Overview of the Regional Economy

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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 2019

FRBNY Early Employment Benchmark

Total Employment in Thousands, Aug 2019 (QCEW Q12019)

Current Economic Conditions

FRBNY Business Surveys, Current Conditions

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

Diffusion Index

Empire State Manufacturing Survey

Business Leaders Survey

Shading indicates NBER recession

Source: Federal Reserve Bank of New York.
August 2019 Survey on Trade & Tariffs

What effect do you see changes in U.S. trade policies having on each of these components of your business this year (2019)?

**Manufacturers**
- Overall net effect on bottom line
- Your sales to domestic customers
- Your sales to foreign customers*
- Selling Prices
- Prices you pay

**Service Firms**
- Overall net effect on bottom line
- Your sales to domestic customers
- Your sales to foreign customers*
- Selling Prices
- Prices you pay

April 2019 Survey of NY Service-Sector Firms on the Minimum Wage

*Please indicate what effect you think this increase in the minimum wage has had, for your operations in New York State, on each of the following?*

- Your overall profits
- Your overall revenue
- The prices you charge
- Your business’ overall compensation costs
- The overall degree of automation in your business
- Hours worked per week by your typical worker
- Employee turnover
- The general quality of your entry-level workers
- The number of entry-level workers you employ
- The total number of workers you employ

Percentage of Survey Respondents

Minimum Wage Effects along the NY/PA Border

Data Are Drawn from Nineteen New York-Pennsylvania Border Counties

Taken from Liberty Street Economics blog post:
Minimum Wage Effects along the NY/PA Border

Earnings Rose More in New York than Pennsylvania Counties with No Adverse Employment Effects


Notes: Employment and average weekly earnings for the leisure and hospitality sector in both states are indexed to 100 in 2013:Q4, the quarter before New York's first minimum wage increase. Vertical lines indicate dates of gradual increases in New York's minimum wage from $7.25 per hour prior to 2014 to $10.40 per hour in 2018. Blue and red lines indicate averages for the counties along the New York-Pennsylvania border for each state.

Taken from Liberty Street Economics blog post: https://libertystreeteconomics.newyorkfed.org/2019/09/minimum-wage-impacts-along-the-new-york-pennsylvania-border.html
Minimum Wage Effects along the NY/PA Border

Even in a Shrinking Sector, Job Loss across States Was Similar as Wages Diverged


Notes: Employment and average weekly earnings for the retail trade sector in both states are indexed to 100 in 2013:Q4, the quarter before New York's first minimum wage increase. Vertical lines indicate dates of gradual increases in New York's minimum wage from $7.25 per hour prior to 2014 to $10.40 per hour in 2018. Blue and red lines indicate averages for the counties along the New York-Pennsylvania border for each state.

Taken from Liberty Street Economics blog post:
Regional Recap

• Job growth has slowed in New York City & New Jersey but has picked up in Upstate New York.

• Business surveys point to slowing growth, diminished optimism.

• Businesses express fairly widespread concern about tariffs and trade tensions (uncertainty) and NY’s rising minimum wage.

• A recent analysis of 10 upstate NY counties suggests that the rising minimum wage has not had adverse employment effects thus far.