Overview of the Regional Economy

Jason Bram, Research Officer

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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.
Recent Private-Sector Job Trends
Year-Over-Year Percent Change as of August 2017

Private-Sector Job Trends
Percent Change From Previous Peak to August 2017

Private-Sector Employment

Seasonally Adjusted Index

Index (Dec2007=100)

Shading indicates NBER recession

New York City
United States
New York
New Jersey
Puerto Rico

Private-Sector Employment

Seasonally Adjusted Index

Shading indicates NBER recession

Private-Sector Employment

Seasonally Adjusted Index

Index (Dec2007=100)


United States

Albany

Upstate

Glens Falls

Utica-Rome

Shading indicates NBER recession

Private-Sector Employment

Seasonally Adjusted Index

Index (Dec2007=100)

United States
Buffalo
Rochester
Syracuse

Shading indicates NBER recession

Current Economic Conditions

FRBNY Business Surveys, Current Conditions

Diffusion Index

Empire State Manufacturing Survey
Business Leaders Survey

Shading indicates NBER recession

Source: Federal Reserve Bank of New York.
Future Economic Conditions

FRBNY Business Surveys, Conditions Six Months Ahead

Source: Federal Reserve Bank of New York.
NYC Securities Employment

Seasonally Adjusted Levels

Thousands

Home Prices

CoreLogic Home Price Index, Seasonally Adjusted

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

CoreLogic Home Price Index, Seasonally Adjusted

Index (Mar2006=100)

Shading indicates NBER recession

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

Index (Mar2006=100)

Source: CoreLogic Home Price Index (including distressed sales).
What Lies Ahead for Puerto Rico & the US Virgin Islands?

• Both Puerto Rico & US Virgin Islands were in precarious shape, economically & fiscally, prior to hurricanes Irma & Maria.

• To early to assess costs & fallout from these hurricanes—unprecedented for PR but there are precedents elsewhere.

• USVI saw similar devastation from Hugo (‘89) and Marilyn (‘95).
  – Employment fell sharply but rebounded within 6-12 months; tourism industries appear to have been hit hard, while construction got a boost.
  – There do not appear to have been significant long-term effects on population or employment.

• New Orleans was devastated by Katrina (2005): population & employment are still well below pre-storm levels a decade later.
Total Employment
US Virgin Islands: Before & After Hurricanes

Source: Bureau of Labor Statistics, Moody’s Economy.com, and FRBNY staff calculations.
Accommodation & Food Service Employment
US Virgin Islands: Before & After Hurricanes

Thousands of Jobs (Seasonally Adj)

Construction Employment
US Virgin Islands: Before & After Hurricanes

Thousands of Jobs (Seasonally Adj)

Regional Recap

• NYC continues to lead the region in job growth, followed by Long Island. Housing markets in these areas have been strong.

• New Jersey has lagged, and Fairfield County has been weak—both in terms of job growth and home prices.

• Job growth has slowed to a crawl across most of upstate NY, but housing markets have continued to strengthen.

• Manufacturers report brisk growth in business activity, while service firms indicate more subdued growth.

• The securities industry, which typically drives NYC’s economy has remained flat throughout this rapid expansion.

• The Puerto Rico and the US Virgin Islands are expected to see steep job losses in October but the long-term outlook is unclear.