

# ECONOMIC AND HOUSING CONDITIONS IN ROCHESTER AND UPSTATE NY

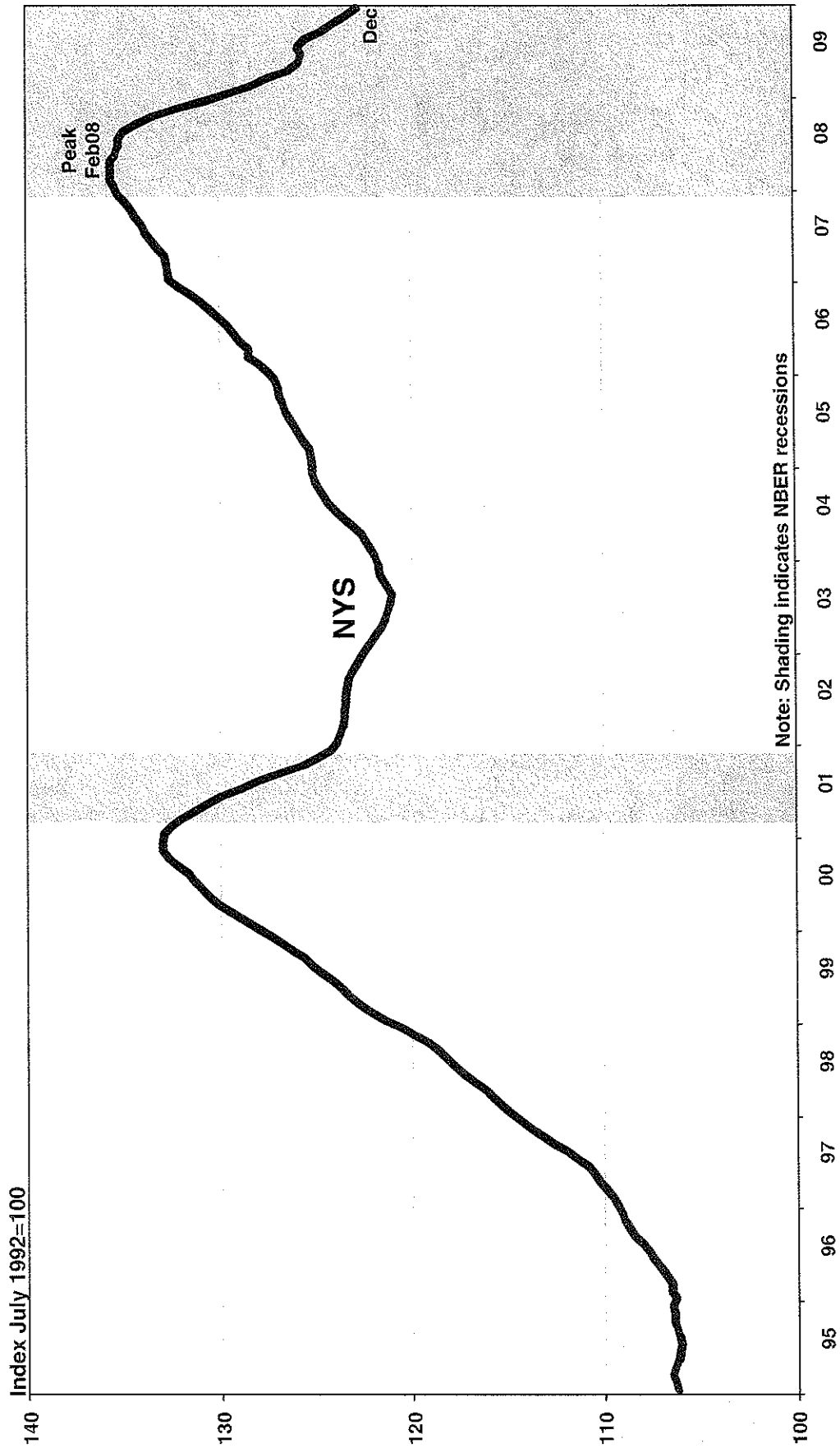
Richard Deitz, Federal Reserve Bank of New York  
[richard.deitz@ny.frb.org](mailto:richard.deitz@ny.frb.org)  
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The views expressed here are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

