



FEDERAL RESERVE BANK *of* NEW YORK

Regional Economic Conditions

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Community Advisory Group Meeting – March 25, 2021

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.

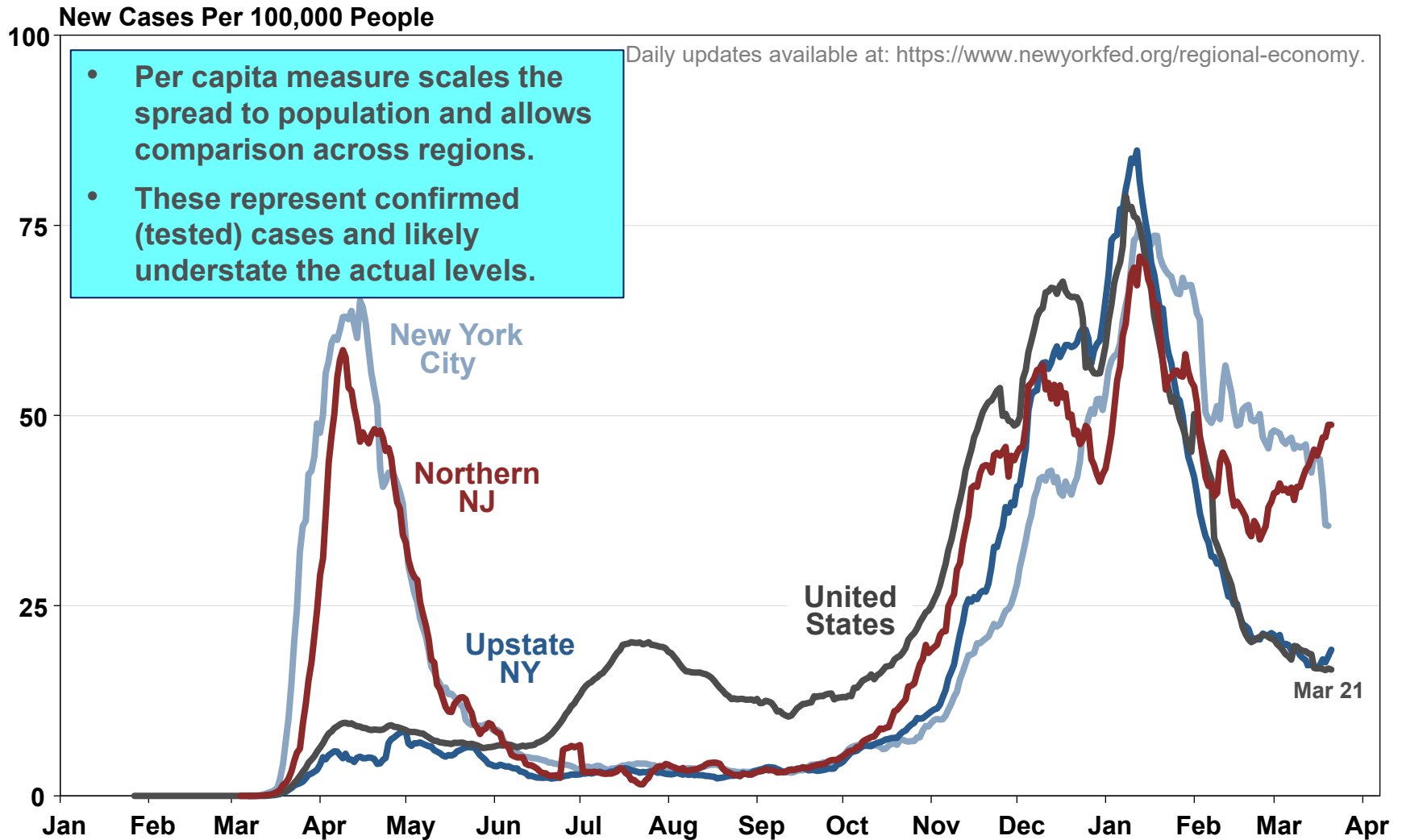
Summary

- The spread of COVID has abated across most of the District, except in Northern New Jersey, where it has turned up again.
- Economic conditions across the District have shown signs of improving, with COVID spread receding, and vaccinations more widely available.
- The economic effect has been particularly severe in New York City—both on employment and consumer spending.
- Puerto Rico has seen a much milder job shortfall than the USVI, likely reflecting key industry sectors (medical manufacturing vs tourism).
- This downturn is more comparable to a natural disaster—similar to the US Virgin Islands after hurricanes Irma & Maria—than a typical recession.
- Our monthly business surveys point to a recent surge in optimism about the outlook, as well as a pickup in inflation.



