



New England Economic Update

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Banker's Conference

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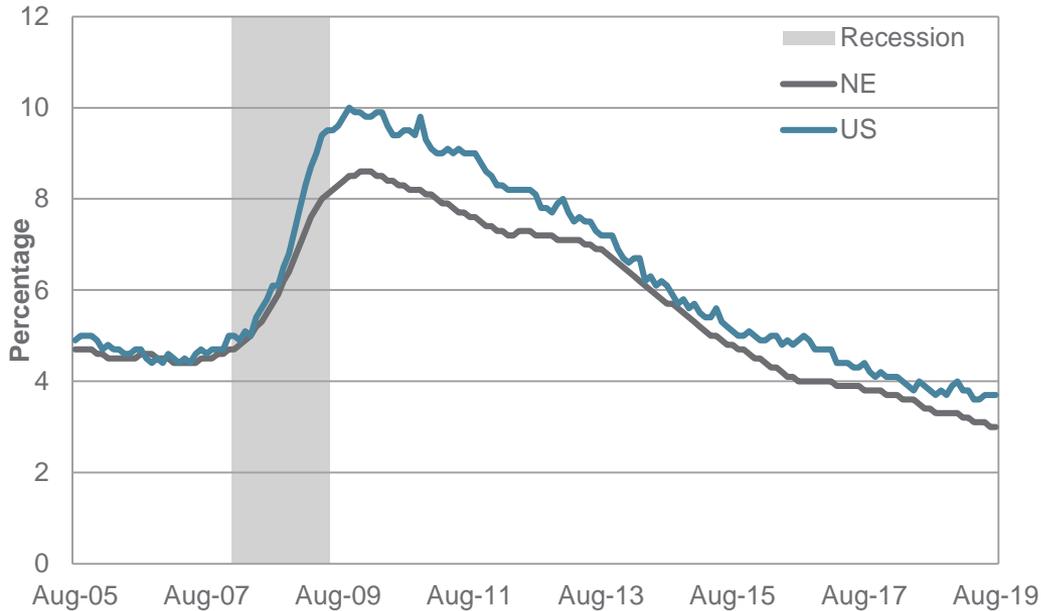
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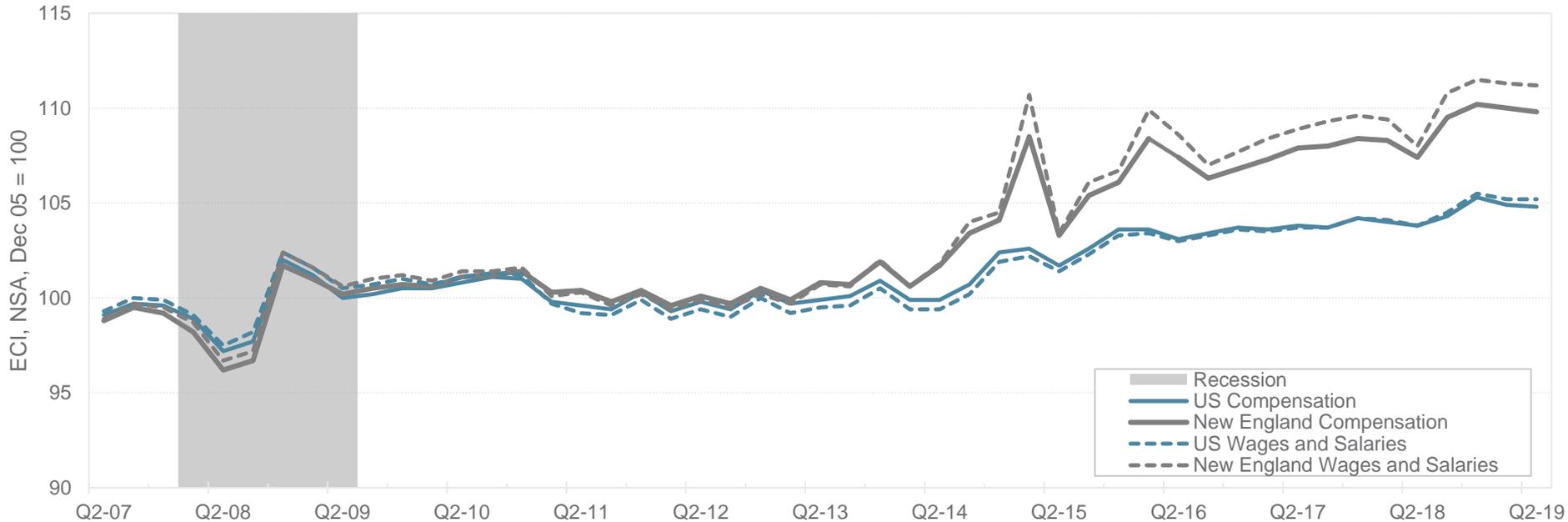
Unemployment Rates



	Aug-18	Aug-19	All Time Low	Timing of ATL
United States	3.8	3.7	3.6	Apr-19
New England	3.4	3	2.7	Jun-00
Connecticut	4	3.6	2.2	Aug-00
Maine	3.5	2.9	2.9	Aug-19
Massachusetts	3.3	2.9	2.6	May-00
New Hampshire	2.5	2.5	2.2	Feb-87
Rhode Island	3.9	3.6	3.0	May-88
Vermont	2.6	2.1	2.1	Aug-19

