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New England Economic Conditions

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This memorandum reviews recent changes in economic conditions in New England based on current available data. Due to the now-resolved federal government shutdown, some public sector data (including US Bureau of Labor Statistics [BLS] data analyzing labor markets) that we regularly use for our analysis were not available. Therefore, we used alternative, private-sector data sources to assess some regional economic conditions. Accordingly, our interpretation of the findings from those sources is limited to the economic activity that the collected data can measure.

Unemployment

- Year-over-year, initial claims of unemployment insurance rose in New England but fell in the United States.
- Continued claims of unemployment insurance grew at an annual pace that was notably faster in the region than in the nation.

In the absence of recent household survey unemployment statistics from the BLS, data on unemployment insurance (UI) claims can still help indicate unemployment trends and labor market conditions, especially regarding layoff activity. Reporting from state unemployment agencies on UI claims remained available despite the Department of Labor (DOL) not publishing its related weekly summary, which includes estimates for the nation. This memo's national estimates therefore are based on private sector calculations using aggregated state information and, as applicable, applying seasonal adjustments.

Examining average weekly initial UI claims each month compared with benchmark levels, we find that relative initial claims in the region exceeded those in the nation in October 2025 (Exhibit 1). Specifically, initial UI claims in New England, which reflect newly filed requests for unemployment benefits, were 34 percent lower than their average in 1995 (a baseline year that is neither a peak nor a trough of a business cycle expansion). Corresponding claims in the United States were 37 percent lower than their 1995 average. Initial UI claims in the region and nation have remained below their 1995 averages since, respectively, July 2021 and September 2021, when initial claims were elevated due to the COVID-19 recession. Although this measure of relative claims has been higher for New England than for the country since August 2025, that comparative standing has fluctuated over the past few years. Similarly, the relative claims measure for the region itself has

vacillated in that time, exhibiting a modest annual increase since October 2024 but a moderate decrease since September 2025.¹

Focusing on year-over-year growth in average weekly initial UI claims, we find that in New England, such claims increased 2 percent in October 2025, rising from 12,234 to 12,457 (Exhibit 2). By contrast, the United States experienced a 4 percent decline in initial claims, as they fell from 236,167 to 226,766. Five of the six New England states saw growth in initial claims. That growth ranged from 1 percent in Maine to 25 percent in Vermont.² Massachusetts was the only state in the region to experience a fall in initial claims over this period, with a year-over-year decline of 2 percent. Examining year-over-year growth in the average number of continued UI claims per week, which reflects additional requests for unemployment benefits beyond an initial claim, indicates a 27 percent regional increase in October 2025 compared with a national increase of 4 percent (Exhibit 3). In levels, continued claims rose year-over-year in the region from 119,604 to 151,785, versus climbing from 1,872,241 to 1,948,764 in the nation. Across the New England states, annual growth in continued claims ranged from 6 percent in Rhode Island to 39 percent in Connecticut.

Employment and Job Openings

- Private-sector employment in New England grew year-over-year by 0.6 percent in October 2025.
- Job postings in the region continued to decline, with postings in Massachusetts falling below their February 1, 2020, baseline level.

Because recent payroll survey statistics on job growth from the BLS were not available due to the government shutdown, we used alternative sources of data on the growth of employment.³ One such prominent alternative source is the ADP Research Institute's National Employment Report. The payroll-processing firm's report is based on more than 26 million US employees in the private sector, corresponding to roughly one-fifth of the US

¹ Compared with the noted value of 0.66 in October 2025, the relative claims measure in New England was 0.65 in October 2024, 0.59 in July 2025, 0.70 in August 2025, and 0.74 in September 2025 (35 percent, 41 percent, 30 percent, and 26 percent below its historical benchmark, respectively).

² A relatively small number of average weekly initial UI claims in Vermont and New Hampshire may have contributed to those state's notable year-over-year growth in October 2025 (25 percent and 24 percent, respectively).

