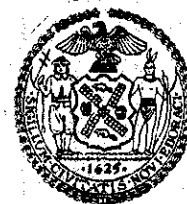


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**REPORT
ON
THE ECONOMIC CONDITION OF
THE CITY OF NEW YORK
FOR THE PERIOD
JULY - DECEMBER 1978**



March 15, 1979

City of New York



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

PHILIP L. TOIA
DEPUTY MAYOR FOR FINANCIAL MANAGEMENT

March 15, 1979

Hon. W. Michael Blumenthal
Secretary of the Treasury
U.S. Department of Treasury
15 Street & Pennsylvania Avenue
Washington D.C. 20220

Dear Secretary Blumenthal:

Pursuant to Section 6.7.5 of the Agreement to Guarantee, I am enclosing an Economic Report on New York City.

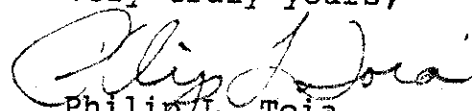
This report is the first of a series to be provided semi-annually by the City of New York to the U.S. Treasury. These reports will describe developments in the economy of New York City and the preceding half year and their impact on City revenues and expenditures.

The report is organized to include a summary of economic conditions followed by an analysis of activity in major industries, labor market conditions, competitive factors and certain long term trends. In the final section the effects of local economic conditions on the City's finances, taxes and services is discussed in detail.

Because this is the initial report, developments over the past seven years are also included in order to provide a frame of reference for the current as well as future reports. In general, this report shows improving economic conditions in the City and if the observed trends continue the economically sensitive revenues in the Four Year Financial Plan should meet projections.

My staff and I will be available to discuss the contents of this report and any related issues at your convenience.

Very truly yours,


Philip L. Toia
Deputy Mayor for
Financial Management

REPORT
ON
THE ECONOMIC CONDITION OF
THE CITY OF NEW YORK
FOR THE PERIOD
JULY - DECEMBER 1978

Office of Management and Budget
Office of Economic Development

March 15, 1979

CITY OF NEW YORK

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REPORT ON
THE ECONOMIC CONDITION OF THE CITY OF NEW YORK
FOR THE PERIOD JULY - DECEMBER 1978

Note: This report is the first of a series to be provided semi-annually by the City of New York to the United States Treasury under the terms of the Federal Agreement to Guarantee made in November 1978. The reports will describe developments in the economy of New York City in the preceding half-year and their impact on City revenues and expenditures.

In this report, because it is the first, developments over the past seven years, 1972 to 1978, are summarized to provide the reader with a convenient frame of reference for the events of the reporting period, July-December 1978. Some of the comparisons are made on a full-year basis for 1978, when the annual figures are available.

I. SUMMARY OF ECONOMIC CONDITIONS

In the last six months of 1978, the City consolidated the economic gains made in the first half of the year, and continued to show increases in output and employment. Especially large employment increases nationwide provided a setting conducive to moderate local growth.

Business condition indicators reflected the general upturn in 1978. In 1978, the Index of Business Activity in New York City, a measure of private sector output published by the State Department of Commerce, showed the largest gain of the 1970's. Retail trade revealed the strongest growth in sales since 1973. New York City hotel occupancy rose 7 percent. Office space indicators showed a renewal of construction interest and a reduction of vacancies.

During 1978, the number of jobs in New York City increased for the first time since 1970, rising 1.3 percent (42,000 jobs) over 1977. Three quarters of the growth was in the private sector, which recorded its first annual employment increase since 1969, principally in the service sector. (See Chart 1.) The 1.2 percent growth in local private sector jobs compares with a national increase of 4.7 percent. An unusually large increase occurred in the second quarter, in part making up for the severe weather of January and February. Third and fourth quarter gains were smaller, but still substantial both in the City and the nation. New York's experience represents a change from the early 1970's when the City, even in the face of the significant national employment gains, experienced annual private sector losses in excess of one percent.

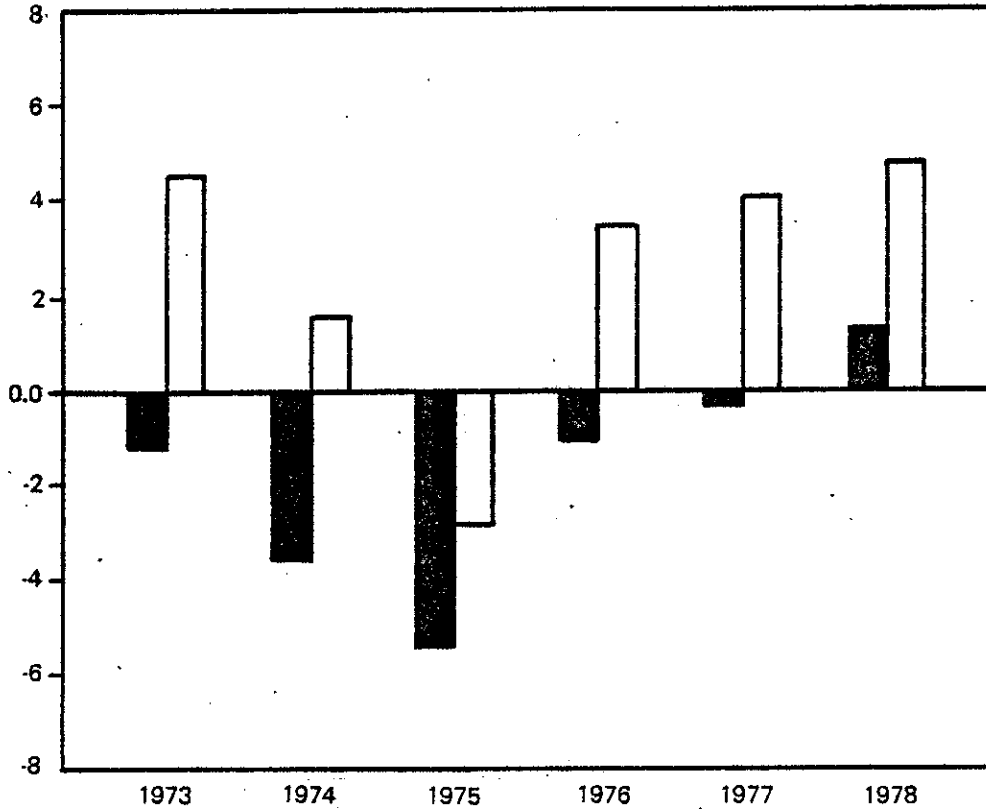
CHART I

CHANGES IN PRIVATE SECTOR WAGE AND SALARY EMPLOYMENT

Percent Change from
Previous Year

■ N.Y.C.

□ U.S.

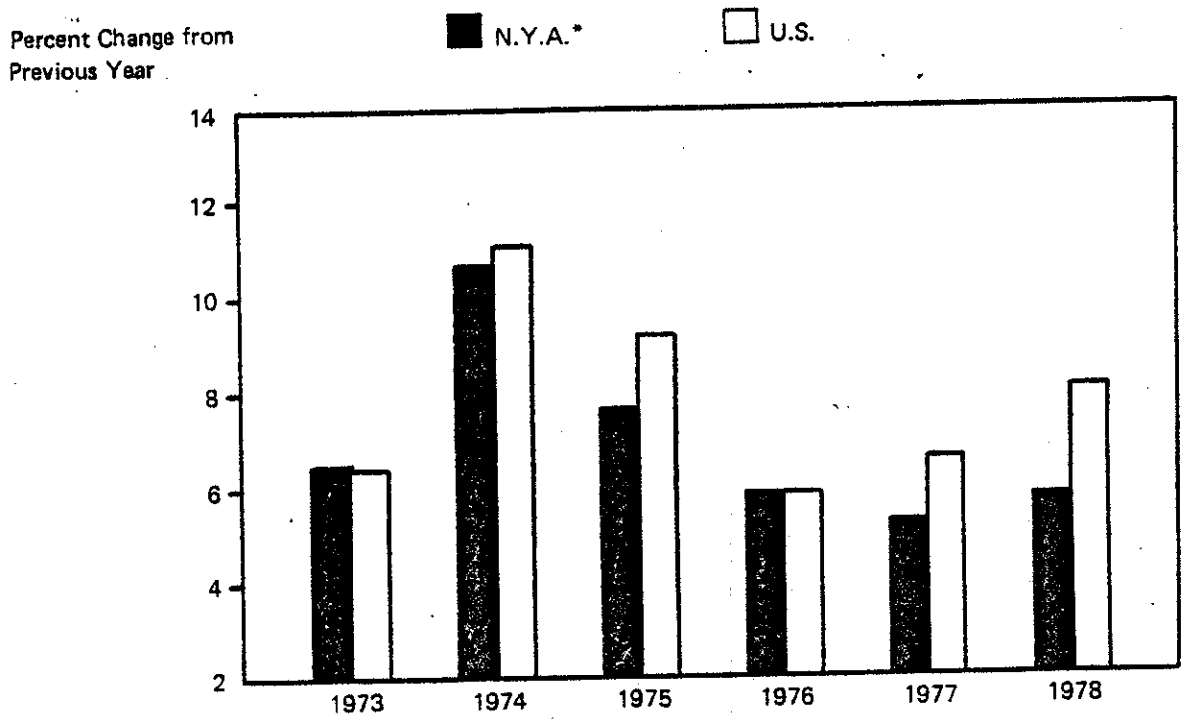


Source: U.S. Bureau of Labor Statistics and N.Y.S. Department of Labor

Consumer prices continue to rise more slowly in the New York area than in the nation. Although household budgets remain higher than the national average, the slower increase in prices in New York City in recent years is reducing the differential between living costs in the City and the nation. (See Chart 2.) Wages here have followed the same pattern as prices, growing at a lesser rate than in the nation. While the smaller wage increases are improving the City's competitive position, real income growth per capita lags the nation.

CHART 2

INCREASES IN THE CONSUMER PRICE INDEX



Source: U.S. Bureau of Labor Statistics
*The New York - Northern New Jersey Region

A number of interrelated factors are responsible for the improvement in the private sector job base that occurred in 1978. The most important positive factors are: (1) continued expansion of the national economy which led to an increased demand for the business and financial services which are the City's strength; (2) lower than national increases in prices and wages, making the City more competitive with other urban areas; (3) the City's revised tax policies providing rate reductions, abatements, incentives, and credits for several major business taxes. Though the full impact cannot be measured in the short run, these actions appear to have had a favorable effect on the business climate.

Negative factors which kept local employment increases comparatively small are the loss of population, a continuing mismatch of local jobs skills and opportunities, and the high cost of energy and other goods and services relative to other areas of the country. Urban services and the City's physical infrastructure have suffered from the crisis period. While improvement is evident in Manhattan, depressed conditions continue in the outer boroughs. The City's recovery is still far from complete. While showing a decline in 1978, the unemployment rate is still three points above the national rate.

Generally, the economic conditions of the period from July through December of 1978 were as good as or better than the levels projected in the City's budget and Financial Plan. In looking ahead, the principal uncertainty centers around what impact severe inflation, particularly in energy costs, combined with a national economic slowdown or recession in 1979 or 1980, will have on New York City. The City entered 1979 on an upward trend, after a long period of decline. If a U.S. slowdown materializes, the City will be affected, but it is still uncertain just how strongly based are the City's recent gains. The advantages of slower increases in wages and consumer prices are likely to shrink somewhat as inflationary pressures, particularly fuel prices, affect costs.

Although the results of the last six months of 1978 were generally favorable for New York City, the increasing likelihood of a national slowdown or recession in 1979 makes it essential for the City to follow cautious economic and budgetary policies.

II. ECONOMIC ACTIVITY BY INDUSTRY SECTOR

The Economic Base

The components of the City's diverse economic base are individually examined in this section. A variety of relevant local and national indicators are analyzed with special emphasis on industry employment statistics.^{a)}

Wage and salary employment in New York City grew 1.3 percent between 1977 and 1978, an increase of 42,000 jobs. Nationwide, wage and salary employment expanded by 4.3 percent, a growth of 3.5 million jobs. (See data in Tables A-7 to A-10).

About one quarter of the 1978 local job growth occurred in the public sector. The local gain of 10,000 government jobs is primarily attributable to increases in employment under the Federal Comprehensive Employment and Training Act (CETA).

The private sector added 32,000 jobs between 1977 and 1978, accounting for three quarters of the local job increase. The 1.2 percent growth in private sector employment, the first since 1969, expands on the gradual improvement in local business conditions that began in 1976. After removing the effects of inflation, private sector output, as measured by the State Department of Commerce Business Activity Index for New York City, grew by 4 percent in 1978, following increases of 1 percent in 1977 and 2 percent in 1976. This index gives only a rough approximation, and it may overstate the 1978 gain. Most of the local private sector growth in 1978 was concentrated in services, mainly business services, entertainment, and private nonprofit institutions. In addition, banking, brokerage, and construction employment also grew.

The City visitors industry had an especially prosperous year, causing the hotel occupancy rate to approach 80 percent--the highest level since the 1964-1965 World's Fair. Increases in white-collar employment contributed to a further decline in vacant office space, reviving builder interest in the construction of office buildings.

a) New York City employment data by place of work (non-agricultural wage and salary employment) excludes agricultural, self employed, unpaid family and domestic workers. The series incorporates the benchmark revision made available in March 1979.

Nondurable manufacturing was the only major industry sector to sustain a job loss (less than one percent). In all other major private sector industries, local employment remained stable in 1978.

