



FEDERAL RESERVE BANK *of* NEW YORK

The Buffalo Economy During the Pandemic

Jaison R. Abel

Buffalo Niagara Partnership Annual Meeting – November 19, 2020

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.

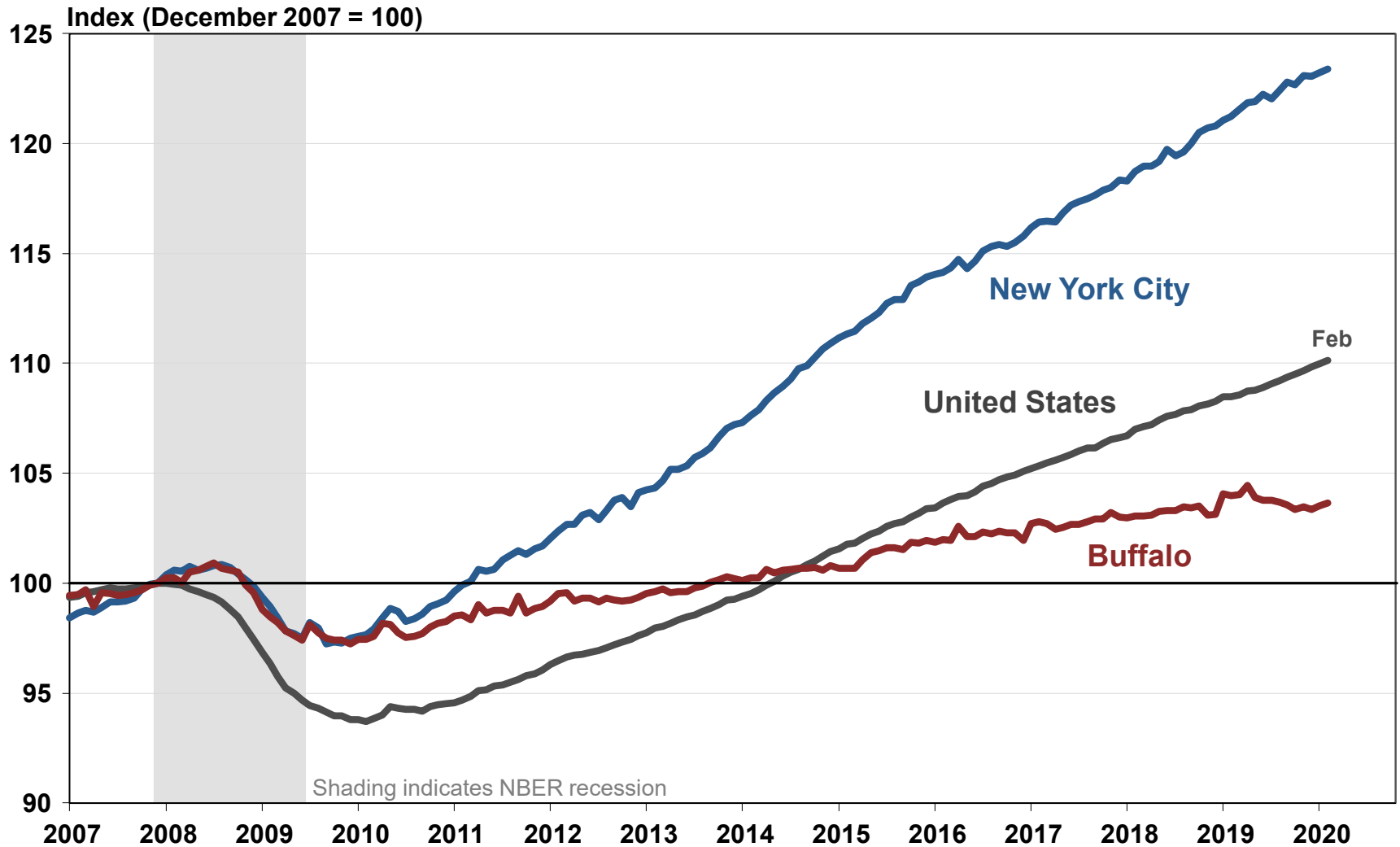
Overview

- While coronavirus cases were fairly contained in the Buffalo area earlier in the pandemic, the region is now experiencing a rapid surge in the spread of the disease, creating considerable uncertainty about the near-term economic outlook.
- Following an unprecedented contraction in the spring with the onset of the pandemic, regional economic activity rebounded in the summer, though the pace of recovery has slowed through the fall.
- Even with the rebound that has occurred, business activity, consumer spending, and employment remain below pre-pandemic levels.
- Buffalo's housing market has held up well through the pandemic, with home prices continuing to increase at a solid clip.



