Regional Economic Conditions

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Community Advisory Group Meeting – July 12, 2019

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

• A quick look at state economies across the U.S.

• An overview of the 2nd District’s economy, focusing on job trends

• Industry wage differentials & minimum wage

• Results from recent FRBNY business surveys
Recent Private-Sector Job Trends

Year-Over-Year Percent Change as of May 2019

Private-Sector Job Trends
Percent Change From Previous Peak to May 2019

Total Employment
Seasonally Adjusted Index

Index (Dec2007=100)

Shading indicates NBER recession

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

Index (Dec 2007 = 100)

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

Private-Sector Job Growth – 2018 vs 2017

- Up more than 2.5%
- Up 1.6% to 2.5%
- Up 0.6% to 1.5%
- Up 0.5% or less
- Down
Unemployment Rates
Seasonally Adjusted

Labor Force Participation

Seasonally Adjusted

Average Earnings vs Job Growth (2010-18) for Selected NYC Industries

Sources: NY State Department of Labor, QCEW; FRBNY staff calculations
New York State Wages by County
Average Weekly Wages, Leisure & Hospitality, 1st Half of 2018

NY State Average=$622

County | Average Weekly | % of Min Wage
---|---|---
Bronx | $709 | 182%
Brooklyn | $578 | 148%
Manhattan | $909 | 233%
Queens | $588 | 151%
Staten Isl | $409 | 105%

Sources: Bureau of Labor Statistics, Moody’s Economy.com, New York State Department of Labor, FRBNY calculations.
Future Economic Conditions

FRBNY Business Surveys, Conditions Six Months Ahead

Source: Federal Reserve Bank of New York.
In the past several months, to what extent have you modified your sales expectations for the second half of this year?

* In July 2012 and earlier surveys, manufacturers were asked about "production plans", as opposed to sales/revenue expectations.
In the past several months, to what extent have you modified your sales expectations for the second half of this year?

Percentage of Respondents

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What overall effect have U.S. trade policy and tariffs had on your business in the 1st half of this year, and what effects do you expect them to have in the 2nd half?
Please indicate what effect you think this increase in the minimum wage has had, for your operations in New York State, on each of the following?

- Your overall profits: Large downward effect
- Your overall revenue: Large upward effect
- The prices you charge: Small upward effect
- Your business' overall compensation costs: Large upward effect
- The overall degree of automation in your business: Small upward effect
- Hours worked per week by your typical worker: Small downward effect
- Employee turnover: Small downward effect
- The general quality of your entry-level workers: Small downward effect
- The number of entry-level workers you employ: Small downward effect
- The total number of workers you employ: Small downward effect

Percentage of Survey Respondents
Please indicate what effect you think this increase in the minimum wage has had, for your operations in New York State, on each of the following?

- Your overall profits
- Your overall revenue
- The prices you charge
- Your business’ overall compensation costs
- The overall degree of automation in your business
- Hours worked per week by your typical worker
- Employee turnover
- The general quality of your entry-level workers
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Percentage of Survey Respondents