



FEDERAL RESERVE BANK *of* NEW YORK

# Overview of the Regional Economy

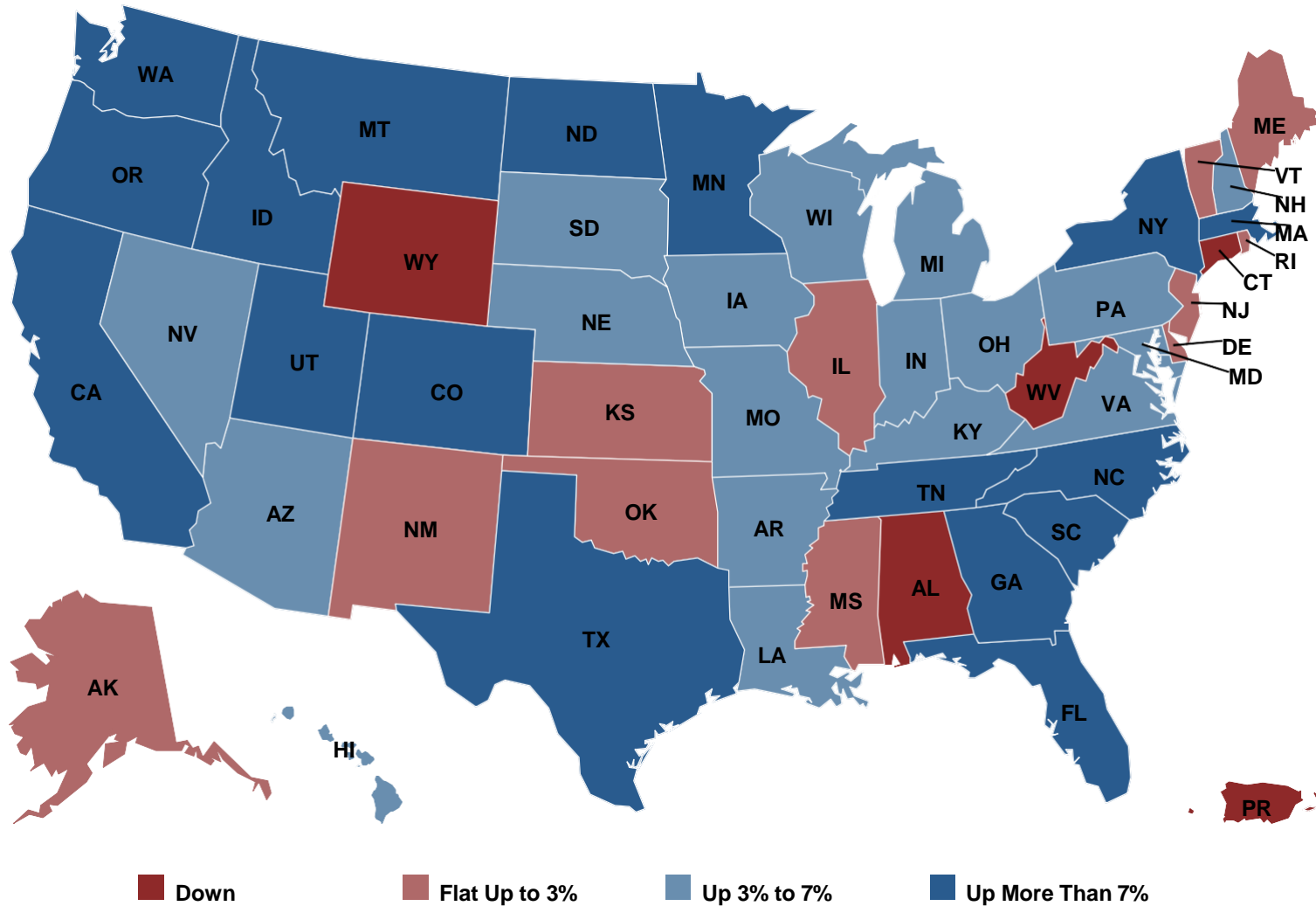
Jason Bram, Research Officer

Presentation to the Community Depository Institutions Advisory Council (CDIAC)  
March 9, 2018

The views expressed here are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

