



**Small Business & Agricultural Advisory Board
Federal Reserve Bank of New York
33 Liberty Street
10F, Paul Volcker Boardroom
Monday, August 10, 2015**

AGENDA

10:30am	Welcome and Introductory Remarks Jamie McAndrews, EVP and Introduction of Michael Strine, First Vice President
10:40am-11:10am	The National Economy Richard Peach, Senior Vice President
11:10am-11:40pm	International Update John Clark, Senior Vice President
11:40pm-12:00pm	Regional Update Jason Bram, Officer
12:00pm	Adjourn to NWCR Room-10F
12:15pm	Lunch
12:15pm-1:55pm	Round Table Discussion with William Dudley, President

Questions for discussion with President Dudley:

Your experience and that of your customers and suppliers can give us insight into current economic conditions.

1. Did your firm's sales volume increase, decrease or stay the same in the first half of the year?
2. Do you expect your firm's sales to increase, decrease, or stay the same during the second half?
3. Do you plan to increase investment in your firm (plant & equipment) during the second half of this year?
4. Has your firm faced any recent shortage of labor that has limited your ability to meet demand?
5. Do you plan to increase employment this year? Why or why not?
6. Do you expect input prices to increase this year? Do you expect prices of products/services sold to increase?
7. Over the past two quarters, how have the terms and conditions for obtaining financing changed (tightened, eased, not changed)?

2:00 pm Adjourn



**Small Business & Agricultural Advisory Council
Federal Reserve Bank of New York
33 Liberty Street
New York, NY
Monday, August 10, 2015**

ATTENDEE LIST

Council Members

Michael Arnoff
President
Arnoff Moving & Storage

Eric Caslow
President
Acme Smoked Fish Corporation

Alejandro Ballester
President
Ballester Hermanos, Inc.

Charles Feit
President and Founder
OnForce Solar

Adenah Bayoh
Co-Founder
Kapwood, LLC

Deborah Leo
President
Retail Solutions, Inc.

Stewart Brunhouse
President
A&A Company, Inc.

Patrick Marotta
President/CEO
Marotta Controls

William Byrne
Chairman of the Board
Byrne Dairy, Inc.

Ranjini Poddar
Founder and CEO
Artech Information Systems, LLC

Federal Reserve Bank of New York

William Dudley
Michael Strine
Jamie McAndrews
Richard Peach
John Clark
Anand Marri
Jason Bram
James Bergin
Claire Kramer
Shri Satyanarayana
Angela Sun

President
First Vice President
EVP, Head of Research and Statistics
SVP, Research & Statistics
SVP, Integrated Policy Analysis
VP, Head of Outreach & Education
Officer, Research & Statistics
VP, Chief of Staff's Office
AVP, Community Development, Outreach & Education
AVP, Legal
Legal



FEDERAL RESERVE BANK *of* NEW YORK

Regional Economic Outlook

Presentation to the Advisory Council on Small Business and Agriculture

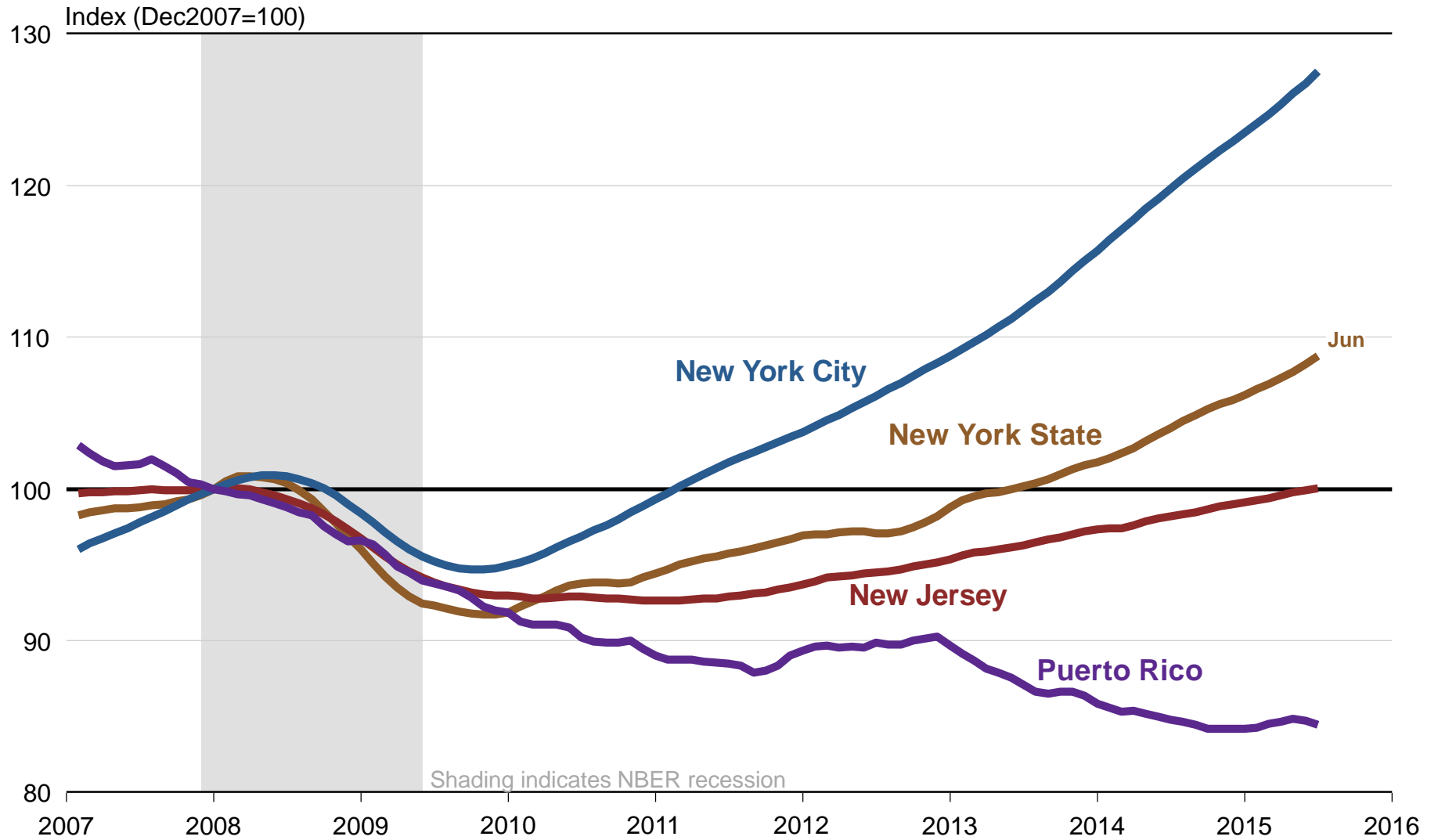
Jason Bram, Officer Research Economist

August 10, 2015

The views expressed here are those of the presenter and do not necessarily represent the views of the Federal Reserve Bank of New York or the Federal Reserve System.

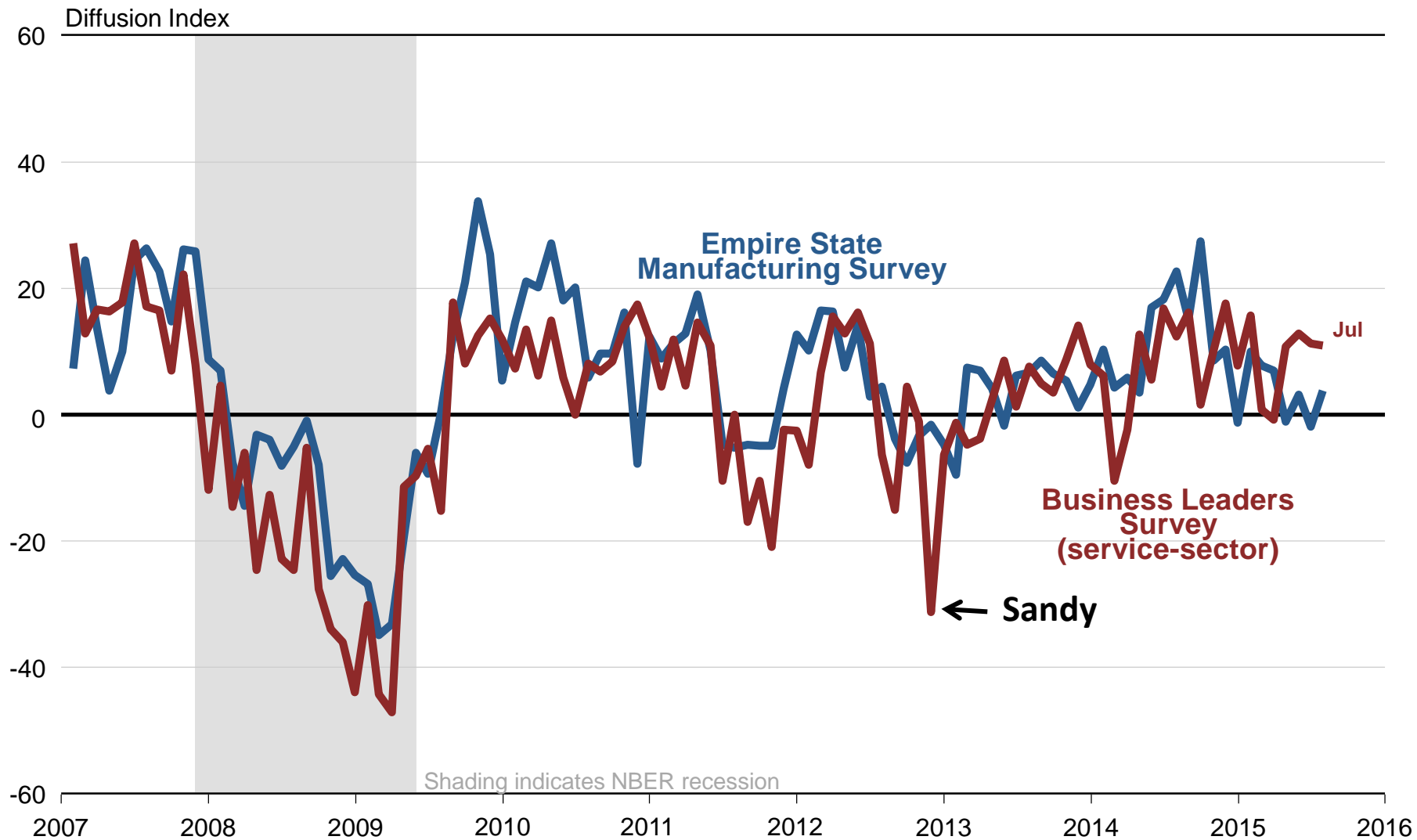
Regional Economic Activity

Index of Coincident Economic Indicators (CEI)



