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.
Private-Sector Job Trends

Percent Change From Previous Peak to February 2018


Legend:
- **Down**
- **Flat Up to 3%**
- **Up 3% to 7%**
- **Up More Than 7%**
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

Empire State Manufacturing Survey
Business Leaders Survey

Diffusion Index

Shading indicates NBER recession

Source: Federal Reserve Bank of New York.
Unemployment Rates
Seasonally Adjusted

Private-Sector Employment

Seasonally Adjusted Index

Index (Dec2007=100)


Orange-Rockland-Westchester United States New York City Long Island Fairfield

Shading indicates NBER recession

NYC Securities Employment
Seasonally Adjusted Levels

NYC Tech and Securities Employment

Thousands of Jobs

Source: Bureau of Labor Statistics and Moody’s Economy.com.; FRBNY Staff Calculations
Manhattan Specialization
Employment Change, Location Quotient, and Sector Size

Home Prices
CoreLogic Home Price Index, Seasonally Adjusted

Source: CoreLogic Home Price Index (including distressed sales).
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?
For the full calendar year 2017, 275,000 more people flew out of than into Puerto Rico—about 215,000 above trend.
Net Domestic Air Passengers to Puerto Rico

Net Passenger Flows by Month

Net Domestic Air Passengers to Puerto Rico

Net Passenger Flows by Month

2017 Monthly Flow

Usual Monthly Flow
Nighttime Lights in Puerto Rico

August

October

December

January

Source: Earth Observation Group; NOAA National Geophysical Data Center.
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.