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# New York Economic Outlook

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Presented by:

Marisa Di Natale,  
Senior Economist

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June 18, 2008

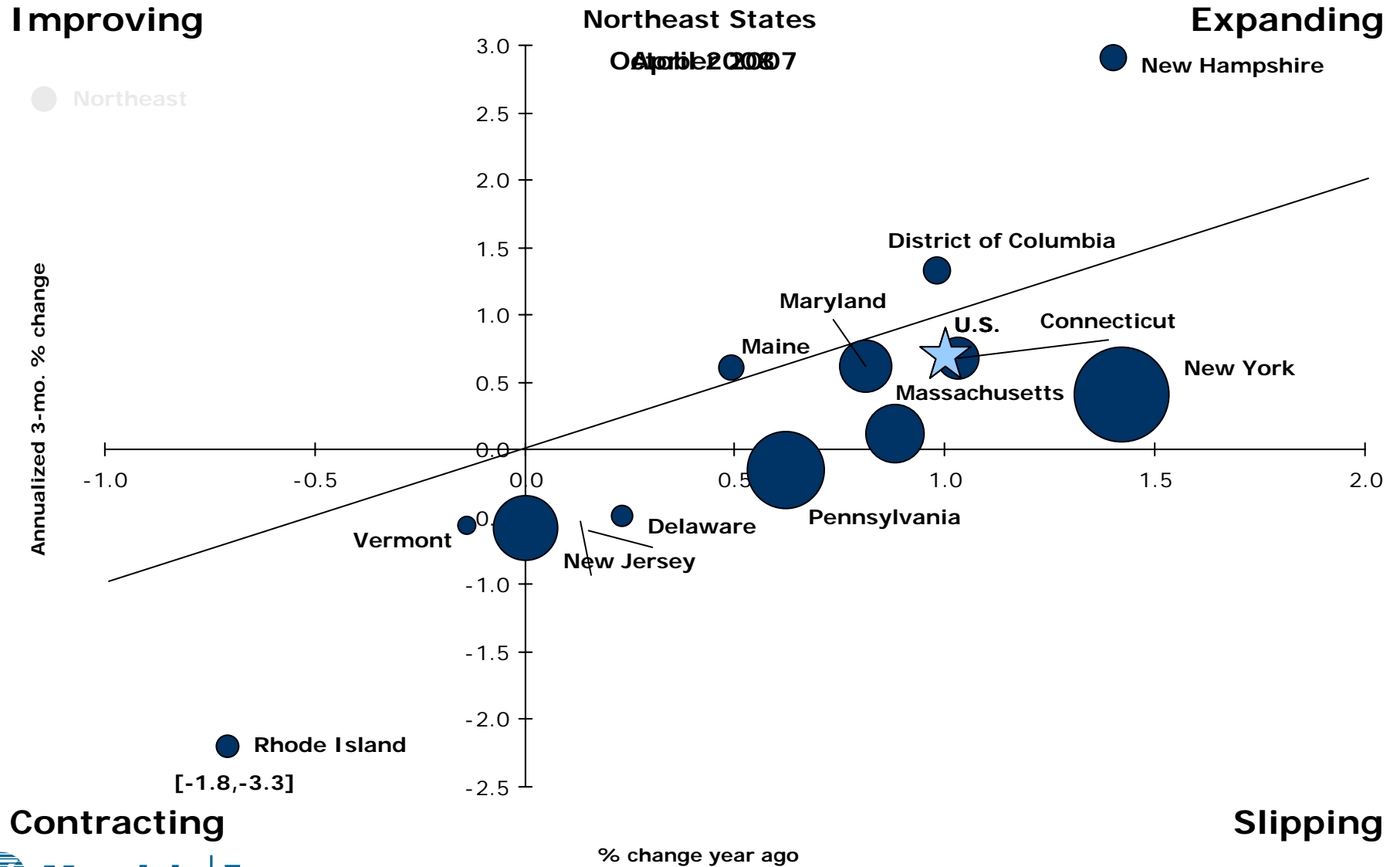


# Resilient but Starting to Slow



# Northeast States—Payroll Employment

## One-year vs. 3-month performance (3 mo. MA)



# Northeast States—Payroll Employment

## One-year vs. 3-month performance (3 mo. MA)

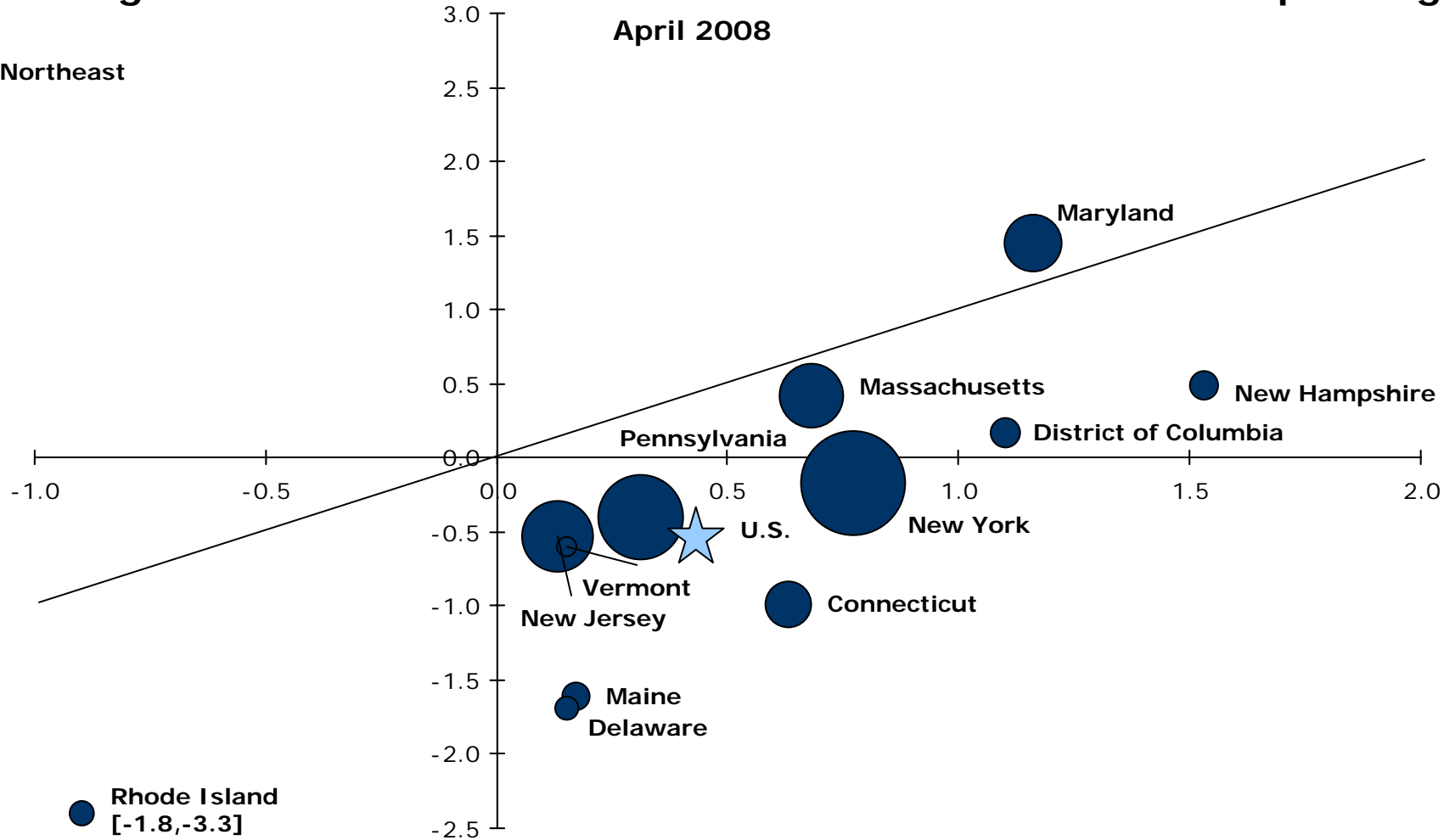