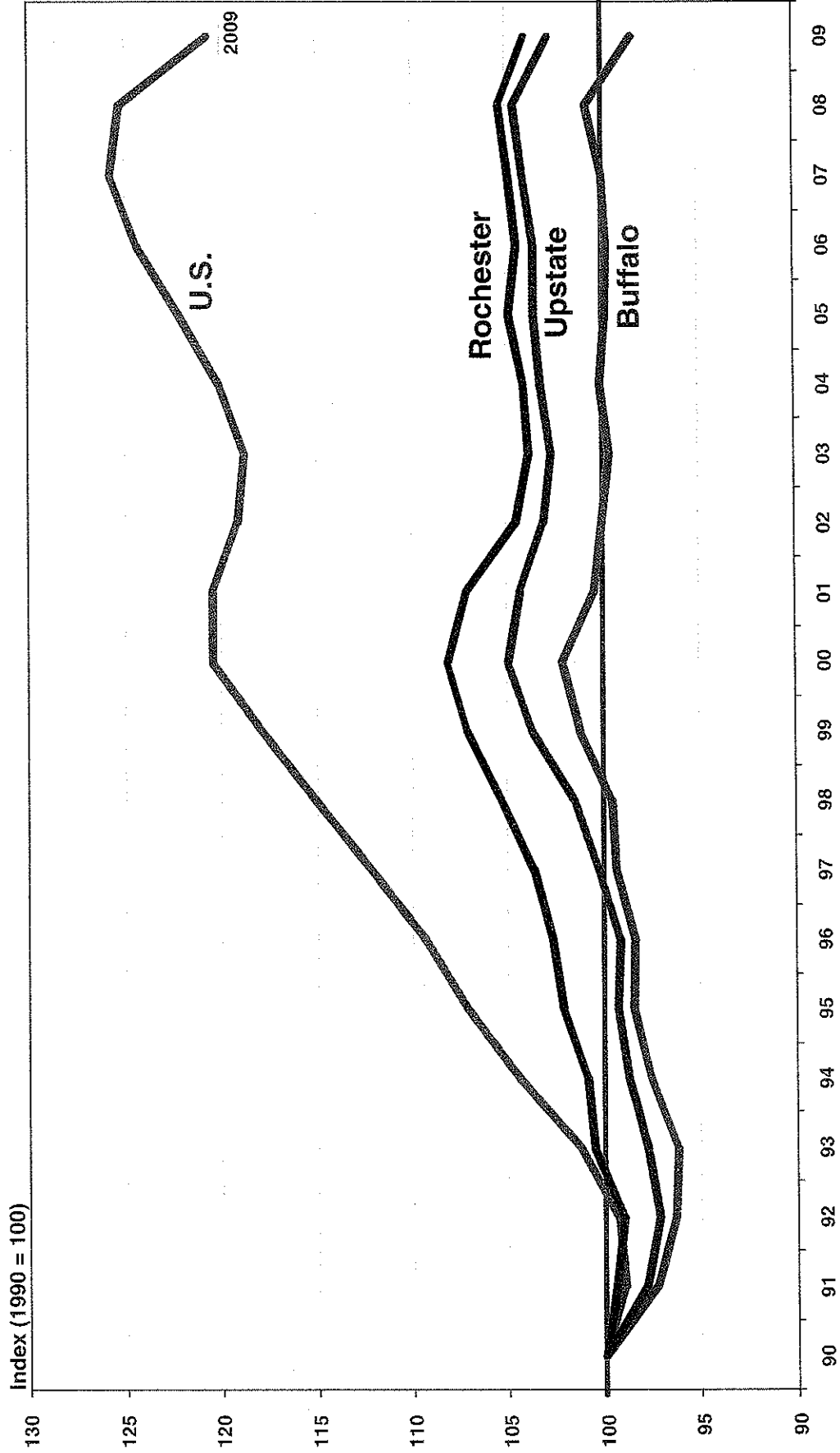
# Regional Economic Activity

## Index of Coincident Economic Indicators



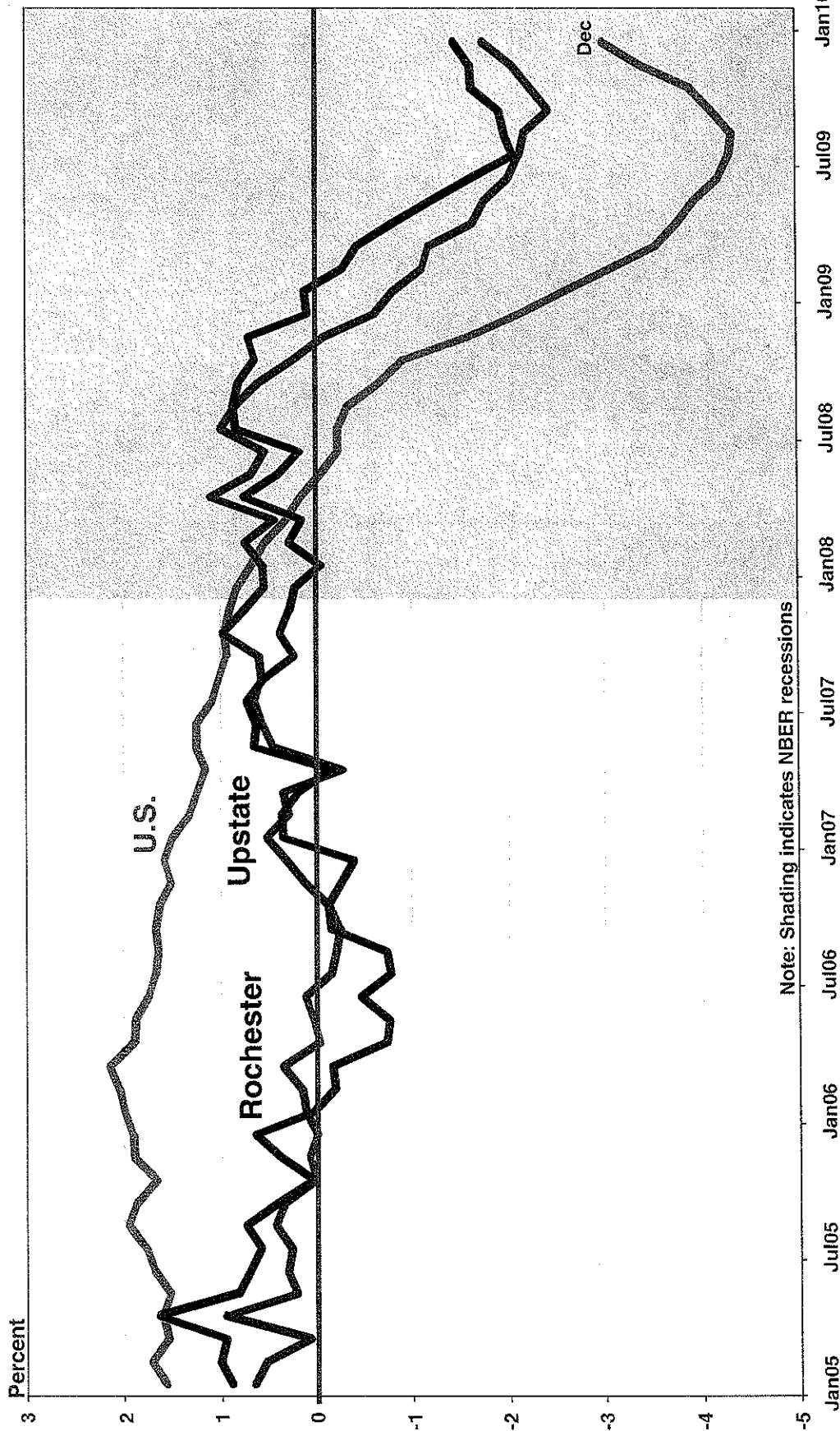
# Regional Employment Growth

Index of Total Annual Employment



