

NEW ENGLAND ECONOMIC UPDATE

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Disclaimer: The views expressed here are those of the speaker and do not necessarily represent the views of the Federal Reserve Bank of Boston or the Federal Reserve System.



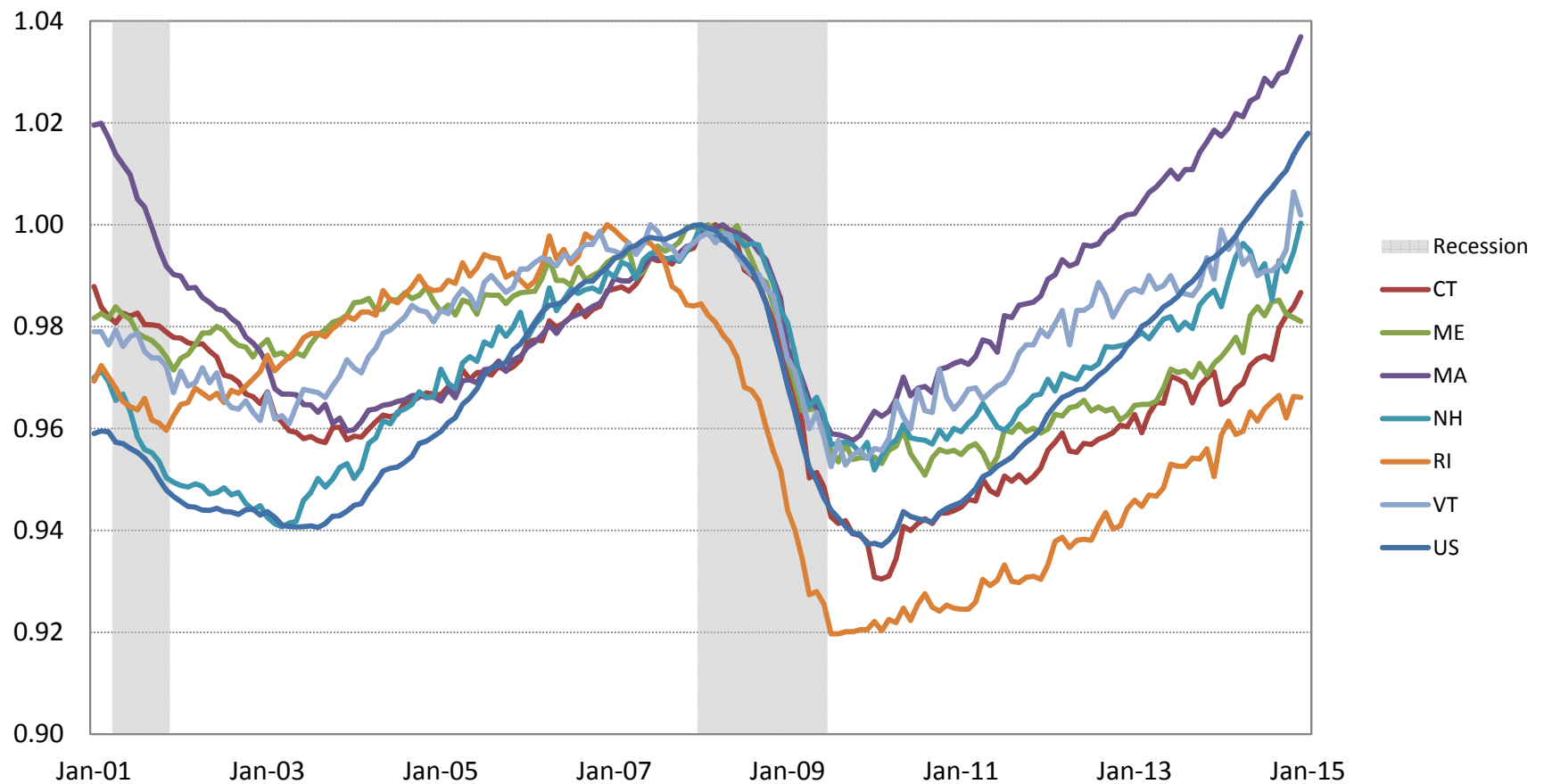
Overview



- The employment situation in the New England region has been improving.
- Inflation is low, with the plunge in oil prices.
- The region has experienced higher house prices than a year ago.
- The economic outlook is generally positive.

