



FEDERAL RESERVE BANK *of* NEW YORK

Overview of the Regional Economy

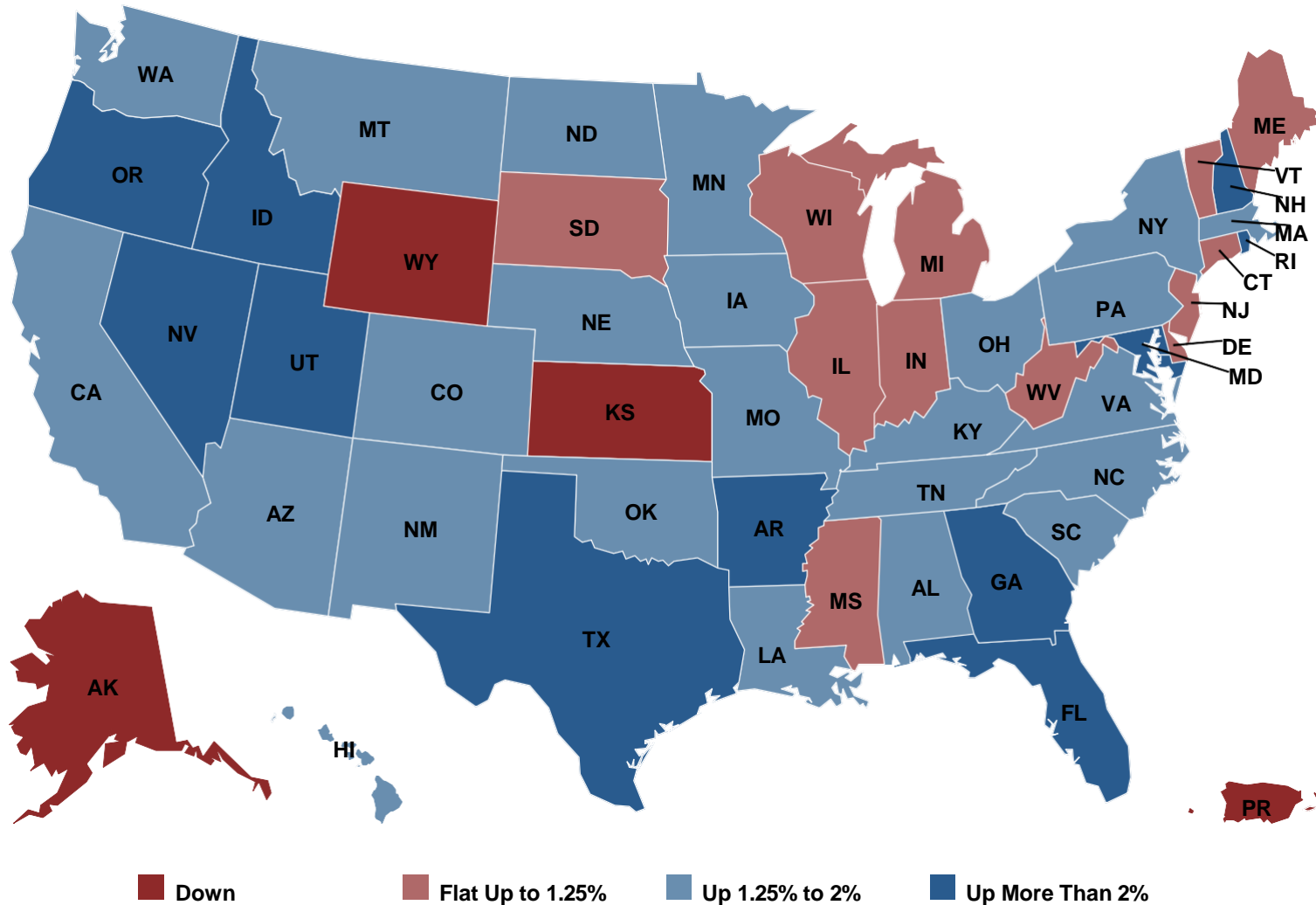
Jason Bram, Research Officer

Presentation to the Community Depository Institutions Advisory Council (CDIAC)
October 13, 2017

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.

