

BUDGETWATCH

January 2013

Special 2012 Year-End Flash

Overall:

The following is a flash look focusing on some very preliminary 2012 actual revenue results compared with the November Forecast approved by the Board last month. 2012 expenses, which are either unavailable or so preliminary as to not be meaningful, are not included this month; details on the "first close" of 2012 actual expenses will be reported next month.

Compared with the November Forecast, revenue results were overall unfavorable due to the unprecedented impact of Tropical Storm Sandy (TS Sandy). With passenger and toll revenue results skewed by TS Sandy, the Passenger and Toll Revenues table below provides variances with and without estimates of the storm's impact. It should be noted that the MTA anticipates an eventual substantial recovery of its TS Sandy revenue losses from insurers.

Excluding the impacts of TS Sandy, Passenger/Toll revenues were modestly favorable, and PMT/MTA Aid and State Dedicated Taxes were on target. Real estate transaction tax collections (particularly the urban tax) were very strong in December; total receipts were \$24 million favorable.

Passenger and Toll Revenues

| YTD December 2012 (\$ in millions) | | | | | | | |
|------------------------------------|------------------|--------------------------|-----------------|---------------|----------------------------------|--------------------------------|---------------|
| | <u>Actual</u> | <u>November Forecast</u> | <u>Diff</u> | <u>% Diff</u> | <u>Estimated TS Sandy Impact</u> | <u>Excluding TS Sandy Diff</u> | <u>% Diff</u> |
| NYCT | \$3,709.1 | \$3,740.1 | (\$31.0) | -0.8% | (\$51.4) | \$20.4 | 0.5% |
| LIRR | 581.3 | 586.8 | (5.5) | -0.9% | (13.2) | 7.7 | 1.3% |
| MNR | 587.5 | 595.3 | (7.8) | -1.3% | (8.5) | 0.7 | 0.1% |
| Sub-total | \$4,877.9 | \$4,922.3 | (\$44.3) | -0.9% | (\$73.1) | \$28.8 | 0.6% |
| B&T | 1,489.4 | 1,504.6 | (15.2) | -1.0% | (24.5) | 9.3 | 0.6% |
| Total | \$6,367.3 | \$6,426.8 | (\$59.5) | -0.9% | (\$97.5) | \$38.0 | 0.6% |

Factoring out the impact of TS Sandy, Passenger and Toll Revenues were otherwise favorable, primarily due to higher utilization from an improving economy and favorable weather during the fourth quarter.

PMT and MTA Aid

| YTD December 2012 (\$ in millions) | | | | |
|------------------------------------|------------------|--------------------------|--------------|---------------|
| | <u>Actual</u> | <u>November Forecast</u> | <u>Diff</u> | <u>% Diff</u> |
| PMT | \$1,520.3 | \$1,516.4 | \$3.9 | 0.3% |
| MTA Aid* | 305.6 | 306.1 | (0.5) | -0.2% |
| Total | \$1,825.8 | \$1,822.5 | \$3.4 | 0.2% |

* License Fee, Vehicle Registration Fee, Taxi Fee, Automobile Rental Fee

Payroll Mobility Taxes of \$1,520 million were \$3.9 million (less than one percent) favorable from the November Forecast. MTA Aid Trust Account Fees (Licenses, Registrations, Taxis and Auto Rentals) of \$306 million were \$0.5 million (less than one percent) unfavorable from the November Forecast.

State Dedicated Taxes

Petroleum Business Tax (PBT) receipts were \$5.6 million (0.9%) unfavorable due to lower collections than anticipated in the November Forecast. Year-End MMTOA receipts were on \$10.8 million (0.8%) favorable.

Real Estate Transaction Taxes

| YTD December 2012 (\$ in millions) | | | | |
|------------------------------------|---------------|--------------------------|-------------|---------------|
| | <u>Actual</u> | <u>November Forecast</u> | <u>Diff</u> | <u>% Diff</u> |
| MRT | \$279.8 | \$278.4 | \$1.4 | 0.5% |
| NYC Urban | <u>406.7</u> | <u>383.9</u> | <u>22.8</u> | <u>5.9%</u> |
| Total | \$686.5 | \$662.3 | \$24.2 | 3.7% |

YTD total real estate taxes were higher than the November Forecast by \$24.2 million (3.7% favorable).

Regional Mortgage Recording Tax receipts for 2012 totaled \$279.8 million, 0.5% higher than the November Forecast. MRT-1 (which is paid on all mortgages) totaled \$187.4 million, 1.1% favorable, while MRT-2 (which is paid only on residential properties with six or fewer individual units) totaled \$92.5 million, 0.7% unfavorable.

New York City Urban Tax receipts are imposed on non-residential property and apartment building transactions within New York City that are valued at over \$500,000. For 2012, Urban Tax receipts totaled \$406.7 million, which was 5.9% above the November Forecast. The MRT portion of the Urban Tax was \$7.4 million (6.8%) favorable, and the Real Property Transfer Tax portion was \$15.4 million favorable (5.6%).

Real Estate Transaction Taxes Receipts (\$ in millions)

November Plan Forecast vs. Actual Receipts

| 2012 Nov. Plan Forecast | 2012 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | YTD Dec |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| MRT-1 | \$185.3 | \$13.9 | \$14.7 | \$11.7 | \$15.2 | \$14.4 | \$16.0 | \$16.8 | \$16.1 | \$17.7 | \$16.5 | \$16.1 | \$16.1 | \$185.3 |
| MRT-2 | 93.1 | 6.8 | 7.1 | 6.4 | 7.3 | 7.0 | 7.8 | 8.3 | 8.5 | 9.3 | 8.1 | 8.2 | 8.2 | 93.1 |
| Total MRT | \$278.4 | \$20.7 | \$21.8 | \$18.2 | \$22.5 | \$21.4 | \$23.7 | \$25.1 | \$24.6 | \$27.0 | \$24.7 | \$24.3 | \$24.3 | \$278.4 |
| RPTT | \$274.7 | \$22.8 | \$24.0 | \$24.1 | \$24.1 | \$20.4 | \$19.8 | \$24.6 | \$26.9 | \$20.5 | \$22.4 | \$22.5 | \$22.5 | \$274.7 |
| MRT | 109.2 | 9.0 | 9.3 | 5.9 | 10.0 | 8.9 | 9.7 | 10.8 | 8.8 | 9.5 | 9.7 | 8.8 | 8.8 | 109.2 |
| Total Urban Tax - NYCT 90% share | \$383.9 | \$31.8 | \$33.4 | \$30.0 | \$34.1 | \$29.3 | \$29.5 | \$35.3 | \$35.7 | \$30.1 | \$32.1 | \$31.3 | \$31.3 | \$383.9 |
| Total Real Estate Taxes | \$662.328 | \$52.6 | \$55.1 | \$48.1 | \$56.6 | \$50.7 | \$53.2 | \$60.4 | \$60.3 | \$57.1 | \$56.8 | \$55.7 | \$55.7 | \$662.3 |

