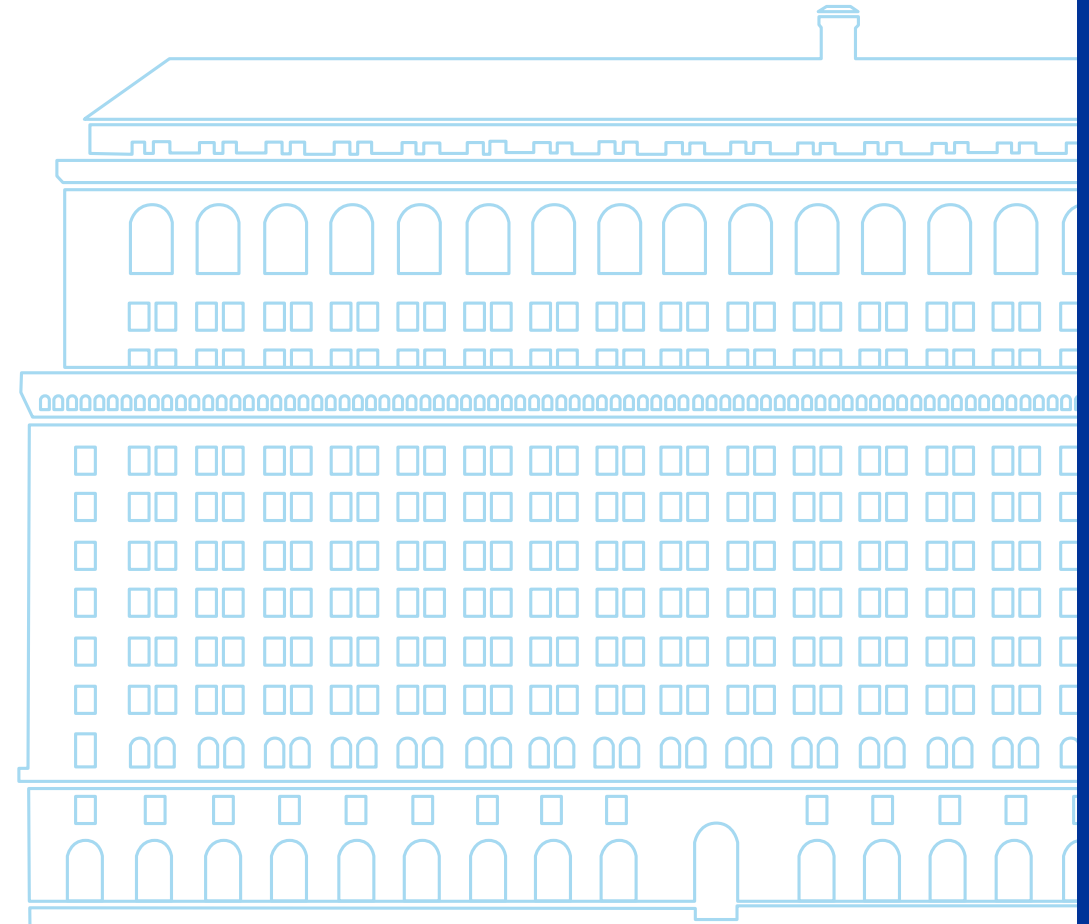


FEDERAL RESERVE BANK *of* NEW YORK

# Economics is Local(!)

Andrew Haughwout  
Research  
January 27, 2025

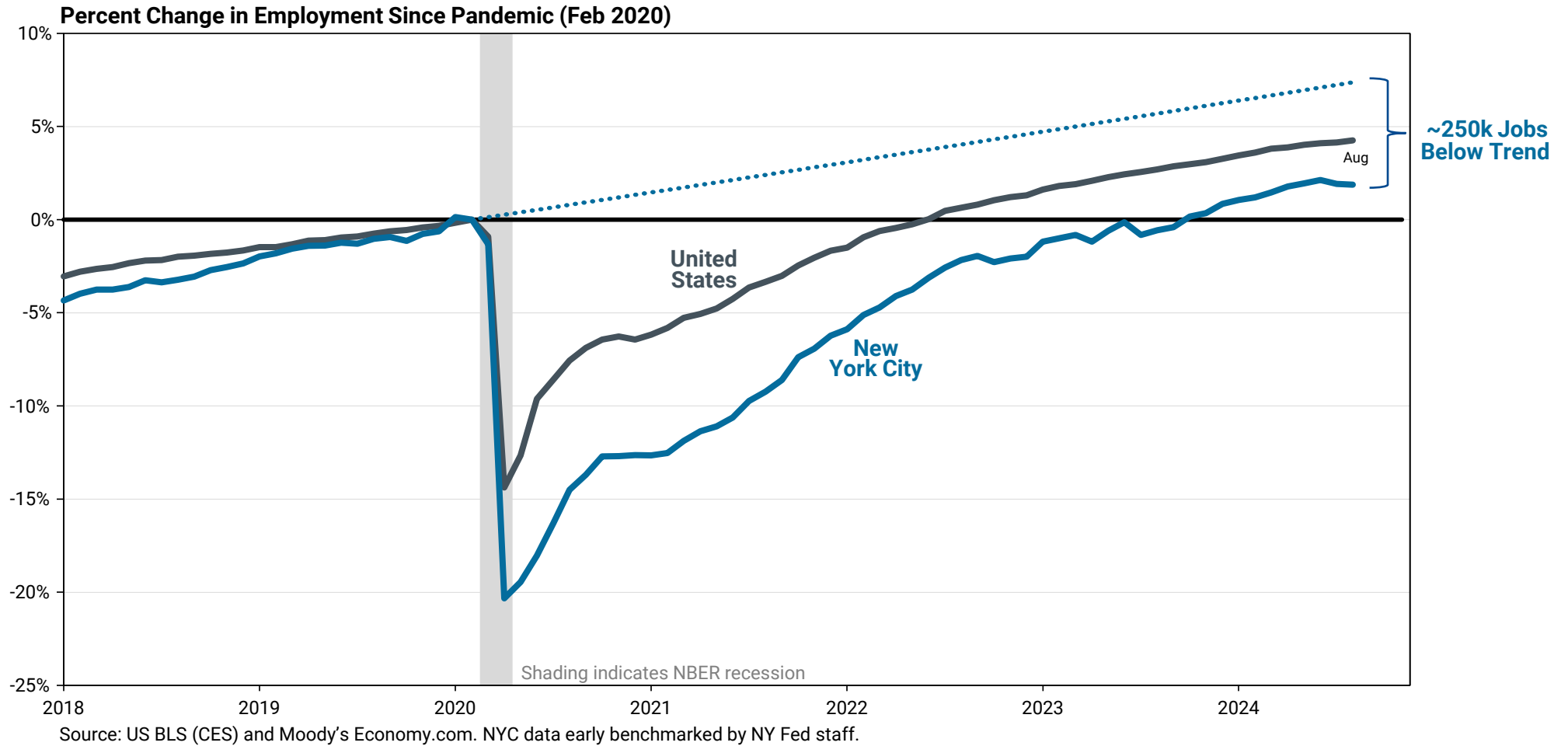


The views expressed herein are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

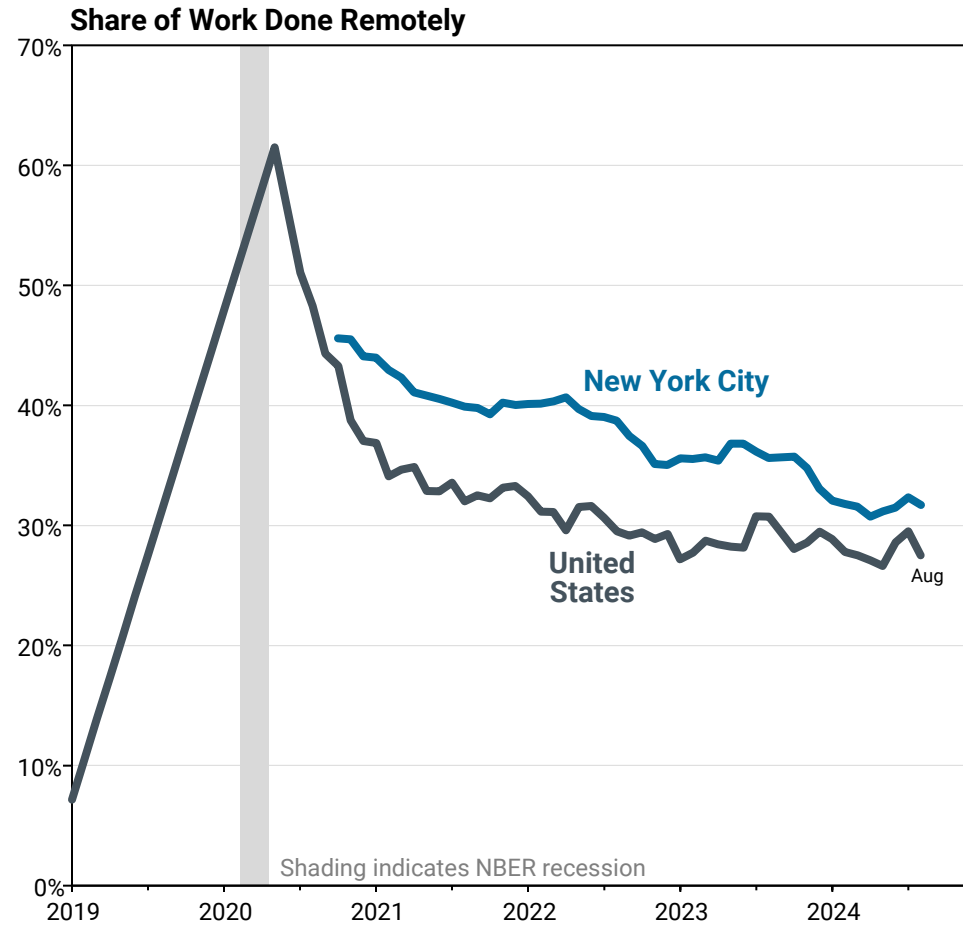
# Part 1: In our City - Overview

- **Status of recovery:** New York City has gained back all lost jobs.
- **Geographic shifts:** persistent weakness in Manhattan.
- **Changes in job mix:** New York City's growth mostly in high-wage jobs.

