

# The Rent Guidelines Board 1999 Income & Affordability Study

---

April 27, 1999

## **BOARD MEMBERS**

### ***Chairman***

Edward Hochman

### ***Public Members***

Bartholomew D. Carmody

Justin Macedonia

Agustin Rivera

Edward A. Weinstein

### ***Owner Members***

Vincent S. Castellano

Harold Lubell

### ***Tenant Members***

Jeffrey R. Coleman

David Pagan

## **STAFF**

### ***Acting Executive Director***

Anita Visser

### ***Research Associates***

Andrew McLaughlin

Karen Destorel

### ***Public Information***

Cecille Latty

### ***Office Manager***

Leon Klein

**NYC RENT GUIDELINES BOARD**  
51 CHAMBERS ST., SUITE 202 • NEW YORK, NY 10007  
(212)385-2934 • FAX: (212)385-2554  
EMAIL: [QUESTIONS@HOUSINGNYC.COM](mailto:QUESTIONS@HOUSINGNYC.COM)  
WEB ADDRESS: [WWW.HOUSINGNYC.COM](http://WWW.HOUSINGNYC.COM)

---

# The Rent Guidelines Board 1999 Income & Affordability Study

April 27, 1999

---

## Summary

Basic indicators of New York City's overall economy suggest that the City is well on its way to recovery since the recession of the early 1990s. Last year, the City's economy grew by 3.9%, the number of jobs increased by almost 113,000 (not seasonally adjusted), and inflation stabilized at 1.6%. However, high rates of unemployment, wage stagnation in several sectors and large reductions in government expenditures for welfare programs have served to place affordable housing out of reach for many New York City residents in today's tight real estate market. The 1999 Housing and Vacancy Survey will provide the newest data on the income of rent stabilized tenants, but will not be available until next year, so this report includes income data from the New York State Department of Labor and the U.S. Department of Housing and Urban Development. While the impact of recent cuts in public assistance and housing subsidies is still inconclusive due to limited data, we do note that landlords initiated over 278,000 non-payment proceedings in Housing Court last year and homelessness is still a problem, with nearly 7,000 single adults lodged in shelters on a given night.

## Introduction

Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board to consider "relevant data from the current and projected cost of living indices" and permits consideration of other measures of housing affordability in its deliberations. To assist the Board in meeting this obligation, RGB research staff produce an annual Income & Affordability Study, which reports on housing costs and tenant income in New York City's rental market. The study highlights year-to-year changes in many of the major economic factors affecting New York City's tenant population and takes into consideration a broad range of market forces and public policies affecting housing affordability. Such factors include New York City's overall economic condition—unemployment rate, wages, consumer price index and gross city product—as well as the level of eviction proceedings and the impact of welfare reform and federal housing policies on rents and incomes.

## Economic Conditions

Several of the indicators that measure New York City's economic health have shown improvement over the past twelve months. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, grew by 3.9% in 1998. This is a sizable increase compared to the 3.0% growth experienced in 1997, and the 2.2% and 1.0% growth experienced in 1996 and 1995 respectively. Furthermore, the City's economic expansion occurred

## WHAT'S NEW

- ✓ New York City's economy grew by 3.9% last year – the highest rate since 1988. The U.S. Gross Domestic Product also grew by 3.9%.
- ✓ Almost 113,000 jobs were added to the economy last year – more than double 1997's addition of 54,000.
- ✓ Inflation averaged 1.6% in the metropolitan area last year – the lowest rate of increase in the Consumer Price Index since 1965.
- ✓ Unemployment averaged 8%. While the rate is still higher than the national average of 4.5%, it is the lowest City average since the 1990 rate of 6.9%.
- ✓ Real median wages for all workers in New York City increased by 3.5% in 1998.
- ✓ Real median wages declined or remained stagnant in the industries that experienced a net increase in jobs in the past five years (construction, trade and services).
- ✓ The number of jobs declined in industries where real median wages increased in the past five years (FIRE, manufacturing and government).
- ✓ Landlords initiated over 278,000 non-payment proceedings in Housing Court, a 1.5% increase from the previous year.
- ✓ Nearly 7,000 single adults are lodged in temporary housing on an average night in New York City. This is a slight decrease from the previous year.

without triggering large-scale inflation—prices grew an average 1.6% from the previous year (this is the lowest rate of increase in the city since 1965). Though New York City’s recovery from the recession of the early 1990s has been uneven, the gap between City and national economic indicators may be starting to close. To illustrate, the Gross Domestic Product (GDP) grew 3.9% this year, the same increase as the GCP, compared to a difference of 0.9 percentage points in 1997 and 1.2 percentage points in 1996. Both the GCP and the GDP have been increasing over the past three years and the growth reported in 1998 has been the largest increase in both categories in the past decade.

Job growth in New York City has also shown significant improvement, as 112,700 new jobs were added in 1998, more than double last year’s addition of 54,000 jobs. Much of this growth was fueled by expansion in the construction, trade and service industries, which increased by 7,000 (a 7.5% increase), 8,600 (a 1.5% increase), and 55,100 (a 4.3% increase) payroll jobs respectively. FIRE industries (finance, insurance and real estate) also saw a significant increase, gaining 12,600 payroll jobs, after losing 900 the year before. The manufacturing sector

lost nearly 2,500 jobs this year, continuing the trend of losses experienced in this industry for the past forty years.

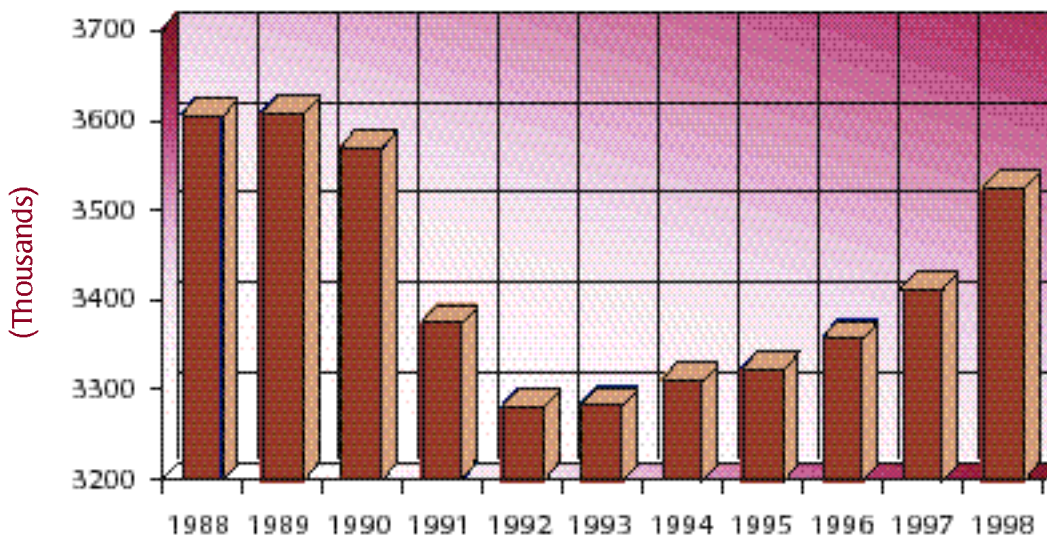
The New York City Office of Management & Budget projects that the private sector will continue to grow by 55,000 jobs in 1999. The growth in private sector jobs experienced from 1992 to 1998 resulted in almost complete recovery from the nearly 350,000 jobs lost during the last recession (seasonally adjusted figures). Gains were strong in this sector in 1998, as private employment was up 2.9% last year with 84,300 new jobs being added. Since November of 1992, 329,000 total jobs have been created in private employment, recovering 95% of the 348,000 jobs lost during the last recession.<sup>1</sup>