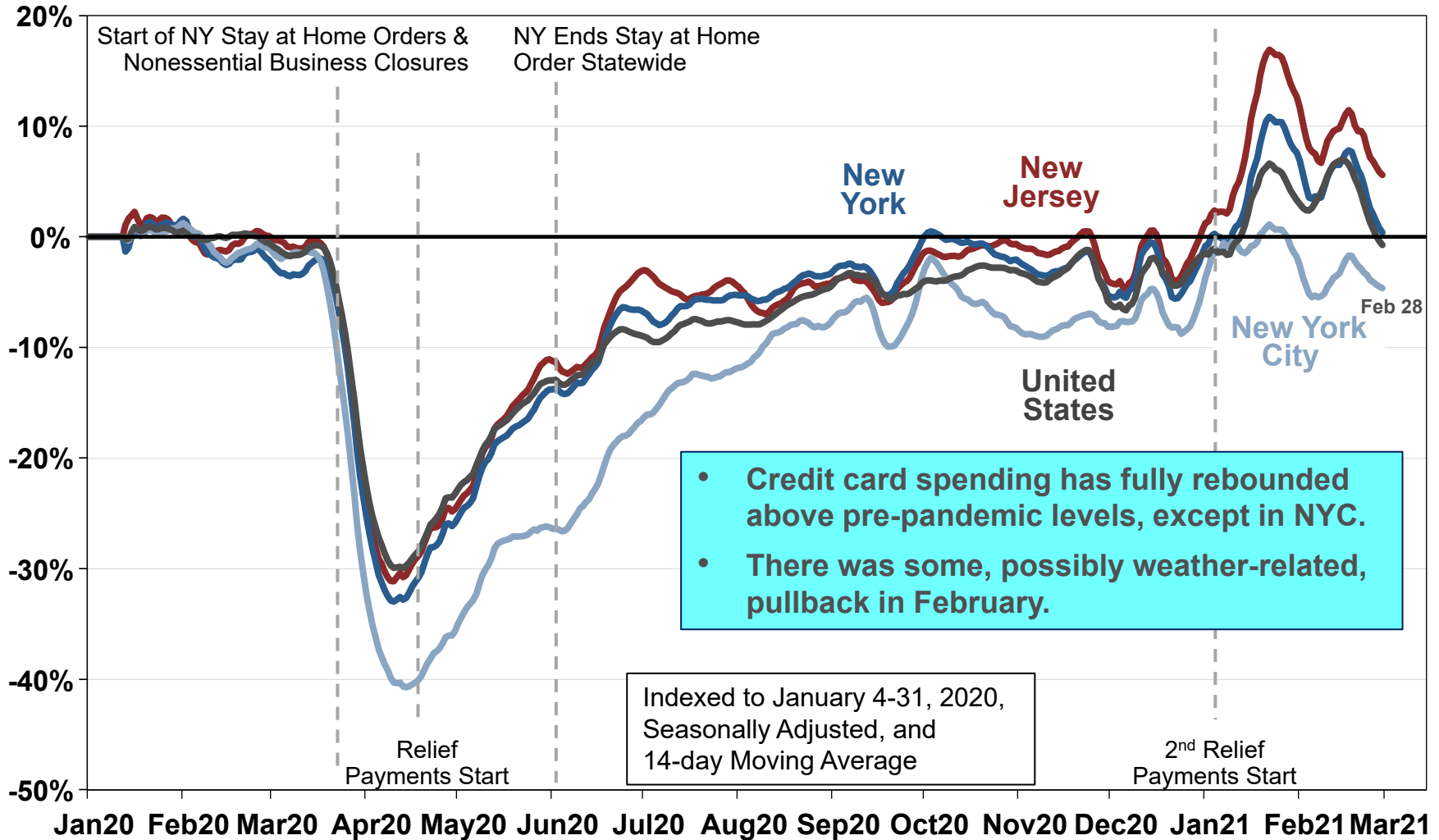
Coronavirus Spread in the Region

Daily New Cases Per Capita, 7-Day Average



The Rebound in Consumer Spending

Percent Change in Total Spending



