Overview of Regional Conditions

- In New Jersey, employment has fully recovered from the pandemic; in Puerto Rico it is at a 12-year high; elsewhere in the region, it lags.

- Our regional business surveys point to little or no growth in recent months.

- Inflationary pressures appear to have subsided somewhat.

- Hurricane Fiona devasted parts of Puerto Rico, but the overall economic impact and power outages appear to be far more modest than after Maria.

- While remote work is well off its peak incidence during the pandemic, the current high levels look to be here to stay, at least in the service sector. This is evident from our surveys and also from NYC subway ridership.
Job Trends Since the Start of the Pandemic
Percent Change in Total Employment Since Feb 2020

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Percent Change in Total Employment Since Feb 2020

Regional Growth Has Stalled in Recent Months

New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
Price Pressures Easing, Especially in Manufacturing

New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
Puerto Rico & Hurricane Fiona

• Hurricane Fiona devastated parts of Puerto Rico—particularly the southern and interior parts of the main island—with heavy flooding but far less wind damage than Maria. Power restoration is much quicker this time.

• Non-profits and businesses were reportedly much better prepared for Fiona than Maria—on backup power, contingency, communication, and funding,

Source: Earth Observation Group, Payne Institute, Colorado School of Mines  https://payneinstitute.mines.edu/eog/nighttime-lights/
Remote Work Is Sticking in the Region
Average Share of Hours Worked Remotely, Service Firms

Before the Pandemic

June 2021
33%
August 2022
21%
Expected Next Year
18%

Source: Abel, Bram, and Deitz “Remote Work is Sticking,” FRBNY Liberty Street Economics, August 18, 2022.
NYC Subway Ridership:
% Change from Comparable Pre-Pandemic Day

Moving 7-day average of daily data
Source: MTA
Reference Slides
Pre-Pandemic Jobs Shortfall by Local Area
Percent Below Feb 2020 Employment Level (as of Aug 2022)

The Region’s Pandemic Housing Boom
Percent Change in Home Prices Since Feb 2020

Source: Zillow Home Value Index, U.S. Census Bureau, Moody’s Analytics.
New York City Rents Leveling Off?

Median Market Rents with Concessions by Borough

Regional Growth Stalled in Early 2022

New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
Manufacturing Price Pressures Abating

New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
Service Price Pressures Abating Slightly

New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.

Shading indicates NBER recession

Source: BLS

Prices Paid
Current

Prices Received
Current

BLS

Sep