As job growth improved in 1998, so too has the unemployment rate. New York City is beginning to benefit from the improved conditions that the rest of the country has been enjoying for the past five years. The unemployment rate of 8.0% in 1998, is the lowest rate since the 6.9% recorded in 1990. Though still higher than the national average of 4.5%, this is an improvement over the recession high of 11% in 1992.

Another measure of employment standards, the labor force participation rate, which is equal to the

**Employment Continues to Recover From the Recession of Early 1990’s**

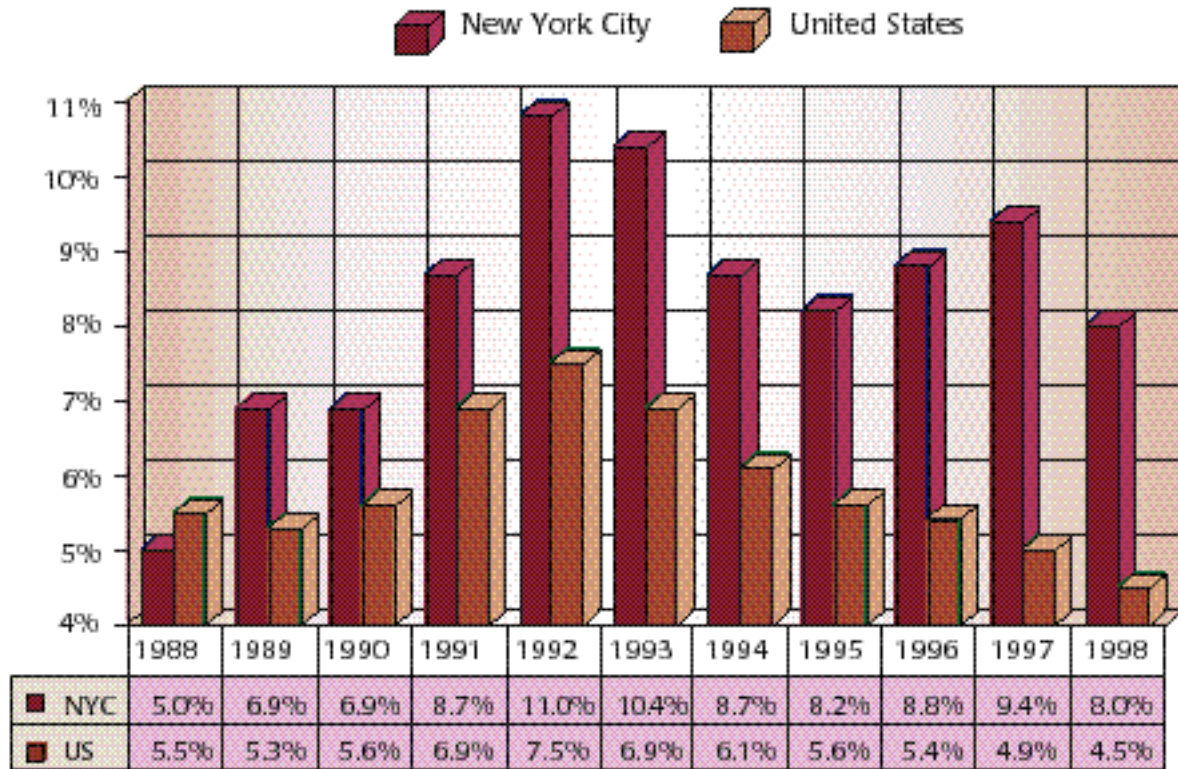
(Average Annual Payroll Employment 1988-1998)



Source: U.S. Bureau of Labor Statistics.

## New York City Unemployment Declines to Lowest Rate Since 1990

(Unemployment Rates, 1988-1998)



Source: U.S. Bureau of Labor Statistics.

civilian labor force divided by the non-institutional population of working age people, has been on the rise the last three years and is currently 58.9%. Though this is 8.2 percentage points lower than the U.S. Average of 67.1%, the 1998 figure for New York City is the highest to date since the RGB started recording this data in 1993. This increase, along with the gains made in the other areas of employment, may indicate that New York is finally starting to see the same benefits that the rest of the country has been enjoying during the past eight years of economic expansion.

Improvements aside, New York City's large pool of unemployed labor and the resulting competition for low wage jobs among the working poor, former welfare recipients cut off from public benefits programs, and previously discouraged workers, helps to explain the higher than average unemployment in New York City.<sup>2</sup> These phenomena may also be

factors in the erosion of inflation-adjusted wages in the construction, trade, and service sectors as greater competition for low-skilled, low-paid employment tends to drive down wages.

For 1997, the most recent year for which income data is available, the industries that added the most jobs, in percentage terms (construction and services), failed to see similar increases in real wages. While real annual median wages rose from \$36,193 last year to \$37,464 this year (or 3.5%) for all workers in New York City, the industries that showed the greatest job growth last year also paid their workers a declining or relatively flat level of income. In the past five years (1993-1997), construction wages have decreased in real terms from about \$34,305 to \$33,547 (-2.3%) while the number of jobs increased by 9.3% during the same period. Service wages experienced a moderate increase from \$29,210 to \$29,873 (2.3%) yet had 14% more jobs in 1997 than in 1993.

Conversely, the financial sector posted the largest inflation-adjusted growth in wages (28.1%) in the same period, moving from \$63,290 to \$81,100 in annual median wages, yet in terms of job growth remained stagnant with a decrease of .04% in new positions during the same period. Manufacturing wages also increased by 14%, however, as noted previously, this is the only industry that experienced a net decrease in the number of jobs last year and furthermore, from 1993 to 1997 there was a total decrease of 8.4% in the number of manufacturing jobs.