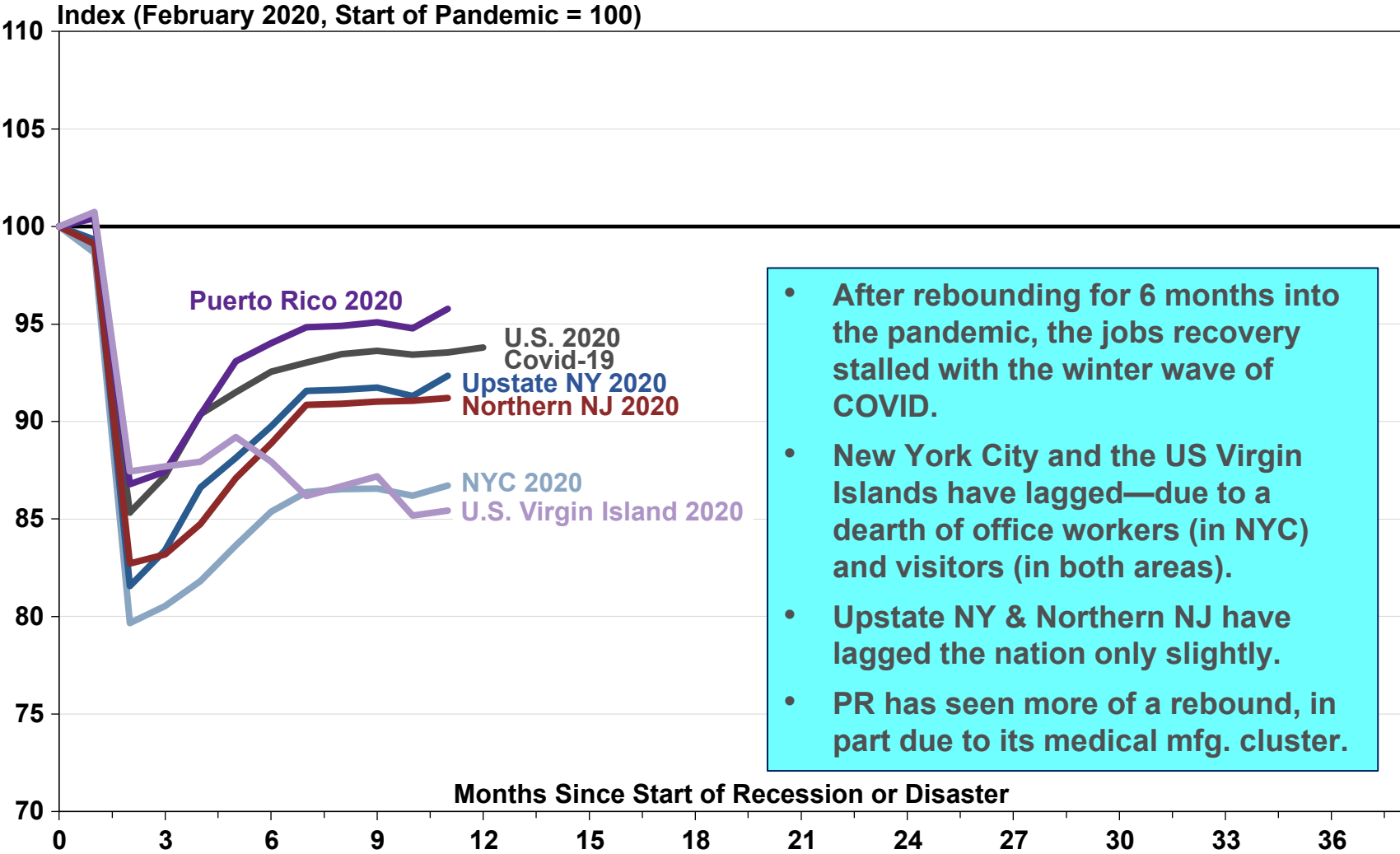
• Credit card spending has fully rebounded above pre-pandemic levels, except in NYC.
• There was some, possibly weather-related, pullback in February.