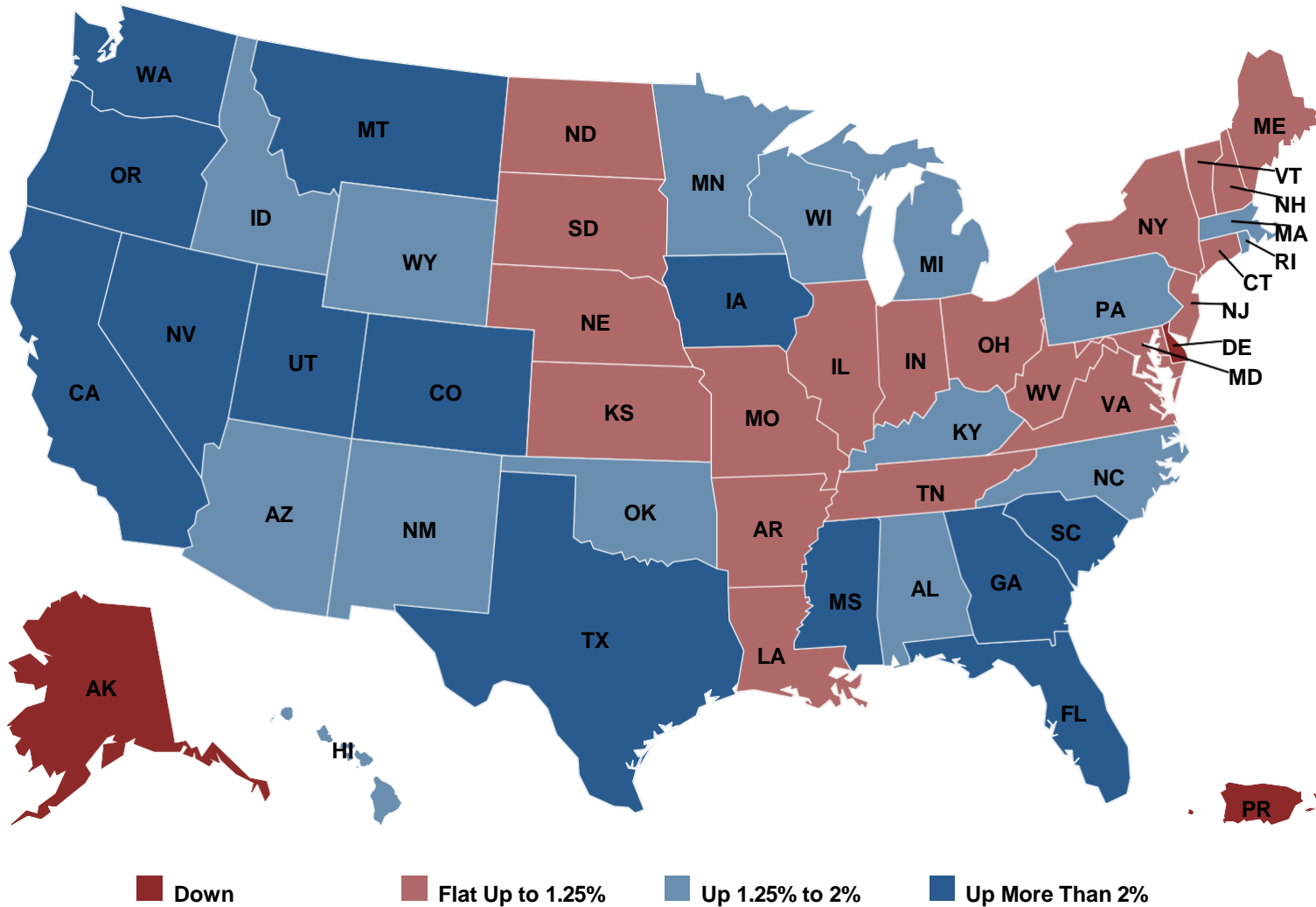
# Private-Sector Job Trends

Percent Change From Previous Peak to December 2017



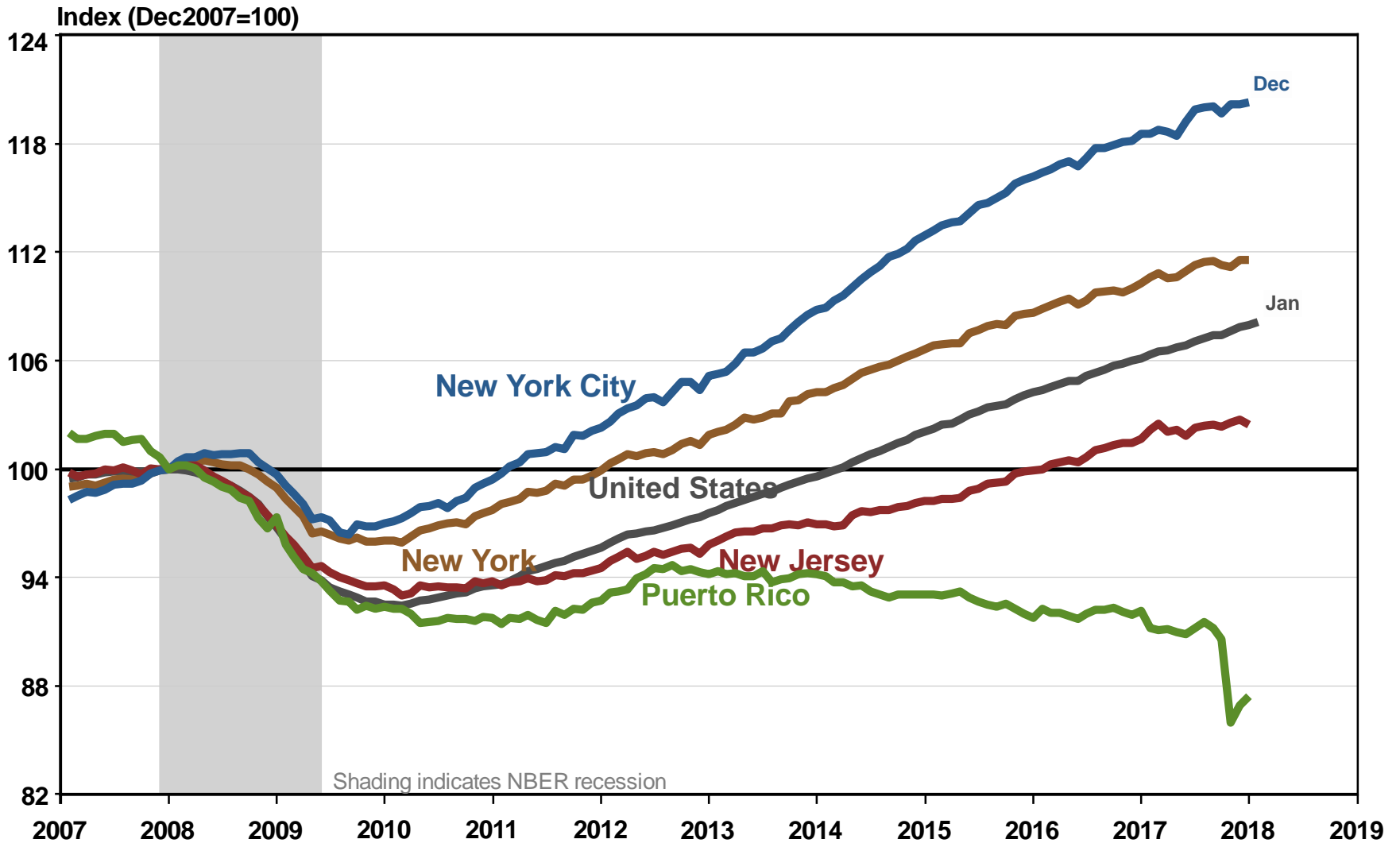
# Recent Private-Sector Job Trends

Year-Over-Year Percent Change as of December 2017



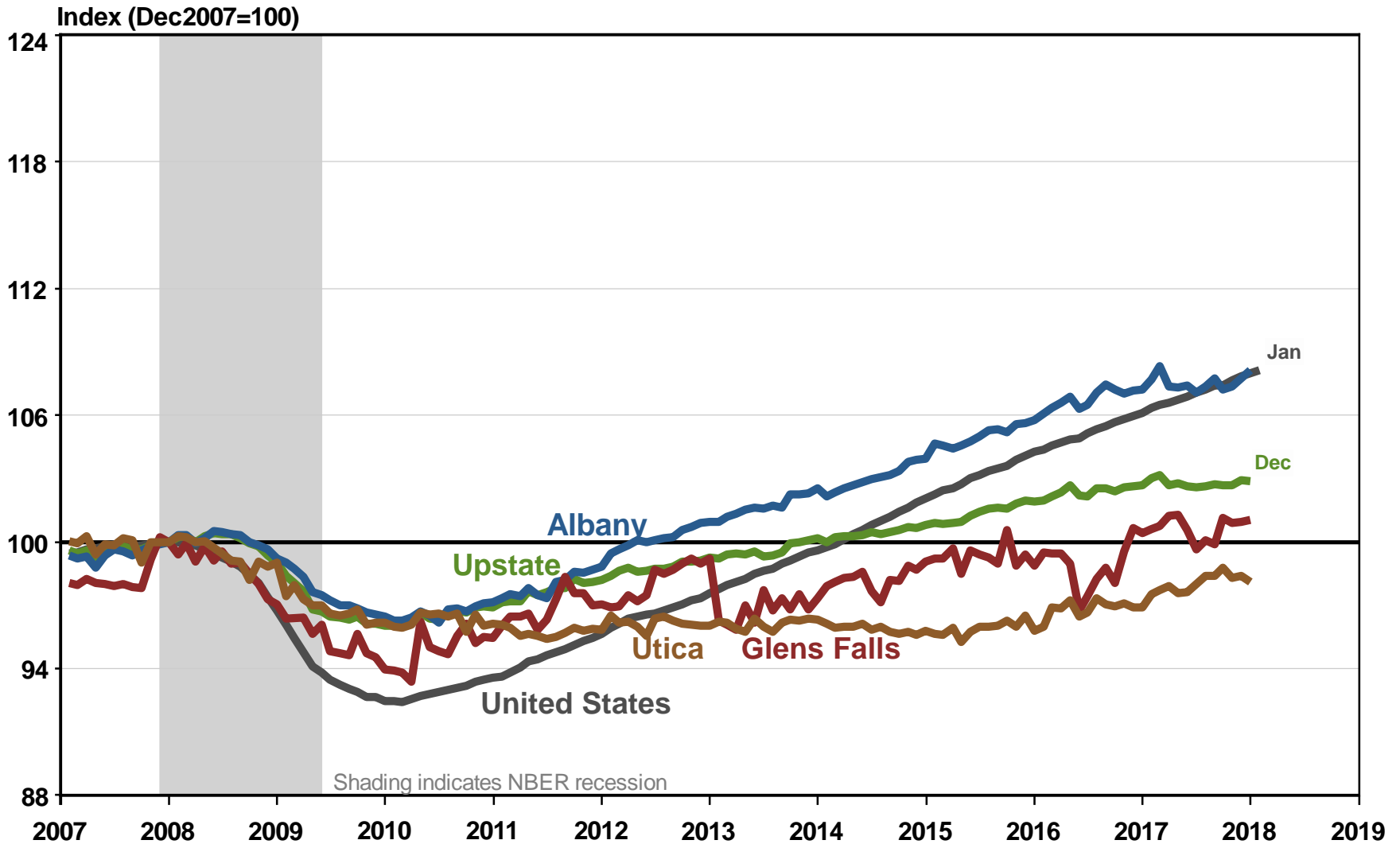