Improving

● Northeast

Annualized 3-mo. % change

Northeast States  
April 2008

Expanding



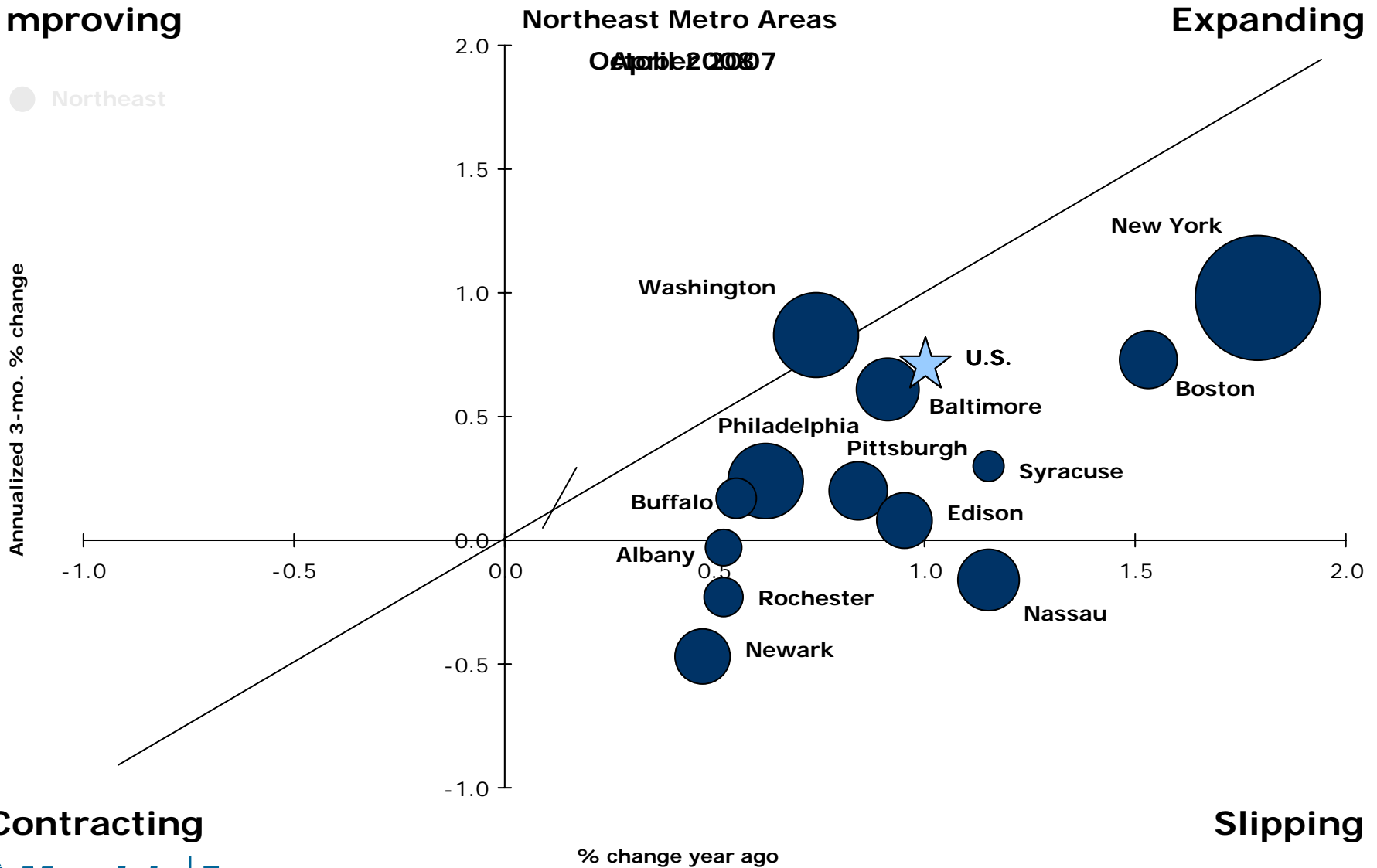
Contracting

Slipping

# Northeast Metro Areas—Payroll Employment One-year vs. 3-month performance (3 mo. MA)

Improving

● Northeast



# Northeast Metro Areas—Payroll Employment One-year vs. 3-month performance (3 mo. MA)

Improving

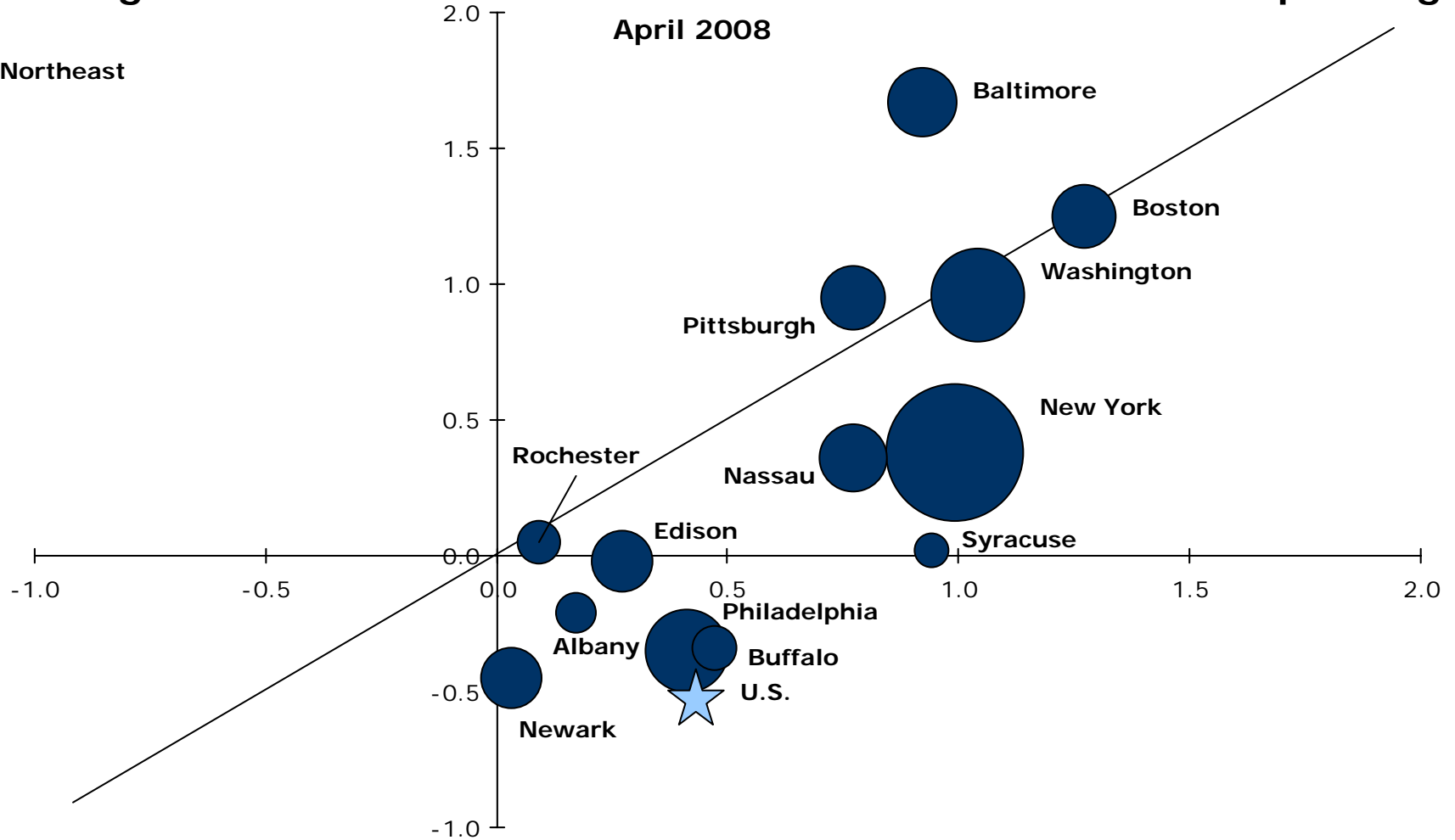
● Northeast

Annualized 3-mo. % change