Source: Bureau of Labor Statistics, NBER, Haver Analytics

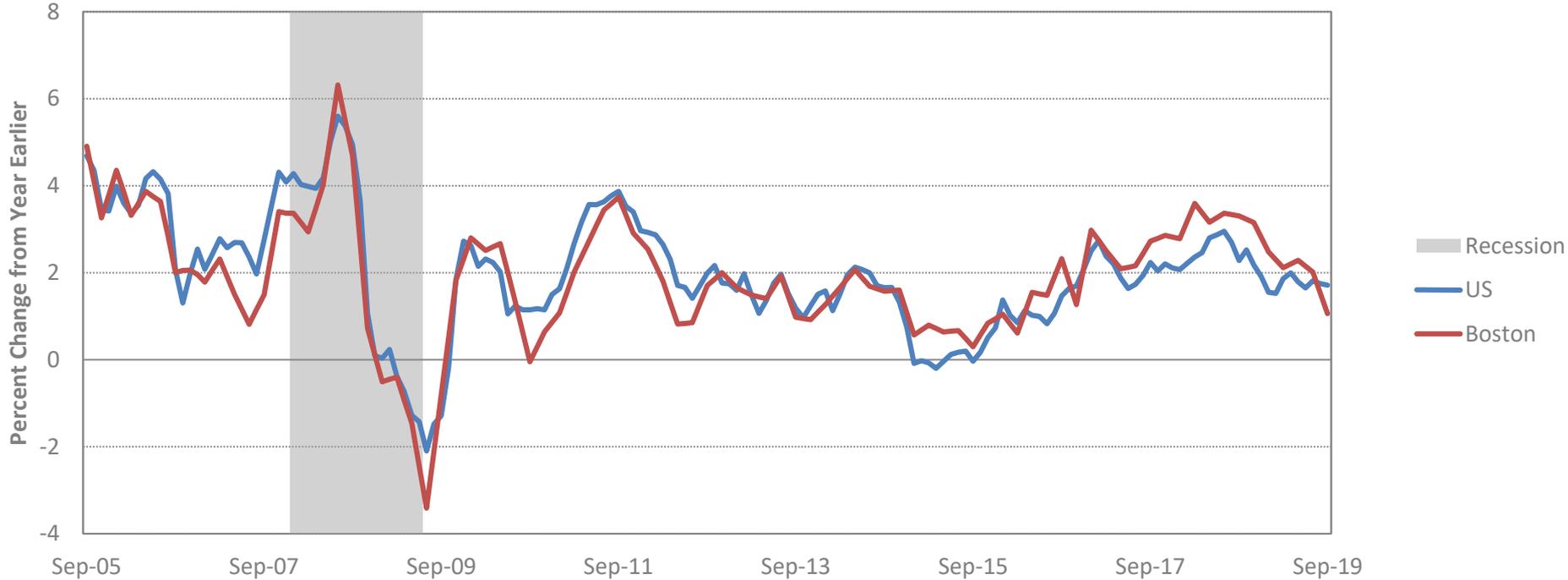
Compensation: Private Industry Workers



Note: ECI is using Real Dollar Values

Source: Bureau of Economic Analysis, Haver Analytics

Consumer Price Index



Source: Bureau of Labor Statistics, NBER, Haver Analytics

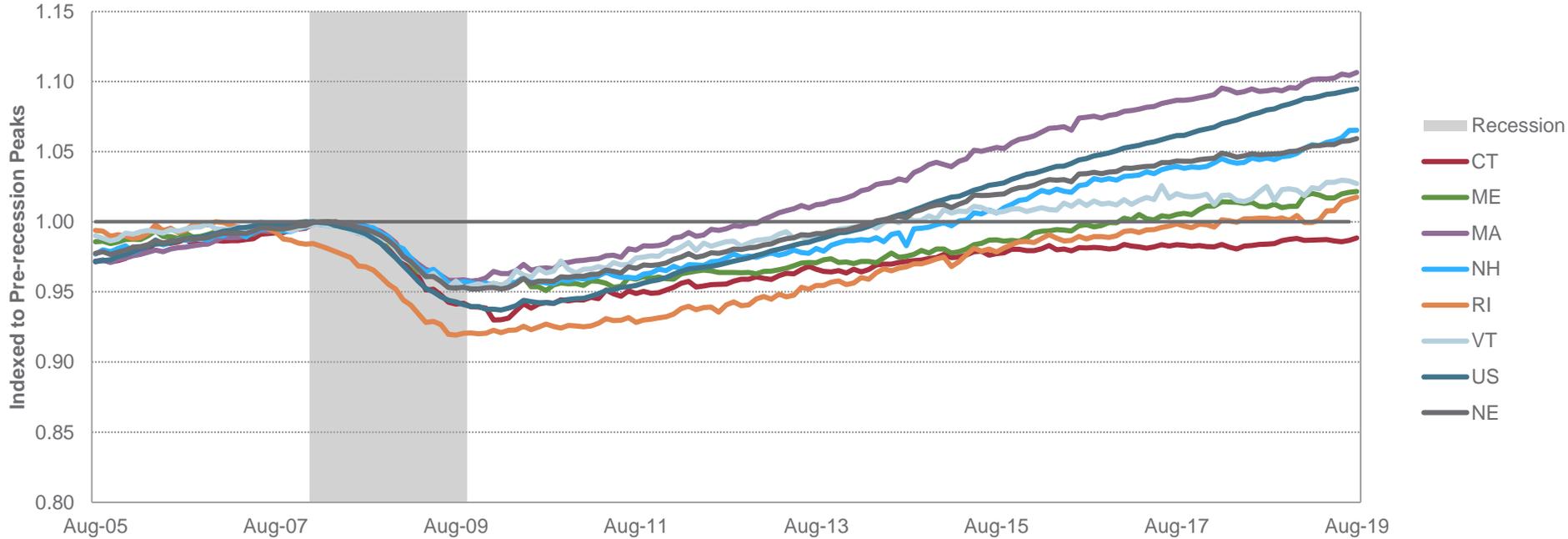
Repeat-Sales Home Price Index



Source: FHFA, NBER, S&P/Case-Shiller, Haver Analytics

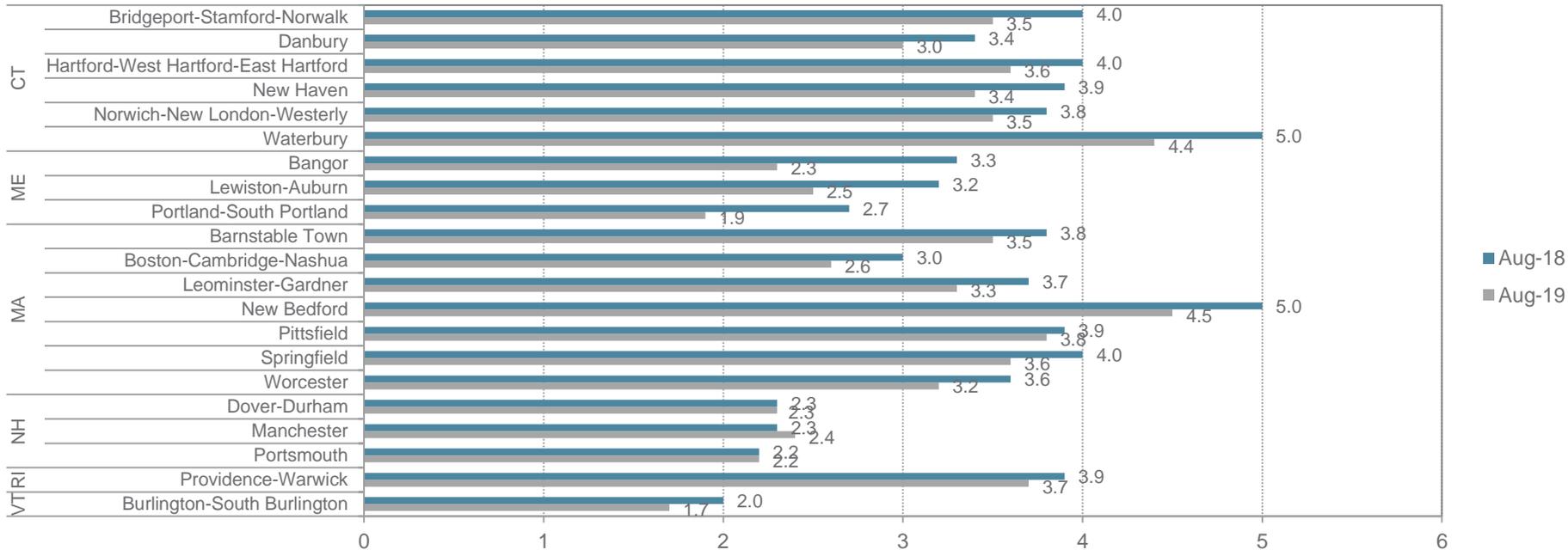
Substantial Variation in the Extent of Recovery Across States/Regions/Groups

