



FEDERAL RESERVE BANK *of* NEW YORK

Economic Conditions in the Region

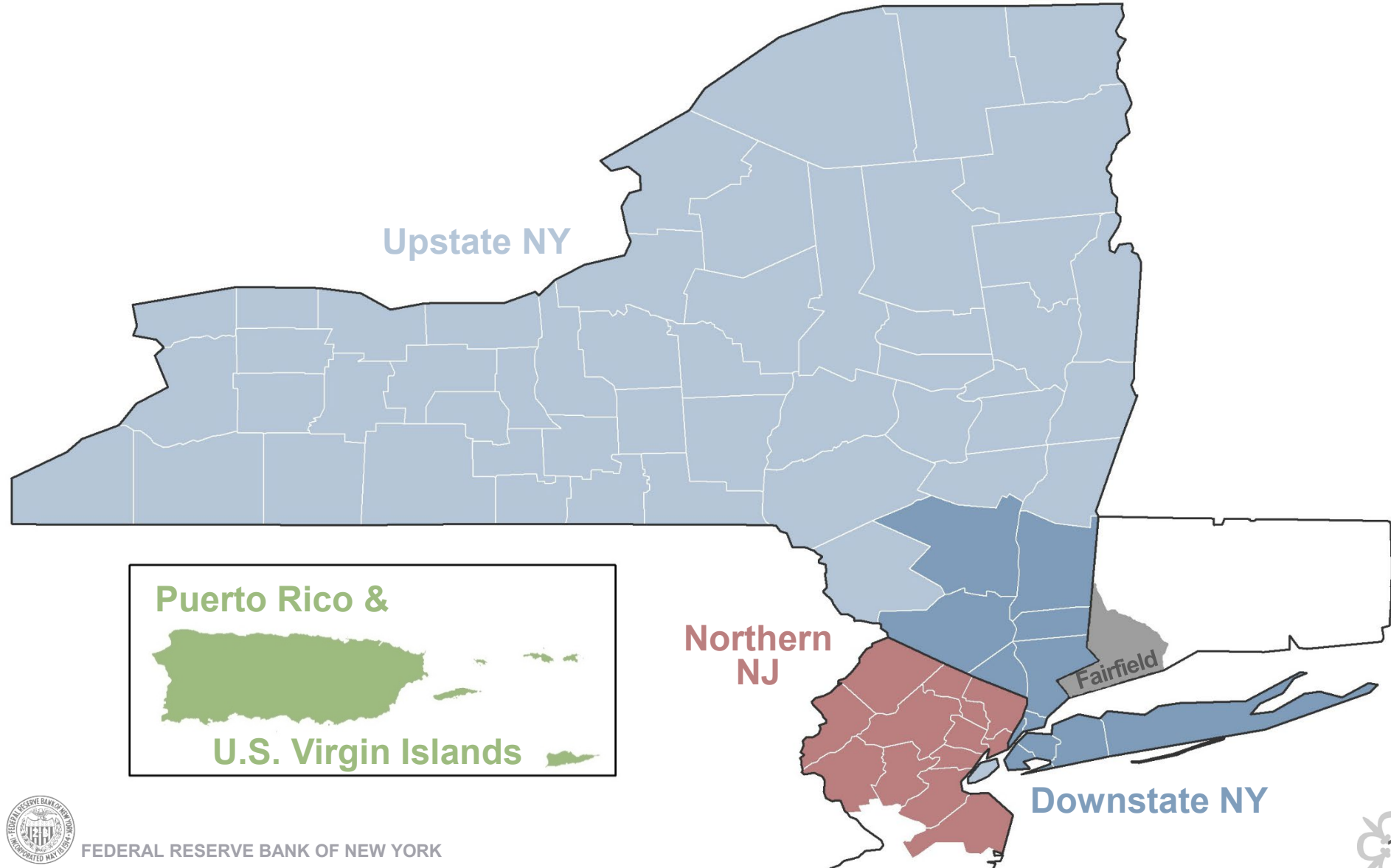
Jaison R. Abel

New York Fed Community Bankers Conference – November 5, 2021

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

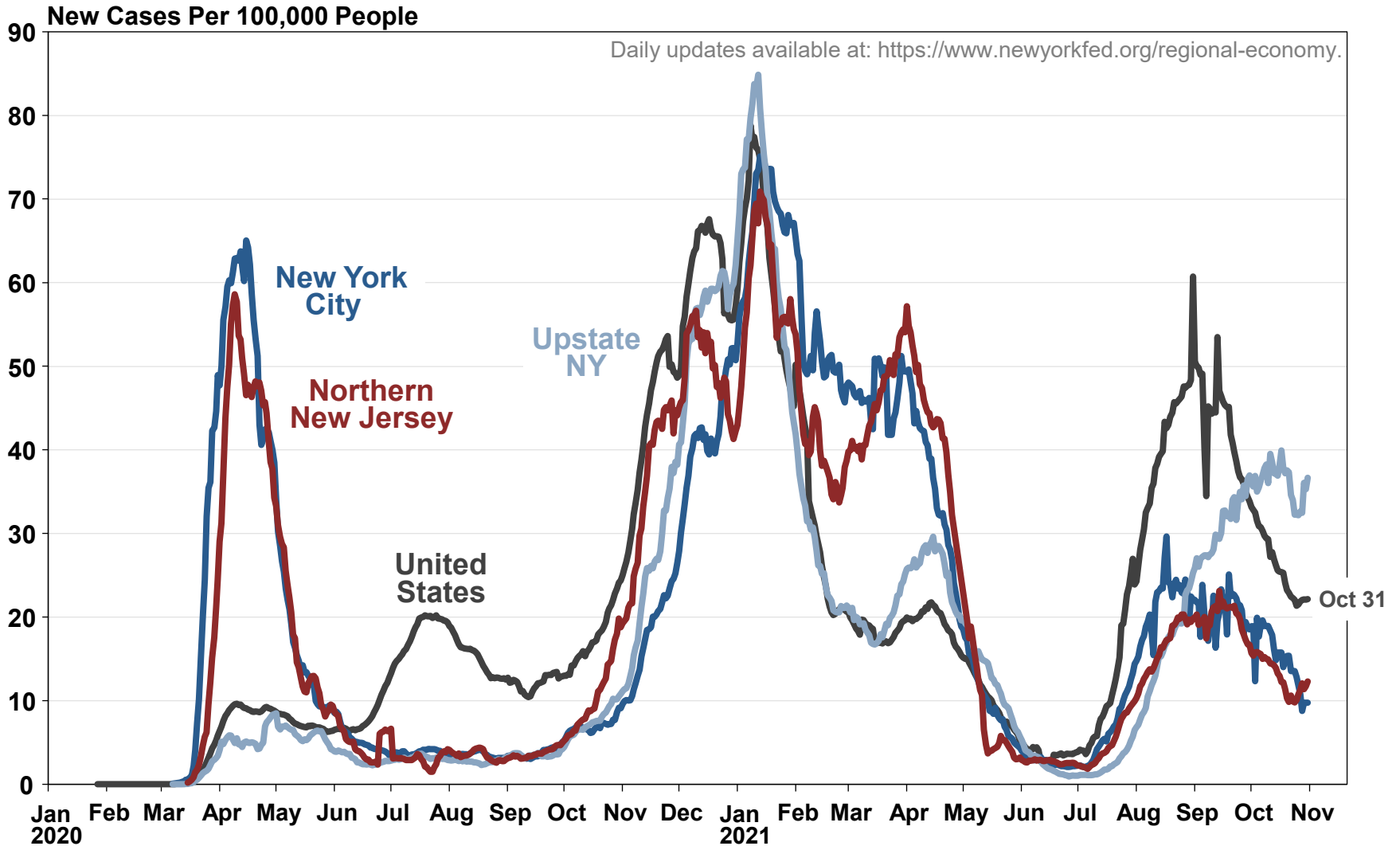


Overview of Regional Conditions

- Growth in the regional economy is being restrained by three key factors: ongoing spread of the coronavirus, severe supply disruptions, and significant worker shortages.
- While the Tri-State region has continued to steadily add jobs through the recovery, employment remains well below pre-pandemic levels, particularly in New York City.
- Inflation has picked up through the year, with businesses in the region reporting widespread pricing pressures.
- Home prices have increased sharply through the pandemic, while rents in New York City have rebounded but have not yet returned to pre-pandemic levels.