Indexed to January 4-31, 2020, Seasonally Adjusted, and 14-day Moving Average

NOTE: This measure is not available for Puerto Rico or US Virgin Islands.
Source: Opportunity Insights Economic Tracker and Affinity Solutions.

Employment Has Yet to Fully Rebound

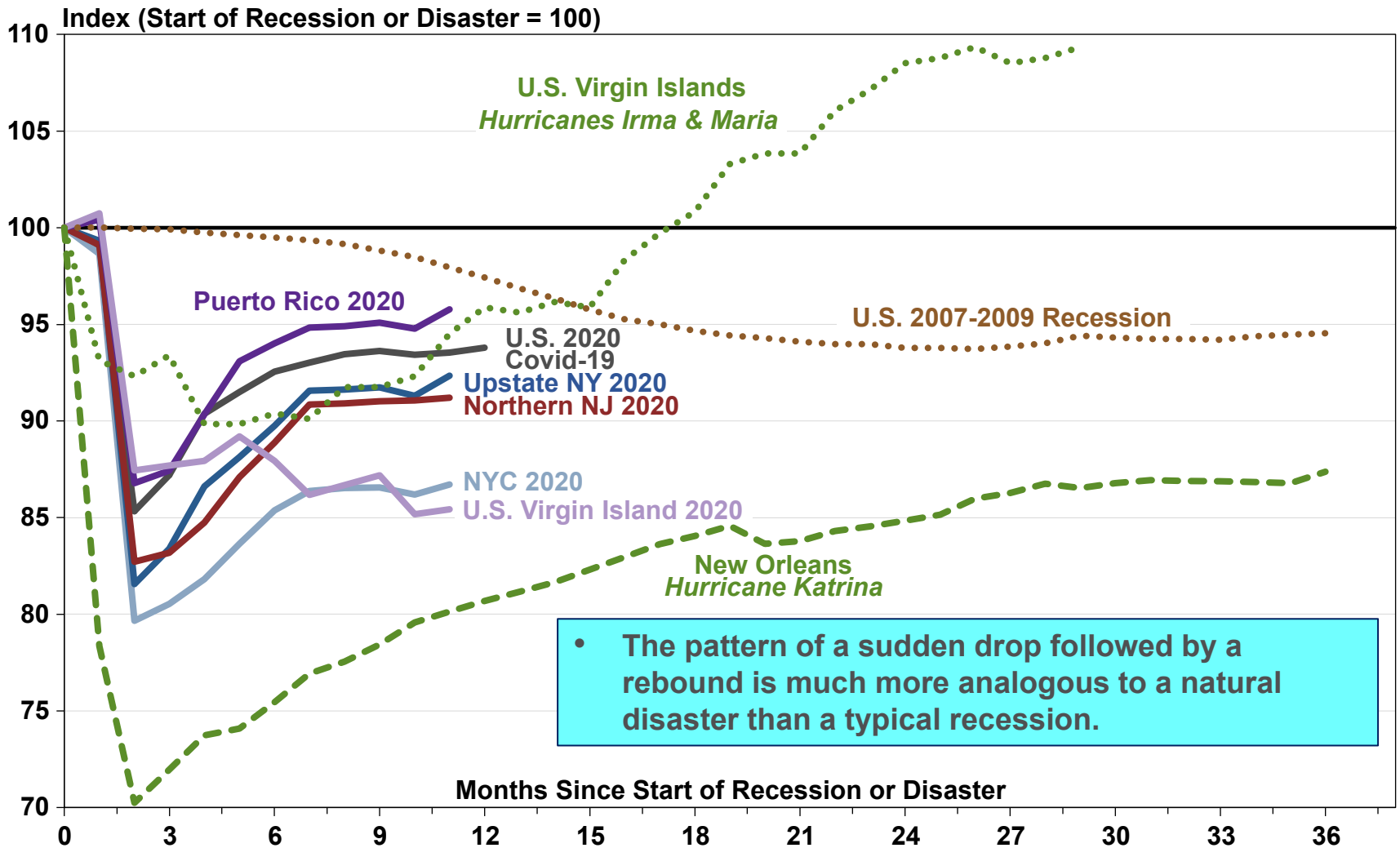
Indexes of Total Employment, Seasonally Adjusted