Except for services, the increase in employment nationwide in individual major private sector industries was considerably greater than the City gain. For example, wholesale trade employment increased 4.3 percent in the nation in 1978, while in the City, employment remained flat. Overall, national private sector jobs rose 4.7 percent compared with a 1.2 percent gain in the City.

Though the gap between local and national private sector growth rates remains large, the differential gradually narrowed during the 1970's. In 1973, while U.S. private sector employment grew by 4.5 percent, the City sustained a 1.2 percent loss, a gap in the growth rates of 5.7 percentage points. By 1976, the gap was 4.6 points. And in 1978, the gap narrowed to 3.5 points.

Employment increased by 42,000 workers in 1978. The seasonally adjusted rate of increase was greater in the first half than in the second, as it was also in the nation. In the second half, most of the improvement in the City was in services, but no sector showed a decline except nondurable manufacturing. The percentage increase in service employment was almost as large for New York City as for the nation.

Contract Construction

Employment: The construction industry, the smallest employment sector in the City, appears to be stabilizing after having lost 40 percent of its workforce between 1973 and 1977. Construction employment added 800 workers in 1978. Nationwide, construction employment increased by 10 percent in 1978.

Wages in contract construction average about \$370 a week. Wages in contract construction in New York City are 12.5 percent above the national level. The differential between New York City and the U.S. has diminished over time--in 1972, it had been 27 percent. Since the work week is shorter in New York (35 hours compared with 37), the differential in average hourly earnings is greater.

Construction Activity: The number of building permits for residential units increased 45 percent in 1978. Though the increase follows similar percentage gains in 1976 and 1977, the absolute number of units is still low compared with the 1960's and 1970's. The building permit increases in 1978 will probably be reflected in employment in 1979. Construction valuation followed the same pattern, showing an average annual increase of 39 percent for 1977 and 1978. While residential construction is reviving and hotel and office construction are increasing, public works construction, limited by the City's financial position, is still at low ebb. Conversion of old and underutilized commercial and industrial buildings to residential use, assisted by the City's J-51 tax abatement program, continues at a rapid pace.^{a)} (Construction activity is shown in Tables A-1 to A-4.)

The Office Space Market: A significant improvement took place in New York City's office space market during 1977 and 1978.

For several years prior to 1977, the chief question was how soon a huge glut of vacant office space in Manhattan, following the building boom of the 1960's and early 1970's, would be absorbed by rising tenant demand. Approximately 30 million square feet of space was available for lease in 1973-1975. By mid-1978, only 16.6 million square feet was available for lease. Shortages developed in the mid-town market, as large blocks of prime office space became difficult to obtain, and office rental rates were bid substantially upward.

Hotel Construction: During the last three years, increased hotel occupancy has generated much hotel renovation and construction activity. Almost 3,000 hotel rooms are currently under construction and an additional 3,000 to 4,000 rooms are planned. Renovation of approximately 1,500 rooms was completed in 1978. With construction of a major convention center tentatively planned to start in early 1980, the outlook is favorable for increased employment in hotels and in related visitor services.

a) The J-51 Program provides for tax exemption and tax abatement benefits to encourage rehabilitation of existing multiple dwellings and conversion of structures to multiple dwellings.

Manufacturing

For many years, manufacturing declined in the City, even during periods when increases were occurring at the national level. In 1973, in spite of a national increase of 7.6 percent in durable goods and 2 percent in nondurable goods, New York City employment declined by 2.2 percent and nondurable goods by 3.8 percent. Local manufacturing employment increased slightly in 1976, breaking a pattern of uninterrupted annual declines that began in 1960. A slight falloff of manufacturing jobs occurred again in 1977 and a decline of 0.7 percent, entirely in nondurable manufacturing, was experienced in 1978.

The experience of the early 1970's shows that the impact of a rapidly expanding national economy does not necessarily filter down to the City.

Major manufacturing industries in New York City which have experienced growth in 1978 include printing, publishing, electrical and electronic equipment.

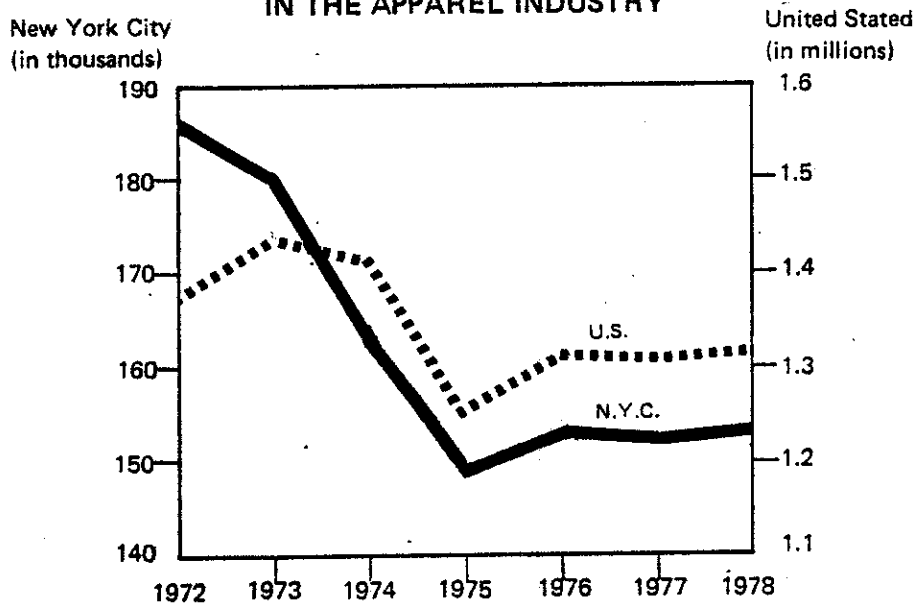
New York City's largest manufacturing industry, apparel and related products, has been relatively stable since 1976. (See Chart 3.) It is now 3 percent above its 1975 trough. National employment is 6 percent above the 1975 low. A factor which is helping New York City garment manufacturers is the devalued dollar which is tending to cut import competition, particularly in the high-priced, stylized garments for which New York City has comparative advantage. Quite noticeably, for example, in sportswear, the local manufacturer has benefited as cost of foreign goods increased.

New York City's second largest industry, printing, also moved upward in employment in 1978. The industry has been hurt by residential conversions of manufacturing space, high taxes, and some instances, suburban moveouts following the migration of major corporate customers.

Food processing and manufacturing in the City has lost jobs. New York City food companies merged with out of town firms, resulting in transfer of manufacturing operations to less costly installations elsewhere.

CHART 3

WAGE AND SALARY EMPLOYMENT IN THE APPAREL INDUSTRY



Source: U.S. Bureau of Labor Statistics and
N.Y.S. Department of Labor

Unlike those of other industry sectors in the City, wages in both durable and nondurable manufacturing are lower than in the U.S. In large part, this reflects the local industrial mix, which does not employ as high a percentage of high-skill labor in either the durable or nondurable categories as nationwide, and has proportionately less durables where there are more high-skill jobs.

In 1978, both durable and nondurable manufacturing weekly wages rose in the second half of the year. The increase in durable manufacturing wages was 4.7 percent compared with 6.0 for the nation, a large increase for a half-year. For nondurable, the City change was slight: -0.7 percent, while nationally, the increase was 5.6 percent.

For both durable and nondurable manufacturing, average hours in the second half of 1978 were higher than in the first half.

EMPLOYMENT IN MAJOR SECTORS OF NYC MANUFACTURING,
1977-1978

(In Thousands)

	<u>1977</u>	<u>1978</u>	<u>Percent Change</u>
<u>Total</u>	<u>538.6</u>	<u>534.8</u>	<u>-0.7%</u>
Nondurable Manufacturing	<u>422.8</u>	<u>418.9</u>	<u>-0.9</u>
Food and Kindred Products	31.8	31.9	+0.1
Textile Mill Products	25.5	23.3	-8.9
Apparel and Other Textile Products	152.7	153.0	+0.2
Printing and Publishing	90.1	90.7	+0.6
Chemicals and Drugs	27.2	26.7	-1.7
<u>Durable Manufacturing</u>	<u>115.9</u>	<u>116.0</u>	<u>+0.2</u>
Fabricated Metals	23.1	23.2	+0.3
Electrical and Electronic Equipment	31.0	32.0	+3.1
Instruments and Related Products	12.2	11.7	-4.6

Transportation and Other Public Utilities

The long term decline of employment in transportation, communications and public utilities slowed in 1978. Nationwide, employment in these sectors grew by over 3 percent in 1978. A major negative factor has been introduction of employment-saving technological changes in telephonic communications, enabling New York Telephone to sharply curtail employment in New York City. In addition, some telephone offices and facilities were moved to New Jersey. On the positive side, television and motion picture production facilities have been expanded in the City.

The large reduction in passenger transportation jobs is accounted for by the changing structure of the taxi industry, extensive layoffs, and increases in owner-operators who are not, by definition, employees.

EMPLOYMENT IN MAJOR SECTORS OF NYC TRANSPORTATION INDUSTRY,
1977-1978

(In Thousands)

	<u>1977</u>	<u>1978</u>	<u>Percent Change</u>
<u>Total</u>	<u>258.2</u>	<u>258.1</u>	<u>0.0</u>
Passenger Transportation	24.1	22.7	-5.7
Trucking and Warehousing	28.6	27.9	-2.3
Water Transportation	22.8	24.7	+8.3
Air Transportation	50.2	49.9	-0.6
Freight and Forwarding	24.4	25.1	+2.8
Communications	75.9	75.6	-0.3
Telephone and Telegraph	58.0	56.7	-2.1
Radio and TV Broadcasting	16.2	17.1	+5.1
Electric Gas and Sanitary	25.6	25.4	-0.7
Utility	21.9	21.7	-1.0

The increase in water transportation employment is reflected in trade statistics. The New York seaport handled a total of 64 million long tons of oceanborne foreign trade in 1977, worth a record total of \$31.1 billion. In 1978, exports and imports combined increased by 23 percent, more than the U.S. gain.

Trade

Employment: Employment in retail trade declined continuously from 1970 to 1977 but stabilized in 1978. Primarily dependent on local demand, employment in this sector has suffered from the loss of City population and by slow growth or declines in City real personal income. Out-of-city shopping by residents also increased. Employment in automotive, apparel stores, and nondurable wholesale operations suffered the most pronounced declines in 1978.

However, tourism has been strong in New York City and bolstered retail trade in some areas. In tourist-sensitive department stores and restaurants, employment improved in the 1976-78 period. Despite a three-month newspaper strike, there was no loss in retail trade jobs in 1978 in the City. In the same period, a gain of 5 percent was experienced nationwide.

EMPLOYMENT IN MAJOR SECTORS
NYC RETAIL AND WHOLESALE TRADE, 1977-1978

(In Thousands)

	<u>1977</u>	<u>1978</u>	<u>Percent Change</u>
<u>Total</u>	<u>620.0</u>	<u>620.1</u>	<u>0.0</u>
<u>Total Retail</u>	<u>372.1</u>	<u>372.1</u>	<u>0.0</u>
General Merchandise	72.0	72.5	+0.7
Food	60.4	62.0	+2.6
Automotive	17.2	16.8	-2.3
Apparel and Accessory	44.6	43.1	-3.3
Eating and Drinking	106.1	108.3	+3.1
<u>Total Wholesale</u>	<u>248.0</u>	<u>247.9</u>	<u>0.0</u>
Durable	110.0	110.2	+0.2
Nondurable	137.9	137.7	-1.5

Salary levels in New York City are higher than the average for retail trade in the nation. In 1972, retail wages in the City were 27 percent higher than the national average. By 1978, the premium had decreased to 21 percent. Average weekly earnings in retail trade have increased an average of 5.3 percent annually, 1978 over 1972, somewhat lower than the 5.8 percent increase in earnings in the retail sector nationally. There has been a secular decline in hours worked in the retail industry. However, the decline has been somewhat smaller in the City than in the nation as a whole.

Employment in wholesale trade in New York City was virtually unchanged in 1978, while nationally, there was an increase of 4 percent.

The increase in City weekly earnings in wholesale trade has been smaller than the nation's since 1976. Wages are about 20 percent above the national average for this sector.

Retail Sales: Retail sales increased an average of 2.5 percent a year in current dollars between 1973 and 1977. With an average rise of 7.6 percent in prices, sales volume declined by 4 percent in real terms. For the U.S., the average gain was one percent annually.

Due to a change in sample of stores surveyed by the Bureau of the Census, the retail sales series breaks starting in mid-1977. In Table A-1, the new series is simply appended to the old one, and should be evaluated only for general trends.

Quarterly data since the third quarter of 1977 are on a fully comparable basis. Seasonally adjusted, they show a distinct improvement in retail sales. The second half of 1978 is 8.6 percent above the comparable period in 1977 and 4.2 percent above the first half of 1978, an indication of growth in real dollars for the first time since 1973.

Finance, Insurance and Real Estate

Employment in the Finance, Insurance and Real Estate industry rose modestly (0.5 percent) in 1978 after a gradually abating eight year decline. For the U.S., there has been an increase of at least 2.5 percent in every year since 1975, with a 4 percent increase in 1978.

The principal areas of growth in the sub-sectors of the industry in 1978 were commercial and mutual savings banks (1.7 percent), and insurance agents and brokers (5.4 percent). Declines in employment occurred in insurance carriers (-0.8 percent) and real estate brokers (-2.0 percent).