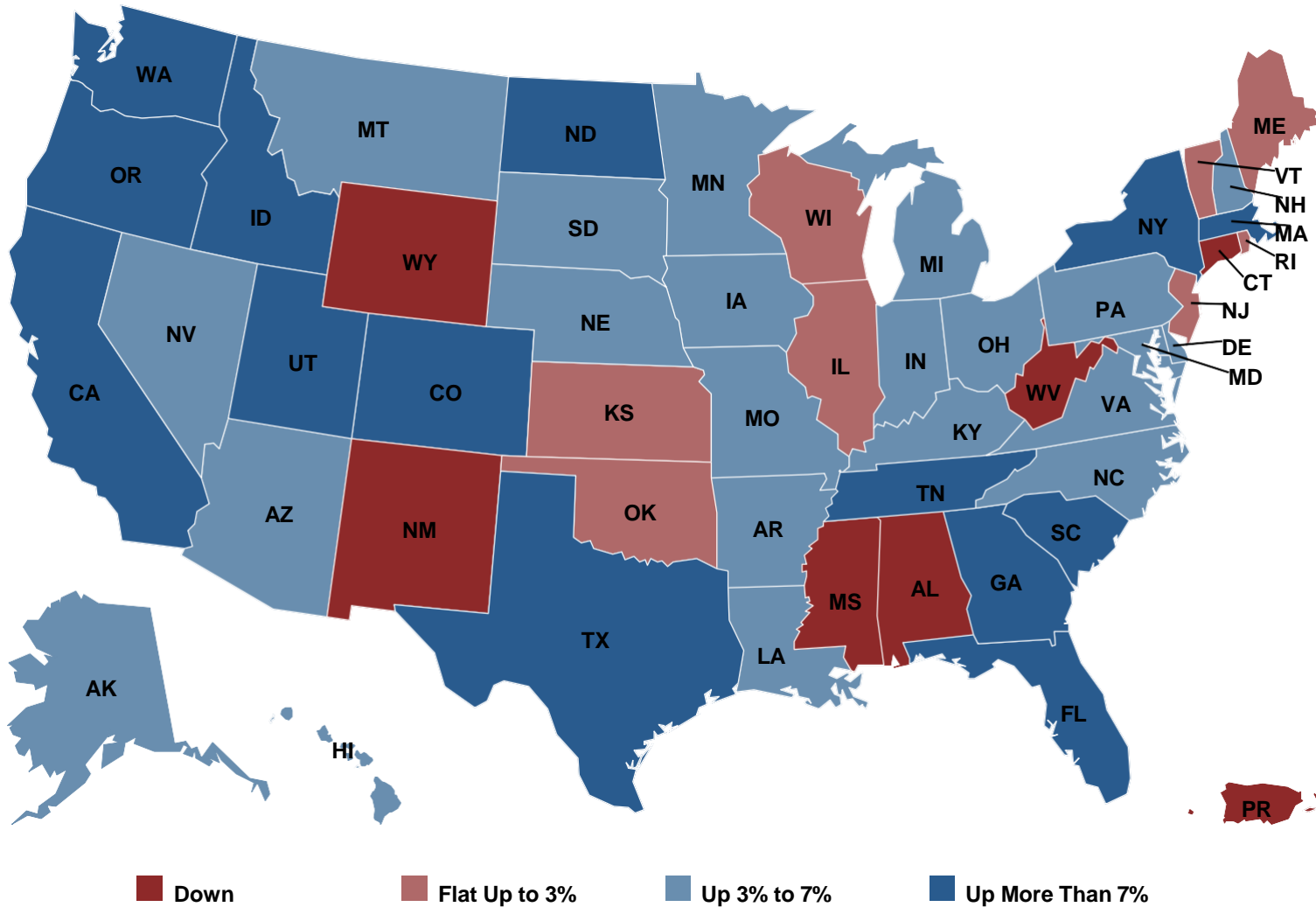
Recent Private-Sector Job Trends

Year-Over-Year Percent Change as of August 2017



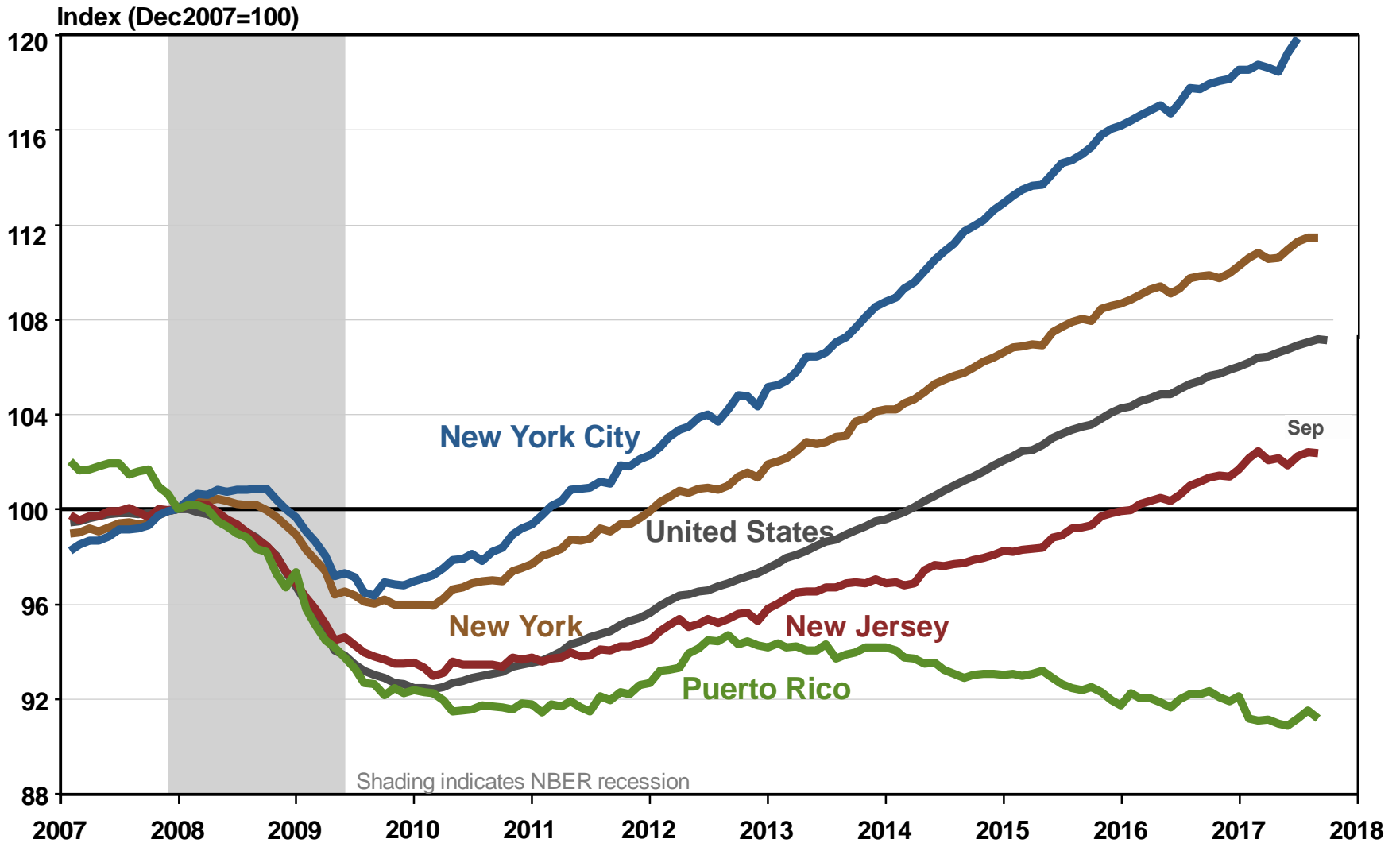
Private-Sector Job Trends

Percent Change From Previous Peak to August 2017



