



FEDERAL RESERVE BANK *of* NEW YORK

Economic Conditions in the Region

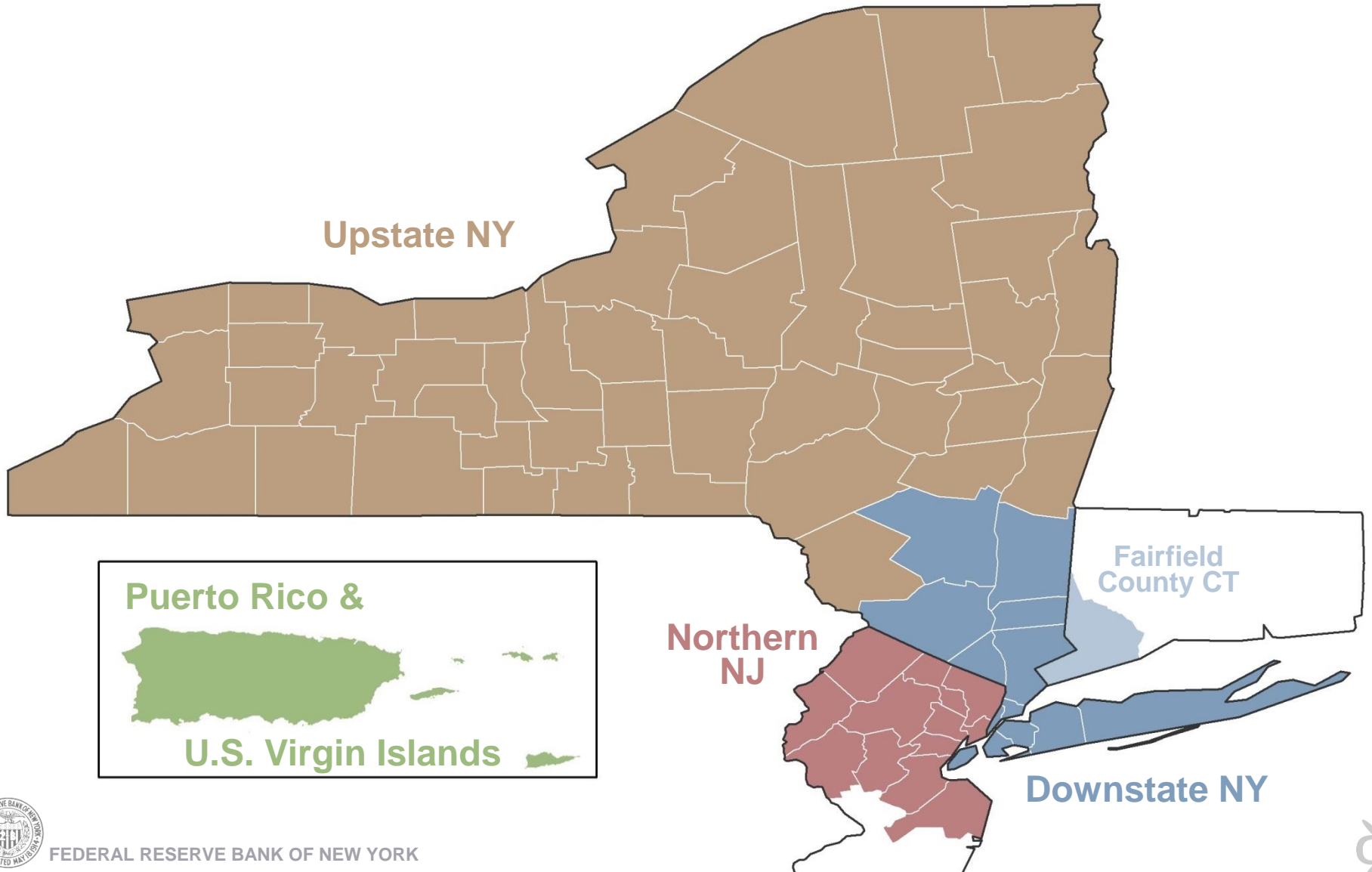
Jason Bram, Research Officer

December 17, 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.

The 2nd Federal Reserve District

Regions in the District



Overview

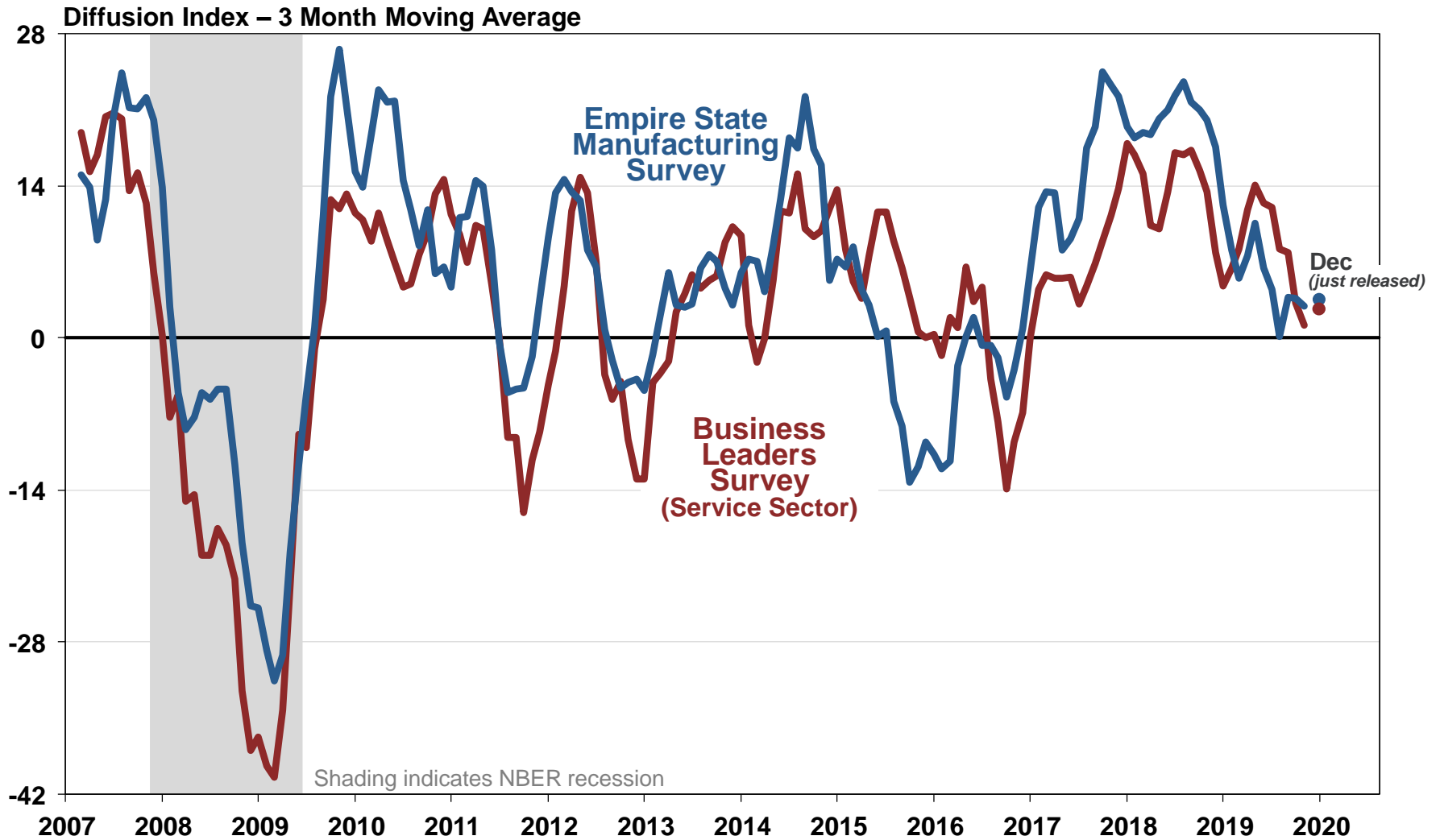
- Growth has slowed across the tri-state region, which is reflected in:
 - Business Surveys
 - Employment
 - Housing
- The regional economy faces a variety of headwinds, including labor shortages and uncertainty related to trade.
- After substantial rebuilding efforts, Puerto Rico and the U.S. Virgin Islands have rebounded to at or near pre-storm employment levels.