Non-agricultural Employment

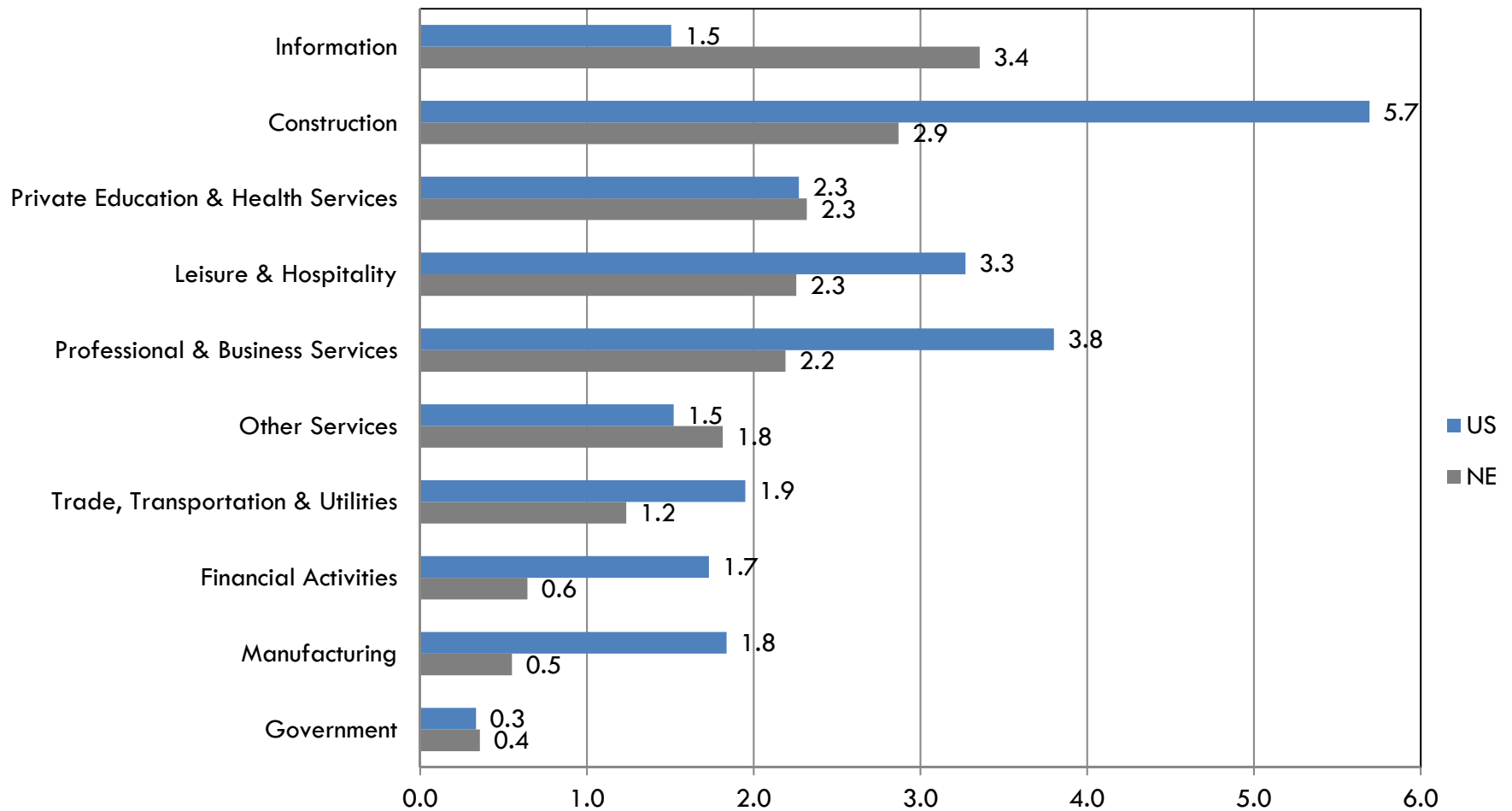
Indexed to Pre-recession Peaks



Source: Bureau of Labor Statistics, NBER, Haver Analytics

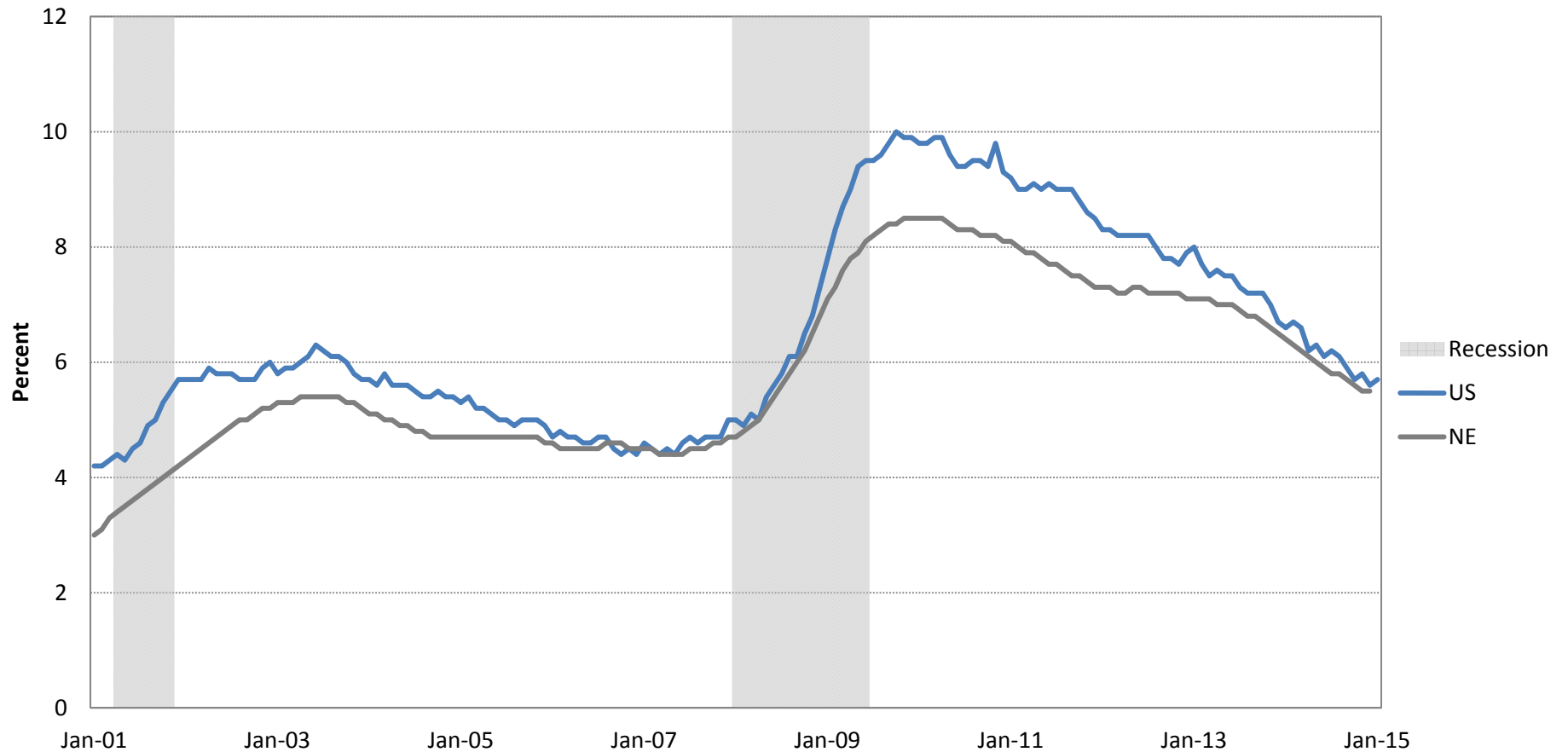
