



FEDERAL RESERVE BANK *of* NEW YORK

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.

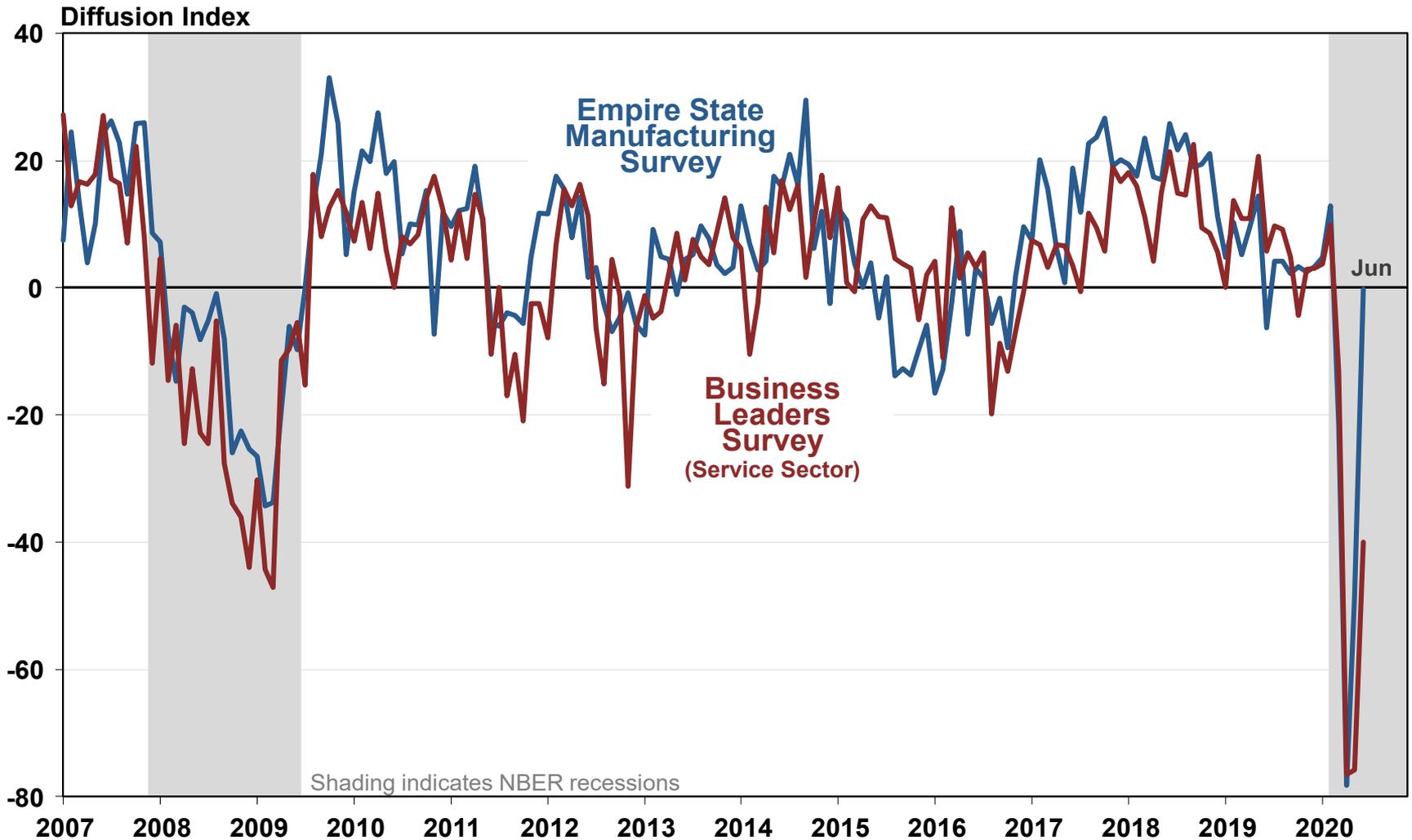
Overview of Regional Conditions

- The regional economy has started to show signs of improvement after three months of unprecedented decline due to the coronavirus pandemic. The pace of decline slowed considerably in the service sector in June, while activity has largely stabilized in the manufacturing sector.
- Pandemic-related job loss has been much more severe in the NY-NNJ region than in the nation as a whole, particularly in and around NYC. By contrast, while still substantial, Puerto Rico's job loss was not as steep.
- As non-essential businesses have reopened, many firms have started to recall workers that were furloughed or temporarily laid off and some have even hired new workers. However, even with this recent job growth, employment in the region remains well below pre-pandemic levels.
- Looking ahead, businesses in the region have become optimistic that conditions will improve in the next six months, though from extremely low levels.



