



FEDERAL RESERVE BANK *of* NEW YORK

Economic Conditions in New York State

Jaison R. Abel, Assistant Vice President

Joint ISM-APICS Meeting
Rochester, NY; March 14, 2019

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

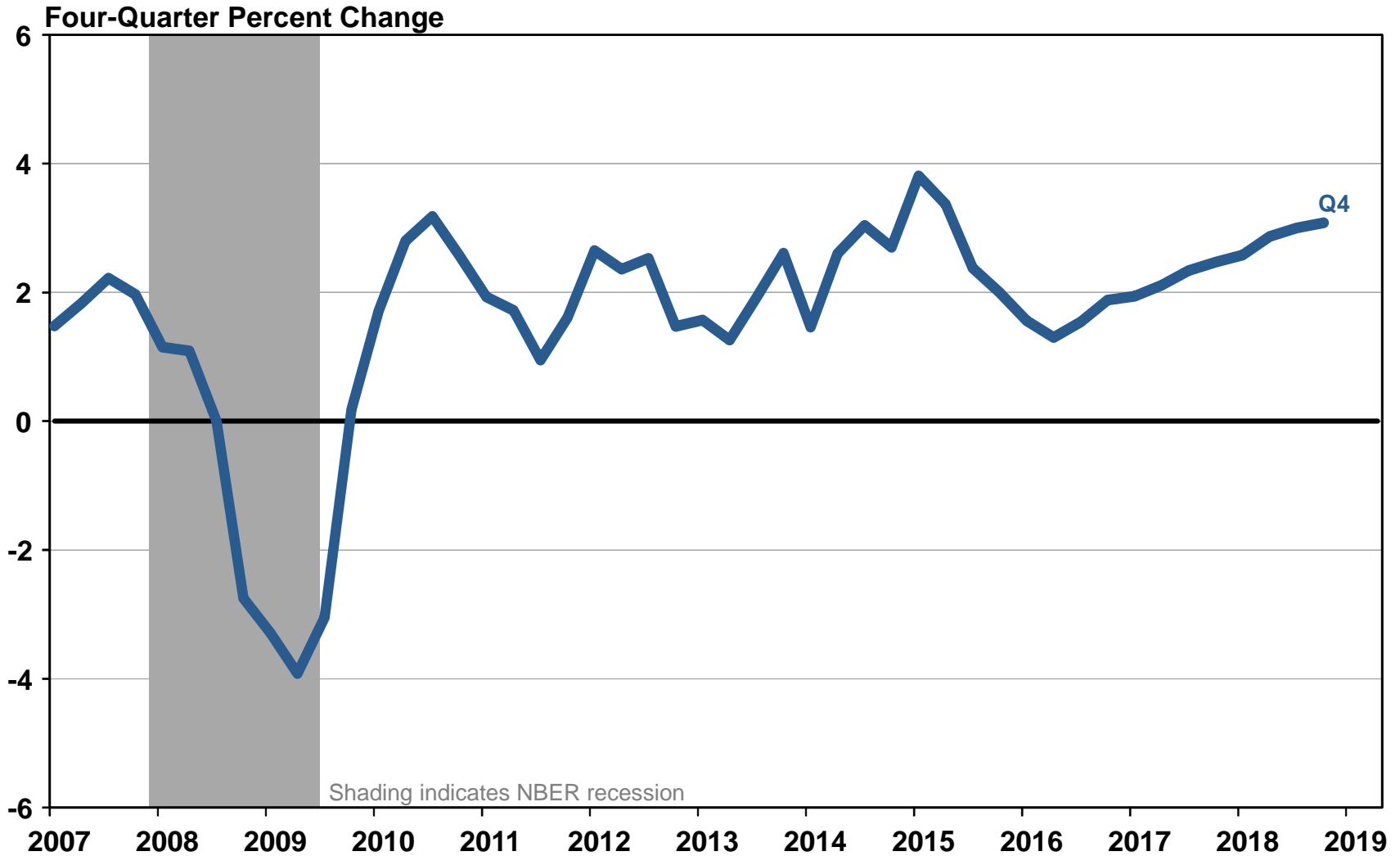
- Business activity has picked up somewhat after leveling off in early 2019, though growth remains fairly modest.
- Despite sluggish job growth in most of upstate New York, including Rochester, labor markets have become extremely tight. As a result, wage growth has picked up in the region.
- Businesses in the region report that selling price increases have become more widespread, while input price pressures have begun to ease following strong increases through most of last year.
- With extremely low inventory levels, home prices have generally continued to appreciate throughout the region, though these increases have started to slow recently.



