

FEDERAL RESERVE BANK *of* NEW YORK

Regional Economic Conditions

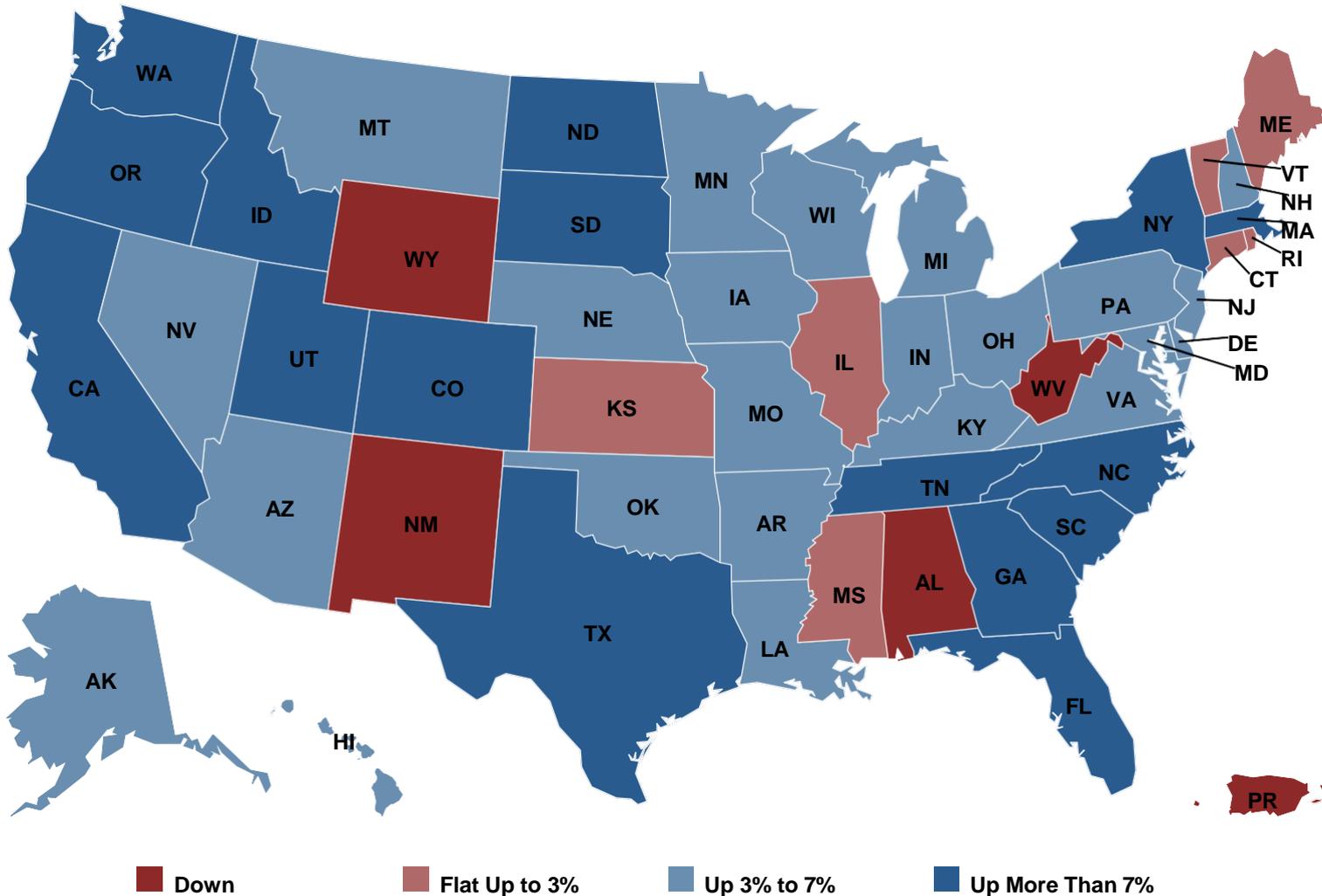
Jason Bram, Research Officer

Community Advisory Group Meeting – March 29, 2018

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.

