



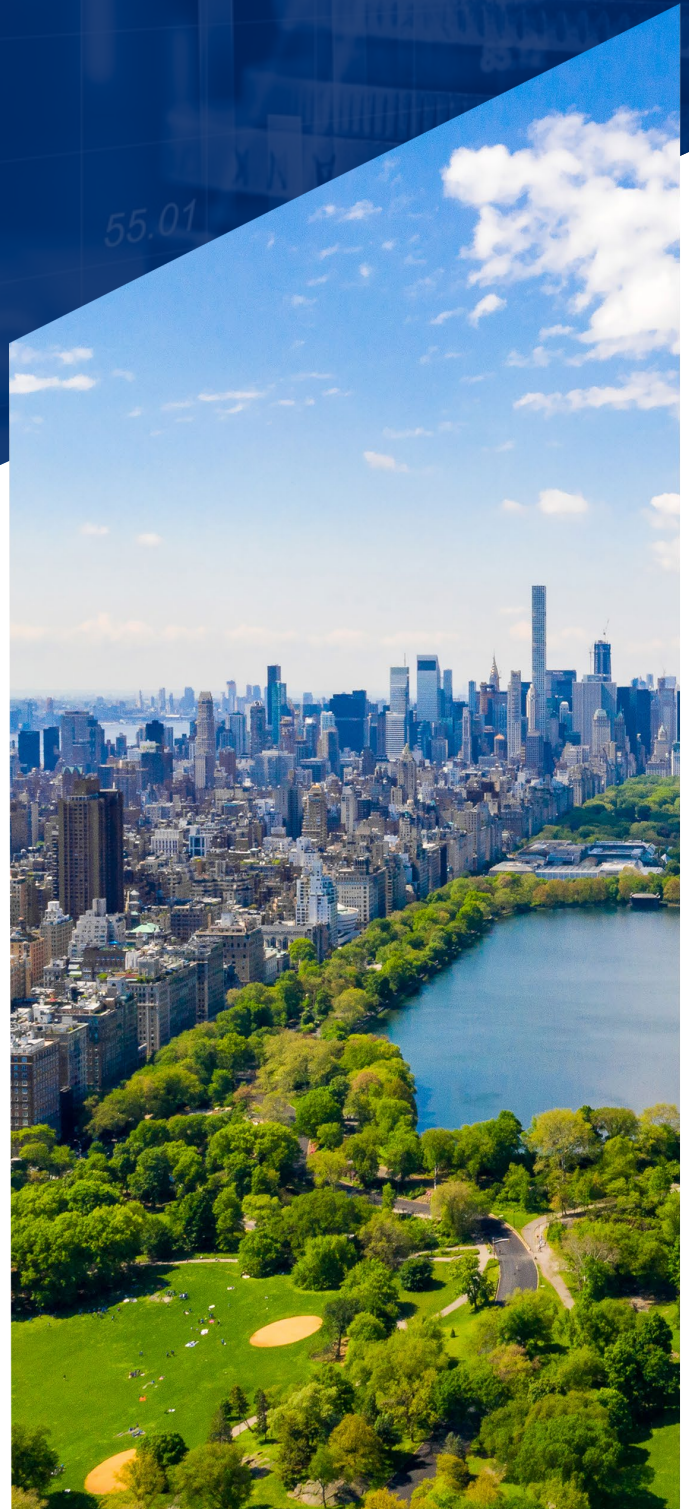
NEW YORK CITY COMPTROLLER  
**BRAD LANDER**

# New York by the Numbers

## Monthly Economic and Fiscal Outlook

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# Highlights

- The U.S. job market showed resilience in March, in the wake of federal cutbacks, layoffs and financial market weakness. Unemployment did edge up, but overall net job creation picked up, and job gains were fairly broad based.
- New York City's February employment report was mixed: the unemployment rate among residents declined, and private-sector employment rose modestly, but January's employment level was revised down sharply.
- Weekly jobless claims, though still subdued, edged up February and March, and WARN notices (of announced layoffs) have risen moderately.
- Consumer and business confidence have both fallen substantially across the region in early 2025.
- The city's office market continued its gradually strengthening trend in March, and New York City leads other major cities in office attendance (return to office).
- As had been anticipated in our [February Newsletter](#), the city's population grew in 2023 (initially reported as a modest decline) and accelerated in 2024.
- The residential rental market has tightened further, while the sales market has remained essentially flat.
- Transit ridership picked up further in March, as congestion pricing continued.
- The number of people in City shelters continued to trend down in March, reaching its lowest level in almost two years, led by a further steep drop in asylum-seekers.
- The 2024-2025 season saw a significant increase in overall incentive pay. The overall bonus pool is estimated to have grown 37.9% from last season, reflecting strong corporate profitability, especially among Wall Street firms.

## Spotlight

### Taking Trump's Tariffs Seriously: The Fiscal and Economic Impact for NYC

This month's spotlight focuses on the economic and fiscal outlook for New York City, with an emphasis on risks arising from federal policy changes.

Read more at:

[comptroller.nyc.gov/taking-tariffs-seriously](https://comptroller.nyc.gov/taking-tariffs-seriously)

# The U.S. Economy

- Real GDP (Gross Domestic Product) grew at an unrevised 2.3% annual rate in the 4<sup>th</sup> quarter, based on the third estimate. Sturdy growth in consumer spending was counterbalanced by a drop-off in business fixed investment and some drawdown in inventories. Projections for current-quarter GDP vary widely, with the NY Fed predicting 2.9% annualized growth, but the Atlanta Fed looking for a 3.7% decline as of April 2<sup>nd</sup>.
- Payroll employment rose by 228K in March, while February's gains were revised down modestly (from 151K to 117k). Job gains were fairly broad-based, though Health & Social Assistance continued to lead in job creation; federal-related layoffs have yet to show up, to any significant degree, in the jobs numbers.
- The CPI (Consumer Price Index) rose 0.2% in February, as did the core CPI (excl. food and energy). Over the past 12 months, overall inflation has averaged 2.8%, while core inflation was 3.1%.
- Ongoing risks to the U.S. outlook from expanded tariffs, contractionary fiscal policy, and a crackdown on immigration are the focus of this month's Spotlight. As of mid-April, US stocks as measured by the S&P 500 have dropped by 12% from their peak in mid-February.

