

NEW ENGLAND ECONOMIC UPDATE

Presented to the New England Advisory Council
November 19, 2014

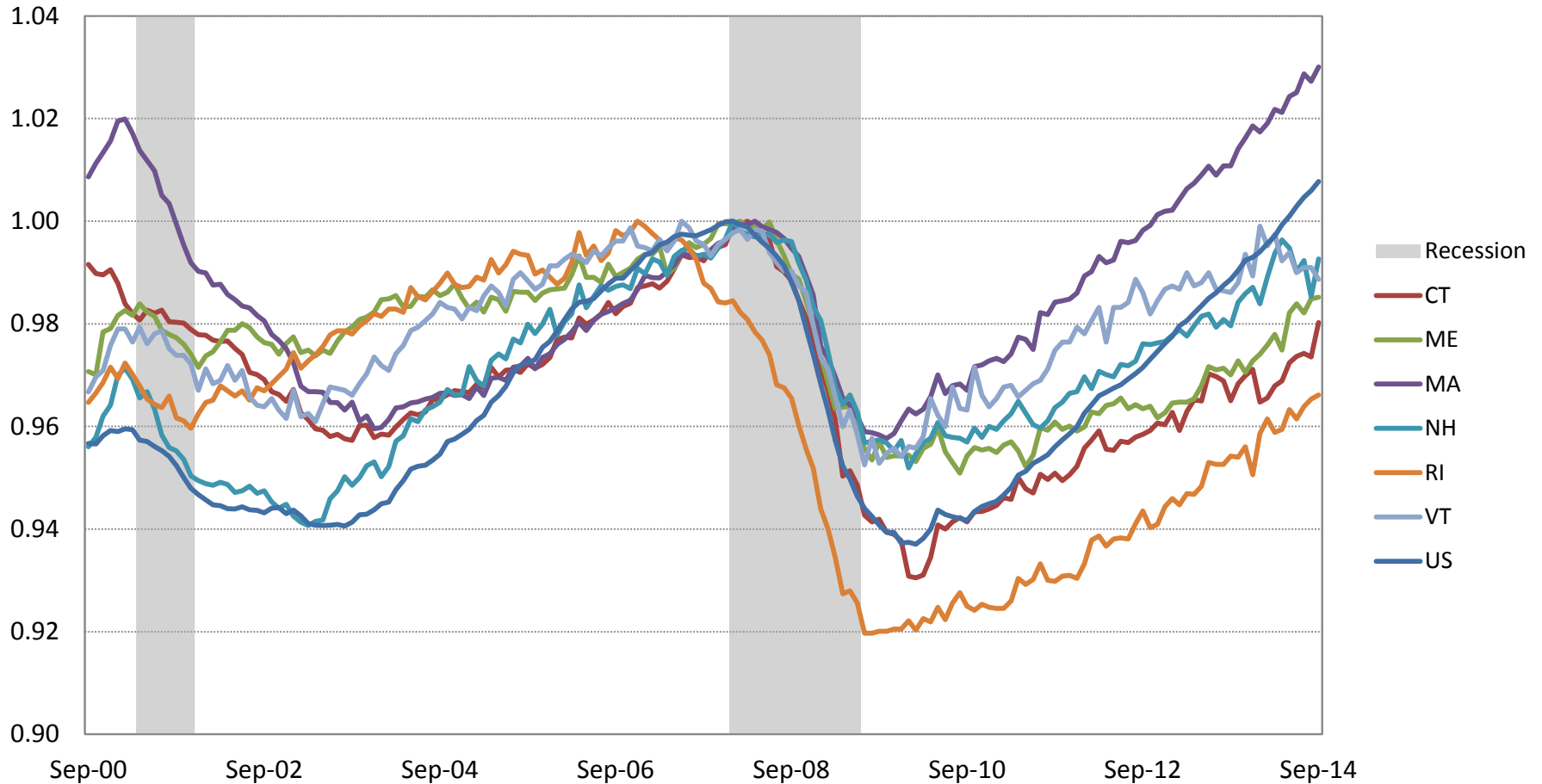
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Overview

- New England labor market continues to improve, while there is still significant labor market slack.
- Overall inflation is low.
- New England housing prices are higher than a year ago, but still below the pre-recession peak.
- The New England economy is expected to expand in the next several years.