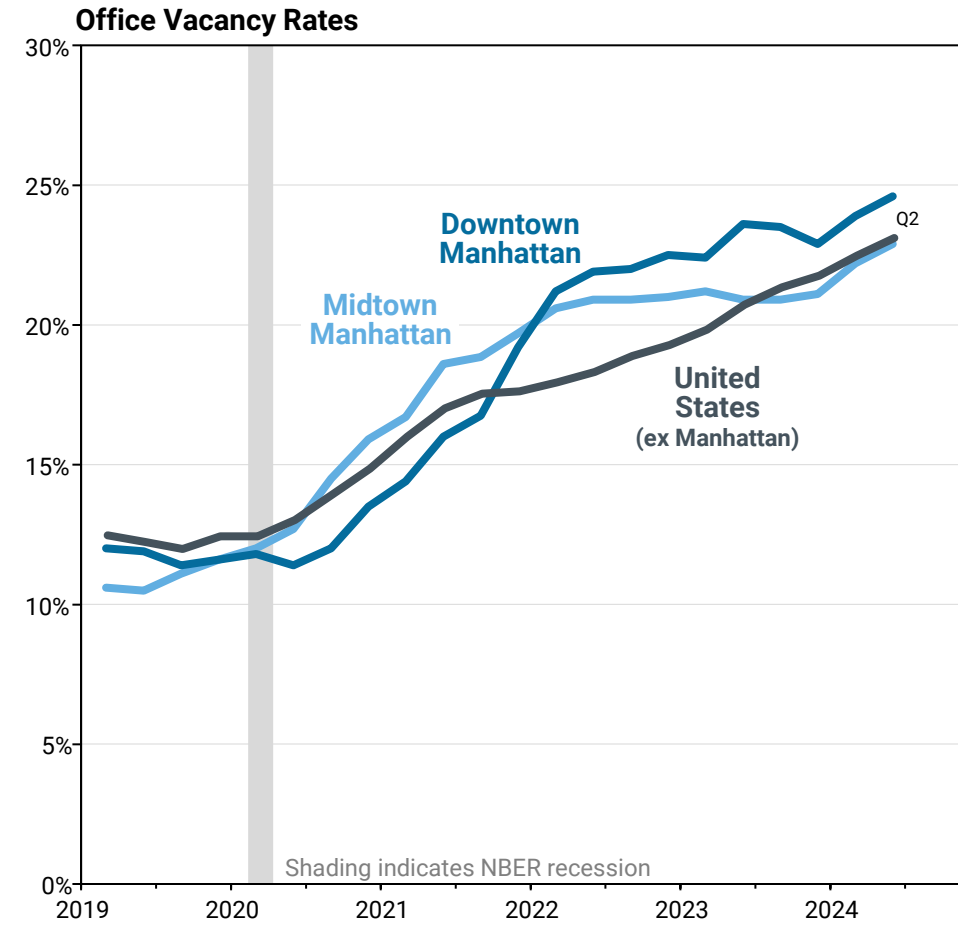
# NYC's Recovery from the Pandemic Recession



# Major Changes in How and Where We Work

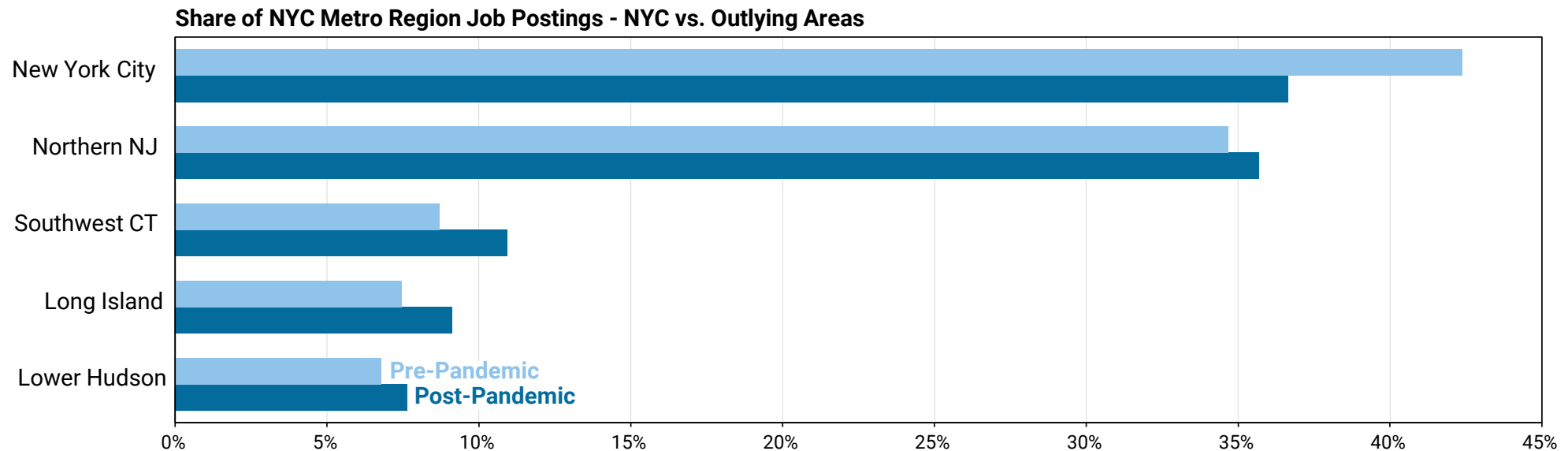
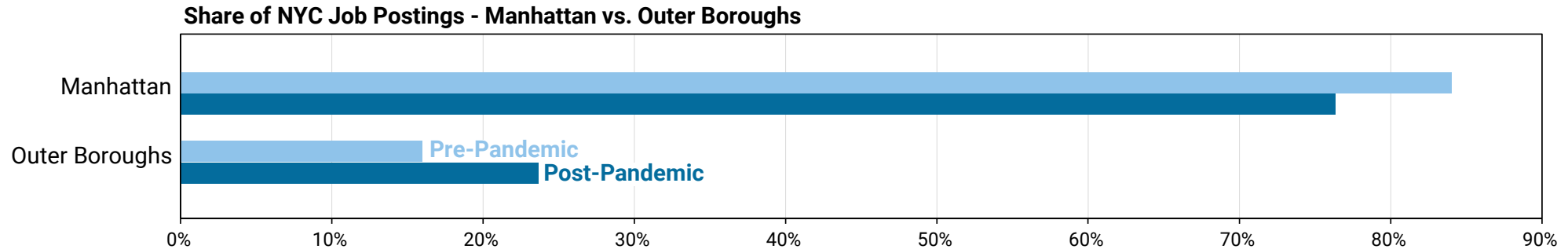


Source: Barrero, Bloom, and Davis, NBER (2021).



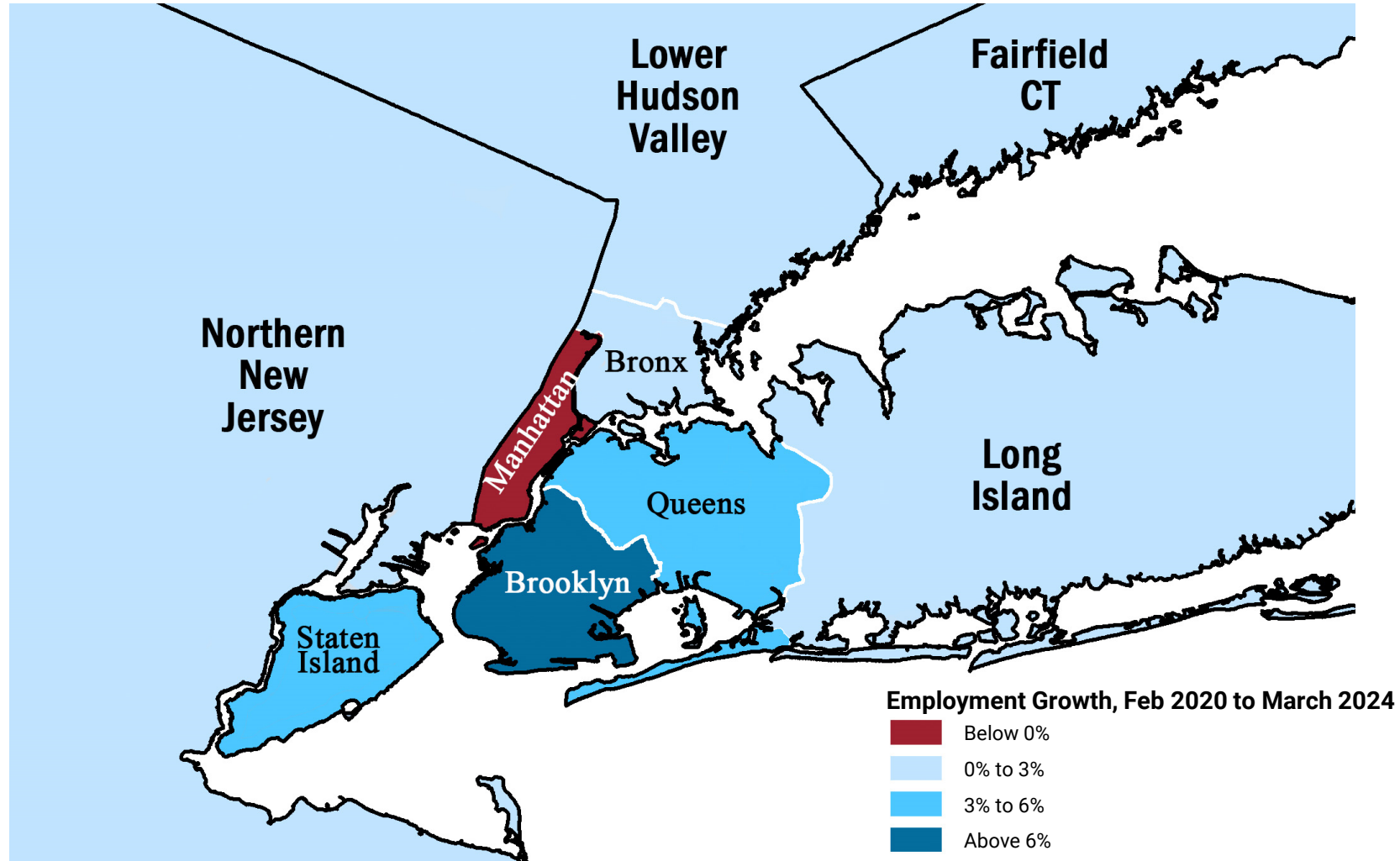
Source: Cushman & Wakefield.