Employment Growth by Industry

Percentage Change, December 2013 - December 2014



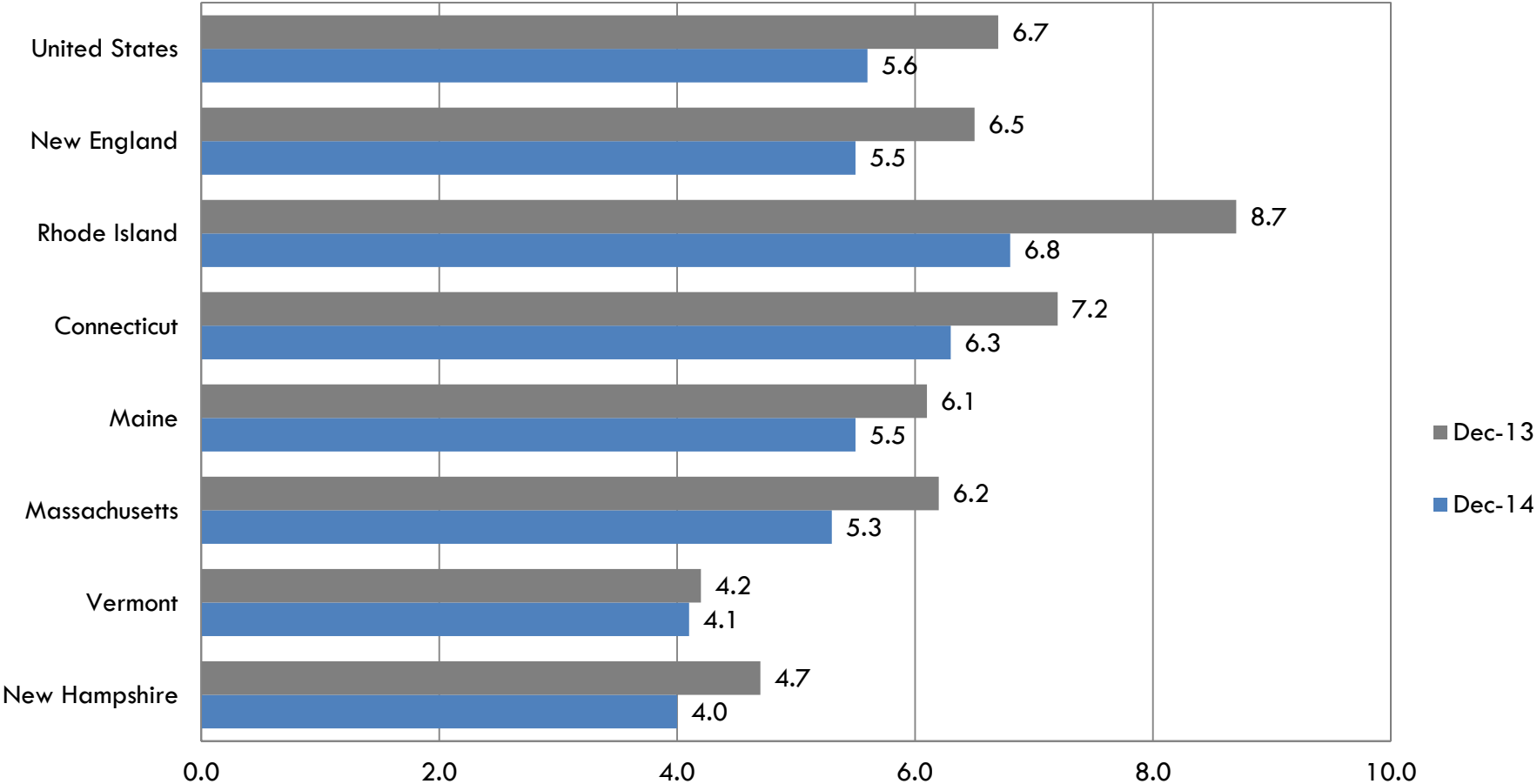
Source: Bureau of Labor Statistics, Haver Analytics