US Macro Overview

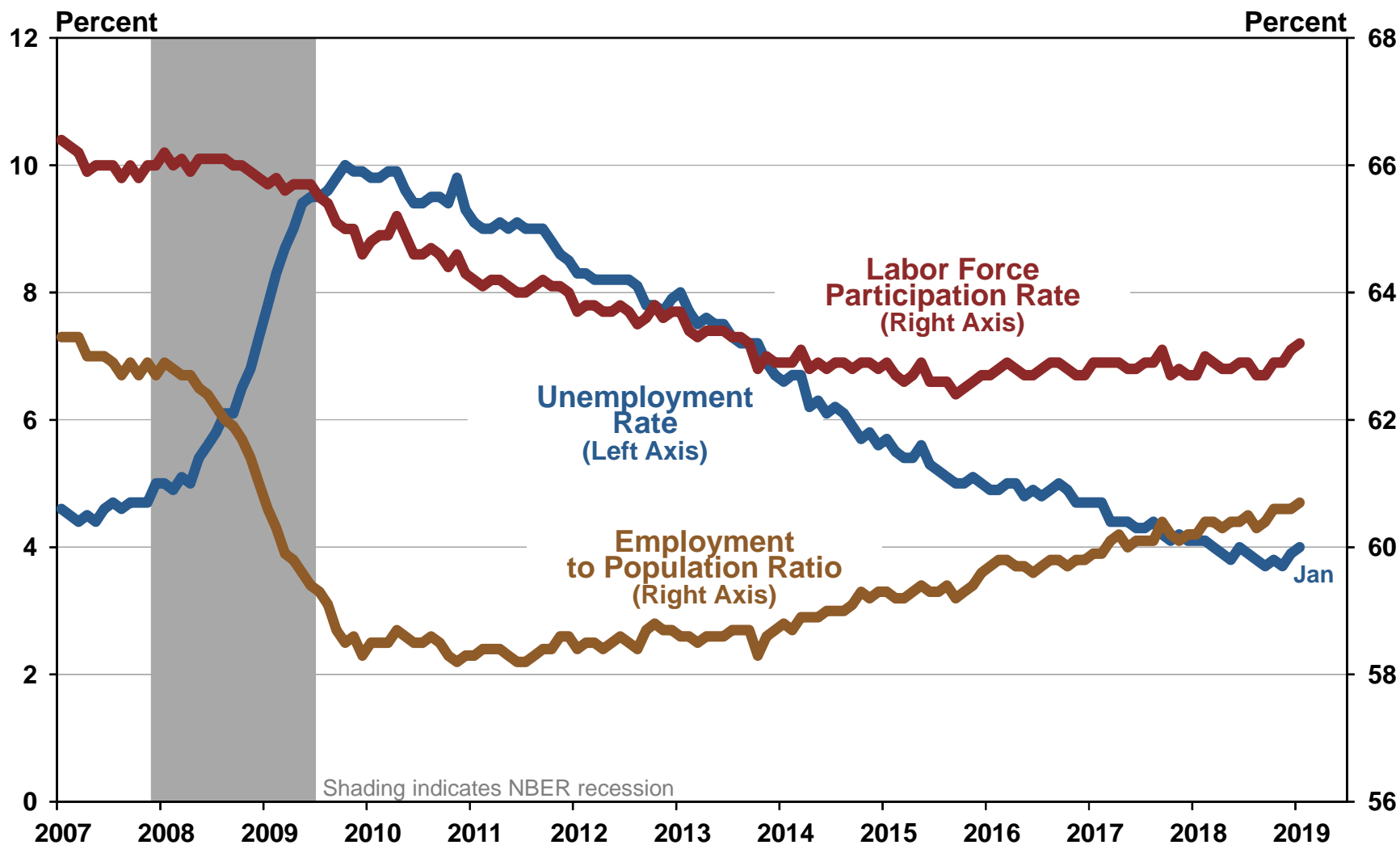
Economic Activity

Annual Percent Change in Real GDP



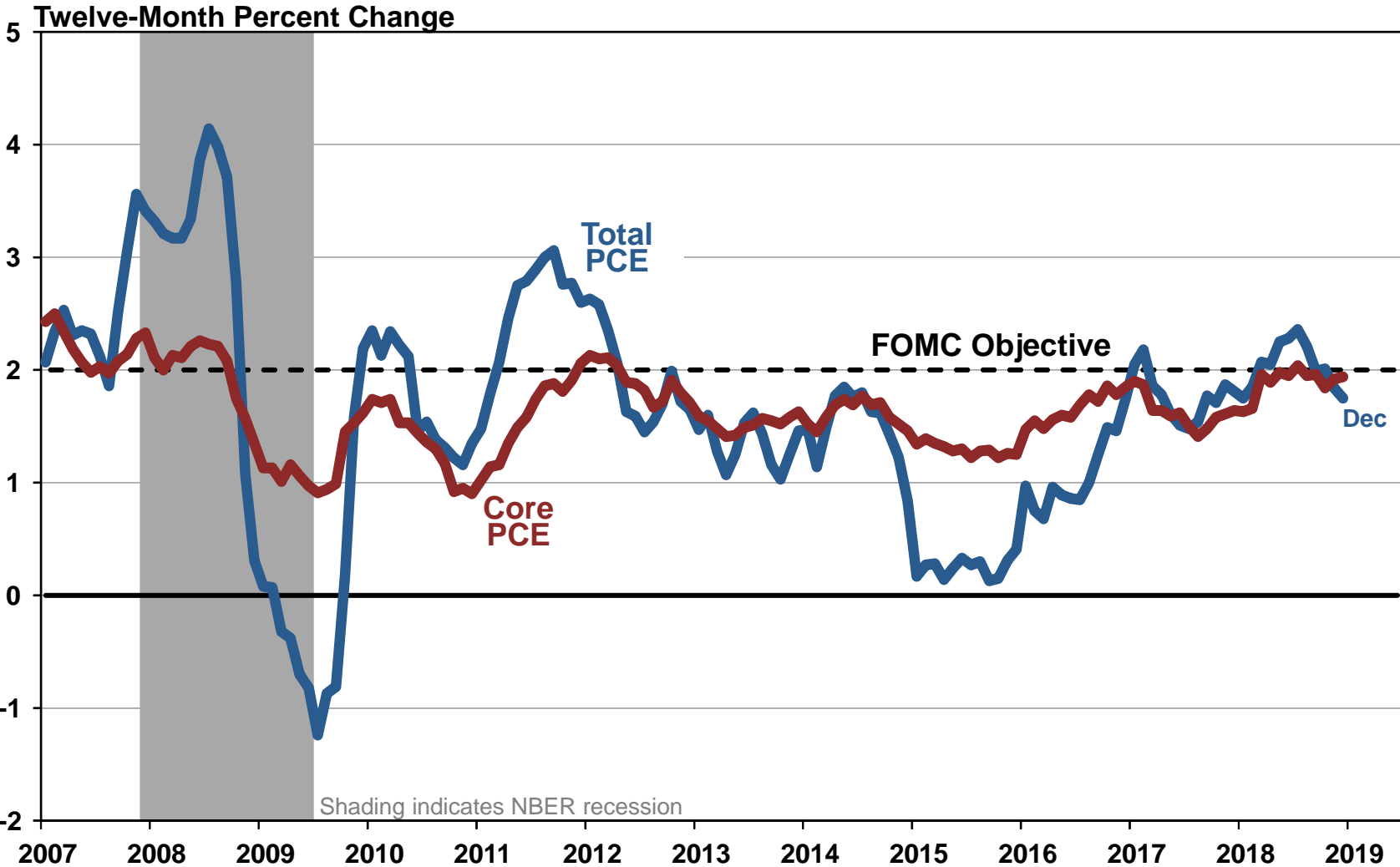
Labor Market Conditions

Unemployment, Participation, and Working Population



Inflation Measures

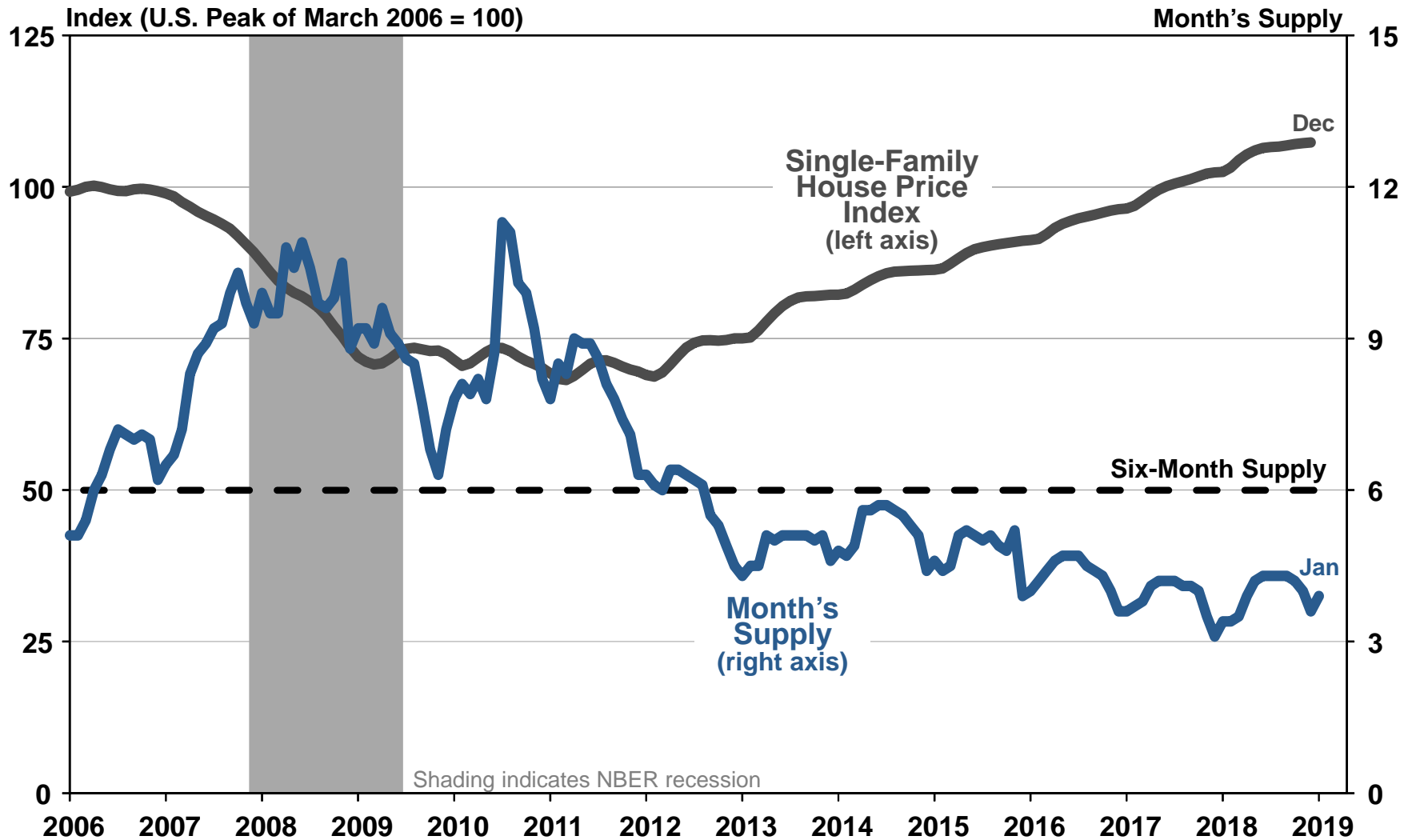
Annual Percent Change in PCE Price Indexes