# Spatial Shifts in Labor Demand



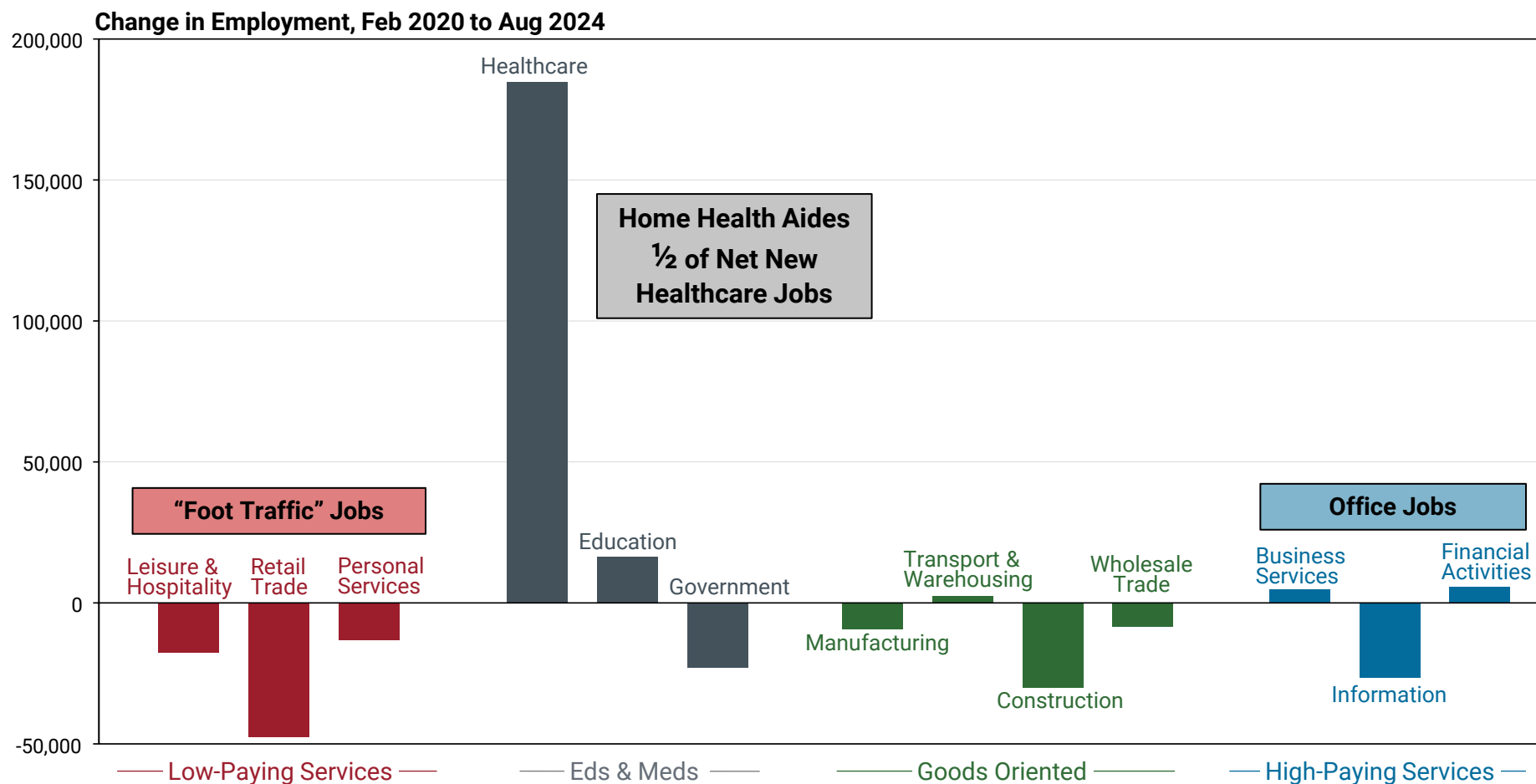
Source: Lightcast, based on analysis presented in Audoly, Guerin, Topa, and Xing, *LSE* (2024).

# Persistent Weakness in Manhattan



Source: US BLS (QCEW) and Moody's Economy.com.

# NYC's Recovery Driven by Healthcare Sector



Source: US BLS (CES) and Moody's Economy.com.

# Despite Significant Progress, Office Visits Still Lag in NYC

## Ratio of Manhattan “Foot Traffic” Jobs to Office Jobs

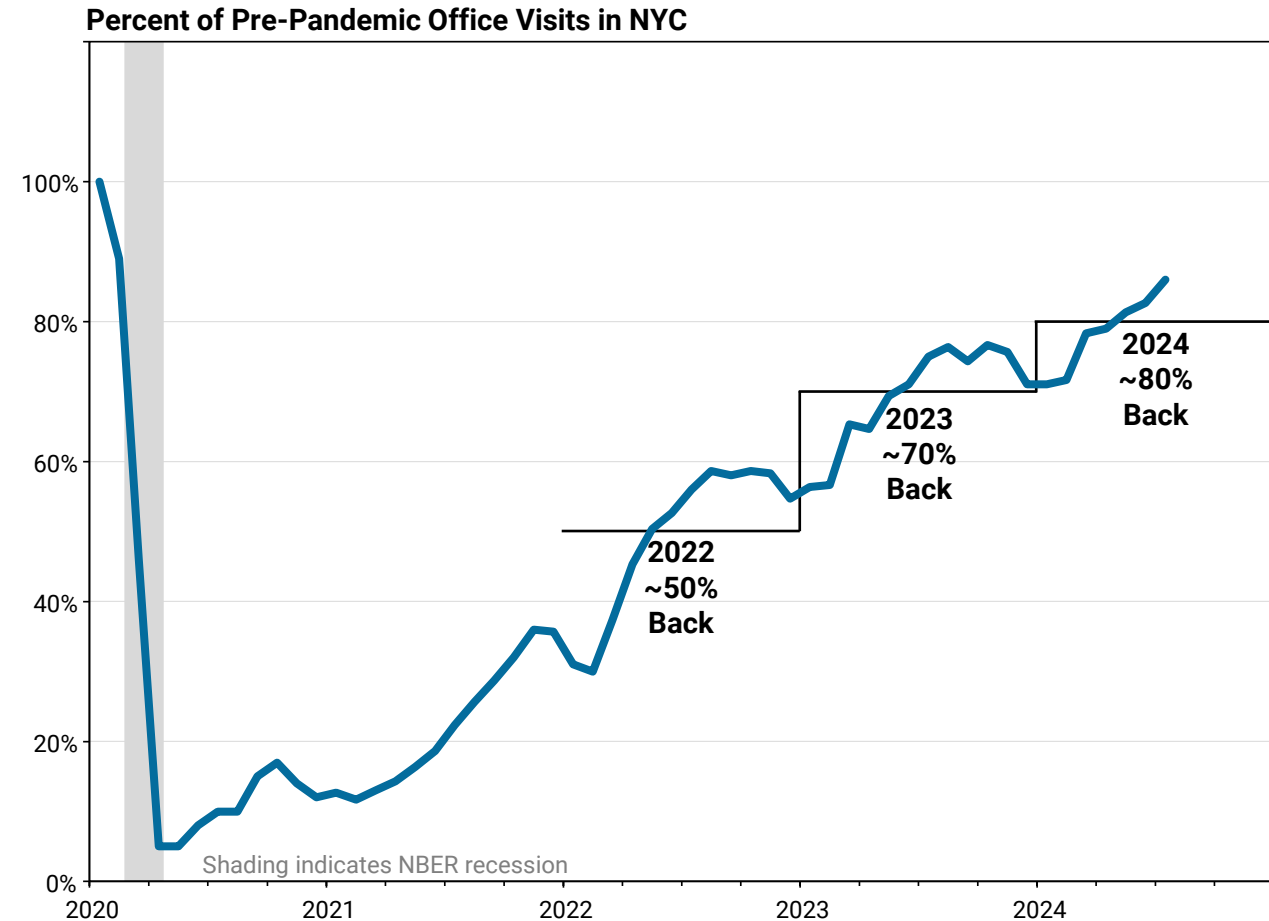
(Pre-Pandemic)

