



New York City Comptroller
Scott M. Stringer

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COMPTROLLER STRINGER: STRONG FIRST QUARTER FOR NEW YORK CITY'S ECONOMY WITH BRISK JOB GROWTH AND SOARING VENTURE CAPITAL INVESTMENT

(New York, NY) – New York City's economy has avoided the first quarter stall that has affected the national economy in four out of the last six years according to an [analysis](#) of the City's economic performance released today by New York City Comptroller Scott M. Stringer.

“For two years in a row, New York City's economy accelerated as the nation's economy paused in the first quarter,” Comptroller Stringer said. “But we need the rest of the country to pick up the pace because we're all in this together.”

For the second consecutive year in the first quarter, the City's real gross city product (GCP) grew at a significantly faster rate than the country's. The estimated annual rate of 3.5 percent far outpaced the 0.2 percent national growth. This strong performance is reflected by strong venture capital and labor markets and falling vacancy rates in Manhattan commercial real estate. Overall, the city's GCP accounts for slightly more than four percent of the nation's total economic output.

Venture capital investment in the New York metro area rose 45.2 percent on a year-over-year basis to about \$1.4 billion, the highest first-quarter level in 14 years. 10.4 percent of all venture capital investment in the country was in the New York metro area, an increase of 1.4 percent since 1Q14.

New private sector jobs tripled in the first quarter as compared to the last quarter of 2014: the City's private sector added 31,300 jobs, or 3.5 percent (seasonally-adjusted annual rate) in 1Q15, as compared to a 10,600 increase in the previous quarter. In contrast, the nation's total private sector jobs grew only 2.6 percent in the first quarter of 2015. Notably, half of job gains were in high wage sectors, including professional and business services, financial activities and information, after the previous four quarters when job growth in high wages sectors averaged only a third of total jobs created.

"The NYC Quarterly Economic Update" examines economic trends and reports data from New York City's economy within the national context. It analyzes a broad range of economic indicators that reflect the City's current conditions. These indicators include Gross City Product (GCP), job growth, income tax withholding, unemployment rates, inflation, commercial real estate vacancy and rental rates, residential real estate sales, hotel occupancy rates and public transit ridership.

The report highlights several outcomes of the strong quarter:

- Since payroll jobs reached their trough in 1Q10, national jobs have increased 8.7 percent while the City's total jobs have increased 13.2 percent (a gain of 485,000 jobs). Private sector jobs have increased 11.1 percent nationally since that point, while the City has gained 16 percent.
- Because the City's labor force increased by more than 35,000 workers, the unemployment rate, adjusted for seasonality, rose to 6.6 percent in the first quarter of 2015 from 6.5 percent in the previous quarter, as the national unemployment rate fell to 5.6 percent. The large expansion of the labor force may be attributable to previously-discouraged residents re-entering the workforce.
- Comparing each borough in the first quarter of 2015 to previous first quarters, all saw their lowest first-quarter unemployment rates since 2008:
 - Manhattan had the lowest unemployment rate at 5.8 percent
 - Queens's rate was 6.2 percent
 - Staten Island's was 6.9 percent
 - Brooklyn's was 7.2 percent
 - The Bronx was 9.4 percent
- Personal income tax revenues rose 4.9 percent on a year-over-year basis to over \$3 billion in the first quarter. However, income taxes withheld from

paychecks rose only 3.3 percent on a year-over-year basis, possibly indicating a change in the timing of Wall Street bonus payouts.

- Manhattan office vacancy rates fell to 9.2 percent in the first quarter, down from 10.5 percent at the same point last year according to data from Cushman-Wakefield. Overall asking rents increased throughout Manhattan's neighborhoods.
- Manhattan, Brooklyn, and Queens co-op prices were mixed but the number of sales declined, according to data from Prudential Douglas Elliman. As of November 2014, the New York metro area home price index was 11 percent higher than at its trough in March of 2012, but still 17.6 percent below the peak reached in May 2006.
- MTA NYC Transit ridership rose 0.4 percent in January-February of 2015 on a year-over-year basis as subway ridership rose 0.7 percent and bus ridership fell 0.3 percent. Higher ridership typically reflects an increase in the City's economic activities and employment.

"It's good news that the City's economy is creating jobs across the wage spectrum. There are hopeful signs that incomes may finally start to rise, which means more money in the pockets of New Yorkers. The City continues to be a venture capital hot spot and that could pay dividends for our economy down the road. As always, we'll be keeping a cautious eye on local and national trends," Stringer said.

To view the report, please click [here](#).