



FEDERAL RESERVE BANK *of* NEW YORK

The Buffalo Economy Since the Great Recession

Jaison R. Abel

Strategies for Equitable Growth: Buffalo Listening Session
September 26, 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.

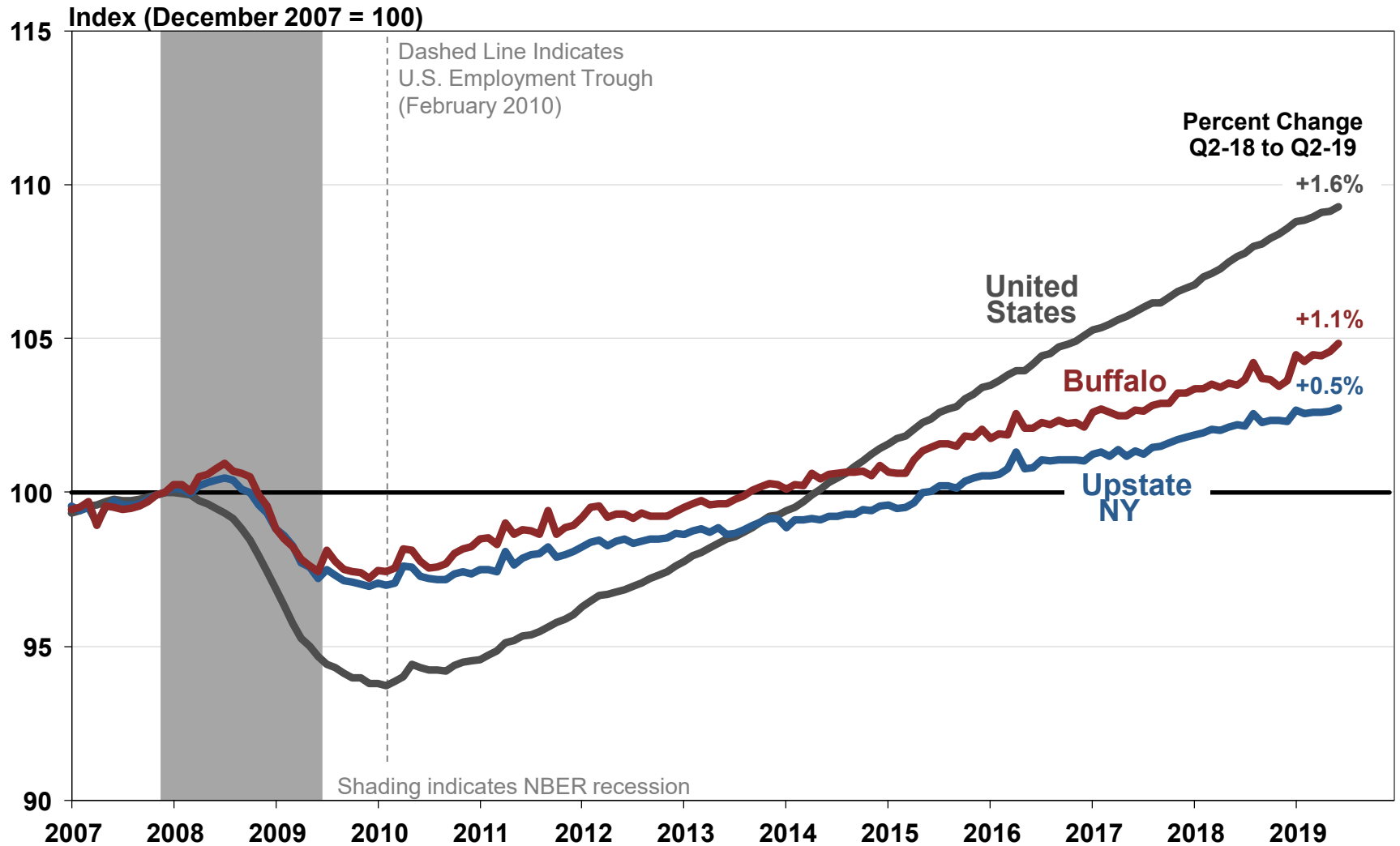
Overview

- The Buffalo economy performed *relatively* well through the Great Recession, outperforming many of its upstate peers and its own historical experience.
- The region's economy has become more polarized over the cycle, with sizeable middle-wage job losses during the Great Recession offset by job gains at the higher and lower ends of the wage distribution through the expansion.
- With low inventory levels, the Buffalo metro area has seen solid home price appreciation in recent years, with particularly strong gains in the City of Buffalo.



