

New England Regional Economic Update

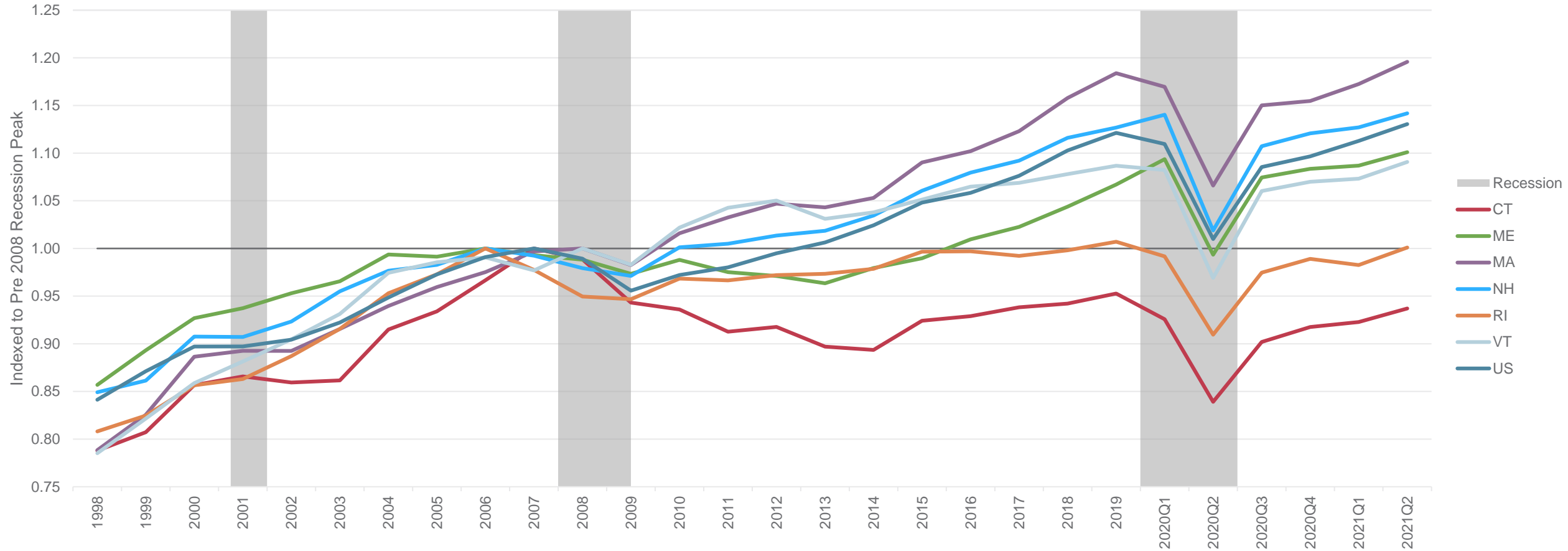
20th Annual Regional and Community Bankers Conference

October 14, 2021

Jeffrey Thompson
Vice President, Economist, and Director
New England Public Policy Center
Federal Reserve Bank of Boston

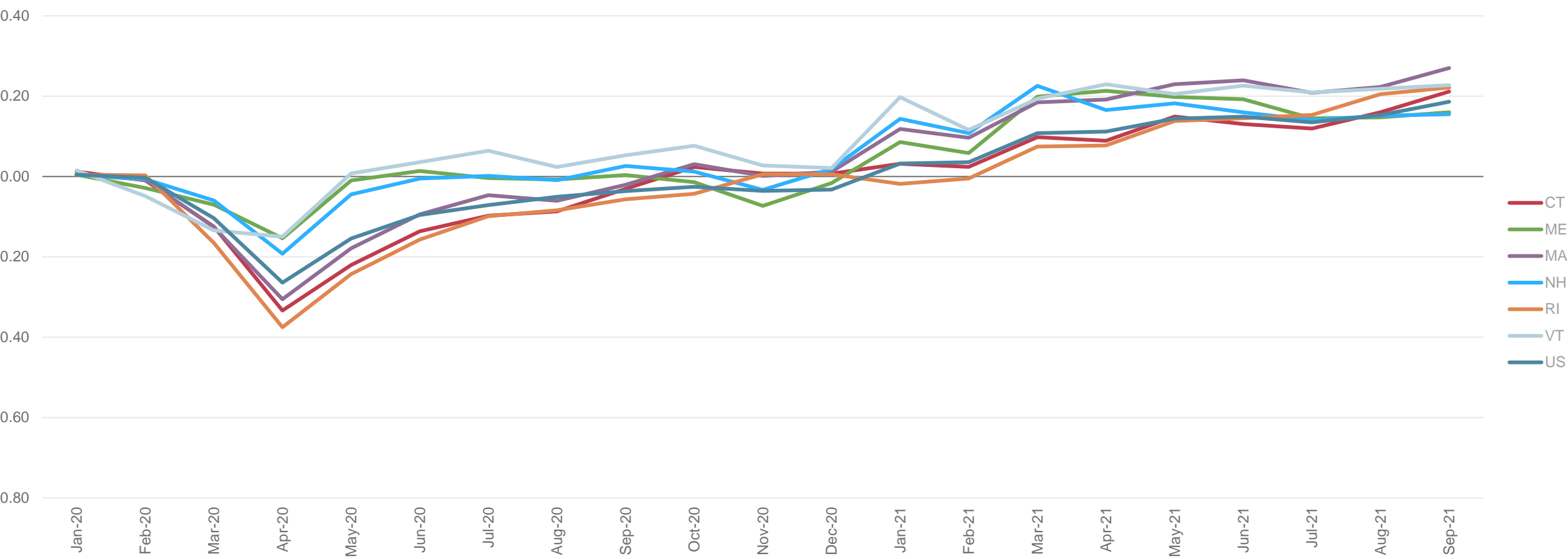
Disclaimer: The views expressed here are those of the speaker and do not necessarily represent the views of the Federal Reserve Bank of Boston or the Federal Reserve System.

Real GDP per Capita



Source: Bureau of Economic Analysis and Haver Analytics

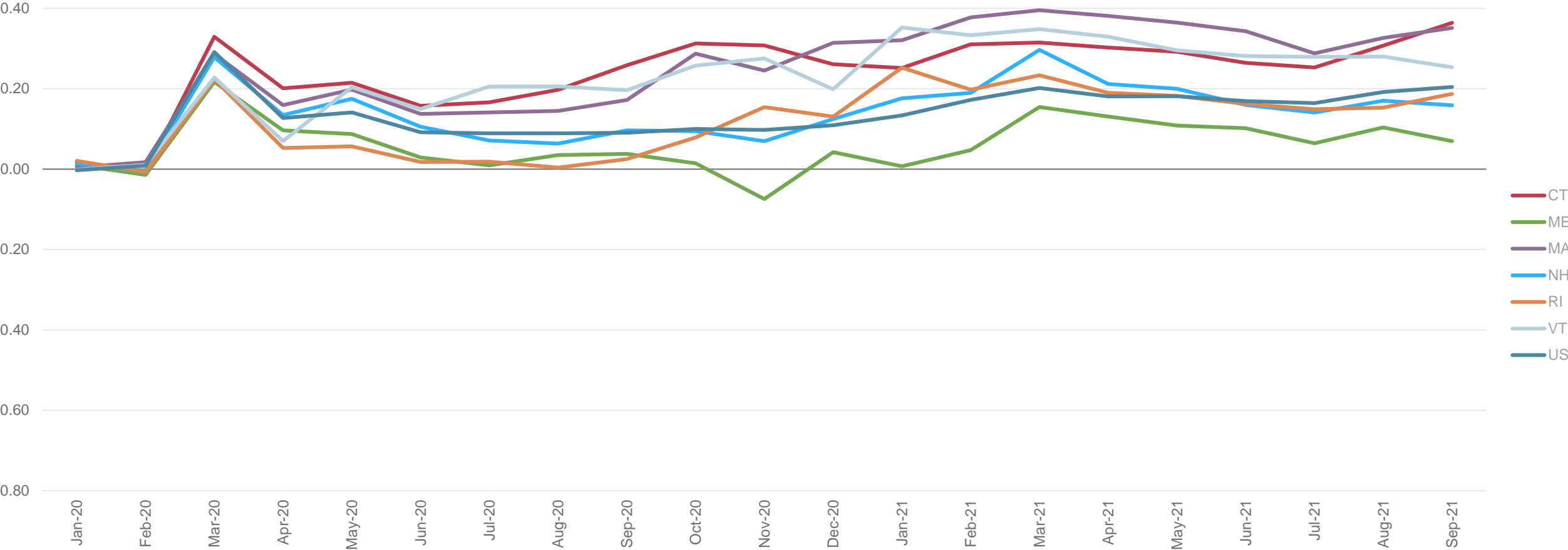
All Spending Monthly Average, Change from January 2020 Benchmark



Source: Opportunity Insights, Track the Recovery Project, underlying data is from Affinity

Note: Values relative to January 4-31 2020 median benchmark.

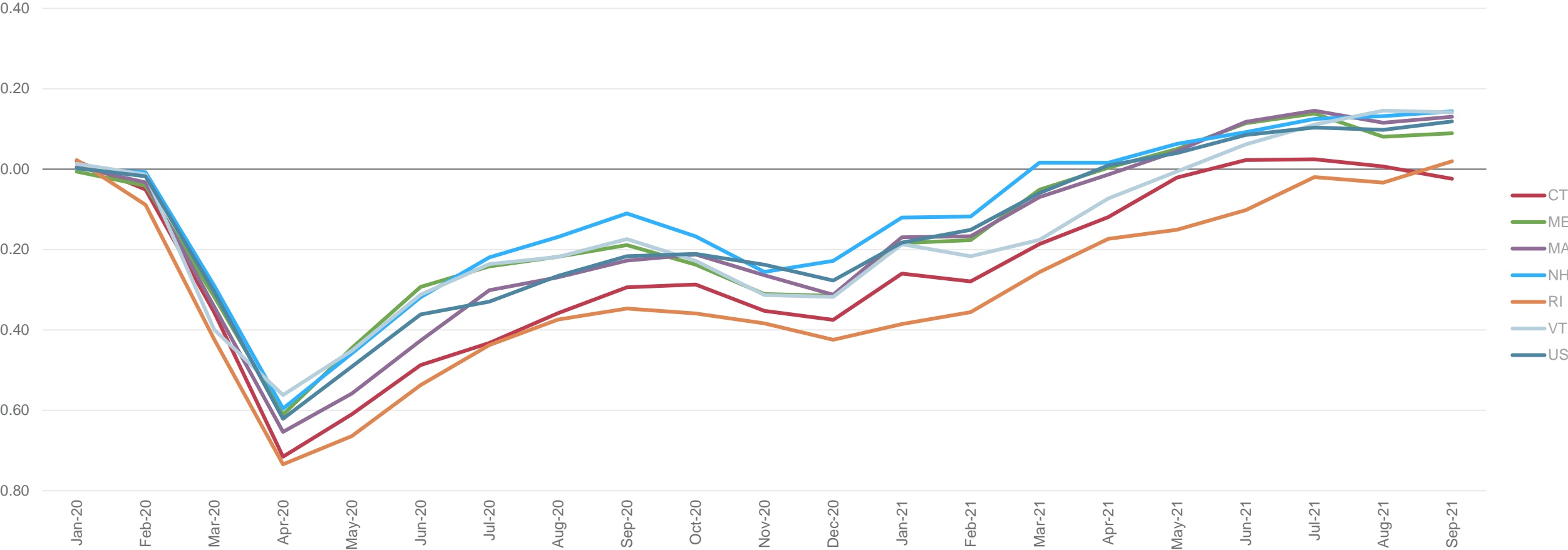
All Grocery Spending Monthly Average, Change from January 2020 Benchmark



Source: Opportunity Insights, Track the Recovery Project, underlying data is from Affinity

Note: Values relative to January 4-31 2020 median benchmark.