# Recent Regional Employment Growth

## Monthly Year-Over-Year Percent Change in Employment



Note: Shading indicates NBER recessions

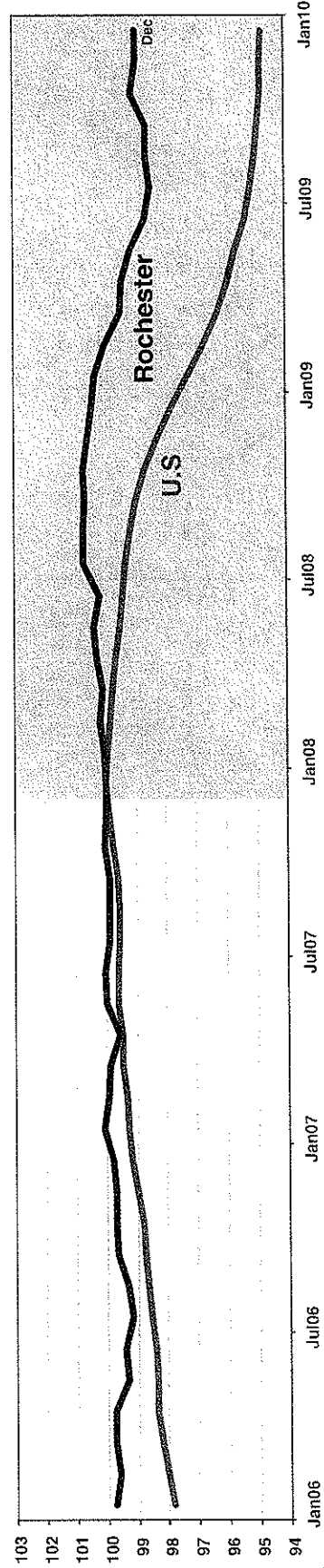
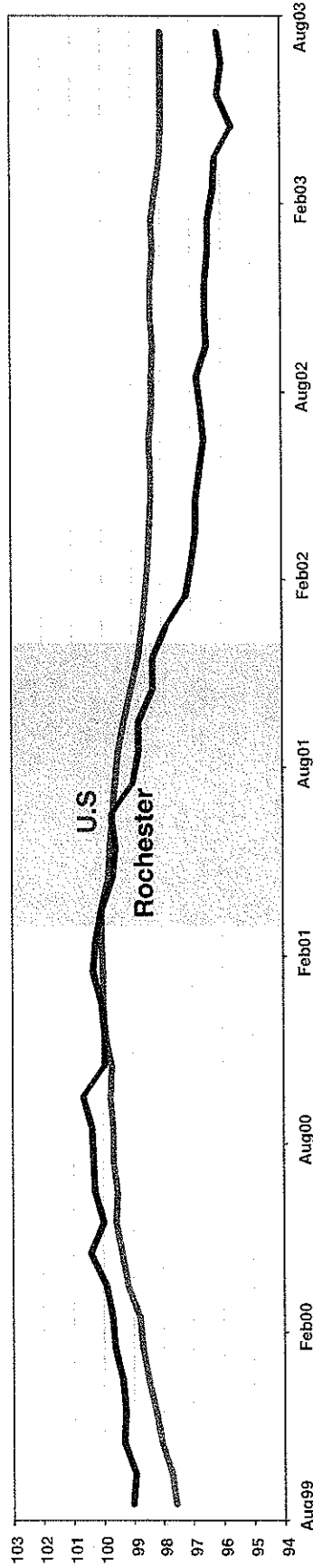
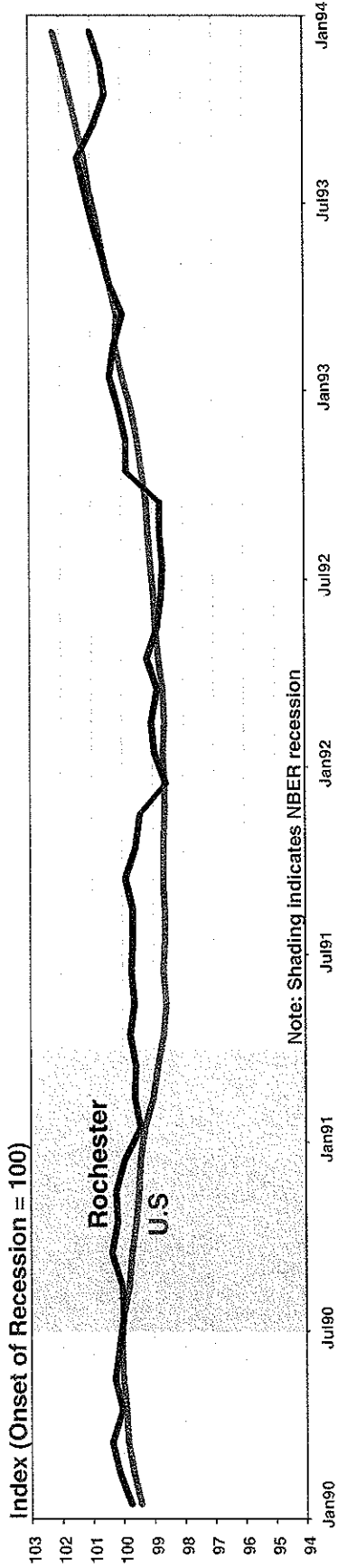


