2010 REGIONAL EMPLOYMENT BRIEFING
Federal Reserve Bank of New York

Presenters: Jason Bram, Richard Deitz, James Orr, Rae Rosen
April 14, 2010

The views expressed here are those of the presenters and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.
2010 Regional Employment Briefing

Outline

1. Coincident Economic Indicators:
   New York State, New York City and New Jersey

2. 2010 Employment Trends in the Region
   • Northern New Jersey – James Orr
   • Downstate New York – Jason Bram
   • New York City’s Financial Sector – Rae Rosen
   • Upstate New York – Richard Deitz
   • Puerto Rico – Jason Bram
Indexes of Coincident Economic Indicators (CEI)

Construction of the CEI

• The Coincident Index is a single composite measure designed to gauge the current state of economic activity.
  - Employment
  - Average Manufacturing Hours
  - Unemployment
  - Real Earnings

• We construct indexes separately for New York State, New York City and New Jersey.

• We use these indexes to date regional business cycles (peaks and troughs in economic activity).

• Indexes show only modest synchronization between regional and national cycles.
Regional Economic Activity

Index of Coincident Economic Indicators

New York City
New York State
New Jersey

NY State
Recessions

US
Recessions

Peak May 08
Peak Apr 08
Peak Jun 07

Source: Federal Reserve Bank of New York
Regional Economic Activity Has Leveled Off

Index of Coincident Economic Indicators

New York City
New York State
New Jersey

Note: Shading indicates US recessions

Source: Federal Reserve Bank of New York
Indexes of Coincident Economic Indicators (CEI)

**Current Situation**

- Despite the financial turmoil, activity in New York State and New York City turned down after the peak in national activity; in New Jersey, activity weakened well before the national peak.

- The indexes show that activity across the region has leveled off in recent months.

- Regional recoveries from past two cycles have lagged the nation considerably.
Private-Sector Job Growth: U.S. & Metropolitan Areas

Percentage Change in Private-Sector Employment
December/January/February 2009 to December/January/February 2010

-6.4
-3.5
-3.2
-2.9
-3.8
-4.2
-3.4
-1.7
-2.3
-2.2
-2.8
-2.3
-2.4
-6.4

United States
NY Metro Division
New York City
Northern Suburbs
Northern NJ
Fairfield CT
Long Island
Upstate New York
Buffalo
Rochester
Syracuse
Albany
San Juan PR

NY Metro Division includes Bergen, Hudson, Passaic, Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, and Westchester counties.
The Northern Suburbs include Putnam, Rockland, Westchester, Dutchess, and Orange counties.
Northern New Jersey includes Bergen, Hudson, and Passaic counties, as well as the Newark and Edison metro divisions.
Upstate New York includes the four areas listed, as well as the Binghamton, Glens Falls, Utica-Rome, and Ithaca MSAs.

Source: Bureau of Labor Statistics and Moody’s Economy.com
2010 Employment Trends

New Jersey
Longer-Term Employment Trends

Total Employment

Index 1990 = 100

Edison Metro includes Middlesex, Monmouth, Ocean, and Somerset counties.

Newark Metro includes Essex, Hunterdon, Morris, Sussex, Union, and Pike counties.

Source: Bureau of Labor Statistics and Moody’s Economy.com
Private-Sector Job Growth
Year Over Year Percent Change in Private Sector Employment

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

Year Over Year Percent Change, Feb 2010

<table>
<thead>
<tr>
<th></th>
<th>Feb 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>-2.9% (-2.0% Mar)</td>
</tr>
<tr>
<td>NJ</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Bergen...</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Newark</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Edison</td>
<td>-4.3%</td>
</tr>
</tbody>
</table>

Percent Change, Local Peak to Feb 2010

<table>
<thead>
<tr>
<th></th>
<th>Feb 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>-7.3% (-7.2% Mar)</td>
</tr>
<tr>
<td>NJ</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Bergen...</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Newark</td>
<td>-8.8%</td>
</tr>
<tr>
<td>Edison</td>
<td>-8.8%</td>
</tr>
</tbody>
</table>

Newark Metro includes Essex, Hunterdon, Morris, Sussex, Union, and Pike counties.

