FEDERAL RESERVE BANK *of* NEW YORK

Economic Conditions in New York State

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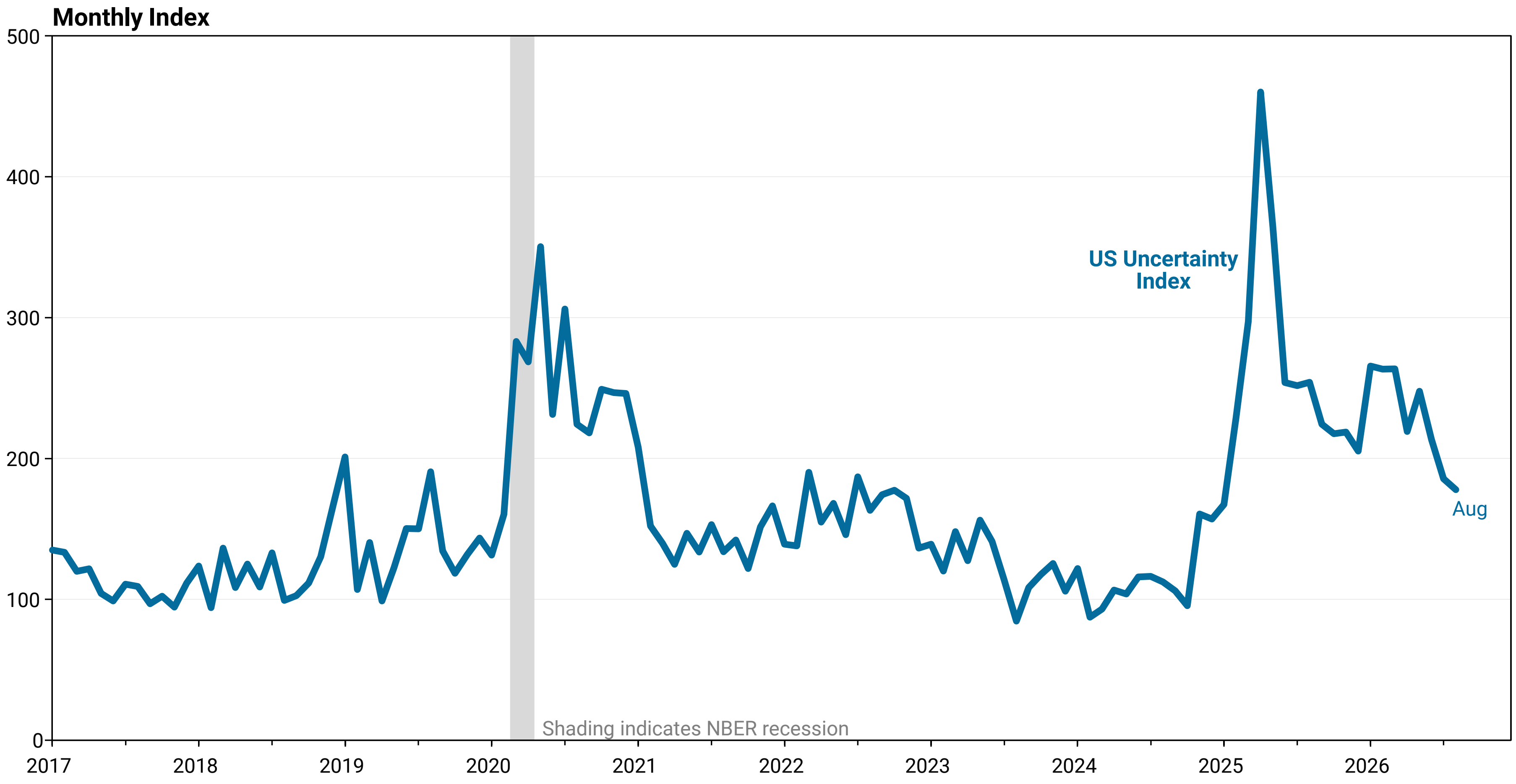
Overview of Regional Conditions

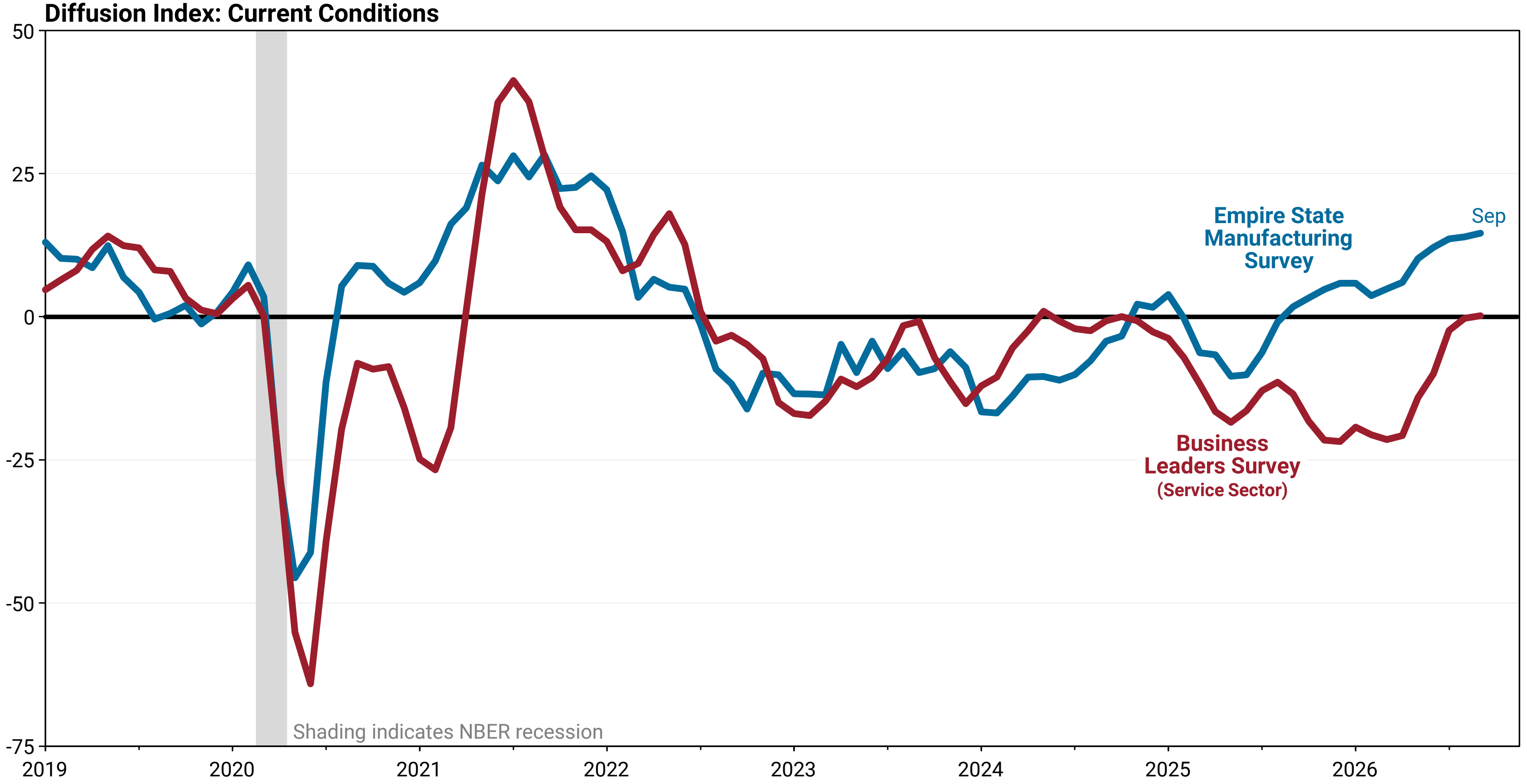
- Modest economic growth in and around New York City, weakness upstate.
- Job growth has stalled and unemployment is rising in some areas.
- Inflation remains high with widespread cost and pricing pressures.
- Regional housing markets rank among the hottest in the nation.
- Signs of household financial stress emerging.