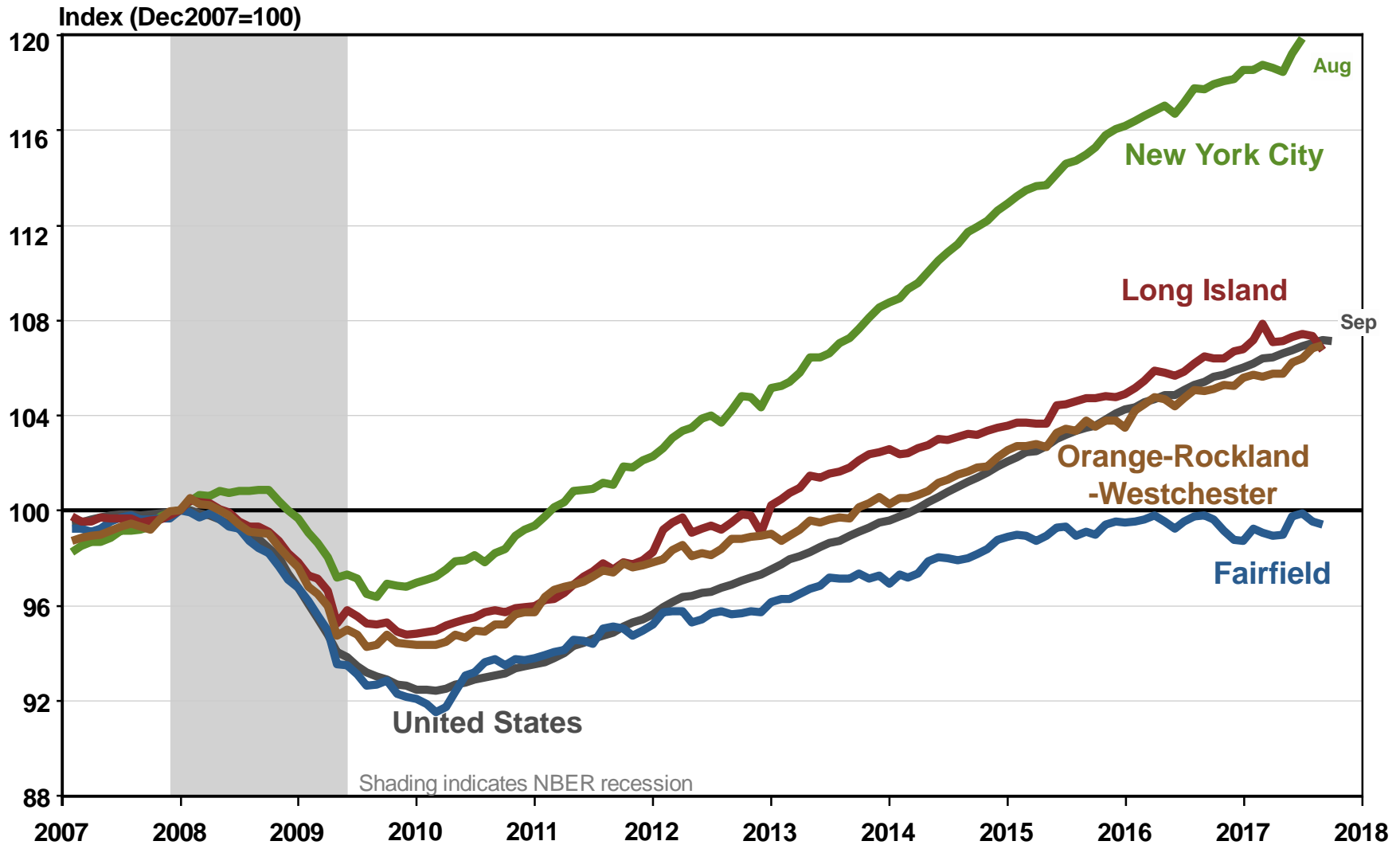
Private-Sector Employment

Seasonally Adjusted Index



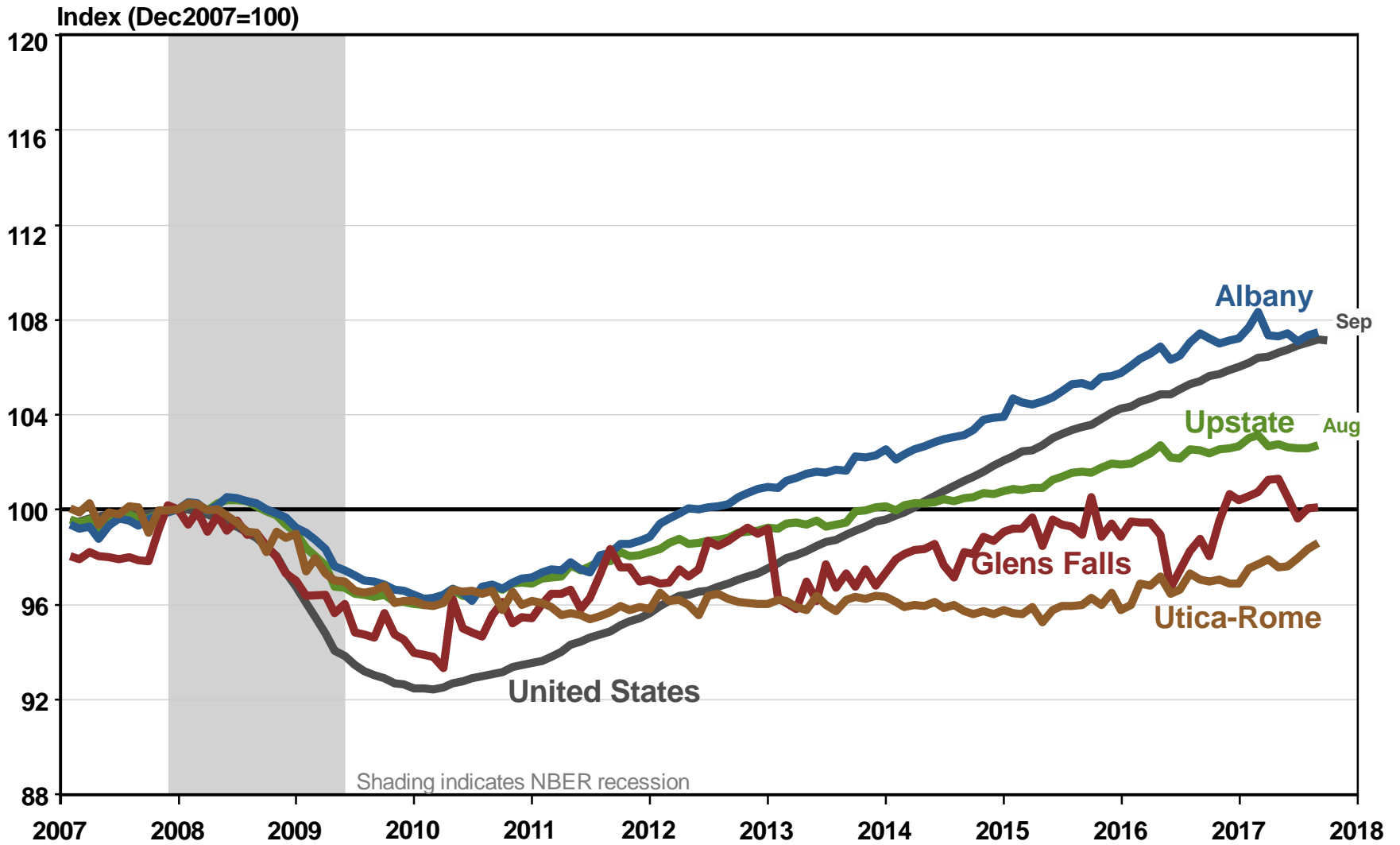
Private-Sector Employment

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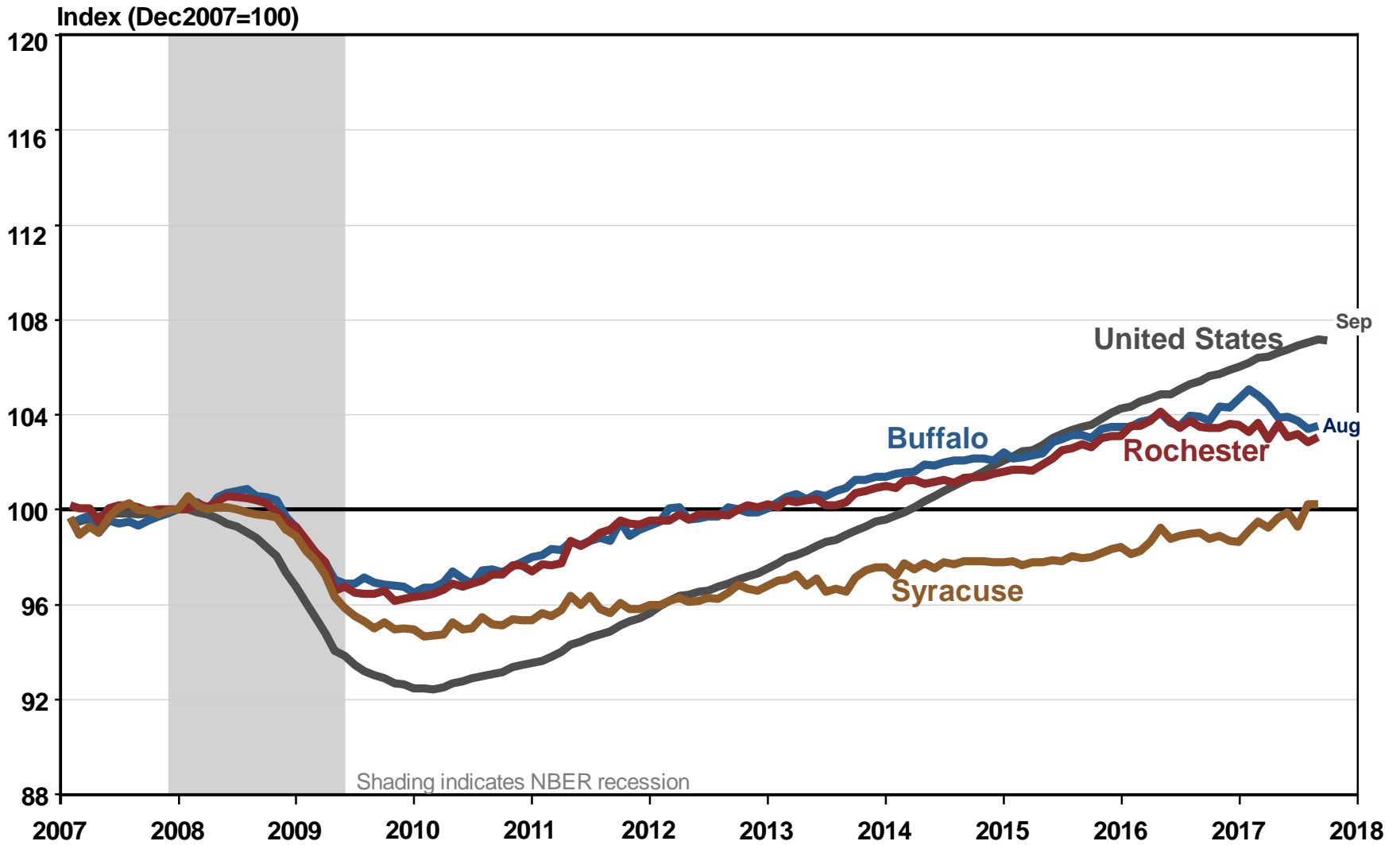
Private-Sector Employment