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

Housing Conditions

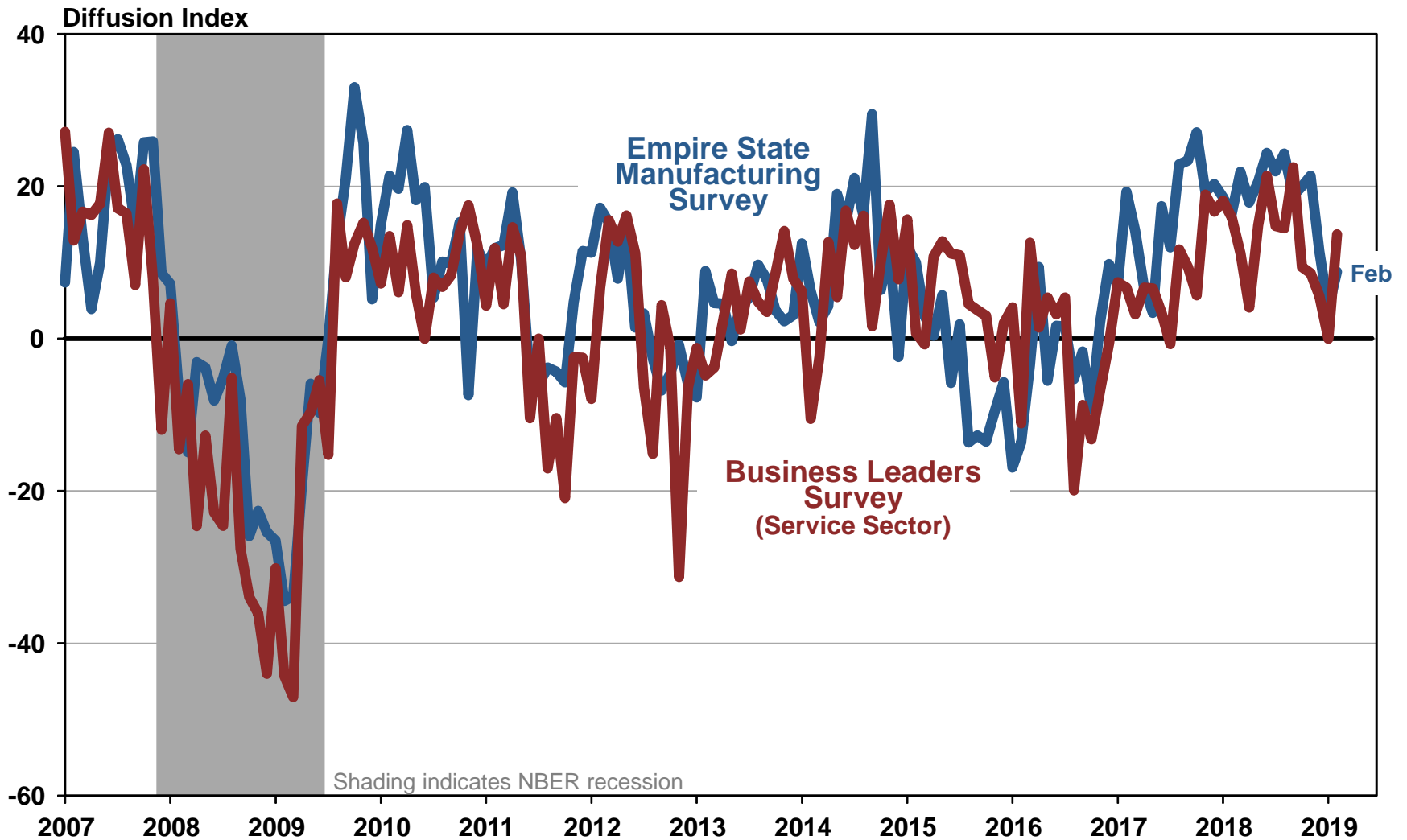
Home Price Trends and Inventory



Regional Economic Conditions

Current Economic Conditions

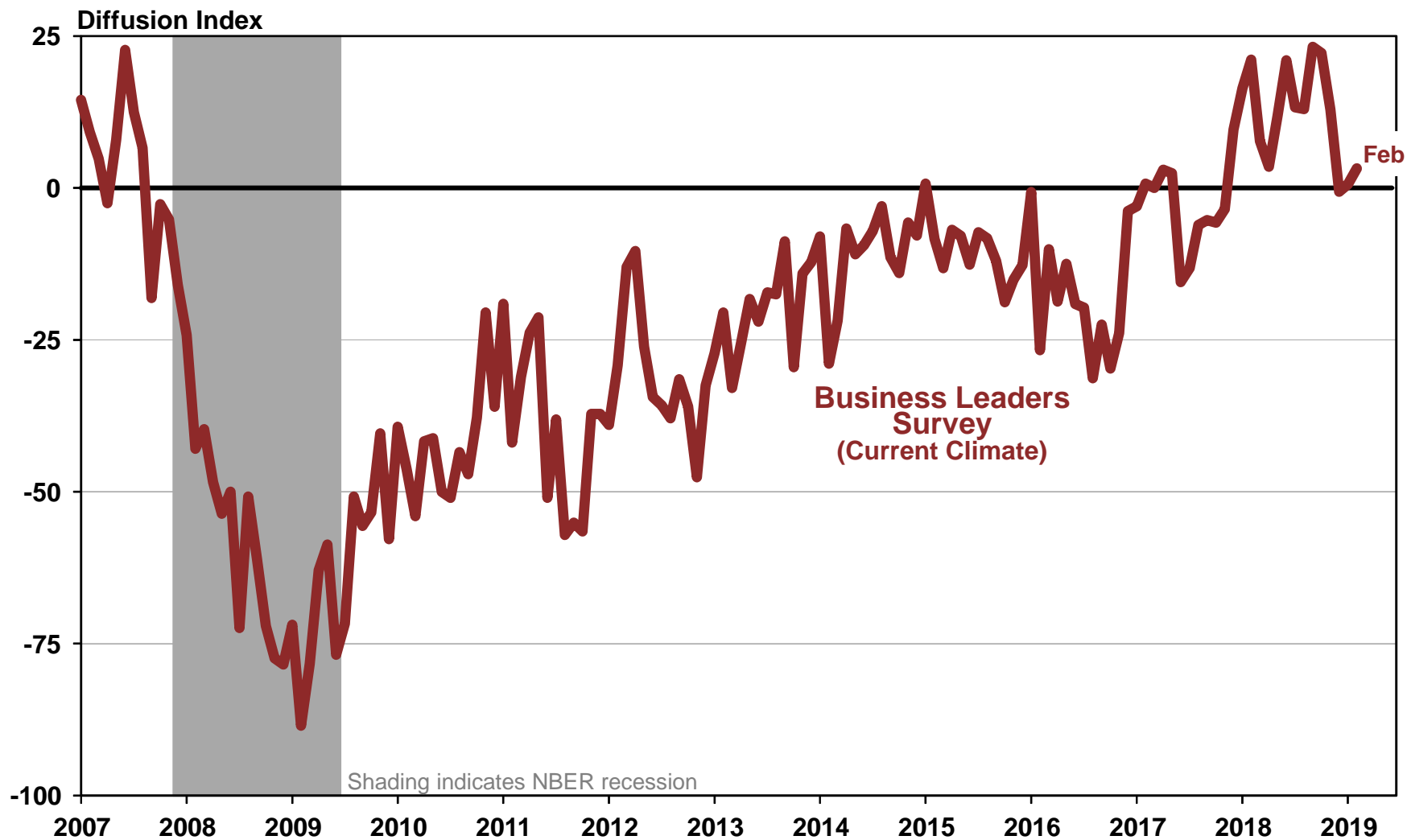
FRBNY Regional Business Surveys



Shading indicates NBER recession