³ In addition to ADP, such sources include Revelio Labs (its Revelio Public Labor Statistics, which use data from public professional profiles and job postings) and the Carlyle Group (which infers trends from companies in which it owns stakes), to name a few. See ["Introducing Revelio Public Labor Statistics \(RPLS\)"](#) from the Revelio Labs website; Ben Casselman, ["The Jobs Report Is Canceled. Here's What Private Data Shows,"](#) *New York Times*, November 7, 2025; and Konrad Putzier, ["The Unofficial Jobs Numbers Are In and It's Rough Out There,"](#) *Wall Street Journal*, October 8, 2025.

private sector workforce.⁴ As of October 2025, New England exhibited modest year-over-year growth in private-sector employment (0.6 percent), lagging slightly behind corresponding growth in the United States (0.7 percent) (Exhibit 4). Annual job growth in the region for each of the past three months (August 2025 through October 2025) was consistently lower than growth in each of the preceding nine months (November 2024 through July 2025), ranging from 0.5 percent to 0.6 percent in the former case and 0.7 percent to 2.7 percent in the latter case. This pattern further suggests a softening of the regional labor market that is also indicated by trends in UI claims.

In the absence of sector-specific job growth data for New England from ADP, the October 15, 2025, Boston (First District) Beige Book Report can provide helpful anecdotal information on such labor-market trends through reports from Bank and Branch directors and interviews with key business contacts, economists, market experts, and other sources. The Beige Book notes that “cuts to federal grant funding contributed to layoffs in the education and health-care sectors” of New England.⁵ By contrast, regional employment in IT services “increased modestly, with hiring in sales and technical positions.” However, employment was recorded as unchanged in manufacturing, on balance, as well as in retail and tourism.

Alternative data sources also can be considered for job openings in the absence of recent survey data from the BLS.⁶ A key example of such a source is the Indeed Hiring Lab’s daily Job Postings Index. The online job-listing firm’s index indicates a seven-day trailing average of the change in the level of job postings on Indeed relative to the February 1, 2020, baseline.⁷ As of October 31, 2025, job postings in the nation and the New England states were continuing a general decline that has lasted more than three years (Exhibit 5). Despite this decrease, job postings in the United States remained 1.7 percent above their baseline level. For nearly every state in the region, job postings at the end of October were likewise above their baseline levels and exceeded the US growth rate in postings, ranging from 8.8 percent above the baseline in Connecticut to 21.7 percent above the baseline in Maine. Massachusetts was the sole New England state where job postings had fallen below their February 2020 benchmark (a decrease of 15.4 percent).

⁴ See [“Technical Notes”](#) from the ADP National Employment Report website and Cajner et al. (2018), “Using Payroll Processor Microdata to Measure Aggregate Labor Market Activity.” ADP applies weights to obtain a nationally representative measure of private-sector employment.

⁵ For instance, Massachusetts’ state government has estimated a loss of \$2.6 billion in terminated National Institutes of Health and National Science Foundation grants in addition to more than \$3.7 billion in state budget losses due to cuts in federal funding. See [“Impact of Trump Administration and Congressional Cuts on Massachusetts”](#) from Mass.gov; and John L. Micek, [“Mass. Has Taken a \\$3.7B Hit from Trump Admin, GOP Cuts, New State Data Show,”](#) MassLive, October 10, 2025.

⁶ Such sources include Indeed as well as Lightcast, to name two data providers.

⁷ See [“Methodology”](#) from the Indeed Job Postings Index GitHub online repository.

Inflation

- Inflation in New England was slightly higher than inflation in the United States in September 2025.
- Year-over-year price growth exhibited a slowdown in the region compared with such growth in the previous month, with the shelter and education expenditure categories contributing to the deceleration.