A major factor contributing to New York City economic recovery is the growth of international trade and finance. The number of foreign banks within New York City increased from 47 to 125, and their assets increased from \$11 billion to \$79 billion, in the period from 1970 to 1978. Foreign purchases of major New York City properties, including residential buildings, have increased since 1975, and foreign firms now rent significant amounts of office space. The number of international law firms in the City grew from 54 to 131 in the last two decades.

Banking Sector: The key importance of this sector of the City economy derives in large part from its ability to generate additional employment in support activities such as legal services, accounting and printing. The growth rate of loans and investments of large U.S. commercial banks has been at least 50 percent higher than the growth rate for the City banks in five of the seven years from 1972 to 1978. Nevertheless, it is not expected that the dominant position of the large New York City banks will be lost. As of December 27, 1978, New York City banks represented 24.7 percent of the total assets of all large U.S. banks (see Tables A-5 to A-6).

The banking sector in the City was strong in the second half of 1978; nevertheless, for the year as a whole, New York City banks did not do as well as banks elsewhere. Thrift institutions, despite rising interest rates, maintained a high level of deposits, with the aid of six-month savings certificates. However, those in the City did not do as well as the rest of the nation, for two principal reasons: weakness in the local economy compared with the U.S., and stringent New

York State mortgage rate controls which restrict activity when market rates rise above the ceiling rates. Total U.S. mortgage activity in 1977 grew 15.1 percent over 1976; in NYC, growth was 6.3 percent. City thrift institutions had less favorable mortgage lending opportunities than the rest of the U.S. As a result, a greater percentage of City deposits was put into securities and other investments rather than into mortgages.

Securities Industry: The securities industry is largely based within New York City and provides 70,000 jobs. Stock volume rose sharply over a 20 year period, but because of technological advances and the dispersal of the industry to other parts of the country, the high volume did not result in increased employment in the City. There was an unprecedented 30.6 percent increase in stock volume in 1978, with stock volume in the second half moderately above the first. Some of the increase in volume has been due to the purchases of stock by specialist to bolster prices in a declining market and improved sales to overseas purchasers resulting from the fall in the value of the dollar. However, the increase in employment in the industry was only 0.7 percent for the year, despite the surge in volume.

Insurance: Insurance industry employment in New York City declined from 1972 to 1978. Insurance agents and brokers largely representing the sales force for property and casualty companies, declined 0.9 percent per year from 1972 to 1976, and then showed an increase of 4.5 percent in 1977 and 1978. Insurance carriers, providing headquarters and back office operations for both life and property companies as well as sales personnel for life insurance companies, have declined an average of 3.1 percent per year from 1972 to 1976, but they declined only 0.9 percent in 1977 and 1978. These declines have been largely as a result of moveouts, automation and a dispersal of the sales force in life insurance companies due to corporate relocation. Property companies may increase in employment as a result of New York City's growth as a center for international insurance and insurance for large and unusual risks. New York State recently passed legislation allowing a free trade zone, where taxes and certain regulations would not be imposed on reinsurance and business involving large and unusual risks.

EMPLOYMENT, MAJOR COMPONENTS OF
 NYC FINANCE, INSURANCE, AND REAL ESTATE, 1977-1978
 (In Thousands)

	<u>1977</u>	<u>1978</u>	<u>Percent Change</u>
<u>Total</u>	<u>414.4</u>	<u>416.6</u>	<u>+0.5</u>
Banking	133.8	136.1	+1.7
Credit Agencies, other than banks, including Savings and Loan Associations	14.2	14.4	+1.4
Security, Commodity Brokers and Services	70.1	70.6	+0.7
Insurance Carriers	78.5	77.9	-0.8
Insurance Agents, Brokers and Service	24.0	25.3	+5.4
Real Estate and Insurance	85.6	83.9	-2.0
Holding and Investment Companies, Trusts and Foundations, etc.	8.2	8.4	+2.4

Services

With over 800,000 jobs, the conglomerate of functions classified as services—composed mainly of hospitality, entertainment, personal and business-related activities as well as private, nonprofit institutions—has emerged as the largest and most vital business sector in the City. Services employment in 1978 increased by 33,000 or 4.2 percent over 1977, accounting for nearly all of the private sector job growth. The second half growth was at a slightly lower rate than in the first half (see Tables A-7 to A-10).

Between 1972 and 1976, while the rest of the City's private sector job base was contracting sharply, services employment declined only slightly by 2 percent. The near stability in local services employment contrasts with the rapid growth nationally (3.4 to 4.7 percent per year) in this sector. Population losses in the City tended to restrict local demand for such personal services as protection, beauty, and health care, while demand for local business services was depressed by the general contraction of the City's business community. In 1977 and 1978, services resumed growing.

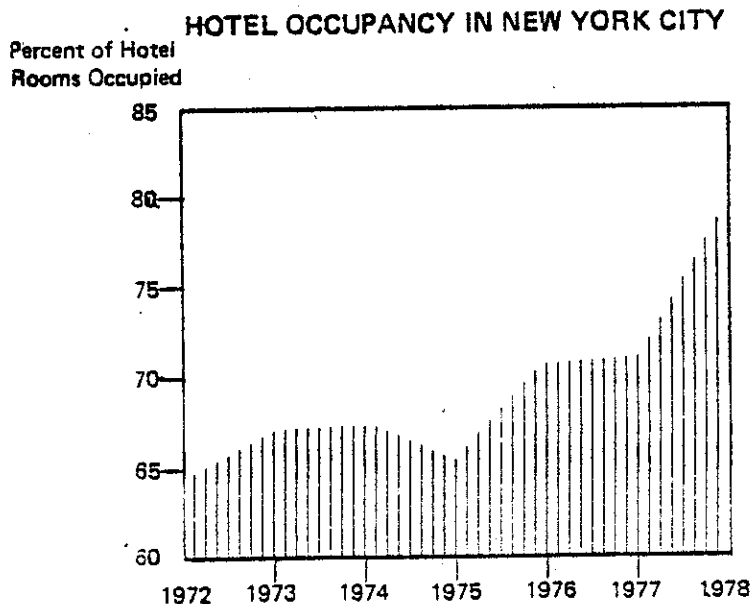
About half of the 1978 local gain in services jobs was concentrated in business services, especially employment agencies primarily providing temporary employees for construction and secretarial work. Such workers, if permanent, would be recorded in their specific industry sectors rather than in the services category. Advertising, legal, and computer services experienced significant increases. The pickup in business services reflects, for the most part, the strong national economy and the improved local business climate, which has been aided by the availability of competitively priced office space, the relatively moderate increase in white-collar salaries, and the efforts of the State and City governments to stabilize or reduce the tax burden.

Almost one third of the 1978 services job growth occurred in private non-profit institutions such as health, education, and social services. Some of this gain may be of a temporary nature because it partially reflects increases in Federally funded employment.

The City's entertainment industry accounted for most of the remaining 20 percent of services employment growth in 1978. Motion picture and theatrical production were responsible for nearly all of this increase.

As previously noted, the City's tourism industry has also experienced an upturn. While hotel employment remained stable, the hotel occupancy rate rose to 79 percent in 1978 from 72 percent in 1977 (see Chart 4). The City's Convention and Visitors Bureau estimates that between 1977 and 1978, the number of foreigners visiting the City increased by 8 percent to 2 million and the number of conventioners increased by 5 percent to 3.75 million. Overall, the number of visitors grew by almost 2 percent to approximately 17 million.

CHART 4

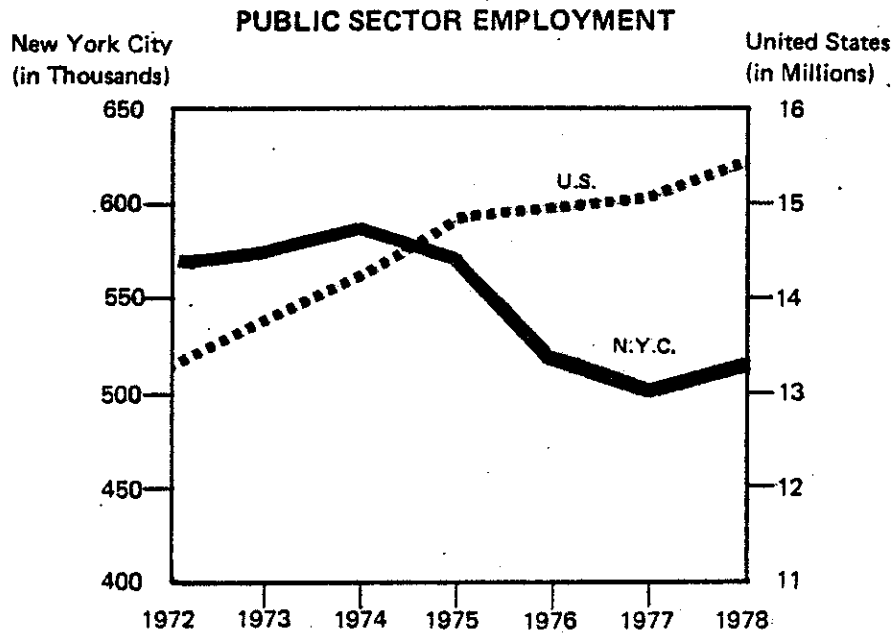


Source: Harris, Kerr, Forster and Co.

Government

Government employment in New York City fell by 82,000 between 1974 and 1977, a reduction of 14 percent, with local public education sustaining about half of the cutbacks (see Chart 5). By 1977, government employment accounted for 15.9 percent of total local jobs compared with 18.3 percent nationwide.

CHART 5



Source: U.S. Bureau of Labor Statistics and
N.Y.S. Department of Labor

Between 1977 and 1978, government employment in New York City increased by 2 percent or 10,000 workers. This compares with a 2.7 percent national increase. Municipal government accounted for about 80 percent of the 1978 public sector employment growth in New York City while New York State employment in New York City generated nearly all of the remaining increase. The expansion of municipal government employment has concentrated in local education, which added 6,000 jobs. Expanded funding of federal programs, especially the Comprehensive Employment and Training Act (CETA), was largely responsible for the municipal government employment growth.

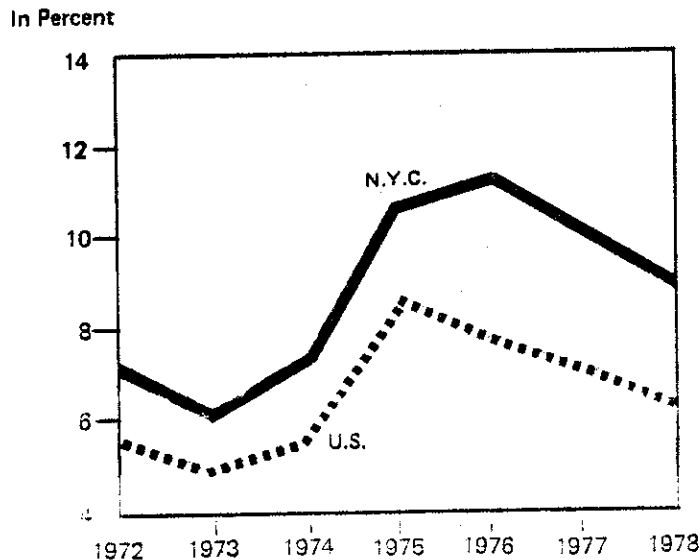
III. LABOR MARKET CONDITIONS

The labor force is composed of employed and unemployed residents actively seeking work. While the U.S. labor force increased 16.1 percent over the 1972-1978 period, the City labor force declined 4.6 percent. The City decline in 1978 slackened to 0.5 percent, while the U.S. labor force grew by over 3 percent. The contraction of the local labor force is primarily attributable to the 6.6 percent decline in City population between 1972 and 1977.

The number of employed City residents (as distinguished from the number of persons employed in jobs located in the City) declined 6.6 percent between 1972 and 1978 compared with a 15.5 percent increase in the nation. Employment of City residents increased by 0.8 percent in 1978. The local newspaper strike may have been responsible for the slight falloff in employment in the fourth quarter.

While still almost 3 percentage points above the nation, the local unemployment rate has fallen significantly since 1976 when it was at a record high of 11.2 percent. (See Chart 6.) Between 1976 and 1978, the decline in the number of residents unemployed in the City (79,000) exceeded the growth in resident employment (35,000) by 39,000. The greater reduction in the number of unemployed is thought to have been caused by the decline in City population. In 1978, the local unemployment rate fell to 8.9 percent compared with a

CHART 6
UNEMPLOYMENT RATE



Source: U.S. Bureau of Labor Statistics

The New York City labor force participation rate (percent of working age population in the labor force) fluctuated in a narrow band (between 54.5 percent to 55.0 percent) during the 1972-1978 period, a level substantially below that of the nation. The 1978 rate of 55.0 is the highest of the period, representing a 0.6 percentage point increase over 1977. While published local data are insufficiently disaggregated to permit a complete analysis of the demographic characteristics of local labor force participants, several factors seem to be chiefly responsible for the City's stagnant and relatively low participation rates. First, the long-term loss of local jobs has tended to discourage workers from entering the labor force. Second, traditional cultural attitudes among the Hispanic population have resulted in very low participation rates for women.

IV. COMPETITIVE FACTORS

New York City's living and business costs have long been among the highest in the country. For example, the U.S. Bureau of Labor Statistics estimates that during the last quarter of 1977, a family of four in the New York area needed a budget of almost \$20,000 to achieve an "intermediate" living standard, about \$2,900 more than was required in urban areas nationwide. Historically, high labor, space, and power costs enable only those business activities most suited to the City to survive and prosper.

