



NEWS



from the Office of the
New York City Comptroller
William C. Thompson, Jr.

1 Centre Street, New York, NY 10007 . (212) 669-3747 . press@comptroller.nyc.gov . www.comptroller.nyc.gov

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Contact: Mike Loughran, (212) 669-3564

mloughr@comptroller.nyc.gov

THOMPSON RELEASES EXCERPT FROM “THE STATE OF NEW YORK CITY’S ECONOMY AND FINANCES” REPORT

*-New York outperformed other cities over the past year, but is showing
signs of decline-*

*-Job losses, lower Wall Street bonuses contribute to lower tax revenue for
NYC-*

New York City Comptroller William C. Thompson, Jr. today released an excerpt of his forthcoming report “The State of New York City’s Economy and Finances,” at a breakfast briefing hosted by the Business and Labor Coalition of New York (BALCONY).

The excerpt is available at www.comptroller.nyc.gov. Thompson will issue the complete report on December 15th.

The Comptroller provided those in attendance with a look at the economic performance of New York City over the past year and his projections for the future. In addition, he addressed the conditions that led to the current recession and what effects the downturn is having on New York.

“While New York City has weathered the storm better than most, it is apparent that the country’s financial troubles have caught up to us,” Thompson said. “The impact of this crisis will have a lasting effect on the City’s fiscal condition for years to come.”

The Comptroller estimated that 170,000 jobs will be lost in New York City from July 2008 through late 2010 and Wall Street cash bonuses will decline by at least 50% this

year, to the lowest level since 2002. These factors will contribute to the estimated fall of New York City tax revenues by 4.3% in fiscal year 2009.

A detailed look at New York City's economic performance revealed:

- Job growth in NYC continued well after the housing and financial crises had caused significant job losses across the country
- Total private sector jobs were up 0.9 percent for the first ten months of 2008 but a negative trend has recently developed
- Private payroll jobs in January 2008 were more than 50,000 above the previous year but that number has been steadily declining. By October, the year-over-year increase has fallen to just 5,300 above 2007
- New York City housing prices have outperformed other metropolitan areas due to a stronger regional economy, a large pool of middle and upper class renters and a housing market less dependant on easy credit
- The residential construction industry continued to expand through mid 2008, but the economic downturn will affect the number of construction permits issued in the future

“While the city's labor and real estate markets outperformed the nation for most of 2008, the toll taken by the financial industry makes this one of the grimmest economic periods for the City in many years,” Thompson said.

Comptroller Thompson re-iterated his call for the federal government to do more to help the country emerge from this recession. He praised the public works package proposed by President-elect Obama as a way to fix the City's infrastructure and provide thousands of New Yorkers with jobs. He also called for the City and State to campaign aggressively for federal infrastructure dollars.

One major project that the Comptroller said would benefit New Yorkers is the new Penn Station to be named for the late Senator Patrick Moynihan.

“No investment could better honor Senator Moynihan's commitment and contributions to our state than the new Penn Station named in his memory,” Thompson said. “Financing from the federal stimulus package could help make that plan a reality while employing thousands and improving one of New York's critical transit hubs.”

Thompson said that with significant steps now being taken by the Federal Reserve and Treasury to stabilize the housing market, coupled with a large fiscal stimulus package, there is hope that the recession will reach its trough by the spring of 2009.

“We expect the nation's real economic growth will be significantly negative in the fourth quarter of 2008 and the first two quarters of 2009, with positive, slow, growth possibly resuming in the third quarter of 2009,” Thompson said.

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