Regional Economic and Household Debt Conditions

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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 – The Region

- Economic activity has been weak in the region.
- Much of the region still has not regained jobs that were lost during pandemic recession.
- Remarkable progress has been made in hard-hit New York City.
- Inflationary pressures remain persistent but have moderated.
The Tri-State Region’s Jobs Recovery
Percent Change in Total Employment Since Feb 2020

- Shading indicates NBER recession

Diverging Employment Paths in Puerto Rico and the USVI

Percent Change in Total Employment Since Feb 2020

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.
Supply Disruptions Are Easing
New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
Reported 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 the Start of the Pandemic

Source: Zillow Home Value Index, U.S. Census Bureau, and Moody's Analytics.
Total Debt Balance per capita* High in NJ, Lower in NY

Thousands of Dollars

Source: New York Fed Consumer Credit Panel/Equifax

Note: *Based on the population with a credit report
Serious DQ transitions in NJ close to national average

Source: New York Fed Consumer Credit Panel/Equifax

Note: *Four Quarter Moving Sum, Rates from Current and up to 60 Days Delinquent to 90+ Days Delinquent, All Accounts. Revised May 2017.
Foreclosures and Bankruptcies in region near (low) national levels

Percent with New Foreclosures

Source: New York Fed Consumer Credit Panel/Equifax

Percent with New Bankruptcies

Note: * Based on the population with a credit report
Conclusions

• Activity in the region slowing; price pressures remain elevated.

• Housing market has slowed and prices have plateaued.

• Household debt picture in good shape, with some caveats.