Non-Agricultural Employment



Source: Bureau of Labor Statistics, NBER, Haver Analytics

Unemployment Rates in New England by Metropolitan Areas



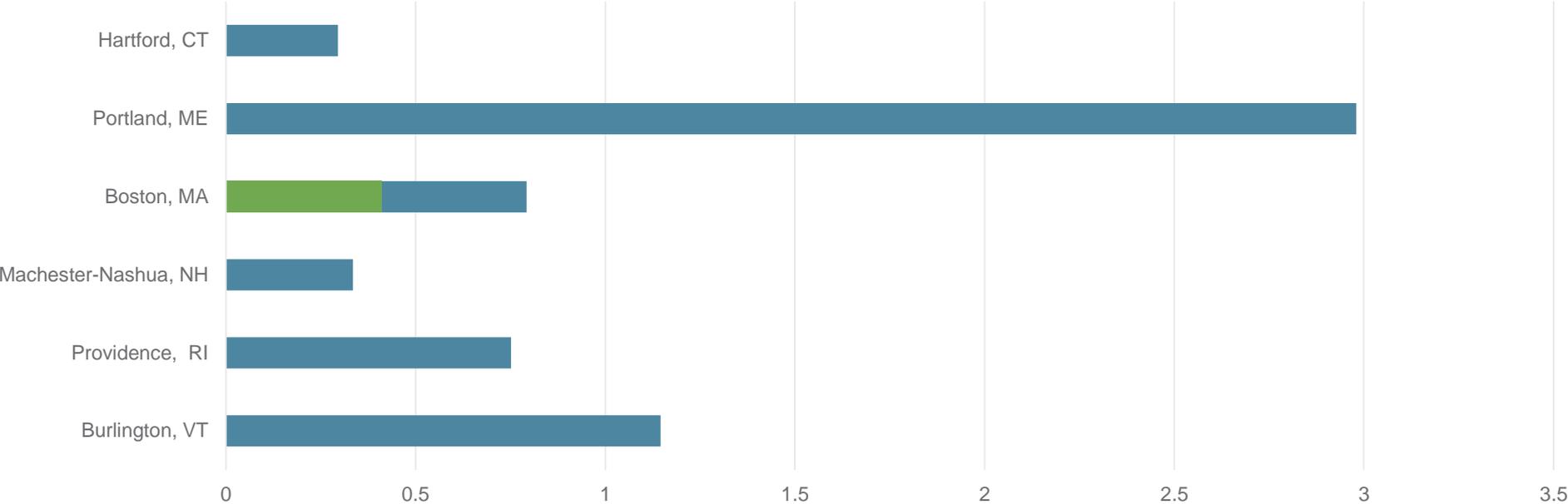
Source: Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Boston

Employment Growth Rates

	Annual Long-Term Trend		Last 12 Months		Since Peak	
	Percent	Percent	Number	Percent	Number	
United States	1.5	1.4	2,074,000	9.5	13,119,000	
New England	0.9	1.1	79,000	5.9	421,700	
Connecticut	0.5	0.4	7,600	-1.2	-19,900	
Maine	1.1	1.1	6,800	2.2	13,400	
Massachusetts	0.9	1.2	43,600	10.6	354,600	
New Hampshire	1.5	1.9	13,000	6.5	42,600	
Rhode Island	0.7	1.5	7,400	1.8	8,700	
Vermont	1.2	0.2	600	2.7	8,400	

Source: Bureau of Labor Statistics, Haver Analytics

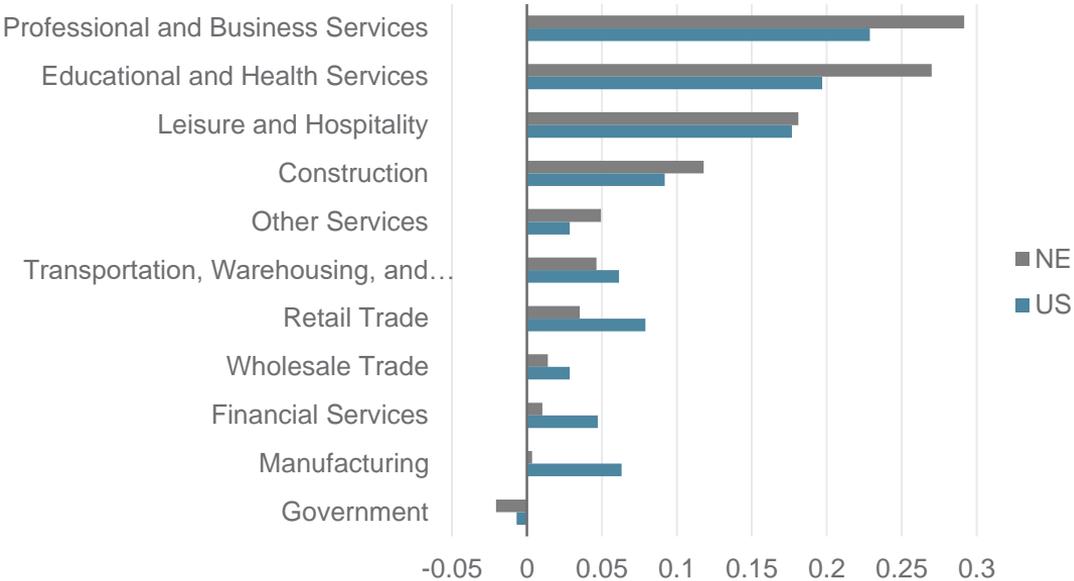
Top Metro Area Share of Total Jobs Added Since Pre-Recession Peak



Green segment of Boston, MA refers to the share for the Boston Metro Division whereas the blue refers to the combined Boston-Cambridge-Newton Metro Divisions

Source: Bureau of Economic Analysis and Haver Analytics

Industry Share of Jobs Added since Recession

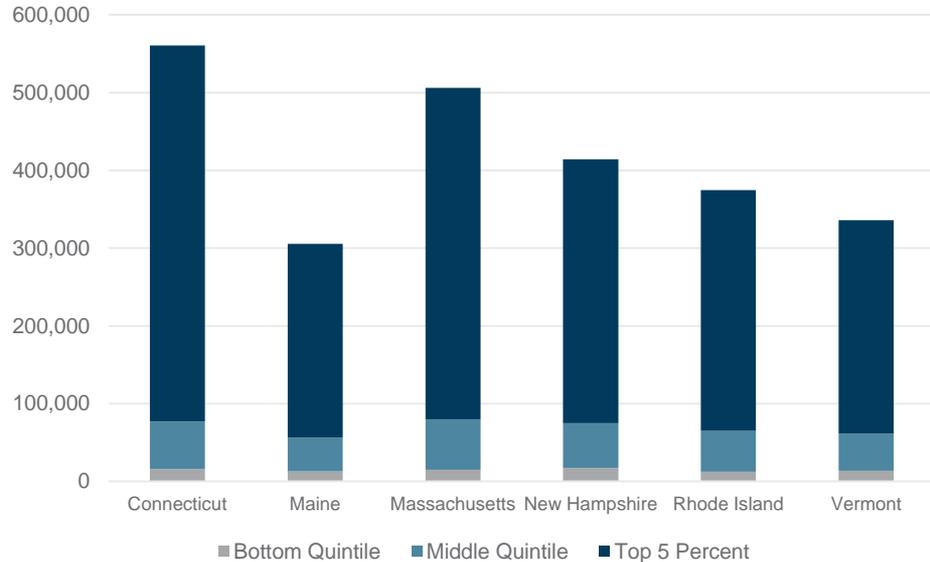


	Average Weekly Wage	
	NE	US
Professional and Business Services	\$ 1,681	\$ 1,358
Educational and Health Services	\$ 1,063	\$ 964
Leisure and Hospitality	\$ 490	\$ 456
Construction	\$ 1,305	\$ 1,180
Other Services	\$ 697	\$ 730
Transportation, Warehousing, and Utilities	\$ 916	\$ 1,008
Retail Trade	\$ 643	\$ 615
Wholesale Trade	\$ 1,700	\$ 1,430
Financial Services	\$ 1,969	\$ 1,558
Manufacturing	\$ 1,434	\$ 1,249
Government	\$ 1,156	\$ 1,099