| 2012 Monthly Actuals | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | YTD Dec |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| MRT-1 | \$13.9 | \$14.7 | \$11.7 | \$15.2 | \$14.4 | \$16.0 | \$16.8 | \$16.1 | \$17.7 | \$16.5 | \$14.9 | \$19.4 | \$187.4 |
| MRT-2 | 6.8 | 7.1 | 6.4 | 7.3 | 7.0 | 7.8 | 8.3 | 8.5 | 9.3 | 8.1 | 8.3 | 7.5 | 92.5 |
| Total MRT | \$20.7 | \$21.8 | \$18.2 | \$22.5 | \$21.4 | \$23.7 | \$25.1 | \$24.6 | \$27.0 | \$24.7 | \$23.2 | \$26.9 | \$279.8 |
| RPTT | \$22.8 | \$24.0 | \$24.1 | \$24.1 | \$20.4 | \$19.8 | \$24.6 | \$26.9 | \$20.5 | \$22.4 | \$26.7 | \$33.7 | \$290.1 |
| MRT | 9.0 | 9.3 | 5.9 | 10.0 | 8.9 | 9.7 | 10.8 | 8.8 | 9.5 | 9.7 | 7.4 | 17.6 | 116.6 |
| Total Urban Tax - NYCT 90% share | \$31.8 | \$33.4 | \$30.0 | \$34.1 | \$29.3 | \$29.5 | \$35.3 | \$35.7 | \$30.1 | \$32.1 | \$34.1 | \$51.3 | \$406.7 |
| Total Real Estate Taxes | \$52.6 | \$55.1 | \$48.1 | \$56.6 | \$50.7 | \$53.2 | \$60.4 | \$60.3 | \$57.1 | \$56.8 | \$57.3 | \$78.2 | \$686.5 |

| Variances | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | YTD Dec |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|---------------|---------------|
| MRT-1 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$1.2) | \$3.3 | \$2.1 |
| MRT-2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.7) | (0.7) |
| Total MRT | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$1.1) | \$2.6 | \$1.4 |
| RPTT | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$4.2 | \$11.2 | \$15.4 |
| MRT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (1.4) | 8.8 | 7.4 |
| Total Urban Tax - NYCT 90% share | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$2.8 | \$20.0 | \$22.8 |
| Total Real Estate Taxes | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$1.6 | \$22.6 | \$24.2 |

| | | | | | | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|
| MRT-1 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -7.3% | 20.3% | 1.1% |
| MRT-2 | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.4% | -8.7% | -0.7% |
| Total MRT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -4.7% | 10.5% | 0.5% |
| RPTT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 18.7% | 49.5% | 5.6% |
| MRT | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -16.2% | 100.5% | 6.8% |
| Total Urban Tax - NYCT 90% share | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 8.9% | 63.8% | 5.9% |
| Total Real Estate Taxes | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.9% | 40.5% | 3.7% |

Real Estate Transaction Taxes Receipts (\$ in millions)

2012 Receipts vs. 2011 Receipts

| 2011 Monthly Actuals | 2011 Act | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 | YTD Dec |
|---|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| MRT-1 | \$160.2 | \$12.3 | \$14.5 | \$12.1 | \$14.7 | \$12.2 | \$11.2 | \$15.3 | \$13.0 | \$17.3 | \$12.8 | \$12.9 | \$11.8 | \$160.2 |
| MRT-2 | 84.6 | 7.4 | 7.5 | 7.1 | 7.6 | 7.0 | 6.7 | 6.9 | 7.0 | 7.5 | 6.9 | 6.8 | 6.2 | 84.6 |
| Total MRT | \$244.8 | \$19.7 | \$22.0 | \$19.2 | \$22.3 | \$19.2 | \$17.9 | \$22.2 | \$20.0 | \$24.8 | \$19.7 | \$19.7 | \$18.0 | \$244.8 |
| RPTT | \$267.3 | \$33.0 | \$20.0 | \$8.4 | \$10.2 | \$16.0 | \$23.3 | \$35.8 | \$26.0 | \$38.3 | \$18.6 | \$19.6 | \$18.0 | \$267.3 |
| MRT | 85.7 | 4.8 | 8.0 | 4.5 | 7.4 | 5.3 | 4.5 | 11.4 | 6.7 | 13.7 | 6.5 | 6.9 | 5.8 | 85.7 |
| Total Urban Tax - NYCT 90% share | \$353.0 | \$37.8 | \$27.9 | \$12.9 | \$17.7 | \$21.4 | \$27.8 | \$47.1 | \$32.7 | \$52.1 | \$25.2 | \$26.5 | \$23.9 | \$353.0 |
| Total Real Estate Taxes | \$597.7 | \$57.5 | \$50.0 | \$32.1 | \$40.0 | \$40.6 | \$45.7 | \$69.3 | \$52.7 | \$76.9 | \$44.9 | \$46.2 | \$41.9 | \$597.7 |

| 2012 Monthly Actuals | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | YTD Dec |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| MRT-1 | \$13.9 | \$14.7 | \$11.7 | \$15.2 | \$14.4 | \$16.0 | \$16.8 | \$16.1 | \$17.7 | \$16.5 | \$14.9 | \$19.4 | \$187.4 |
| MRT-2 | 6.8 | 7.1 | 6.4 | 7.3 | 7.0 | 7.8 | 8.3 | 8.5 | 9.3 | 8.1 | 8.3 | 7.5 | 92.5 |
| Total MRT | \$20.7 | \$21.8 | \$18.2 | \$22.5 | \$21.4 | \$23.7 | \$25.1 | \$24.6 | \$27.0 | \$24.7 | \$23.2 | \$26.9 | \$279.8 |
| RPTT | \$22.8 | \$24.0 | \$24.1 | \$24.1 | \$20.4 | \$19.8 | \$24.6 | \$26.9 | \$20.5 | \$22.4 | \$26.7 | \$33.7 | \$290.1 |
| MRT | 9.0 | 9.3 | 5.9 | 10.0 | 8.9 | 9.7 | 10.8 | 8.8 | 9.5 | 9.7 | 7.4 | 17.6 | 116.6 |
| Total Urban Tax - NYCT 90% share | \$31.8 | \$33.4 | \$30.0 | \$34.1 | \$29.3 | \$29.5 | \$35.3 | \$35.7 | \$30.1 | \$32.1 | \$34.1 | \$51.3 | \$406.7 |
| Total Real Estate Taxes | \$52.6 | \$55.1 | \$48.1 | \$56.6 | \$50.7 | \$53.2 | \$60.4 | \$60.3 | \$57.1 | \$56.8 | \$57.3 | \$78.2 | \$686.5 |

