Economic Conditions in the Region

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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.
Overview of Regional Conditions

• The spread of the virus appears to have slowed in much of the District in recent weeks.

• The job market has been exceptionally tight. While employment has continued to rebound, it is still well below pre-pandemic levels.
  - New York City and the US Virgin Islands have lagged the most.
  - Puerto Rico has rebounded more strongly than other areas.

• Business surveys point to ongoing solid growth in business activity and difficulty hiring workers.

• Home prices have continued to trend up strongly, except in New York City; rents in New York City have rebounded gradually.
Coronavirus Spread in the Region

Daily New Cases Per Capita, 7-Day Average

New Cases Per 100,000 People

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Private-Sector Job Trends

Percent Change from Feb 2020 to August 2021

Employment Below Pre-Pandemic Levels

Percent Change in Total Employment

Shading indicates NBER recessions

Source: Bureau of Labor Statistics and Moody’s Economy.com; data are early benchmarked by FRBNY staff.
FRBNY Expected Employment Revisions

Total Employment in Thousands, as of Aug 2021

Puerto Rico

U.S. Virgin Islands

Long Island

New Jersey

Business Activity Continues to Rebound

FRBNY Business Surveys, Current Conditions

Diffusion Index

Empire State Manufacturing Survey

Business Leaders Survey (Service Sector)

• Diffusion indexes show net % of business reporting rising activity i.e. % rising - % declining

Shading indicates NBER recessions

Source: Federal Reserve Bank of New York.
Businesses Remain Optimistic
FRBNY Business Surveys, Expectations 6 Months Ahead

Diffusion Index

• Diffusion indexes show net % of business reporting rising activity i.e. % rising - % declining

Shading indicates NBER recessions

Source: Federal Reserve Bank of New York.
Share of Firms Having Difficulty Hiring
August 2021 Business Surveys by Industry Sector

- Finance: 45%
- Prof & Business Services: 50%
- Information: 65%
- Wholesale Trade: 70%
- Leisure & Hospitality: 70%
- Manufacturing: 70%
- Transport & Warehousing: 75%
- Retail: 75%
- Education & Health: 75%
- Construction: 80%

Source: Federal Reserve Bank of New York Supplemental Surveys (Empire State Manufacturing Survey & Business Leaders Survey).
Home Prices Have Surged Outside NYC

CoreLogic Home Price Index, Seasonally Adjusted

Source: CoreLogic Home Price Index (including distressed sales).
NYC Rents Have Rebounded Albeit Gradually

Percent Change in Median Rents, Indexed to Feb 2020

Source: Miller Samuel Elliman Report; Median Rents with Concessions [https://www.millersamuel.com/regions/manhattan/](https://www.millersamuel.com/regions/manhattan/).