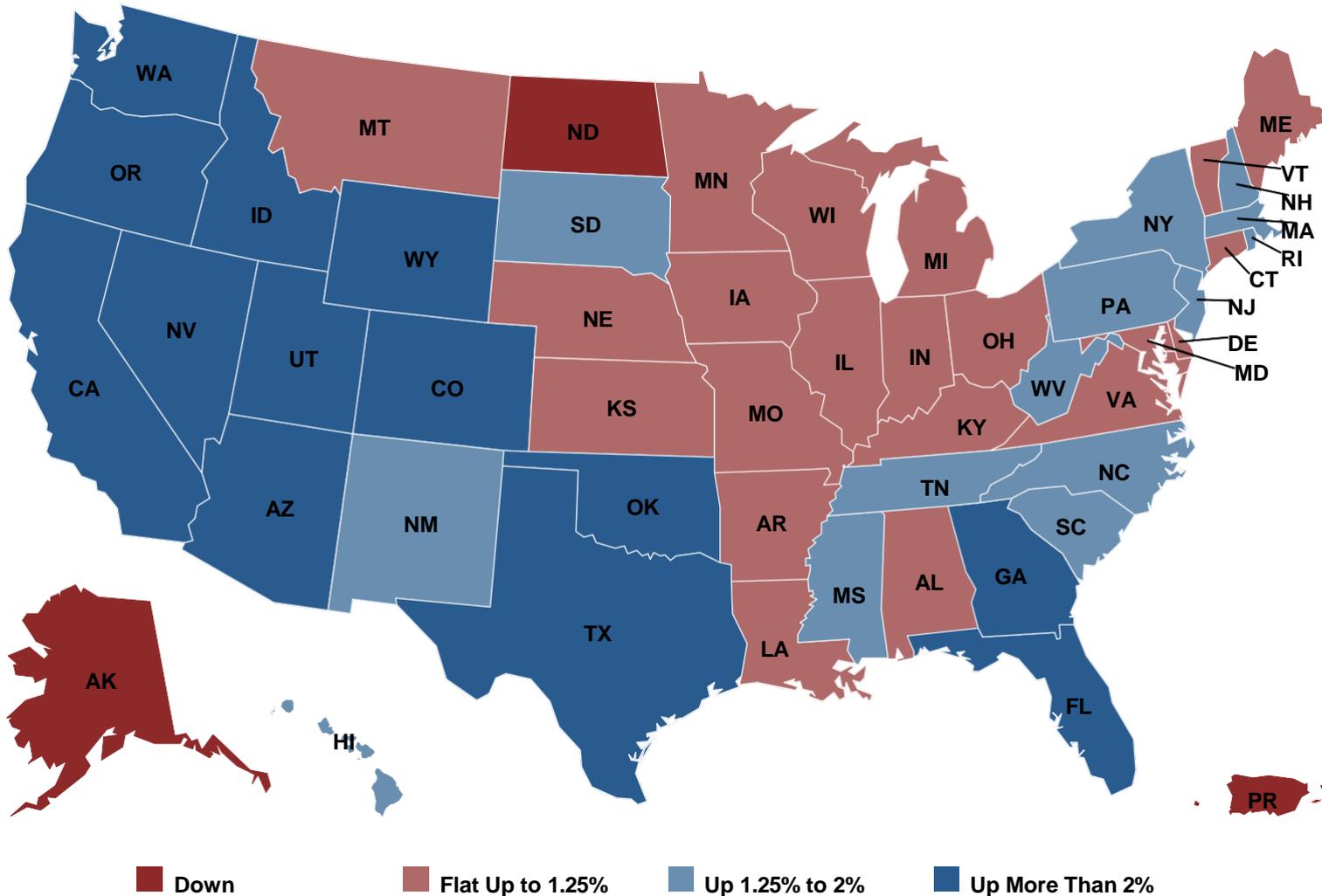
Private-Sector Job Trends

Percent Change From Previous Peak to February 2018



Recent Private-Sector Job Trends

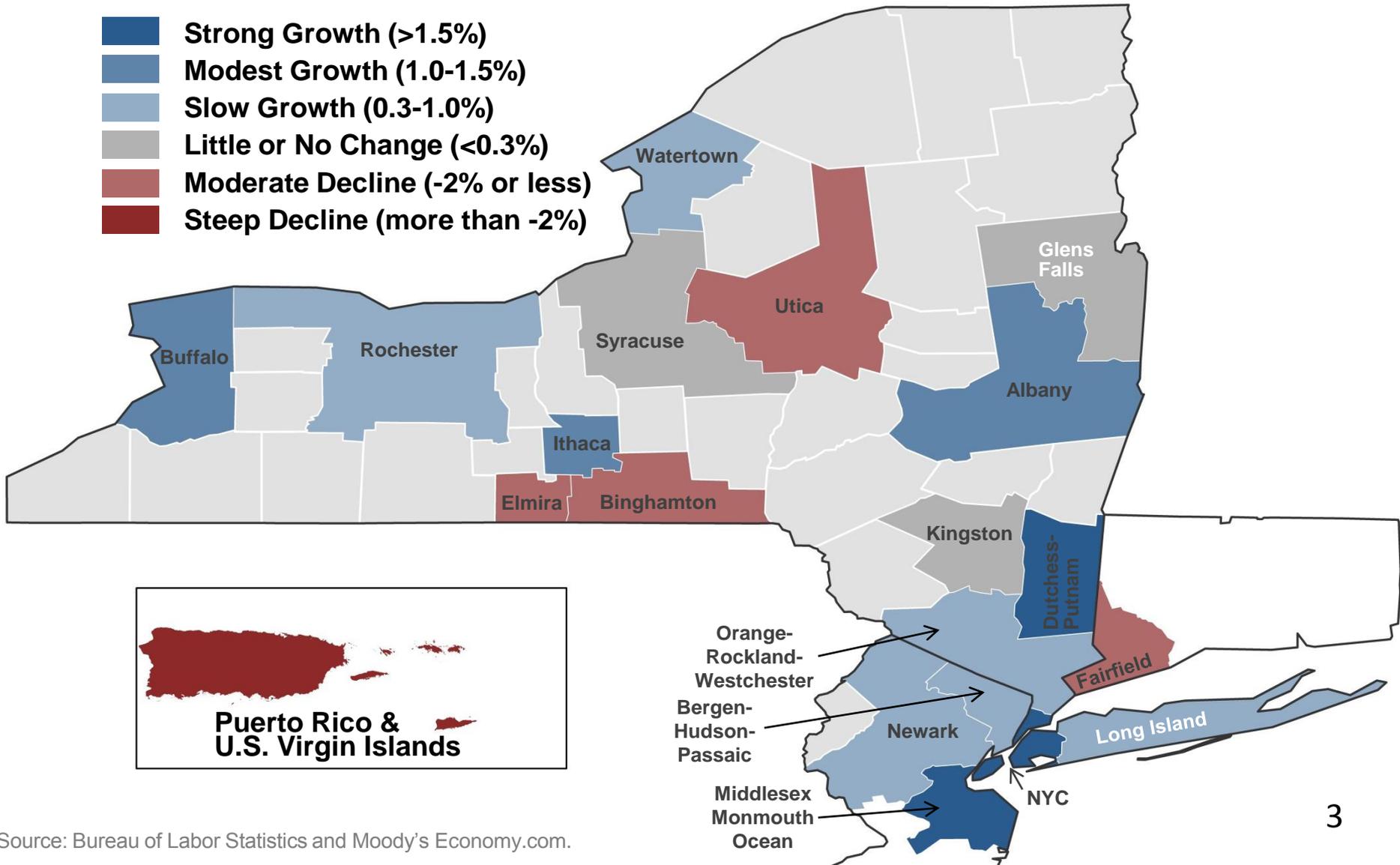
Year-Over-Year Percent Change as of February 2018



Recent Job Growth in the Region

