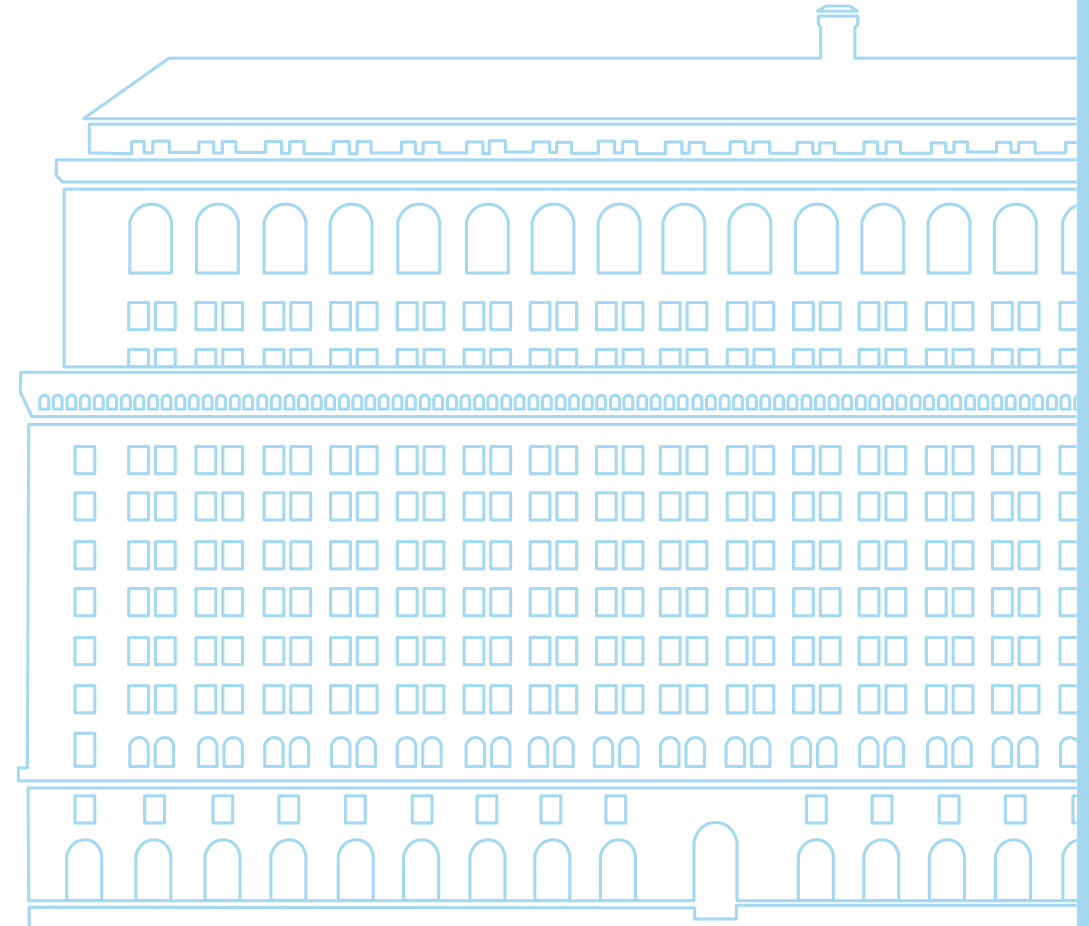


FEDERAL RESERVE BANK *of* NEW YORK

# Economic Conditions in the Second District

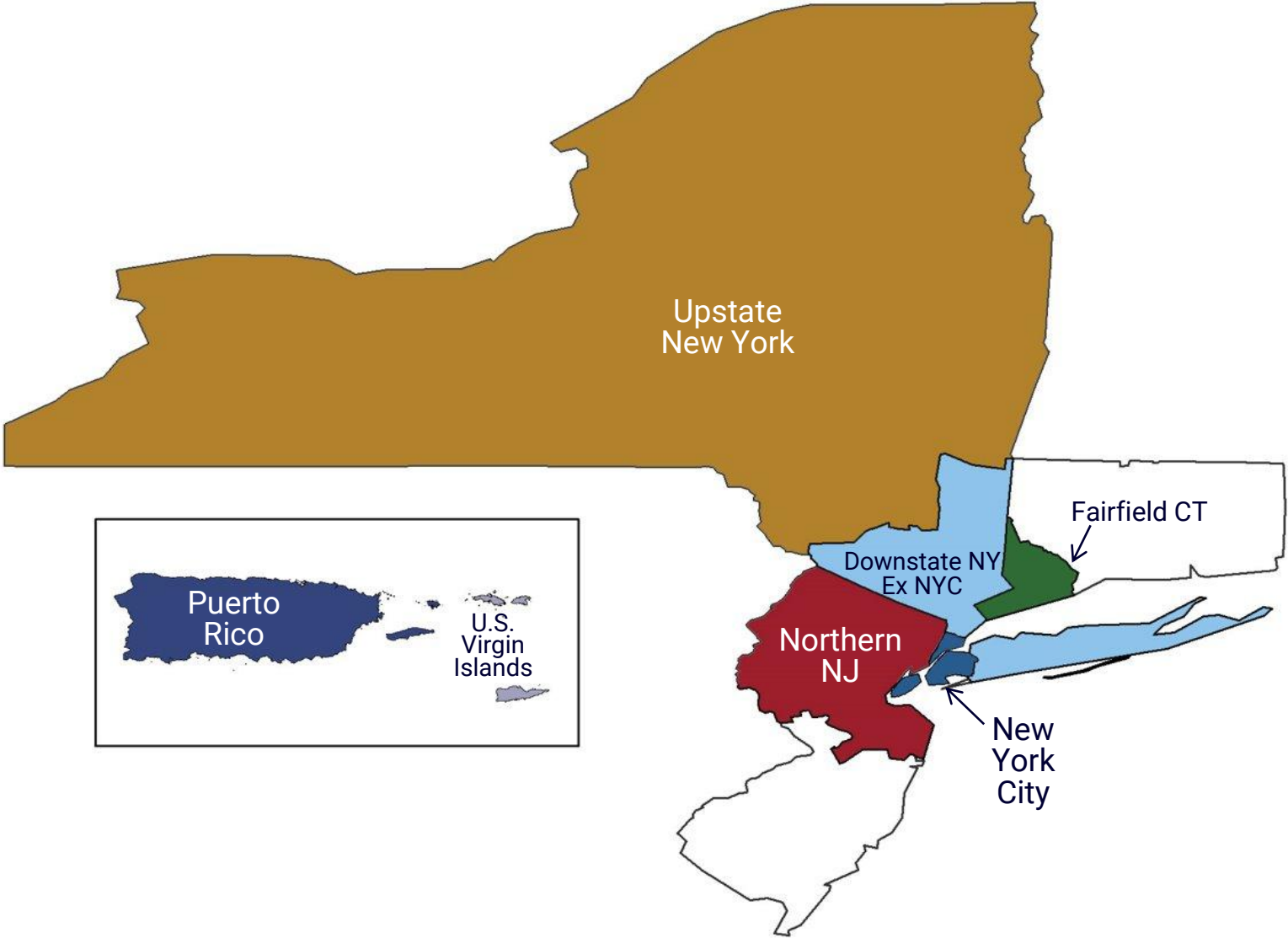
Joelle Scally  
Economic Policy Advisor

Regional & Community Banking Conference  
June 24, 2026



The views expressed herein are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