However, when local economic conditions are poor compared to the nation, as they have been for most of the 1970's, inflationary increases in some local business costs are temporarily slowed. In this situation the cost differential between the City and the nation narrows, improving the City's competitive position. Some costs, however, notably energy and construction costs, continue to be far higher in the City than elsewhere.

Average Weekly Wages

Tables A-13 and A-14 present average wage data per employee and the number of hours worked for those industries for which data are available. While this is not a complete picture, covering only about 40 percent of employment, there is clear evidence that the annual rates of increase in average wages in the City, which had been higher than for the nation in 1972, are now lower. The averages themselves are still higher in New York City except in manufacturing.

However, lower wages, or a shrinking wage differential, does not stimulate the job market in the City in every instance. The problem of whether lower wages in New York City or a lowered rate of increase in wages compared to other areas confers a competitive advantage to the City is complex. To the extent that similar occupations are compared, for an identical mix of industries, and for a given technology, the lower rate of growth in wages in New York City tends to remove the disadvantage that being a high labor cost area has on the location of industry. Comparing these rates of increase in wages over time for entire industries obscures the differences in industry composition, types of worker, and relative degree of mechanization, that cause the differentials in wages.

If industry composition changes because of loss of high-wage segments to another location, the remaining portion of the industry would show a lower growth rate in wages than competing areas. To a great extent, changes in technology are not reversible, and few firms would return to a low wage area if it means abandoning the degree of integration found in an advanced, rationalized plant. If lower wages are the result of an unskilled labor force and an inferior use of technology, then little advantage is gained for the local economy as a whole.

Prices

In the last quarter of 1978, the U.S. Consumer Price Index (1967=100) surpassed the New York area index, indicating that the cumulative change in consumer prices was lower in the area than in the U.S. as a whole. In the late sixties and early seventies, the City's annual inflation rates exceeded the U.S. rate. Beginning in the mid-seventies, however, the City suffered higher unemployment and lower economic growth than the rest of the U.S. While painful, this economic contraction has reduced the City's relative inflation rate.

Analyzing the CPI indexes for major categories, it is possible to find the components with the lower inflation rate in New York City. The convergence of the New York City and U.S. increases since 1967 seems to lie mainly in the apparel, medical cost and housing and transportation areas of the cost of living index. (Tables A-17 and A-18.)

Transportation costs, while still showing a higher index level in 1978, rose in that year 3.5 percent in the City compared with 4.6 percent nationally, probably reflecting stability in the subway fare. Except for 1978, the apparel index is lower than the national, due to fairly consistent more moderate price increases. Housing costs, due to a long term lower inflation rate in this component are lower in the City, partly reflecting the high proportion of the renters in the City and the residential rent stabilization program. This was especially true in 1978, when the annual increase of 3.7 percent was less than half of the national. Medical care costs, rising more steeply in the City since 1969, increased less in 1978, 5.5 percent in the City contrasted with 8.4 percent in the U.S.

The elimination of the differential, it should be pointed out, does not mean that living in New York City is no longer more costly than in most other cities in the U.S. One comparative indicator is the annual household budgets for an urban four-person family estimated by the Department of Labor. These budgets reflect not only differences in income, but regional differences in living patterns.

As shown in the following table, living costs in the New York urban area are still among the highest in the U.S. Only Boston among the continental urban areas had higher living costs for the typical budgets in 1977.

ANNUAL HOUSEHOLD BUDGETS FOR A FOUR-PERSON FAMILY
UNITED STATES AND SELECTED URBAN AREAS

	Lower Budget	Intermediate Budget	Higher Budget
New York	\$11,155	\$19,972	\$31,655
Chicago	10,789	17,330	25,006
Los Angeles	11,134	17,126	25,880
Philadelphia	10,897	17,792	25,933
Detroit.....	10,400	17,427	25,550
Boston.....	11,481	20,609	31,199
Houston	9,921	15,488	22,421
Urban United States	\$10,481	\$17,106	\$25,202

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics
Autumn 1977 (latest compilation).

Energy Costs

While local energy costs are much higher than the cost of energy nationwide, in recent years heating and fuel prices have increased at a slower pace in the City than in the nation.

The only available general index of fuel costs is the fuel and utilities component of the Consumer Price Index. It should be noted that the fuel component primarily refers to gasoline and residential heating oil, which do not necessarily move together with the fuels for industrial and commercial uses. The retail CPI for fuel and utilities rose 4.9 percent in 1978 compared with 6.9 percent for the U.S. The outlook, however, is less favorable. New York is highly dependent on imported petroleum for home heating and electrical energy. Because of the recent OPEC oil price increases together with the restricted oil supply from Iran, larger short term increases in the cost of imported petroleum are sure to occur. Local utilities automatically pass along increased fuel costs. In the 1973 oil crisis the City index rose 27 percentage points while the U.S. index rose 18 points.

An alternate method of comparing fuel prices is the cost of 500 kilowatt hours of electricity. As shown in the table below, New York City's cost is the highest among the areas listed.

ANNUAL COST OF 500 KWH OF ELECTRICITY,
SELECTED URBAN AREAS

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
New York	\$241	\$279	\$414	\$449	\$476	\$520
Chicago	186	192	218	243	261	274
Los Angeles	157	174	225	242	256	276
Boston	185	192	275	299	301	318
Houston	144	148	159	180	214	226
Atlanta	125	134	163	217	223	232
	<u>PERCENTAGE CHANGE</u>					
New York		15.8%	48.4%	8.5%	6.0%	9.2%
Chicago		3.2	13.5	11.5%	7.4	5.0
Los Angeles		10.8	29.3	7.6	5.8	7.8
Boston		3.8	43.2	8.7	0.6	5.7
Houston		2.8	7.4	13.2	18.9	5.6
Atlanta		7.2	21.6	33.1	2.8	4.0

SOURCE: US Department of Labor, Bureau of Labor Statistics

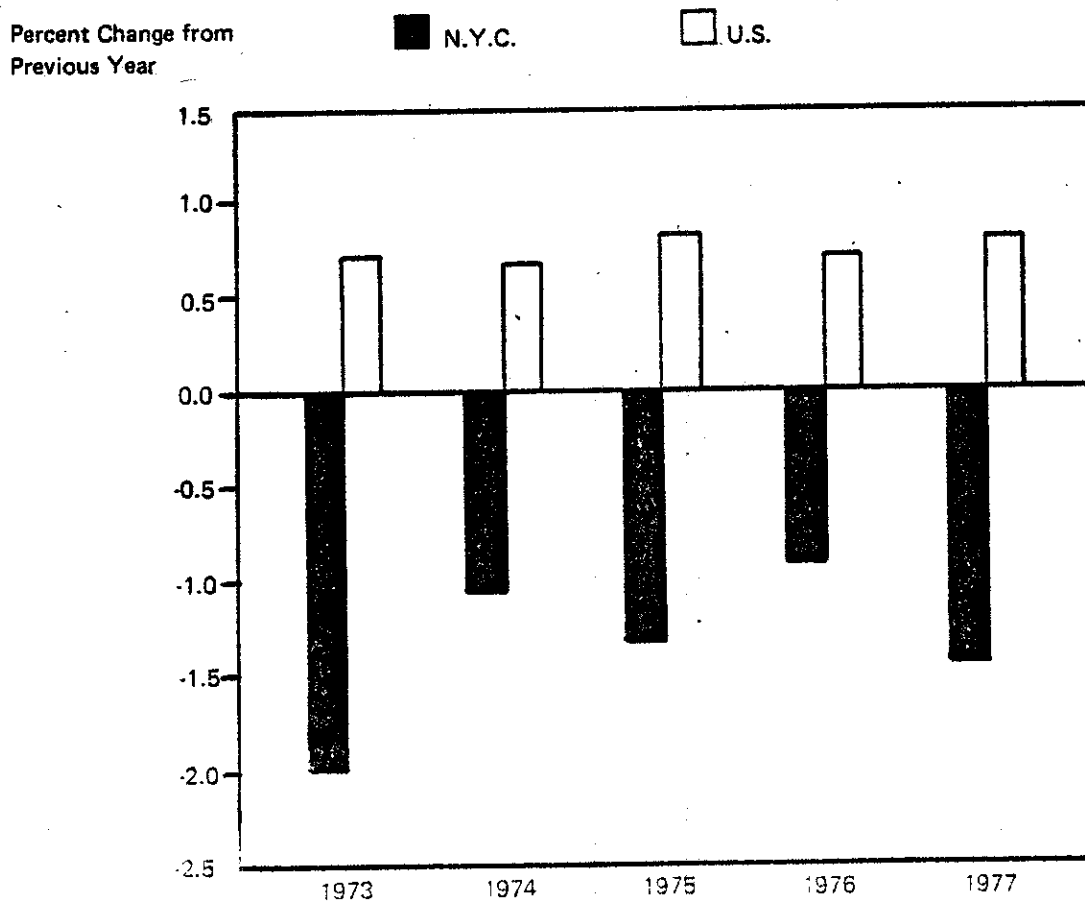
V. LONG TERM TRENDS

Population

In contrast with the slow but steady expansion of population nationwide, the number of New York City residents has declined since 1970. According to the latest U.S. Census Bureau estimate, the City population fell to 7.312 million in 1977 from almost 7.9 million in 1970. (See Chart 7.) While the over seven percent loss in City population is less than the contractions experienced by many other mature urban areas, it nevertheless represents a departure from the general stability of the 1960's. Also, because they are not based on a complete enumeration of the population, the intercensal estimates may be overstating the actual population fall-off. In part this may be caused by the difficulty in identifying the number of undocumented aliens residing in the City, a group believed to have grown substantially since 1970.

CHART 7

CHANGES IN POPULATION*



Source: U.S. Bureau of The Census
*1978 N.Y.C. data not available; 1977 N.Y.C. estimate is provisional

Many factors influence the size of the City's population. Life style considerations encourage the movement to the suburbs of young families with children and the movement to warmer climates of the elderly. A contracting job base discourages job seekers from coming to the city and encourages the local unemployed to migrate to rapidly growing areas of the country.

The 1978 New York City Housing and Vacancy Survey shows the City's population declined since 1975 (the date of the last survey), that the proportion of non-whites and Puerto Ricans increased, and the proportion of single-person households increased. In Manhattan, for the first time, over 50 percent of the households consist of single persons.

Personal Income

Personal income in New York City rose an average of 6.1 percent over the latest 5-year period for which data are available, from 1972 to 1976. In real terms, however, there was an average annual decline of 1.9 percent (Table A-2). For the U.S., personal income rose 10 percent, 1976 over 1972; real income rose over two percent per year.

Per capita income for New York City is higher than the U.S., but the differential has narrowed substantially. In 1972 the City was 19 percent ahead of the U.S. but for 1976, the latest year for which figures are available, the differential is 12 percent.

The components of personal income have been shifting in relative importance over the years. Labor and proprietor's income rose an annual average of 4 percent; interest, dividends, and rent rose over 9 percent and transfer payment rose 12.5 percent, making labor-related income a declining share of total income.

U.S. labor and proprietors' income grew at an annual average of 9 percent; interest, dividends, and rent, 10.7 percent; and transfer payments, 15.7 percent. Despite the higher increase in labor and proprietors' income in the U.S., labor-related income represents a declining share of total personal income. Dividends, interest and rent are now increasing faster in the City than the nation. They represent a greater share of N.Y. City personal income than they do in the U.S. The same observation can be made for transfer payments.

Total wage and salary disbursements by industry (the sum of the annual wages paid to residents and non-resident employees) showed patterns similar to employment in those industries. (See Table A-22 to A-23.) From 1972 to 1976, total construction wages fell, as contrasted with a rising trend for the U.S. Wages in trade, manufacturing, F.I.R.E. and services grew at about half

the national rate, reflecting a decrease in total real wages. Only in manufacturing was there a substantial improvement in 1976. The inability of the wage bill in each industry to keep pace in real dollars reflects declining employment and changes in the employment and industry mix in the City, as well as a diminishing rate of increase in average wages compared to the nation. Except in construction, the growth in total wages, 1976 over 1975, was the greatest of the period covered, even with a lower rate of inflation in 1976, indicating a revival in the City's economy. Since 1977 was a good year for the nation, there is every indication that the City's growth rate improved in 1977 (BEA data are not available), especially with the bettering City employment picture.

Other Findings

Two other long term trends were analyzed in separate studies. A book entitled The Corporate Headquarters Complex In New York, published by the Conservation of Human Resources Project at Columbia University, examined the trend of businesses to move their corporate headquarters out of New York. These headquarters, along with their attendant service industries, provide one fifth of the City's employment (586,00 jobs) and a quarter of the City's payroll (\$8.7 billion). Only 62 of the 128 companies with New York headquarters listed in the Fortune 500 in 1965 were still in the City in 1975; however, during this period, 28 Fortune 500 companies entered the City while 7 other corporations were no longer Fortune 500 companies in 1975.

The study suggests that by instituting the proper policies, the City can improve on its current situation. One strategy open to the City is to make construction costs competitive with other parts of the country to increase available office space. Laws and taxes that weaken the City's competitive position should be modified. Urban living should be made more desirable to encourage middle and upper management to remain in New York. The study recommends that the City publicize its many advantages in an effort to attract outside corporations to NYC.

