

New York Economic Outlook

Presented by

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March, 2001

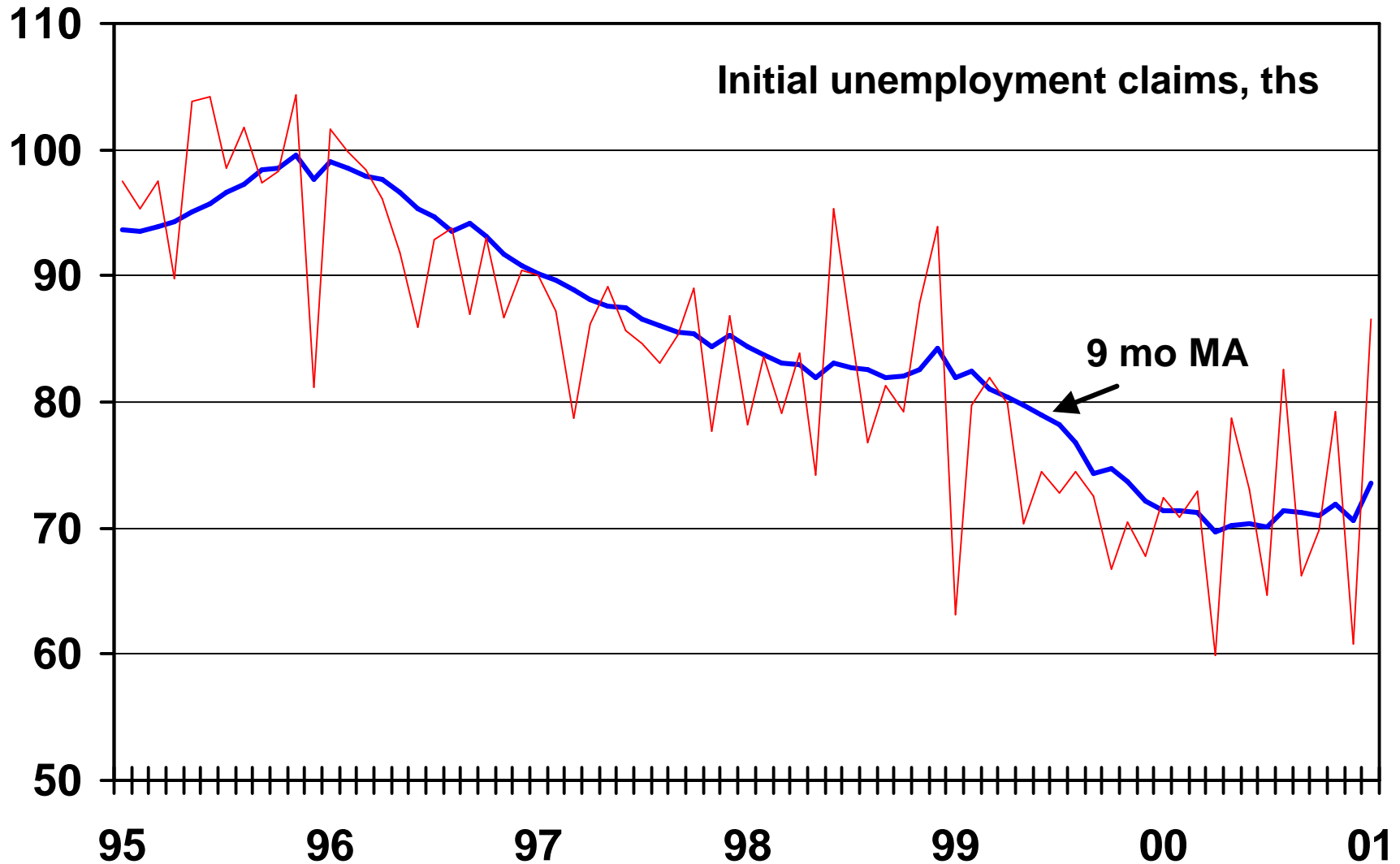
New York's Economy: Still Has Momentum, but Will It Last?

- **Employment growing faster than average**
- **Labor markets still tight. Jobseekers find work with ease**