Consequently, as a smaller number of workers earn more income (particularly in the FIRE industries) and a much greater number compete for jobs that pay less income every year (in such sectors as construction and services), New York City increasingly takes on some of the characteristics of a dual-wage economy. One of the major characteristics of a dual-wage economy is high income inequality. Large variances in tenant income is an important factor when considering affordability in the context of a tight housing market that tends to favor higher income households.

## New York City Renters

Though the state of the City's economy offers broad indicators by which to measure the overall economic condition of New York City's residents, this report also measures more direct information about the City's rent stabilized tenants. Data from the 1999 Housing and Vacancy Survey (HVS), which gives detailed information about New York City's renters, and rent stabilized renters in particular, will not be available until next year. The previous survey was conducted in 1996 and reported a median income of \$25,300 and a median rent of \$600 for stabilized tenants. In that this data is three years old and both income and rents are often subject to extreme variability in New York City, the 1996 HVS cannot give a true picture of the housing situation faced by today's renters. For this reason, this report will use alternate data sources for rent and income analysis.

In October 1998, the National Low Income Housing Coalition (NLIHC) produced a study analyzing the affordability of rental housing. The

purpose of *Out of Reach: Housing at What Cost?* is to determine the difficulties faced by all types of renters across the country in finding housing that they can afford, based on an estimated renter income. Every year, HUD is required to compute an average Fair Market Rent (FMR) for the Section 8 Rental Certificate Program. According to HUD's estimates for FY 1998, New York City FMRs ranged from \$681 for a studio, to \$1,208 for a four bedroom apartment. The NLIHC study uses the estimates to analyze housing affordability throughout the nation.

The HUD benchmark for housing affordability is a 30% rent-to-income ratio.<sup>3</sup> In other words, a household should have to pay no more than 30% of its income on rent for the housing to be affordable. Based on HUD's affordability standard, an income of \$30,400 is needed to afford a one bedroom apartment with an FMR of \$759, and an income of \$34,500 is needed for a two bedroom apartment with an FMR of \$862, in New York City. Undoubtedly, there are New York City residents with income levels below these estimates, who would have difficulty finding affordable housing based on HUD's figures.

Generally, stabilized rents are lower than rents for all apartments and hence are "affordable" to households with lower incomes than those estimated by HUD. The *1998 Recent Mover Survey*, which tracked rents for recent movers from June 15, 1997 to March 30, 1998 found that the median rent for stabilized one bedroom apartments in New York City was \$700 and two bedrooms were renting for \$800.<sup>4</sup> These apartments would be considered affordable to households earning \$28,000 and \$32,000, respectively. The rents in the *Out of Reach* and the *Recent Movers* studies represent the cost of rental housing over roughly the same period in New York City. The stabilized rents found in the *Recent Movers Survey* are lower than the FMRs calculated by HUD for all rental units—8% lower for a one bedroom and 7% lower for a two bedroom. Presumably, stabilized rents offer tenants with low incomes more affordable housing choices.

Finding affordable housing appears more difficult when one looks at the estimated rent compared to the current minimum wage. In New York City, a person working full time, making

minimum wage (\$5.15 per hour), would need almost three times their income (284%) to be able to afford a typical one bedroom apartment and more than three times their income (322%) for two bedrooms. A minimum wage worker would need to work 114 hours a week for a one bedroom apartment. Typical hourly wages of \$14.62 and \$16.59 would be needed to afford a one and two bedroom apartment respectively, according to the HUD standard. This is well out of reach for many residents.

While the New York City metro area represents the third “worst case” (as termed by NLIHC) in the state in respect to housing affordability (behind Nassau-Suffolk and Westchester), it fared better when compared to other areas nationally. The *Out of Reach* analysis looks at the least affordable metro areas and counties in the categories of (1) estimated percentage of renters unable to afford the two bedroom FMR, (2) estimated percent of minimum wage income needed to afford the two bedroom FMR and (3) estimated hours per week needed at minimum wage to afford the two bedroom FMR. Neither New York City nor any of its five counties made the list. However, nationwide, Westchester and Nassau-Suffolk were in the top five least affordable metro areas for the above-mentioned categories, and in the top three for the categories dealing with minimum wage earnings and hours at the county level. At the state level, New York was also in the top three in all ‘least affordable’ categories.

While the NLIHC study does not pertain directly to the universe of rent stabilized tenants and apartments, it is evident from the study’s findings that many, especially lower income New York City residents, find it difficult to obtain affordable housing in a market where there is heavy competition for existing housing stock and not enough new units are being added to fill the demand.

## Public Benefits

### Welfare Reform

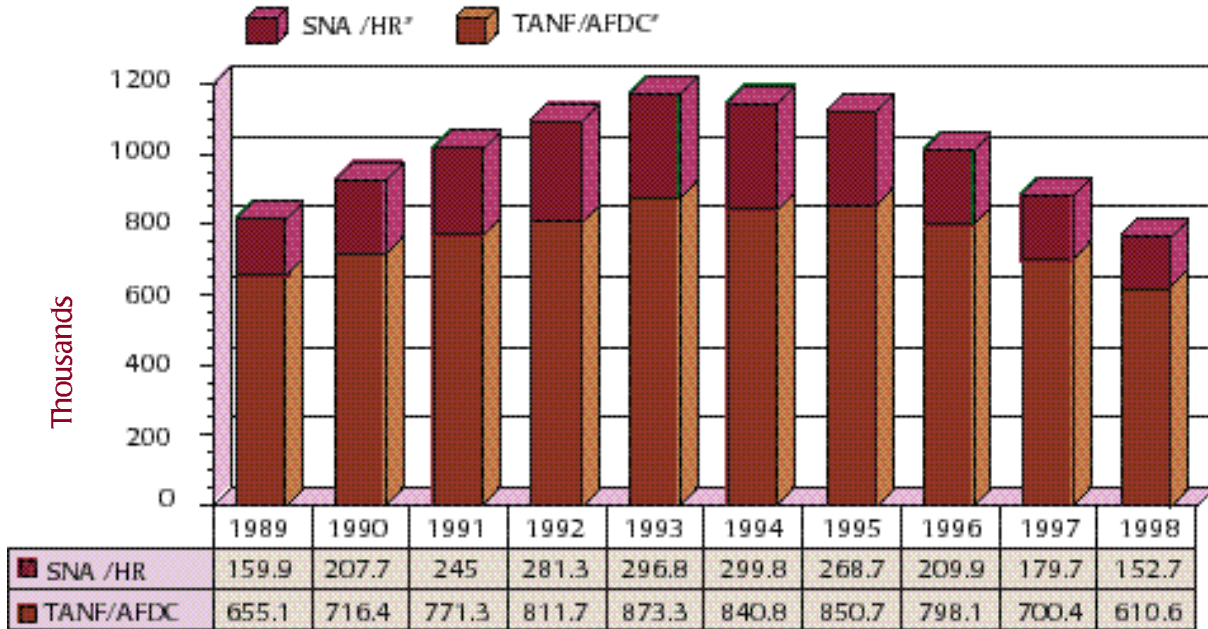
History shows that the performance of the economy, and more specifically the condition of the employment market, is the single most important

determinant of the changes in the number of public assistance recipients. During the recession, when the City lost 348,000 jobs, the public benefits caseload grew by 185,000 people. As the City enters recovery, these conditions appear to be reversing and the City is beginning to regain some of its lost ground.