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Source: U.S. Bureau of Labor Statistics and Moody's Economy.com

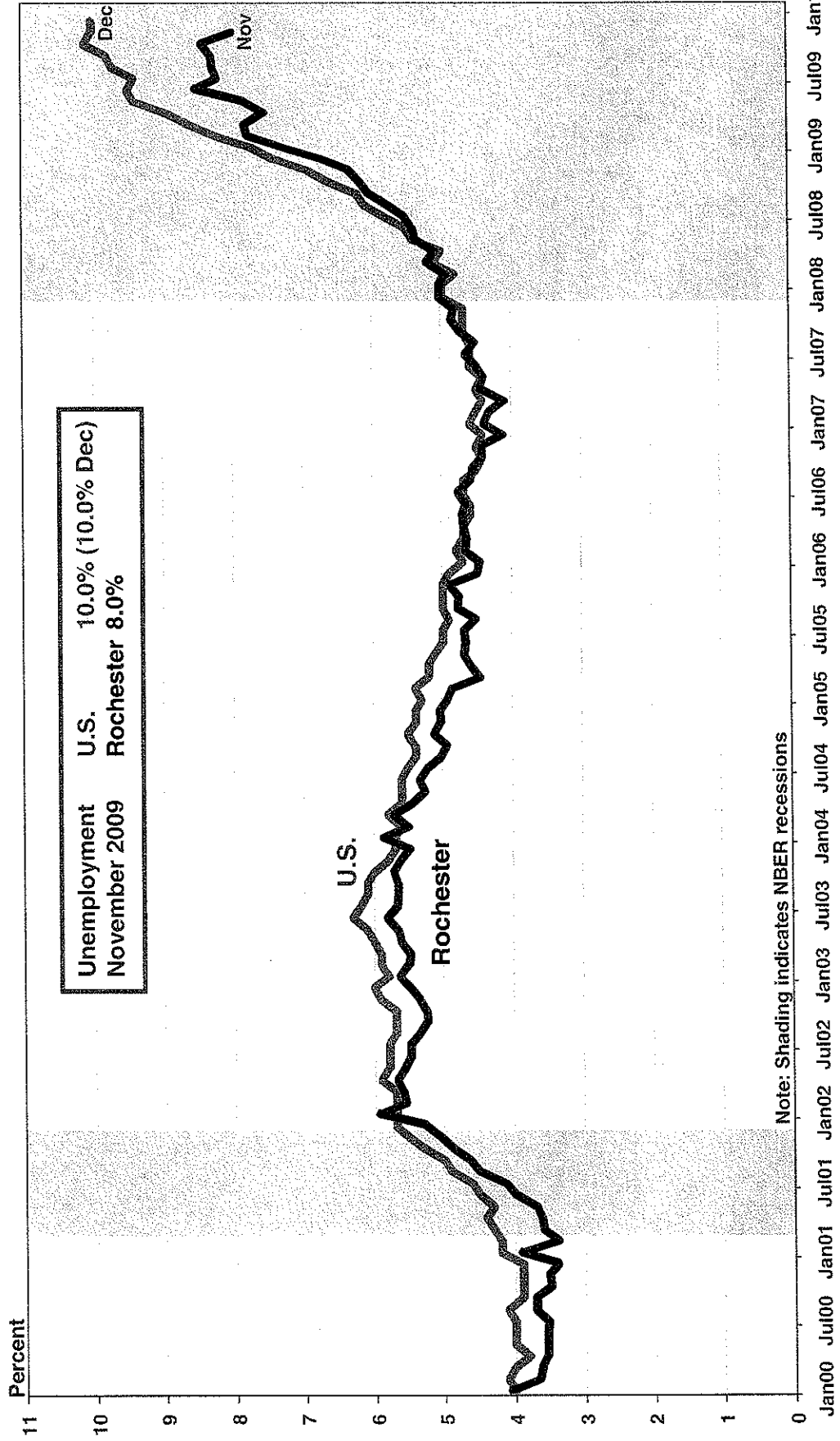
# Recession Employment Dynamics

## Past Three Cycles



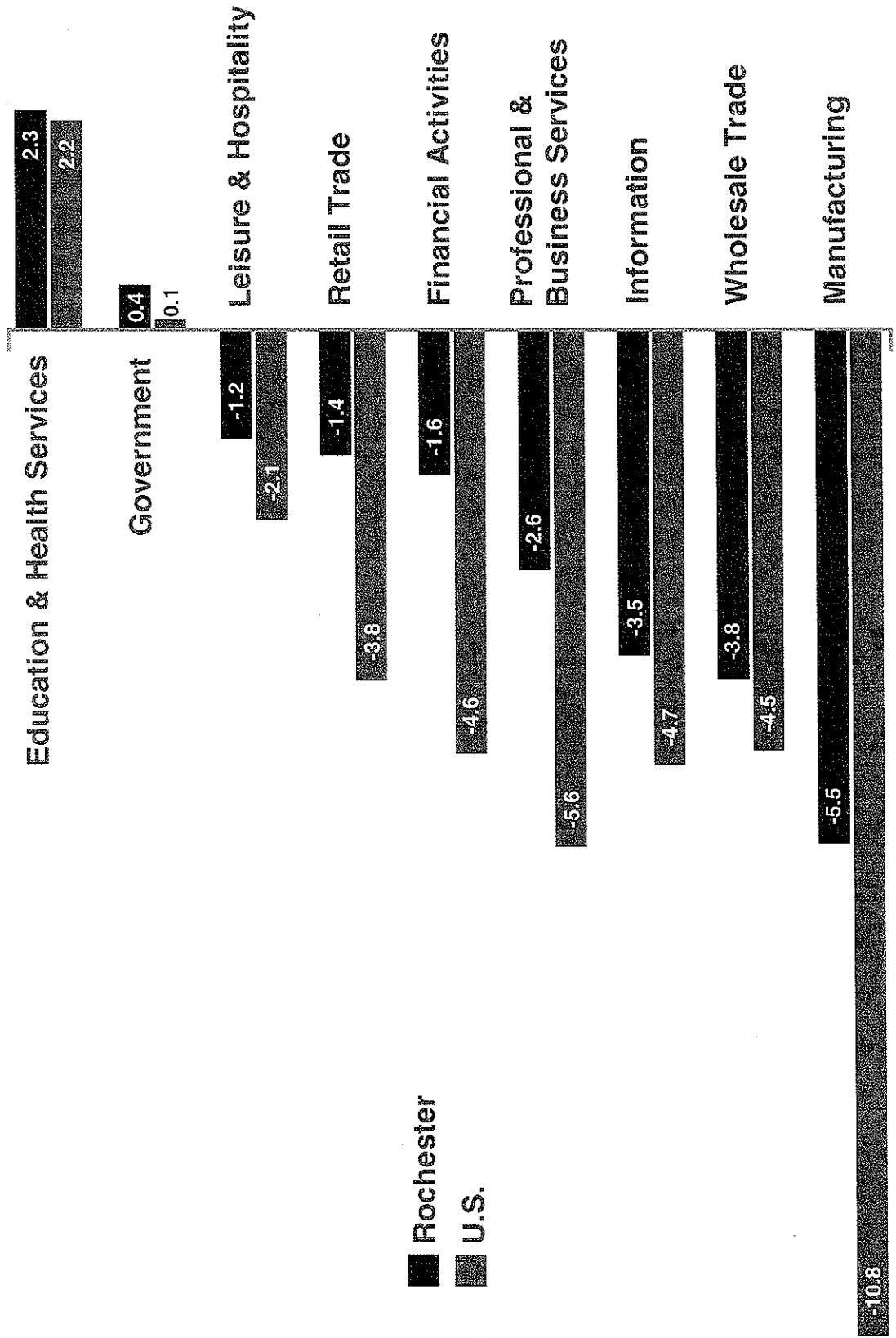
# Unemployment Rate

Seasonally Adjusted



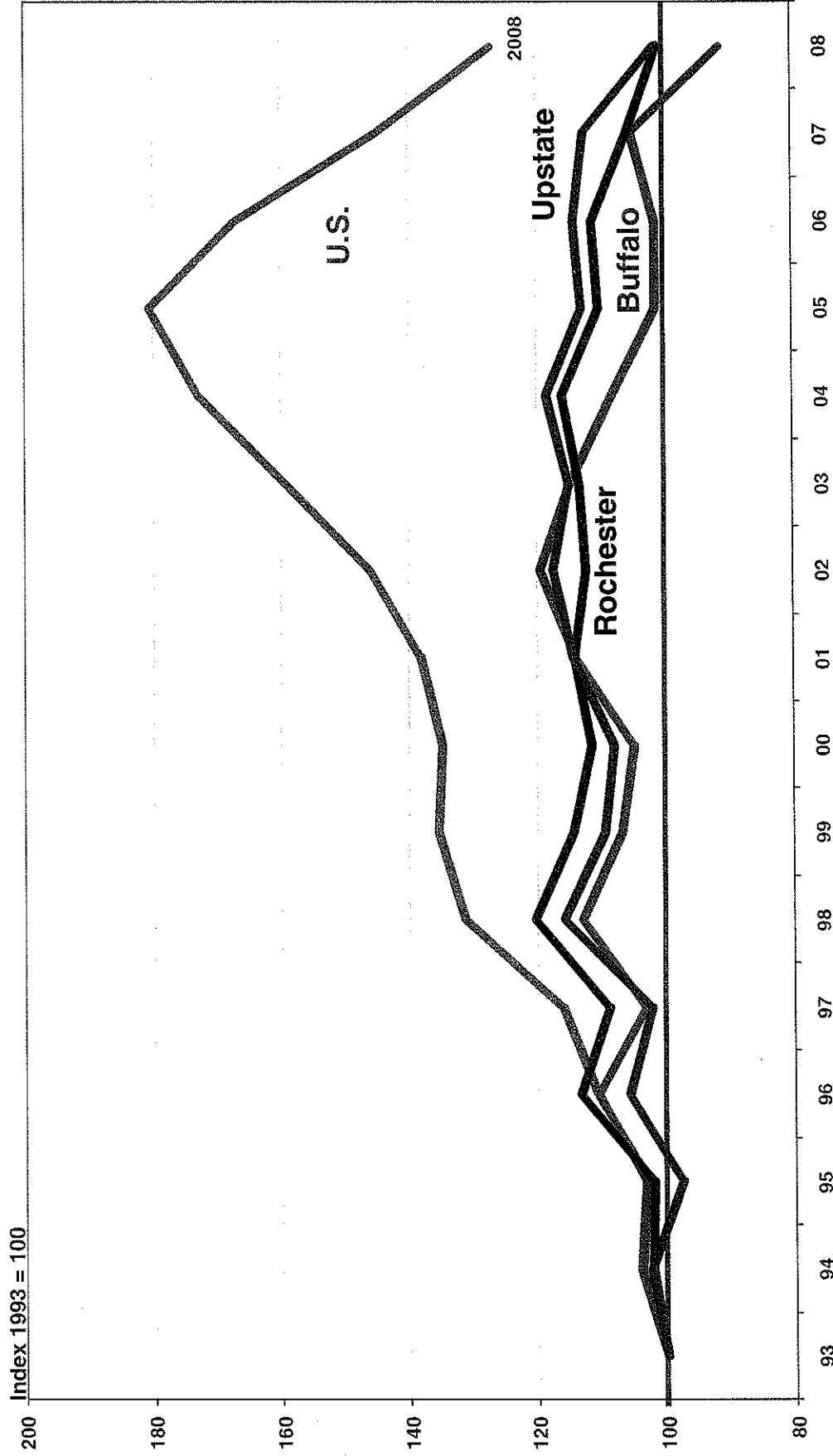
# Job Growth by Sector

12-Month Percent Change (Jan09 to Dec09)



