



FEDERAL RESERVE BANK *of* NEW YORK

Economic Conditions in the Region

Presentation to Community Advisory Group
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Oct. 13, 2022

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.

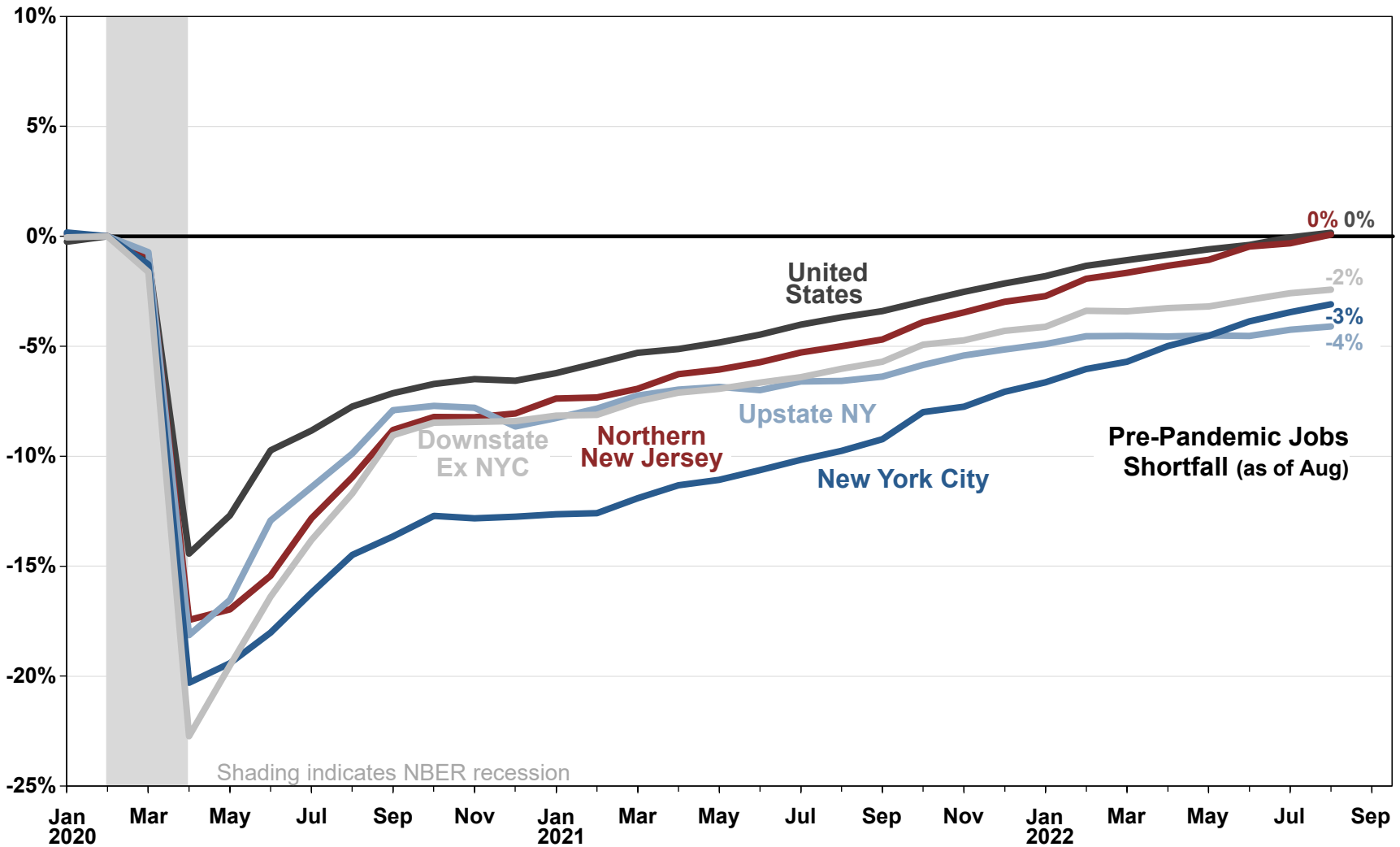
Overview of Regional Conditions

- In New Jersey, employment has fully recovered from the pandemic; in Puerto Rico it is at a 12-year high; elsewhere in the region, it lags.
- Our regional business surveys point to little or no growth in recent months.
- Inflationary pressures appear to have subsided somewhat.
- Hurricane Fiona devastated parts of Puerto Rico, but the overall economic impact and power outages appear to be far more modest than after Maria.
- While remote work is well off its peak incidence during the pandemic, the current high levels look to be here to stay, at least in the service sector. This is evident from our surveys and also from NYC subway ridership.



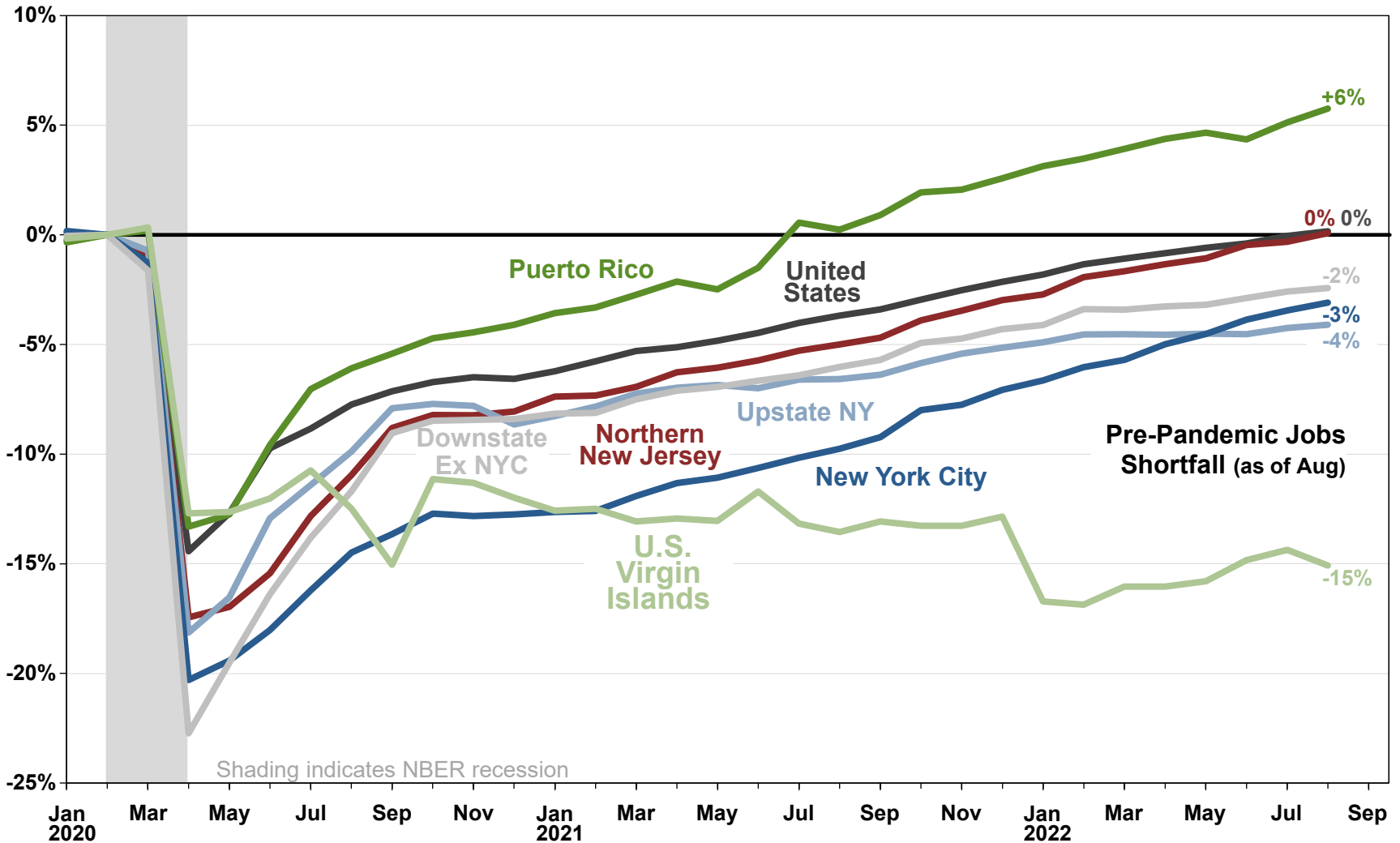
Job Trends Since the Start of the Pandemic