Edison Metro includes Middlesex, Monmouth, Ocean, and Somerset counties.
Unemployment Rates
Seasonally Adjusted

Unemployment February 2010

<table>
<thead>
<tr>
<th>Region</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>9.7% (9.7% Mar)</td>
</tr>
<tr>
<td>NJ</td>
<td>9.8%</td>
</tr>
<tr>
<td>Newark</td>
<td>9.8%</td>
</tr>
<tr>
<td>Edison</td>
<td>9.4%</td>
</tr>
<tr>
<td>Bergen C</td>
<td>8.3%</td>
</tr>
<tr>
<td>Hudson C</td>
<td>11.1%</td>
</tr>
<tr>
<td>Passaic C</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

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

Newark Metro includes Essex, Hunterdon, Morris, Sussex, Union, and Pike counties.

Edison Metro includes Middlesex, Monmouth, Ocean, and Somerset counties.
## Job Growth by Sector

Year Over Year Percent Change, Not Seasonally Adjusted

<table>
<thead>
<tr>
<th>Sector</th>
<th>U.S. Feb</th>
<th>New Jersey Feb</th>
<th>Newark Metro Feb</th>
<th>Edison Metro Feb</th>
<th>Bergen Hudson Passaic Feb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education &amp; Health</td>
<td>1.6</td>
<td>1.8</td>
<td>0.5</td>
<td>2.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Government</td>
<td>-0.5</td>
<td>1.0</td>
<td>-1.2</td>
<td>1.1</td>
<td>4.0</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-1.5</td>
<td>1.3</td>
<td>-2.3</td>
<td>3.8</td>
<td>-0.8</td>
</tr>
<tr>
<td>Professional &amp; Business</td>
<td>-2.1</td>
<td>-3.9</td>
<td>-1.5</td>
<td>-9.5</td>
<td>-7.0</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-2.1</td>
<td>-1.6</td>
<td>-3.1</td>
<td>-4.4</td>
<td>-1.5</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>-2.7</td>
<td>-3.9</td>
<td>-4.9</td>
<td>-5.7</td>
<td>-2.0</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-3.4</td>
<td>-4.5</td>
<td>-5.9</td>
<td>-2.9</td>
<td>-3.4</td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>-4.3</td>
<td>-1.4</td>
<td>-2.2</td>
<td>-3.4</td>
<td>-6.1</td>
</tr>
<tr>
<td>Information</td>
<td>-4.6</td>
<td>-5.8</td>
<td>-4.4</td>
<td>-8.7</td>
<td>-4.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-6.7</td>
<td>-7.2</td>
<td>-8.8</td>
<td>-7.8</td>
<td>-8.9</td>
</tr>
<tr>
<td>Construction</td>
<td>-14.1</td>
<td>-16.2</td>
<td>-12.5</td>
<td>-21.3</td>
<td>-7.8</td>
</tr>
</tbody>
</table>

Note: ‘Construction’ category for Newark, Edison, and Bergen-Hudson-Passaic also includes Mining.

Source: Bureau of Labor Statistics and Moody’s Economy.com
2010 New Jersey Employment Trends
Summary

• The rate of job decline in the northern NJ metro areas in this downturn was roughly on par with the nation.

• NJ’s labor market steadied in February as unemployment edged down and private-sector job growth turned up modestly.

• A recovery of lost jobs in finance, professional and business services, and construction would help to spur employment growth statewide.

• Budget gaps are putting downward pressure on state and local government employment.
Private-Sector Job Growth

Year Over Year Percent Change in Private Sector Employment

Percent

<table>
<thead>
<tr>
<th>Year Over Year Percent</th>
<th>Percent Change, Local Peak to Feb 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
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</tr>
<tr>
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<td>-7.3% (-7.2% Mar)</td>
</tr>
<tr>
<td>Lower HV</td>
<td></td>
</tr>
<tr>
<td>P/K</td>
<td></td>
</tr>
<tr>
<td>Fairfield</td>
<td></td>
</tr>
<tr>
<td>Long Island</td>
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Source: Bureau of Labor Statistics and Moody's Economy.com
Private-Sector Job Growth

Year Over Year Percent Change in Private Sector Employment

<table>
<thead>
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<tbody>
<tr>
<td>-10</td>
<td>-8</td>
</tr>
<tr>
<td>-6</td>
<td>-4</td>
</tr>
<tr>
<td>-2</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