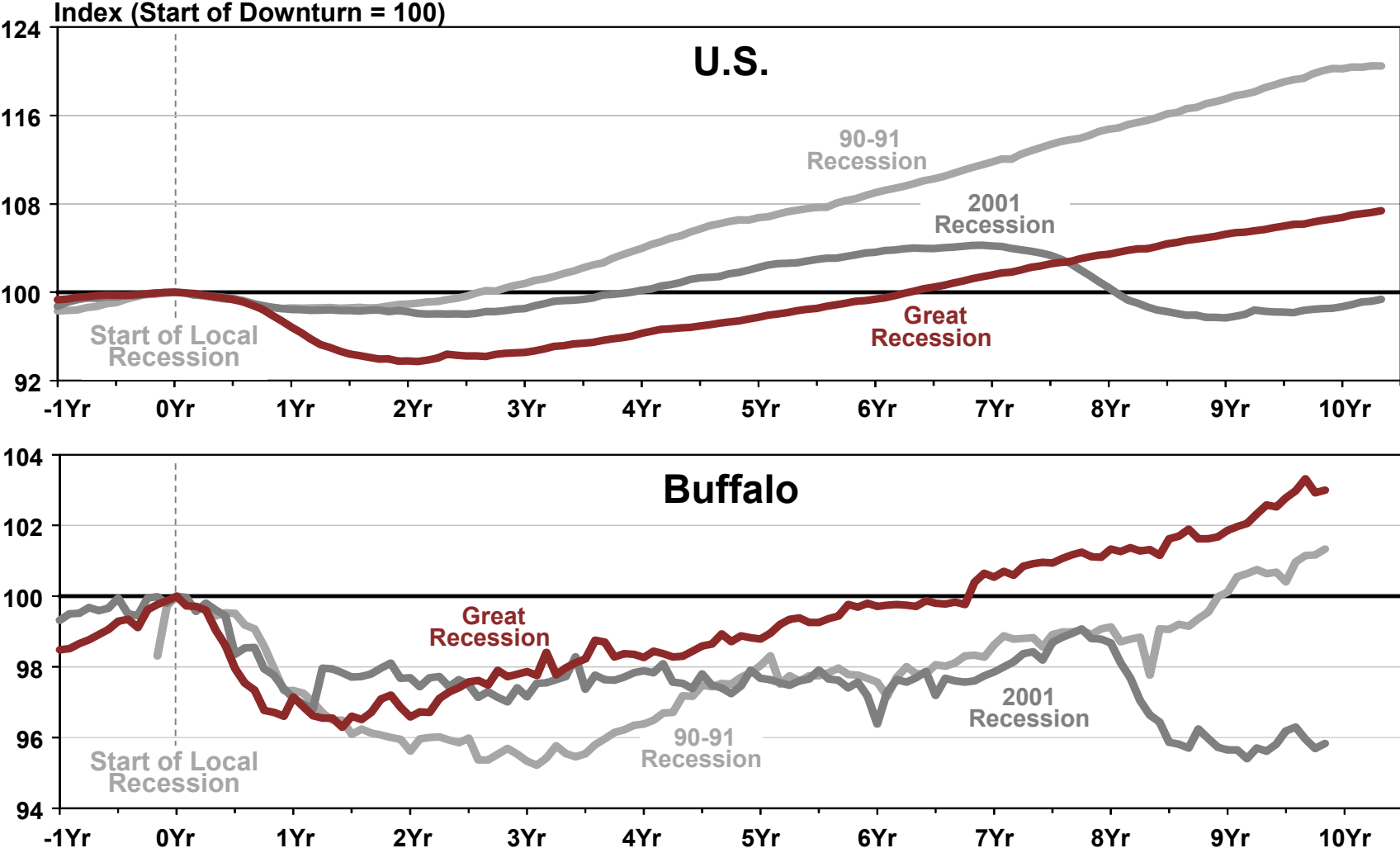
Regional Employment Trends

Indexes of Total Employment, Seasonally Adjusted



Comparison to Previous Recessions

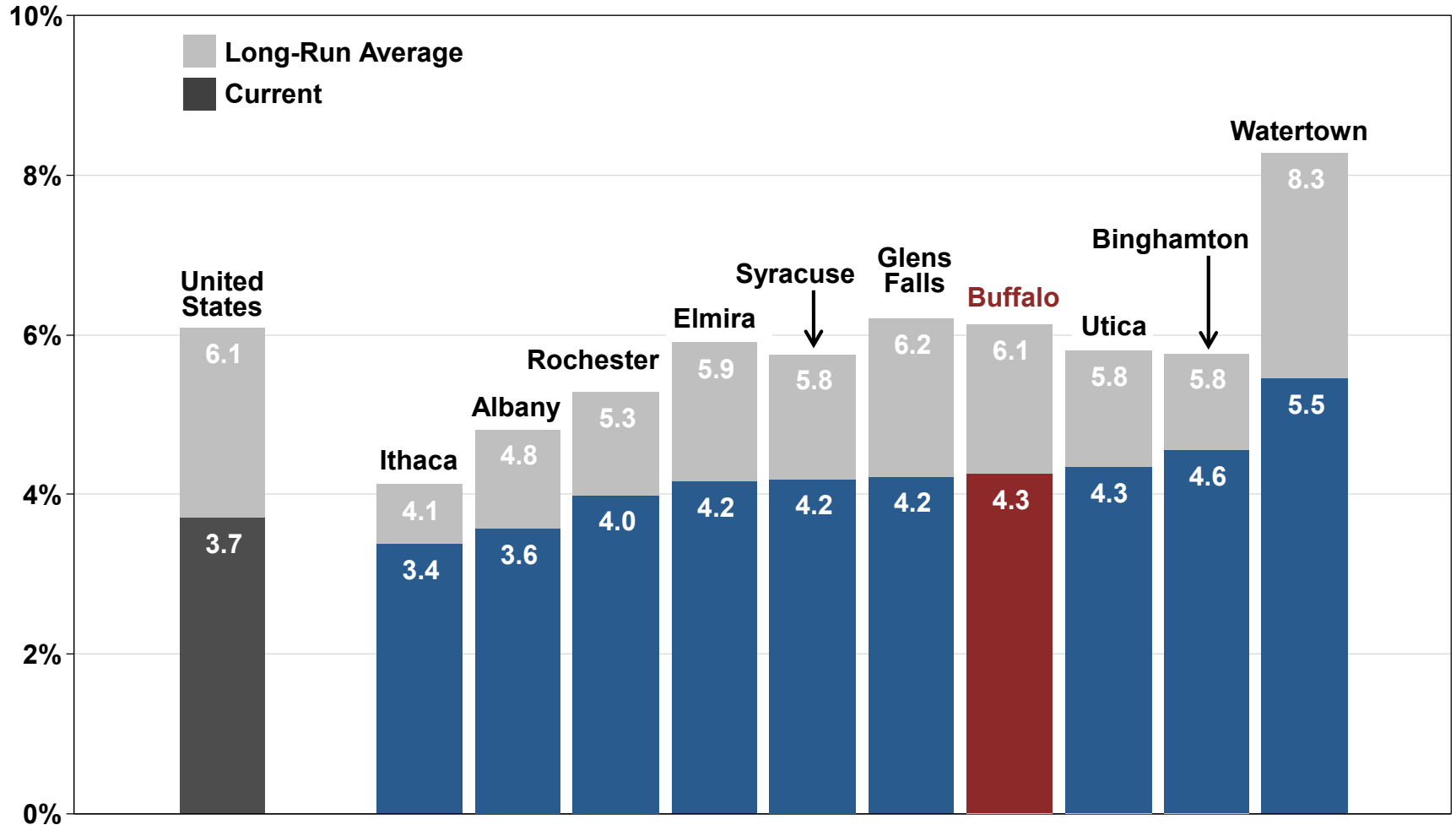
Total Employment Indexed to Local Employment Peak



Source: U.S. Bureau of Labor Statistics and Moody's Economy.com.