Unemployment Rates



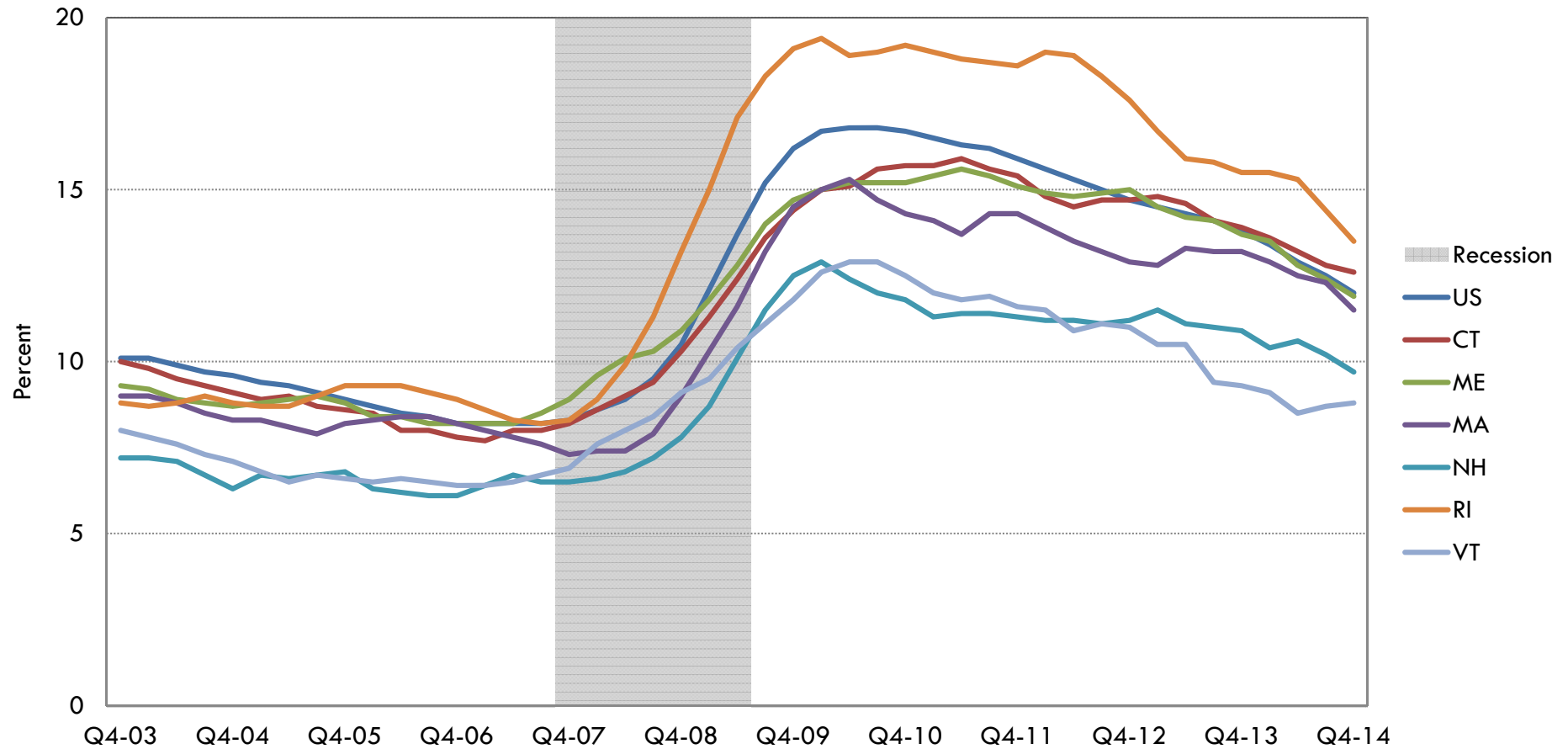
Source: Bureau of Labor Statistics, NBER, Haver Analytics

