Economic Conditions in the Region

Jason Bram
Economic Research Adviser

Westchester County Association Breakfast – April 13, 2023

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.
Overview of Regional Conditions

• Our regional business surveys have been signaling weakening conditions in recent months, even as employment has risen.

• Three years after the pandemic hit, job losses across the region have largely been reversed—even in New York City.

• Employment has almost fully rebounded in New York City, Fairfield County and the Lower Hudson Valley, while the mid-Hudson Valley has lagged.

• Inflationary pressures and wage pressures remain persistent but have moderated, and supply disruptions have eased.

• Since peaking last summer, home prices have been flat to down slightly. Office vacancy rates are at multi-year highs.
Regional Growth Has Stalled
New York Fed Regional Business Surveys

Shading indicates NBER recession

Source: Federal Reserve Bank of New York.
Regional Growth Has Stalled

New York Fed Regional Business Surveys

Diffusion Index

Current Conditions

Empire State Manufacturing Survey

Business Leaders Survey (Service Sector)

Shading indicates NBER recessions

Source: Federal Reserve Bank of New York.
Total Employment

Seasonally Adjusted Index

Total Employment

Seasonally Adjusted Index

Percent Change Since Feb 2020

Source: Bureau of Labor Statistics and Moody's Economy.com;
Current Job Openings as a % of Employment
New York Fed Supplemental Business Surveys

Service Firms

Manufacturers

Source: Federal Reserve Bank of New York Supplemental Survey, February 2023 and earlier months
Median Percent Change in Wages & Salaries
New York Fed Supplemental Business Surveys

Source: Federal Reserve Bank of New York Supplemental Survey, February 2023 and earlier months
Supply Disruptions Have Eased
New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
Inflationary Pressures Have Moderated

New York Fed Regional Business Surveys

Shading indicates NBER recession

Source: Federal Reserve Bank of New York.
Home Prices Have Plateaued

Index of Home Prices, Feb. 2020 = 100

Source: Zillow Home Value Index, U.S. Census Bureau, and Moody’s Analytics.
Office Vacancy Rates

Overall Vacancy Rates

Shading indicates NBER recessions

Source: Cushman & Wakefield.
Reference Slides
Pre-Pandemic Job Shortfalls by Local Area
Percent Above/Below Feb 2020 Employment Level (as of Feb 2023)

Home Price Increases by Local Area
Percent Change in Home Prices, Feb 2020 to Feb 2023

Source: Zillow Home Value Index, U.S. Census Bureau, and Moody’s Analytics.