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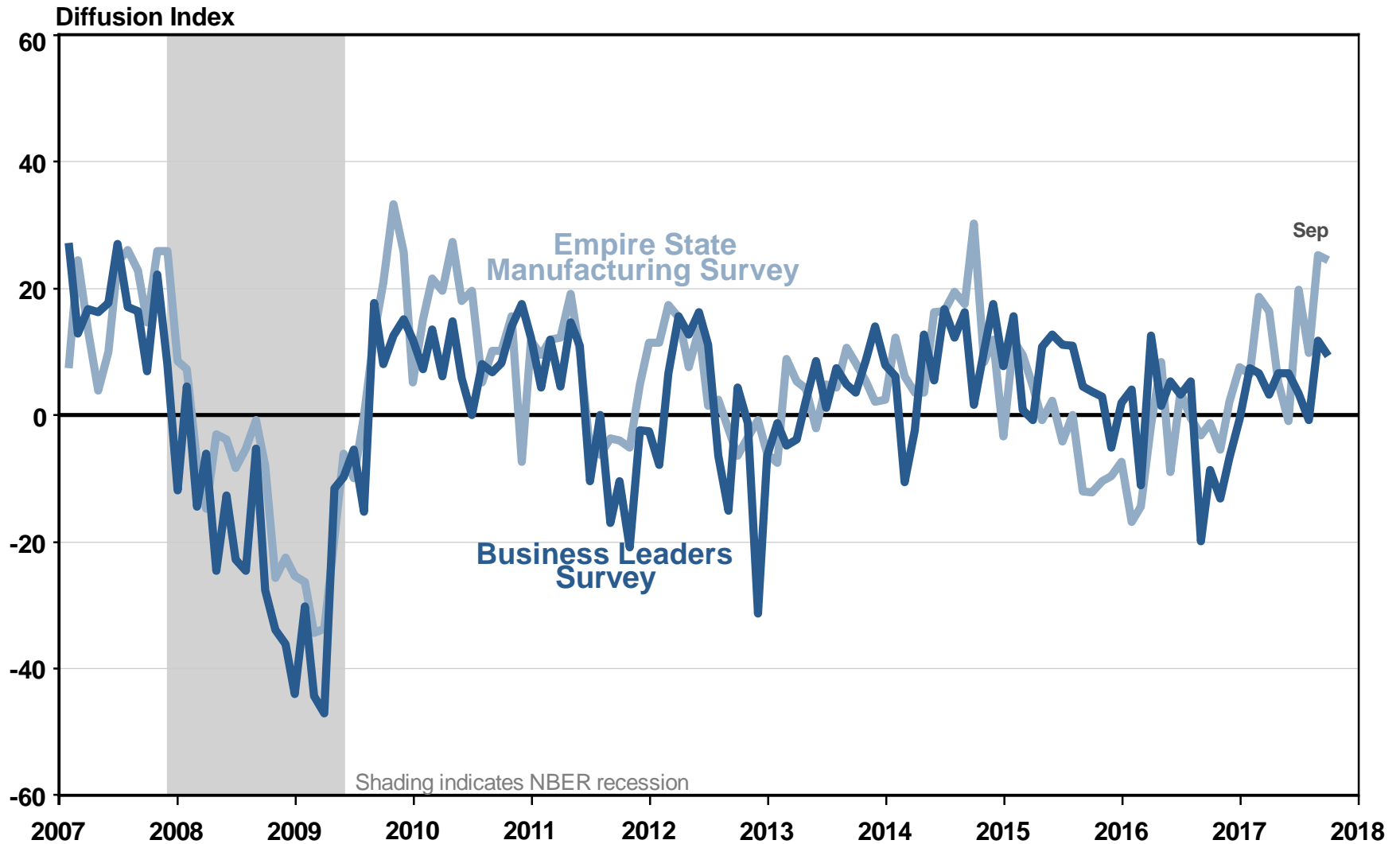
Private-Sector Employment