Economic & Employment Trends

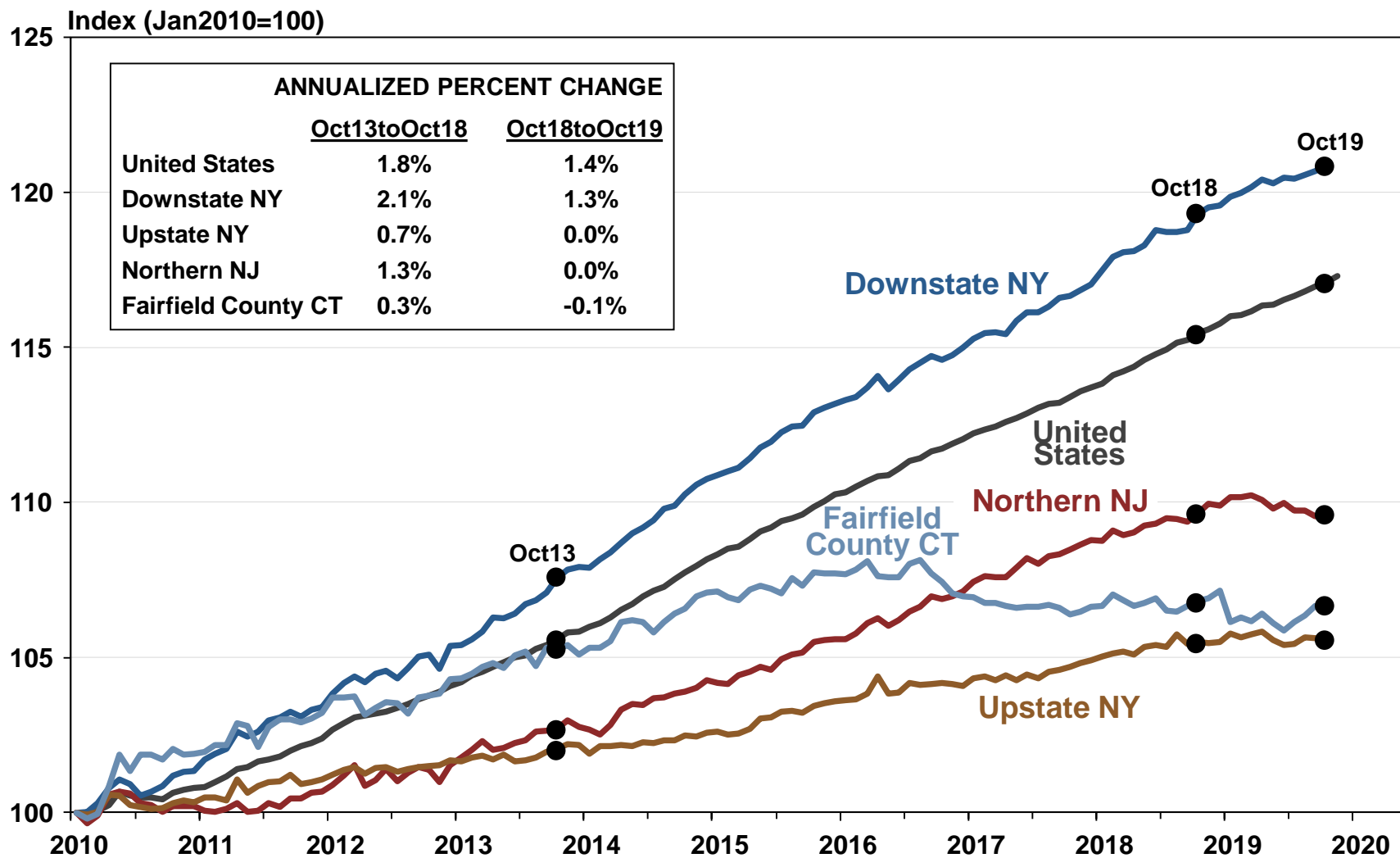
Regional Growth Slowing

New York Fed Regional Business Surveys, Business Activity



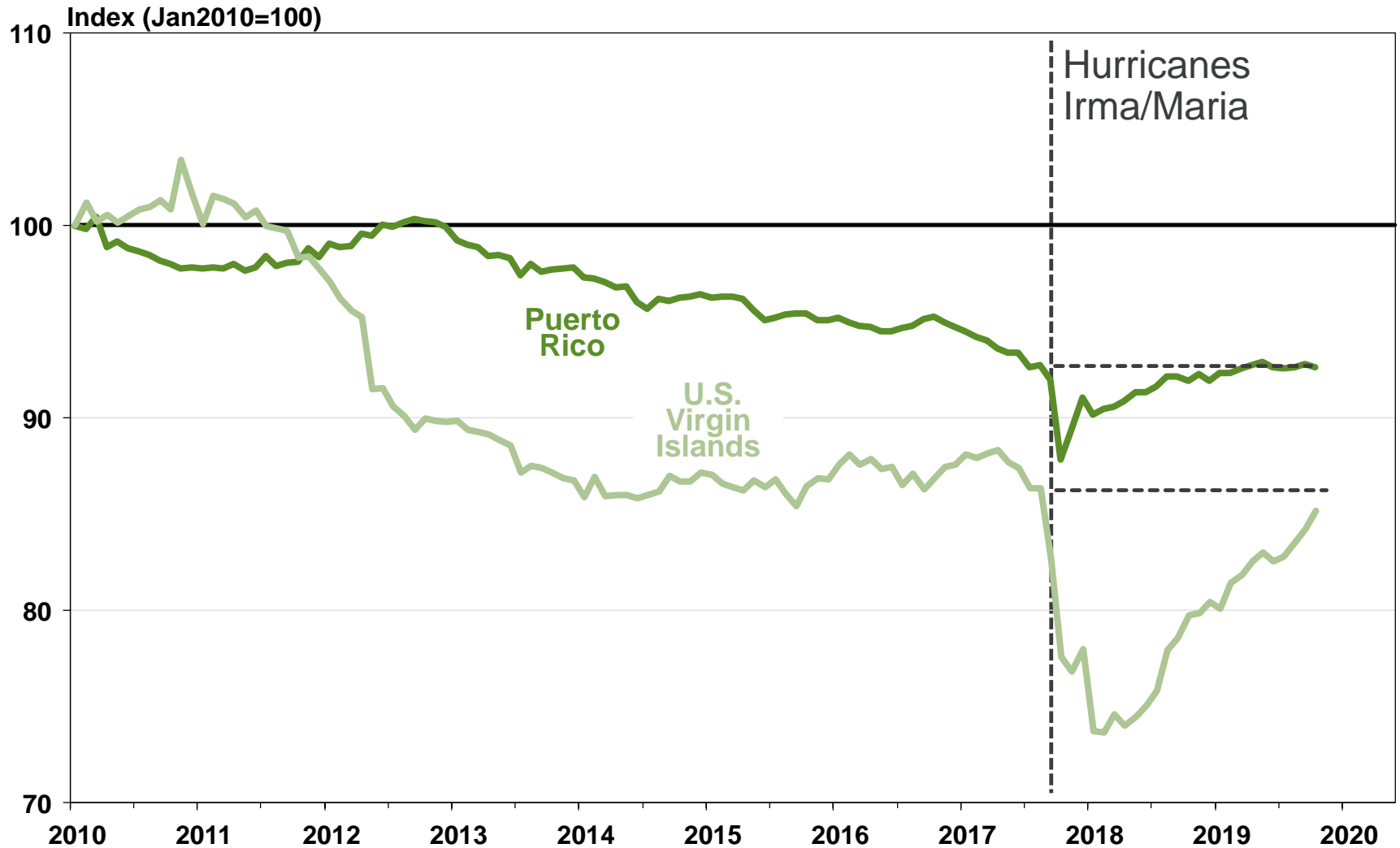
Job Trends in the Tri-State Region

Indexes of Total Employment, Seasonally Adjusted



Job Trends in Puerto Rico, U.S. Virgin Islands

Indexes of Total Employment, Seasonally Adjusted



Which Industries Have Weakened the Most?