Uncertain Times



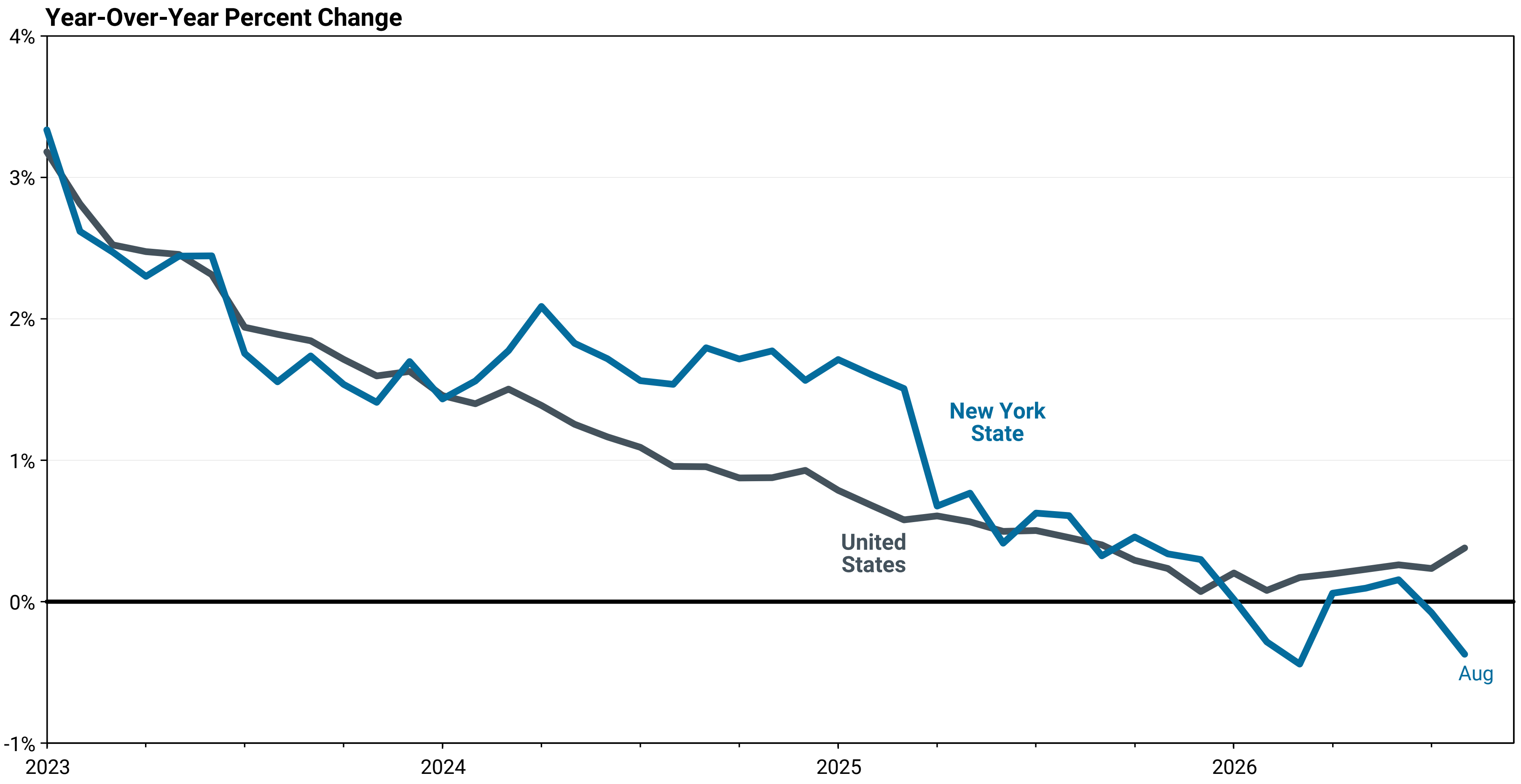
Sources: US Economic Policy Uncertainty Index; Baker, Bloom, and Davis via FRED®

Regional Activity Picking Up After Sustained Weakness



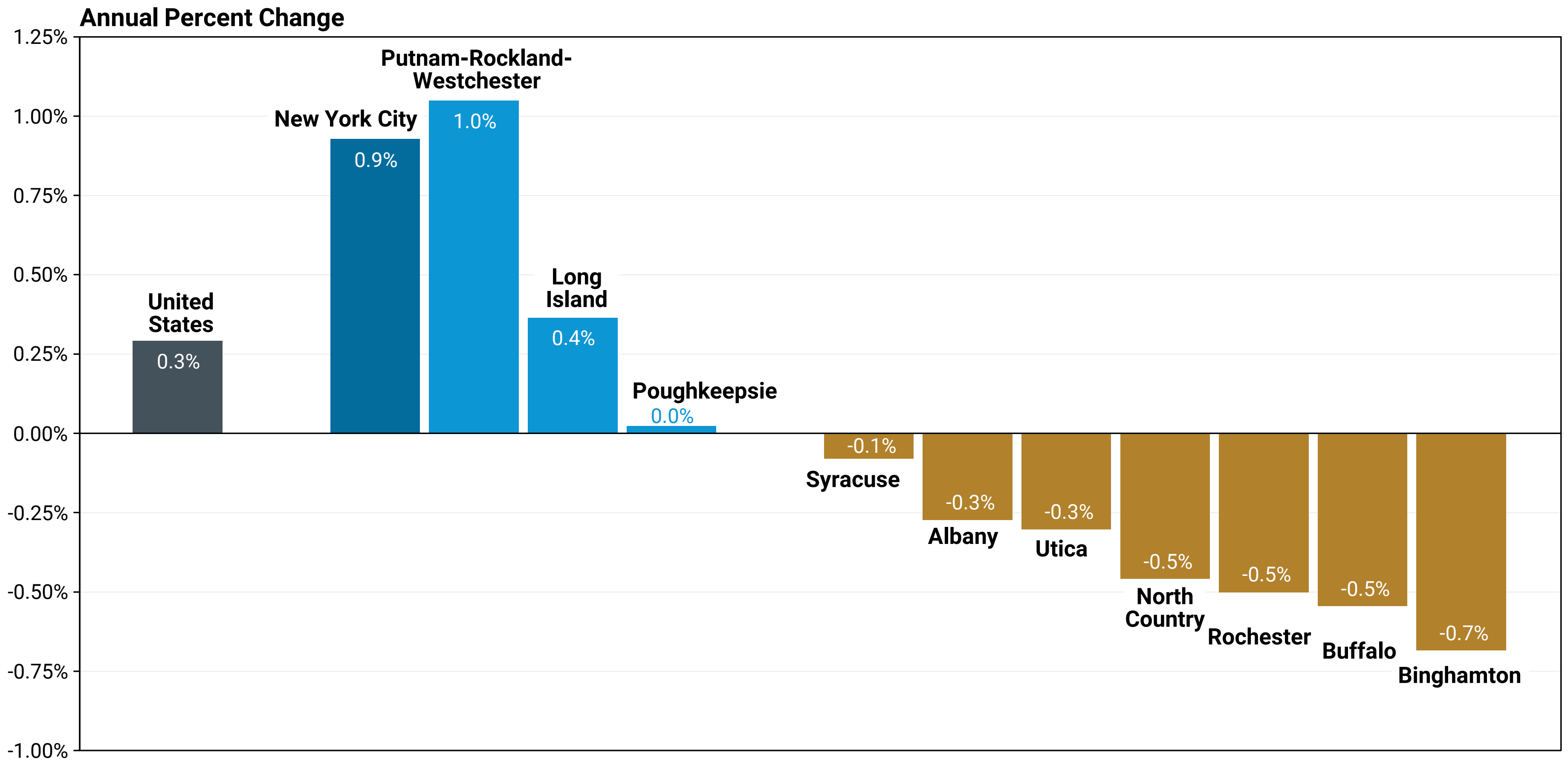
Source: Federal Reserve Bank of New York, expressed as 3-month moving average.