Unemployment Rates within New England



Source: Bureau of Labor Statistics, NBER, Haver Analytics

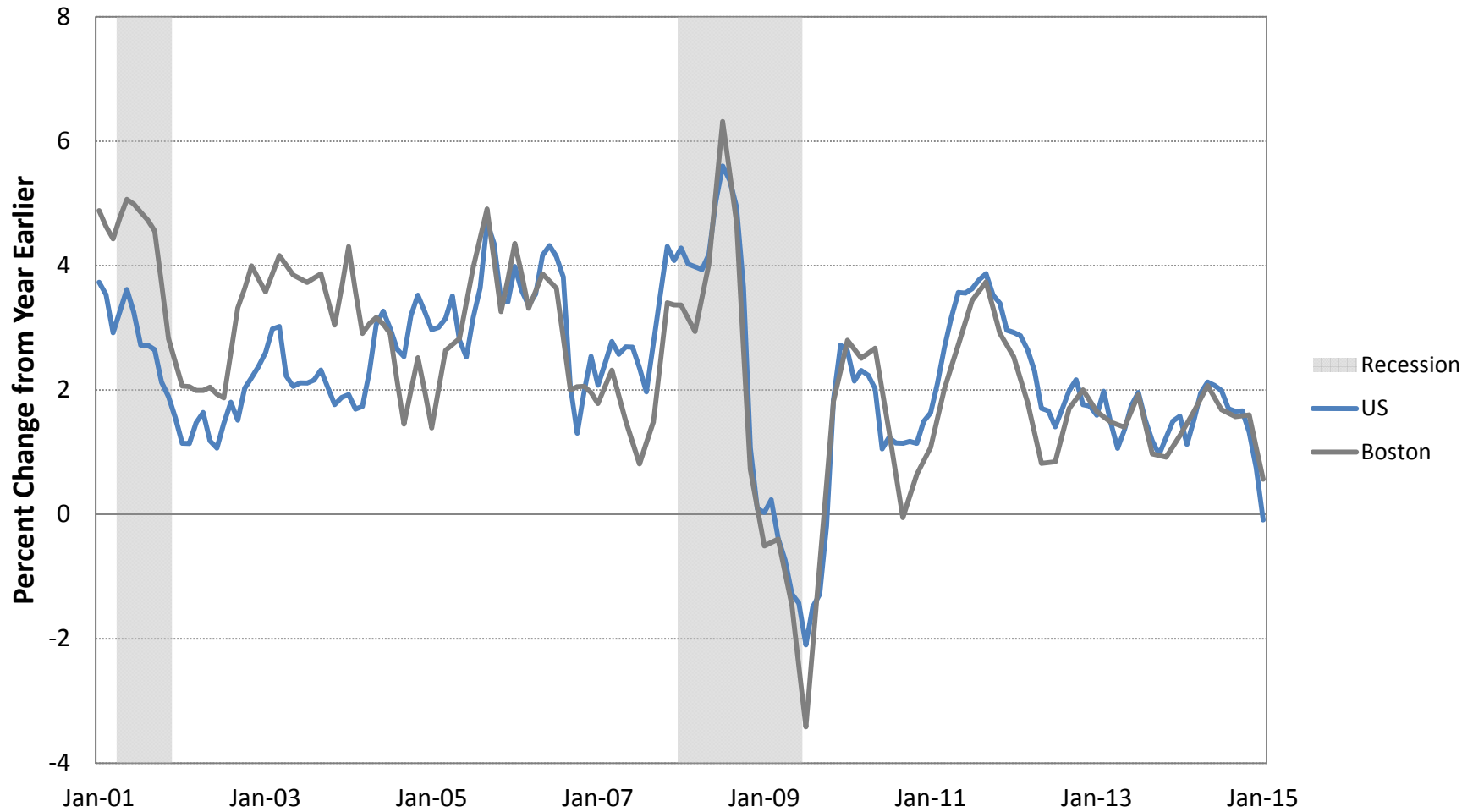
U-6 Rates (4-Quarter Average)