Sectoral Employment by Region

Downstate NY

Leisure & Hospitality

Construction

Northern NJ

Leisure & Hospitality

Professional & Business Services

Education & Health

Fairfield County CT

Leisure & Hospitality

Financial Activities

Upstate NY

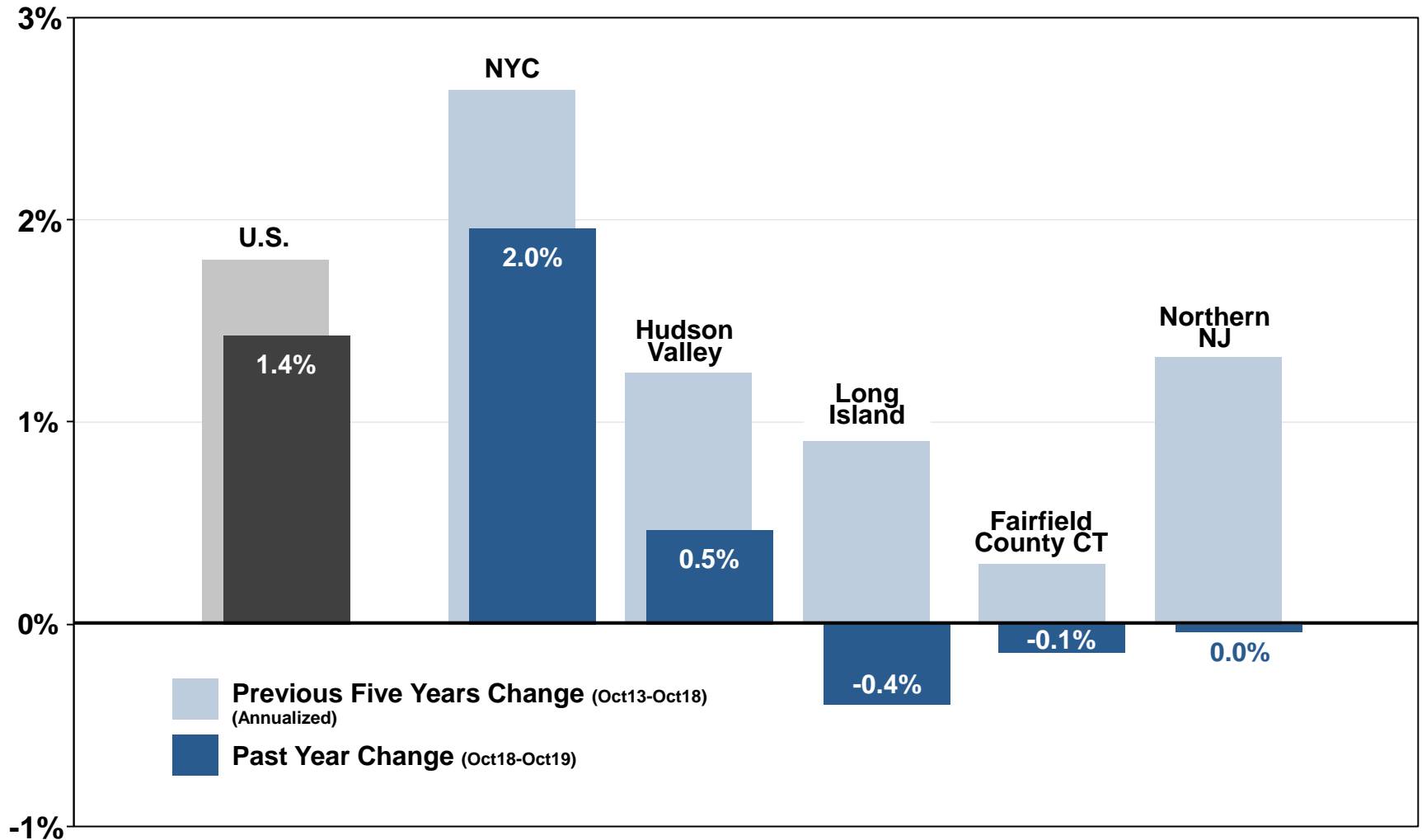