New York City has reduced its welfare caseload by more than 450,000—a drop of 39.4%—from March 1995, when the City began implementation of its new welfare initiative, to January 1999. The number of public assistance recipients in 1998, 763,300, is 13% lower than 1997 and 35% lower than the 1993 high of 1,170,100. The number of public assistance recipients is currently at its lowest level since November 1967.<sup>5</sup> In 1998 there was a caseload reduction of almost 89,800 people (or 15%) in the Temporary Assistance to Needy Families (TANF) program, which was set up under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the New York State Welfare Reform Act of 1997. These laws eliminated the federal Aid to Families with Dependent Children (AFDC) and state Home Relief (HR) programs, and replaced them with TANF and Safety Net Assistance (SNA) programs respectively.

Along with these reductions, the Mayor’s Management Report also states that 54% of recipients who left the welfare rolls did so because they found full or part-time employment, while 67% reported working at some point during a six to nine month period after leaving welfare.<sup>6</sup> Federal mandates require that a certain percentage (25% in federal Fiscal 1997) of families receiving TANF hold some type of job. This number was adjusted for New York State to 19.6% because of the large reductions already experienced. As of June 1998 the City had already outpaced this figure with 29.3% of families formerly receiving TANF moving into the work force. While the true impact of welfare reform has yet to be felt, the reductions cited, along with the decline in the City’s unemployment rate, suggest that the economy is now better able to absorb those people seeking work than it had been able to previously, especially during the recession period in the early 1990’s.

**Public Assistance Caseload Continues to Decline in 1998**  
 (Temporary Assistance to Needy Families (TANF) and Safety Net Assistance (SNA), 1989-1998)



\*Note: In 1997 TANF and SNA replaced AFDC and HR respectively.  
 Source: Mayor's Management Reports, 1989-1998.

**Demographic Changes**

As the economic condition of the City is starting to catch up to the progress made by the rest of the country, so too is its population growth. Growth in the City's population, to some extent, has an effect on the affordability of housing. As more people enter the population, especially those in need of affordable rental housing, a strain is put on the existing housing stock in an already tight rental market. Last year, New York City's population grew more than in any other year since 1986.<sup>7</sup> According to new estimates released by the United States Census Bureau, the City's population grew one-half of one percentage point to 7.42 million. While this is not a large increase, the figure indicates that the City was able to attract new residents and was better able to retain the ones it already had in 1998. For the past several decades the trend has been for cities to lose population. While in 1998 the Census Bureau estimates that New York City lost about 125,000 to its suburbs, this is the smallest loss experienced in any year this decade.

Immigrants played a large part in the City's growth as 102,000 people originating from another country settled in New York City last year. If it were not for the influx of immigrants, New York City would have lost 23,000 residents last year and 360,000 people since 1990. While the number of immigrants entering the City each year helps to bolster population figures, these demographics have a profound effect on many facets of city life including the availability of housing. For example, according to the 1996 Housing & Vacancy Survey data, foreign-born residents now constitute about one-third of the rent stabilized tenant population. Furthermore, as new residents to the City, immigrants do not vacate an existing unit in their search for housing but rather add to the demand for the current housing stock. The 1999 HVS will show whether the proportion of immigrants in stabilized units increases or decreases. If immigration continues to add to the City's population as it has in recent years, it seems safe to assume that the need for affordable rental housing will also increase.

## Housing Policy

After years of budget cuts and Congressional threats to eliminate the U.S. Department of Housing and Urban Development (HUD), the federal agency appears to be gathering strength and resources. In 1998 President Clinton submitted a proposed FY 1998 Budget that included the first substantial increase (\$1.15 billion) in HUD funds in the past five years. The 1999 HUD budget expands on these gains by proposing \$283 million to create 50,000 new vouchers designed to help Americans move from welfare to work, and a proposal to release 40,000 vouchers, ending the existing three-month delay in reissuing returned vouchers. The budget guarantees that at least 75% of Section 8 vouchers will go to very poor families, defined as those with incomes below 30% of the median income. The budget also includes \$975 million to fight homelessness, an increase of more than 18% over FY 1998's appropriated funding of \$823 million.

Even if the proposed budget were enacted, there is still an enormous amount of ground to be made up as demand for affordable housing in New York City and across the country greatly exceeds supply. In 1995, Congress reversed what had been traditional annual budgetary increases provided for housing assistance, and rescinded all Section 8 assistance. This was followed by the elimination of unrestricted incremental certificates and vouchers. Between 1977 and 1994 the federal government increased the number of HUD-assisted units by 2.6 million. An average of 204,000 additional units were provided each year. This number dropped to approximately 107,000 per year from 1984 to 1994. Typical time spent on waiting lists for public housing are now eight years in New York and there is a similar wait for voucher assistance.<sup>8</sup> The 1999 HUD budget appears to reverse many of these trends, but is unlikely to be sufficient to meet current levels of demand for public housing and housing assistance.

## Evictions & Homelessness

### Housing Court

In addition to income and rents, the RGB gathers housing court data to assess the impact of changing

economic conditions on New York City's renters. Specifically, Housing Court actions are reviewed to determine the proportion of tenants who are unable to meet their rental payments. Similarly, evictions are tracked to measure the number of households experiencing the most severe affordability problems.

The passage of the New York State Rent Regulation Reform Act of 1997, which included a mandatory rent deposit provision for tenants involved in summary proceedings before Housing Court, has not significantly changed the volume and process of eviction proceedings. Most landlords continue to go to Housing Court to obtain rent from delinquent tenants. Landlords file non-payment petitions, which inform delinquent tenants that an action has been filed in Housing Court and that a response is due within five days. The typical lag time between when payment is due and when a landlord files non-payment petitions is approximately one to two months.

The number of non-payment proceedings initiated by landlords totaled an all time high of 373,000 in 1983, the first year for which the RGB has data. Proceedings declined steadily in subsequent years and hovered around 300,000 from 1987 to 1994. Non-payment actions dropped once again in 1995, by 10%. For the past several years the number of filings has fluctuated and in 1998, 278,000 proceedings were initiated by landlords.