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

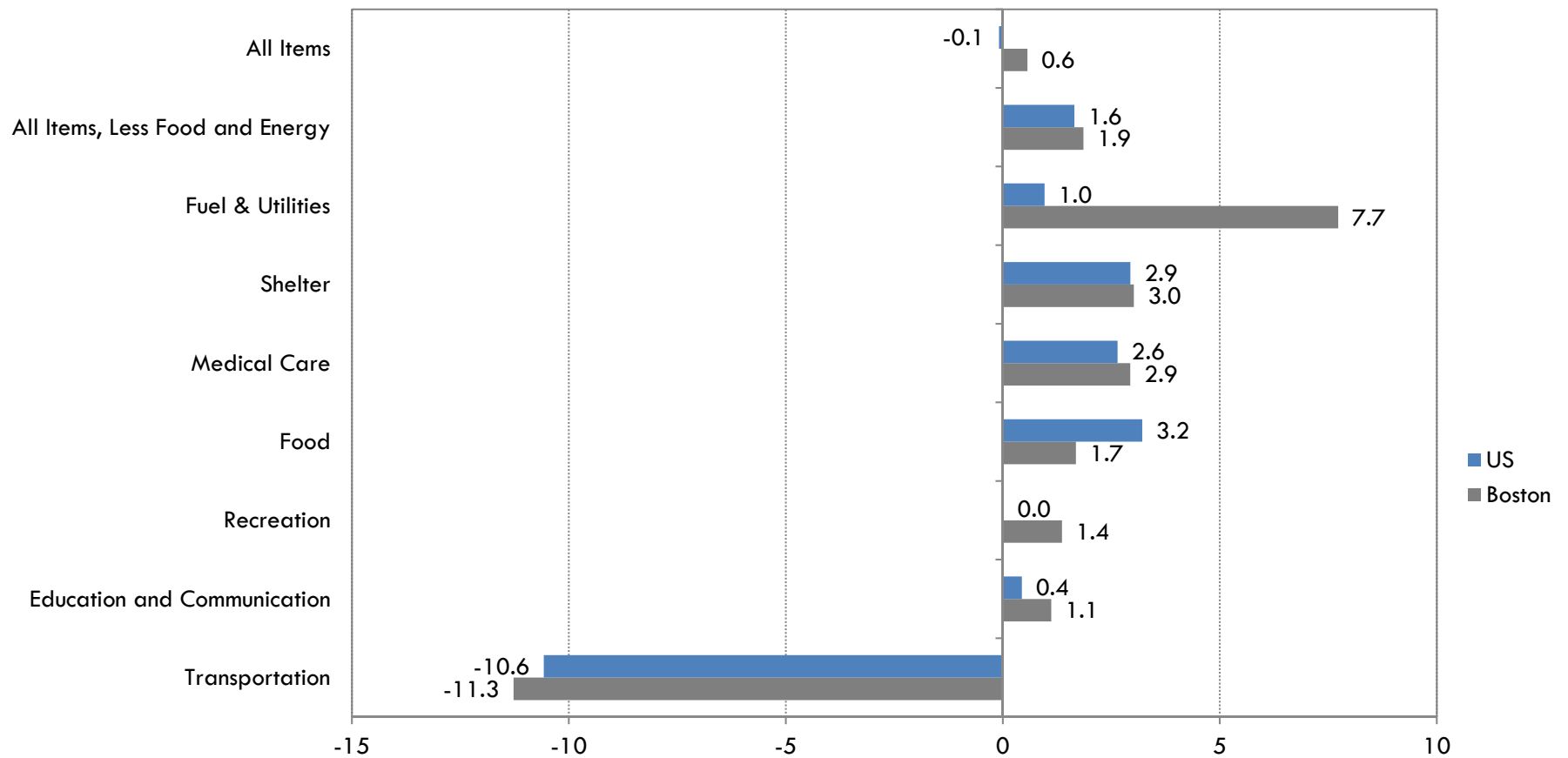
Consumer Price Index



Source: Bureau of Labor Statistics, NBER, Haver Analytics

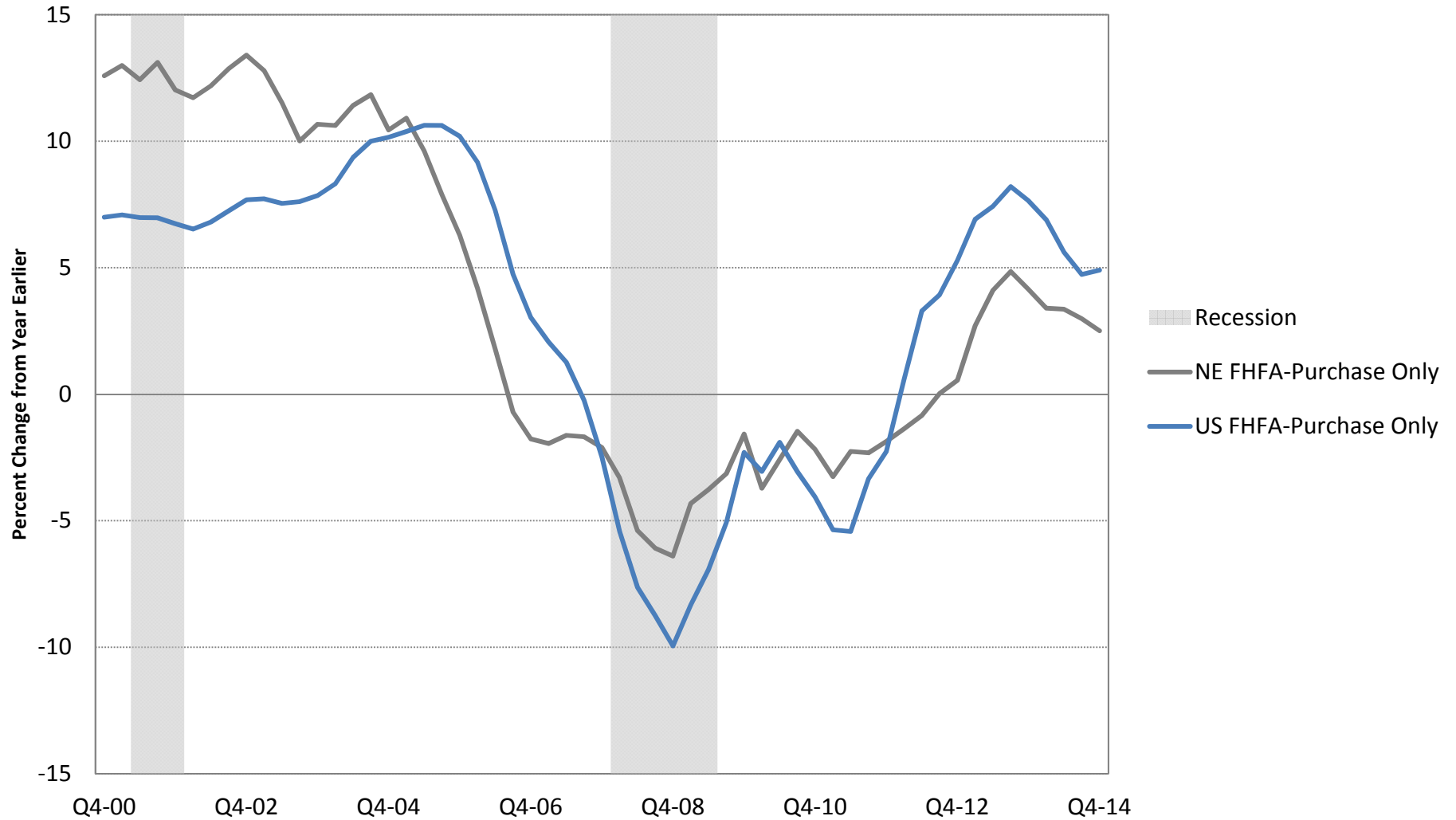
Components of the Consumer Price Index

Percent Change, January 2014 - January 2015