The second study, entitled The Region's Money Flows, published by the Regional Plan Association in July, 1977, discusses money flows in the New York Region. This is a three volume study with the first volume presenting a comparison of Federal state and local government revenues and expenditures for two discrete periods, 1972 and 1975.

Using different methodologies, the study found that in 1975 the Federal government collected between \$1 and \$3 billion more revenues in New York City than it spent, with the larger figure derived from the assumption that Federal personal income and payroll taxes are calculated by place of employment rather than place of residence. The finding documents the economic losses suffered by the City as a result of the largely unrecognized net outflow of Federal government funds. The study also found that local government expenditures per capita for public transportation, welfare, and public safety in New York City in 1975 were higher than in the New York State and New Jersey subregions.

VI. THE EFFECT OF LOCAL ECONOMIC CONDITIONS ON THE CITY'S FINANCES, TAXES AND SERVICES

During the last half of 1978, local economic conditions continued to have a generally favorable impact on the City's tax base and on the City's efforts to contain the cost of services it provides. There were no marked changes in economic conditions between the first half and second half of the year.

Revised revenue and expenditure forecasts for City fiscal year 1979 contained in the City's Financial Plan, issued January 15, 1979, have taken these and other factors into consideration. With some minor exceptions, economic conditions during the second half of 1978 were generally in accord with initial expectations. Therefore, revisions in fiscal year 1979 forecasts, related to recent economic developments, were of a relatively small magnitude, but positive.

The forecast for fiscal year 1979 tax collections was increased by about one-half percent, from \$6,353 million to \$6,390 million. Anticipated collections from the general property tax, the source of almost half of the City's tax revenues, were raised by one-half percent, or \$15 million. This increase reflects the general improvement in real estate conditions in the City. Higher than expected trading volume on the New York and American stock exchanges was the basis for the almost 5 percent, or \$11 million, increase in collections from the stock transfer tax. Financial tax collections are projected to decline in fiscal year 1979. Even though commercial banks report strong profits, for tax purposes, much of those profits are attributed to out-of-City or overseas operations. Personal income tax revenue was raised two percent or \$15 million. It is anticipated that larger-than-normal increases in personal income will be counterbalanced by a higher level of refunds due to the tax cuts made by the Governor which carry through into City provisions.

On the expenditure side, price increases occurring in the second half of 1978 were generally within the limits anticipated in the City's budget and Financial Plan. However, the allowance for fuel oil and gasoline price increases was raised to 15% per year for fiscal years 1981 and 1982 in the January 15, 1979 revision of the Financial Plan; in recognition of the new OPEC price agreements announced in December 1978. Other energy cost increases were held at the estimated 10% per year growth rate for fiscal years 1981 and 1982 included in the Plan.

If projections for inflation at the national level move upward as a result of fuel price developments, some of the City's tax collection, particularly the sales tax and personal income tax, may increase even though in real terms the economy is not improving. The revenue gains will be offset; however, by increased pressures on the expenditure side.

Declining City population and the lower birth rates of recent years were the chief factors in an estimated decline of 39,000 in elementary school enrollments in September 1978 from the previous year's level. Enrollment declines were also experienced in community colleges (3,000) and the City's senior colleges (1,5000). These declines may be related in part to the improved job situation, which has provided more young people with an option for working rather than continuing in school.

Along with City efforts to reduce the number of ineligible recipients of social service benefits, the decline in the City's population (the latest U.S. Census Bureau estimate is 7.312 million for 1977) as well as reduction in the unemployment rate to below 9 percent have resulted in a substantial reduction in the number of individuals receiving public assistance. The average number of persons receiving public assistance declined from 948,000 in the second half of 1977 to 892,000 in the second half of 1978.

Economic conditions also helped contain the public transit operating deficit. Subway revenues increased as a result of the almost 6 percent gain in subway ridership that occurred in the second half of 1978 compared with the same period in 1977. Employment increases, mainly in the Manhattan Central Business District, as well as sharp increases in automobile operating costs while subway fares were held stable, are thought to be chiefly responsible. However, the number of bus passengers declined by 1.1 percent, apparently associated with the long-term reduction of the City's population, especially in the Bronx and Brooklyn.

In attempting to assess the impact of changes in the City economy on the City's revenues and expenditures, perhaps the most important intangible factor is the quality of City services. The City has attempted to minimize the effects of budget cutbacks on essential services. Perhaps the area where the effects of austerity are most noticeable is the deterioration of physical plant. Large capital repair and replacement programs are needed in many areas. In operations, no major cuts have been made in essential elementary school, public safety and environmental services, although some programs have been shifted to predominantly state or Federal funding.

Although real estate tax delinquency rates declined in the July-December period, the City's holdings of property acquired through tax delinquency foreclosure continued to increase. The City now manages 27,000 properties. One reason for the increase is the change from a three-year to a one-year foreclosure policy. This effect is temporary and the bulge can be expected to disappear once the transition is complete. However, the underlying factors of population decline, neighborhood changes, and building obsolescence are the principal causes of property abandonment. While some sectors of the real estate market have shown great improvement, large areas, especially in the outlying boroughs, continue to decline.

APPENDIX
TABLES

APPENDIX

Business Conditions

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Tables A-3 to A-4	General Business Indicators, Quarterly
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Tables A-7 to A-8	Non-Agricultural Wage and Salary Employment, Annual
Tables A-9 to A-10	Non-Agricultural Wage and Salary Employment, Quarterly

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Table A-11	Labor Force and Components, Annual
Table A-12	Labor Force and Components, Quarterly

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Table A-13	Average Weekly Earnings, Annual
Table A-14	Average Weekly Earnings, Quarterly
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Table A-17	Consumer Price Index, Annual
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Table A-19	Energy Indicators, Annual
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Table A-21	Components of Personal Income, Annual
Table A-22	Wage and Salary Disbursements, Annual
Table A-23	Wage and Salary Disbursements, Quarterly

TABLE A-1

GENERAL BUSINESS INDICATORS, N.Y.C. AND U.S., 1972-1978

	1972	1973	1974	1975	1976	1977	1978
GENERAL ECONOMIC ACTIVITY							
INDEX OF BUSINESS ACTIVITY (1967=100) a)							
FEDERAL RESERVE INDEX OF INDUSTRIAL PRODUCTION (1967=100) b)							
NYC	106	106	100	94	96	97	101
US	115.2	125.6	129.3	117.8	129.8	139.7	145.0
RETAIL SALES ^{c)} (\$ MIL.)							
NYC	N.A.	\$15084	\$15872	\$15904	\$16322	\$16626*	\$17544*
US	149069	502453	534511	580445	642507	699344	778830
CONSTRUCTION							
BUILDING PERMITS ^{d)} (NO. UNITS)							
NYC	36061	22417	15743	3810	5434	7639	11096
CONSTRUCTION VALUATION ^{d)} (\$ MIL.)							
NYC	1524.9	1255.2	776.0	288.7	303.3	388.9	582.7
CONSTRUCTION COST INDEX ^{e)} (1913=100)							
NYC	2215.4	2263.4	2507.5	2678.1	2817.5	3018.3	3217.5
OFFICE SPACE, MANHATTAN ONLY (THOUS. SQ. FT.) ^{f)}							
NEW SPACE LEASED							
NYC	N.A.	N.A.	N.A.	1453.0	1932.2	2961.0	2006.2
TOTAL SPACE AVAILABLE, JANUARY ^{g)}							
NYC	N.A.	31790	30120	28610	26261	23904	17525
HOTEL OCCUPANCY ^{h)} (% OF SPACE)							
NYC	64.4%	66.5%	66.8%	65.8%	71.4%	73.6%	78.8%
SECURITIES INDUSTRY ⁱ⁾							
DAILY VOLUME, NYSE AND AMEX							
NYC	22.3	20.1	17.0	22.0	24.8	24.7	32.5
SHARE PRICE, NYSE, ROUND LOTS							
NYC	\$36.20	\$33.90	\$26.20	\$27.00	\$29.80	\$28.50	\$27.70

- SOURCES: a) NYS Department of Commerce
 b) Federal Reserve Board
 c) US Department of Commerce
 d) NYS Division of Housing and Community Renewal
 e) Engineering News Record
 f) Studley Report
 g) Cross and Brown
 h) Harris, Kerr, Forster and Company
 i) New York Stock Exchange and Amex

*Due to sample and definitional changes, the second half of 1977 and all of 1978 are not strictly comparable with previous data.

TABLE A-2

PERCENTAGE CHANGES IN GENERAL BUSINESS INDICATORS, N.Y.C. AND U.S., 1972-1978

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>GENERAL ECONOMIC ACTIVITY</u>						
<u>INDEX OF BUSINESS ACTIVITY</u>						
NYC	0%	-5.7%	-6.0%	2.1%	1.0%	4.1%
US	9.0	2.9	-8.9	10.1	5.6	3.8
<u>FEDERAL RESERVE INDEX OF IND'L PRODUCTION</u>						
NYC	-	1.9	3.5	2.6	1.9	5.5
US	11.9	6.4	8.6	11.7	8.9	11.4
<u>CONSTRUCTION</u>						
<u>BUILDING PERMITS</u>						
NYC	-37.8	-29.8	-75.8	42.6	36.3	45.3
US	-17.6	-38.2	-62.8	5.1	28.2	49.8
<u>CONSTRUCTION VALUATION</u>						
NYC	6.8	6.0	6.8	5.2	7.1	6.6
<u>OFFICE SPACE, MANHATTAN ONLY</u>						
<u>NEW SPACE LEASED</u>	-	-	-	33.0	53.2	-32.3
<u>TOTAL SPACE AVAIL., JAN.</u>	-	-5.3	-5.0	-8.2	-11.3	-24.8
<u>HOTEL OCCUPANCY</u>						
NYC	-3.2	0.5	-1.2	8.5	3.1	7.1
<u>SECURITIES INDUSTRY</u>						
<u>DAILY VOLUME, NYSE AND AMEX</u>						
NYC	-9.9	-15.4	29.4	12.7	-0.4	31.6
<u>SHARE PRICE, NYSE, ROUND LOTS</u>						
NYC	-6.4	-22.7	3.1	10.4	-4.3	-2.8

TABLE A-3

GENERAL BUSINESS INDICATORS, N.Y.C. AND U.S., QUARTERLY, 1977-1978

	<u>1977:1</u>	<u>1977:2</u>	<u>1977:3</u>	<u>1977:4</u>	<u>1978:1</u>	<u>1978:2</u>	<u>1978:3</u>	<u>1978:4</u>
<u>GENERAL ECONOMIC ACTIVITY</u>								
<u>INDEX OF BUSINESS ACTIVITY *</u>	96	97	98	99	100	102	101	101
FEDERAL RESERVE INDEX OF IND'L PRODUCTION *	133.6	137.0	138.5	139.3	139.6	143.9	147.0	149.5 ^P
<u>RETAIL SALES (\$ MIL.) *</u>								
NYC	N.A.	N.A.	4149	4094	4264	4331	4433	4520 ^P
US	170984	173970	176586	184420	184206	192768	196452	205404 ^P
<u>CONSTRUCTION</u>								
BUILDING PERMITS (NO. UNITS)	1819	2393	1527	1900	2624	2663	2347	3462
CONSTRUCTION VALUATION (\$ MIL.)	141.3	95.8	84.5	67.3	96.5	129.9	167.0	189.3
CONSTRUCTION COST INDEX (1913=100)	2922.0	2977.1	3067.2	3106.7	3161.7	3180.5	3222.2	3304.1
<u>HOTEL OCCUPANCY (% OF SPACE)*</u>	71.1%	73.2%	72.8%	75.2%	75.8%	79.6%	80.9%	78.4%
<u>SECURITIES INDUSTRY</u>								
DAILY VOLUME, NYSE AND AMEX (MIL)	24.1	22.7	22.4	24.6	23.4	37.9	37.9	30.6
SHARE PRICE, NYSE, ROUND LOTS	\$29.43	\$29.27	\$28.50	\$26.83	\$26.00	\$27.53	\$29.10	\$27.60

SOURCE: SEE ANNUAL DATA

*Seasonally Adjusted

TABLE A-4

PERCENTAGE CHANGE IN GENERAL BUSINESS INDICATORS, N.Y.C. AND U.S.
 QUARTERLY, 1977-1978

	<u>1977:2</u>	<u>1977:3</u>	<u>1977:4</u>	<u>1978:1</u>	<u>1978:2</u>	<u>1978:3</u>	<u>1978:4</u>
GENERAL ECONOMIC ACTIVITY							
INDEX OF BUSINESS ACTIVITY	1.0%	1.0%	1.0%	1.0%	2.0%	-1.0%	0%
FEDERAL RESERVE INDEX OF IND'L PRODUCTION	2.5	1.1	0.6	0.2	3.1	2.1	1.7
RETAIL SALES (\$ MIL.)							
NYC	-	-	-1.3	4.1	1.6	2.4	2.0
US	1.4	1.5	4.4	0	4.6	1.9	4.6
CONSTRUCTION							
BUILDING PERMITS	31.6	36.2	24.4	38.1	1.5	-11.9	47.5
CONSTRUCTION VALUATION	-32.2	-11.8	20.4	43.3	34.6	28.6	13.4
CONSTRUCTION COST INDEX	1.9	1.9	1.3	2.0	0.6	1.3	2.5
HOTEL OCCUPANCY	3.0	-0.6	2.7	0.8	5.0	1.6	-3.1
SECURITIES INDUSTRY							
DAILY VOLUME, NYSE AND AMEX	-5.8	-1.3	9.8	-4.9	62.0	0	-19.3
SHARE PRICE, NYSE, ROUND LOTS	-0.5	-2.6	-5.6	-3.2	5.9	5.7	-5.2