Job Growth Has Slowed Noticeably



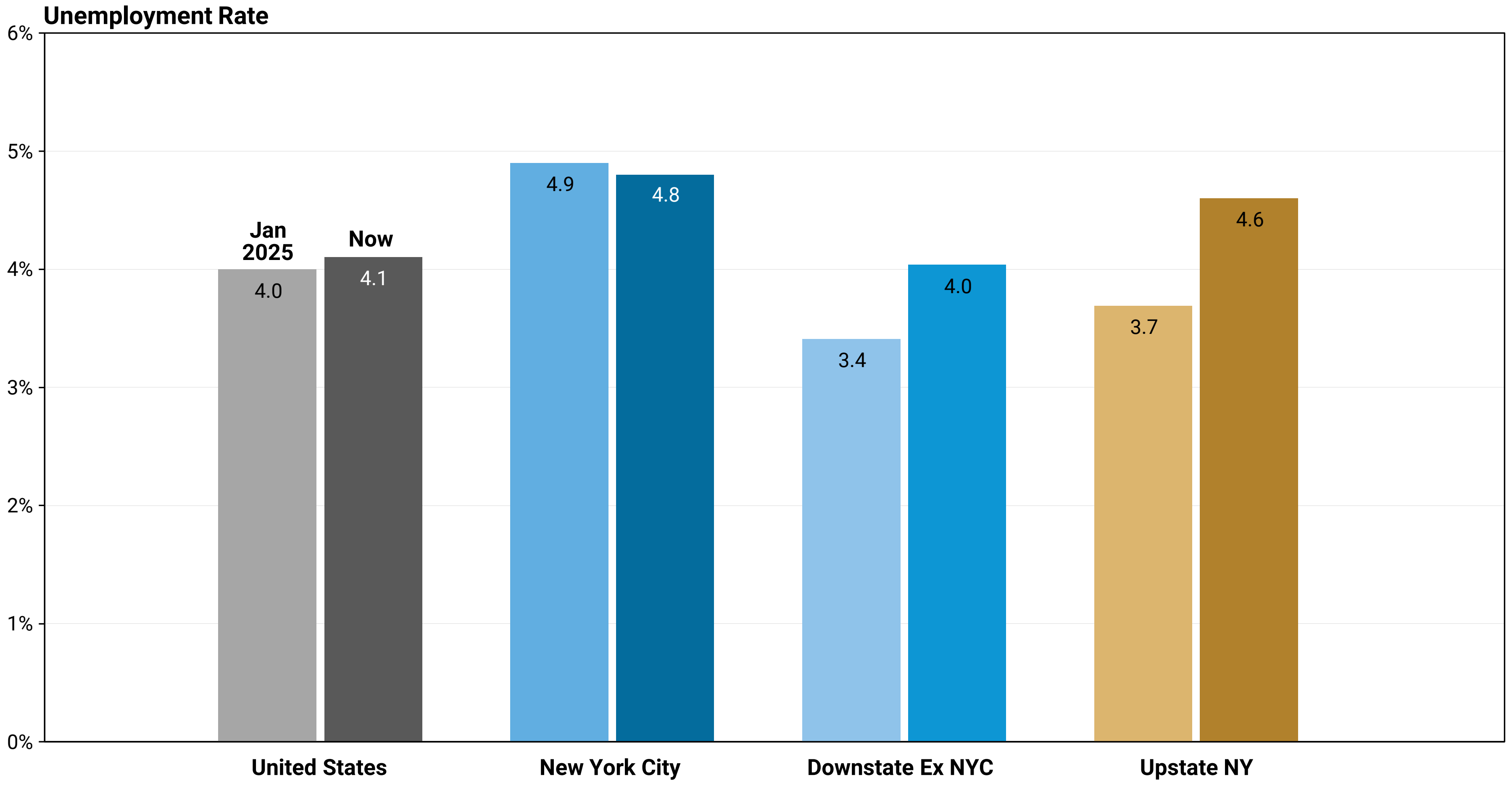
Source: U.S. Bureau of Labor Statistics and Moody's Economy.com. Regional data early benchmarked by NY Fed.

Strongest Job Growth In and Around New York City



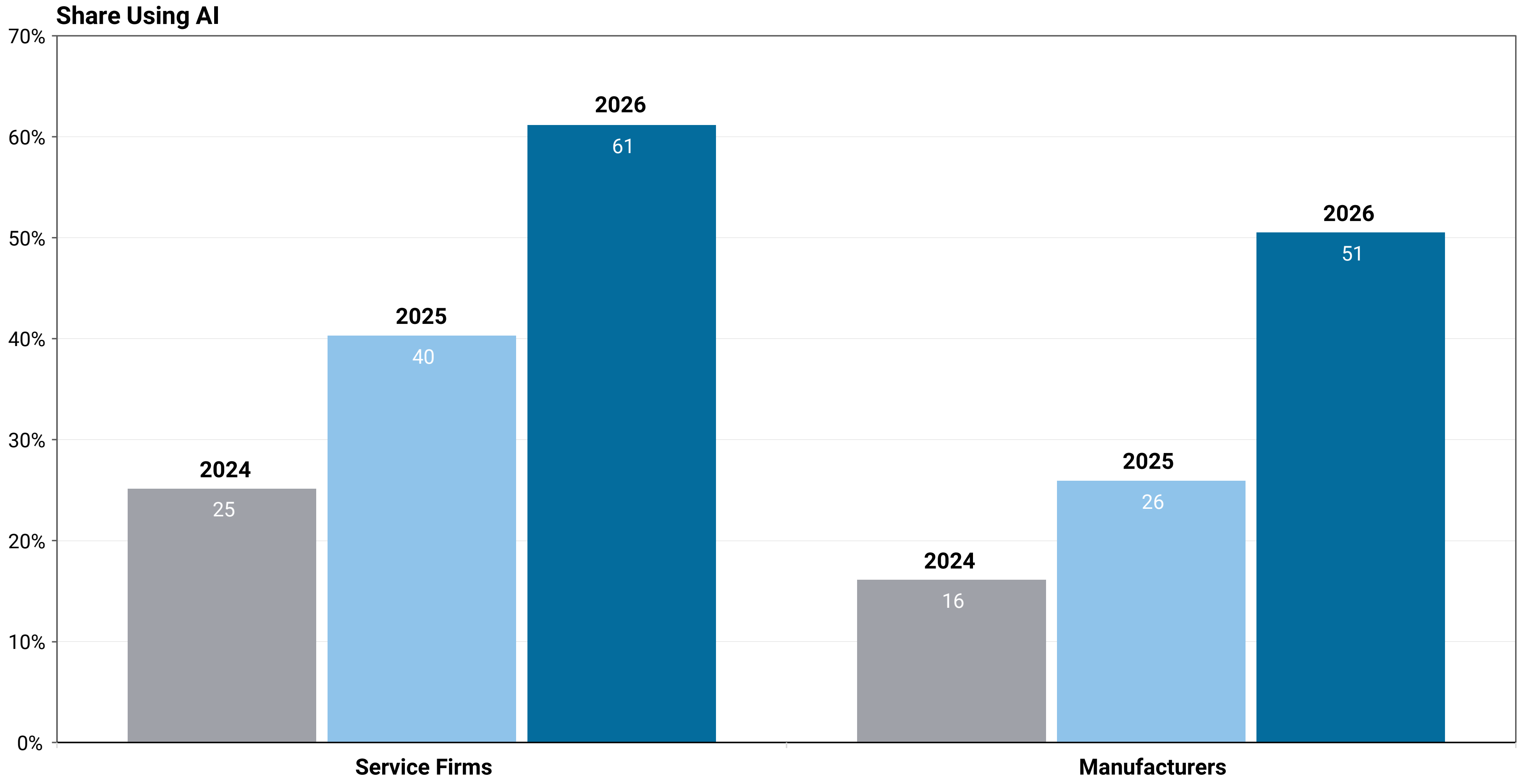
Source: U.S. Bureau of Labor Statistics and Moody's Economy.com; New York State Department of Labor.
Regional data early benchmarked by NY Fed, expressed as 3-month average through August.