Percent Change in Total Employment Since Feb 2020



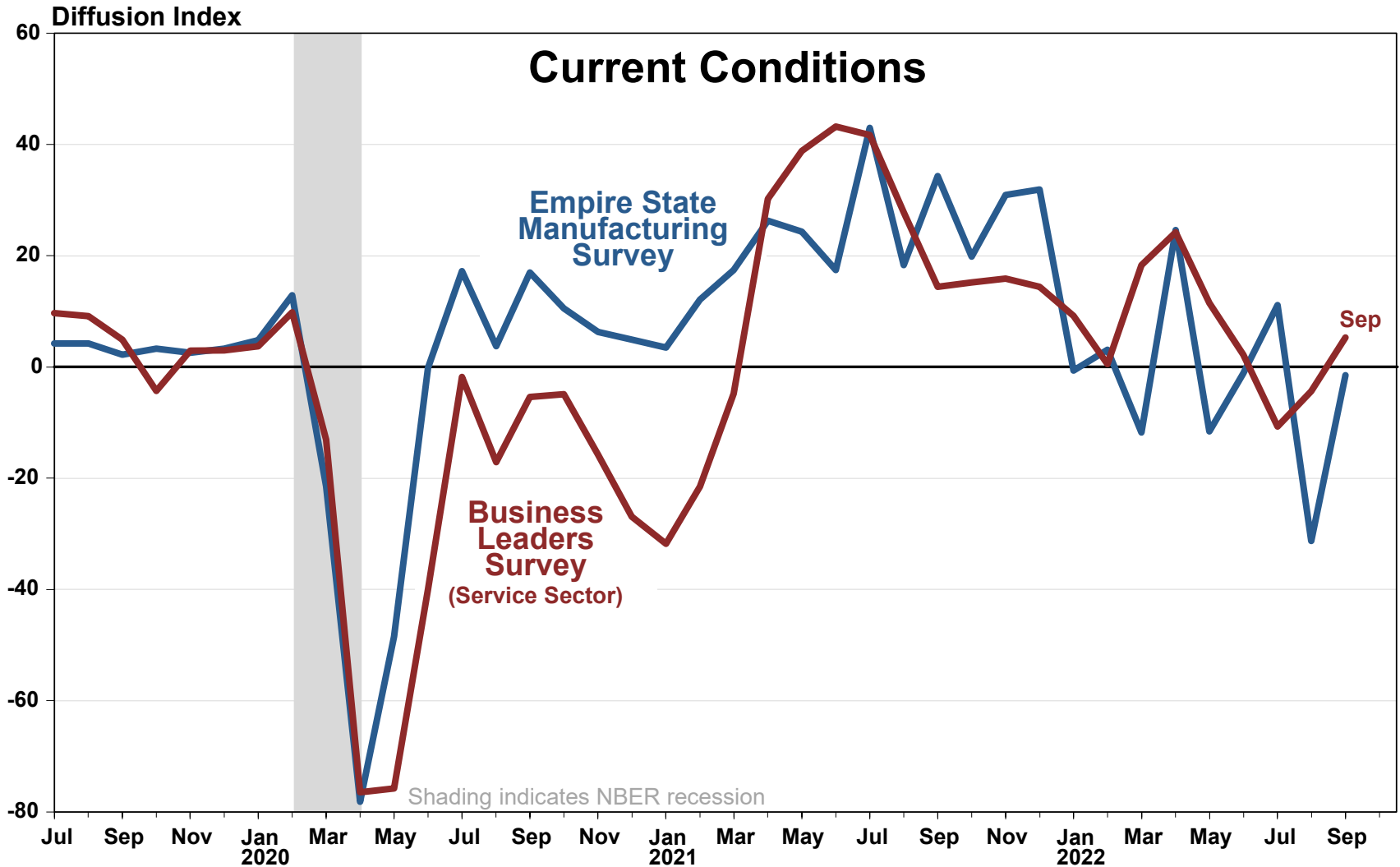
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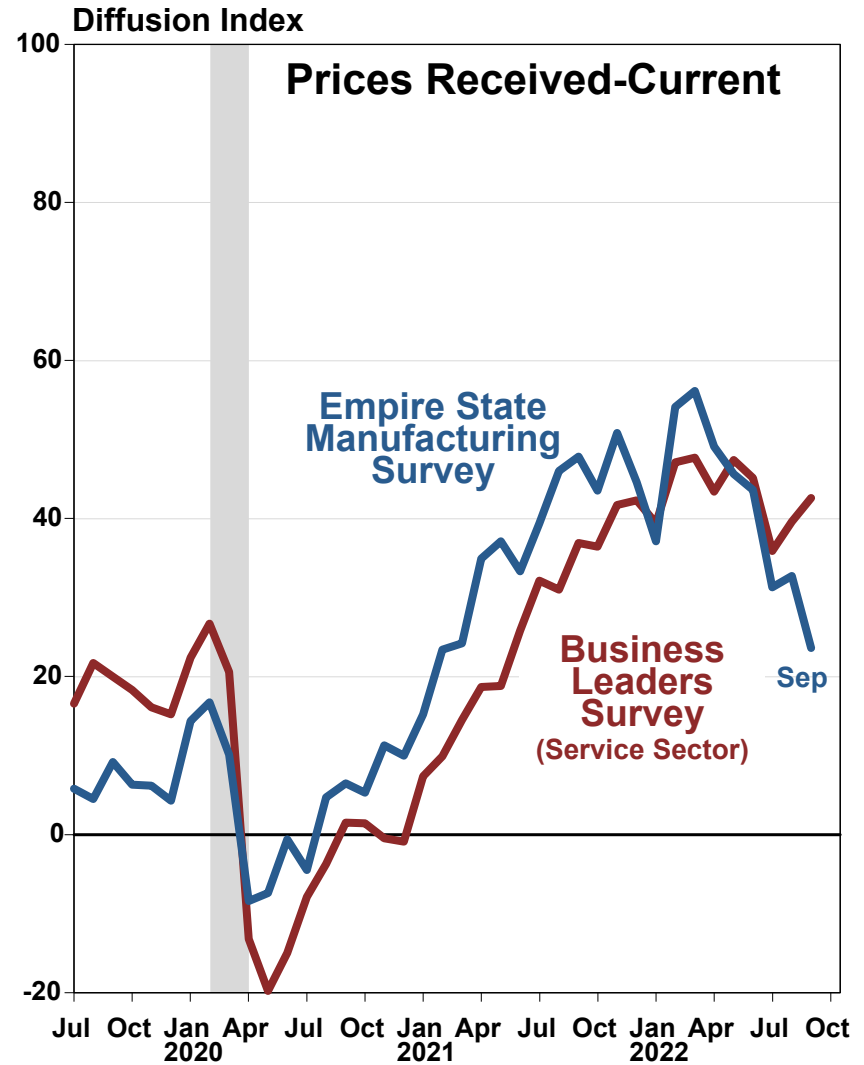
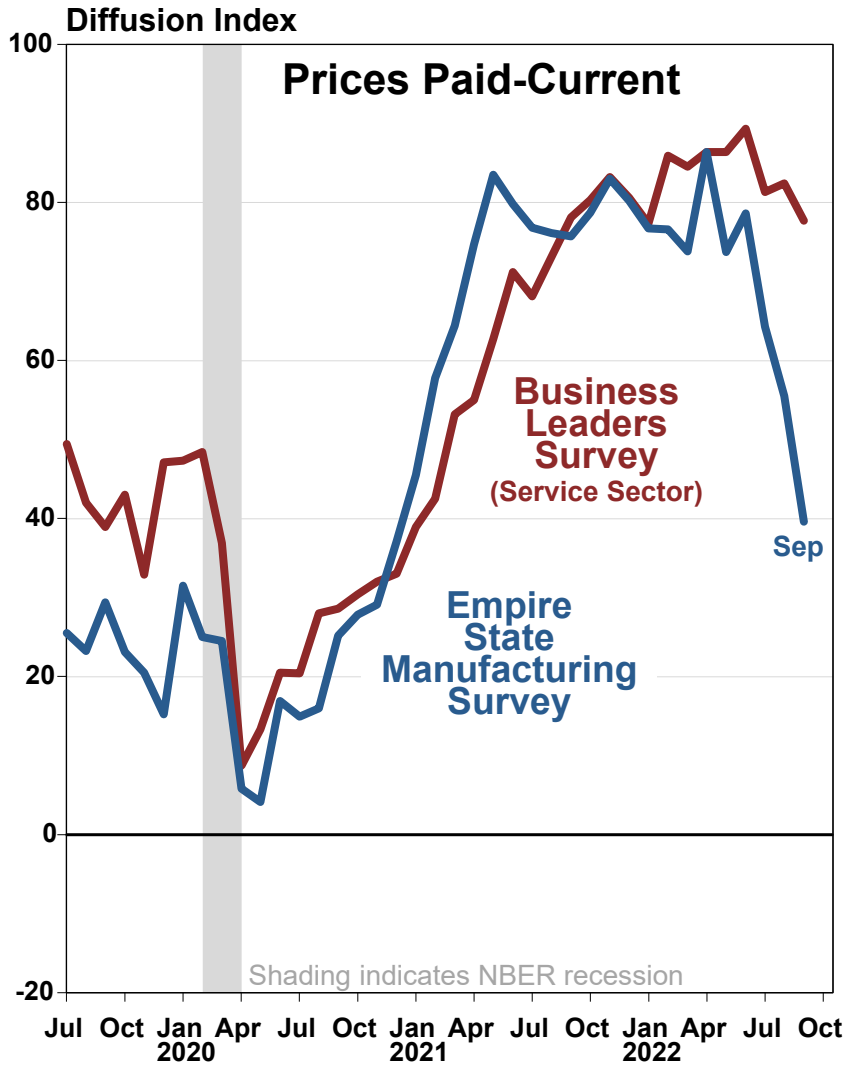
Regional Growth Has Stalled in Recent Months