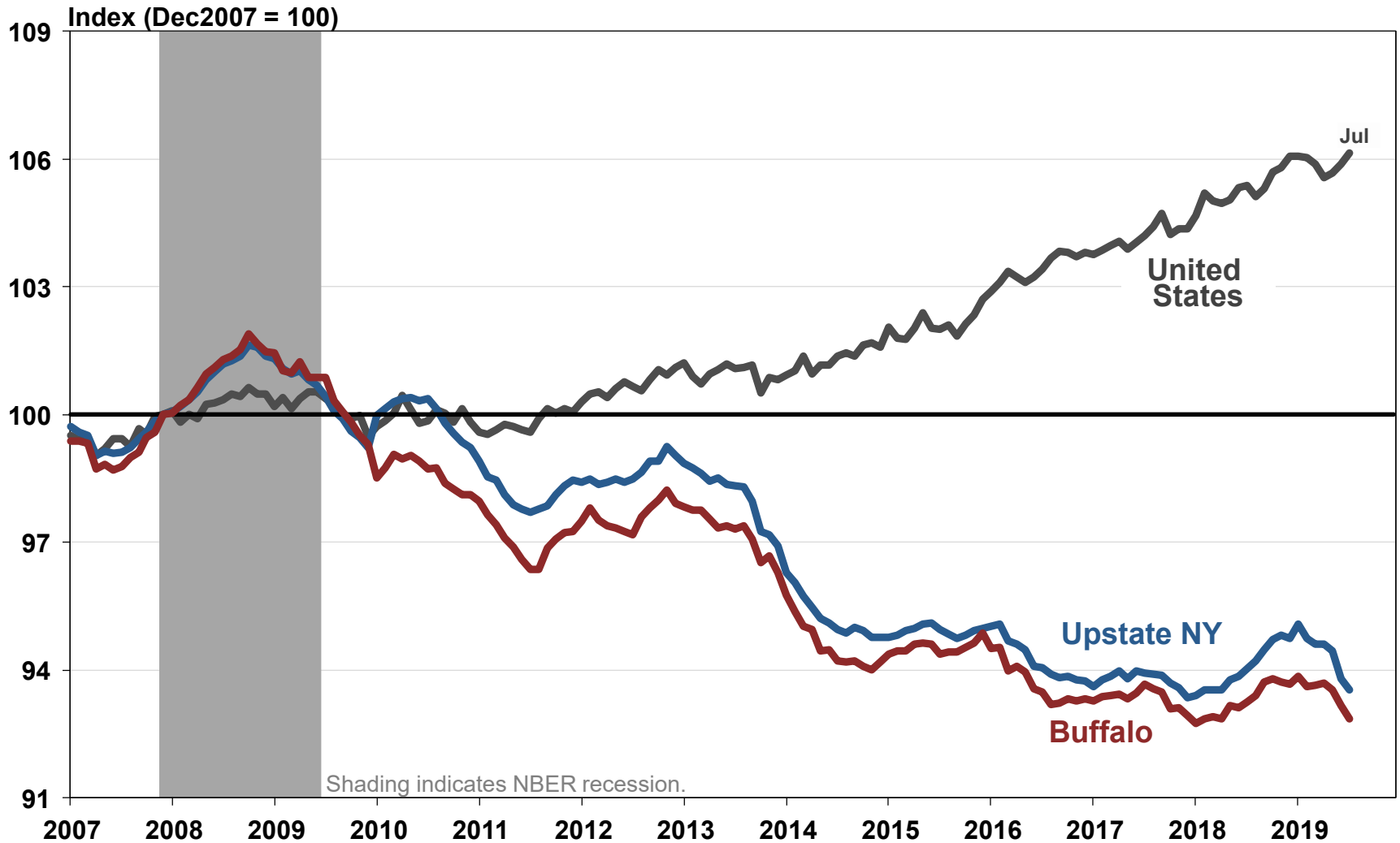
Exceptionally Tight Labor Markets

Long-Run and Current Unemployment Rates, Seasonally Adjusted



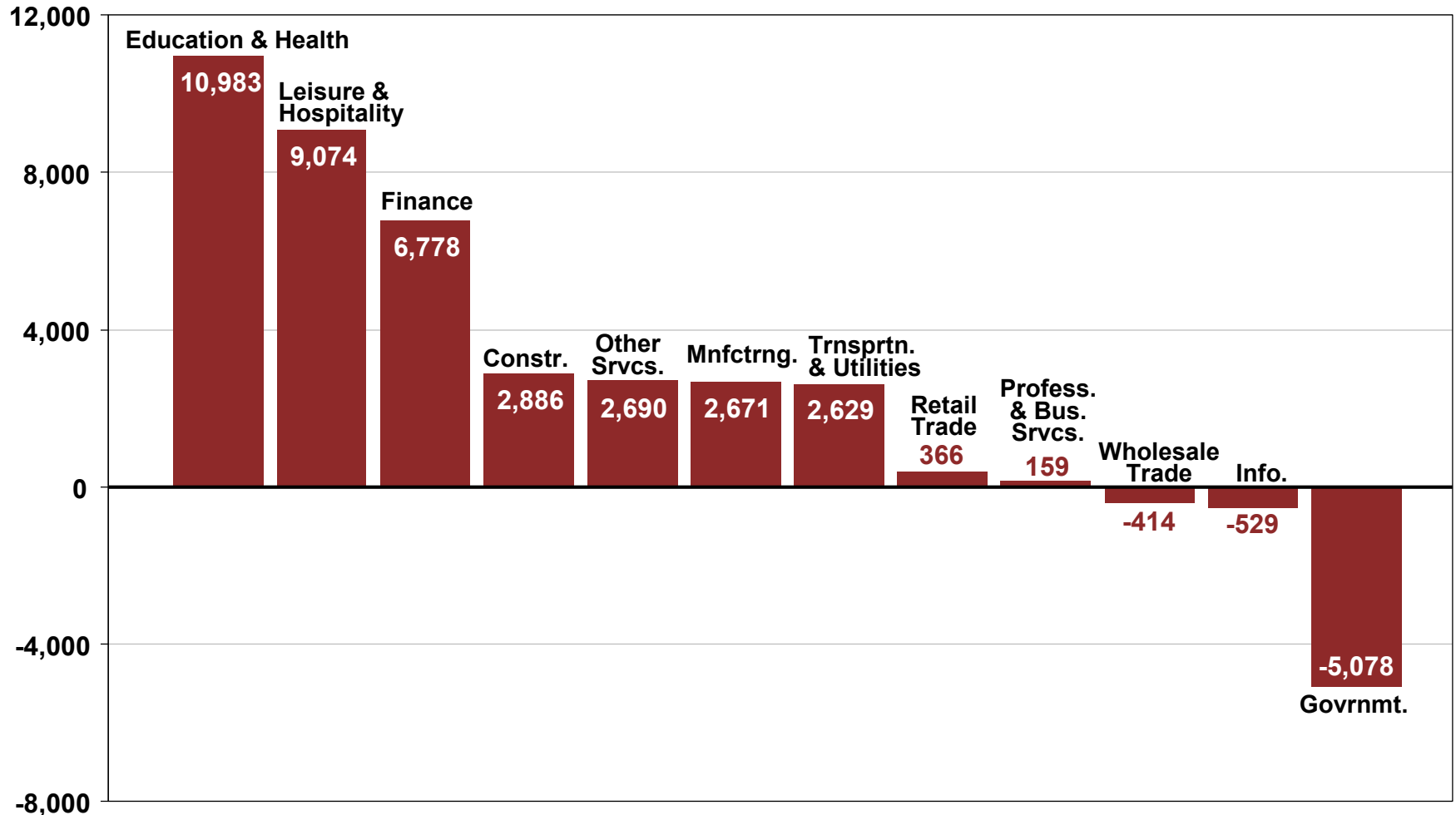
Regional Labor Force Trends

Indexes of Total Labor Force, Seasonally Adjusted



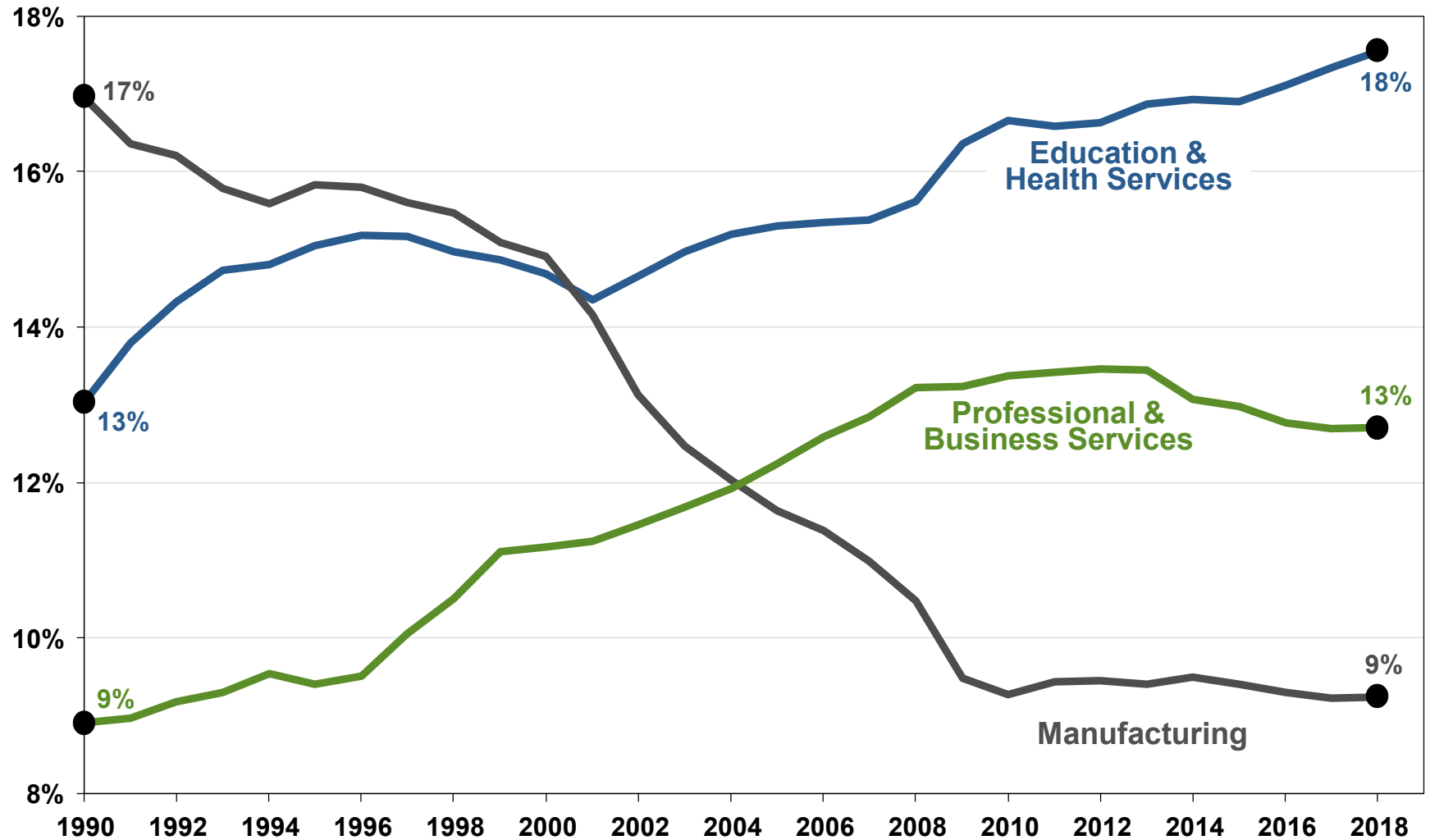
Sectors Driving Job Growth in Buffalo

Net Change in Employment by Industry, 2010 to 2019



Changing Structure of the Buffalo Economy

Shares of Total Employment



Job Categories