## New York City Economy

### Payroll Employment & Industry Trends

- Private-sector employment registered a moderate gain of 14K in February, but January's gain was revised down by 24K—from a gain of 7K to a decline of 17K.
- While Health & Social Assistance continued to see the strongest job creation in February, with a gain of 6,200, there was also a solid gain of 4,200 in the city's key Information sector, which has been rebounding from its 2023 slump.
- Employment trends in two of the city's other key sectors, Securities and Professional & Business Services, have generally been flat, with the former down slightly and the latter up slightly in recent months.

**Table 1. Seasonally Adjusted NYC Private Employment, by Industry ('000s)**

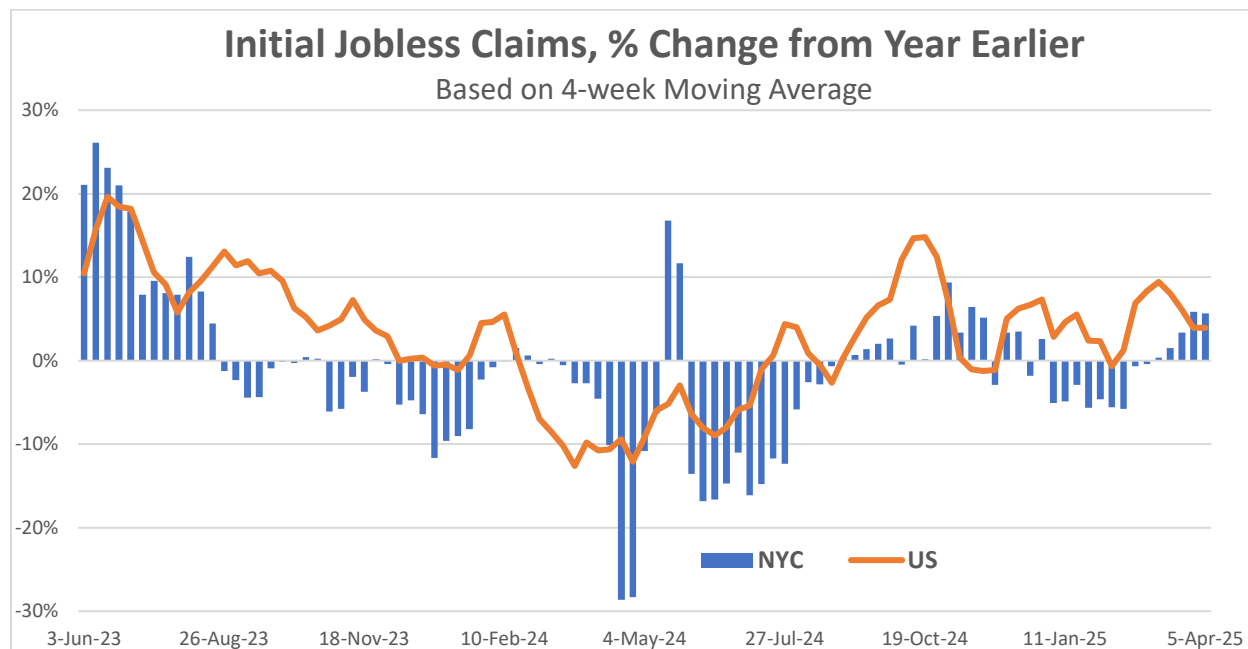
(1,000s)	Seasonally Adjusted NYC Employment					February 2025 Change from			
Industry:	Feb. '20	Feb. '24	Aug. '24	Jan. '25	Feb. '25	Feb. '20	Feb. '24	Aug. '24	Jan. '25
Total Non-farm	4,713.4	4,753.2	4,819.2	4,838.6	4,852.2	138.8	99.0	33.0	13.6
Total Private	4,108.6	4,156.0	4,198.7	4,234.7	4,248.7	140.1	92.7	50.0	14.0
Government	604.8	597.2	620.5	603.9	603.5	(1.3)	6.3	(17.0)	(0.4)
Financial Activities	487.4	504.4	508.8	508.1	507.5	20.0	3.0	(1.3)	(0.6)
Securities	182.9	199.0	202.6	199.4	198.3	15.4	(0.7)	(4.4)	(1.1)
Information	229.0	226.5	222.9	225.9	230.6	1.6	4.0	7.7	4.6
Prof. and Bus. Serv.	781.4	794.5	798.4	801.3	801.6	20.2	7.1	3.3	0.3
Educational Services	256.6	256.3	258.1	254.3	255.2	(1.4)	(1.1)	(2.9)	0.9
Health & Soc. Assist.	824.4	969.0	1,007.5	1,038.2	1,044.4	220.0	75.4	36.9	6.2
Leisure and Hospitality	470.3	441.8	446.6	448.7	448.9	(21.3)	7.1	2.3	0.2
Arts, Ent., and Rec.	95.8	87.7	90.9	88.3	88.0	(7.8)	0.3	(2.9)	(0.4)
Accomm. & Food Svc.	374.5	354.1	355.7	360.4	360.9	(13.6)	6.9	5.3	0.6
Retail Trade	345.4	302.4	297.8	296.4	297.0	(48.4)	(5.4)	(0.8)	0.6
Wholesale Trade	139.8	131.4	131.3	131.8	132.1	(7.7)	0.7	0.8	0.3
Trans. & Warehousing	134.9	134.0	135.1	140.0	140.7	5.7	6.7	5.6	0.7
Construction	162.4	144.7	143.0	140.5	140.8	(21.6)	(3.9)	(2.2)	0.2
Manufacturing	66.0	56.0	54.7	55.0	55.1	(10.9)	(0.9)	0.4	0.1

## Labor Market Trends

- The city's unemployment rate declined from 5.5% to 5.3% in February, while labor force participation held steady; thus the employment-population ratio edged up to 58.5%, matching its record high set last spring.
- Initial weekly jobless claims, which provide a timely read on employment trends, are still fairly subdued, though they have crept up in recent weeks, as shown in Chart 1.