# Private-Sector Employment

## Seasonally Adjusted Index



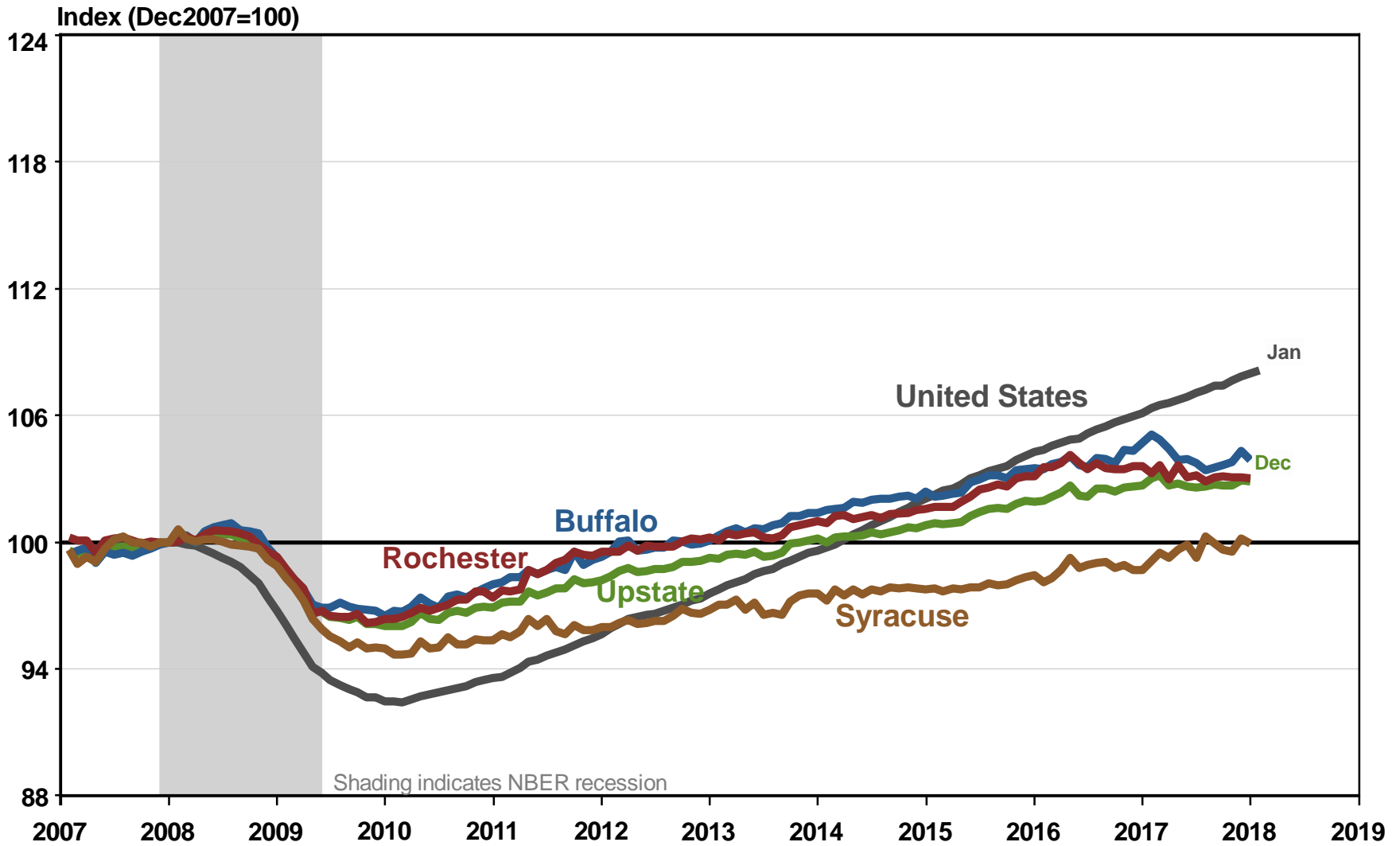
# Private-Sector Employment

## Seasonally Adjusted Index



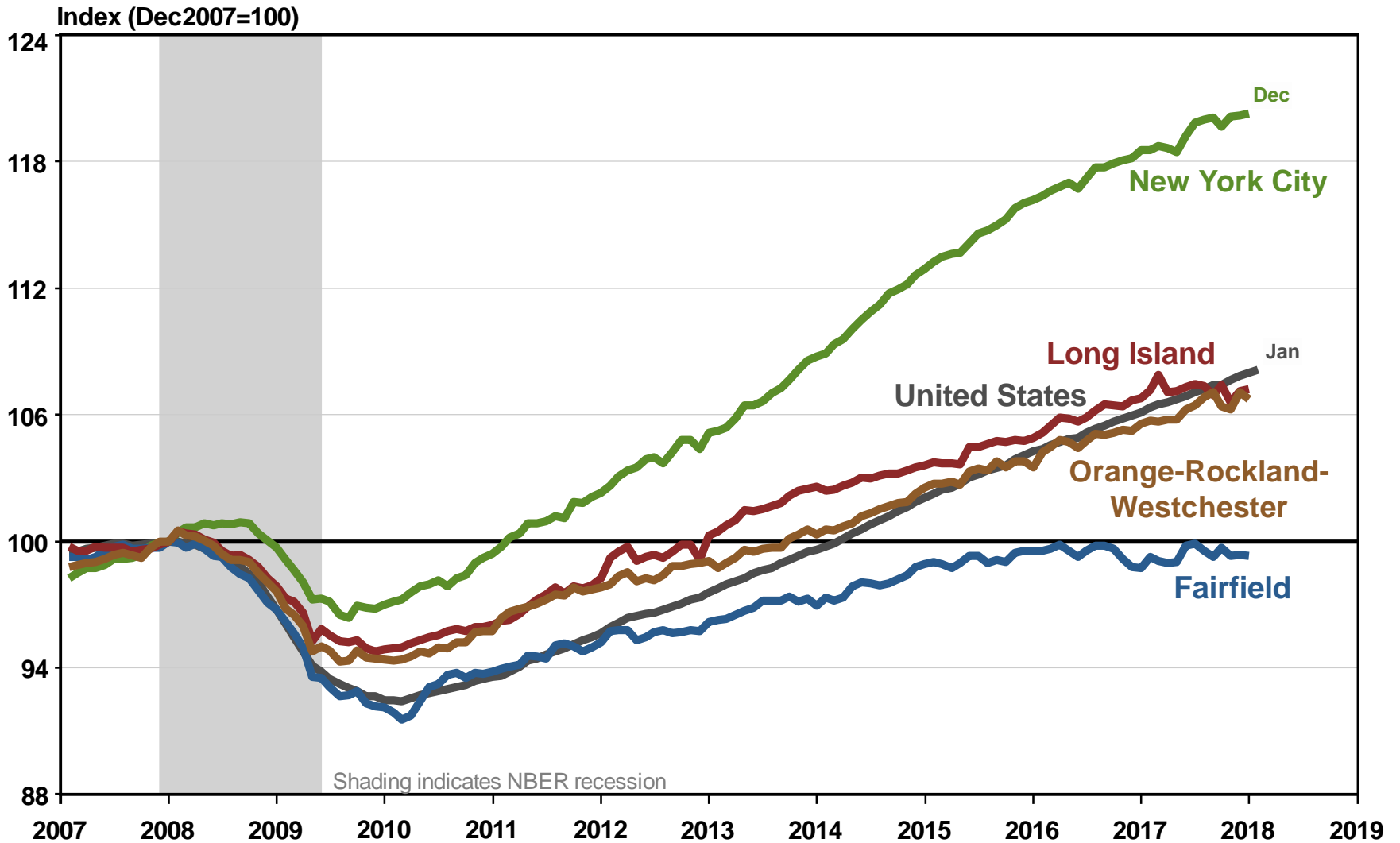
# Private-Sector Employment

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# Private-Sector Employment