Jan91  Jan93  Jan95  Jan97  Jan99  Jan01  Jan03  Jan05  Jan07  Jan09

US

New York City

Year Over Year Percent Change, Feb 2010

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<thead>
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<td>-1.6</td>
<td>-2.8</td>
<td>-10.9</td>
</tr>
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Percent Change, Local Peak to Feb 2010

<p>| | | | | | | |</p>
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Year Over Year Percent Change in Private Sector Employment

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<td>-1.6</td>
<td>-5.9</td>
</tr>
<tr>
<td>Fairfield</td>
<td>-2.8</td>
<td>-6.8</td>
</tr>
<tr>
<td>Long Island</td>
<td>-1.0</td>
<td>-4.4</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody's Economy.com
Unemployment Rates
Seasonally Adjusted

Source: Bureau of Labor Statistics and Moody’s Economy.com
Unemployment Rates

Seasonally Adjusted

Source: Bureau of Labor Statistics and Moody’s Economy.com
Unemployment Rates
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Unemployment Rates
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Source: Bureau of Labor Statistics and Moody’s Economy.com
Unemployment Rates
Seasonally Adjusted

Source: Bureau of Labor Statistics and Moody’s Economy.com
NYC Employment

Thousands


Note: Shading represents local economic downturns.

Source: NYS Dept. of Labor and FRBNY staff calculations
NYC Employment

Source: NYS Dept. of Labor and FRBNY staff calculations

Note: Shading represents local economic downturns.
NYC Employment

Thousands

Note: Shading represents local economic downturns.

Source: NYS Dept. of Labor and FRBNY staff calculations
## Job Growth by Sector

### Year Over Year Percent Change

<table>
<thead>
<tr>
<th>Sector</th>
<th>U.S. Feb</th>
<th>NYC Feb</th>
<th>Northern Suburbs Feb</th>
<th>Long Island Feb</th>
<th>Lower Hudson Valley Feb</th>
<th>Fairfield County Feb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education &amp; Health</td>
<td>1.6</td>
<td>1.4</td>
<td>1.3</td>
<td>1.9</td>
<td>1.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Government</td>
<td>-0.5</td>
<td>-3.9</td>
<td>-1.6</td>
<td>-1.2</td>
<td>-1.9</td>
<td>-0.8</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-1.5</td>
<td>1.7</td>
<td>0.3</td>
<td>3.8</td>
<td>-4.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Professional &amp; Business</td>
<td>-2.1</td>
<td>-4.0</td>
<td>-5.3</td>
<td>-1.8</td>
<td>-0.5</td>
<td>-7.6</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-2.1</td>
<td>-0.4</td>
<td>-5.0</td>
<td>0.3</td>
<td>-0.9</td>
<td>-2.8</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>-2.7</td>
<td>-4.6</td>
<td>-5.7</td>
<td>-3.8</td>
<td>0.0</td>
<td>-4.2</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-3.4</td>
<td>-5.4</td>
<td>-3.9</td>
<td>-2.6</td>
<td>-1.1</td>
<td>-3.0</td>
</tr>
<tr>
<td>Securities</td>
<td>-5.0</td>
<td>-9.4</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>-4.3</td>
<td>-6.4</td>
<td>-3.9</td>
<td>-3.6</td>
<td>-1.0</td>
<td>-0.9</td>
</tr>
<tr>
<td>Information</td>
<td>-4.6</td>
<td>-0.6</td>
<td>-6.1</td>
<td>-1.1</td>
<td>-4.8</td>
<td>-4.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-6.7</td>
<td>-6.0</td>
<td>-7.7</td>
<td>-5.9</td>
<td>-9.2</td>
<td>-5.6</td>
</tr>
</tbody>
</table>

Note: ‘Construction’ category for local areas encompasses mining & natural resources

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

• Employment across downstate NY and Fairfield County (CT) has leveled off in early 2010 but has not turned up significantly thus far.

• NYC private-sector employment peaked 6 months into the national recession and has not fallen as deeply.

• Long Island appears to be outperforming NYC and the rest of the region.

• Fairfield County and the Lower Hudson Valley have seen steeper job losses than the rest of the region.