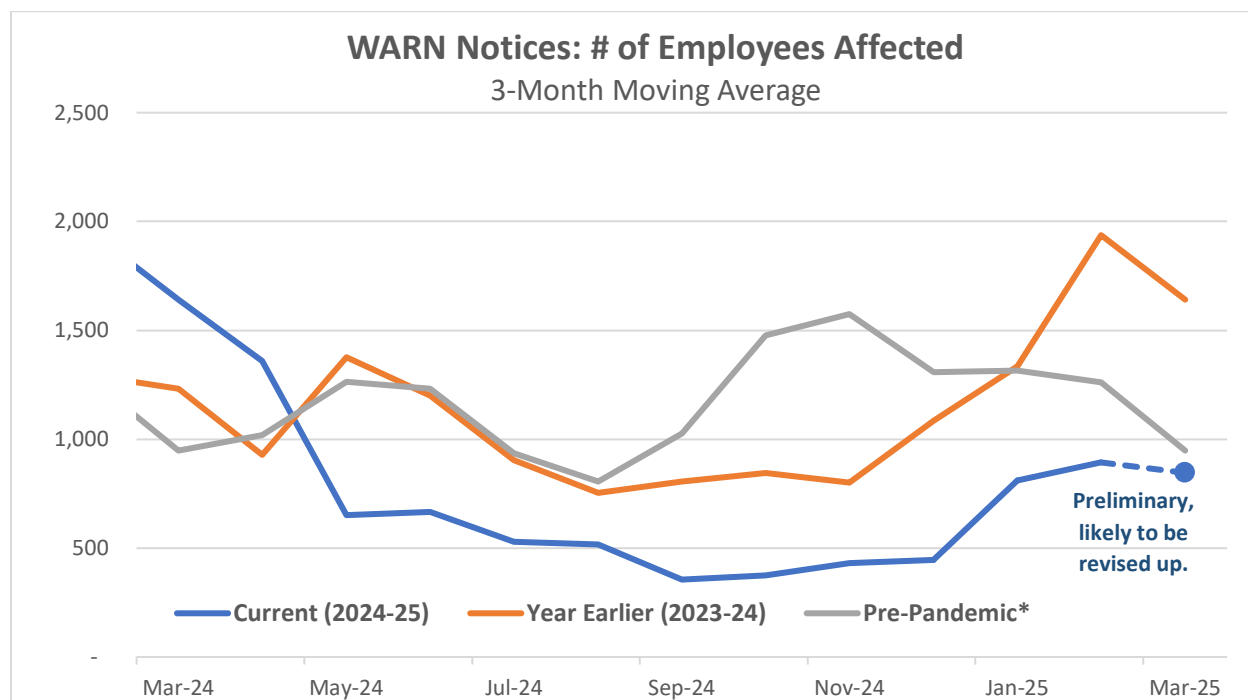
## Chart 1



Sources: NY Department of Labor; U.S. Department of Labor; Office of the New York City Comptroller

- Chart 2 shows the number of city-wide employees included in layoff announcements each month, as required under the WARN (Worker Adjustment & Retraining Notification) Act— a sign of future layoffs; a 3-month moving average is shown to smooth out volatility.

## Chart 2



Sources: NY Department of Labor; Office of the NYC Comptroller

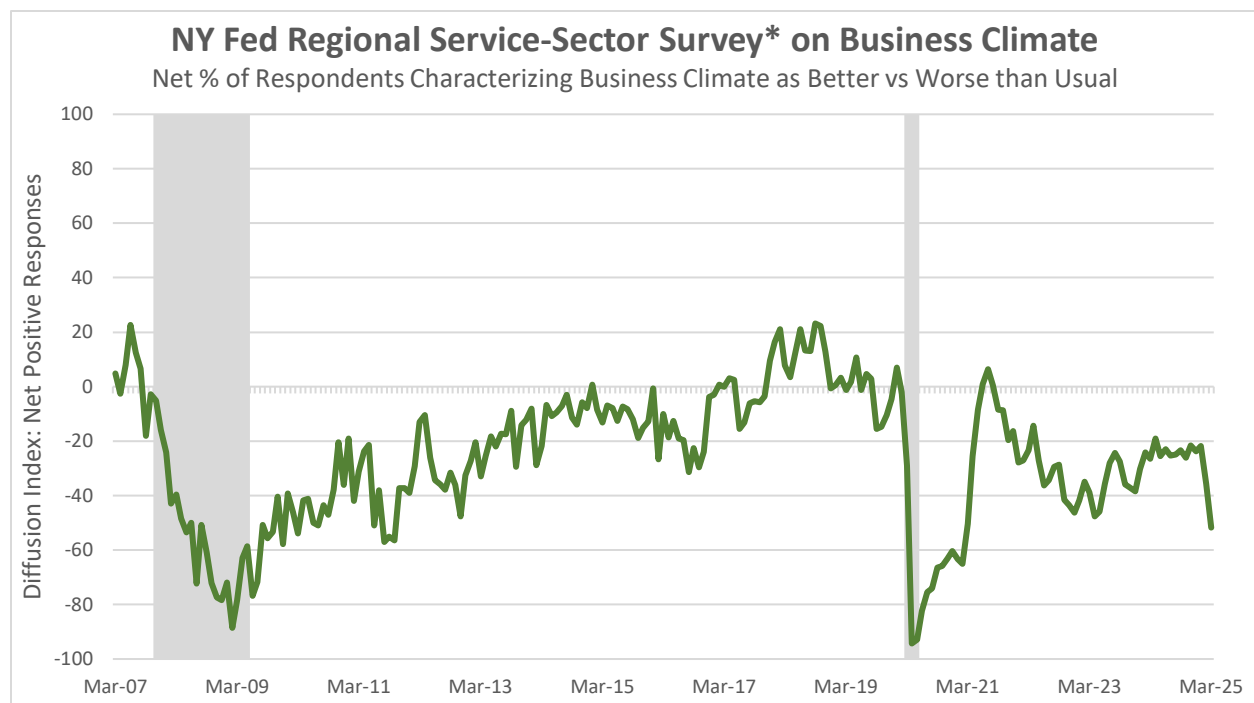
\*Average for the three years leading up to the pandemic (2017, 2018, 2019)

- Layoff announcements, which had been low for most of 2024, have risen in early 2025, but they remain lower than a year ago. While the full impact of federal policies remains to be seen, a number of recent announcements appear related to federal funding cuts.