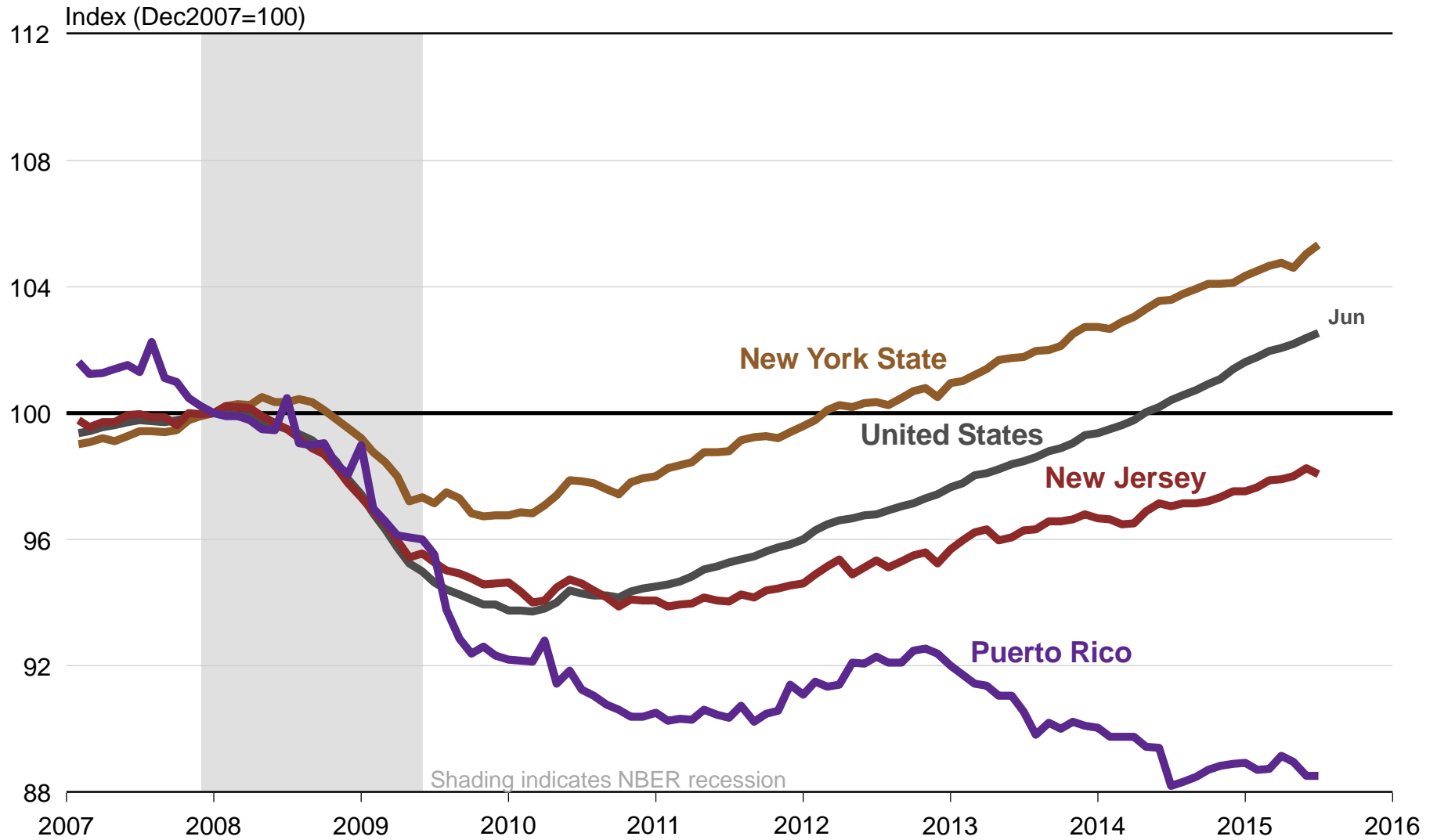
NY Fed's Business Surveys

Headline Indexes of Current Business Conditions



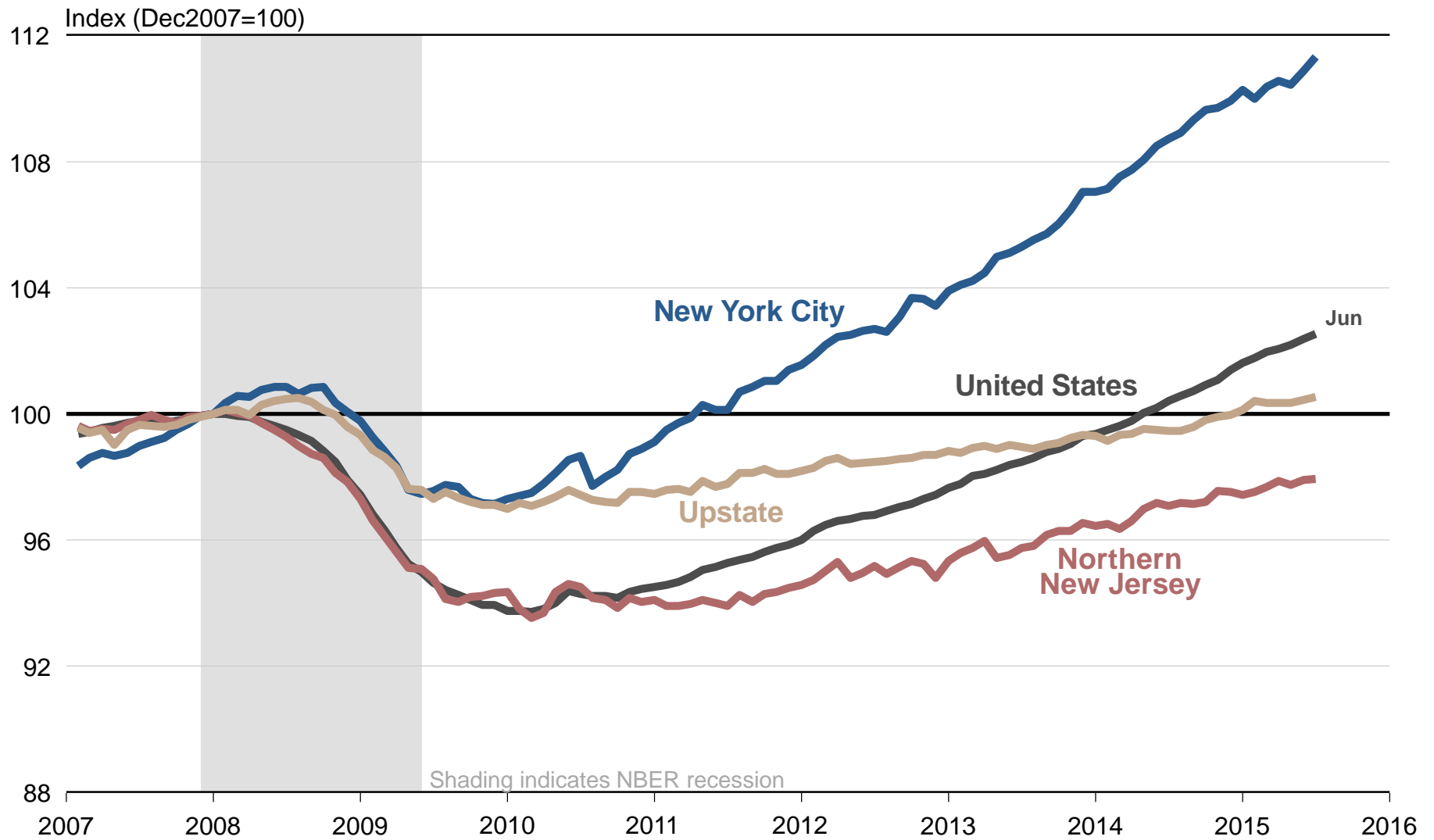
Total Employment

Seasonally Adjusted Index



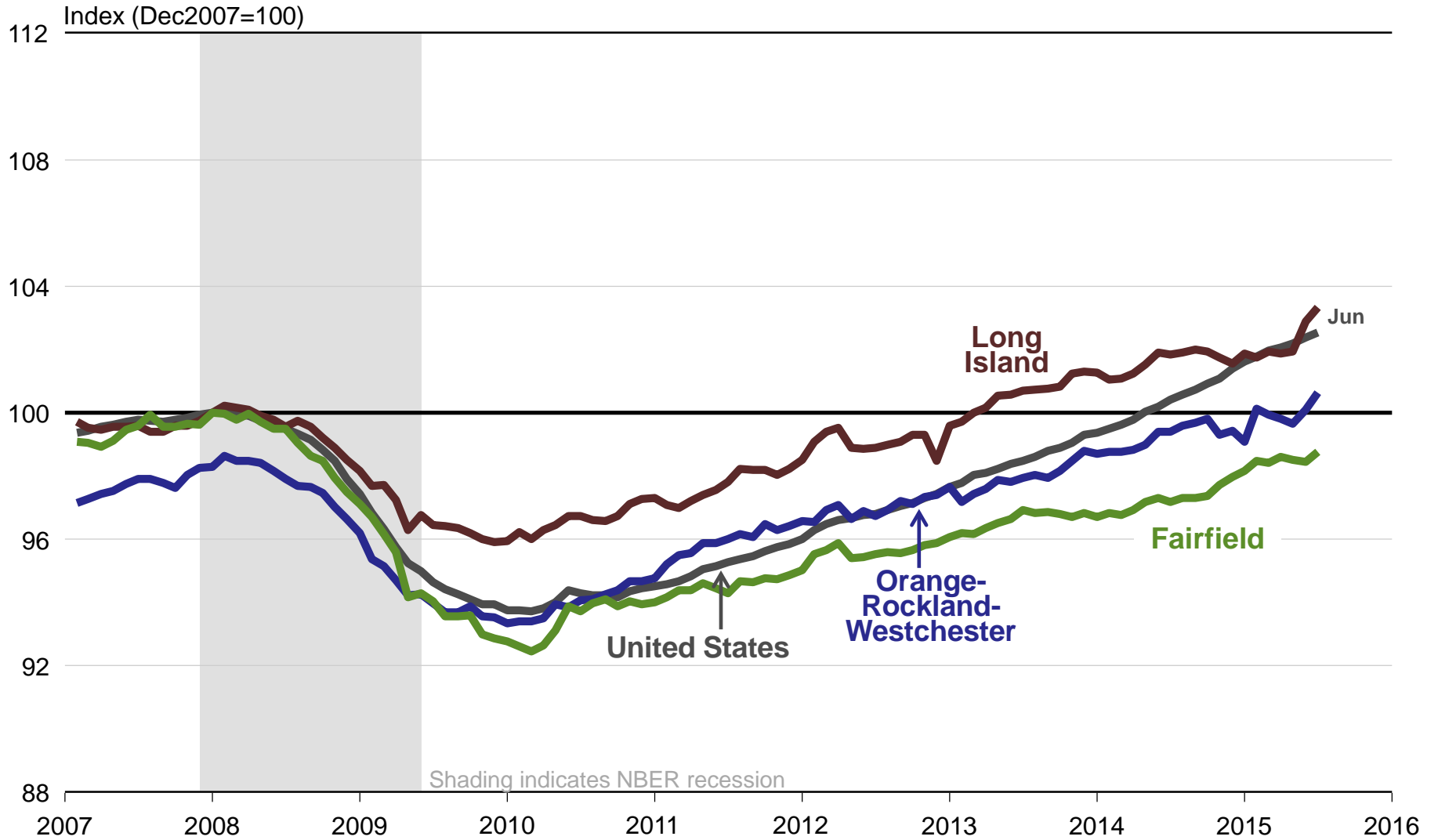
Total Employment

Seasonally Adjusted Index



Total Employment

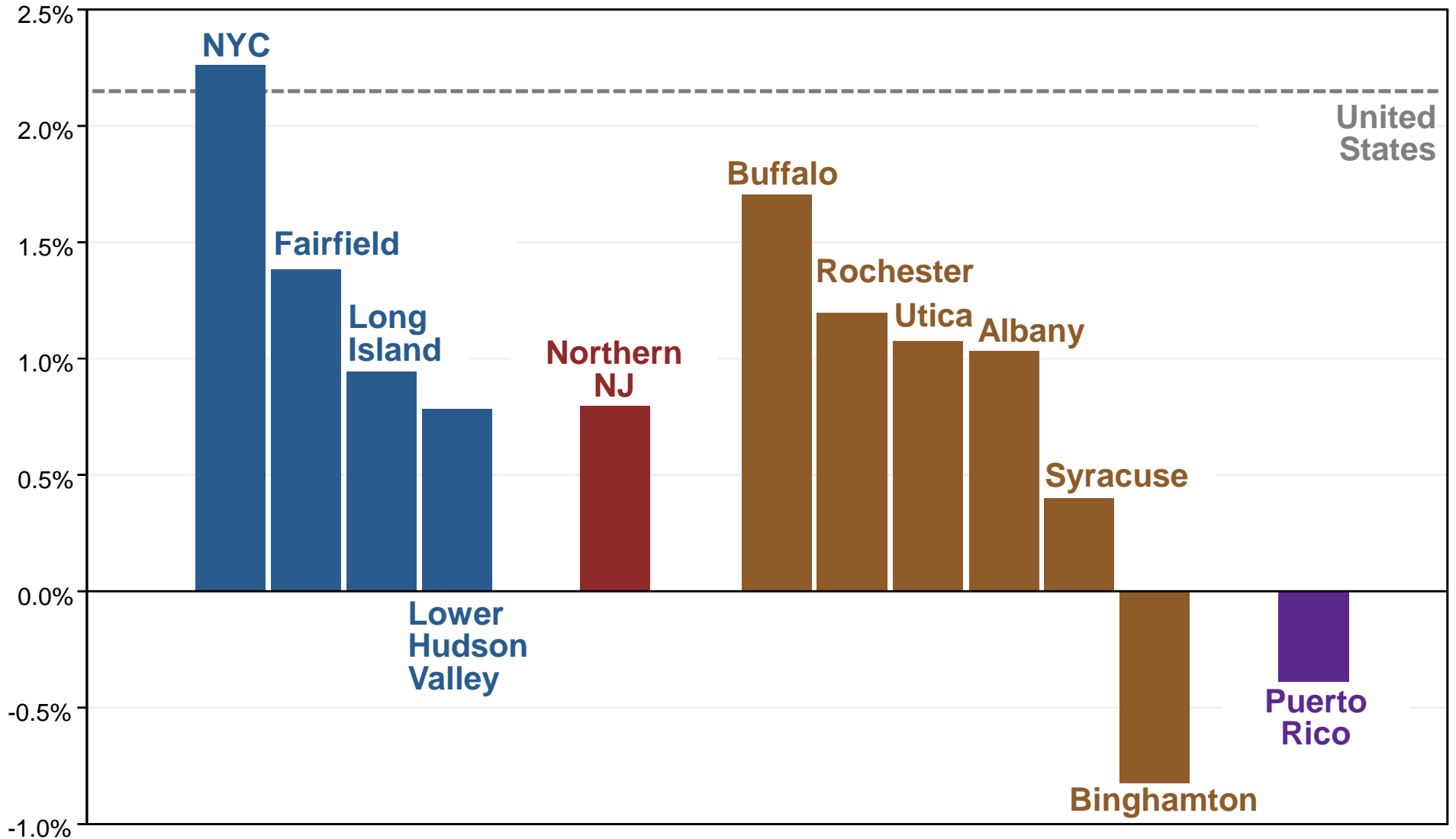
Seasonally Adjusted Index





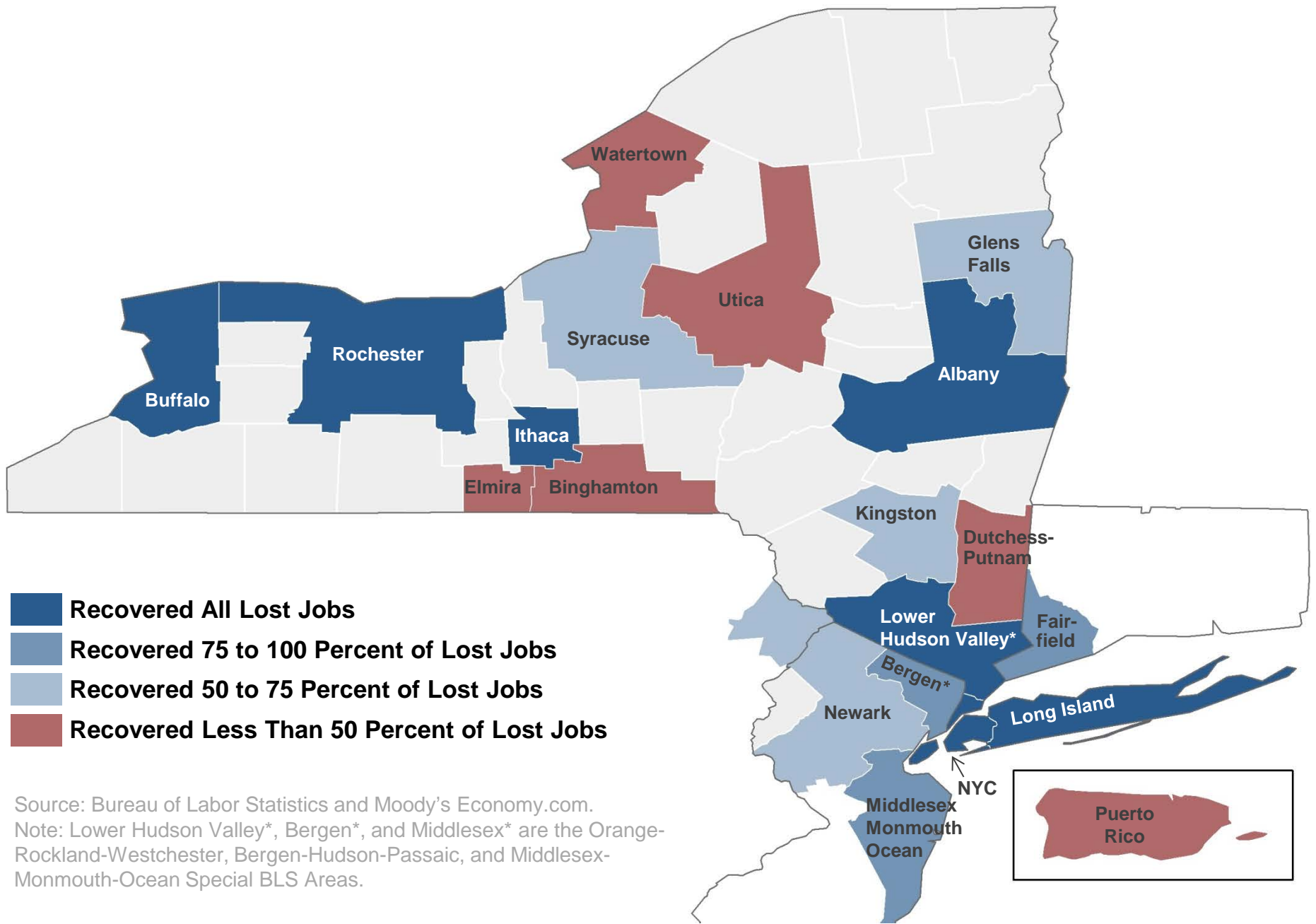
Recent Job Growth in the Region

Apr-Jun Average Percent Change From a Year Earlier



Status of Jobs Recovery

Share of Lost Jobs Gained Back During Local Recovery

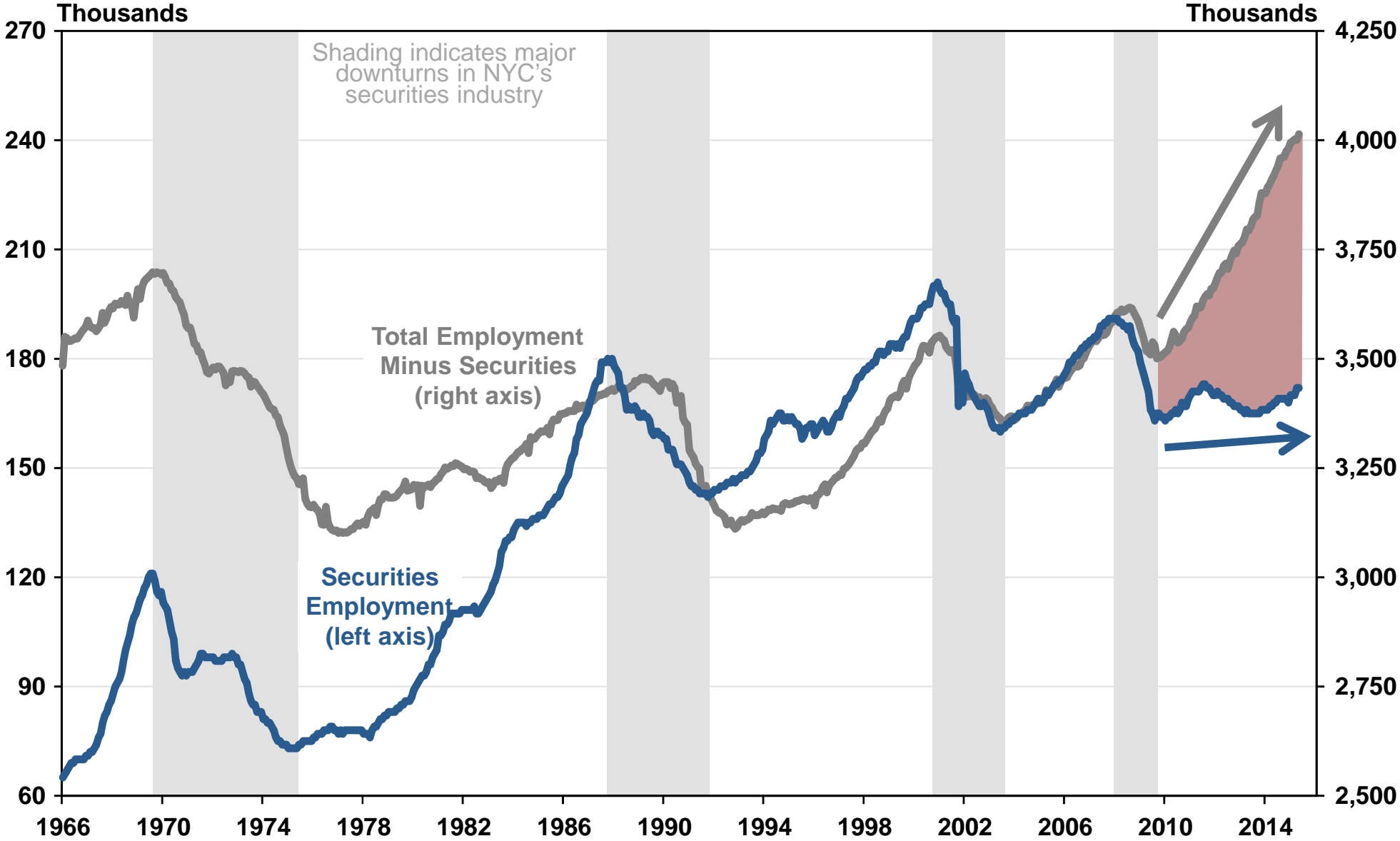


- Recovered All Lost Jobs**
- Recovered 75 to 100 Percent of Lost Jobs**
- Recovered 50 to 75 Percent of Lost Jobs**
- Recovered Less Than 50 Percent of Lost Jobs**

Source: Bureau of Labor Statistics and Moody's Economy.com.
Note: Lower Hudson Valley*, Bergen*, and Middlesex* are the Orange-Rockland-Westchester, Bergen-Hudson-Passaic, and Middlesex-Monmouth-Ocean Special BLS Areas.

NYC Securities Employment

Seasonally Adjusted

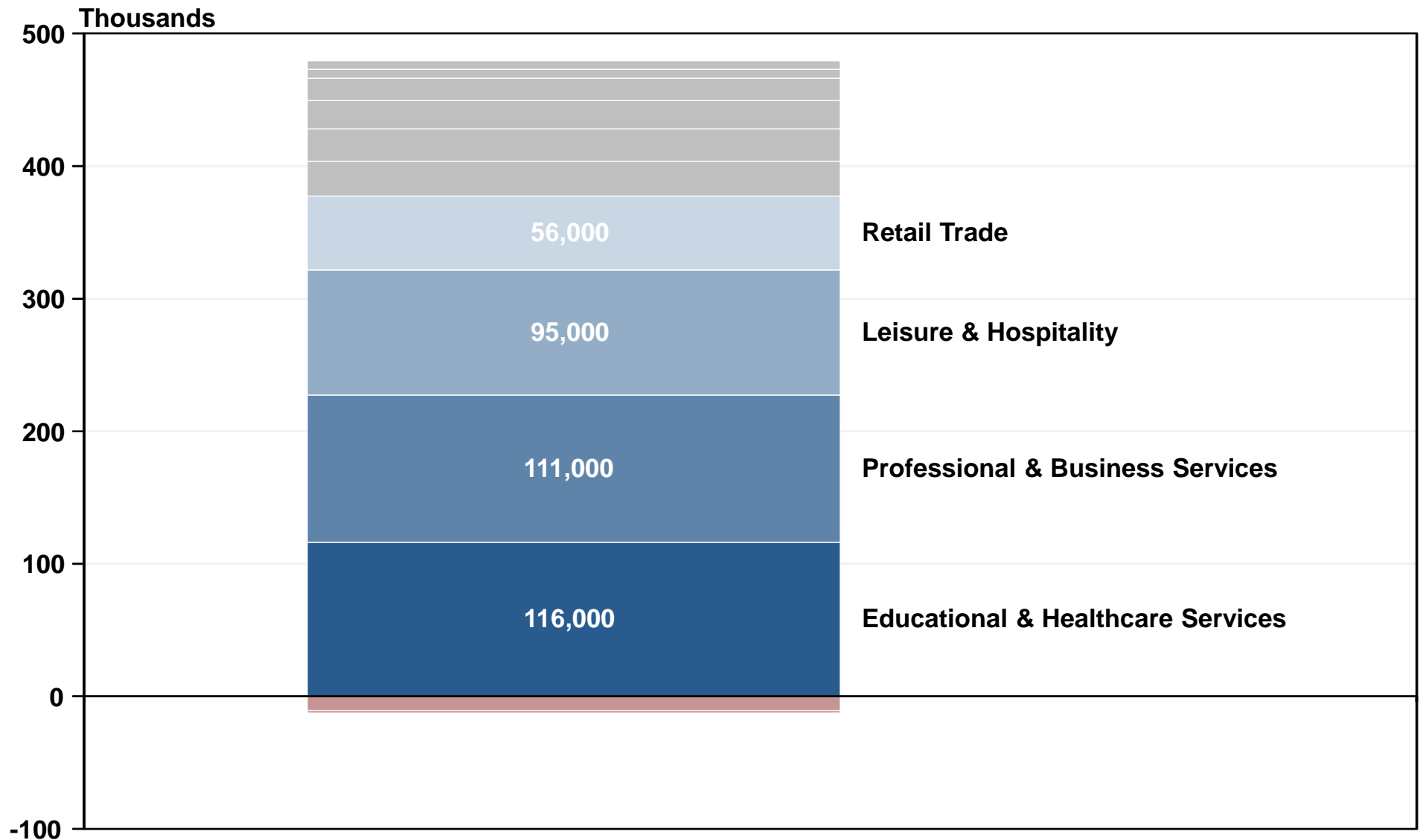


Source: Bureau of Labor Statistics and Moody's Economy.com.