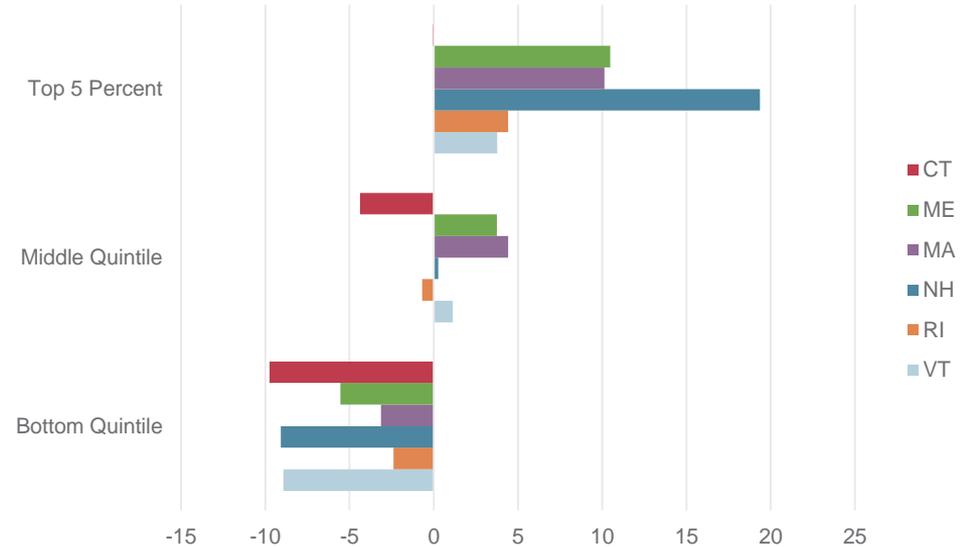
Source: Bureau of Labor Statistics and Haver Analytics

New England States Income Inequality

Mean Income by Group



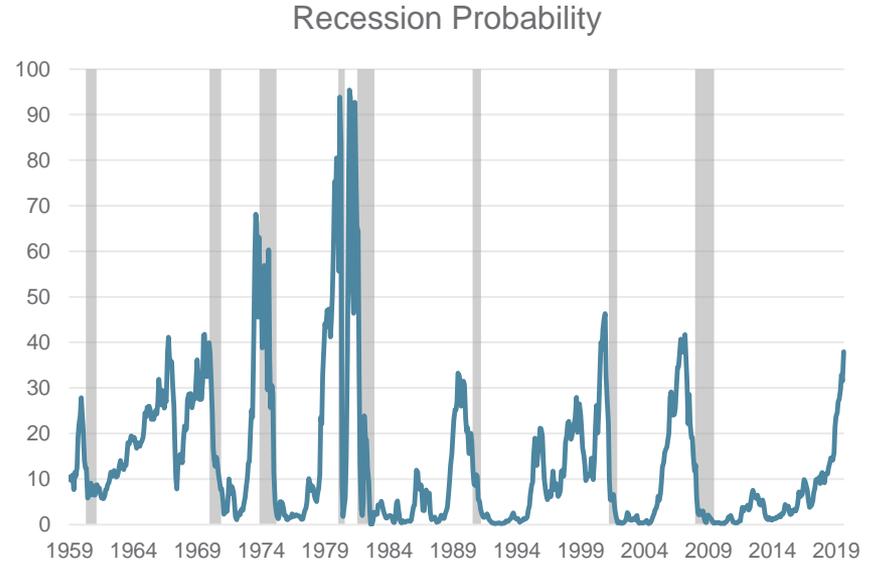
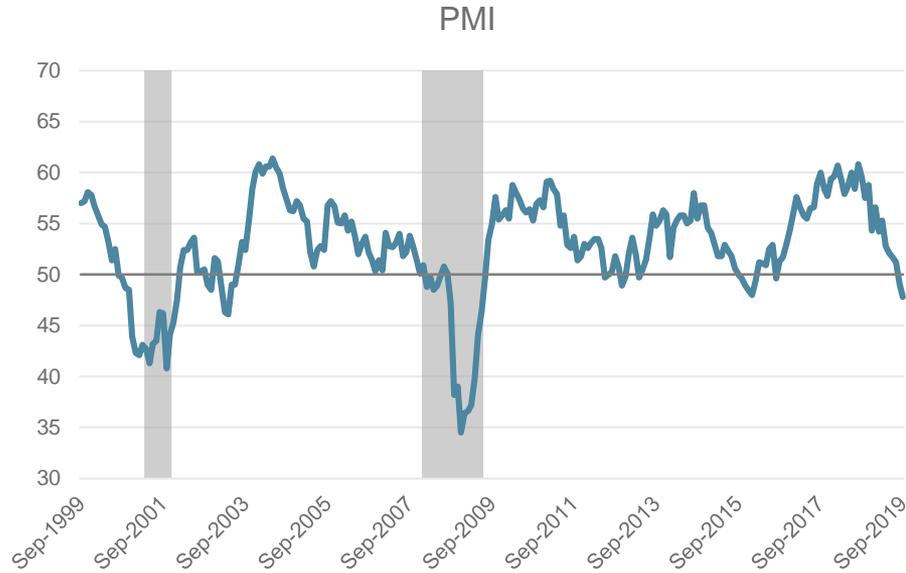
Percent Change in Real Household Income (between 2008 and 2018)



Source: ACS One-Year Estimates for 2018

Slower growth expected moving forward

National Leading Indices



Source: Institute for Supply Management and Federal Reserve Bank of New York

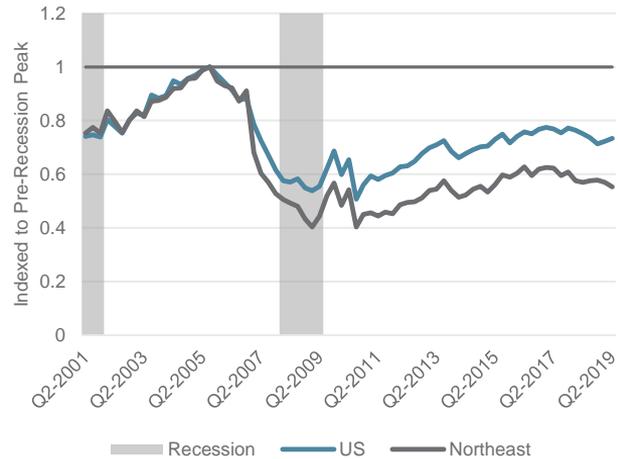
New England Leading Indices



Source: Associated Industries of Massachusetts, Federal Reserve Bank of Philadelphia, MassBenchmarks