Unlike non-payment petition filings, which remained steady during the recession, the number of cases making it to the court appearance stage (non-payment summary proceedings noticed for trial less restorations) increased steadily between 1987 and 1993, but declined slightly during the current economic recovery. This pattern reflects the strengthening economy, with tenants presumably better able to afford rents or resolve payment problems when they arise. However, this year the number of cases noticed for trial was 128,000, an increase of 15% over last year's figure of 111,000.

While court filings have declined over the long run, the proportion of cases reaching trial has steadily risen. In the mid-1980s, 300,000 to 350,000 non-payment proceedings were initiated against delinquent tenants each year, approximately one



quarter of which went to trial. In recent years, however, fewer than 300,000 non-payment cases have been initiated, while roughly 40% are scheduled for court appearances.

Of the 110,000 cases scheduled for trial in 1997, more than one-fifth (or 25,000) ended in evictions or possessions being warranted. Due to the unavailability of data from the Bureau of City Marshals, we were not able to provide a comprehensive analysis of evictions in 1998 for this report.

### Homelessness & Emergency Assistance

Despite improvements in the economy, homelessness statistics indicate mixed outcomes in New York City: shelter populations have decreased slightly from the previous year, with almost 7,000 single people lodged in temporary housing every night, down from 7,119 in 1997. Furthermore, the number of households with children seeking temporary shelter has declined 15% from 5,325 in 1997, to 4,508 in 1998. However, the average number of days spent in temporary housing for all families has increased from 265 in fiscal year 1997 to 306 in 1998. The number of people found ineligible doubled this year, to 14,041 from 7,747 last year, although it is possible for families to reapply after being found ineligible. There was a slight improvement in other areas of emergency assistance. For example, the number of persons receiving food stamps decreased from 1,238,700 in 1997 to 1,037,100 last year. There was also a decline in the number of public assistance applications, with 12,000 fewer applications being received in 1998, bringing last years total to 200,200. Some reports of this phenomenon, however, indicate that this may be due to the fact that it is harder for people to get forms and information regarding eligibility, and not just a decrease in demand.<sup>9</sup>

### Conclusion

When looking at New York City's economic condition in the past twelve months, there have been varying degrees of change. Economic indicators suggest that the City is finally starting to make up some of the difference that separates it from the rest of the country. Though still higher than the national average,

there has been a decrease in the unemployment rate, 116,800 people left the welfare rolls and over 100,000 jobs have been added in the past year. Furthermore, real median wages have increased by 3.5% this year and the economic growth of the city has not triggered an increase in inflation. Conversely, real average wages have declined or remained stagnant for those industries that added the most payroll jobs in 1998. Furthermore, while it is beneficial to the City to have less people receiving welfare, former recipients will add to the competition for employment opportunities. Immigrants also add to the numbers of people seeking employment and housing as they made up a large percent of the addition to the City's population. From the wage and job growth data, it is evident that New York City is increasingly being divided as proportionately fewer people are benefiting from higher paying jobs. As New York City becomes increasingly divided along the lines of income and employment, the availability of affordable housing becomes all the more important. □

### Endnotes

1. Source: *Monthly Report on Current Economic Conditions*, Office of Management and Budget, February 1999.
2. The New York City's unemployment rate of 8% was almost double the national average of 4.5% last year and according to the 1999 Mayor's Management Report, 116,800 people left the welfare rolls, thus adding more job seekers to the employment market.
3. Source: Basic Laws on Housing and Community Development, Subcommittee on Housing and Community Development of the Committee on Banking Finance and Urban Affairs, revised through December 31, 1994, Section 3. (a)(2).
4. Source: *1998 Recent Mover Survey*.
5. Source: *1999 Mayor's Management Report*.
6. "Most Get Work After Welfare, Study Suggest" by Carey Goldberg, *New York Times*, April 19, 1999, suggests that there is some debate as to how accurate data is on welfare recipients who move from welfare to work. Also in question is how former recipients are coping once they leave the welfare rolls.
7. Source: "Population Grows in the City at a Faster Pace" by James Dao, *New York Times*, March 12, 1999.
8. Source: *Waiting in Vain: An Update on America's Rental Housing Crisis*, U.S. Department of Housing and Urban Development, April 1999.
9. Goldberg.

# Appendix

## A. Average Annual Employment Statistics by Area, 1988-98

| Unemployment Rate                    | 1988        | 1989        | 1990        | 1991        | 1992         | 1993         | 1994        | 1995        | 1996        | 1997        | 1998        |
|--------------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Bronx                                | 5.4%        | 7.0%        | 8.5%        | 10.4%       | 13.1%        | 12.2%        | 10.1%       | 9.6%        | 10.6%       | 11.6%       | 10.0%       |
| Brooklyn                             | 5.5%        | 6.7%        | 7.9%        | 9.5%        | 12.0%        | 11.2%        | 9.7%        | 9.2%        | 10.0%       | 10.7%       | 9.4%        |
| Manhattan                            | 4.3%        | 5.0%        | 5.8%        | 7.3%        | 9.0%         | 8.8%         | 7.6%        | 7.0%        | 7.4%        | 7.8%        | 6.8%        |
| Queens                               | 4.0%        | 5.0%        | 6.0%        | 8.0%        | 10.5%        | 9.5%         | 8.2%        | 7.6%        | 8.1%        | 8.5%        | 7.0%        |
| Staten Island                        | 4.0%        | 4.8%        | 6.4%        | 8.3%        | 10.4%        | 9.2%         | 7.8%        | 7.4%        | 7.8%        | 8.4%        | 6.9%        |
| <b>NYC</b>                           | <b>5.0%</b> | <b>6.9%</b> | <b>6.9%</b> | <b>8.7%</b> | <b>11.0%</b> | <b>10.4%</b> | <b>8.7%</b> | <b>8.2%</b> | <b>8.8%</b> | <b>9.4%</b> | <b>8.0%</b> |
| <b>U.S.</b>                          | <b>5.5%</b> | <b>5.3%</b> | <b>5.6%</b> | <b>6.9%</b> | <b>7.5%</b>  | <b>6.9%</b>  | <b>6.1%</b> | <b>5.6%</b> | <b>5.4%</b> | <b>4.9%</b> | <b>4.5%</b> |
| <b>Participation Rate</b>            |             |             |             |             |              |              |             |             |             |             |             |
| NYC                                  | --          | --          | --          | --          | --           | 56.3%        | 55.9%       | 55.2%       | 56.7%       | 58.5%       | 58.9%       |
| U.S.                                 | 65.9%       | 66.5%       | 66.5%       | 66.2%       | 66.4%        | 66.3%        | 66.6%       | 66.6%       | 66.8%       | 67.1%       | 67.1%       |
| <b>Gross City Product (NYC)</b>      |             |             |             |             |              |              |             |             |             |             |             |
| (thousands, \$1992)                  | 273.0       | 273.3       | 274.8       | 264.9       | 267.2        | 270.9        | 273.7       | 276.5       | 282.6       | 291.1       | 302.5       |
| % Change                             | 3.9%        | 0.1%        | 0.5%        | -3.6%       | 0.9%         | 1.4%         | 1.0%        | 1.0%        | 2.2%        | 3.0%        | 3.9%        |
| <b>Gross Domestic Product (U.S.)</b> |             |             |             |             |              |              |             |             |             |             |             |
| (thousands, \$1992)                  | 5,865.2     | 6,062.0     | 6,136.3     | 6,079.4     | 6,244.4      | 6,389.6      | 6,610.7     | 6,761.8     | 6,994.8     | 7,269.8     | 7,552.1     |
| % Change                             | 3.8%        | 3.4%        | 1.2%        | -0.9%       | 2.7%         | 2.3%         | 3.5%        | 2.3%        | 3.4%        | 3.9%        | 3.9%        |