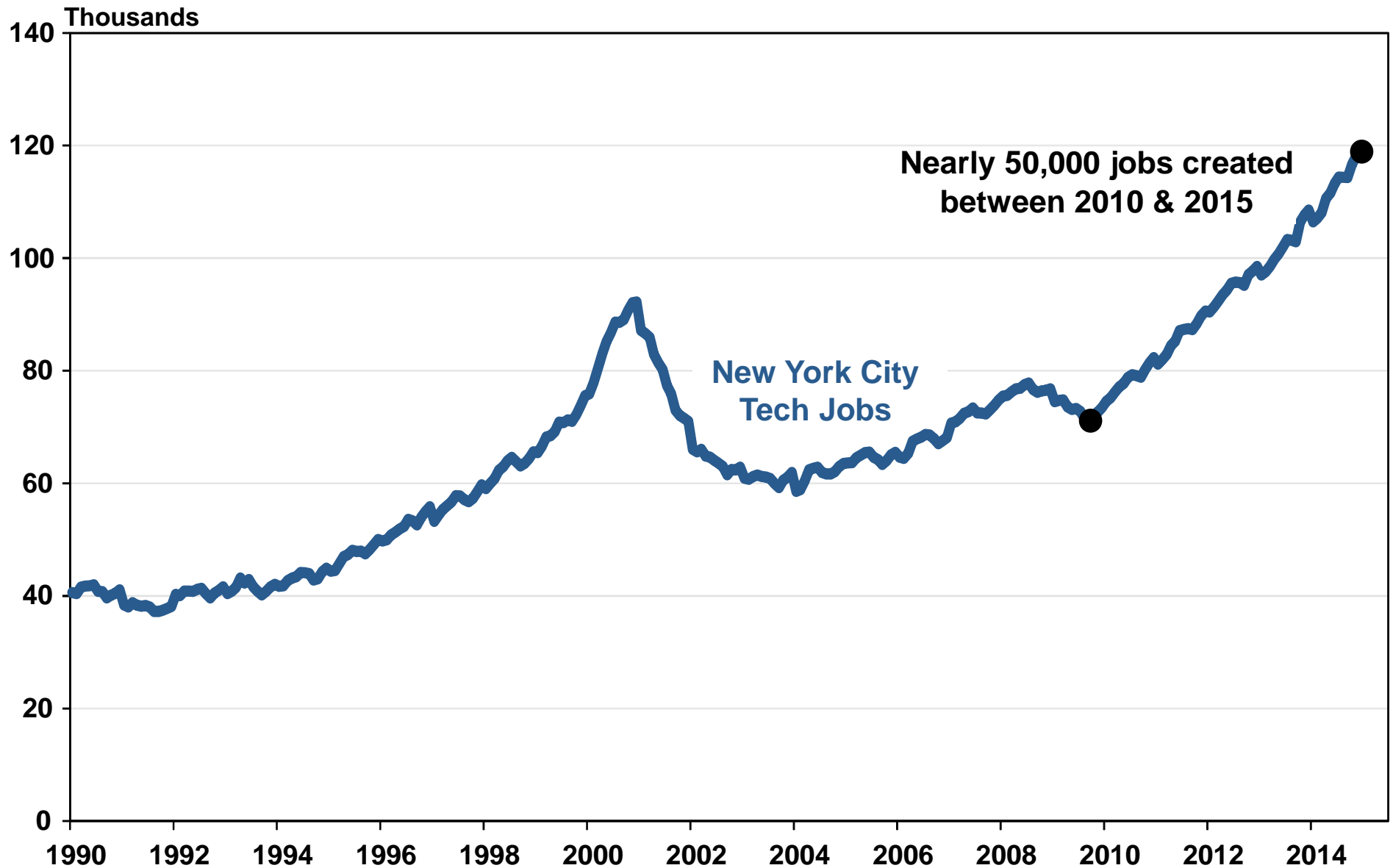
Sectors Driving Recent NYC Job Growth

Employment Change, 2010-2015



NYC Tech Employment

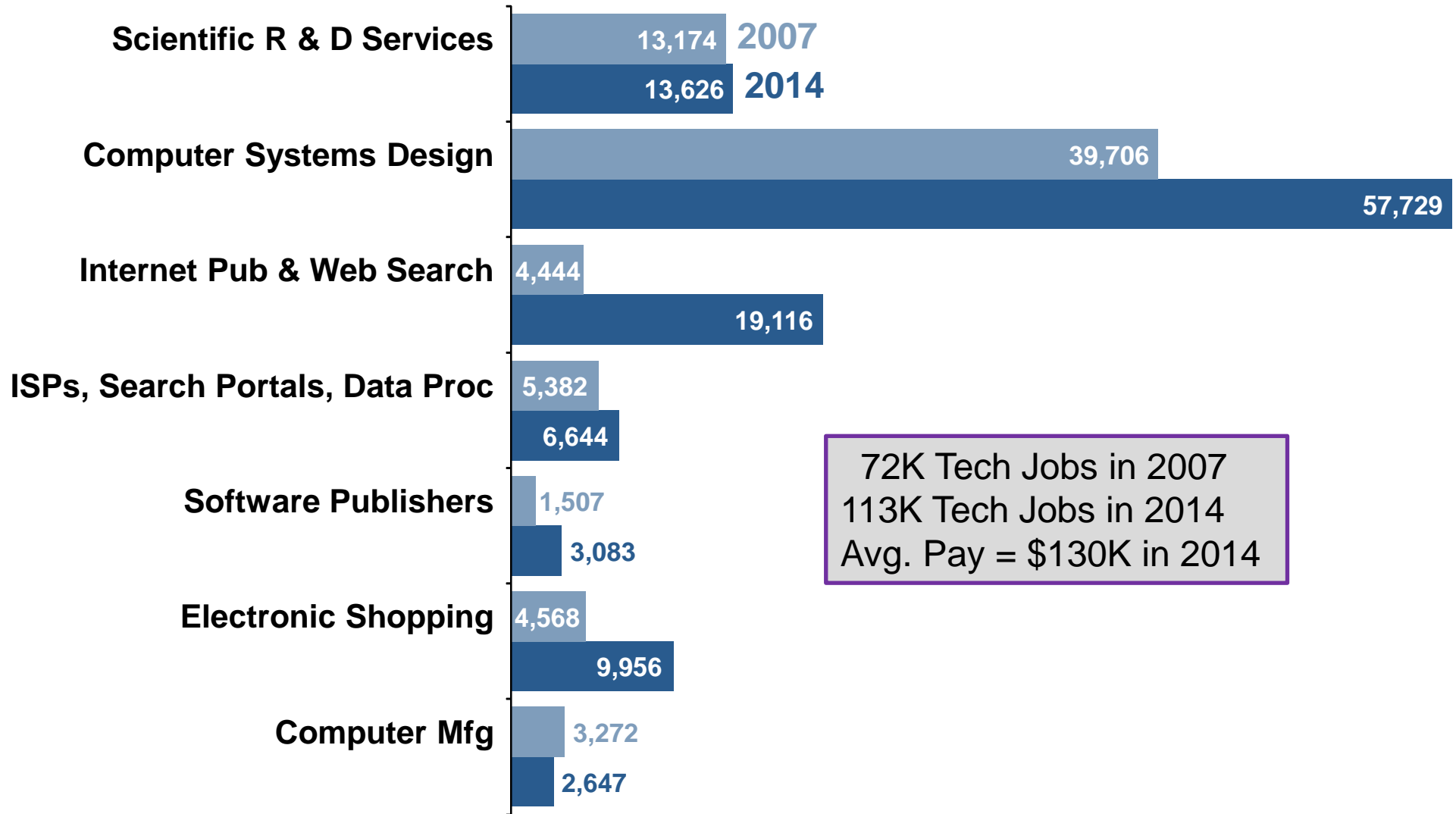
Number of Tech Jobs





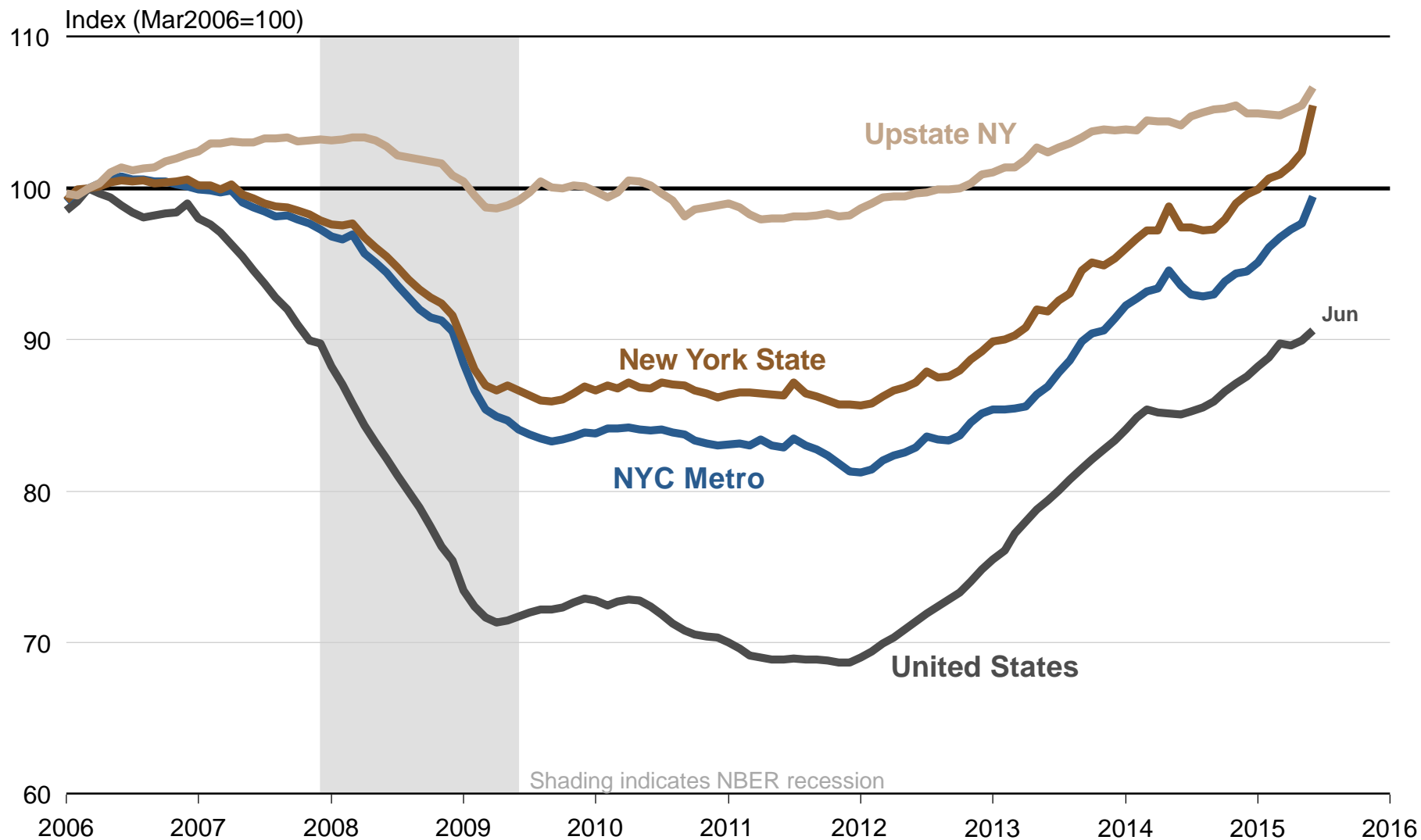
Tech Employment in NYC: 2007 vs. 2014

Number of Payroll Jobs in Selected Industries



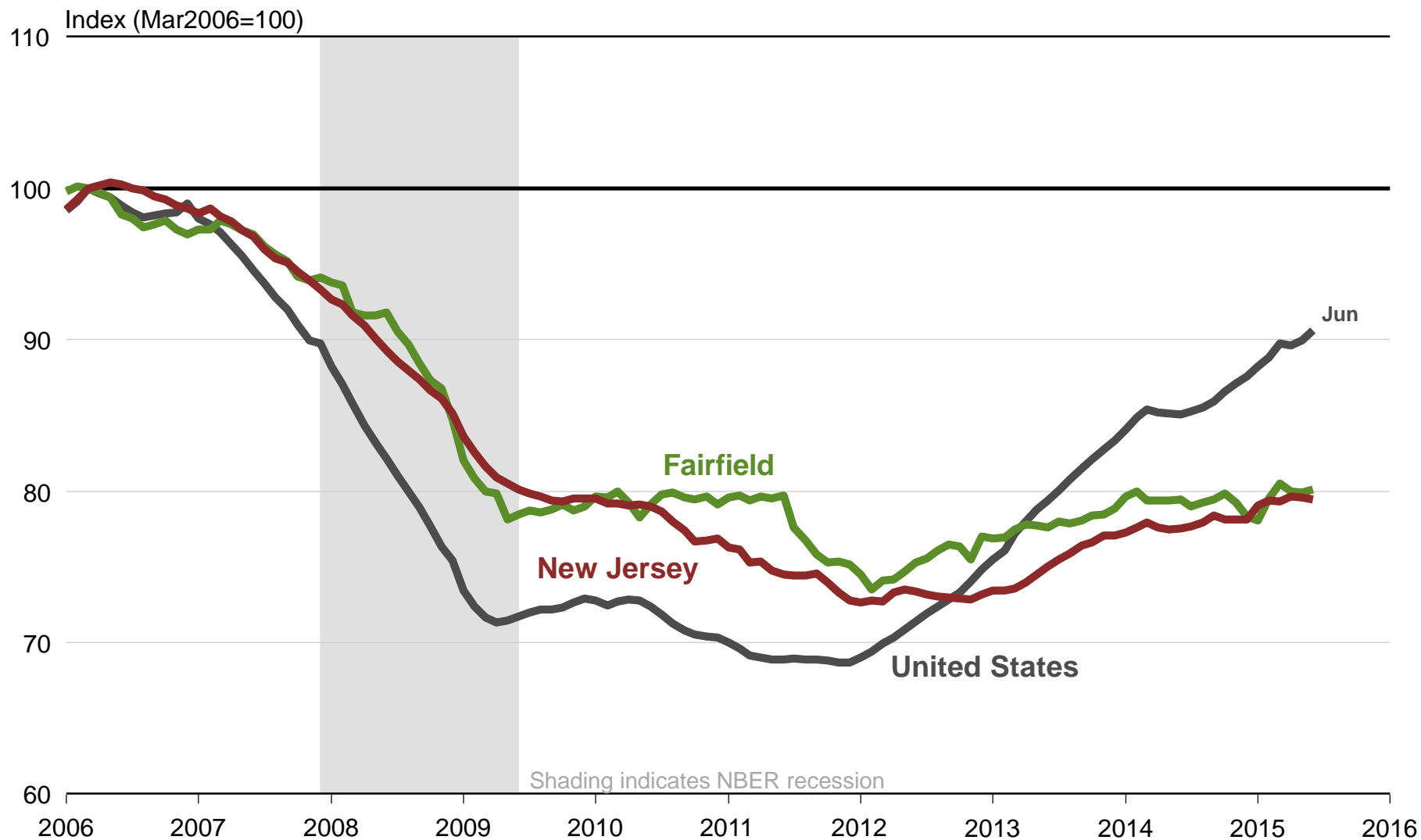
Home Prices

CoreLogic Home Price Index, Seasonally Adjusted



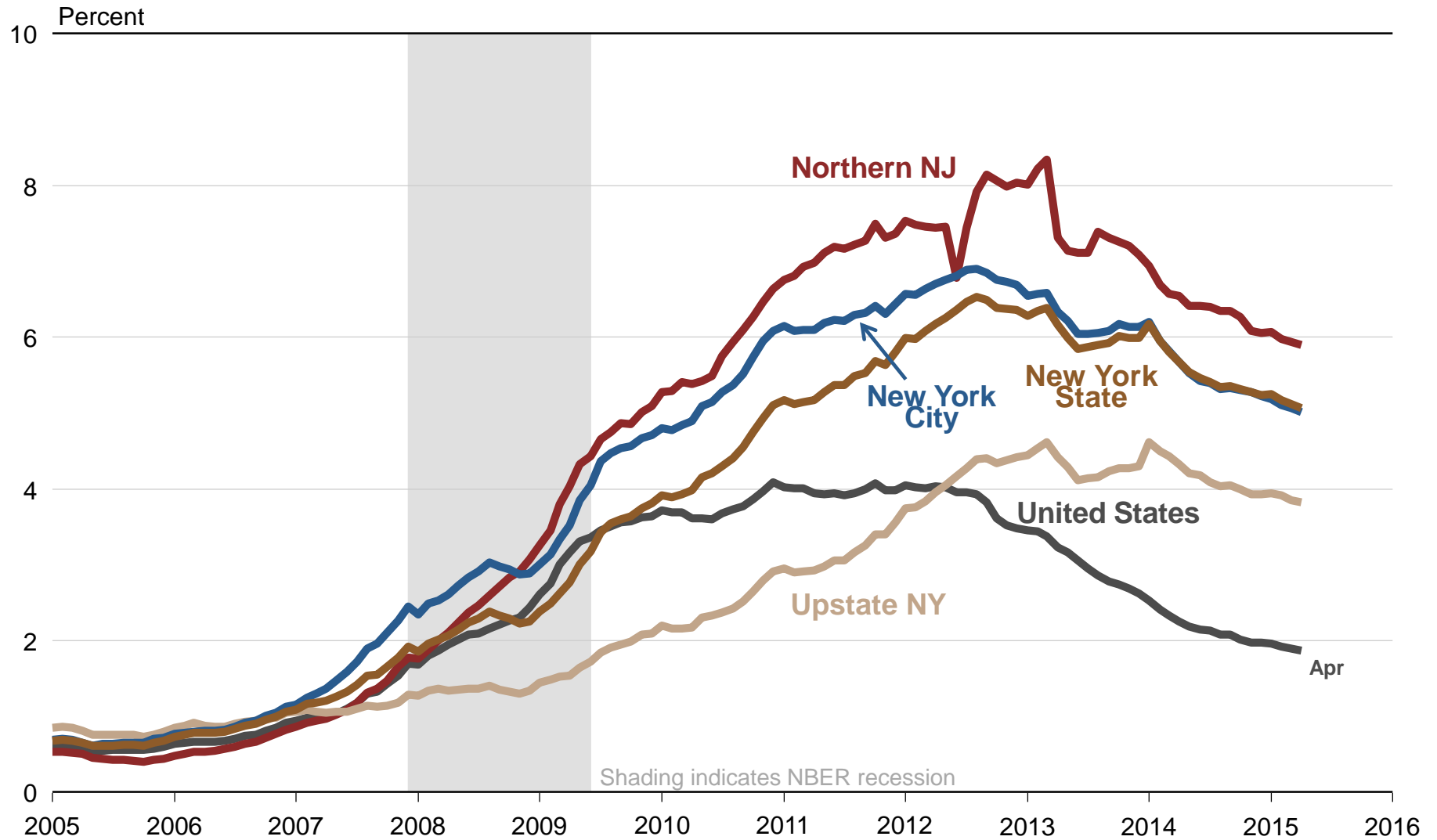
Home Prices

CoreLogic Home Price Index, Seasonally Adjusted



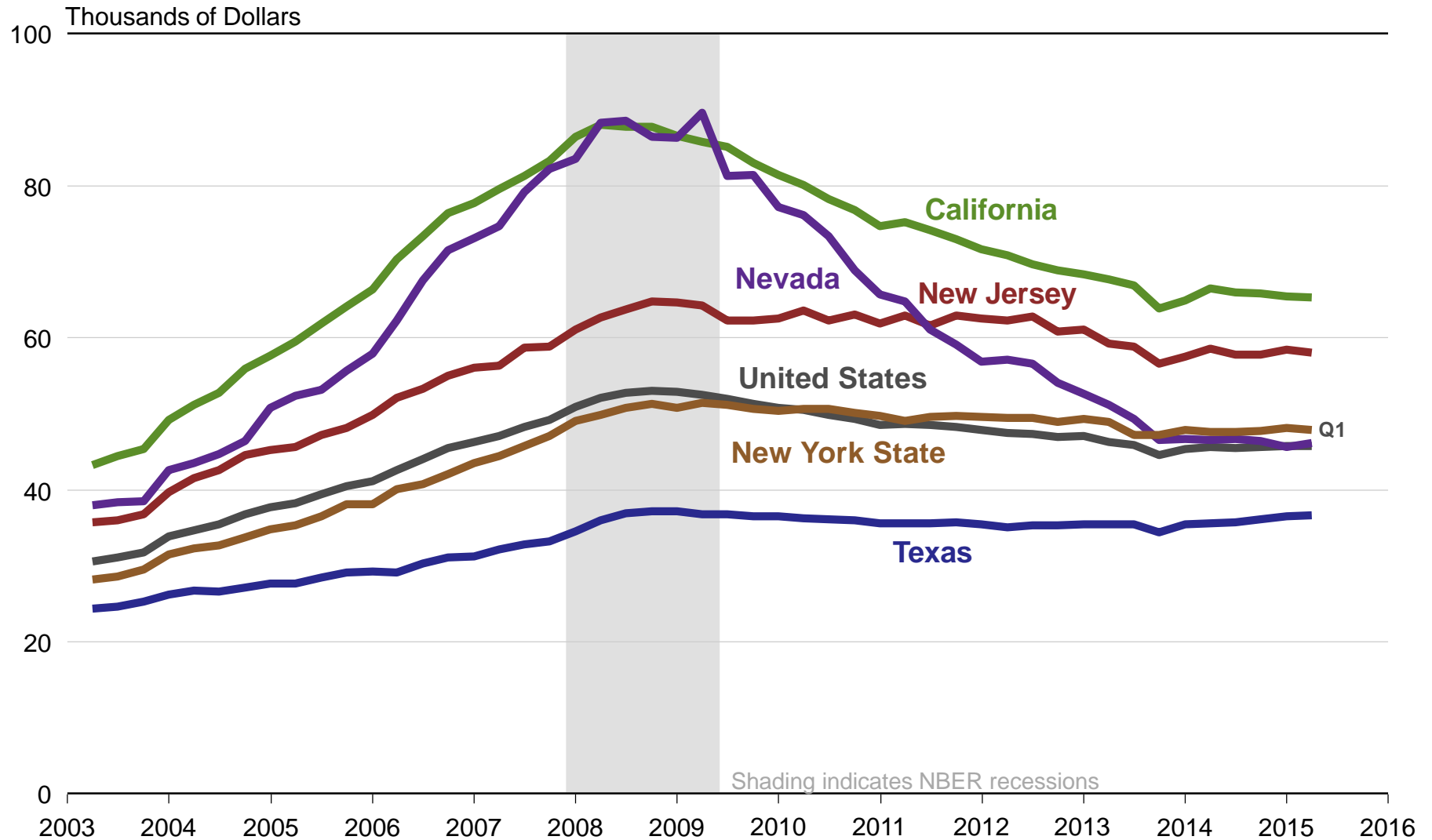
Backlog of Foreclosures

Share of Mortgages in Foreclosure



Household Debt

Total Debt Balance Per Capita





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US Macro Overview

August 10, 2015

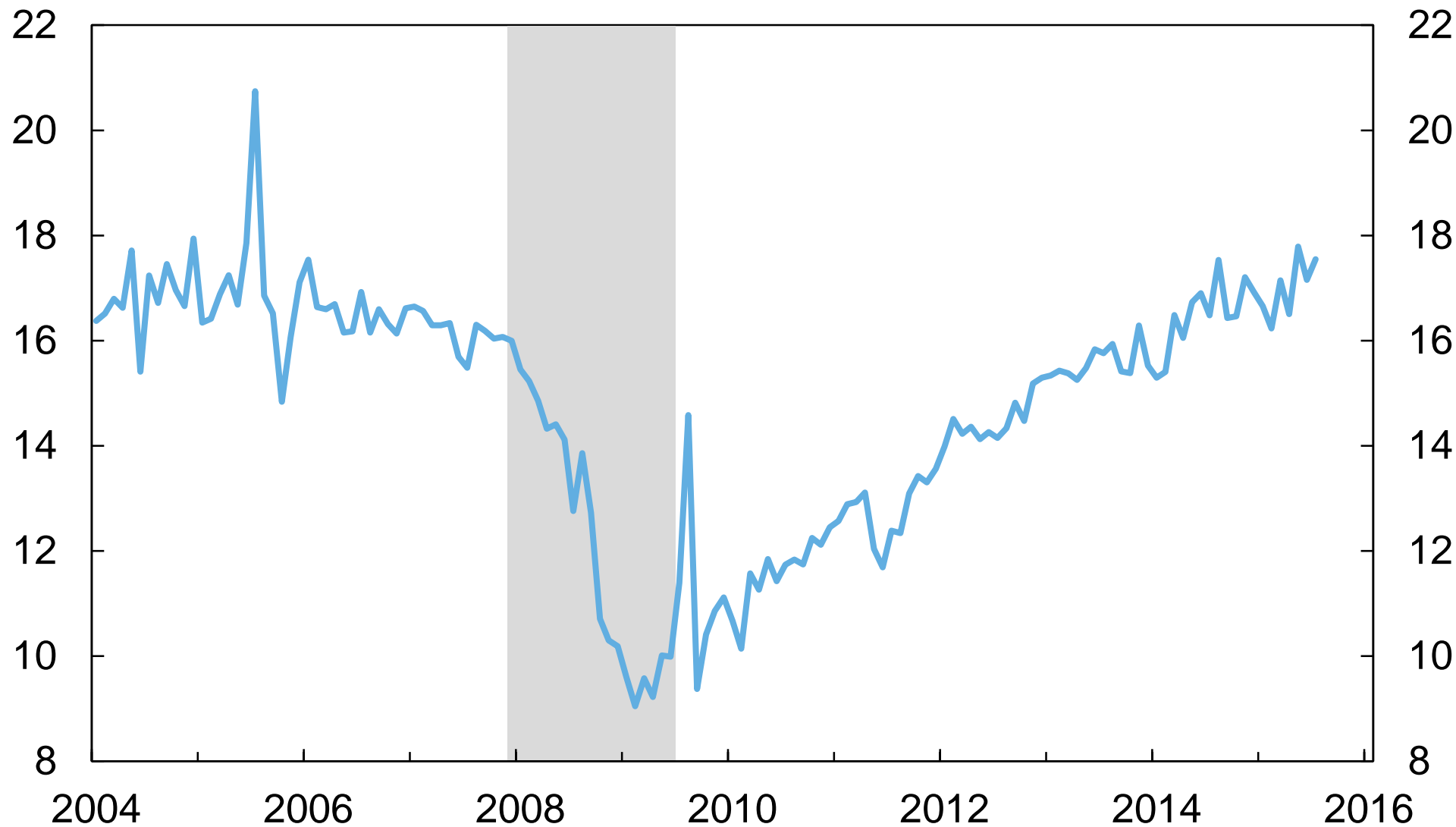
Overview

- Growth of real GDP rebounded to 2.3% in 2015Q2 following growth of just 0.6% in 2015Q1.