Source: Bureau of Labor Statistics, Haver Analytics

Repeat-Sales Home Price Index

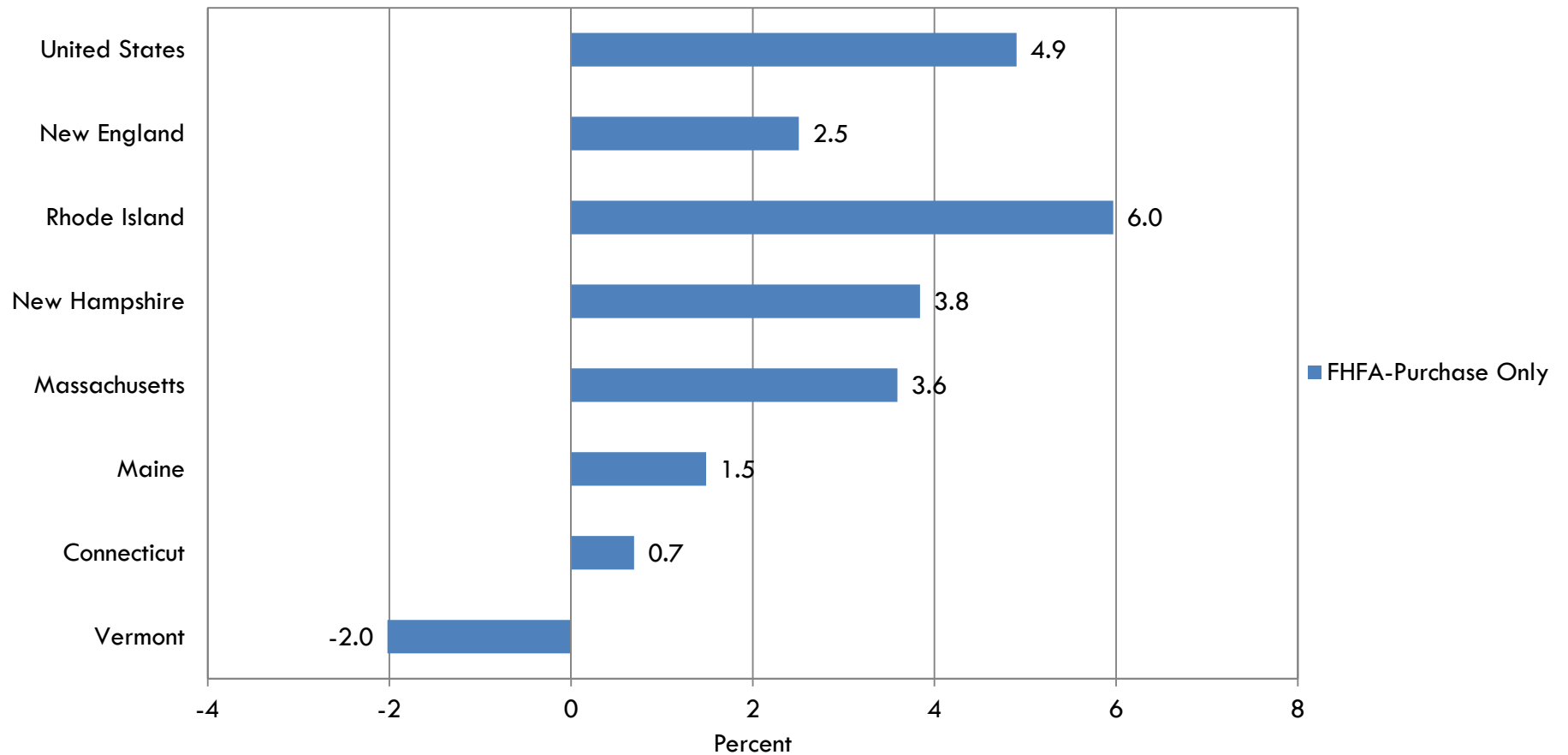


Source: FHFA, NBER, Haver Analytics

House Price Changes

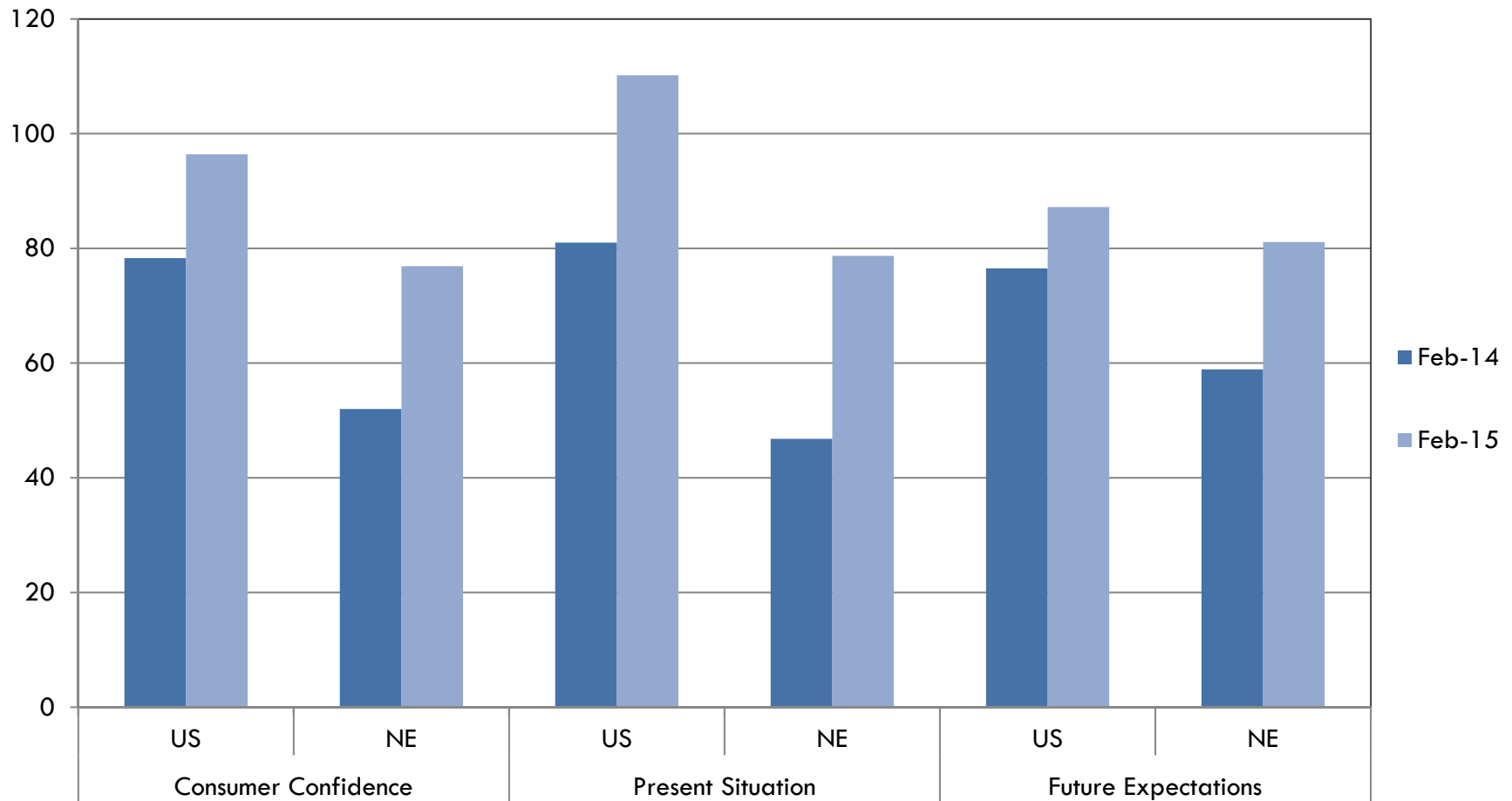


Percent Change, Q4 2013 - Q4 2014



Source: FHFA, Haver Analytics

Consumer Confidence



Source: The Conference Board, Haver Analytics

Concluding Observations



- New England has made considerable progress in the recovery of the labor market, while there is still room for further improvement.
- Inflation pressure is low.
- The recovery of the housing market continues to be on track.
- Consumer sentiment suggests a positive near-term outlook.