## Consumer & Business Surveys

- Consumer confidence has slipped in early 2025, both nationally and in New York State, based on the Conference Board's monthly survey. In particular, expectations about the economic outlook have dimmed considerably.
- Business sentiment has also soured in early 2025. In the New York Fed's latest monthly [Business Leaders Survey](#) of regional service-sector firms, sentiment about the current business climate fell to its most negative level since early 2021: 58% of those surveyed characterized the business climate as unfavorable, while just 7% saw it as favorable. Moreover, slightly over half of those surveyed expected the business climate to worsen over the next six months. This month's survey results are due out on April 16<sup>th</sup>.
- In the New York Fed's parallel [survey of statewide manufacturing firms](#), the headline measures of both current and expected activity fell to their lowest levels in over a year.

### Chart 3



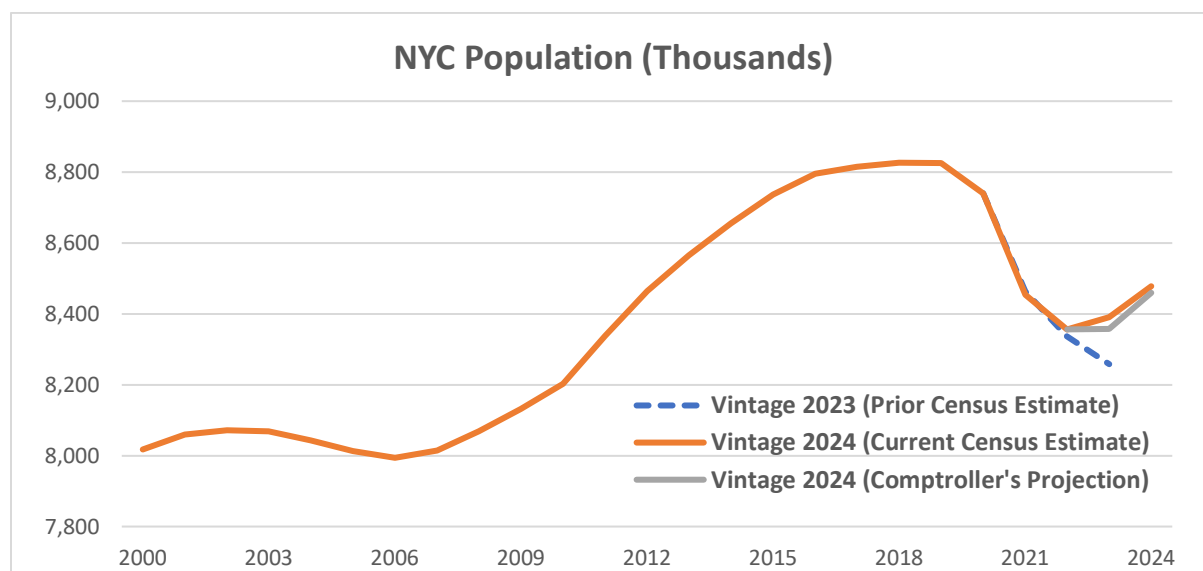
\* Monthly **Business Leaders Survey** of service-sector firms in NY State, northern NJ, and Fairfield County, CT.

Source: Federal Reserve Bank of New York

# Population

- The Census Bureau released two sets of population data in March: the 2024 vintage of annual population estimates and the revision of total population for 2011-2019 based on 2010 and 2020 decennial enumeration results (these are called “intercensal” estimates). The data are shown in Chart 4.
- As we had expected based on NY State data, NYC’s population grew in 2023 and accelerated in 2024. This was due to the combined effect of lower outmigration to the rest of the US and an upward revision to international migration estimates which now better capture the inflow of asylum seekers (see the [April 2024](#), [January 2025](#), and [February 2025](#) Newsletters for our previous work).
  - The intercensal estimates also correct for the underestimate of total population in 2011-2019 (we showed this in the [May 2023](#) Newsletter).
  - Chart 4 shows that in 2024, the NYC population was about 350,000 (4%) lower than before the pandemic, a marked improvement from previous estimates.
- Within New York City, the strongest rebound in population occurred in Manhattan, which had seen the steepest decline of any borough during the pandemic. From 2019 to 2024 (the points highlighted in Chart 4 below), population fell 6% in the Bronx, 4% in Brooklyn and Queens, and 2.5% in Manhattan; Staten Island’s rose by 1%. Chart 4