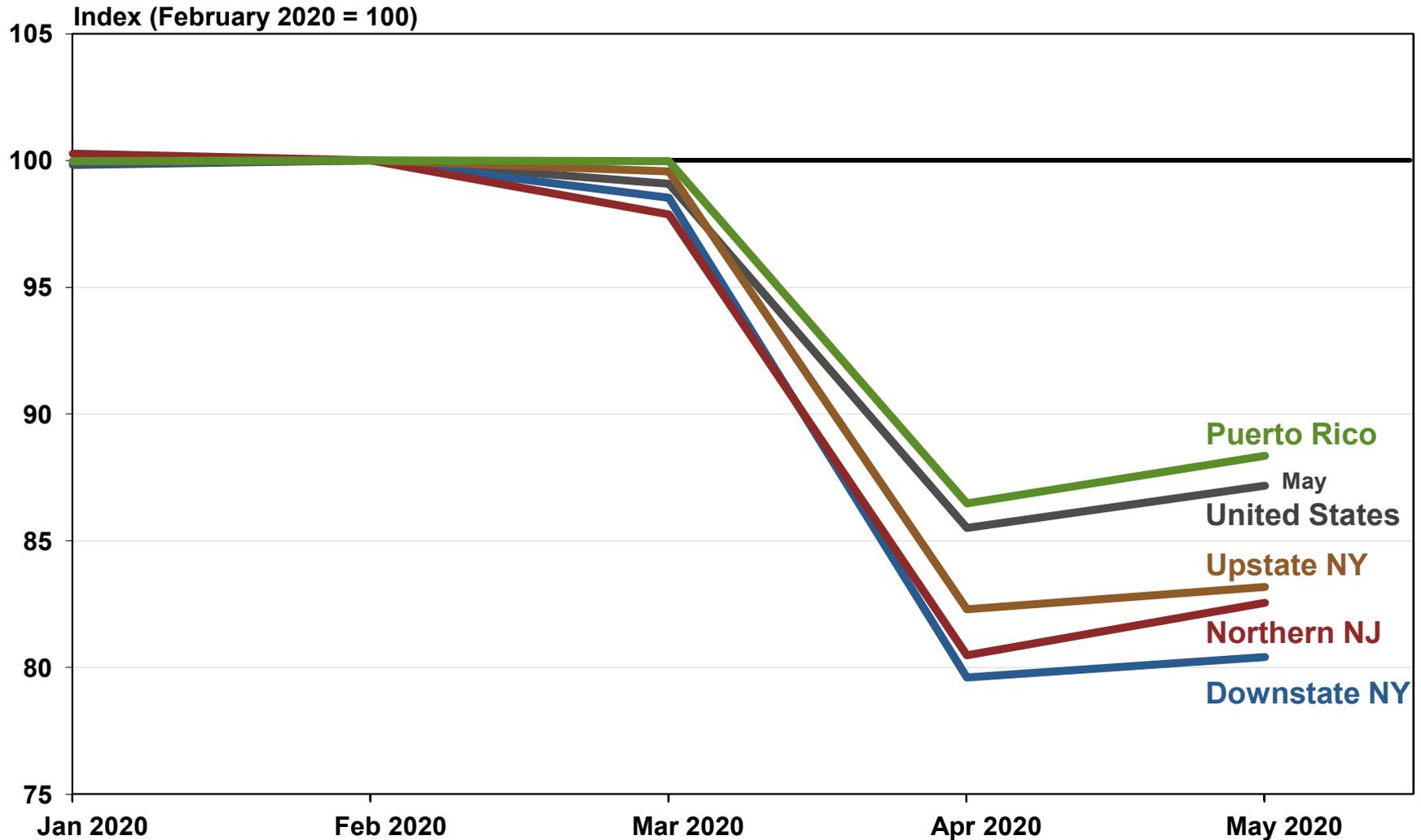
Historic Plunge in Regional Business Activity