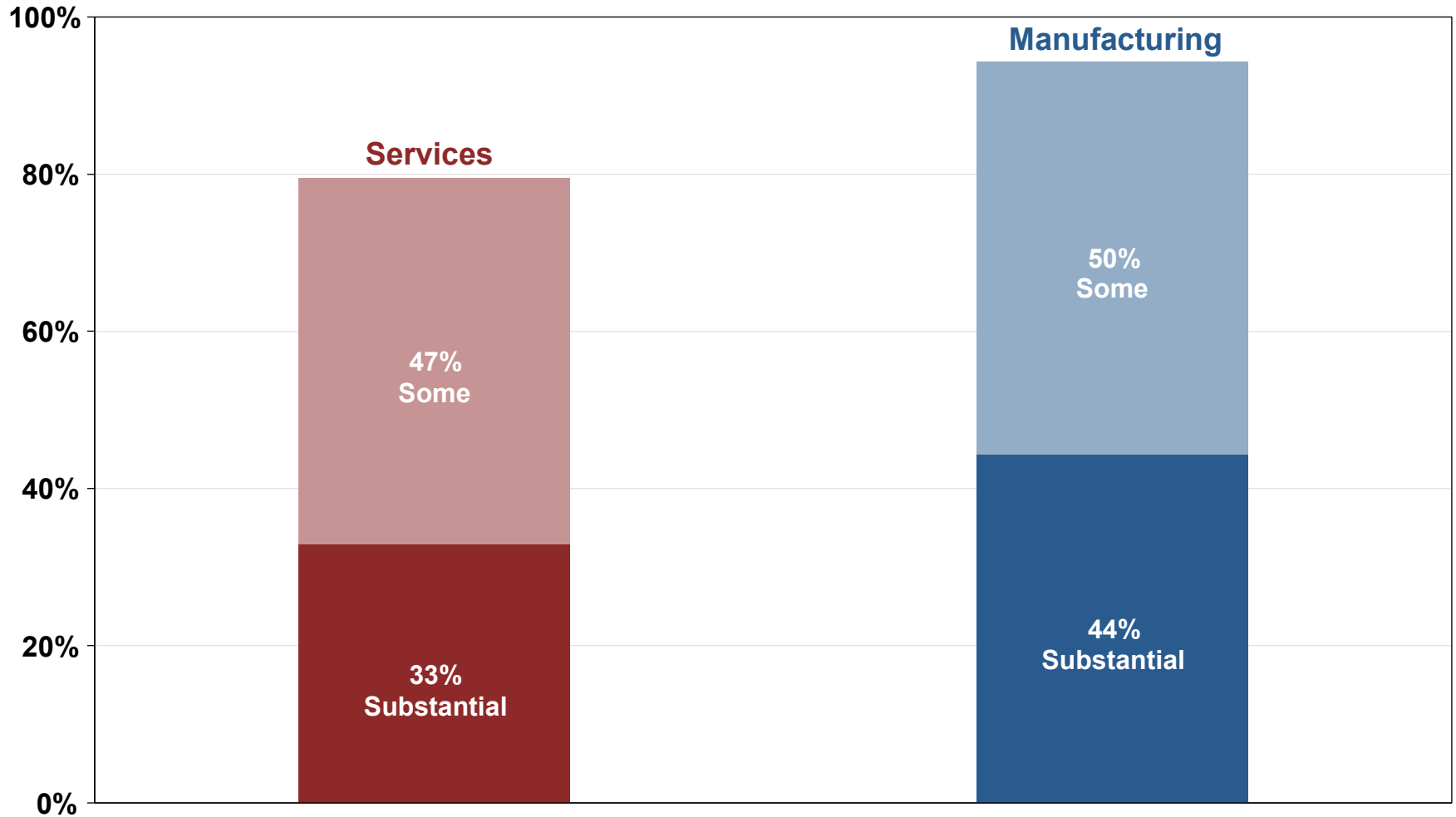
Coronavirus Spread in the Region

Daily New Cases Per Capita, 7-Day Average



Severe Supply Chain Disruptions

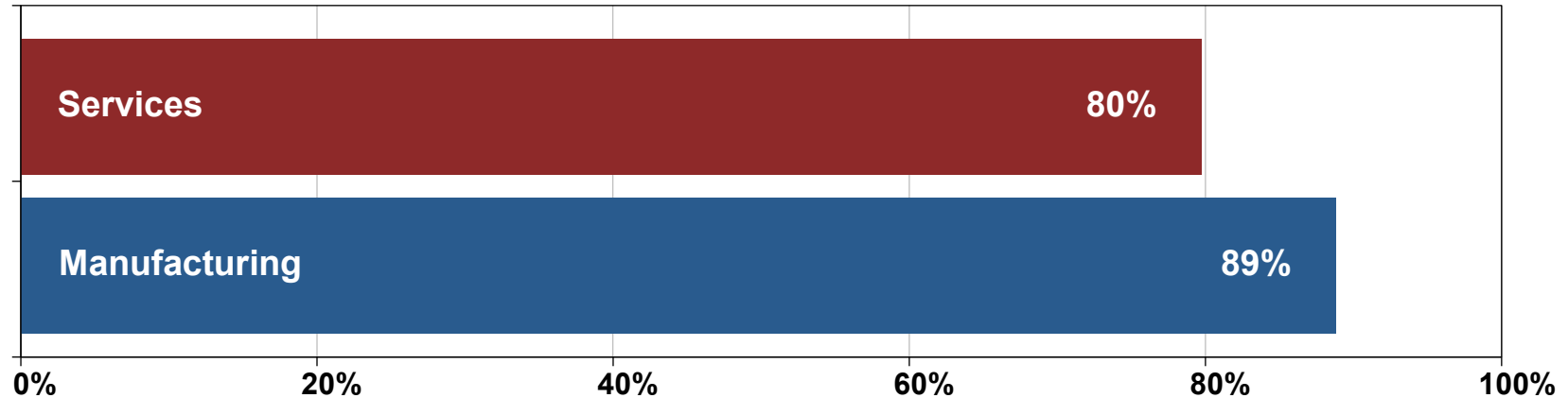
New York Fed Supplemental Surveys



Significant Worker Shortages

New York Fed Supplemental Surveys

Share of Respondents with Job Openings Reporting Difficulty Hiring



Most Widely Cited Reasons:

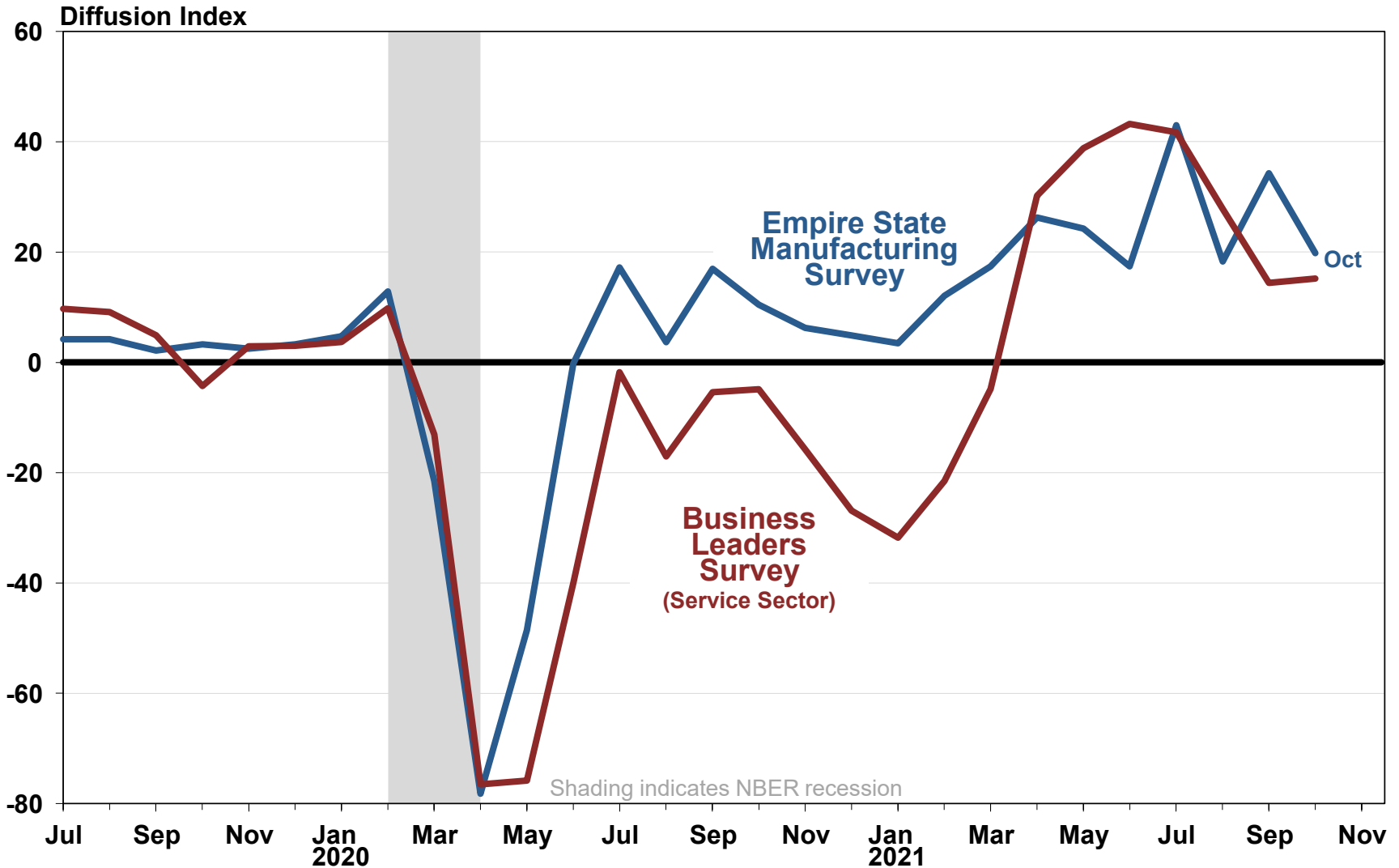
- Lack of qualified candidates
- Compensation

Other Reported Factors:

- Covid-related health concerns
- Enhanced unemployment insurance benefits
- Preference for remote work arrangements
- Drug tests