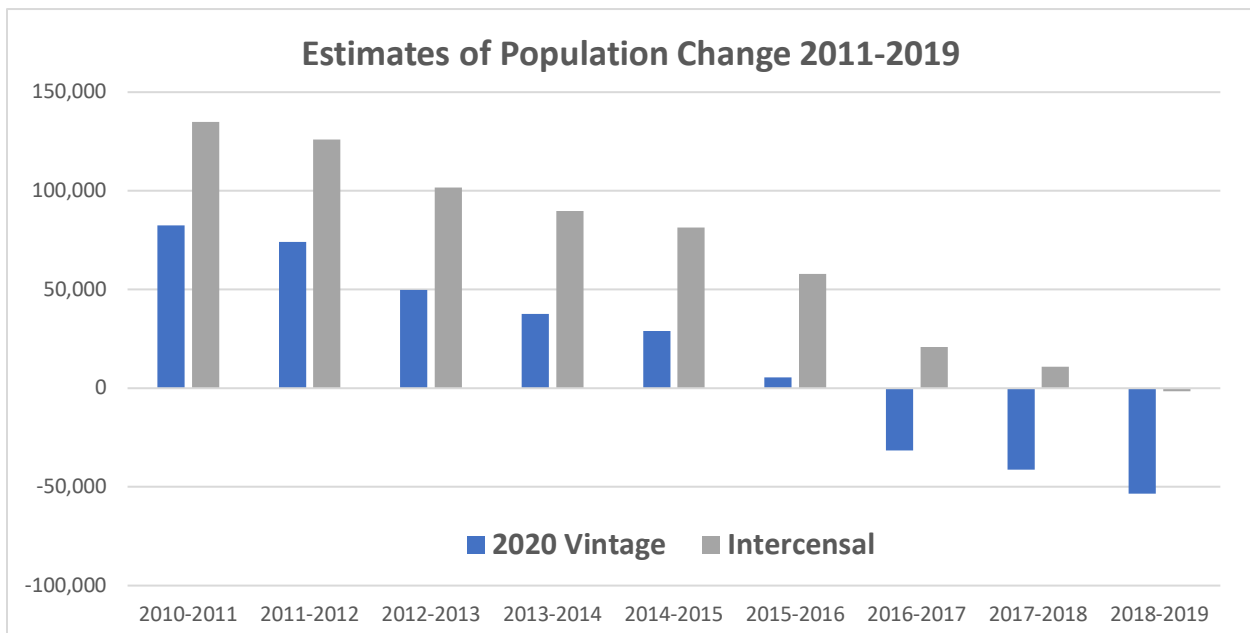
Chart 4



Sources: Census Bureau, Office of the NYC Comptroller.

- The 2011-2019 intercensal estimates interpolate the 2010 and 2020 decennial enumerations, showing total population change but not its components (births, deaths, domestic migration, and international migration).
- Chart 5 shows annual population change from historical estimates last released in the 2020 data vintage and from the intercensal estimates. In each year, the new estimates are consistently about 52,000 higher than the preliminary data. However, it's unknown which component of population change contributes to the difference.

**Chart 5**

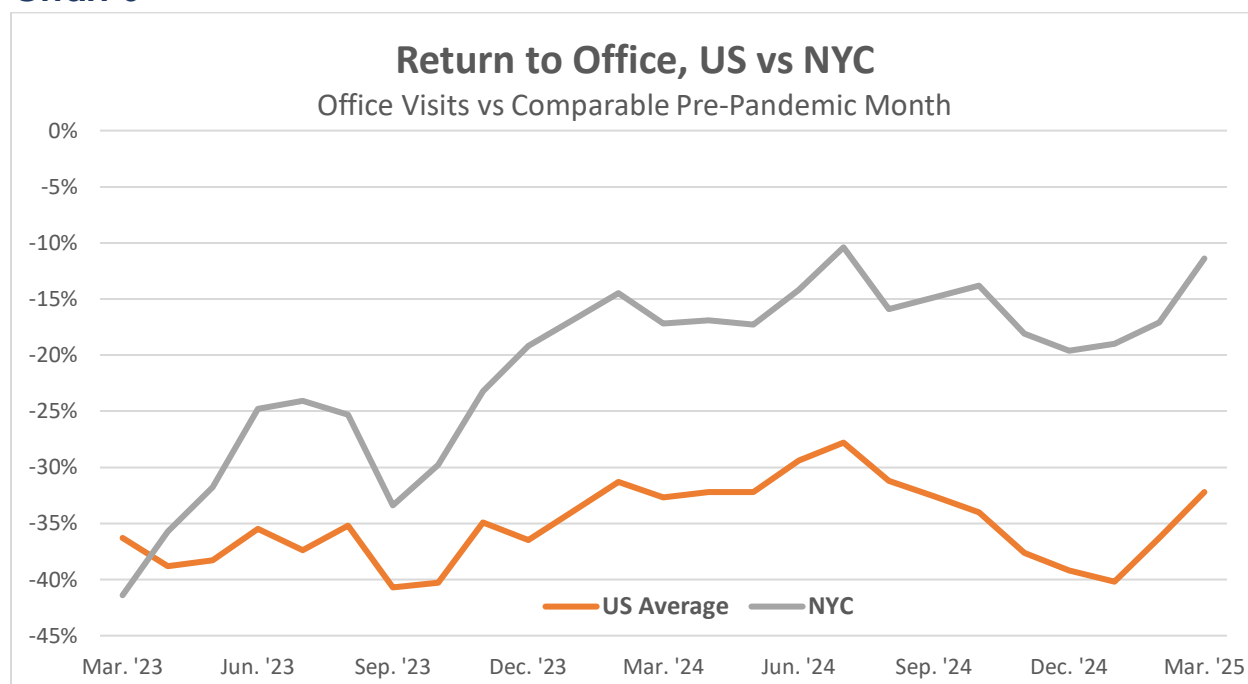


Source: Census Bureau.

## Office Market and Attendance

- Manhattan's office market has continued to strengthen gradually: availability and vacancy rates continued to decline and asking rents edged up. Office markets in the outer boroughs, which had been mostly flat, have picked up in recent weeks, led by Brooklyn.
- Placer.ai, which tracks office attendance based on cell phone locations, estimates that office attendance stood at just 11% below pre-pandemic levels in March, versus a nationwide average of 32%. The rebound in office attendance appears to have been more pronounced in New York than in any of the other major cities that they track.
- This "return to office" shortfall metric for New York City appears to have been fairly steady within a range of 10-20% for most of the past year, as shown in Chart 6 below.