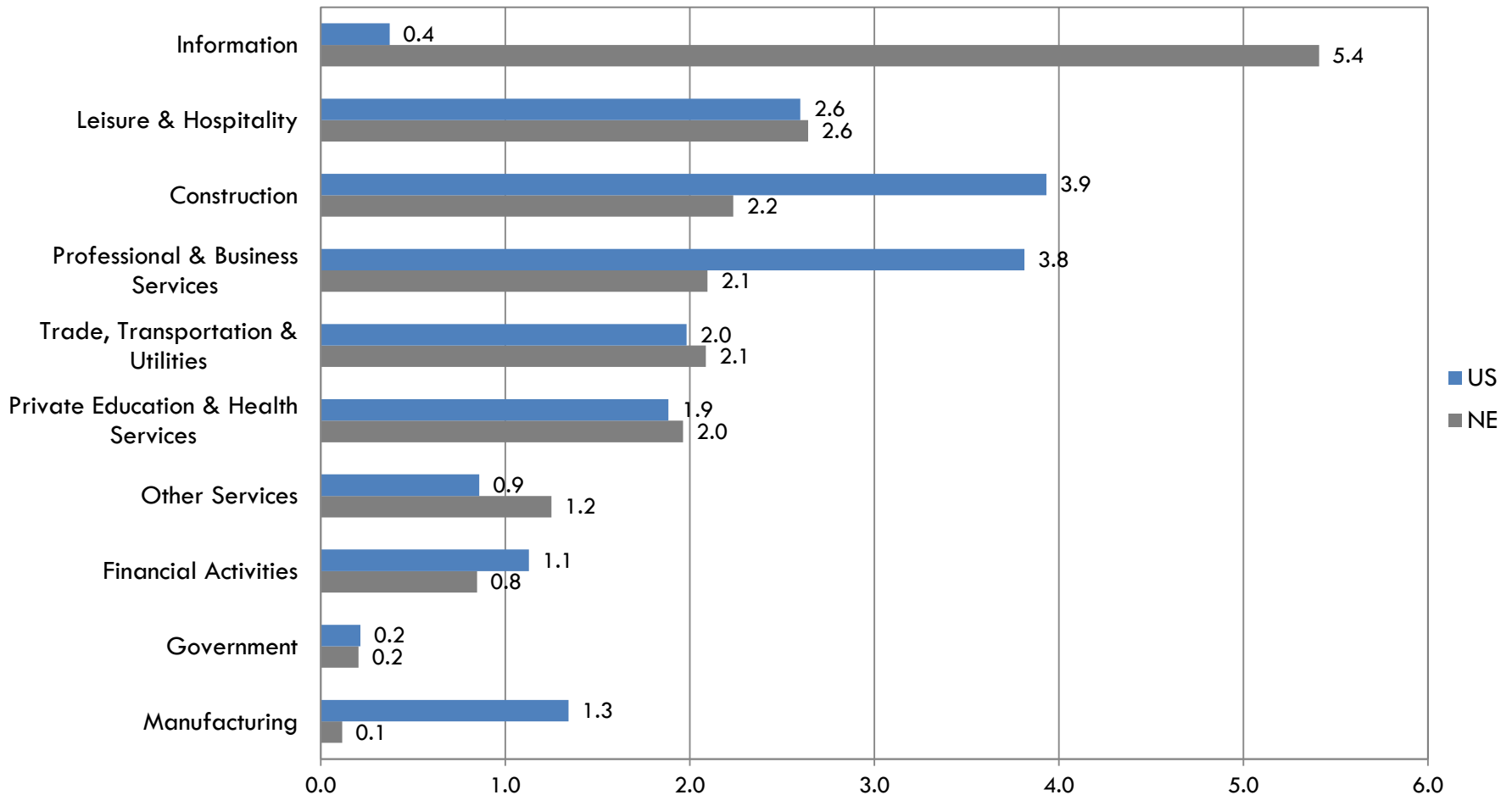
Non-Agricultural Employment

Indexed to Pre-recession Peaks

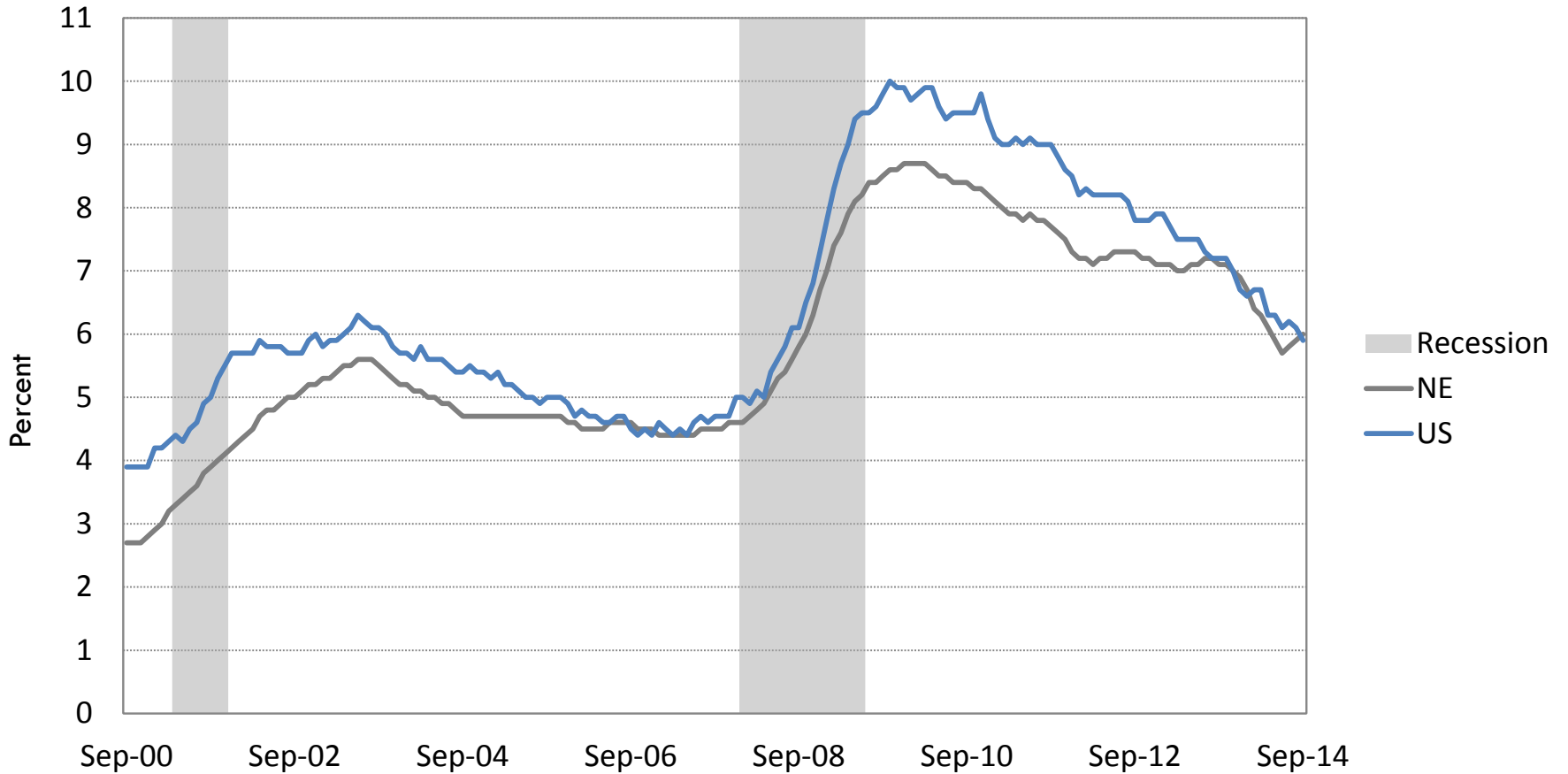