TABLE A-6

BANKING INDICATORS, N.Y.C. AND U.S., 1977 - 1978
QUARTERLY AVERAGE DATA

(Not Seasonally Adjusted)

	<u>1977:1</u>	<u>1977:2</u>	<u>1977:3</u>	<u>1977:4</u>	<u>1978:1</u>	<u>1978:2</u>	<u>1978:3</u>	<u>1978:4</u>
<u>COMMERCIAL BANKS' TOTAL LOANS AND INVESTMENTS</u>	NYC US \$ 90,072 409,905	\$ 91,098 419,544	\$ 92,480 428,286	\$ 95,670 442,558	\$ 93,489 447,306	\$ 93,819 460,837	\$ 95,157 472,714	\$ 99,545 ^P 489,986 ^P
<u>THRIFT INSTITUTIONS' MORTGAGES</u> *	NYC US 43,221 411,642	43,792 428,064	44,634 446,962	45,567 463,898	46,902 477,398	47,631 493,457	48,148 509,368	48,685 N.A.
<u>THRIFT INSTITUTIONS' DEPOSITS</u> *	NYC 471,100	59,583 486,897	60,541 503,136	61,694 515,539	62,709 529,115	63,328 541,004	63,879 555,097	64,636 N.A.
<u>PERCENTAGE CHANGES</u>								
<u>COMMERCIAL BANKS' TOTAL LOANS AND INVESTMENTS</u>	NYC US 1.2% 2.4	1.5% 2.1	3.5% 3.3	- 2.3% 1.1	0.4% 3.0	1.4% 2.6	4.6% ^P 3.7 ^P	
<u>THRIFT INSTITUTIONS' MORTGAGES</u> *	NYC US 1.3 4.0	1.9 4.4	2.1 3.8	2.9 2.9	1.6 3.4	1.1 3.2	1.1 N.A.	
<u>THRIFT INSTITUTIONS' DEPOSITS</u> *	NYC US 2.0 3.4	1.6 3.3	1.9 2.5	1.7 2.6	1.0 2.3	0.9 2.6	1.2 N.A.	

SOURCES: Federal Reserve Bulletin, Savings Banks Association of New York State, The Federal Home Loan Bank of New York.

*Quarterly U.S. thrift institution data, does not reflect 1978 Federal Reserve Bulletin annual revisions.

TABLE A-7

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT,
N.Y.C. AND U.S., 1972-1978
(NUMBERS IN THOUSANDS)

	1972	1973	1974	1975	1976	1977	1978
<u>TOTAL</u>							
NYC	3,566	3,541	3,445	3,283	3,201	3,182	3,224
US	73,675	76,790	78,265	76,945	79,382	82,256	85,752
<u>PRIVATE SECTOR</u>							
NYC	3,000	2,965	2,861	2,711	2,684	2,680	2,712
US	60,341	63,058	64,095	62,259	64,511	67,177	70,275
<u>GOVERNMENT</u>							
NYC	566	576	584	572	517	502	512
US	13,334	13,732	14,170	14,686	14,871	15,079	15,478
<u>CONSTRUCTION</u>							
NYC	105.0	107.6	101.9	80.0	67.0	64.2	65.0
US	3,889	4,097	4,020	3,525	3,576	3,833	4,204
<u>DURABLE MANUFACTURING</u>							
NYC	152.8	149.5	140.4	116.4	117.1	115.8	116.0
US	11,049	11,891	11,925	10,688	11,077	11,573	12,156
<u>NONDURABLE MANUFACTURING</u>							
NYC	523.0	503.2	461.7	420.5	424.0	422.8	418.9
US	8,102	8,262	8,152	7,635	7,920	8,074	8,173
<u>TRANS, COMM, AND PUB. UTILITIES</u>							
NYC	297.8	293.6	282.9	269.5	263.7	258.2	258.1
US	4,541	4,656	4,725	4,542	4,582	4,696	4,844
<u>WHOLESALE</u>							
NYC	281.6	277.7	267.5	254.4	252.0	248.0	247.9
US	4,113	4,277	4,433	4,415	4,546	4,697	4,899
<u>RETAIL</u>							
NYC	413.3	407.8	397.2	381.1	378.5	372.1	372.1
US	11,836	12,329	12,554	12,645	13,209	13,795	14,500
<u>FINANCE, INSURANCE AND REAL ESTATE</u>							
NYC	445.6	434.6	425.2	420.1	416.3	414.4	416.6
US	3,908	4,046	4,148	4,165	4,271	4,452	4,676
<u>SERVICES</u>							
NYC	779.7	789.2	783.1	767.3	763.7	783.5	816.7
US	12,276	12,857	13,441	13,892	14,551	15,249	15,975

SOURCE: U.S. BUREAU OF LABOR STATISTICS AND N.Y.S. DEPARTMENT OF LABOR
NEW YORK CITY DATA FOR 1977 AND 1978 REFLECT BENCHMARK REVISIONS ISSUED MARCH, 1979.
MINING EMPLOYMENT NOT SHOWN SEPARATELY BUT INCLUDED IN TOTAL.

TABLE A-8

PERCENTAGE CHANGES IN NONAGRICULTURAL WAGE AND SALARY
EMPLOYMENT, N.Y.C. AND U.S., 1973-1978

	1973	1974	1975	1976	1977	1978
<u>TOTAL</u>						
NYC	-0.7 %	-2.7 %	-4.7 %	-2.5 %	-0.6 %	1.3 %
US	4.2	1.9	-1.7	3.2	3.6	4.3
<u>PRIVATE SECTOR</u>						
NYC	-1.2	-3.5	-5.2	-1.0	-0.2	1.2
US	4.5	1.6	-2.9	3.6	4.1	4.7
<u>GOVERNMENT</u>						
NYC	1.8	1.4	-2.1	-9.6	-2.9	2.0
US	3.0	3.2	3.6	1.3	1.4	2.7
<u>CONSTRUCTION</u>						
NYC	2.5	-5.3	-21.5	-16.3	-4.2	1.3
US	5.4	-1.9	-12.3	1.5	7.2	9.7
<u>DURABLE MANUFACTURING</u>						
NYC	-2.2	-6.1	-17.1	0.6	-1.1	0.2
US	7.6	0.3	-10.4	3.6	4.5	5.0
<u>NONDURABLE MANUFACTURING</u>						
NYC	-3.8	-8.3	-8.9	0.8	-0.3	-0.9
US	2.0	-1.3	-6.3	3.7	1.9	1.2
<u>TRANS, COMM, AND PUB. UTILITIES</u>						
NYC	-1.4	-3.6	-4.7	-2.2	-2.1	0.0
US	2.5	1.5	-3.9	0.9	2.5	3.2
<u>WHOLESALE</u>						
NYC	-1.4	-3.7	-4.9	-0.9	-1.6	0.0
US	4.0	3.7	-0.4	3.0	3.3	4.3
<u>RETAIL</u>						
NYC	-1.3	-2.6	-4.1	-0.7	-1.7	0.0
US	4.2	1.8	0.7	4.5	4.4	5.1
<u>FINANCE, INSURANCE, AND REAL ESTATE</u>						
NYC	-2.5	-2.2	-1.2	-0.9	-0.5	0.5
US	3.5	2.5	0.4	2.5	4.2	5.0
<u>SERVICES</u>						
NYC	1.2	-0.8	-2.0	-0.5	2.6	4.2
US	4.7	4.5	3.4	4.7	4.8	4.8

SOURCES: U.S. BUREAU OF LABOR STATISTICS AND N.Y.S. DEPARTMENT OF LABOR

TABLE A-9

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, N.Y.C.
AND U.S., QUARTERLY 1977-1978

(In Thousands, Seasonally Adjusted)

	<u>1977:1</u>	<u>1977:2</u>	<u>1977:3</u>	<u>1977:4</u>	<u>1978:1</u>	<u>1978:2</u>	<u>1978:3</u>	<u>1978:4</u>
<u>TOTAL</u>								
NYC	3,173	3,177	3,186	3,197	3,196	3,224	3,234	3,245
US	80,847	81,955	82,677	83,489	84,262	85,677	86,116	86,954
<u>PRIVATE SECTOR</u>								
NYC	2,676	2,683	2,677	2,690	2,687	2,716	2,719	2,732
US	65,940	66,951	67,525	68,239	68,896	70,118	70,600	71,484
<u>GOVERNMENT</u>								
NYC	497	494	509	507	509	508	515	514
US	14,907	15,004	15,152	15,250	15,366	15,559	15,516	15,470
<u>CONSTRUCTION</u>								
NYC	62.8	64.9	64.8	64.4	62.3	65.5	64.0	67.8
US	3,646	3,838	3,894	3,929	3,935	4,206	4,300	4,374
<u>DURABLE MANUFACTURING</u>								
NYC	115.6	116.2	115.0	116.2	116.3	115.4	116.4	115.9
US	11,363	11,535	11,627	11,763	11,981	12,092	12,148	12,401
<u>NONDURABLE MANUFACTURING</u>								
NYC	423.4	426.4	420.9	421.1	419.1	422.1	417.5	417.9
US	8,007	8,103	8,084	8,104	8,163	8,206	8,138	8,185
<u>TRANS., COMM., AND PUB. UTILITIES</u>								
NYC	261.8	258.5	255.8	256.8	255.6	259.3	258.2	259.6
US	4,650	4,687	4,708	4,735	4,753	4,858	4,843	4,922
<u>TRADE</u>								
NYC	621.3	621.5	618.8	619.5	614.4	621.4	622.6	621.9
US	18,125	18,396	18,604	18,825	19,077	19,333	19,511	19,672
<u>FINANCE, INSURANCE AND REAL ESTATE</u>								
NYC	413.4	414.3	415.5	414.6	413.3	415.8	418.0	419.3
US	4,382	4,429	4,469	4,530	4,586	4,643	4,706	4,767
<u>SERVICES</u>								
NYC	775.5	779.4	783.9	795.8	804.2	815.1	820.5	827.5
US	14,959	15,136	15,328	15,565	15,680	15,908	16,069	16,242

SOURCES: U.S. Bureau of Labor Statistics and N.Y.S. Department of Labor
New York City data for 1977 and 1978 reflect benchmark revisions issued March, 1979.
Mining employment not shown separately but included in total.

TABLE A-10

PERCENTAGE CHANGES IN NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT,
N.Y.C. AND U.S. QUARTERLY, 1977 - 1978

	1977:2	1977:3	1977:4	1978:1	1978:2	1978:3	1978:4
<u>TOTAL</u>	0.1% 1.4	0.3% 0.9	0.4% 1.0	-0.0% 0.9	0.9% 1.7	0.3% 0.6	0.3% 1.0
<u>PRIVATE SECTOR</u>	0.3 1.5	-0.2 0.9	0.5 1.1	-0.1 1.0	1.1 1.8	0.1 0.7	0.5 1.3
<u>GOVERNMENT</u>	-0.6 0.7	3.0 1.0	-0.4 0.7	0.4 0.8	-0.2 1.3	1.4 -0.3	-0.2 -0.3
<u>CONSTRUCTION</u>	3.3 5.3	-0.2 1.5	-0.6 0.9	-3.3 0.2	5.1 6.9	-2.3 2.2	5.9 1.7
<u>DURABLE MANUFACTURING</u>	0.5 1.5	-1.0 0.8	1.0 1.2	0.1 1.9	-0.8 0.9	0.9 0.5	-0.4 2.1
<u>NONDURABLE MANUFACTURING</u>	0.7 1.2	-1.3 -0.2	-0.1 -0.3	-0.5 0.7	0.7 0.5	-1.1 -0.8	0.1 0.6
<u>TRANS., COMM., AND PUB. UTILITIES</u>	-1.3 0.8	-1.0 0.5	0.4 0.6	-0.5 0.4	1.5 2.2	-0.4 -0.3	0.5 1.6
<u>TRADE</u>	0.0 1.5	-0.4 1.1	0.1 1.2	-0.8 1.3	1.1 1.3	0.2 0.9	0.1 0.8
<u>FINANCE, INSURANCE, AND REAL ESTATE</u>	0.2 1.1	0.3 0.9	-0.2 1.4	-0.3 1.2	0.6 1.2	0.5 1.4	0.3 1.3
<u>SERVICES</u>	0.5 1.2	0.6 1.3	1.5 1.6	1.1 0.7	1.4 1.5	0.7 1.0	0.9 1.1

SOURCES: U.S. Bureau of Labor Statistics and N.Y.S. Department of Labor.