Unemployment Rising in Some Areas But Remains Low



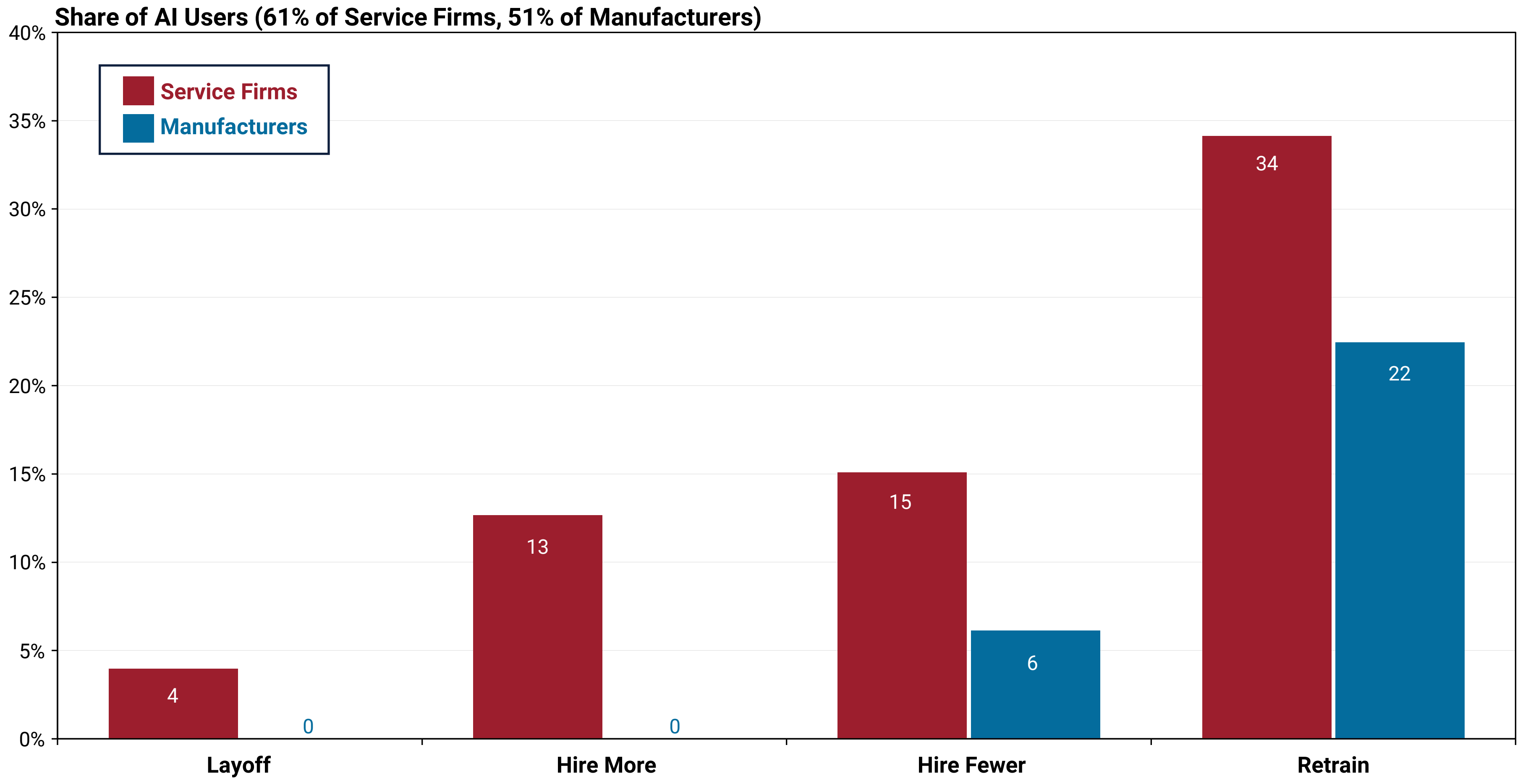
Source: U.S. Bureau of Labor Statistics and Moody’s Economy.com; New York State Department of Labor.

AI Adoption Has Continued to Increase in the Region



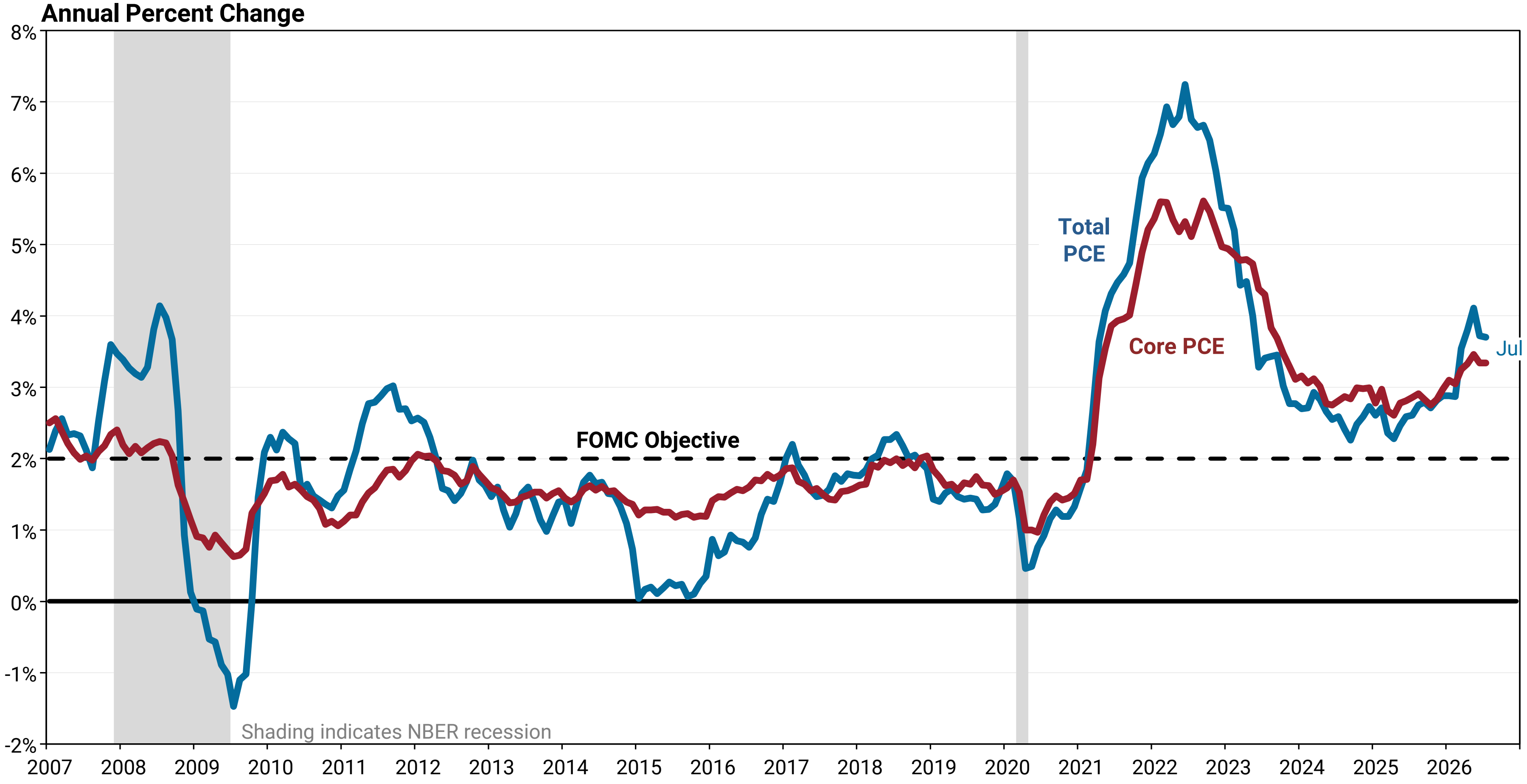
Source: Abel, Deitz, Emanuel, and Montalbano, “Businesses Are Using AI to Transform Work, Not Cut Jobs,” *LSE* Blog, September 2026.