Housing Sales, Permits, and Starts

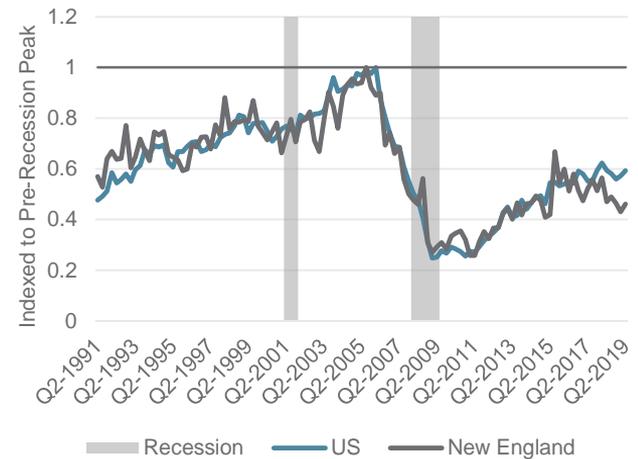
Sales of All Existing Homes



Housing Permits (Units)

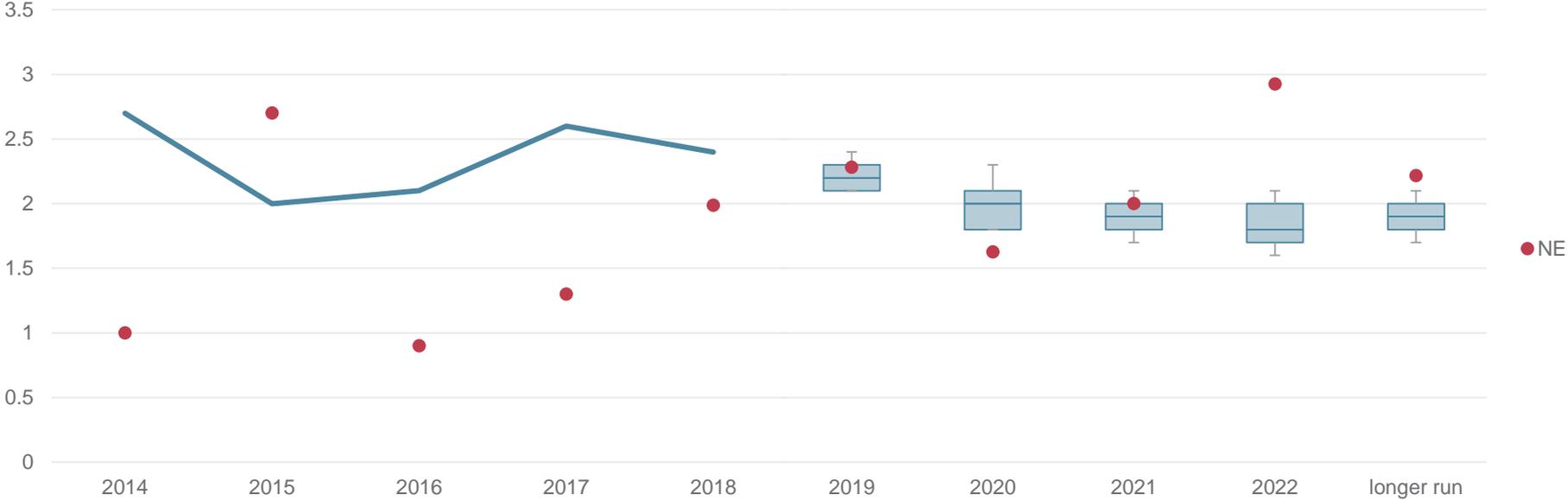


Housing Starts



Source: Census Bureau, Bank of Tokyo-Mitsubishi UFJ, and Haver Analytics

GDP Forecasts

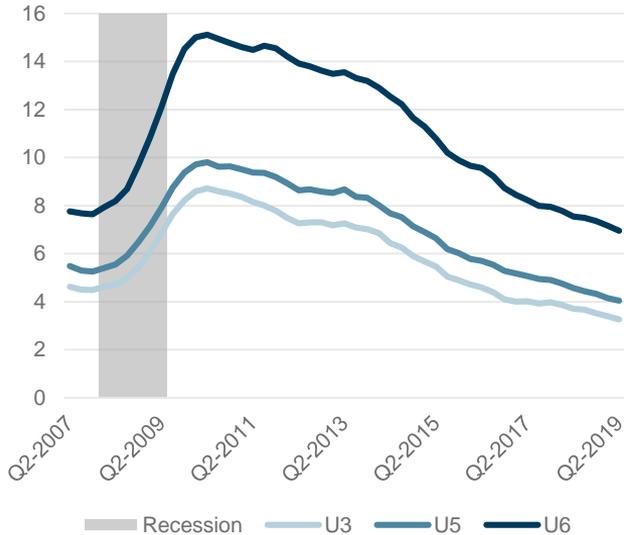


Source: FOMC Minutes from September 2019 and the Bureau of Economic Analysis

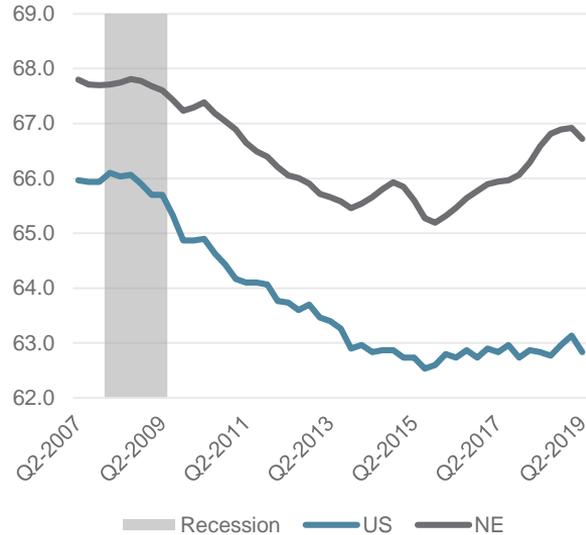
Near-term challenges?