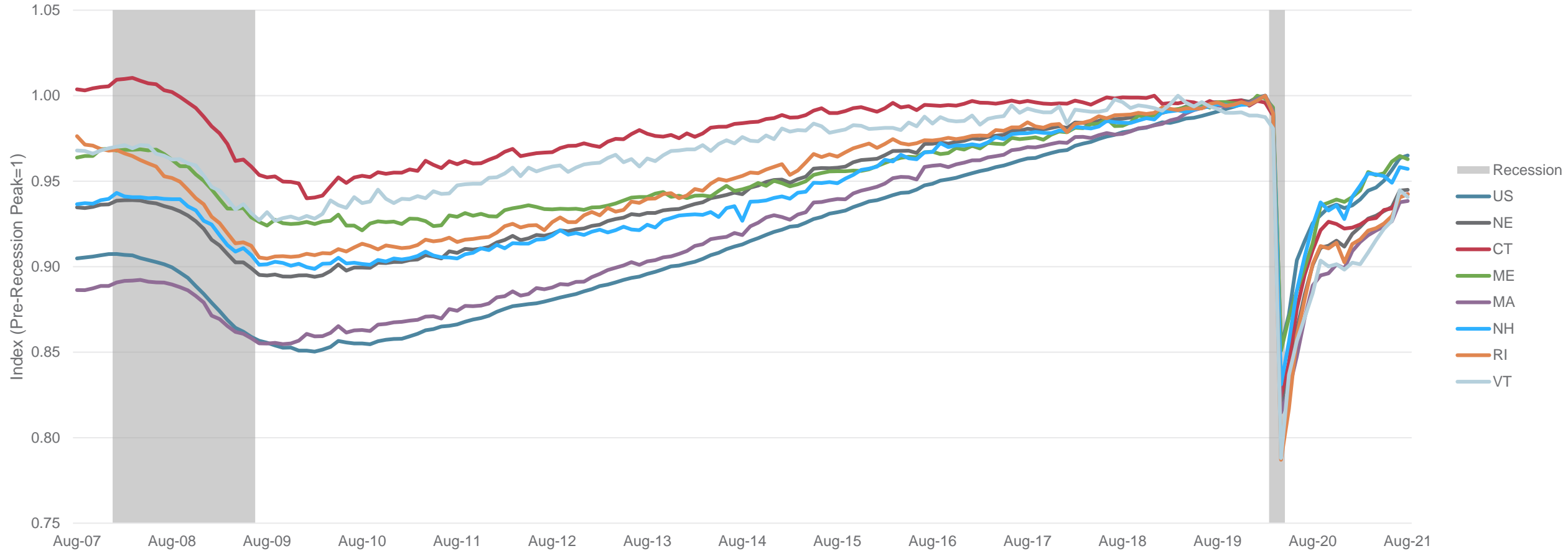
All Food/Accommodation Spending Monthly Average, Change from January 2020 Benchmark



Source: Opportunity Insights, Track the Recovery Project, underlying data is from Affinity

Note: Values relative to January 4-31 2020 median benchmark.

Non-Agricultural Employment



Source: Bureau of Labor Statistics, NBER, Haver Analytics

Note: Peak values are determined after the recession of 2008-2009; they may differ for each region.

Values for New England 0.901 (Aug-20) and 0.945 (Aug-21), and the US 0.925 (Aug-20) and 0.965 (Aug-21)

Employment Changes in the Pandemic Period

	Jobs Lost Feb2020-Apr2020		Jobs Gained Apr2020-Aug2021	
	Number (thous)	Percent	Number (thous)	Percent
United States	-22,362	-15%	17,029	13%
New England	-1,367	-18%	949	15%
Connecticut	-292	-17%	201	14%
Maine	-95	-15%	72	13%
Massachusetts	-692	-19%	462	15%
New Hampshire	-116	-17%	87	15%
Rhode Island	-108	-21%	79	20%
Vermont	-64	-20%	49	19%

Denominator for Percent Jobs Lost Feb 2020-Apr 2020 is February 2020 Employment, denominator for Jobs Gained Apr 2020-August 2021 is April 2020 Employment

Source: Bureau of Labor Statistics, Haver Analytics

Changes in Employment by Sector

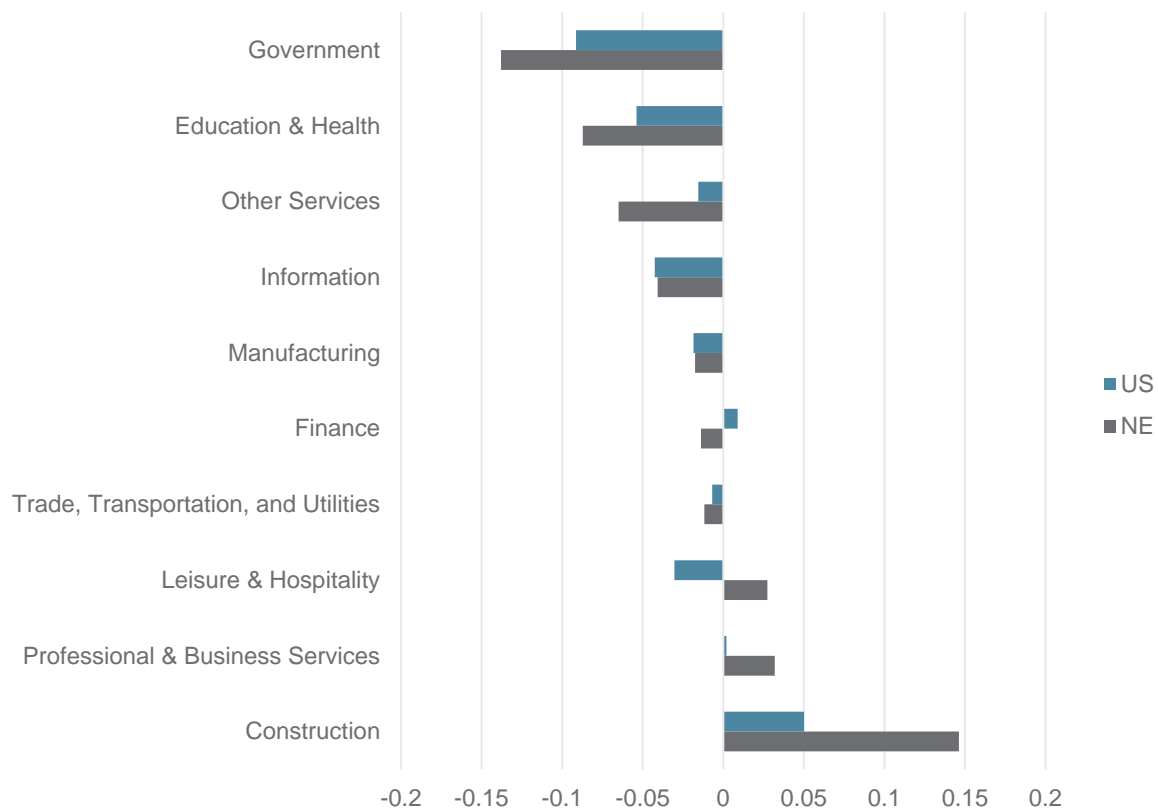
	Change Feb2020-Apr2020				Change Apr2020-Aug2021			
	New England		United States		New England		United States	
	Levels (thous)	Percent	Levels (thous)	Percent	Levels (thous)	Percent	Levels (thous)	Percent
Leisure & Hospitality	-422	-58	-7,644	-47	442	145	7,150	83
Other Services	-99	-35	-1,363	-23	81	44	1,272	28
Construction	-56	-19	-826	-11	99	42	1,191	18
Trade, Transportation, and Utilities	-233	-19	-3,193	-12	218	22	3,003	12
Education & Health	-225	-14	-2,788	-11	84	6	1,461	7
Manufacturing	-65	-11	-1,358	-11	54	10	1,123	10
Professional & Business Services	-78	-7	-2,081	-10	112	11	2,122	11
Government	-70	-7	-875	-4	-73	-8	-1,234	-6
Information	-11	-7	-264	-9	4	3	141	5
Finance	-16	-3	-265	-3	10	2	344	4
Total	-1,371	-18	-22,362	-15	949	15	17,029	13

Source: Bureau of Labor Statistics and authors' calculations.

Note: Denominator for Percent Change Feb 2020-Apr 2020 is February 2020 Employment, denominator for Percent Change Apr 2020-August 2021 is April 2020 Employment.

Employment Declines by Sector February 2020 to August 2021 and Wages

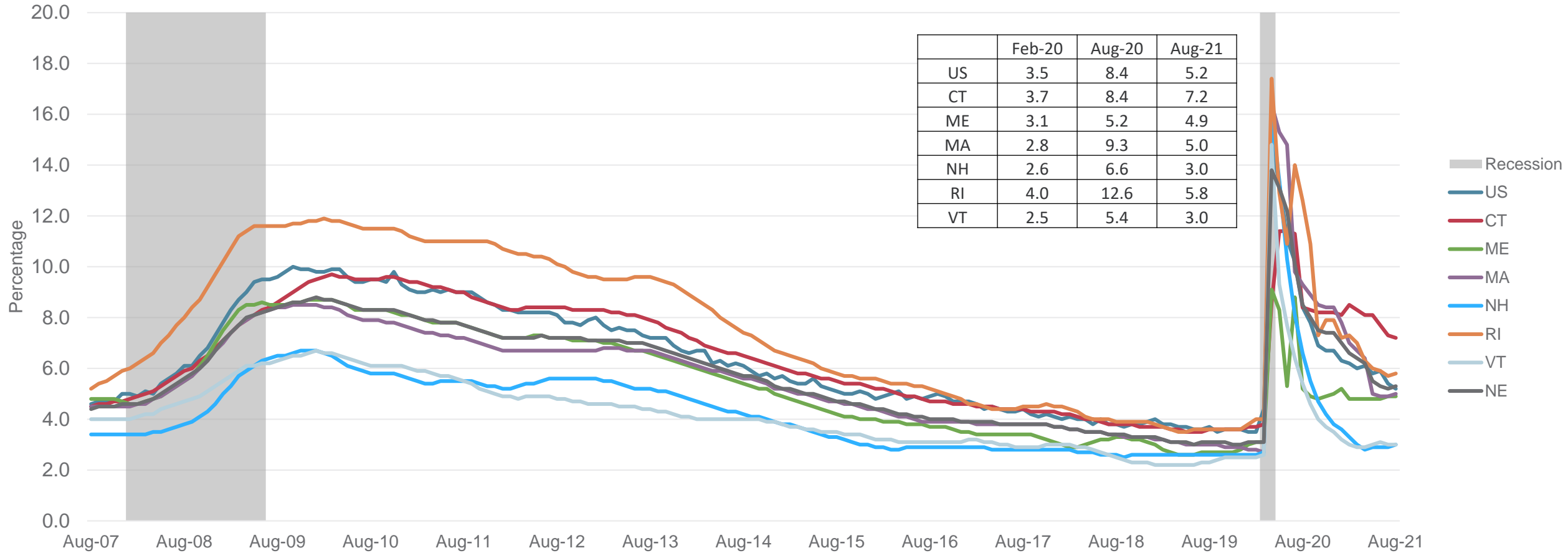
Employment Declines since Feb 2020



	Average Weekly Wage	
	NE	US
Government	\$ 1,227	\$ 1,176
Educational and Health Services	\$ 1,112	\$ 1,025
Other Services	\$ 800	\$ 836
Manufacturing	\$ 1,734	\$ 1,450
Financial Services	\$ 3,791	\$ 2,740
Transportation, Warehousing, and Utilities	\$ 1,112	\$ 1,020
Leisure and Hospitality	\$ 512	\$ 479
Professional and Business Services	\$ 2,277	\$ 1,725
Construction	\$ 1,400	\$ 1,240