• NYC’s key securities industry has registered steep job losses, which continued in February.
2010 Employment Trends

NEW YORK CITY’S FINANCIAL SECTOR
Financial Sector Employment and Earnings

Percent of New York City Total

- Finance (excluding Securities)
- Securities

New York City Employment

- 1972
- 1987
- 2000
- 2007
- US 2007

New York City Earnings

- 1972
- 1987
- 2000
- 2007
- US 2007

Source: New York State Department of Labor
The New York City Financial Sector

- Central bank
- Securities brokerages and exchanges
- Credit intermediaries and related activities
- Commercial banks, S&Ls, credit unions
- Non-depository institutions
- Mortgage brokers
- Clearinghouses
- Funds, trusts, investment pools
- Insurance firms
- Real estate
The Financial Sector Impacts the Local, State and Regional Economy

- Average securities wage is 6X the average nonfinancial wage in NYC.

- NYS Comptroller estimates that each securities job in NYC generates:
  - 2 other jobs in New York City
  - 1 other job in the suburbs

  that the securities sector (business and personal income taxes and real estate taxes) accounts for:
  - 20% of NYS taxes
  - 12% of NYC taxes

- Many jobs in business and professional services depend upon this sector.
NYC Employment: Securities and All Other
Seasonally Adjusted

NYC employment excluding securities (left axis)

NYC securities industry employment (right axis)

Source: Bureau of Labor Statistics and FRBNY calculations
## Previous Major Financial Downturns in NYC

<table>
<thead>
<tr>
<th>Downturn</th>
<th>Decline in Financial Activities Employment</th>
<th>Decline in Securities Industry Employment</th>
<th>Decline in Total City Employment</th>
<th>Decline in Real Securities Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969 – 1976</td>
<td>61,000 (13%)</td>
<td>49,000 (40%)</td>
<td>641,000 (17%)</td>
<td>35%</td>
</tr>
<tr>
<td>1987 – 1993</td>
<td>95,000 (17%)</td>
<td>38,000 (21%)</td>
<td>356,000 (10%)</td>
<td>14%</td>
</tr>
<tr>
<td>2000 – 2003</td>
<td>61,000 (12%)</td>
<td>41,000 (20%)</td>
<td>239,000 (6%)</td>
<td>34%</td>
</tr>
<tr>
<td>2007 - present</td>
<td>48,000 (10%)</td>
<td>31,000 (16%)</td>
<td>189,000 (5%)</td>
<td>32%</td>
</tr>
</tbody>
</table>

Note: Peaks and troughs vary for each category; listed peaks and troughs correspond with NYC total employment.

Source: Bureau of Labor Statistics; seasonally adjusted by FRBNY
U.S. Securities Industry Quarterly Profits & Revenues

Broker Dealers Doing a Public Business in the U.S.

Note: Profits are pre-tax. Revenues are net of interest expense.

Source: SIFMA DataBank
Summary

- NYC is increasingly dependent on high income/high variance securities sector.

- This financial crisis is similar to prior downturns with security job losses totaling 16 percent to date while real earnings in securities have totaled 32 percent.

- Because the compensation of each securities job is 6X that of the average nonfinancial job, these job losses have far-reaching impact in terms of demand for other goods and services and fiscal effects.

- The stress on state and local budgets adds additional downward pressure to the weak state and local economies in the region.
2010 Employment Trends
Little Job Growth Over the Longer Term

Employment Index

Upstate NY includes the Albany, Binghamton, Buffalo, Elmira, Glens Falls, Ithaca, Rochester, Syracuse, and Utica MSAs.

Source: Bureau of Labor Statistics and Moody's Economy.com
Upstate Outperforming U.S. During the Recession

Monthly Year-Over-Year Percent Change in Employment

Upstate NY includes the Albany, Binghamton, Buffalo, Elmira, Glens Falls, Ithaca, Rochester, Syracuse, and Utica MSAs.

Note: Shading indicates US recession.

Source: Bureau of Labor Statistics and Moody’s Economy.com
Recession Employment Dynamics
Past Three Cycles

Index (Onset of Recession = 100)

Note: Shading indicates US recession

Source: Bureau of Labor Statistics and Moody’s Economy.com
Total Employment Loss
Local Peak Through February 2010

-6.1% -5.8% -5.5% -3.7% -3.6% -3.5% -3.5% -2.4% -2.0% -0.6%

Source: Bureau of Labor Statistics and Moody's Economy.com
Unemployment Rates Lower Than Average