## Chart 6



Sources: Placer.ai; Office of the New York City Comptroller

## Residential Real Estate

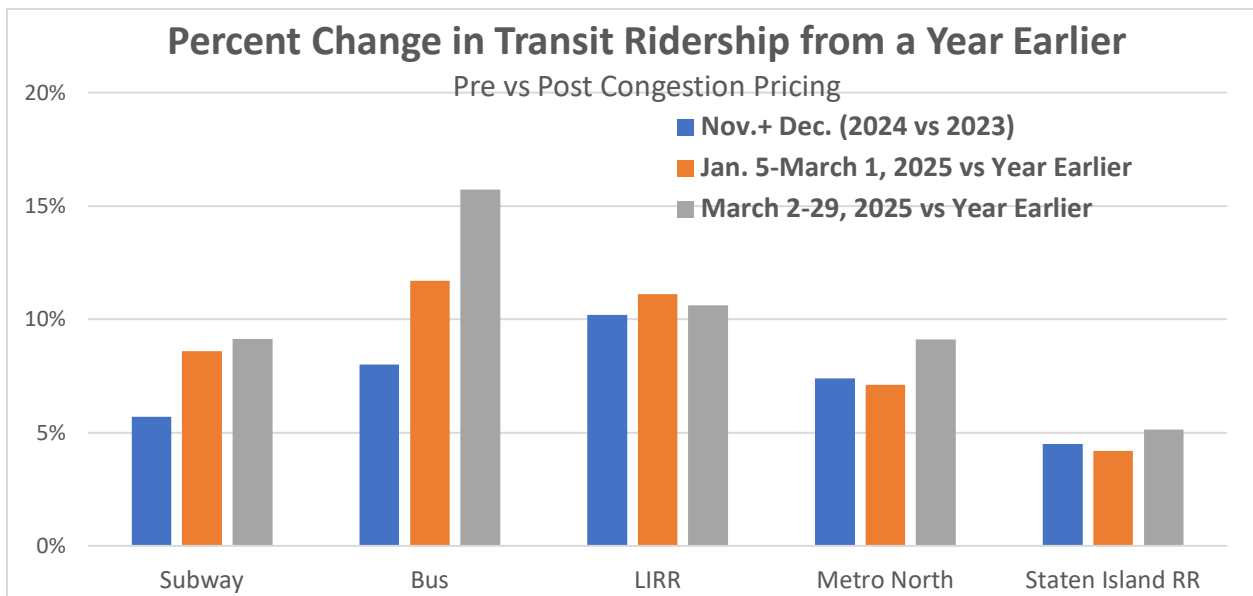
- The home sales market has remained essentially flat. As of February 2025, sale prices were up marginally from a year earlier.
- The rental market tightened further in February, particularly in Manhattan, where market rents were up nearly 5% from a year earlier. In Queens and Brooklyn, market rents were up a bit less than 4% from a year earlier. In contrast with home sale prices, which are little changed from early-2020 levels, rents are up 20-25%, on average, citywide.

## Transportation and Congestion Pricing

- On January 5th, congestion pricing took effect for vehicles entering Manhattan's Central Business District (CBD). With thirteen weeks of data now available, the policy appears to be having its desired effect of reducing travel times and boosting transit ridership.
- Vehicle travel times across various routes into and through the congestion zone (CRZ) continue to be faster than a year earlier; detailed real-time statistics are available at this [congestion price tracking site](#).
- The pickup in transit ridership noted in our February and March Newsletters has expanded. In the first eight weeks of congestion pricing, subway ridership was up 8.6% and bus ridership was up almost 12%, as shown in Chart 7 below; during the month of March, gains were even larger.

- In order to estimate the incremental effect of congestion pricing, we compare the 2024 to 2025 percent change for the recent periods—the first 8 weeks of congestion pricing, and the latest 5 weeks—with the 2023 to 2024 percent change for the November-December period.
- These data suggest a roughly 3 percentage point boost to subway ridership, a nearly 8-point boost to bus ridership, and a 2-point boost to Metro North ridership; however, ridership on LIRR and the Staten Island Railroad was up only marginally. Since a sizable share of trips are completed well outside the congestion zone, these overall increases likely understate the full effect. Bus ridership may have gotten an additional boost from faster travel times.

## Chart 7



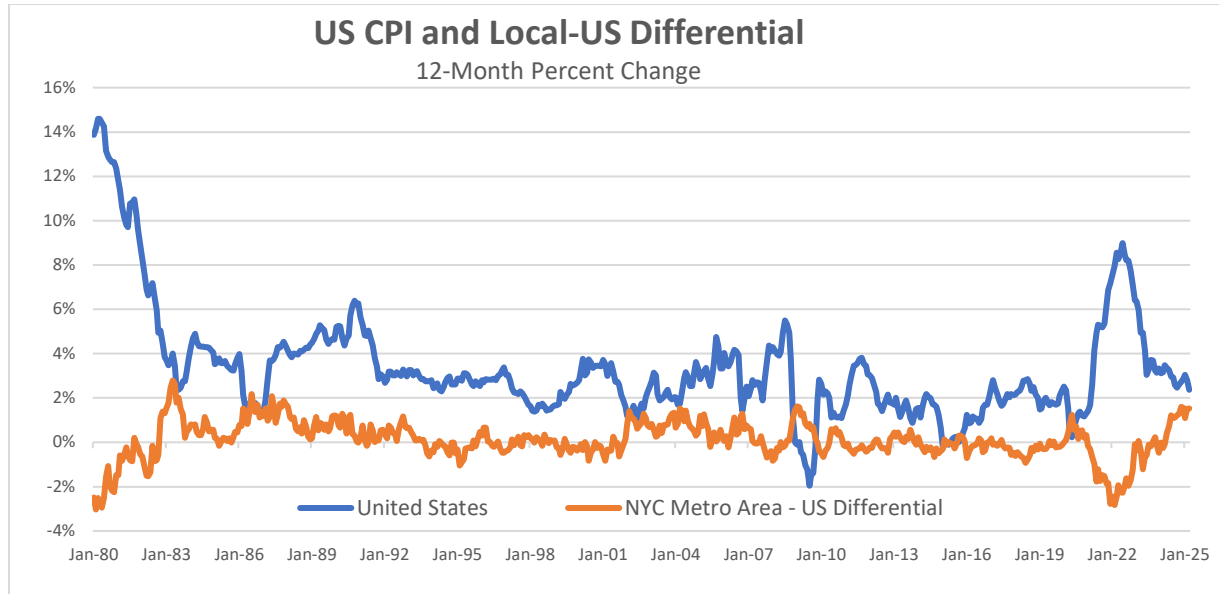
Source: MTA; Office of the NYC Comptroller

## Inflation

- The inflation rate across the New York metro region has subsided somewhat, though it remains higher than the national rate on a 12-month basis—3.9% and 2.4%, respectively, as measured by the CPI (Consumer Price Index).
- Core inflation, excluding food and energy, has been running at 4.2% locally over the past 12 months—again, well above the nationwide rate of 2.8%. Rents in the New York City metro region have continued to be a major contributor to inflation, rising by 5.4% over the past year.
- As shown in Chart 8 below, the gap between local and national inflation—measured as local minus national inflation—has tended to be inversely correlated with U.S. inflation.