How Are Businesses Adjusting Their Workforces to AI?



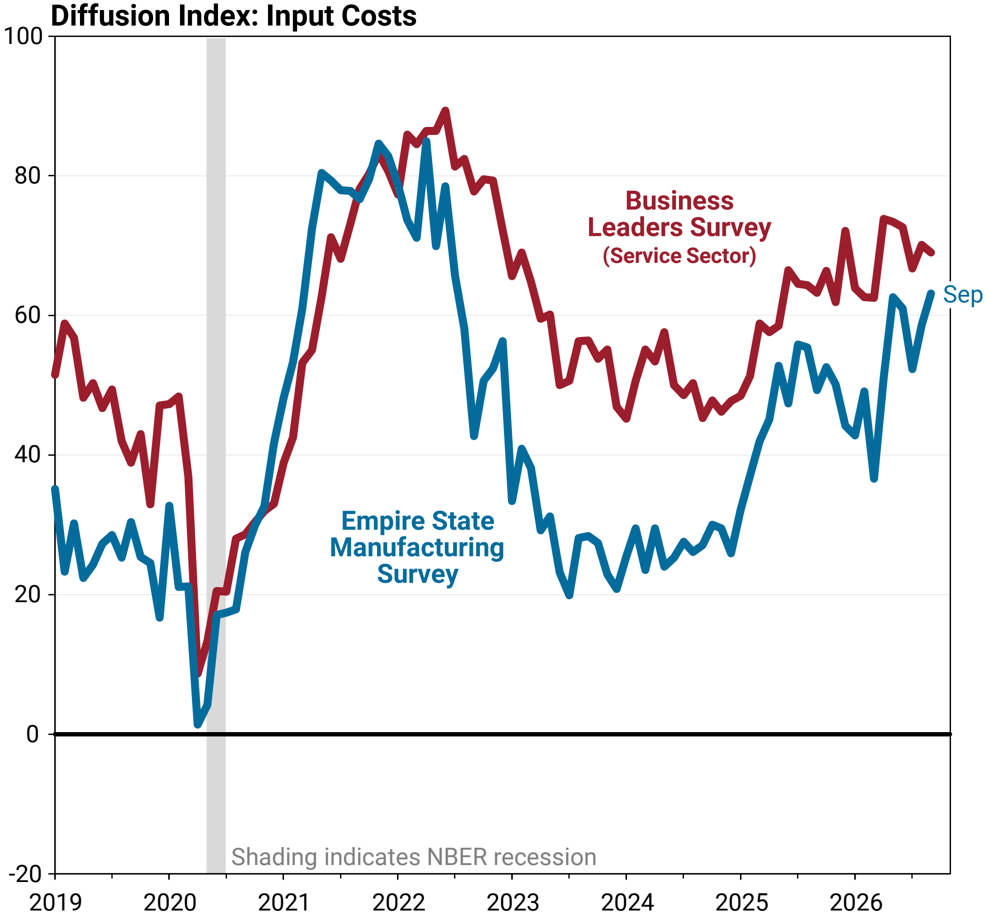
Source: Abel, Deitz, Emanuel, and Montalbano, “Businesses Are Using AI to Transform Work, Not Cut Jobs,” *LSE* Blog, September 2026.

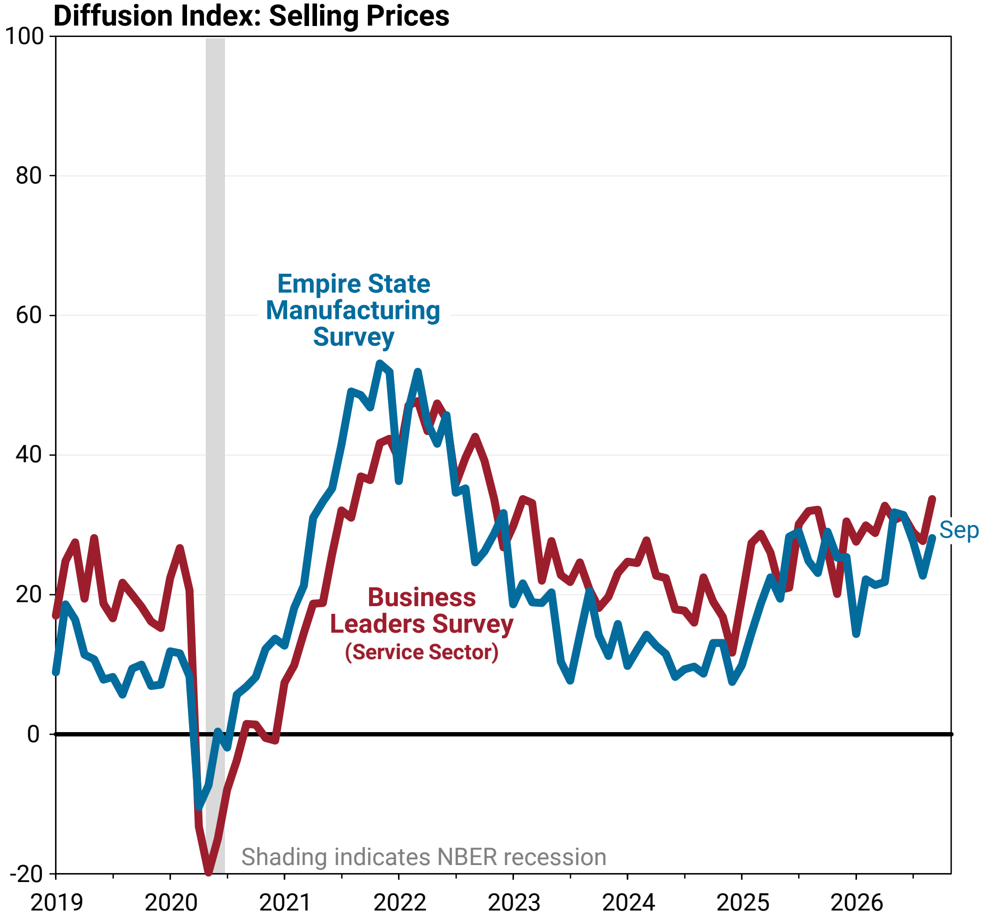
Inflation Remains Above Target



Source: U.S. Bureau of Economic Analysis via Haver Analytics.