Seasonally Adjusted

<table>
<thead>
<tr>
<th>City</th>
<th>Percent</th>
</tr>
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<tbody>
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<td>U.S</td>
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</tr>
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<td>Binghamton</td>
<td>8.5%</td>
</tr>
<tr>
<td>Buffalo</td>
<td>8.3%</td>
</tr>
<tr>
<td>Elmira</td>
<td>8.2%</td>
</tr>
<tr>
<td>Syracuse</td>
<td>8.1%</td>
</tr>
<tr>
<td>Rochester</td>
<td>8.0%</td>
</tr>
<tr>
<td>Glens Falls</td>
<td>7.9%</td>
</tr>
<tr>
<td>Utica</td>
<td>7.5%</td>
</tr>
<tr>
<td>Albany</td>
<td>6.9%</td>
</tr>
<tr>
<td>Ithaca</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics and Moody’s Economy.com
## Job Growth by Sector

12-Month Percent Change Ending February 2010

<table>
<thead>
<tr>
<th>Sector</th>
<th>Upstate NY</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational &amp; Health Srvcs</td>
<td>-11.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Government</td>
<td>-15.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-10.7</td>
<td>-2.3</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-11.1</td>
<td>-3.8</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-10.7</td>
<td>-4.8</td>
</tr>
<tr>
<td>Professional &amp; Business Srvcs</td>
<td>-10.7</td>
<td>-4.5</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>-11.1</td>
<td>-4.3</td>
</tr>
<tr>
<td>Information</td>
<td>-11.1</td>
<td>-6.1</td>
</tr>
<tr>
<td>Construction &amp; Mining</td>
<td>-10.7</td>
<td>-5.4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-11.1</td>
<td>-5.9</td>
</tr>
</tbody>
</table>

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

Upstate NY includes the Albany, Binghamton, Buffalo, Elmira, Glens Falls, Ithaca, Rochester, Syracuse, and Utica MSAs.
Construction: Smaller Share of Jobs & Lower Rate of Job Loss

Share of Total Employment

Source: Bureau of Labor Statistics and Moody's Economy.com
Manufacturing: Larger Share of Jobs in Much of Upstate

Share of Total Employment

Source: Bureau of Labor Statistics and Moody’s Economy.com
Education and Health Services: Larger Share of Jobs
Share of Total Employment

U.S. Share

Albany: 19.0%
Binghamton: 14.5%
Buffalo: 16.6%
Elmira: 20.4%
Glens Falls: 14.9%
Ithaca: 53.0%
Rochester: 21.9%
Syracuse: 18.5%
Utica: 20.6%

Annual Average Employment Ending February 2010

Source: Bureau of Labor Statistics and Moody’s Economy.com
2010 Upstate Employment Trends

Summary

• Job loss during the recession in upstate New York has been less severe than the nation.
  ▪ Construction is the largest source of job loss for the U.S.; its smaller share of employment upstate coupled with a slower rate of decline explains the region's more stable performance.
  ▪ Growth in educational and health services has helped balance out declines in other job sectors.

• Binghamton and Elmira have been the worst performing metros in the region; Utica, Glens Falls, and Ithaca are doing far better than the nation.
2010 Employment Trends
Measures of Economic Activity*

* These composite index measures use different component indicators and methodologies but can be compared for the purpose of dating downturns.

Source: The Conference Board, Puerto Rico Government Development Bank
Growth in Private Nonfarm Employment

Puerto Rico and US

% Change Year to Year

Source: Bureau of Labor Statistics, Dept. of Labor and Human Resources
Puerto Rico Employment: Private and Public Sector

Thousands

2001 2003 2005 2007 2009

Private Sector (Left Axis)

Public Sector (Right Axis)

Source: Bureau of Labor Statistics, Dept. of Labor and Human Resources
Unemployment Rate

Puerto Rico

United States

Source: Bureau of Labor Statistics, Economy.com
Summary

• Puerto Rico’s recession started nearly 2 years before the mainland’s and has been much deeper.

• Based on a coincident economic index, the island’s economy has yet to show signs of bottoming out.

• Private-sector employment appears to have leveled off, but public-sector employment—nearly 30% of all jobs—has fallen sharply since mid 2009.