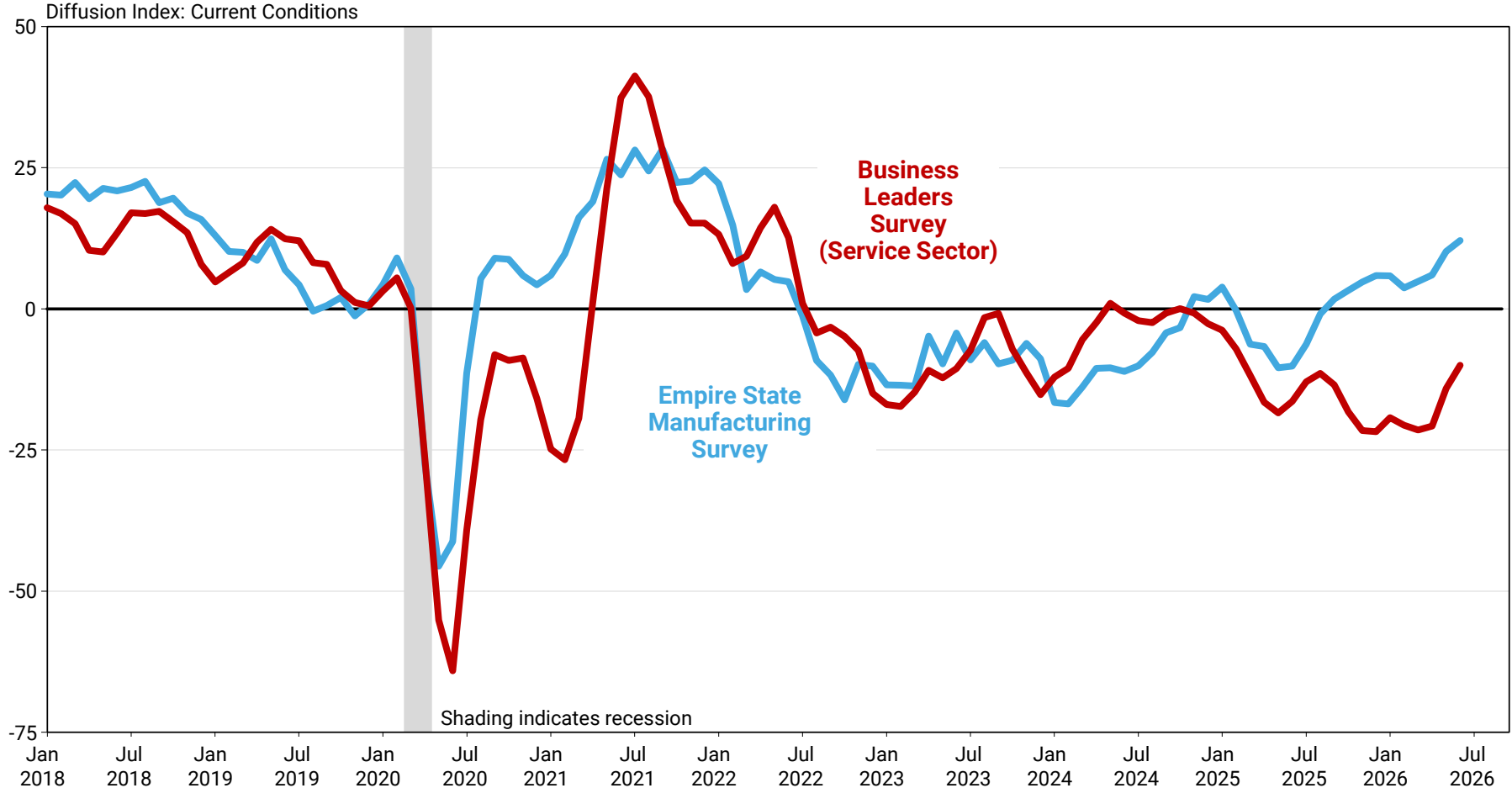
# The Second Federal Reserve District



# Overview of Regional Conditions

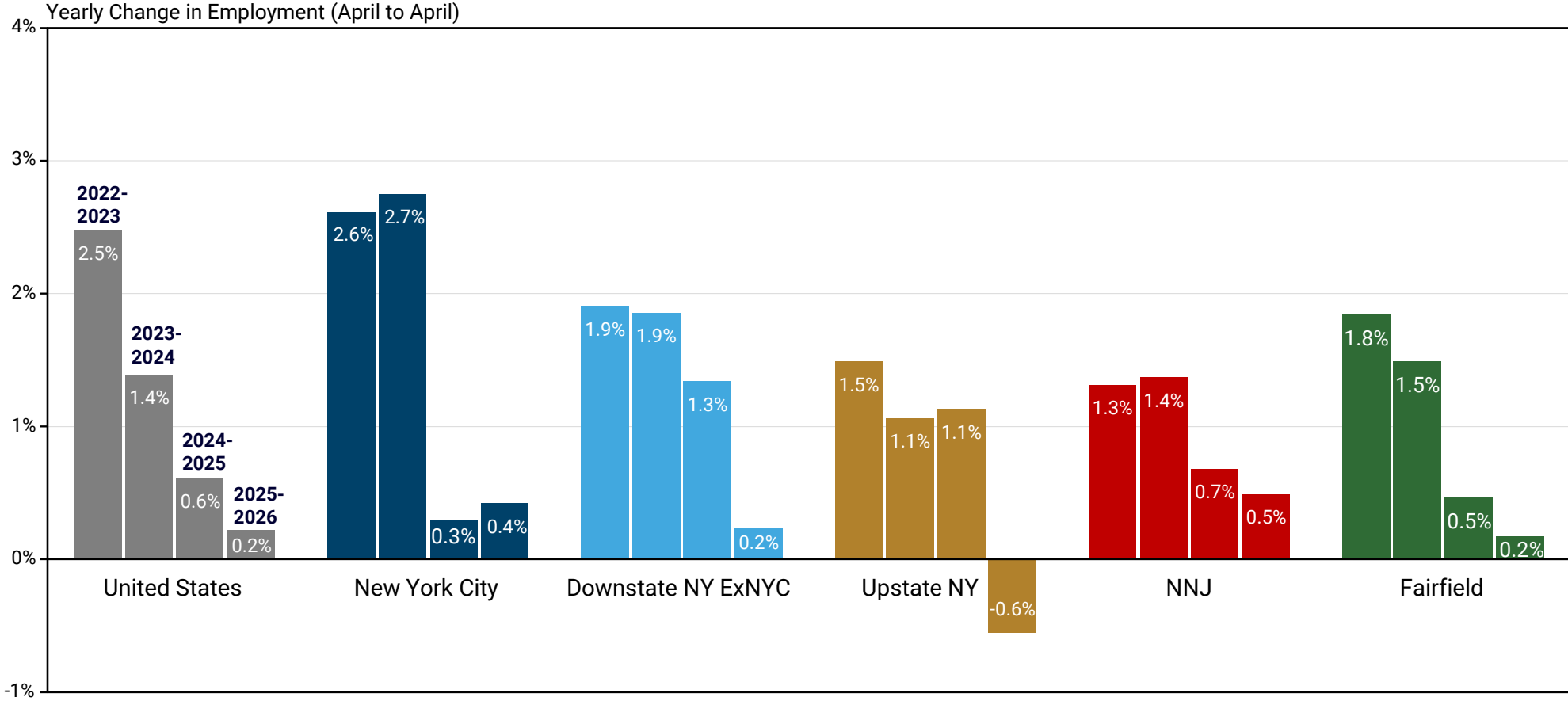
- Regional economic activity has generally been weak, though manufacturing activity has been solid.
- Job growth has slowed, but unemployment has remained low.
- The housing market remains tight, constrained by limited supply.
- Pricing pressures have intensified with tariffs and rising energy prices.

