The Region’s Recovery from the Pandemic Recession

Regional Economic Press Briefing – December 17, 2021

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.
The 2nd Federal Reserve District

Regions in the District

- Upstate NY
- Northern NJ
- Downstate NY
- Puerto Rico & U.S. Virgin Islands
Overview

• The pandemic hit the New York-Northern New Jersey region early and hard, leaving a deeper hole than almost anywhere else in the country and the region is struggling to recover.

• Larger initial job losses coupled with slower job growth much of the past year have led to some of the largest job shortfalls in the country.

• Growth has slowed to a moderate pace to close out 2021 as a renewed surge in the virus, severe supply disruptions, and widespread worker shortages continue to impede economic activity.

• Puerto Rico is bucking the trend, with employment rising above pre-pandemic levels to a 5-year high.
The Region is Struggling to Recover Lost Jobs

Percent Change in Total Employment Since Feb 2020

Shading indicates NBER recession

Source: U.S. Bureau of Labor Statistics and Moody’s Economy.com; data are early benchmarked by New York Fed staff.
Most Job Loss Concentrated in Five Industries

Industry Contributions to Job Shortfalls as of Oct 2021

-9.0% Downstate NY
-7.0% Upstate NY
-4.8% Northern NJ
-2.7% U.S.

Percentage Points

Source: U.S. Bureau of Labor Statistics and Moody’s Economy.com; data are early benchmarked by New York Fed staff.
Reference Slides
Growth Has Slowed Noticeably

New York Fed Regional Business Surveys, Current Conditions

Source: Federal Reserve Bank of New York.
Pre-Pandemic Job Shortfalls by Local Area
Percent Below Pre-Pandemic Employment Level (as of Oct 2021)

Northeast NJ is Bergen-Hudson-Passaic and Central NJ is Middlesex-Monmouth-Ocean.

Source: U.S. Bureau of Labor Statistics and Moody’s Economy.com; data are early benchmarked by New York Fed staff.