Seasonally Adjusted Index



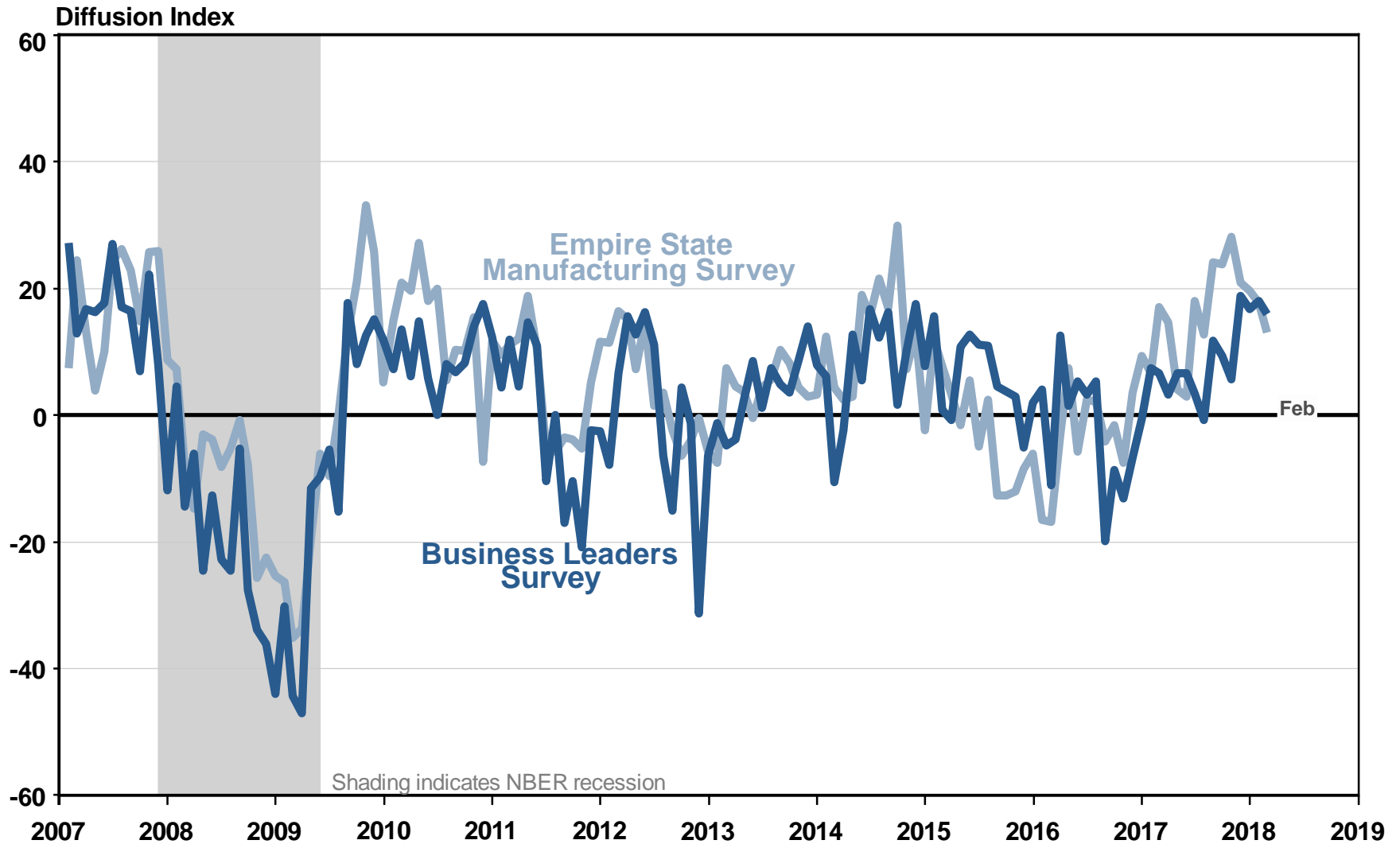






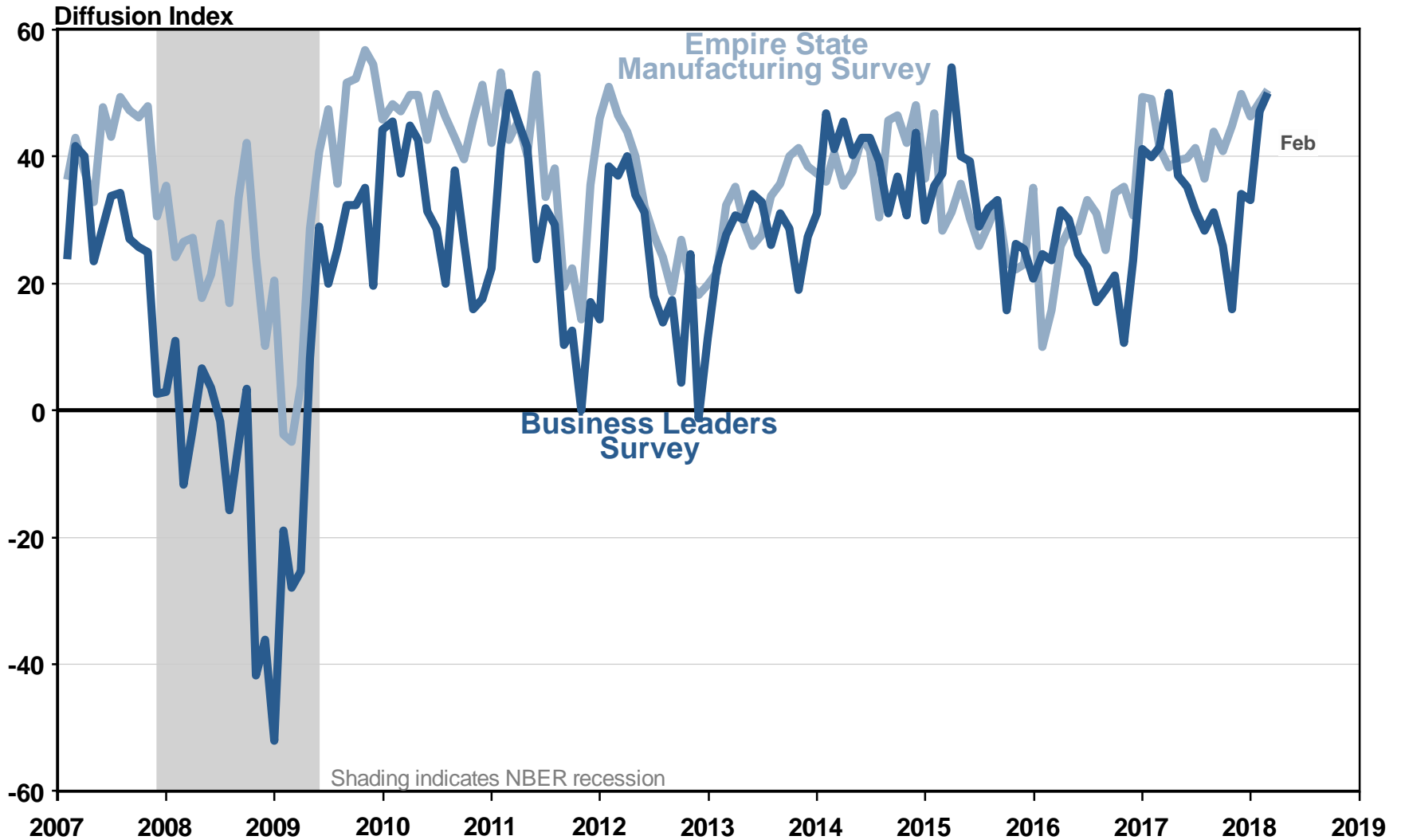
# Current Economic Conditions

## FRBNY Business Surveys, Current Conditions



# Future Economic Conditions

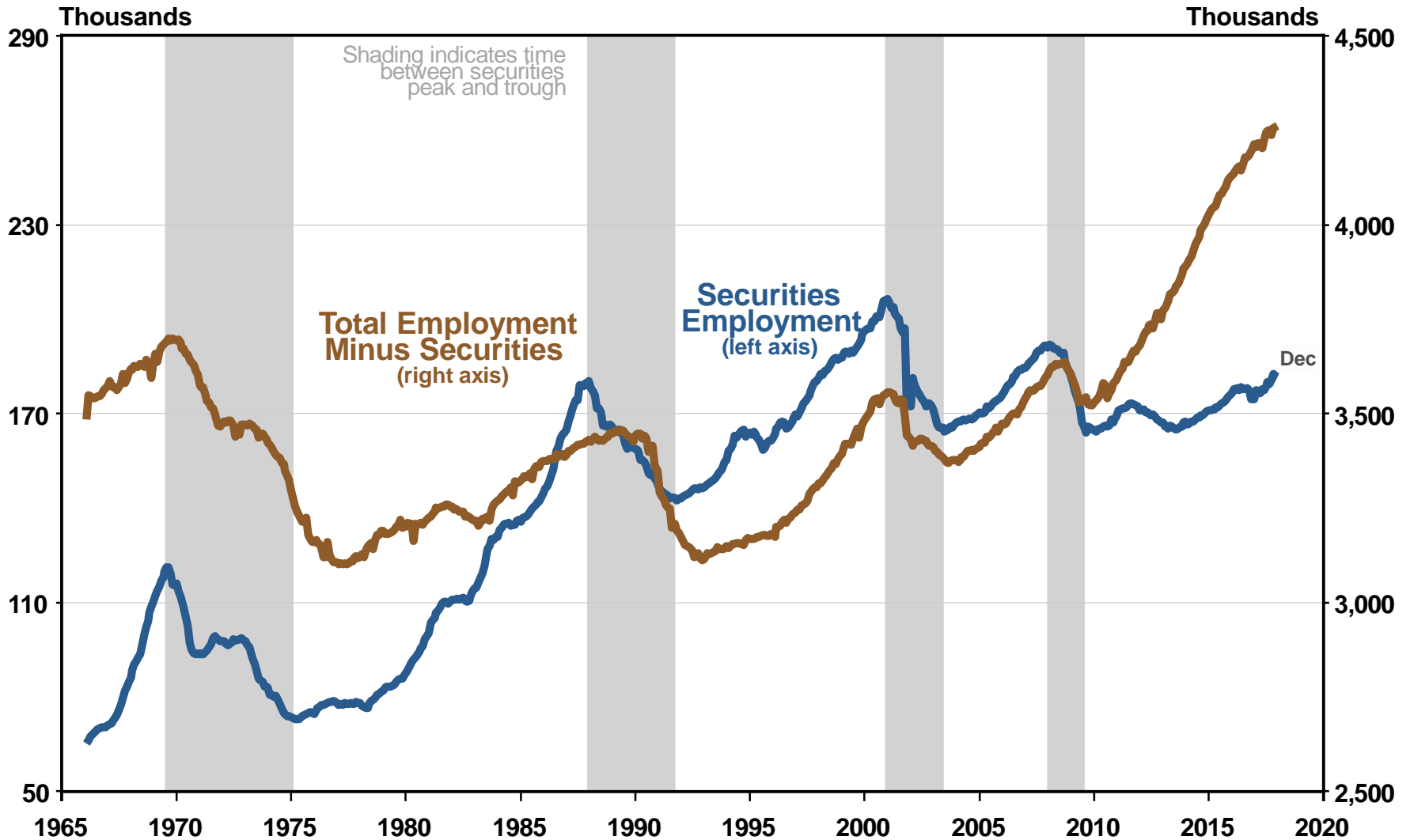
## FRBNY Business Surveys, Conditions Six Months Ahead