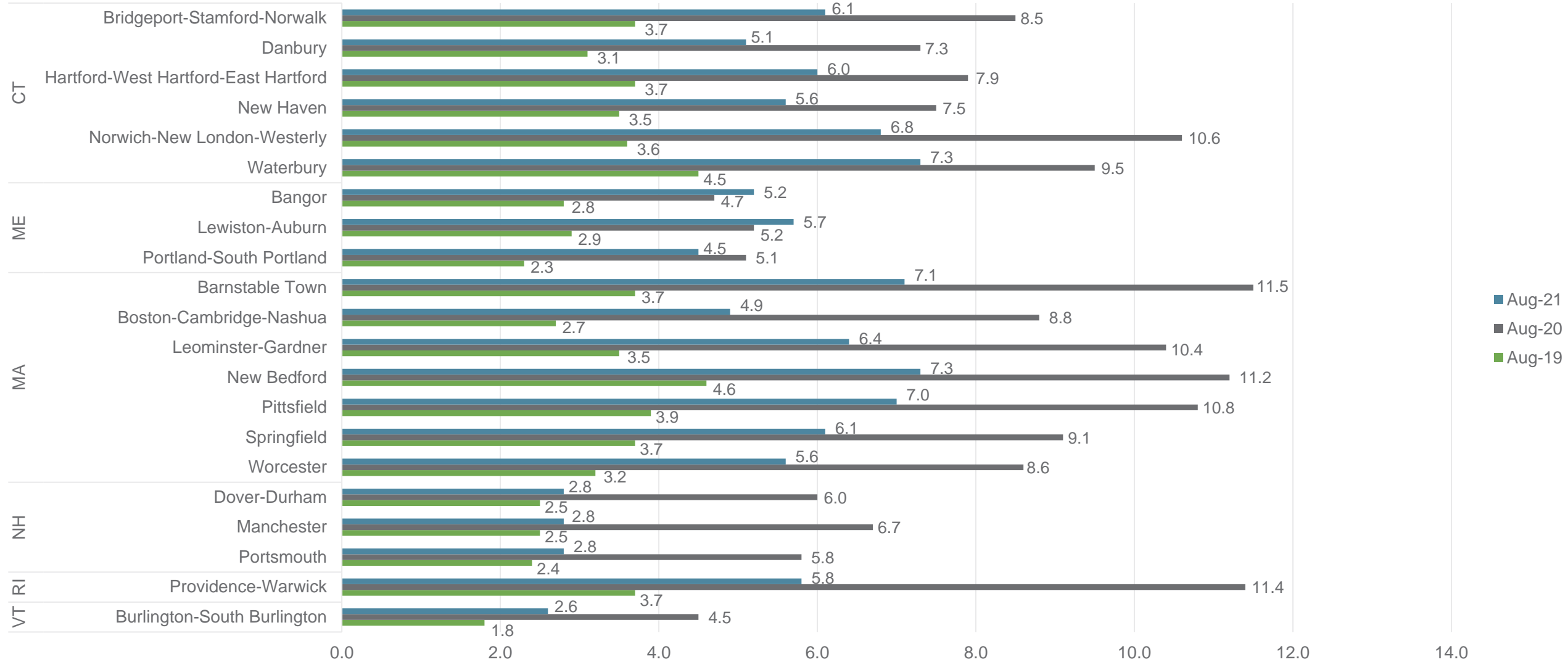
Source: Bureau of Labor Statistics and Quarterly Census of Employment and Wages

Unemployment Rates



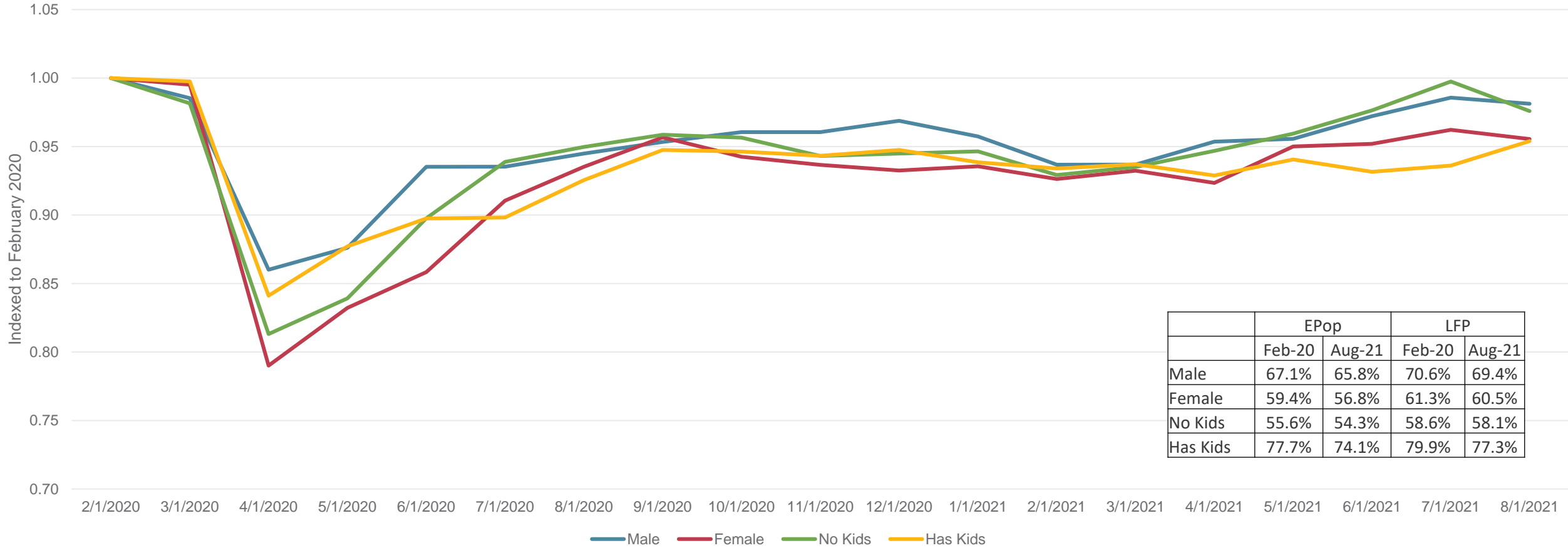
Source: Bureau of Labor Statistics, NBER, Haver Analytics

Unemployment Rates in New England by Metropolitan Areas



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

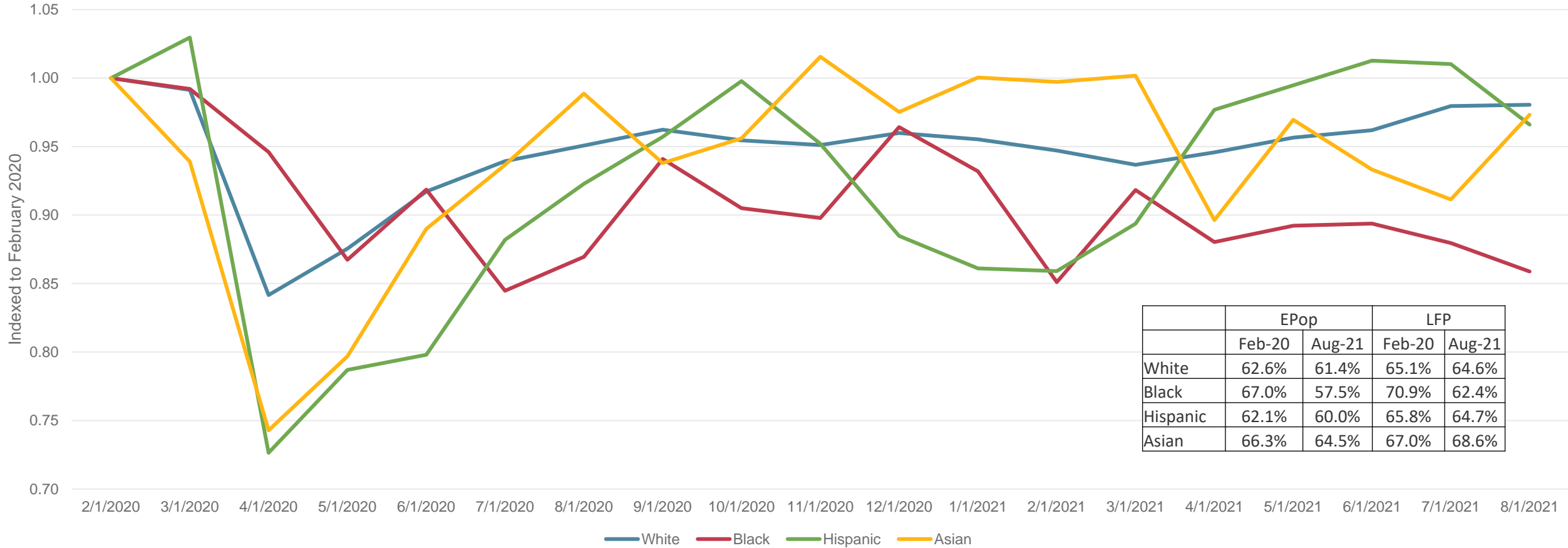
New England Employment to Population Ratio by Gender and Presence of Kids



EPop refers to the employment to population ratio, LFP refers to Labor Force Participation

Source: CPS IPUMS

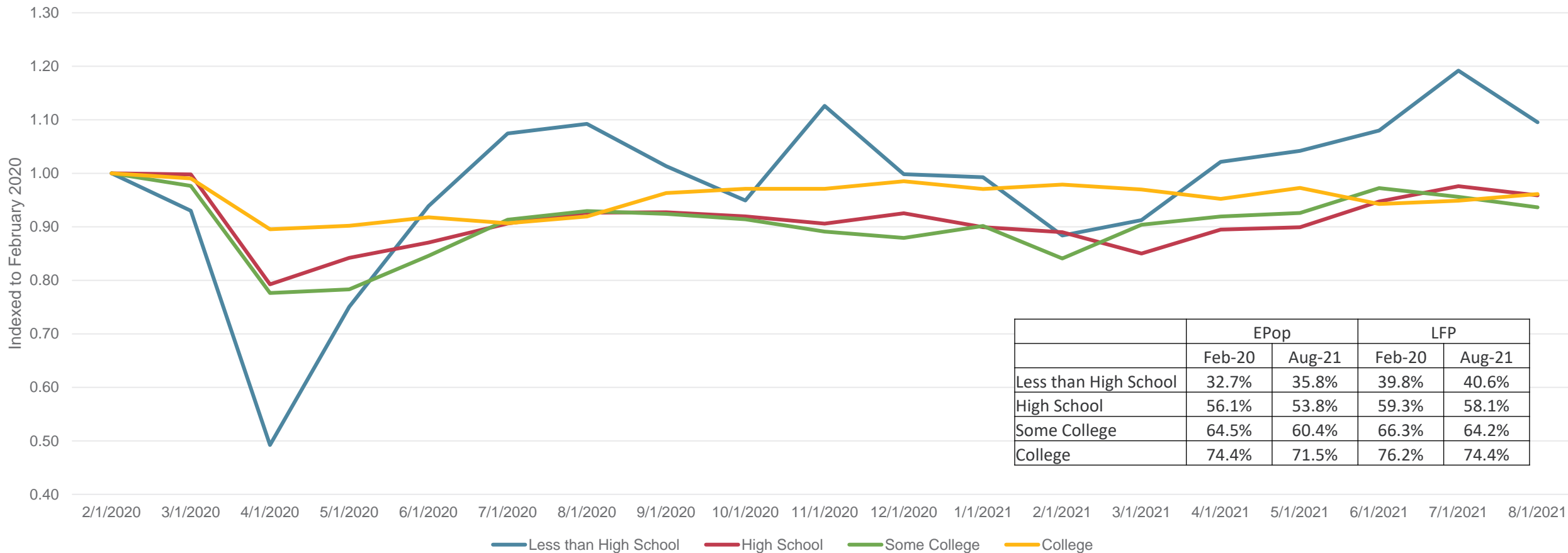
New England Employment to Population Ratio by Race and Ethnicity



EPop refers to the employment to population ratio, LFP refers to Labor Force Participation