# No Housing Boom. No Housing Bust.

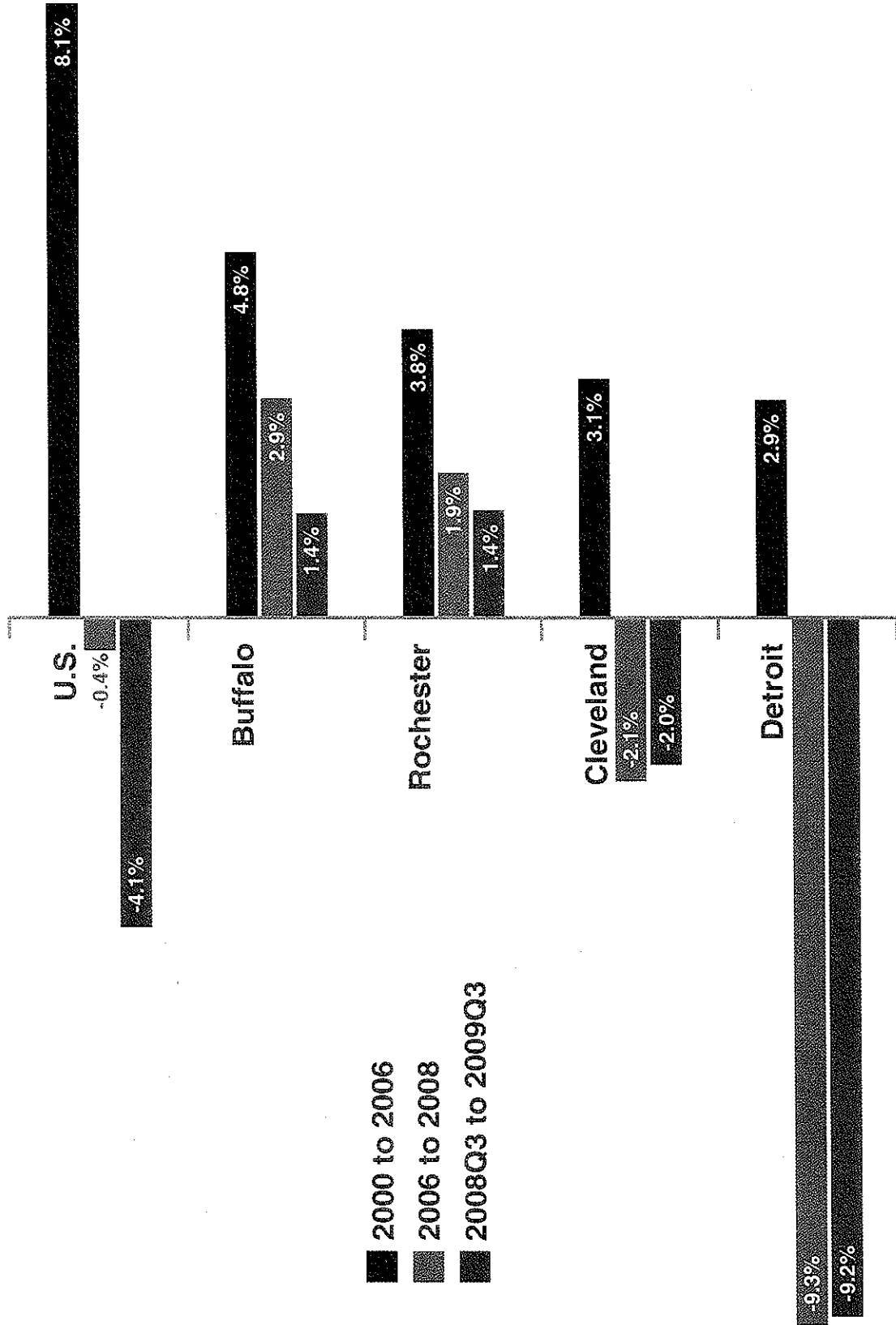
## Index of Existing Single-Family Home Sales