Seasonally Adjusted Index



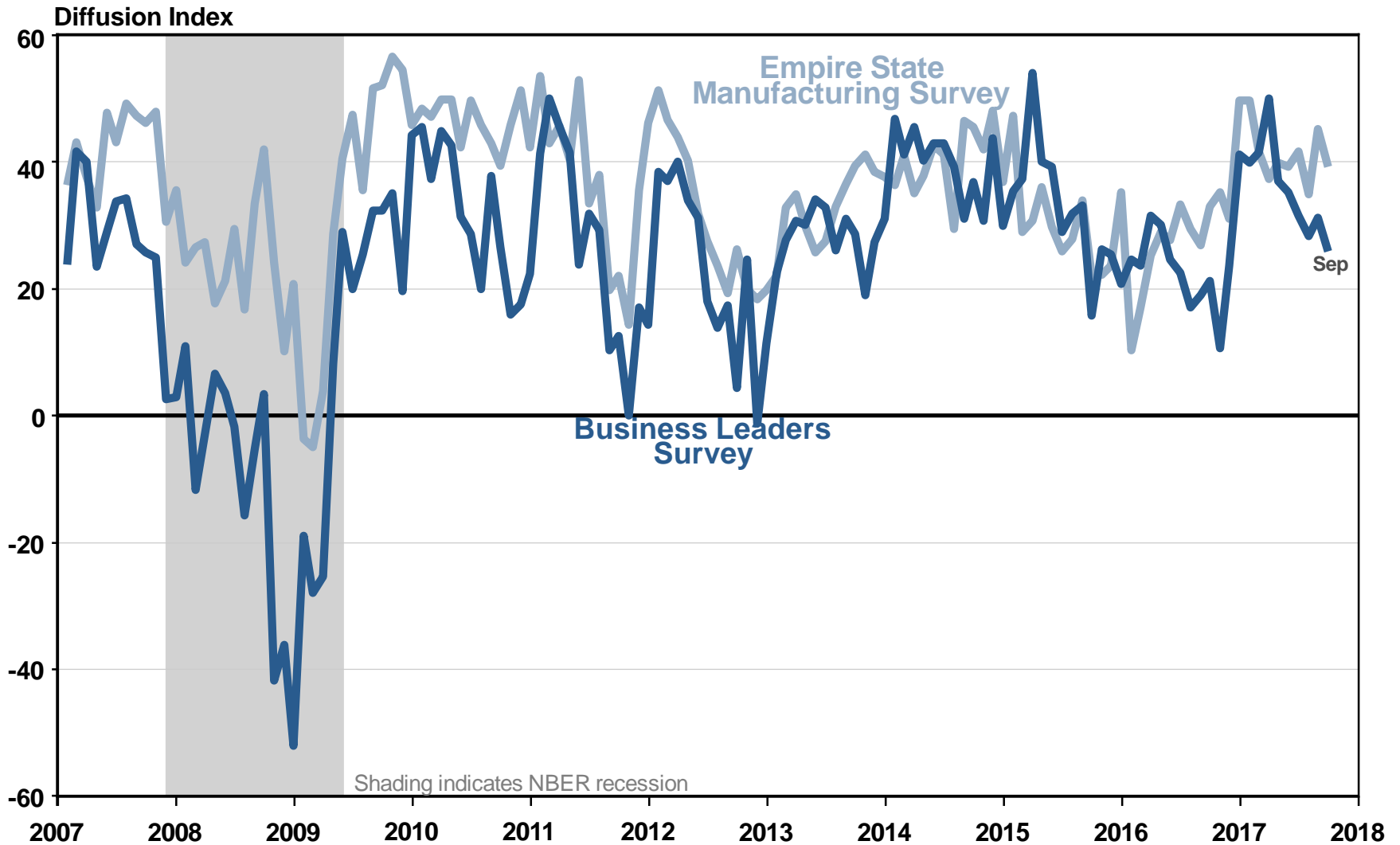
Current Economic Conditions

FRBNY Business Surveys, Current Conditions



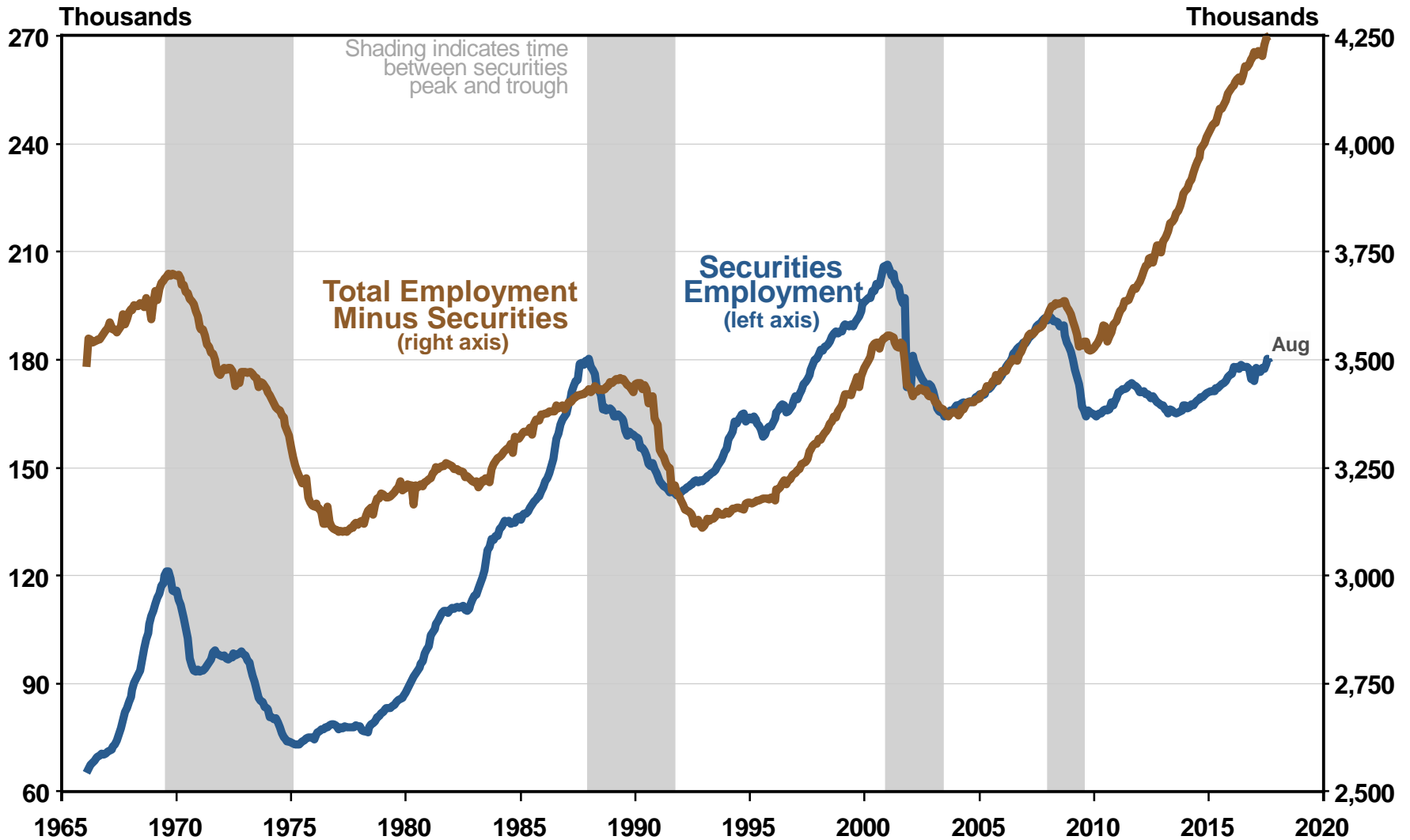
Future Economic Conditions

FRBNY Business Surveys, Conditions Six Months Ahead



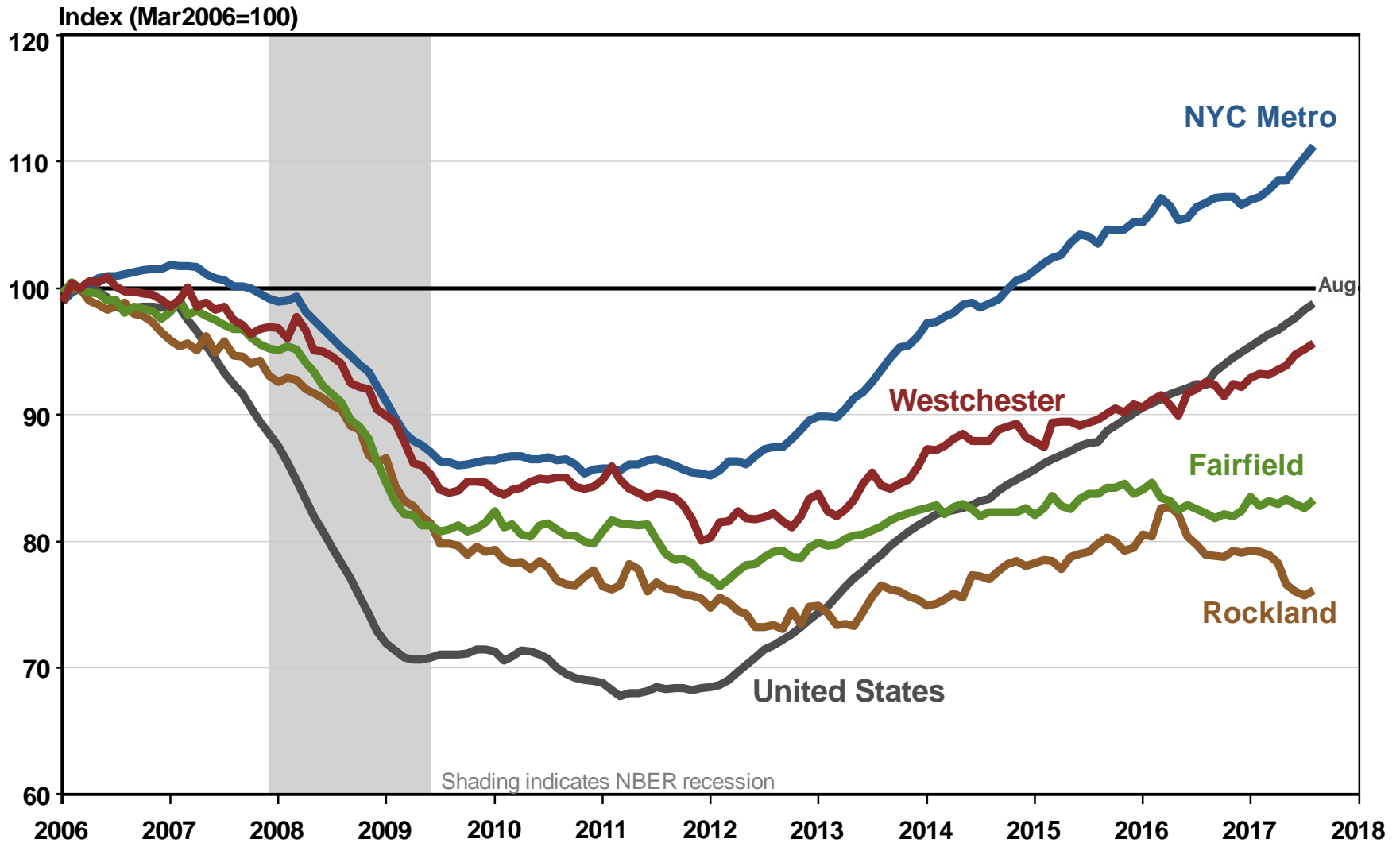
NYC Securities Employment

Seasonally Adjusted Levels



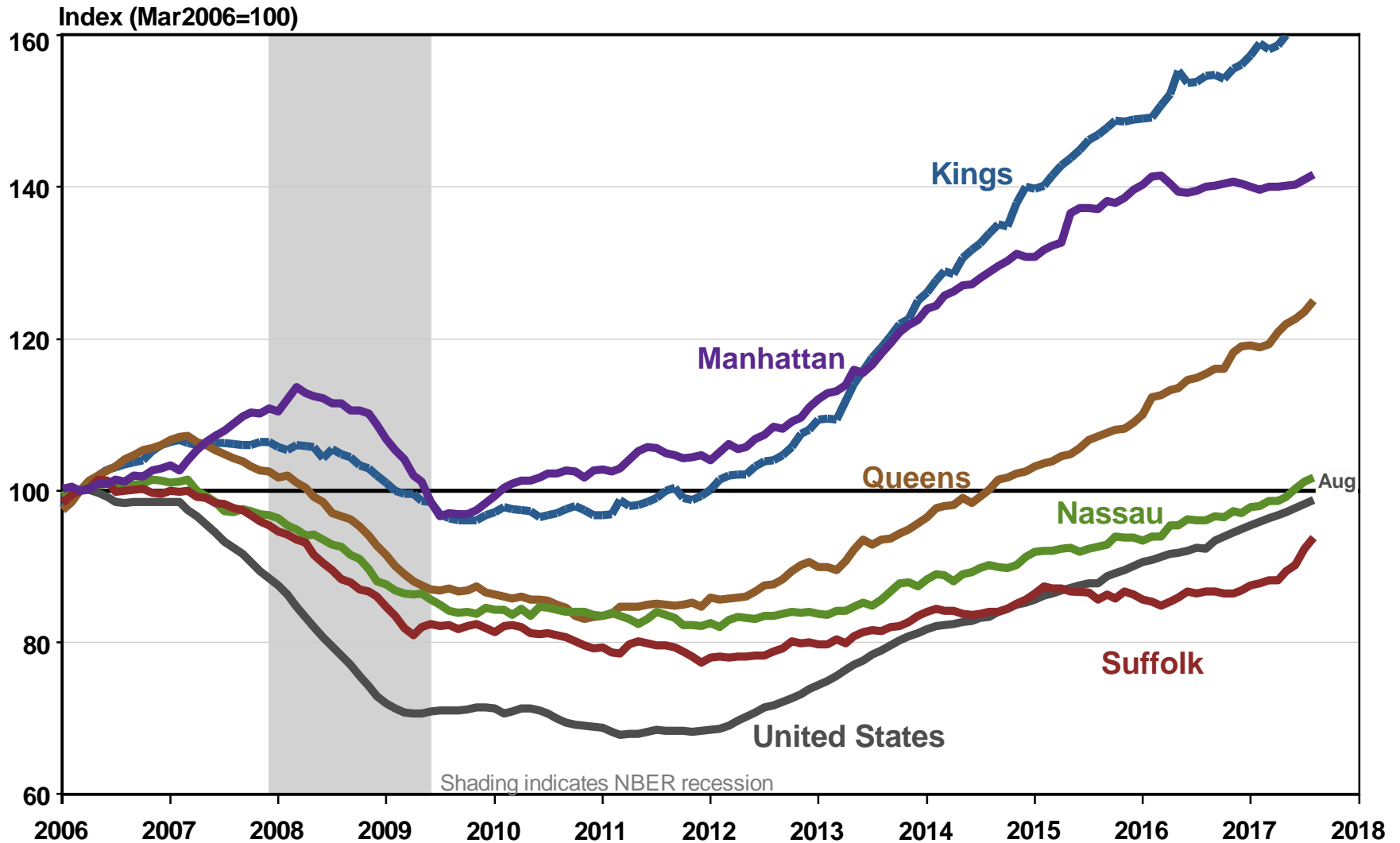
Home Prices

CoreLogic Home Price Index, Seasonally Adjusted