New York Fed Regional Business Surveys, Current Conditions



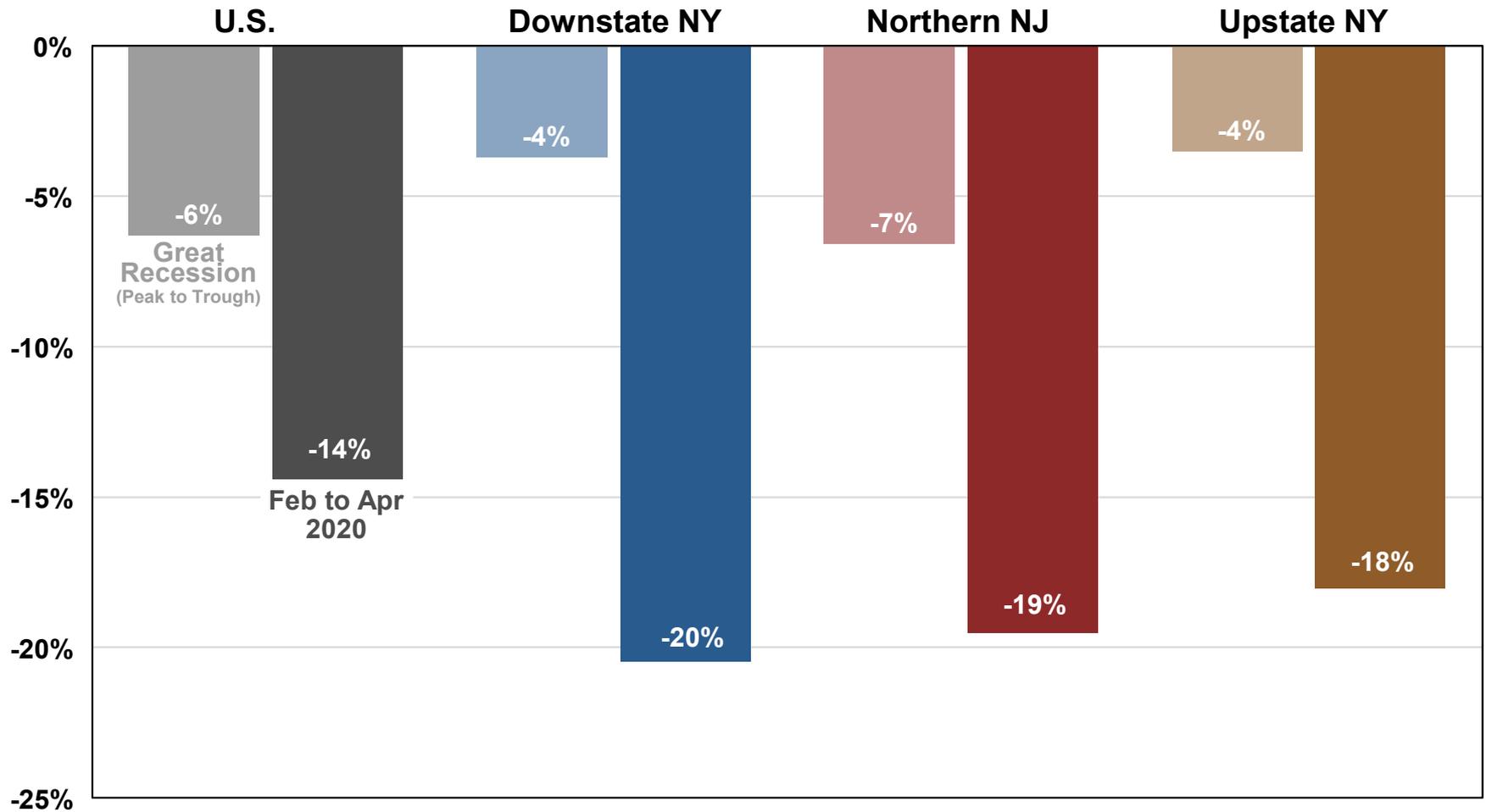
Regional Job Trends During the Pandemic