Northeast Metro Areas

April 2008

Expanding



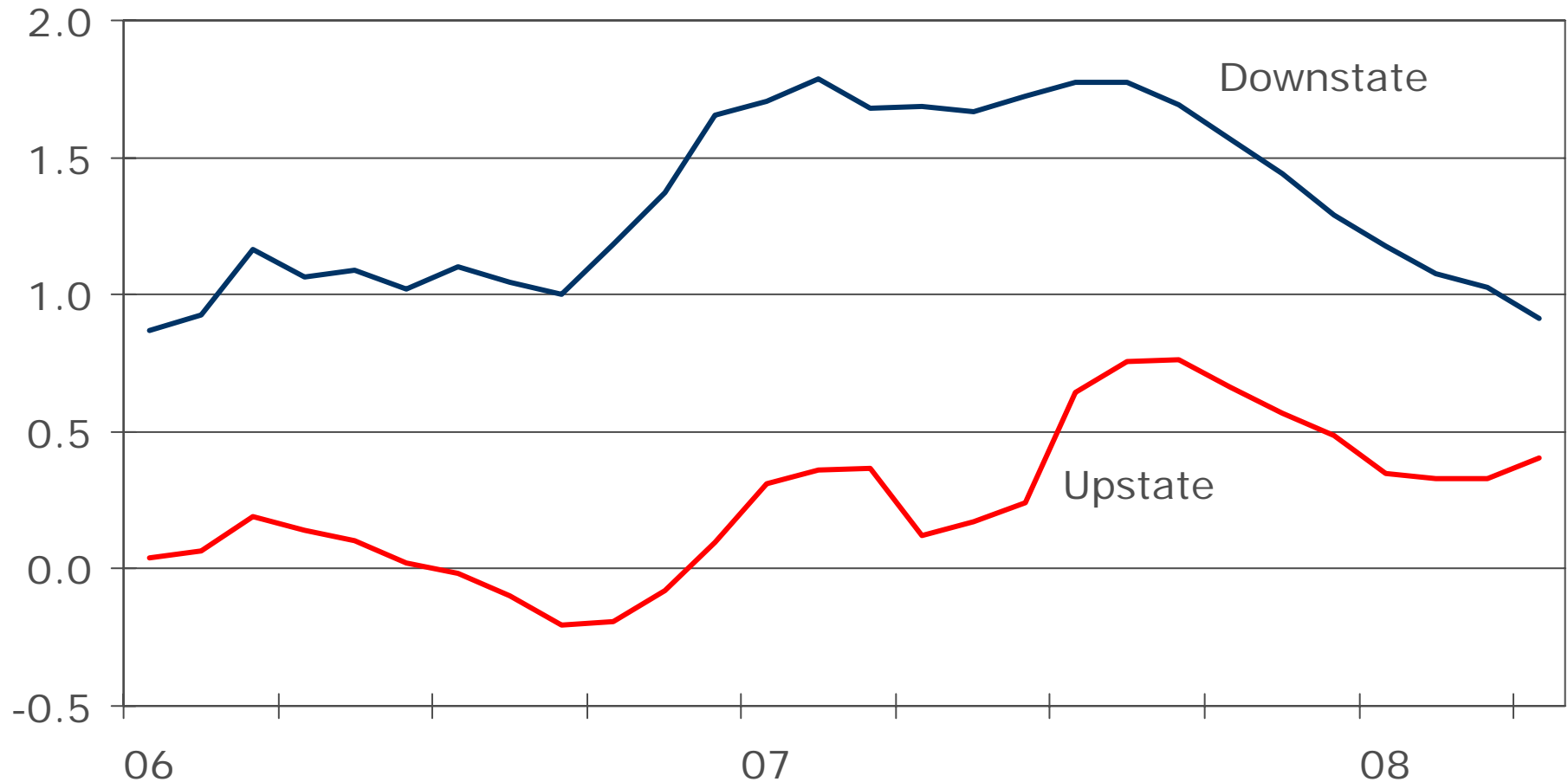
Contracting

Slipping

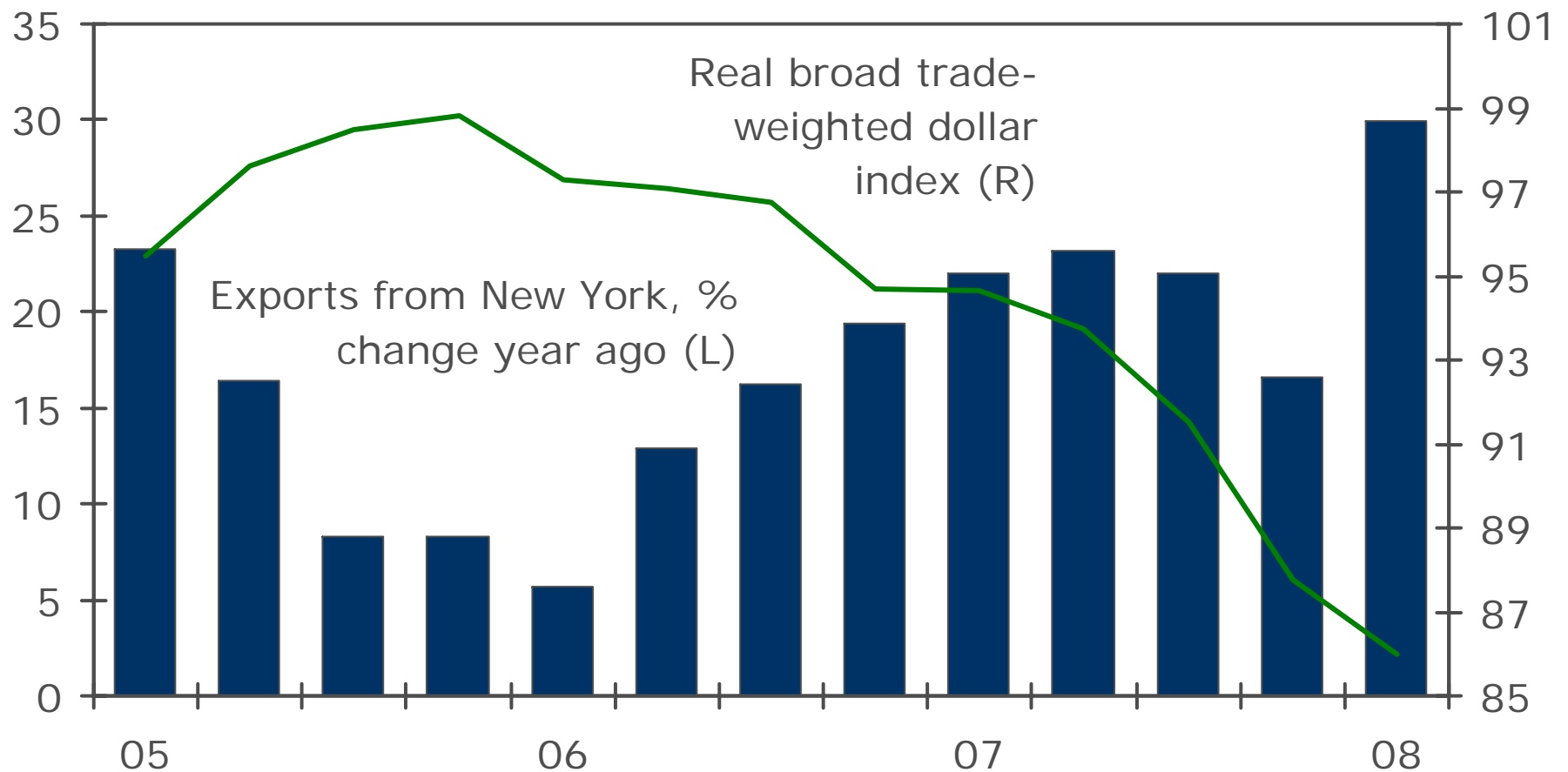
% change year ago

# Downstate Suffering From Housing, Finance

## Employment, % change year ago, 3 mo. MA



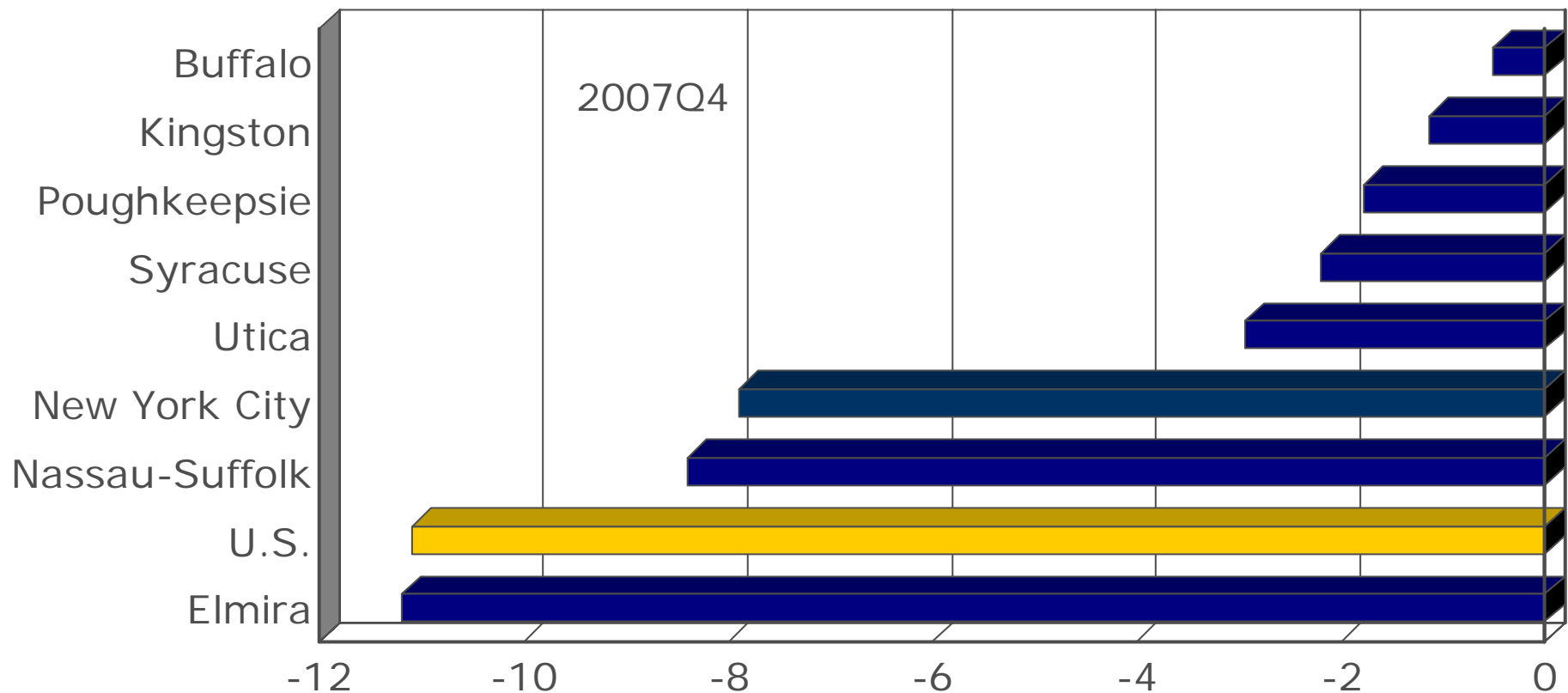
# Weak Dollar and Global Expansion Provide Support





# House Prices Holding Up in Most of the State...

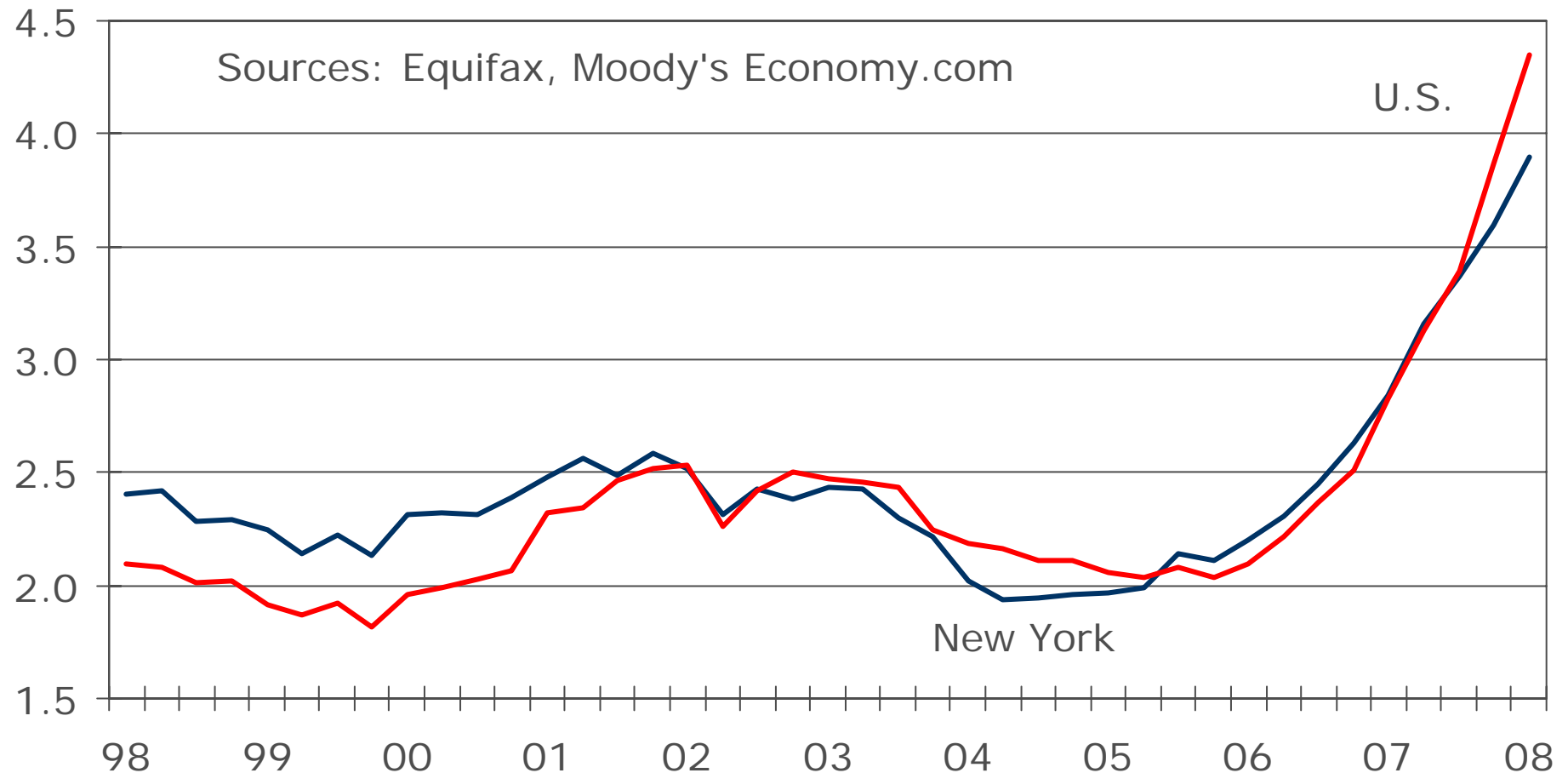
Case-Shiller home price index, % change from peak