Unemployment and Labor Force Participation

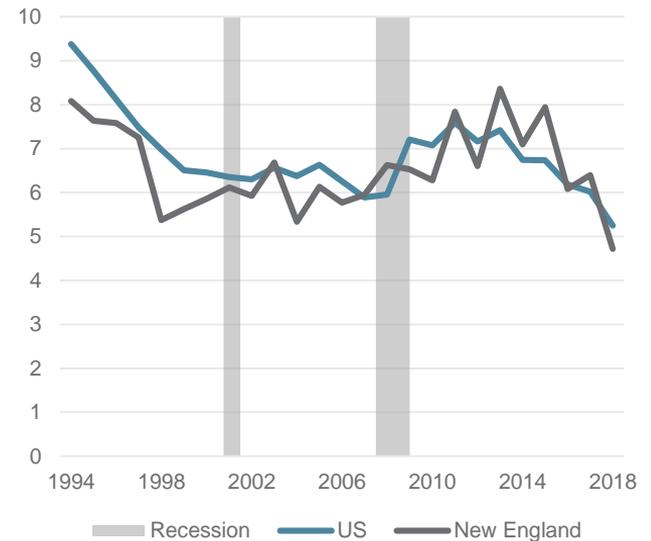
New England
Unemployment and Underemployment



Labor Force Participation



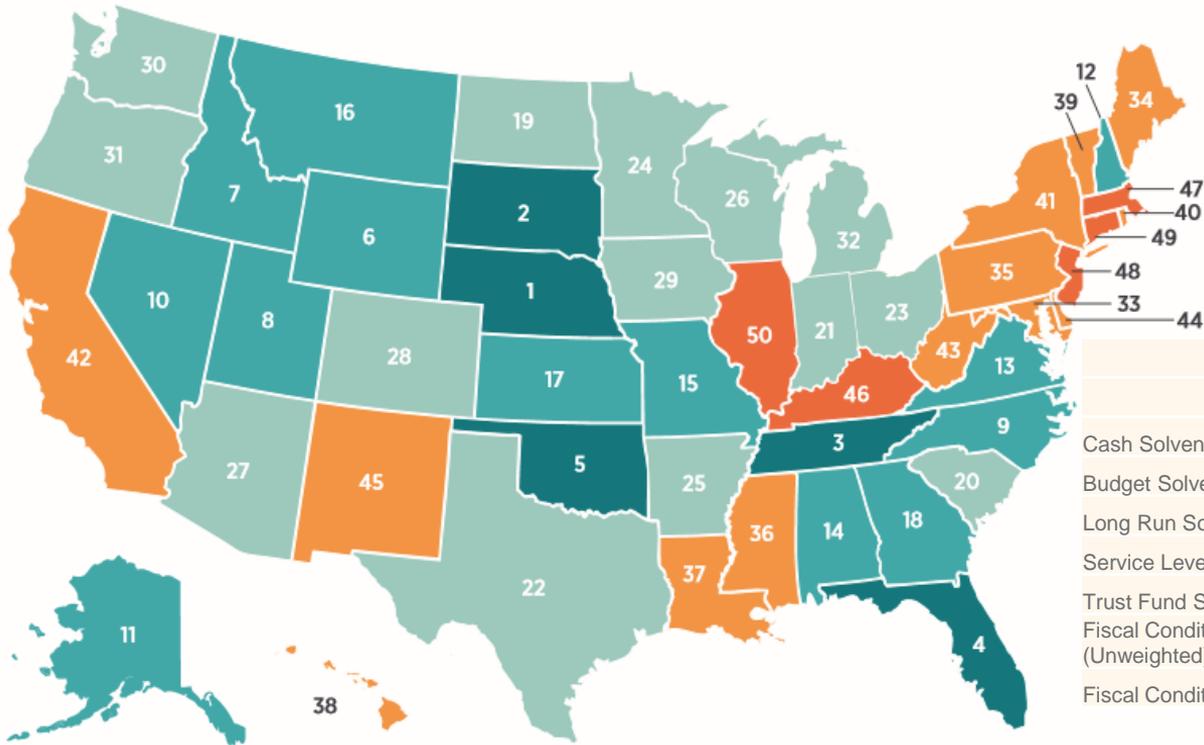
Share of NLF Who Want a Job



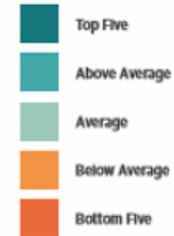
U-3: searched past 4 weeks (official measure); U-5: searched past year; U-6: adds involuntary part-time employment

Source: Bureau of Labor Statistics/Haver Analytics

State Fiscal Health



OVERALL FISCAL CONDITION RANK



State Solvency Rankings						
	CT	ME	MA	NH	RI	VT
Cash Solvency	50	43	48	36	37	25
Budget Solvency	48	16	45	10	21	9
Long Run Solvency	47	35	48	30	43	41
Service Level Solvency	27	33	35	3	39	47
Trust Fund Solvency	36	22	16	8	27	18
Fiscal Condition (Unweighted)	49	34	47	12	40	39
Fiscal Condition (Weighted)	50	36	48	21	38	30

MERCATUS CENTER
George Mason University

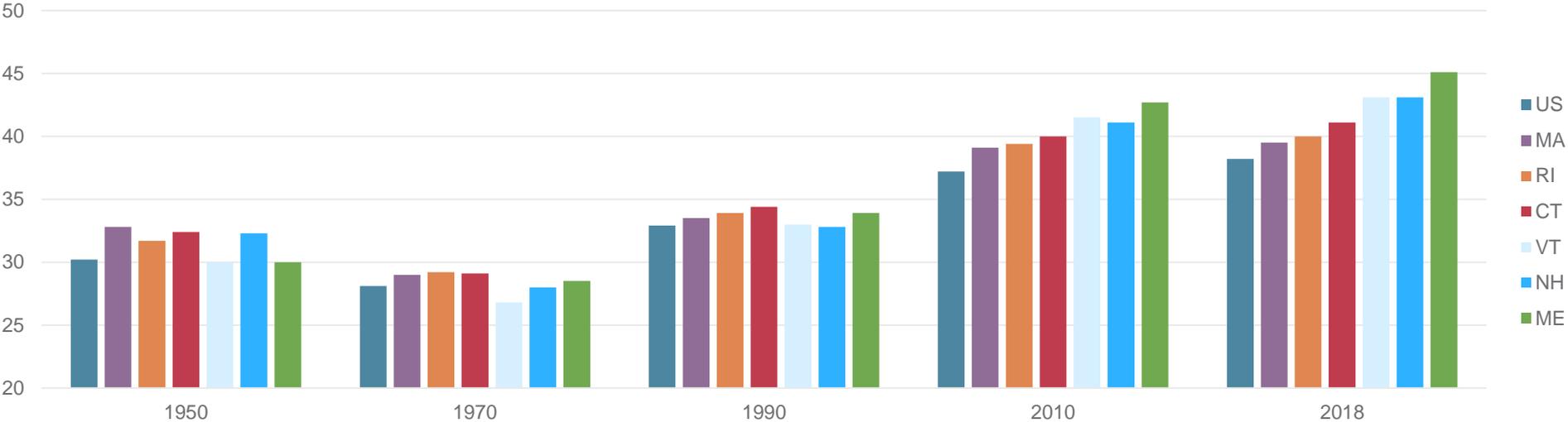
Source: Mercatus Center State Fiscal Rankings

Long-term challenges

- ▶ Infrastructure
- ▶ Housing Affordability
- ▶ Cost of Higher Education
- ▶ Population Growth and Demographic Shifts