Shading indicates NBER recession

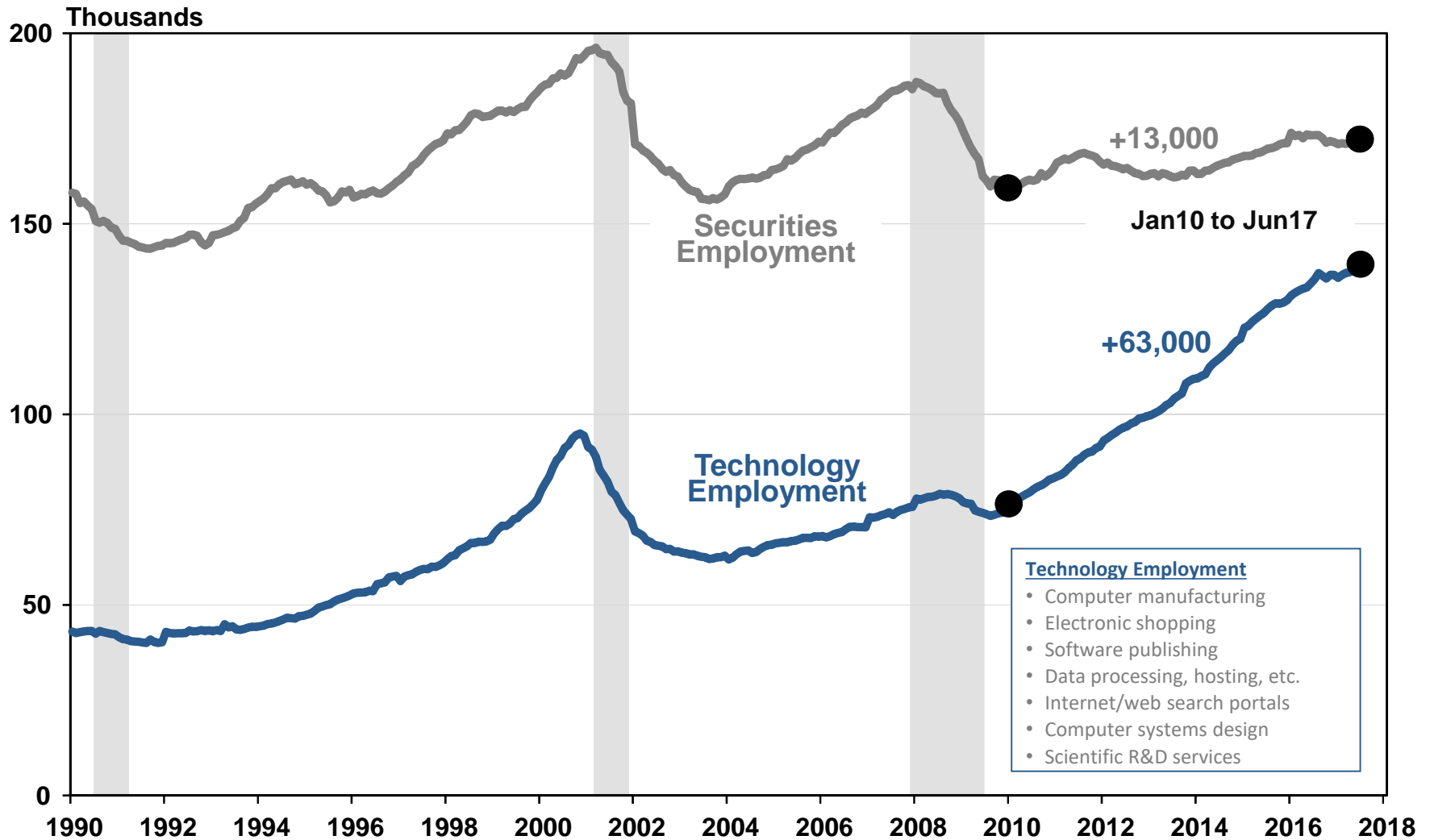
# NYC Securities Employment

## Seasonally Adjusted Levels



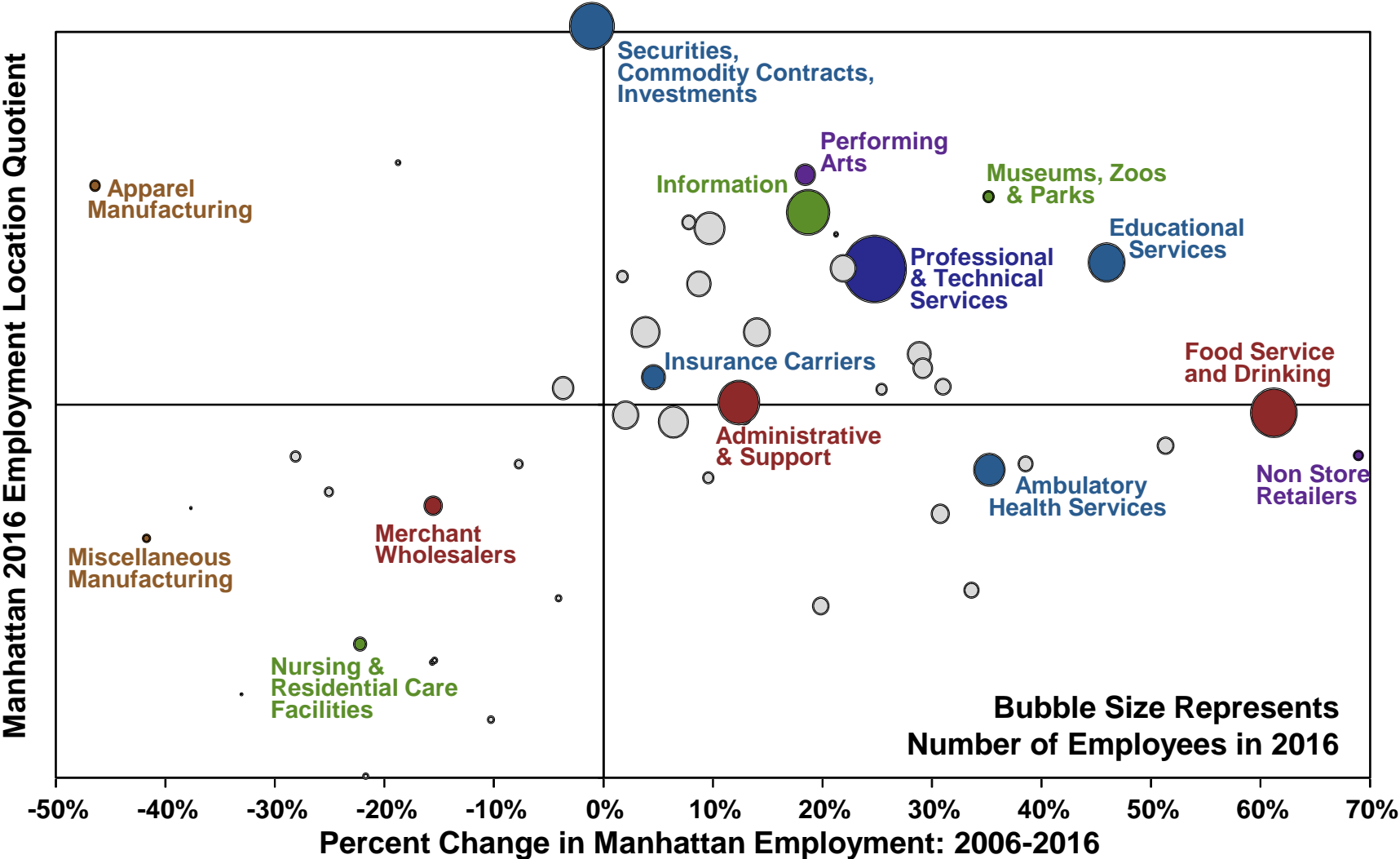
# NYC Tech and Securities Employment

Thousands of Jobs



# Manhattan Specialization

Employment Change, Location Quotient, and Sector Size



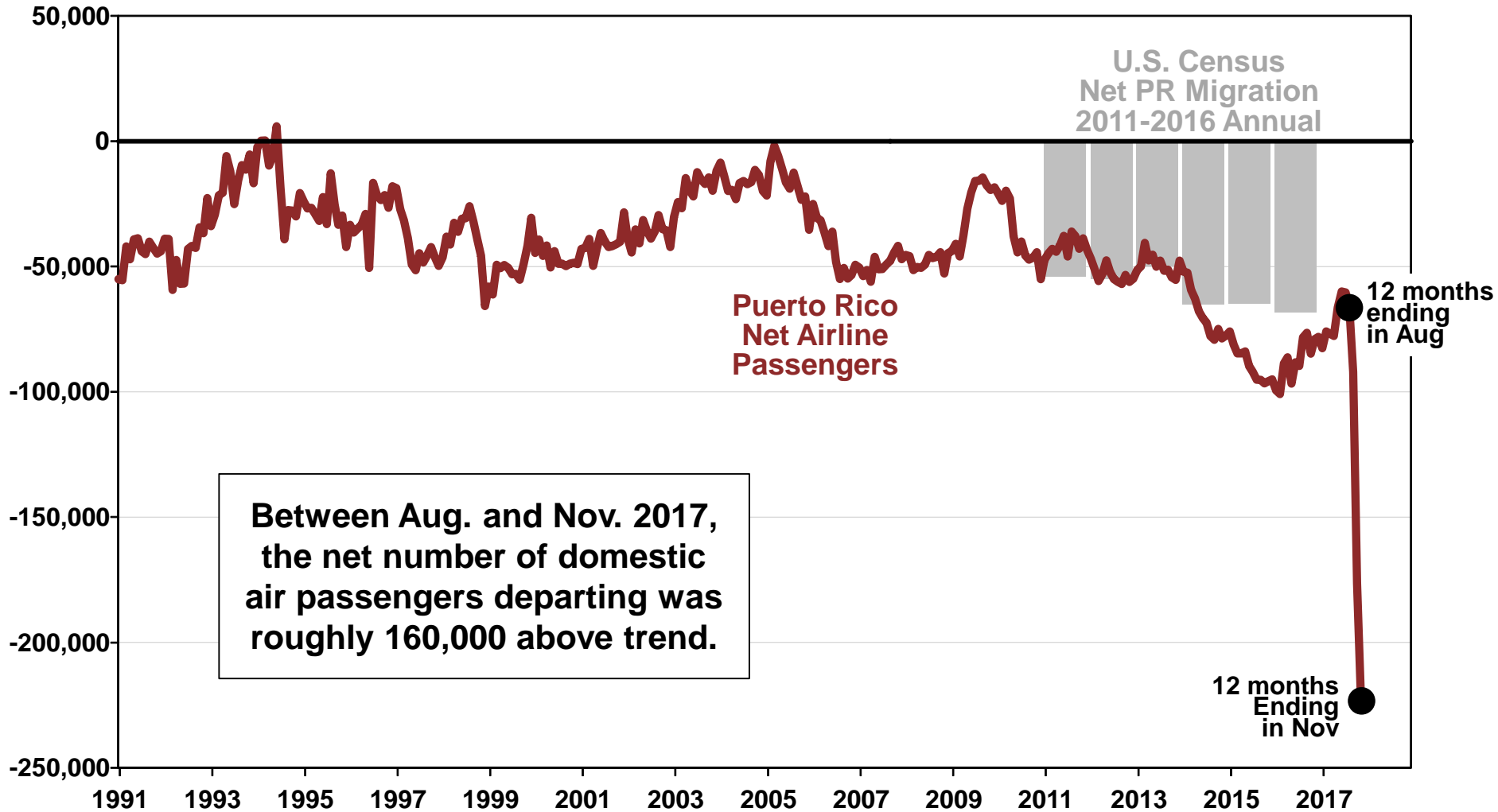
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW).

# What Lies Ahead for Puerto Rico & the US Virgin Islands?

- Both territories were in precarious shape, economically & fiscally, prior to hurricanes Irma & Maria.
- Irma & Maria caused substantial damage and disruption:
  - More than 1,000 lost lives, attributable to the storms, in Puerto Rico.
  - Widespread damage to homes, businesses, infrastructure, agriculture.
  - Puerto Rico's power outage has been the biggest, by far, in US history.
- To begin to gauge the likely economic effect, we look at:
  - How many people left following the storms? and how many will return?
  - What can satellite imagery of nighttime lights tell us about the persistence and geographic breadth of the disruption?
  - How severe have the measured job losses been thus far?
  - What sectors were affected most and has there been any bounce-back?

# Population Loss After the Storms

## Net Domestic Passengers to Puerto Rico, 12-Month Rolling Sum



Between Aug. and Nov. 2017, the net number of domestic air passengers departing was roughly 160,000 above trend.