\*Albany, Rochester, Ithaca, Glens Falls, Binghamton still appreciating

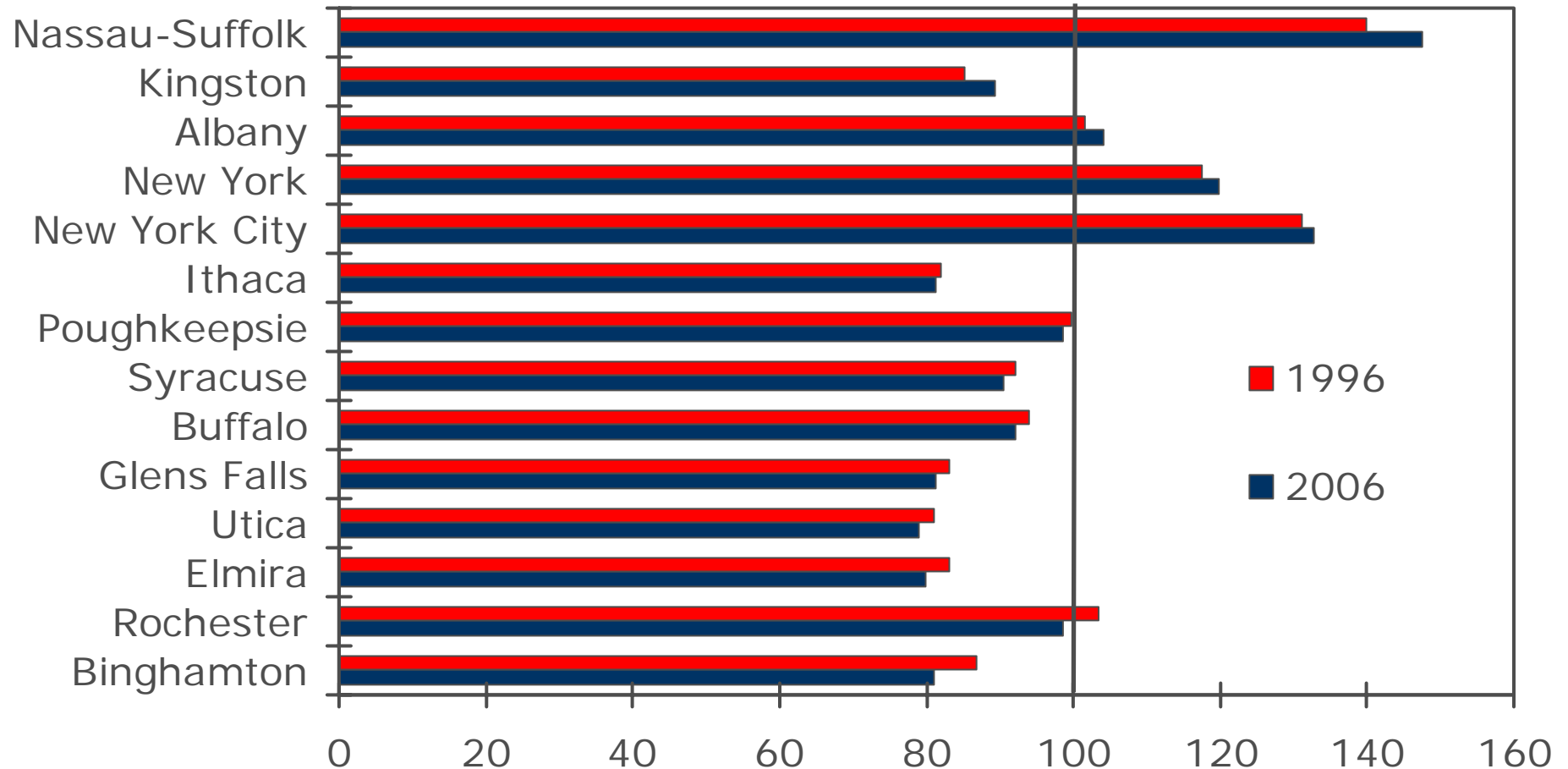
## ...But Credit Quality Is Eroding Rapidly

### First mortgage delinquency rate, % of \$ volume



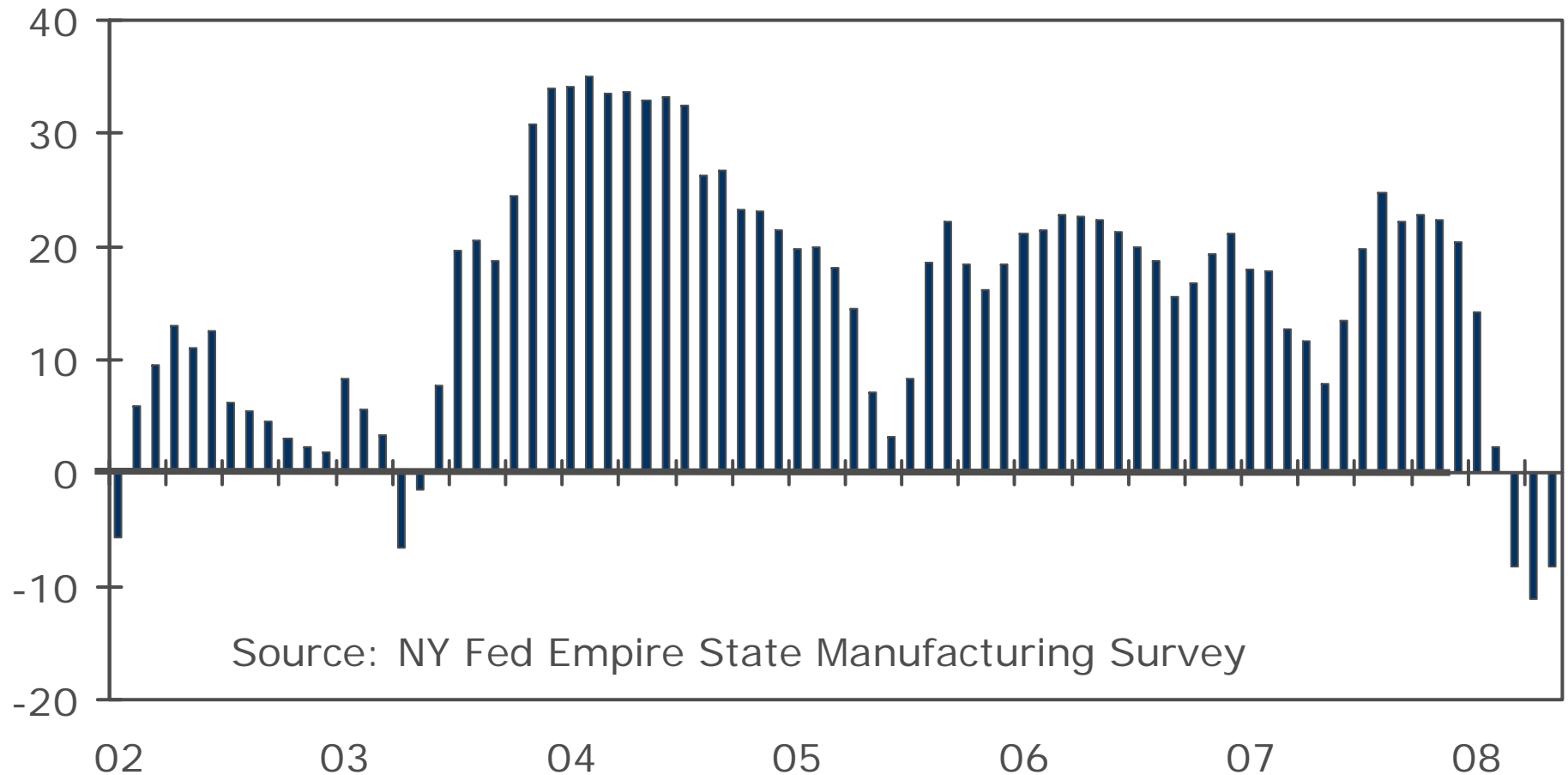
# Income Trends Are Eroding in Much of the State

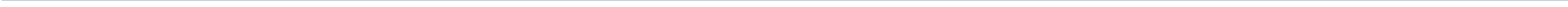
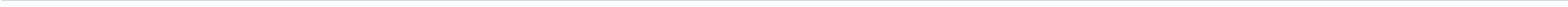
Per capita income relative to U.S., U.S.=100