Source: U.S. Bureau of Labor Statistics and Moody's Economy.com.

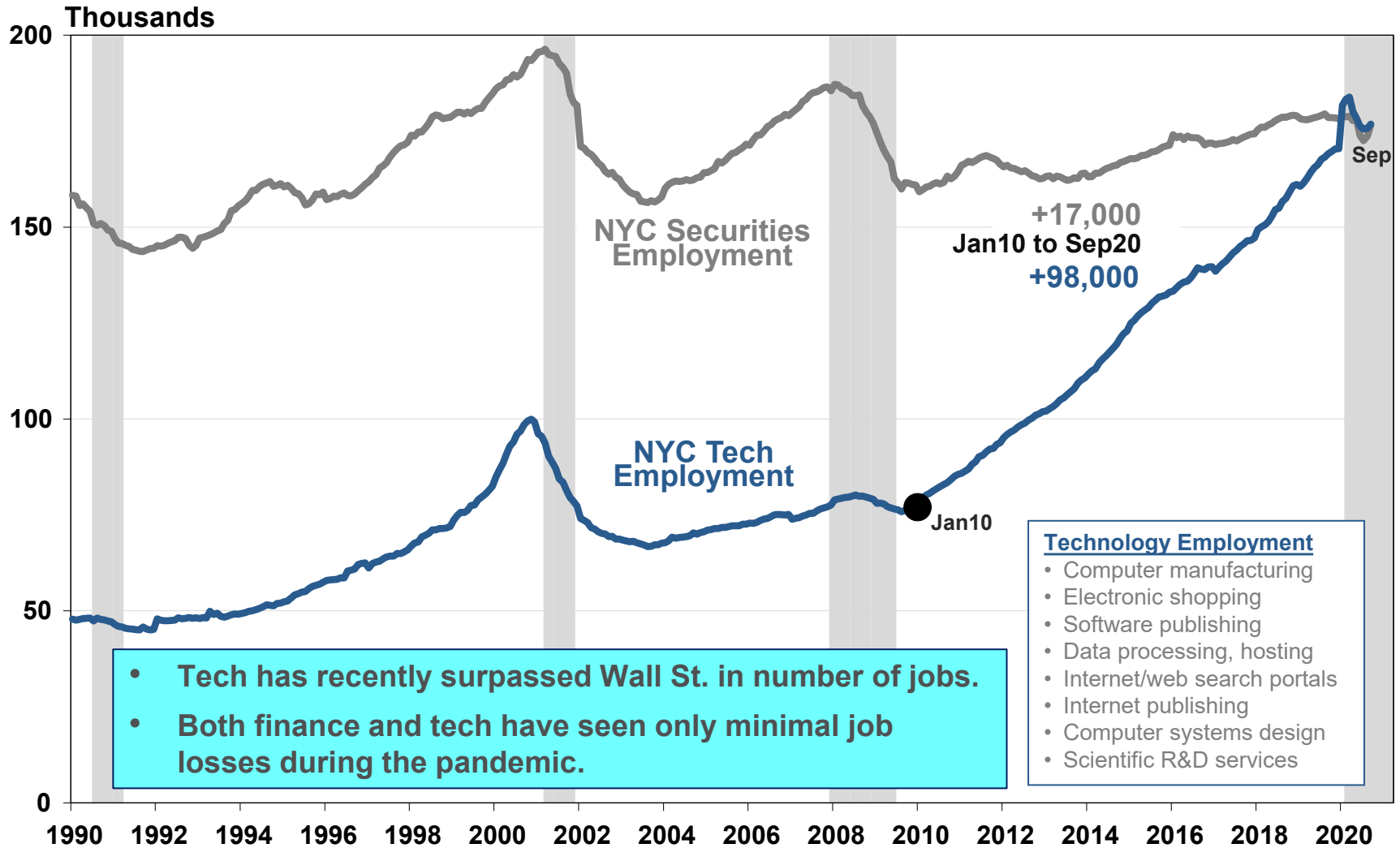
The Pandemic Resembles a Natural Disaster