In other words, when nationwide inflation rises, local inflation does not rise as much, and when national inflation falls, local inflation does not fall as much.

## Chart 8

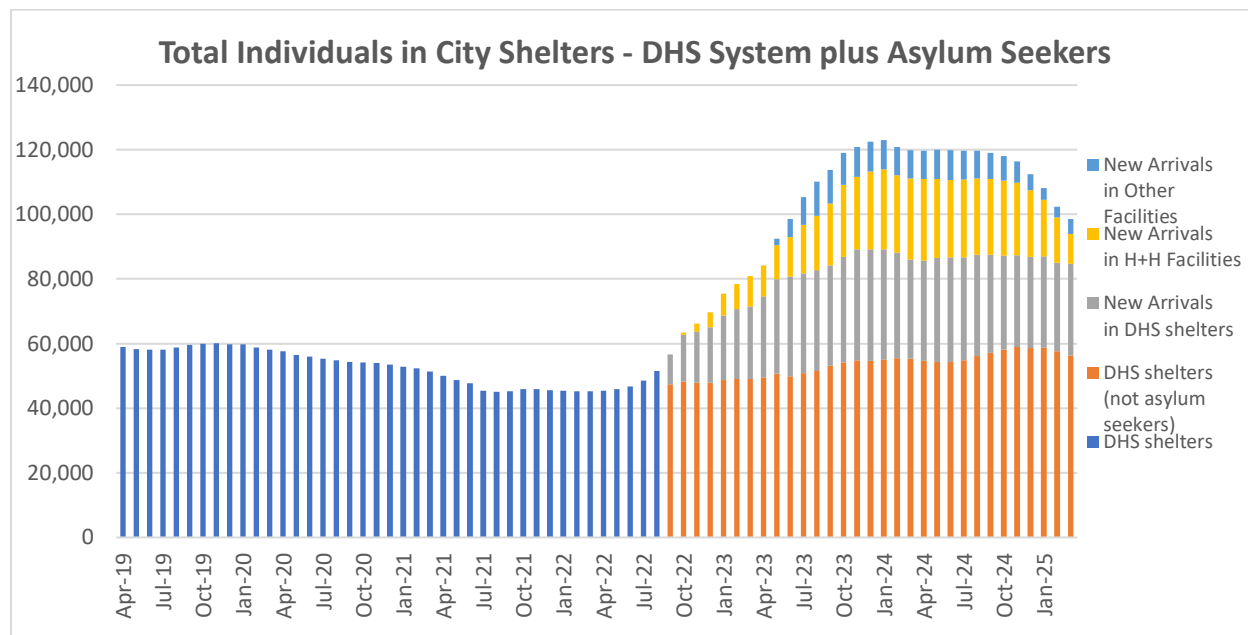


Sources: U.S Bureau of Labor Statistics; Office of the New York City Comptroller

## Homelessness & Asylum Seekers

- Chart 9 shows the monthly average number of individuals in City shelters through March 2025. In March, the average number of asylum seekers in City shelter was approximately 42,230, marking a decrease of 2,470 individuals from February 2025. Overall, this population represents approximately 43% of the total individuals in shelter, down from 55% in January 2024. From July through March, the average shelter census has decreased by more than 23,000 individuals.
- As of March 30, a total of 14,537 families with children in emergency shelters have been given 60-day notices. These households include a total of 54,235 individuals (28,502 adults and 25,733 children). Of the 24,484 adults from families with children in households whose 60-day notices had expired as of March 30, 10% remain in the shelter where their 60-day notice was given, 22% have been transferred to other shelters, and 68% are not in shelter.
- The number of people in shelter who are not asylum-seekers decreased by approximately 1,230 individuals to 56,350 in March. This population has increased by approximately 5,500 since July 2023.

## Chart 9



Sources: NYC DHS; NYC Mayor's Office; Office of the NYC Comptroller

Note: Figures shown are monthly averages.. Data on the asylum seeker population within DHS shelters are not available prior to August 31, 2022. Other Facilities include spaces operated by NYCCEM, HPD, and DYCD, and those outside of NYC.

# City Finances

## Bonus Season

- Winter bonuses paid December through March account for a large portion of incentive pay in New York City, especially for the financial sector. Comparing personal income tax withholding collections to those of earlier months gauges the extent to which bonus payments have changed this year.
- The 2024-2025 season saw a significant increase in the total size of the incentive pay. As shown in Table 2, we estimate that the overall bonus pool grew 37.9% from last season. This is roughly in line with the 34% increase for the Securities sector [estimated by the State Comptroller](#).



**Table 2: NYC 2024-2025 Bonus Season Final Estimates**

	Growth from prior year
<b>Non-bonus withholding tax collections (April to November)</b>	6.8%
<b>Withholding tax collections (December through the end of March*)</b>	15.6%
<b>Estimated bonus pool disbursement</b>	37.9%

Source: New York State Department of Taxation and Finance; Office of the NYC Comptroller analysis.