Source: CPS IPUMS

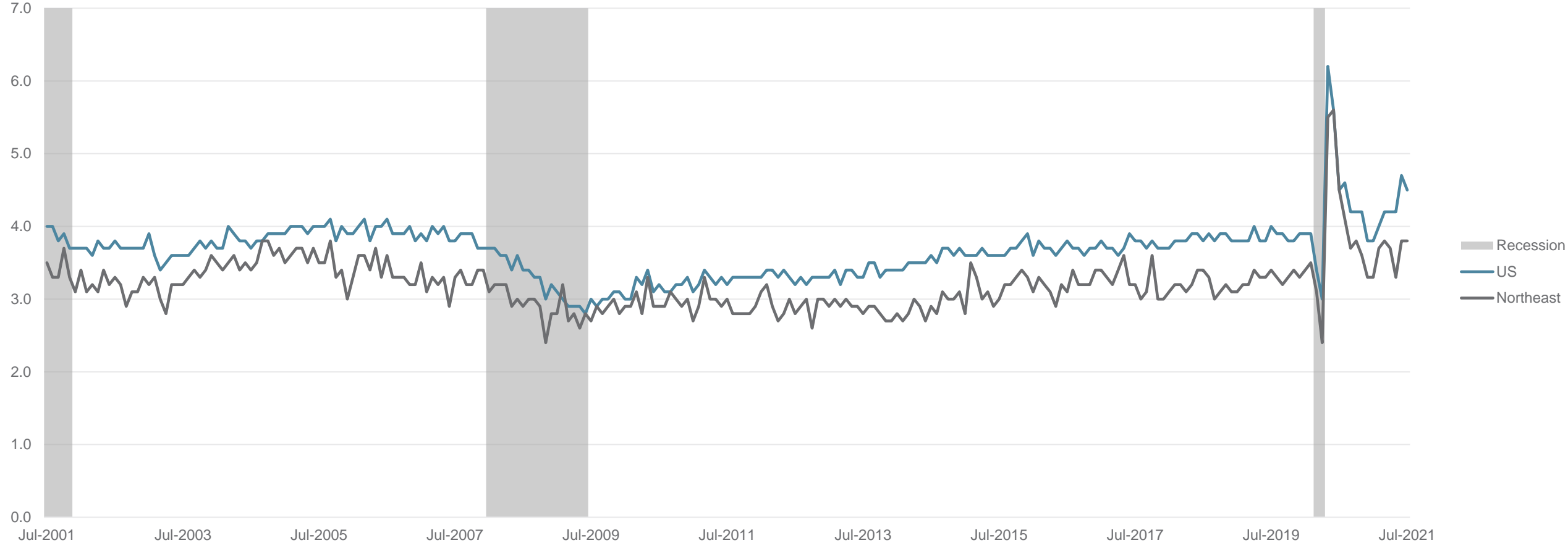
New England Employment to Population Ratio by Educational Attainment



EPop refers to the employment to population ratio, LFP refers to Labor Force Participation

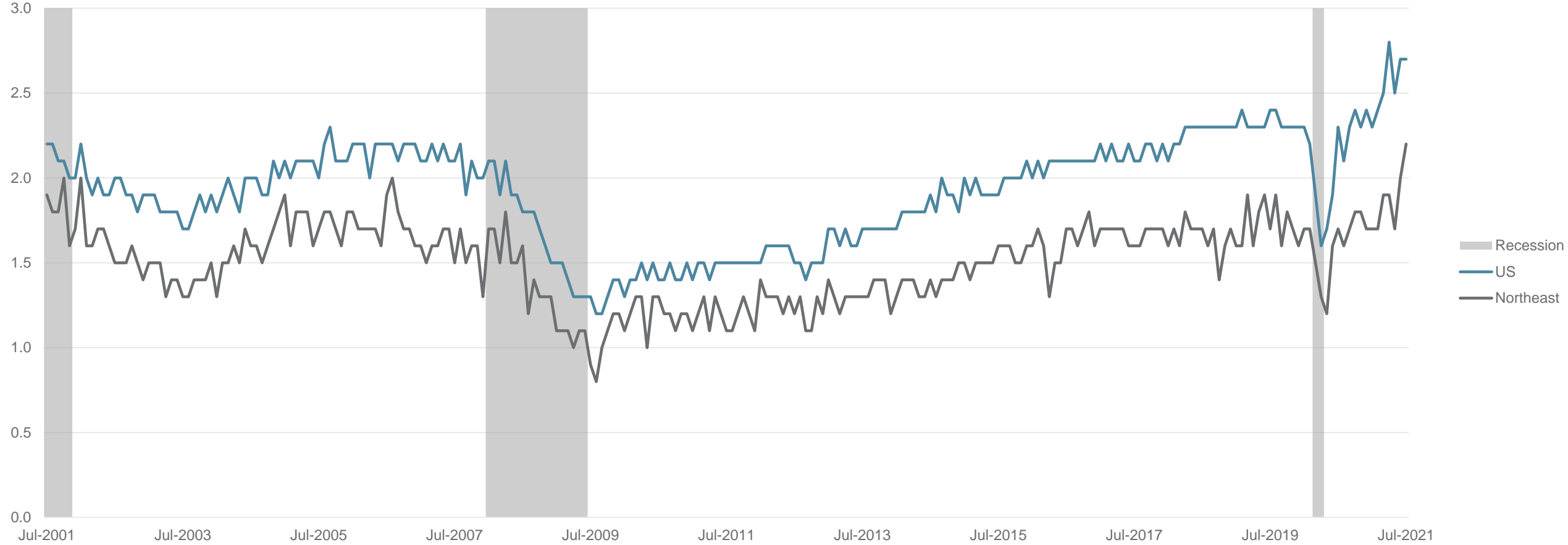
Source: CPS IPUMS

Hires Rate



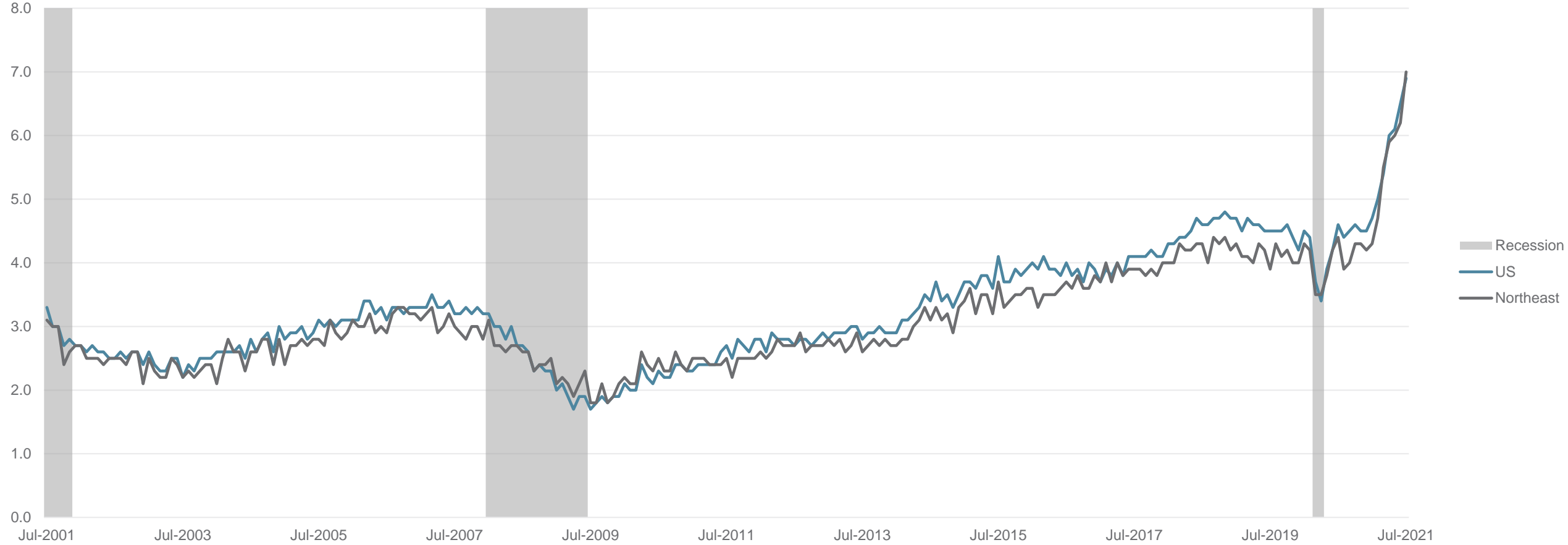
Seasonally Adjusted
Source: JOLTS, BLS

Quits Rate



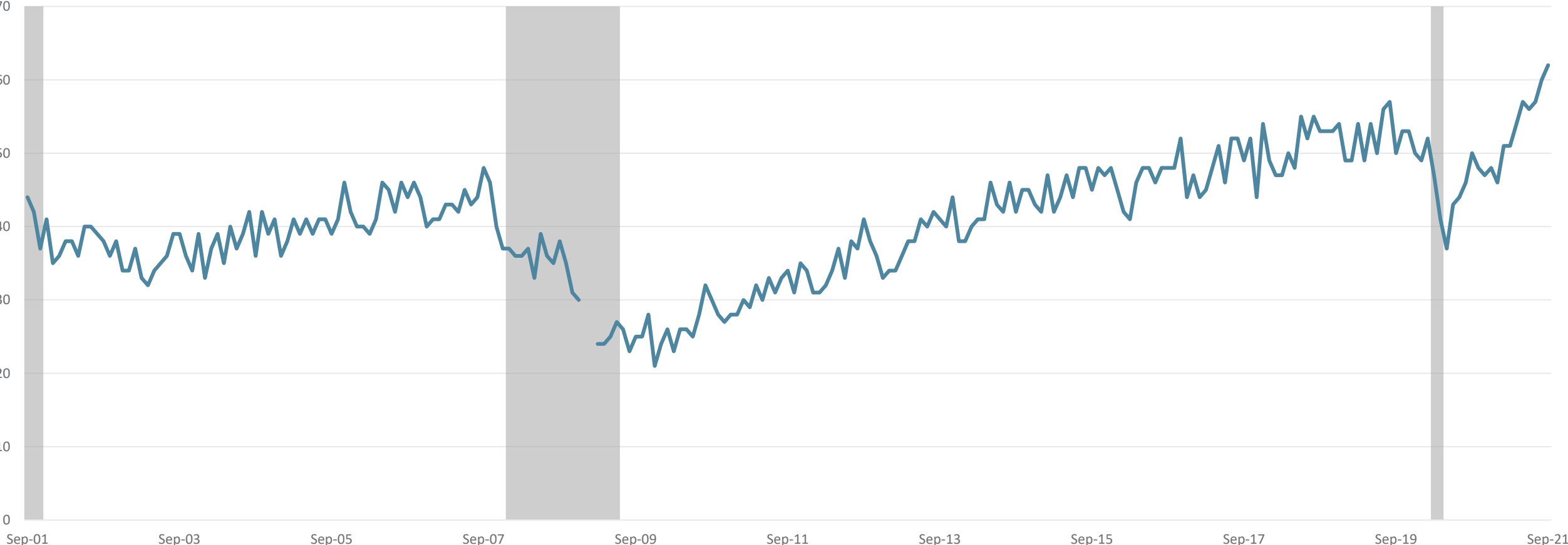
Seasonally adjusted
Source: JOLTS, BLS

Job Openings Rate



Seasonally adjusted
Source: JOLTS, BLS

Small Business Economic Trends: Businesses with Few or No Qualified Applicants for Job Openings (%)