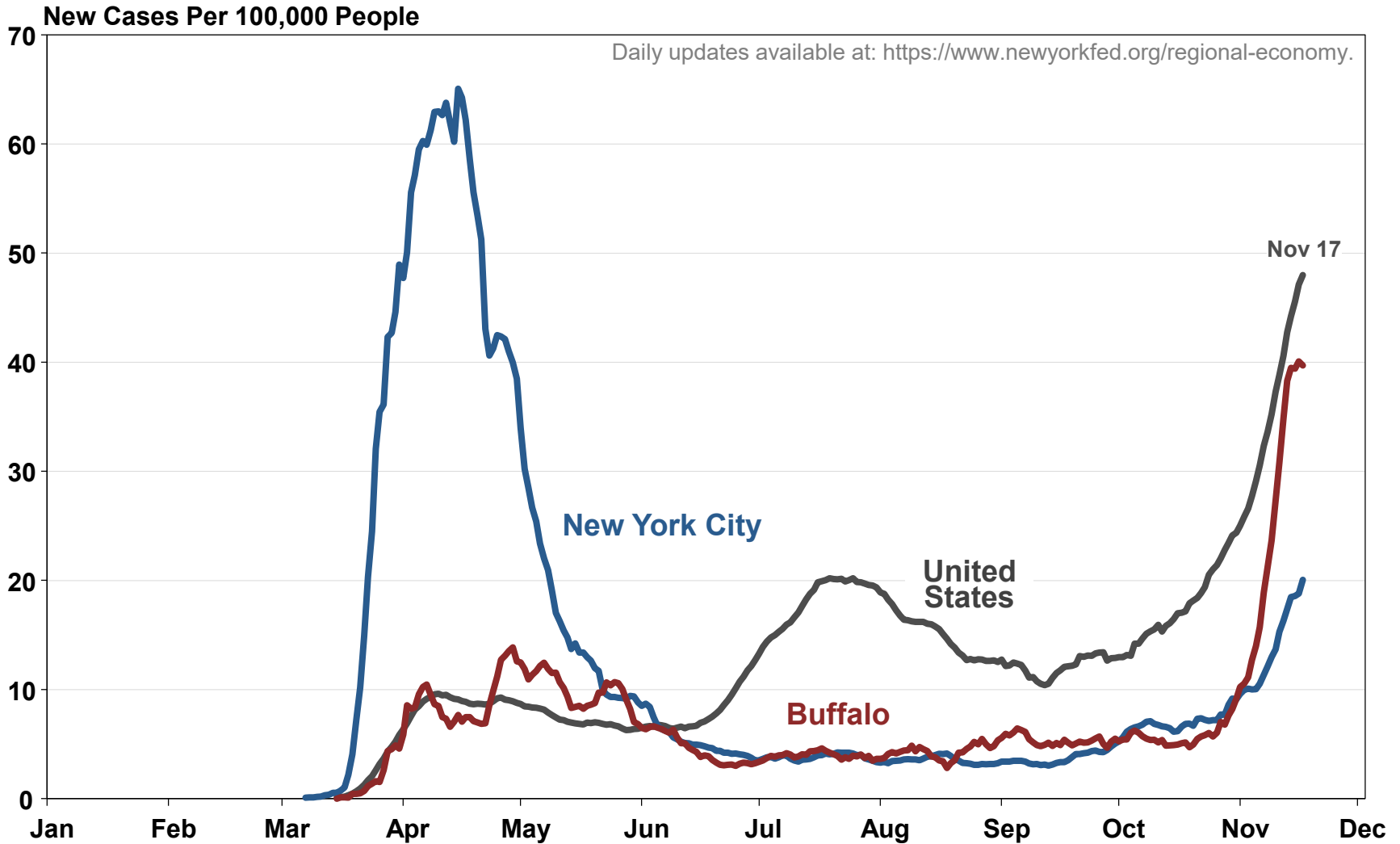
Economic Conditions Before the Pandemic

Indexes of Total Employment, Seasonally Adjusted



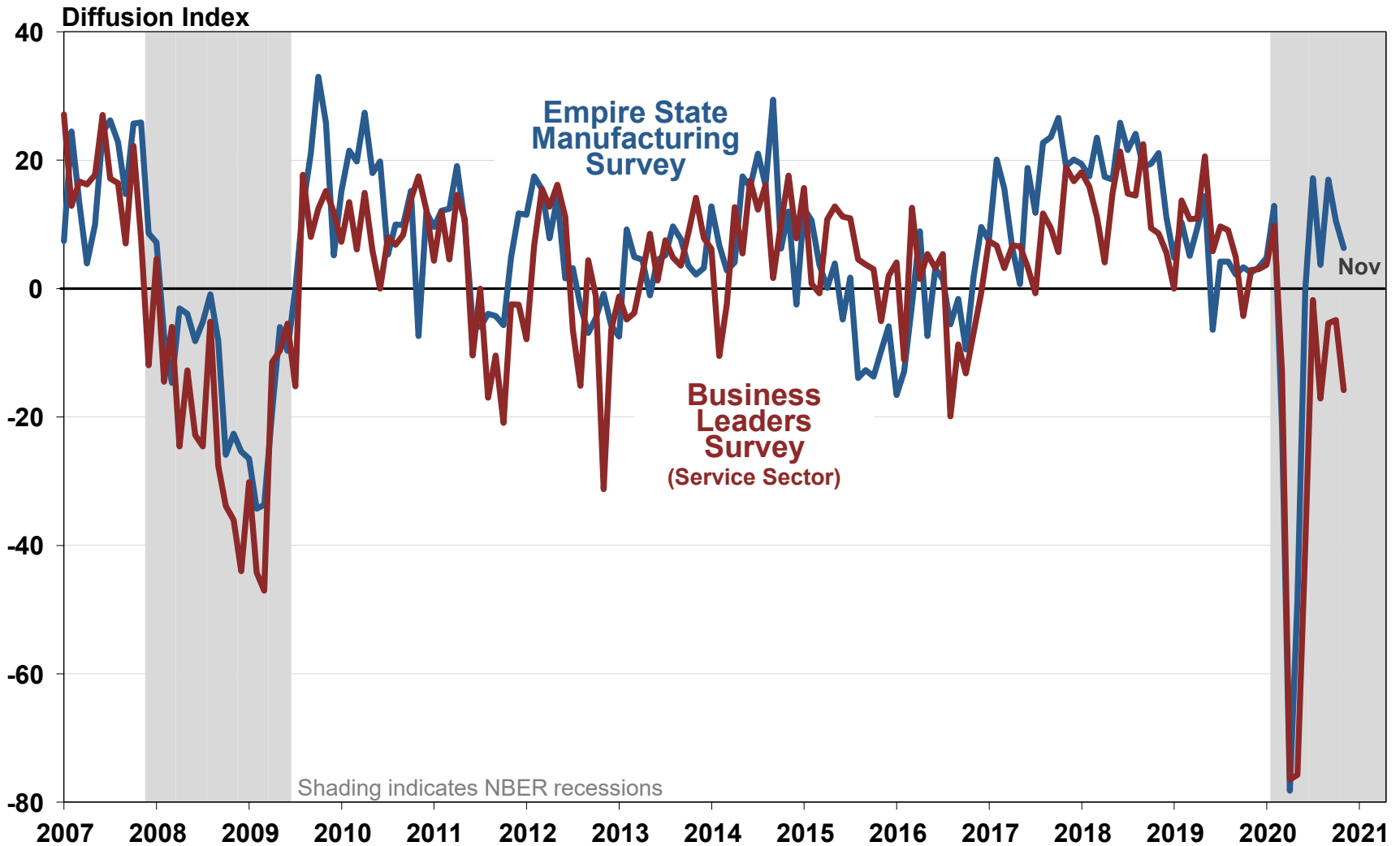
The Coronavirus Shock

Daily New Cases Per Capita, 7-Day Average