Median Annual Wages by Occupation, United States

Lower Wage

Below \$30,000

Healthcare Support
Sales
Building Maintenance
Personal Care
Food Preparation

30%

Middle Wage

\$30,000-\$60,000

Education
Arts & Entertainment
Construction
Installation & Repair
Social Services
Protective Services
Administrative Support
Production
Transportation

50%

Higher Wage

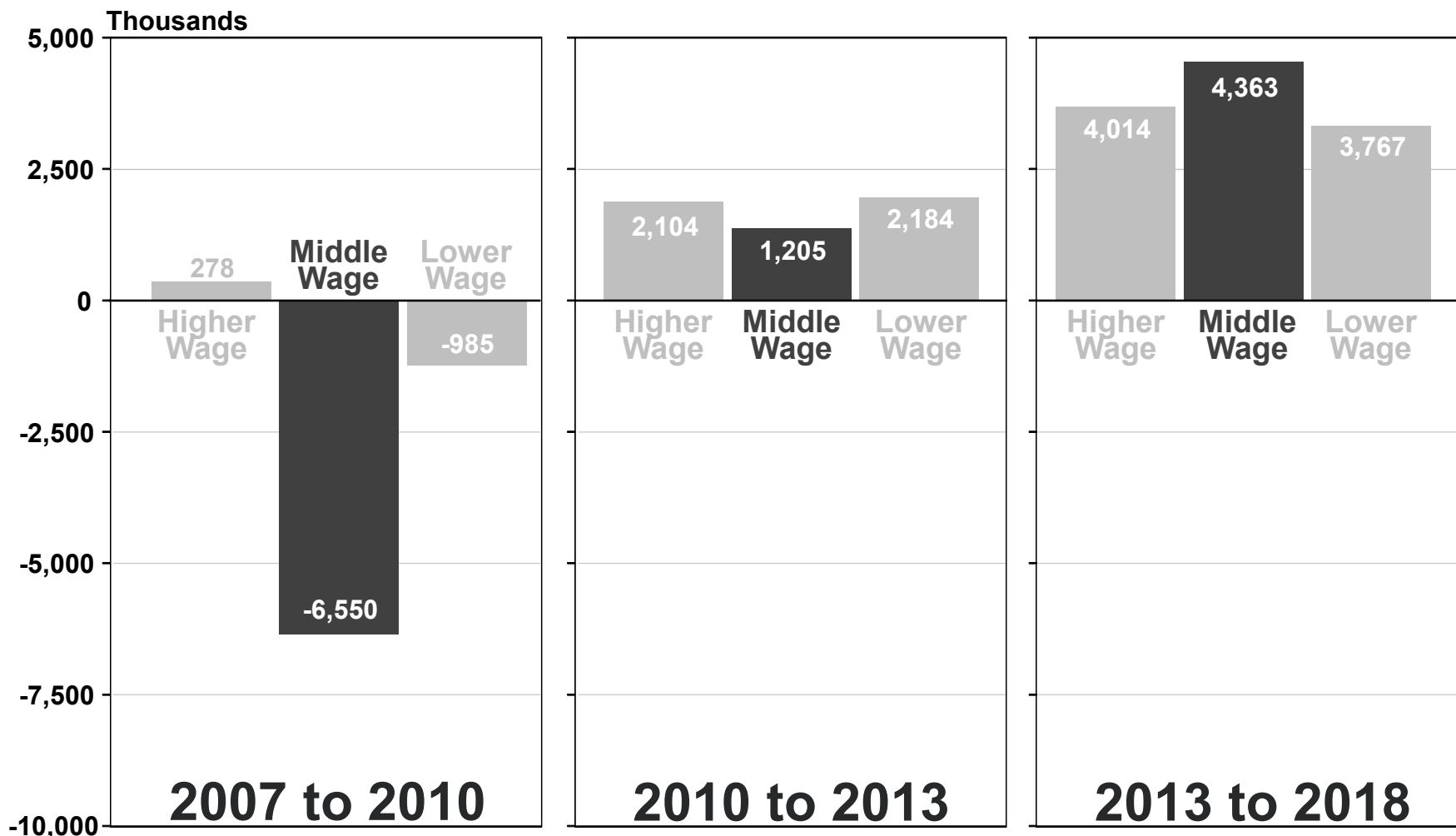
Above \$60,000

Management
Computer & Math
Legal
Engineering
Business & Finance
Healthcare Practitioners
Sciences