New York Fed Regional Business Surveys



Price Pressures Easing, Especially in Manufacturing

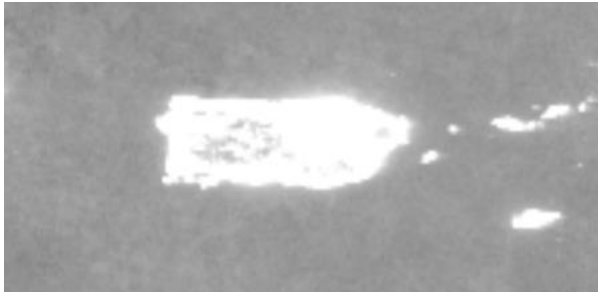
New York Fed Regional Business Surveys



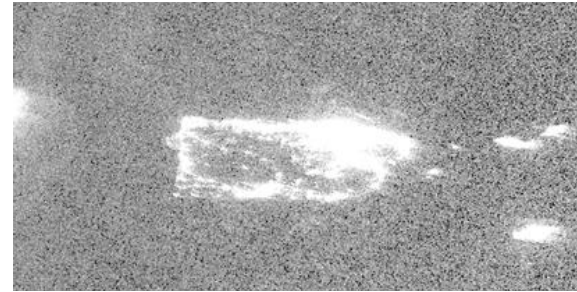
Puerto Rico & Hurricane Fiona

- Hurricane Fiona devastated parts of Puerto Rico—particularly the southern and interior parts of the main island—with heavy flooding but far less wind damage than Maria. Power restoration is much quicker this time.
- Non-profits and businesses were reportedly much better prepared for Fiona than Maria—on backup power, contingency, communication, and funding,

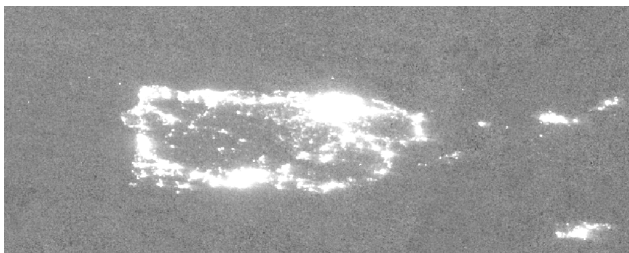
June 2022 (pre-Fiona baseline)



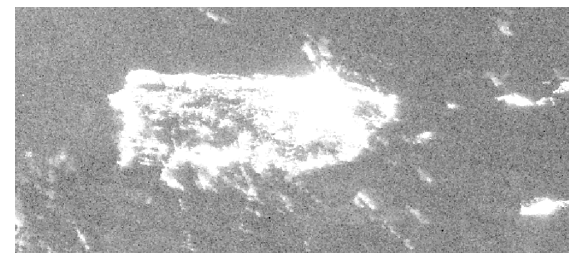
Wed. night 9-21-22 (3 days after Fiona)



Oct. 2017 (1 month after Maria)