.5



.4

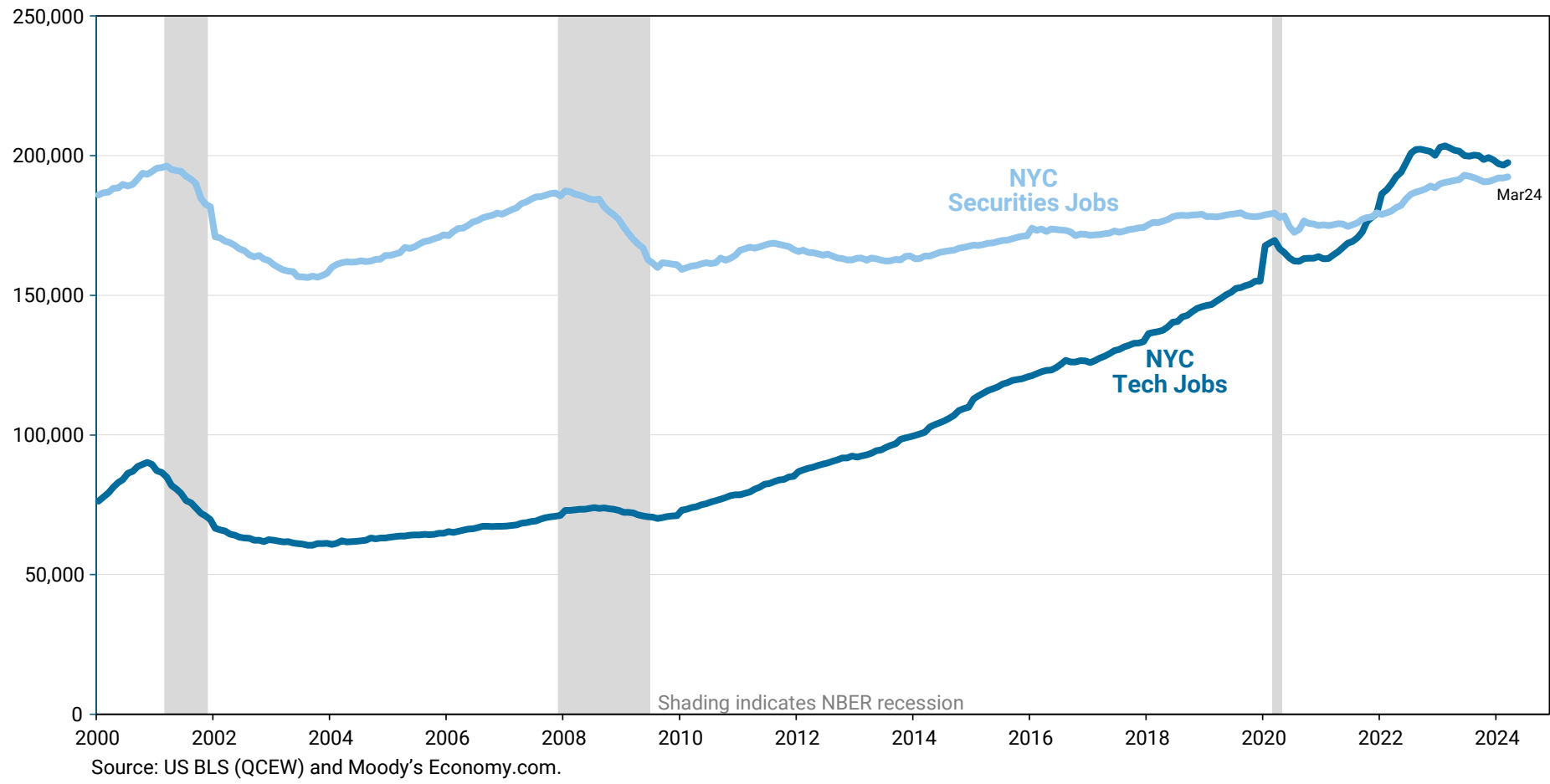
(Past Year)



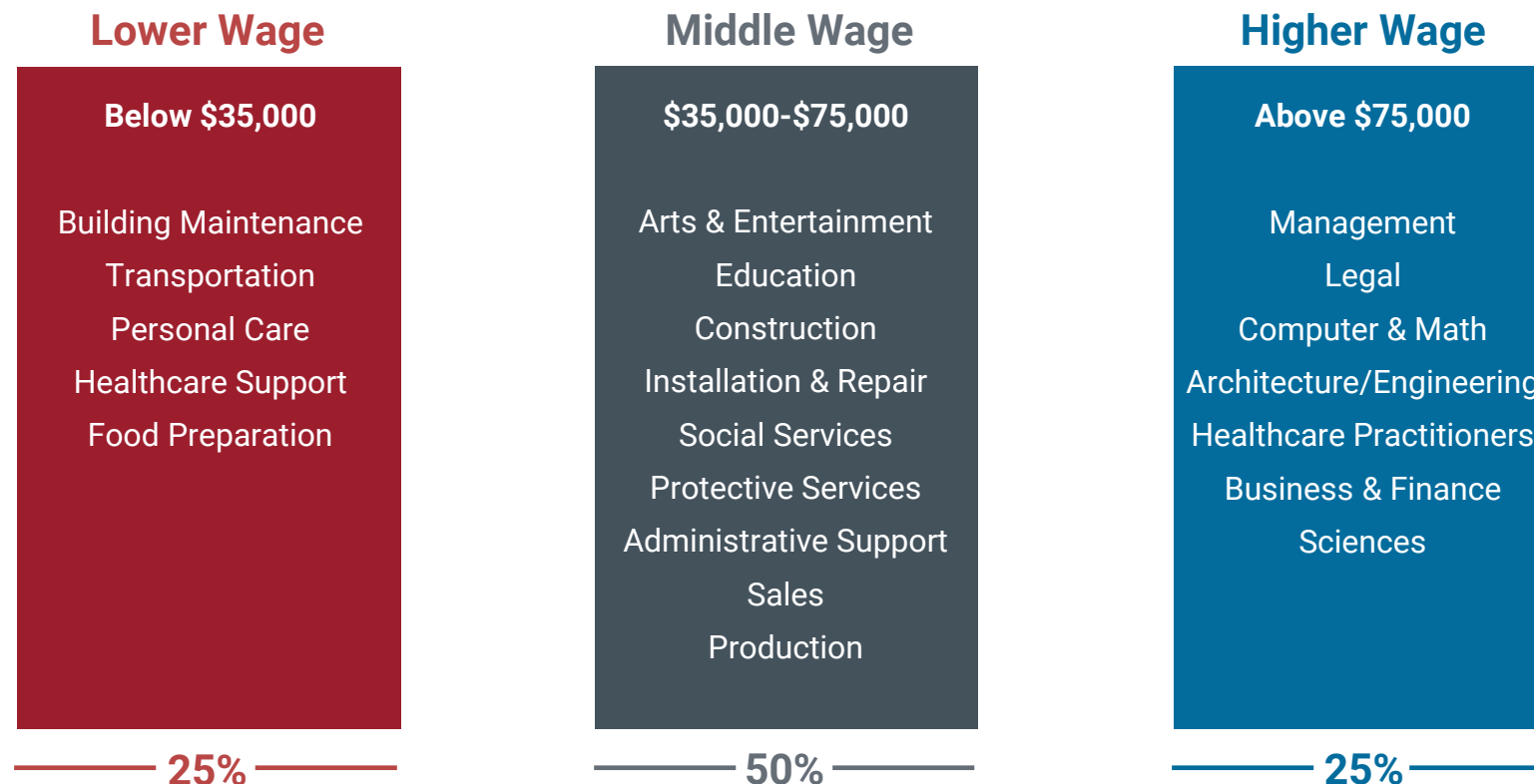
Source: Placer.ai, recovery period expressed as a 3-month moving average.



