.3% to 27.7%), Department of Information Technology and Telecommunications (48% to 27.9%) and the New York Public Library (10.9% to 0.4%).

“I’m pleased to see City agencies are moving projects forward at a faster rate, but we should not be satisfied with achieving less than two-thirds of our capital commitments. With so many capital needs across the City, agencies need to focus on using the funds that have been allocated to deliver needed infrastructure and capital improvements for all New Yorkers,” Stringer said.

To read the analysis, click [here](#).

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