# Manufacturing Conditions Are Contracting Sharply

## Diffusion index, 3 mo. MA



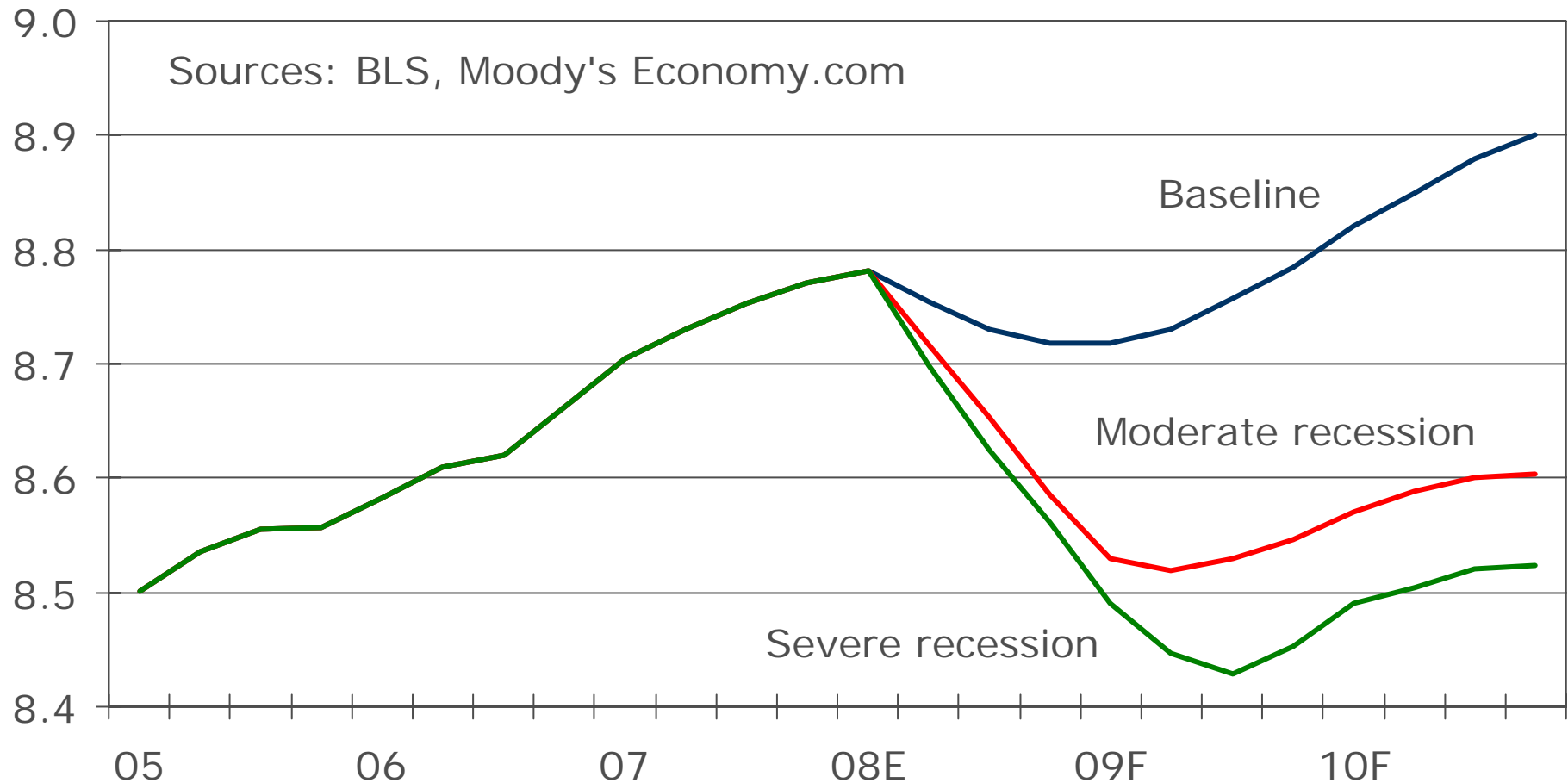


# A Mild Recession



# A Kinder, Gentler Recession in New York

## Employment, mil.



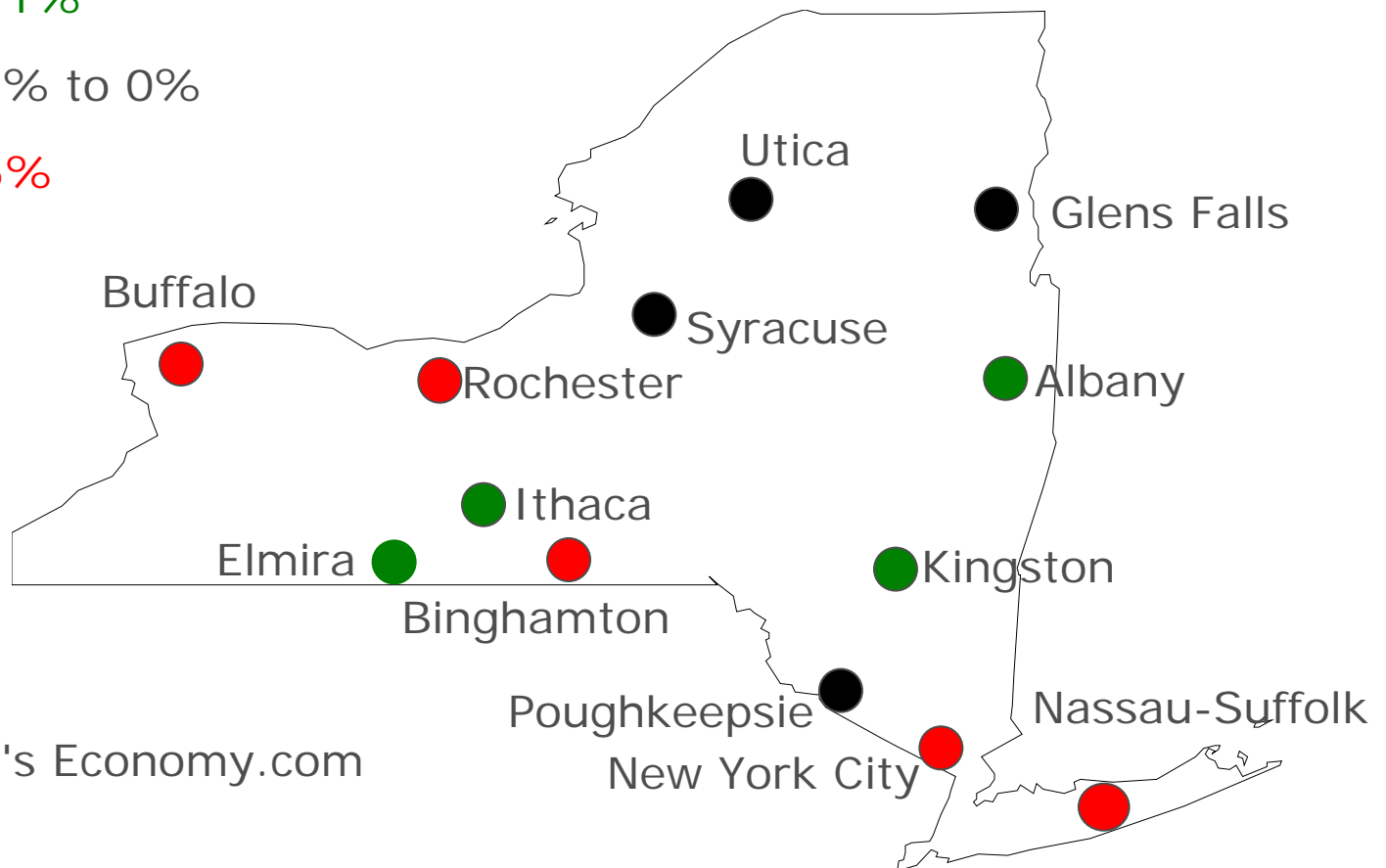
# Metro Area Growth Will Be Mixed

Average annual employment growth, 2008Q2 to 2009Q2

Green =  $>0.1\%$

Black =  $-0.5\%$  to  $0\%$

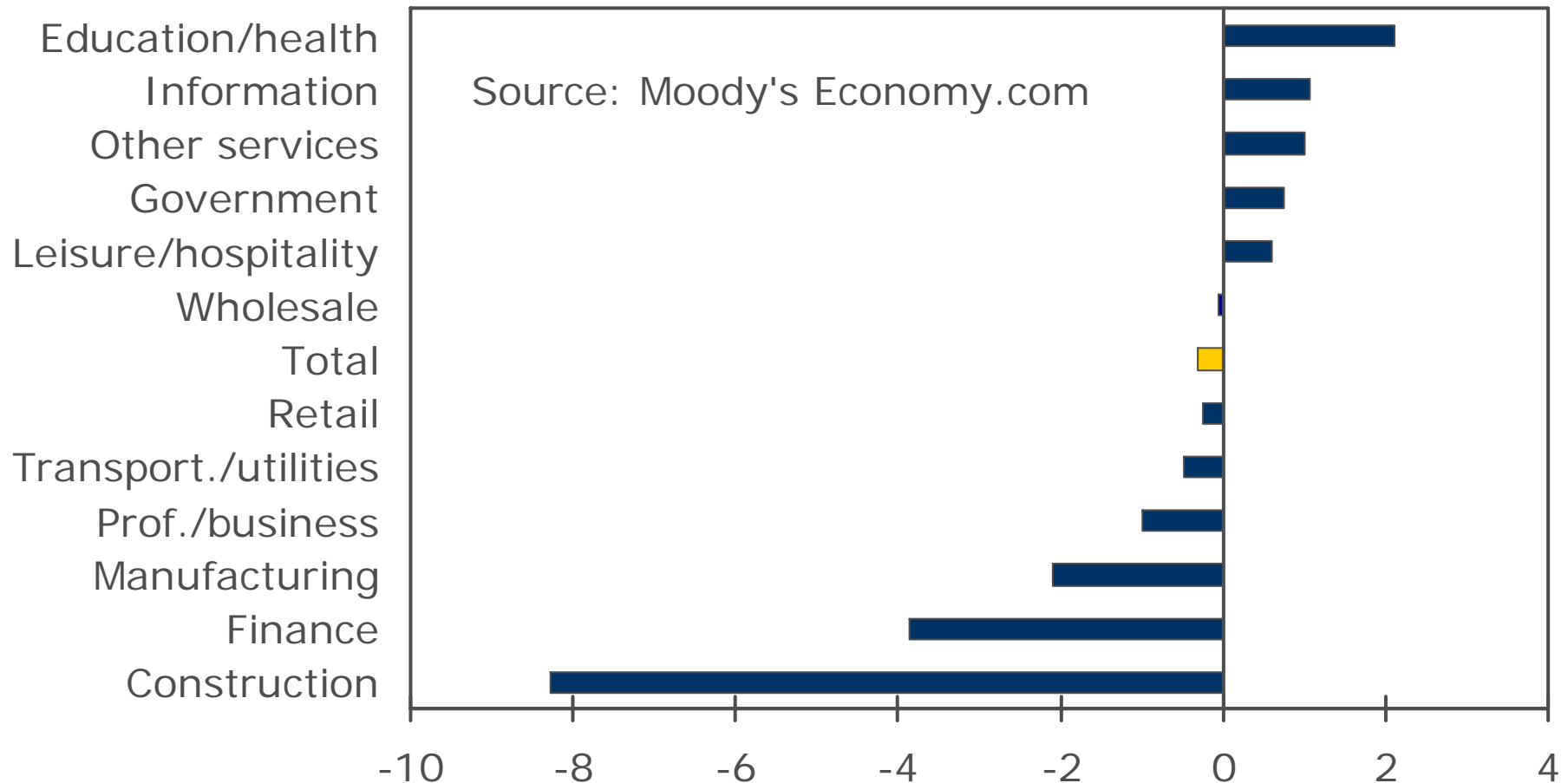
Red =  $<-0.5\%$



Source: Moody's Economy.com

# Goods-Producing & Finance Will Drag Growth

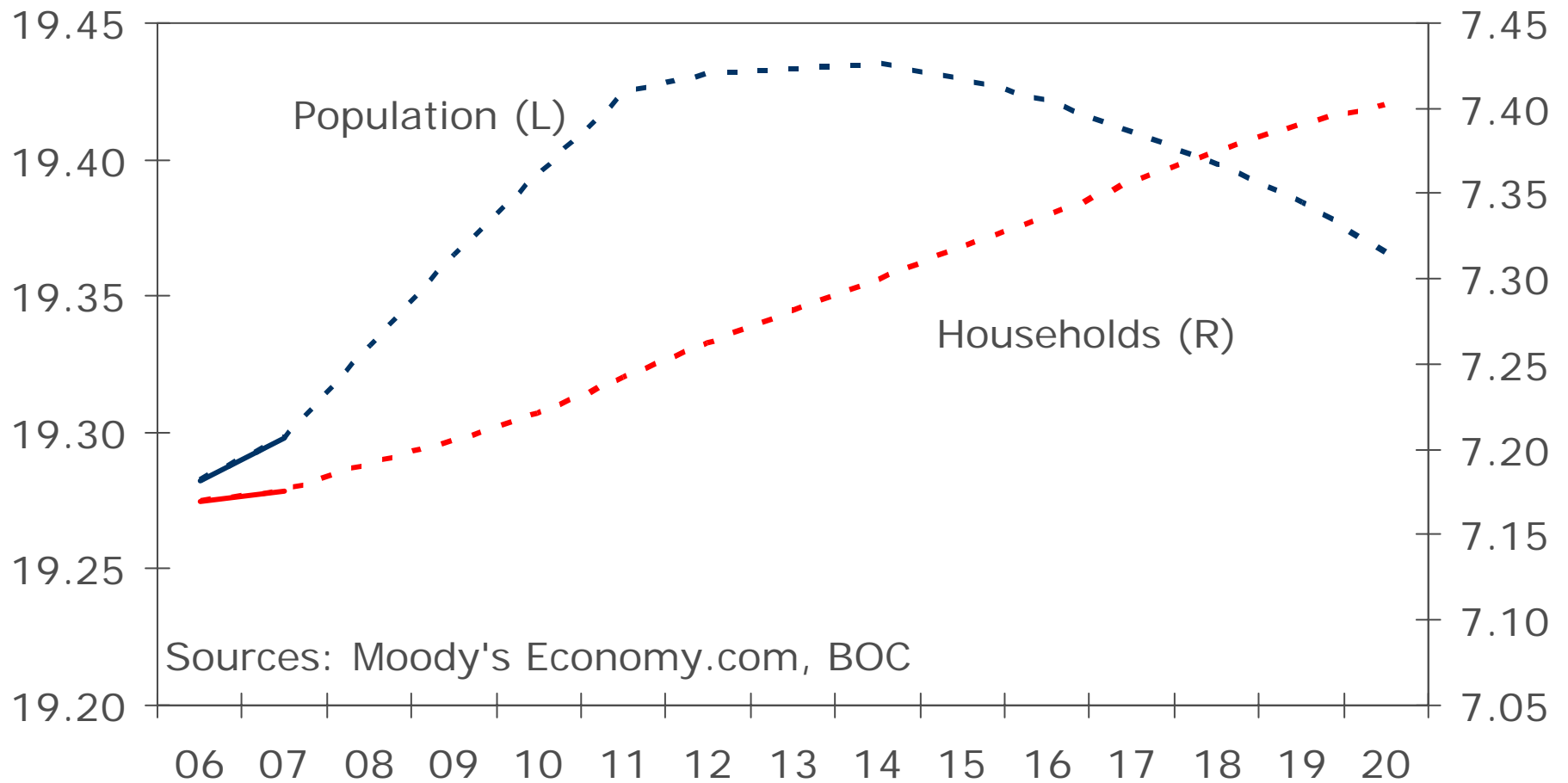
Average annual employment growth, 2008Q2 to 2009Q2





