

Summary of New York *Fed Listens* Event with Business and Community Leaders

The Federal Reserve Bank of New York (the “New York Fed”) hosted a series of *Fed Listens* discussions in the fall of 2021. The discussions were part of a Federal Reserve System-wide effort better understand how the economic recovery from the COVID-19 pandemic is progressing across the United States. On November 8, 2021, John C. Williams, President and Chief Executive Officer of the New York Fed, and other New York Fed staff facilitated discussions business and community leaders within the Second District representing agriculture and food services, hospitality, housing, labor, manufacturing, real estate, and small business. The following is a summary of the key points raised during this *Fed Listens* discussion:

Inflation

When asked how households, businesses, and communities are responding to the higher prices of some items, such as gasoline and groceries, most participants said that price increases were passed on to consumers. To that end, there was concern about food insecurity. In addition, those from the hospitality, manufacturing, and housing sectors all said that inflation has impacted their industries, particularly in delaying renovations and finishing constructions projects.

Several participants also mentioned that inflation has further inflated the housing market.

Housing

When asked how renters and homeowners are faring with regard to their rent and mortgage payments, many participants said that to-date, there has not been much of an issue, crediting in part the ongoing moratorium in New York. However, many raised concerns about an impending cliff—expecting mass evictions or substantial losses across the board for landlords—when the moratorium ends, noting that New York in particular has maxed out emergency assistance funds. Participants emphasized a need to address the upcoming cliff and called for city, state, and federal government levels to think creatively. One participant suggested that given the shift to more hybrid work, unused office spaces may offer potential housing.

Continued Impacts of COVID and the Recovery

Workforce

Many of the participants spoke of unmet labor demand across various sectors in the Second District. Workforce shortages were noted as particularly high in the healthcare sector where a representative said that the pandemic exacerbated the shortage. As a result, there is competition for employees as the recovery takes hold. Employers have had to make significant efforts on

worker retention and attracting new employers, which has led to a focus on bonuses, workplace flexibility, and other employee interests.

Some of the lack of labor supply across numerous industries was attributed to continued uncertainties regarding childcare for potential workers. This trend was noted as particularly hindering women from reentering or entering the workforce.

As a result of worker shortages, some mentioned industries increasing investments in technology that could help businesses be more resilient and less reliant on labor supply.

In terms of wages, while entry-level wages seemed to have increased, many pointed to a lack of wage increases for middle-wage employees. From a total compensation perspective—i.e., including bonuses and other benefits—representatives from the healthcare sector noted some improvement.

Supply pressures

Construction and manufacturing industries cited to continued supply pressures as being a problem and causing delays and significant lag time for projects and delivery of goods to customers. While there was some agreement that such pressures were temporary, there was very little certainty as to when supply pressures are expected to ease.

Recovery

When asked whether areas have been experiencing an “uneven” recovery, some spoke about the unevenness even at the neighborhood level in the Second District. Neighborhoods with heavy service-sector populations tended to face more loss of life and health-related impacts of the COVID-19 pandemic and those affects linger today.