Regional Economy Overview
November 30, 2022
Jason Bram

These views are my own and not necessarily the view of the Federal Reserve Bank of NY or the Federal Reserve System.
Preview

• Findings of our regional business surveys
• Regional & local labor market trends
• Housing markets
Price Pressures in the Region Have Receded...a Bit

New York Fed Regional Business Surveys

Source: Federal Reserve Bank of New York.
Businesses’ Inflation Expectations
New York Fed Regional Business Surveys, May 2022

Service Sector Survey

Manufacturing Sector Survey

Interquartile Range
(middle 50% of responses)

Mean

Median

Source: Federal Reserve Bank of New York, Supplemental Survey Reports.
Business Leaders Survey
Activity and Employment Diffusion Indexes

Source: Federal Reserve Bank of New York.
Remote Work Is Sticking in the Region

Average Share of Work Done Remotely, Service Firms

Before the Pandemic: 8%
June 2021: 33%
August 2022: 21%
Expected Next Year: 18%

Source: Abel, Bram, and Deitz “Remote Work is Sticking,” FRBNY Liberty Street Economics, August 18, 2022.
Past and Expected Changes in Workspace Used
New York Fed Regional Business Surveys, August 2022

Compared to before the pandemic, have you reduced or expanded your business’ footprint directly in response to changes in your remote work arrangements?

How about in the next 1-2 years?

Source: Federal Reserve Bank of New York, Supplemental Survey Reports.
Recent Private-Sector Job Trends
Year-Over-Year Percent Change as of October 2022
Private-Sector Job Trends Since the Pandemic
Percent Change Since Feb 2020 as of October 2022

Total Employment
Percent Change Since February 2020

Shading indicates NBER recessions

Source: Bureau of Labor Statistics and Moody's Economy.com; data are early benchmarked by FRBNY staff.
Sectoral Employment
Percent Change Since February 2020

Source: Bureau of Labor Statistics and Moody's Economy.com; data are early benchmarked by FRBNY staff.
Average Weekly Wages
Percent Change 2020Q1 to 2022Q1

Source: Bureau of Labor Statistics (QCEW) and Moody's Economy.com.
Source: Siena College Research Institute (NY State indices); University of Michigan (US index).
Local and National Home Prices

Index, February 2020 = 100

Source: Zillow Home Value Index.
Recap

• Findings of our regional business surveys
  o Inflationary pressures are still high but receding and are not expected to persist once economic conditions stabilize.
  o Businesses are seeing sluggish activity but continue to add staff.

• Regional labor market trends
  o New York State, especially upstate, lags the nation in the employment recovery from the pandemic.
  o Almost all local sectors lag with the notable exception of manufacturing.
  o Wage growth and consumer sentiment have kept pace with the nation.

• Housing markets
  o The rapid home price escalation seen over the past two years is showing signs of abating.
APPENDIX
Current Economic Conditions

FRBNY Business Surveys, Current Conditions

Diffusion Index

Shading indicates NBER recessions

Source: Federal Reserve Bank of New York.
Future Economic Conditions

FRBNY Business Surveys, Conditions Six Months Ahead

Diffusion Index

Empire State Manufacturing Survey

Business Leaders Survey

Shading indicates NBER recessions

Source: Federal Reserve Bank of New York.