Regional Economic 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.
Summary

• Job losses have varied widely across the nation; New York State lags.

• The outbreak initially hit the NYC metro region much harder than the rest of the U.S., but the spread has largely subsided. Upstate New York has not seen nearly as much of an outbreak thus far.
  - Puerto Rico seemed to have the spread under control early on but has seen a flare-up more recently.

• The historically sharp economic decline across the region is evident in measures of employment, business sentiment, and consumer spending.

• The suddenness and depth of the economic decline, as well as the pattern of rebound, are much more typical of natural disasters than past recessions.
  - As is typical with disasters, leisure & hospitality has been the hardest hit sector. In contrast, construction--which typically booms after disasters, due to rebuilding—has been a laggard this time.
Recent Private-Sector Job Trends
Year-Over-Year Percent Change as of August 2020

Map showing states with different color levels indicating the percentage change in private-sector jobs. States are color-coded as follows:
- **Dark Red**: Down More than 10%
- **Red**: Down 5% to 10%
- **Light Grey**: Down Less than 5%

The Coronavirus Shock

Daily New Cases Per Capita, 7-Day Average

Historic Plunge in Regional Business Activity

New York Fed Regional Business Surveys, Current Conditions

Diffusion Index represents % of businesses reporting **rising** activity minus % reporting **declining** activity.
Dropoff and Rebound in Consumer Spending

Percent Change in Total Spending, Indexed to January 2020

Source: Opportunity Insights Economic Tracker and Affinity Solutions.
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Severe Job Loss Across the Region
Percent Decline from Pre-Pandemic Levels, Feb-Aug 2020

Source: U.S. Bureau of Labor Statistics and Moody’s Economy.com; data are early benchmarked by FRBNY staff.
The Current vs Past Recessions
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.
The Pandemic Resembles a Natural Disaster

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Job Losses by Sector
Change in Employment by Sector (February to August)

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