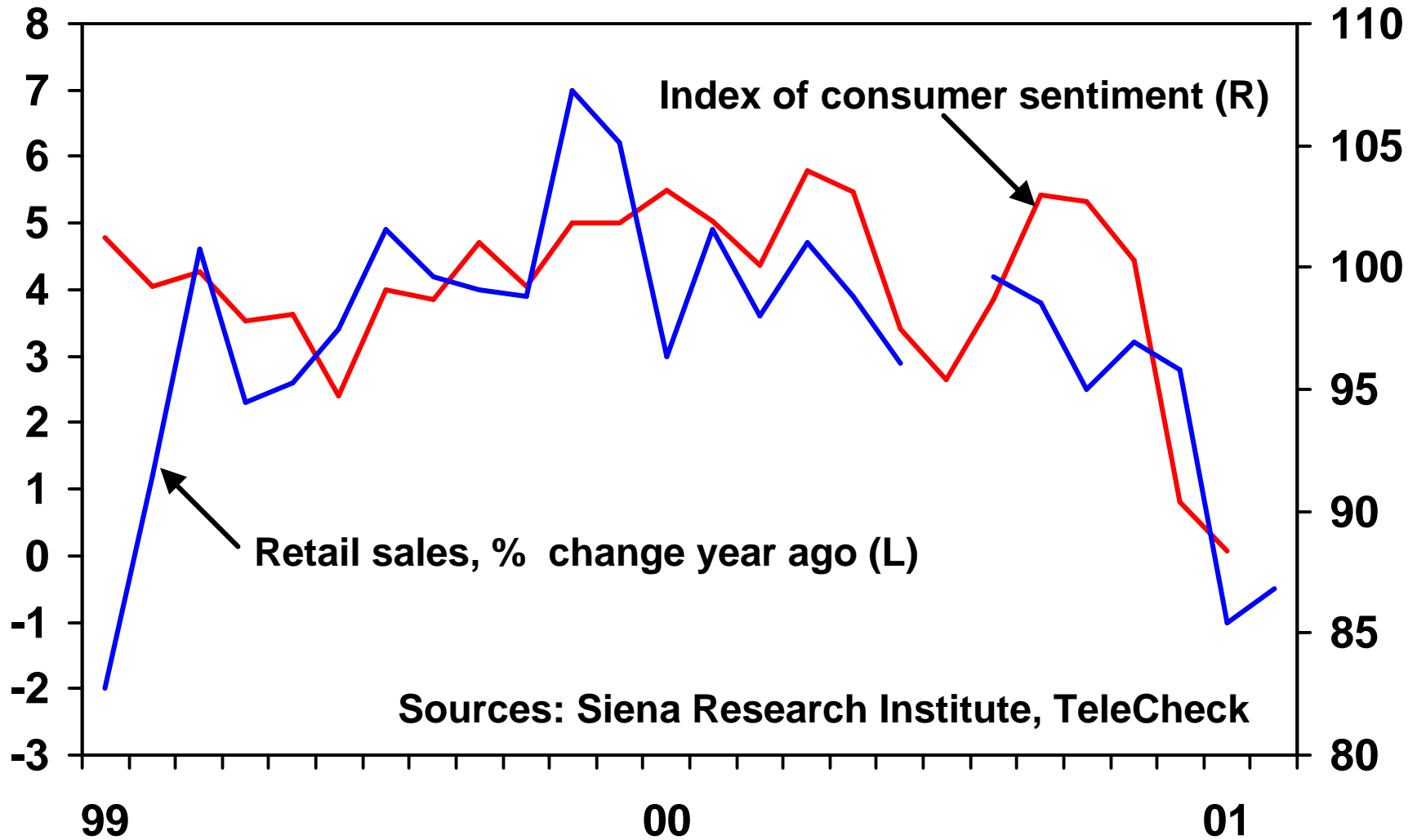
BUT

- **Confidence eroding**
- **Manufacturing activity slowing**
- **Softening in key real estate markets**
- **Stock market retreating fast**
- **Risks of recession are rising sharply**