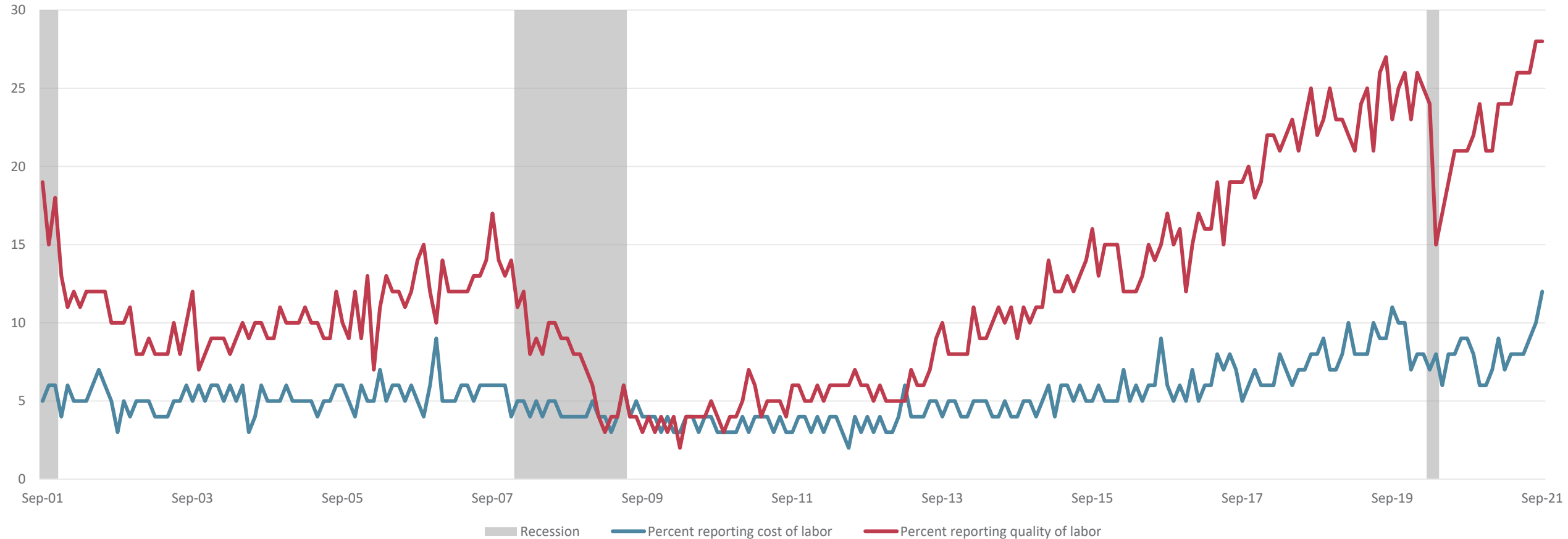


Seasonally adjusted

Data is missing for January 2009, February 2009

Source: National Federation of Independent Business (NFIB), Haver Analytics

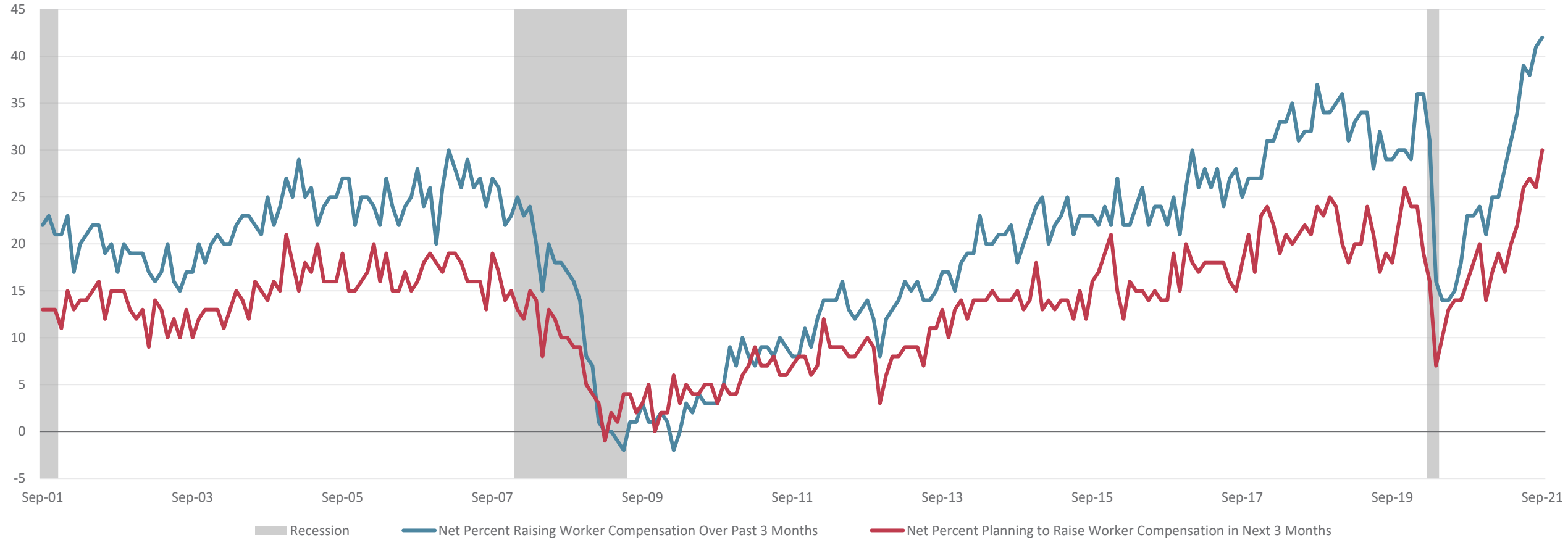
Small Business Economic Trends: Single Most Important Problem



Seasonally adjusted

Source: National Federation of Independent Business (NFIB), Haver Analytics

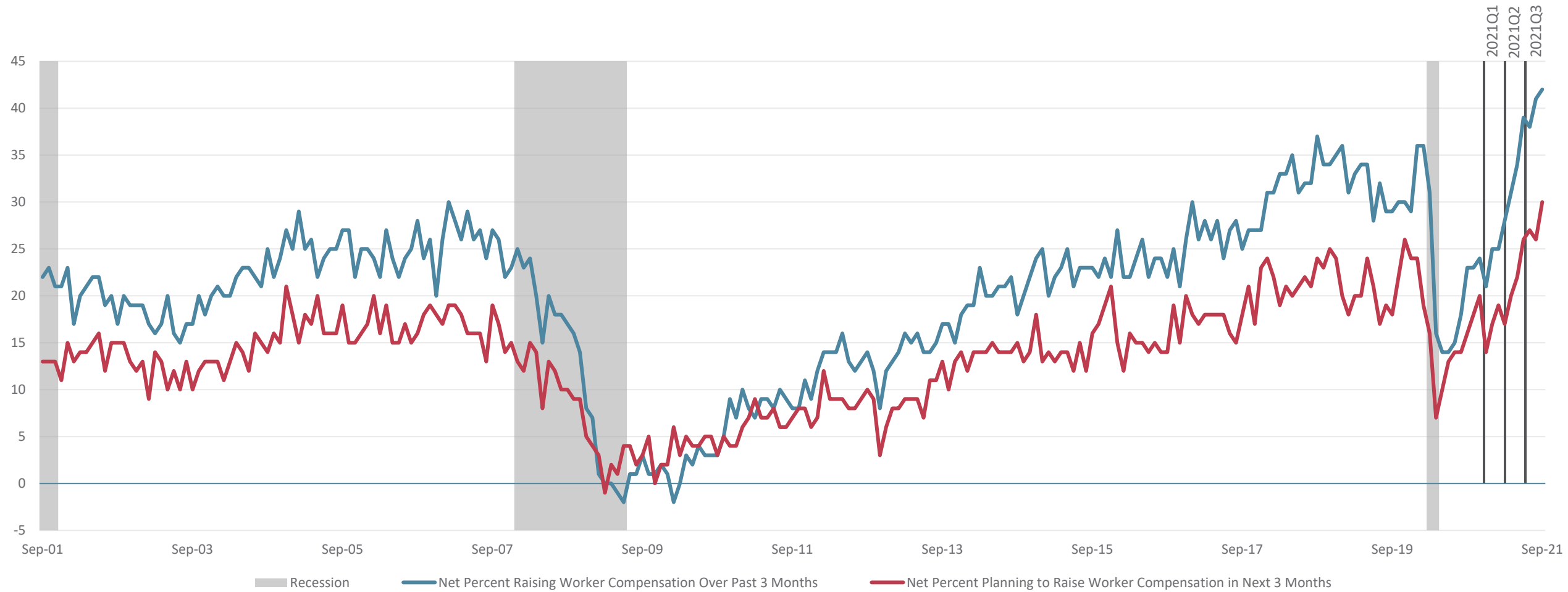
Small Business Economic Trends: Worker compensation