Employment Growth by Industry

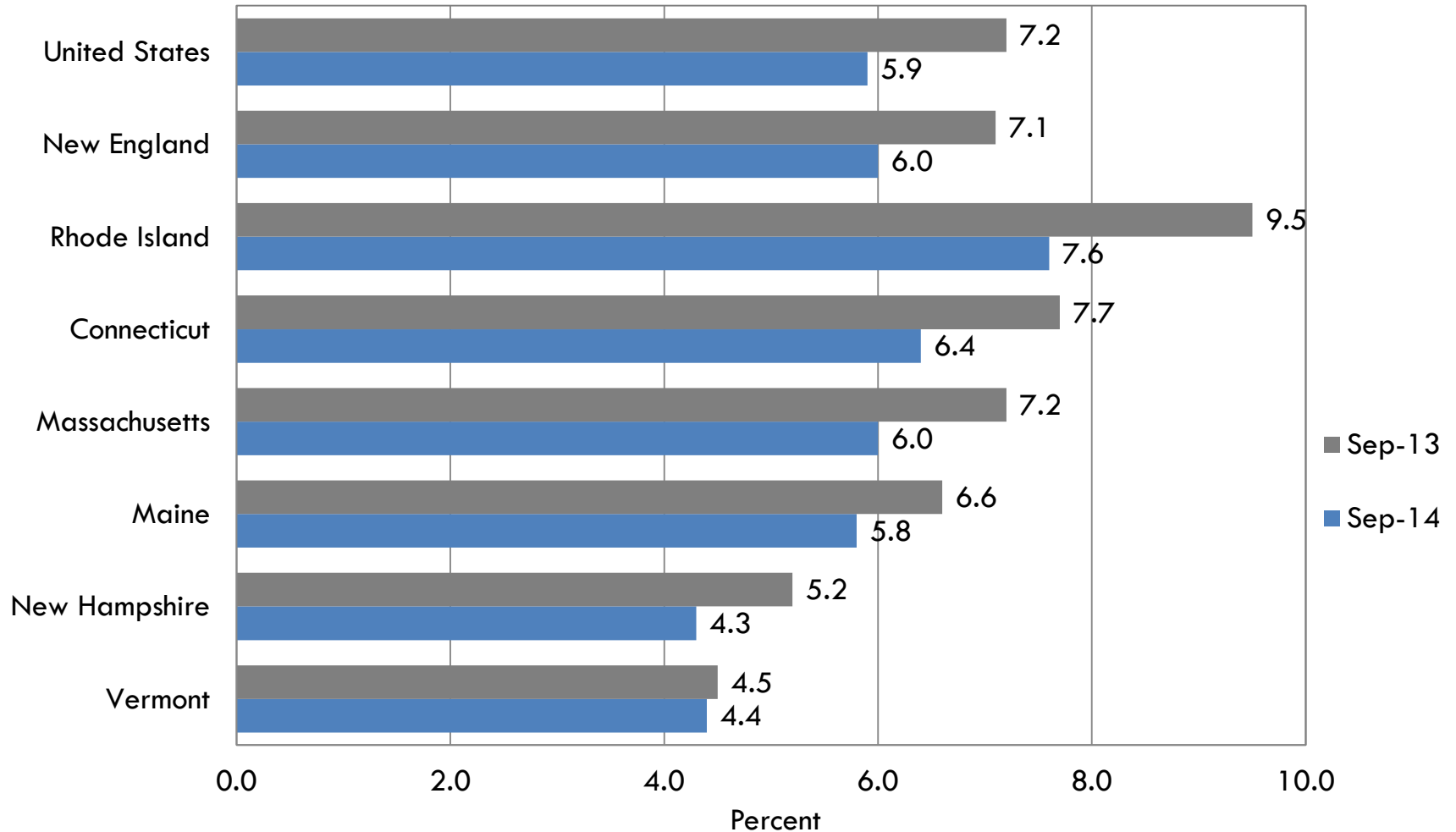
Percentage Change, September 2013 - September 2014