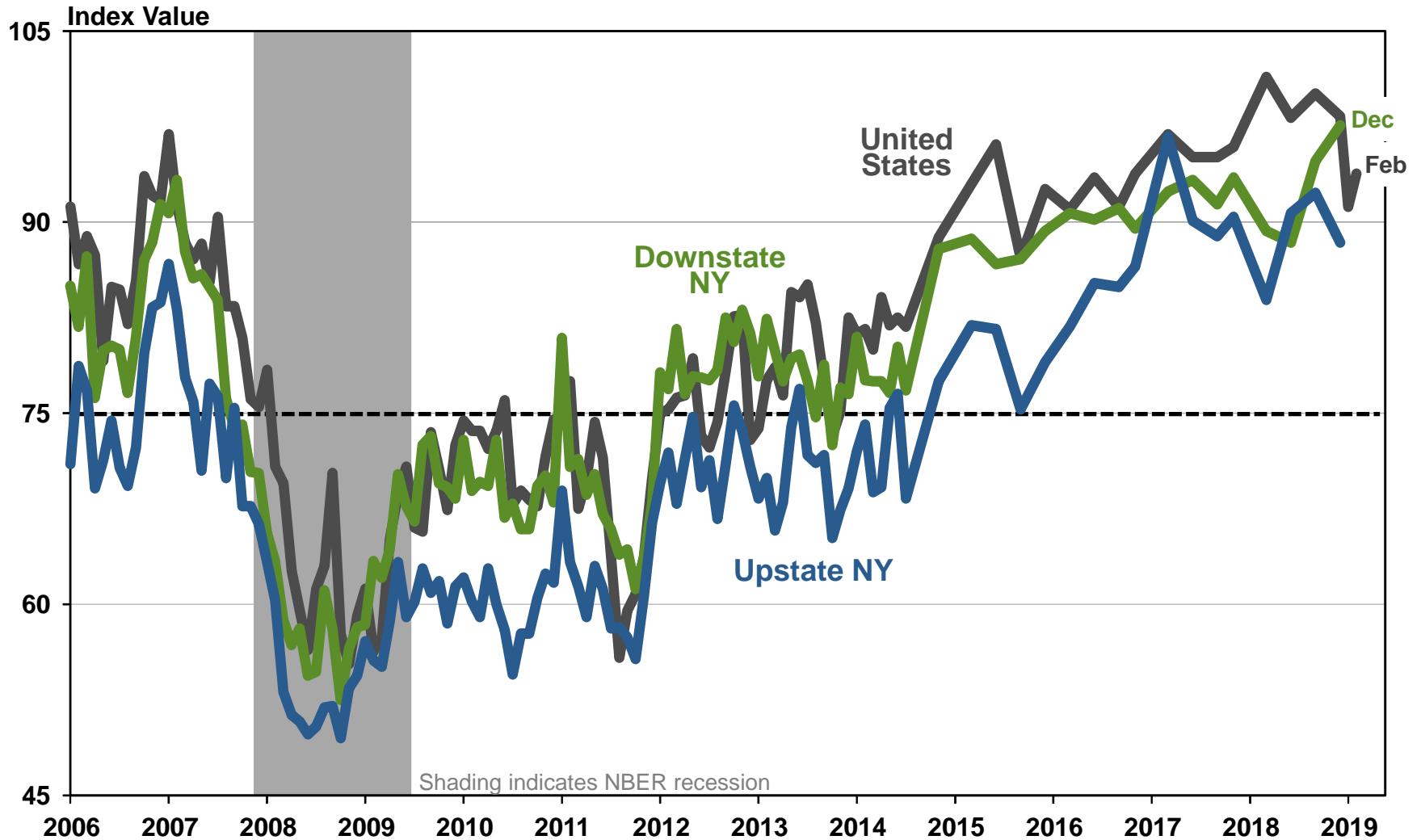
Current Business Climate

FRBNY Business Leaders Survey



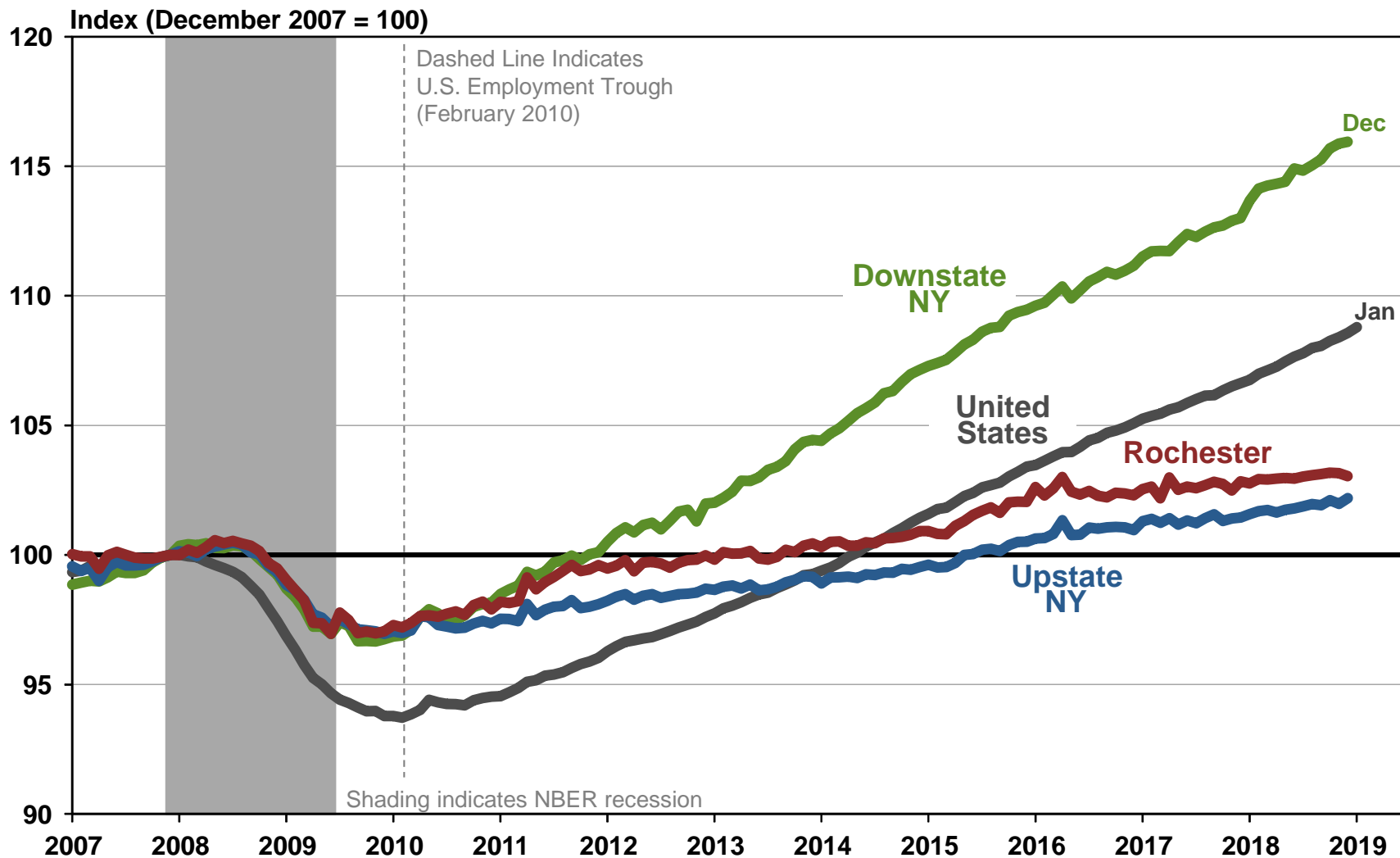
Regional Consumer Confidence

Overall Consumer Confidence



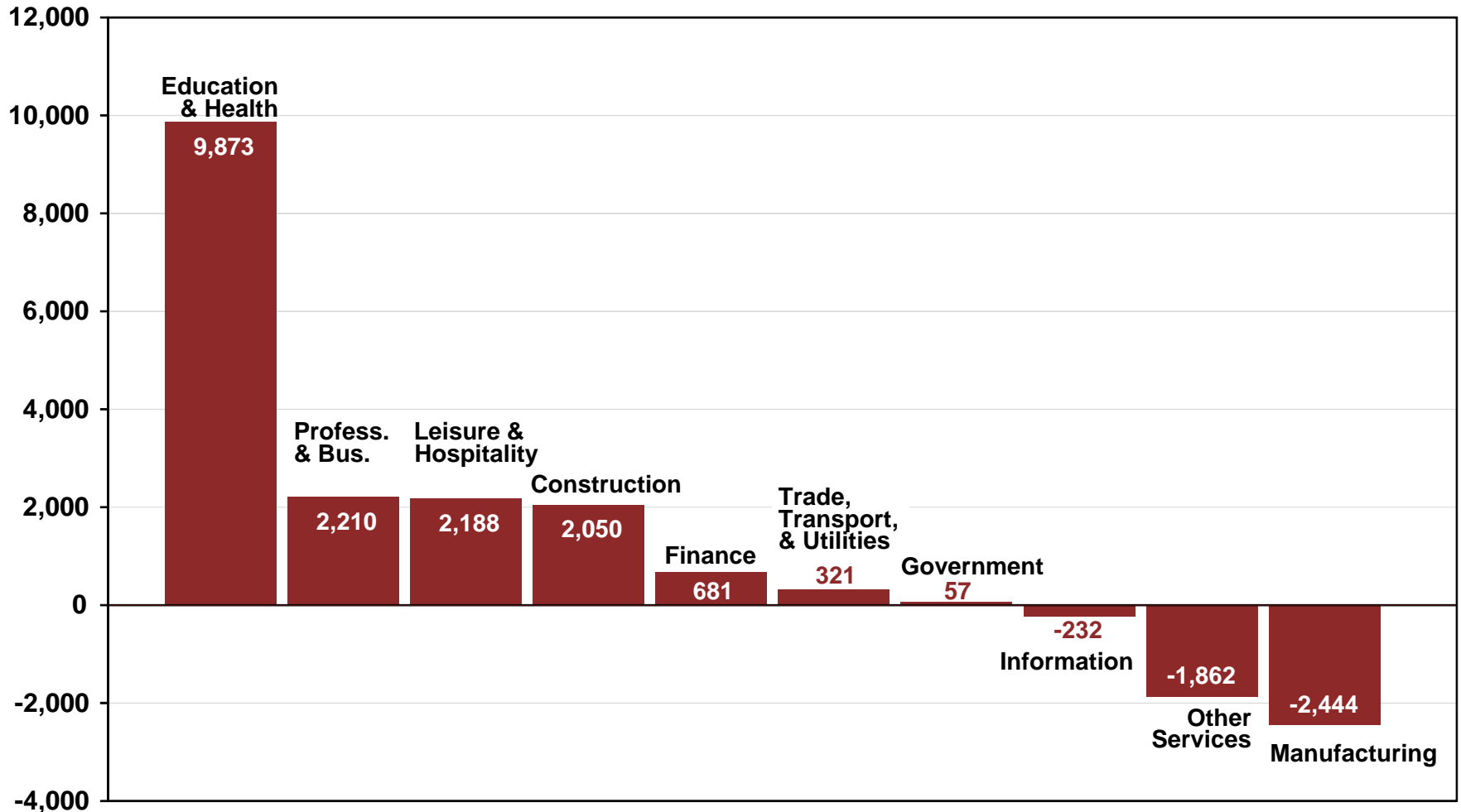
Regional Employment Trends

Indexes of Total Employment, Seasonally Adjusted