| Variiances | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD Dec |
|---|----------------|----------------|----------------|---------------|---------------|--------------|-----------------|--------------|-----------------|---------------|---------------|---------------|---------------|
| MRT-1 | \$1.6 | \$0.2 | (\$0.4) | \$0.5 | \$2.2 | \$4.7 | \$1.5 | \$3.1 | \$0.4 | \$3.7 | \$2.1 | \$7.6 | \$27.2 |
| MRT-2 | (0.6) | (0.4) | (0.7) | (0.2) | (0.0) | 1.1 | 1.4 | 1.5 | 1.9 | 1.2 | 1.4 | 1.3 | 7.9 |
| Total MRT | \$1.0 | (\$0.3) | (\$1.1) | \$0.2 | \$2.2 | \$5.8 | \$2.9 | \$4.6 | \$2.2 | \$5.0 | \$3.5 | \$8.9 | \$35.1 |
| RPTT | (\$10.2) | \$4.1 | \$15.6 | \$13.9 | \$4.4 | (\$3.4) | (\$11.2) | \$1.0 | (\$17.8) | \$3.7 | \$7.1 | \$15.7 | \$22.8 |
| MRT | 4.2 | 1.4 | 1.4 | 2.5 | 3.5 | 5.2 | (0.6) | 2.1 | (4.2) | 3.2 | 0.5 | 11.8 | 31.0 |
| Total Urban Tax - NYCT 90% share | (\$6.0) | \$5.4 | \$17.1 | \$16.4 | \$7.9 | \$1.7 | (\$11.8) | \$3.0 | (\$22.0) | \$6.9 | \$7.6 | \$27.5 | \$53.7 |
| Total Real Estate Taxes | (\$5.0) | \$5.2 | \$16.0 | \$16.6 | \$10.1 | \$7.5 | (\$8.9) | \$7.7 | (\$19.7) | \$11.9 | \$11.1 | \$36.4 | \$88.8 |
| MRT-1 | 13.0% | 1.2% | -3.2% | 3.1% | 17.9% | 42.2% | 10.0% | 24.2% | 2.1% | 29.2% | 16.1% | 64.3% | 17.0% |
| MRT-2 | -7.8% | -5.9% | -9.4% | -3.0% | -0.1% | 15.9% | 20.1% | 21.2% | 25.1% | 17.8% | 21.3% | 21.0% | 9.3% |
| Total MRT | 5.2% | -1.2% | -5.5% | 1.0% | 11.3% | 32.3% | 13.2% | 23.2% | 9.0% | 25.2% | 17.9% | 49.4% | 14.3% |
| RPTT | -31.0% | 20.5% | 185.0% | 135.3% | 27.3% | -14.8% | -31.3% | 3.7% | -46.4% | 20.0% | 36.2% | 86.8% | 8.5% |
| MRT | 88.1% | 17.0% | 32.3% | 34.1% | 66.0% | 113.9% | -5.3% | 30.5% | -30.6% | 48.5% | 6.7% | 203.2% | 36.1% |
| Total Urban Tax - NYCT 90% share | -15.8% | 19.5% | 132.0% | 92.7% | 37.0% | 6.2% | -25.1% | 9.3% | -42.2% | 27.4% | 28.5% | 115.2% | 15.2% |
| Total Real Estate Taxes | -8.6% | 10.3% | 49.8% | 41.6% | 24.8% | 16.4% | -12.8% | 14.5% | -25.7% | 26.4% | 24.0% | 86.9% | 14.9% |

January 2013 BudgetWatch Regional Economy

New York City Employment

Sectors with Employment losses in December 2012 Compared to December 2011

- Manufacturing
- Transportation, Utilities
- Construction, Mining, Natural Resource
- Government



Sectors with Employment Gains in December 2012 Compared to December 2011

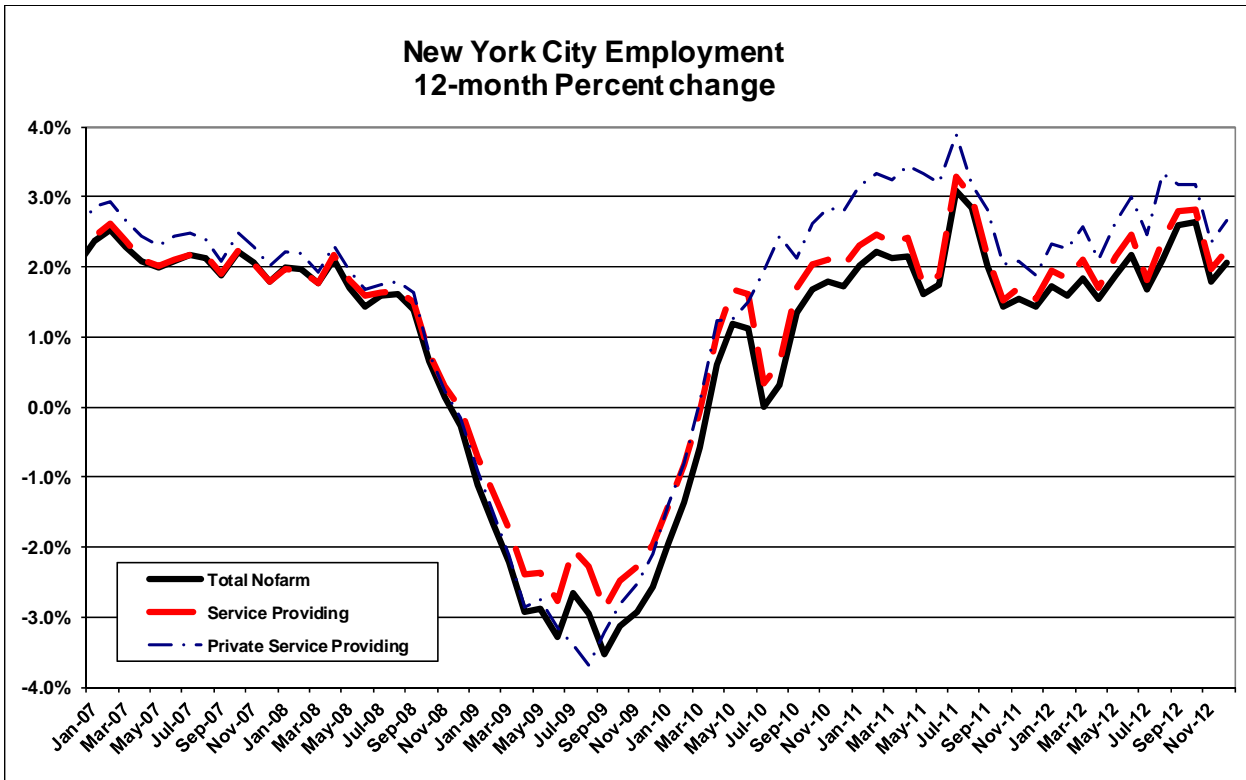
- Trade
- Leisure and Hospitality
- Other Services
- Professional and Business Services
- Education and Health Svcs.
- Information
- Financial Activities