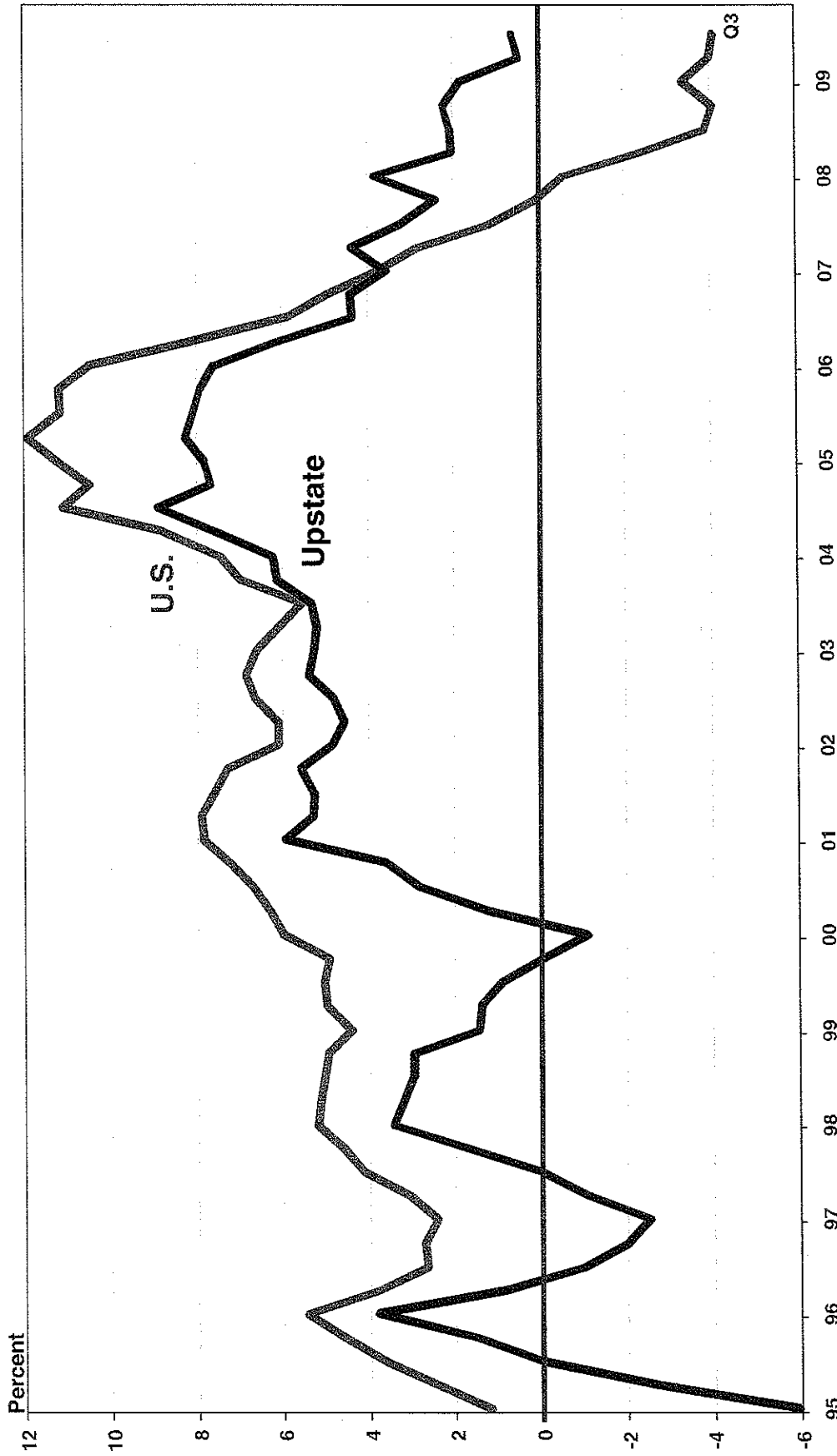
# Housing Prices

Average Annual Percent Change



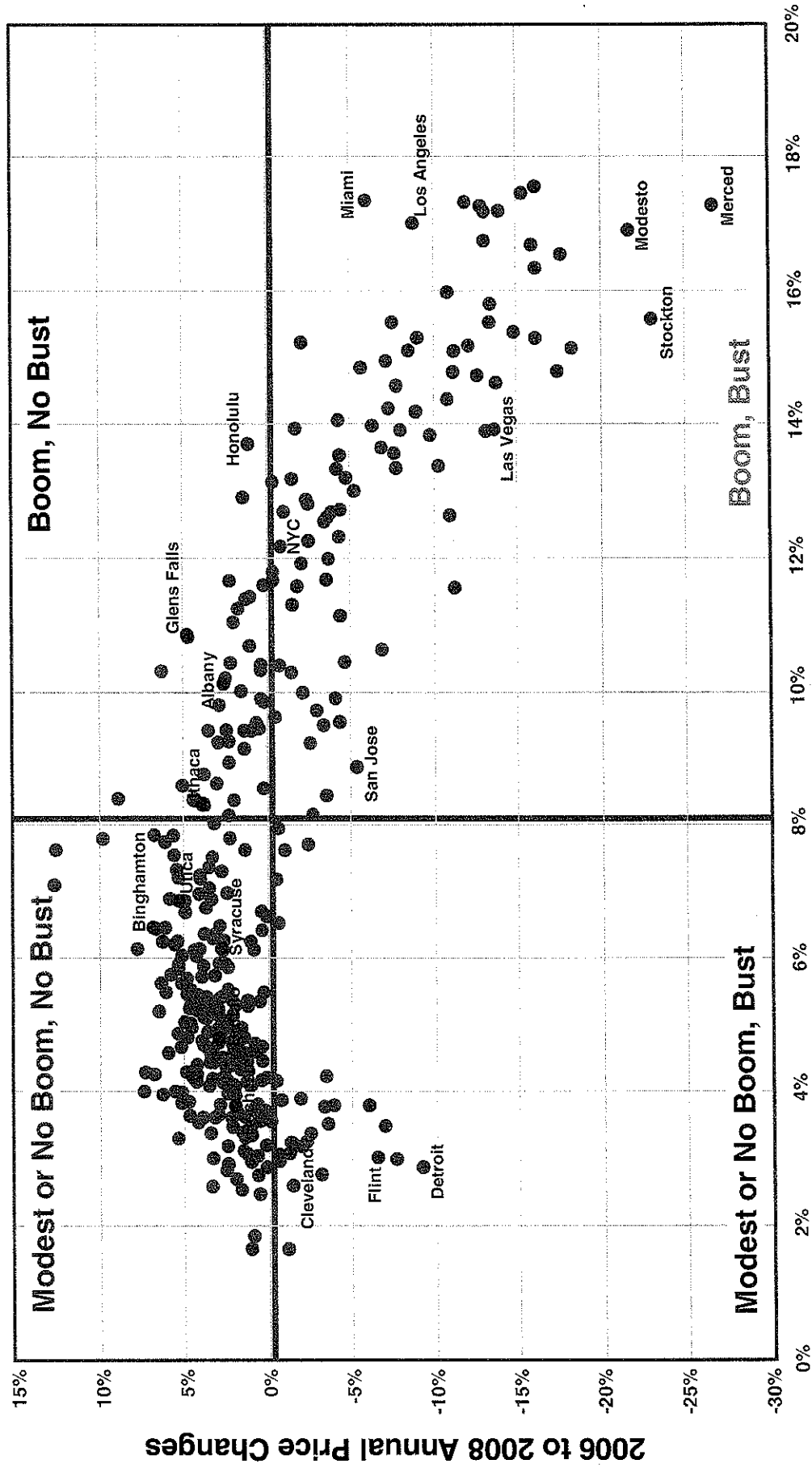
# Housing Prices

Year-Over-Year Percent Change



# Home Price Appreciation in Boom & Bust Periods in Metro Areas

Average Annualized Percent Change: 2000-2006 vs. 2006-2008



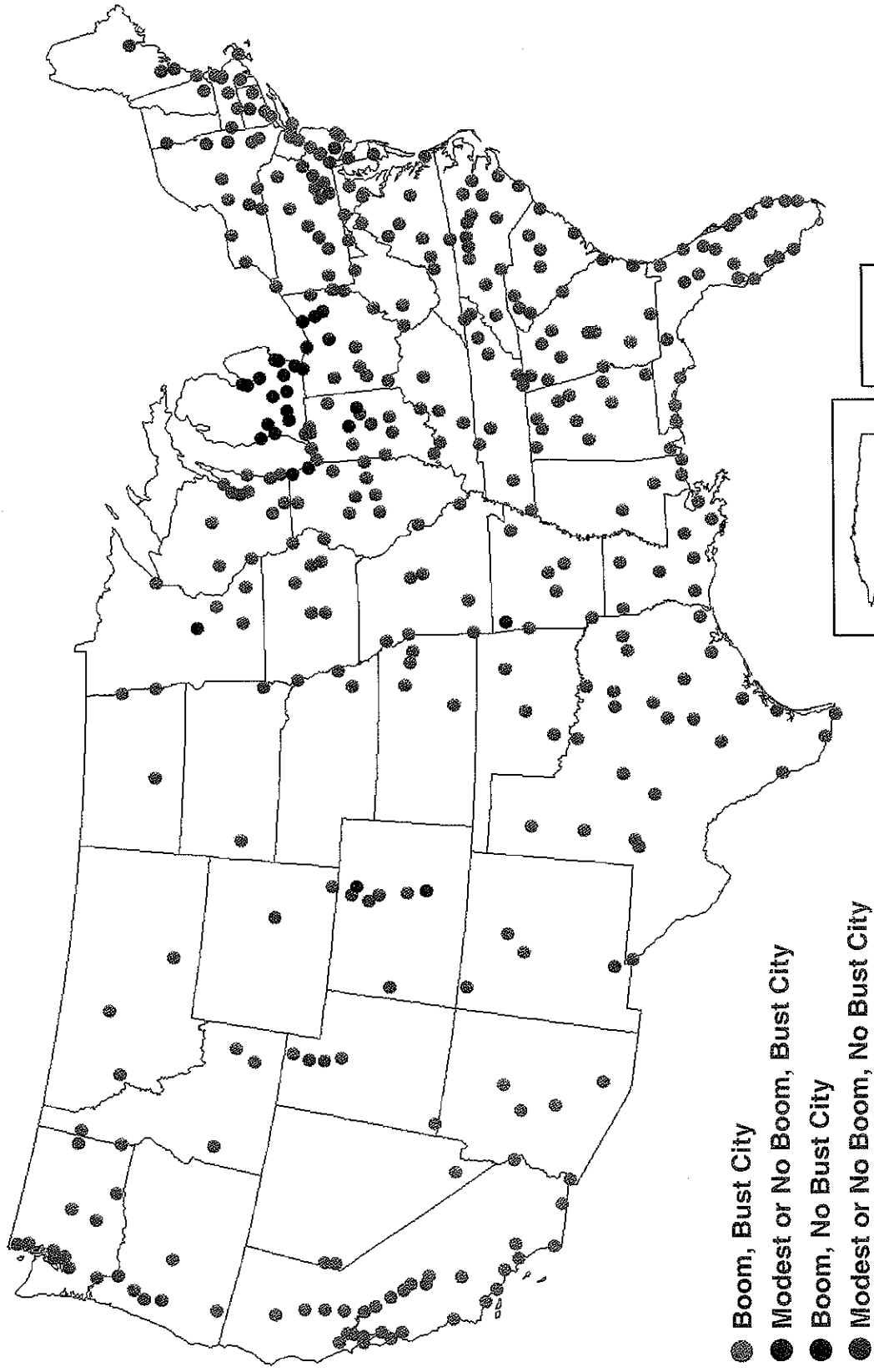
2000 to 2006 Annual Price Changes



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Source: Federal Housing Finance Agency and Moody's Economy.com