In September 2025, the Consumer Price Index for All Urban Consumers (CPI-U) exhibited year-over-year price growth of 3.2 percent for New England compared with a rate of 3.0 percent for the United States (Exhibit 6). While New England experienced a slowdown in the rate of annual inflation relative to such price growth in the preceding month, the nation experienced an acceleration. In the region, inflation fell by 0.5 percentage point from August 2025 to September 2025. In the nation, annual price growth grew by 0.1 percentage point over the same period.

The shelter, medical, and food expenditure categories displayed the fastest annual price growth in the region, while education was the only expenditure category to undergo a year-over-year decline (Exhibit 7). All expenditure categories experienced year-over-year growth for the United States. Core inflation (which excludes food and energy prices) in New England (3.4 percent) outpaced core inflation in the nation (3.0 percent) and was higher than the overall inflation rate in the region. This phenomenon partly reflects the rise in shelter prices (4.4 percent), which contribute relatively more to core inflation than overall inflation. Slowdowns in annual price growth for shelter (1.2 percentage points) and education (2.1 percentage points) contributed to the decline in year-over-year inflation observed in New England in September 2025 compared with August 2025.

Real Estate Markets

- In August 2025, annual house-price growth in New England was more than double the corresponding growth rate in the United States.
- In downtown and suburban Boston, office rents remained stable, while the office vacancy rate continued to increase year-over-year.

In August 2025, house prices in New England, as measured by the Federal Housing Finance Agency House Price Index, grew year-over-year by 4.7 percent, more than double the corresponding national growth rate of 2.3 percent (Exhibit 8). While regional growth in house prices modestly accelerated by 0.5 percentage point from July 2025, the pace of house-price growth in the United States fell by 0.1 percentage point over the same period.⁸

⁸ House prices in the United States appreciated at a somewhat lower rate of 1.5 percent year-over-year according to the S&P CoreLogic Case-Shiller index, with a deceleration of 0.1 percentage point from July 2025.

Still, house-price growth generally declined in New England and the United States from February 2024. At that time, house prices had grown in the region (11.0 percent) and nation (7.1 percent) at the highest annual rates since late 2022.

By contrast, office rents in the commercial real estate market rose minimally from late 2022, as measured by a Rent Index from CB Richard Ellis. From the third quarter of 2022 to the third quarter of 2025, office rents grew moderately in the Boston area (1.0 percent downtown and 2.1 percent suburban) as well as the nation (2.6 percent downtown and 2.2 percent suburban) (Exhibit 9). Over a more recent period, 2024:Q3 to 2025:Q3, the growth rate of office rents was largely stagnant in Boston (year-over-year growth of –0.2 percent downtown and 0.1 percent suburban), with more pronounced growth in the United States (year-over-year increase of 1.9 percent downtown and 1.0 percent suburban).⁹

Aligning with the slow growth in office rents, the prevalence of office vacancies has generally climbed in recent years, leading to high vacancy rates in the third quarter of 2025 in both Boston (17.8 percent downtown and 19.1 percent suburban) and the United States (19.5 percent downtown and 18.3 percent suburban) (Exhibit 10). However, while recent office vacancy rates have grown annually in Boston (growth rates of 10.6 percent downtown and 6.1 percent suburban), vacancy rates have declined year-over-year in the nation (growth rates of –0.5 percent downtown and –2.1 percent suburban), suggesting shifts in supply can help explain the observed patterns in office rents.

Consumer Confidence

- Consumers in both New England and the United States were less confident in October 2025 than they were a year earlier.
- In the region, sentiment about the present and expectations about the future both declined.

