Economic Conditions in the Region

Jason Bram

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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

- Our regional business surveys have been signaling weakening conditions in recent months, even as employment has risen.
- Three years after the pandemic hit, job losses across the region have largely been reversed—even in New York City.
- In northern New Jersey and Puerto Rico, employment is well above pre-pandemic levels.
- Inflationary pressures and wage pressures remain persistent but have moderated, and supply disruptions have eased.
- Since peaking last summer, home prices have been flat to down slightly. Office vacancy rates are at multi-year highs.
Regional Growth Has Stalled
New York Fed Regional Business Surveys

Diffusion Index

Current Conditions

Empire State Manufacturing Survey

Business Leaders Survey (Service Sector)

Shading indicates NBER recession

Source: Federal Reserve Bank of New York.
Regional Growth Has Stalled
New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
The Tri-State Region’s Jobs Recovery

Percent Change in Total Employment Since Feb 2020

Diverging Employment Paths in Puerto Rico and the USVI

Percent Change in Total Employment Since Feb 2020

Current Job Openings as a % of Employment
New York Fed Supplemental Business Surveys

Service Firms vs. Manufacturers

Source: Federal Reserve Bank of New York Supplemental Survey, February 2023 and earlier months
Median Percent Change in Wages & Salaries
New York Fed Supplemental Business Surveys

- Nov, 2018 Survey (Past 12 Months)
- Nov, 2019 Survey (Past 12 Months)
- April 2021 Survey (Past 12 Months)
- Feb. 2023 Survey (Past 12 Months)
- Feb. 2023 Survey (Next 12 Months)

Source: Federal Reserve Bank of New York Supplemental Survey, February 2023 and earlier months
Supply Disruptions Are Easing

New York Fed Regional Business Surveys

Supply Availability

Diffusion Index

Business Leaders Survey (Service Sector)

Empire State Manufacturing Survey

Source: Federal Reserve Bank of New York.
Inflationary Pressures Have Moderated

New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
Home Prices Have Plateaued

Home Price Growth Since Feb 2020

Source: Zillow Home Value Index, U.S. Census Bureau, and Moody’s Analytics.
Office Vacancy Rates

Overall Vacancy Rates

Percent

Shading indicates NBER recessions

Source: Cushman & Wakefield.
Reference Slides
Pre-Pandemic Job Shortfalls by Local Area
Percent Above/Below Feb 2020 Employment Level (as of Feb 2023)

Home Price Increases by Local Area
Percent Change in Home Prices, Feb 2020 to Feb 2023

Source: Zillow Home Value Index, U.S. Census Bureau, and Moody's Analytics.