Note: The New York City Comptroller's Office revises the Gross City Product periodically. The GCP figures presented here may not be the same as those reported in prior years. The unemployment figures above are seasonally adjusted.

Sources: U.S. Bureau of Labor Statistics; New York State Department of Labor; New York City Comptroller's Office.

## B. Average Payroll Employment by Industry for NYC, 1989-98 (Thousands)

| Industry Employment         | 1989           | 1990           | 1991           | 1992           | 1993           | 1994           | 1995           | 1996           | 1997           | 1998           | 1997-1998   |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|
|                             |                |                |                |                |                |                |                |                |                |                | % Change    |
| Construction                | 120.8          | 114.9          | 99.8           | 87.1           | 85.8           | 89.3           | 90.2           | 91.2           | 93.8           | 100.8          | 7.5%        |
| Manufacturing               | 359.5          | 337.5          | 307.8          | 292.8          | 288.8          | 280.4          | 273.5          | 264.5          | 264.4          | 261.9          | -0.9%       |
| Transportation              | 218.1          | 229.1          | 218.4          | 204.8          | 203.4          | 201.5          | 202.9          | 204.6          | 206.3          | 206.9          | 0.2%        |
| Trade                       | 630.2          | 608.3          | 565.3          | 545.6          | 537.9          | 544.1          | 555.4          | 561.9          | 579.4          | 588.0          | 1.5%        |
| FIRE                        | 530.6          | 519.6          | 493.6          | 473.5          | 471.6          | 480.3          | 473.4          | 472.3          | 471.4          | 484.0          | 2.7%        |
| Services                    | 1,147.2        | 1,149.0        | 1,096.9        | 1,093.1        | 1,115.8        | 1,148.1        | 1,183.6        | 1,229.0        | 1,270.7        | 1,325.8        | 4.3%        |
| Mining                      | 0.3            | 0.3            | 0.3            | 0.4            | 0.3            | 0.3            | 0.3            | 0.3            | 0.3            | 0.3            | 0%          |
| <b>Total Private Sector</b> | <b>3,006.7</b> | <b>2,958.7</b> | <b>2,782.1</b> | <b>2,697.3</b> | <b>2,703.6</b> | <b>2,744.0</b> | <b>2,779.3</b> | <b>2,823.7</b> | <b>2,886.3</b> | <b>2,967.7</b> | <b>2.8%</b> |
| <b>Government</b>           | <b>601.5</b>   | <b>607.6</b>   | <b>592.6</b>   | <b>584.1</b>   | <b>579.7</b>   | <b>566.6</b>   | <b>543.6</b>   | <b>533.8</b>   | <b>525.0</b>   | <b>556.3</b>   | <b>6.0%</b> |
| New York City               | --             | --             | --             | --             | 223.8          | --             | 206.4          | 204.1          | 203.8          | --             |             |
| <b>Total</b>                | <b>3,608.2</b> | <b>3,566.3</b> | <b>3,374.7</b> | <b>3,281.4</b> | <b>3,283.3</b> | <b>3,310.6</b> | <b>3,322.9</b> | <b>3,357.5</b> | <b>3,411.3</b> | <b>3,524</b>   | <b>3.3%</b> |

Estimate from Mayor's Office of Management and Budget.

Note: Totals may not add up due to rounding. The Bureau of Labor Statistics revises the statistics periodically. The employment figures reported here may not be the same as those reported in prior years and they are not seasonally adjusted.

Sources: U.S. Bureau of Labor Statistics; City of New York employment figures from the New York City Office of Management and Budget.

**C. Average Real Wage Rates by Industry for NYC, 1990-97 (1989 dollars)**

| Industry                | 1990            | 1991            | 1992            | 1993            | 1994            | 1995            | 1996            | 1997            | 1996-1997<br>% Change |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Construction            | \$35,240        | \$34,832        | \$34,861        | \$34,305        | \$34,399        | \$34,023        | \$34,166        | \$33,547        | -1.8%                 |
| Manufacturing           | \$30,303        | \$30,492        | \$32,137        | \$31,151        | \$31,837        | \$32,838        | \$34,678        | \$35,502        | 2.4%                  |
| Transportation          | \$35,654        | \$34,737        | \$36,046        | \$34,945        | \$35,309        | \$35,733        | \$36,626        | \$36,543        | -0.3%                 |
| Trade                   | \$24,662        | \$24,382        | \$24,974        | \$24,234        | \$24,304        | \$24,031        | \$23,851        | \$24,359        | 2.1%                  |
| FIRE                    | \$50,302        | \$51,225        | \$63,917        | \$63,290        | \$59,287        | \$65,902        | \$74,258        | \$81,100        | 9.2%                  |
| Services                | \$29,044        | \$28,764        | \$29,576        | \$29,210        | \$29,106        | \$29,422        | \$29,340        | \$29,873        | 1.8%                  |
| Private Sector          | \$32,746        | \$32,769        | \$35,658        | \$34,981        | \$34,304        | \$35,533        | \$36,839        | \$38,333        | 4.1%                  |
| Government              | \$30,745        | \$29,808        | \$29,843        | \$29,936        | \$30,691        | \$31,851        | \$32,144        | \$32,615        | 1.5%                  |
| <b>Total Industries</b> | <b>\$32,408</b> | <b>\$32,239</b> | <b>\$34,641</b> | <b>\$34,107</b> | <b>\$33,743</b> | <b>\$34,942</b> | <b>\$36,193</b> | <b>\$37,464</b> | <b>3.5%</b>           |

Note: The New York State Department of Labor revises these statistics annually. The wage figures reported here may not be the same as those reported in prior years.

Source: New York State Department of Labor, Research and Statistics Division.