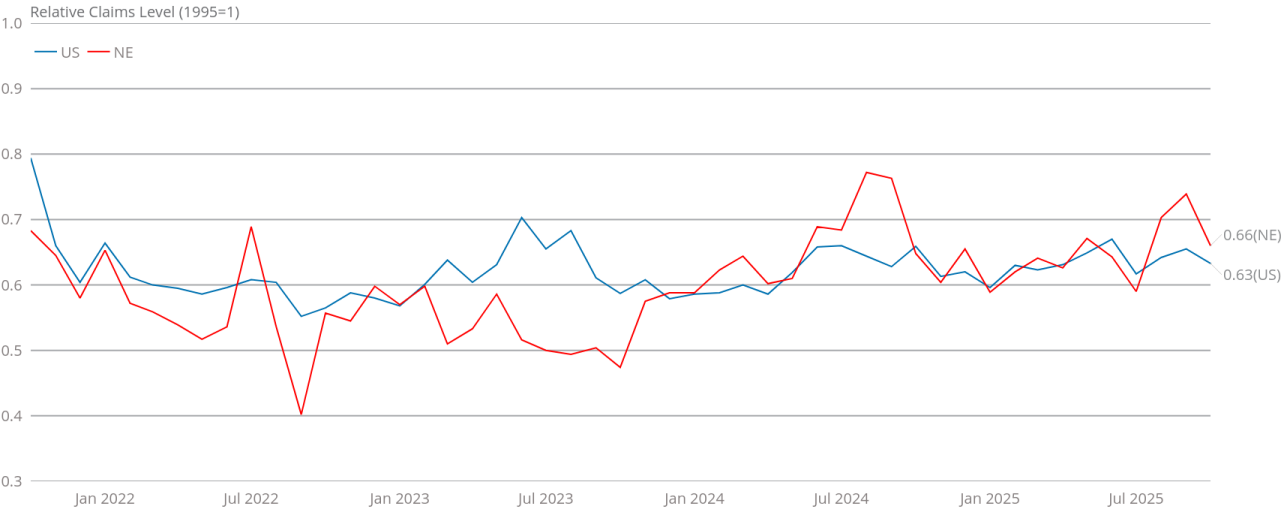
Consumer confidence, according to the Conference Board's Consumer Confidence Index, was lower in October 2025 compared with one year earlier in both New England and the United States (Exhibit 11). The year-over-year decline in consumer sentiment was larger in the region than in the nation. For both the region and the nation, the decline in consumer confidence reflected diminished sentiment about the present as well as lowered expectations about the future (Exhibit 12). Both components saw greater year-over-year declines in New England compared with the United States. Relative to how they felt in the

⁹ [The Boston \(First District\) Beige Book Report on October 15, 2025](#), likewise indicates that "office rents were flat" in the region and additionally notes that "operating costs continued to rise."

preceding month, consumers in October indicated continued worries about inflation and an uptick in concerns about the federal government shutdown.¹⁰

¹⁰ ["US Consumer Confidence Virtually Unchanged in October."](#) Conference Board press release, October 28, 2025."

EXHIBIT 1:
**Initial UI Claims for Unemployment Insurance
to October 2025**



Source(s): US Department of Labor/Haver Analytics
Note(s): Data are seasonally adjusted. First data point after a year label represents January of that year. Gray bar(s) indicates recession(s).

EXHIBIT 2:
**Average Number of Unemployment Insurance Initial Claims per Week
to October 2025**

	October 2025	October 2024	Percentage Change
United States	226,766	236,167	-4
New England	12,457	12,234	2
Connecticut	3,446	3,395	2
Maine	641	635	1
Massachusetts	6,169	6,307	-2
New Hampshire	545	440	24
Rhode Island	1,170	1,069	9
Vermont	485	387	25

Source(s): US Department of Labor/Haver Analytics.
Note(s): Data are seasonally adjusted.