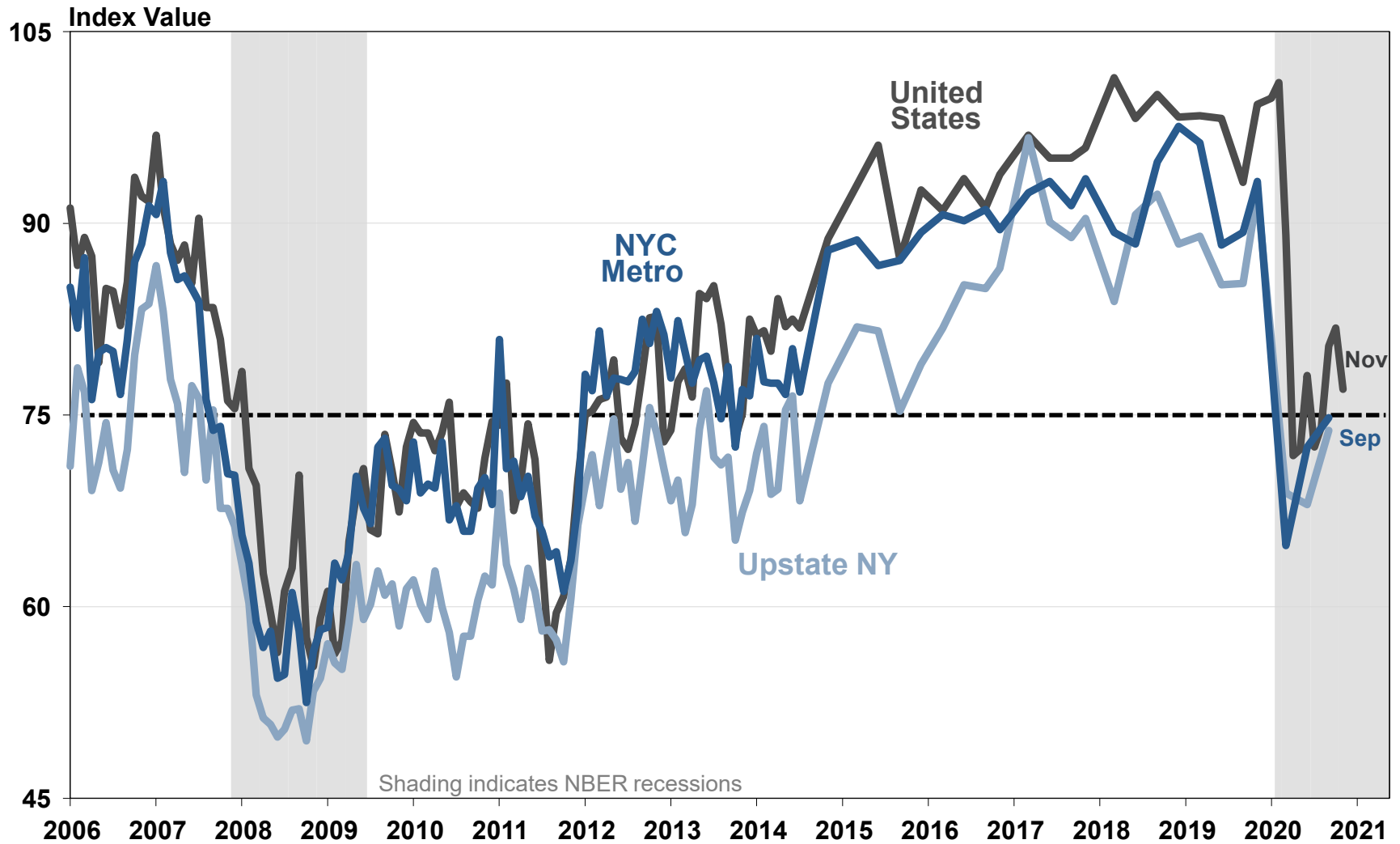
Many Local Businesses Still Struggling

New York Fed Regional Business Surveys, Current Conditions



Consumer Confidence Shaken

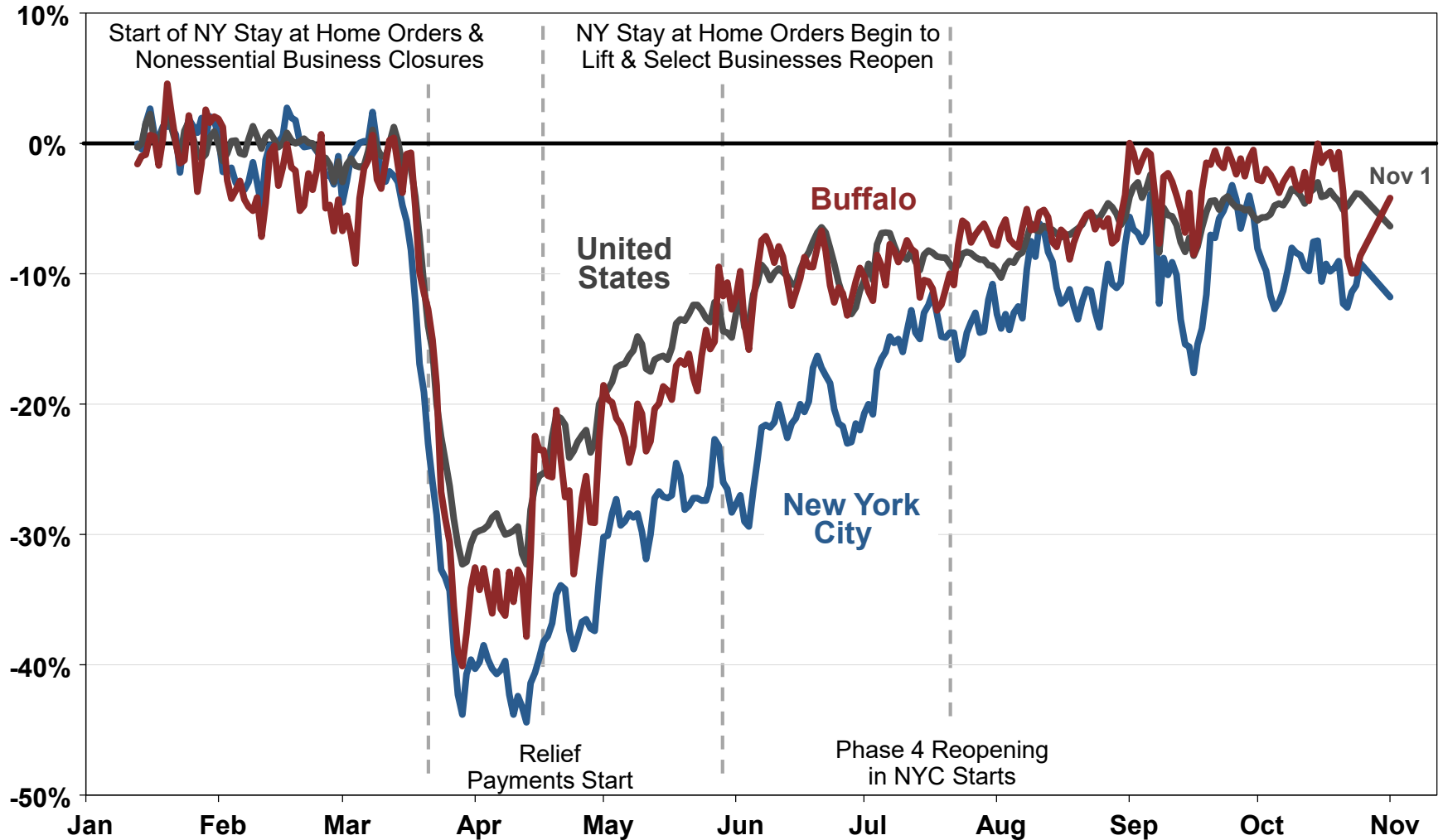
Overall Consumer Confidence