Leisure & Hospitality

Manufacturing

Education & Health

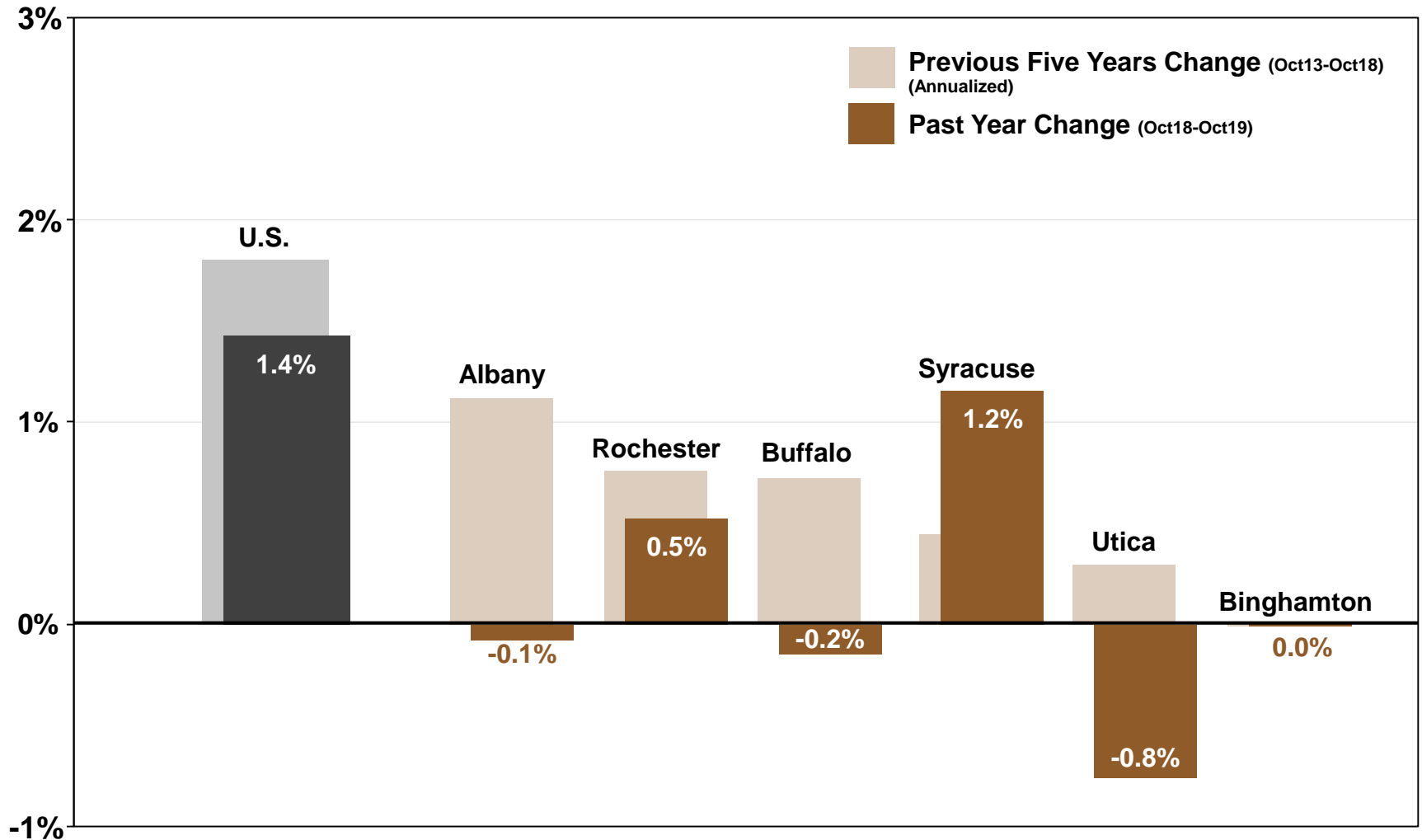
Job Growth Has Slowed In and Around NYC

Annual Percent Change in Total Employment



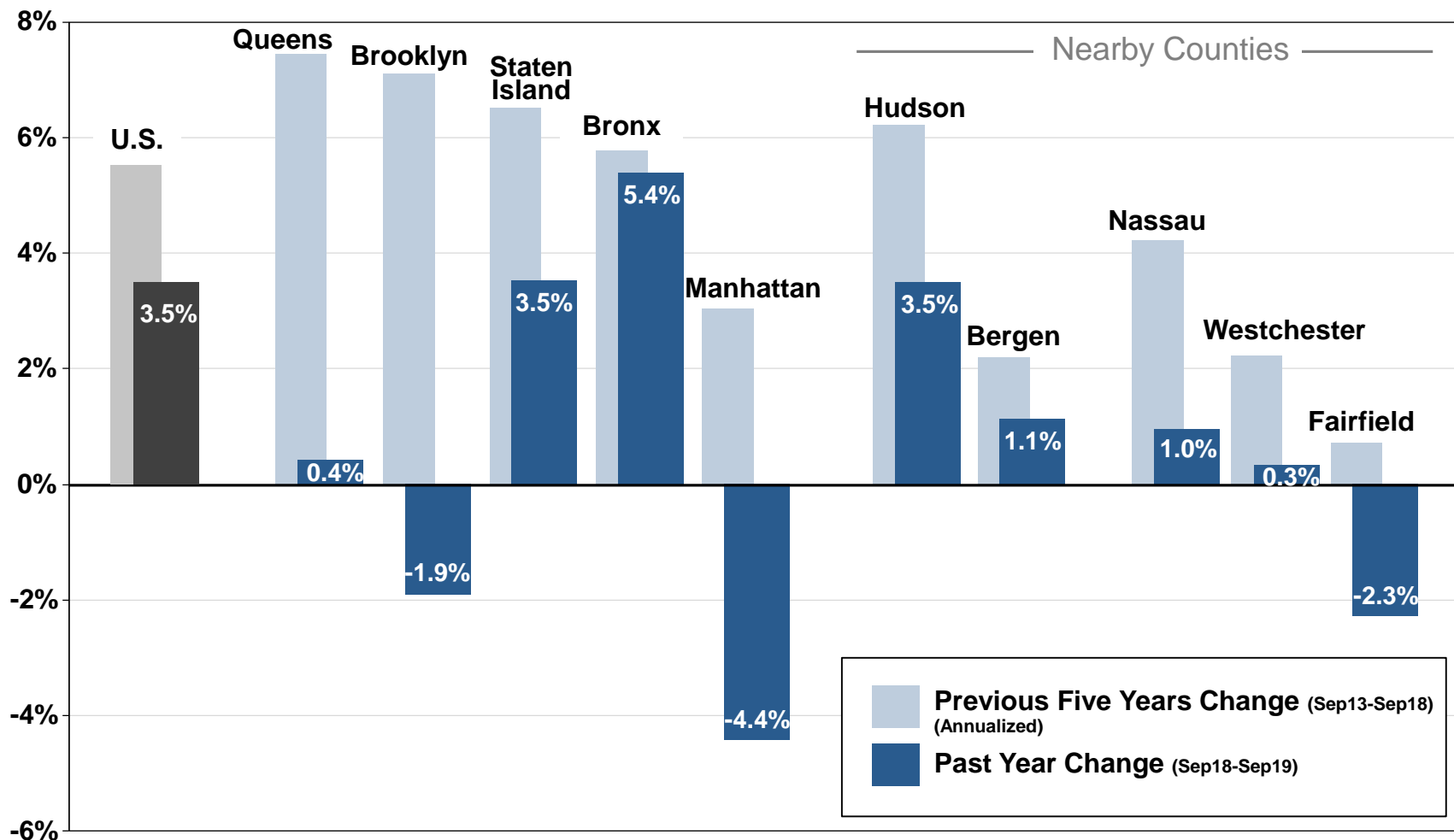
Job Growth Has Also Slowed in Upstate NY