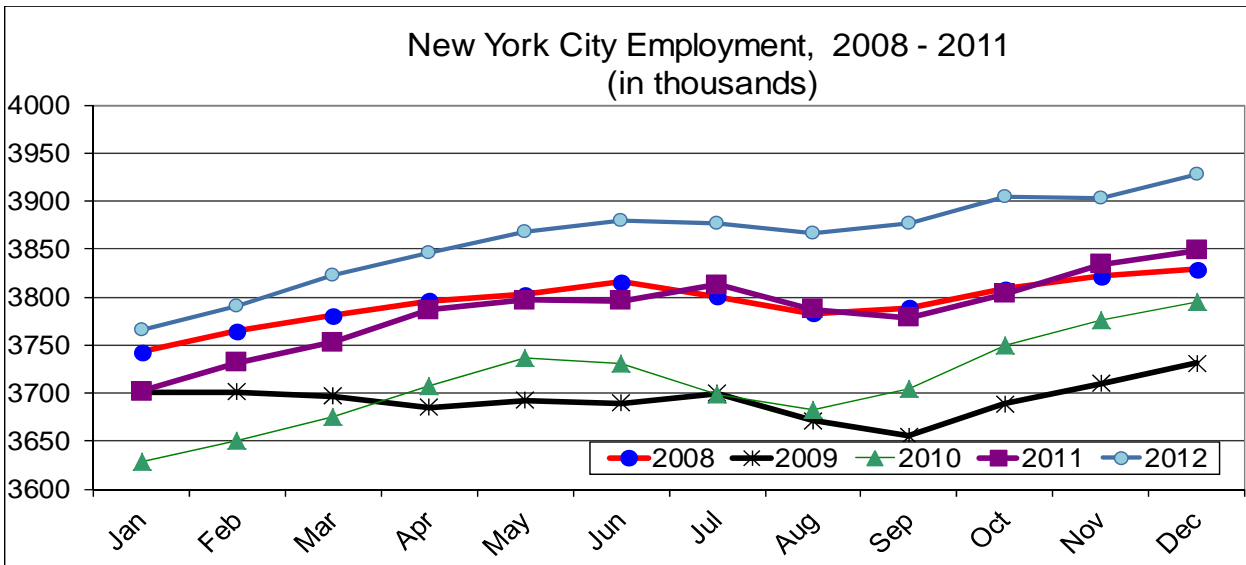
| <i>New York City Employment</i> <i>(in thousands)</i> | Prelim Dec-12 | Revised Nov-12 | Dec-11 | Gain / (Loss) | | | |
|--|------------------|-------------------|---------------|---------------|--------------|--------------|--------------|
| | | | | Dec-12 versus | | | |
| | | | | Nov-12 | | Dec-11 | |
| | | | | Net | Percent | Net | Percent |
| Total Employment | 3927.5 | 3903.1 | 3848.8 | 24.4 | 0.6% | 78.7 | 2.0% |
| Goods Producing | 181.5 | 185.1 | 184.9 | (3.6) | -1.9% | (3.4) | -1.8% |
| Construction, Mining, Nat Res | 109.5 | 111.9 | 111.5 | (2.4) | -2.1% | (2.0) | -1.8% |
| Manufacturing | 72.0 | 73.2 | 73.4 | (1.2) | -1.6% | (1.4) | -1.9% |
| Service Producing | 3746.0 | 3718.0 | 3663.9 | 28.0 | 0.8% | 82.1 | 2.2% |
| Transportation, Utilities | 122.7 | 120.8 | 123.0 | 1.9 | 1.6% | (0.3) | -0.2% |
| Trade | 487.0 | 477.5 | 476.7 | 9.5 | 2.0% | 10.3 | 2.2% |
| Information | 173.0 | 174.0 | 172.1 | (1.0) | -0.6% | 0.9 | 0.5% |
| Financial Activities | 443.9 | 440.5 | 440.7 | 3.4 | 0.8% | 3.2 | 0.7% |
| Education & Health Svcs | 653.0 | 649.2 | 616.5 | 3.8 | 0.6% | 36.5 | 5.9% |
| Professional & Business Svcs | 788.2 | 784.6 | 775.0 | 3.6 | 0.5% | 13.2 | 1.7% |
| Leisure & Hospitality | 358.7 | 354.8 | 349.1 | 3.9 | 1.1% | 9.6 | 2.7% |
| Other Services | 173.9 | 172.1 | 164.2 | 1.8 | 1.0% | 9.7 | 5.9% |
| Government | 545.6 | 544.5 | 546.6 | 1.1 | 0.2% | (1.0) | -0.2% |

Preliminary December 2012 employment in New York City shows a gain of 78.7 thousand jobs (an increase of 2.0%) compared to last December's employment level. December marks the twenty-ninth month in a row with higher employment than one year earlier. The Education and Health Services sector experienced the greatest gains among the major sectors, adding 36,500 jobs over the past twelve months; and growth was also strong in the Leisure & Hospitality sector, the Professional and Business Services sector and the Trade sector, which together added 33,000 jobs.