Shading indicates NBER recessions

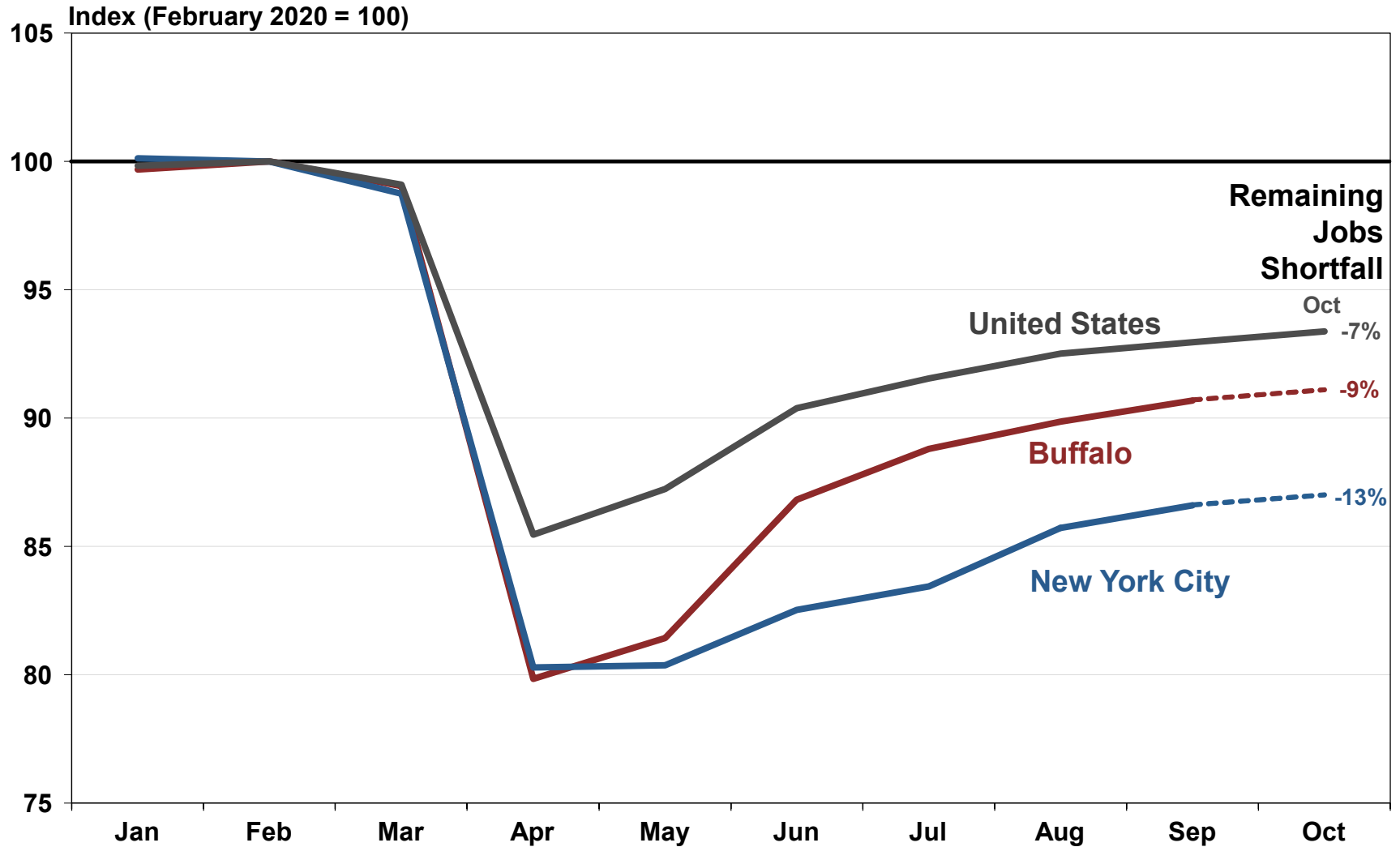
Consumer Spending Remains Weak

Percent Change in Total Spending, Indexed to January 2020



Employment Well Below Pre-Pandemic Levels