Annual Percent Change in Total Employment



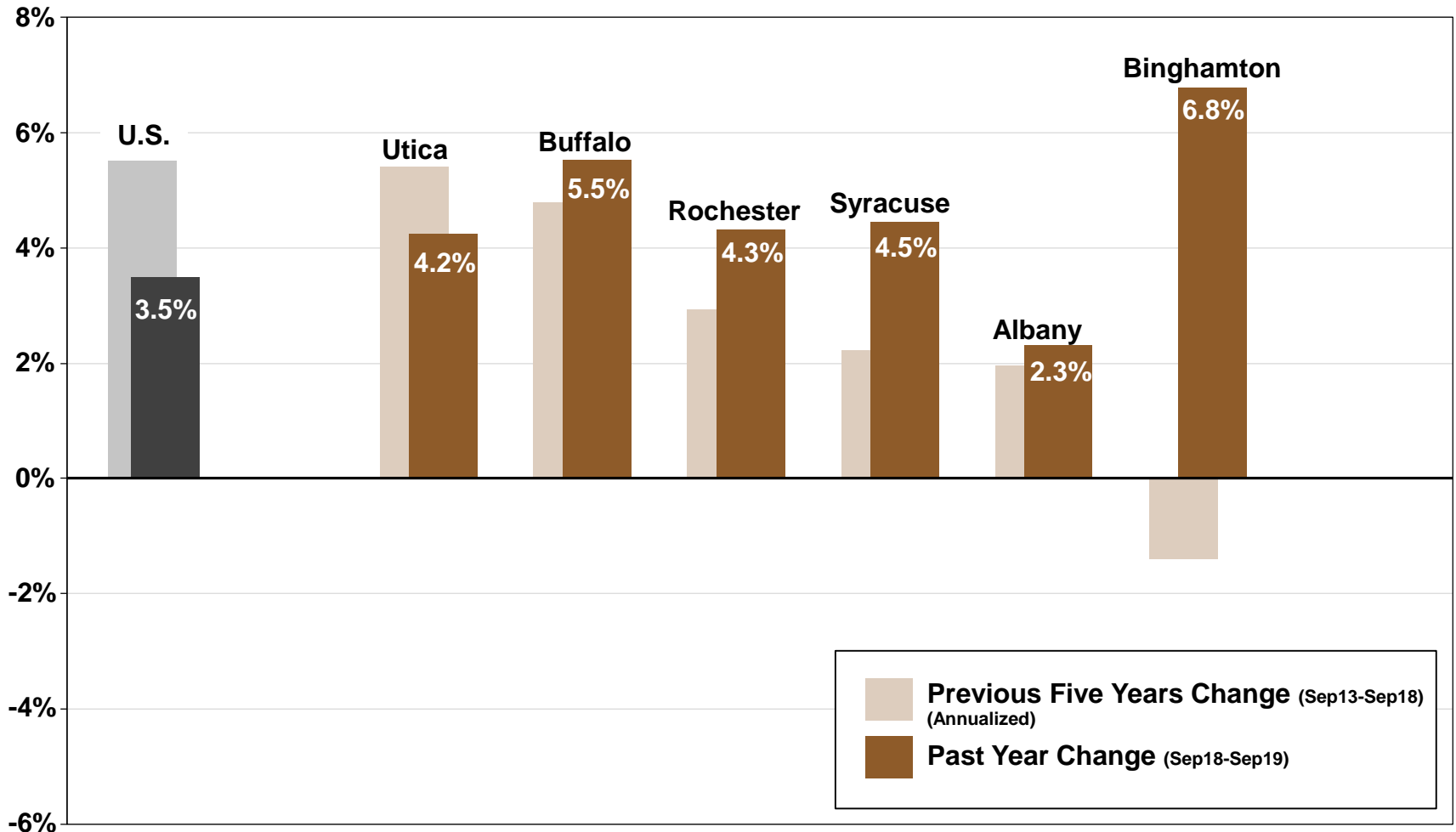
Home Prices Softening In and Around NYC

Annual Percent Change in Home Prices



Home Prices More Resilient in Upstate NY

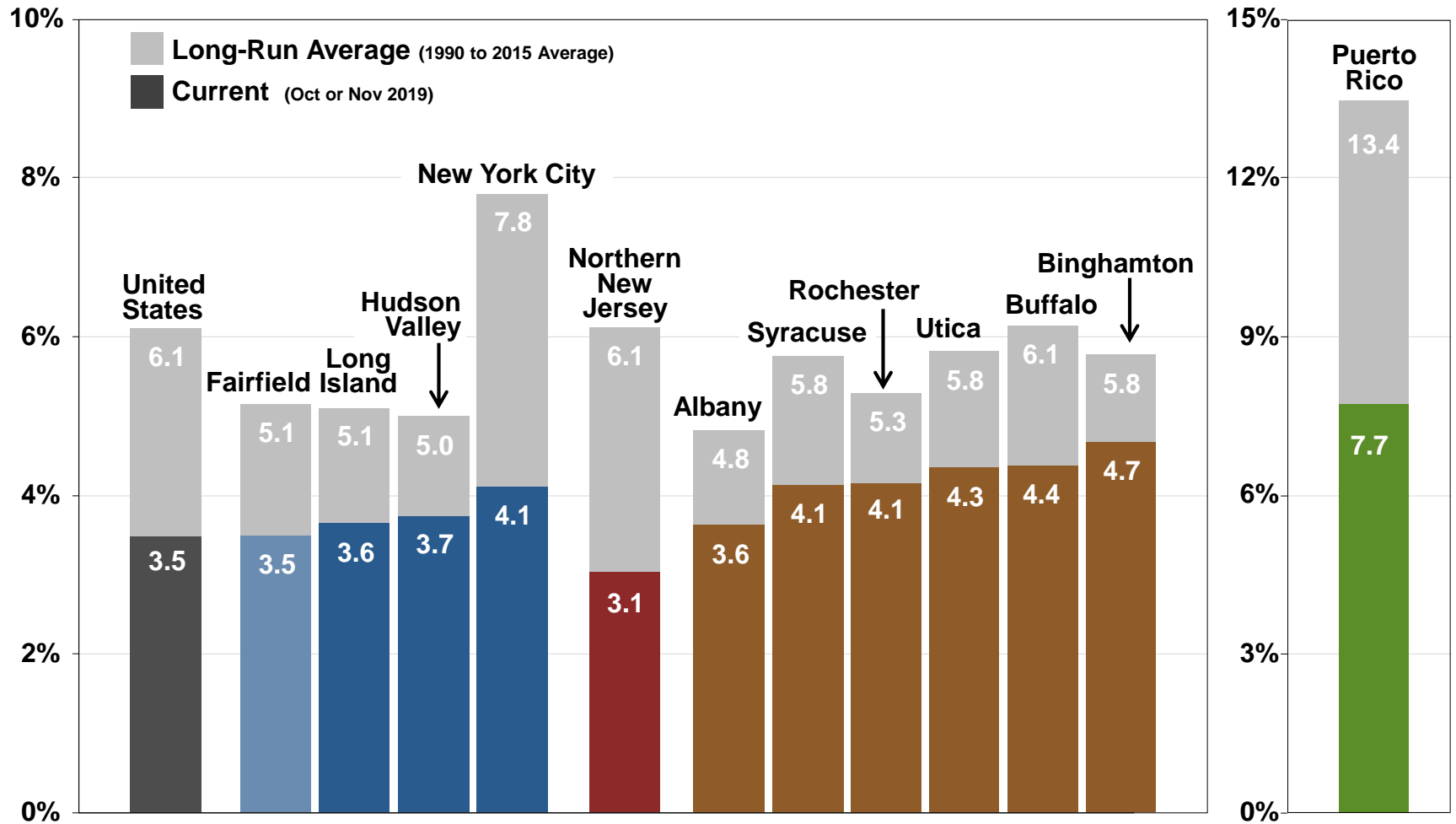
Annual Percent Change in Home Prices



Headwinds