# A Look at NYC's Key Securities and Tech Industries

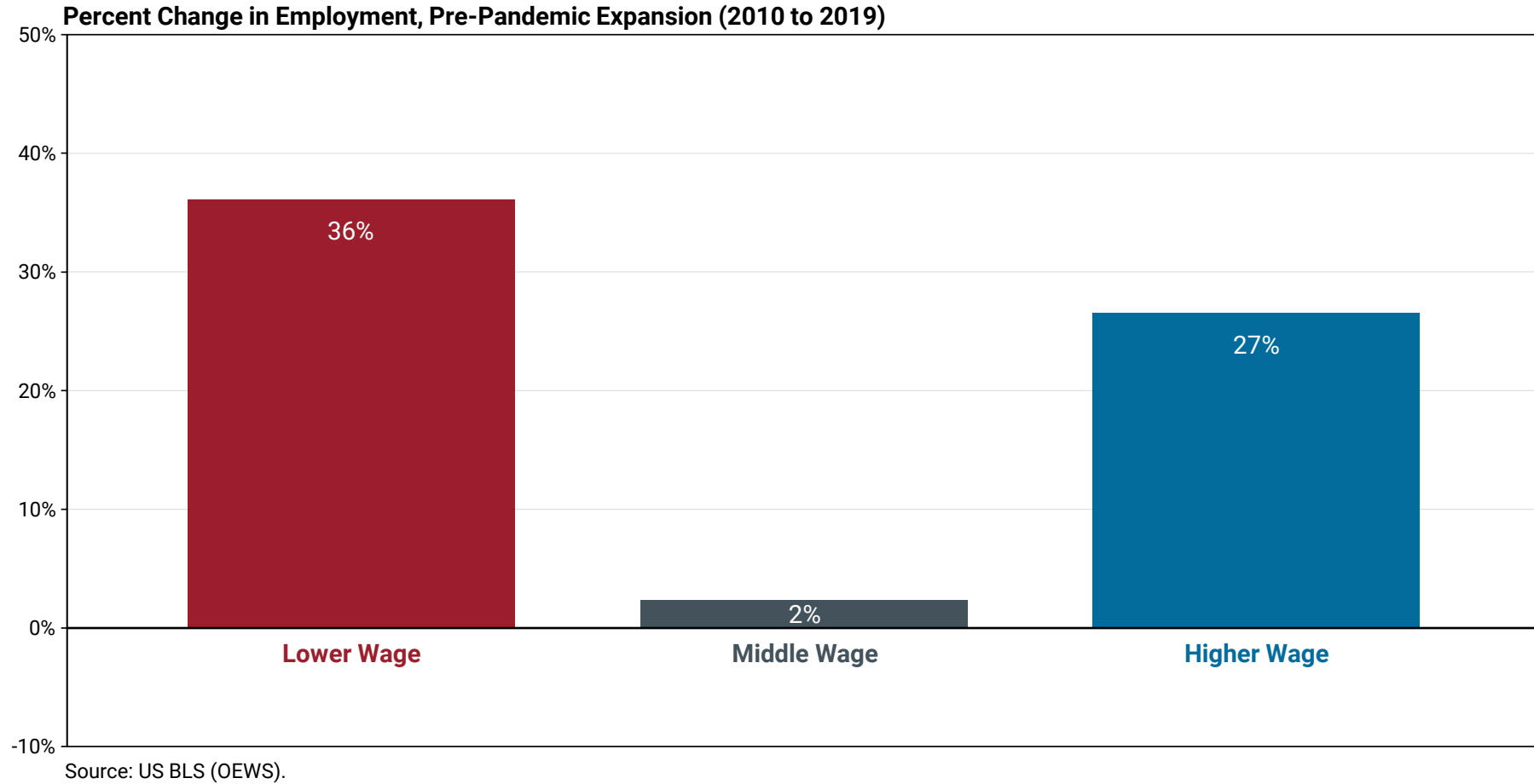


# How Has the Mix of Occupations Changed?

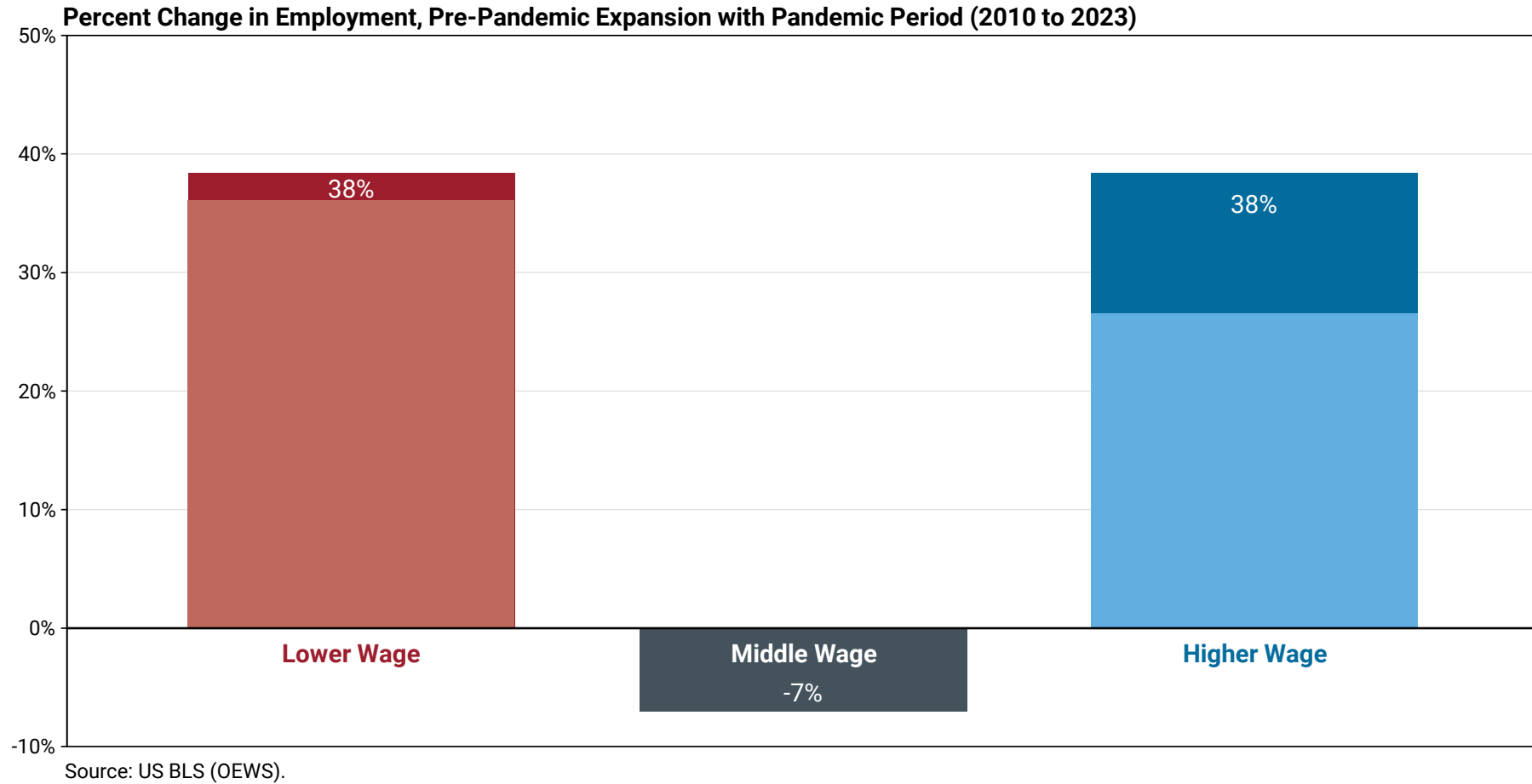


Source: US BLS (OEWS), based on NYC metro pre-pandemic (2019) median annual wages by occupation.

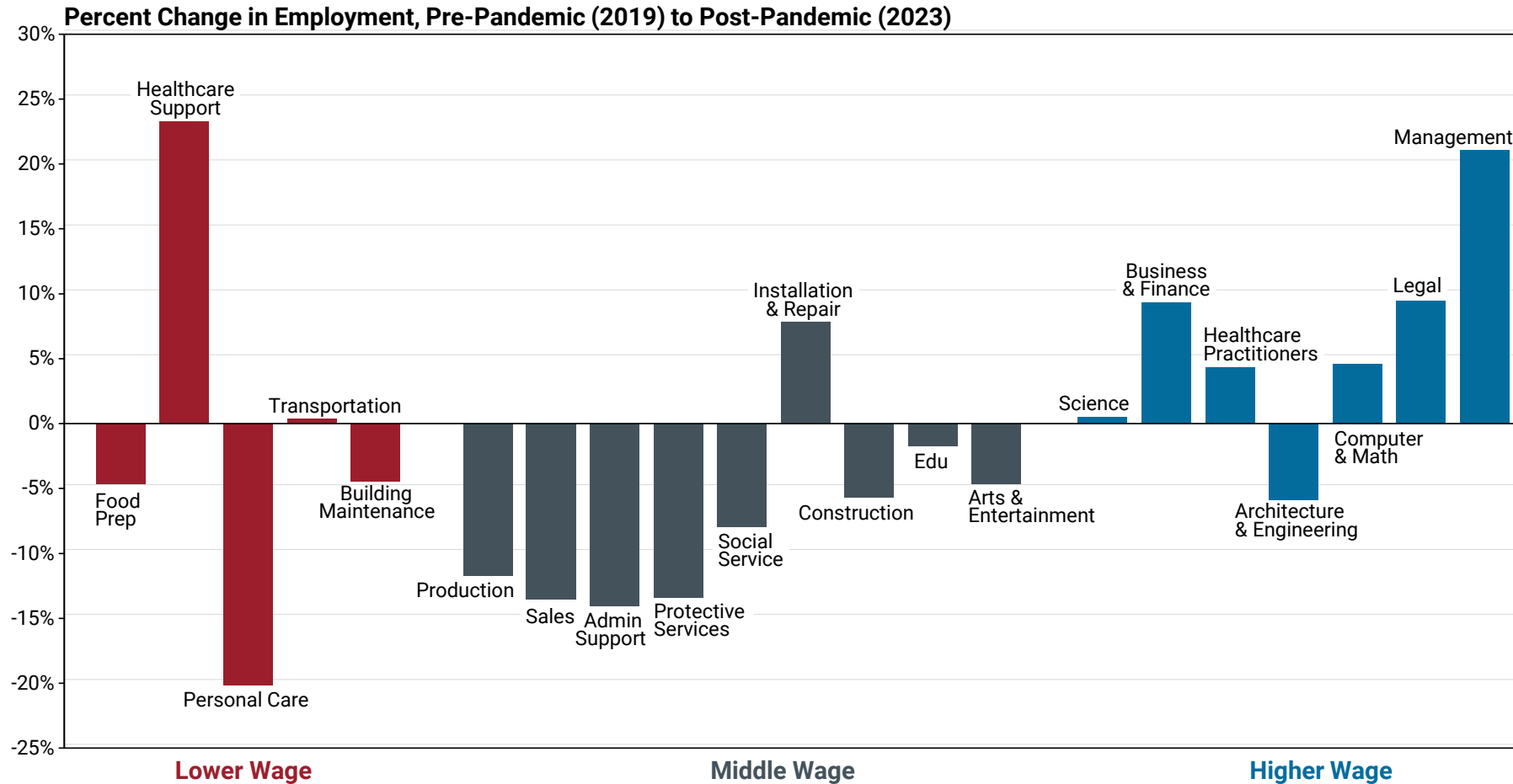
# Job Polarization in NYC Metro Before Pandemic



# The Pandemic Amplified Job Polarization in the NYC Metro



# NYC Metro Job Growth Mostly at High End Since Pandemic



Source: US BLS (OEWS).