Indexes of Total Employment, Seasonally Adjusted



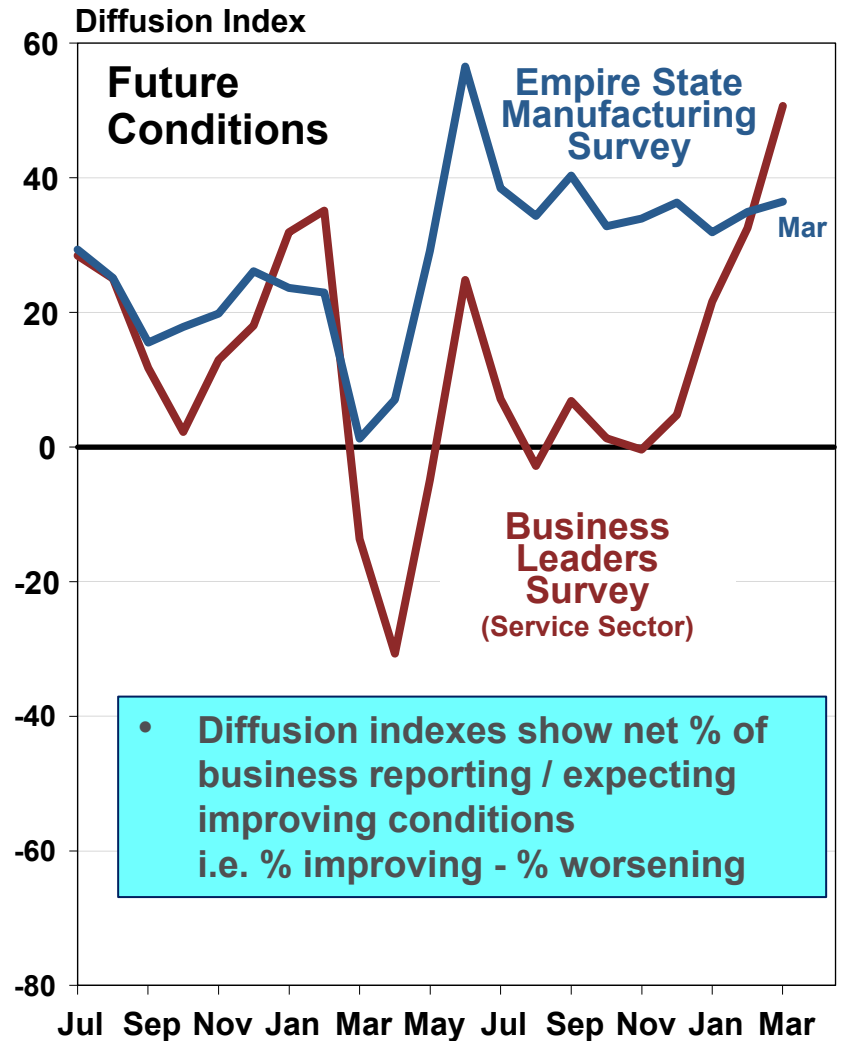