**D. Average Nominal Wage Rates by Industry for NYC, 1990-97**

| Industry                | 1990            | 1991            | 1992            | 1993            | 1994            | 1995            | 1996            | 1997            | 1996-1997<br>% Change |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Construction            | \$37,372        | \$38,619        | \$40,040        | \$40,583        | \$41,669        | \$42,255        | \$43,663        | \$43,873        | 0.5%                  |
| Manufacturing           | \$32,137        | \$33,807        | \$36,911        | \$36,851        | \$38,567        | \$40,784        | \$44,317        | \$46,430        | 4.8%                  |
| Transportation          | \$37,811        | \$38,514        | \$41,401        | \$41,340        | \$42,773        | \$44,379        | \$46,806        | \$47,779        | 2.1%                  |
| Trade                   | \$26,154        | \$27,033        | \$28,684        | \$28,669        | \$29,439        | \$29,846        | \$30,480        | \$31,857        | 4.5%                  |
| FIRE                    | \$53,345        | \$56,795        | \$73,412        | \$74,873        | \$71,820        | \$81,848        | \$94,898        | \$106,064       | 11.8%                 |
| Services                | \$30,801        | \$31,891        | \$33,970        | \$34,556        | \$35,259        | \$36,541        | \$37,495        | \$39,068        | 4.2%                  |
| Private Sector          | \$34,727        | \$36,332        | \$40,955        | \$41,383        | \$41,556        | \$44,130        | \$47,078        | \$50,132        | 6.5%                  |
| Government              | \$32,605        | \$33,049        | \$34,267        | \$35,415        | \$37,179        | \$39,558        | \$41,078        | \$42,654        | 3.8%                  |
| <b>Total Industries</b> | <b>\$34,369</b> | <b>\$35,744</b> | <b>\$39,787</b> | <b>\$40,349</b> | <b>\$40,876</b> | <b>\$43,397</b> | <b>\$46,253</b> | <b>\$48,996</b> | <b>5.9%</b>           |

Note: The New York State Department of Labor revises the statistics annually. The wage figures reported here may not be the same as those reported in prior years.

Source: New York State Department of Labor, Research and Statistics Division.

### E. Consumer Price Index for All Urban Consumers, New York-Northeastern New Jersey, 1988-98

|                   | 1988  | 1989  | 1990  | 1991  | 1992  | 1993  | 1994  | 1995  | 1996  | 1997  | 1998  |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| March             | 121.5 | 128.9 | 136.6 | 143.4 | 149.1 | 154.1 | 157.9 | 160.9 | 166.5 | 170.7 | 173.0 |
| June              | 123.1 | 130.5 | 137.1 | 144.6 | 149.5 | 154.2 | 157.8 | 162.2 | 166.5 | 170.3 | 173.1 |
| September         | 126.0 | 132.2 | 140.8 | 145.8 | 151.4 | 155.3 | 159.0 | 163.2 | 168.2 | 171.7 | 174.4 |
| December          | 126.0 | 133.3 | 141.6 | 146.6 | 151.9 | 155.6 | 159.9 | 163.7 | 168.5 | 171.9 | 174.7 |
| Quarterly Average | 124.2 | 131.2 | 139.0 | 145.1 | 150.5 | 154.8 | 158.4 | 162.5 | 167.4 | 171.2 | 173.8 |
| Yearly Average    | 123.7 | 130.6 | 138.5 | 144.8 | 150.0 | 154.5 | 158.2 | 162.2 | 166.9 | 170.8 | 173.6 |

#### 12-month percentage change in the CPI

|                   | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
|-------------------|------|------|------|------|------|------|------|------|------|------|------|
| March             | 4.9% | 6.1% | 6.0% | 5.0% | 4.0% | 3.4% | 2.5% | 1.9% | 3.5% | 2.5% | 1.3% |
| June              | 4.5% | 6.0% | 5.1% | 5.5% | 3.4% | 3.1% | 2.3% | 2.8% | 2.7% | 2.3% | 1.6% |
| September         | 5.2% | 4.9% | 6.5% | 3.6% | 3.8% | 2.6% | 2.4% | 2.6% | 3.1% | 2.1% | 1.6% |
| December          | 4.5% | 5.8% | 6.2% | 3.5% | 3.6% | 2.4% | 2.8% | 3.0% | 2.9% | 2.0% | 1.6% |
| Quarterly Average | 4.8% | 5.7% | 5.9% | 4.4% | 3.7% | 2.9% | 2.3% | 2.6% | 3.0% | 2.2% | 1.5% |
| Yearly Average    | 4.8% | 5.6% | 6.0% | 4.5% | 3.6% | 3.0% | 2.4% | 2.5% | 2.9% | 2.3% | 1.6% |

Source: U.S. Bureau of Labor Statistics.

### F. Housing Court Actions, 1983-98

| Year | Filings | Intakes | Evictions &<br>Possessions |
|------|---------|---------|----------------------------|
| 1983 | 373,000 | 93,000  | 26,665                     |
| 1984 | 343,000 | 85,000  | 23,058                     |
| 1985 | 335,000 | 82,000  | 20,283                     |
| 1986 | 312,000 | 81,000  | 23,318                     |
| 1987 | 301,000 | 77,000  | 25,761                     |
| 1988 | 299,000 | 92,000  | 24,230                     |
| 1989 | 299,000 | 99,000  | 25,188                     |
| 1990 | 297,000 | 101,000 | 23,578                     |
| 1991 | 302,000 | 114,000 | 20,432                     |
| 1992 | 289,000 | 122,000 | 22,098                     |
| 1993 | 295,000 | 124,000 | 21,937                     |
| 1994 | 294,000 | 123,000 | 23,970                     |
| 1995 | 266,000 | 112,000 | 22,806                     |
| 1996 | 278,000 | 113,000 | 24,370                     |
| 1997 | 274,000 | 111,000 | 24,995                     |
| 1998 | 278,156 | 127,851 | §                          |

§ Numbers not available at time of report.

Note: "Filings" reflect non-payment proceedings initiated by rental property owners, while "Intakes" reflect those non-payment proceedings noticed for trial.

Sources: New York City Civil Court, Deputy Chief Clerk for Housing; New York City Department of Investigations, Bureau of City Marshals.