 - Consumer spending and housing leading growth over the first half.
 - But both sectors still not firing on all cylinders.
- The US economy continues to be adversely affected by the appreciation of the dollar, slower growth abroad, and sharply lower oil prices.
 - As of 2015Q2, oil and gas drilling activity less than half what it was in 2014Q4.
 - Manufacturing output in June remained below that of last December.
 - Capacity utilization in manufacturing has edged lower in 2015, dampening business fixed investment.
- The slowing of core inflation over the past year looks to be coming to an end.
 - Rent inflation continues to edge higher.
 - Health care price inflation now moving higher.

Total Light-Weight Vehicle Retail Sales

Millions, SAAR

Millions, SAAR



Source: Autodata

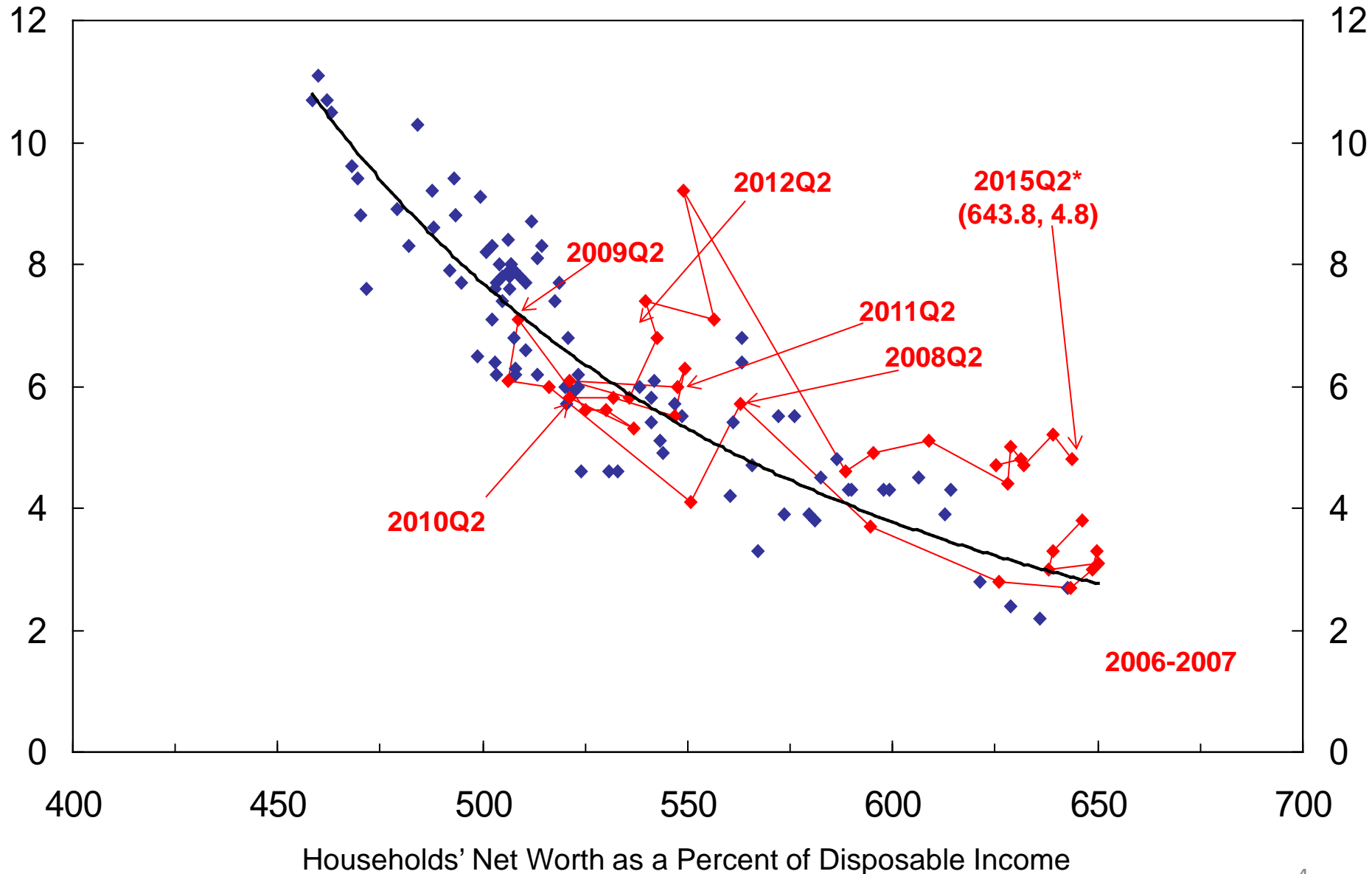
Note: Shading shows NBER recessions.



