The Federal Reserve Bank of Philadelphia has released the coincident indexes for the 50 states for April 2020. Over the past three months, the indexes decreased in all 50 states, for a three-month diffusion index of -100. Additionally, in the past month, the indexes decreased in all 50 states, for a one-month diffusion index of -100. For comparison purposes, the Philadelphia Fed has also developed a similar coincident index for the entire United States. The Philadelphia Fed’s U.S. index fell 13.7 percent over the past three months and 12.0 percent in April.

** See the Special Notice Regarding the Potential Impacts of the Coronavirus (COVID-19) Pandemic on the April 2020 State Unemployment Rates and State Coincident Indexes and Regarding South Carolina Employment and Wages Data on the third page.

The next release date of the state coincident indexes will be June 26, 2020.
THIRD DISTRICT COINCIDENT INDEXES: APRIL 2020

Pennsylvania
In the three months to April, the coincident index for Pennsylvania fell 27.0 percent. Payroll employment dropped sharply, while the unemployment rate rose substantially. In addition, average hours worked in manufacturing declined during the same period. Overall, Pennsylvania’s economic activity as measured by the coincident index has fallen 26.7 percent over the past 12 months.

New Jersey
In the three months to April, the coincident index for New Jersey fell 23.6 percent. During the same period, payroll employment dropped sharply, while the unemployment rate rose substantially. In addition, average hours worked in manufacturing decreased during the three-month period. Overall, New Jersey’s economic activity as measured by the coincident index has fallen 22.6 percent over the past 12 months.

Delaware
In the three months to April, the coincident index for Delaware fell 24.9 percent. Payroll employment dropped sharply, while the unemployment rate rose substantially. In addition, average hours worked in manufacturing declined. Overall, Delaware’s economic activity as measured by the coincident index has fallen 24.7 percent over the past 12 months.

April 2020 DATA: Third District Coincident Indexes

<table>
<thead>
<tr>
<th>Area</th>
<th>April 2020</th>
<th>1-Month Change</th>
<th>3-Month Change</th>
<th>12-Month Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pennsylvania</td>
<td>89.5</td>
<td>-21.5%</td>
<td>-27.0%</td>
<td>-26.7%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>96.9</td>
<td>-19.8%</td>
<td>-23.6%</td>
<td>-22.6%</td>
</tr>
<tr>
<td>Delaware</td>
<td>96.1</td>
<td>-22.8%</td>
<td>-24.9%</td>
<td>-24.7%</td>
</tr>
<tr>
<td>US</td>
<td>112.0</td>
<td>-12.0%</td>
<td>-13.7%</td>
<td>-12.4%</td>
</tr>
</tbody>
</table>

* Indexed to 2007 annual average. Values are subject to monthly revision.

Visit our website for data, maps, and more information on the state coincident indexes.

Please contact Joey Lee for media inquiries.
Phone: 215-574-3840
**Potential Impacts of the COVID-19 Pandemic on the April 2020 State Unemployment Rates and the Philadelphia Fed’s State Coincident Indexes**

In April 2020, all 50 states exhibited a large increase in their unemployment rate and a large decrease in their nonfarm payroll jobs level; all changes were statistically significant. The monthly unemployment rate is typically the most influential factor underlying a state’s coincident index for most states. The unemployment rate increases combined with payroll job losses contributed to significant declines in the coincident indexes for all 50 states.

Of note, the Bureau of Labor Statistics (BLS) reported on changes to and aspects of their standard methodology that bear particular relevance to movements in Philadelphia Fed’s coincident indexes.

- **Handling reports of zero employment:** The BLS noted that the relationship between firm births and deaths is no longer stable. This prompted a change to its methodology to include some portion of firms that reported zero employment for the period (they are typically excluded). This change resulted in lower payroll job totals for April preliminary estimates, as well as for March final estimates. The latter change contributed to downward revisions of the March coincident indexes for some states. However, some of the downward revision may be attributable to features of our coincident index model, such as use of a Kalman smoother. [See *State Employment and Unemployment — April 2020*.

- **Handling misclassifications:** The BLS noted that in April 2020 an atypically large number of workers were classified as employed, but not at work for “other reasons,” and suggested that some of these workers should have been classified as “unemployed on temporary layoff.” The BLS noted that the national unemployment rate might have been as high as 19.2 percent (not seasonally adjusted) compared with 14.4 percent. Thus, state unemployment rates also may have been higher than estimated, which would imply that the coincident indexes may have fallen further than our model indicates. [See *FAQ: The Impact of the Coronavirus (COVID-19) Pandemic on the Employment Situation for April 2020*.

Finally, the BLS reported two other aspects of its methodology of relevance for the coincident indexes:

- **Greater uncertainty:** The April 2020 unemployment rate estimates met the Census Bureau’s standards for accuracy and reliability, even though the response rate for the household survey was about 10 percentage points less than in the 12 months preceding March 2020. [See *FAQ: The Impact of the Coronavirus (COVID-19) Pandemic on the Employment Situation for April 2020*.

- **Handling outliers:** The BLS routinely examines each state’s Current Population Survey inputs for outliers. If an outlier is sufficiently large — passes certain statistical tests — the information is retained or preserved as a level shift. If not, the information is discounted. Generally, the need to implement level shifts does not occur during normal month-to-month processing. For April 2020, level shifts were implemented for most, if not all, states. [See *State Employment and Unemployment — April 2020*.

**Special Notice Regarding South Carolina Employment and Wages Data**

According to the Bureau of Labor Statistics (BLS), “QCEW and BED data for 2018 and the first quarter of 2019 for South Carolina are showing unusual movements, potentially as a result of a change in reporting. These unusual movements coincide with a modernization of the South Carolina unemployment insurance system. Both QCEW and BED data are subject to changes in the administrative data produced by state unemployment insurance systems. The BLS is working with its South Carolina partners to identify any impact this system change may have. Data from both QCEW and BED are considered preliminary until the release of their final revision.” [Read the report.](#)