Indexes of Total Employment, Seasonally Adjusted



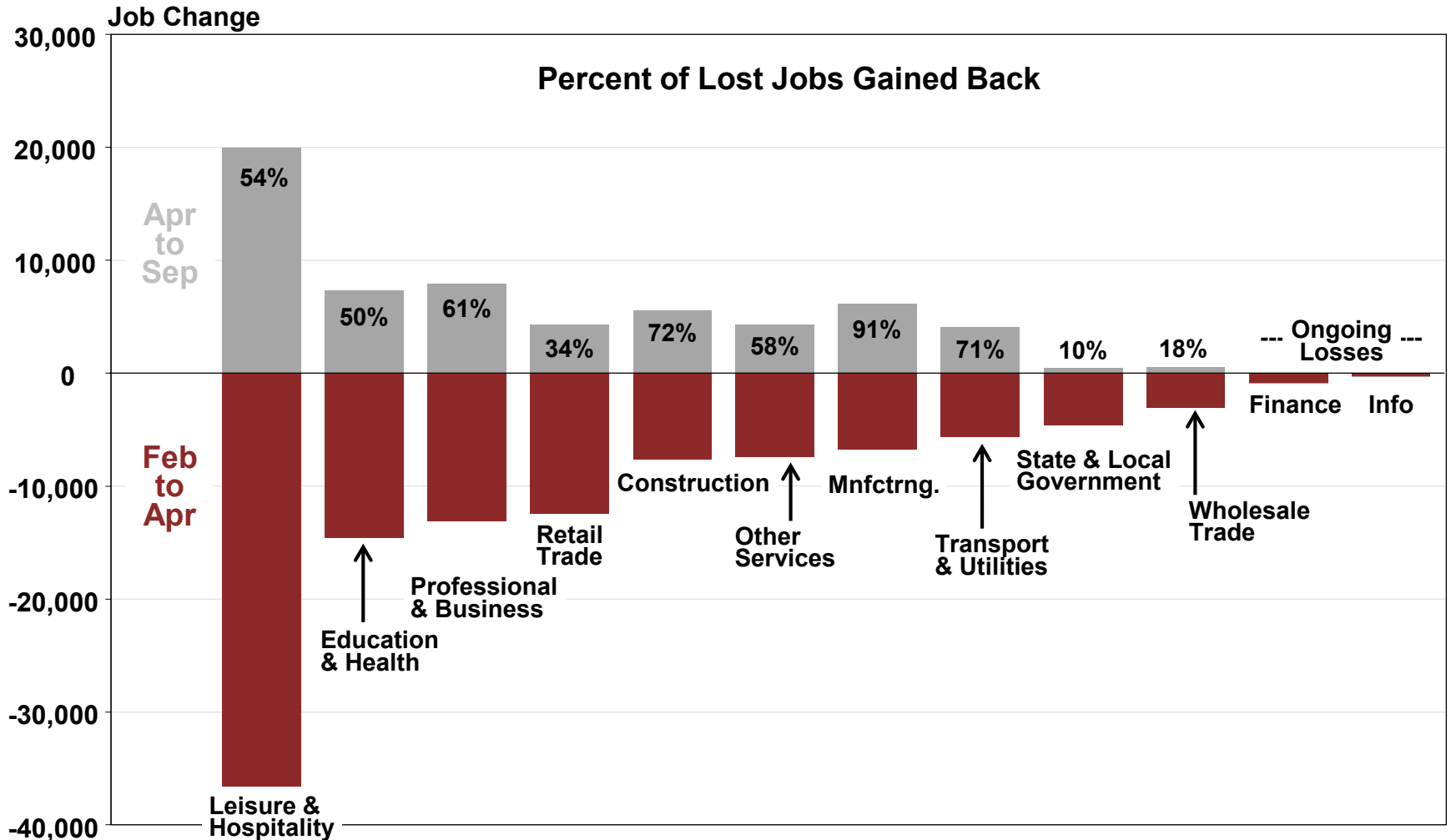
Source: U.S. Bureau of Labor Statistics and Moody's Economy.com; data are early benchmarked by New York Fed staff.

Note: Dashed lines are preliminary estimates.