# Regional Activity Weak Outside of Manufacturing



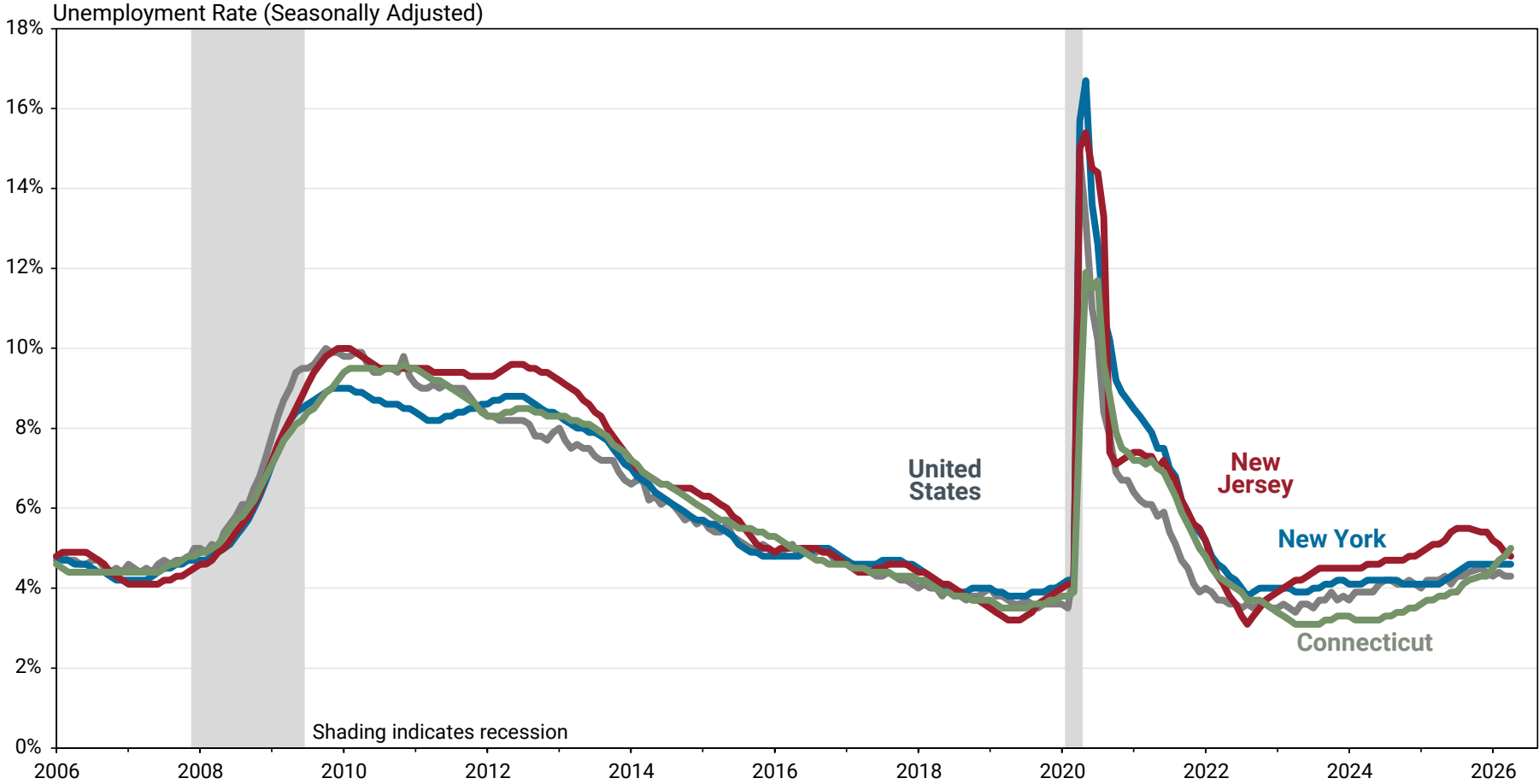
Source: New York Fed; indexes shown as a 3-month moving average. Data through June 2026.