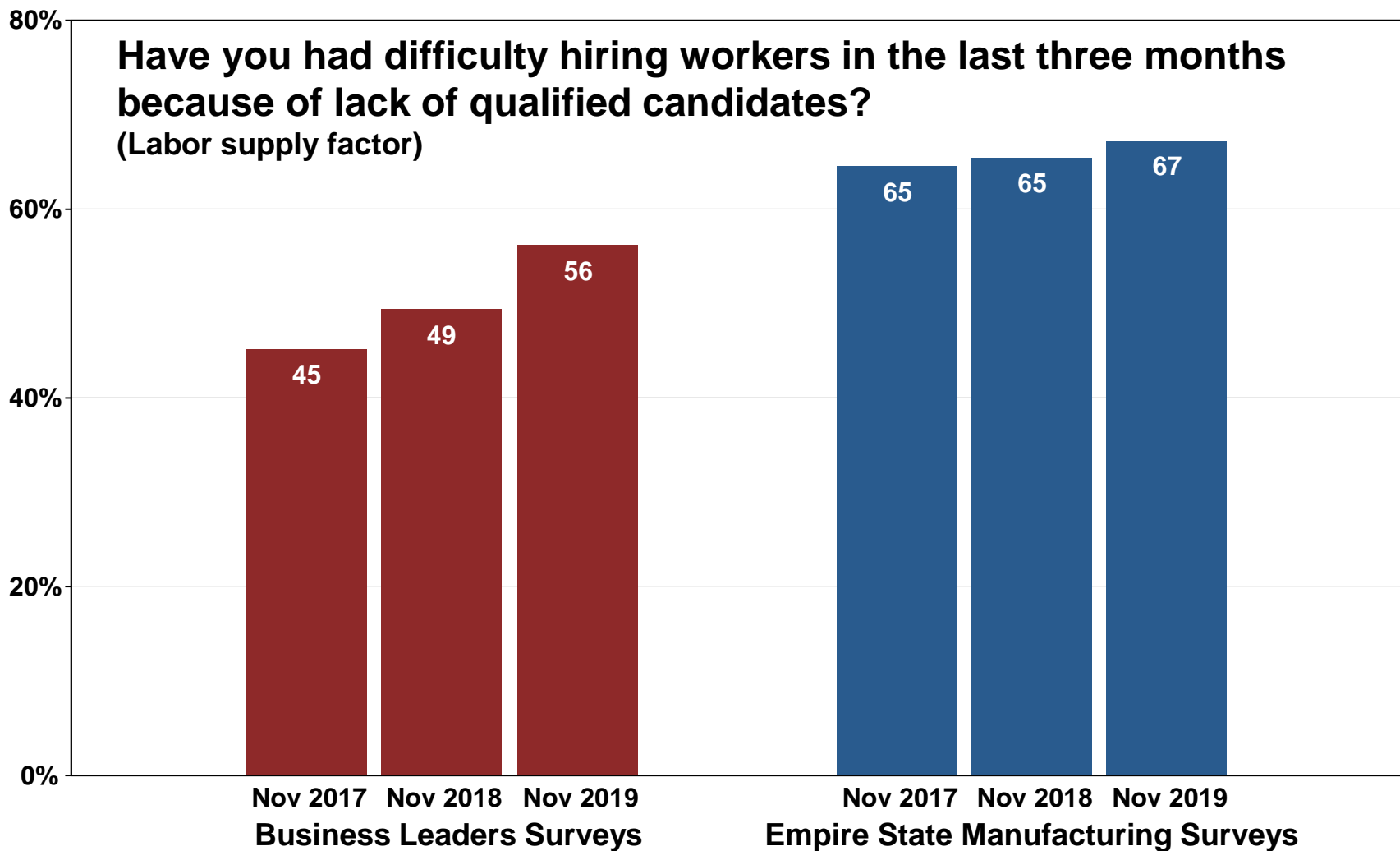
Difficult to Find Workers in the Region

Long-Run and Current Unemployment Rates, Seasonally Adjusted



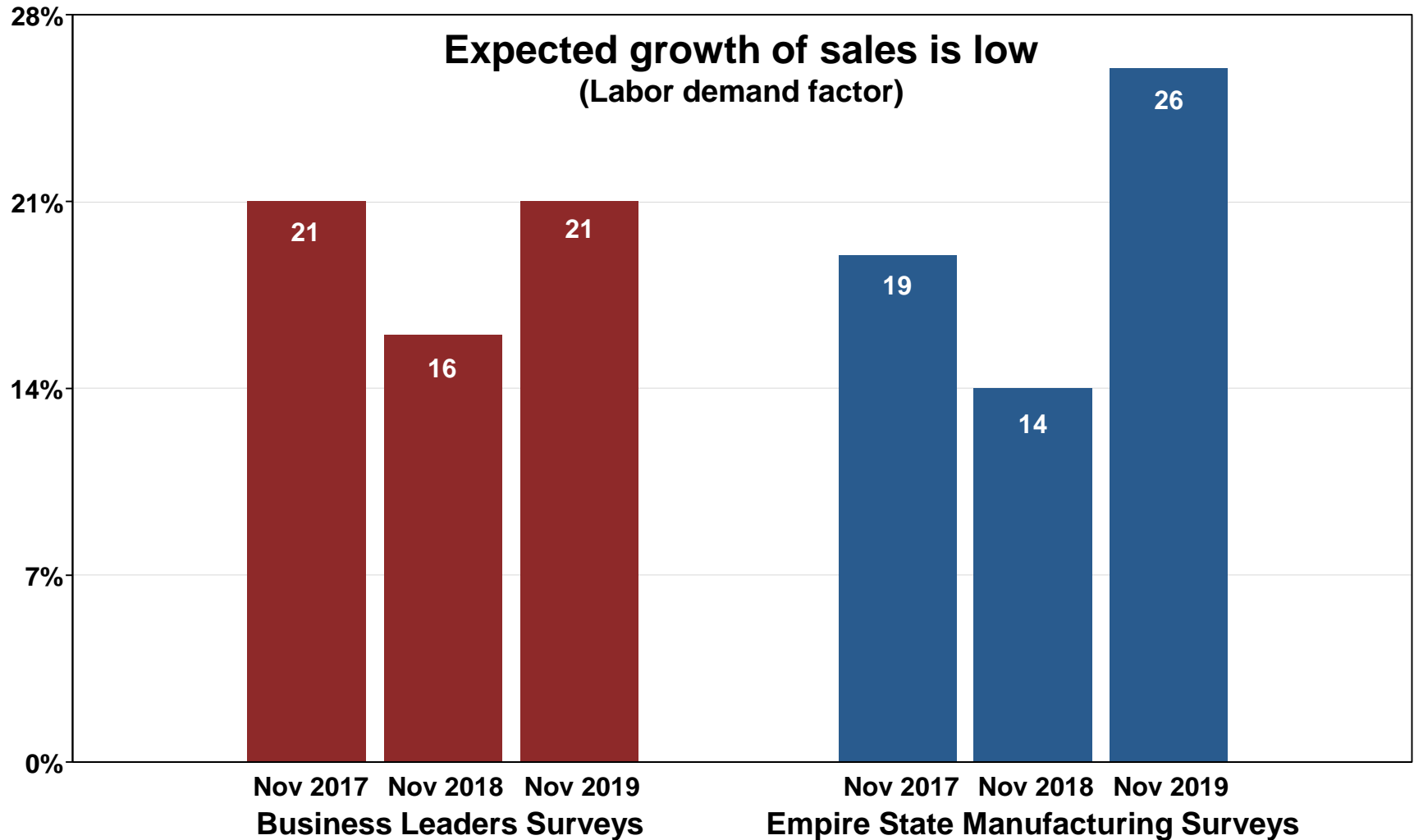
Surveys Point to Hiring Difficulties

New York Fed Regional Business Surveys



Top Factor Restraining Hiring Plans