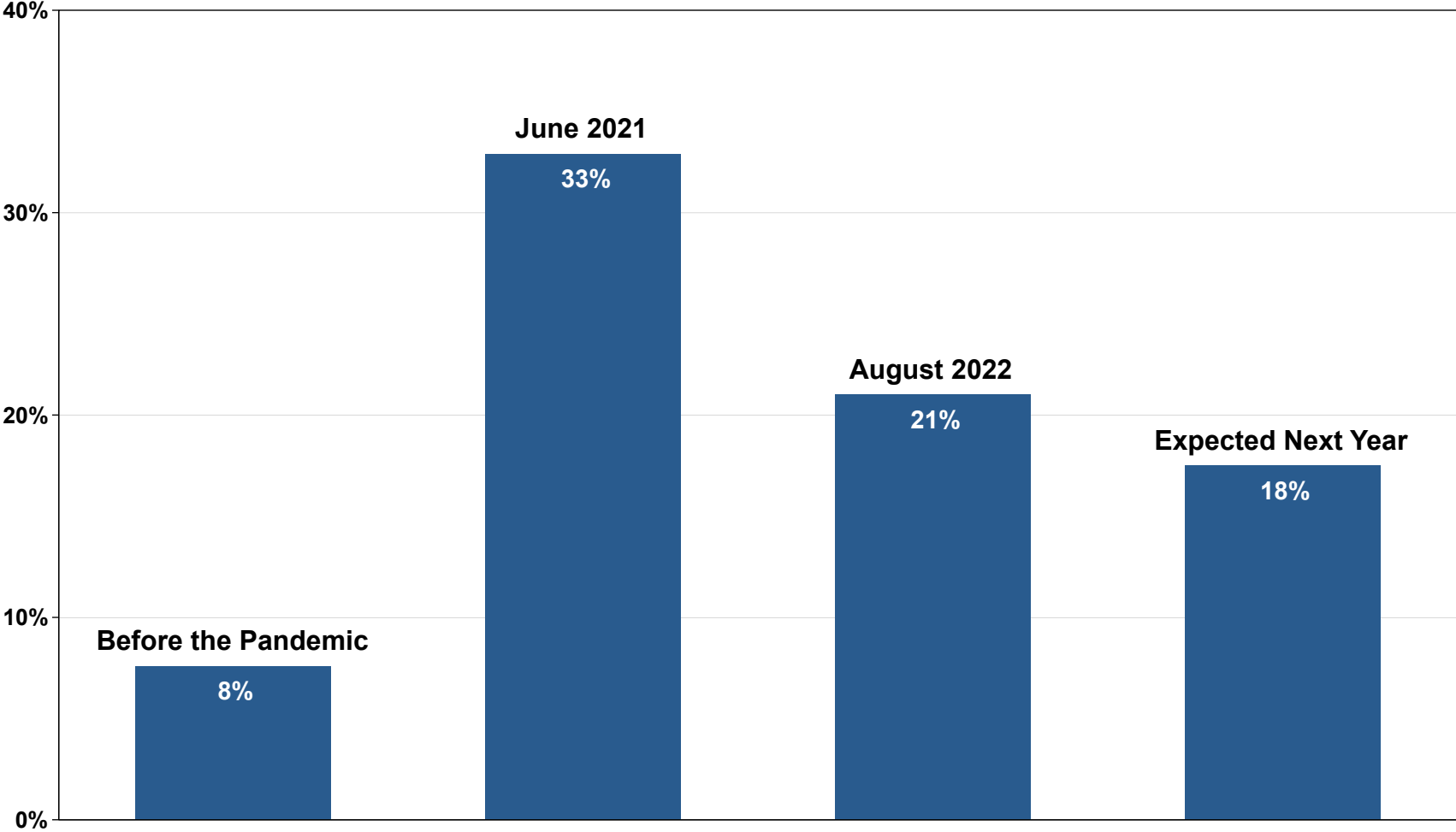
Wed. night 10-5-22 (17 days after Fiona)



Source: Earth Observation Group, Payne Institute, Colorado School of Mines <https://payneinstitute.mines.edu/eog/nighttime-lights/>

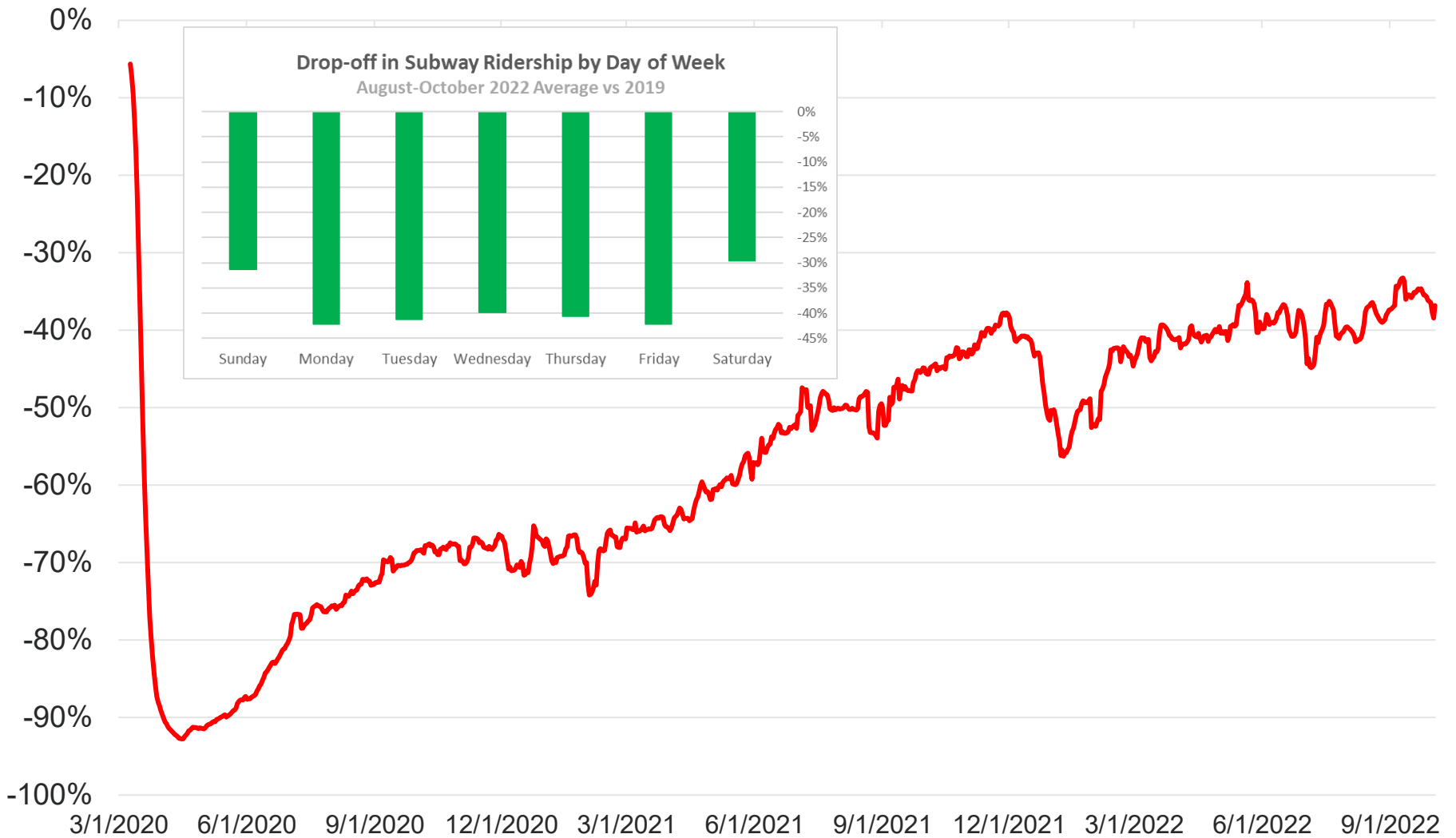
Remote Work Is Sticking in the Region

Average Share of Hours Worked Remotely, Service Firms



Source: Abel, Bram, and Deitz "[Remote Work is Sticking](#)," FRBNY *Liberty Street Economics*, August 18, 2022.