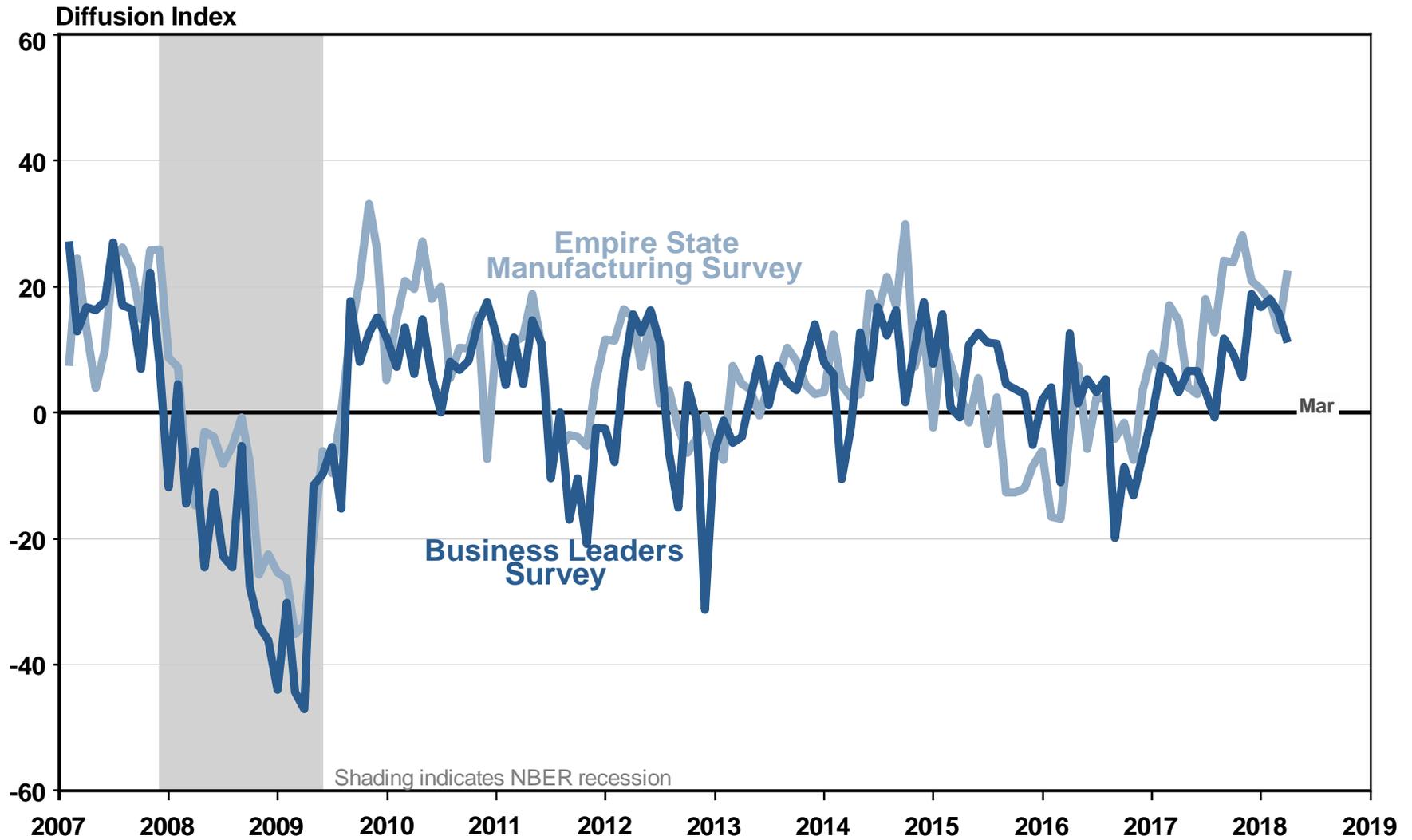
Percent Change from 2017 to 2018, Year-to-Date (Jan-Feb)

- Strong Growth (>1.5%)**
- Modest Growth (1.0-1.5%)**
- Slow Growth (0.3-1.0%)**
- Little or No Change (<0.3%)**
- Moderate Decline (-2% or less)**
- Steep Decline (more than -2%)**