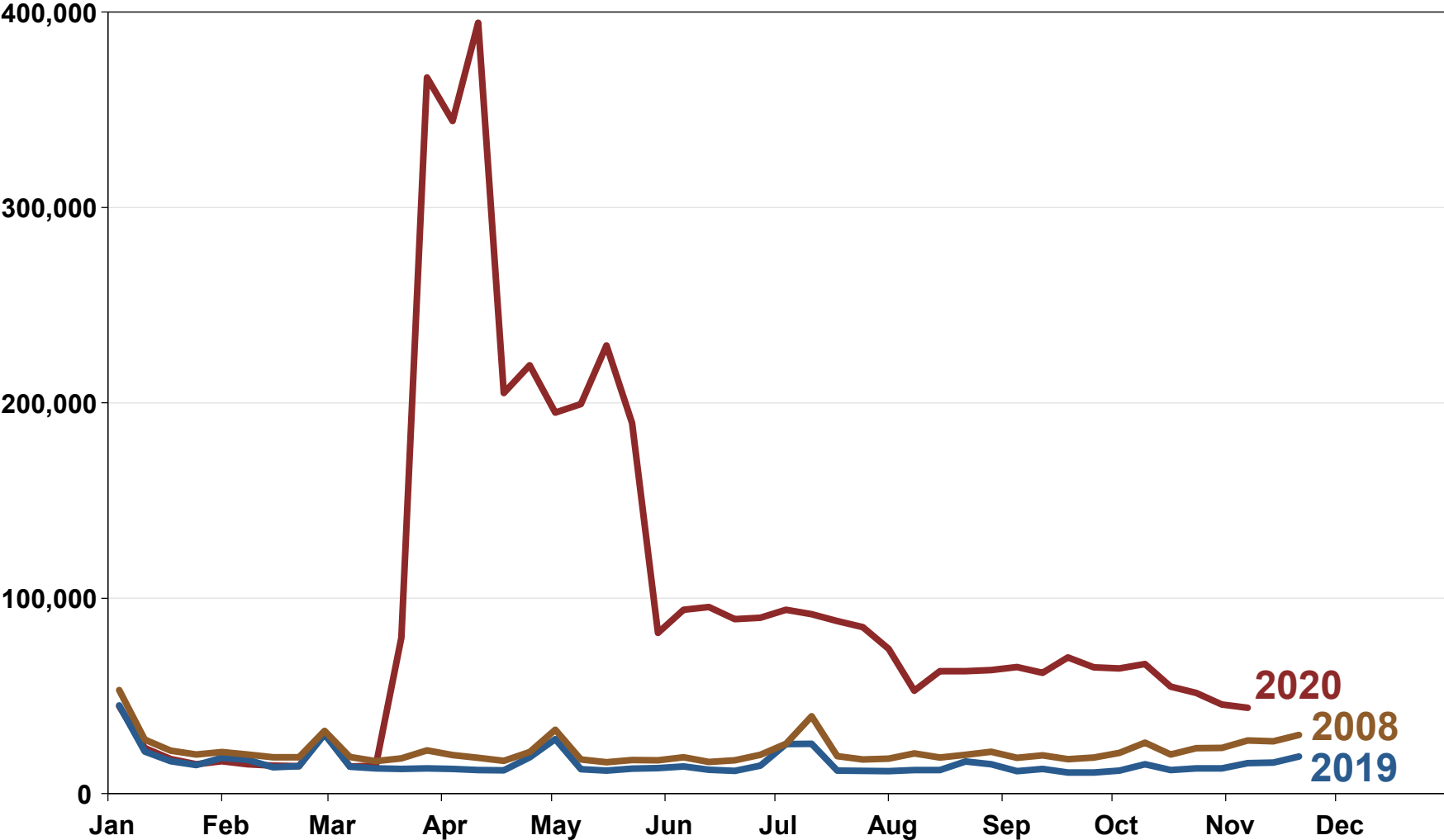
Jobs Lost and Gained in Buffalo

Change in Employment by Sector



Unemployment Claims Remain Elevated

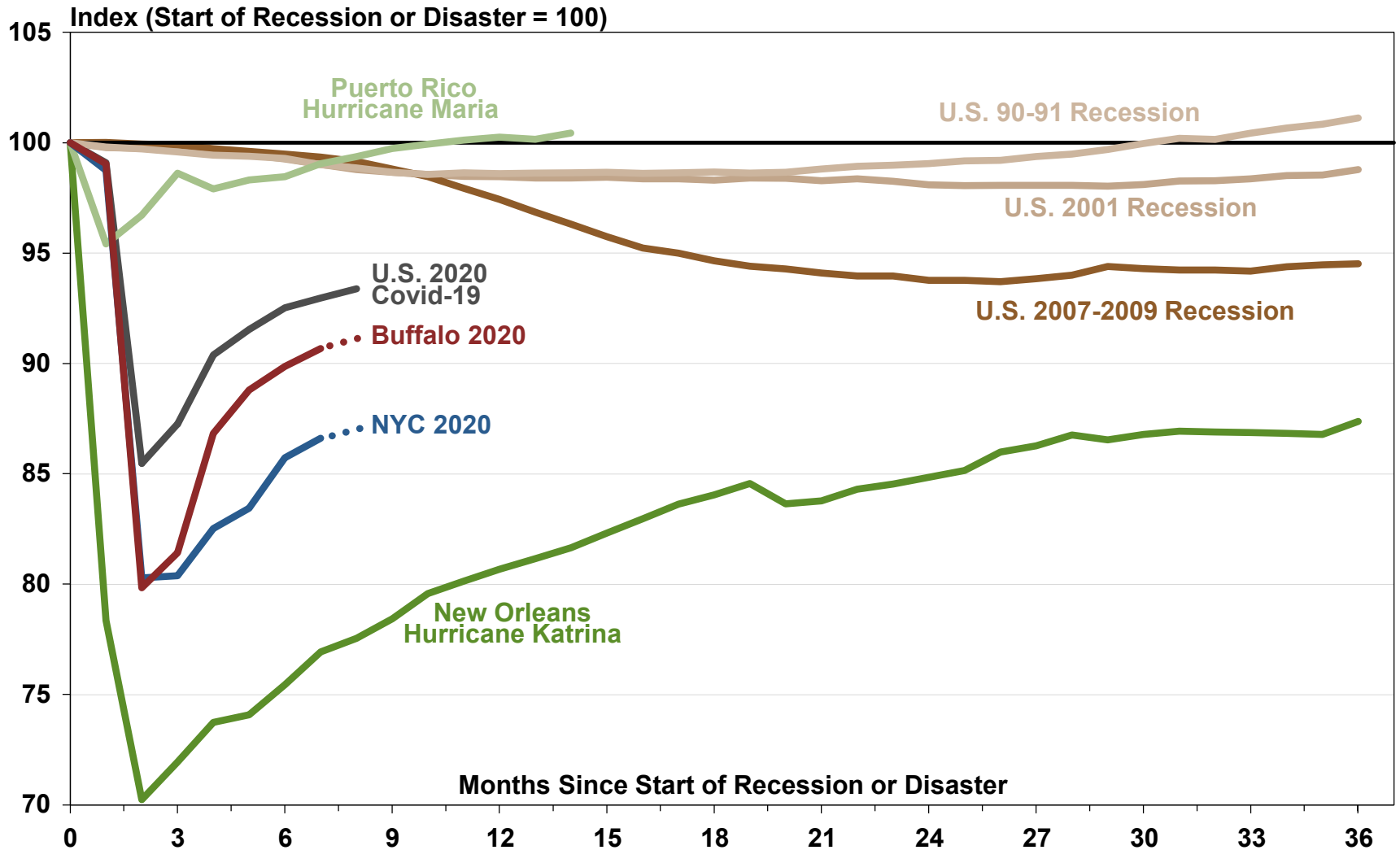
Initial Claims in New York State



Source: Department of Labor and Haver Analytics.