# Regional Job Growth Has Continued to Slow



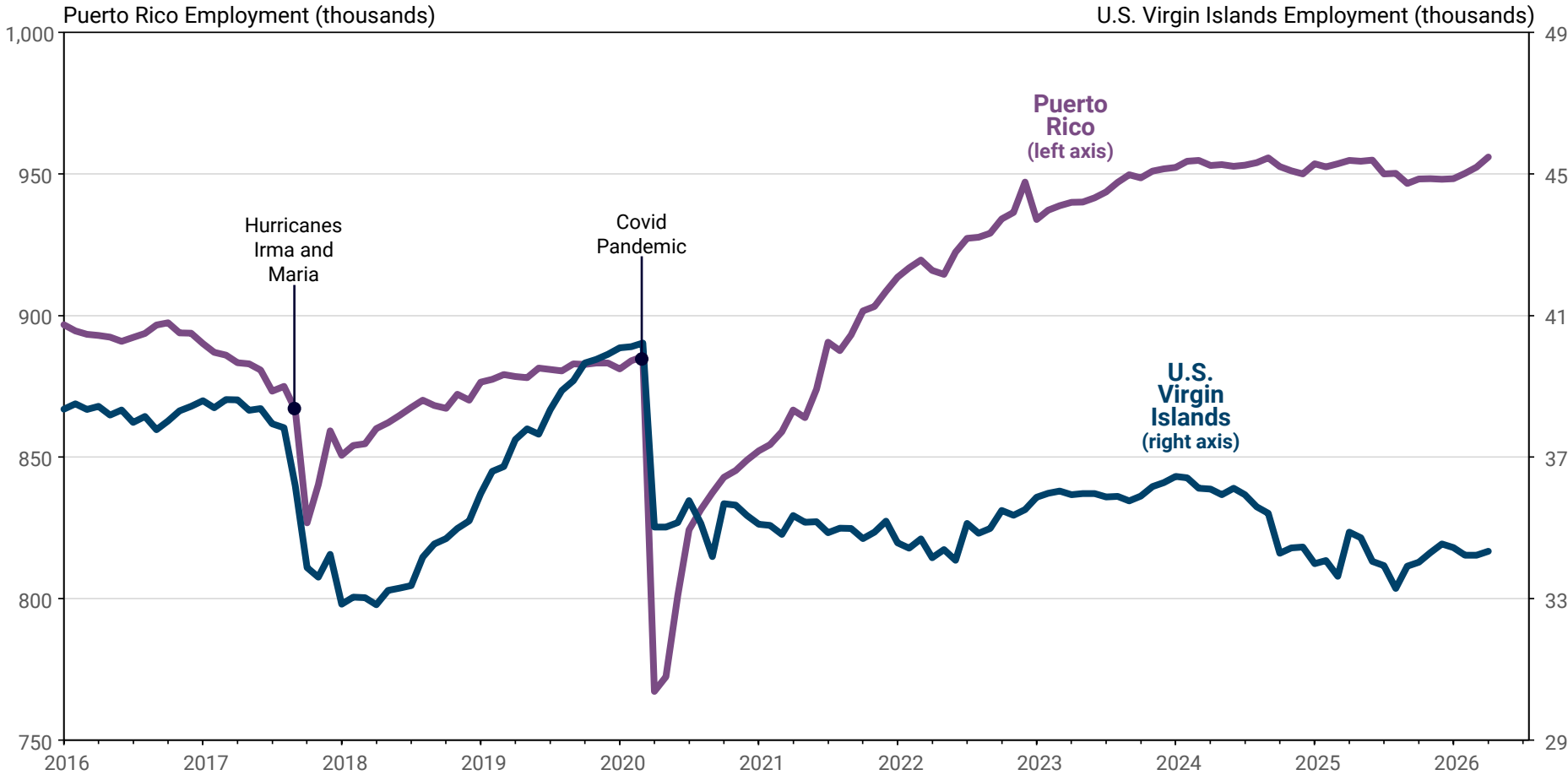
Source: U.S. Bureau of Labor Statistics and Moody's Economy.com; NYS Department of Labor; NJ Department of Labor. Data early benchmarked by New York Fed and through April 2026.

# Unemployment Rates Still Relatively Low



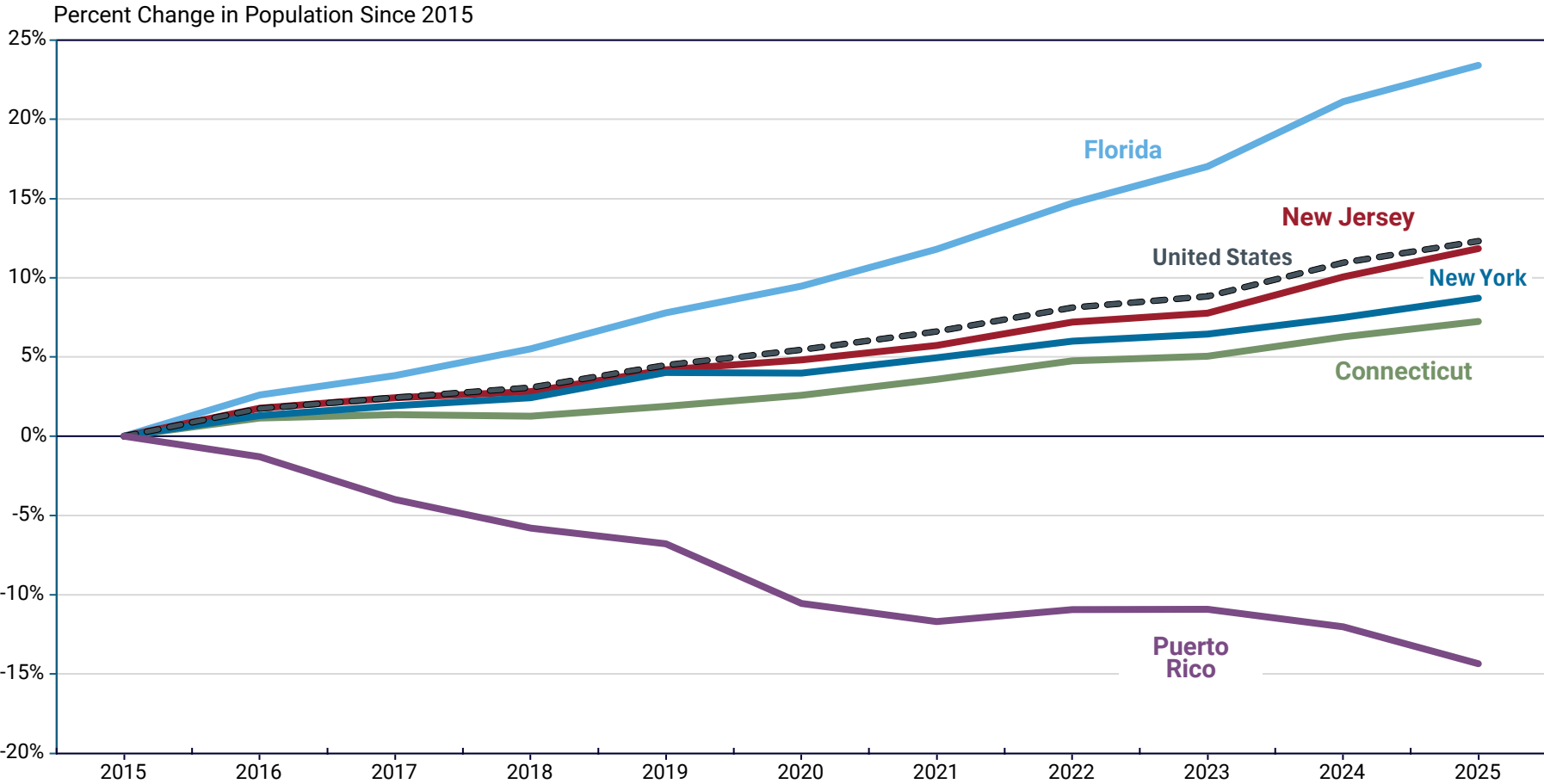
Source: U.S. Bureau of Labor Statistics and Moody's Economy.com. Data through April 2026.