Personal Saving Rate and Household Net Worth

Personal Saving Rate (Percent)

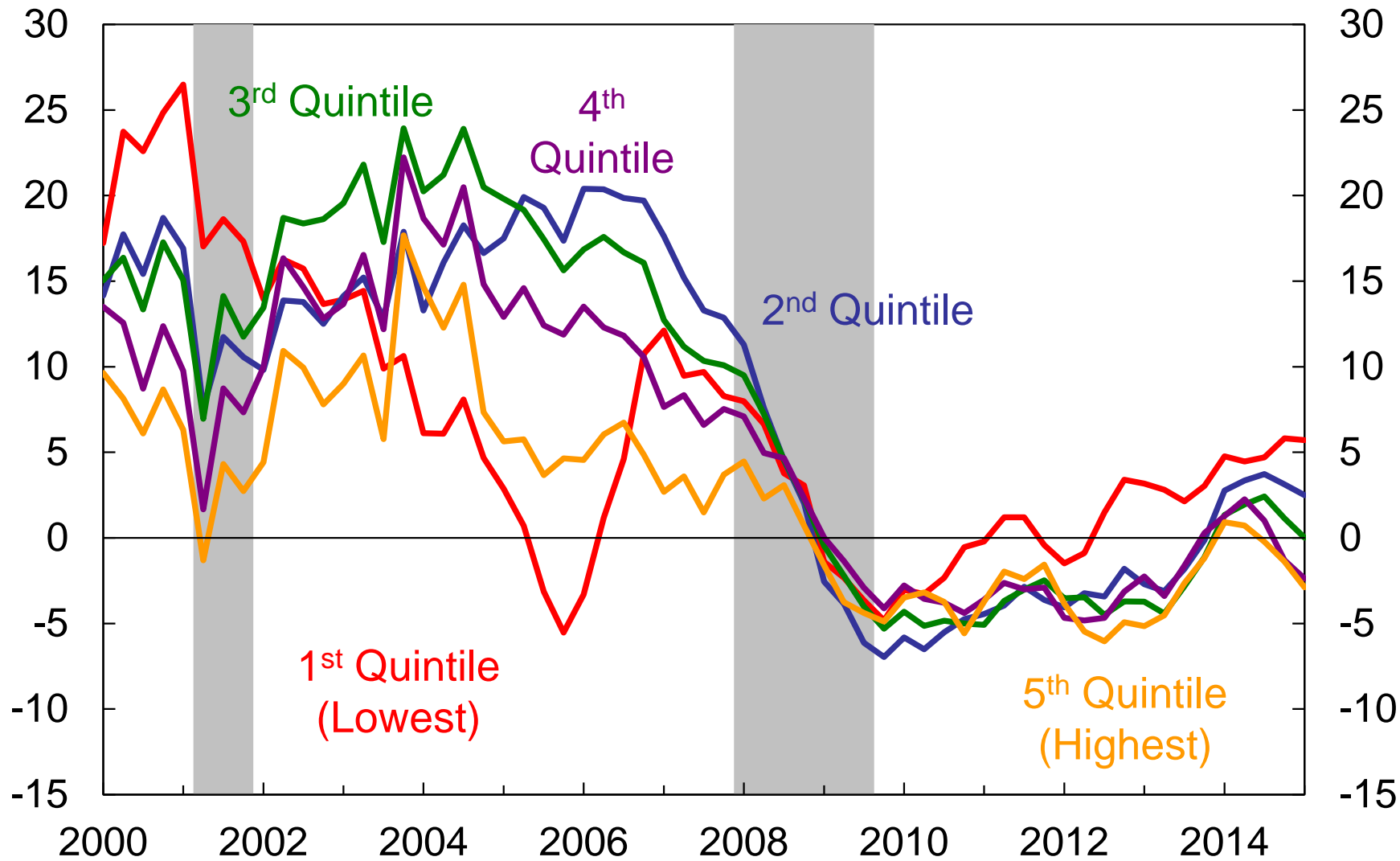
Personal Saving Rate (Percent)



Consumer Debt by Credit Score

% Change – Year to Year

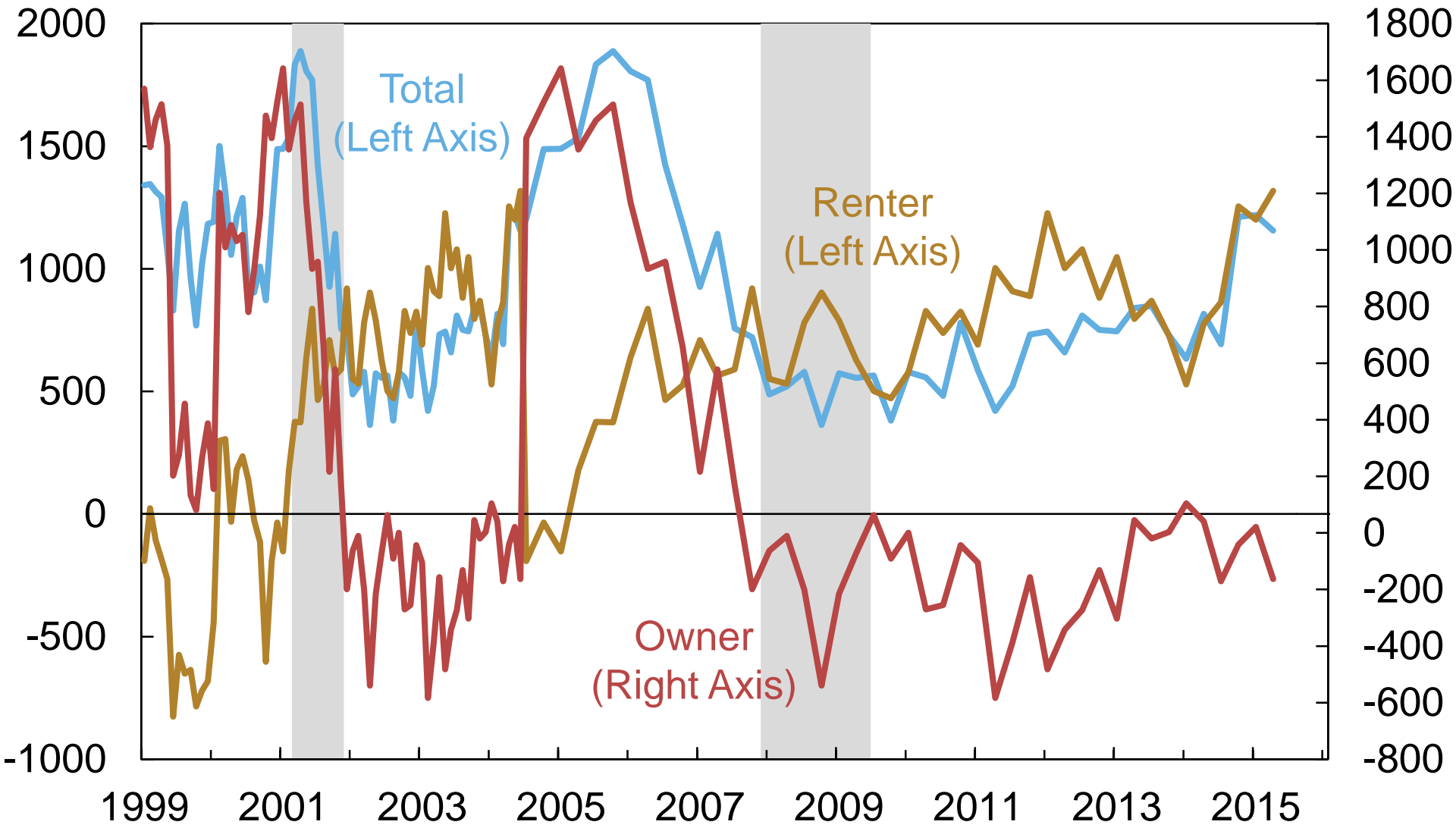
% Change – Year to Year



Household Formations

2 Year Avg. Change

2 Year Avg. Change



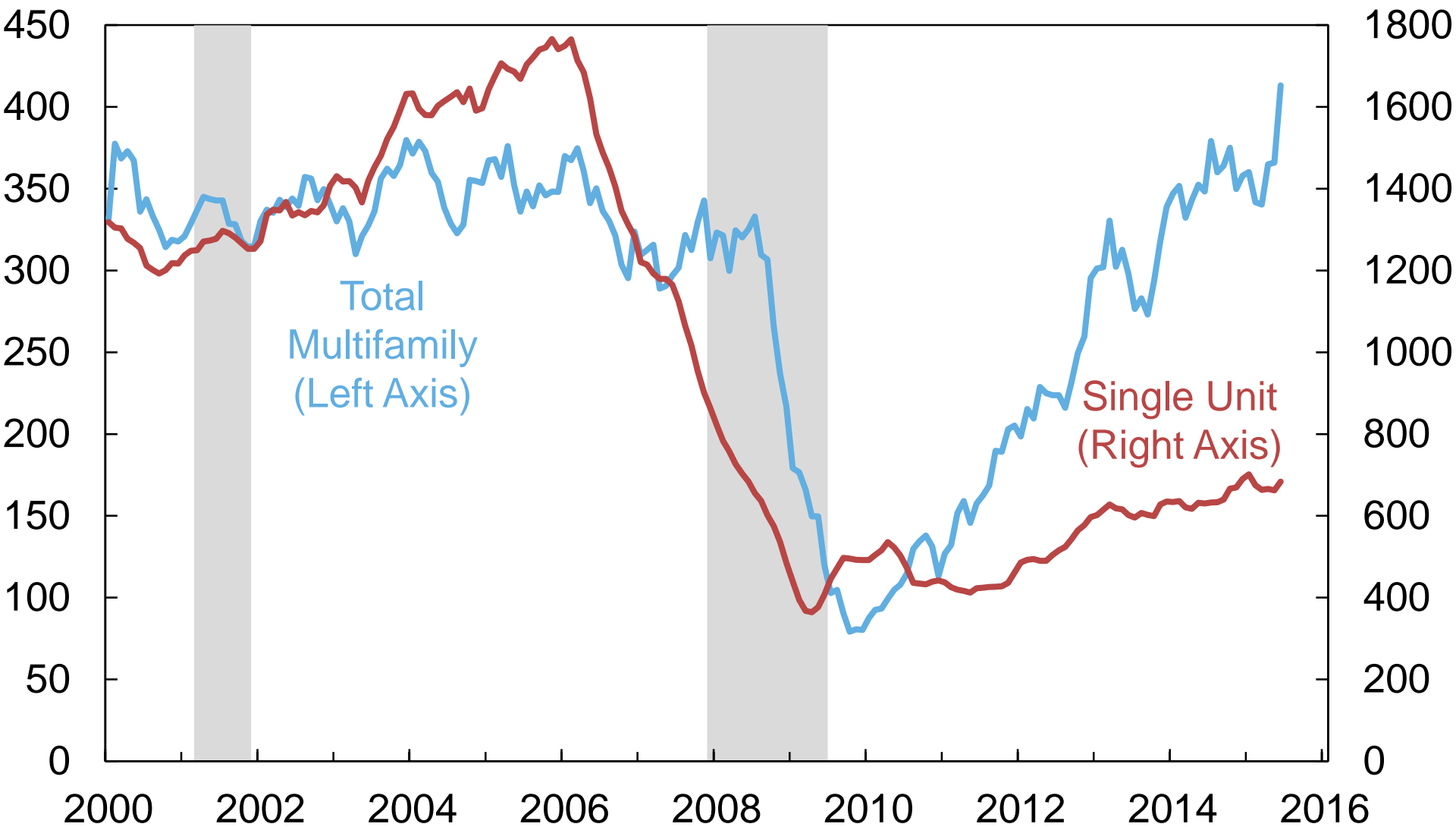
Source: Bureau of the Census

Note: Shading shows NBER recessions.

Housing Starts

Thousands, 3 MMA

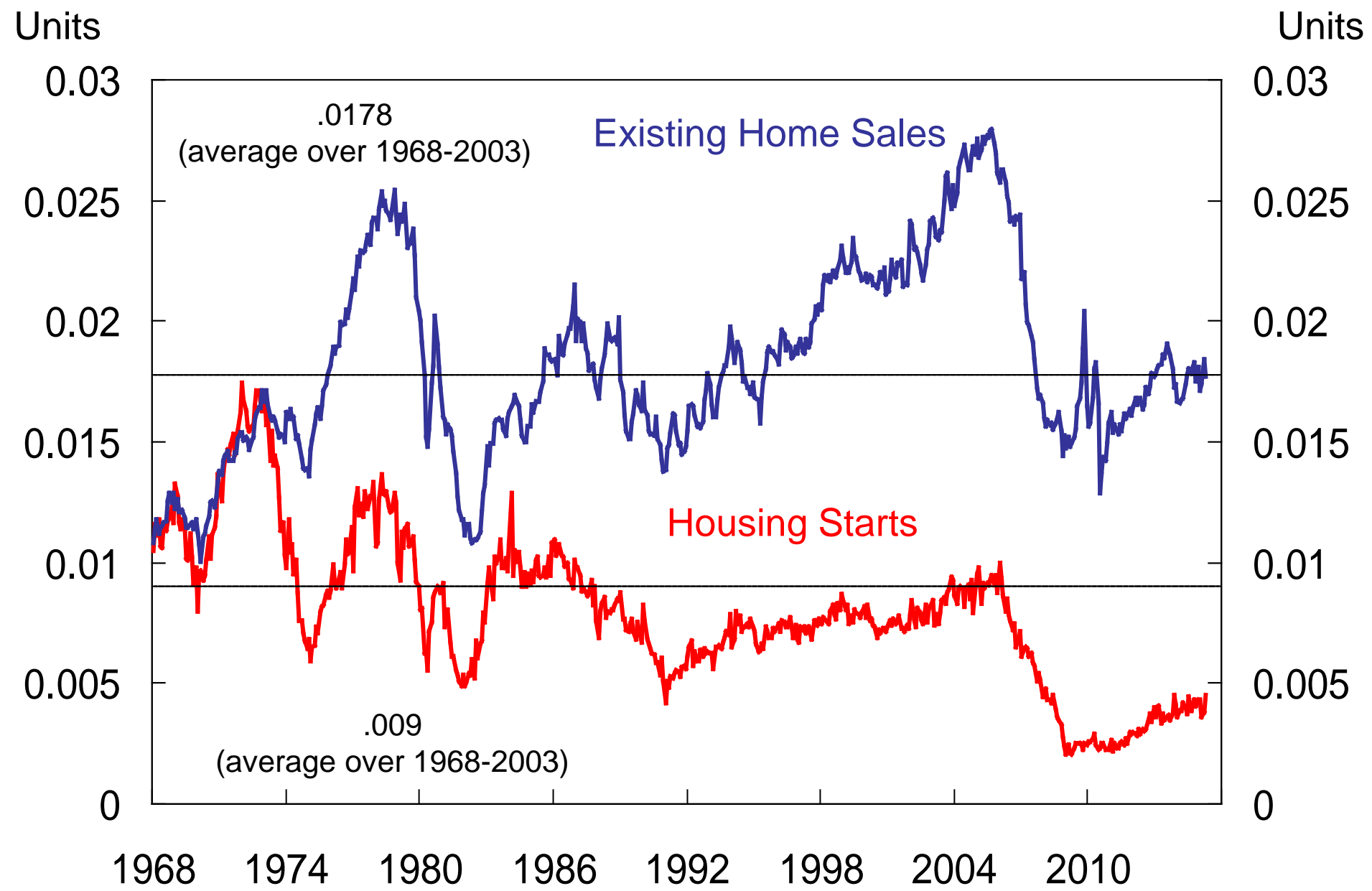
Thousands, 3 MMA



Source: Census Bureau

Note: Shading shows NBER recessions.