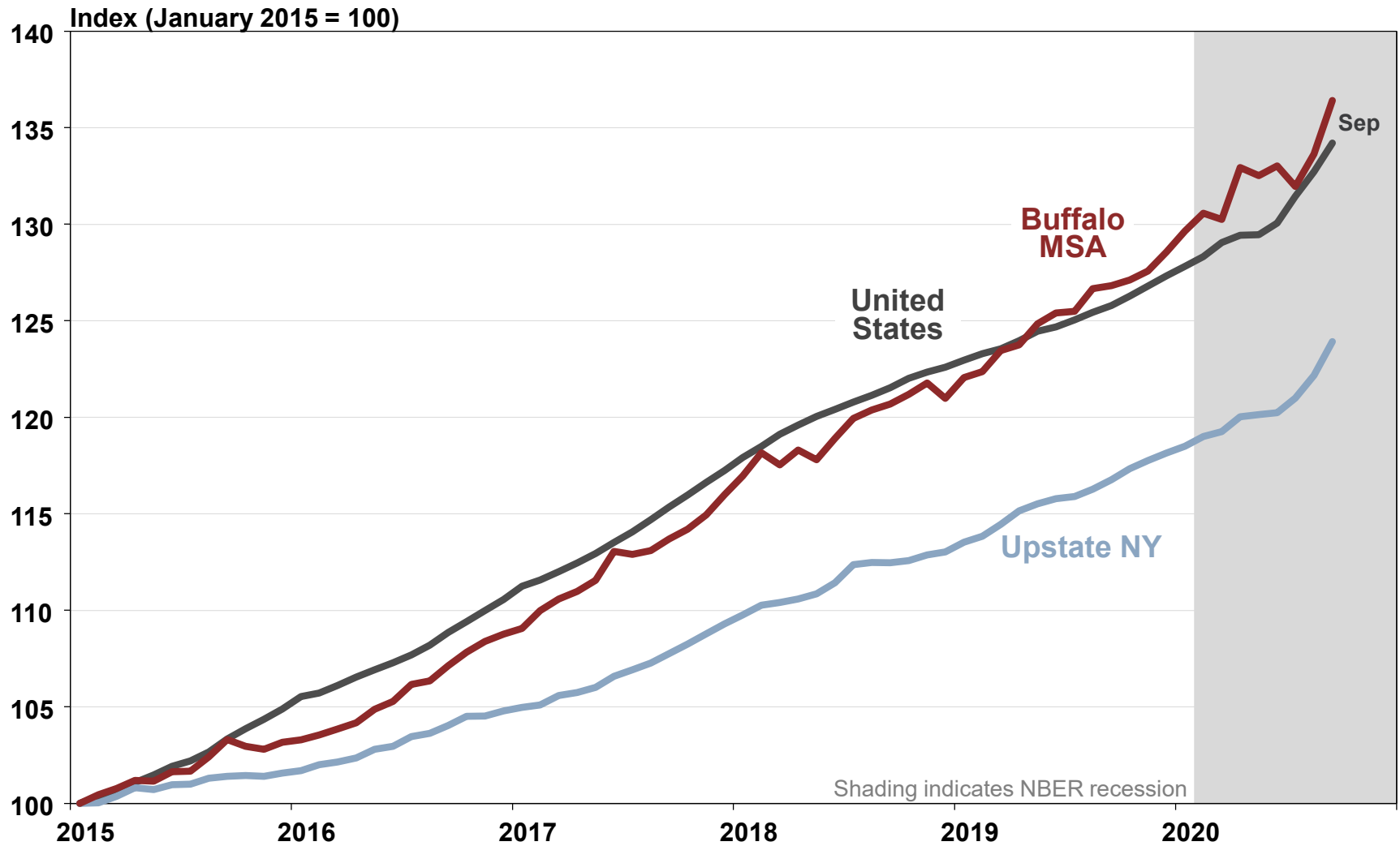
The Pandemic Resembles a Natural Disaster