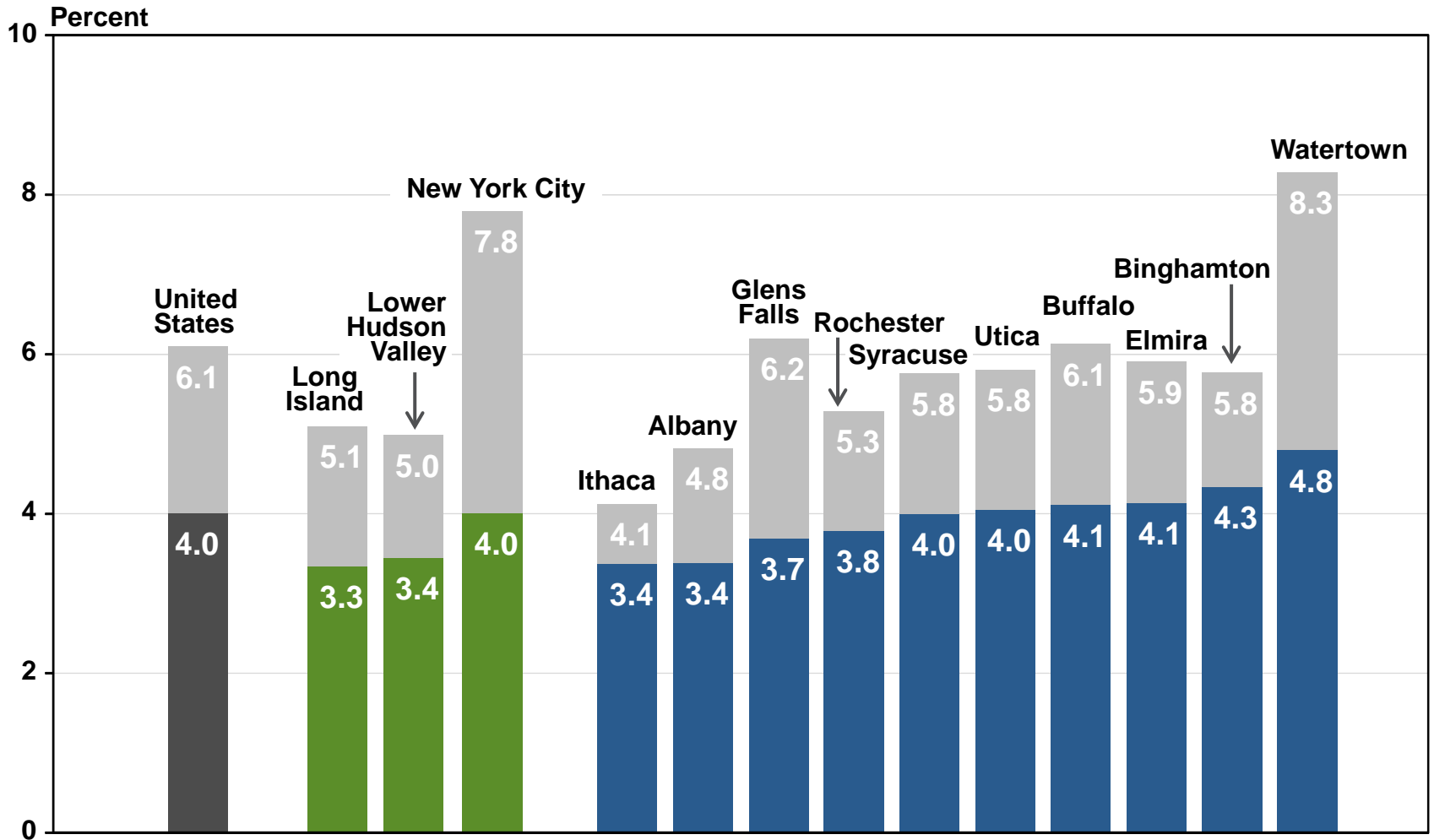
Sectors Driving Job Growth in Rochester

Five-Year Change, 2013 to 2018



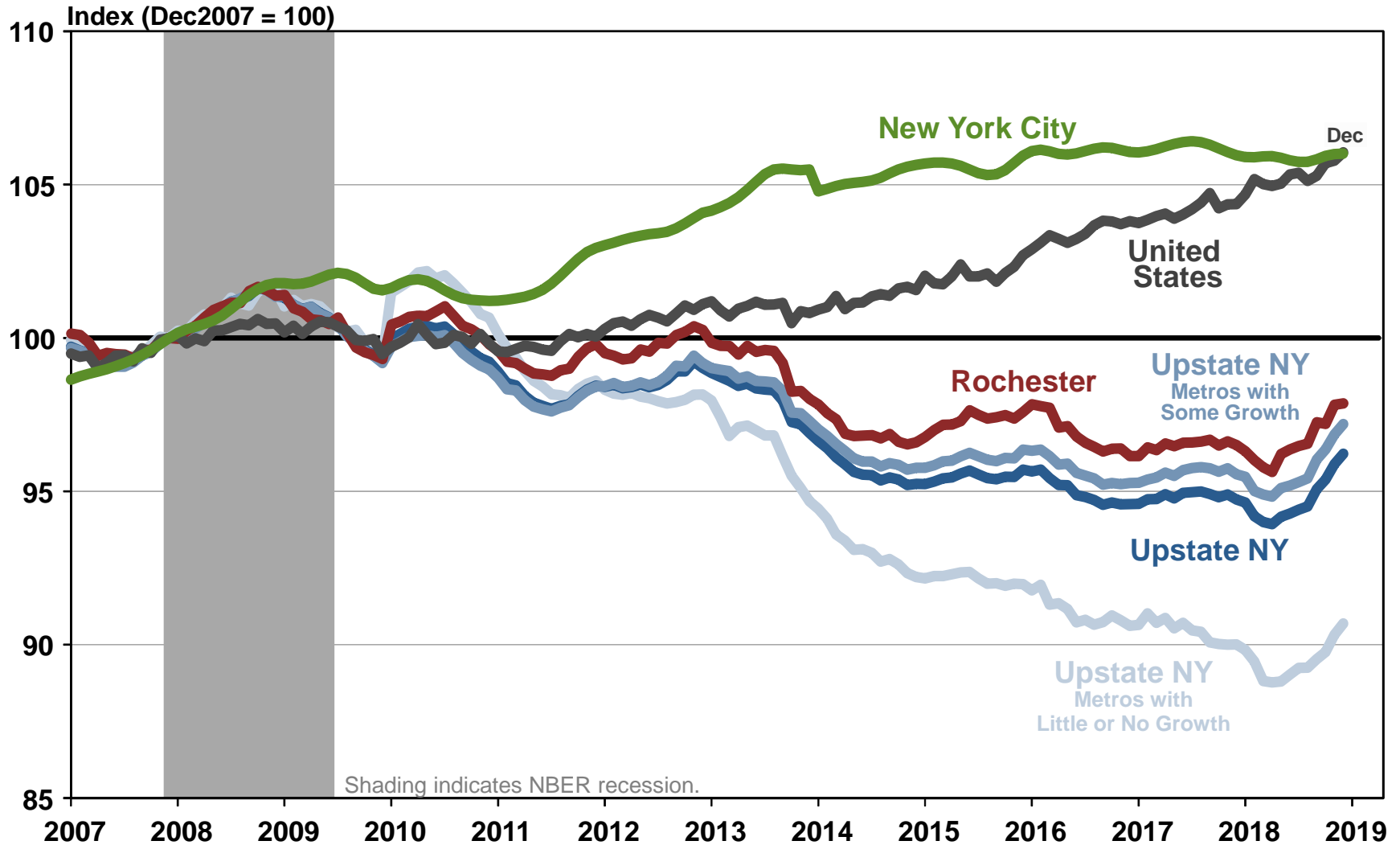
Exceptionally Tight Labor Markets

Long-Run and Current Unemployment Rates, Seasonally Adjusted



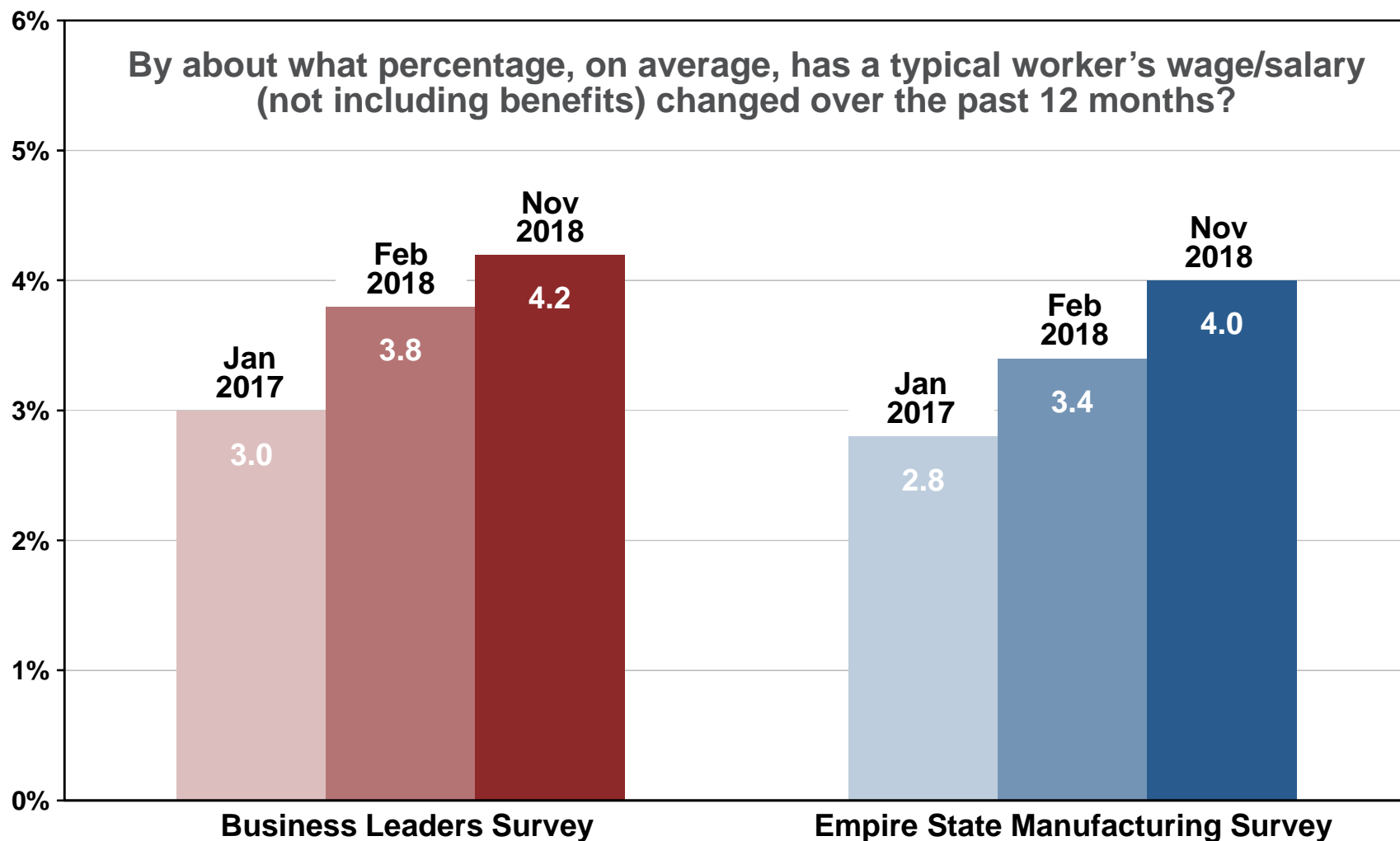