Unemployment Claims Picking Up

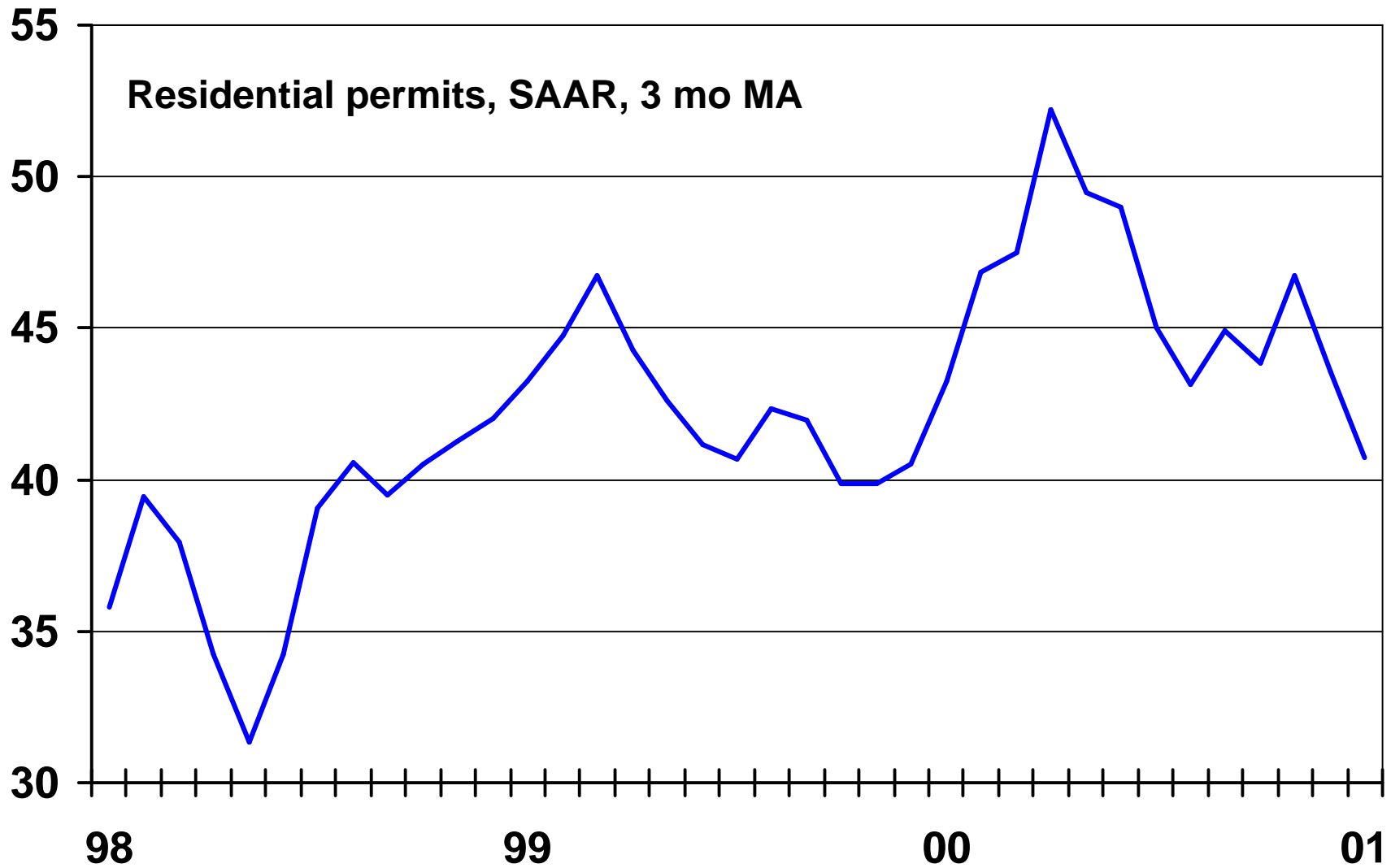


Consumers Faltering

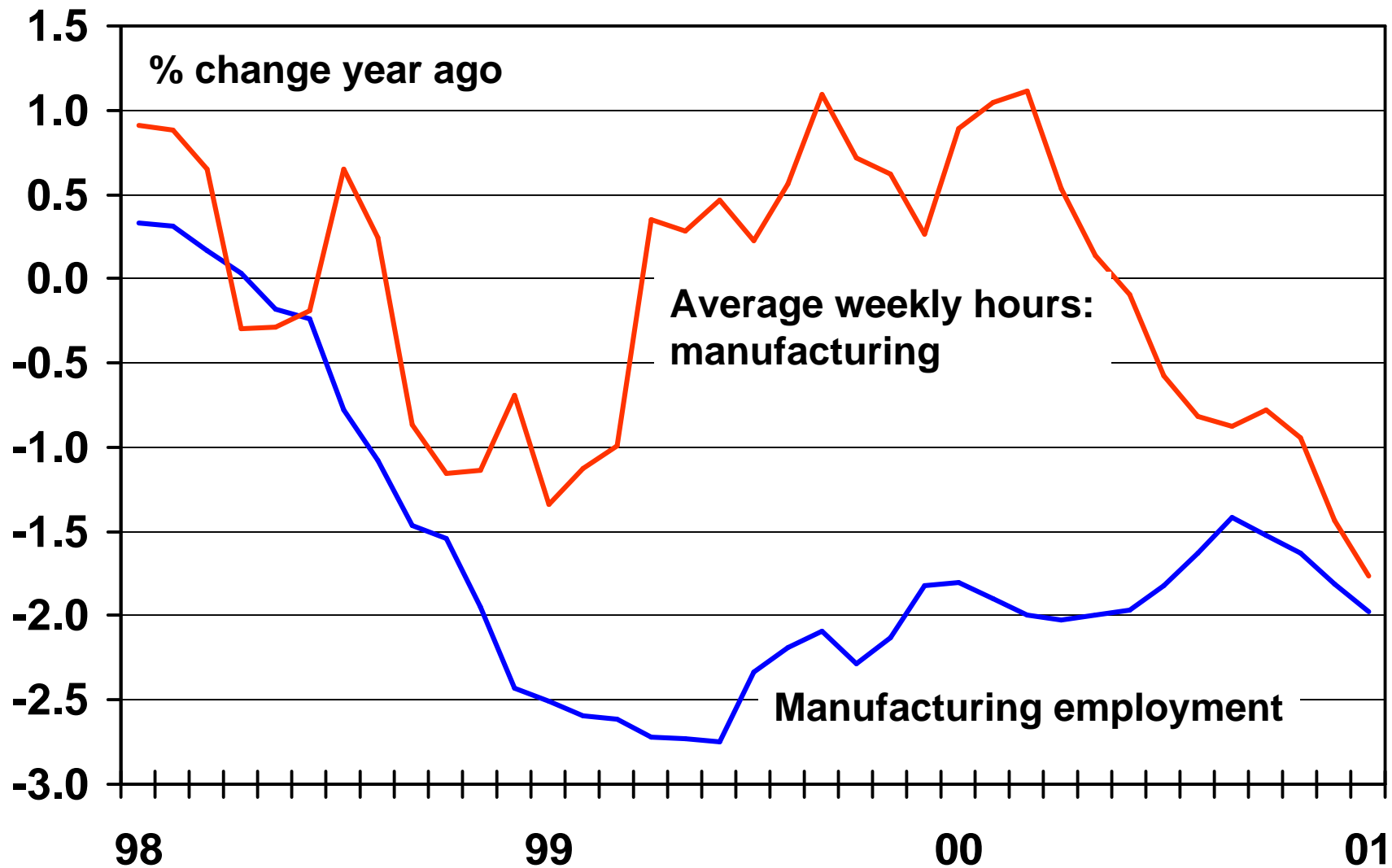


Sources: Siena Research Institute, TeleCheck

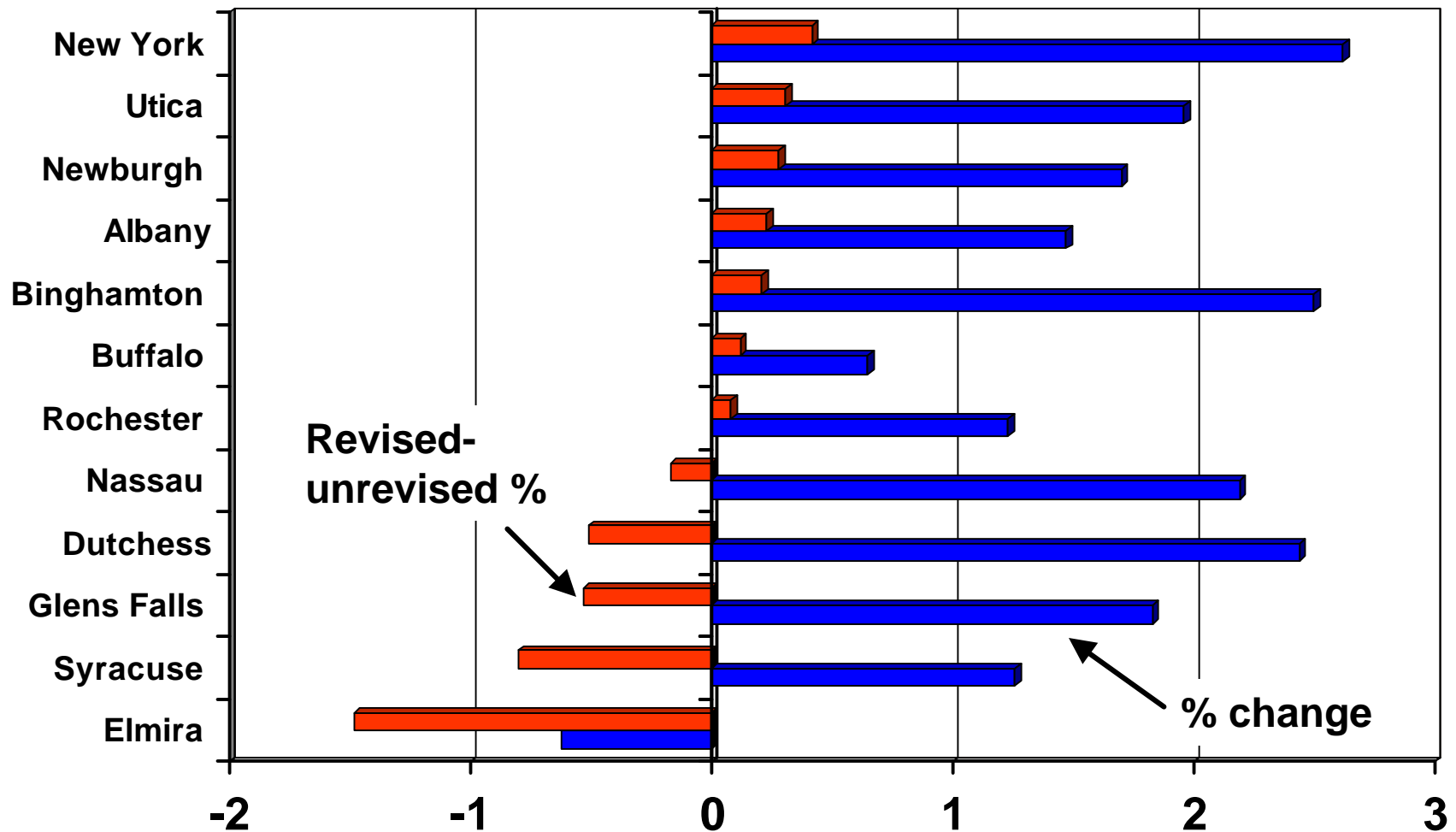
Residential Permits Falling