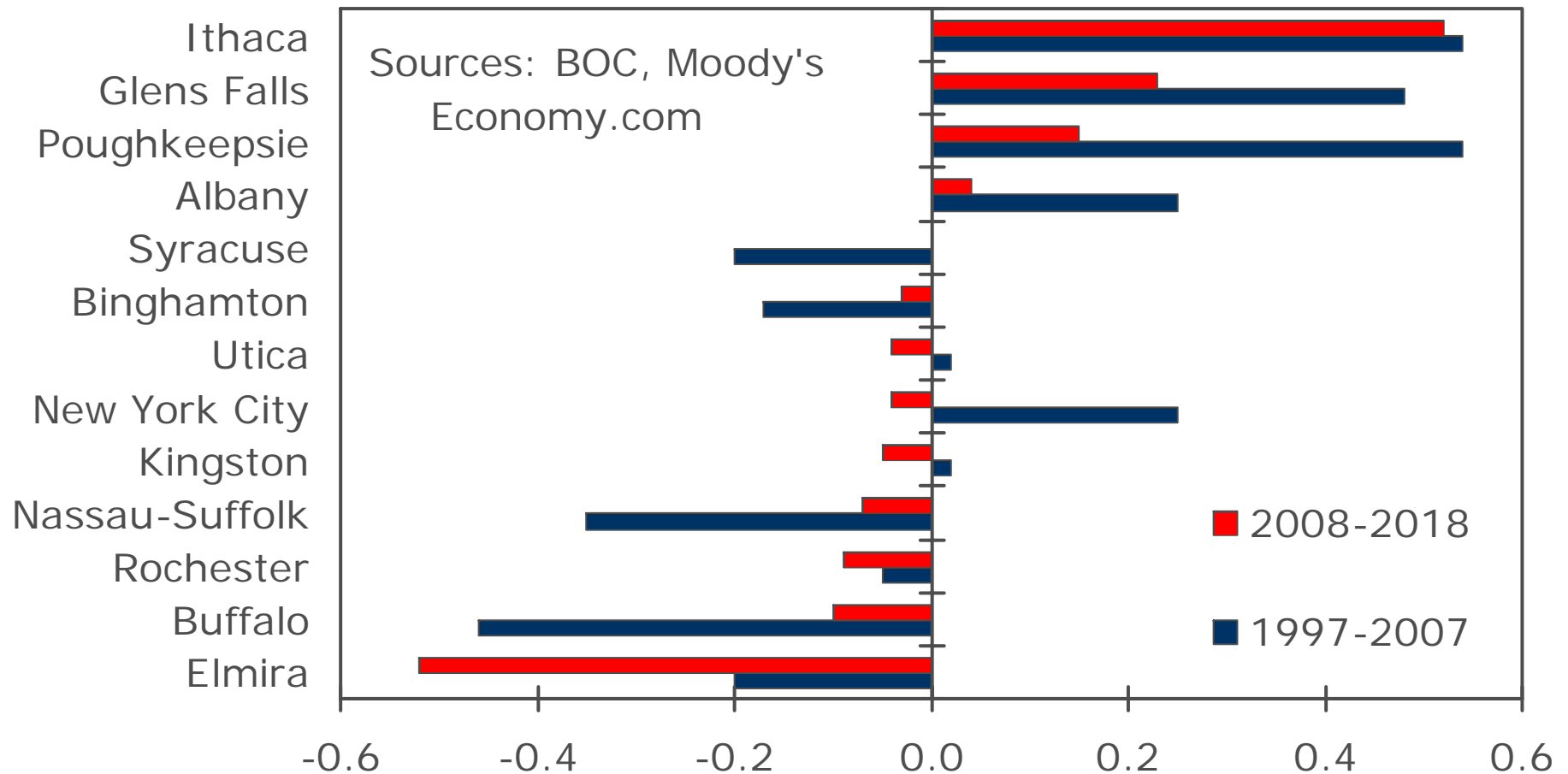
# New York's Population Will Fall as Boomers Leave