Regional Labor Force Trends

Indexes of Total Labor Force, Seasonally Adjusted



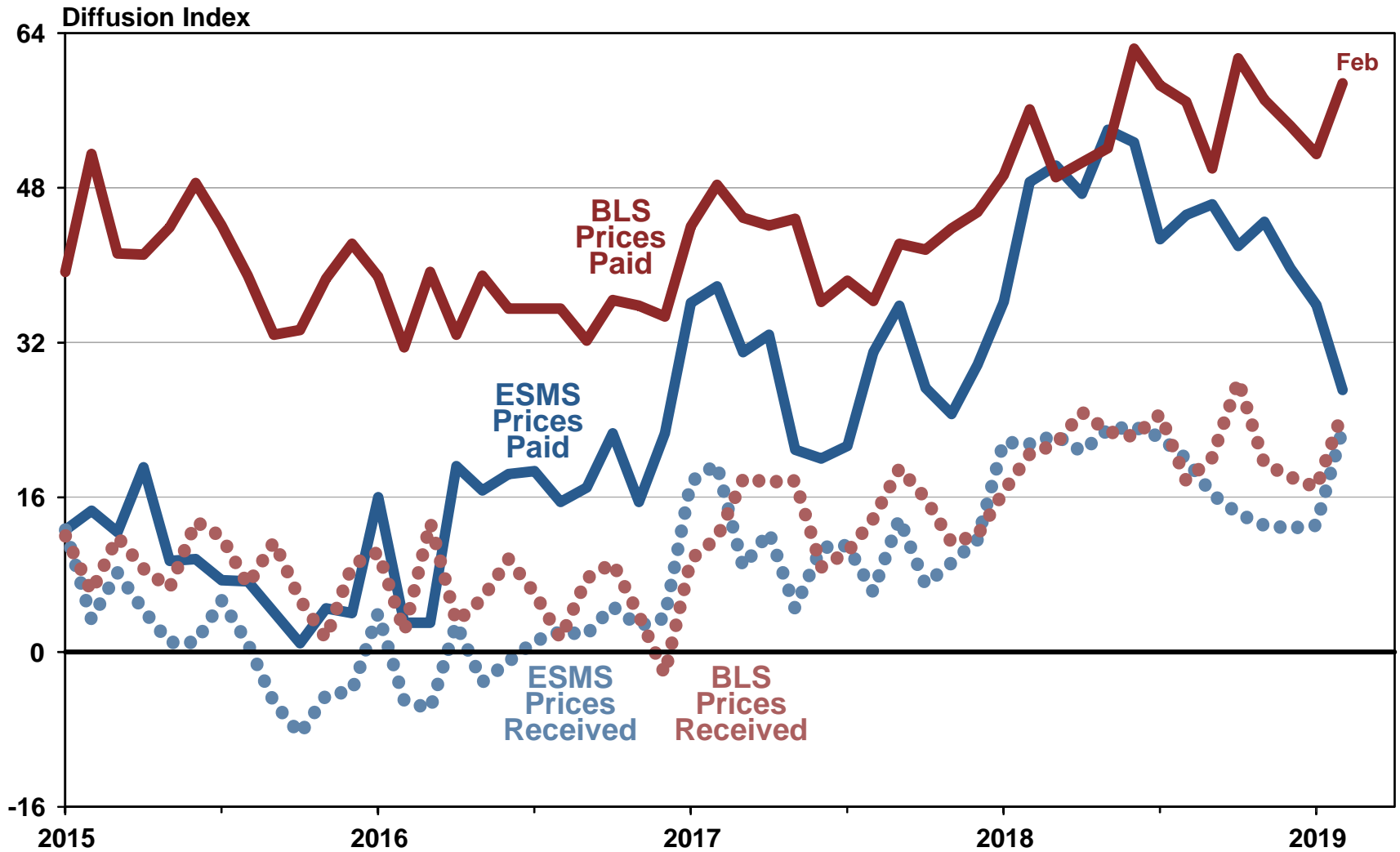
Wage Growth Has Picked Up in the Region

FRBNY Supplemental Survey



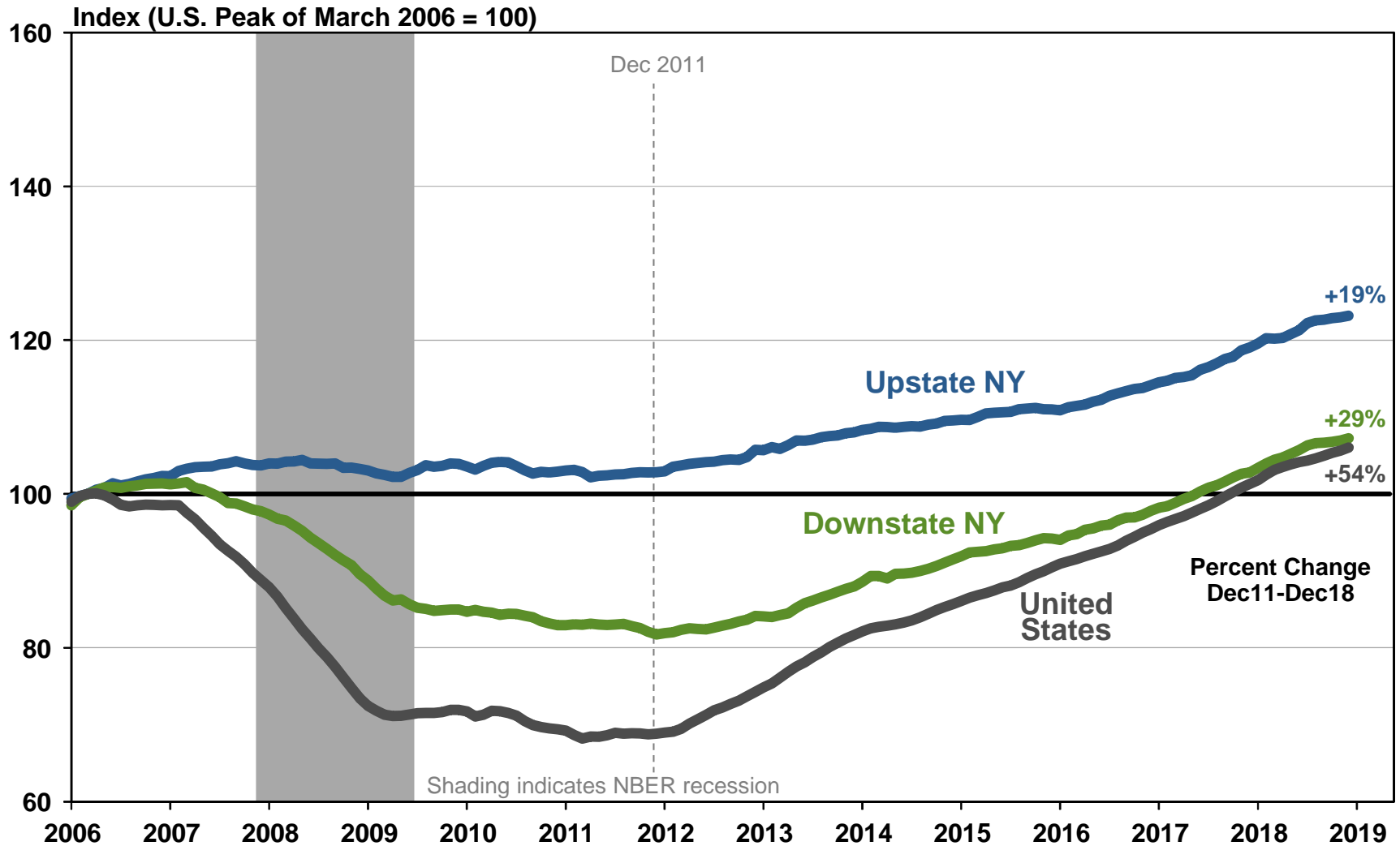
Input and Selling Prices

FRBNY Regional Business Surveys



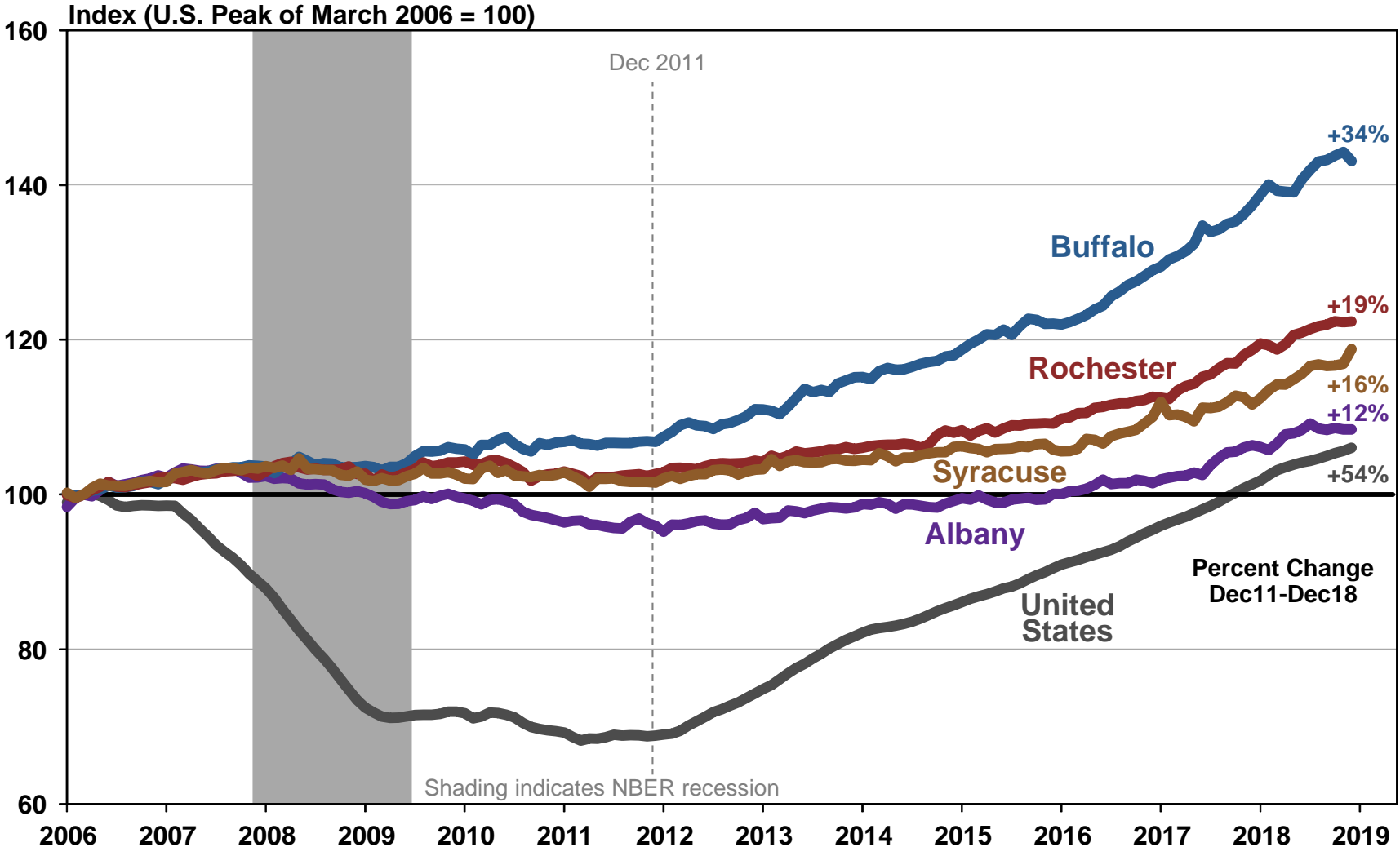