# Geographic Distribution of Boom/Bust Metros

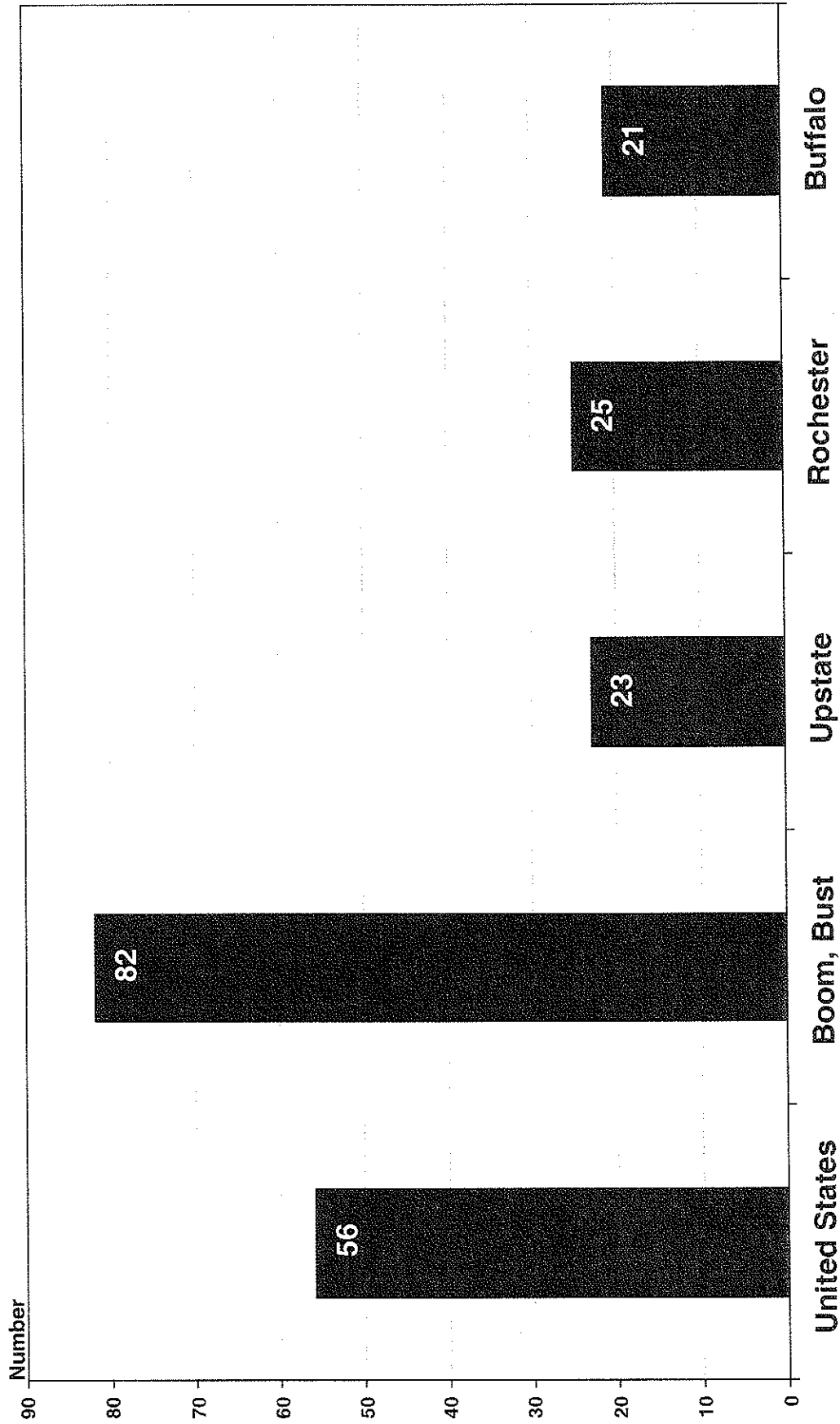


- Boom, Bust City
- Modest or No Boom, Bust City
- Boom, No Bust City
- Modest or No Boom, No Bust City