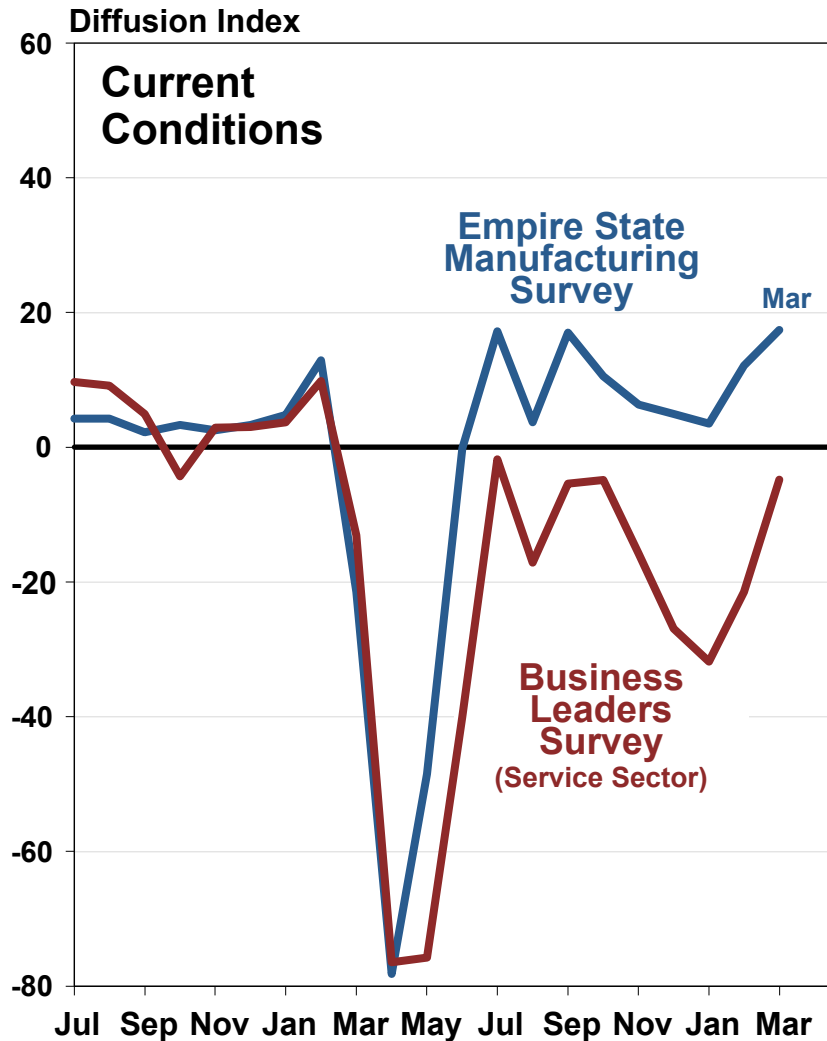
Resilience in New York City's Key Sectors

