



Current Economic Conditions in New England: Where Do We Go from Here?

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Whole Family Approach to Jobs
Convening

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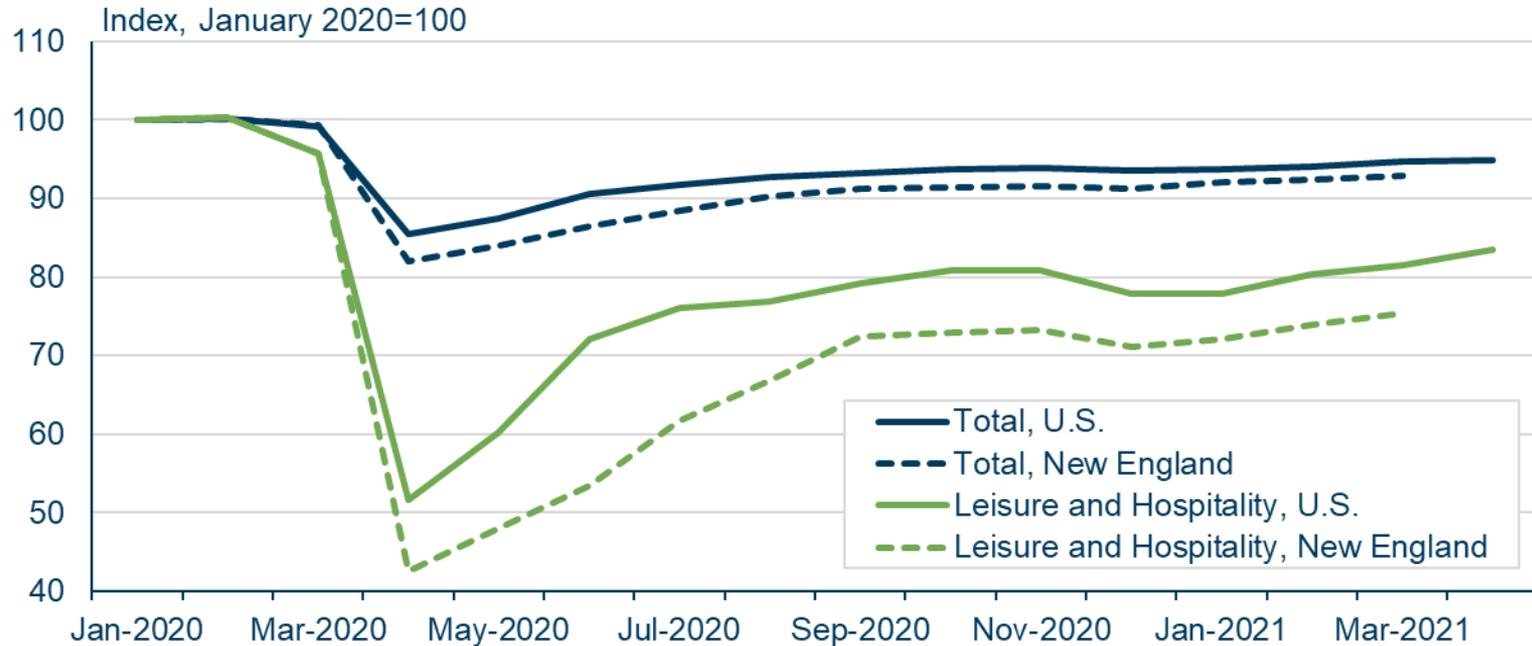
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Optimistic Economic Outlook

- ▶ The path of the economy still depends on the path of the pandemic
- ▶ COVID-19 vaccinations are increasing, particularly in New England
 - ▶ All six NE states are among the top ten for vaccinations and have more than half of their population with at least one shot
 - ▶ VT - 63 percent; MA - 61 percent; ME, CT, and NH - 58 percent; RI - 56 percent
 - ▶ NE states lead in fully vaccinated percentages as well
 - ▶ ME - 47 percent; CT- 46 percent; VT and MA - 44 percent; RI - 43 percent; NH - 33 percent
- ▶ Expect very strong growth in real GDP for 2021
- ▶ However, significant slack in the economy remains
 - ▶ Unemployment is still high, labor force participation rate is low
 - ▶ Rapid economic growth is needed to offset shock from pandemic