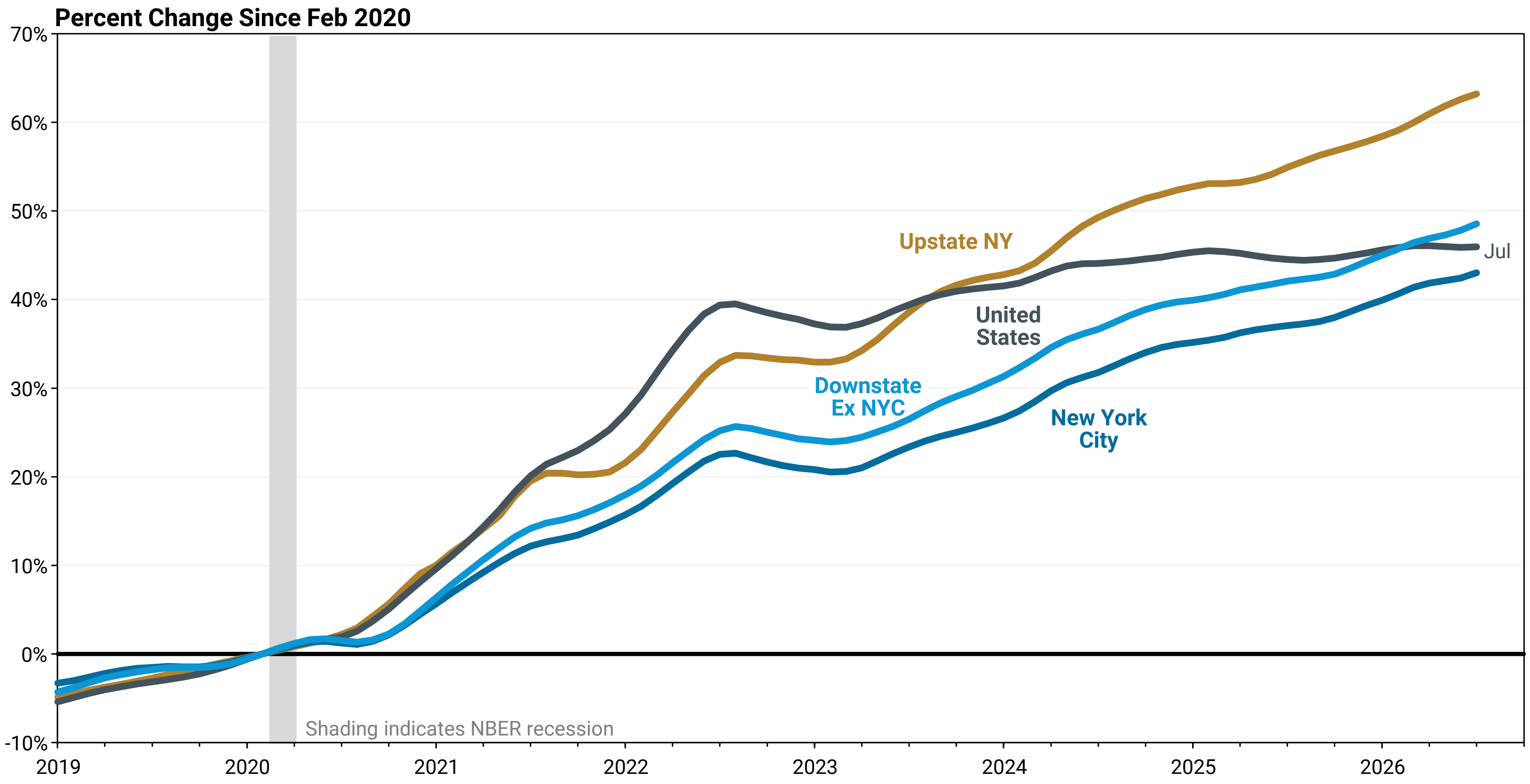
Cost and Price Increases Elevated in the Region





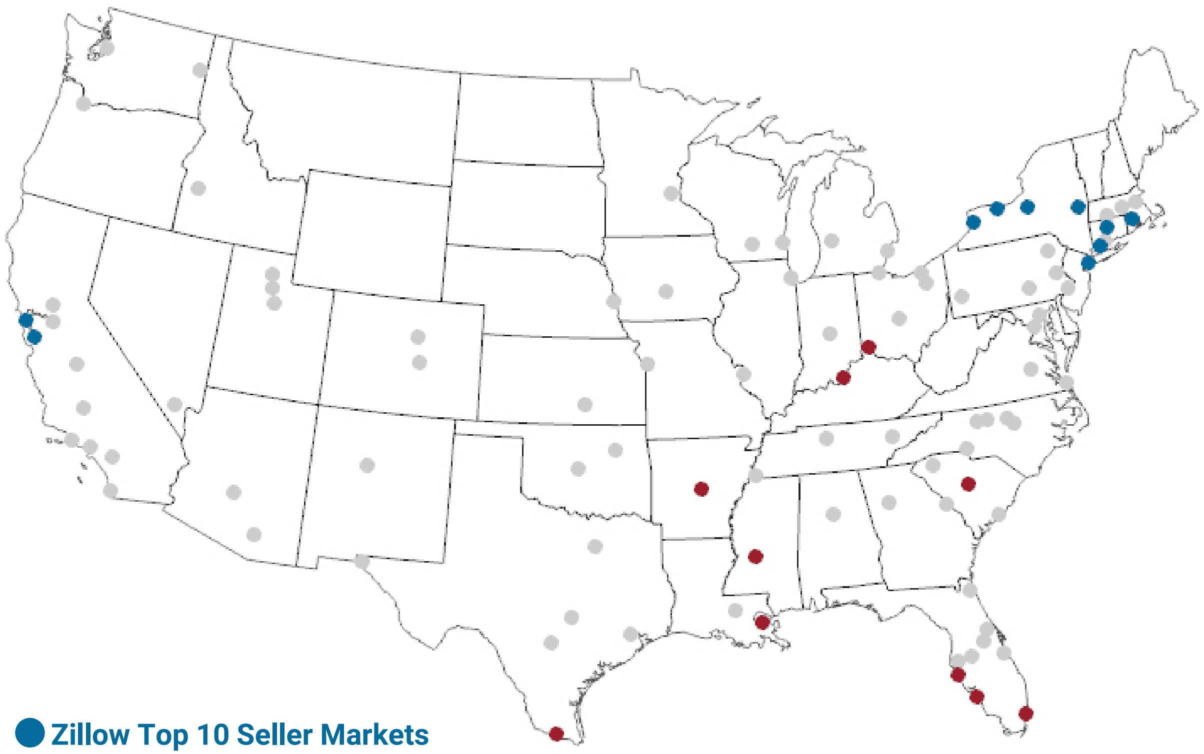
Source: Federal Reserve Bank of New York.

Home Prices Continue to Rise in the Region



Source: Zillow Home Value Index.

Regional Markets Rank at Top of Zillow Market Heat Index



Zillow Top 10 Seller Markets
Zillow Bottom 10 Buyer Markets

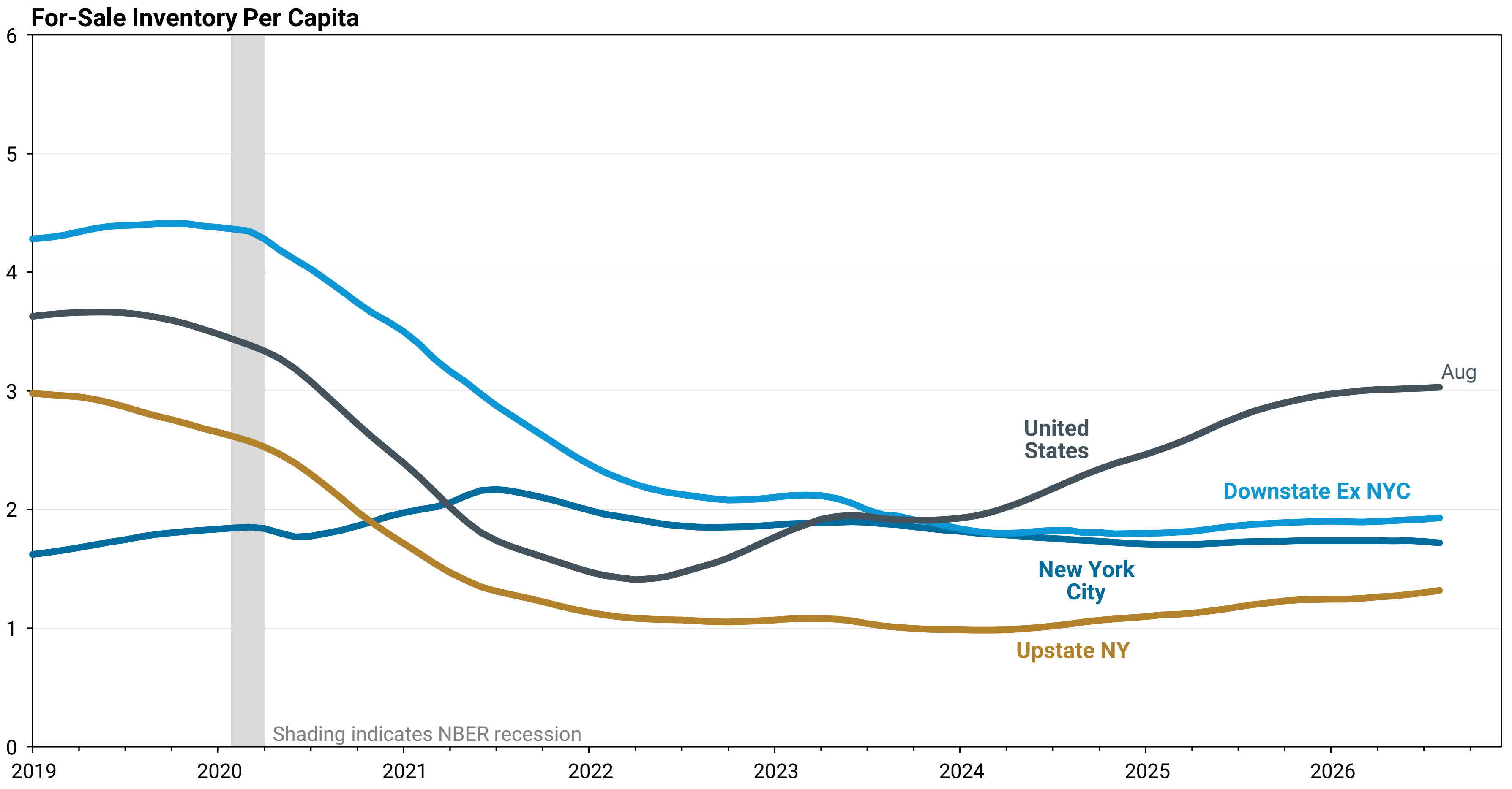
Source: Zillow Market Heat Index.