Unemployment Rates

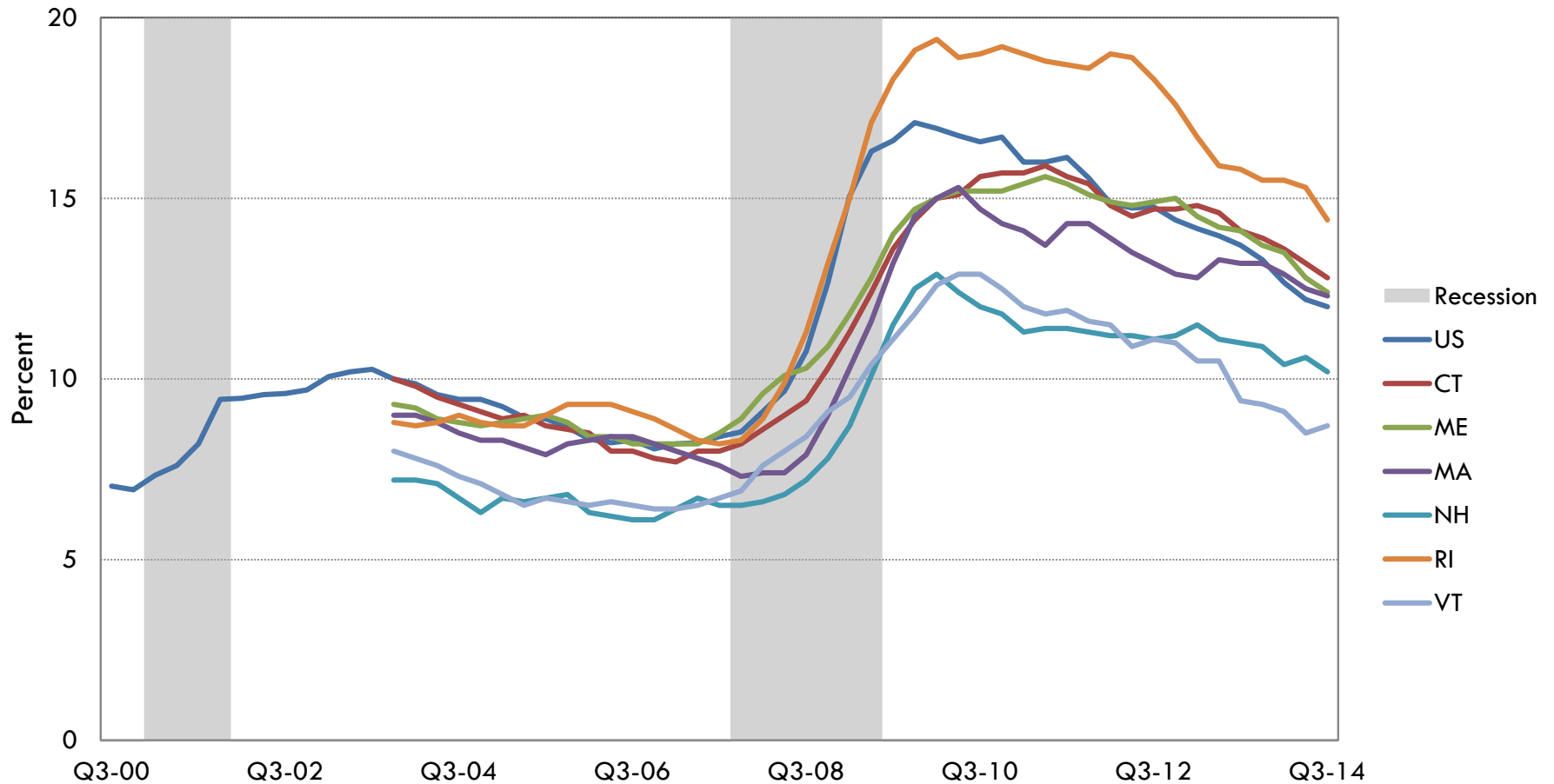


Unemployment Rates within New England



U-6 Rates

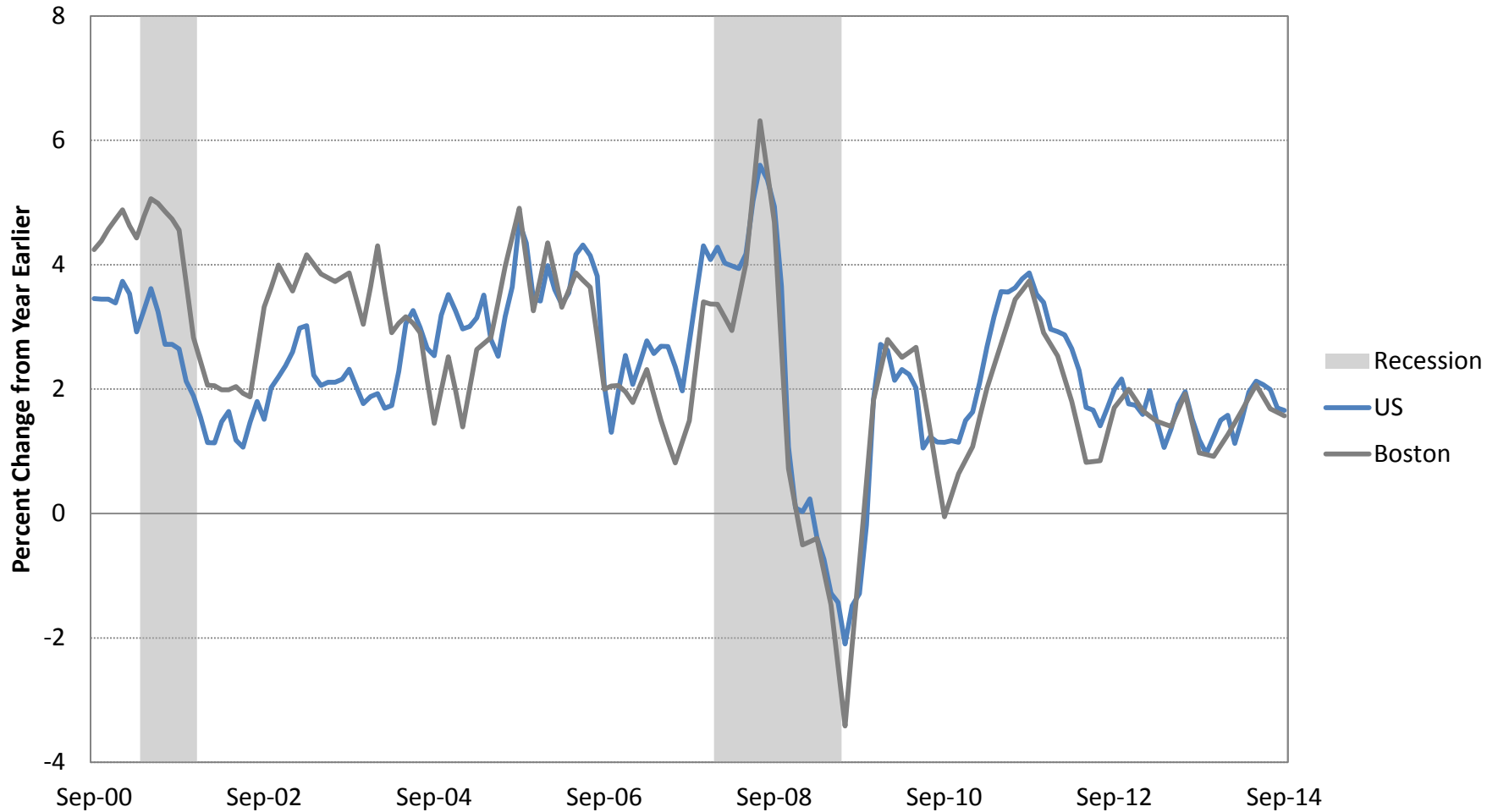
(4-Quarters Average)