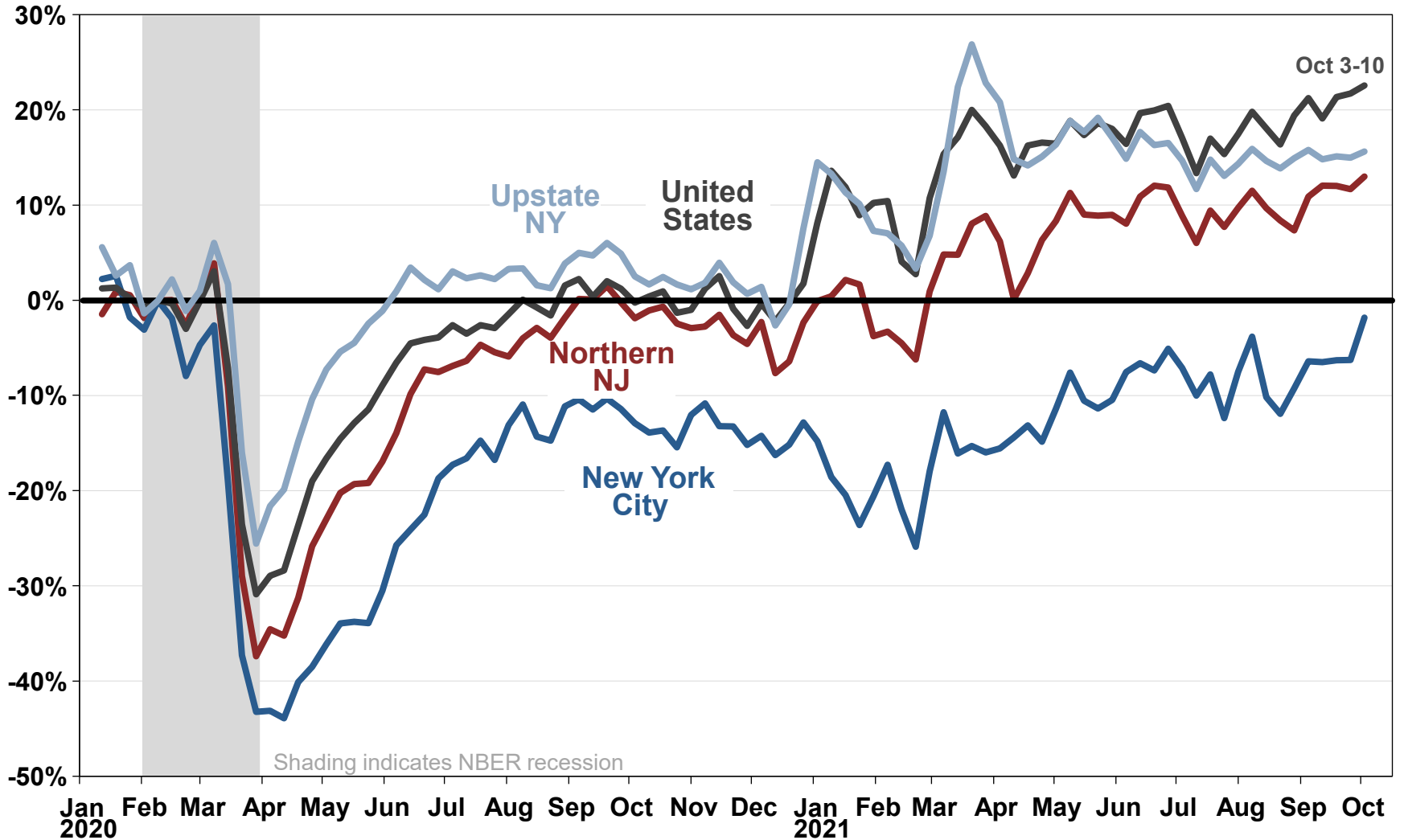
Regional Growth Has Slowed

New York Fed Regional Business Surveys, Current Conditions



Strong Consumer Spending Outside of NYC

Percent Change in Debit & Credit Card Spending Since Feb 2020

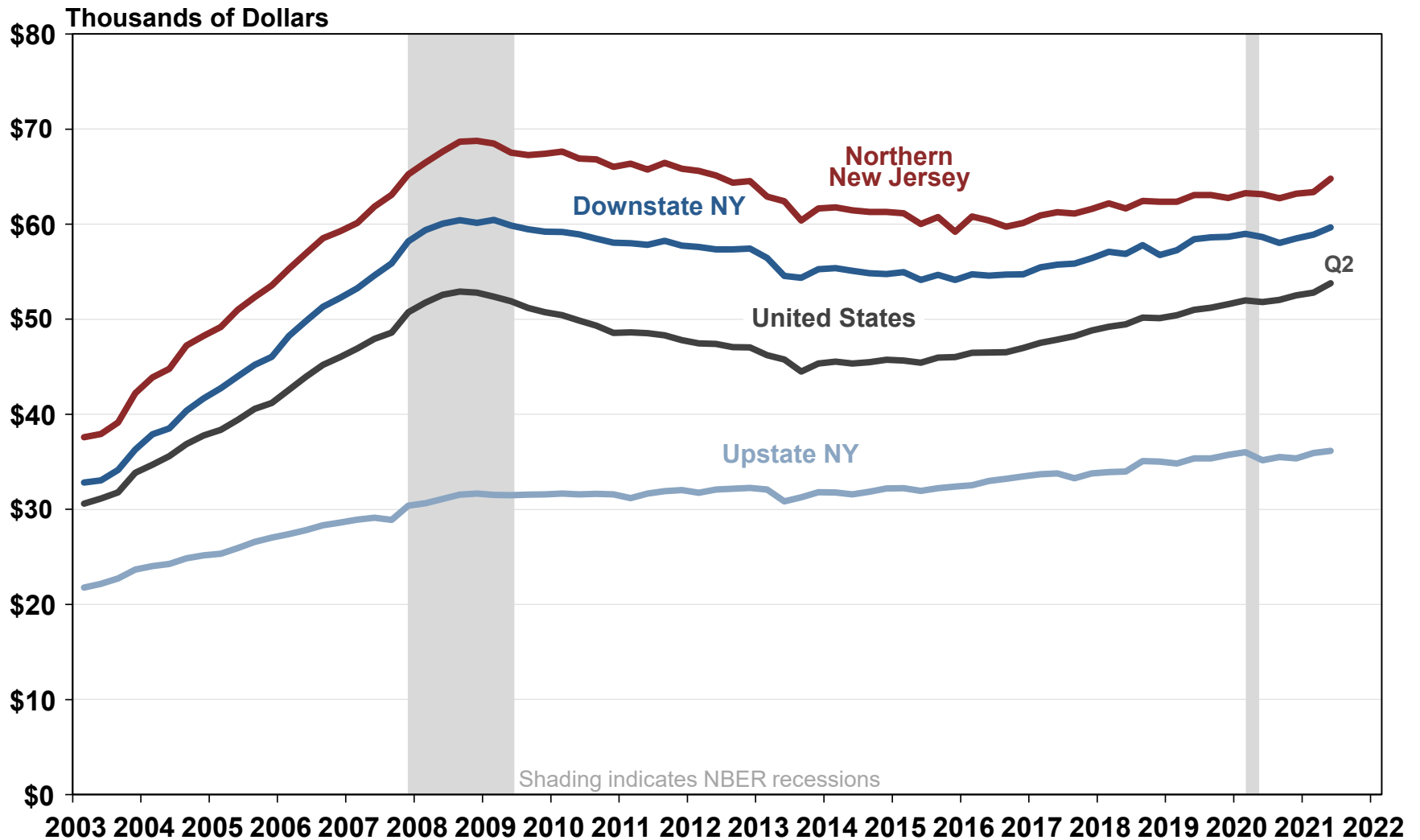


Shading indicates NBER recession

Oct 3-10

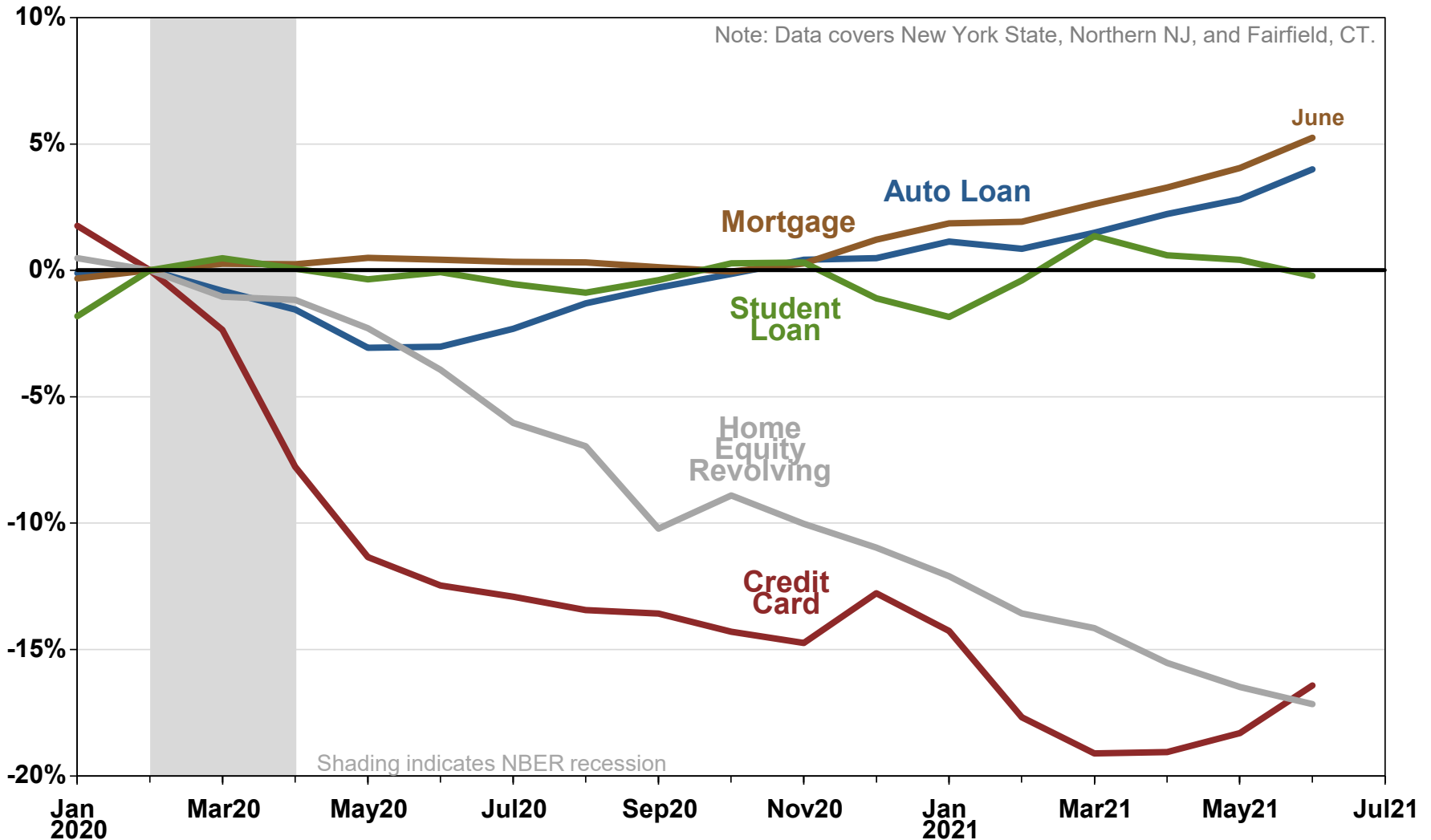
After Brief Dip, Household Debt Continues to Rise