Figure 1: Payroll Employment Growth in New England and the U.S. Since January 2020

January 2020 - April 2021

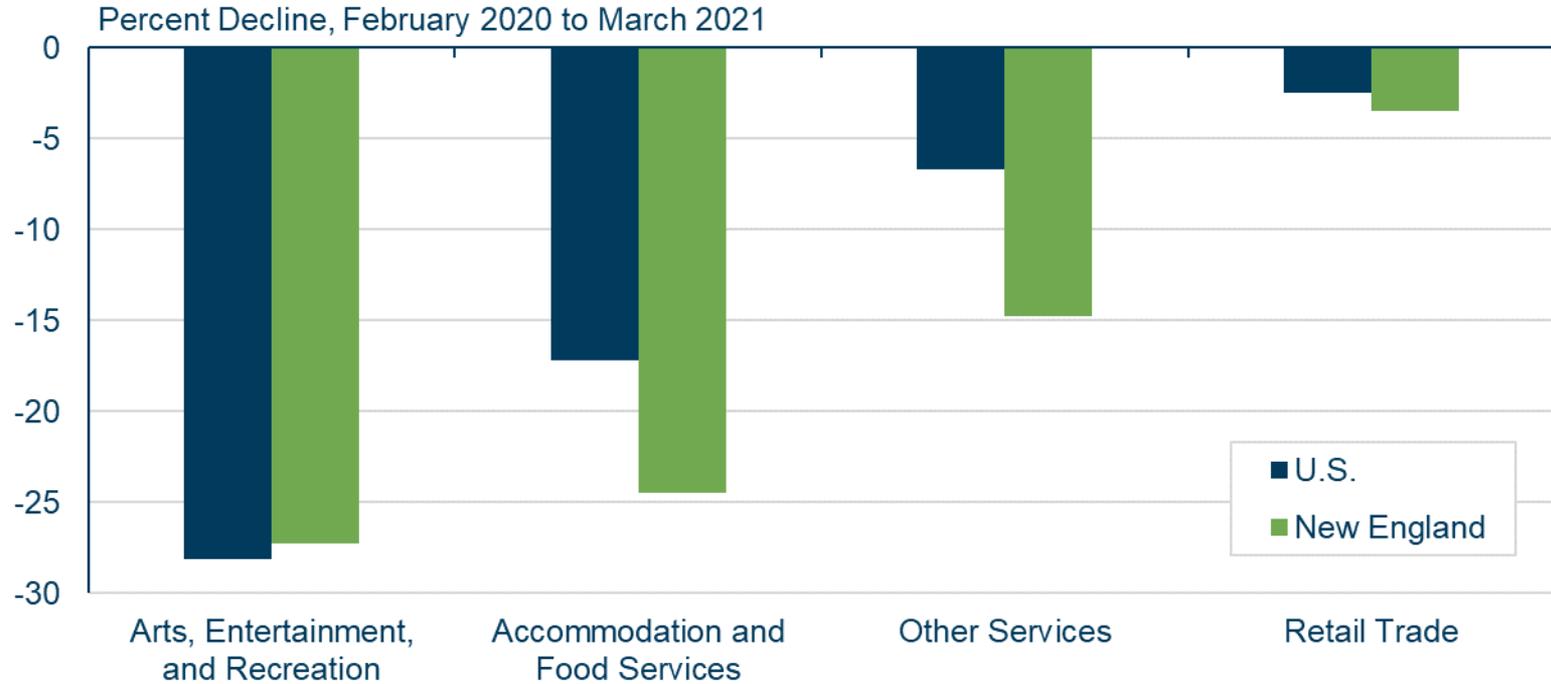


Note: Employment data for New England for April are not yet available.