Note: U-6 includes total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

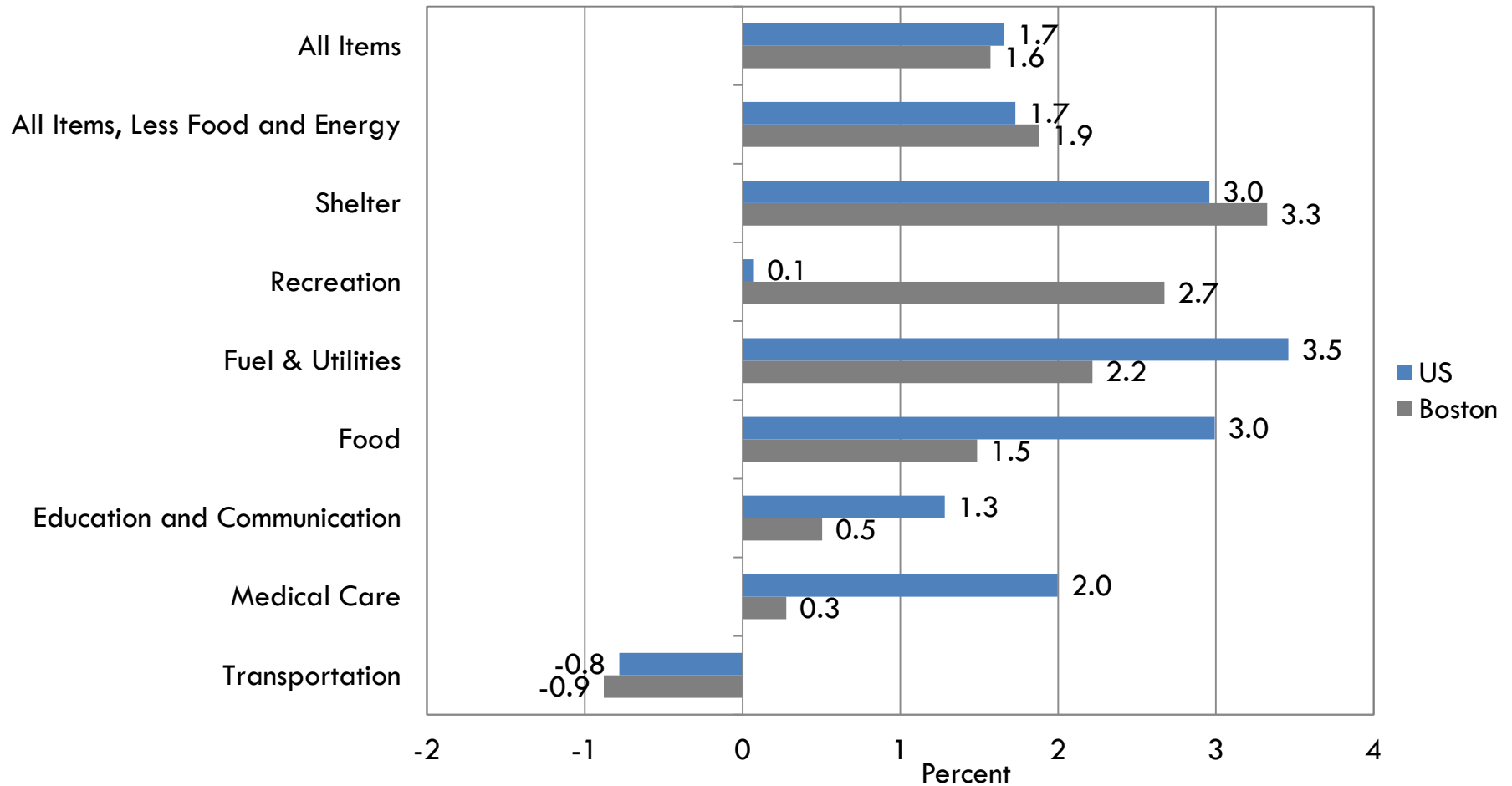
Source: Bureau of Labor Statistics, NBER, Haver Analytics