12 months Ending in Nov

12 months ending in Aug

U.S. Census Net PR Migration 2011-2016 Annual

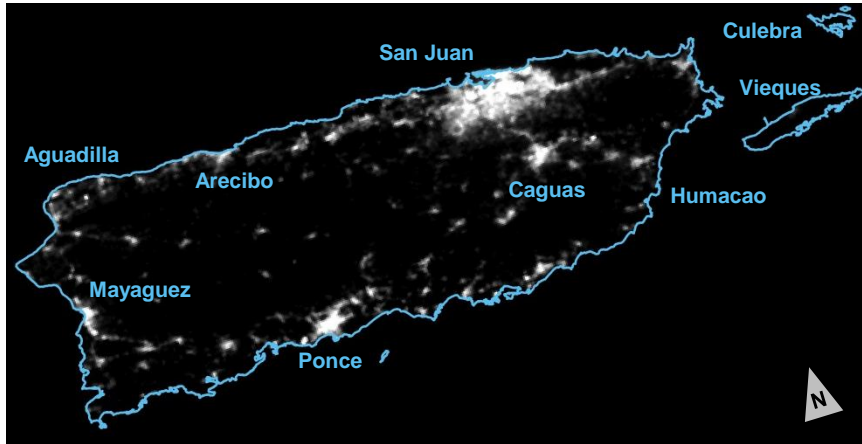
Puerto Rico Net Airline Passengers

Note: Airports are Luis Munoz Marin Intl Airport in San Juan, Mercedita Intl Airport in Ponce, and Rafael Hernandez Intl Airport in Aguadilla. Source: U.S. Bureau of Transportation Statistics and FRBNY staff calculations.