New York Fed Regional Business Surveys

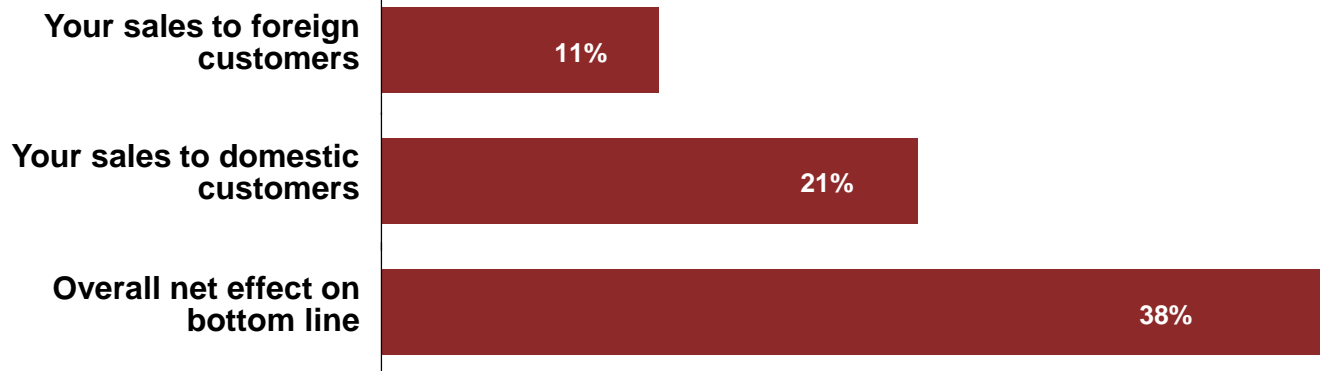


Trade Issues Affecting Local Business

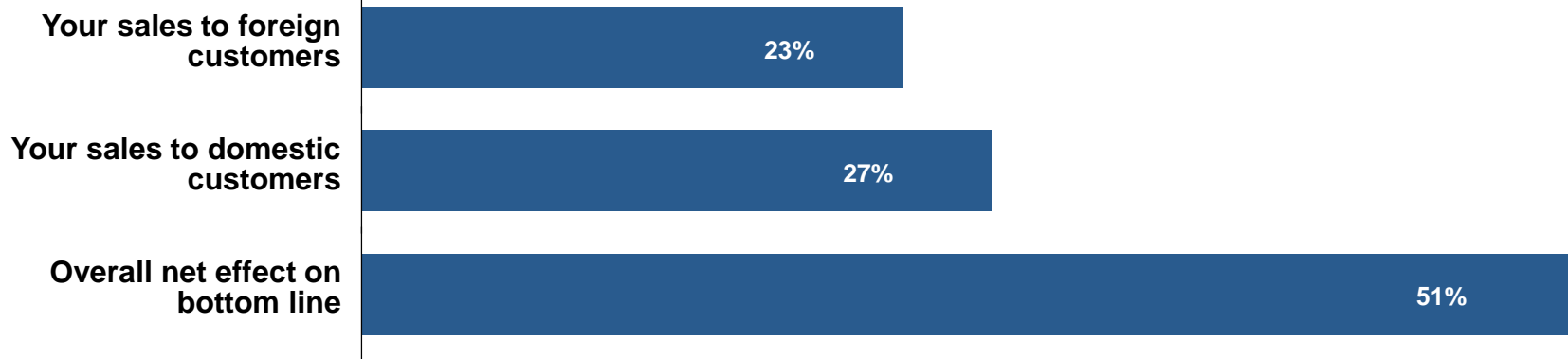
New York Fed Regional Business Surveys

Percentage of Respondents Reporting Adverse Effects from Trade Policy Changes on ...