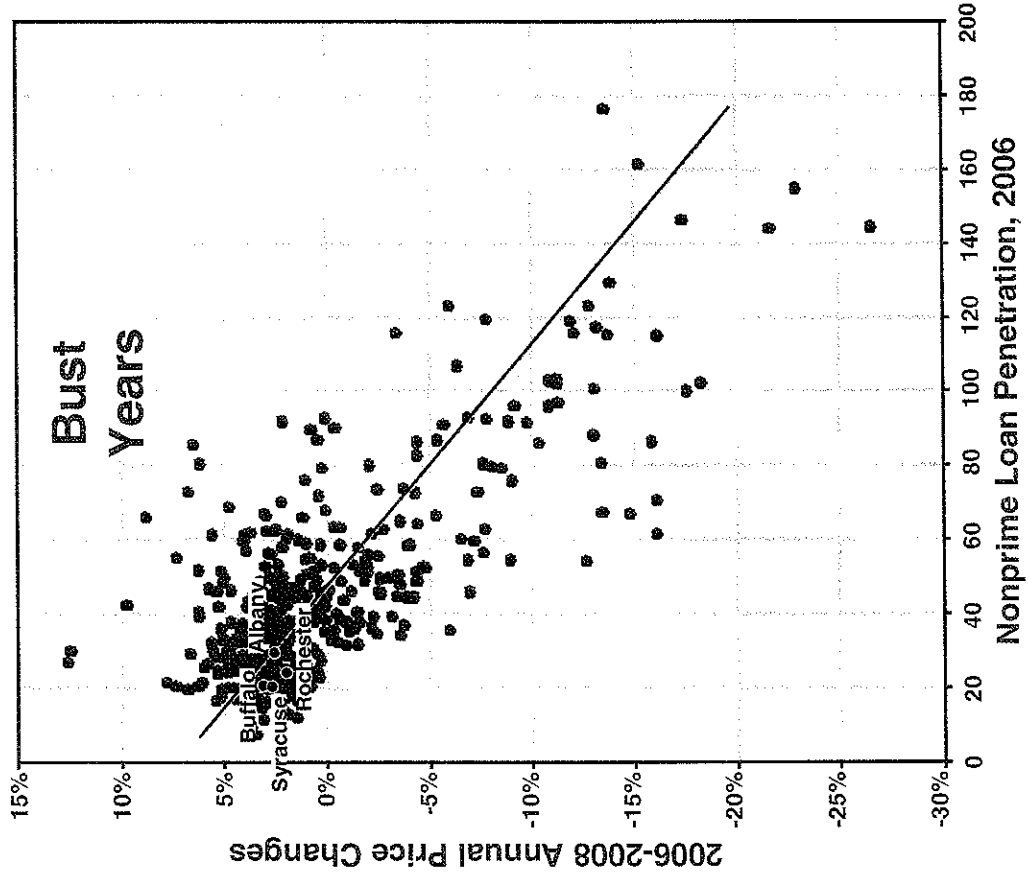
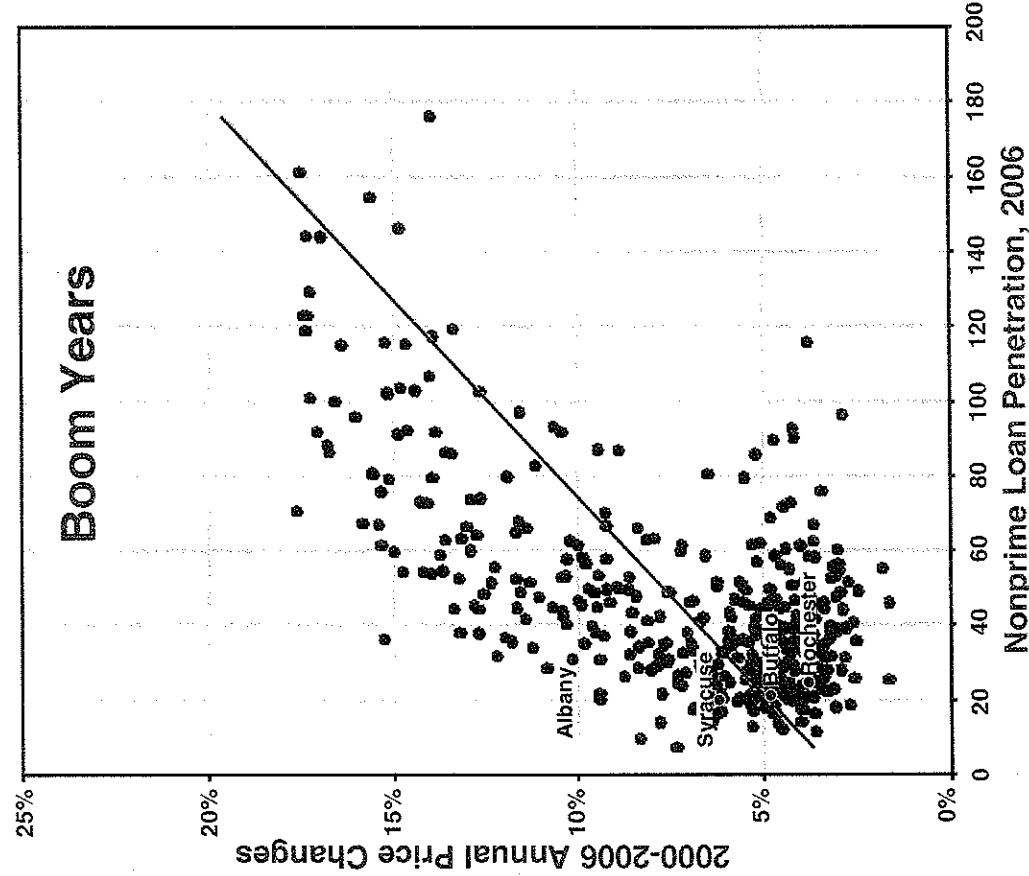
# Fewer Nonprime Loans Upstate

## 2006 Nonprime Loans per 1,000 Housing Units



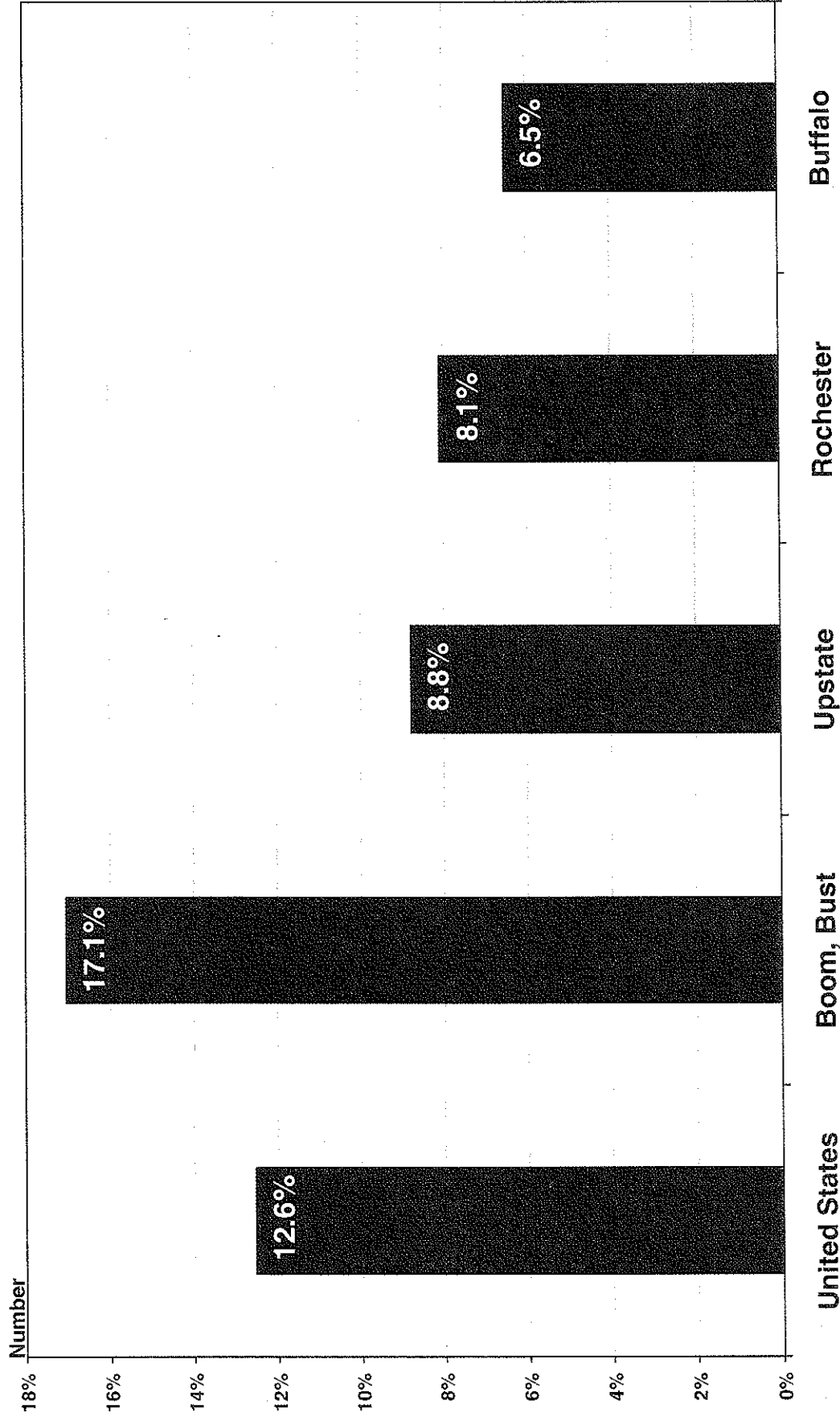
# Metros with More Nonprime Lending: More Likely to Experience Boom & Bust

Nonprime Loan Penetration vs. Home Price Appreciation



# Fewer Foreclosures Upstate

2009 Foreclosures as a Percent of Nonprime Loans



# Conclusions

- The Upstate economy is performing *relatively* well: less drag from declines in manufacturing, finance, and particularly housing
- State and local budget cuts are a significant risk to the outlook
- The region's economy has proved stable during the recession, but will likely grow slower than the nation during recovery