20%

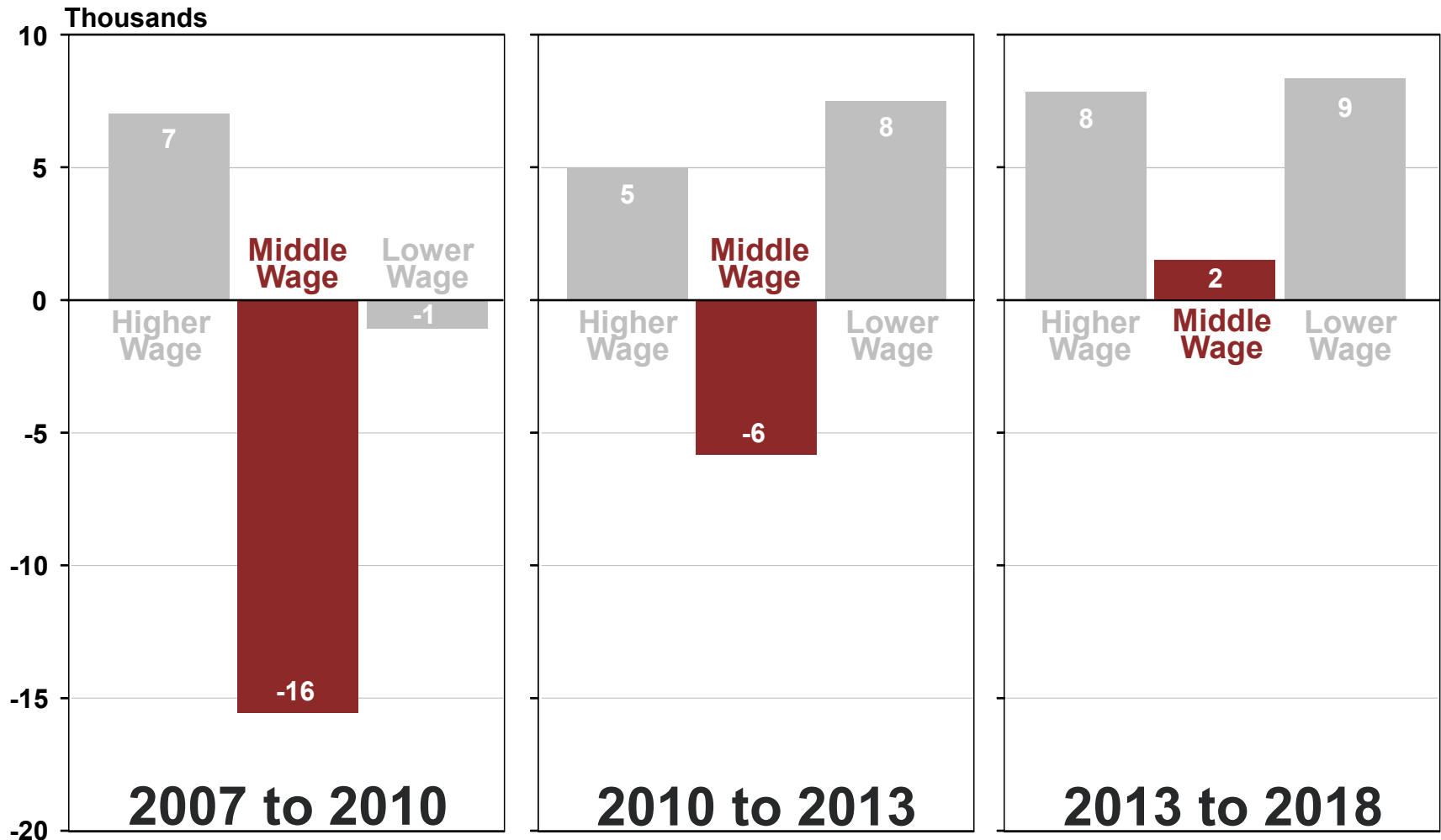
Job Gains and Losses in the United States