Housing Starts and Existing Home Sales Per Capita



Source: BLS, Census Bureau, National Association of Realtors

ISM Nonmanufacturing: NMI Composite Index

SA, 50+= Increasing

ISM Mfg: PMI Composite Index

SA, 50+ = Econ Expand

Index

67.5

60

52.5

45

37.5

30

2004

2006

2008

2010

2012

2014

2016

Index

67.5

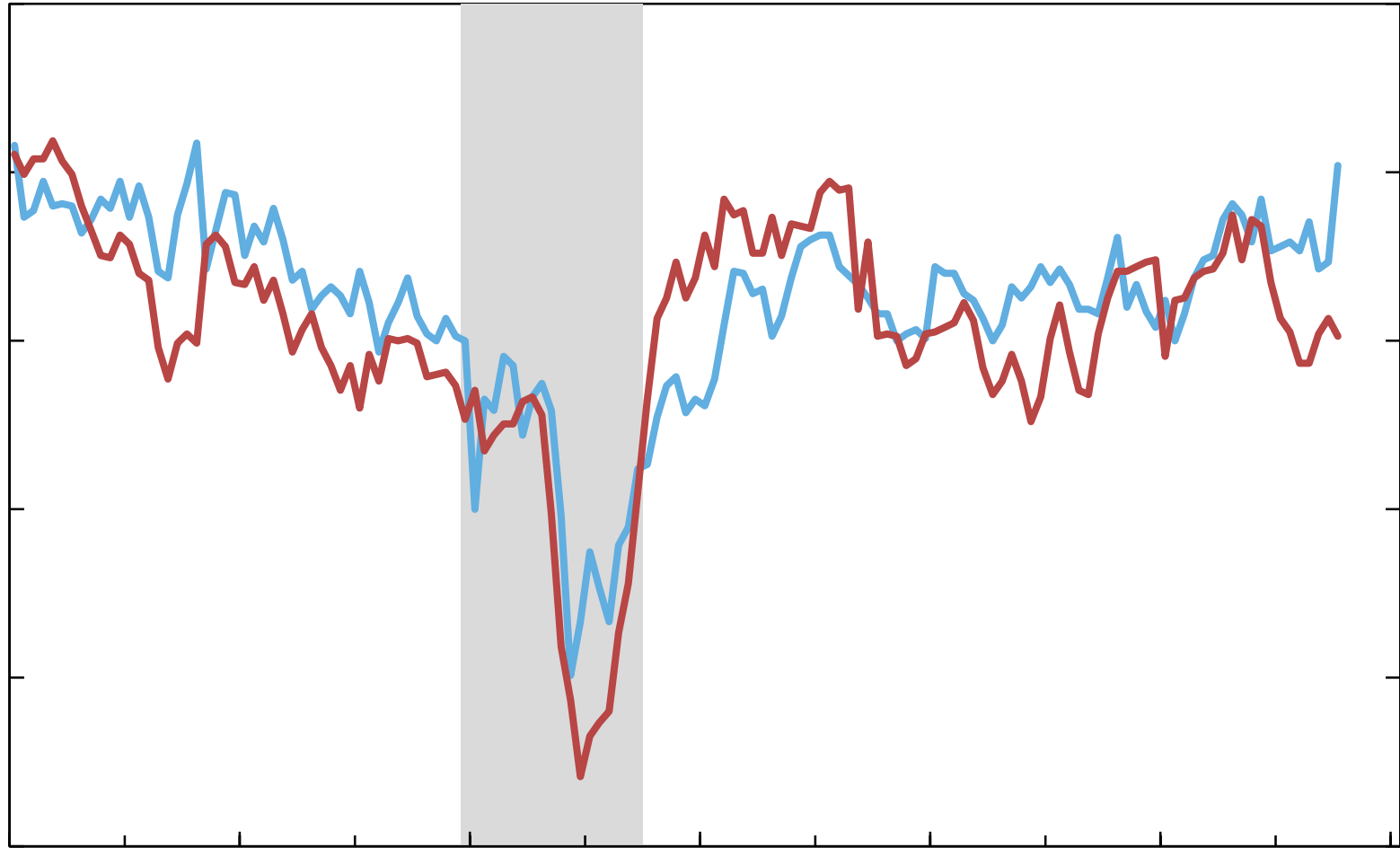
60

52.5

45

37.5

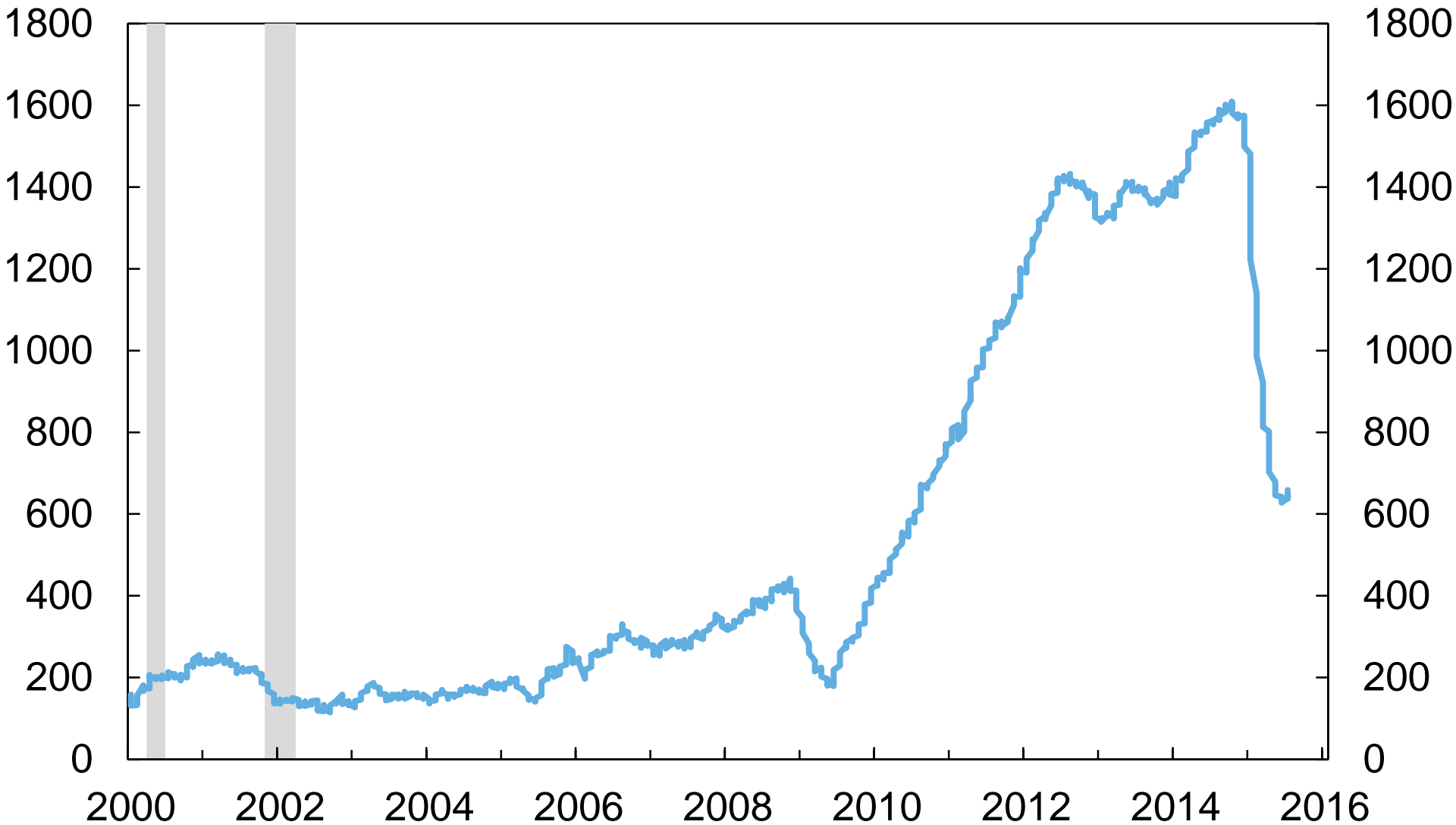
30



Baker Hughes US Oil Rig Count

Active Oil Rigs

Active Oil Rigs



Source: Baker Hughes

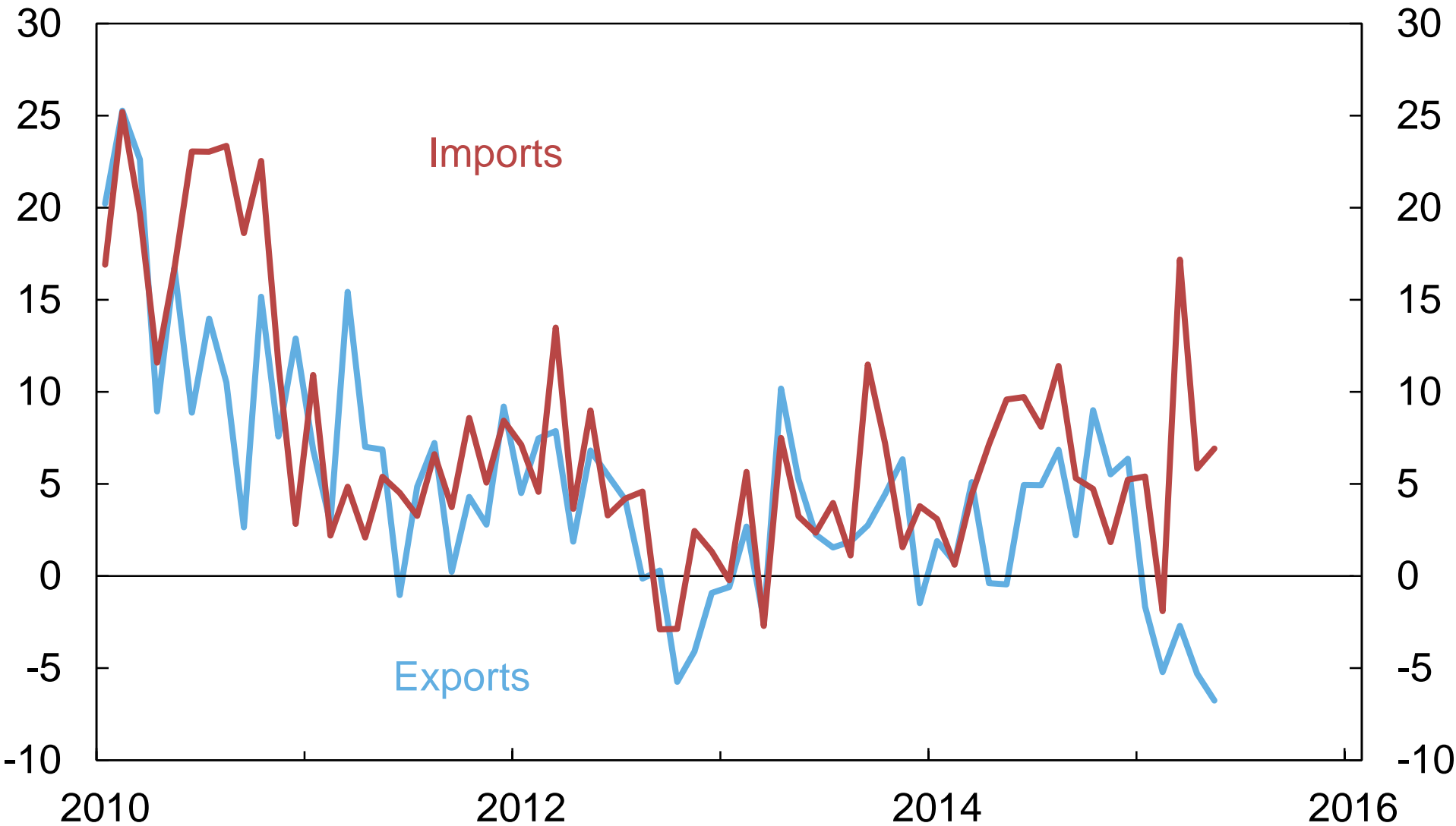
Note: Shading shows NBER recessions.



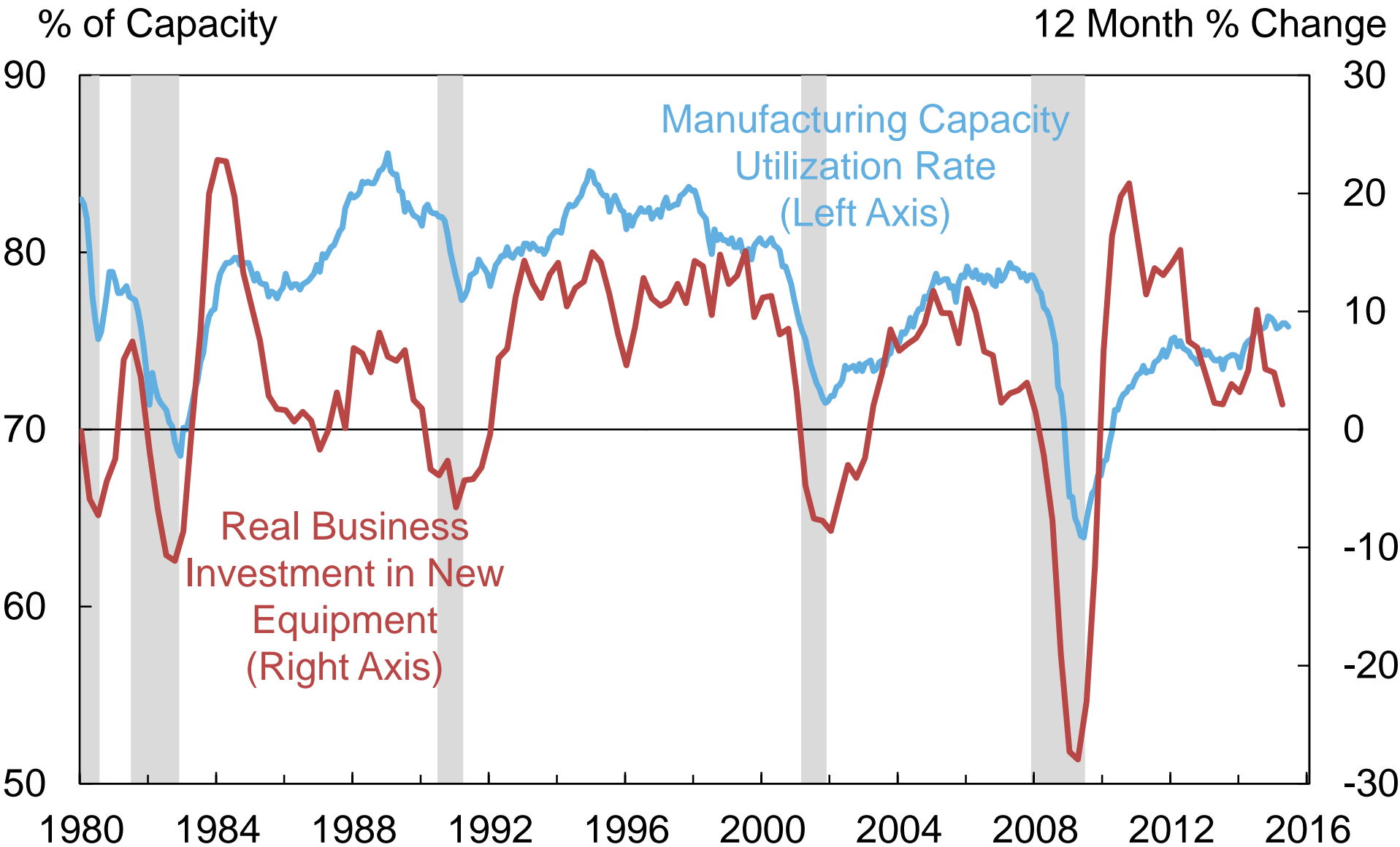
Imports and Exports of Real Nonpetroleum Goods

6 Month % Change – Annual Rate

6 Month % Change – Annual Rate



Equipment Investment and Capacity Utilization



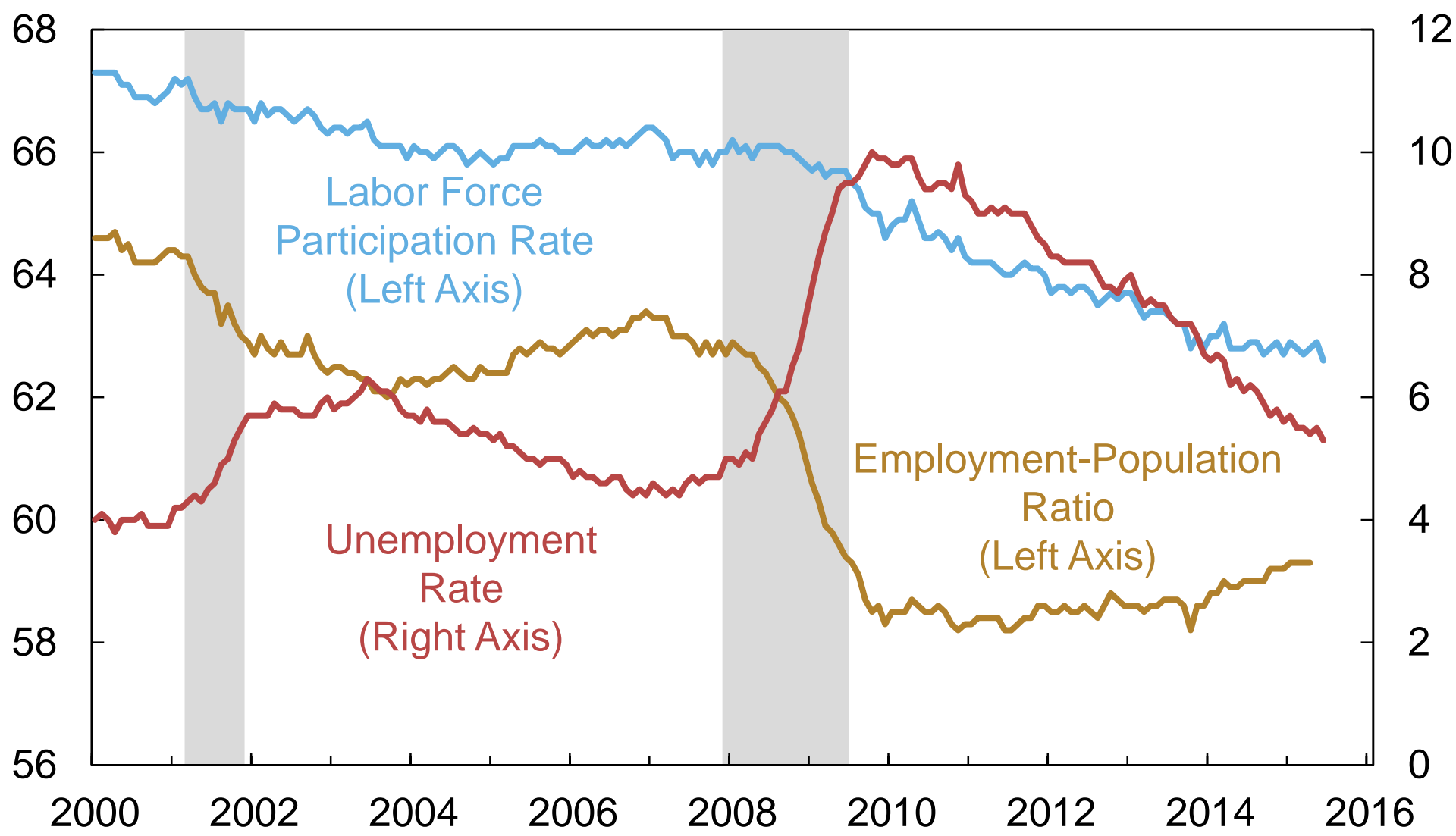
Source: Federal Reserve Board, Bureau of Economic Analysis

Note: Shading shows NBER recessions.

Labor Market Indicators

Percent

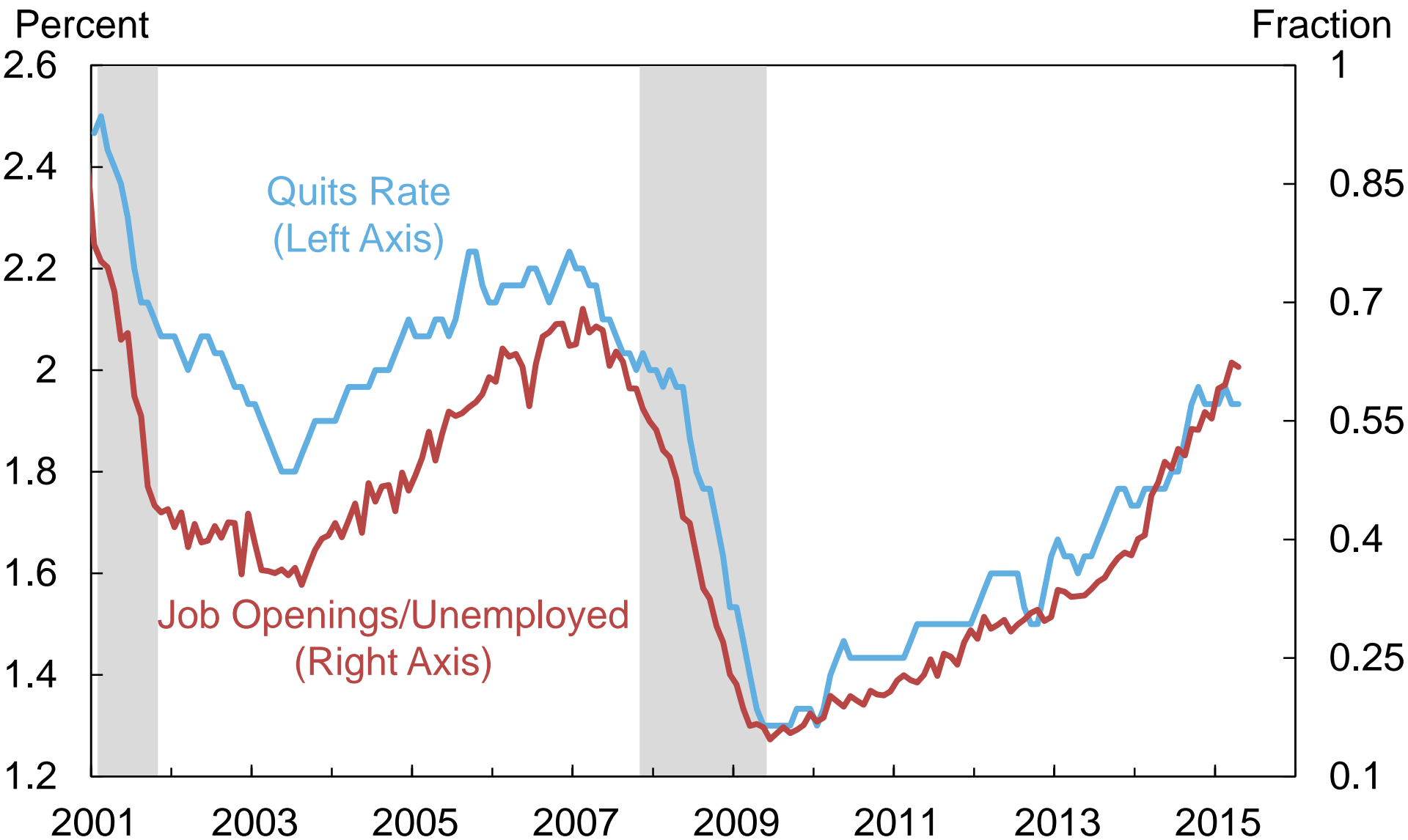
Percent



Source: Bureau of Labor Statistics, via Haver Analytics

Note: Shading shows NBER recessions.