• The unemployment rate, which typically runs high in Puerto Rico, is currently around 16%; still, this is 1-2 percentage points lower than in the early 1990s.
2010 REGIONAL EMPLOYMENT BRIEFING

Regional Tools and Resources from the New York Fed

Erica Groshen
Regional tools and resources from the New York Fed

• Varied, current perspectives on regional conditions
  – To inform economic and policy decision-makers
• Regional data and indicators
  – Index of Coincident Economic Indicators
  – Empire State Manufacturing Survey
  – Beige Book
  – Economic indicator charts
• Publications
  – Second District Highlights (Current Issues)
  – Facts & Trends
  – Staff Reports and Economic Policy Review
• Tools
  – U.S. Credit Conditions portal
    www.newyorkfed.org/creditconditions
Index of Coincident Economic Indicators

- Released monthly by New York Fed
- Comprehensive, timely gauge of regional economic activity
- Constructed from public data

Where to find it: 
Empire State Manufacturing Survey

- Monthly survey conducted by New York Fed
  - Recent and anticipated changes in economic conditions in manufacturing companies in New York
  - Topical questions of the month (such as borrowing needs, labor market conditions, etc.)
- Respondents: Panel of 200 manufacturing executives receives survey (about 100 respond)
- Where to find it:
  http://www.ny.frb.org/survey/empire/empiresurvey_overview.html
Excerpts from March 15 Empire State Manufacturing Survey

• “Conditions for New York manufacturers continued to improve at a steady pace in March.”
• “Employment indexes climbed further into positive territory, suggesting that employment levels are on the rise.”
The “Beige Book”

Summary of Commentary on Current Economic Conditions

• Anecdotal information on economic conditions by district and sector

• Compiled by Reserve Banks from local sources and interviews with key business contacts and market experts

• Eight times per year

• Where to find it: http://www.federalreserve.gov/FOMC/BeigeBook/2010/
Excerpts from March 3 Beige Book

• “…The Second District's economy has shown some further signs of strengthening since the last report, despite some apparent slowing in the housing market; input price increases have become more widespread.”

• “In general, business contacts report ongoing improvement in overall conditions and some pickup in hiring activity…”

• “A major NYC employment agency, specializing in office jobs, reports that hiring activity has been sluggish but stable in early 2010, in contrast with the modest pickup that seemed to be taking hold in late 2009; still, conditions are reported to be not as bad as during most of 2009.”
Regional economic indicator charts

• Ready-to-go charts of regional economic conditions
  – Payroll employment growth
    • US, NY, NJ, NYC
    • Local areas (metro areas and others) in the region
  – Labor force indicators for US, NY, NJ, NYC
  – Inflation and income indicators for US, NY, NJ, NYC
  – Housing indicators for US, NY, NJ, NYC

• Constructed from public data
• Updated by New York Fed
• Where to find it:
  http://www.ny.frb.org/research/regional_economy/regionalindicators.html
Sample regional economic indicator chart

PAYROLL JOB GROWTH: DOWN-STATE NEW YORK
Percent changes from 12-months earlier

Percent

Nassau-Suffolk, NY Metro Division
Northern NYC Suburbs
NYC
Kingston NY

NY City
Feb = -2.5
Nassau-Suffolk, NY Metro Division
Feb = -1.0
Northern NYC Suburbs
Feb = -3.1
Kingston
Feb = -0.7

Northern NYC Suburbs = Dutchess NY, Orange NY, Putnam NY, Rockland NY, and Westchester NY counties.
Kingston NY = Ulster county.
WDRX_48
9-Apr-10
Publications: 2nd District Highlights

- Analyses of economic conditions in NY, NJ, CT, and Puerto Rico
- Copy in press kit
- Part of Current Issues in Economics and Finance series
- Where to find it: http://www.newyorkfed.org/research/current_issues/index.html
Recent regional editions of *Current Issues*

Publications: Facts & Trends

- Brief takes on topics related to communities in the District
- “A Look at New Jersey’s Subprime Mortgages in Foreclosure”
- “A Look at Upstate New York’s Subprime Mortgages in Foreclosure”
- Coming very soon: Foreclosures on Long Island

Where to find it:

http://www.newyorkfed.org/regional/commdev.html
Recent in-depth research publications:  
**Staff Reports** and **Economic Policy Review**

- “Subprime Mortgage Lending in New York City: Prevalence and Performance”  
  by E. Okah and J. Orr (2010)

- “Productivity and the Density of Human Capital”  
  by J. Abel, I. Dey, and T. Gabe (2010)

- “Do Colleges and Universities Increase Their Region’s Human Capital?”  
  by J. Abel and R. Deitz (2009)

  by T. Adrian and H. Shin (2010)