NYC Subway Ridership: % Change from Comparable Pre-Pandemic Day



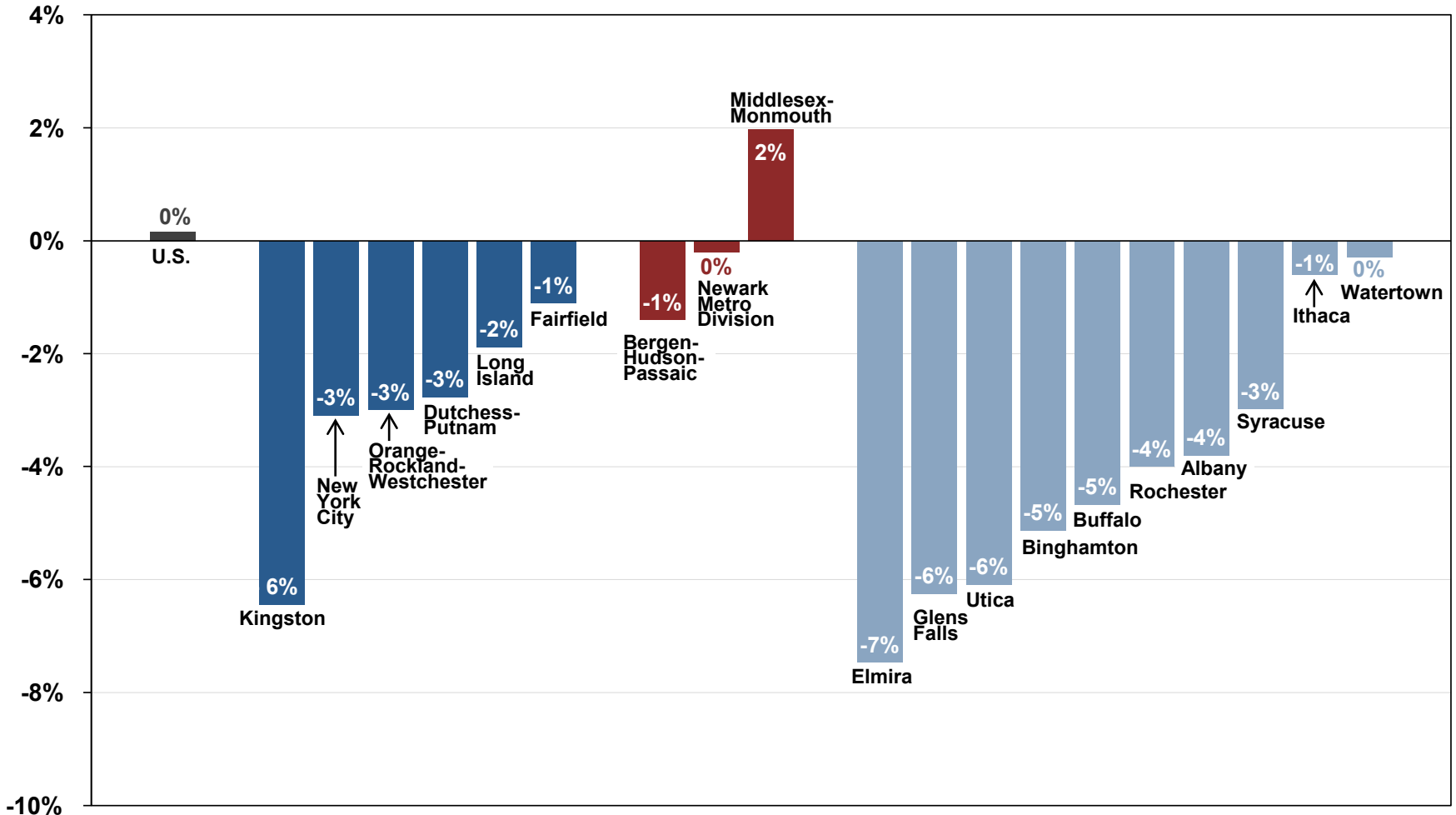
Moving 7-day average of daily data

Source: MTA

Reference Slides

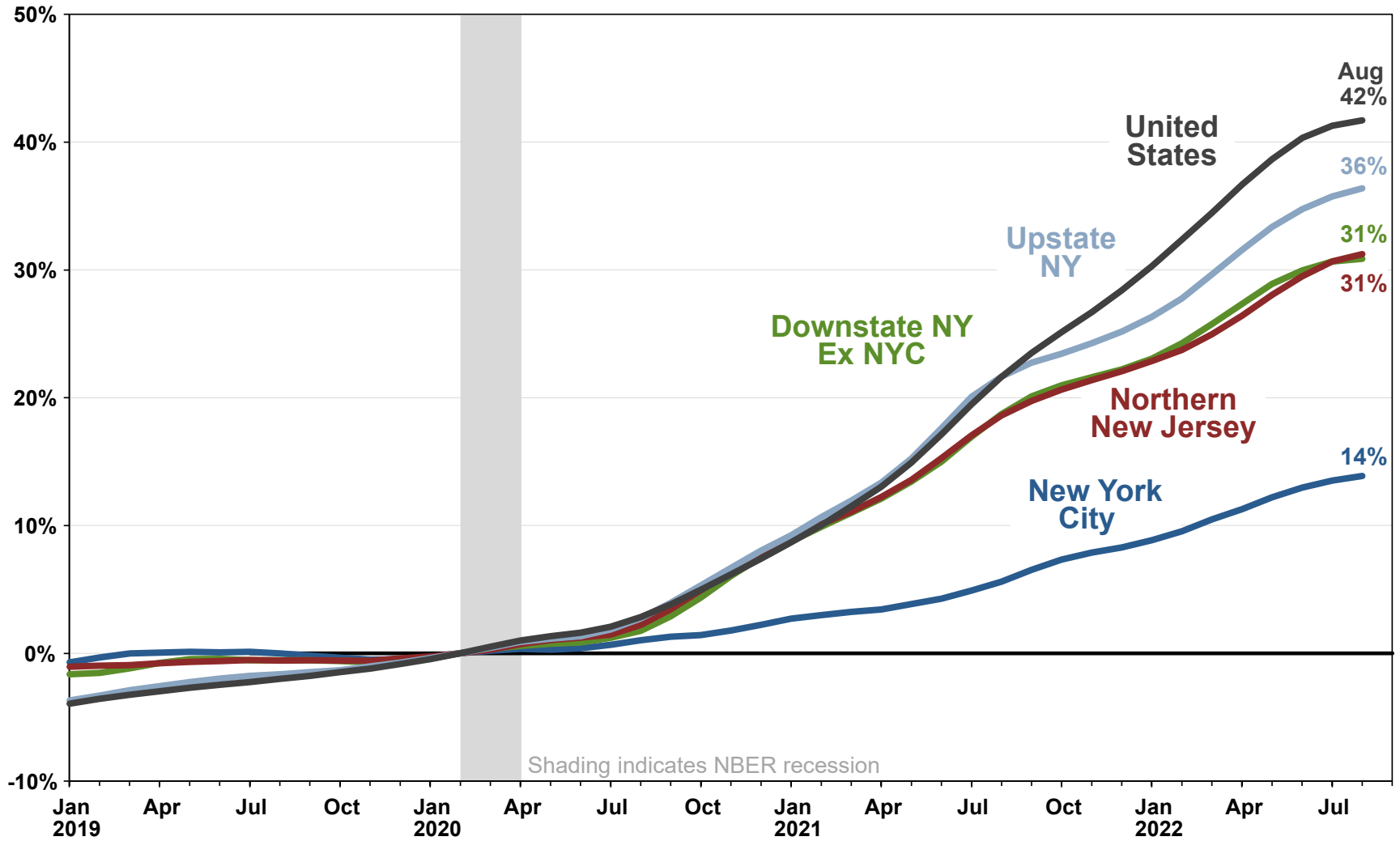
Pre-Pandemic Jobs Shortfall by Local Area