# A Tale of Two Island Economies ...



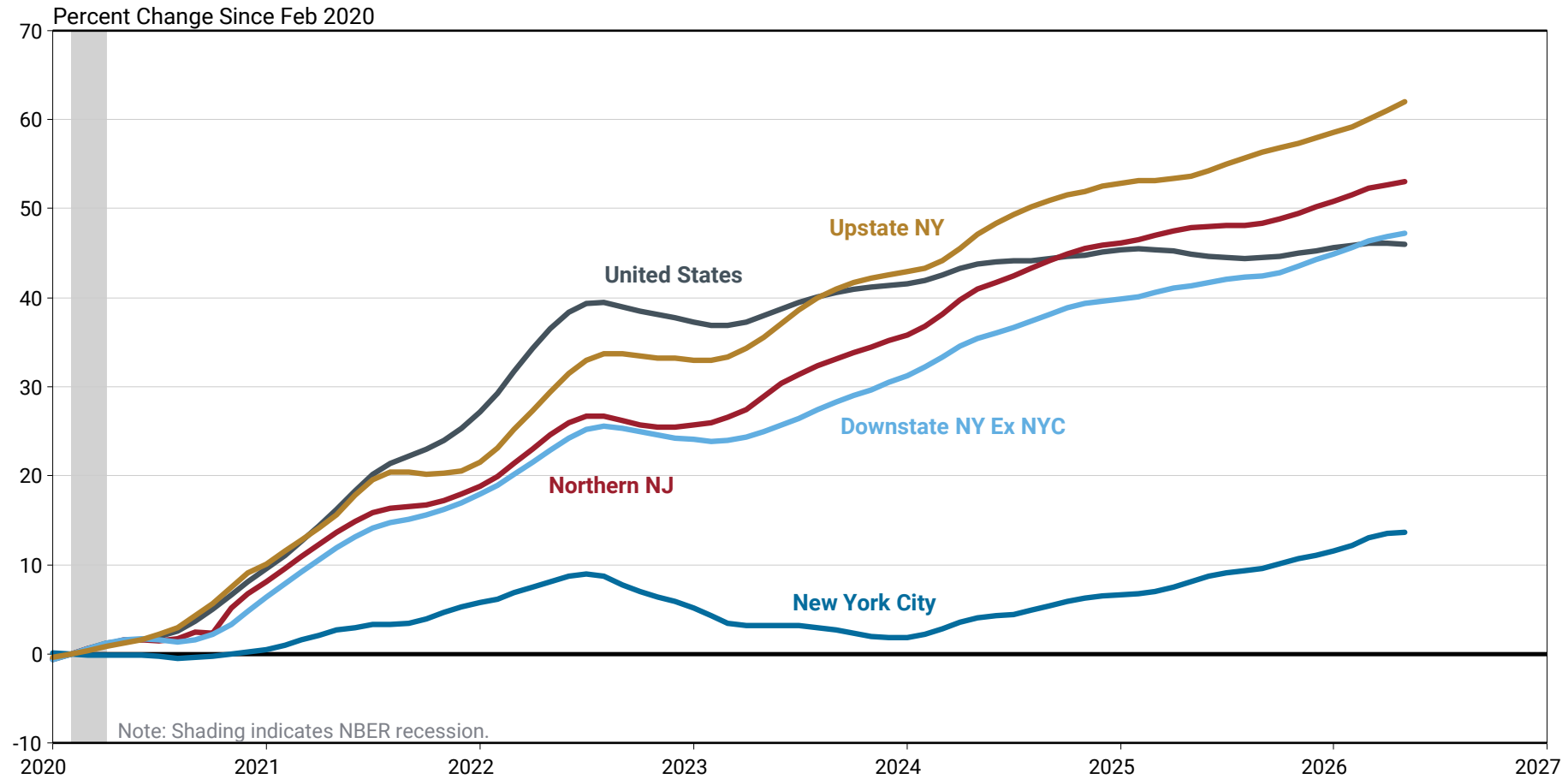
Source: U.S. Bureau of Labor Statistics and Moody's Economy.com. Data early benchmarked by New York Fed and through April 2026.

# Population Growth Remains Sluggish in the District

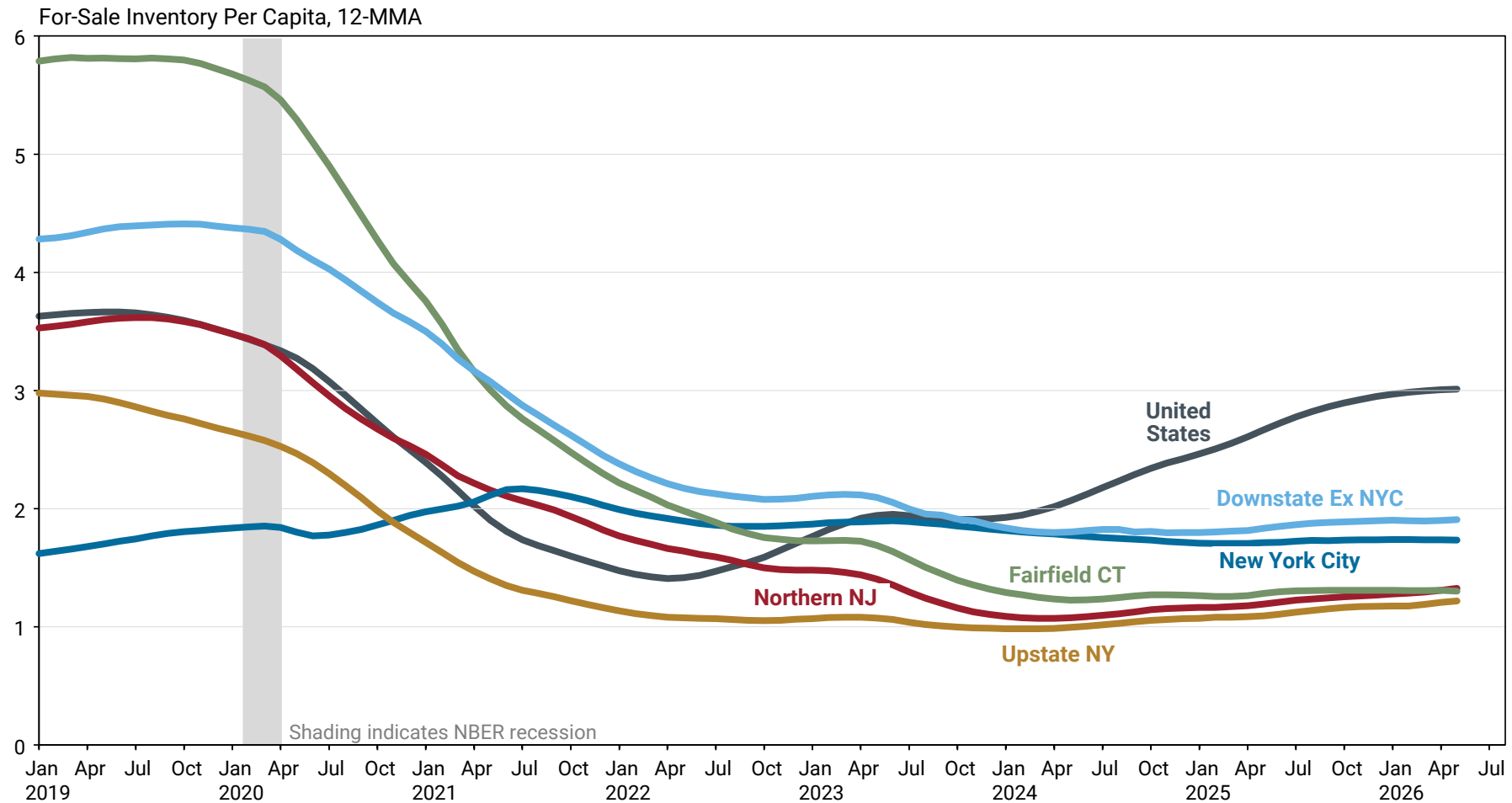


Source: New York Fed Consumer Credit Panel / Equifax; Population with a birthyear and a credit score.