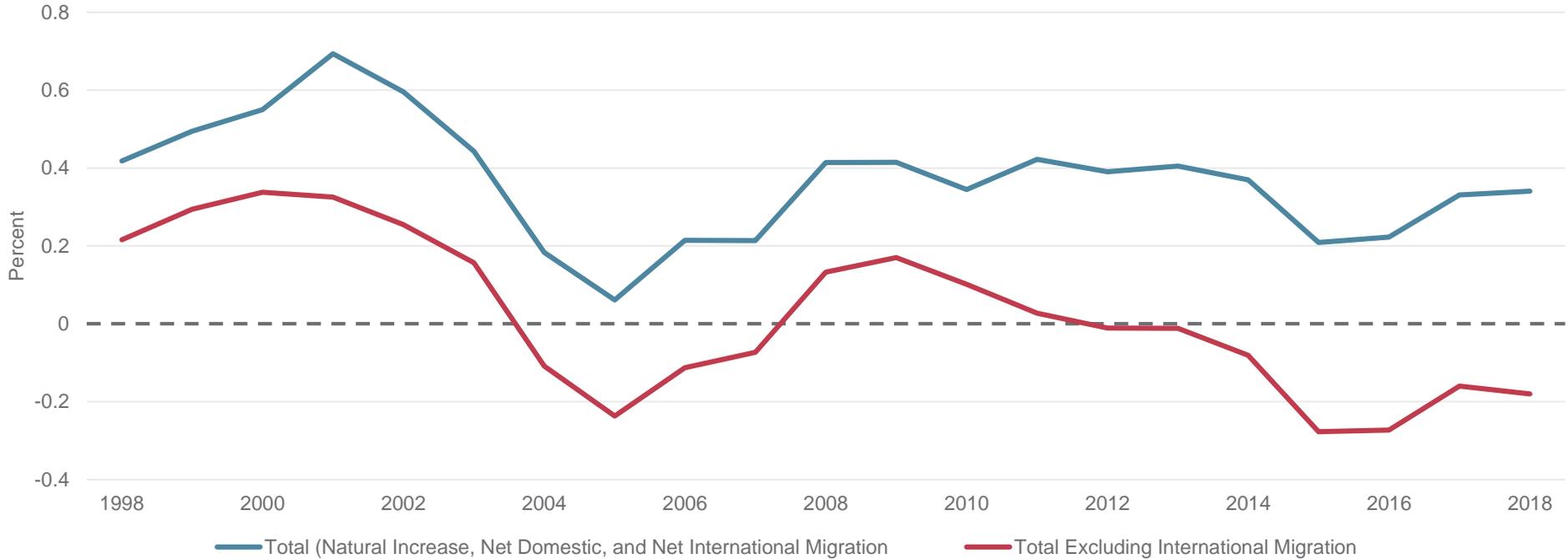
Aging New England Population

Median Age - Ranked



Source: Decennial Census of Population and Housing, ACS 1 Year Estimates for 2018

New England Population Changes



Source: US Census Bureau and Haver Analytics



Thank You

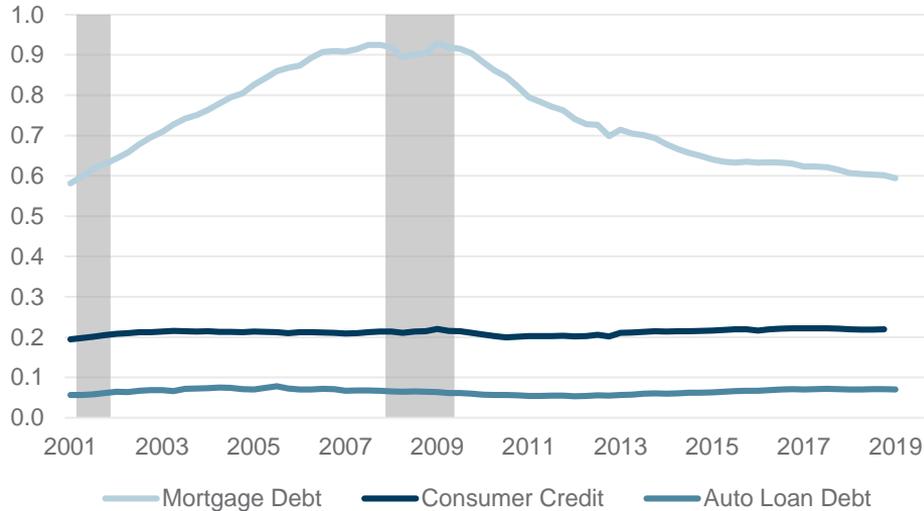
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Consumer Credit and Delinquency

Consumer Credit, Auto Loan, and Mortgage Debt



Dollar Value of Delinquent Loans
(3 quarter averages)



Source: Federal Reserve Board of Governors, Federal Reserve Bank of New York Consumer Credit Panel, and Haver Analytics

Note: Individual Mortgage debt is measured as outstanding mortgage debt held by individuals for one-to-four family residences

Economic Forecasts for New England

	Employment					GDP				
	Percent change in nonagricultural employment					Percent change in real GDP (chained 2009 dollars)				
	Actual	Forecast				Actual	Forecast			
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Connecticut	0.10	0.10	0.40	0.50	-0.10	-0.65	0.95	2.47	1.46	1.87
Maine	0.80	0.70	0.80	0.70	-0.10	1.66	1.93	2.11	1.80	2.10
Massachusetts	1.30	0.90	1.00	0.70	0.00	2.19	2.66	2.35	1.71	2.03
New Hampshire	1.00	0.80	1.40	0.80	-0.10	1.98	2.21	2.35	1.61	2.10
Rhode Island	1.00	0.60	0.80	0.90	0.00	0.79	0.63	1.17	1.88	2.20
Vermont	0.30	0.10	1.00	0.60	-0.10	1.32	1.24	1.67	1.41	1.86
New England	0.90	0.60	0.90	0.70	0.00	1.30	1.99	2.28	1.64	2.00

Source: Actual Employment from BLS, forecast from Moody's August 2019 Regional Economic Outlook, Actual State GDP from BEA, forecast from Moody's August 2019 Regional Economic Outlook