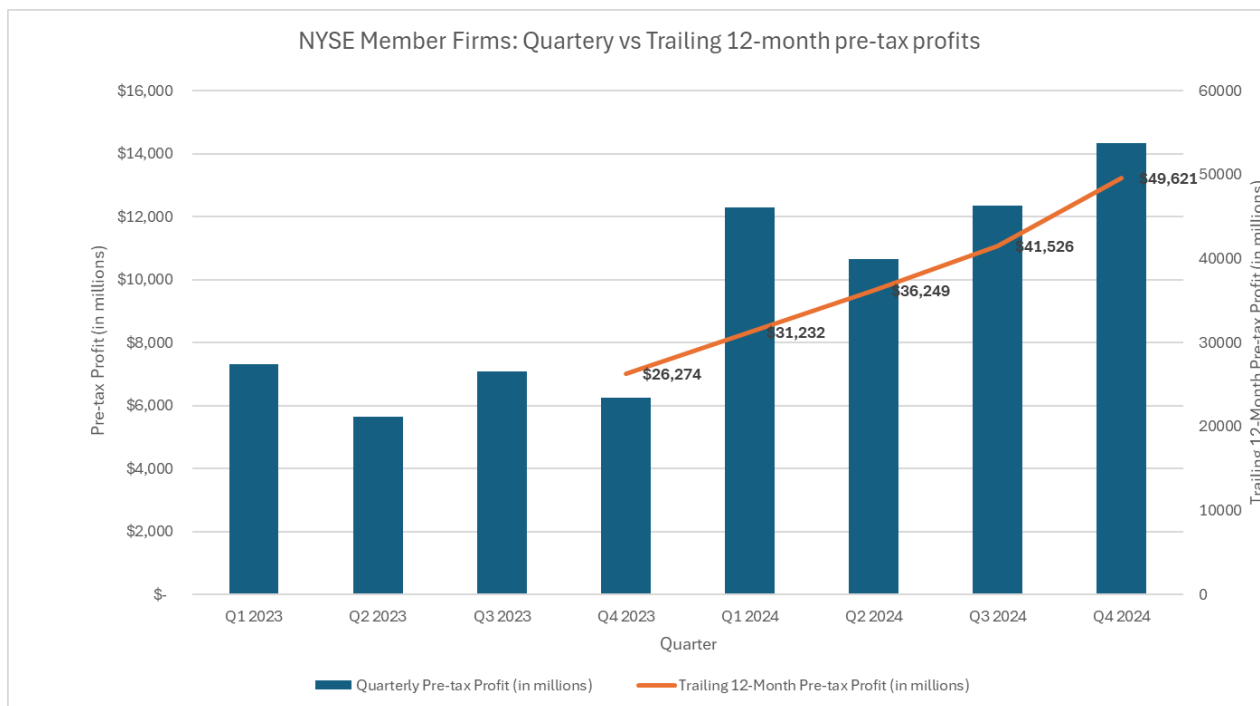
\*Note: Slight adjustments are made to compare each year across the same number of full weeks.

- The increase reflects strong corporate profitability, especially among Wall Street firms, highlighted in the next section. We estimate that the City's withholding collections from the bonus pool grew by nearly \$520 million from last year.

## Wall Street Profits in 2024

- New York Stock Exchange member firms showed strong profit growth in Q4 2024, with pre-tax profits reaching \$14.3 billion, a 129.7% increase over Q4 2023's \$6.2 billion. This strong quarter capped an exceptional year where annual pre-tax profits nearly doubled to \$49.6 billion, representing an 88.9% increase from 2023's \$26.3 billion.
- When compared historically using inflation adjustments, 2024's profits show a substantial recovery from the relatively weak 2022-2023 period (when inflation-adjusted profits were approximately \$27 billion each year), though still below the peaks of 2020 (\$61.6 billion) and 2021 (\$67.7 billion).
- The first quarter of 2025 will likely see reduced profits compared to the strong Q4 2024 results, especially if market conditions become more challenging and uncertain. However, the trailing 12-month profit metric should remain relatively strong in the near term due to the strong results already secured in late 2024. This suggests that while there may be a moderation in performance, the overall performance of NYSE member firms remains strong following the results of 2024.

## Chart 10



## Class Size Mandate

- The Adams Administration announced on April 9<sup>th</sup> that the upcoming Executive Budget will include the authorization to support the hiring of over 3,700 teachers and 100 assistant principals across 750 schools for the upcoming 2025-2026 school year.<sup>1</sup> The increased hiring is to comply with a 2022 State law that requires the City to phase in smaller class size caps over a five-year period. The City must meet the mandate at 60 percent of schools by September 2025, and reach full compliance by September 2028.
- The Comptroller's Office estimates the cost of 3,700 new teachers between \$388 million and \$425 million (including fringe benefits), depending on their level of experience. We estimate the cost of 100 additional assistant principals at approximately \$24 million (also including fringe). This results in a total cost of \$412 million to \$449 million in FY 2026.
- The impact to the City budget could be lower if savings elsewhere in the Department of Education (DOE) budget are used to offset some of these costs; the DOE has previously estimated about \$130 million of the class size mandate cost could be funded through other savings. Additionally, if \$182 million in State-funded Class Size Reduction and Contracts for Excellence aid provided to schools this year continues in FY 2026, this would reduce the City funds needed. Taken together, these actions could reduce budgetary impact to between \$100 million and \$137 million.
- The addition of 3,700 teachers represents 27.5 percent of the 13,457 teachers the Comptroller's Office estimates that the City must hire to reach full implementation by

September 2028, based on the most recent class size data from February 2025. Based on our estimates, the City might hire 4,486 teachers, 786 more than announced to reach 60 percent compliance in September 2025. Hiring to this level would increase the cost by \$82 to \$90 million in FY 2026.

## New York City's Cash Balances

- As of March 31st, the cash balance stood at \$13.97 billion, compared to \$13.14 billion at the same time last year. In Q3 of FY2025, the City received \$624.85 million in Covid-19 related aid. The majority of these funds, \$478.17 million, were Federal Emergency and Management Agency (FEMA) public assistance grants.

## Contributors

Comptroller Lander thanks the following members of the Bureau of Budget for their contributions to this newsletter: Jonathan Siegel, Chief Economist; Jason Bram, Director of Economic Research; Irina Livshits, Chief, Fiscal Analysis Division; Aida Farmand, Senior Tax Policy Analyst; Elizabeth Brown, Senior Director of Budget Oversight; Amber Born, Economic Development Research Analyst; Jack Kern, Senior Budget & Policy Analyst; Krista Olson, Deputy Comptroller; and Francesco Brindisi, Executive Deputy Comptroller. The Comptroller also thanks Archer Hutchinson, Creative Director; Addison Magrath, Graphic Designer; Angela Chen, Senior Website Developer; and Martina Carrington, Web Developer, for design and layout.

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<sup>1</sup> [Mayor Adams and Chancellor Aviles-Ramos Announce Hiring Over 3,700 new Teachers at Nearly 750 School | City of New York](#). [NYC kicks off class size hiring spree with 3,700 new teachers - Chalkbeat](#)





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