Total Debt Per Capita



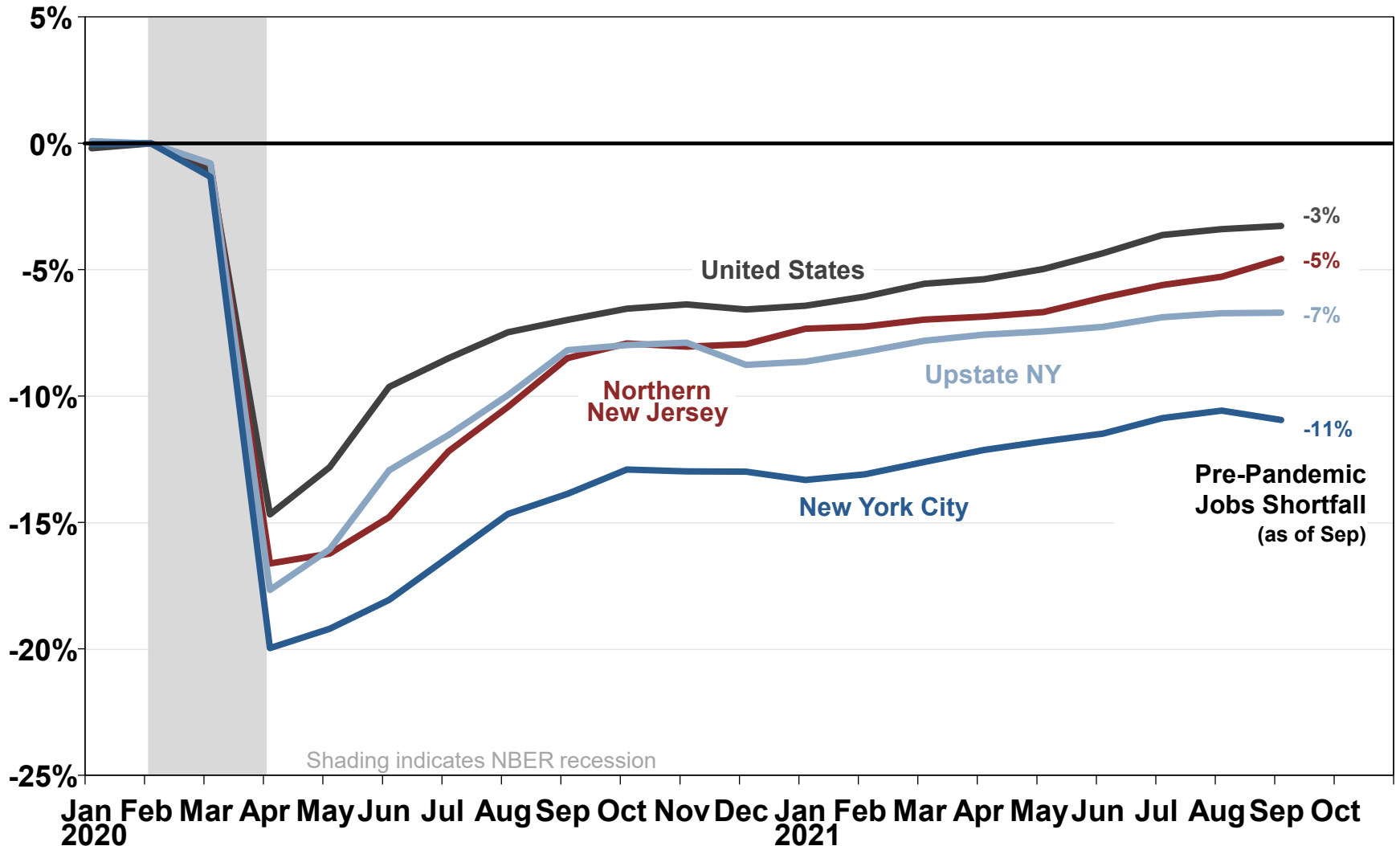
Driven by Auto Loans and Home Mortgages

Percent Change by Debt Type Since Feb 2020



Employment Still Below Pre-Pandemic Levels

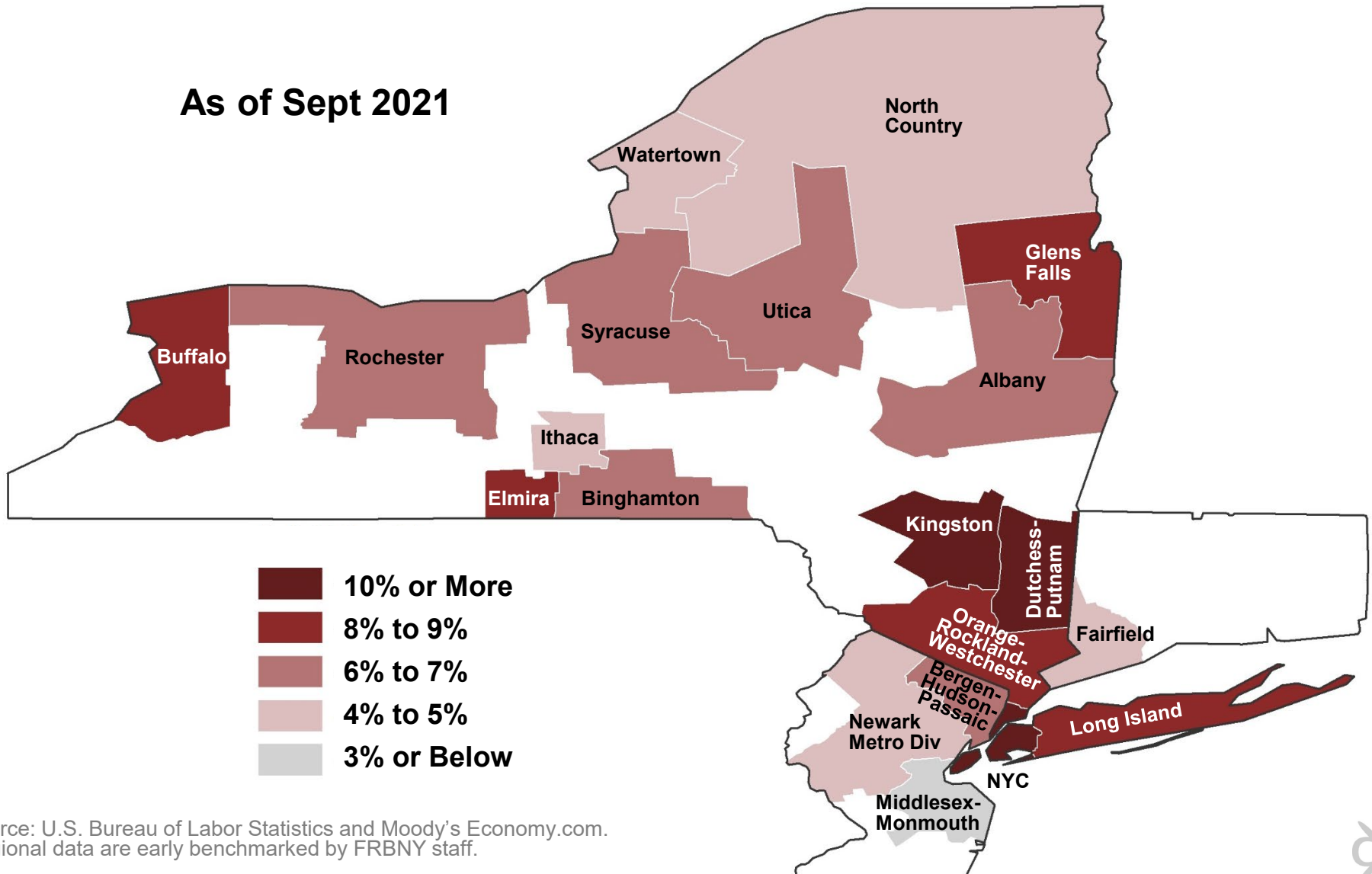
Percent Change in Total Employment Since Feb 2020