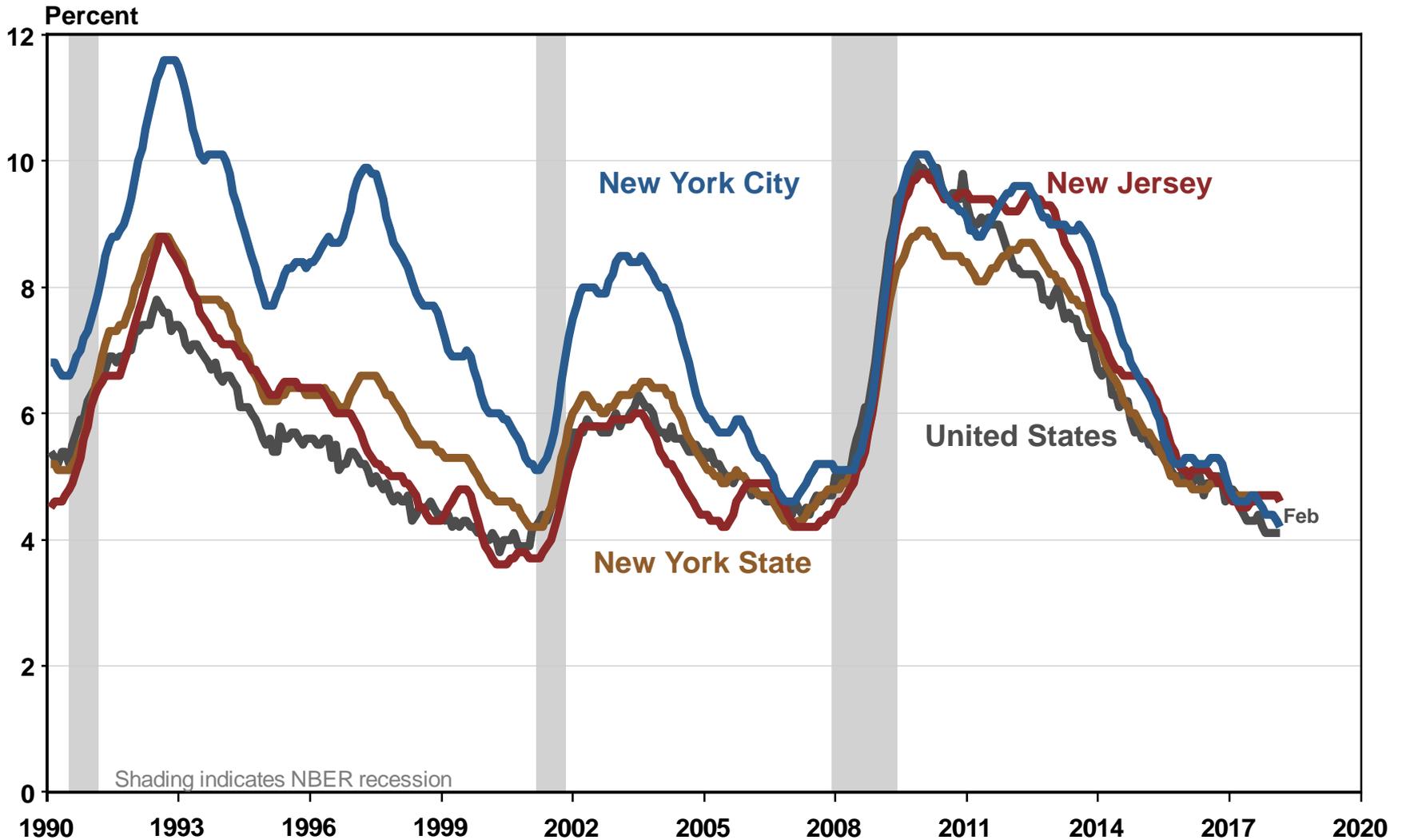
Current Economic Conditions

FRBNY Business Surveys, Current Conditions



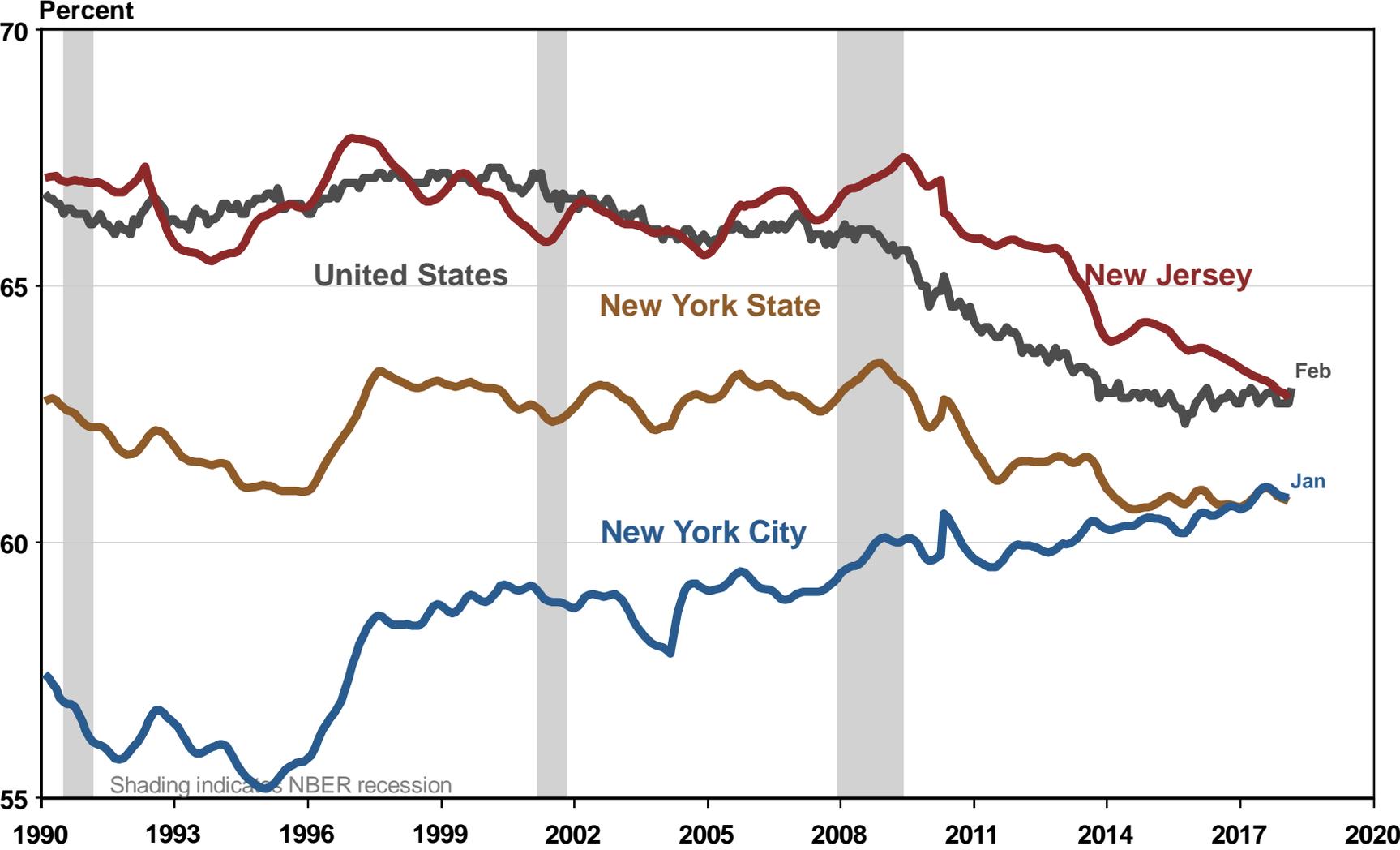
Unemployment Rates

Seasonally Adjusted



Labor Force Participation

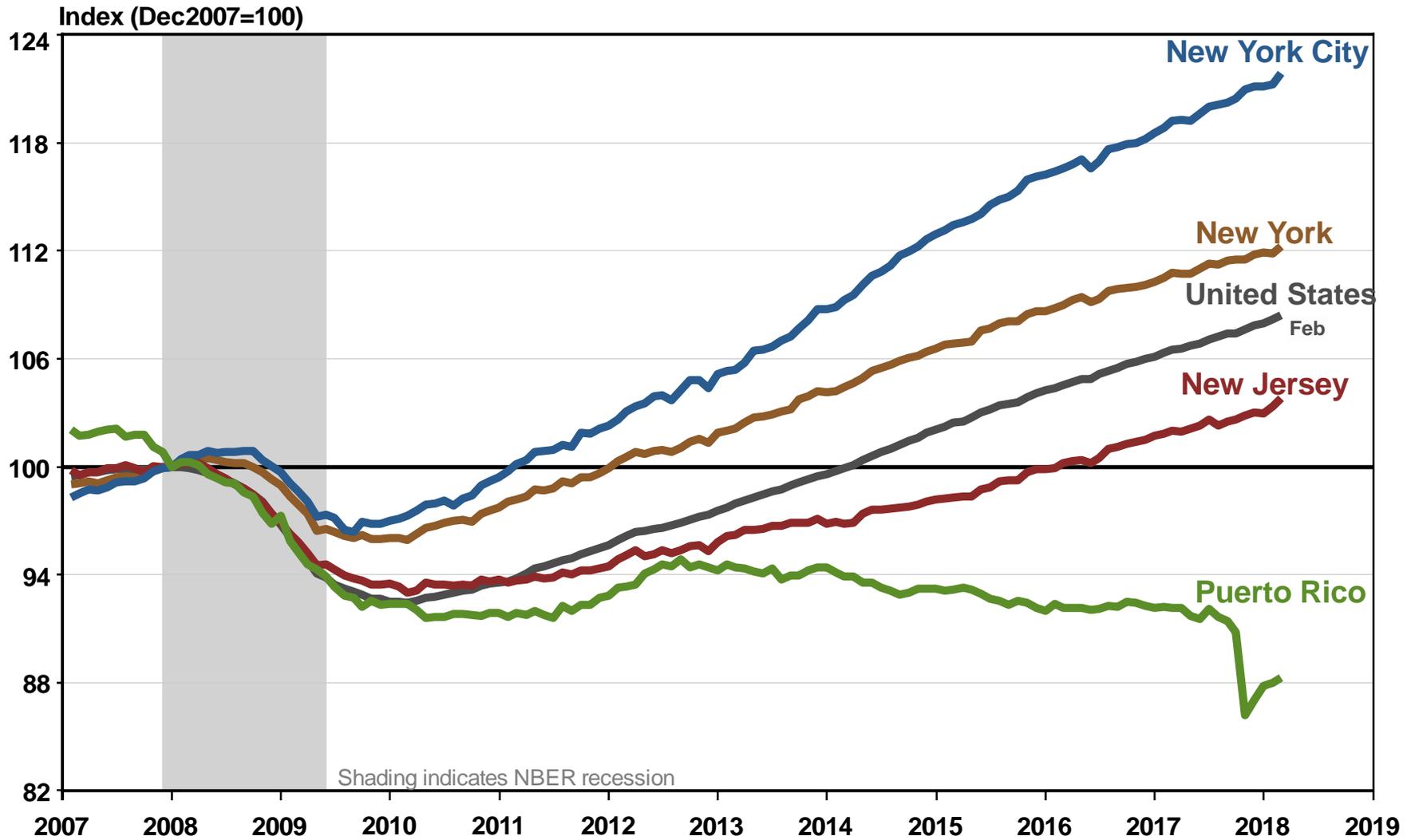
Seasonally Adjusted



Source: Bureau of Labor Statistics and Moody's Economy.com.