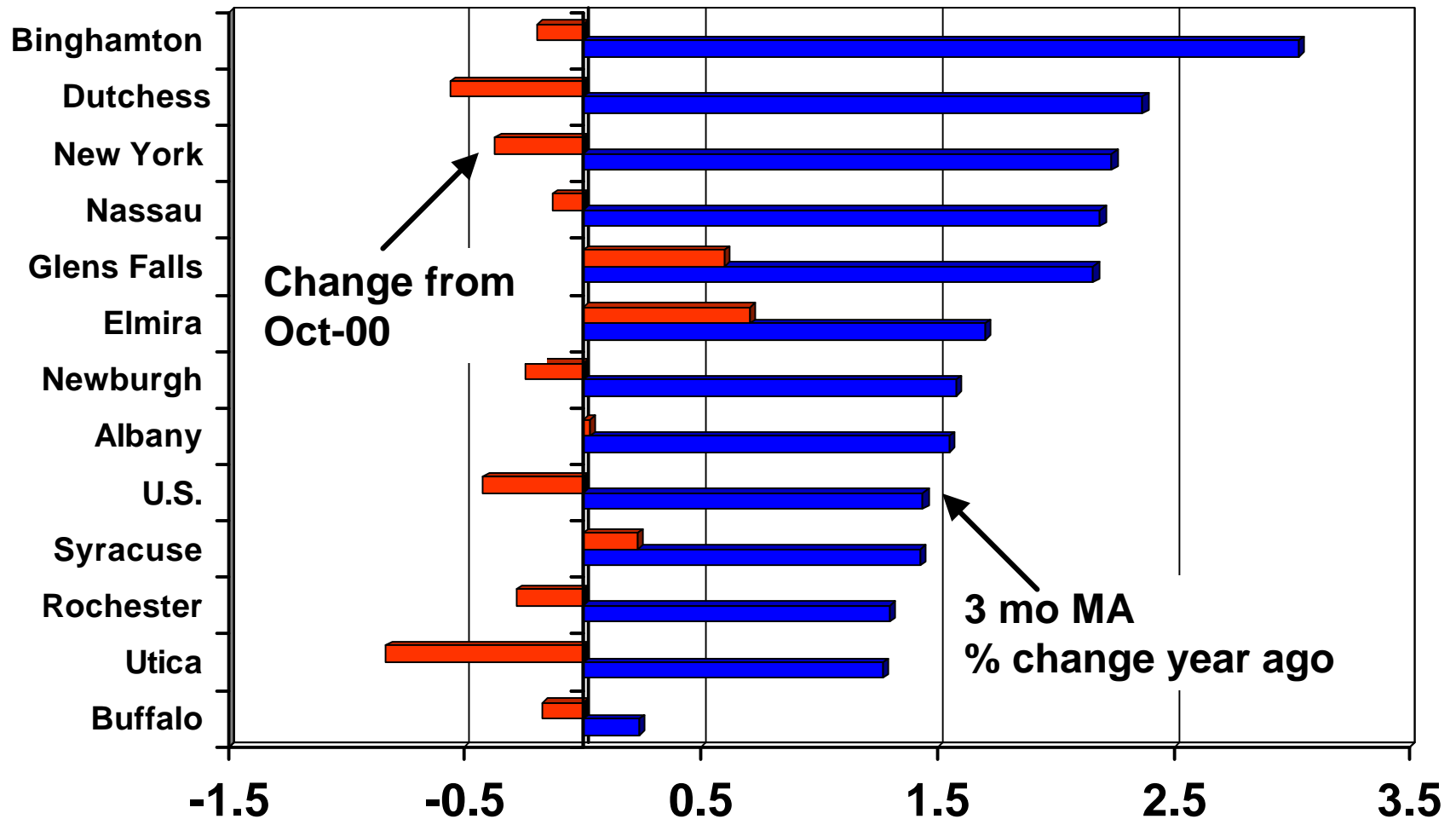
Manufacturing Activity Slowing



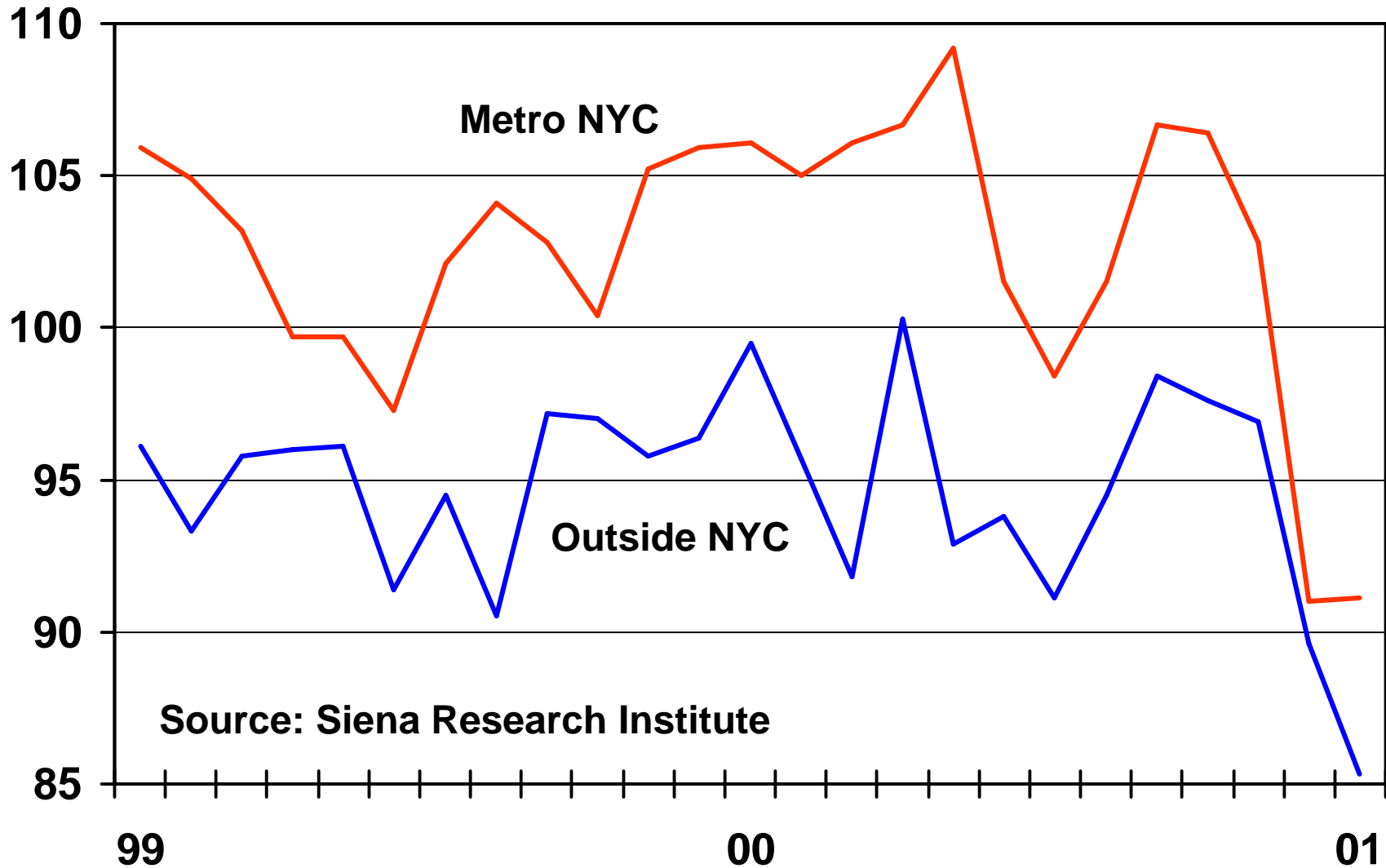
BLS Employment Revisions, 2000



Employment Growth

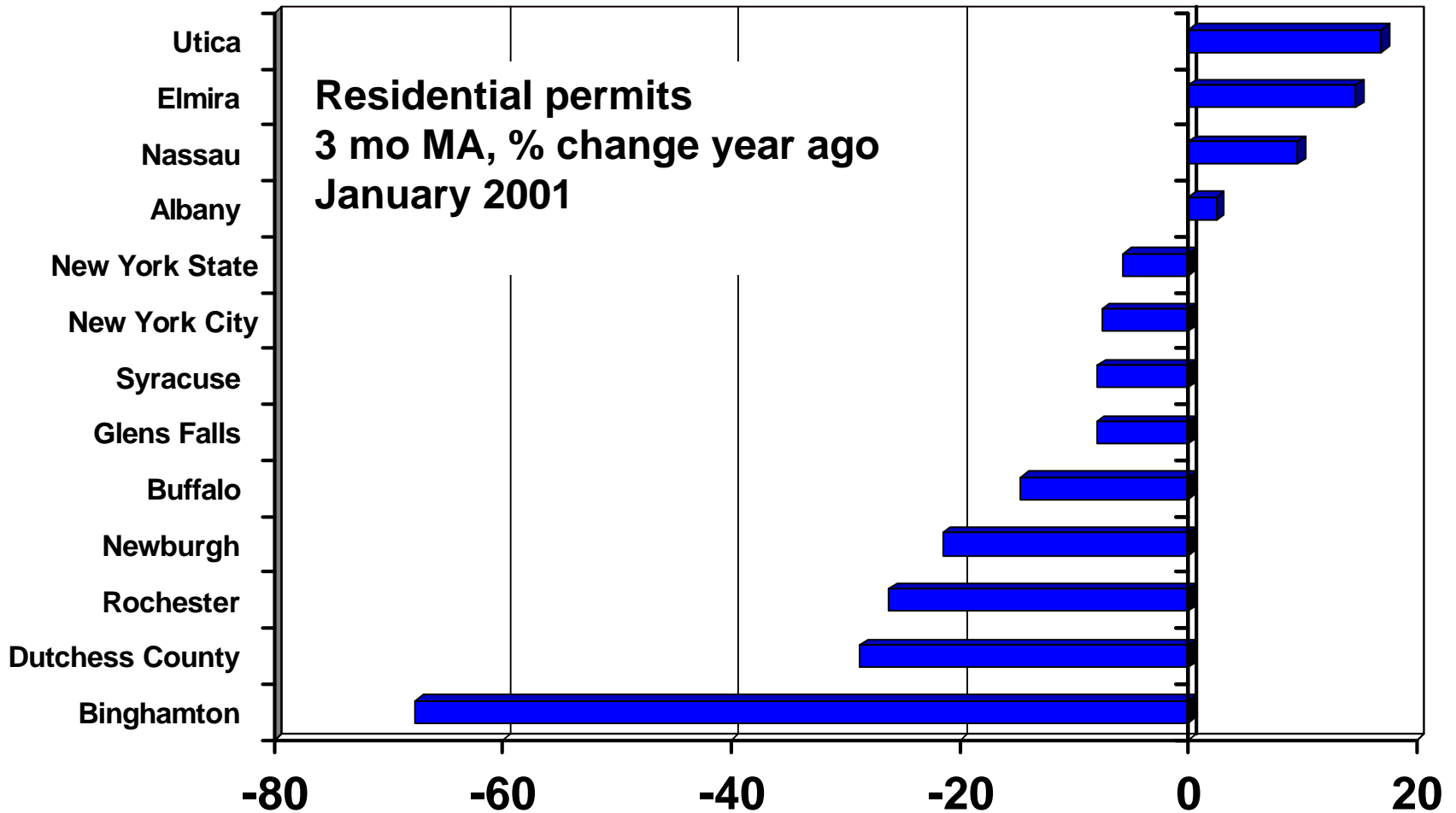


Consumer Sentiment