Regional Home Price Trends

Home Price Index, Seasonally Adjusted



Local Home Price Trends

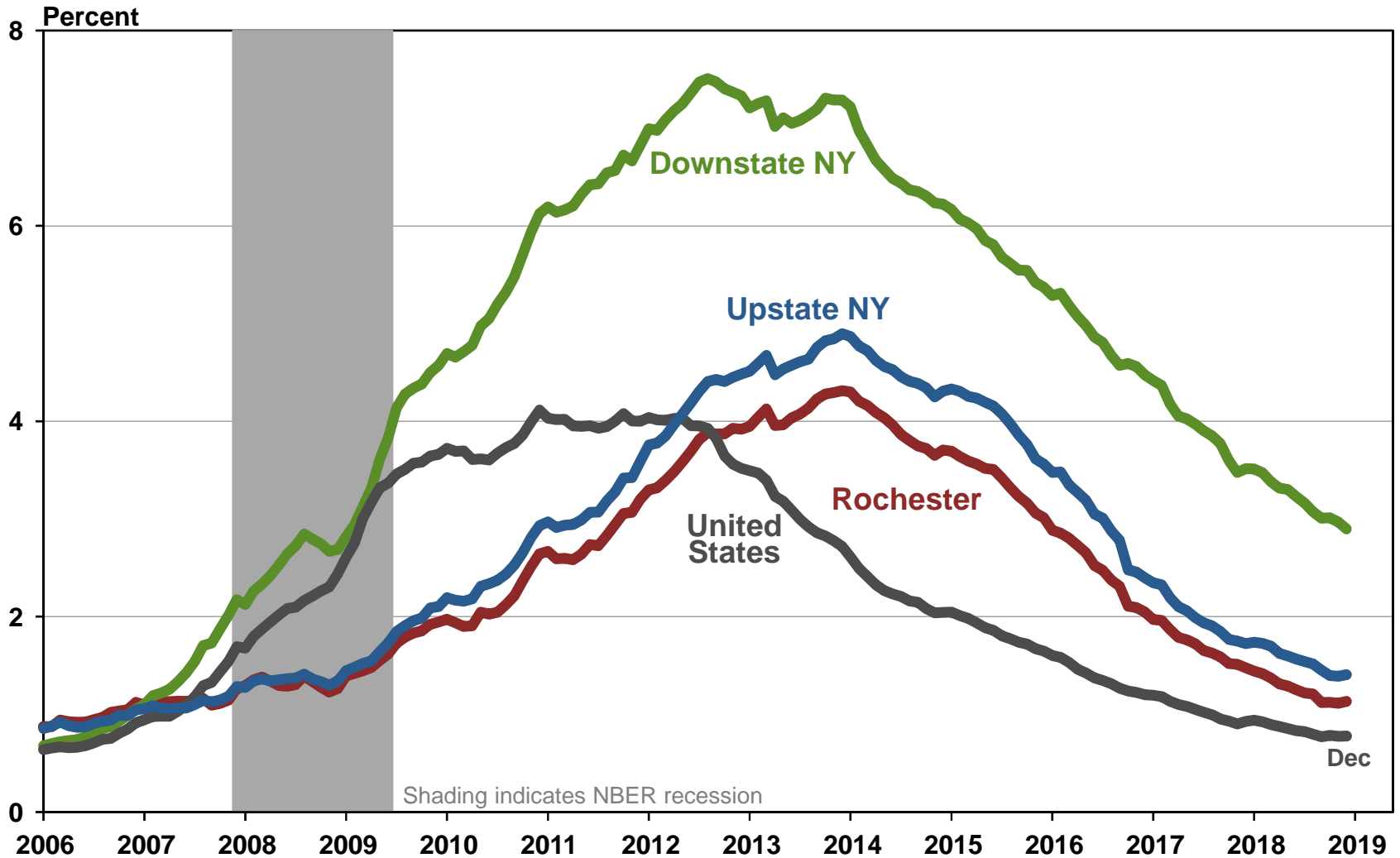
Home Price Index, Seasonally Adjusted



Source: CoreLogic Home Price Index (including distressed sales); aggregation and seasonal adjustment by FRBNY staff.