Seasonally adjusted

Source: National Federation of Independent Business (NFIB), Haver Analytics

Small Business Economic Trends: Worker compensation



Seasonally adjusted

Source: National Federation of Independent Business (NFIB), Haver Analytics

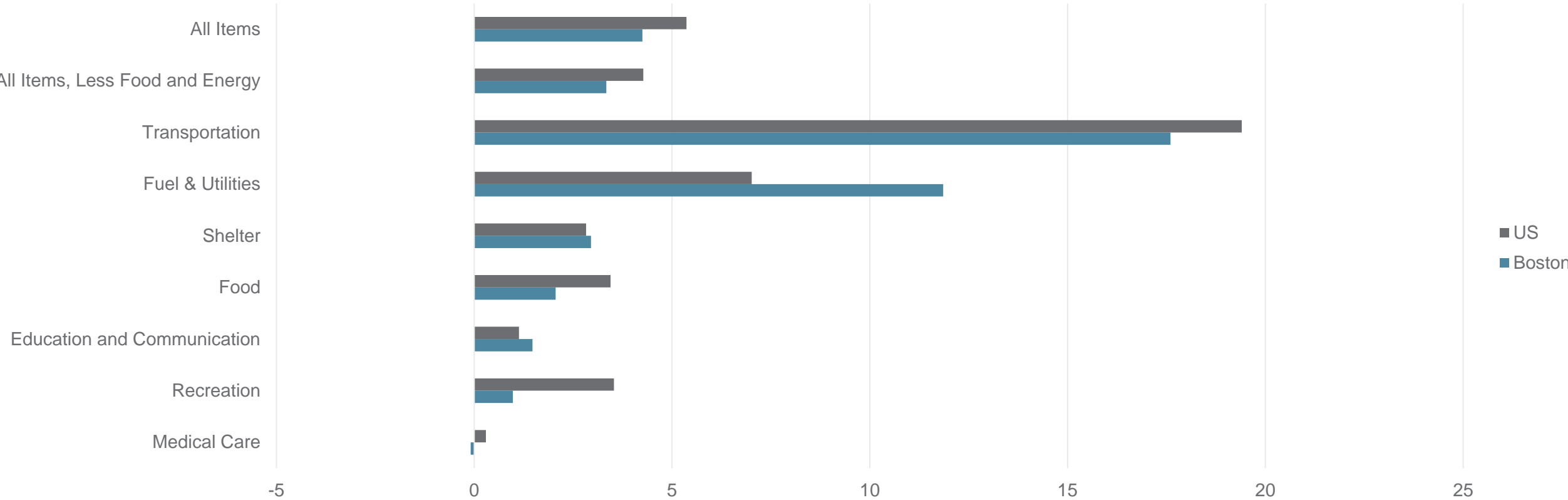
Consumer Price Index



Source: Bureau of Labor Statistics, NBER, Haver Analytics

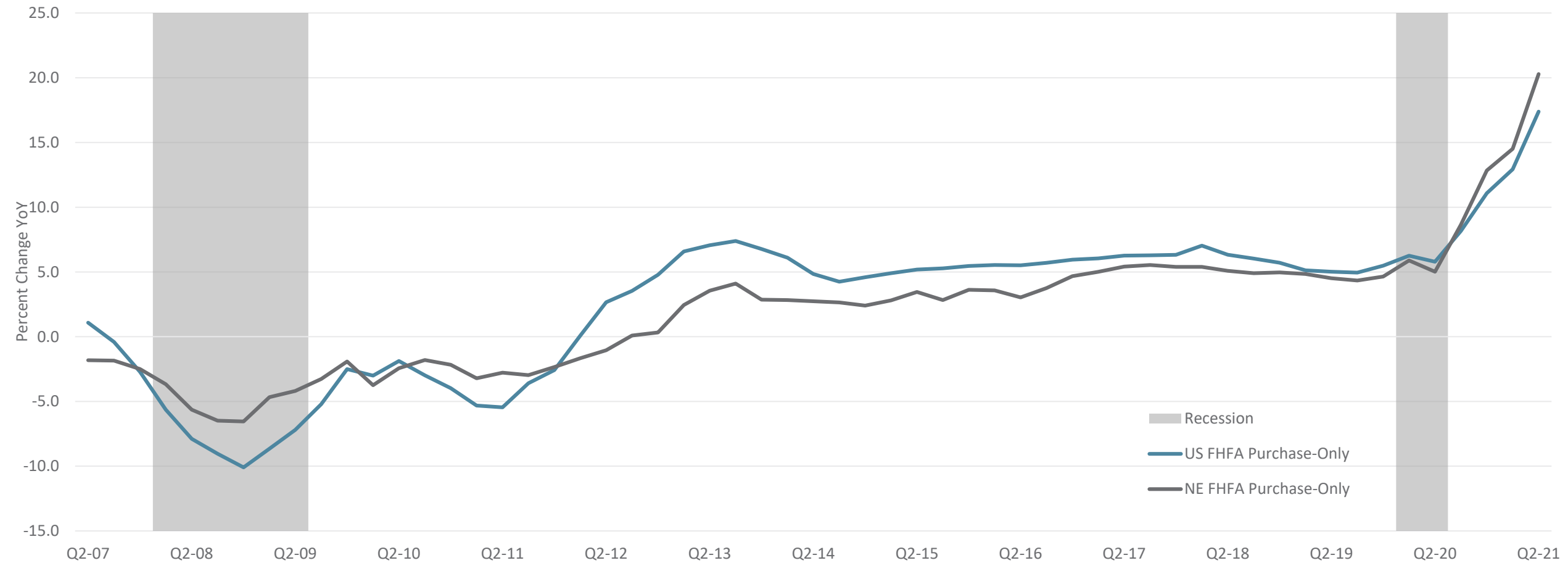
Components of the Consumer Price Index

Percent Change, July 2020 - July 2021



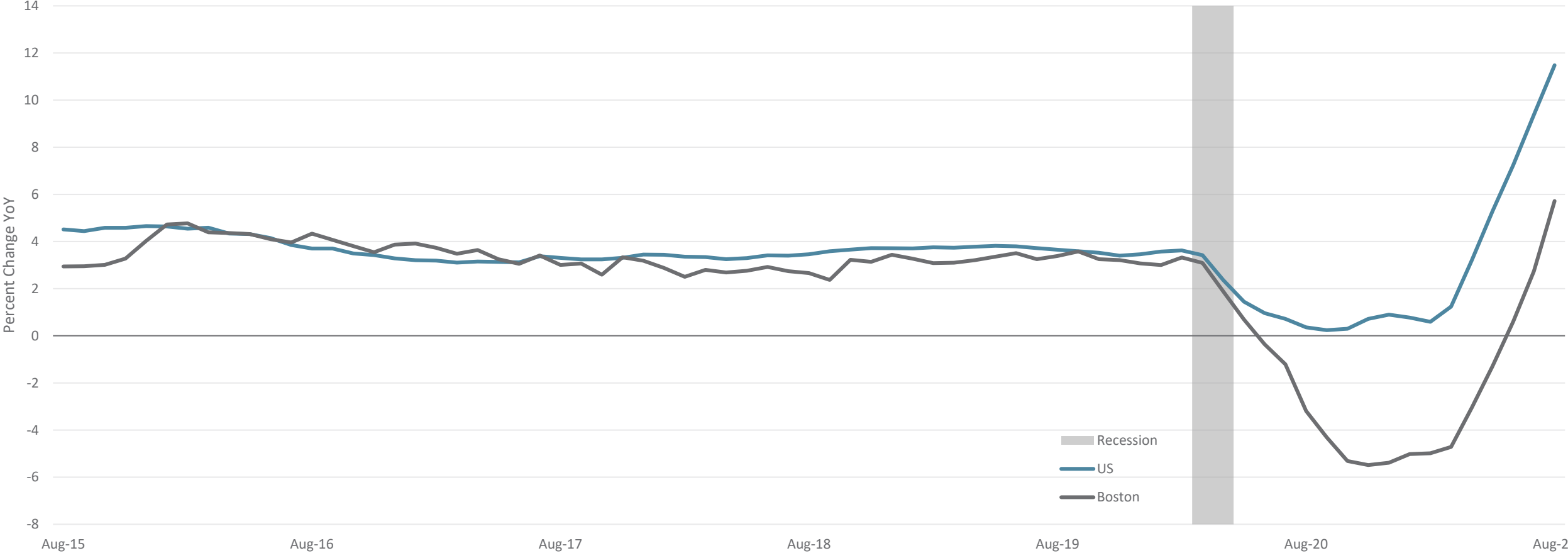
Source: Bureau of Labor Statistics, Haver Analytics

Repeat-Sales Home Price Index



Source: FHFA, NBER, Haver Analytics

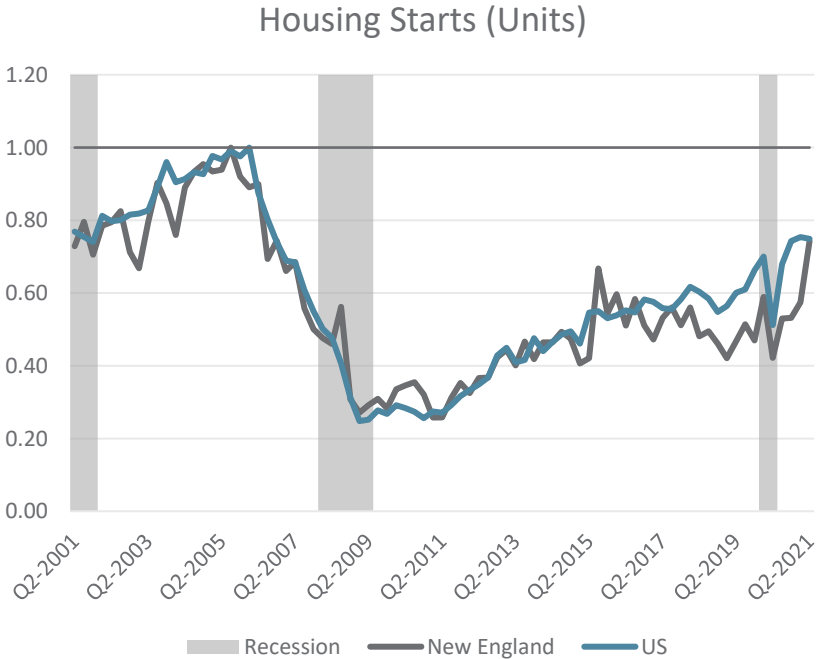
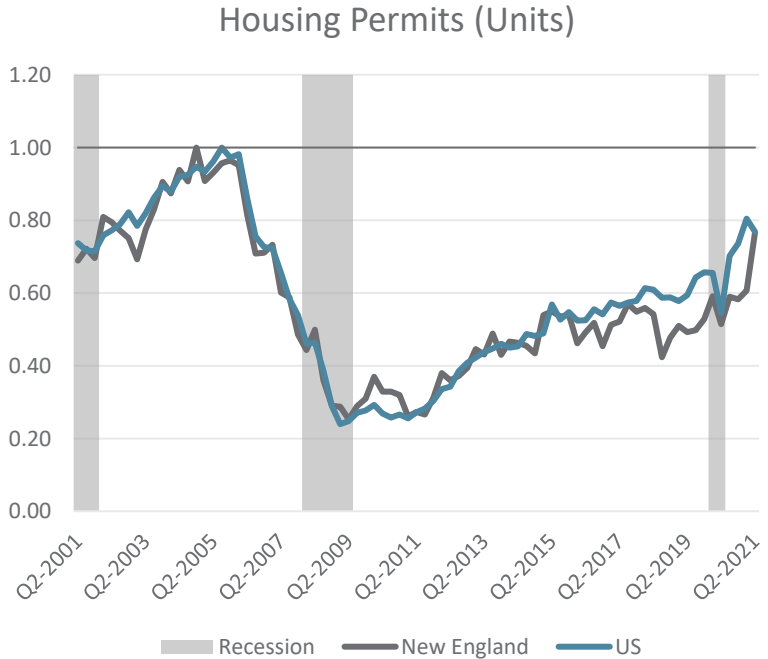
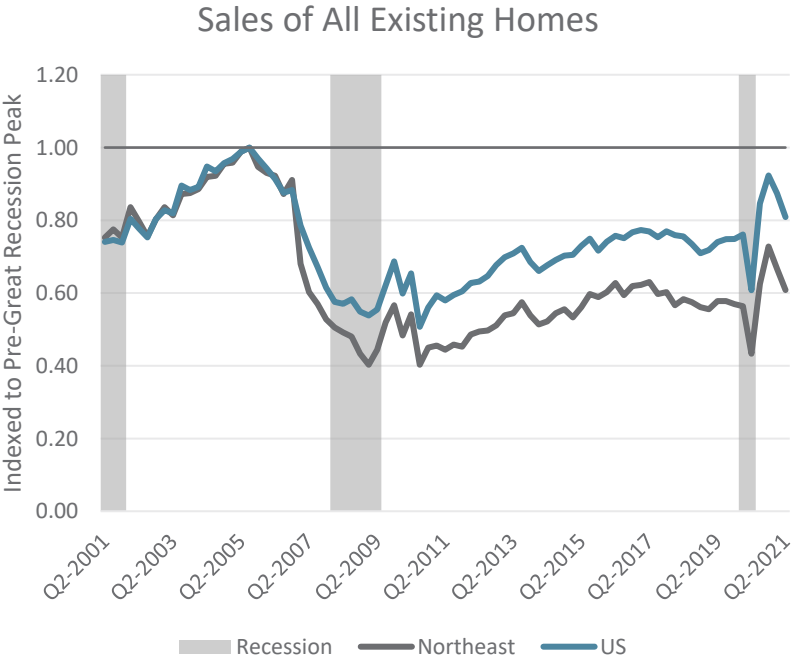
Zillow Observed Rent Index



Not seasonally adjusted

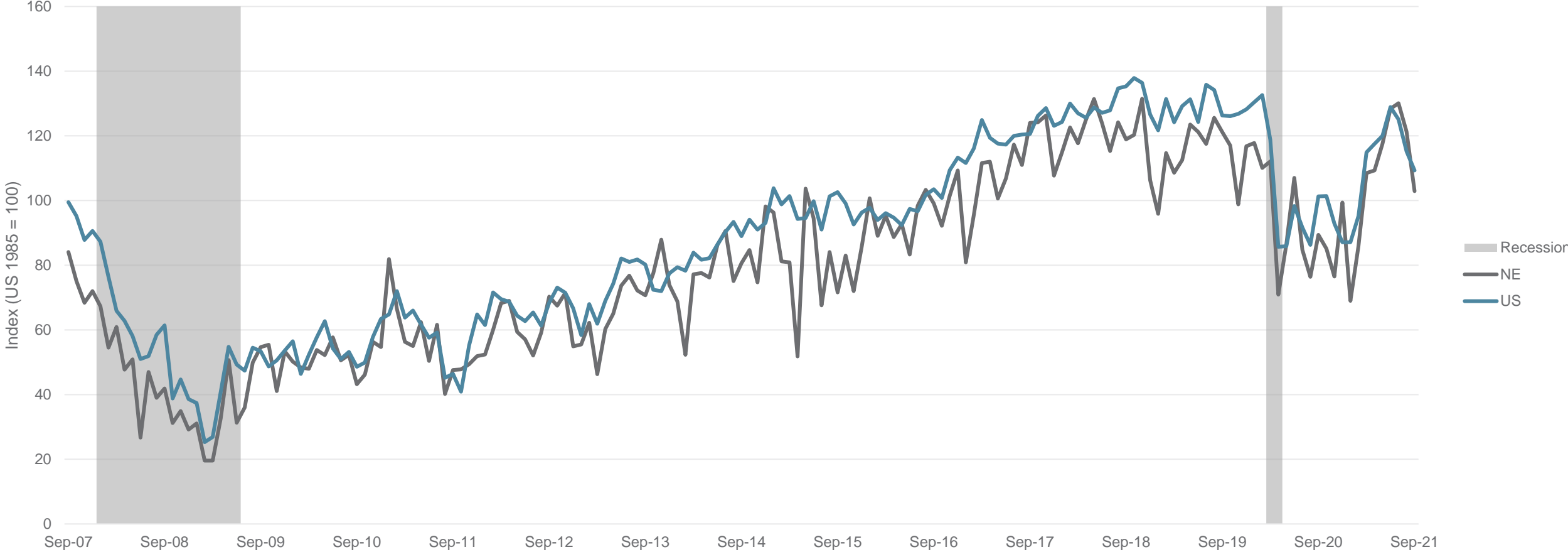
Source: Zillow Real Estate Market Reports, Haver Analytics

