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

• With the rise of the Delta variant, growth has slowed in the region’s service sector but remains solid in the manufacturing sector.

• The labor market is exceptionally tight with widespread reports of hiring difficulties. While the region has continued to steadily add jobs, employment remains well below pre-pandemic levels, particularly in New York City.

• Home prices have increased sharply through the pandemic, while rents in New York City have rebounded modestly but have not returned to pre-pandemic levels.
Coronavirus Spread in the Region
Daily New Cases Per Capita, 7-Day Average

New Cases Per 100,000 People


Daily updates available at: https://www.newyorkfed.org/regional-economy.
Growth Has Slowed in the Service Sector

New York Fed Regional Business Surveys

Current Conditions

Empire State Manufacturing Survey

Business Leaders Survey (Service Sector)

Source: Federal Reserve Bank of New York.
Employment Still Below Pre-Pandemic Levels

Percent Change in Total Employment Since Feb 2020

Businesses Are Having Difficulty Hiring
New York Fed Supplemental Surveys, August 2021

Share of Respondents with Job Openings Reporting Difficulty Hiring

<table>
<thead>
<tr>
<th>Service Sector (BLS)</th>
<th>80%</th>
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<tbody>
<tr>
<td>Manufacturing Sector (Empire)</td>
<td>89%</td>
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Most Widely Cited Reasons:

- Lack of qualified candidates
- Compensation

Other Reported Factors:

- Covid-related health concerns
- Enhanced unemployment insurance benefits
- Preference for remote work arrangements
- Drug tests

Source: Federal Reserve Bank of New York Supplemental Surveys, August 2021.
Sharp Rise in Home Prices

Percent Change in Home Prices, Indexed to Jan 2015

Source: CoreLogic Home Price Index (including distressed sales).
NYC Rents Have Rebounded But Remain Soft

Percent Change in Median Rents, Indexed to Feb 2020

Source: Miller Samuel Elliman Report; Median Rents with Concessions.
Reference Slides
Pre-Pandemic Jobs Gap by Local Area
Percent Below Pre-Pandemic Employment Level (as of Aug 2021)


Northeast NJ is Bergen-Hudson-Passaic and Central NJ is Middlesex-Monmouth-Ocean.
Job Losses and Gains in the Second District

Change in Employment Level by Sector


Aggregate of NYS, NNJ, Fairfield, PR, and the USVI.