# Home Values in Tri-State Area Continue to Rise

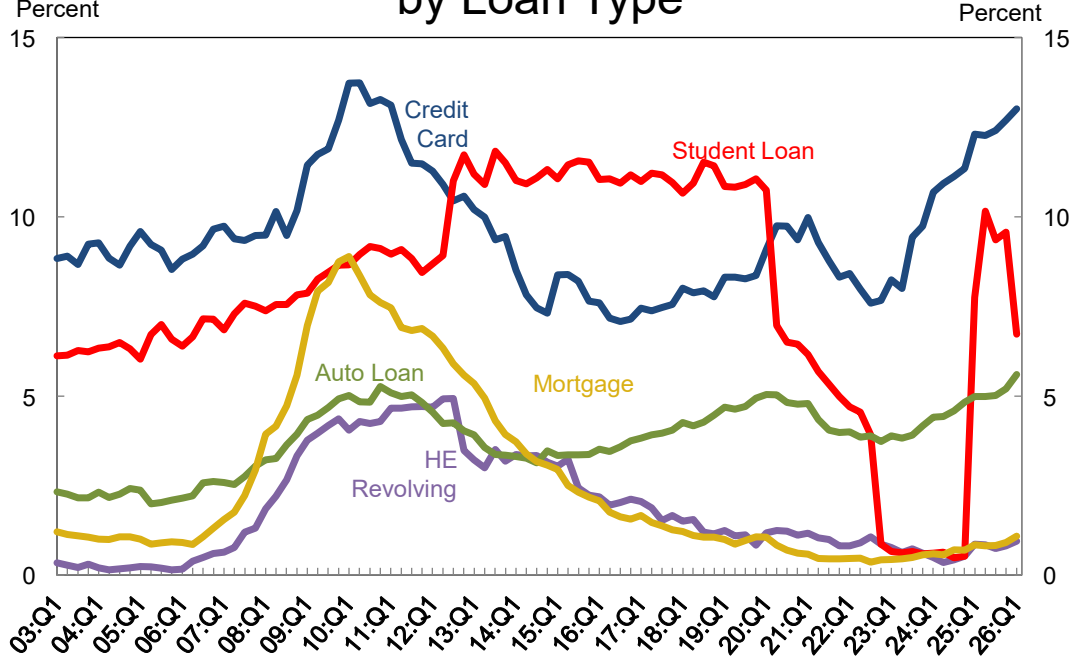


# Regional For-Sale Inventory Is Persistently Low



# Sidebar: Credit Conditions

Percent of Balance 90+ Days Delinquent by Loan Type



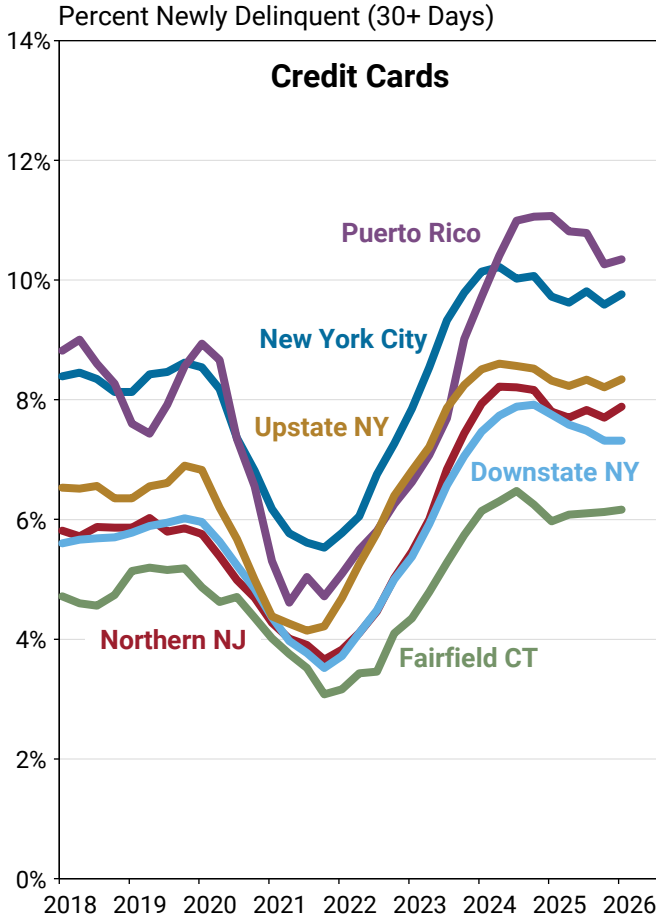
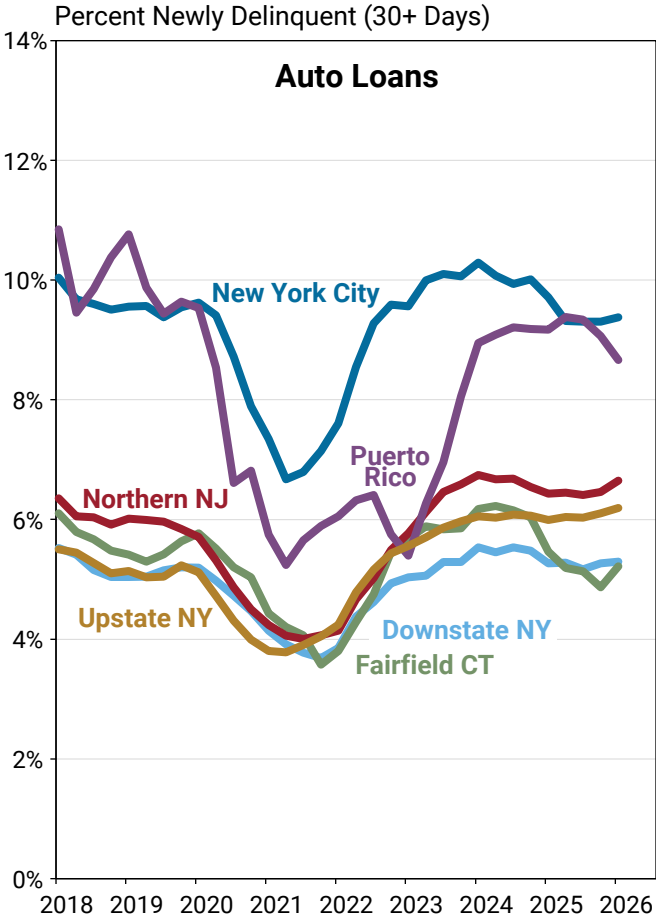
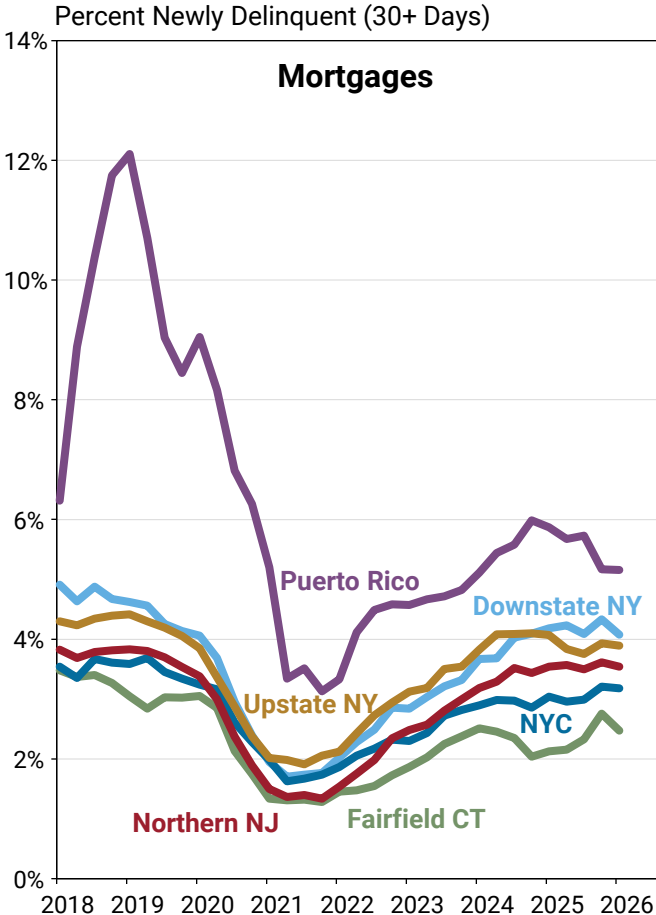
THE WALL STREET JOURNAL.