Indexes of Total Employment, Seasonally Adjusted



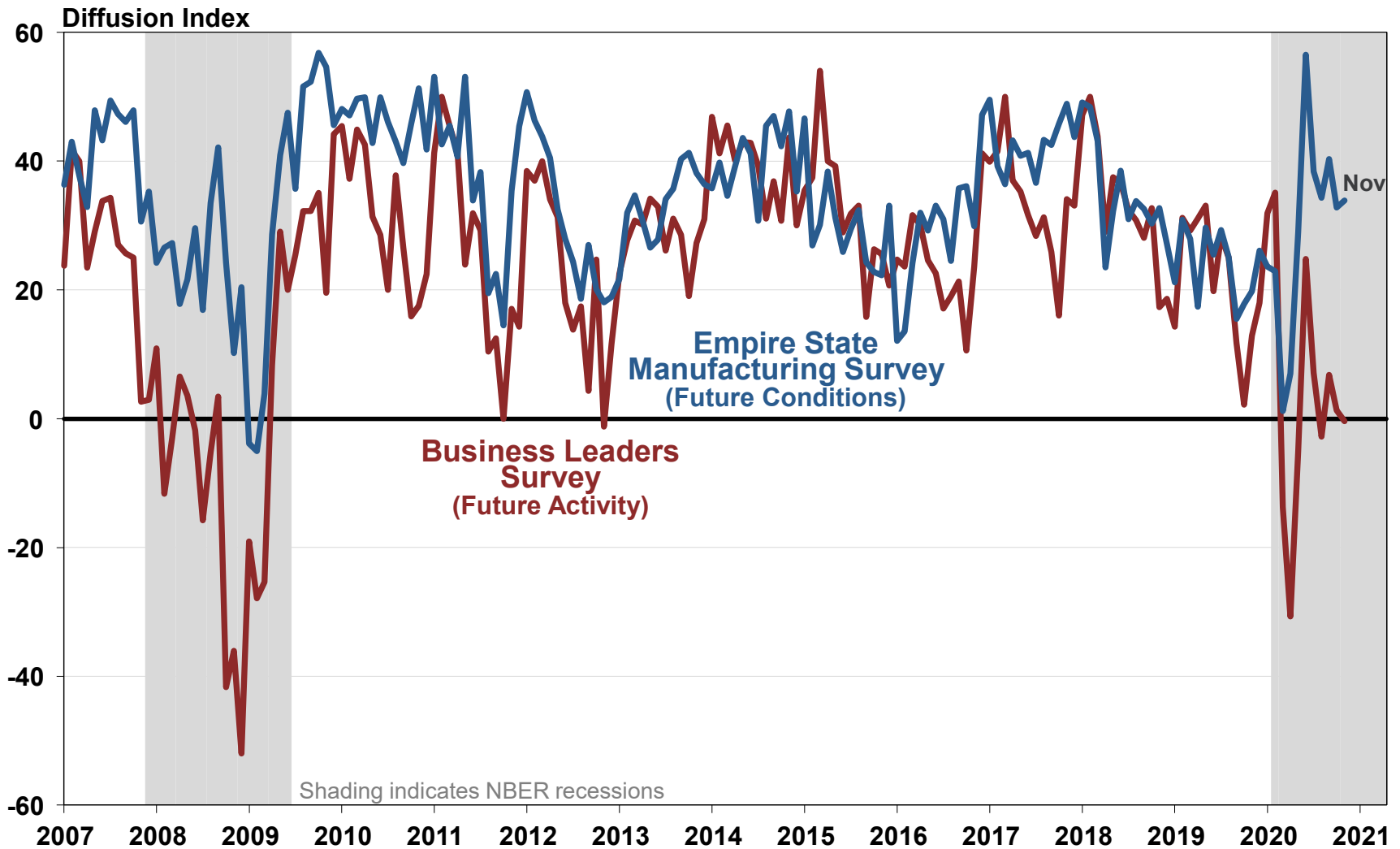
Home Prices Continuing to Increase

CoreLogic Home Price Index, Seasonally Adjusted



Only Modest Improvement Expected

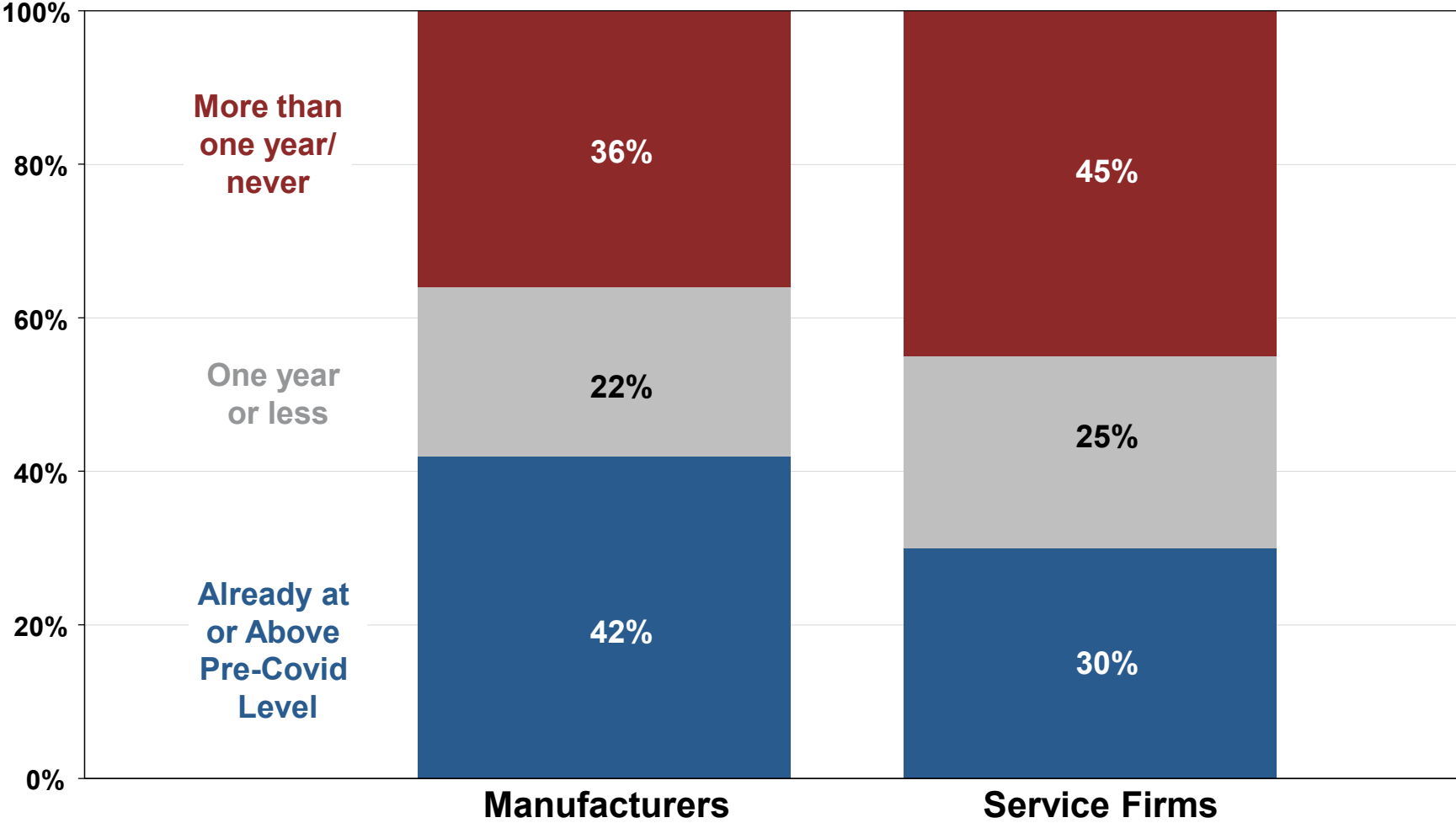
New York Fed Regional Business Surveys, Future Conditions



Businesses Anticipate a Long Road Ahead

New York Fed November Supplemental Survey Report

Q: When Do You Expect Employment to Return to Pre-Covid Levels?



Source: Federal Reserve Bank of New York.



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