Job Shortfalls in the Tri-State Region

Percent Change in Total Employment Since Feb 2020

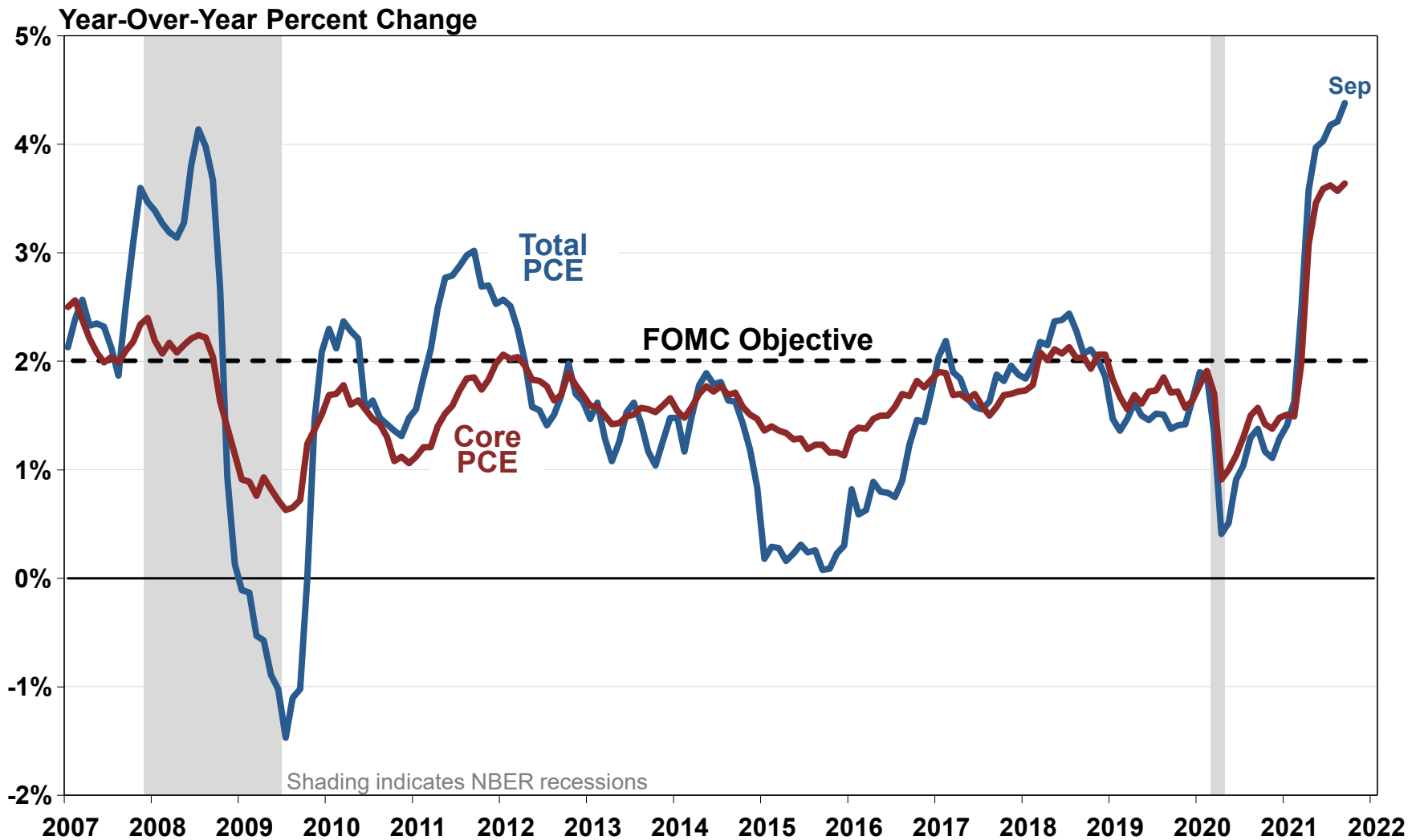
As of Sept 2021



Source: U.S. Bureau of Labor Statistics and Moody's Economy.com.
Regional data are early benchmarked by FRBNY staff.

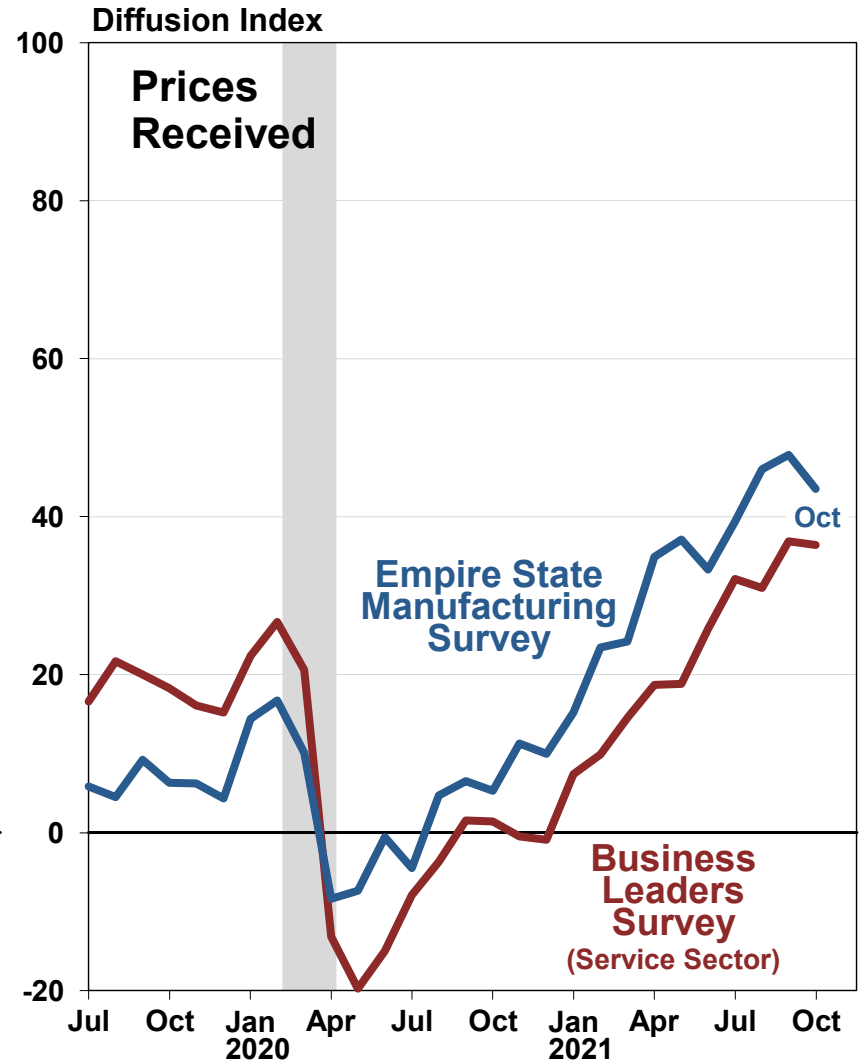
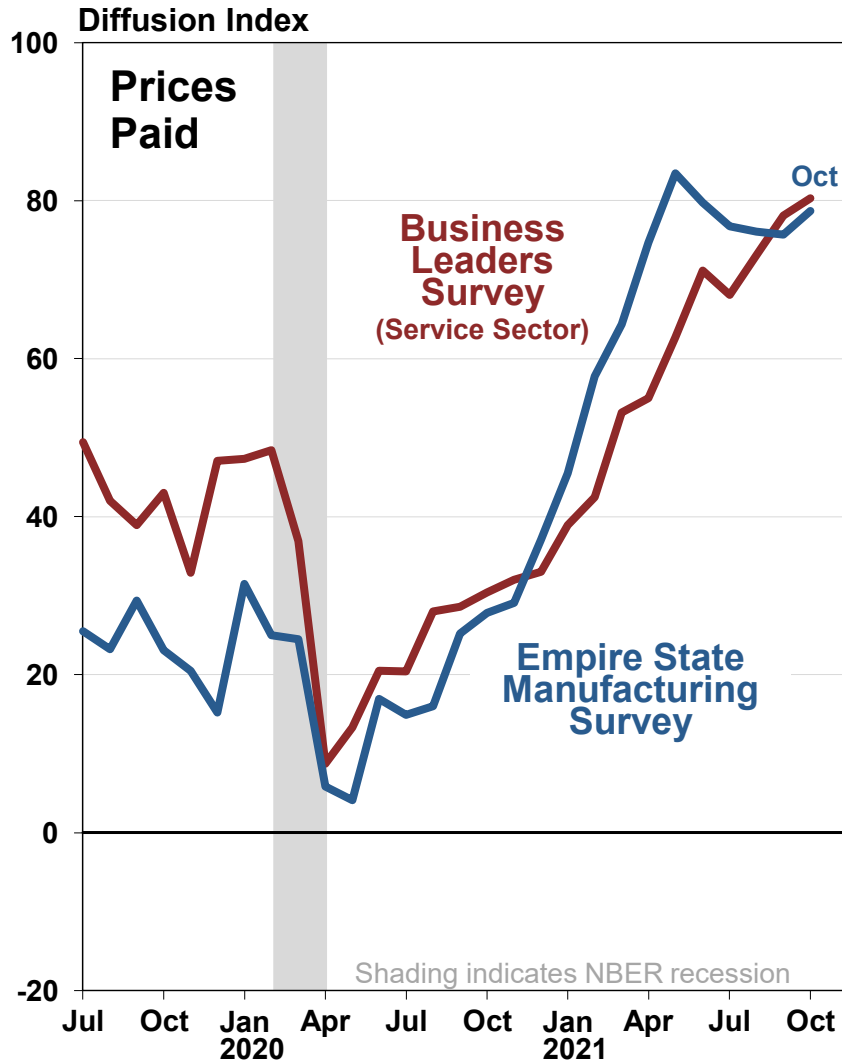
Inflation Has Picked Up