Business Leaders Survey – Aug 2019

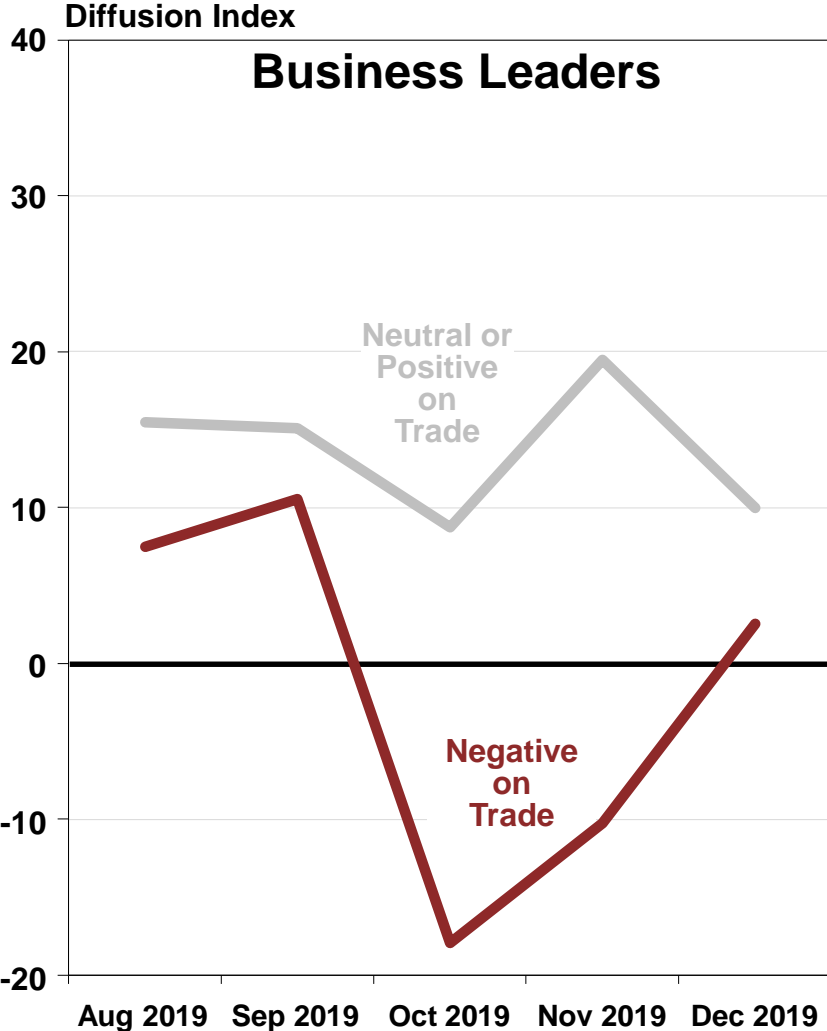
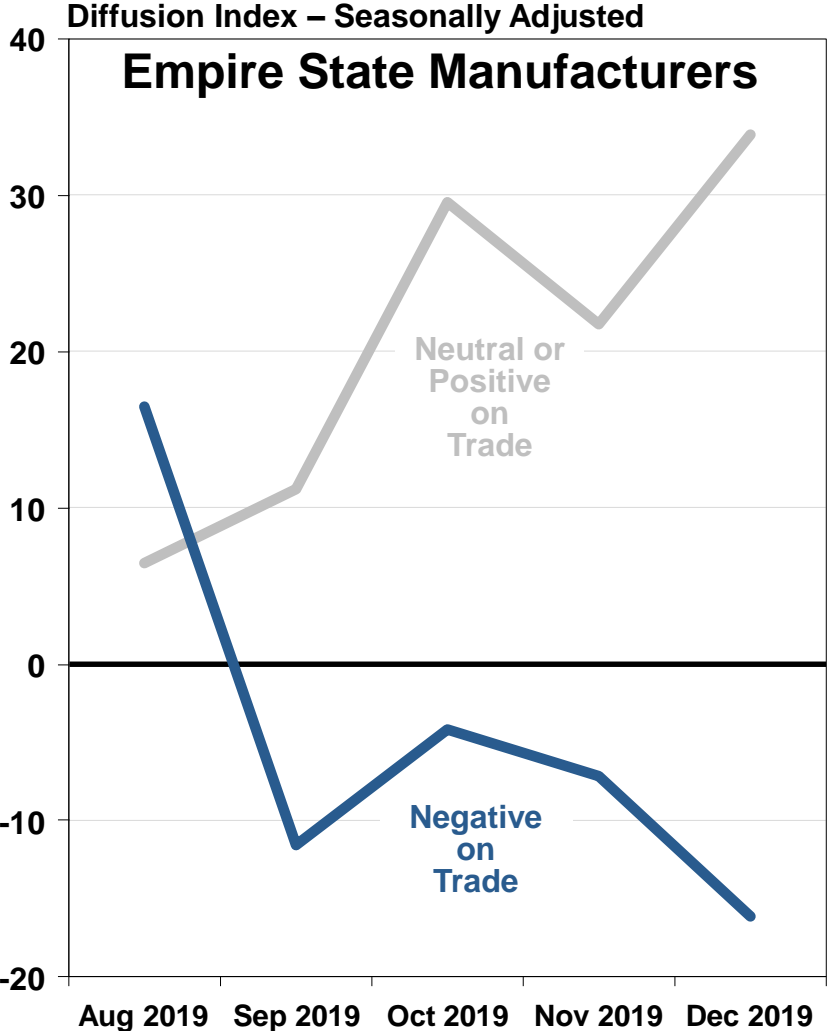


Empire State Manufacturing Survey – Aug 2019



Trade Issues Affecting Local Business

New York Fed Regional Business Surveys, Business Activity



Source: Federal Reserve Bank of New York.

Summary

- Economic growth and job creation have slowed this year, even in and around New York City.
- A variety of headwinds, including labor shortages and uncertainty related to trade, have contributed to this slowdown.
- Puerto Rico and the US Virgin Islands have rebounded to at or near pre-storm employment levels after years of rebuilding.





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