Consumer Price Index

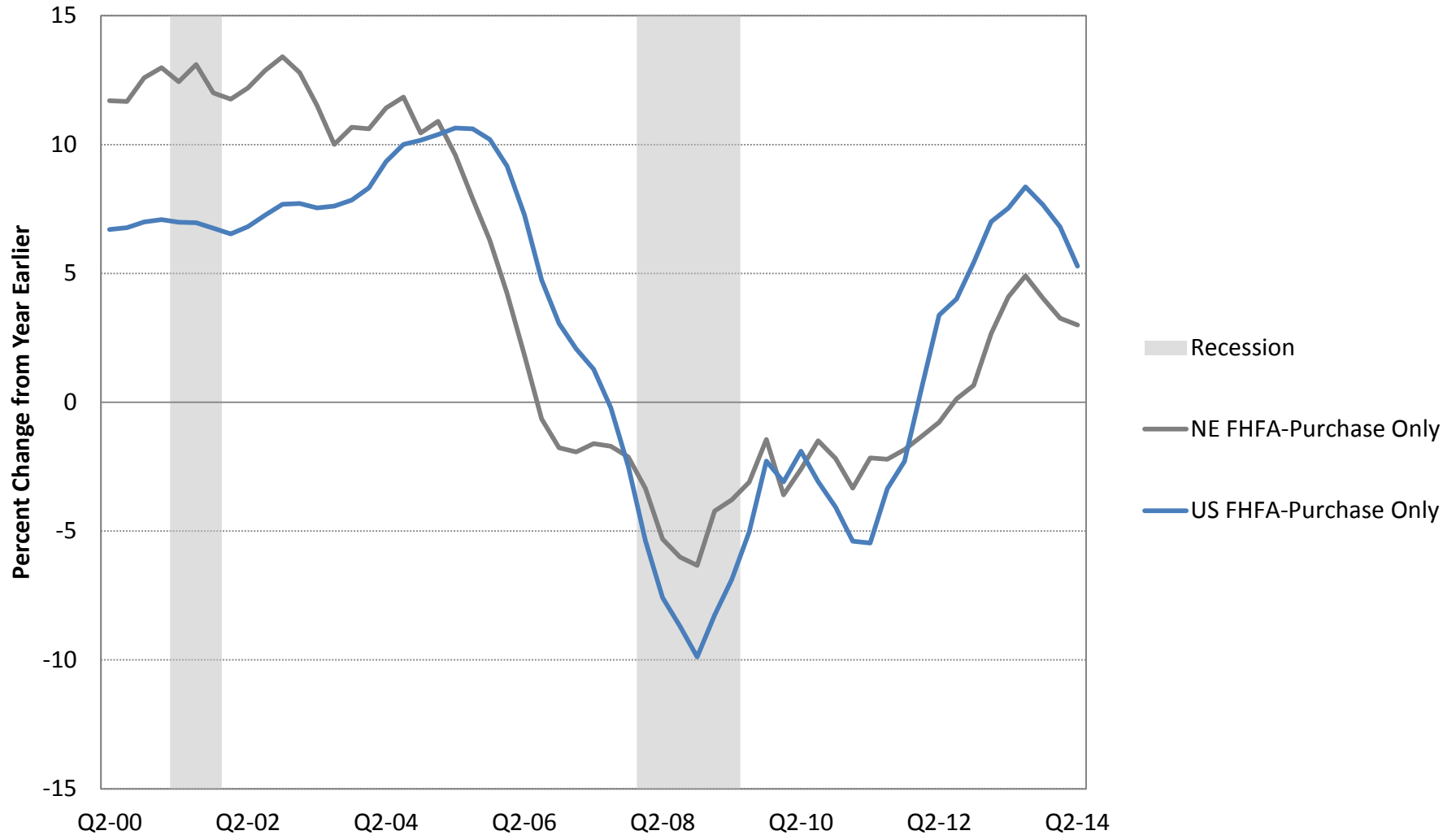


Components of the Consumer Price Index

Percent Change, September 2013 - September 2014

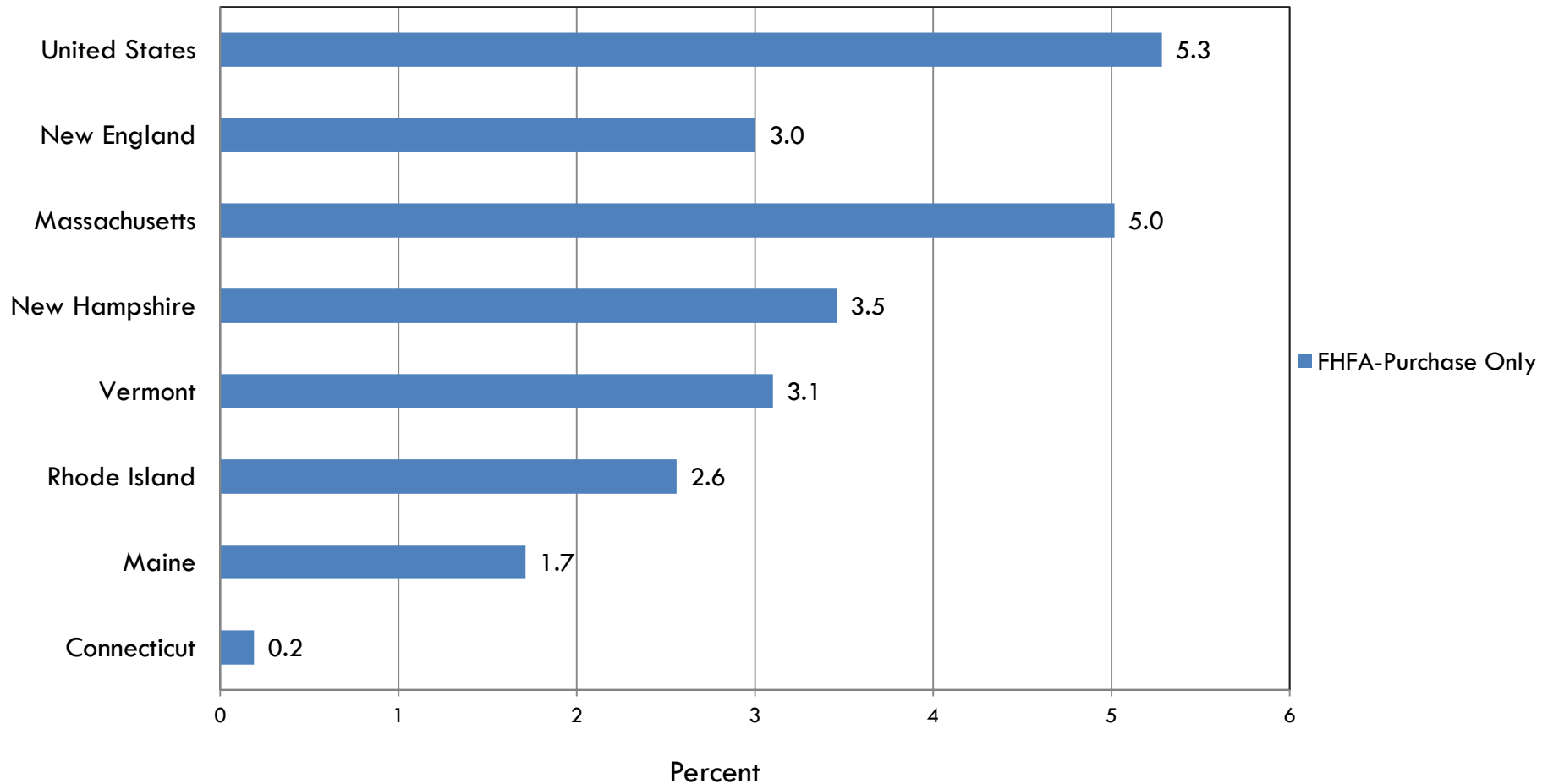


Repeat-Sales Home Price Index

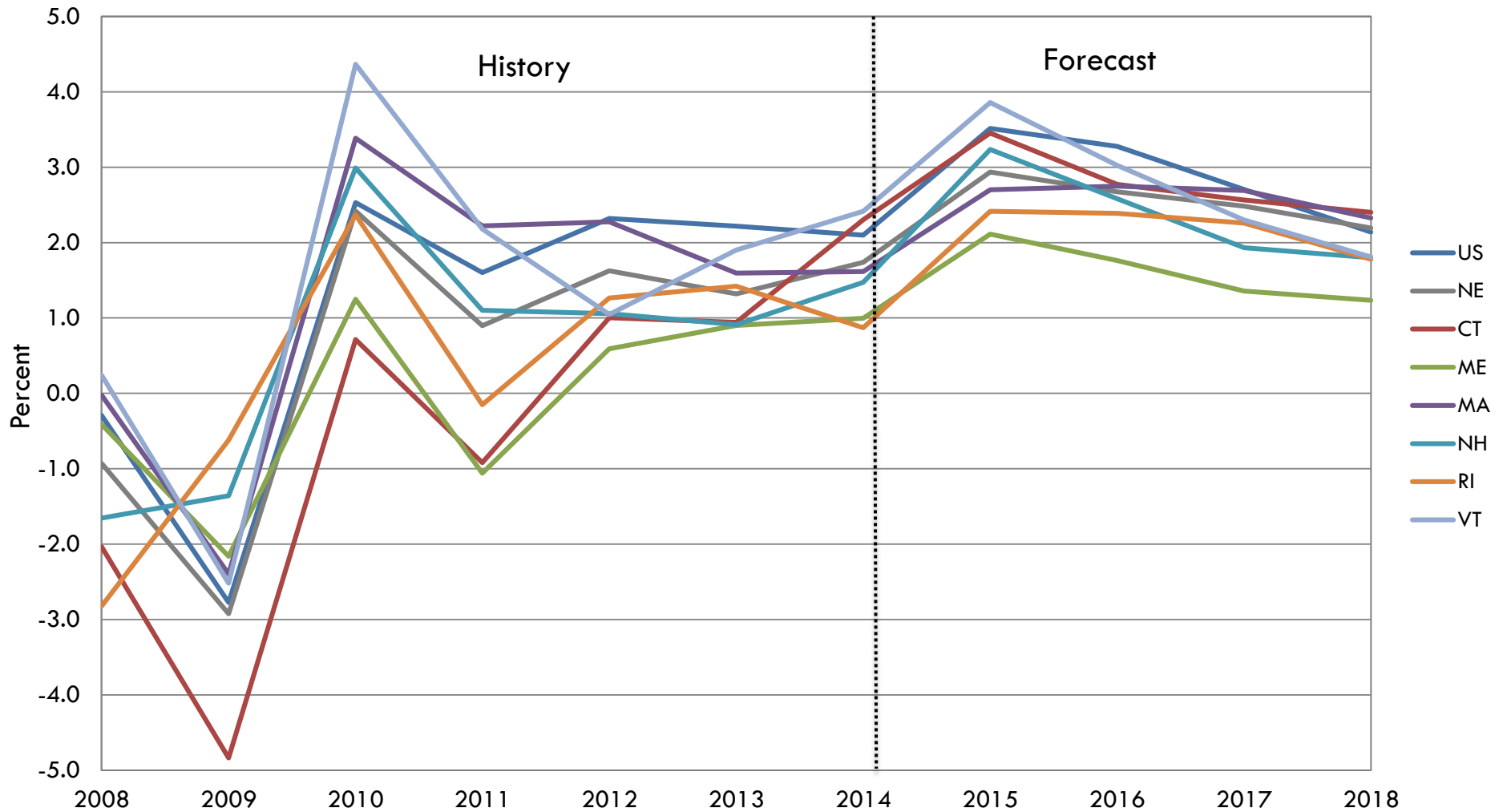


House Price Changes