Number of Jobs in Thousands



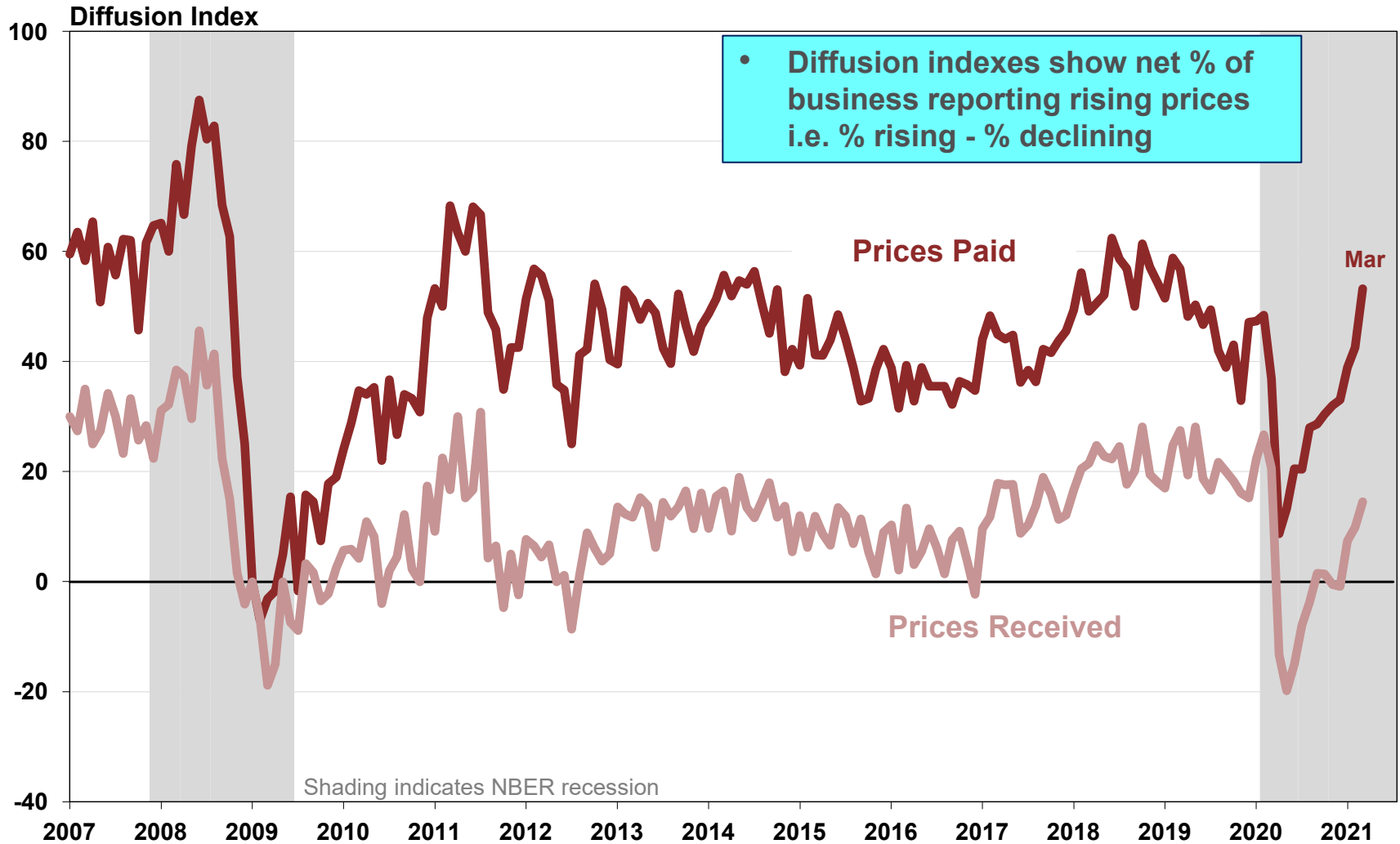
Weak Business Activity but Brightening Outlook

New York Fed Regional Business Surveys



Service Firms Report Accelerating Prices

New York Fed Regional Business Surveys



Manufacturers Seeing Surging Price Pressure

New York Fed Regional Business Surveys