Indexes of Total Employment



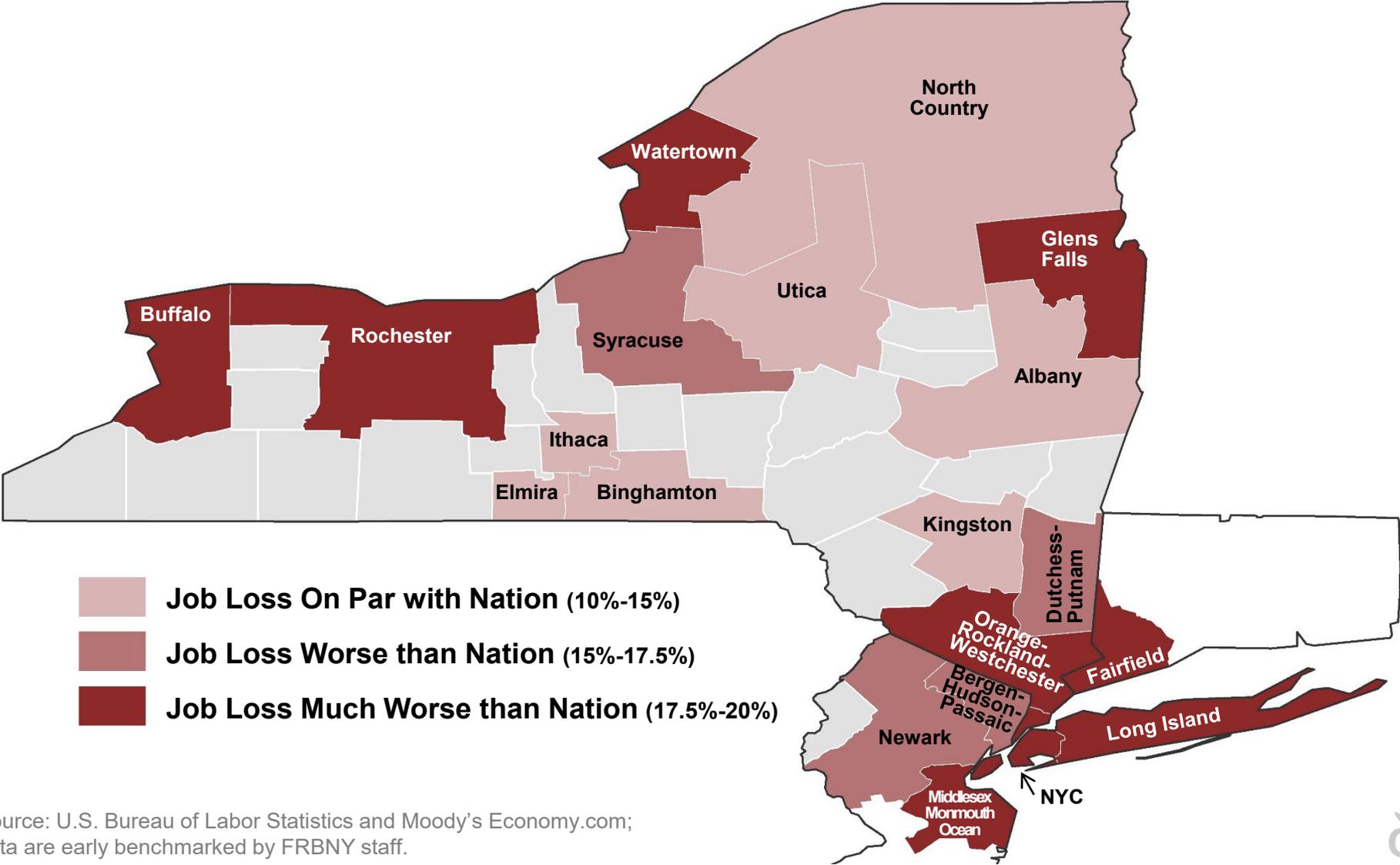
A Deeper Downturn Than the Great Recession