Source: BLS, Haver Analytics

Figure 2: Payroll Employment Declines in New England and the U.S. in Select Industries

February 2020 - March 2021



Note: Because employment data for New England for April are not yet available, the chart above compares the declines through March for the U.S. and New England.

Source: BLS, Haver Analytics

Figure 3: Change in the Labor Force Participation Rate Since February 2020 by Gender and Age

February 2020 - April 2021

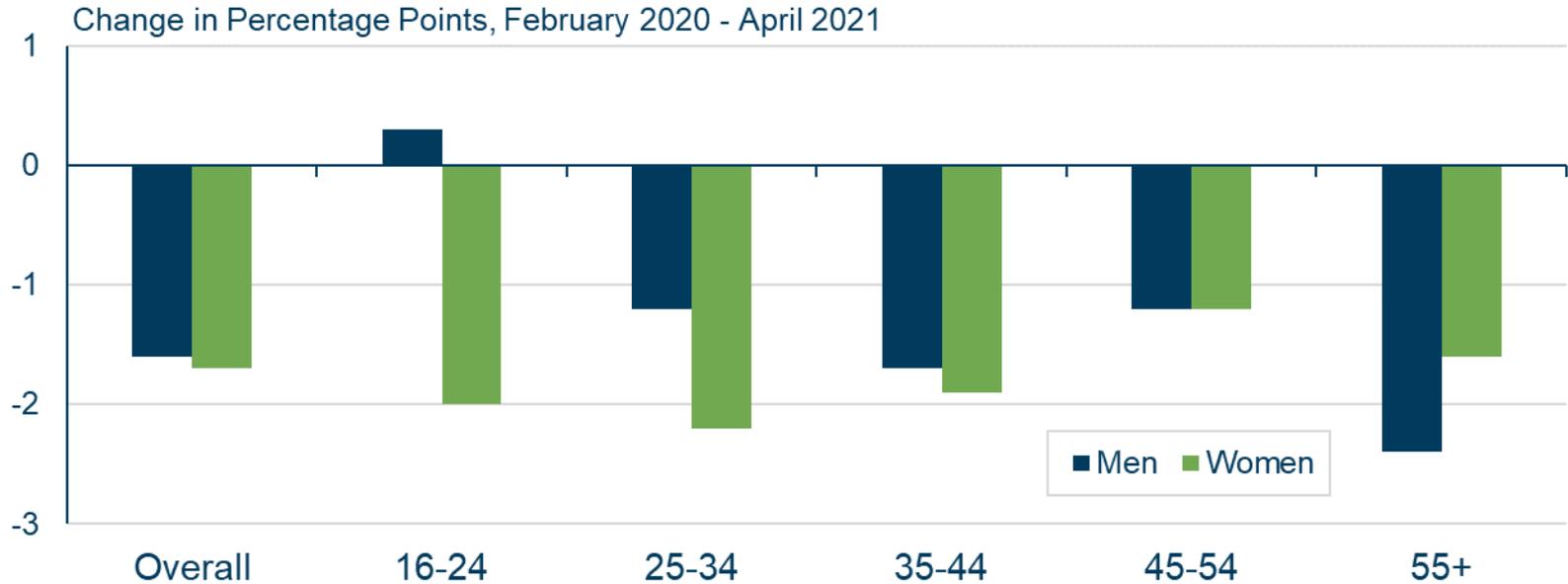
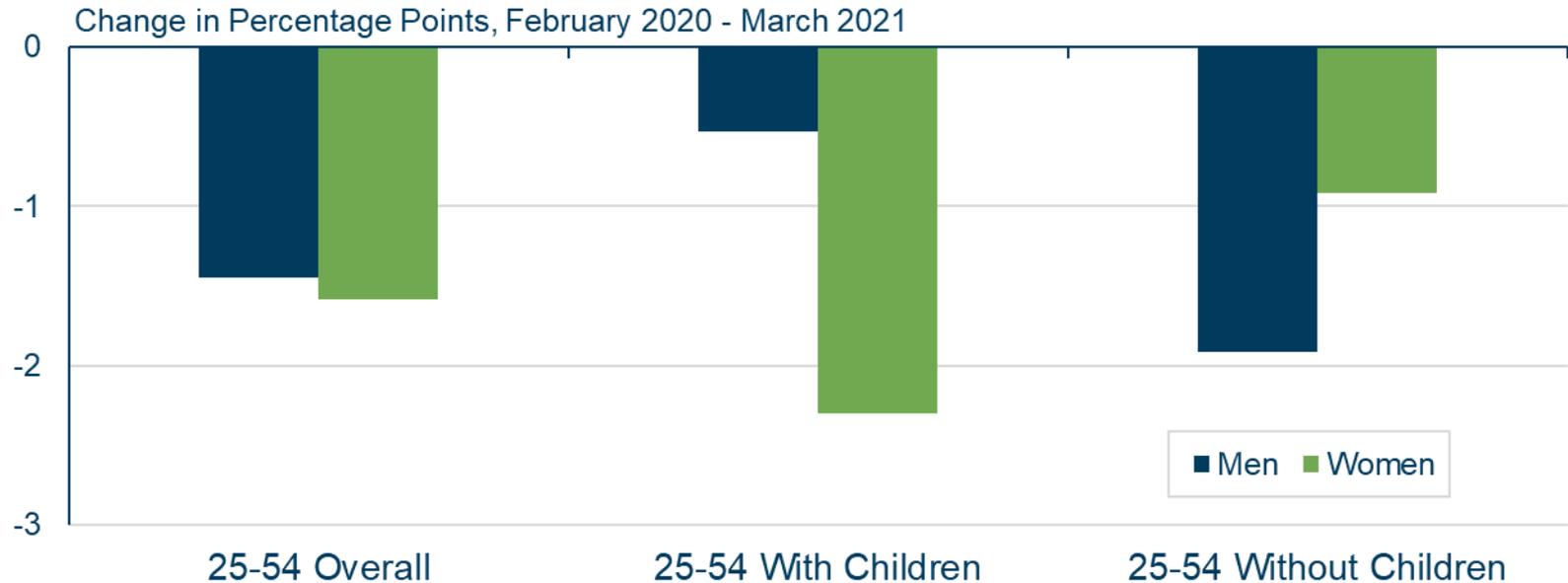