TABLE A-11

THE LABOR FORCE AND ITS COMPONENTS, N.Y.C. AND U.S., 1972-1978
(NUMBERS IN THOUSANDS)

	1972	1973	1974	1975	1976	1977	1978
<u>CIVILIAN LABOR FORCE</u>							
NYC	3,183	3,141	3,133	3,089	3,074	3,049	3,035
US	86,542	88,714	91,011	92,613	94,773	97,401	100,486
<u>EMPLOYED LABOR FORCE</u>							
NYC	2,960	2,952	2,908	2,761	2,730	2,743	2,765
US	81,702	84,409	85,935	84,783	87,485	90,546	94,381
<u>UNEMPLOYED RESIDENTS</u>							
NYC	223	189	225	327	344	306	270
US	4,840	4,304	5,076	7,830	7,288	6,855	6,036
<u>UNEMPLOYMENT RATE</u>							
NYC	7.0	6.0	7.2	10.6	11.2	10.0	8.9
US	5.6	4.9	5.6	8.5	7.7	7.0	6.0
<u>PARTICIPATION RATE</u>							
NYC	54.9	54.7	54.9	54.6	54.4	54.4	55.0
US	59.4	59.8	60.3	60.4	60.7	61.4	62.4
<u>POPULATION</u>							
NYC	7,824	7,664	7,578	7,482	7,423	7,312*	N.A.
US	208,850	210,410	211,900	213,560	215,740	216,520	N.A.
	<u>PERCENTAGE CHANGES</u>						
<u>CIVILIAN LABOR FORCE</u>							
NYC	-1.3%		-0.3%	-1.4%	-0.5%	-0.8%	-0.5%
US	2.5		2.6	1.8	2.3	2.8	3.2
<u>EMPLOYED LABOR FORCE</u>							
NYC	-0.3		-1.5	-5.1	-1.1	0.6	0.8
US	3.3		1.8	-1.3	3.2	3.5	4.2
<u>UNEMPLOYED RESIDENTS</u>							
NYC	-15.3		19.1	45.3	5.2	-11.1	-11.8
US	-11.1		17.9	54.3	-6.9	-5.9	-11.9
<u>POPULATION</u>							
NYC	-2.0		-1.1	-1.3	-0.9	-1.4	N.A.
US	0.7		0.7	0.8	0.7	0.8	N.A.

SOURCE: U.S. CENSUS BUREAU AND U.S. BUREAU OF LABOR STATISTICS

NEW YORK CITY LABOR FORCE DATA REFLECT REVISIONS BASED ON NEW POPULATION CONTROL TOTALS, FEBRUARY 1979.

*PROVISIONAL ESTIMATE

TABLE A-12

THE LABOR FORCE AND ITS COMPONENTS, N.Y.C. AND U.S.,
QUARTERLY, 1977-1978

(In Thousands, Seasonally Adjusted)

	<u>1977:1</u>	<u>1977:2</u>	<u>1977:3</u>	<u>1977:4</u>	<u>1978:1</u>	<u>1978:2</u>	<u>1978:3</u>	<u>1978:4</u>
<u>CIVILIAN LABOR FORCE</u>	3,095	3,052	3,020	3,029	3,054	3,045	3,022	3,019
US	96,221	97,153	97,599	98,622	99,205	100,206	100,679	101,492
<u>EMPLOYED LABOR FORCE</u>	2,789	2,773	2,702	2,709	2,773	2,782	2,758	2,747
US	89,059	90,264	90,823	92,069	93,050	94,244	94,604	95,616
<u>UNEMPLOYED RESIDENTS</u>	306	279	318	320	281	263	264	272
US	7,161	6,889	6,736	6,554	6,155	5,962	6,054	5,908
<u>UNEMPLOYMENT RATE</u>	9.9	9.1	10.5	10.6	9.2	8.6	8.7	9.0
	7.4	7.1	6.9	6.6	6.2	6.9	6.0	5.8
	<u>PERCENTAGE CHANGES</u>							
<u>CIVILIAN LABOR FORCE</u>	-1.4%	-1.1%	0.3%	0.3%	0.8%	-0.3%	-0.8%	0.0%
US	1.0	0.5	1.1	1.1	0.6	1.0	0.5	0.8
<u>EMPLOYED LABOR FORCE</u>	-0.6	-2.6	0.3	0.3	2.4	0.3	-0.9	-0.3
US	1.4	0.6	1.4	1.4	1.1	1.3	0.4	1.1
<u>UNEMPLOYED RESIDENTS</u>	-8.8	14.0	0.6	0.6	-12.2	-6.4	0.4	3.8
US	-3.8	-2.2	-2.7	-6.1	-6.1	-3.1	1.5	-2.4

SOURCES: U.S. Census Bureau and U.S. Bureau of Labor Statistics
New York City Labor force data reflect revisions based on new population control totals, February 1979.

TABLE A-13

AVERAGE WEEKLY EARNINGS FOR SELECTED INDUSTRIES
N.Y.C. AND U.S., 1972-1978

INDUSTRY	1972	1973	1974	1975	1976	1977	1978
<u>CONTRACT CONSTRUCTION</u>							
NYC	\$281.50	\$308.38	\$309.72	\$313.96	\$333.45	\$344.27	\$356.0
US	221.19	235.89	249.25	266.08	283.36	295.29	316.4
<u>DURABLE MFG.</u>							
NYC	144.08	153.22	163.15	173.94	182.67	194.54	205.5
US	167.68	180.53	191.29	205.49	226.55	248.46	270.10
<u>NONDURABLE MFG.</u>							
NYC	144.67	152.93	161.85	174.72	182.63	192.88	200.8
US	138.16	146.52	156.79	169.56	185.18	200.94	217.79
<u>WHOLESALE TRADE</u>							
NYC	185.82	199.64	211.69	230.28	239.4	254.79	273.7
US	151.69	159.95	169.94	182.66	194.66	209.13	228.20
<u>RETAIL TRADE</u>							
NYC	116.95	121.91	127.71	137.70	145.64	151.26	157.0
US	91.85	96.32	102.68	108.86	114.60	121.66	129.80
		<u>PERCENTAGE CHANGES</u>					
<u>CONTRACT CONSTRUCTION</u>							
NYC	7.1%	9.5%	0.4%	1.4%	6.2%	3.2%	3.4%
US	4.5	6.6	5.7	6.8	6.5	4.2	7.1
<u>DURABLE MFG.</u>							
NYC	6.0	6.3	6.5	6.6	5.0	6.5	5.6
US	N.A	7.7	6.0	7.4	10.2	9.7	8.7
<u>NONDURABLE MFG.</u>							
NYC	6.3	5.7	5.8	8.0	4.5	5.6	4.1
US	N.A	6.1	7.0	8.1	9.2	8.5	8.4
<u>WHOLESALE TRADE</u>							
NYC	4.8	7.4	6.0	8.8	4.0	6.4	7.4
US	N.A	5.4	6.2	7.5	6.6	7.4	9.1
<u>RETAIL TRADE</u>							
NYC	4.5	4.2	4.8	7.8	5.8	4.0	3.8
US	N.A	4.9	6.6	6.0	5.3	6.2	6.7

SOURCE: BUREAU OF LABOR STATISTICS, EMPLOYMENT AND EARNINGS

TABLE A-14

AVERAGE WEEKLY EARNINGS FOR SELECTED INDUSTRIES
N.Y.C. AND U.S., QUARTERLY 1972-1978
(Not Seasonally Adjusted)

INDUSTRY	1977:1	1977:2	1977:3	1977:4	1978:1	1978:2	1978:3	1978:4
<u>CONTRACT CONSTRUCTION</u>								
NYC	\$343.3	\$343.5	\$343.1	\$346.5	\$341.9	\$352.6	\$359.5	\$369.9
US	283.5	294.1	300.9	298.6	289.3	315.8	330.9	329.7
<u>DURABLE MFG.</u>								
NYC	189.6	194.6	193.2	201.5	195.9	205.6	206.5	213.9
US	236.3	246.0	250.5	260.5	247.5	267.1	271.7	284.2
<u>NONDURABLE MFG.</u>								
NYC	191.5	191.3	190.1	198.9	198.3	201.6	198.0	205.2
US	193.6	196.7	203.8	208.6	208.7	214.9	221.3	226.2
<u>WHOLESALE TRADE</u>								
NYC	250.5	251.3	255.3	261.6	271.3	272.6	273.4	277.5
US	201.7	206.7	211.1	216.6	218.4	224.8	232.1	237.5
<u>RETAIL TRADE</u>								
NYC	149.8	148.3	153.7	152.2	153.2	155.9	159.7	159.1
US	117.6	120.6	124.2	123.4	125.2	128.9	132.9	132.3
	<u>PERCENTAGE CHANGES</u>							
<u>CONTRACT CONSTRUCTION</u>								
NYC	2.8%	0.1%	0.1%	1.0%	-1.3%	3.1%	2.0%	2.9%
US	-3.8	3.7	2.3	-0.8	-3.1	9.2	4.8	0.4
<u>DURABLE MFG.</u>								
NYC	-0.1	2.6	-0.7	4.2	-2.8	5.0	0.4	3.6
US	0.5	4.1	1.8	4.0	-5.0	7.9	1.7	4.6
<u>NONDURABLE MFG.</u>								
NYC	1.2	-0.1	-0.6	4.6	-0.3	1.7	-1.8	3.6
US	-6.4	1.6	3.6	2.4	0.0	3.0	3.0	2.2
<u>WHOLESALE TRADE</u>								
NYC	3.0	0.3	1.6	2.5	3.7	0.5	0.3	1.5
US	1.2	2.5	2.1	2.6	0.8	2.9	3.2	2.3
<u>RETAIL TRADE</u>								
NYC	1.8	-1.0	3.6	-1.0	0.7	1.8	2.4	-0.4
US	0.9	2.6	3.0	-0.7	1.5	3.0	3.1	0.5

SOURCE: BUREAU OF LABOR STATISTICS, EMPLOYMENT AND EARNINGS

TABLE A-15

AVERAGE SCHEDULED WEEKLY HOURS FOR SELECTED INDUSTRIES - N.Y.C. AND U.S. 1972-1978

INDUSTRY	1972	1973	1974	1975	1976	1977	1978
<u>CONTRACT CONSTRUCTION</u>							
NYC	35.1	35.9	34.8	33.4	34.2	34.6	35.2
US	38.3	38.8	38.8	38.8	38.8	38.1	37.1
<u>DURABLE: MFG</u>							
NYC	39.8	39.9	39.6	39.0	39.2	39.3	39.4
US	41.2	41.5	40.7	39.9	40.6	41.0	40.9
<u>NONDURABLE: MFG</u>							
NYC	37.0	37.3	36.7	36.6	36.9	36.8	36.7
US	39.7	39.6	39.1	38.8	39.4	39.4	39.6
<u>WHOLESALE TRADE</u>							
NYC	38.0	38.1	37.6	38.0	38.0	38.4	38.4
US	39.4	39.3	38.8	38.7	38.7	38.8	38.8
<u>RETAIL TRADE</u>							
NYC	33.8	33.4	33.0	33.1	33.1	32.6	32.9
US	33.4	33.1	32.7	32.4	32.1	31.6	31.0
	<u>PERCENTAGE CHANGES</u>						
<u>CONTRACT CONSTRUCTION</u>							
NYC	2.3%	2.3%	-3.1%	-4.0%	2.4%	1.2%	1.7%
US	1.3	1.3	0.0	0.0	0.0	-1.8	-2.6
<u>DURABLE: MFG</u>							
NYC	0.3	0.3	-0.8	-1.5	0.5	0.3	0.3
US	0.7	0.7	-1.9	-2.0	1.8	1.0	-0.2
<u>NONDURABLE: MFG</u>							
NYC	0.8	0.8	-1.6	-0.3	0.8	-0.3	-0.3
US	-0.3	-0.3	-1.3	-0.8	1.5	0.0	0.5
<u>WHOLESALE TRADE</u>							
NYC	0.3	0.3	-1.3	1.1	0.0	1.1	0.0
US	-0.3	-0.3	-1.3	-0.3	0.0	0.3	0.0
<u>RETAIL TRADE</u>							
NYC	-1.2	-1.2	-1.2	0.3	0.0	-1.5	0.9
US	-0.9	-0.9	-1.2	-0.9	-0.9	-1.6	-1.9

SOURCE: BUREAU OF LABOR STATISTICS, EMPLOYMENT AND EARNINGS.

TABLE A-17

CONSUMER PRICE INDEX
NEW YORK, NORTHEASTERN NEW JERSEY AND U.S.
1972-1978
(INDEX 1967 = 100)

		<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
ALL ITEMS	NYA	\$131.4	\$139.7	\$158.4	\$166.6	\$176.3	\$185.5	\$196.1
	US	125.3	133.1	147.7	161.2	170.5	181.5	196.0
FOOD	NYA	128.6	145.4	166.1	179.6	185.4	195.4	212.8
	US	123.5	141.4	161.7	175.4	180.8	192.2	211.2
MEDICAL CARE	NYA	140.2	145.1	160.7	181.0	199.9	217.1	229.1
	US	132.5	137.7	150.5	168.6	184.7	202.4	219.4
TRANSPORTATION	NYA	133.0	135.6	146.2	161.4	184.6	194.1	200.8
	US	119.9	123.8	137.7	150.6	165.5	177.3	185.5
APPAREL & UPKEEP	NYA	123.0	126.3	136.2	141.1	144.9	149.3	156.3
	US	122.3	126.8	136.2	142.3	147.6	154.2	159.5
HOUSING	NYA	136.4	144.4	160.9	172.4	182.2	191.8	198.8
	US	129.2	135.0	150.6	166.8	177.2	189.5	202.8
FUEL AND UTILITIES	NYA	124.2	134.7	171.5	186.4	204.0	221.9	232.8
	US	120.1	126.9	150.2	167.8	182.7	202.2	216.1

PERCENTAGE CHANGES

ALL ITEMS	NYA		6.3%	10.8%	7.6%	5.8%	5.2%	5.7%
	US		6.2	11.0	9.1	5.8	6.5	8.0
FOOD	NYA		13.1	14.2	8.1	3.2	5.4	8.9
	US		14.5	14.3	8.5	3.0	6.3	9.9
MEDICAL CARE	NYA		3.5	10.8	12.6	10.4	8.6	5.5
	US		3.9	9.3	12.0	9.5	9.6	8.4
TRANSPORTATION	NYA		2.0	7.8	10.4	14.4	5.1	3.5
	US		3.3	11.2	9.4	9.9	7.1	4.6
APPAREL & UPKEEP	NYA		2.7	7.8	3.6	2.7	3.0	4.7
	US		3.7	7.4	4.5	3.7	4.5	3.4
HOUSING	NYA		5.9	11.4	7.1	5.7	5.3	3.7
	US		4.5	11.6	10.8	6.2	6.9	7.0
FUEL AND UTILITIES	NYA		8.5	27.3	8.7	9.4	8.8	4.9
	US		5.7	18.4	11.7	8.9	10.7	6.9

SOURCE: U.S. LABOR DEPARTMENT, BUREAU OF LABOR STATISTICS

Consumer Price Index for urban wage earners and clerical workers, New York-Northeastern New Jersey and United States, 1972-1977.