## Americans Are Falling Behind on Their \$1.25 Trillion Credit-Card Bill

Soaring interest rates and stubborn inflation have led to highest delinquencies since the financial crisis; 'a pattern of survival debt'

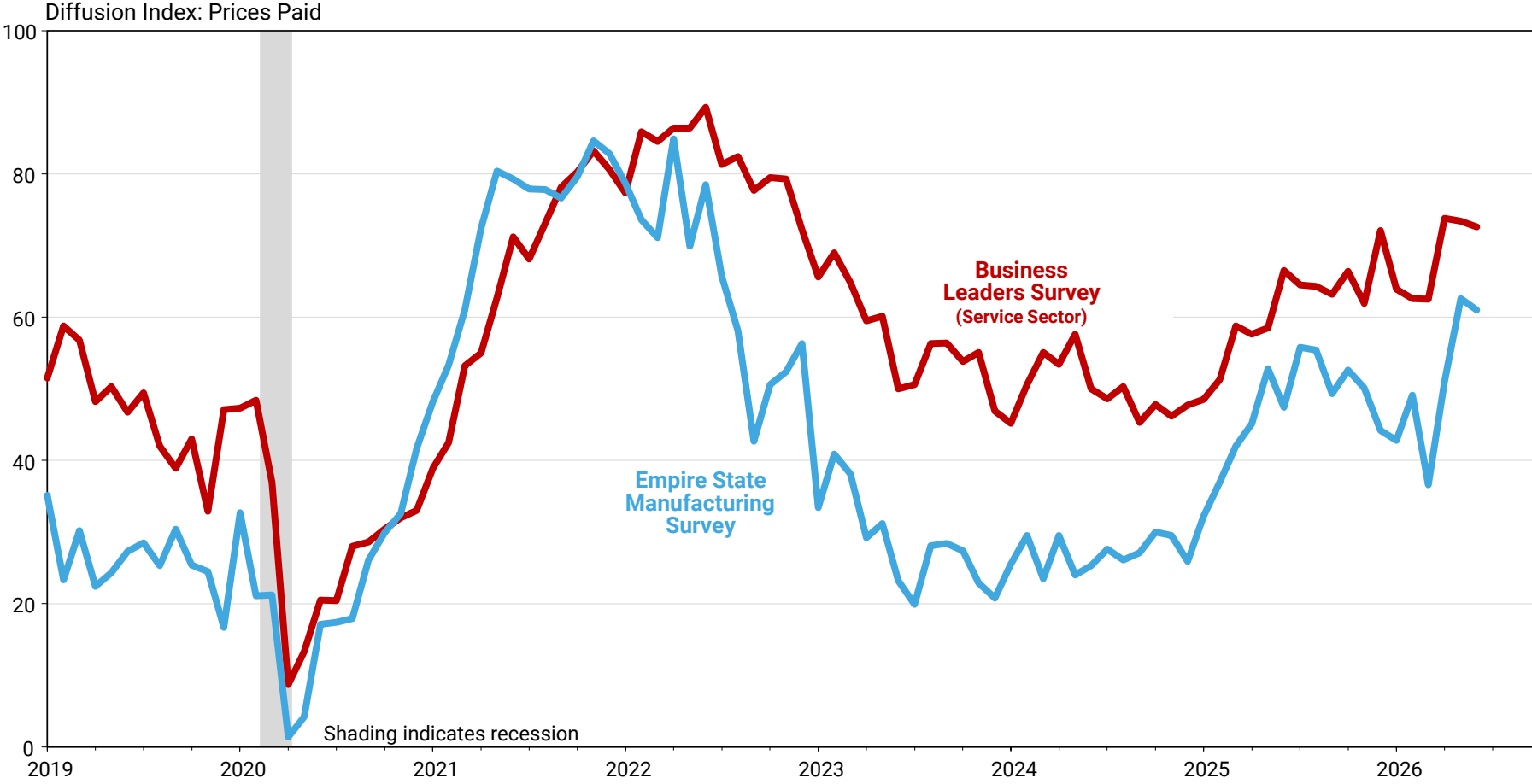
Source: Source: Quarterly Report on Household Debt & Credit – 2026Q1 (Published May 12, 2026); New York Fed Consumer Credit Panel / Equifax.