Net Change in Total Employment, Thousands



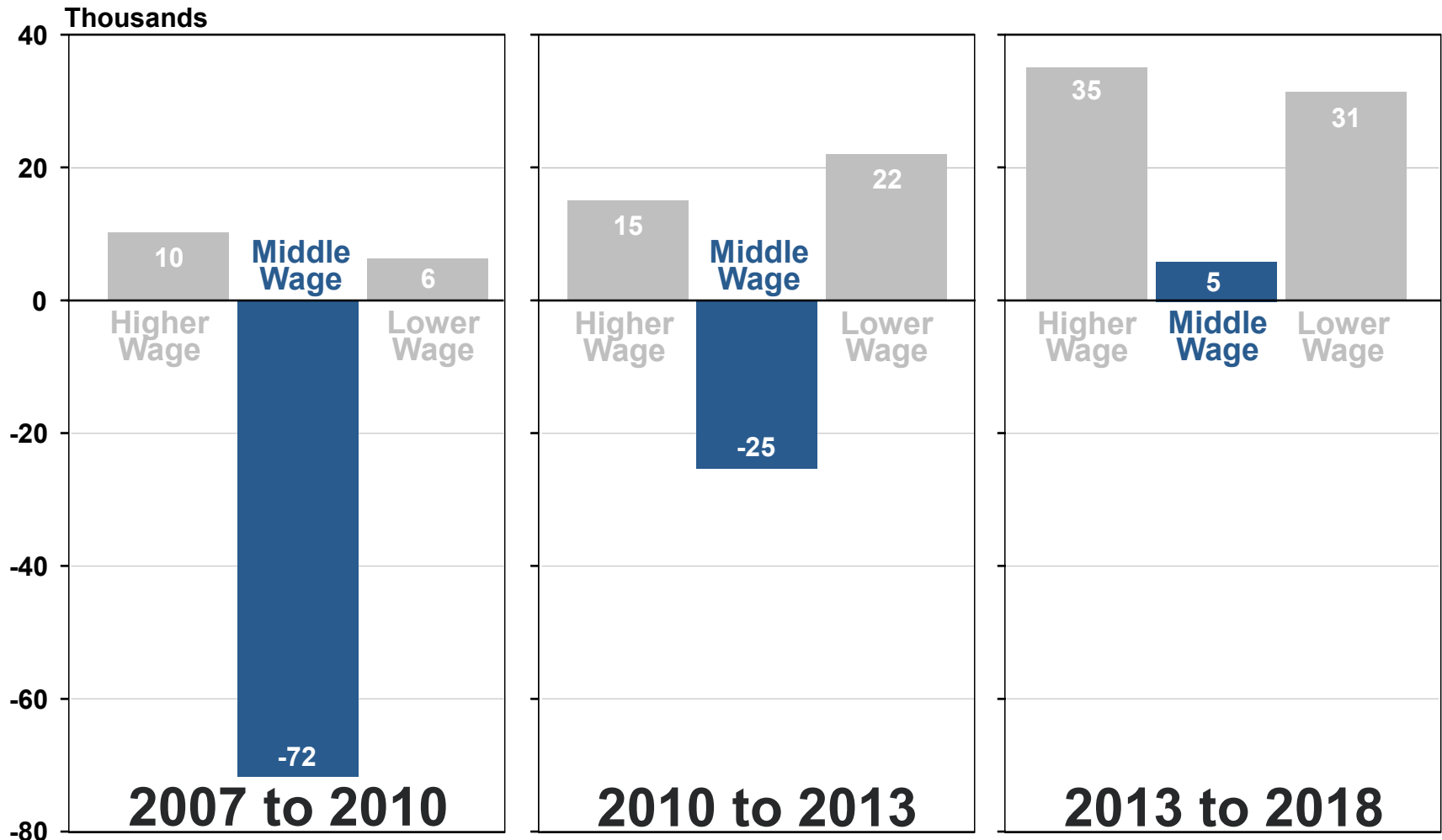
Job Gains and Losses in Buffalo NY

Net Change in Total Employment, Thousands



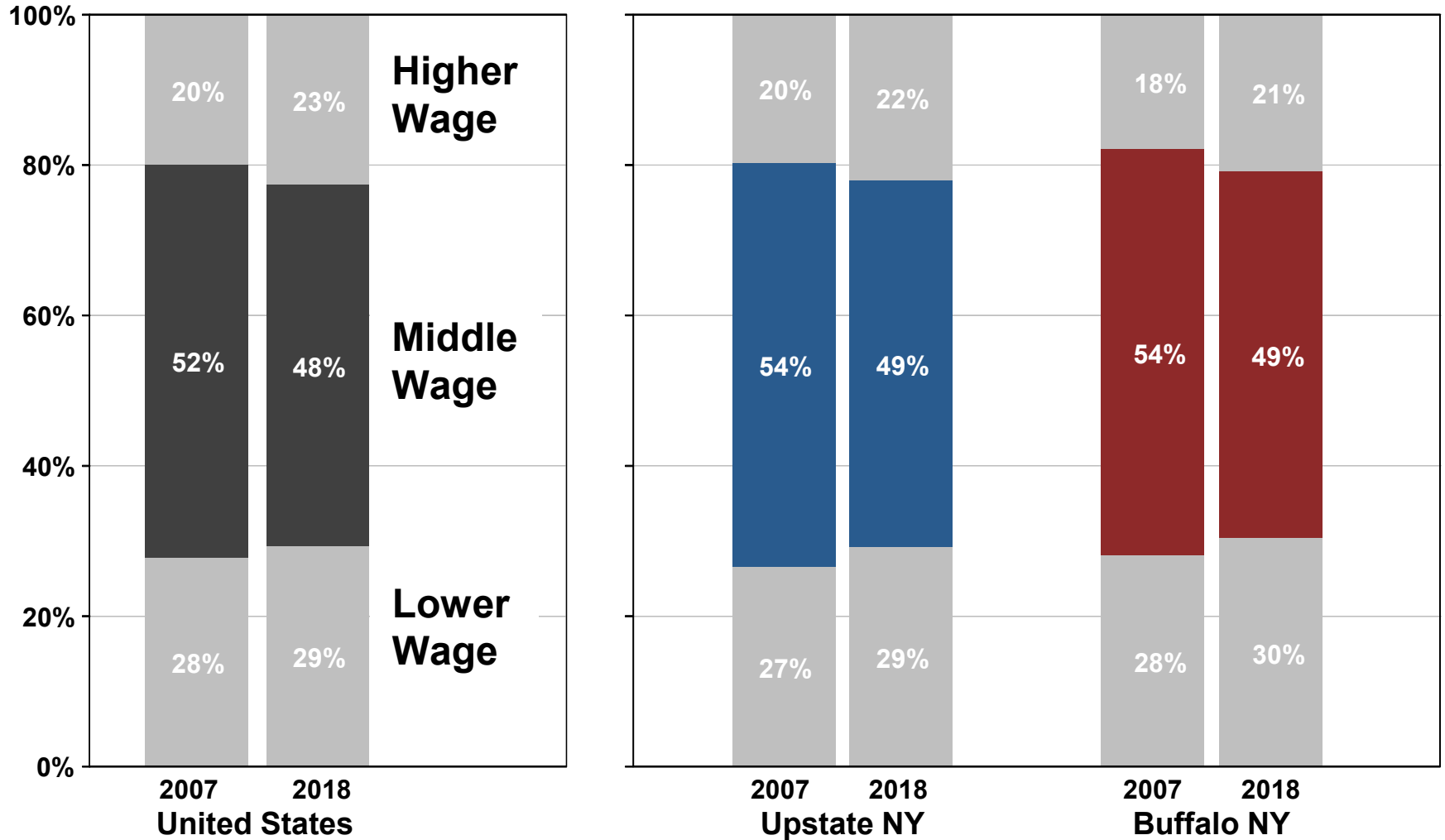
Job Gains and Losses in Upstate NY

Net Change in Total Employment, Thousands



