NEW ENGLAND ECONOMIC UPDATE

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Bo Zhao
Senior Economist
New England Public Policy Center
Federal Reserve Bank of Boston

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

- Information: US 1.5, NE 3.4
- Construction: US 2.9, NE 5.7
- Private Education & Health Services: US 2.3, NE 2.3
- Leisure & Hospitality: US 3.3, NE 2.3
- Professional & Business Services: US 3.8, NE 2.2
- Other Services: US 1.8, NE 1.5
- Trade, Transportation & Utilities: US 1.9, NE 1.2
- Financial Activities: US 1.7, NE 0.6
- Manufacturing: US 1.8, NE 0.5
- Government: US 0.3, NE 0.4

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

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

- United States: 4.9%
- New England: 2.5%
- Rhode Island: 6.0%
- New Hampshire: 3.8%
- Massachusetts: 3.6%
- Maine: 1.5%
- Connecticut: 0.7%
- Vermont: -2.0%

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.