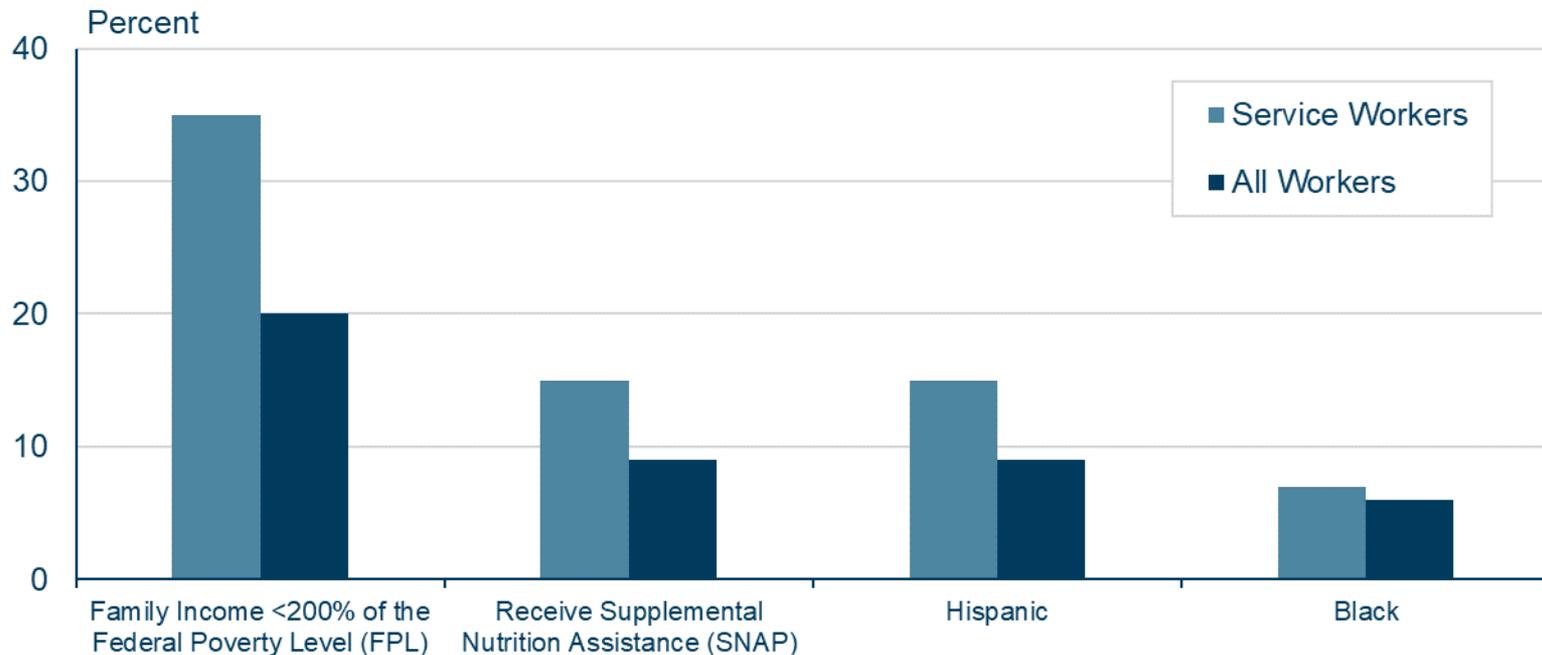
Figure 4: Change in the Labor Force Participation Rate for Prime Working Age Men and Women With and Without Children February 2020 - March 2021