Annual Percent Change in PCE Price Indexes



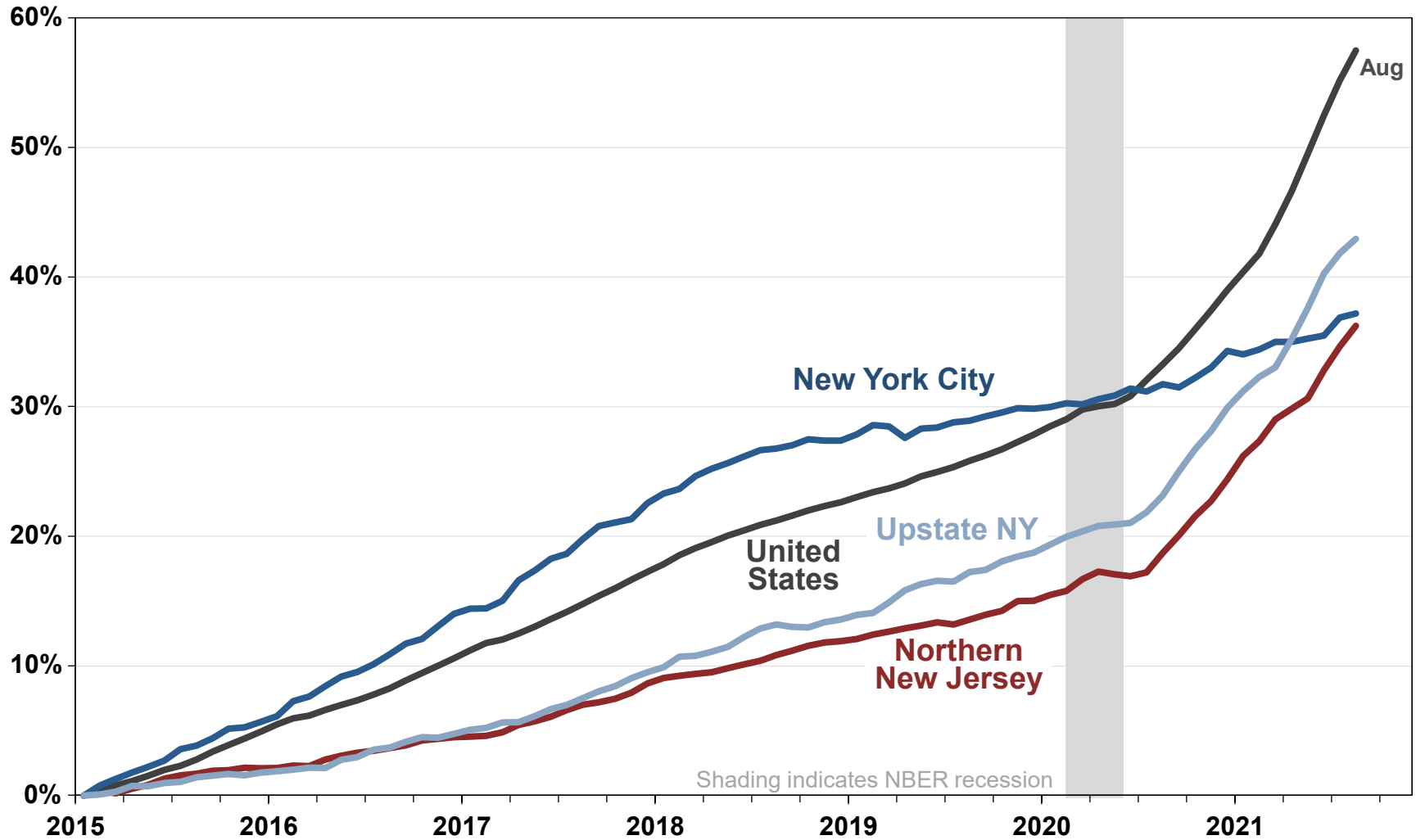
Widespread Pricing Pressures in the Region