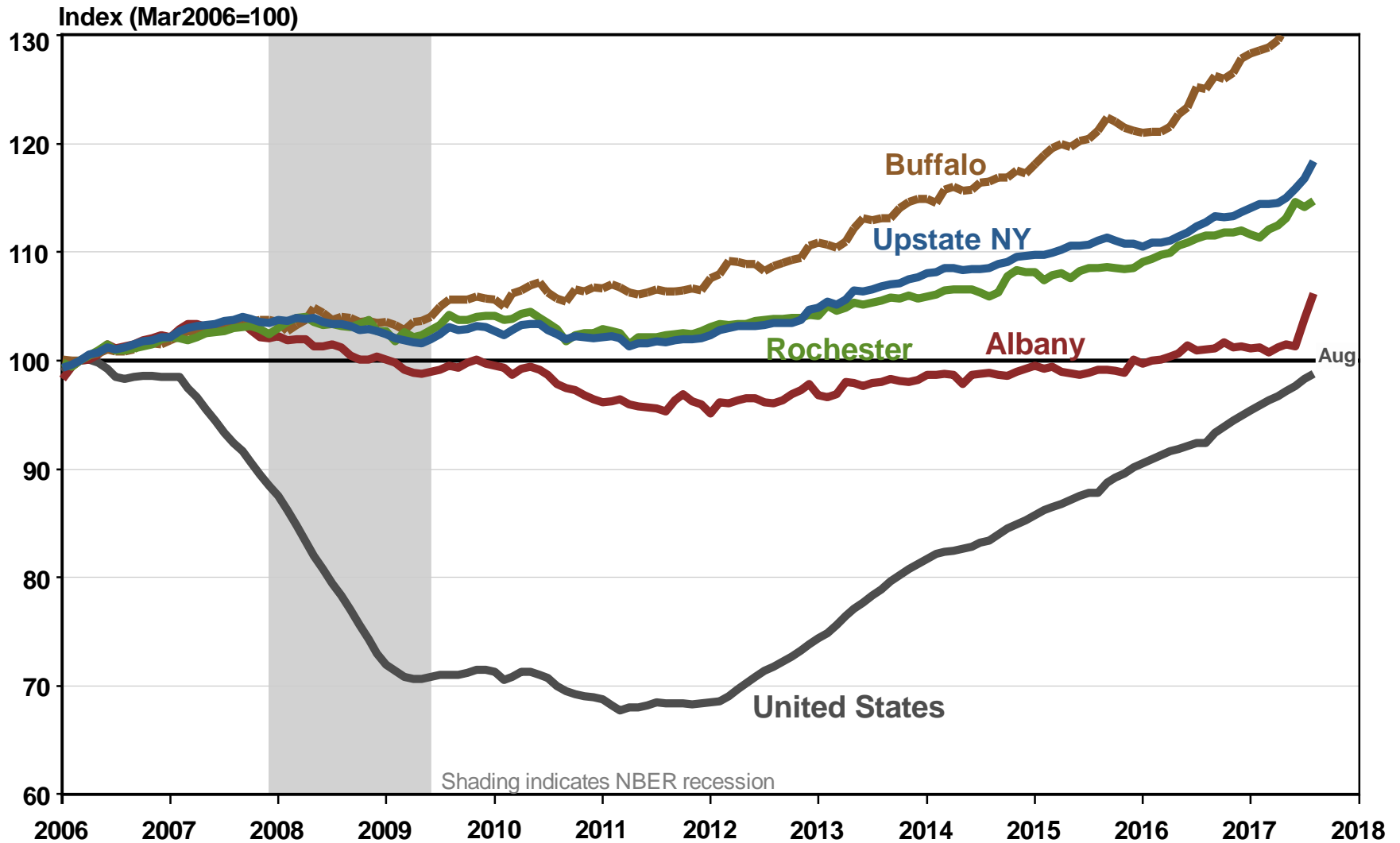
Home Prices

CoreLogic Home Price Index, Seasonally Adjusted



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CoreLogic Home Price Index, Seasonally Adjusted

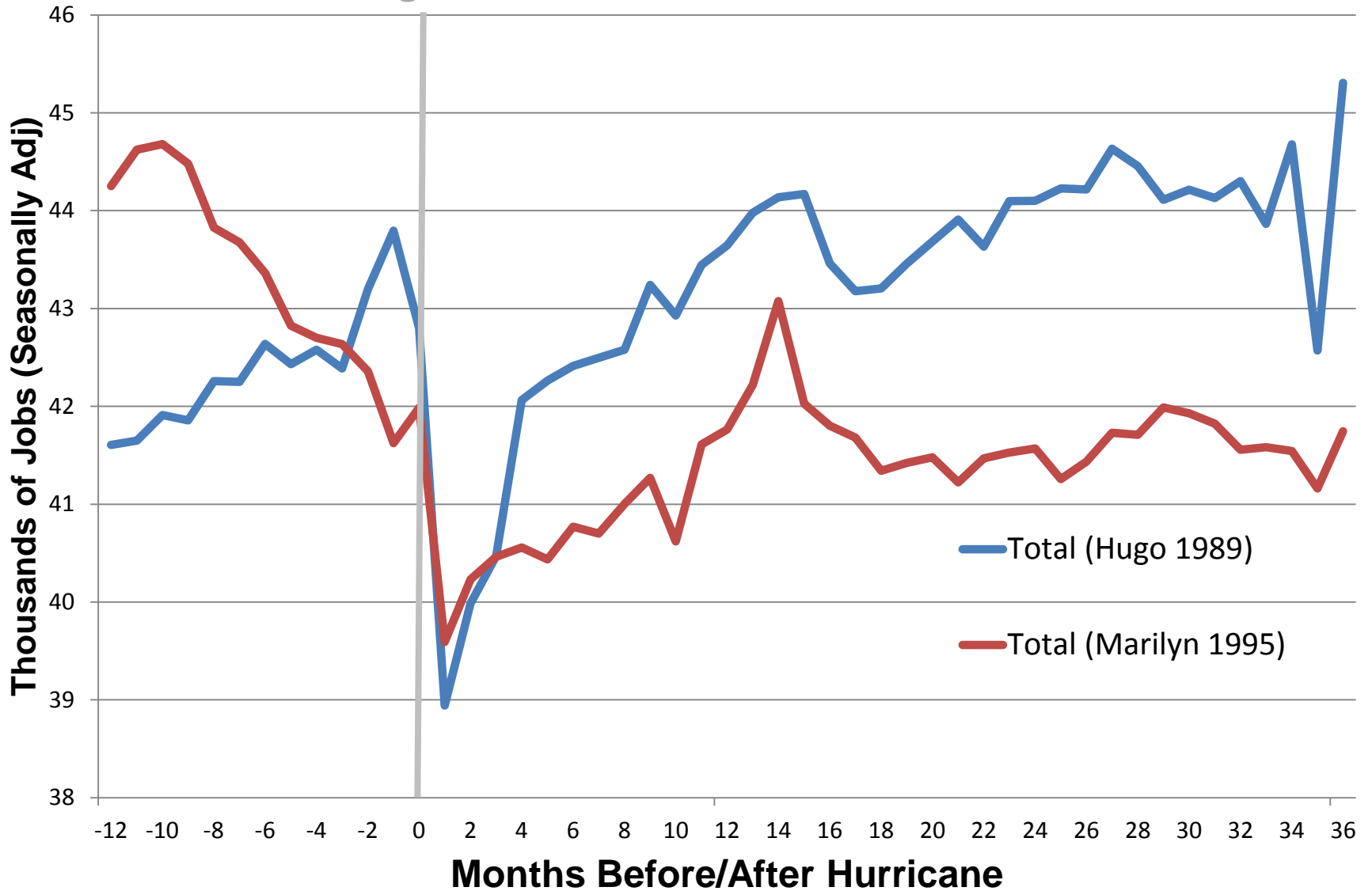


What Lies Ahead for Puerto Rico & the US Virgin Islands?

- Both Puerto Rico & US Virgin Islands were in precarious shape, economically & fiscally, prior to hurricanes Irma & Maria.
- Too early to assess costs & fallout from these hurricanes—unprecedented for PR but there are precedents elsewhere.
- USVI saw similar devastation from Hugo ('89) and Marilyn ('95).
 - Employment fell sharply but rebounded within 6-12 months; tourism industries appear to have been hit hard, while construction got a boost.
 - There do not appear to have been significant long-term effects on population or employment.
- New Orleans was devastated by Katrina (2005): population & employment are still well below pre-storm levels a decade later.