January 2013 BudgetWatch Regional Economy

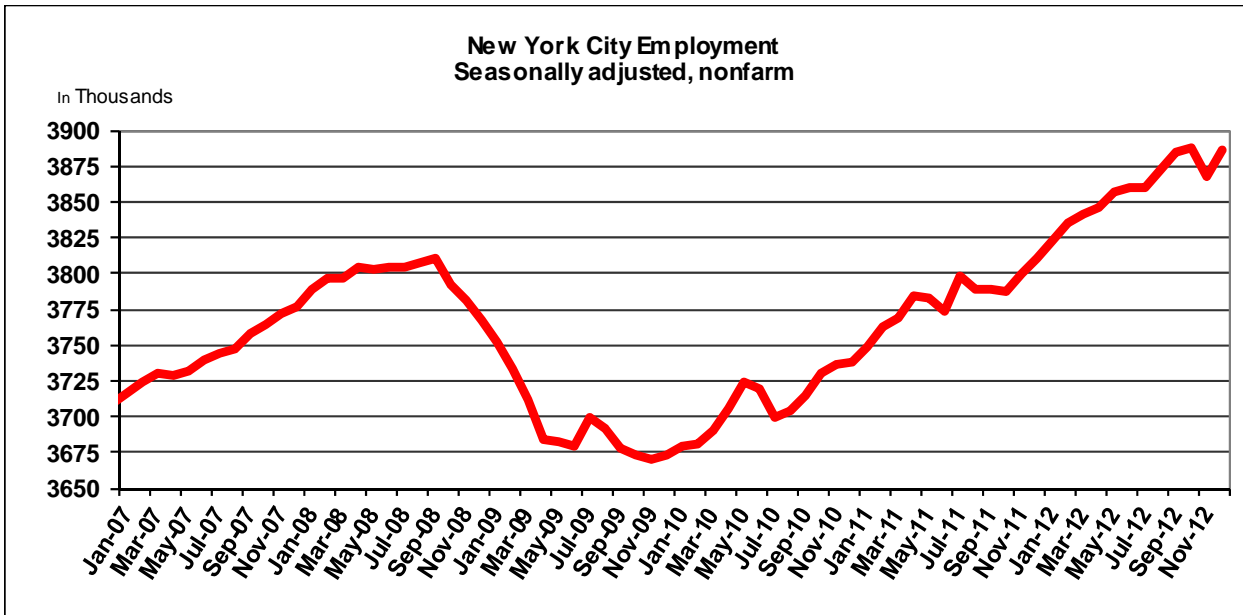


Employment in New York City’s service-producing sectors increased by 82.1 thousand jobs, an increase of 2.2% over the December 2011 level. Private-sector service-providing employment in New York City increased by 83.1 thousand jobs, 2.7% higher than the level of one year ago, and December marks the thirty-third month in a row with an annual increase greater than 1%.



January 2013 BudgetWatch

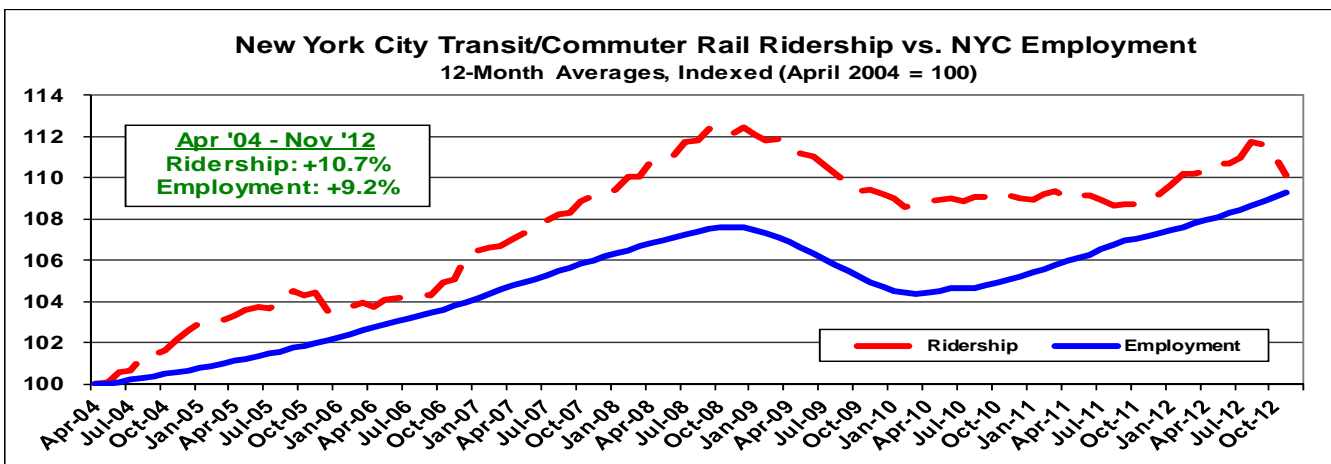
Regional Economy



Seasonally adjusted New York City employment in December was higher than in December 2011 by 75.6 thousand jobs (up 2.0%), and was higher than November 2012 by 18.0 thousand jobs (up 0.5%). Since September 2009, when seasonally adjusted employment reached a recessionary low-point, New York City has added 209 thousand jobs, an increase of 5.7%.

Ridership and Employment

In April 2004, the twelve-month moving average for employment began to increase after 35 consecutive months of declines from May 2001 through March 2004. Employment levels rose through November 2008, and declined for 16 months through March 2010. The twelve-month employment average (through November 2012) has increased for twenty-eight consecutive months, and is now 9.2% higher than the April 2004 level. Annualized (12-month average) New York City Transit/Commuter Rail ridership has grown to 10.7% above the April 2004 level. The twelve-month average for ridership was 1.2% higher in November 2012 than one year ago.



January 2013 BudgetWatch Regional Economy

Consumer Price Index

Goods Reporting Price Increases in December 2012 Compared to November 2012

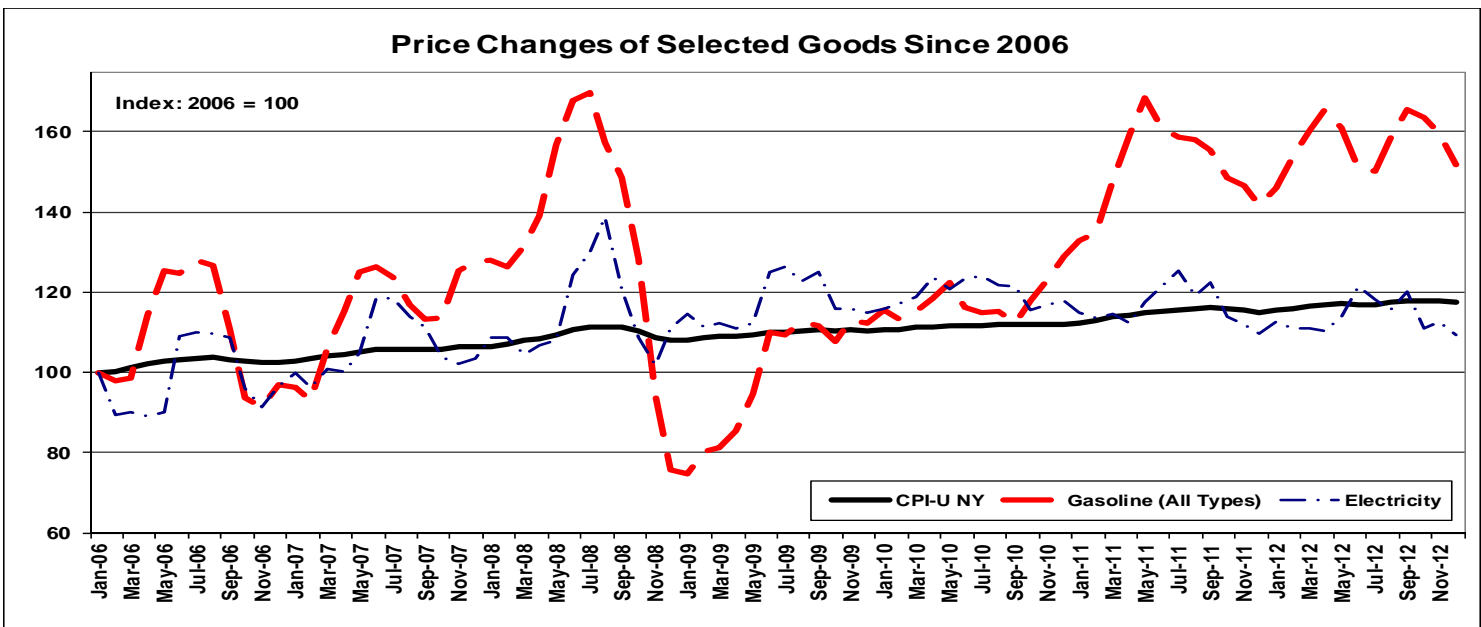
- None of the goods and services regularly reported in this section experienced price increases.

