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

- After slowing through much of last year, business activity firmed in the New York-Northern New Jersey region through early February.

- Job growth in New York City has remained above the national pace. Northern New Jersey and much of upstate New York have seen little or no growth over the past year.

- The regional economy is beginning to experience some disruptions related to the coronavirus outbreak, and faces ongoing headwinds due to persistent labor shortages and trade uncertainty.
Current Economic Conditions

New York Fed Regional Business Surveys

Diffusion Index – 3 Month Moving Average

Empire State Manufacturing Survey

Business Leaders Survey (Service Sector)

Shading indicates NBER recession

Source: Federal Reserve Bank of New York.
Regional Employment Trends
Indexes of Total Employment, Seasonally Adjusted

Source: U.S. Bureau of Labor Statistics and Moody's Economy.com; data are early benchmarked by New York Fed staff.
Job Growth Has Slowed in the Region

Annual Percent Change in Total Employment

- Previous Five Years Change (2013Q4-2018Q4 Annualized)
- Past Year Change (2018Q4-2019Q4)

<table>
<thead>
<tr>
<th>Region</th>
<th>Previous Five Years Change</th>
<th>Past Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>1.4%</td>
<td>-1%</td>
</tr>
<tr>
<td>Hudson Valley</td>
<td>2.1%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Long Island</td>
<td>-0.5%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Fairfield County, CT</td>
<td>0.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Northern NJ</td>
<td>-0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Albany</td>
<td>-0.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Rochester</td>
<td>0.2%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Buffalo</td>
<td>0.2%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Syracuse</td>
<td>0.9%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Labor Statistics and Moody’s Economy.com; data are early benchmarked by New York Fed staff.
Surveys Point to Hiring Difficulties

New York Fed Regional Business Surveys

Have you had difficulty hiring workers in the last three months because of lack of qualified candidates?

Source: Federal Reserve Bank of New York, Regional Business Surveys, Supplemental Questions.
Trade Issues Affecting Local Businesses
New York Fed Regional Business Surveys, August 2019

Percentage of Respondents Reporting Adverse Effects from Trade Policy Changes on Bottom Line

Business Leaders Survey
38%

Empire State Manufacturing Survey
51%

Source: Federal Reserve Bank of New York, Regional Business Surveys, Supplemental Questions.
Trade Issues Affecting Local Businesses

New York Fed Regional Business Surveys, Business Activity

Source: Federal Reserve Bank of New York.
Coronavirus Concerns

• Some businesses in the region have started to express concerns about:
  
  o Supply disruptions and shipment delays
  
  o Reduced travel and tourism activity
  
  o General heightened uncertainty