New York Fed Regional Business Surveys



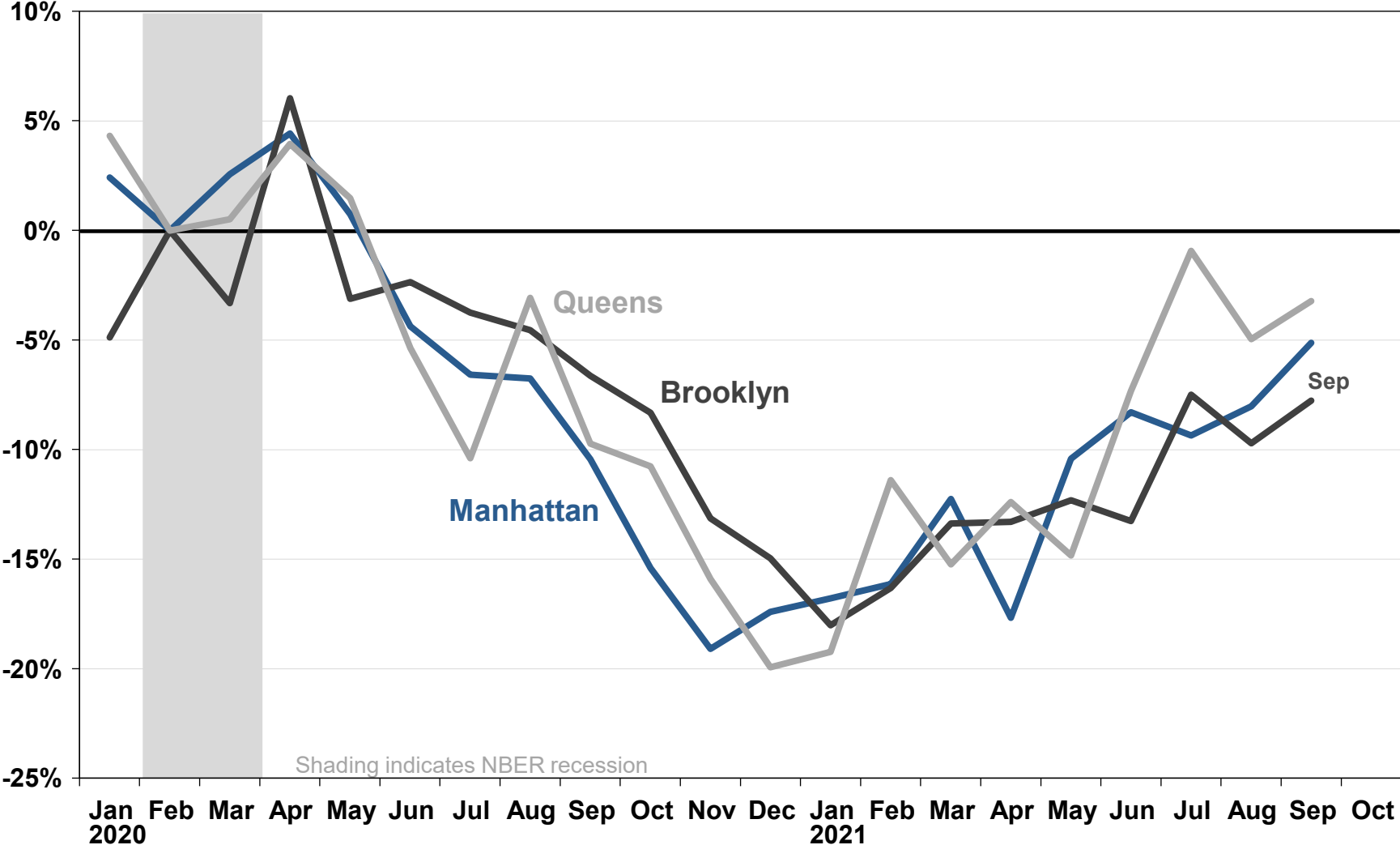
Sharp Rise in Home Prices

Percent Change in Home Prices Since Jan 2015



NYC Rents Have Rebounded But Remain Soft

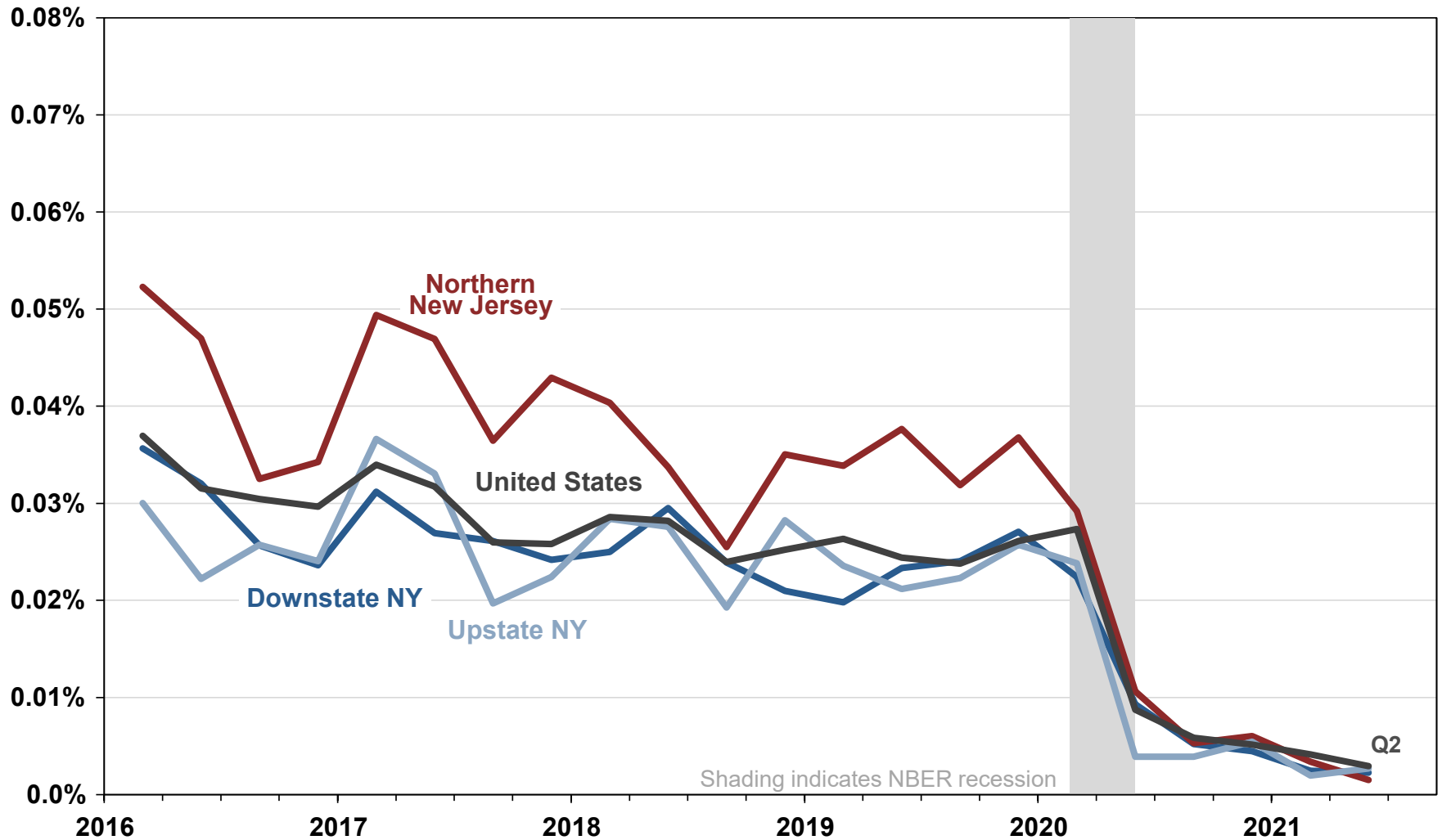
Percent Change in Median Rent Since Feb 2020



Source: Miller Samuel Elliman Report; Median Rents with Concessions.

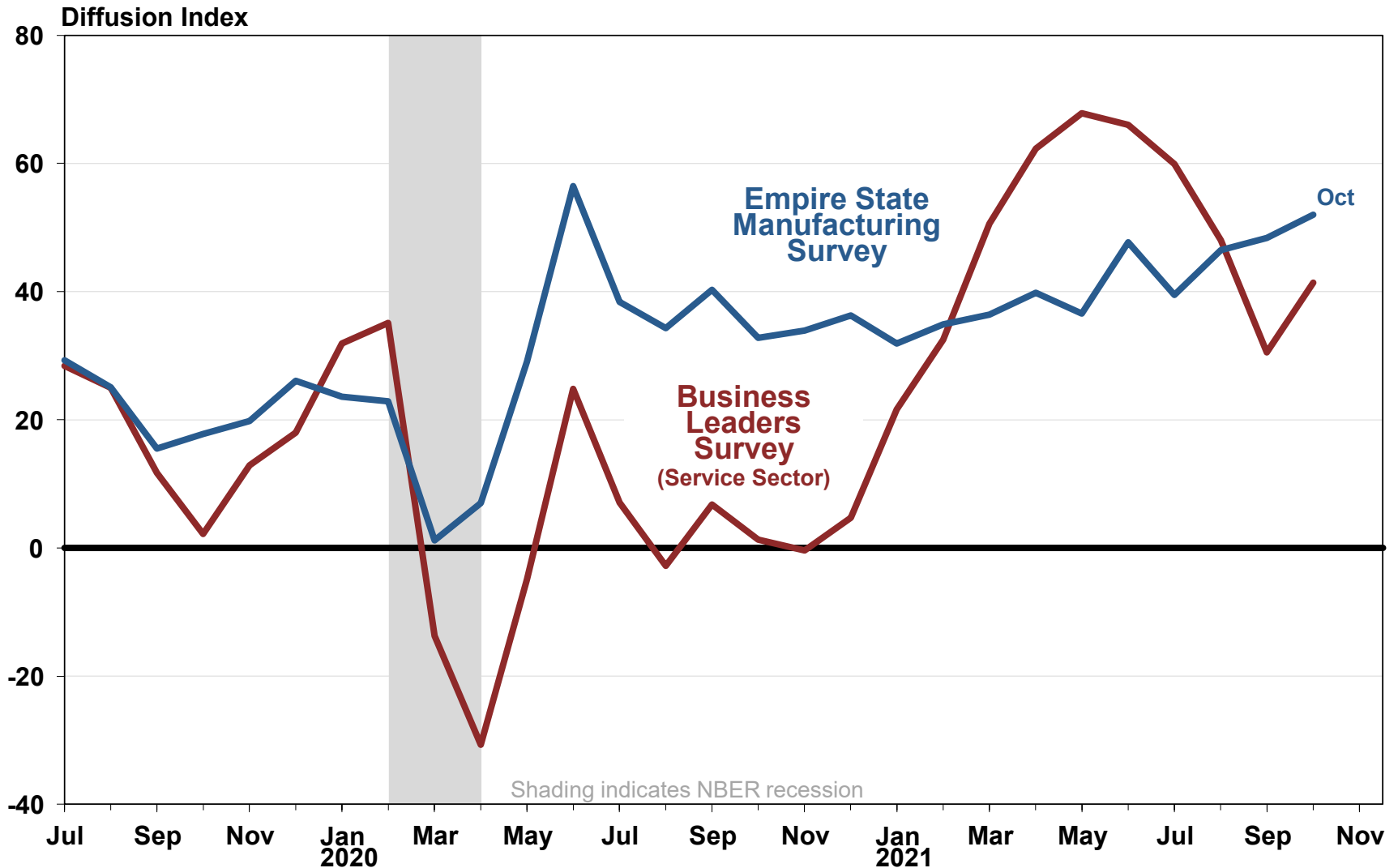
New Foreclosure Activity Limited by Moratorium

Share of Population with New Foreclosures



Businesses in the Region Remain Optimistic

New York Fed Regional Business Surveys, Future Conditions



Shading indicates NBER recession