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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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

Source: BLS, Haver Analytics
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.

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.

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