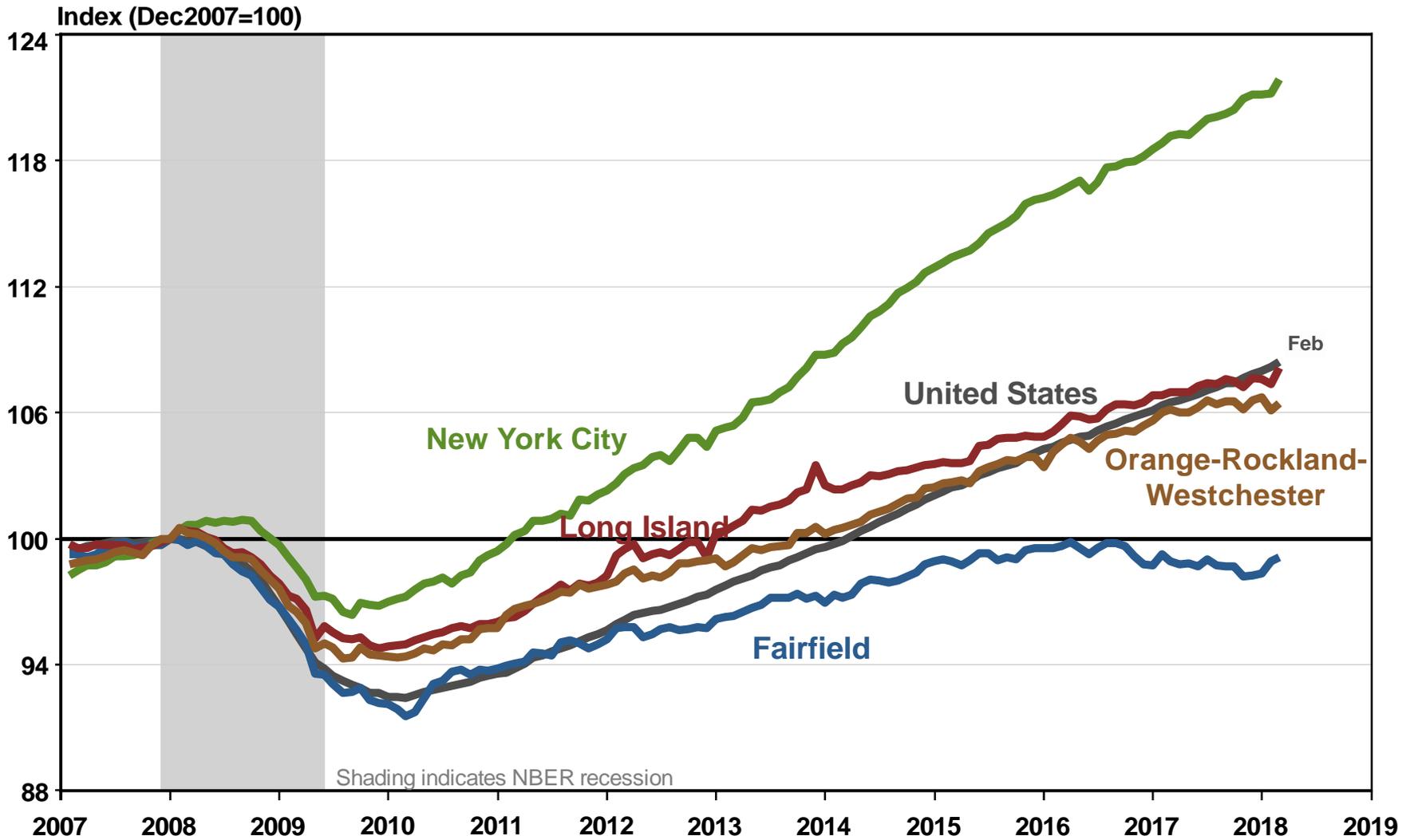
Private-Sector Employment

Seasonally Adjusted Index



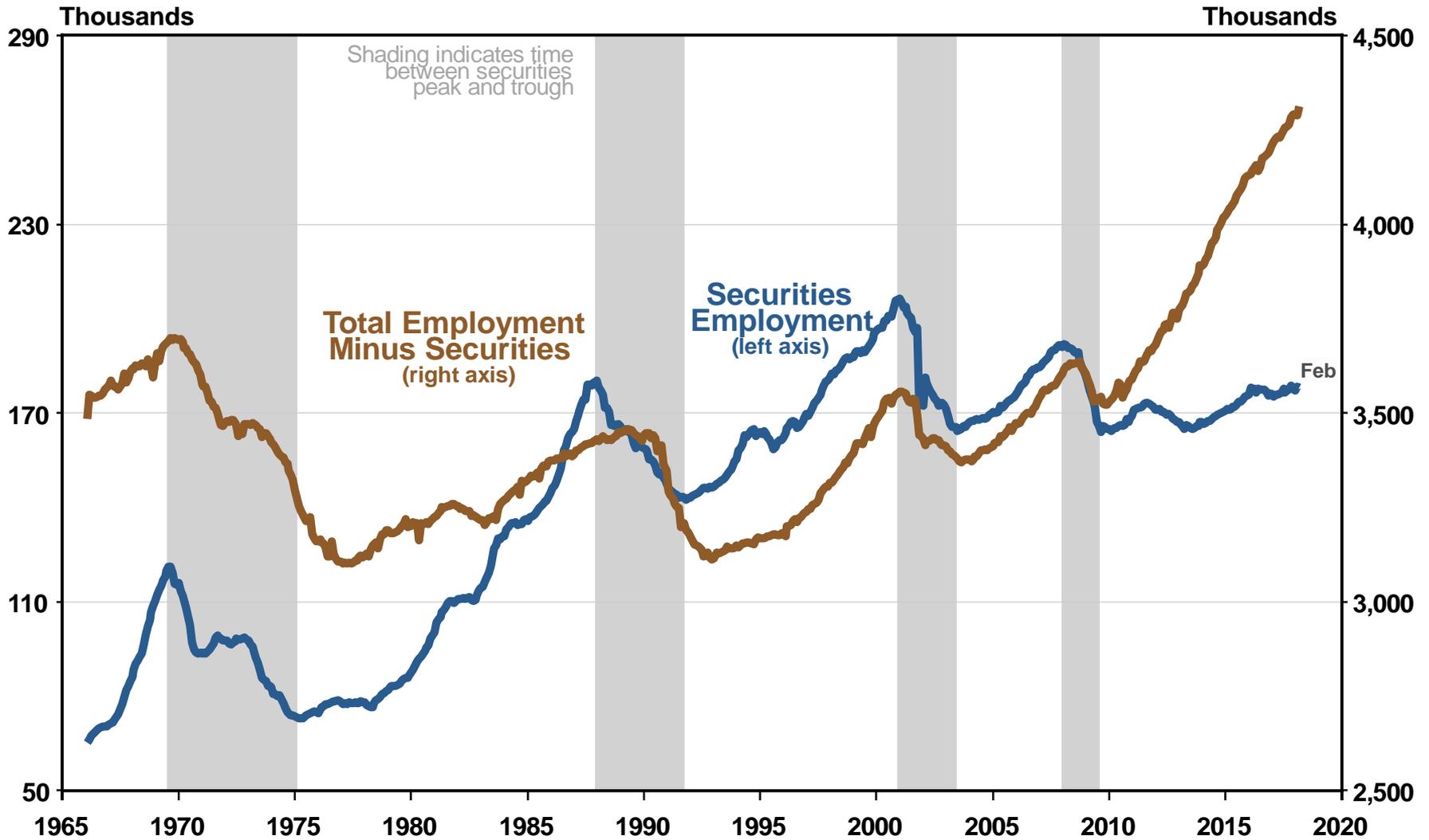
Private-Sector Employment

Seasonally Adjusted Index



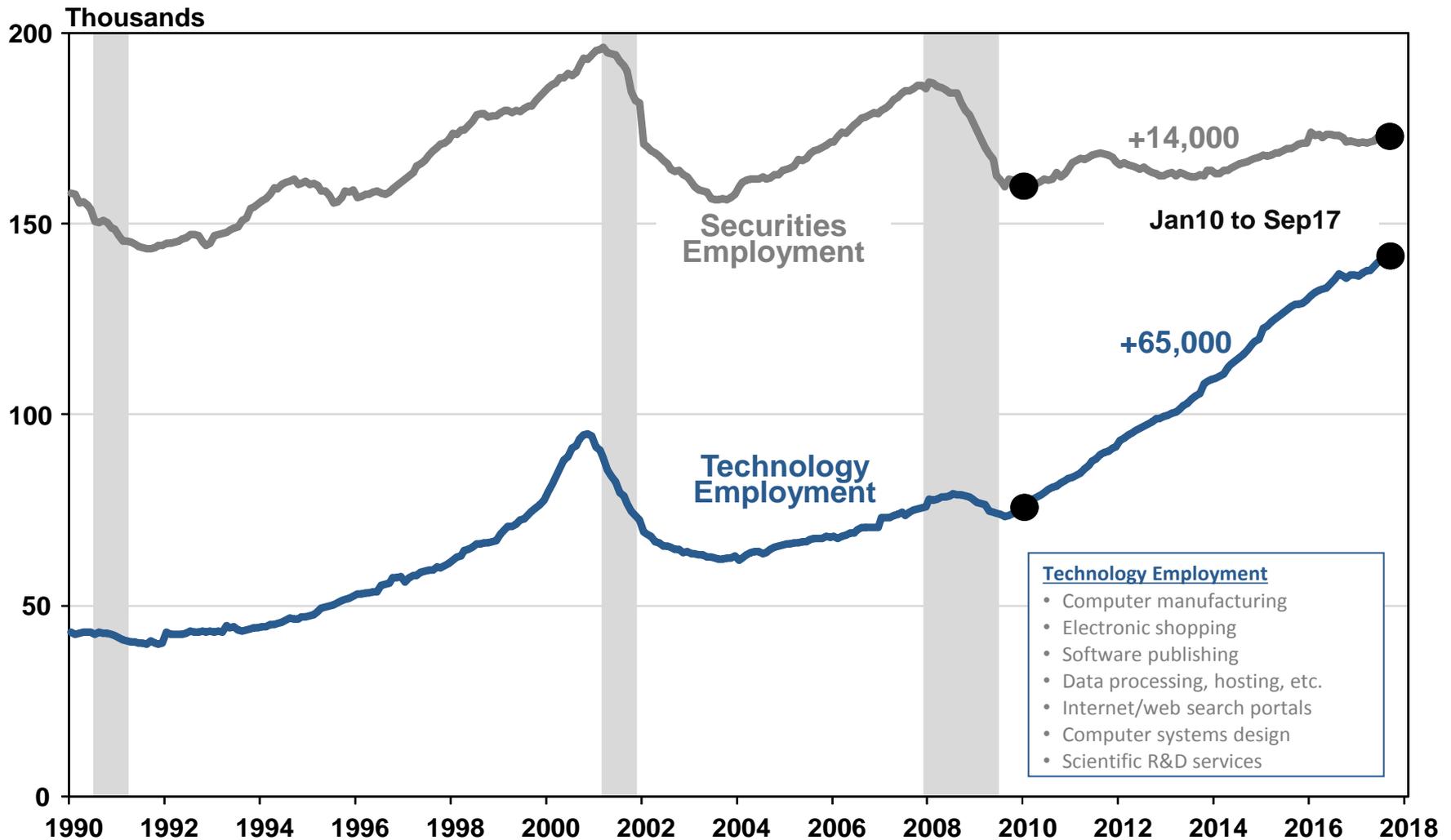
NYC Securities Employment

Seasonally Adjusted Levels