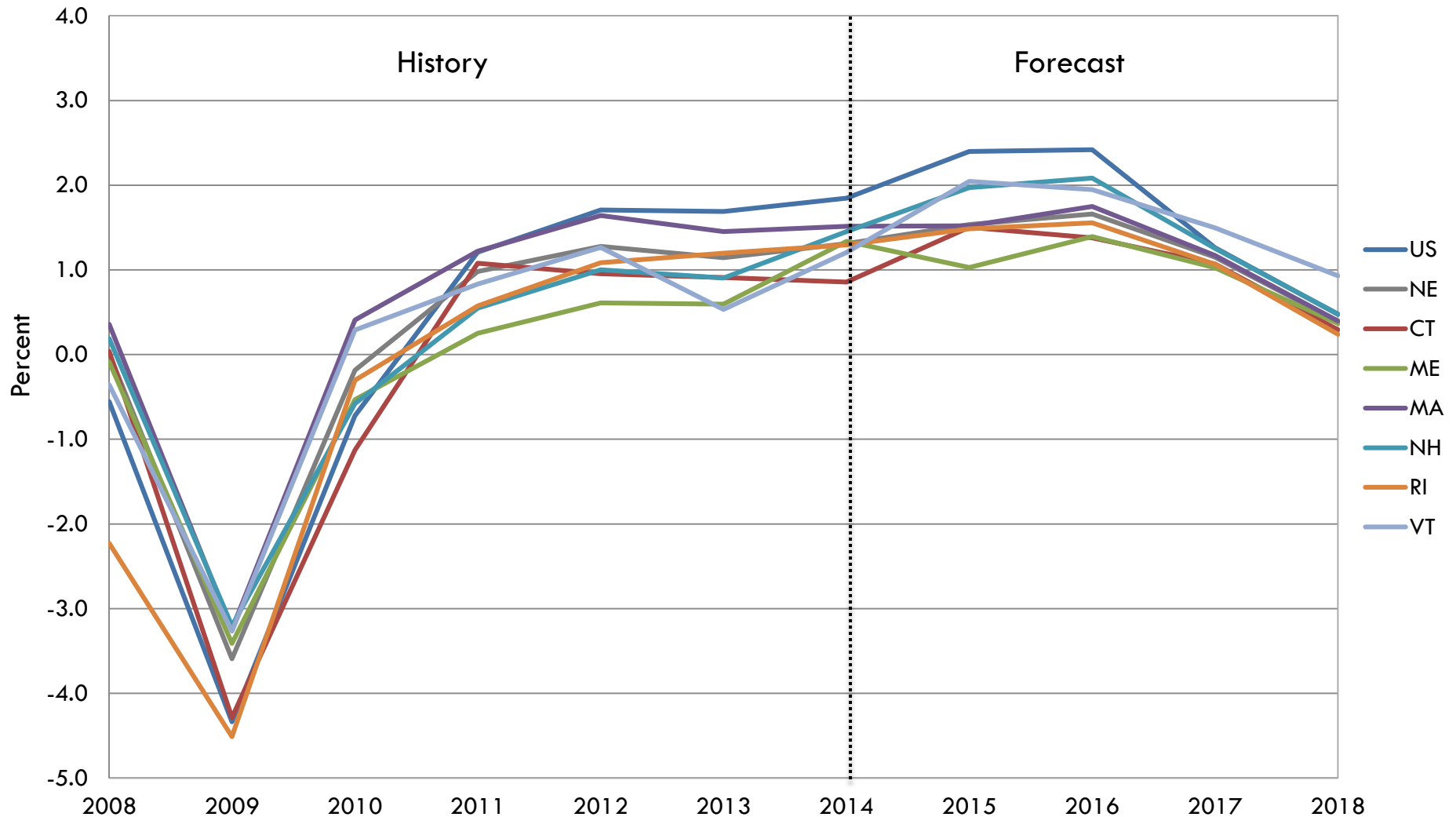
Percent Change, Q2 2013 - Q2 2014



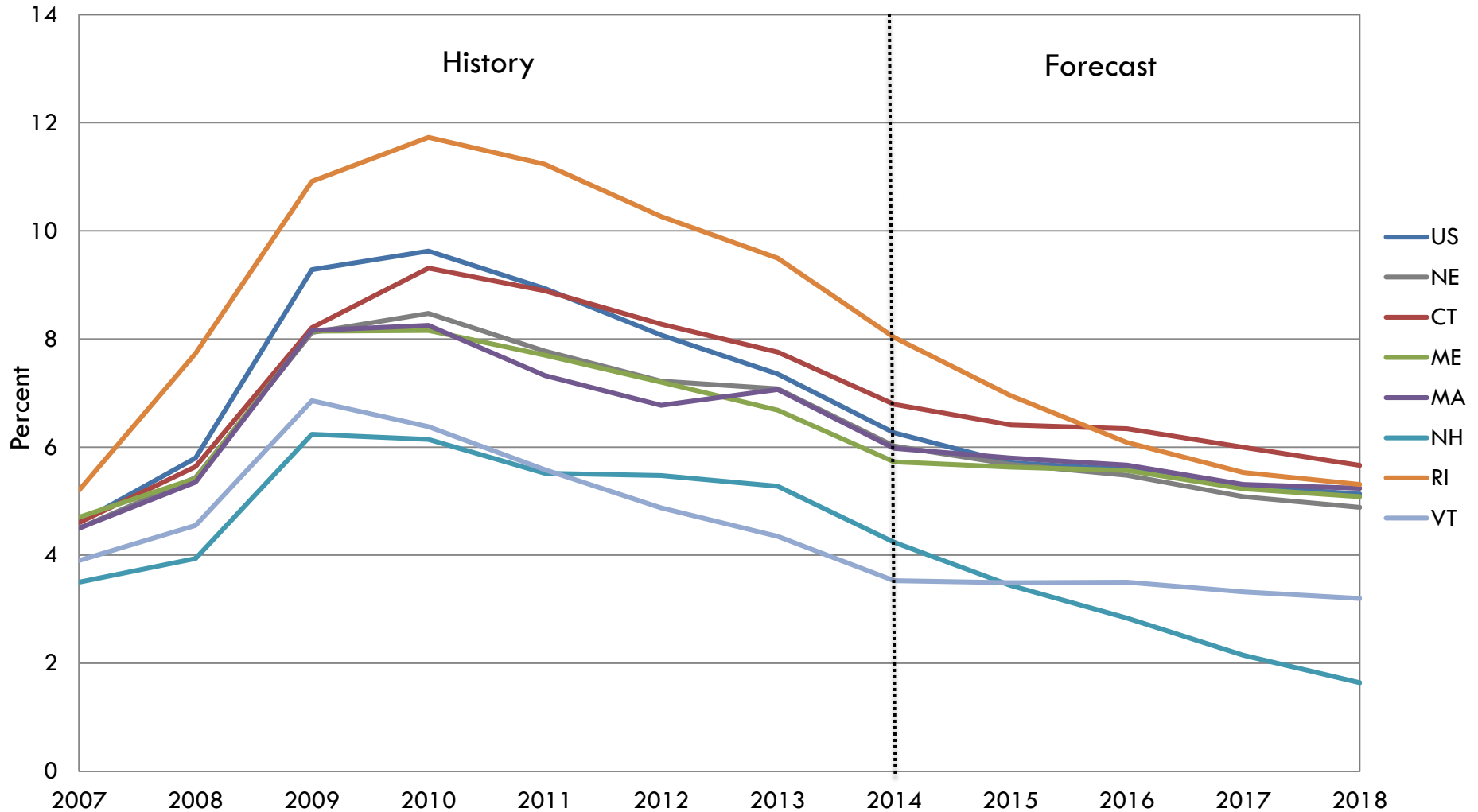
Annual Percentage Change of Gross State Product



Annual Percentage Change of Employment



Unemployment Rate



Concluding Observations

- Unemployment rates are coming down, but there is still significant labor underutilization.
- Inflation is low, except for shelter price.
- The housing market continues to make a healthy recovery with increasing prices.
- The forecast suggests positive growth of the New England economy in the 2014-2018 period.