Aging Infrastructure Needing Considerable Investment

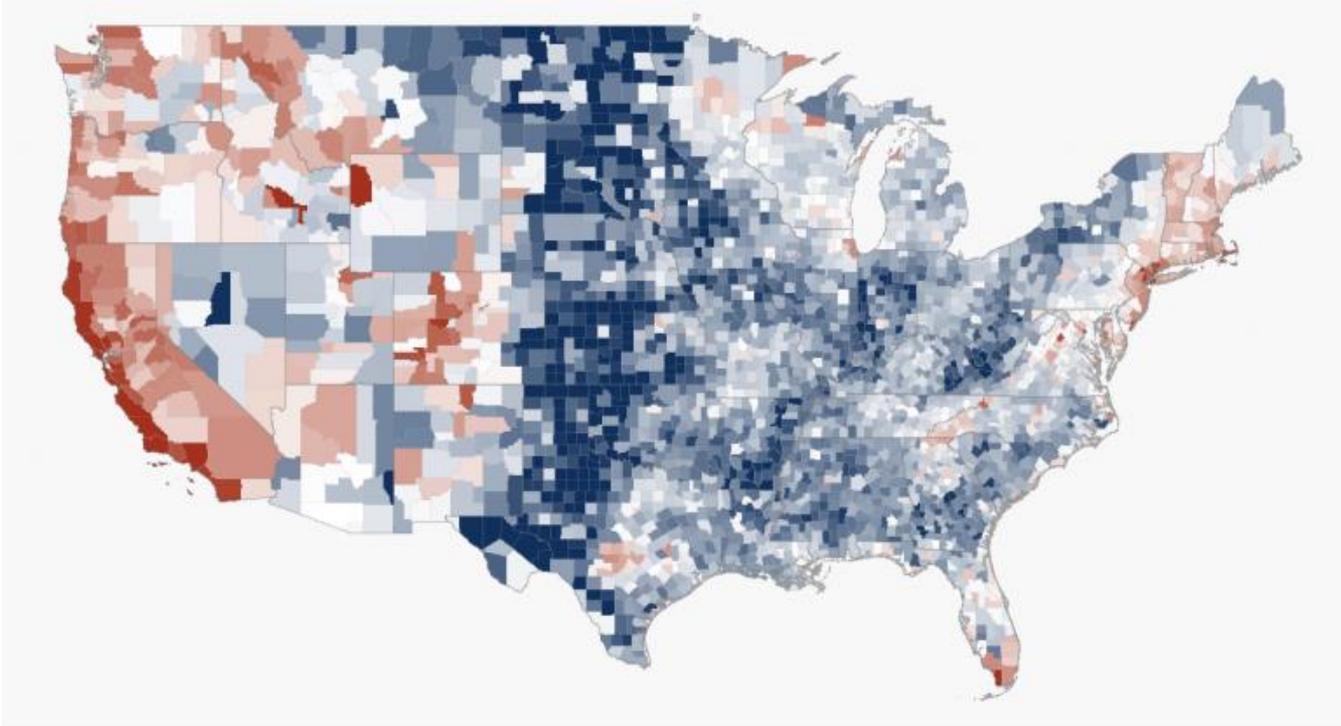


Five New England States Among 10 “Worst” for Infrastructure

	RI	NH	ME	CT	MA	VT
Rank (1=worst)	1	2	3	4	9	18
Deficient Bridges (as a percent of all bridges)	23.2	10.9	13.3	7.8	9.3	5.6
Average Commute Time to Work (in minutes)	24.8	26.9	23.9	26.3	29.6	21.5
Roads in poor or mediocre condition (as a percent of all roads)	70	54	53	73	42	24
20-year water-system needs	\$1.7 B	\$1.9 B	\$1.3 B	\$4 B	\$12.2 B	\$511 M

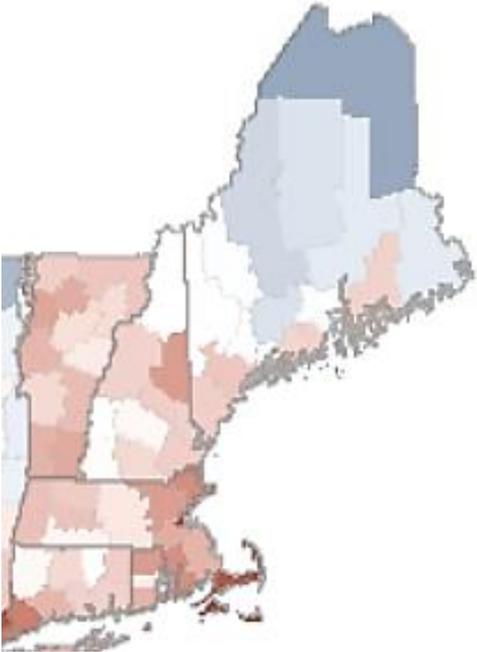
Source CNBC/McKinsey Analysis “Top States for Business: America in Crisis – The 10 States with the Worst Infrastructure”

Housing Affordability Nationwide



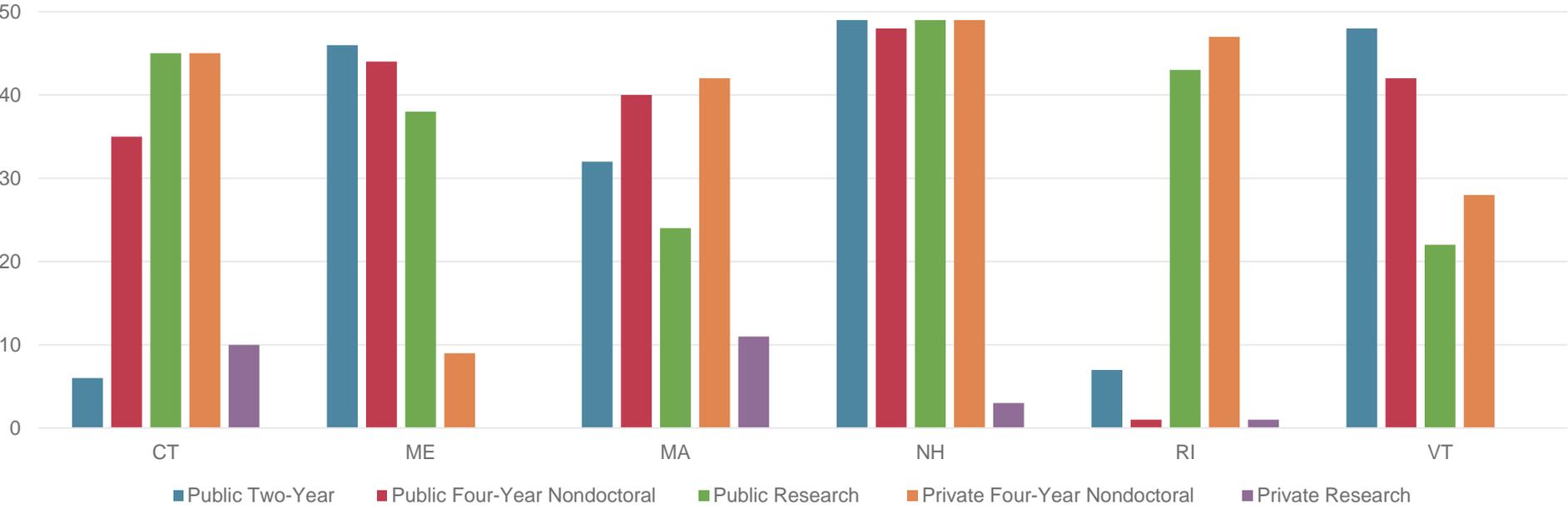
Source: ESRI Demographics “The Delicate Balance between Housing Affordability, Growth, and Income”

Housing Affordability Index in New England



Source: ESRI Demographics “The Delicate Balance between Housing Affordability, Growth, and Income”

College Affordability Rankings



Source: University of Pennsylvania Institute for Research on Higher Education 2016 College Affordability Diagnosis

New England Student Loan Debt

	NH	RI	VT	MA	CT	ME
Percent of Graduates with Debt	74%	64%	60%	59%	57%	56%
Rank	1	6	15	17	24	28
Average Debt	\$34,415	\$32,250	\$30,651	\$32,065	\$38,510	\$31,364
Rank	4	3	16	7	1	10

Source: The Institute for College Access and Success “Student Debt and the Class of 2017”