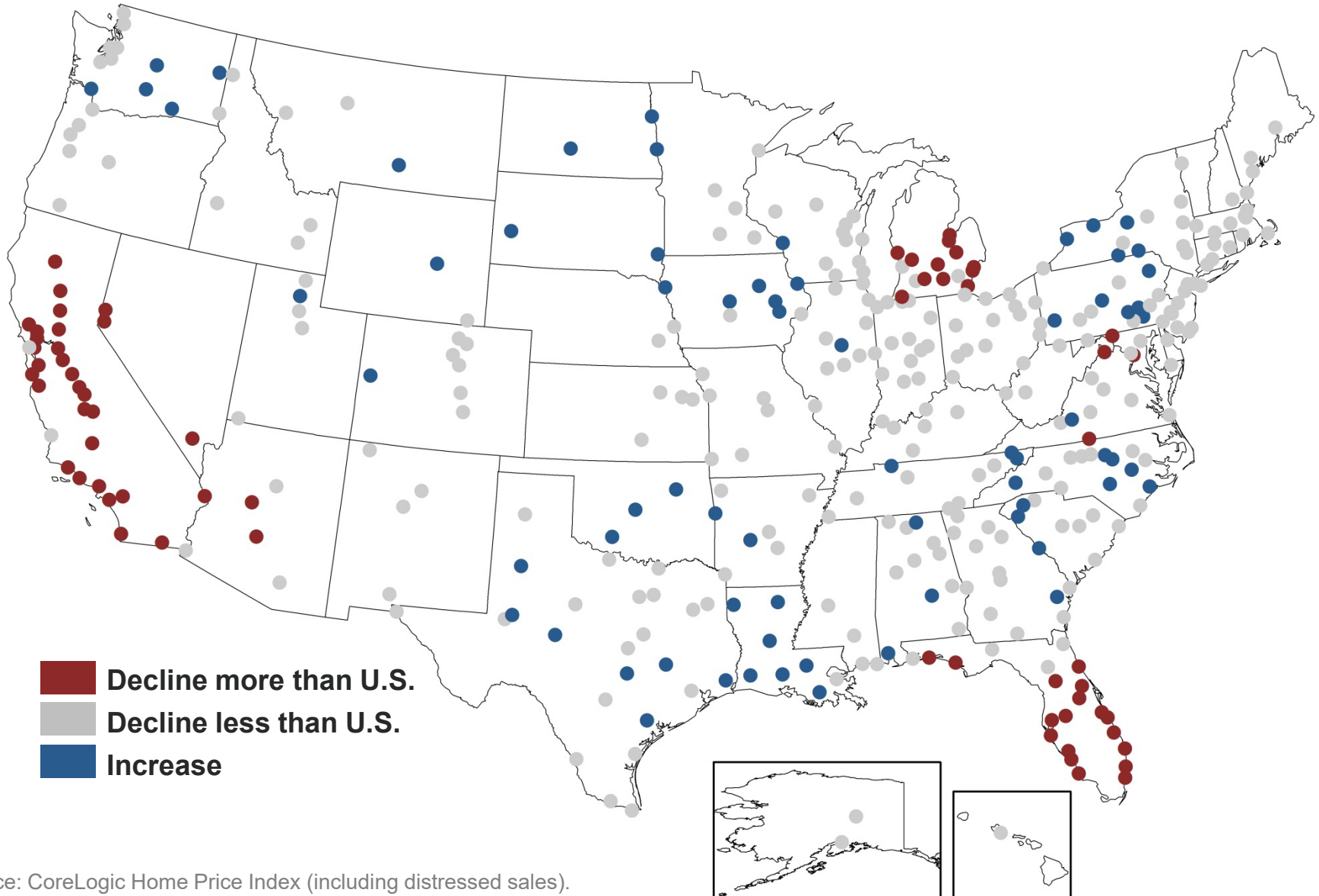
A Shrinking Middle

Share of Jobs, 2007 and 2018



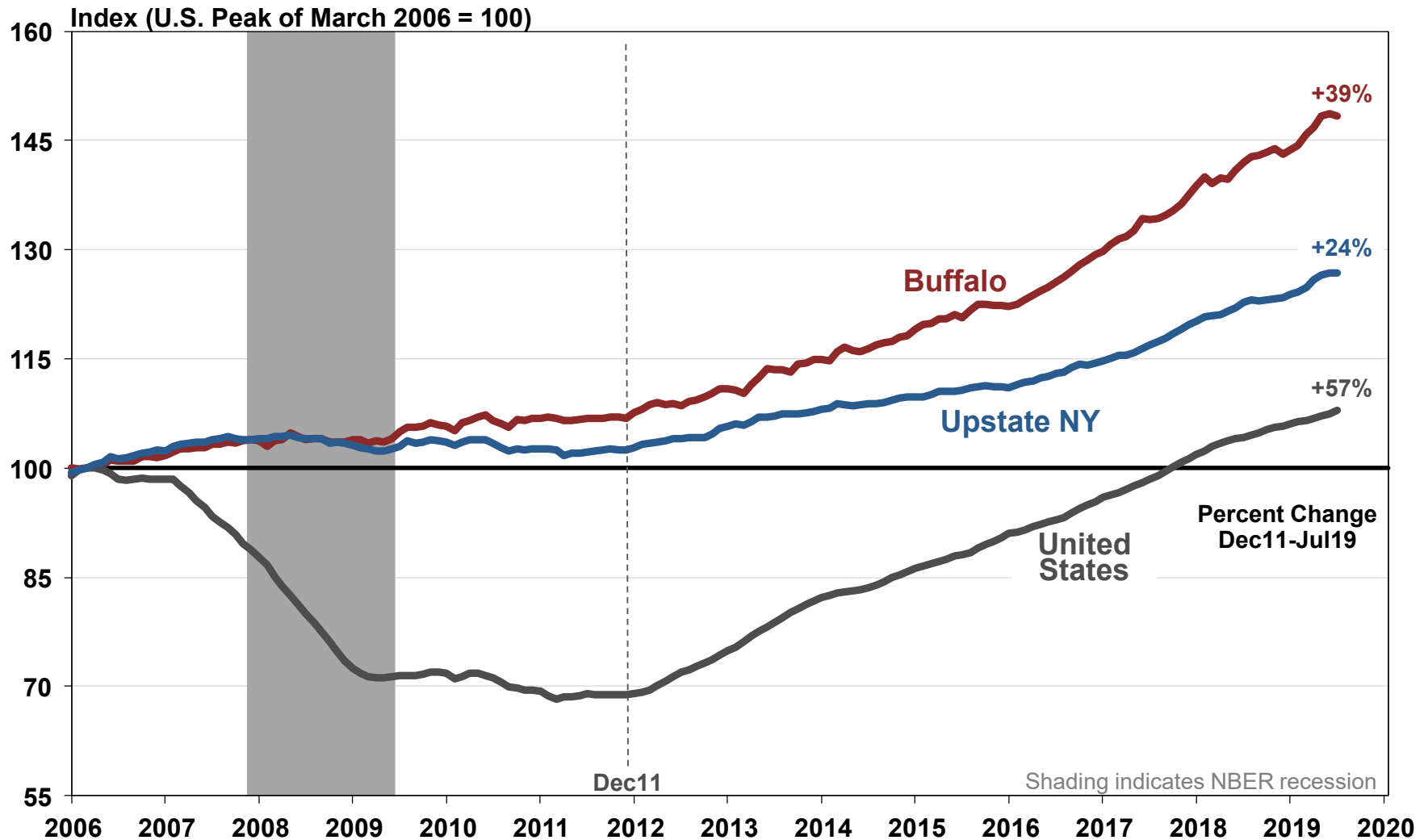
The Geography of the Housing Bust

Percent Change in Home Price, March 2006 – April 2009



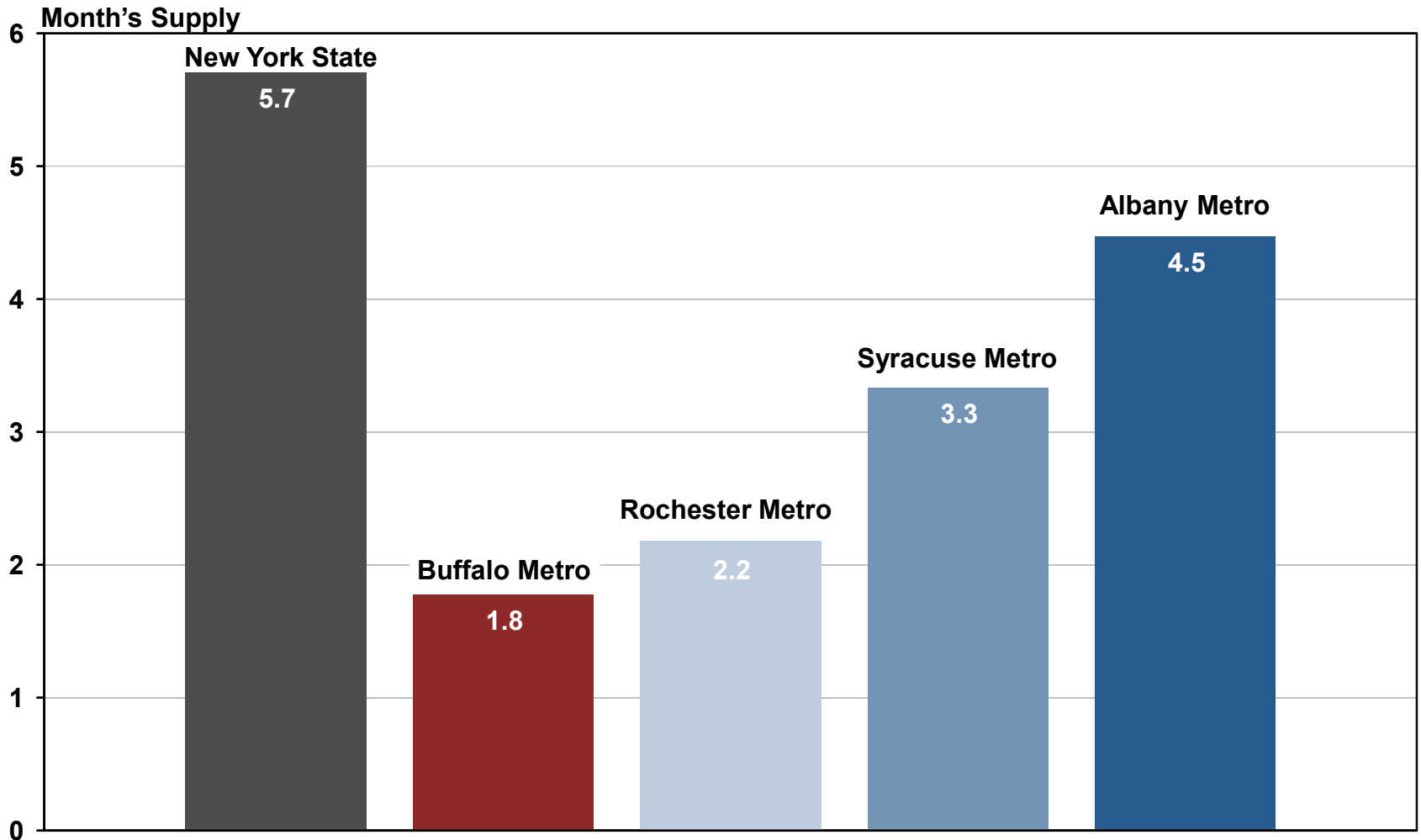
Regional Home Price Trends