Housing Sales, Permits, and Starts



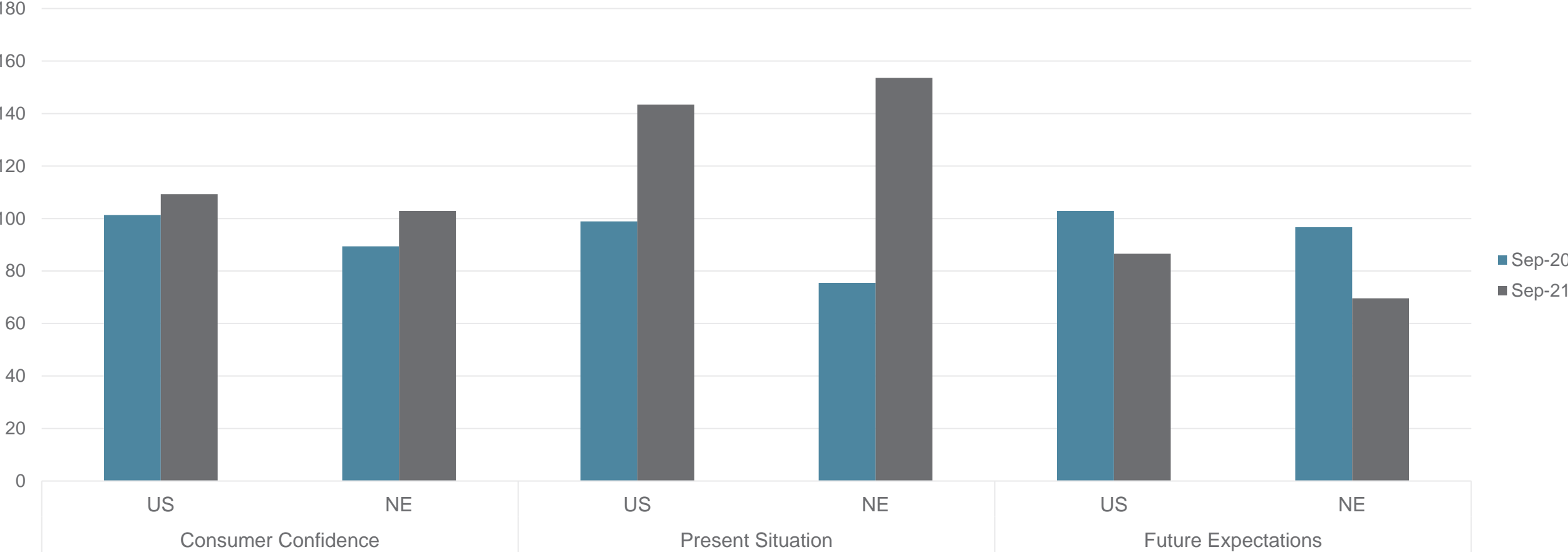
Source: Census Bureau, Bank of Tokyo-Mitsubishi UFJ, and Haver Analytics

Consumer Confidence



Source: The Conference Board, Haver Analytics

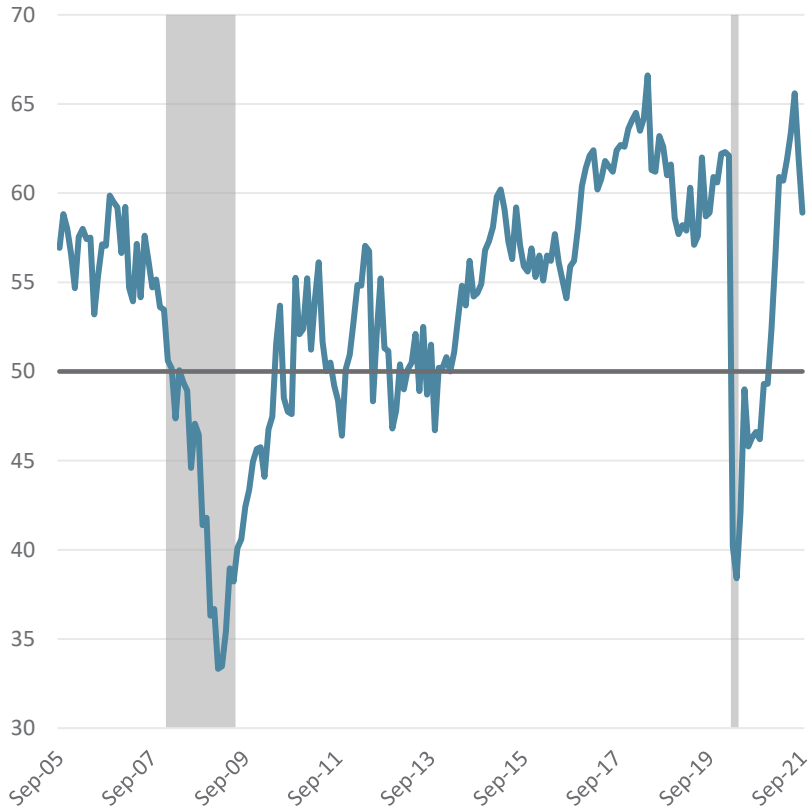
Consumer Confidence



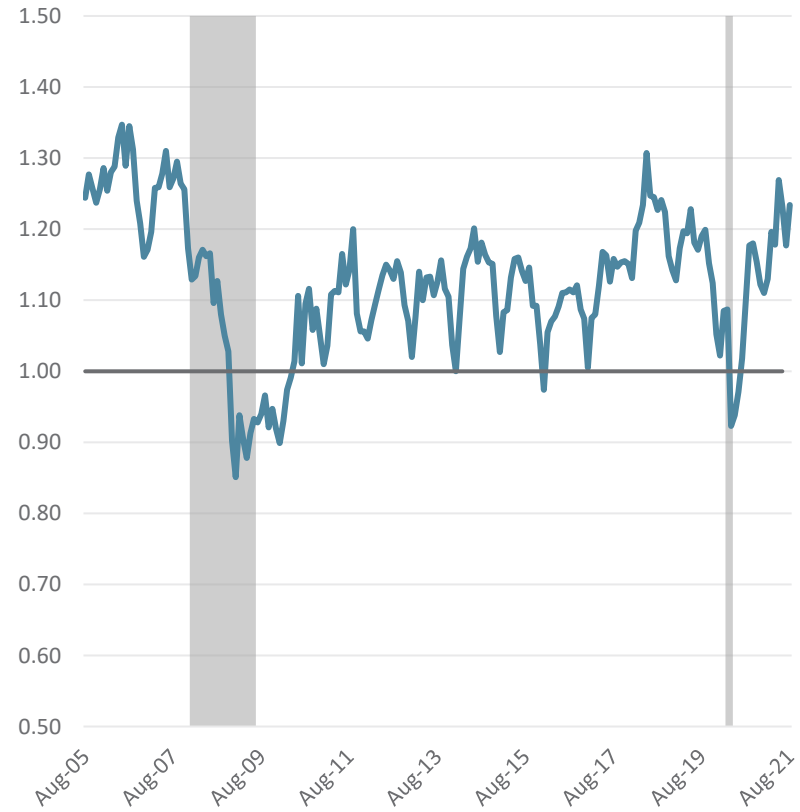
Source: The Conference Board, Haver Analytics

Business Confidence

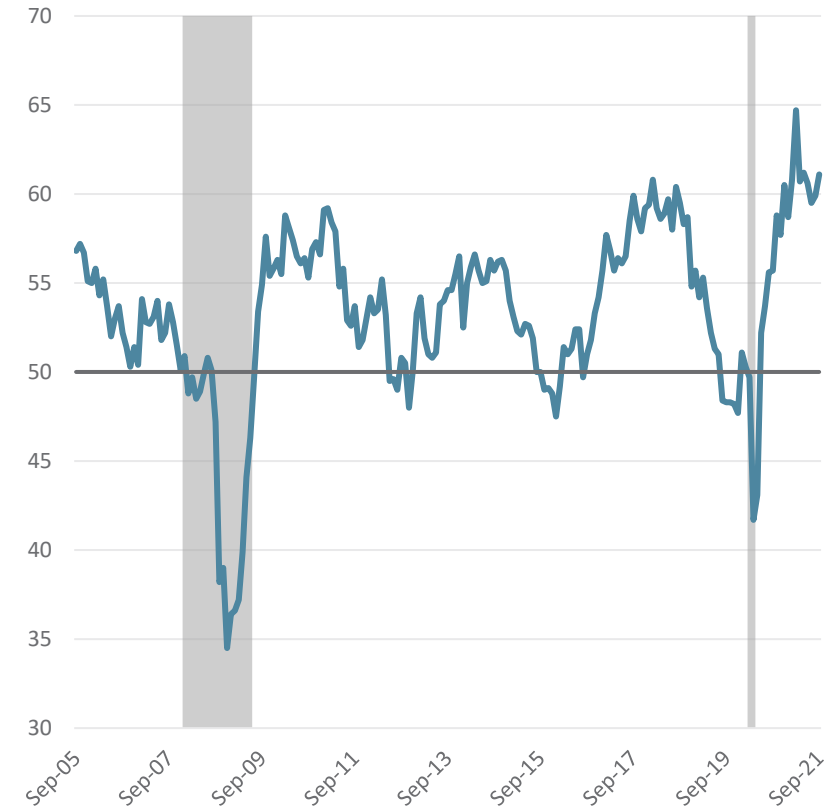
Assoc. Industries of MA



Cass Freight



ISM

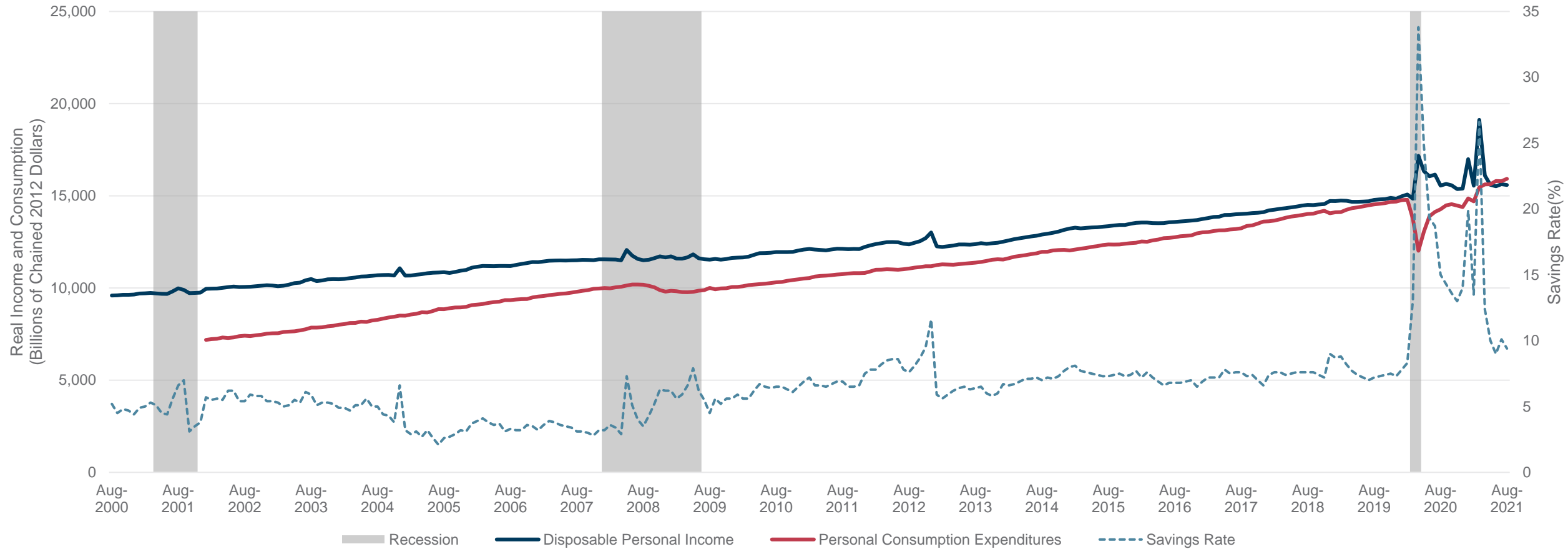


Source: Associated Industries of Massachusetts, Cass Freight and Institute for Supply Management

Concluding Observations

- ▶ The economic recovery is fully underway. Unemployment remains modestly higher than pre-pandemic levels, but price increases are occurring in multiple sectors.
- ▶ Economic policy actions were largely successful in sustaining households and business throughout the worst of the pandemic.
- ▶ Moving forward COVID-19 will pose less of a threat to the economy (and to public health) than the last 18 months, but stalled vaccination efforts and the recent variant-related surge suggest the threat remains.