# Delinquencies Have Levelled Off, but Remain Elevated



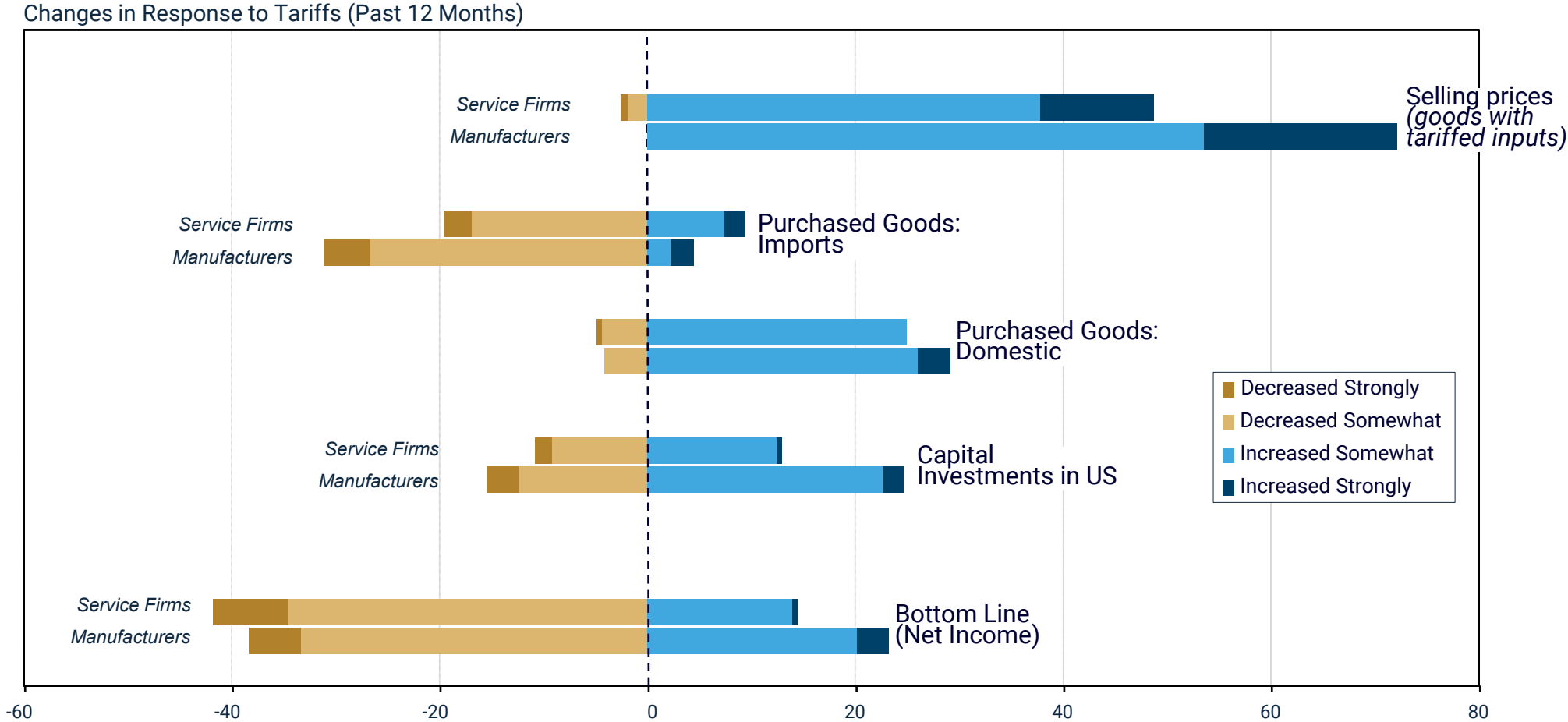
Source: New York Fed Consumer Credit Panel / Equifax. Data through Q1.

# Input Prices Rising Sharply



Source: New York Fed. Data through June 2026.

# How Are Businesses Adjusting to Tariffs?



Source: New York Fed: Empire State Manufacturing Survey and Business Leaders Survey.

# Wrap Up

**Regional economic activity** remains weak outside of manufacturing.

**Job growth** in the region has slowed, but unemployment remains low.

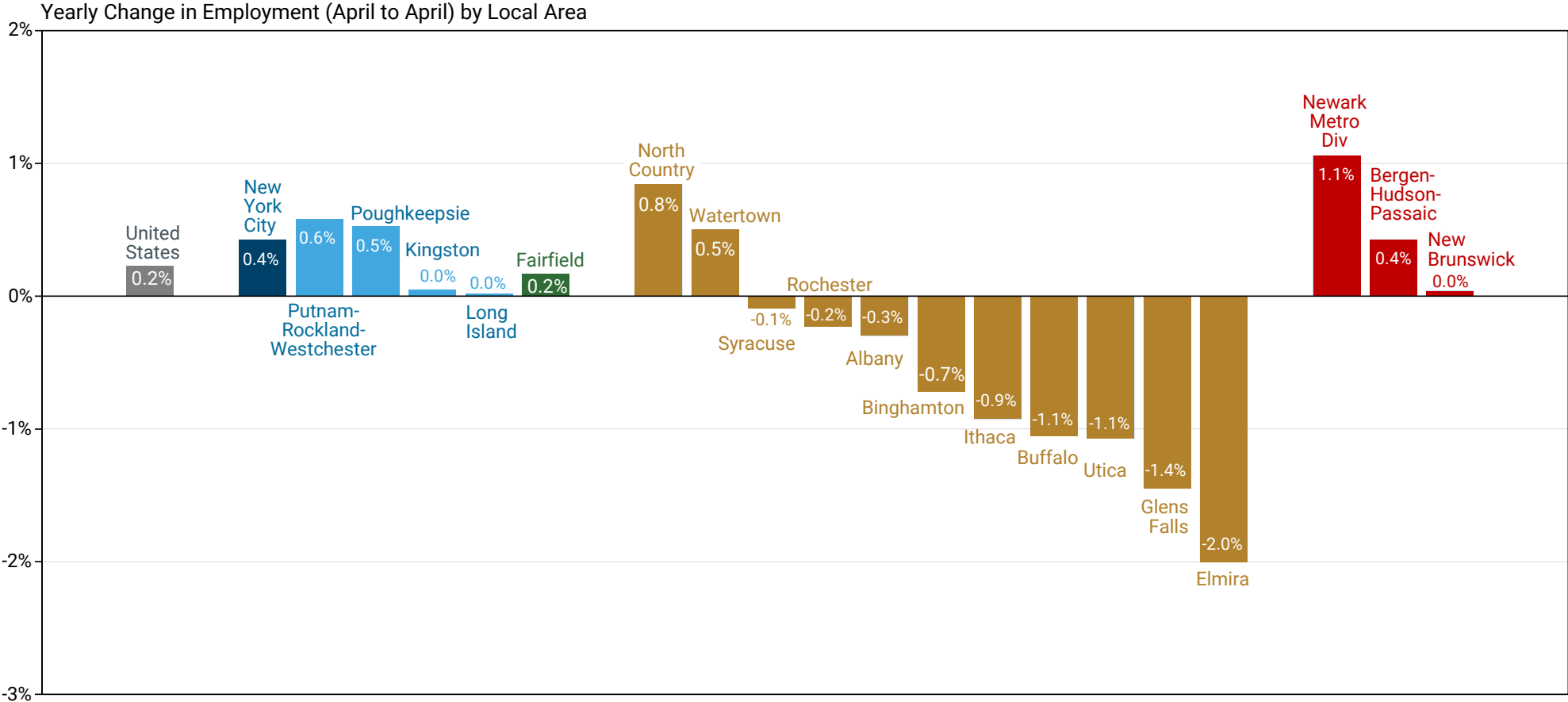
**Home prices** have pressed upward, with steady demand and tight supply.

**Credit conditions** stabilized after a period of rising delinquencies.

**Pricing pressures** among regional businesses have intensified.

# REFERENCE

# Some Variation Across the District, with Declines Upstate



Source: U.S. Bureau of Labor Statistics and Moody's Economy.com; NYS Department of Labor; NJ Department of Labor. Data early benchmarked by New York Fed and through April 2026.