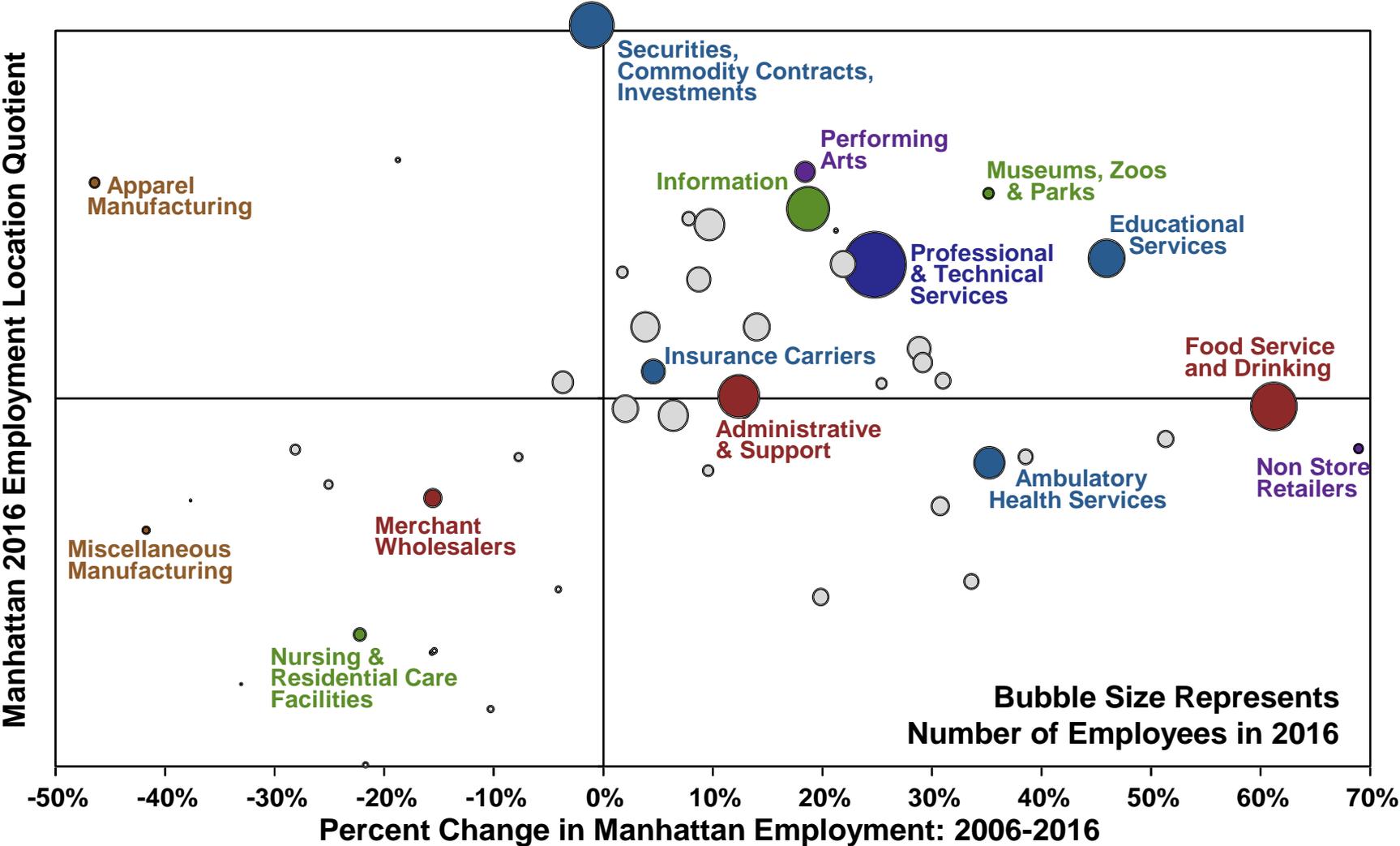
NYC Tech and Securities Employment

Thousands of Jobs



Manhattan Specialization

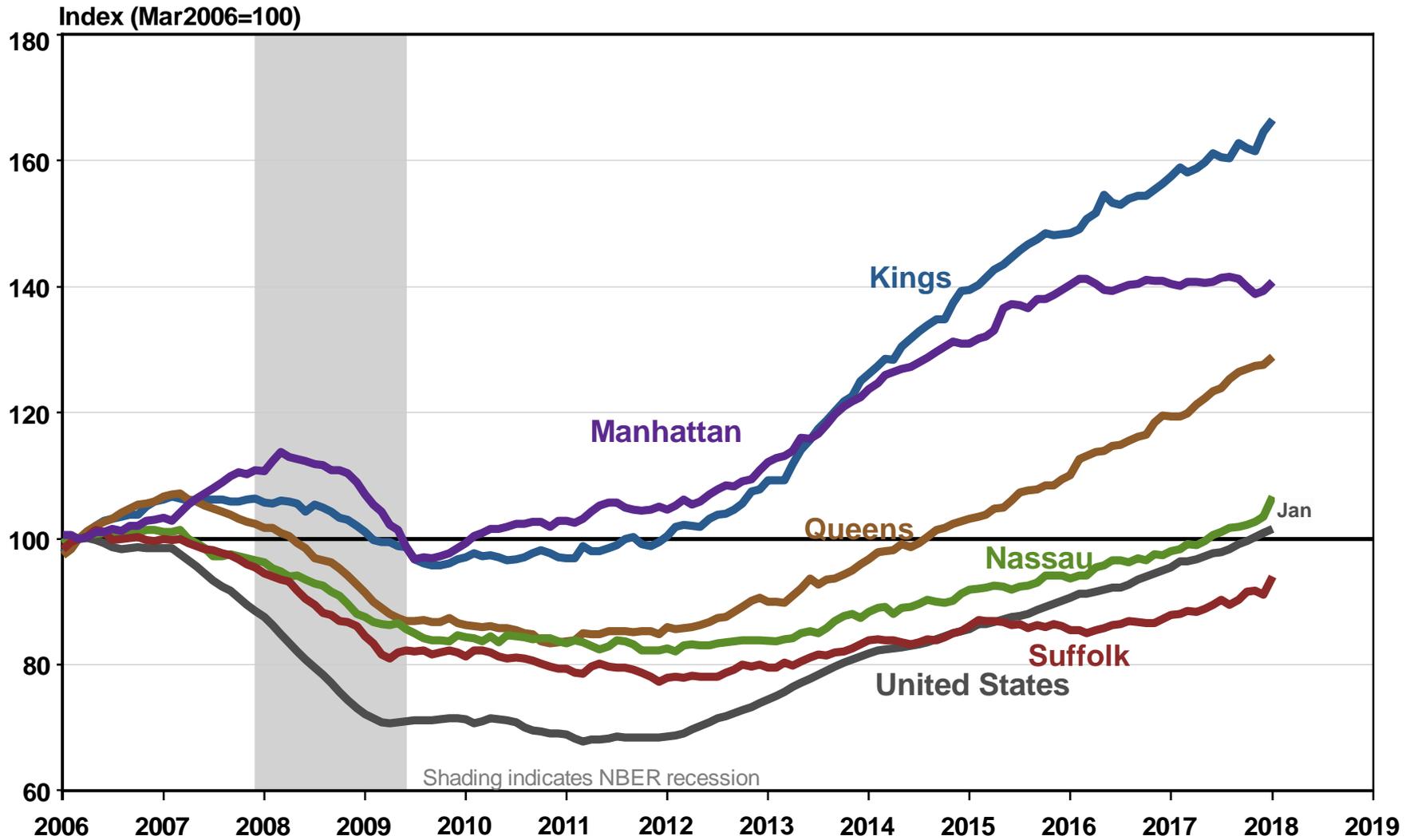
Employment Change, Location Quotient, and Sector Size



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW).