Percent Below Feb 2020 Employment Level (as of Aug 2022)



The Region's Pandemic Housing Boom

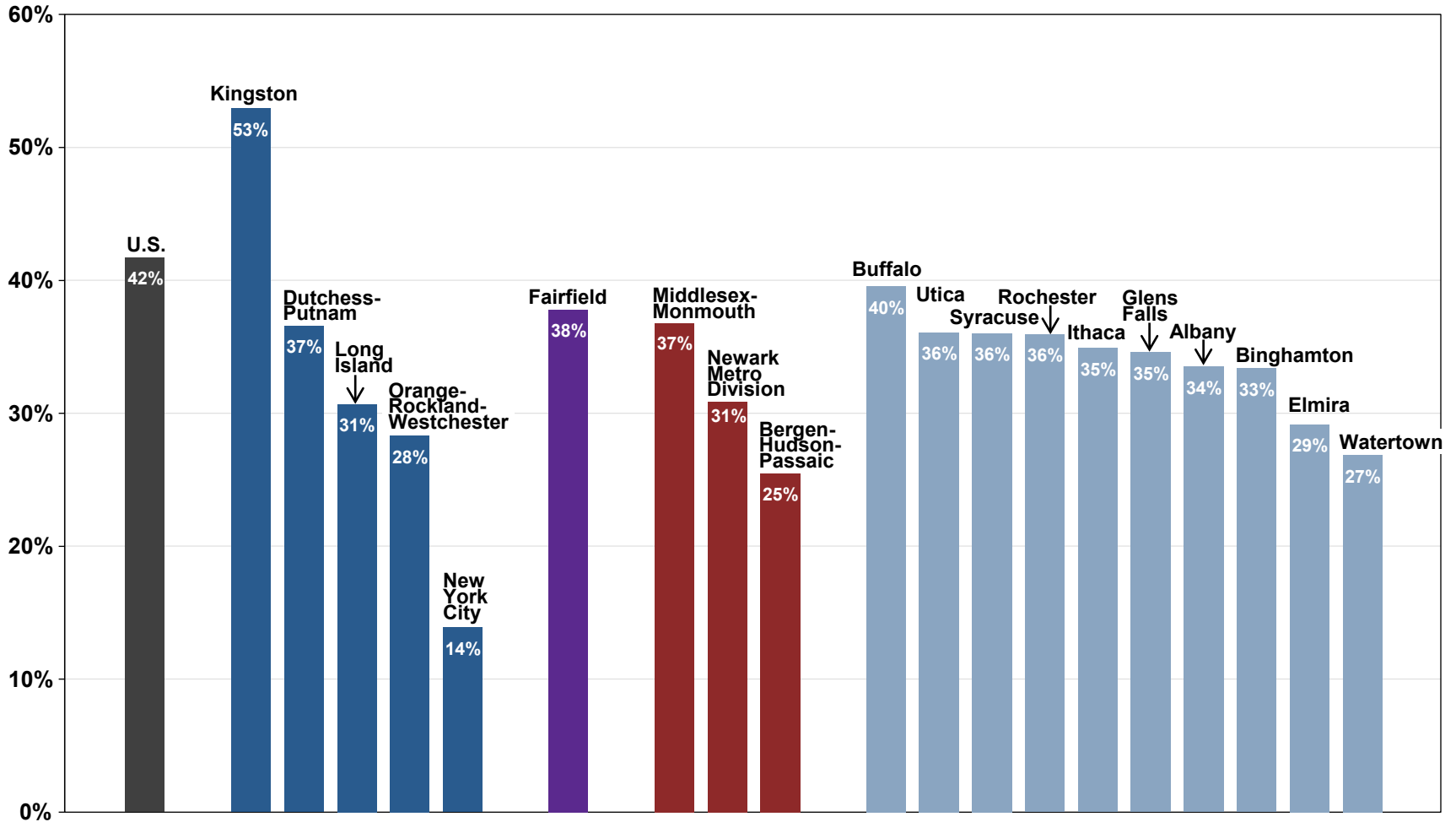
Percent Change in Home Prices Since Feb 2020