Goods Reporting Price Declines in December 2012 Compared to November 2012

- Electricity
- Medical Care
- Gasoline
- Food
- Apparel
- Transportation

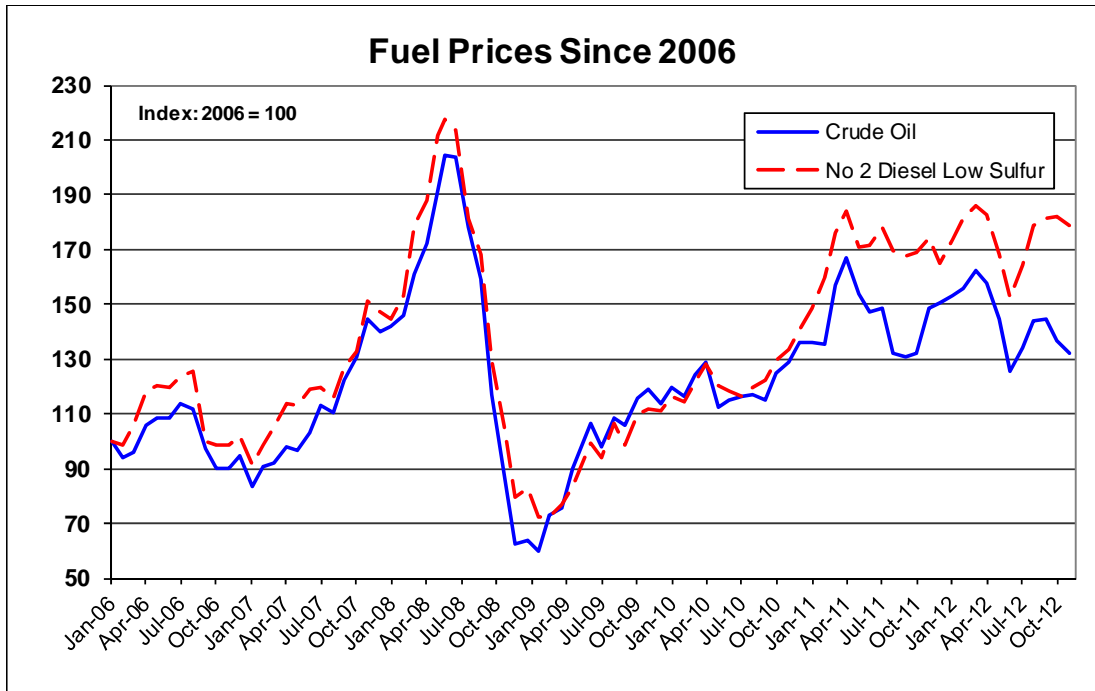


| NY-NJ_CT Consumer Price Index All Urban Consumers (CPI-U) | Dec-12 | Nov-12 | Dec-11 | Increase / (Decrease) Dec-12 vs | | | |
|--|--------|---------|--------|------------------------------------|---------|--------|---------|
| | | | | Nov-12 | | Dec-11 | |
| | | | | Net | Percent | Net | Percent |
| Regional CPI-U | 253.6 | 254.285 | 248.3 | -0.7 | -0.3% | 5.2 | 2.1% |
| Medical Care Component | 414.8 | 415.7 | 399.5 | -0.9 | -0.2% | 15.3 | 3.8% |
| Electricity Component | 173.4 | 178.7 | 173.9 | -5.3 | -3.0% | -0.5 | -0.3% |
| Gasoline (all grades) Component | 283.5 | 298.0 | 264.9 | -14.6 | -4.9% | 18.6 | 7.0% |
| National CPI-U | 229.6 | 230.2 | 225.7 | -0.6 | -0.3% | 3.9 | 1.7% |