Backlog of Foreclosures

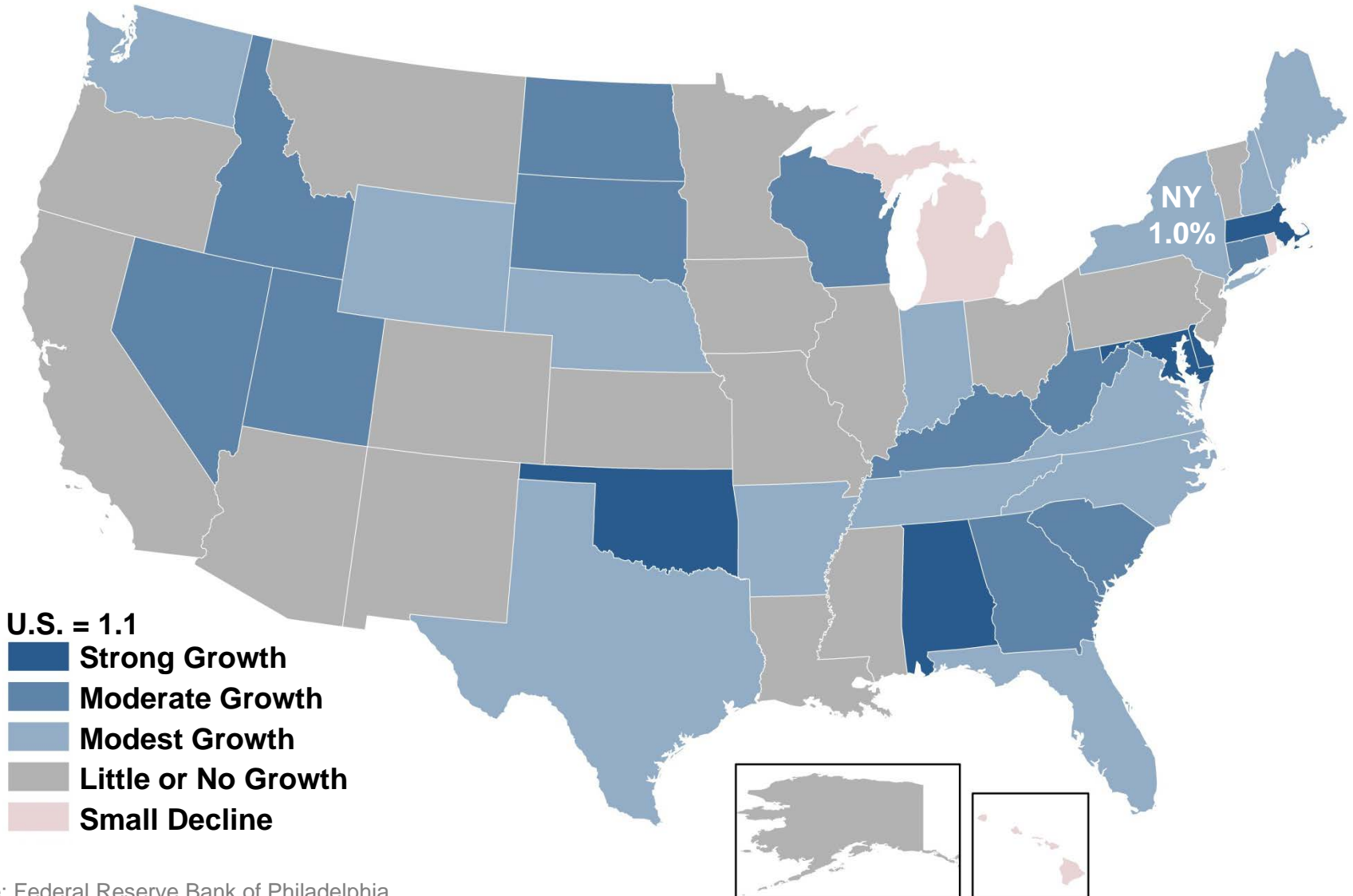
Share of Mortgages in Foreclosure



Looking Ahead

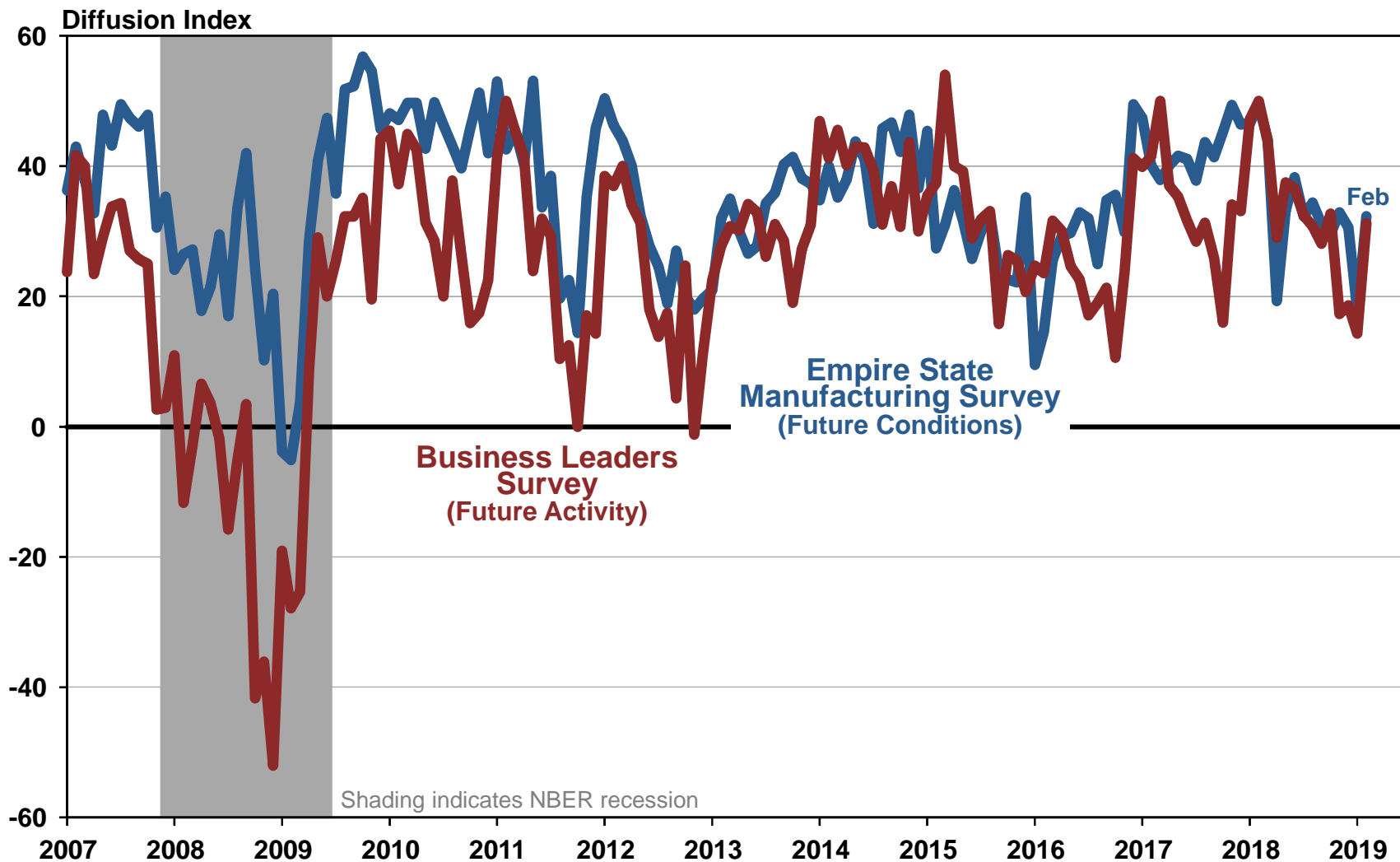
State Leading Economic Indexes

Six-Month Forecast of State Growth, December 2018



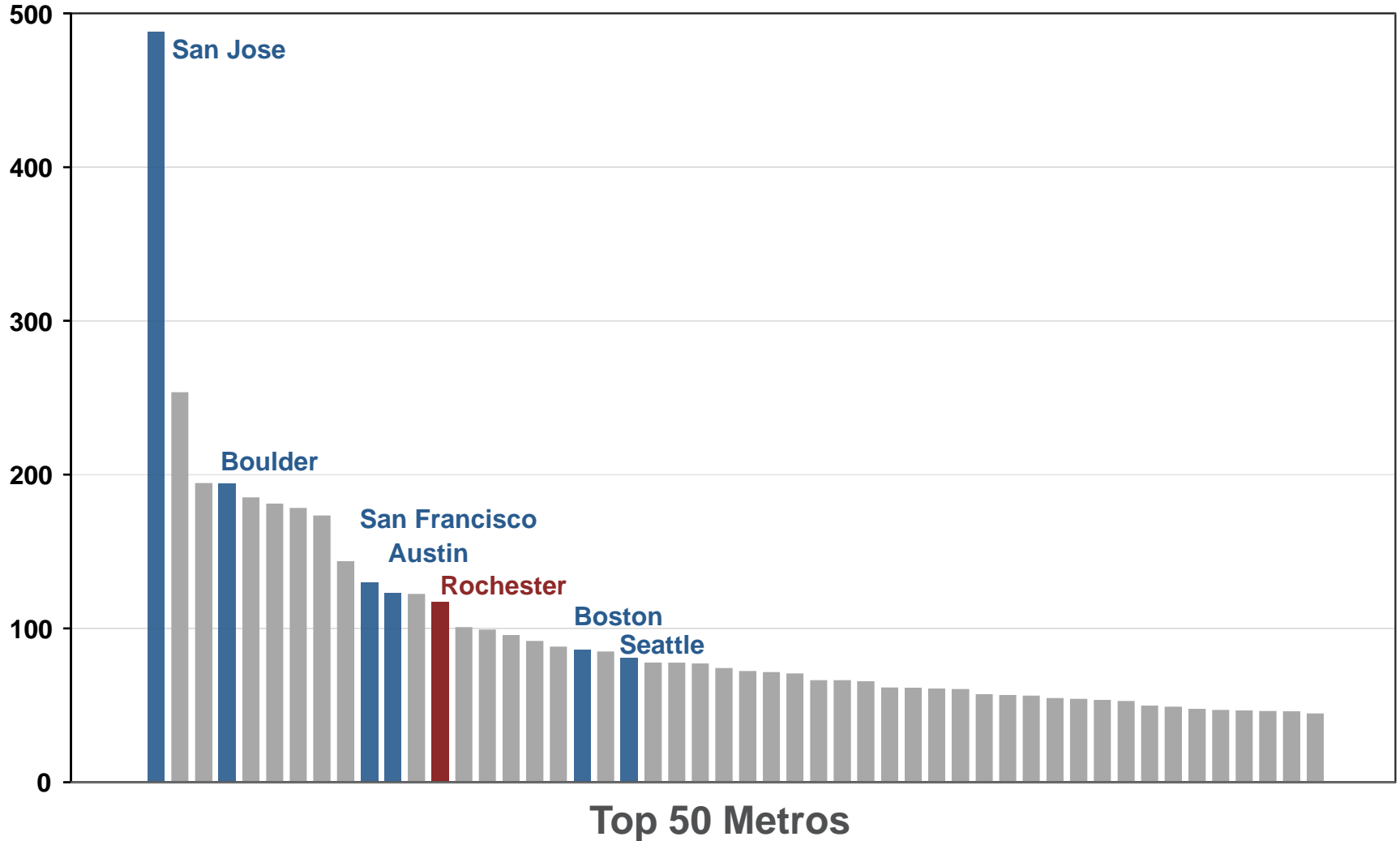
Future Economic Conditions

FRBNY Regional Business Surveys, Conditions Six Months Ahead



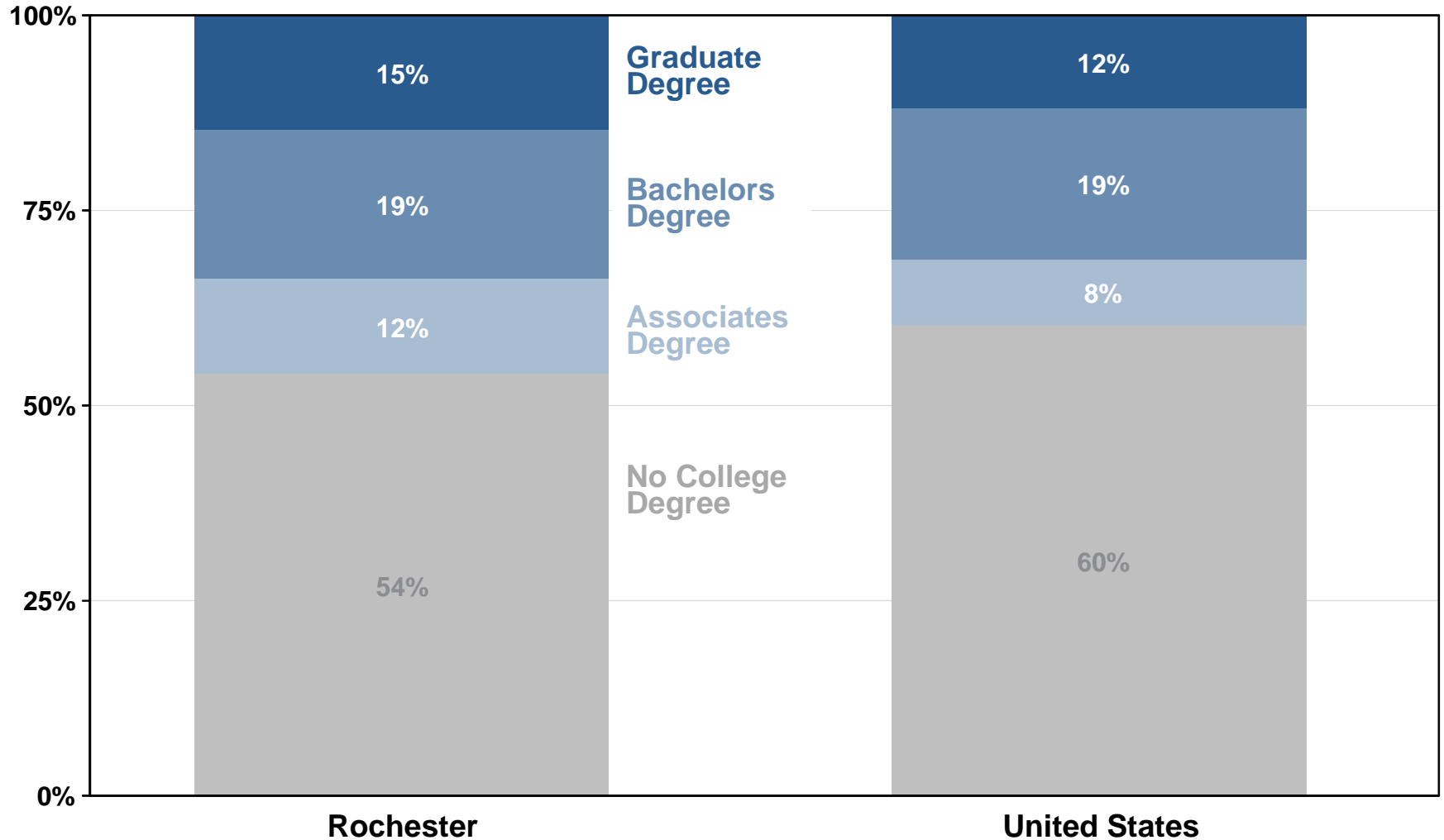
Rochester Remains an Innovative Region

Utility Patents Granted Per 100K Population, 2000-2015 Average



Rochester Has a Highly Educated Workforce

Share of Adult Population with a College Degree





**The
Future
Is
Bright**



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