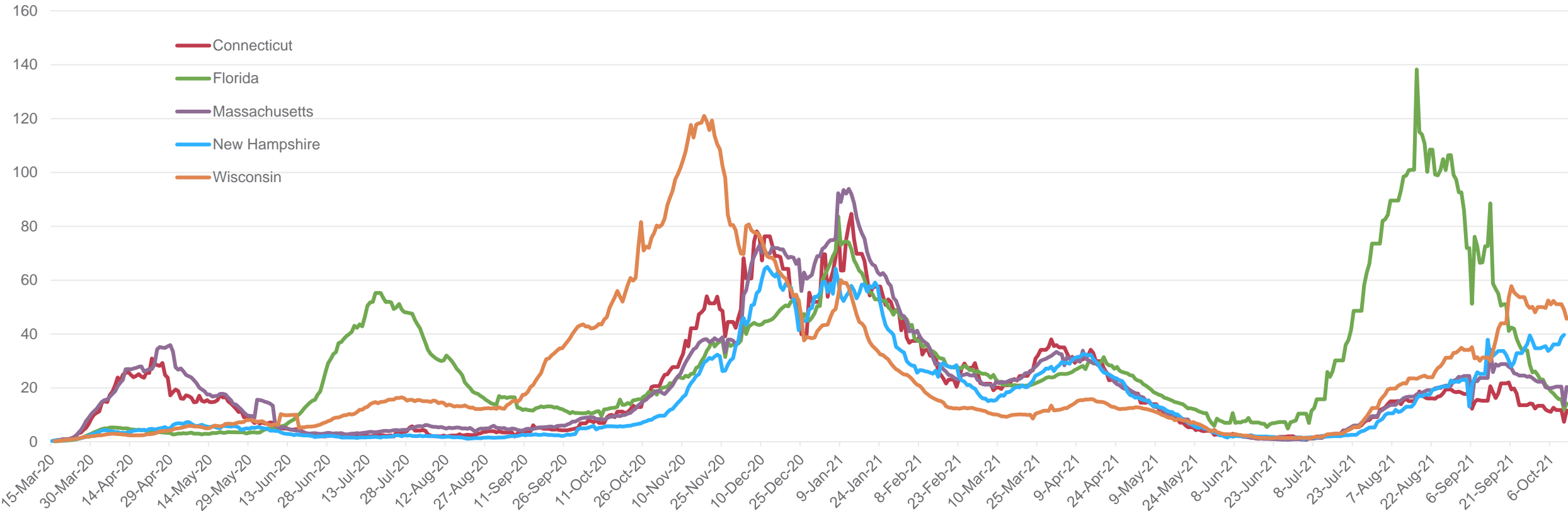
Income, Consumption, and Savings



Source: BEA NIPA Table 2.1

COVID-19 Cases per 100,000 Population

New Cases per 100,000



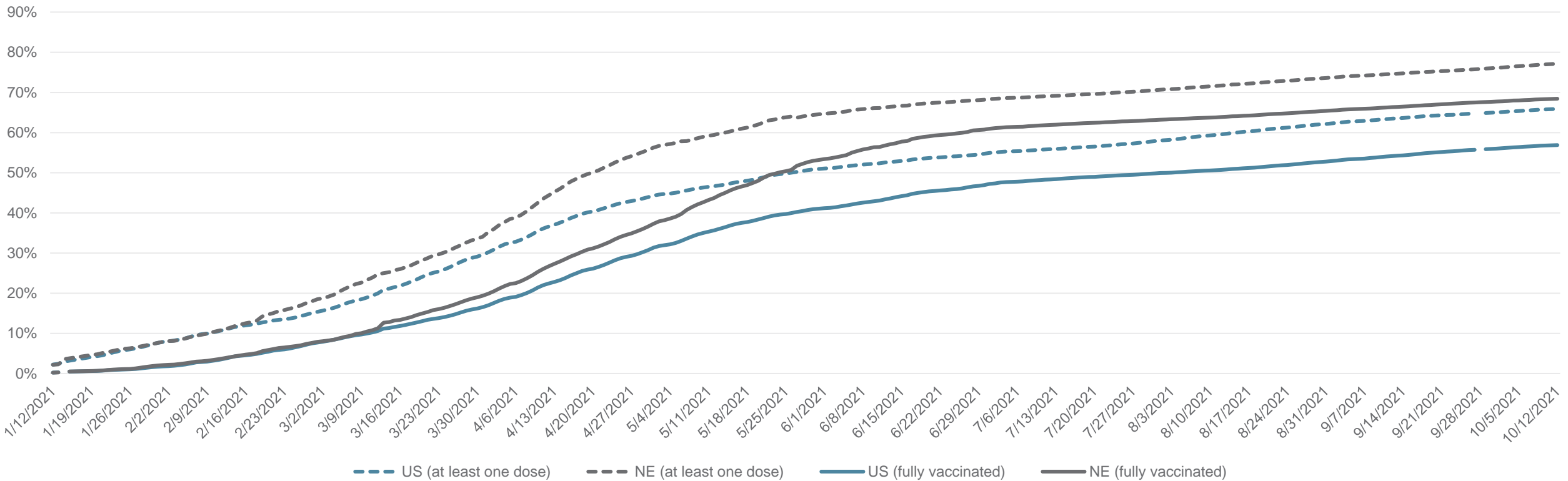
Note: New Cases are seven-day moving averages. Final day in figure is October 12, 2021

On June 4, 2021 Florida case count reported as missing due to data anomaly resulting from a format change to a weekly report and no longer including nonresident cases.

Source: NYT COVID Repository

Vaccine Distribution

Percent of population with at least 1 vaccine dose and who are fully vaccinated



Source: Our World in Data and Centers for Disease Control and Prevention

Note: Final Date in Series is October 12, 2021

Data is missing for 1/16/21, 1/17/21, 1/18/21, 2/15/21, 5/31/21, 7/5/21, 9/5/21, 9/6/21, 10/10/21, and 10/11/21. Fully vaccinated data is missing for 1/14/21. Vermont data is missing for 7/6/21-8/11/21; the value for 7/5/21 was assigned for these days. New Hampshire data is missing for 8/9/21-8/11/21; the value for 8/8/21 was assigned for these days. US data is missing for 9/28/21; this was left missing in the figure.

Thank you.

Stock Market

Dow Jones US Total Market Index
(avg 12/31/91 = 100)



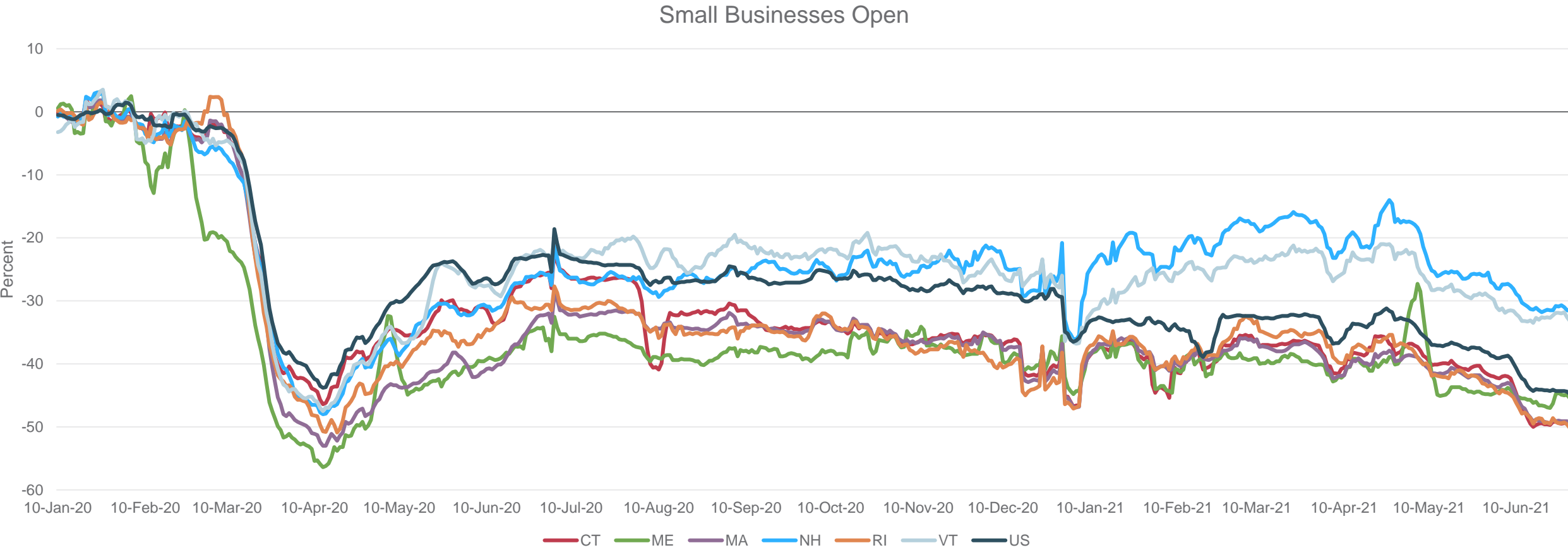
Source: Wall Street Journal and Haver Analytics

Economic Forecasts for New England

	Employment Percent change in nonagricultural employment					GDP Percent change in real GDP				
	Actual		Forecast			Actual		Forecast		
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Connecticut	0.99	-6.73	-3.42	5.10	1.45	0.92	-4.09	6.54	4.22	2.02
Maine	0.10	-5.53	0.82	2.18	1.09	2.60	-4.13	5.08	3.37	1.96
Massachusetts	0.96	-9.09	5.68	3.05	1.43	2.39	-3.79	6.26	4.33	2.42
New Hampshire	1.21	-5.61	3.69	1.57	0.56	1.41	-4.71	6.53	4.27	2.32
Rhode Island	0.57	-8.83	3.31	3.04	1.18	1.00	-4.53	6.60	4.48	2.22
Vermont	-0.37	-7.34	-1.80	1.95	0.81	0.81	-5.40	5.60	3.76	2.20
New England	0.83	-7.79	2.40	3.24	1.27	1.83	-4.05	6.28	4.23	2.27

Source: Actual Employment from BLS, forecast from Moody's September 2021 Baseline Forecast,
Actual State GDP from BEA, forecast from Moody's September 2021 Baseline Forecast

Small Businesses Open



Source: Opportunity Insights, Track the Recovery Project

Note: Data are benchmarked to January 4–31, 2020 and reflect percentage changes relative to the benchmark. Final date in series is June 30, 2021.