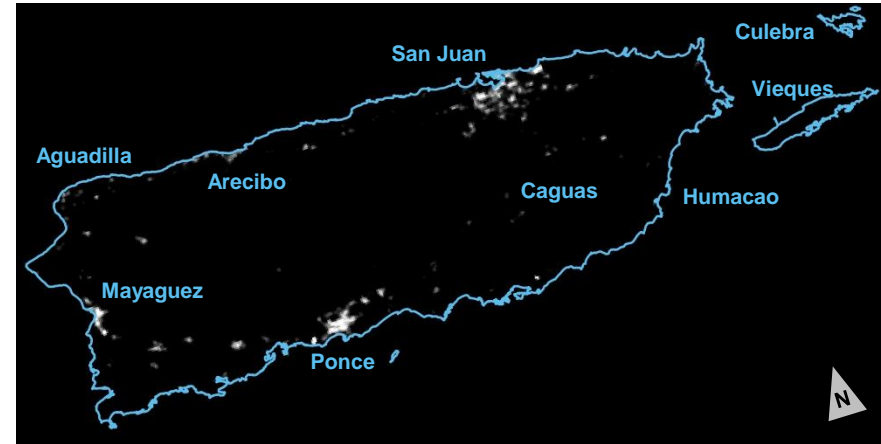


# Nighttime Lights in Puerto Rico

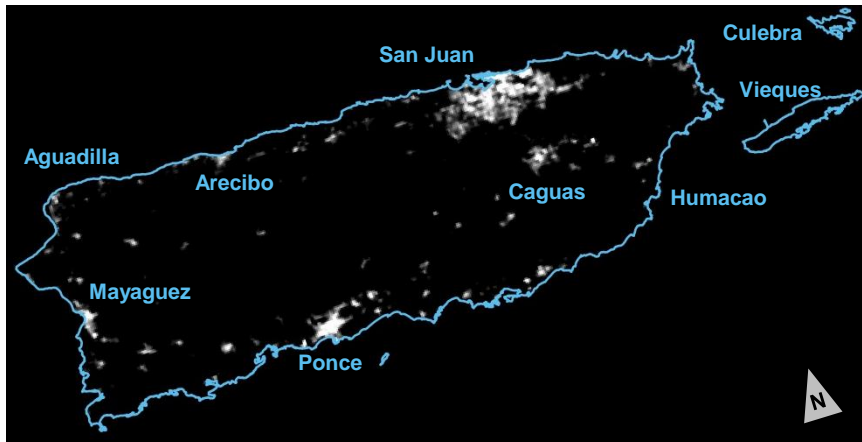
## August



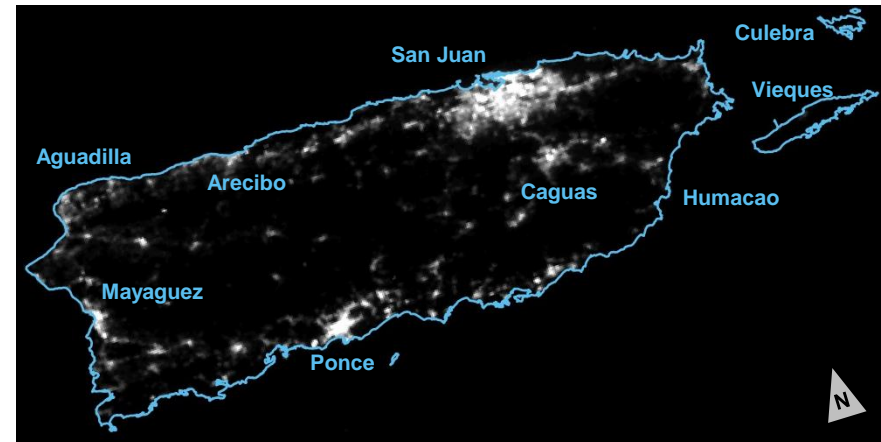
## October



## December



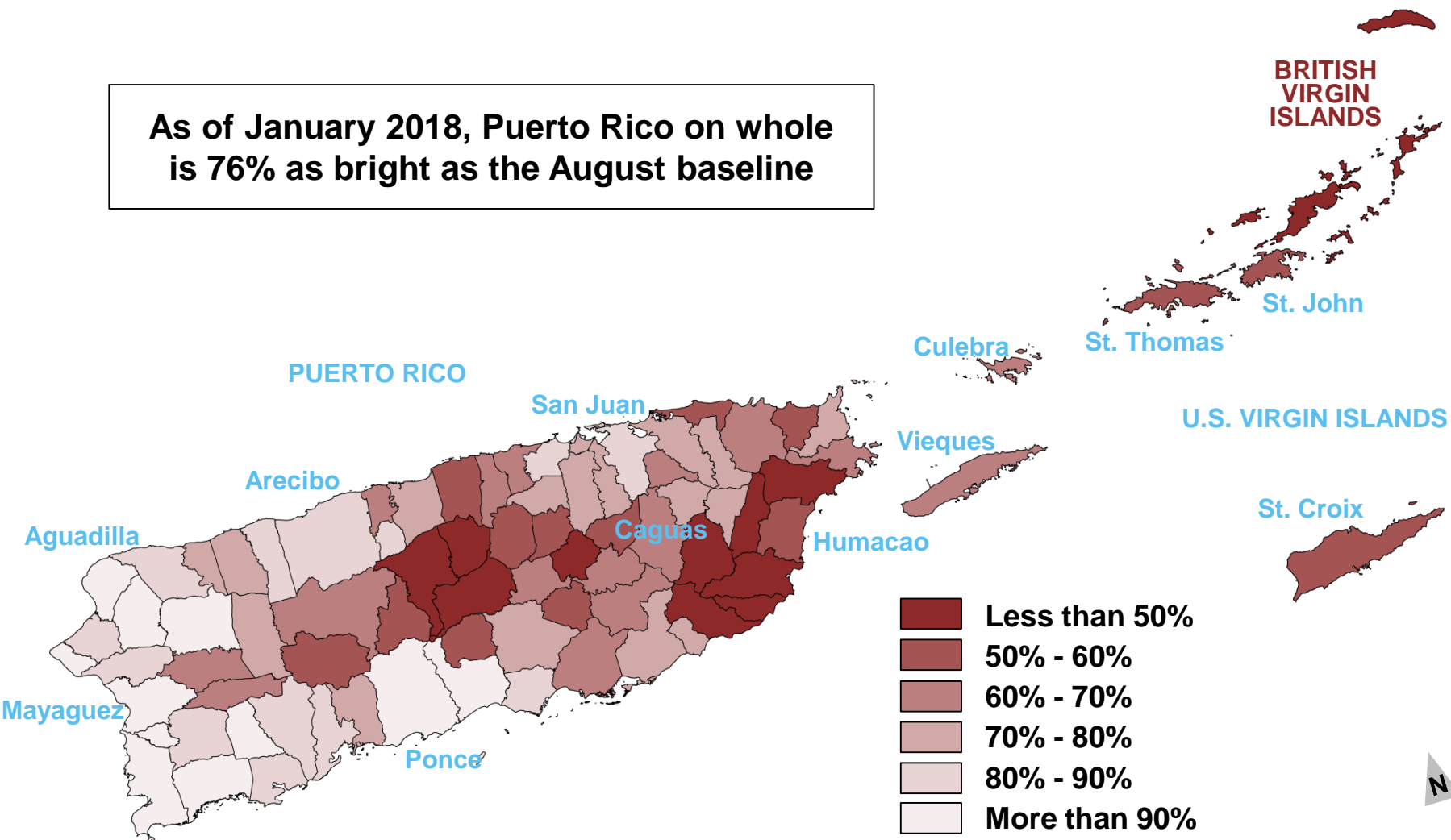
## January



# January Nighttime Lights

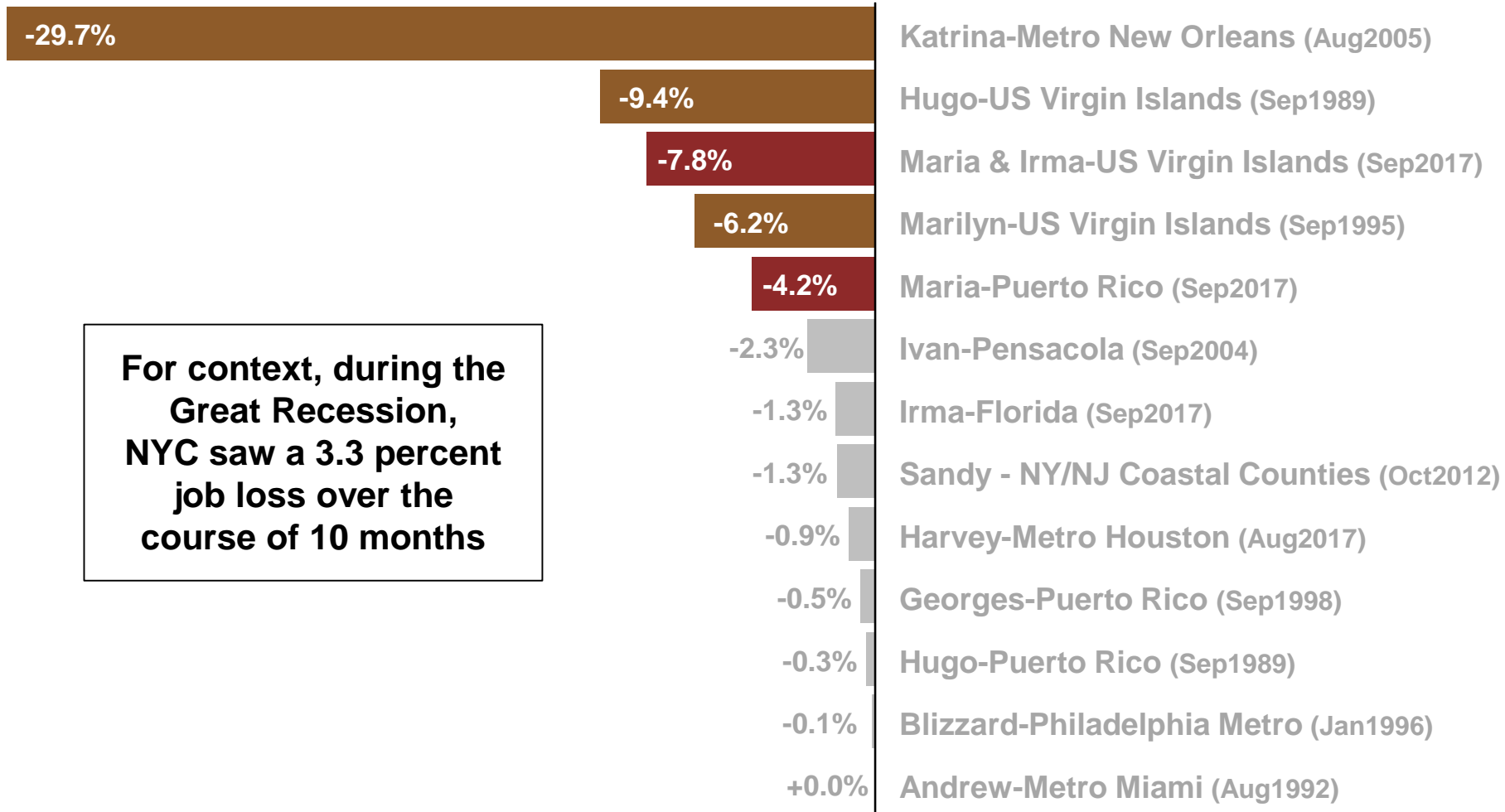
Brightness as a Percentage of August Baseline

As of January 2018, Puerto Rico on whole is 76% as bright as the August baseline



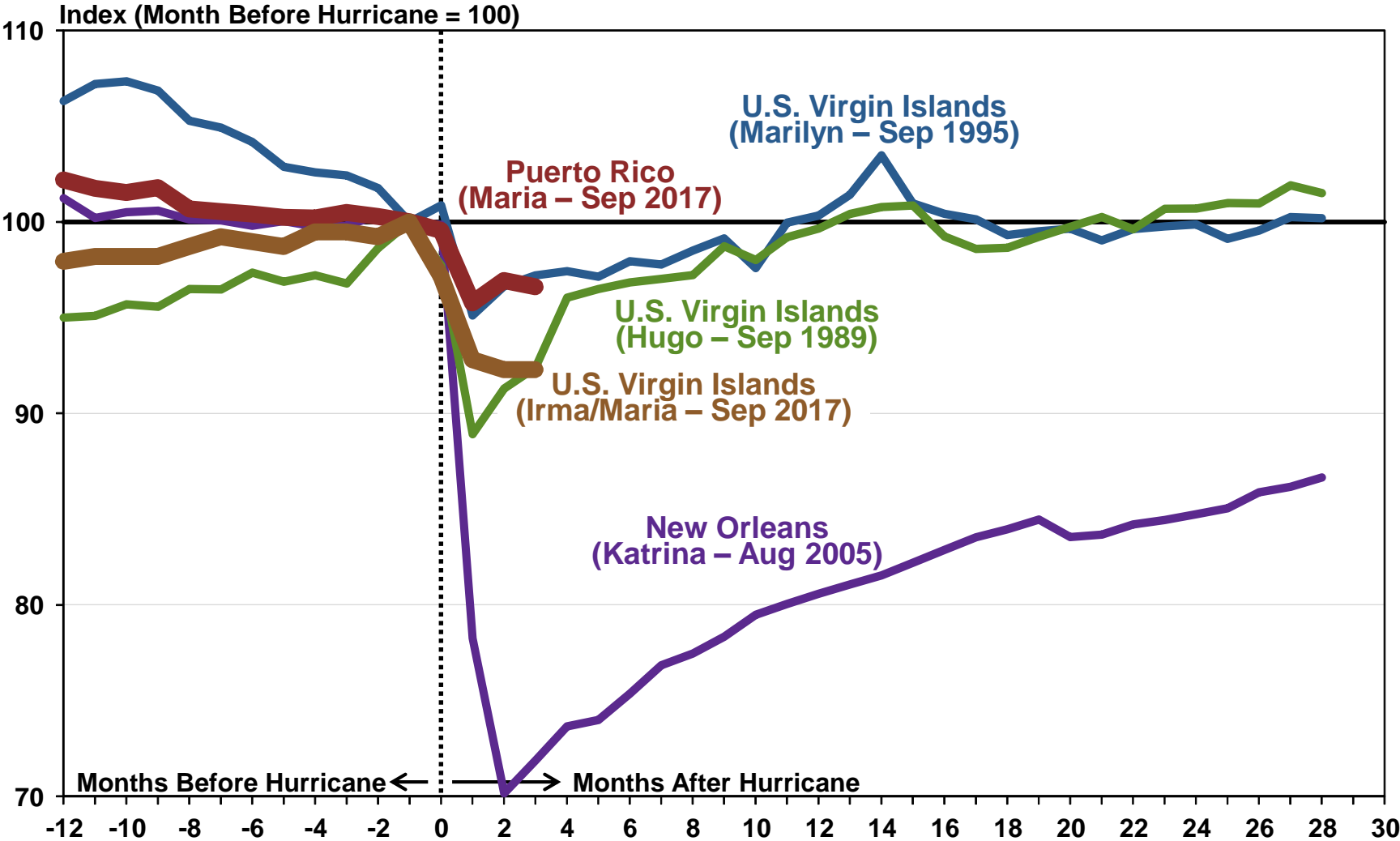
# How Does This Compare to Other Disasters?

## Local Job Loss Following Natural Disasters, from Onset to Trough



# Employment Paths Post Hurricanes

Index (Month Before Hurricane = 100)



Source: U.S. Bureau of Labor Statistics, Moody's Economy.com, and FRBNY staff calculations.

# Regional Recap

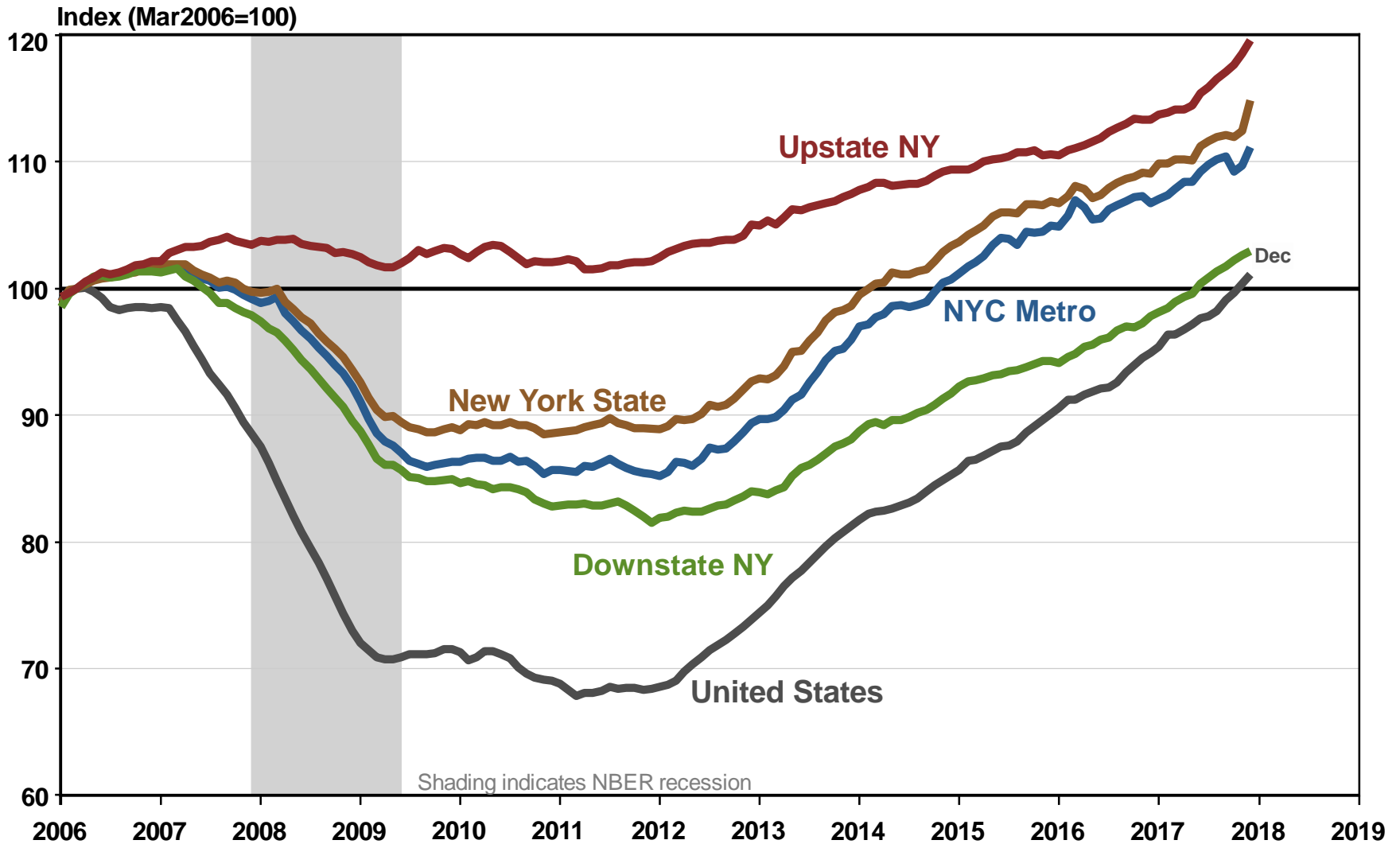
- NYC continues to lead the region in job growth.
- Fairfield County and much of upstate New York have lagged.
- Manufacturers report brisk growth in business activity, while service firms indicate more subdued growth.
- NYC's key securities industry has barely contributed to the city's boom; but brisk growth in a variety of other sectors, notably tech, has contributed to a broad-based expansion.
- Puerto Rico & USVI were devastated by Irma & Maria.
  - Compounding this, they both had economic & fiscal problems beforehand.
  - Puerto Rico's economy has shown signs of resilience.
  - Looking ahead, the recovery will be affected by the degree of out-migration, external aid, fiscal and other reforms.

