Overview of the Regional Economy

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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.
Summary

• Population trends before and during pandemic.

• Employment trends across the District.

• Recent developments in the wake of Omicron, supply bottlenecks, and labor shortages.
Cities Grew Much More than Estimated
Population Growth 2010-19 (est) & 2010-20 (based on Census)

NYC
[Manhattan]
[Queens]
Newark
Jersey City
Bridgeport
Stamford
Buffalo
Rochester
Syracuse
Albany

Preliminary Estimate
Final based on 2020 Census

Source: U.S. Census Bureau; FRBNY Staff Calculations
NYC Population Change by Borough
Percentage Change from February 2020

Based on population with credit records
Source: New York Fed Consumer Credit Panel / Equifax
Total Employment
Seasonally Adjusted Index

Percent Change Since Feb 2020

Shading indicates NBER recessions

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

Seasonally Adjusted Index

Percent Change Since Feb 2020

Shading indicates NBER recessions

Source: Bureau of Labor Statistics and Moody's Economy.com; data are early benchmarked by FRBNY staff.
Manufacturing Survey
Empire State Business Leaders Survey

Source: Federal Reserve Bank of New York.
New York City Subway Ridership:
% Change from Comparable Pre-Pandemic Day

Moving 7-day average of daily data
Source: MTA
Summary

• 2020 Census data show that cities across the region saw much stronger population growth, prior to the pandemic, than had been estimated.

• During the pandemic, New York City saw modest net out-migration, mostly from Manhattan, though that has begun to reverse.

• Employment has continued to rebound briskly across most of the District.
  o New York City has the steepest job shortfall, but the rebound has been strong.
  o Puerto Rico employment has reached its highest level in more than 6 years, whereas employment in the US Virgin Islands’ has languished.

• The winter Omicron outbreak had a brief effect on the regional economy.
  o NYC subway ridership, which fell back in January, has rebounded and is near a post-pandemic high.
  o Our monthly business surveys point to a resumption of growth in the service sector but some slippage in activity among manufacturers.
  o Businesses continue to report widespread price escalation, amidst supply disruptions and labor shortages but remain optimistic about the outlook.
Future Economic Conditions

FRBNY Business Surveys, Conditions Six Months Ahead

Diffusion Index

Empire State Manufacturing Survey

Business Leaders Survey

Shading indicates NBER recessions

Source: Federal Reserve Bank of New York.
Widespread Labor Shortages
Job Openings as a Share of Companies' Workforce

Source: Supplemental Survey Reports, Federal Reserve Bank of New York.
Widespread Supply Disruptions

February 2022 Supplemental Survey

If you are experiencing difficulty obtaining supplies you need, what is the soonest you expect such difficulties to resolve so they are no longer having a significant impact on your business?

Source: Supplemental Survey Reports, Federal Reserve Bank of New York.
Price Changes Reported by Service Firms

New York Fed Regional Business Surveys

Average Reported Change in Input Prices for Current Year

*Question first asked in 2020.
Source: Supplemental Survey Reports, Federal Reserve Bank of New York.
Price Changes Expected by Service Firms

New York Fed Regional Business Surveys

Average Expected Change in Input Prices for Next Year

- Wages
- Employee benefits
- Rent*
- Insurance (liability, fire, ...)
- Outside Services
- Other Operating Costs*
- Energy
- Other commodities
- Overall

*Question first asked in 2020.
Source: Supplemental Survey Reports, Federal Reserve Bank of New York.
Average Reported Change in Input Prices for Current Year

*Question first asked in 2020.

Source: Supplemental Survey Reports, Federal Reserve Bank of New York.
Price Changes Expected by Manufacturers

New York Fed Regional Business Surveys

Average Expected Change in Input Prices for Next Year

- Wages
- Employee benefits
- Rent*
- Insurance (liability, fire, etc.)
- Outside Services
- Other Operating Costs*
- Energy
- Other commodities
- Overall

*Question first asked in 2020.

Source: Supplemental Survey Reports, Federal Reserve Bank of New York.
Office Vacancy Rates

Overall Vacancy Rates

Source: Cushman & Wakefield.
Home Prices

CoreLogic Home Price Index, Seasonally Adjusted

Source: CoreLogic Home Price Index (including distressed sales).
Home Prices

CoreLogic Home Price Index, Seasonally Adjusted

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