All-Urban Consumer Price Index, 1978

TABLE A-18

CONSUMER PRICE INDEX, NEW YORK NORTHEASTERN
 NEW JERSEY AND U.S., QUARTERLY 1977-1978
 (Not Seasonally Adjusted)

		<u>1977:1</u>	<u>1977:2</u>	<u>1977:3</u>	<u>1977:4</u>	<u>1978:1</u>	<u>1978:2</u>	<u>1978:3</u>	<u>1978:4</u>
<u>ALL ITEMS</u>	NYA	181.8	184.8	187.0	188.3	190.9	194.9	197.8	200.9
	US	176.9	180.7	183.3	185.3	188.5	193.4	197.9	204.2
<u>FOOD</u>	NYA	190.6	195.4	197.6	197.9	204.4	212.5	215.9	218.2
	US	186.6	192.1	194.8	195.4	201.9	211.1	214.7	218.0
<u>MEDICAL</u>	NYA	211.7	216.2	218.9	221.6	225.7	228.5	229.3	232.8
	US	195.8	200.5	204.9	208.2	212.9	216.8	221.5	226.6
<u>TRANSP.</u>	NYA	191.6	194.4	194.9	195.8	196.4	198.5	201.9	206.6
	US	173.4	178.1	178.9	178.7	179.4	183.2	188.0	191.2
<u>APPAREL</u>	NYA	145.8	147.0	151.0	153.3	151.6	158.0	156.1	159.4
	US	150.8	153.2	154.8	158.0	155.6	159.4	159.6	163.5
<u>HOUSING</u>	NYA	188.1	191.0	193.2	194.8	193.8	196.8	200.6	203.9
	US	184.3	187.8	191.5	194.6	195.2	200.1	205.5	210.5
<u>FUEL AND UTILITIES</u>	NYA	216.5	221.3	226.0	223.7	226.2	231.1	236.0	237.9
	US	196.6	200.5	204.5	207.3	210.6	215.6	218.3	219.5

PERCENTAGE CHANGES

<u>ALL ITEMS</u>	NYA	1.5%	1.7%	1.2%	0.7%	1.4%	2.1%	1.5%	1.6%
	US	1.7	2.1	1.4	1.1	1.7	2.6	2.3	3.2
<u>FOOD</u>	NYA	2.4	2.5	1.1	0.2	2.8	4.5	1.7	1.1
	US	2.8	2.9	1.4	0.3	3.0	4.9	1.7	1.5
<u>MEDICAL</u>	NYA	0.7	2.1	1.3	1.2	1.9	1.3	0.4	1.5
	US	2.6	2.9	2.2	1.6	2.3	1.8	2.2	2.3
<u>TRANSP.</u>	NYA	1.1	1.5	0.3	0.5	0.4	1.0	1.7	2.3
	US	1.3	2.7	0.5	- 0.1	0.4	2.1	1.9	1.7
<u>APPAREL</u>	NYA	-2.1	0.8	2.7	1.5	- 2.0	5.2	- 1.2	2.1
	US	-0.5	1.6	1.0	2.1	- 0.6	1.7	0.4	2.4
<u>HOUSING</u>	NYA	1.8	1.5	1.2	0.8	0.8	0.2	1.9	1.7
	US	1.9	1.9	2.0	1.6	1.7	1.2	2.6	2.4
<u>FUEL AND UTILITIES</u>	NYA	3.2	2.2	2.1	- 1.0	1.1	2.2	2.1	0.8
	US	4.1	2.0	2.0	1.4	1.6	2.4	1.3	0.6

SOURCE : U.S. Labor Department, Bureau of Labor Statistics
 All-Urban Consumer Price Index

TABLE A-19

ENERGY INDICATORS
NEW YORK CITY AND NEW YORK SMSA
1972-1978

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>CON ED ELECTRIC SENDOUT</u> (MIL. KWH)	36,809	38,252	35,894	36,087	36,654	36,387	36,490
<u>PRICE OF 100 KWH OF ELECTRICITY</u> (NY-NE NJ)	\$ 6.18	\$ 6.69	\$ 8.92	\$ 9.66	\$10.31	\$11.03	N.A.
<u>RETAIL CPI FUEL-UTILITIES</u> (NY-NE NJ, 1967=100)	124.2	134.7	171.5	186.4	204.0	221.9	232.8
<u>PRODUCER'S PRICE INDEX: FUELS AND RELATED PRODUCTS AND POWER</u> (US, 1972=100)	118.6	134.3	208.3	245.1	265.6	302.2	322.5
	<u>PERCENTAGE CHANGES</u>						
<u>CON ED ELECTRIC SENDOUT</u>	3.9%	-6.2%	0.5%	1.6%	-0.7%	0.3%	
<u>PRICE OF 100 KWH OF ELECTRICITY</u>	8.3	33.3	8.3	6.7	7.0	-	
<u>RETAIL CPI FUEL-UTILITIES</u>	8.5	27.3	8.7	9.4	8.8	4.9	
<u>PRODUCER'S PRICE INDEX: FUELS AND RELATED PRODUCTS AND POWER</u>	13.2	55.1	17.7	8.4	13.8	6.7	

SOURCES: CON EDISON, US DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS

TABLE A-20

ENERGY INDICATORS
NEW YORK AND NEW YORK AREA, QUARTERLY
1977-1978

	<u>1977:1</u>	<u>1977:2</u>	<u>1977:3</u>	<u>1977:4</u>	<u>1978:1</u>	<u>1978:2</u>	<u>1978:3</u>	<u>1978:4</u>
<u>CON ED ELECTRIC SENDOUT *</u> (MIL. KWH)	9238	8985	9117	9047	9267	9069	9090	9064
<u>PRICE OF 100 KWH OF ELECTRICITY *</u> (NY-NE NJ)	\$10.96	\$11.00	\$11.38	\$10.77	\$11.21	\$11.38	N.A.	N.A.
<u>RETAIL CPI FUEL-UTILITIES</u> (NY-NE NJ, 1967=100)	216.5	221.2	226.0	223.7	226.2	231.1	236.0	237.9
<u>PRODUCER'S PRICE INDEX: FUELS AND RELATED PRODUCTS AND POWER</u> (US, 1972=100)	287.2	301.8	308.8	311.1	313.7	320.1	325.4	331.0
	<u>PERCENTAGE CHANGES</u>							
<u>CON ED ELECTRIC SENDOUT</u>	-2.7%	1.5%	-0.8%	2.4%	-2.1%	0.2%	-0.3%	
<u>PRICE OF 100 KWH OF ELECTRICITY</u>	0.4	3.5	-5.4	4.1	1.5	-	-	
<u>RETAIL CPI FUEL-UTILITIES</u>	2.2	2.1	-1.0	1.1	2.2	2.1	0.8	
<u>PRODUCER'S PRICE INDEX: FUELS AND RELATED PRODUCTS AND POWER</u>	5.1	2.3	0.7	0.8	2.0	1.7	1.7	

SOURCES: CON EDISON, US DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS

*Seasonally Adjusted

TABLE A-21

COMPONENTS OF PERSONAL INCOME BY PLACE OF RESIDENCE - N.Y.C. AND U.S. 1972-1977
(BILLIONS OF DOLLARS)

	1972	1973	1974	1975	1976	1977
<u>TOTAL PERSONAL INCOME</u>						
NYC	\$ 41.4	\$ 43.2	\$ 46.6	\$ 49.8	\$ 53.0	\$ N.A.
US	942.5	1052.4	1154.9	1255.5	1380.9	1529.0
<u>LABOR, PROPRIETOR'S INCOME</u>						
NYC	29.1	30.1	31.4	32.3	33.7	N.A.
US	710.6	792.8	851.1	900.4	993.7	1102.3
<u>DIVIDENDS, INTEREST, RENT</u>						
NYC	6.6	7.0	8.2	8.9	9.9	N.A.
US	120.8	133.4	155.4	169.8	186.7	207.3
<u>TRANSFER PAYMENTS</u>						
NYC	5.7	6.1	7.0	8.5	9.4	N.A.
US	104.1	118.9	140.8	178.2	193.9	208.8
			<u>PERCENTAGE CHANGES</u>			
<u>TOTAL PERSONAL INCOME</u>						
NYC	5.0%	4.4%	7.9%	6.9%	6.5%	N.A.8
US	9.8	11.7	9.8	8.8	10.1	10.5
<u>LABOR, PROPRIETOR'S INCOME</u>						
NYC	4.9	3.4	4.3	9.8	4.3	N.A.
US	10.0	11.6	7.4	5.8	10.4	10.9
<u>DIVIDENDS, INTEREST, RENT</u>						
NYC	2.8	6.1	7.1	8.5	11.2	N.A.
US	7.4	10.5	16.5	9.3	9.9	11.0
<u>TRANSFER PAYMENTS</u>						
NYC	8.3	7.1	14.7	21.4	10.5	N.A.
US	10.6	14.2	18.5	26.5	8.8	7.7

SOURCE: DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS, 1978

N.Y.C. 1977 AND 1978 ARE NOT AVAILABLE.

TABLE A-22

WAGE AND SALARY DISBURSEMENTS FOR SELECTED INDUSTRIES
 N.Y.C. AND U.S. 1972-1977
 (MILLIONS OF DOLLARS)

	1972	1973	1974	1975	1976	1977
<u>CONSTRUCTION</u>						
NYC	\$ 1361	\$ 1453	\$ 1408	\$ 1328	\$ 1170	\$ N.A.
US	38857	44045	46703	44998	48468	53391
<u>WHOLESALE TRADE</u>						
NYC	3944	4182	4478	4569	4793	N.A.
US	38984	45734	51646	54608	59813	65760
<u>RETAIL TRADE</u>						
NYC	3243	3342	3413	3452	3634	N.A.
US	65348	69475	75596	81268	90481	99838
<u>DURABLE: MFG</u>						
NYC	5000	5054	5080	5034	5375	N.A.
US	66789	72061	77297	79256	89106	97766
<u>NON-DURABLE: MFG</u>						
NYC	2236	2246	2280	2136	2244	N.A.
US	108460	124125	134091	131789	148443	168551
<u>FINANCE, INSURANCE, REAL ESTATE</u>						
NYC	5511	5488	5818	6401	6941	N.A.
US	33198	35801	39198	42403	46517	51604
<u>SERVICES</u>						
NYC	9184	9796	10534	11387	12061	N.A.
US	84649	94435	105843	117678	132039	148503

SOURCE: UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS, 1972-1978

N.Y.C. 1977-1978 DATA ARE NOT AVAILABLE.

TABLE A-23

PERCENTAGE CHANGES IN WAGE AND SALARY DISBURSEMENTS FOR SELECTED INDUSTRIES
 N.Y.C. AND U.S. 1972-1977
 (MILLIONS OF DOLLARS)

	1972	1973	1974	1975	1976	1977
<u>CONSTRUCTION</u>						
NYC	-4.5%	-6.8%	-3.1%	-5.7%	-11.9%	N.A. ^a
US	8.0	13.4	6.0	-3.7	7.7	10.2
<u>WHOLESALE</u>						
NYC	5.4	6.0	7.1	2.0	4.9	N.A.
US	8.9	17.3	13.0	5.7	9.5	9.9
<u>RETAIL TRADE</u>						
NYC	1.7	3.1	2.1	1.1	5.3	N.A.
US	8.4	6.3	8.8	7.5	11.3	10.0
<u>DURABLE: MFG</u>						
NYC	1.9	1.1	.5	-1.0	6.8	N.A.
US	7.2	7.9	7.3	2.5	12.4	9.7
<u>NON-DURABLE: MFG</u>						
NYC	1.9	.4	1.5	-6.3	5.0	N.A.
US	10.5	14.4	8.0	1.7	12.6	13.5
<u>FINANCE, INSURANCE</u>						
NYC	6.3	-.4	6.0	10.0	8.4	N.A.
US	9.9	7.8	9.5	8.2	9.7	10.9
<u>REAL ESTATE</u>						
NYC	7.8	6.7	7.5	8.1	5.9	N.A.
US	10.6	11.6	12.1	11.2	12.2	12.5
<u>SERVICES</u>						

SOURCE: UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS, 1972-1978
 N.Y.C. 1977-1978 DATA ARE NOT AVAILABLE.