# **APPENDIX:**

## Home Prices Around the District

# Home Prices

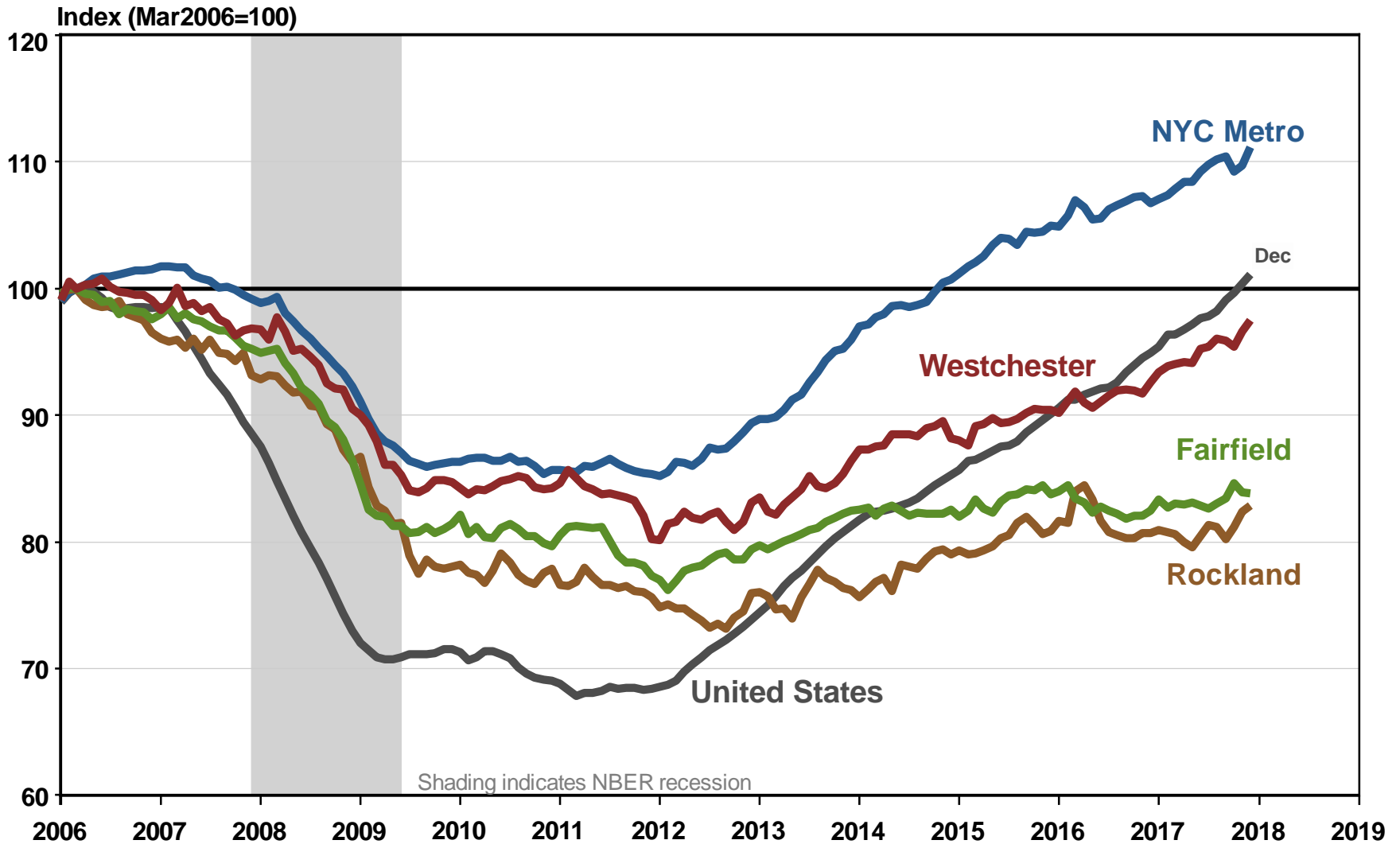
## CoreLogic Home Price Index, Seasonally Adjusted





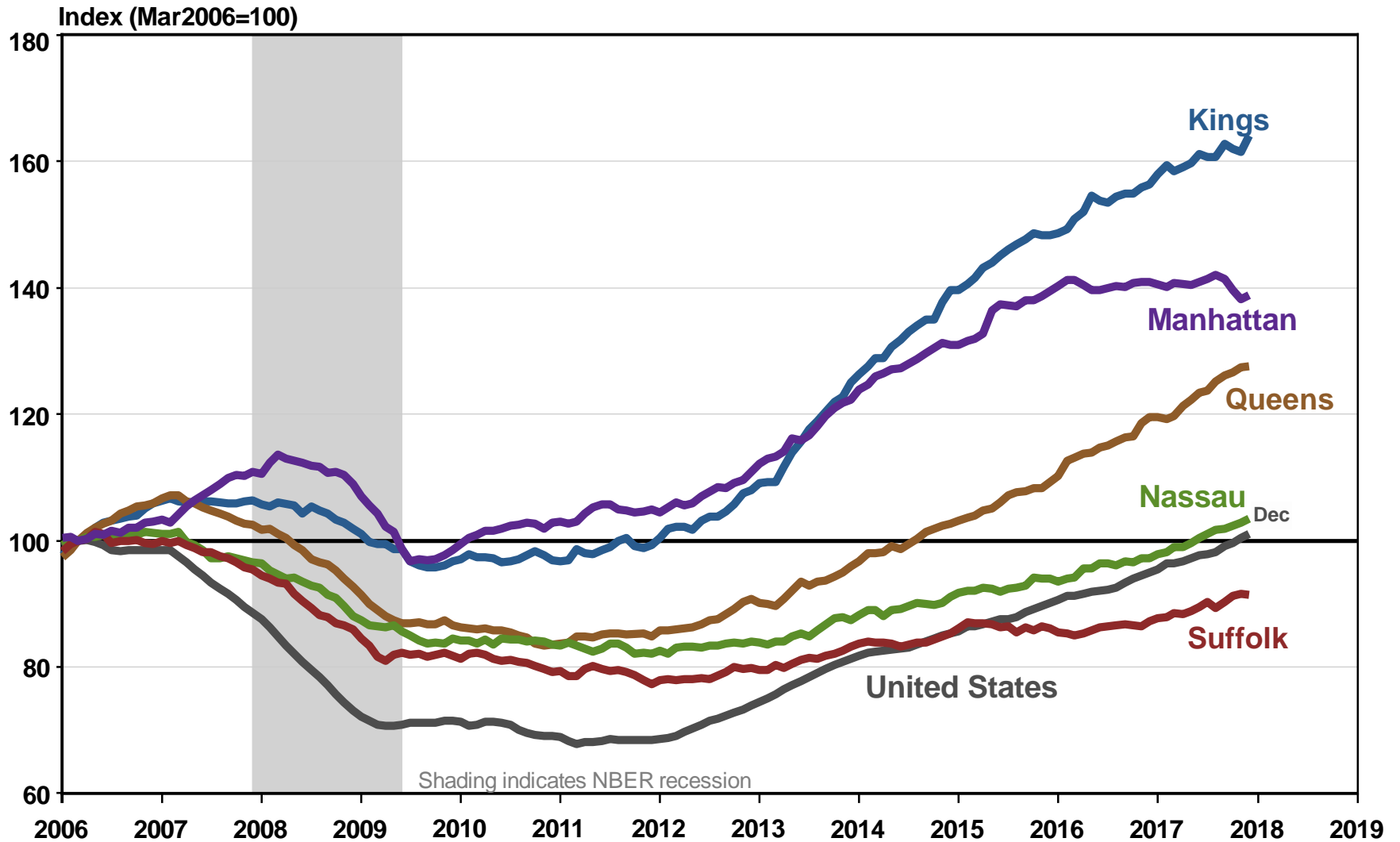
# Home Prices

## CoreLogic Home Price Index, Seasonally Adjusted



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