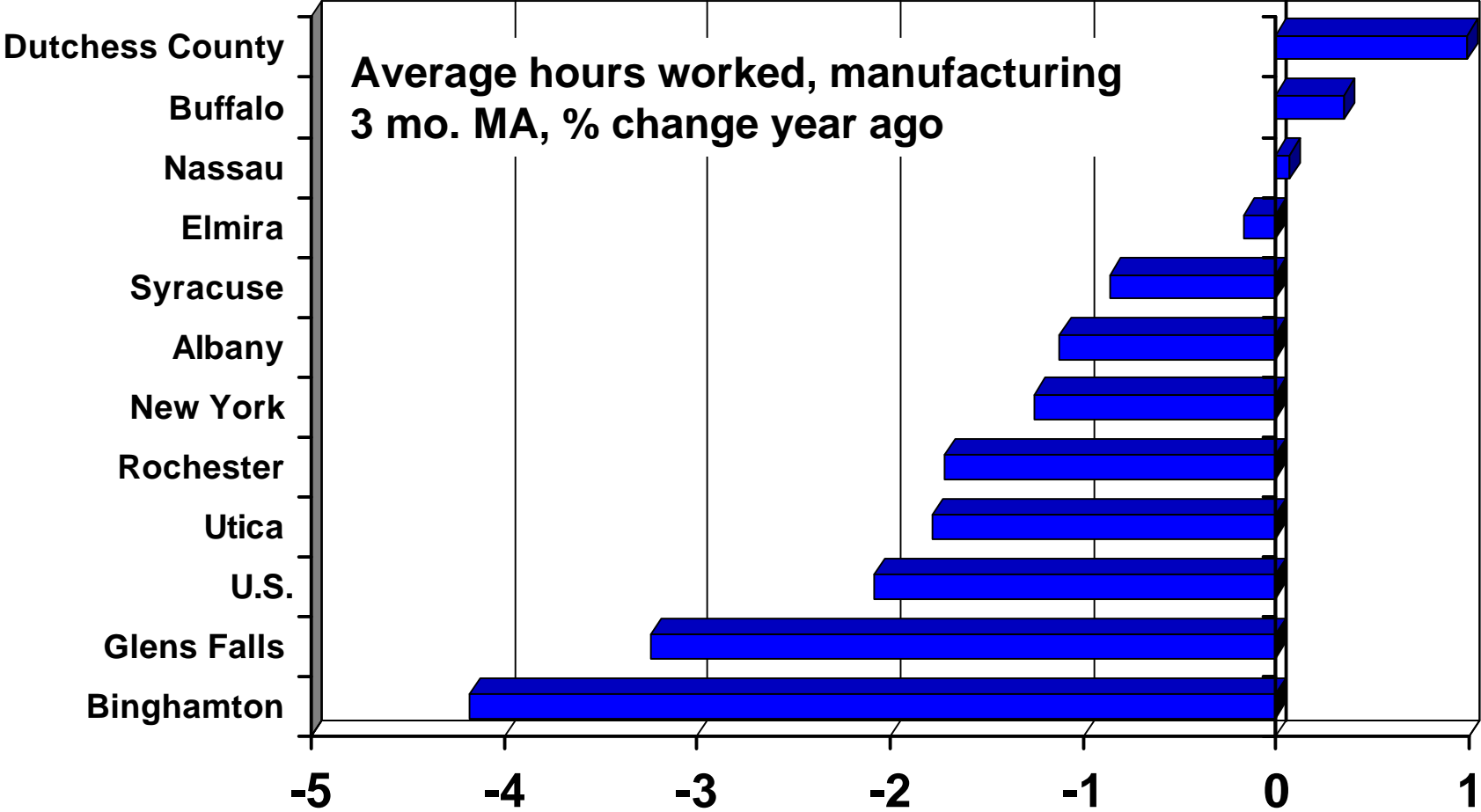


Source: Siena Research Institute

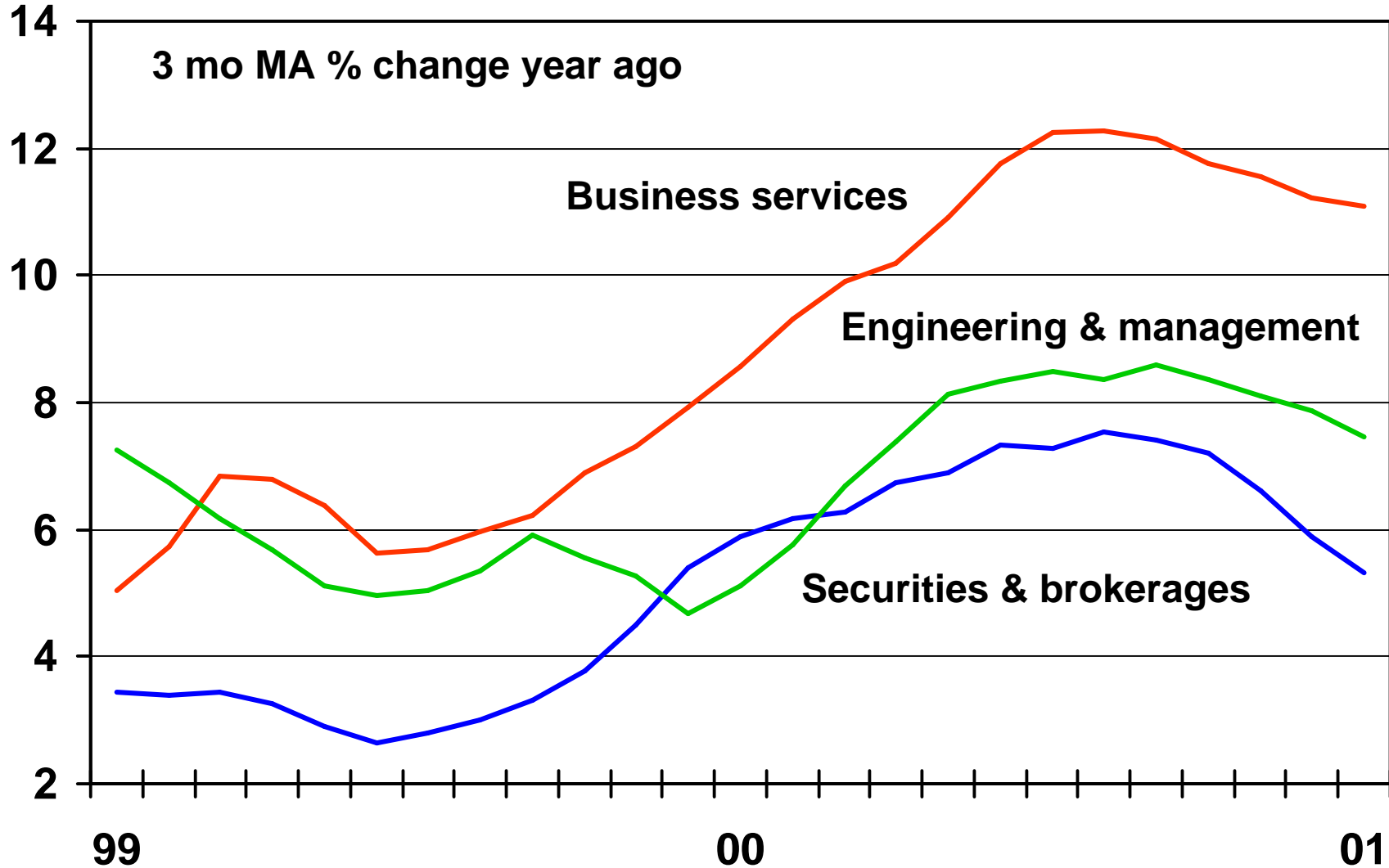
Residential Construction Slowing



Manufacturing Hours Declining



Services Growing Rapidly in NYC

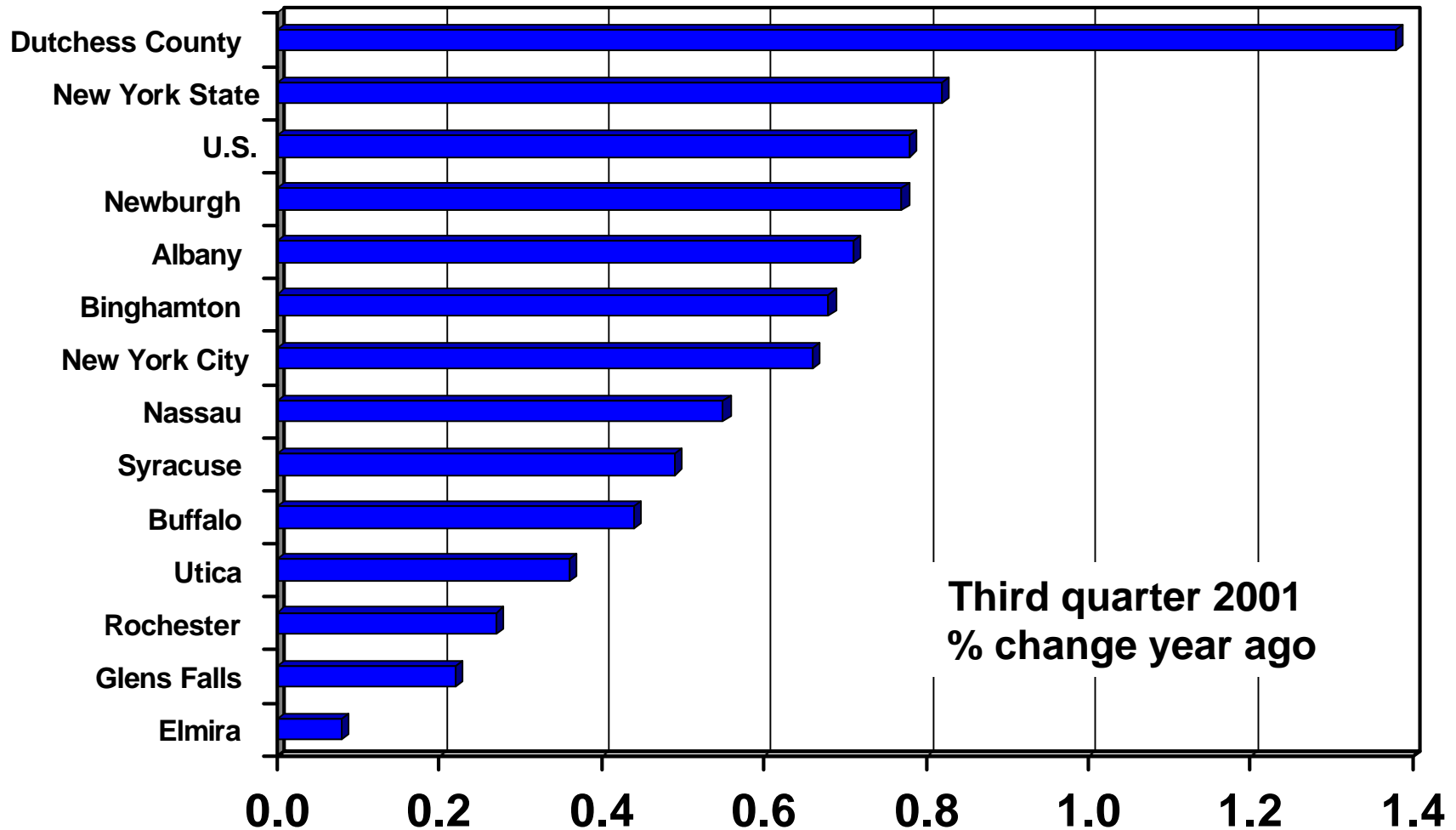