Job Openings/Unemployed and Quits Rate



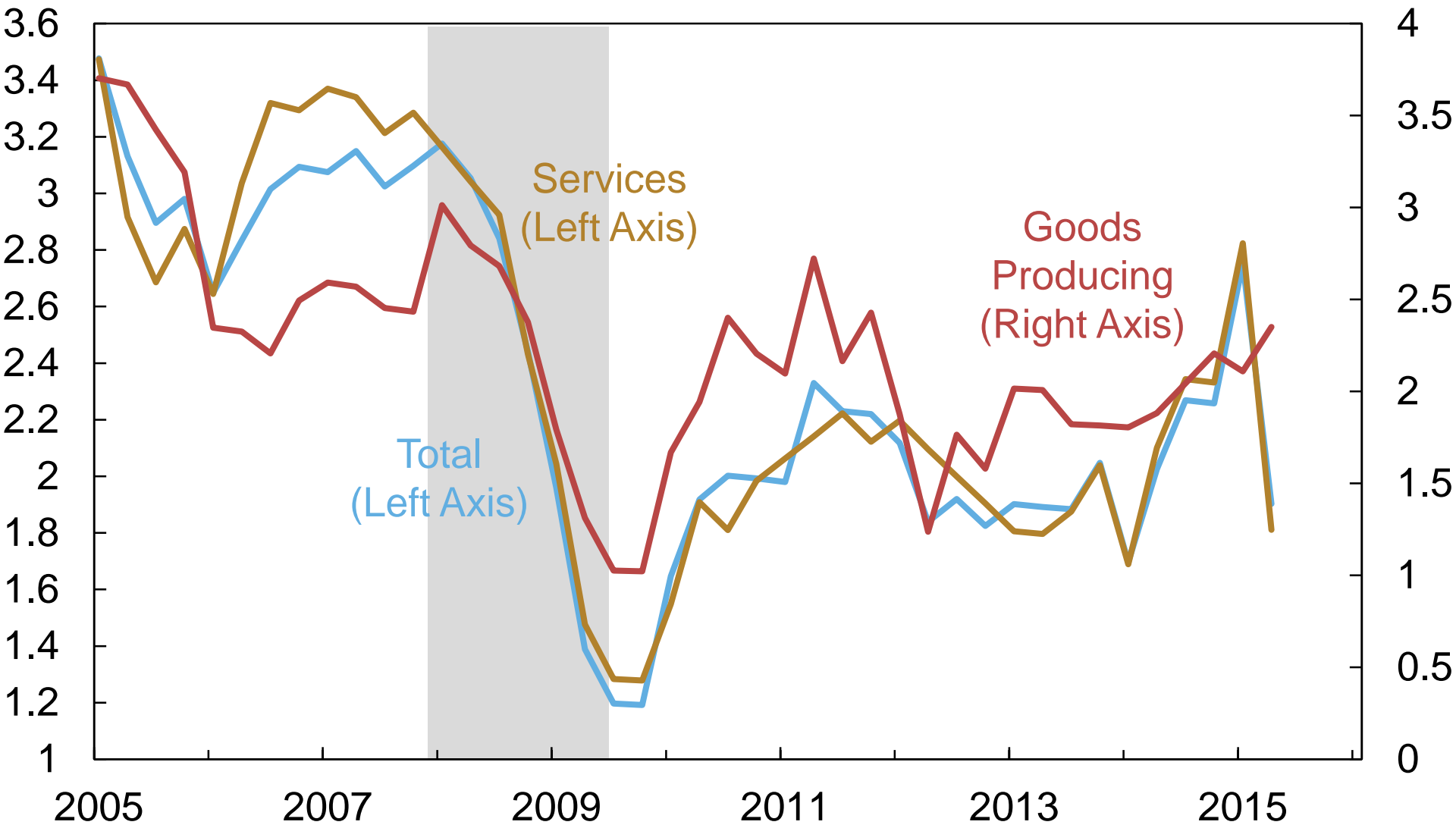
Source: Bureau of Labor Statistics, via Haver Analytics

Note: Shading shows NBER recessions.

Employment Cost Index: Private Sector Workers

12 Month % Change

12 Month % Change



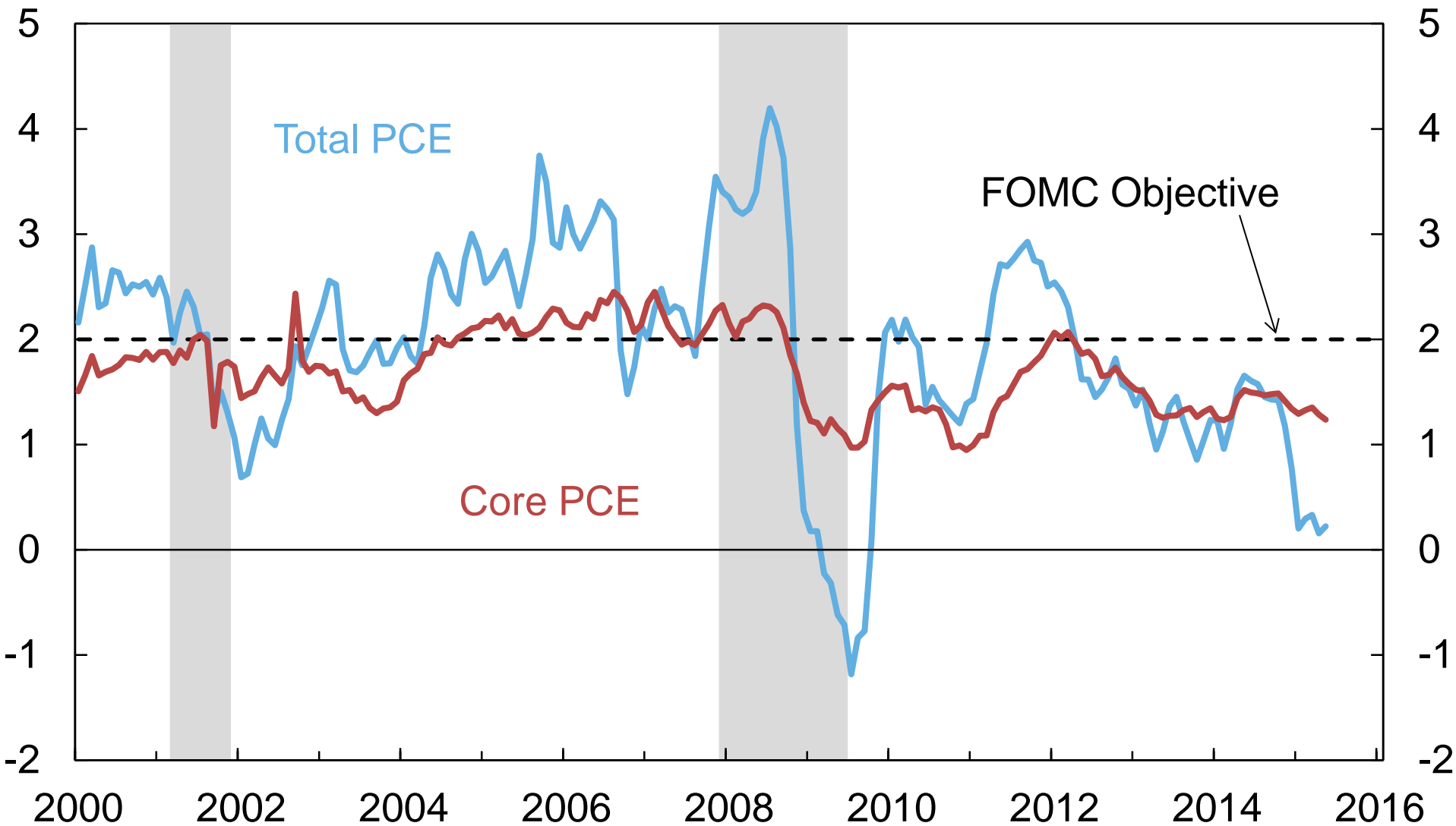
Source: BLS

Note: Shading shows NBER recessions.

PCE Deflator

12 Month % Change

12 Month % Change



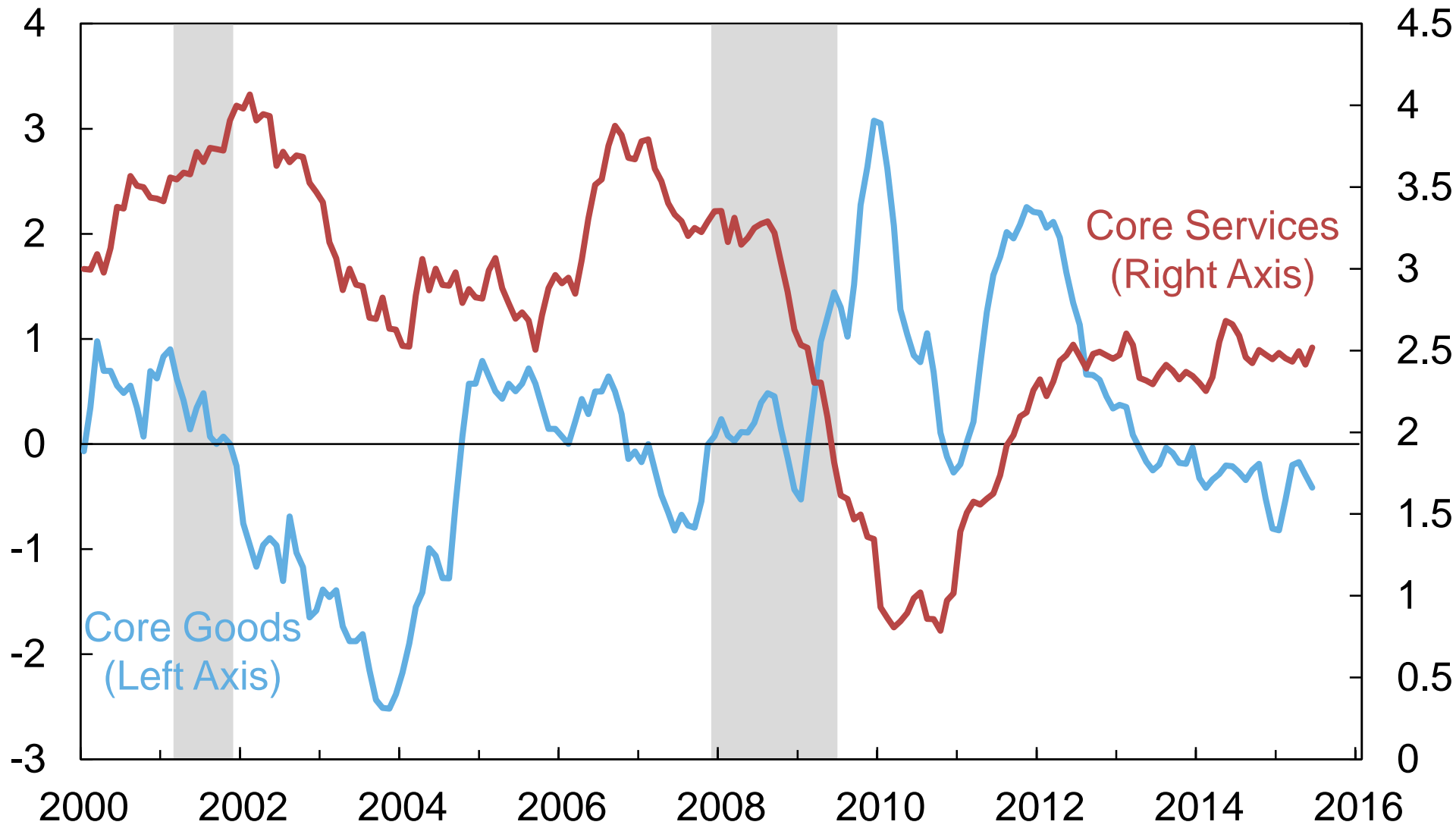
Source: Bureau of Economic Analysis, via Haver Analytics

Note: Shading shows NBER recessions.

CPI Inflation: Core Goods and Core Services

12 Month % Change

12 Month % Change



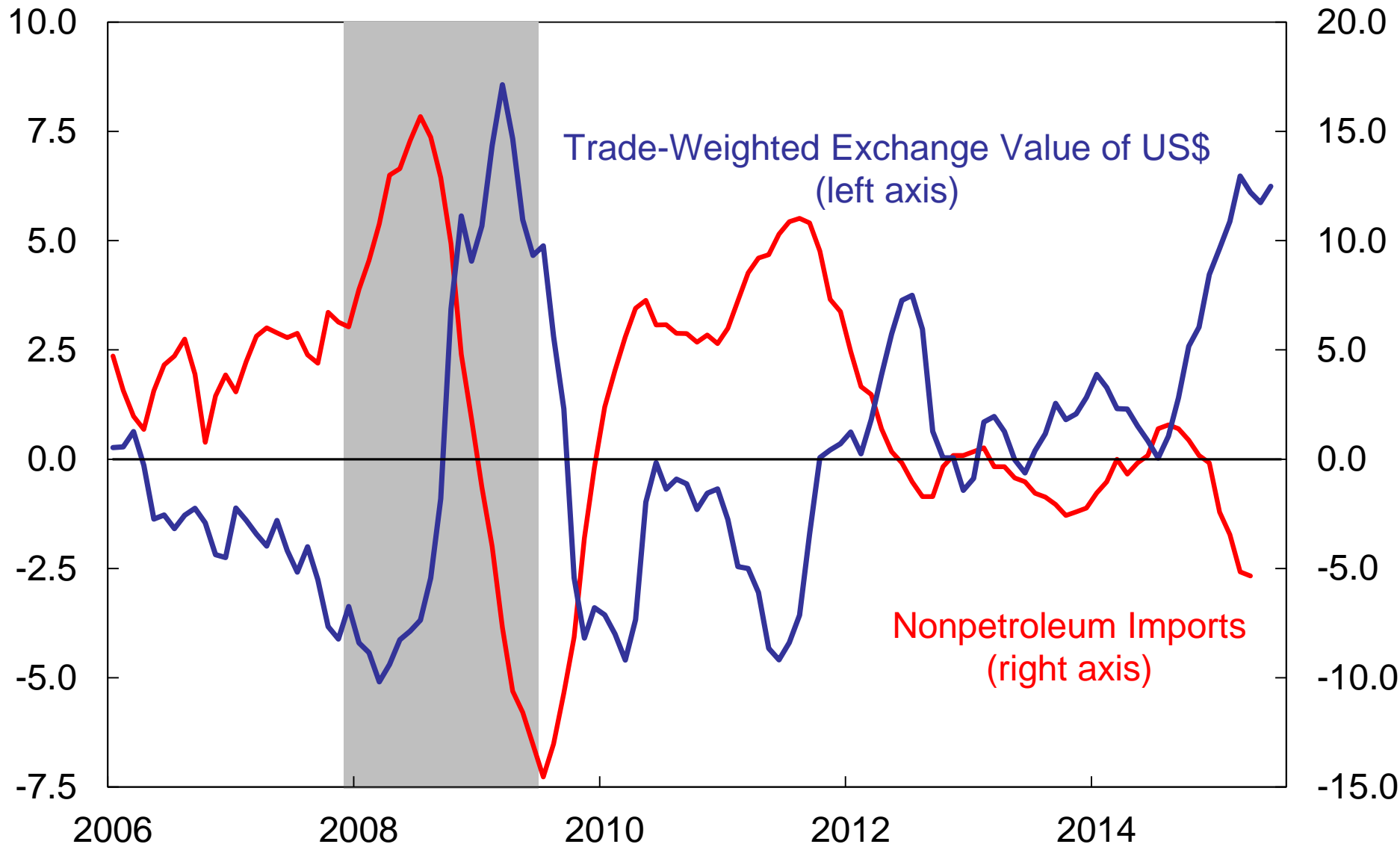
Source: Bureau of Labor Statistics

Note: Shading shows NBER recessions.