Mil



# Most Areas Will See Little to No Population Growth

## Population growth, %



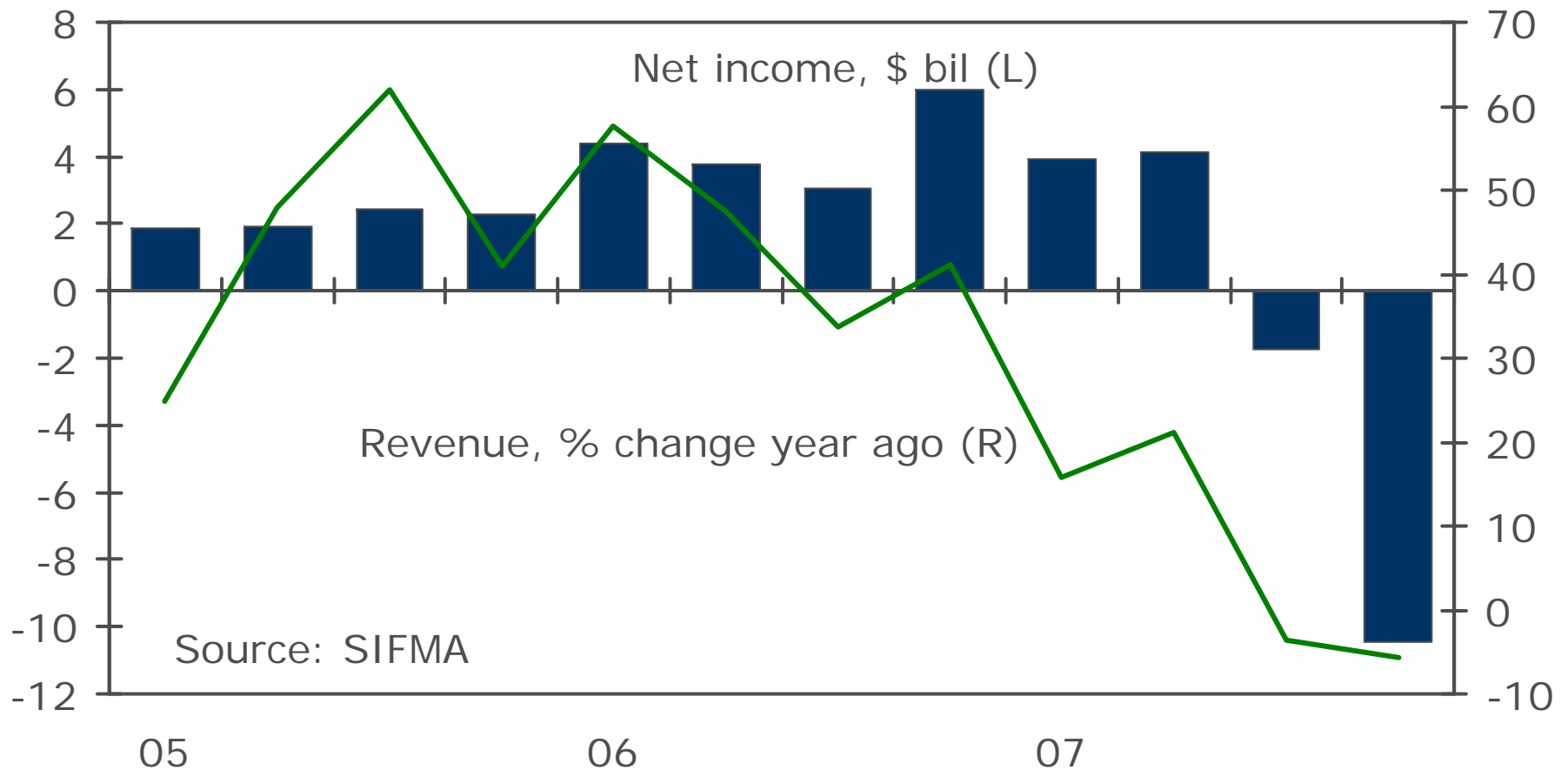


# New York City Outlook



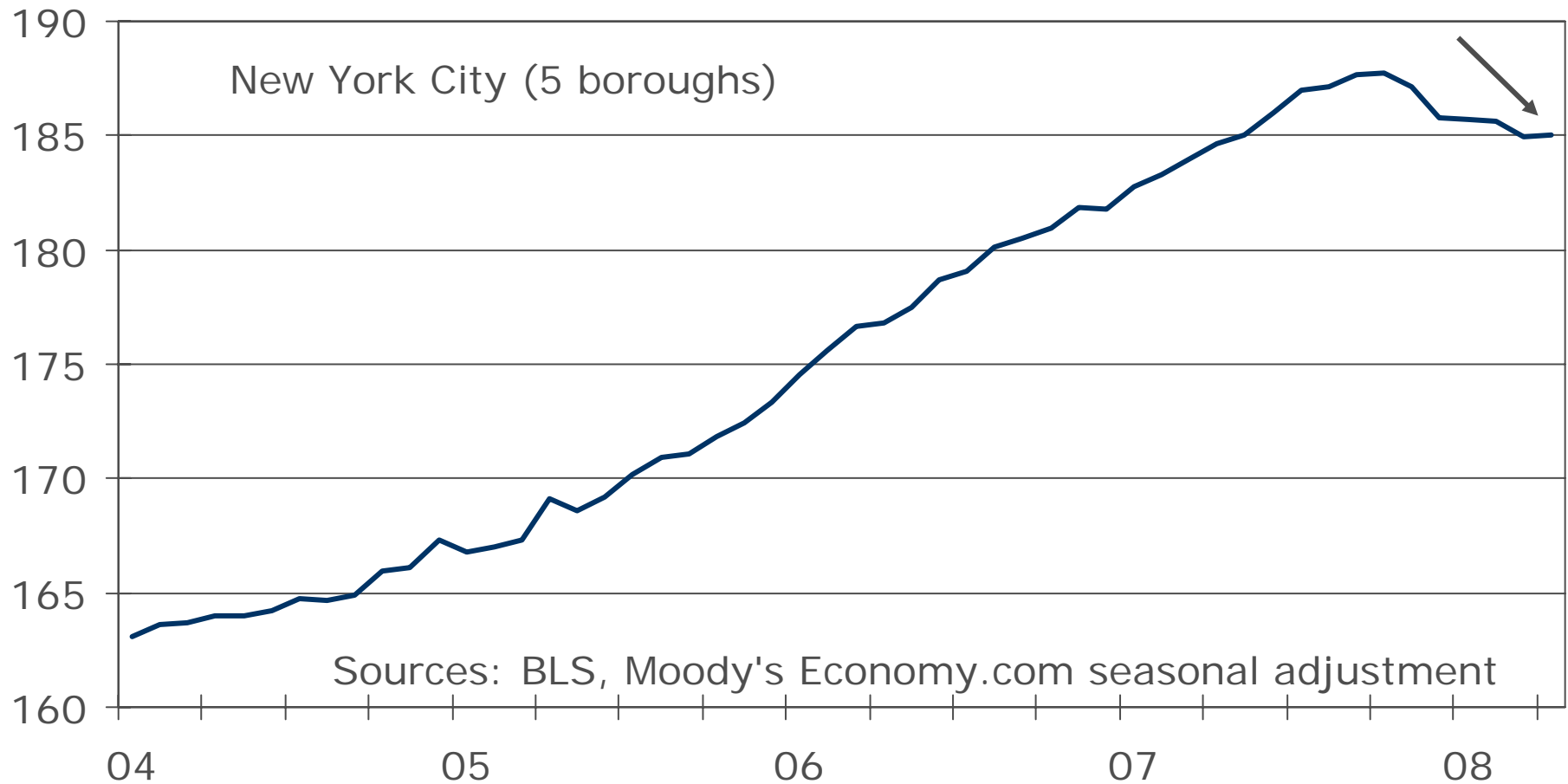
# As Wall Street Slows, So Goes New York City

## Securities brokerage industry



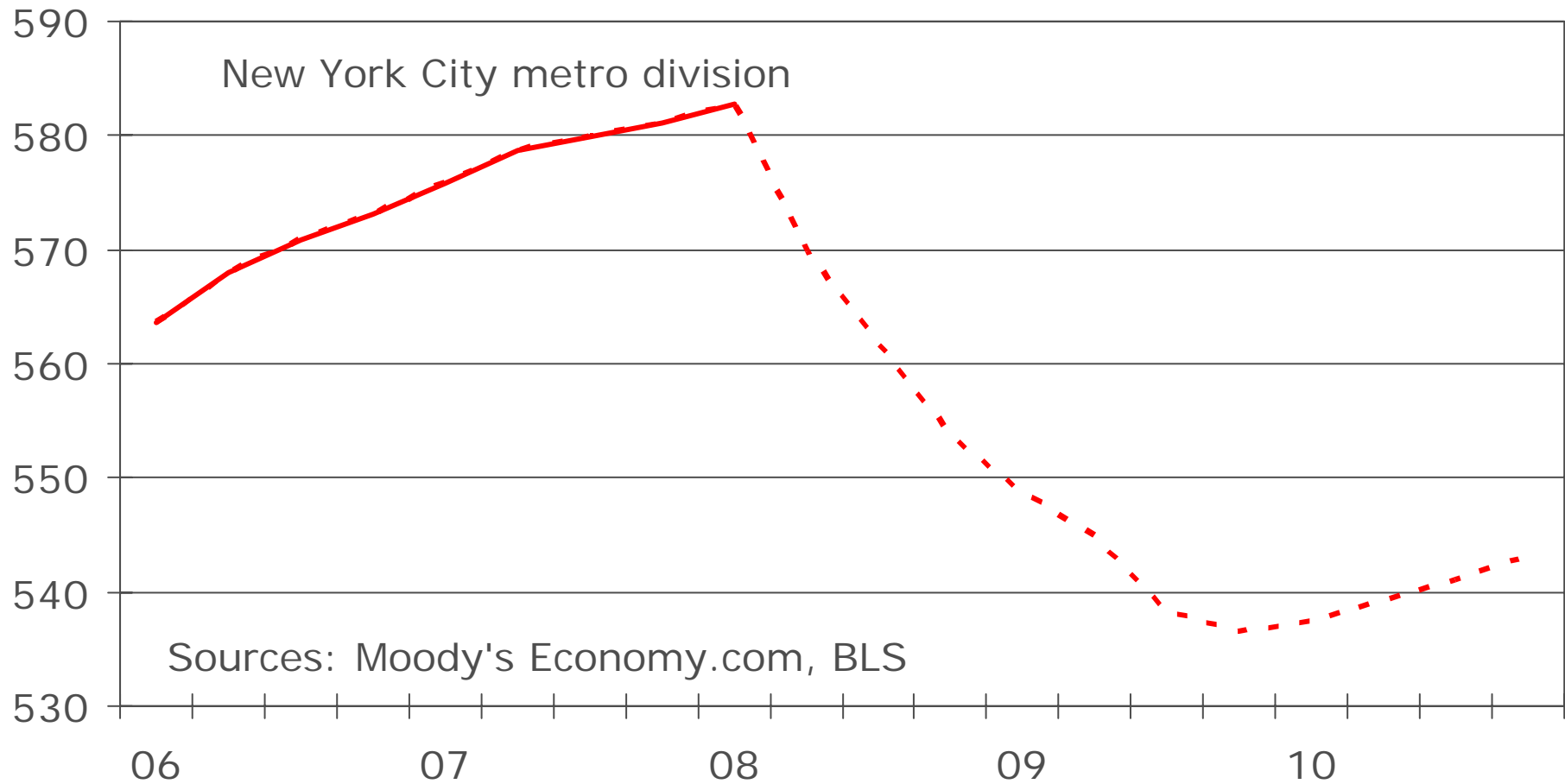
# Wall Street Layoffs Have Yet to Fully Hit NYC...

## Security brokerage employment, ths, 12 mo. MA



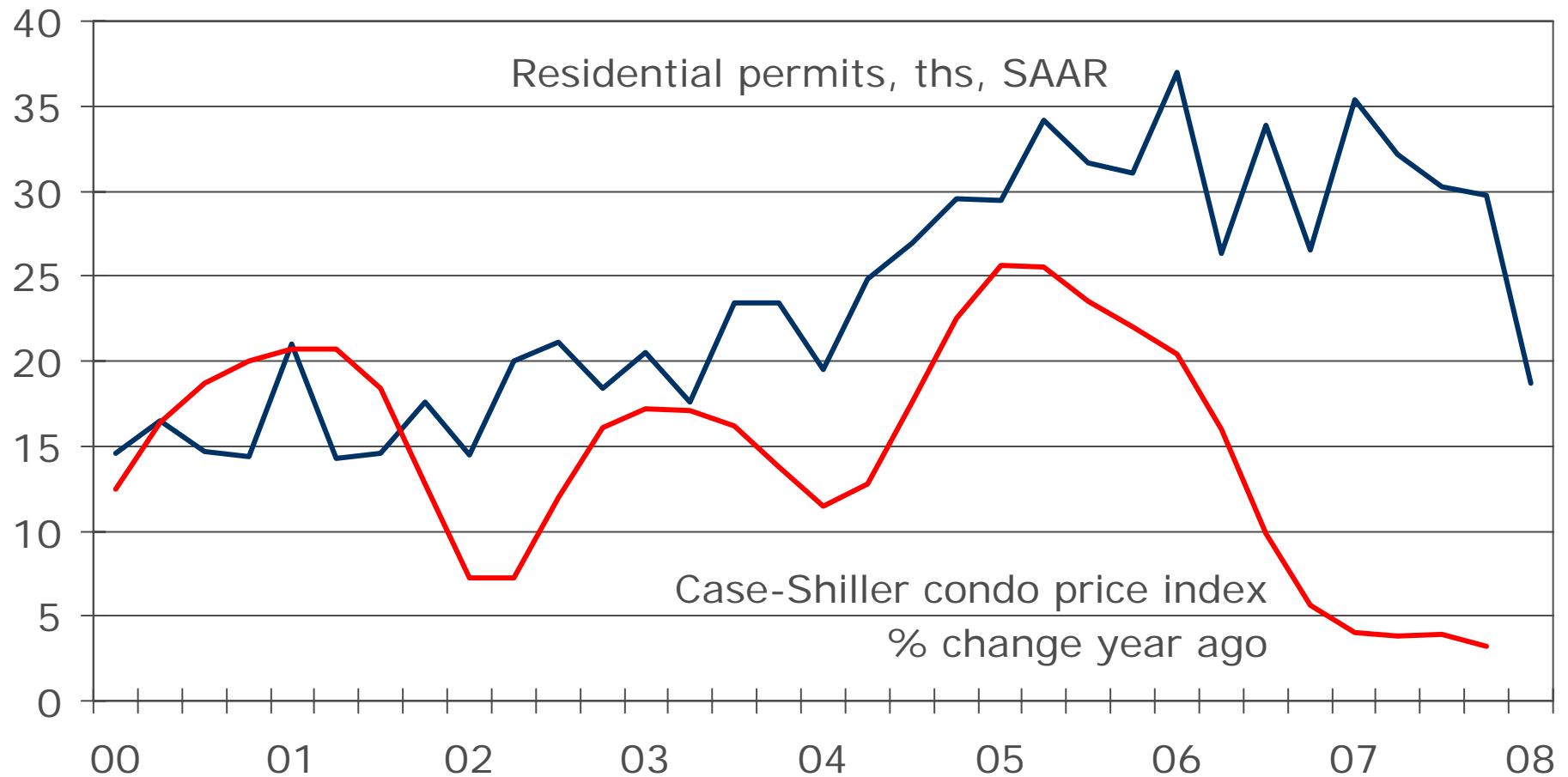
## ...But Will Do So in the Coming Quarter