Outlook

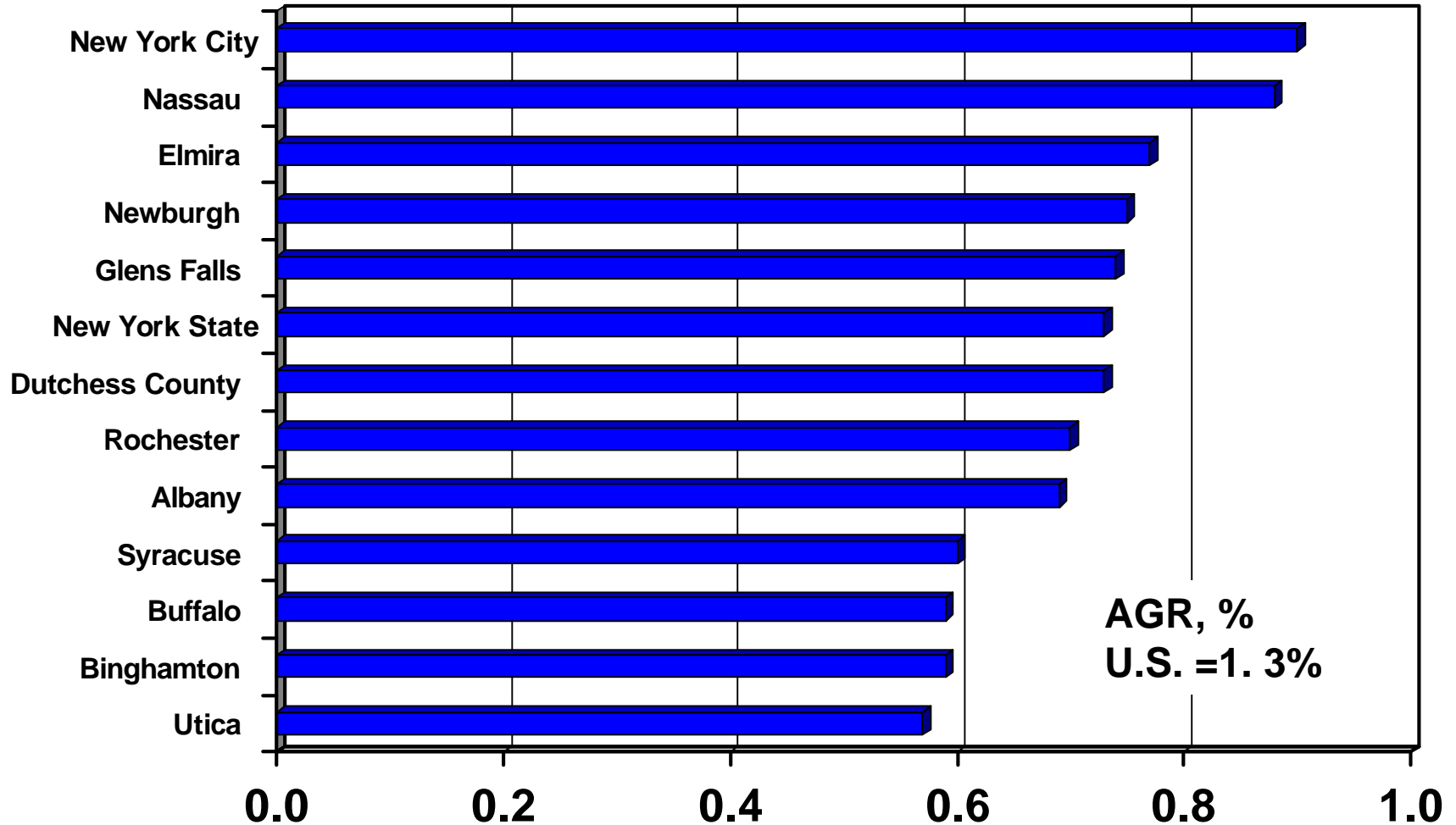
Mid-Year Weakness and Th

- **By mid-year, near recession conditions in New York City, Rochester, Buffalo and Syracuse**
- **By year-end, economy picks up on strength of:**
 - **Stock market to rebound in second quarter**
 - **More Fed loosening**
 - **Inflation pressures ease**
 - **Consumer demand picks up slightly, boosting retail, housing and services industries**
 - **Manufacturers work off inventory build-up**