Trade-Weighted Exchange Value of US\$ & Nonpetroleum Imports

12 Month % Change

12 Month % Change



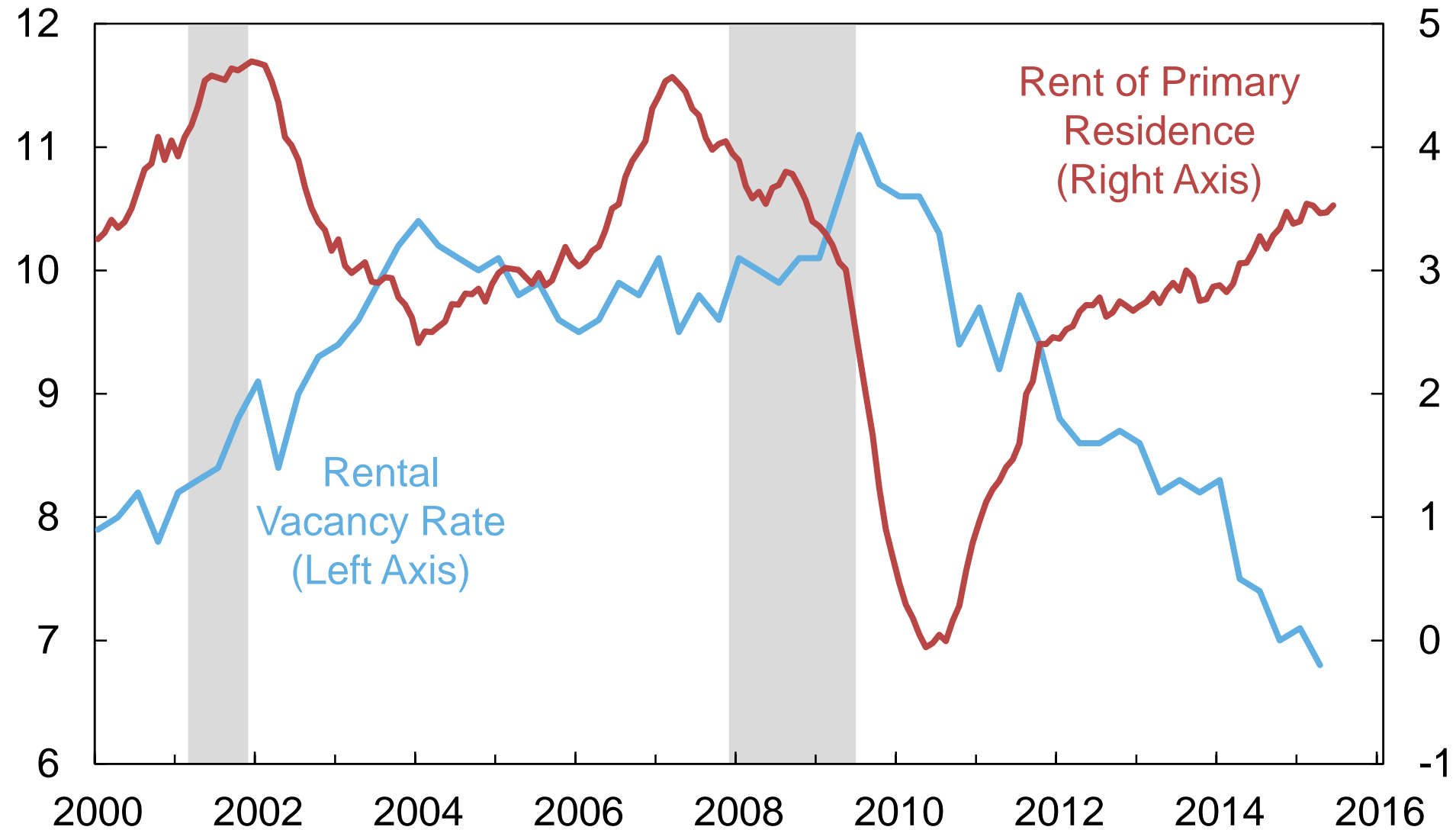
Source: Federal Reserve Board, BLS/Haver Analytics

Note: Grey shading shows NBER recessions

Rental Vacancy Rate and Rent of Primary Residence

Percent

12 Month % Change



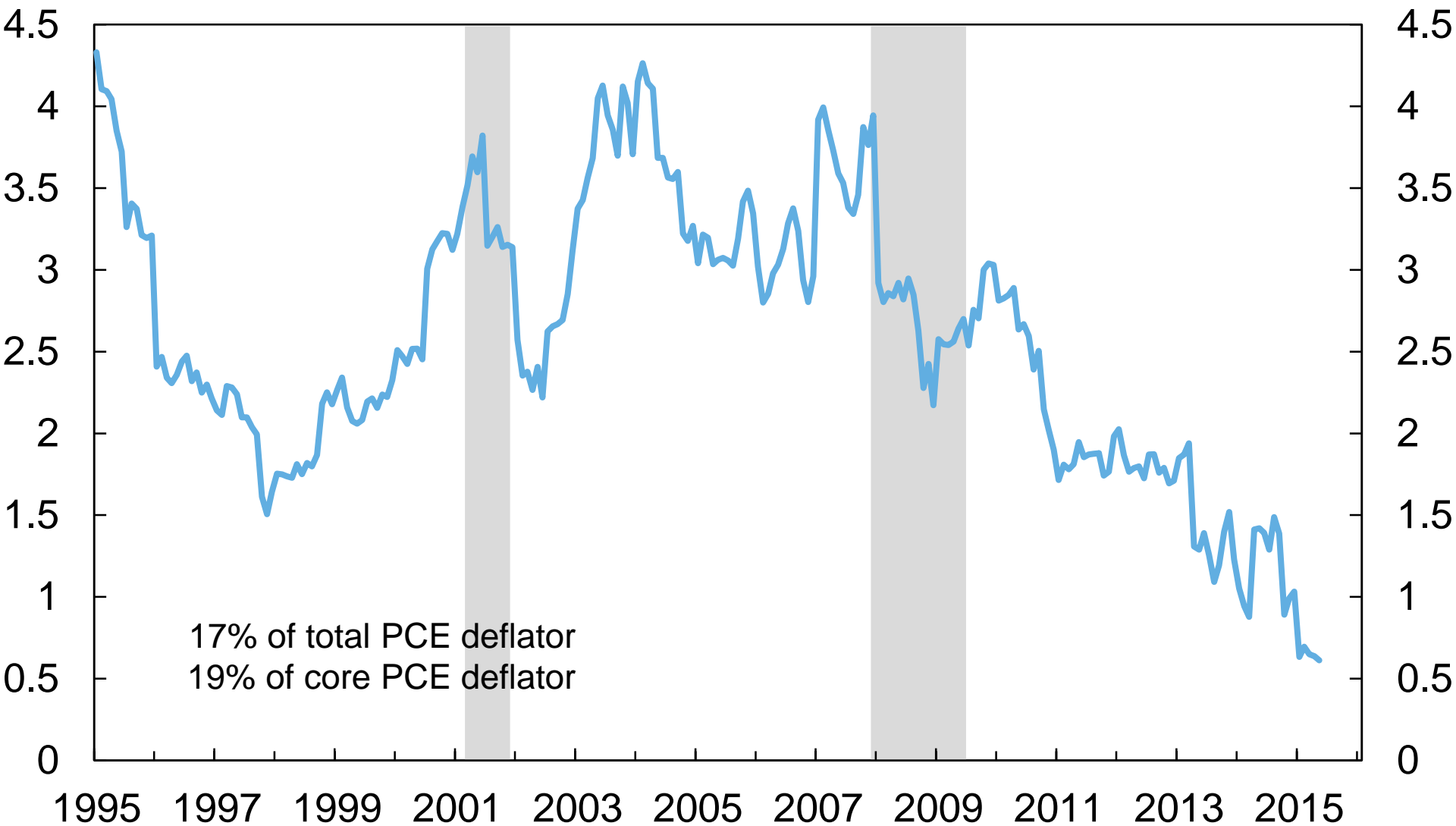
Source: Census Bureau, BLS

Note: Shading shows NBER recessions.

Personal Consumption Expenditures: Health Care Price Index

12 Month % Change

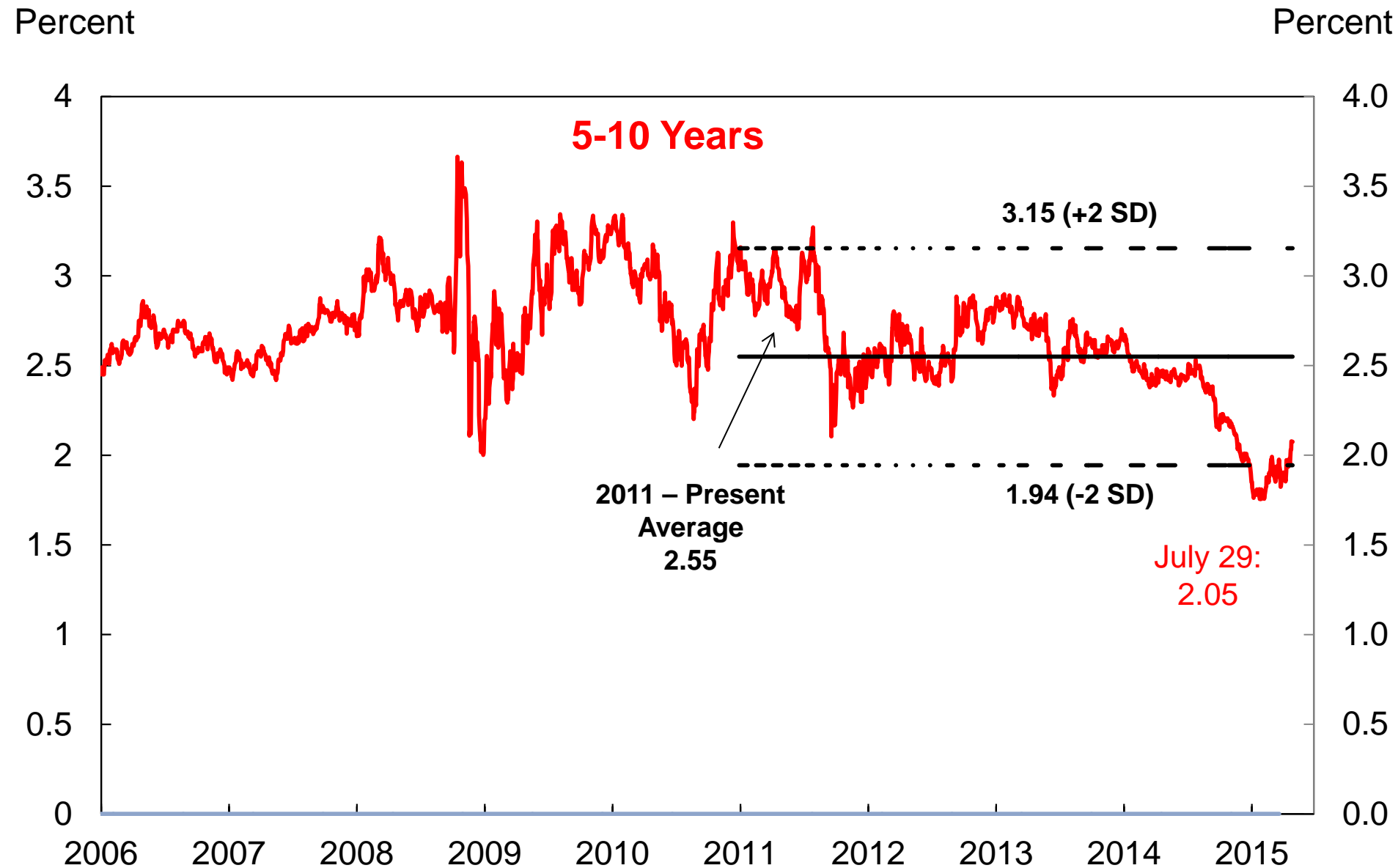
12 Month % Change



Source: Bureau of Economic Analysis

Note: Shading shows NBER recessions.

TIPS Based Inflation Expectations



Note: Dashed lines represent 2 Standard Deviations from the mean

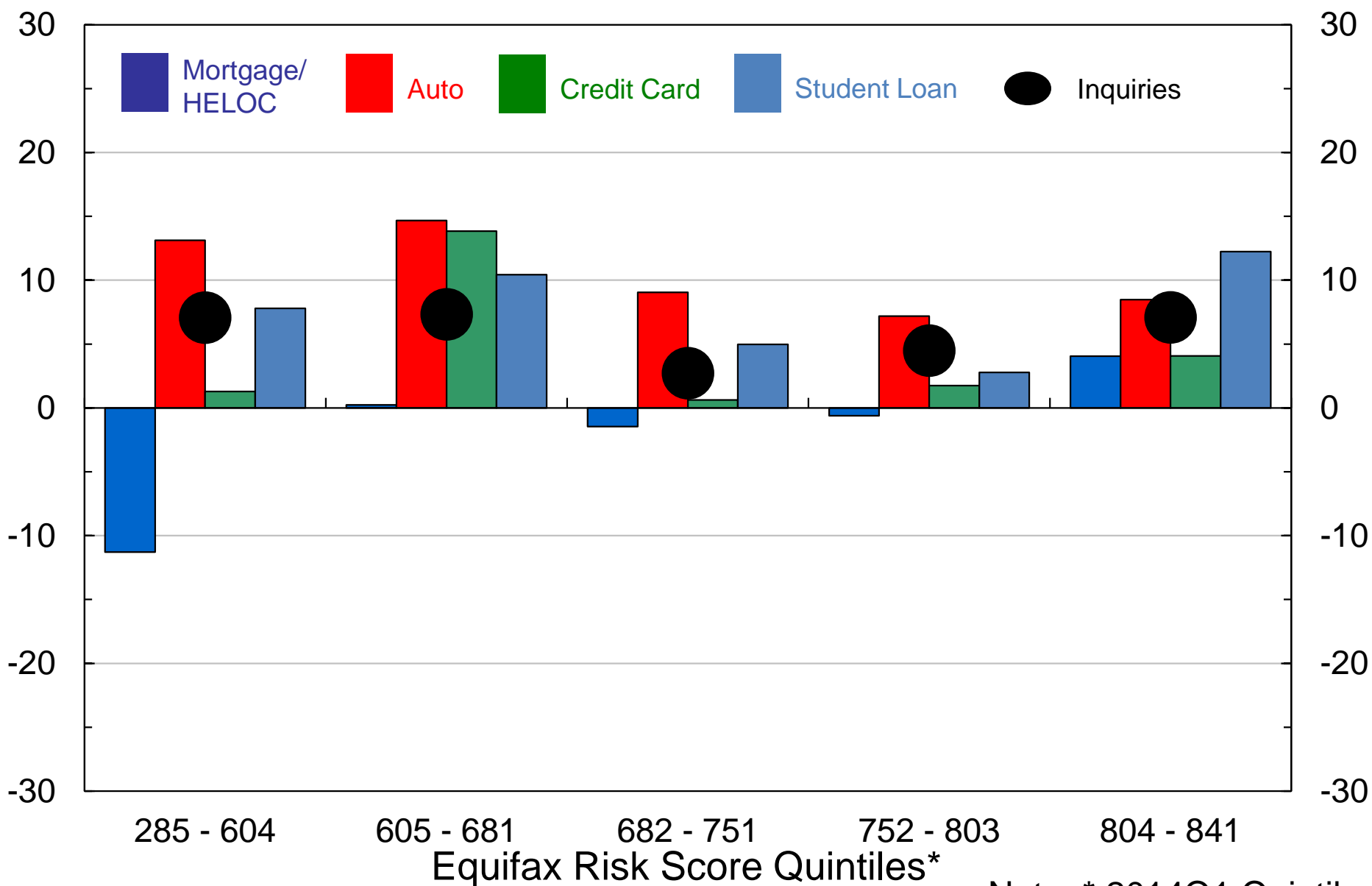
Source: Federal Reserve Board

Reference Slides

Change in Debt 2014Q1-2015Q1 By Credit Score Quintile

Percent

Percent

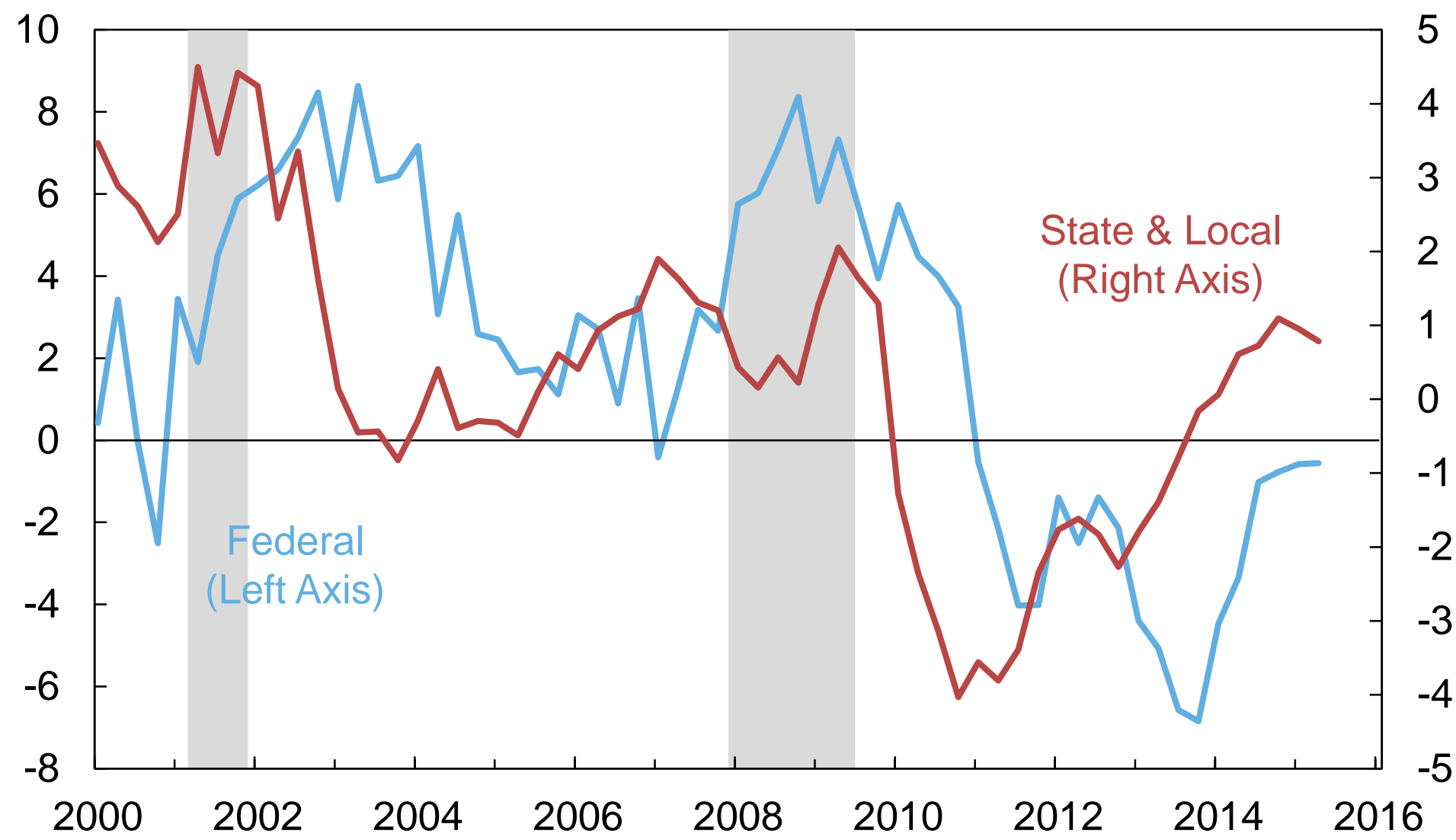


Note: * 2014Q1 Quintiles

Real Government Consumption and Gross Investment

4 Quarter % Change

4 Quarter % Change



Office Vacancy Rate

