

HUDSON VALLEY PATTERN *for* PROGRESS

The PULSE of the ECONOMY

Edition 2 June 26, 2020

Thank you for the comments on our inaugural issue of THE PULSE of the ECONOMY.

Harold King, on behalf of the Council of Industry is an early collaborator as we look to measure the performance of the regional economy.

We received several comments on the unemployment numbers, most of which mention that they thought the rate was higher. They are right. There are numerous measures of unemployment. And an equal number of reasons why each is flawed. We chose the generally accepted one from the Federal government, not so much as the ultimate measure, but so that we could look for trends. If the data point is consistent then the trend will be more telling. If you measure your weight on a scale, it may be off, but if you use the same scale, you can at least see a trend. That's what we are looking for.

Please contact us if you think you have other suggestions as to how to ascertain the performance of the regional economy.

NATIONAL NUMBER WATCH

-300,000 to -500,000

Brookings Institute (June 15), **PROJECTED DECLINE IN THE NUMBER OF BIRTHS** in the US as a result of COVID-19. This is based upon the impact seen from the Spanish Flu and the Great Recession and the current decline in the economy. Tight family economies, they generalize, does not lead to the addition of children.

NOTE: the country was already seeing a decline in family size.

5% DROP in National GDP

The Commerce Department released that the country's Gross Domestic Product shrank by 5% during the first quarter of 2020. This is the third update of the number most look at as a sign of how the national economy is doing.

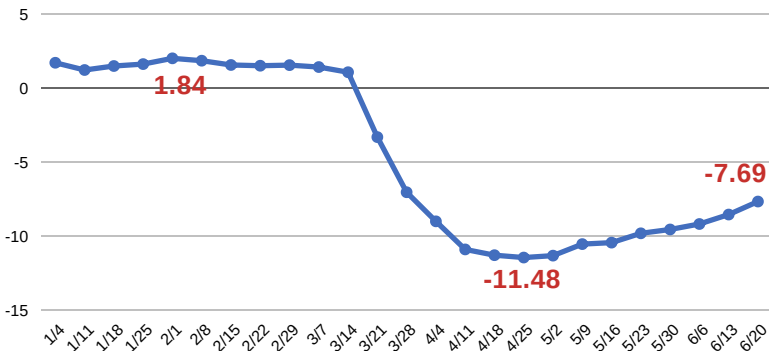
Economists brace for the second quarter number but while it will a dramatic decline, it should not come as a surprise. This occurred while the International Monetary Fund (IMF) projected that the world economy will shrink by 4.9% up from their 3.0% forecast in April. There was another 1.5 million in first time unemployment claims nationally.

STOCK MARKET-DOW JONES

26,080 June 19 25,641 June 26 ↓ 439

WEI Over Recent Months Percent (GDP Growth Units)

The WEI is an index of ten daily and weekly indicators of real economic activity scaled to align with the four-quarter GDP growth rate.



Source: Authors calculations based on data from Haver Analytics, Redbook Research, Rasmussen Reports, The American Association Railroads and Booth Financial Consulting

HUDSON VALLEY TRENDS

"We are seeing some positive signs from our businesses as we reopen the economy. Just as we have seen a boom in residential real estate with people trying to move up from New York City, we are starting to see businesses from NYC looking for space, suppliers and services in the Hudson Valley. We are receiving credit requests from local businesses to purchase additional space, buy inventory etc., based on purchase contracts and leases. It's too soon to say it's a trend but it is something to keep an eye on."



William Calderara, Ulster Savings Bank

Hudson Valley Unemployment Rate

April - 14.4%
May - 11.2%

DATES TO WATCH:

JUNE 30
Adjustments to the state budget?

JULY 31
or Earlier

The extra \$600 federal stimulus payment scheduled to stop

Unemployment Rate May 2020 Counties and Cities

COUNTIES		CITIES	
Dutchess	10.6%	Poughkeepsie	13.3%
ORANGE	11.9%	Middletown	14.2%
		Newburgh	14.2%
WESTCHESTER	11.2%	Mount Vernon	14.6%
		New Rochelle	11.6%
		White Plains	10.5%
		Yonkers	15.4%

Source: NYS DOL Division of Research and Statistics, Research Notes