# Takeaways

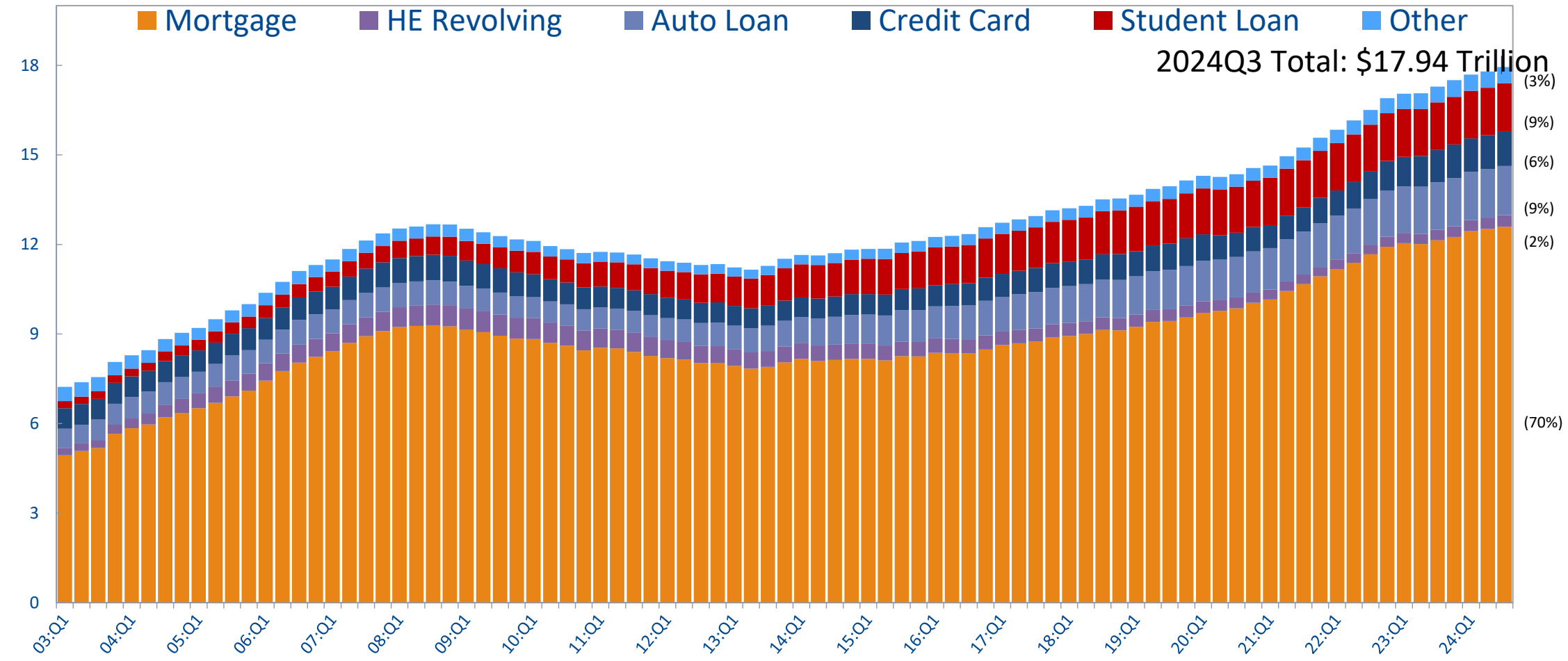
- Though New York City has recovered the jobs lost during the pandemic recession, where we work and the kinds of job opportunities available have changed.
- Despite much progress, weakness persists in Manhattan.
- Job growth in New York City has been concentrated at the higher end of the wage distribution, amplifying already high levels of economic inequality.

## Part 2: At the Kitchen Table - Overview

- Household debt is very large, and has grown steadily since the end of the great financial crisis
- Largest debts are for people in their 30s and 40s; 18-29 relatively small share of total
- Rising household delinquencies a major issue of concern recently
- Deeper analysis of student debt reveals some surprises

# Total Debt Balance and its Composition

Trillions of Dollars



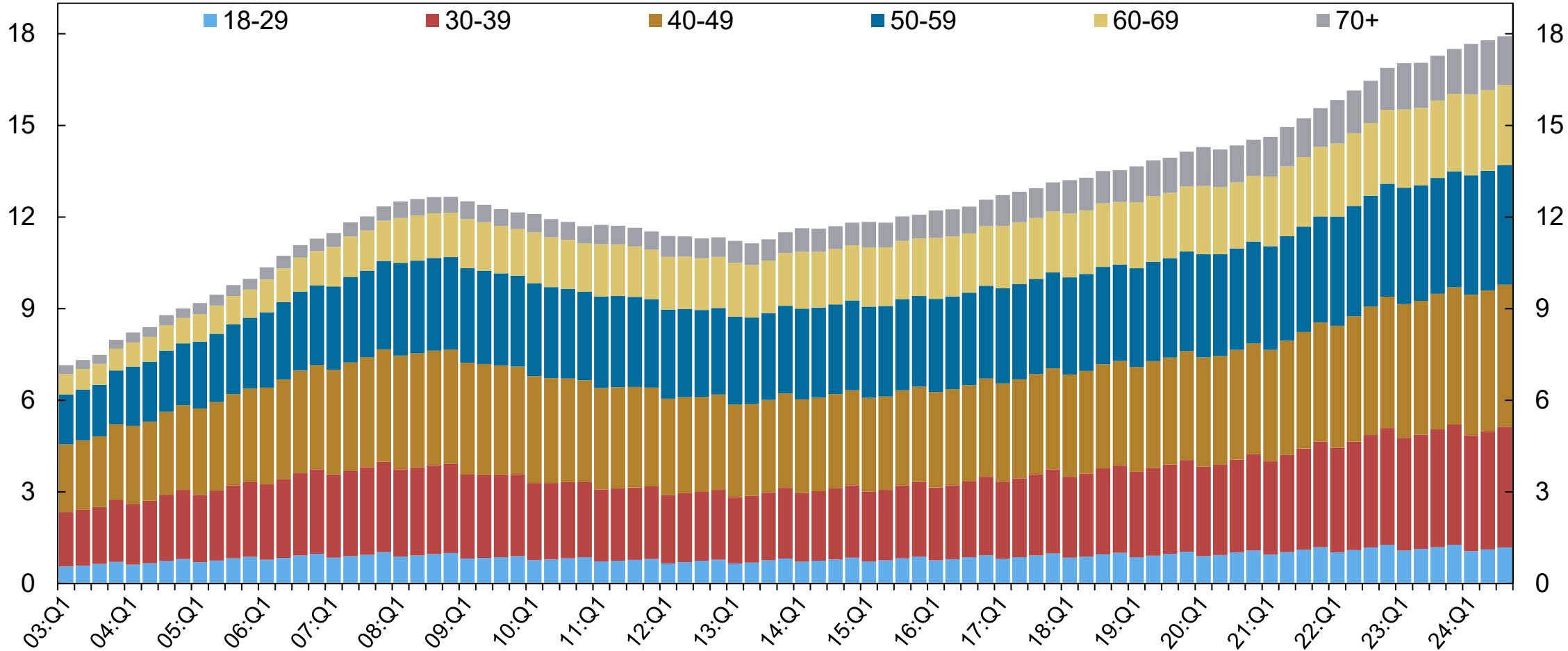
Source: New York Fed Consumer Credit Panel/Equifax



# Total Debt Balance by Age

Trillions of Dollars

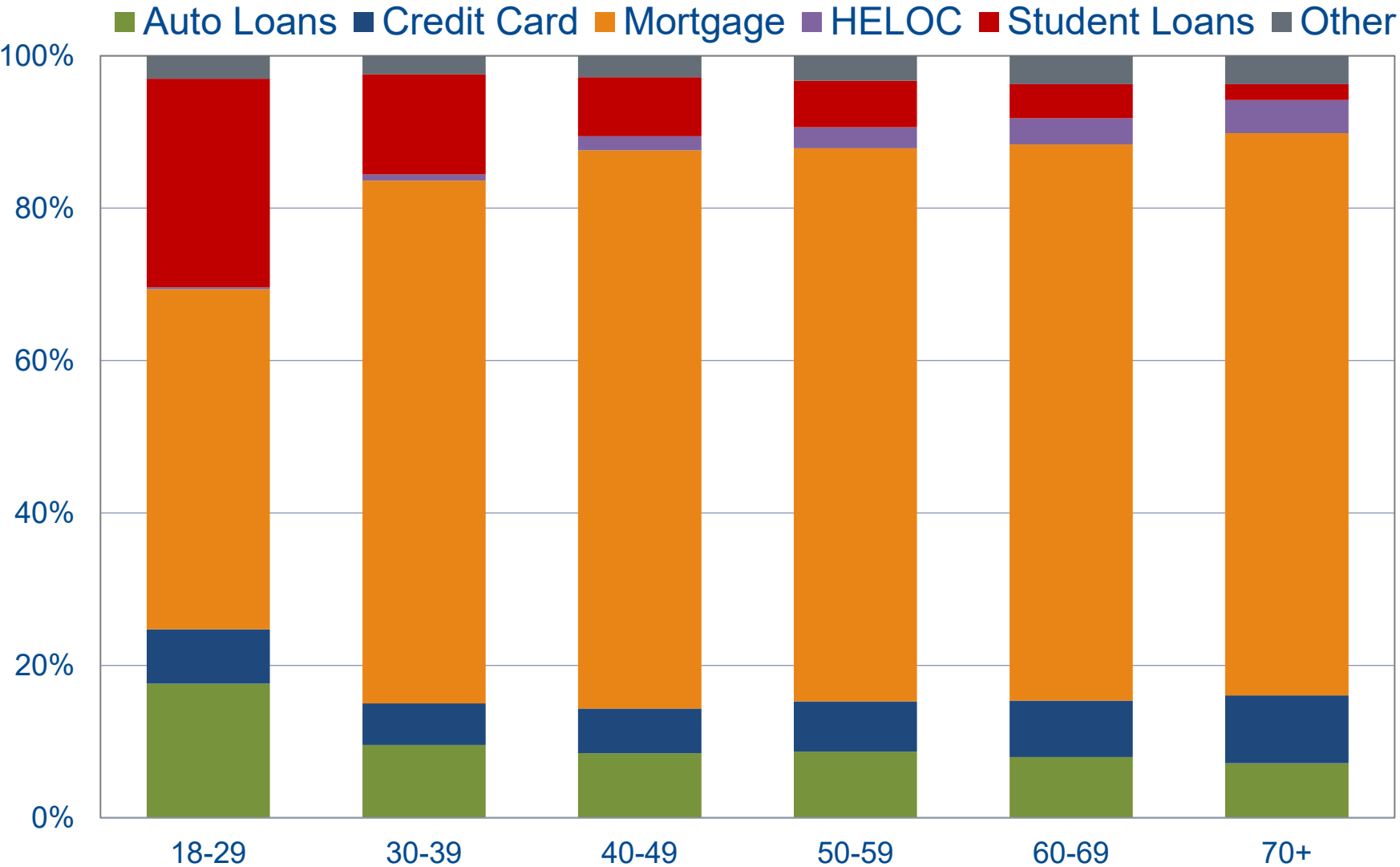
Trillions of Dollars



Note: Age is defined as the current year minus the birthyear of the borrower. Age groups are re-defined each year. Balances may not add up to totals due to a small number of individuals with unknown birthyears