January 2013 BudgetWatch Regional Economy

Fuel Prices



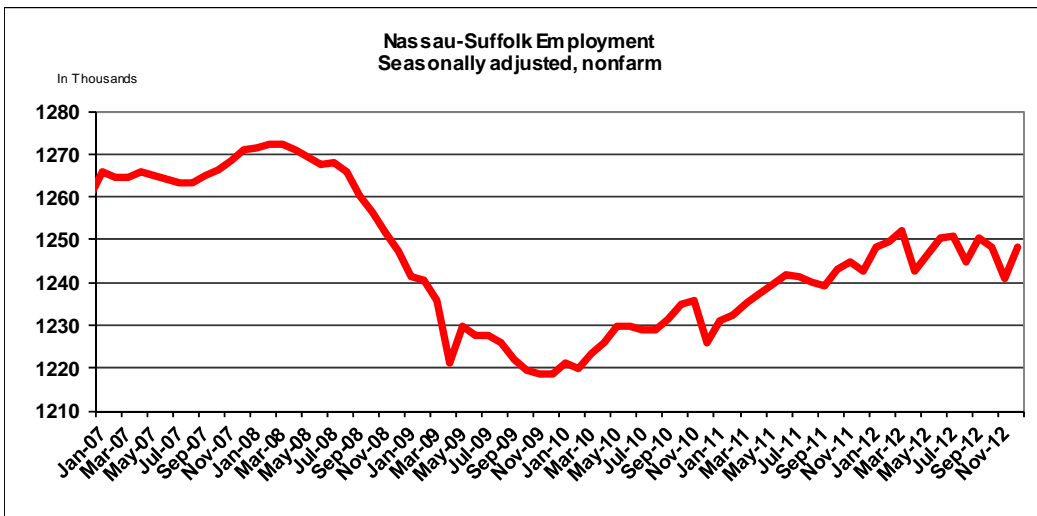
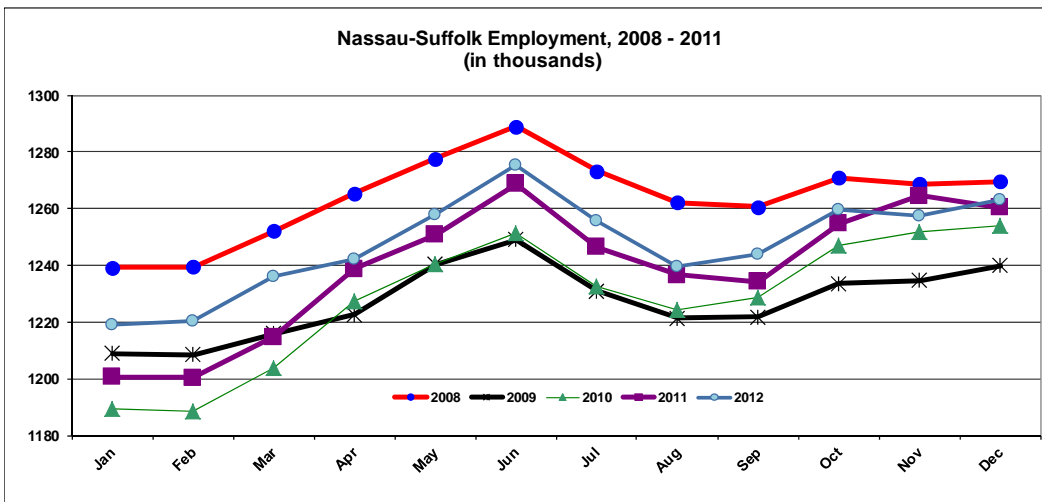
NOTE: Latest Crude Oil and No.2 Diesel Low Sulfur prices: January 15, 2013

| Fuel Prices New York Spot Prices | Most Recent Quarter | | | | | % chg, Dec '12 vs. | | |
|-------------------------------------|---------------------|--------|--------|--------|--------|--------------------|--------|--------|
| | Jan. 15, 2012 | Dec-12 | Nov-12 | Oct-12 | Dec-11 | Nov-12 | Oct-12 | Dec-11 |
| Crude Oil | 93.26 | 87.86 | 86.53 | 89.49 | 98.56 | 1.5% | -1.8% | -10.9% |
| Conventional Regular Gasoline * | 2.73 | 2.73 | 2.82 | 2.98 | 2.63 | -3.2% | -8.3% | 3.5% |
| Low Sulfur No.2 Diesel Fuel * | 3.07 | 3.07 | 3.18 | 3.24 | 2.94 | -3.5% | -5.1% | 4.5% |
| No.2 Heating Oil * | 3.03 | 3.00 | 3.01 | 3.14 | 2.89 | -0.5% | -4.6% | 3.6% |

* \$ per gallon

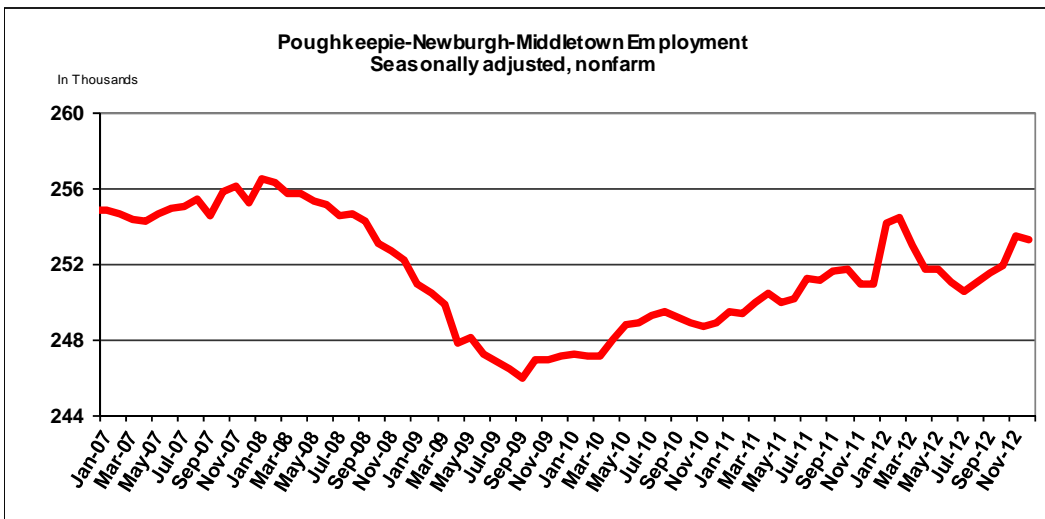
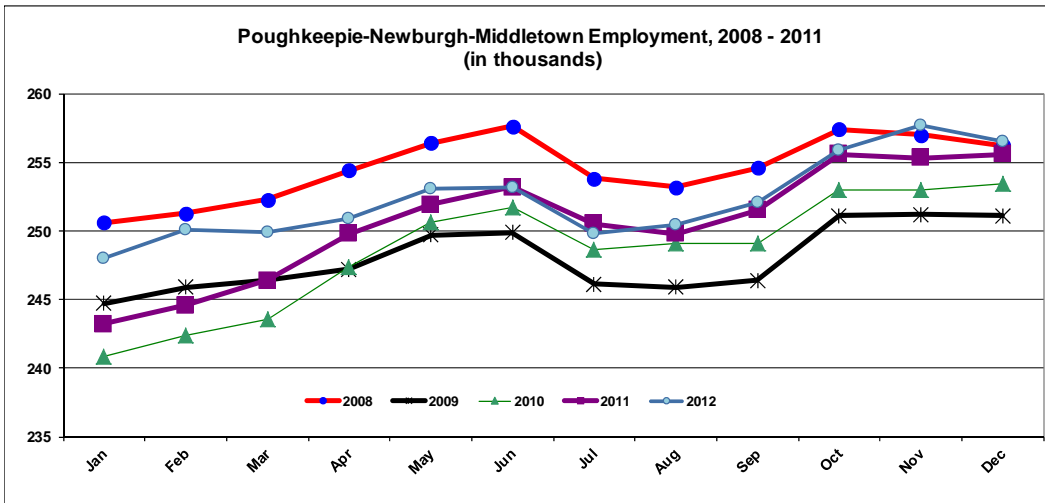
January 2013 BudgetWatch Regional Economy