**G. Housing and Vacancy Survey Data, Rent Stabilized Apartments, 1993 and 1996**

|                                      | 1993 Unimputed |         | 1996 Unimputed |         | 1996 Imputed |         |
|--------------------------------------|----------------|---------|----------------|---------|--------------|---------|
|                                      | Number         | Percent | Number         | Percent | Number       | Percent |
| <b>Household Income</b>              |                |         |                |         |              |         |
| <\$5,000/Loss/No Income              | 63,010         | 8.8%    | 57,605         | 8.3%    | 89,893       | 8.9%    |
| \$5,000 to \$9,999                   | 140,130        | 19.6%   | 130,121        | 18.7%   | 145,235      | 14.3%   |
| \$10,000 to \$14,999                 | 71,695         | 10.0%   | 65,079         | 9.3%    | 87,960       | 8.7%    |
| \$15,000 to \$19,999                 | 67,128         | 9.4%    | 60,777         | 8.7%    | 81,025       | 8.0%    |
| \$20,000 to \$24,999                 | 67,321         | 9.4%    | 59,715         | 8.6%    | 85,367       | 8.4%    |
| \$25,000 to \$29,999                 | 51,974         | 7.3%    | 50,912         | 7.3%    | 75,694       | 7.5%    |
| \$30,000 to \$34,999                 | 47,963         | 6.7%    | 49,269         | 7.1%    | 71,695       | 7.1%    |
| \$35,000 to \$39,999                 | 39,166         | 5.5%    | 37,061         | 5.3%    | 57,521       | 5.7%    |
| \$40,000 to \$49,999                 | 51,625         | 7.2%    | 57,229         | 8.2%    | 89,571       | 8.8%    |
| \$50,000 to \$59,999                 | 38,930         | 5.4%    | 35,951         | 5.2%    | 66,957       | 6.6%    |
| \$60,000 to \$69,999                 | 23,711         | 3.3%    | 28,940         | 4.2%    | 47,346       | 4.7%    |
| \$70,000 to \$79,999                 | 12,769         | 1.8%    | 16,090         | 2.3%    | 30,646       | 3.0%    |
| \$80,000 to \$89,999                 | 9,743          | 1.4%    | 10,659         | 1.5%    | 18,261       | 1.8%    |
| \$90,000 to \$99,999                 | 3,867          | 0.5%    | 7,627          | 1.1%    | 13,989       | 1.4%    |
| \$100,000 or More                    | 26,036         | 3.6%    | 30,076         | 4.3%    | 53,590       | 5.3%    |
| Not Reported                         | 263,958        | --      | 317,651        | --      | 0            | --      |
| Median                               | \$20,160       | --      | \$21,600       | --      | \$25,300     | --      |
| Mean                                 | \$29,042       | --      | §              | --      | \$35,725     | --      |
| <b>Contract Rent</b>                 |                |         |                |         |              |         |
| <\$100                               | 5,850          | 0.6%    | 3,235          | 0.3%    | 3,379        | 0.3%    |
| \$100 to \$199                       | 31,031         | 3.4%    | 19,998         | 2.1%    | 21,250       | 2.1%    |
| \$200 to \$299                       | 54,920         | 6.0%    | 29,907         | 3.2%    | 31,519       | 3.2%    |
| \$300 to \$399                       | 120,221        | 13.0%   | 72,177         | 7.7%    | 75,037       | 7.5%    |
| \$400 to \$499                       | 184,335        | 20.0%   | 148,495        | 15.8%   | 155,700      | 15.6%   |
| \$500 to \$599                       | 183,487        | 19.9%   | 196,185        | 20.8%   | 207,237      | 20.7%   |
| \$600 to \$699                       | 125,490        | 13.6%   | 165,009        | 17.5%   | 173,327      | 17.3%   |
| \$700 to \$799                       | 73,423         | 8.0%    | 97,644         | 10.4%   | 104,259      | 10.4%   |
| \$800 to \$899                       | 39,879         | 4.3%    | 62,020         | 6.6%    | 67,628       | 6.8%    |
| \$900 to \$999                       | 22,735         | 2.5%    | 35,792         | 3.8%    | 38,605       | 3.9%    |
| \$1,000 to \$1,249                   | 39,209         | 4.3%    | 47,141         | 5.0%    | 52,071       | 5.2%    |
| \$1,250 to \$1,499                   | 16,601         | 1.8%    | 20,777         | 2.2%    | 22,719       | 2.3%    |
| \$1,500 to \$1,749                   | 25,013         | 2.7%    | 17,999         | 1.9%    | 19,325       | 1.9%    |
| \$1,750 or More                      |                |         | 24,810         | 2.6%    | 28,427       | 2.8%    |
| No Cash Rent                         | 14,528         | --      | 14,267         | --      | 14,267       | --      |
| Not Reported                         | 42,303         | --      | 59,294         | --      | 0            | --      |
| Median                               | \$525          | --      | \$600          | --      | \$600        | --      |
| Mean                                 | \$593          | --      | §              | --      | \$680        | --      |
| <b>Contract-Rent-to-Income Ratio</b> |                |         |                |         |              |         |
| <10%                                 | 44,301         | 6.5%    | 35,793         | 5.3%    | 78,604       | 8.1%    |
| 10% to 14%                           | 83,327         | 12.2%   | 69,055         | 10.2%   | 117,880      | 12.2%   |
| 15% to 19%                           | 84,908         | 12.5%   | 87,432         | 12.9%   | 131,084      | 13.6%   |
| 20% to 24%                           | 84,132         | 12.4%   | 72,606         | 10.7%   | 105,155      | 10.9%   |
| 25% to 29%                           | 61,957         | 9.1%    | 62,602         | 9.2%    | 85,350       | 8.8%    |
| 30% to 34%                           | 50,287         | 7.4%    | 50,508         | 7.4%    | 72,353       | 7.5%    |
| 35% to 39%                           | 33,677         | 5.0%    | 36,930         | 5.4%    | 49,192       | 5.1%    |
| 40% to 49%                           | 53,951         | 7.9%    | 47,279         | 7.0%    | 66,939       | 6.9%    |
| 50% to 59%                           | 40,912         | 6.0%    | 36,371         | 5.4%    | 46,767       | 4.8%    |
| 60% to 69%                           | 30,628         | 4.5%    | 27,252         | 4.0%    | 36,189       | 3.7%    |
| 70% to 79%                           | 112,762        | 16.6%   | 153,772        | 22.6%   | 32,787       | 3.4%    |
| 80% or More                          | β              | β       | β              | β       | 145,282      | 15.0%   |
| Not Computed                         | 32,188         | --      | 14,813         | --      | 47,169       | --      |
| Not Reported                         | 265,995        | --      | 320,339        | --      | 0            | --      |
| Median                               | 28.2%          | --      | 30.7%          | --      | 27.6%        | --      |
| Mean                                 | 47.8%          | --      | §              | --      | 38.8%        | --      |

§ Mean averages are not available for all rent-stabilized tenants in the unimputed data.

The highest household income category used by Census in the 1993 HVS was \$1,500 or more.

β The highest contract rent-to-income ratio category used by Census in the 1993 and in the unimputed 1996 HVS is 70% or more.

Source: 1993 and 1996 New York City Housing and Vacancy Survey, U.S. Bureau of the Census.