Top 10 Seller Markets*

Rochester, NY	**138**
San Francisco, CA	104
Syracuse, NY	**83**
Hartford, CT	81
San Jose, CA	80
Albany, NY	**71**
Buffalo, NY	**69**
New York, NY**	**67**
Providence, RI	67
Bridgeport, CT	67

Out of 100 Largest Metros
***New York, NY includes NYC, Downstate NY, and Northern NJ*
As of August 2026

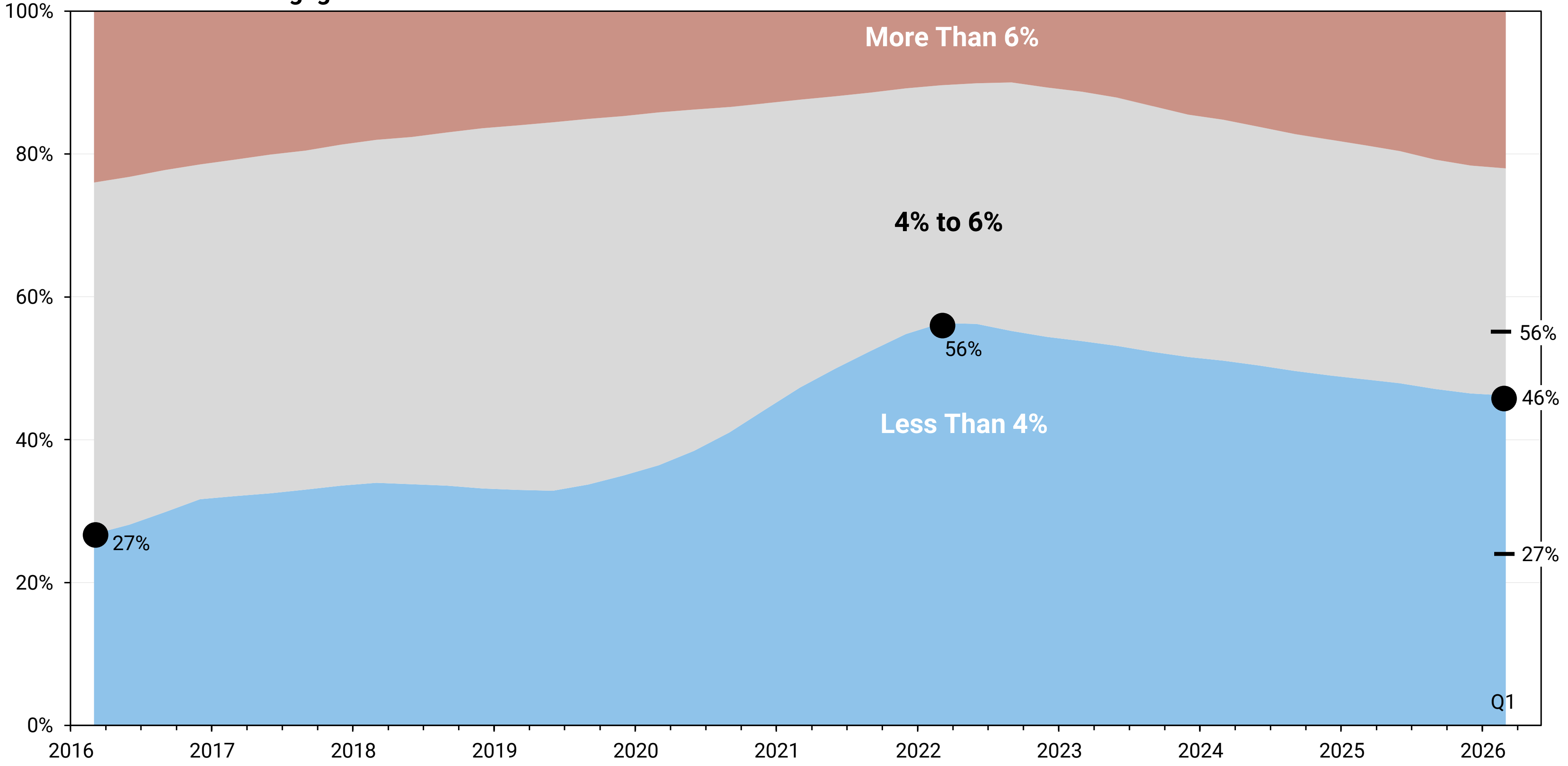
Exceptionally Low Inventory Driving Up Home Prices



Source: Realtor.com, U.S. Census Bureau, Moody’s Analytics, expressed as 12-month moving average.

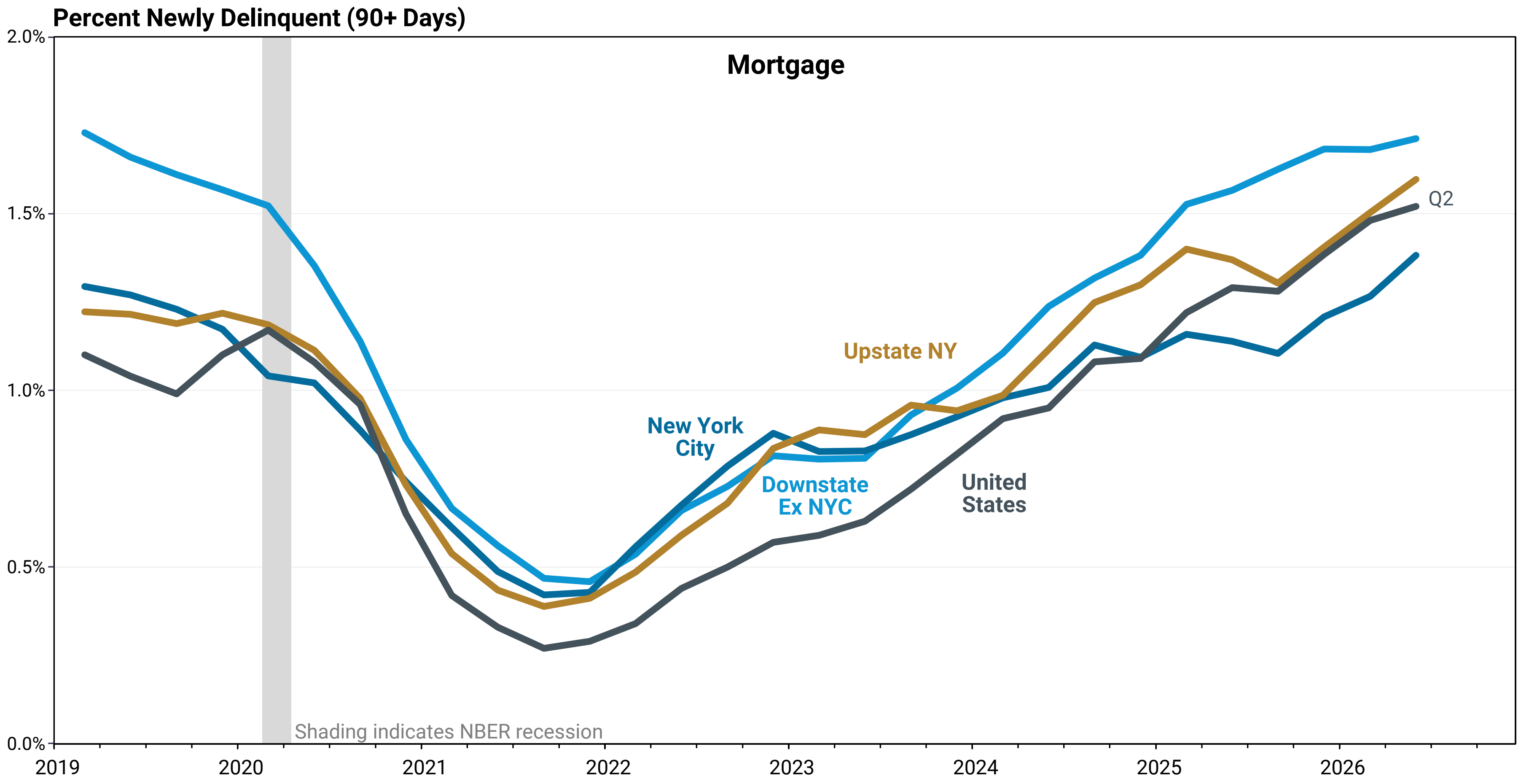
Mortgage Rate Lock-In Contributing to Low Inventory