### Financial activities employment, ths

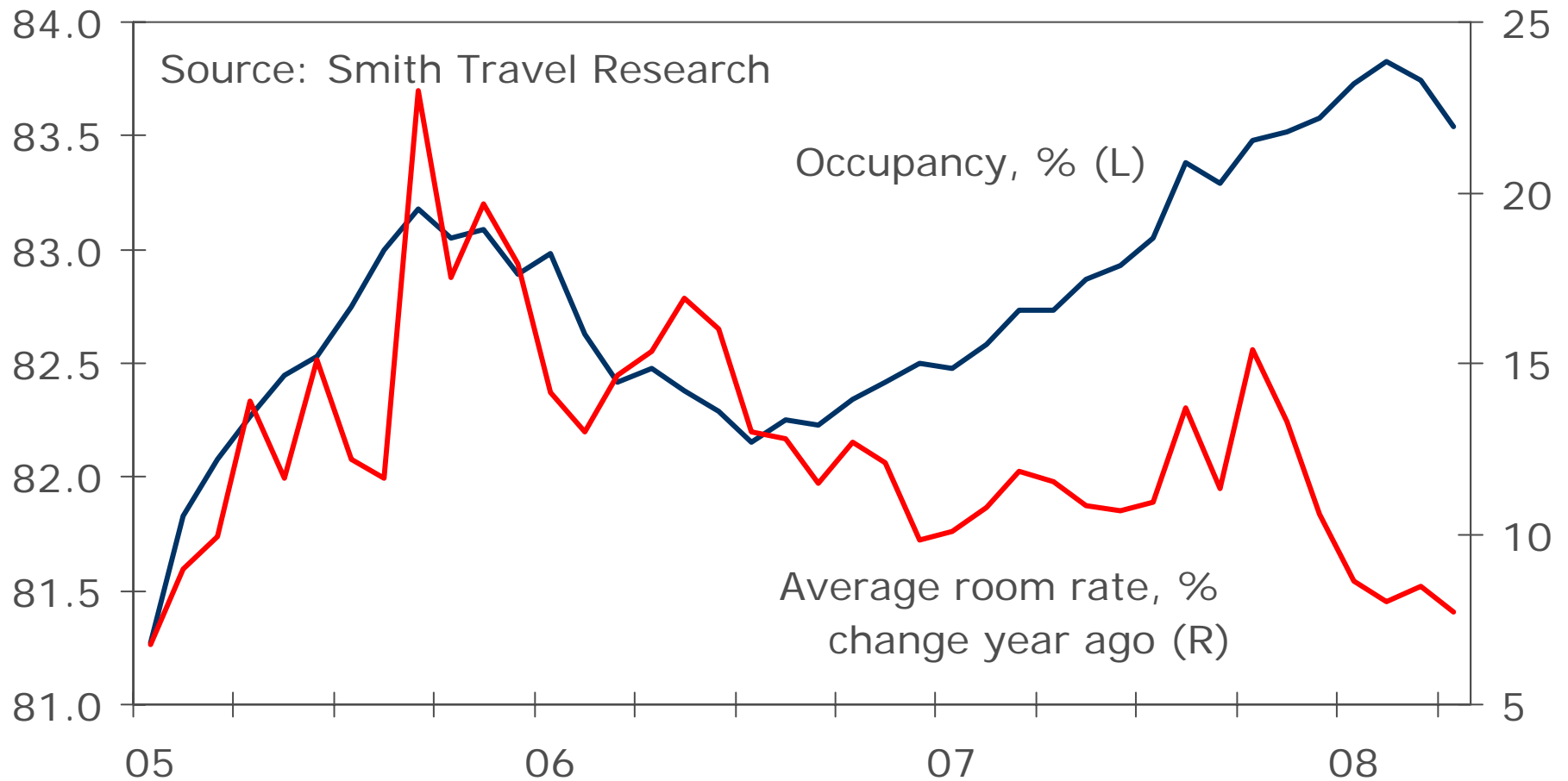


# New York City Housing Beginning to Slow

## New York City, 5 boroughs



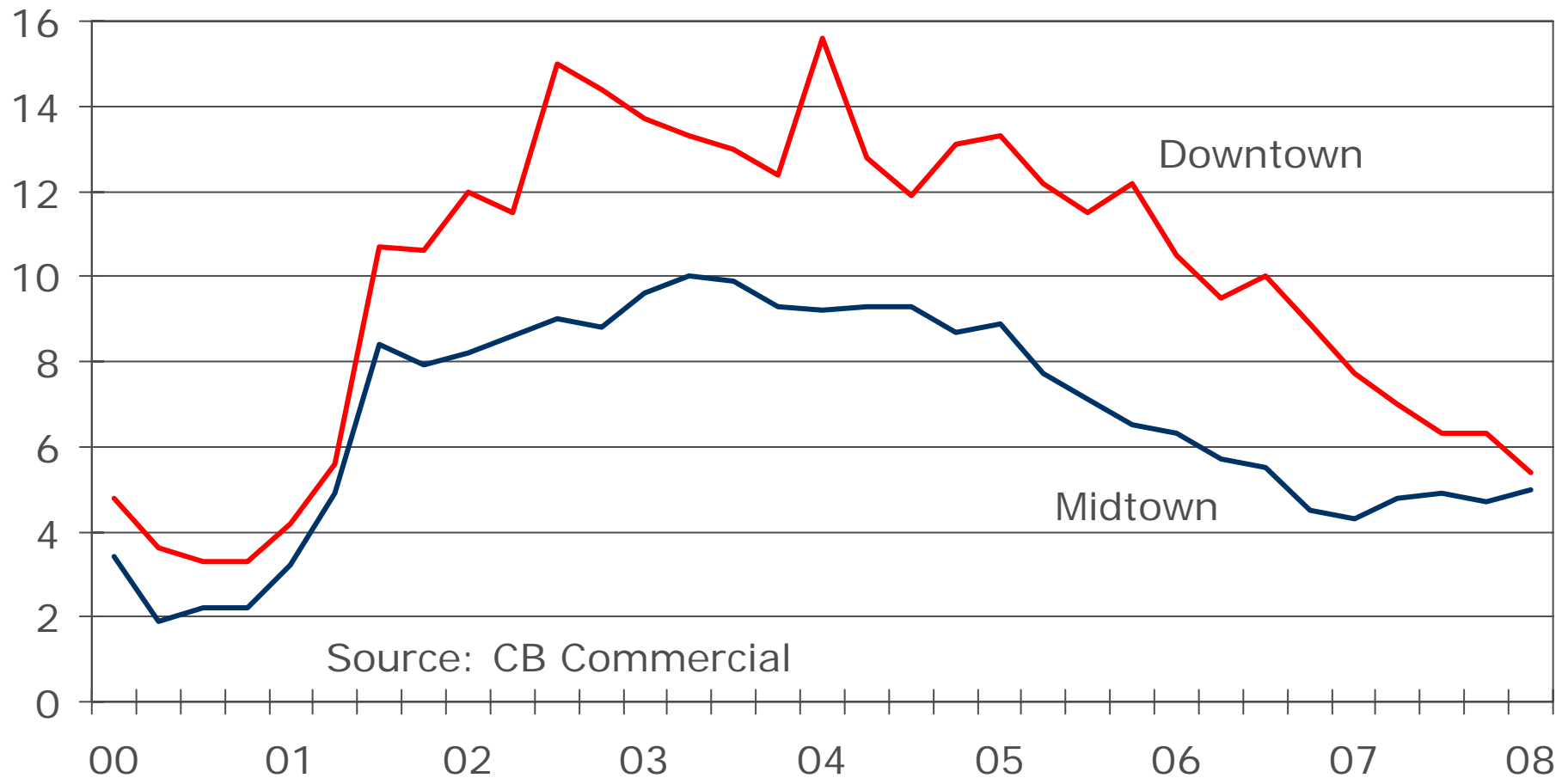
# Tourism Still Strong but Slowing in New York City



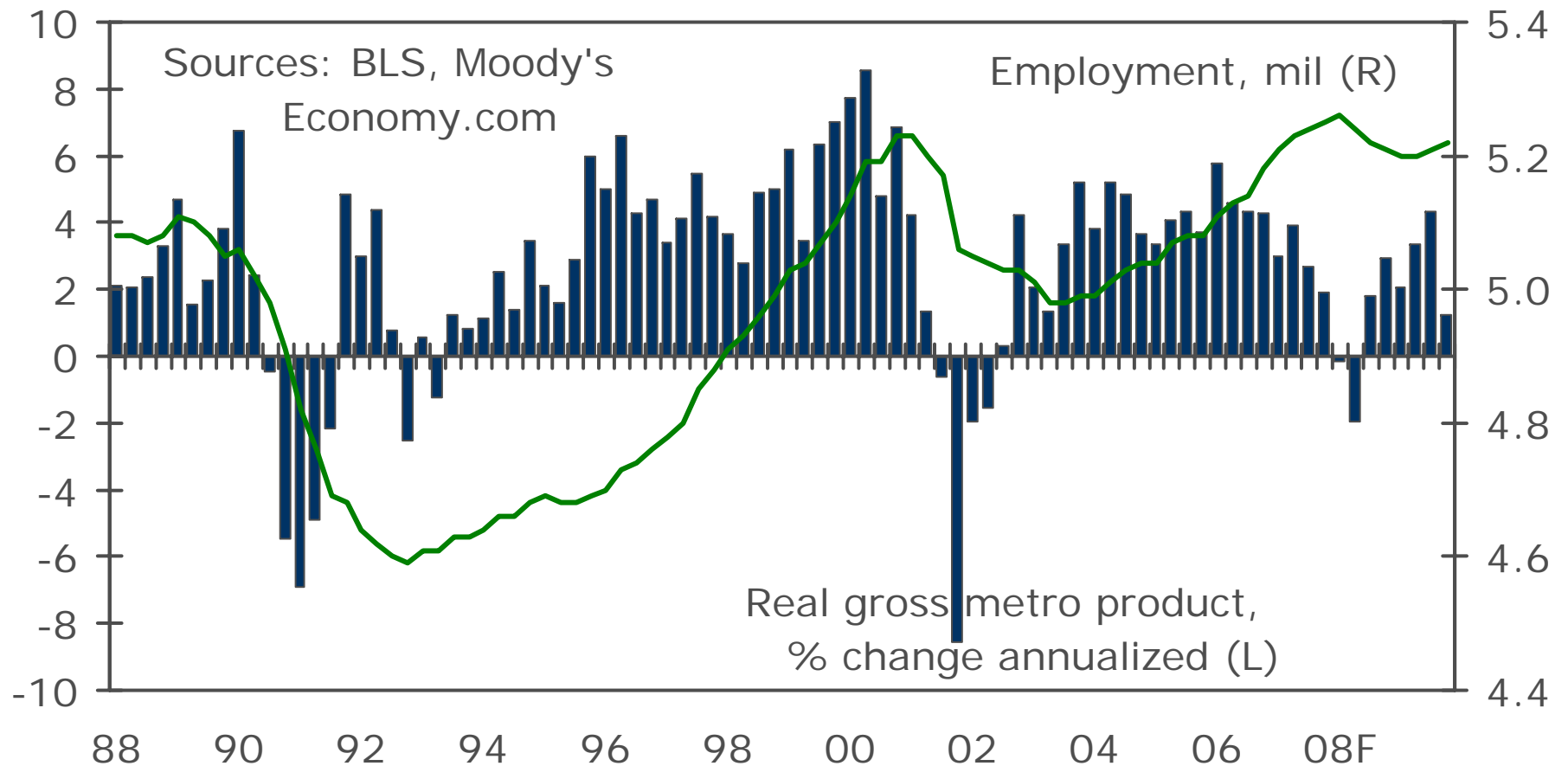


# Midtown Office Market Reflects Weakness as Well

Office vacancy rate, %



# New York City Will Experience a Mild Recession



[www.economy.com](http://www.economy.com)