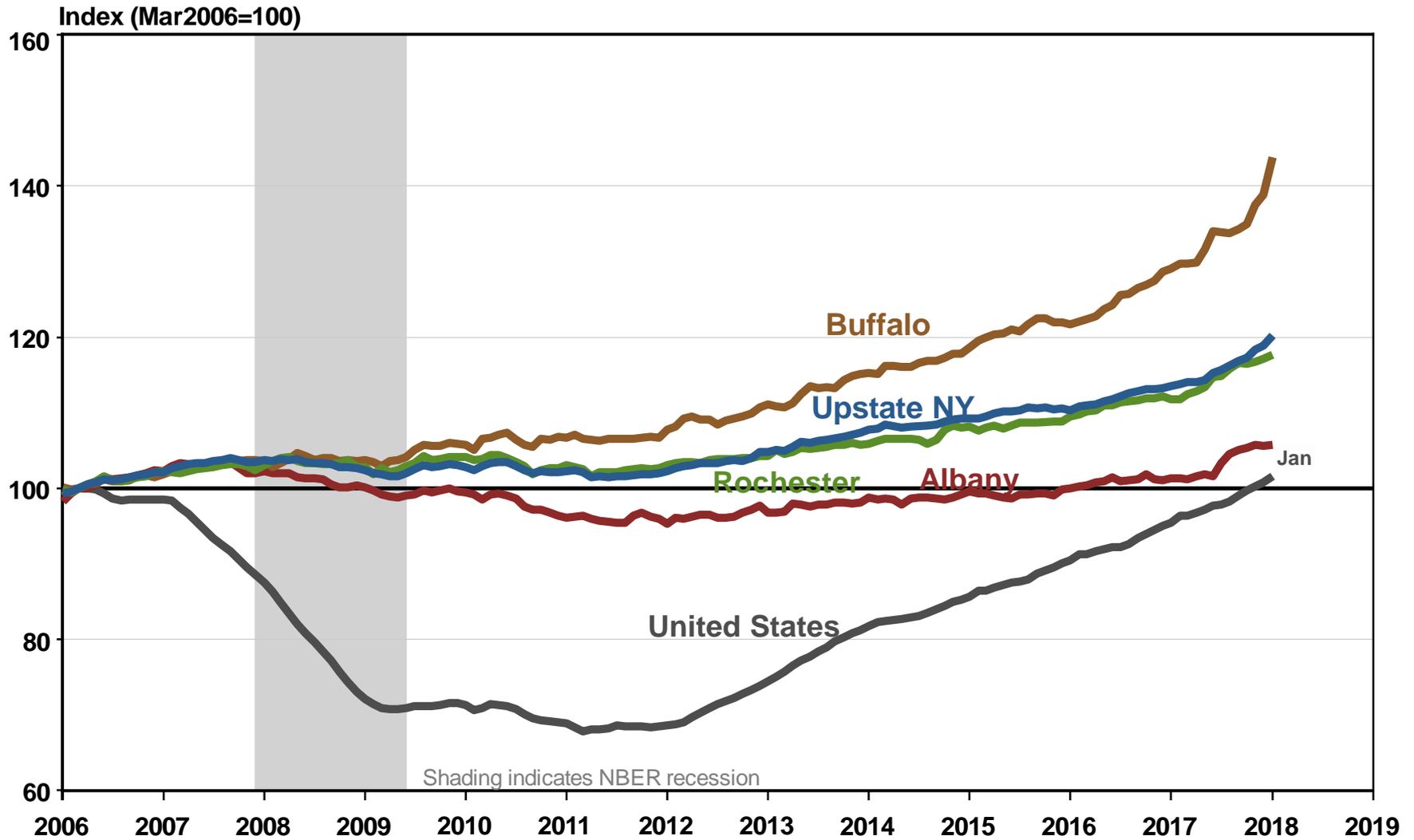
Home Prices

CoreLogic Home Price Index, Seasonally Adjusted



Home Prices

CoreLogic Home Price Index, Seasonally Adjusted



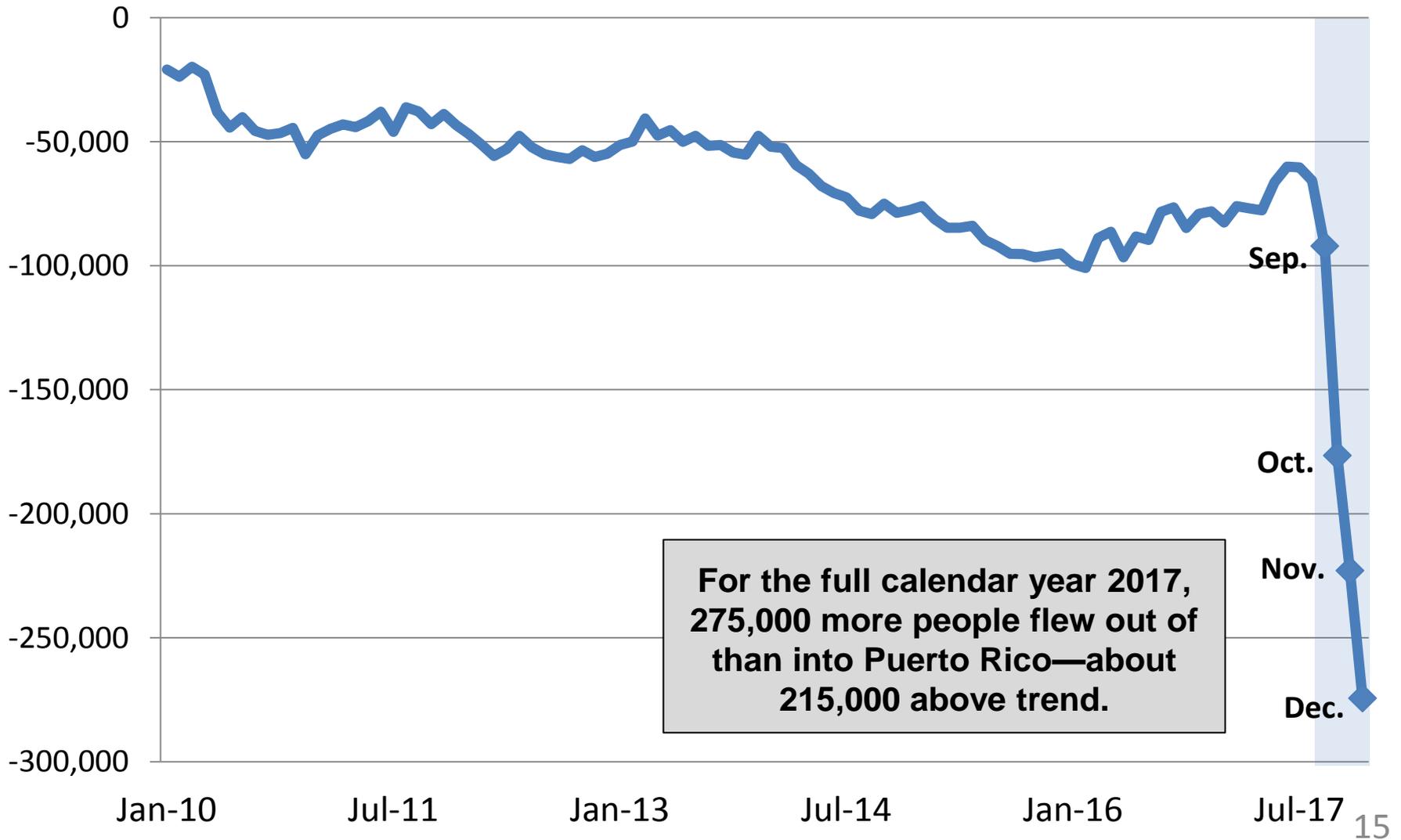
Source: CoreLogic Home Price Index (including distressed sales).

What Lies Ahead for Puerto Rico?

- Both territories were in precarious shape, economically & fiscally, prior to hurricanes Irma & Maria.
- Irma & Maria caused substantial damage and disruption:
 - More than 1,000 lost lives, attributable to the storms, in Puerto Rico.
 - Widespread damage to homes, businesses, infrastructure, agriculture.
 - Puerto Rico's power outage has been the biggest, by far, in US history.
- To begin to gauge the likely economic effect, we look at:
 - How severe have the measured job losses been thus far?
 - How many people left following the storms? and how many will return?
 - What can satellite imagery of nighttime lights tell us about the persistence and geographic breadth of the disruption?