| Nassau & Suffolk Employment (in thousands) | Gain / (Loss) Dec-12 versus | | | | | | |
|---|--------------------------------|-------------------|---------------|--------------|--------------|--------------|--------------|
| | Prelim Dec-12 | Revised Nov-12 | Dec-11 | Nov-12 | | Dec-11 | |
| | | | | Net | Percent | Net | Percent |
| Total Employment | 1263.0 | 1257.4 | 1260.3 | 5.6 | 0.4% | 2.7 | 0.2% |
| Goods Producing | 126.9 | 127.8 | 130.8 | (0.9) | -0.7% | (3.9) | -3.0% |
| Construction, Mining, Nat Res | 55.6 | 56.3 | 58.0 | (0.7) | -1.2% | (2.4) | -4.1% |
| Manufacturing | 71.3 | 71.5 | 72.8 | (0.2) | -0.3% | (1.5) | -2.1% |
| Service Producing | 1136.1 | 1129.6 | 1129.5 | 6.5 | 0.6% | 6.6 | 0.6% |
| Transportation, Utilities | 38.6 | 37.5 | 38.5 | 1.1 | 2.9% | 0.1 | 0.3% |
| Trade | 232.7 | 229.3 | 231.3 | 3.4 | 1.5% | 1.4 | 0.6% |
| Information | 23.9 | 24.0 | 24.4 | (0.1) | -0.4% | (0.5) | -2.0% |
| Financial Activities | 75.7 | 75.9 | 71.9 | (0.2) | -0.3% | 3.8 | 5.3% |
| Education & Health Svcs | 164.8 | 165.8 | 161.8 | (1.0) | -0.6% | 3.0 | 1.9% |
| Professional & Business Svcs | 242.6 | 239.7 | 237.1 | 2.9 | 1.2% | 5.5 | 2.3% |
| Leisure & Hospitality | 97.5 | 99.4 | 99.5 | (1.9) | -1.9% | (2.0) | -2.0% |
| Other Services | 55.4 | 54.2 | 54.0 | 1.2 | 2.2% | 1.4 | 2.6% |
| Government | 204.9 | 203.8 | 211.0 | 1.1 | 0.5% | (6.1) | -2.9% |



January 2013 BudgetWatch Regional Economy

| Poughkeepsie-Newburgh-Middletown Employment (in thousands) | Gain / (Loss) Dec-12 versus | | | | | | |
|---|--------------------------------|-------------------|--------------|--------------|--------------|--------------|--------------|
| | Prelim Dec-12 | Revised Nov-12 | Dec-11 | Nov-12 | | Dec-11 | |
| | | | | Net | Percent | Net | Percent |
| Total Employment | 256.5 | 257.7 | 255.6 | (1.2) | -0.5% | 0.9 | 0.4% |
| Goods Producing | 25.8 | 26.4 | 26.1 | (0.6) | -2.3% | (0.3) | -1.1% |
| Construction, Mining, Nat Res | 8.1 | 8.5 | 8.4 | (0.4) | -4.7% | (0.3) | -3.6% |
| Manufacturing | 17.7 | 17.9 | 17.7 | (0.2) | -1.1% | 0.0 | 0.0% |
| Service Producing | 230.7 | 231.3 | 229.5 | (0.6) | -0.3% | 1.2 | 0.5% |
| Transportation, Utilities | 8.4 | 8.4 | 8.5 | 0.0 | 0.0% | (0.1) | -1.2% |
| Trade | 49.2 | 48.8 | 49.4 | 0.4 | 0.8% | (0.2) | -0.4% |
| Information | 3.7 | 3.8 | 3.8 | (0.1) | -2.6% | (0.1) | -2.6% |
| Financial Activities | 9.0 | 9.0 | 8.9 | 0.0 | 0.0% | 0.1 | 1.1% |
| Education & Health Svcs | 23.1 | 23.2 | 22.5 | (0.1) | -0.4% | 0.6 | 2.7% |
| Professional & Business Svcs | 54.8 | 55.6 | 54.0 | (0.8) | -1.4% | 0.8 | 1.5% |
| Leisure & Hospitality | 20.6 | 20.4 | 20.1 | 0.2 | 1.0% | 0.5 | 2.5% |
| Other Services | 9.8 | 9.7 | 9.6 | 0.1 | 1.0% | 0.2 | 2.1% |
| Government | 52.1 | 52.4 | 52.7 | (0.3) | -0.6% | (0.6) | -1.1% |



January 2013 BudgetWatch Regional Economy

| Putnam, Rockland & Westchester Employment (in thousands) | Gain / (Loss) Dec-12 versus | | | | | | |
|---|--------------------------------|-------------------|--------------|--------------|--------------|--------------|--------------|
| | Prelim Dec-12 | Revised Nov-12 | Dec-11 | Nov-12 | | Dec-11 | |
| | | | | Net | Percent | Net | Percent |
| Total Employment | 572.6 | 574.3 | 570.0 | (1.7) | -0.3% | 2.6 | 0.5% |
| Goods Producing | 52.4 | 53.5 | 55.8 | (1.1) | -2.1% | (3.4) | -6.1% |
| Construction, Mining, Nat Res | 28.6 | 29.5 | 31.1 | (0.9) | -3.1% | (2.5) | -8.0% |
| Manufacturing | 23.8 | 24.0 | 24.7 | (0.2) | -0.8% | (0.9) | -3.6% |
| Service Producing | 520.2 | 520.8 | 514.2 | (0.6) | -0.1% | 6.0 | 1.2% |
| Transportation, Utilities | 18.5 | 18.5 | 18.0 | 0.0 | 0.0% | 0.5 | 2.8% |
| Trade | 93.2 | 91.7 | 91.9 | 1.5 | 1.6% | 1.3 | 1.4% |
| Information | 13.1 | 13.1 | 13.6 | 0.0 | 0.0% | (0.5) | -3.7% |
| Financial Activities | 34.6 | 34.6 | 34.1 | 0.0 | 0.0% | 0.5 | 1.5% |
| Education & Health Svcs | 74.3 | 75.9 | 72.1 | (1.6) | -2.1% | 2.2 | 3.1% |
| Professional & Business Svcs | 124.3 | 123.4 | 121.5 | 0.9 | 0.7% | 2.8 | 2.3% |
| Leisure & Hospitality | 44.5 | 45.9 | 44.1 | (1.4) | -3.1% | 0.4 | 0.9% |
| Other Services | 25.6 | 25.5 | 25.2 | 0.1 | 0.4% | 0.4 | 1.6% |
| Government | 92.1 | 92.2 | 93.7 | (0.1) | -0.1% | (1.6) | -1.7% |