Distribution of Mortgage Rates – New York State



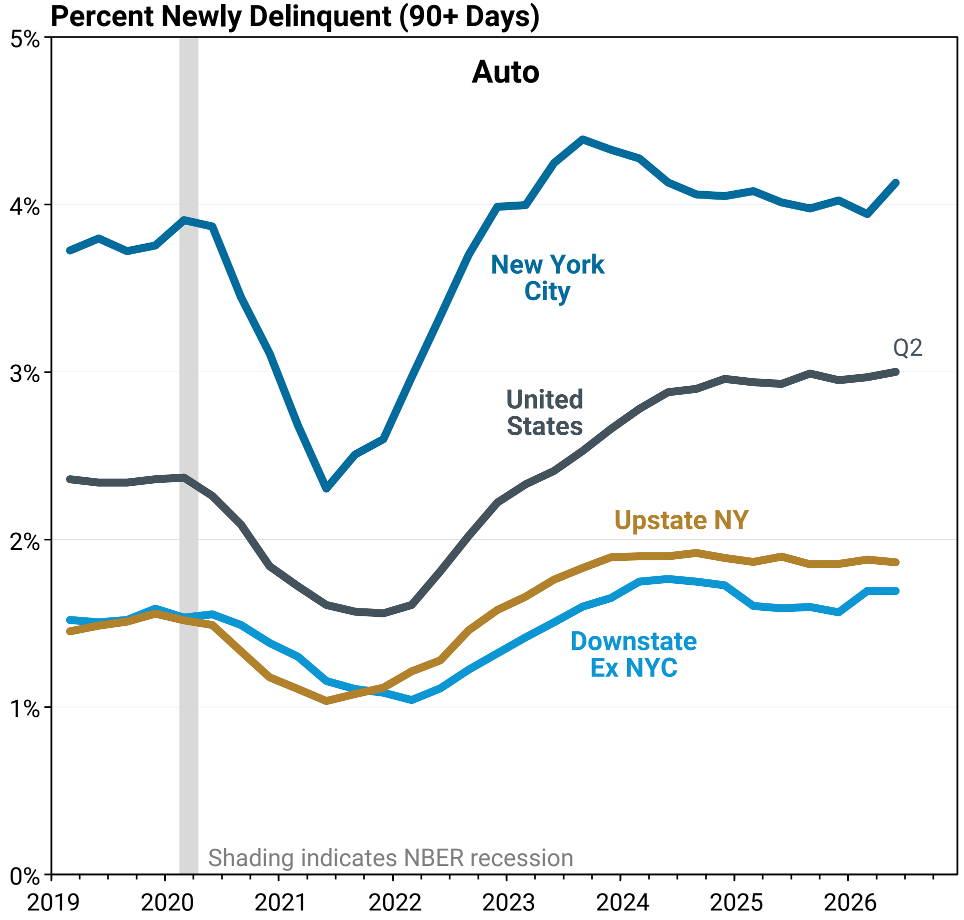
Source: Federal Housing Finance Agency.

Mortgage Delinquencies Rising

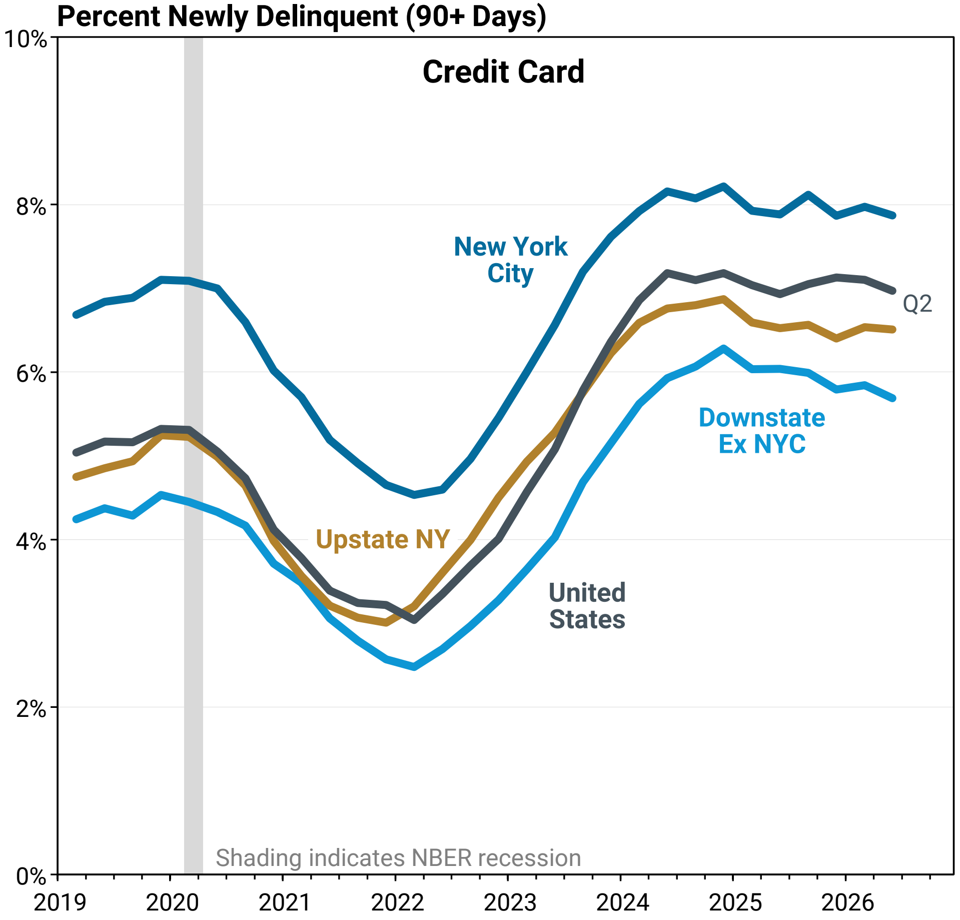


Source: New York Fed Consumer Credit Panel / Equifax.

Auto & Credit Card Delinquencies Elevated But Not Worsening



Source: New York Fed Consumer Credit Panel / Equifax.



Source: New York Fed Consumer Credit Panel / Equifax.

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