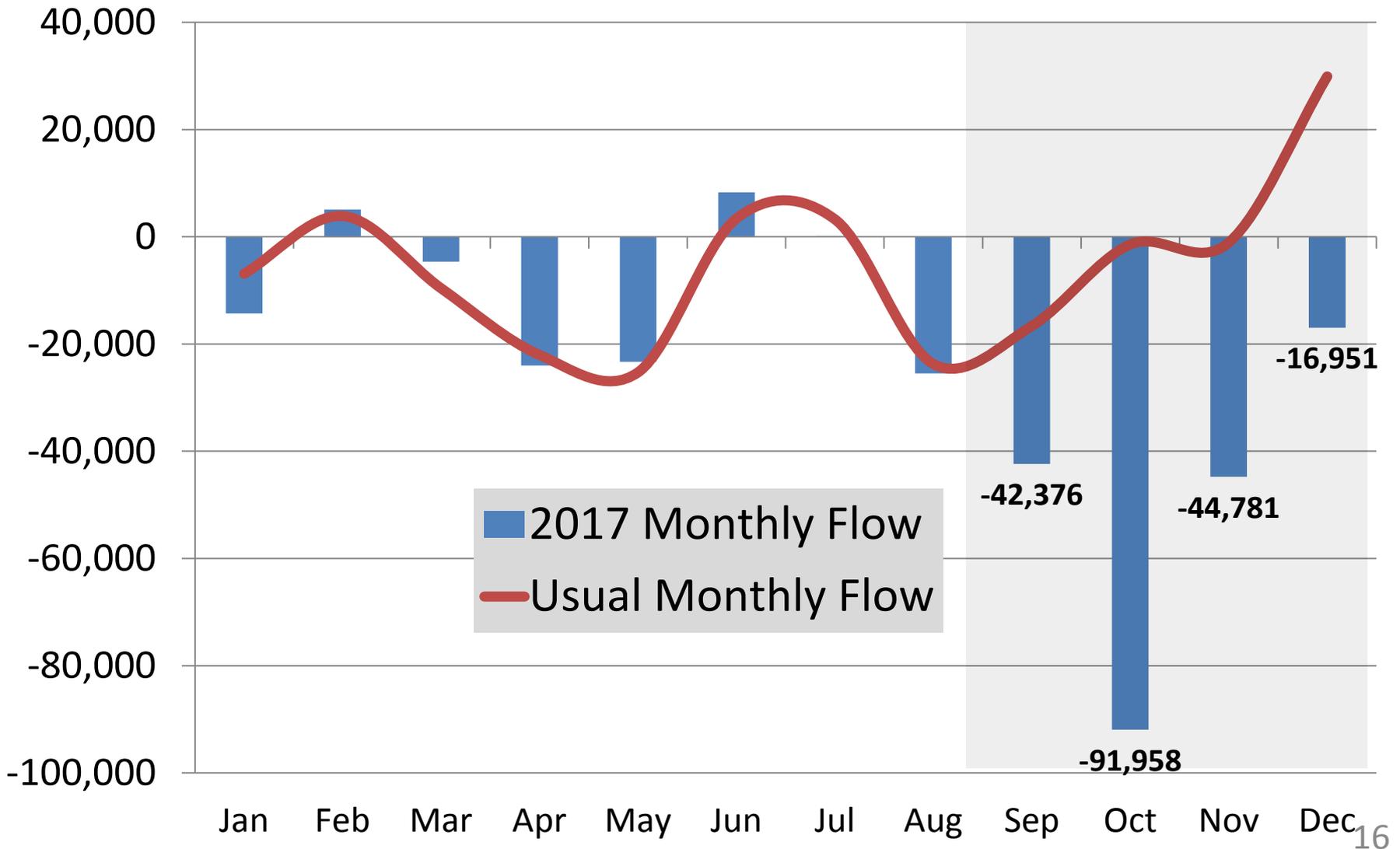
Net Domestic Air Passengers to Puerto Rico

12-Month Rolling Sum



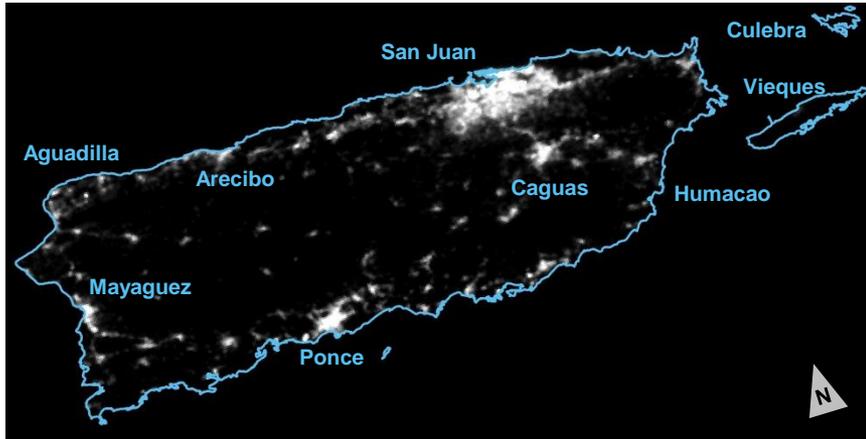
Net Domestic Air Passengers to Puerto Rico

Net Passenger Flows by Month

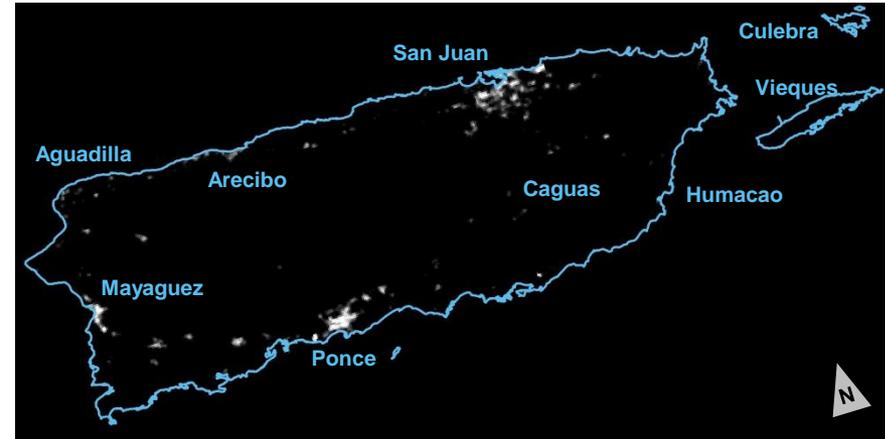


Nighttime Lights in Puerto Rico

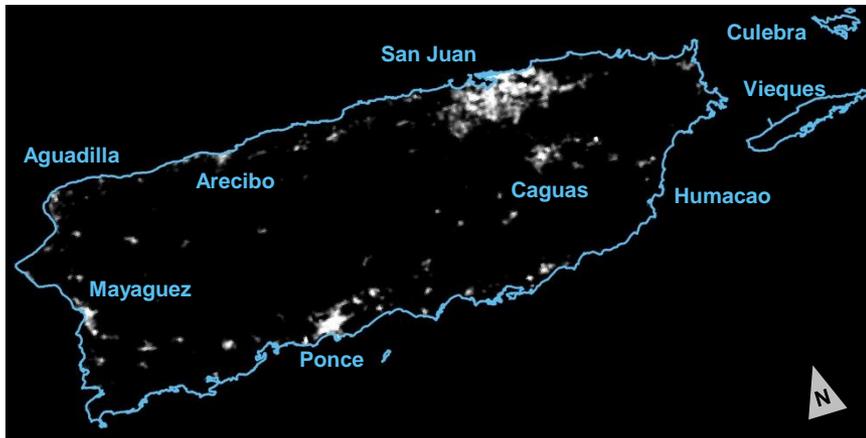
August



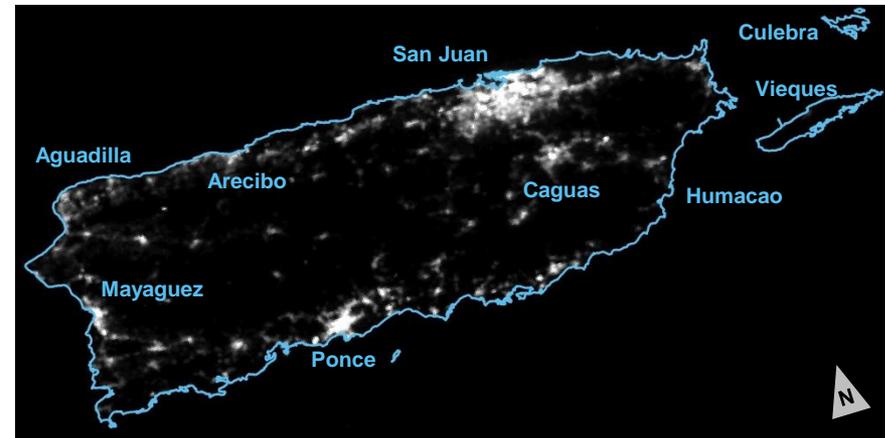
October



December



January



Regional Recap

- New York City has been the leader in job growth in the region.
- Areas adjacent to NYC have also seen fairly strong growth.
- Fairfield County has lagged, while northern NJ has picked up.
- For the first time in decades, Wall Street has not contributed to NYC's boom; tech has picked up some of the slack.
- Housing markets have been fairly robust in New York City and parts of upstate New York.
- Puerto Rico appears to be on a slow road to recovery from hurricanes Irma & Maria.