- Where to find them:  
  [http://www.newyorkfed.org/research/staff_reports/index.html](http://www.newyorkfed.org/research/staff_reports/index.html)  
U.S. Credit Conditions: Dynamic maps and more

• Goal: Help regional stakeholders target resources by providing timely and detailed geographic data

• Contents
  – Maps, spreadsheets and charts
  – Conditions (delinquencies, foreclosures, etc.)
  – Mortgages, student loans, credit cards and auto loans
  – By state and county
  – More coming…

– Where to find it

http://data.newyorkfed.org/creditconditions
U.S. Credit Conditions: Dynamic maps and more

Location and condition or mortgages, student loans, auto loans, and bank cards

Spreadsheets and underlying data provided at state/county level

Darker shading indicates higher percentage. Data for counties with fewer than 200 loans have been removed; the counties are shaded yellow because small-population statistics are prone to extreme values and erratic fluctuations.
U.S. Credit Conditions: Dynamic maps and more
U.S. Credit Conditions
90+ day delinquency rate – all mortgages

90+ day delinquency rate

4 -quarter change in 90+ day delinquency rate

Note: Darker shading indicates higher percentage. Red indicates worsening conditions.

Source: TransUnion, LLC, Trend Data, 2009 Q4
U.S. Credit Conditions
Foreclosures per 1000 Housing Units – Prime Mortgages

Foreclosures per 1000 housing units

4-quarter change

Note: Darker shading indicates higher percentage. Red indicates worsening conditions.

Source: Lender Processing Services, Mortgage Performance Data.
Summary of regional tools and resources from the New York Fed

- Perspectives on regional conditions to inform economic and policy decision-makers
- To keep abreast, sign up for regional press releases and email alerts for the Regional Outreach and Regional Economy web pages
- Products
  - Regional data and indicators
    - Index of Coincident Economic Indicators
    - Empire State Manufacturing Survey
    - Beige Book
    - Economic indicator charts
  - Publications
    - Second District Highlights (Current Issues)
    - Facts & Trends
    - Staff Reports and Economic Policy Review
  - Tools
    - U.S. Credit Conditions portal
Supplementary Charts
New York State Benchmarked Employment

Total Nonfarm Employment, Seasonally Adjusted

Thousands

Jan07 Apr07 Jul07 Oct07 Jan08 Apr08 Jul08 Oct08 Jan09 Apr09 Jul09 Oct09 Jan10

New York State Benchmark

New York State Pre Benchmark

Source: Bureau of Labor Statistics and Moody’s Economy.com
New York City Benchmarked Employment

Total Nonfarm Employment, Seasonally Adjusted

Thousands

Jan07 Apr07 Jul07 Oct07 Jan08 Apr08 Jul08 Oct08 Jan09 Apr09 Jul09 Oct09 Jan10

New York City Pre Benchmark

New York City Benchmark

Dec

Source: Bureau of Labor Statistics and Moody's Economy.com
New Jersey Benchmarked Employment

Total Nonfarm Employment, Seasonally Adjusted

Thousands

Jan07 Apr07 Jul07 Oct07 Jan08 Apr08 Jul08 Oct08 Jan09 Apr09 Jul09 Oct09 Jan10

New Jersey

Benchmark

Pre Benchmark

Dec

Source: Bureau of Labor Statistics and Moody’s Economy.com
NYC Financial Sector
Share of Earnings by Industry

What’s Missing from Reported Wages: Hedge Funds

 Compensation Reported in the Previous Chart for:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Annual Wages $billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>8.8</td>
</tr>
<tr>
<td>2000</td>
<td>12.2</td>
</tr>
<tr>
<td>2008</td>
<td>21.1</td>
</tr>
</tbody>
</table>

Hedge Funds

- Estimated 144 hedge funds in New York City with $973 billion in aggregate assets
- Compensation of fund managers is reported as capital gains - not wages - and so is not included in reported wages
- Typically <100 employees

Source: Hedge Fund Intelligence – January, 2008

Source: Bureau of Labor Statistics
Financial Sector Employment and Earnings
Percent of New York City Total

New York City Employment

- 2000
- 2007
- 2008
- 2009 - first 3 qtrs
- US 2009

New York City Earnings

- 2000
- 2007
- 2008
- 2009 - first 3 qtrs
- US 2009

Source: Bureau of Labor Statistics and NYS Department of Labor