CoreLogic Single-Family Home Price Index, Seasonally Adjusted



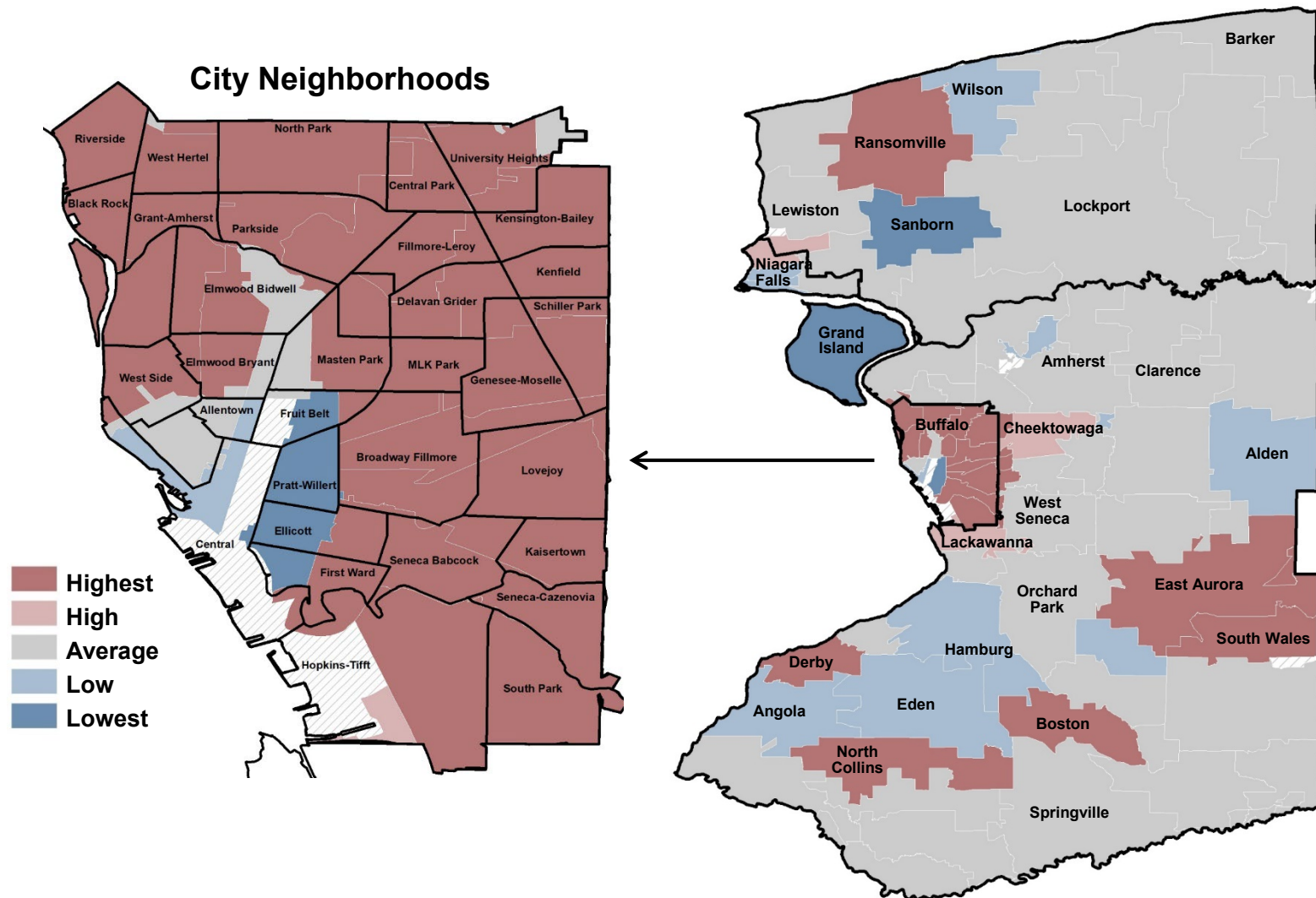
Low Inventory in the Region

Month's Supply, Q1-2019



Home Price Increases in the Buffalo Metro

Percent Change in Median Home Price, 2011 to 2019





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