Shading indicates NBER recession

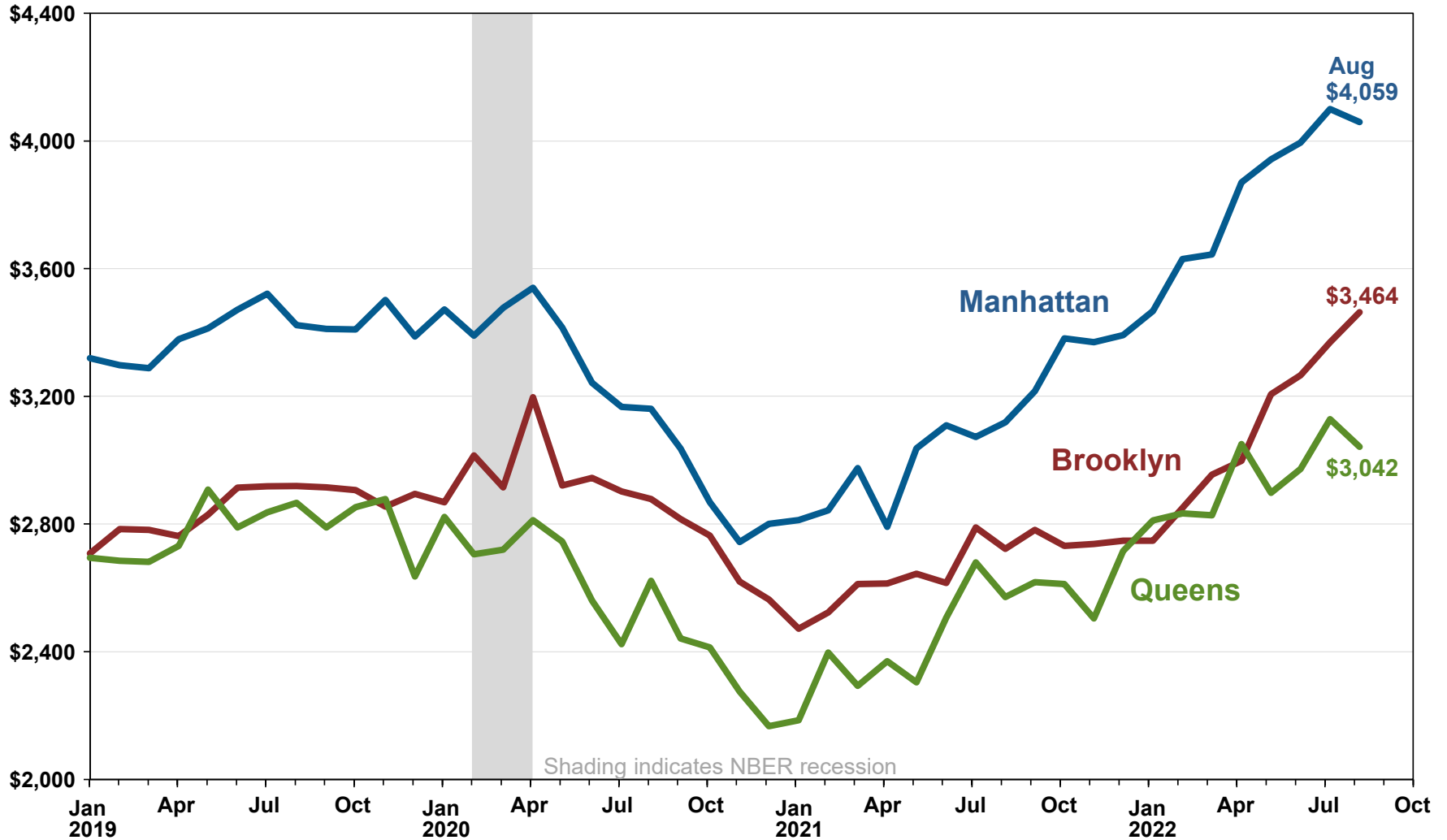
Home Price Increases by Local Area

Percent Change in Home Prices, Feb 2020 to Aug 2022



New York City Rents Leveling Off?

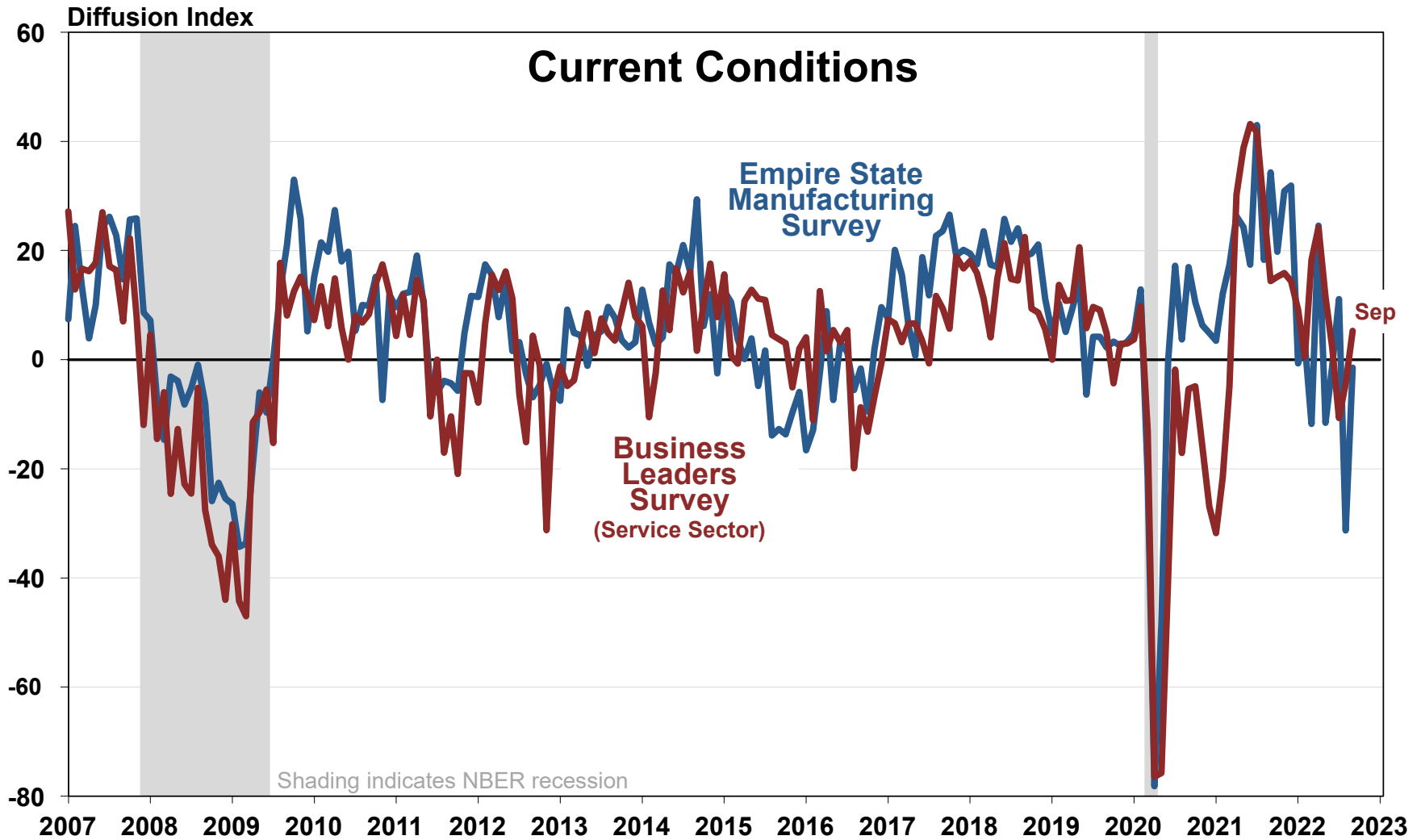
Median Market Rents with Concessions by Borough