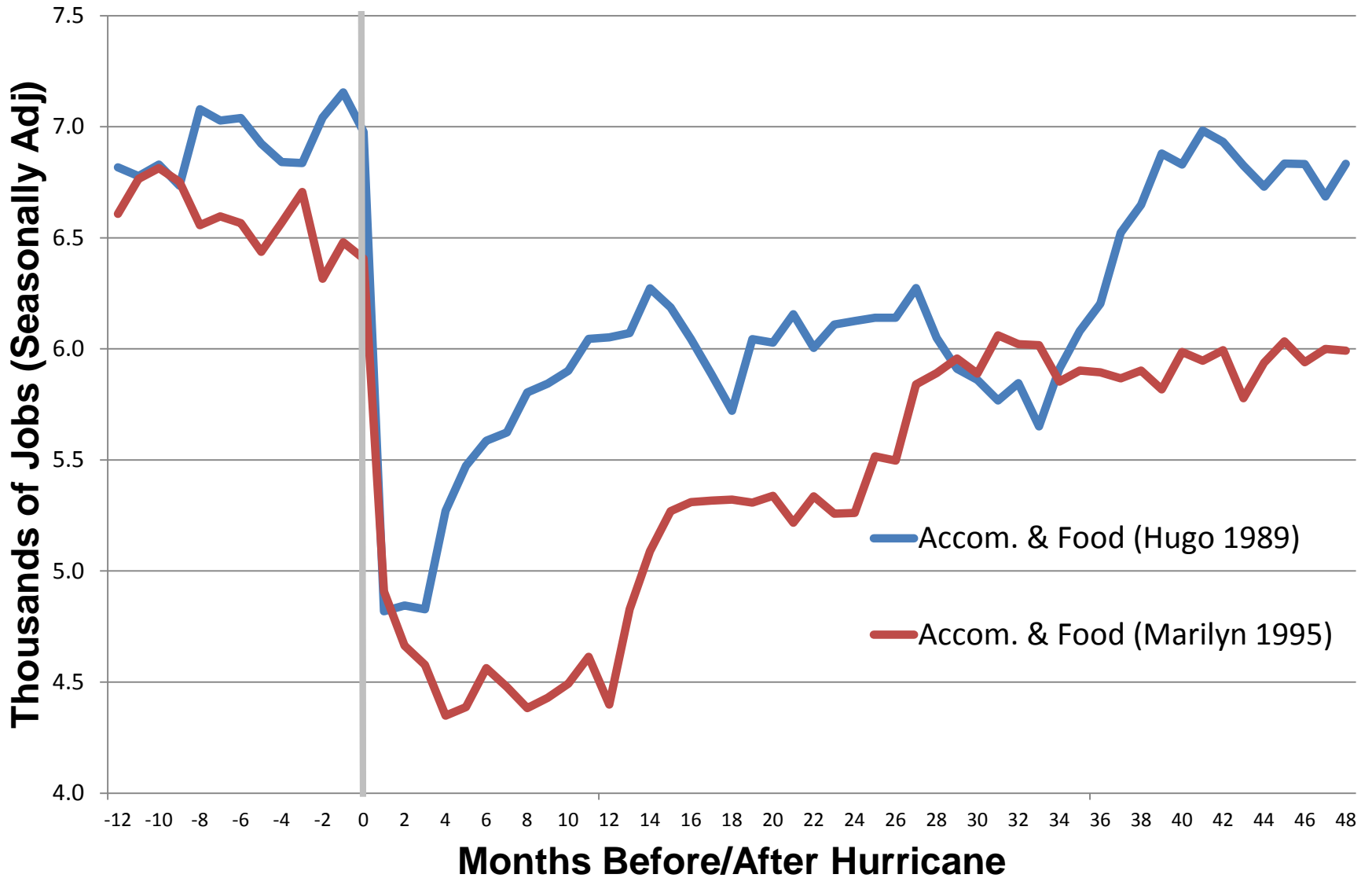
Total Employment

US Virgin Islands: Before & After Hurricanes



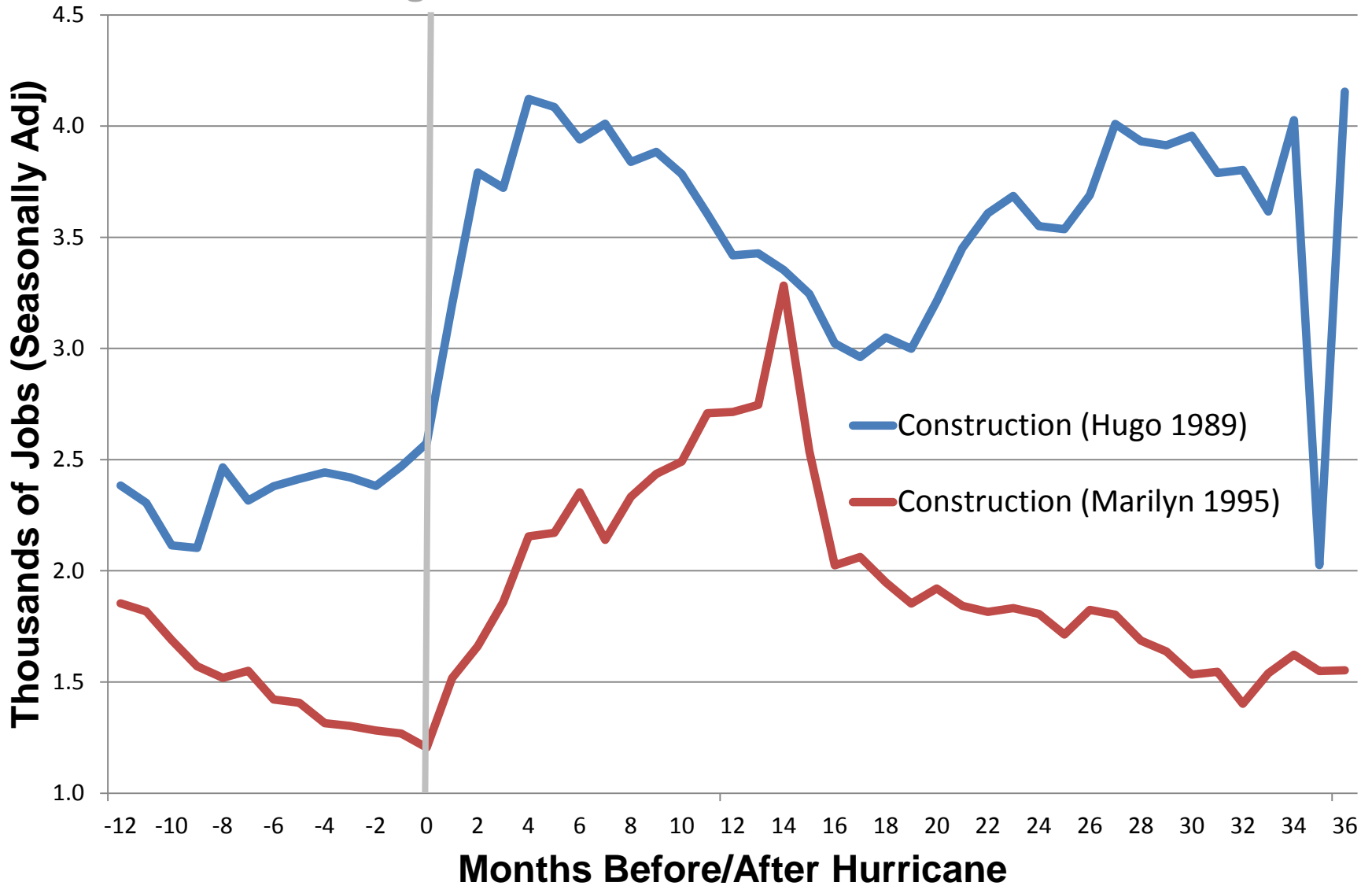
Accommodation & Food Service Employment

US Virgin Islands: Before & After Hurricanes



Construction Employment

US Virgin Islands: Before & After Hurricanes



Regional Recap

- NYC continues to lead the region in job growth, followed by Long Island. Housing markets in these areas have been strong.
- New Jersey has lagged, and Fairfield County has been weak—both in terms of job growth and home prices.
- Job growth has slowed to a crawl across most of upstate NY, but housing markets have continued to strengthen.
- Manufacturers report brisk growth in business activity, while service firms indicate more subdued growth.
- The securities industry, which typically drives NYC's economy has remained flat throughout this rapid expansion.
- The Puerto Rico and the US Virgin Islands are expected to see steep job losses in October but the long-term outlook is unclear.