Percent Change in Total Employment from Peak to Trough



Severe Job Loss in the NY-NNJ Region

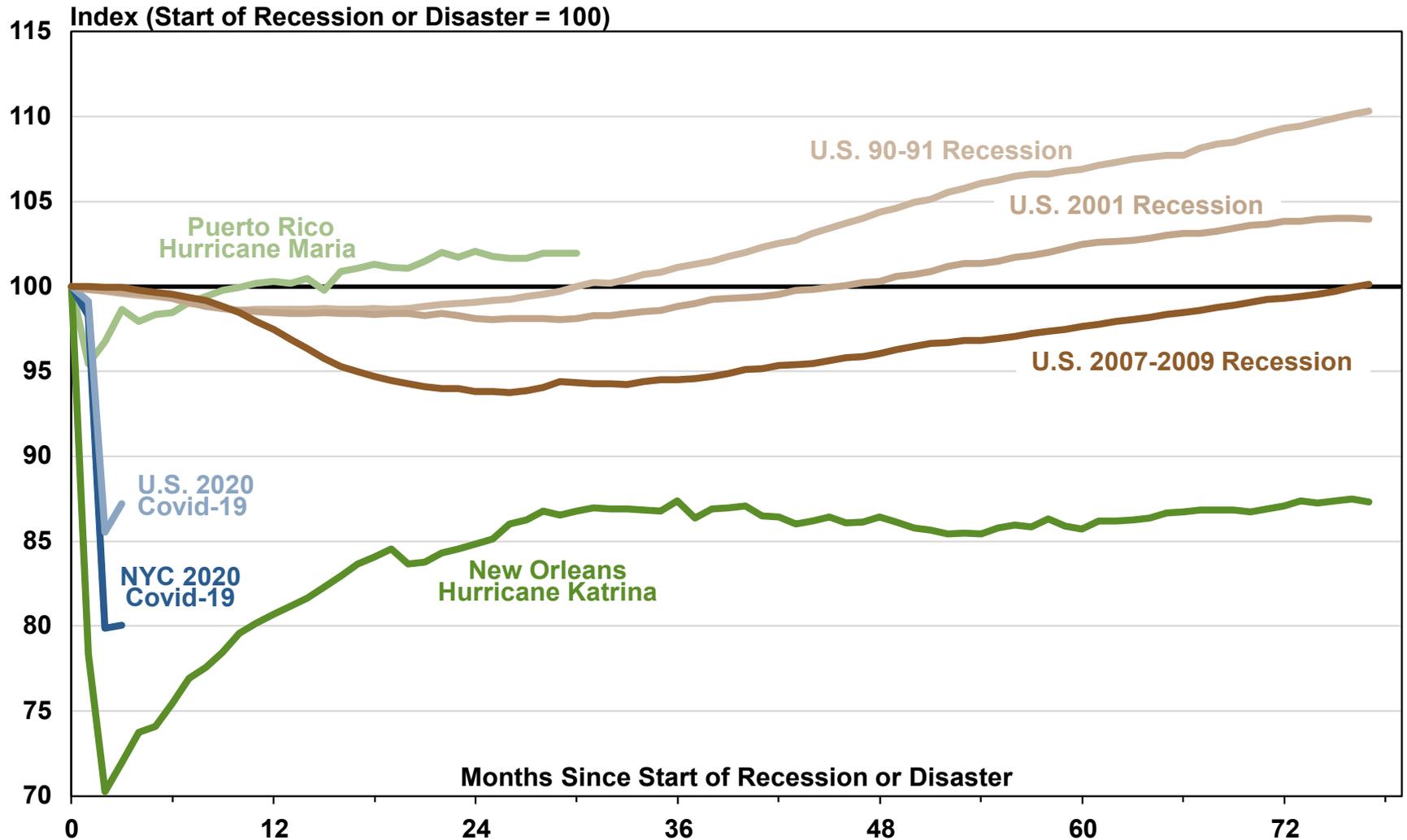
Percent Decline from Pre-Pandemic Levels, Feb-May 2020



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

The Pandemic Resembles a Natural Disaster

Indexes of Total Employment



Firms Now Expect Conditions to Improve

New York Fed Regional Business Surveys, Future Conditions