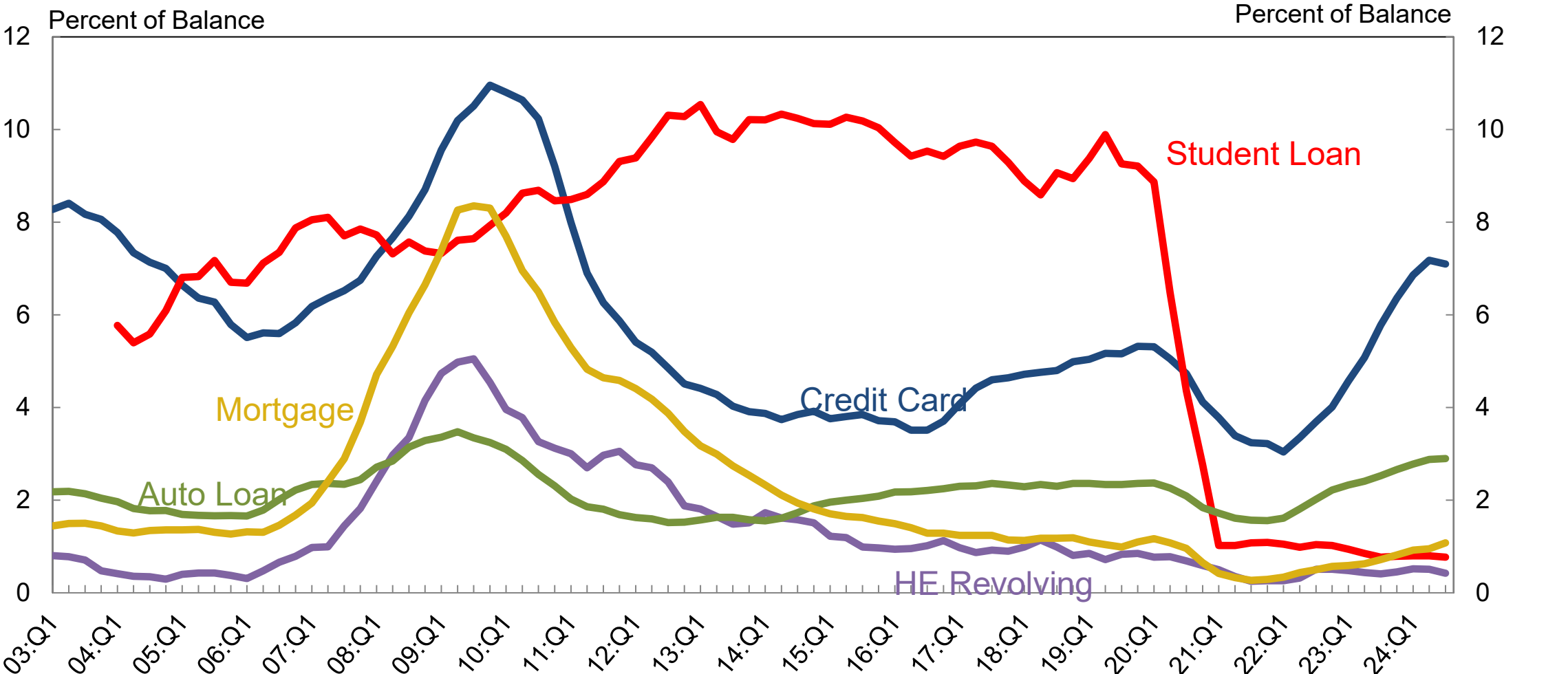
Source: New York Fed Consumer Credit Panel/Equifax

# Debt Share by Product Type and Age (2024 Q3)



Note: Age is defined as the current year minus the birthyear of the borrower. Age groups are re-defined each year. Balances may not add up to totals due to a small number of individuals with unknown birthyears.

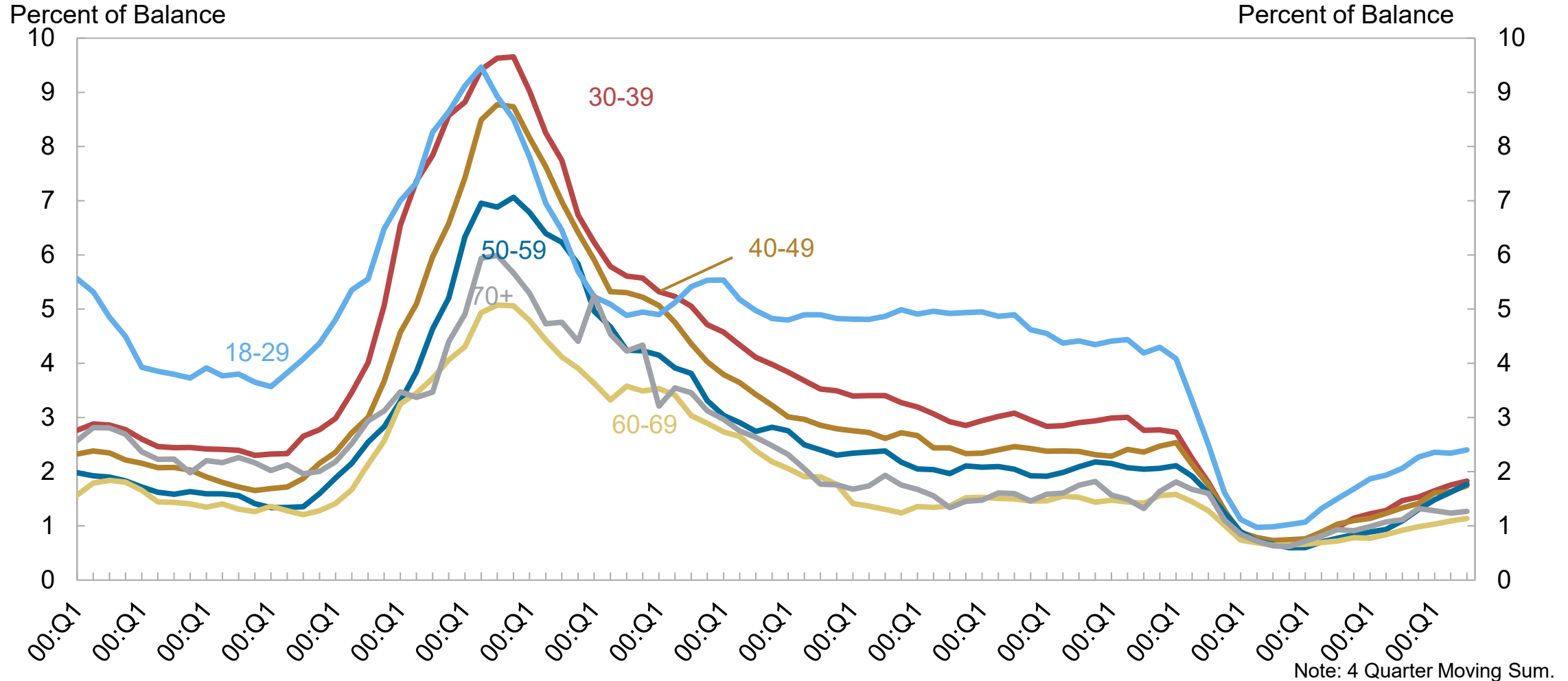
# Transition into Serious Delinquency (90+)



Source: New York Fed Consumer Credit Panel/Equifax

Note: 4 Quarter Moving Sum  
Student loan data are not reported prior to 2004 due to uneven reporting

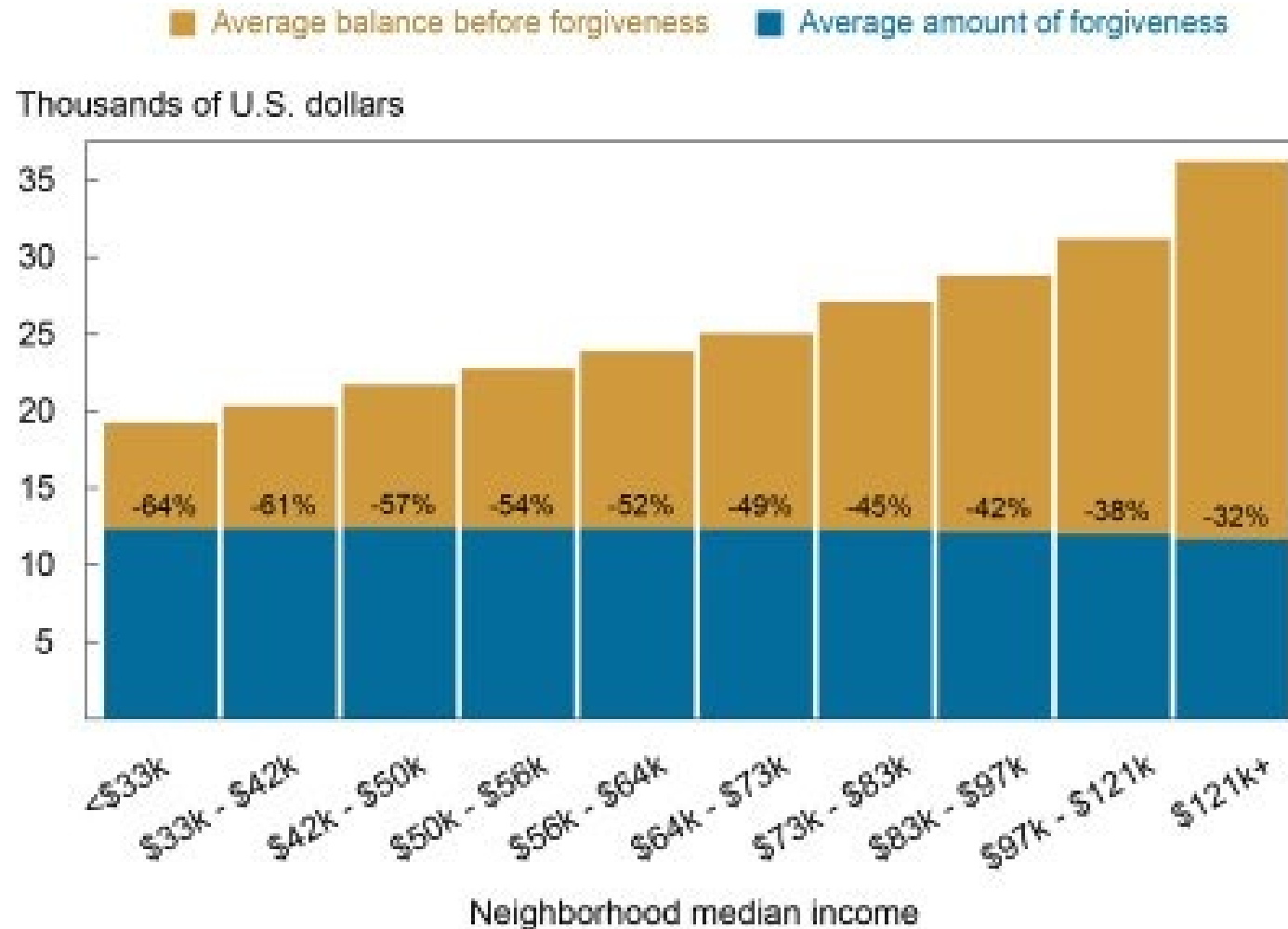
## Transition into Serious Delinquency (90+)