Shading indicates NBER recession

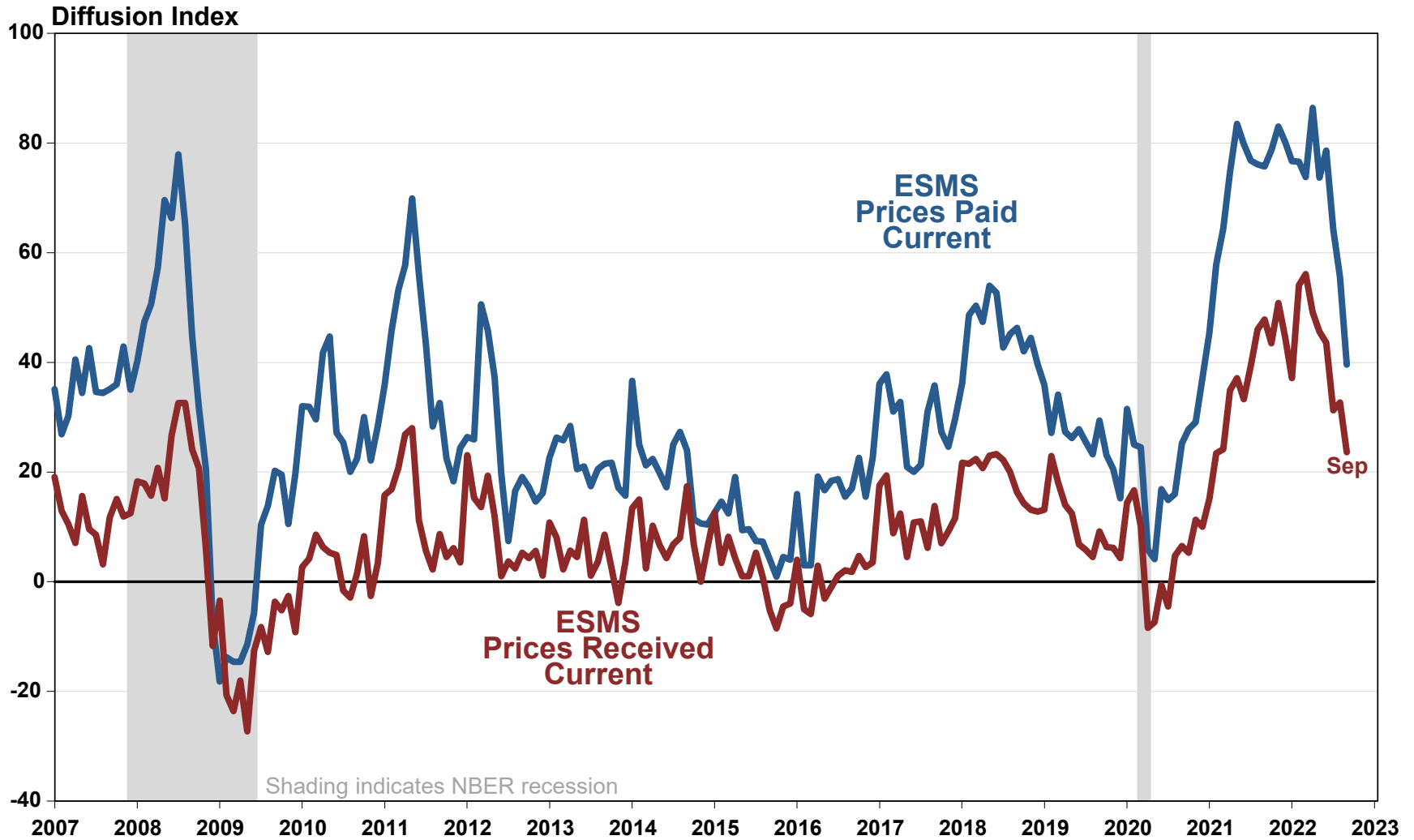
Regional Growth Stalled in Early 2022

New York Fed Regional Business Surveys



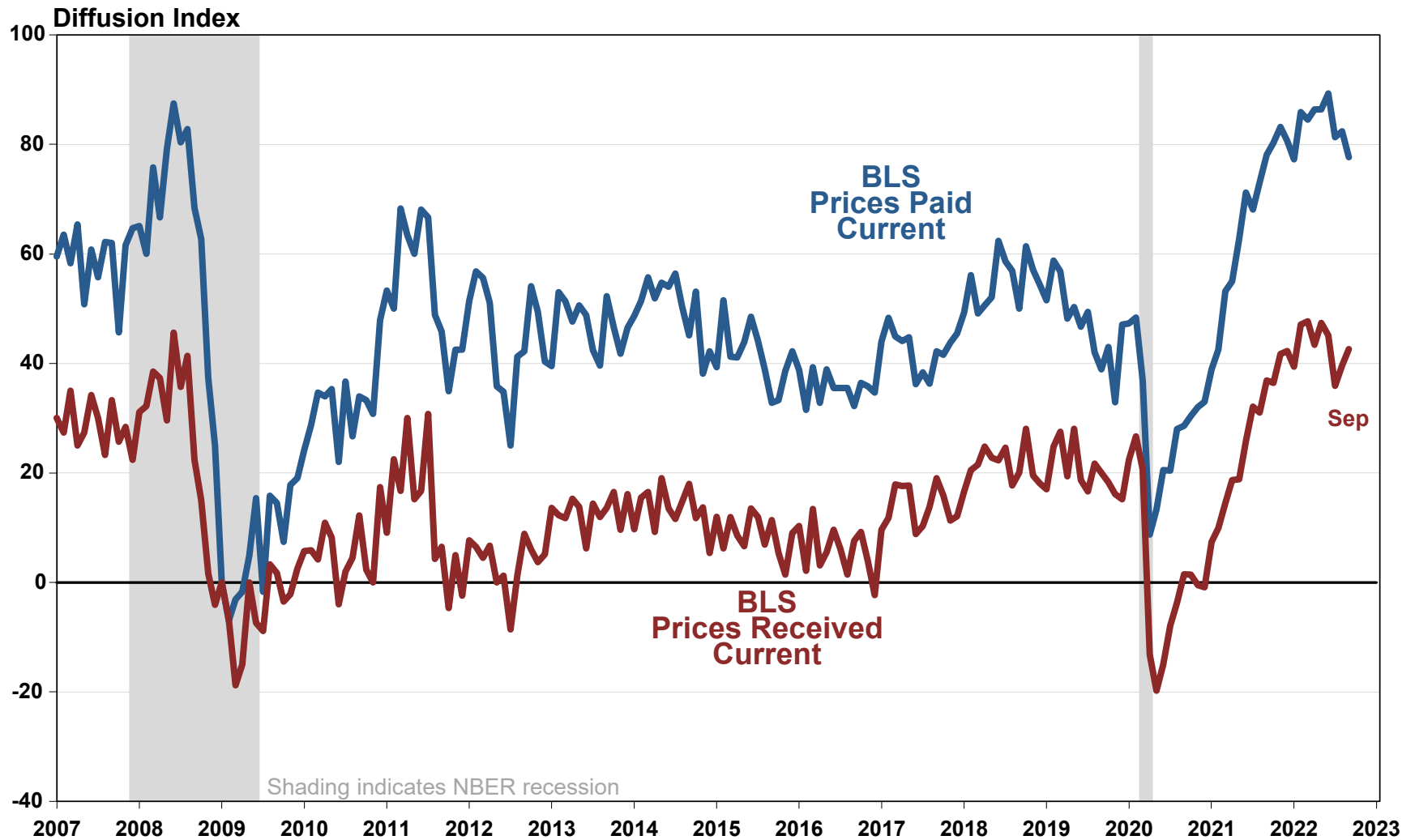
Manufacturing Price Pressures Abating

New York Fed Regional Business Surveys



Service Price Pressures Abating Slightly

New York Fed Regional Business Surveys



Shading indicates NBER recession

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