Note: Data are not seasonally adjusted and not yet available for April. For more information see “COVID-19 and the Labor Market Outcomes for Prime-Aged Women” by Maria J. Luengo-Prado at <https://www.bostonfed.org/publications/current-policy-perspectives/2021/covid-19-and-the-labor-market-outcomes-for-prime-aged-women.aspx>

Source: IPUMS, CPS

Figure 5: New England Service Workers Prior to the Pandemic

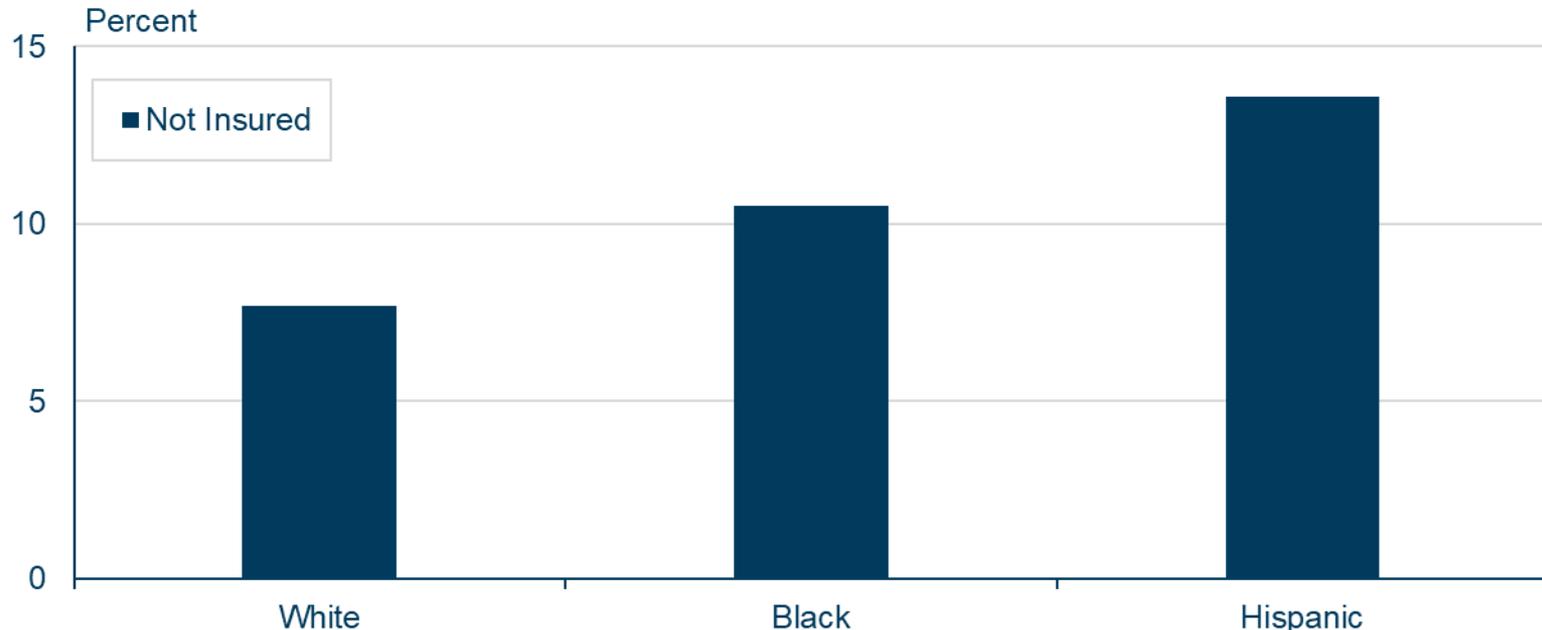


Note: Includes the following occupation groups: food service, cleaning and building maintenance, retail and other hospitality jobs. To avoid double counting, the race and ethnicity categories listed above, Hispanic and Black, are more specifically Hispanic or Latino and non-Hispanic Black or African American.

Source: Federal Reserve Bank of Boston analysis of the 2014 - 2018 American Community Survey 5-Year Sample. For more information, see Chaganti, S., et al. (2020) The Effects of the Novel Coronavirus Pandemic on Service Workers in New England. Federal Reserve Bank of Boston Community Development Issue Brief 20-1.

<https://www.bostonfed.org/publications/community-development-issue-briefs/2020/the-effects-of-the-novel-coronavirus-pandemic-on-service-workers-in-new-england.aspx>

Figure 6: Non-Healthcare Essential Workers and Health Insurance: Share Without Insurance by Race and Ethnicity in New England



Note: In order to avoid double counting, the race and ethnicity categories listed above as White, Black and Hispanic are more specifically non-Hispanic White, non-Hispanic Black or African American, and Hispanic or Latino.

Source: Federal Reserve Bank of Boston analysis of the 2014 - 2018 American Community Survey 5-Year Sample. For more information, see Chaganti, S., Higgins, A. & Mattingly, M.J. (2020). Health Insurance and Essential Service Workers in New England: Who Lacks Access to Care for COVID-19? Federal Reserve Bank of Boston Community Development Issue Brief 20-3. <https://www.bostonfed.org/publications/community-development-issue-briefs/2020/health-insurance-and-essential-service-workers-in-new-england-who-lacks-access-to-care-for-covid-19.aspx>

Concluding Observations

- ▶ Pandemic has caused many disruptions and it remains to be seen how permanently behaviors have changed
 - ▶ Downtown Boston quiet, many rural and suburban areas see more activity
 - ▶ Work stance of employers is likely to evolve
- ▶ Expect labor markets to tighten and employers to work hard to attract employees
 - ▶ Access to internet will impact hybrid home/work success
 - ▶ Access to affordable childcare will impact labor decisions
- ▶ Opportunity for more equitable recovery – particularly focus on paid sick days, health insurance, and better quality of jobs