Very Near Term Employment Outlook



Employment, 2001-2006



Forecast Risks

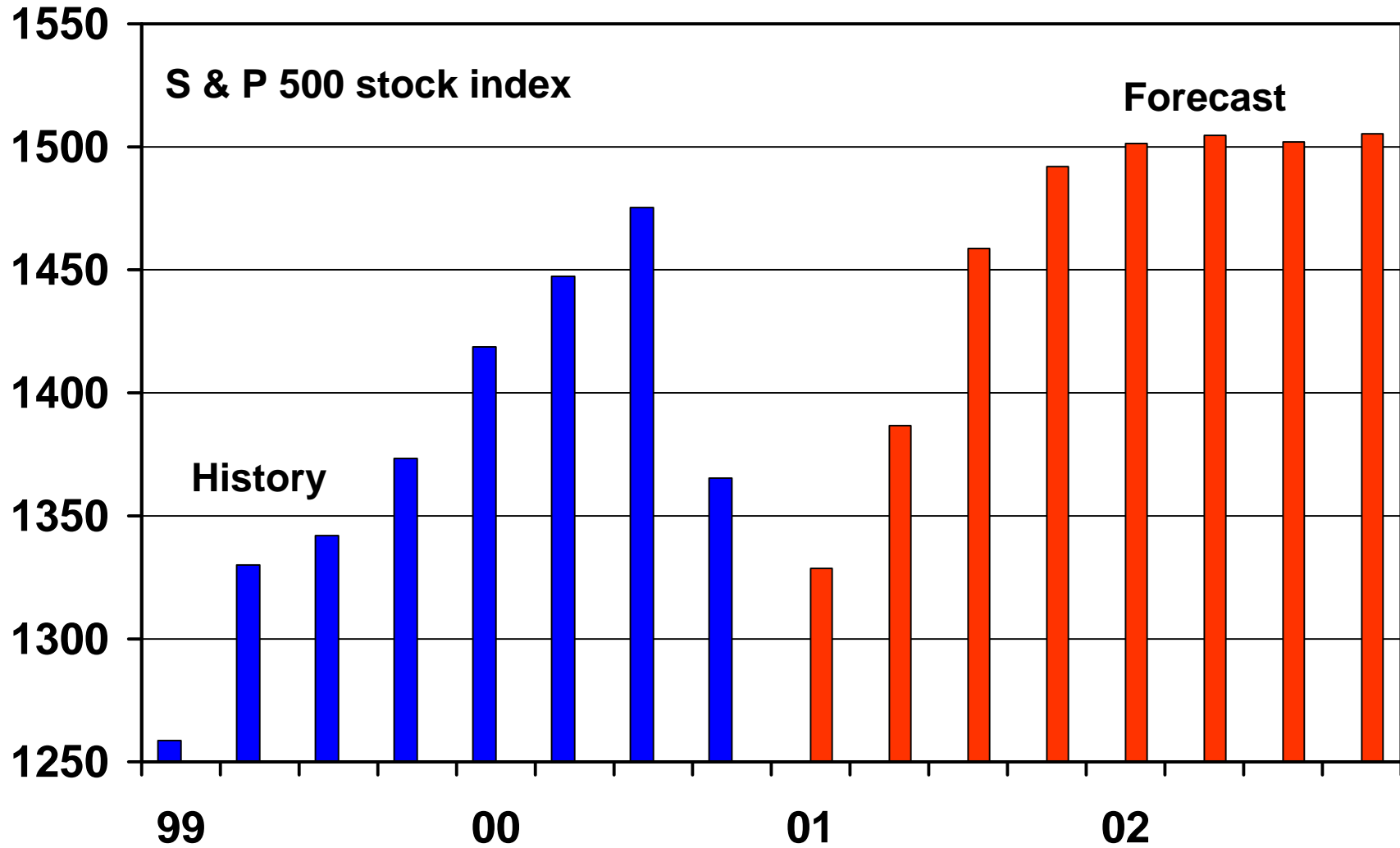
Upside

- **Falling mortgage rates re-ignite housing markets**
- **Interest rate cuts inject more steam than expected into consumer demand**

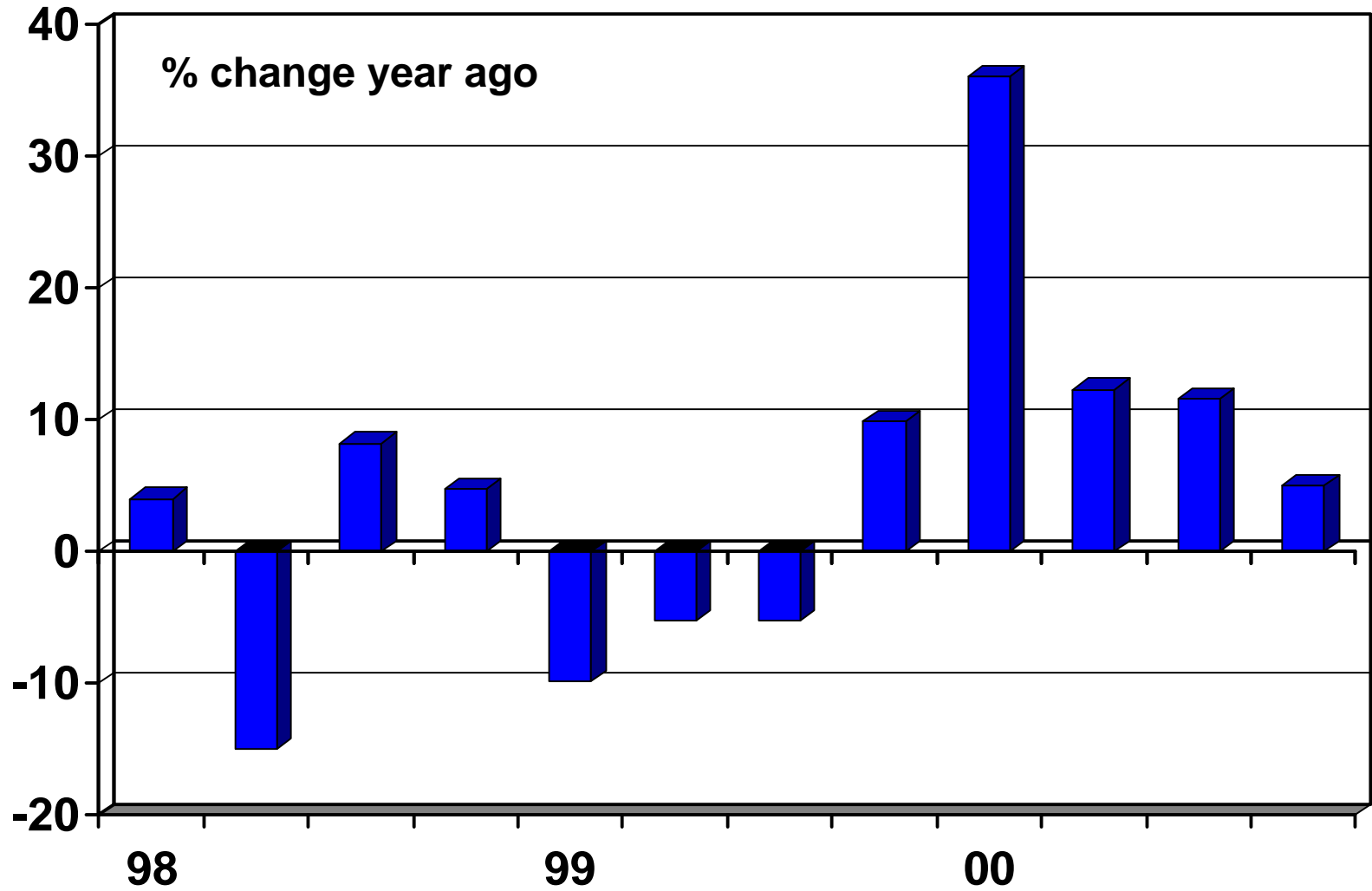
Downside

- **Consumer sentiment creates self-reinforcing downward spiral**
- **Stock market sinks further**
- **European and Canadian economies weaken more than anticipated**
- **Oil prices rise**

Outlook Assumes Stocks Recover



NY Export Flows Softening



Exposure to Exports by Metro