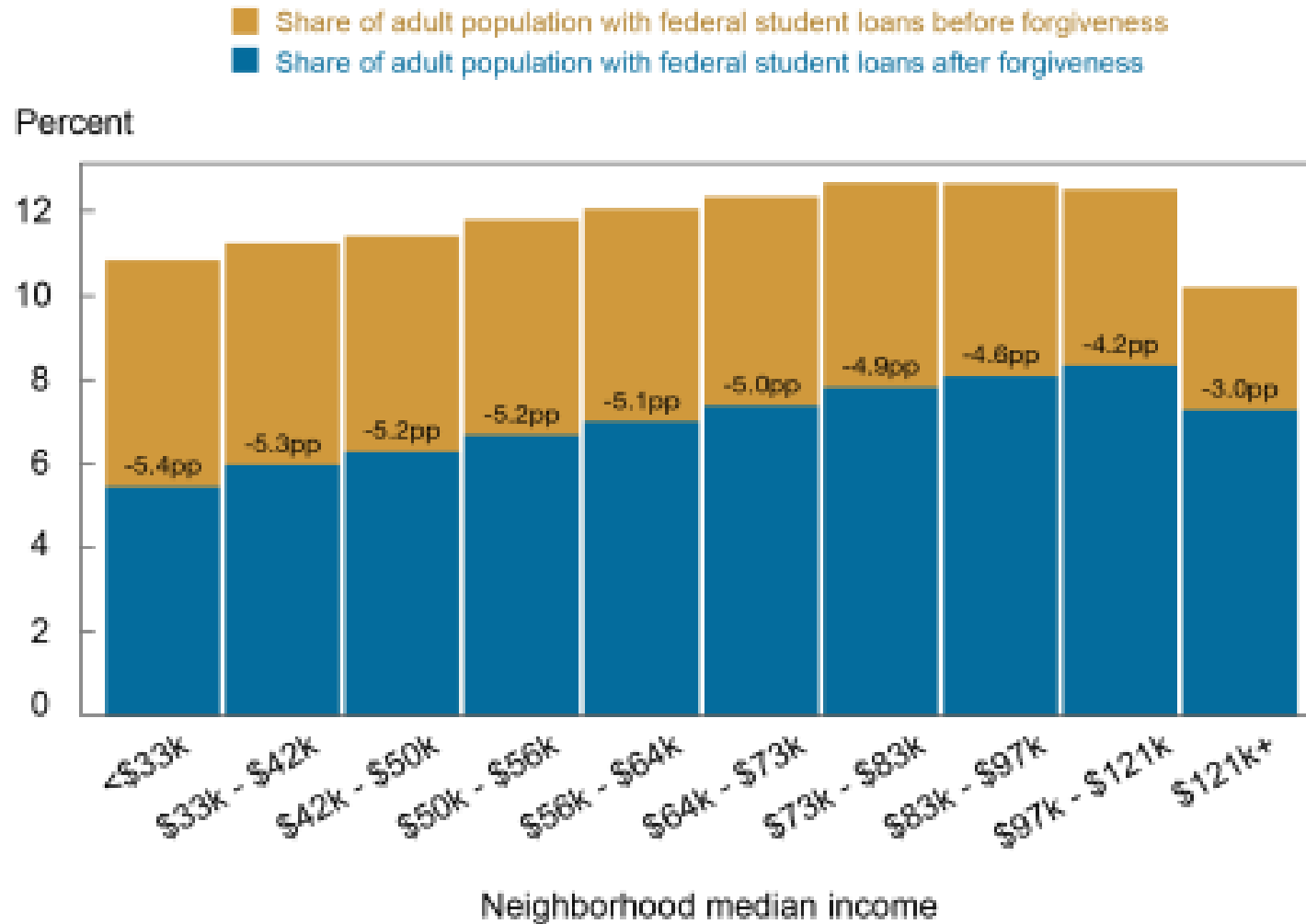
Source: New York Fed Consumer Credit Panel/Equifax

Age is defined as the current year minus the birthyear of the borrower. Age groups are re-defined each year.

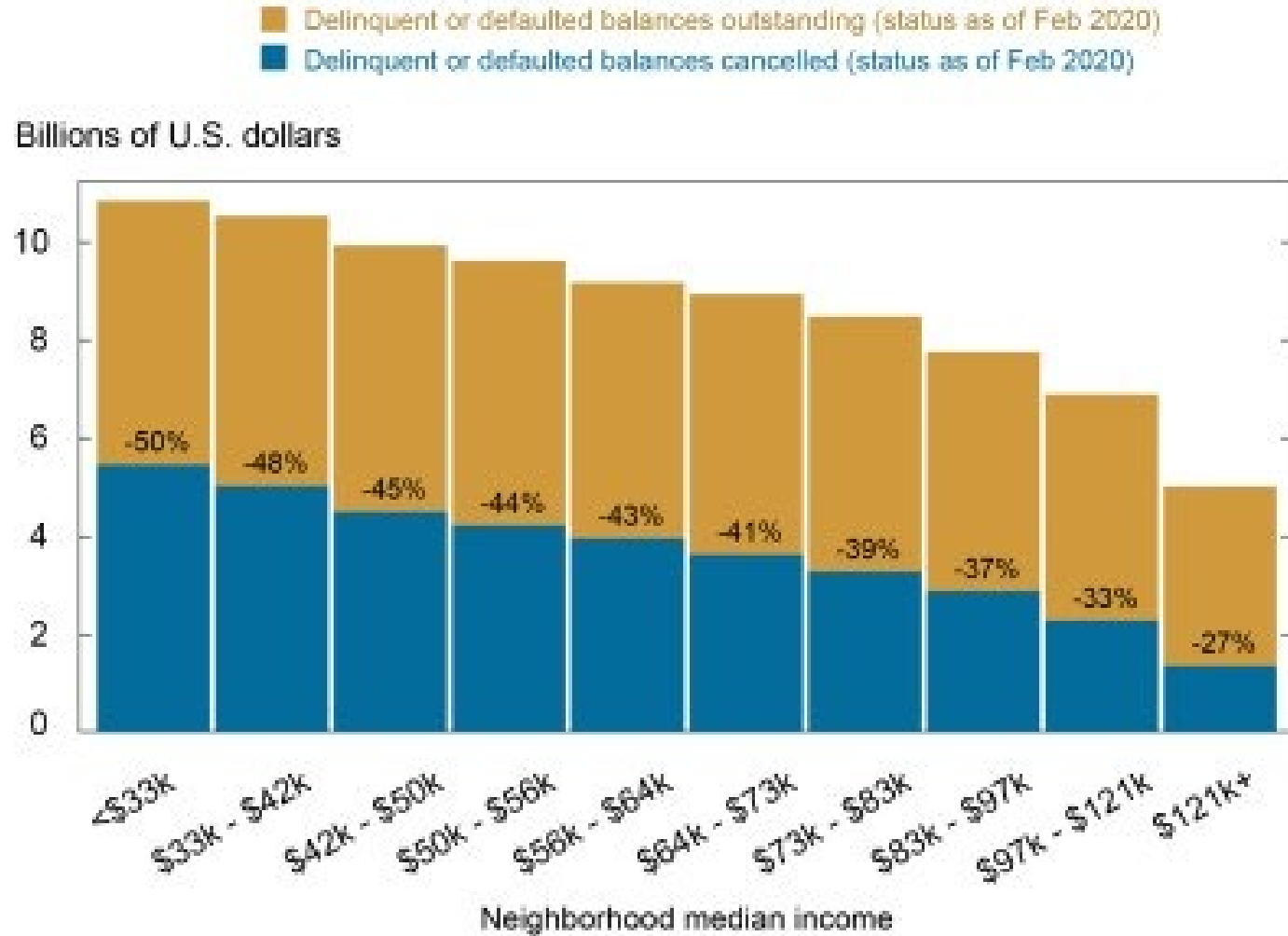
# Borrowers in lower-income neighborhoods would receive the largest reductions in balances



# Student loan prevalence in the lowest-income areas will be nearly halved after forgiveness



# Previously delinquent & defaulted debt is reduced by more than 40 percent in lower- & middle-income communities



# Takeaways

- Household debt levels continue to increase but that's to be expected.
- For young people, student debt is a key issue.
- Student debt isn't just for college graduates – it is very widespread in the population.