EXHIBIT 3:

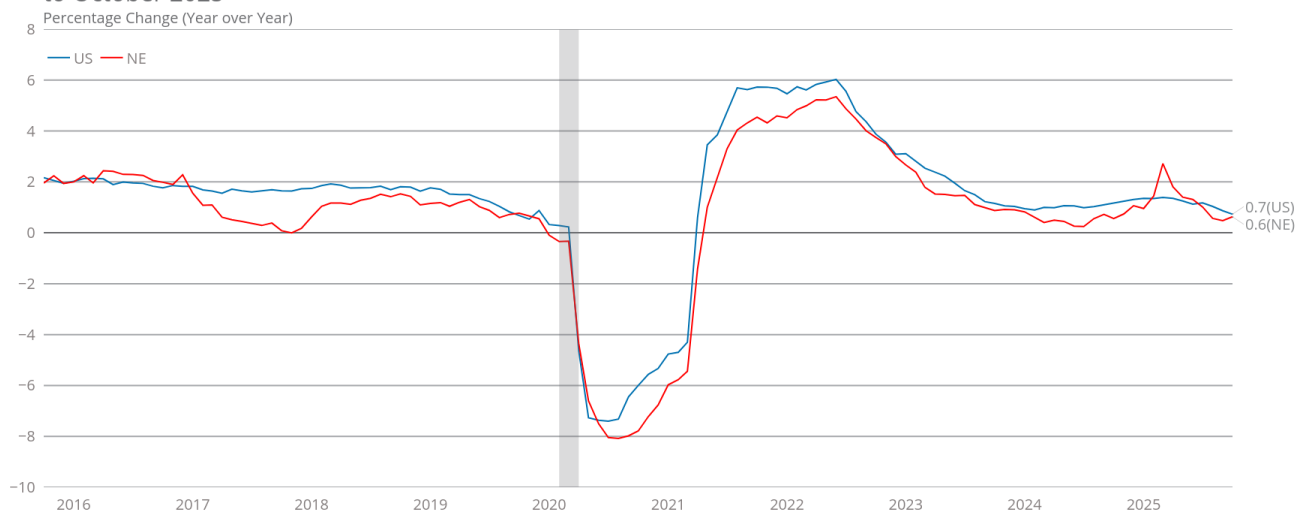
Average Number of Unemployment Insurance Continued Claims per Week to October 2025

	October 2025	October 2024	Percentage Change
United States	1,948,764	1,872,241	4
New England	151,785	119,604	27
Connecticut	39,037	28,130	39
Maine	7,590	6,504	17
Massachusetts	85,575	67,517	27
New Hampshire	4,776	3,889	23
Rhode Island	11,565	10,886	6
Vermont	3,241	2,678	21

Source(s): US Department of Labor/Haver Analytics.
Note(s): Data are seasonally adjusted.

EXHIBIT 4:

Employment Growth to October 2025



Source(s): ADP Research Institute/Haver Analytics.
Note(s): Data are seasonally adjusted. Gray bar(s) indicates recession(s).

EXHIBIT 5:

Job Postings in United States and New England States to October 31, 2025



EXHIBIT 6:

Consumer Price Index to September 2025

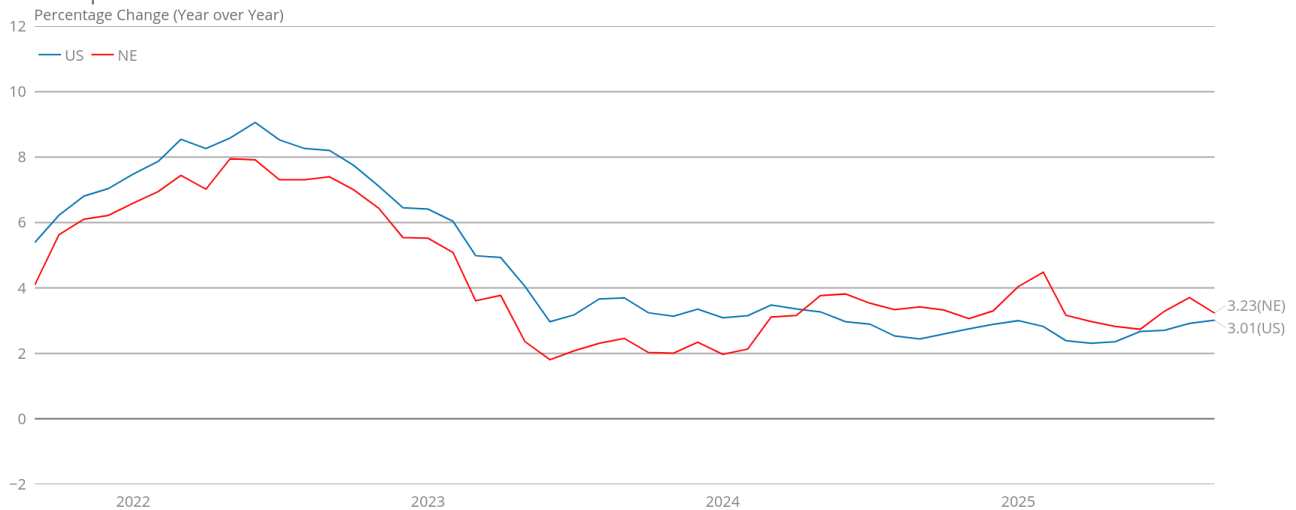


EXHIBIT 7:

Percentage Changes in Consumer Prices to September 2025

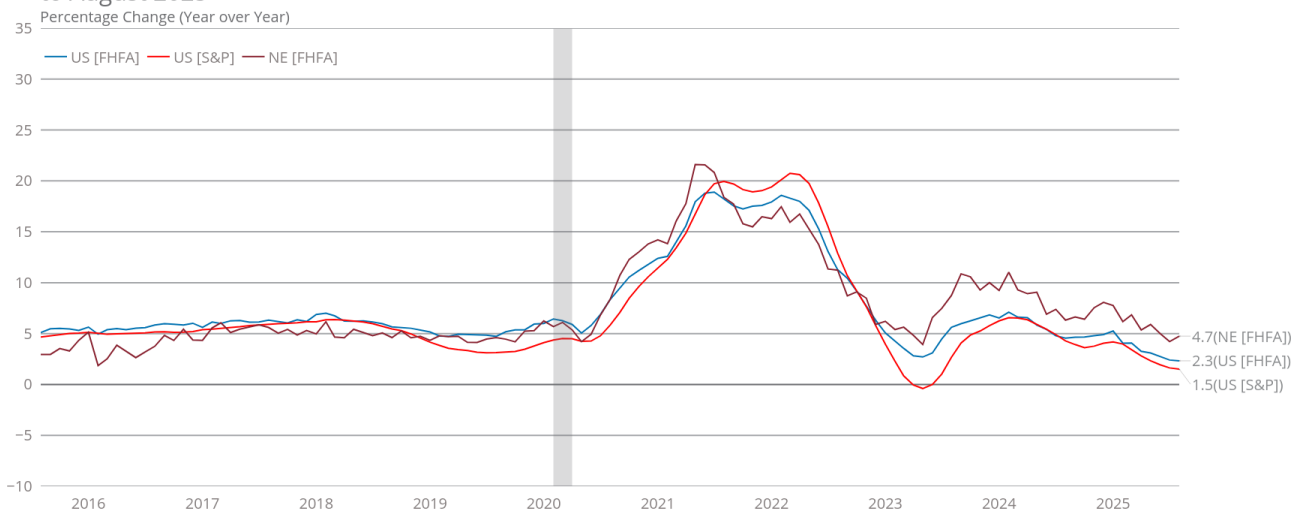
	United States (%)		New England (%)	
	Last Month August 2025	Last Year September 2024	Last Month August 2025	Last Year September 2024
All Items	0.3	3.0	-0.1	3.2
All, Less Food/Energy	0.3	3.0	-0.3	3.4
Shelter	0.2	3.6	-1.0	4.4
Medical	0.2	3.3	0.5	3.7
Food	0.3	3.1	0.7	3.2
Transportation	0.1	1.7	0.4	2.4
Recreation	0.3	3.0	0.2	1.8
Education	0.2	0.4	-0.1	-0.5

Source(s): US Bureau of Labor Statistics/Haver Analytics.

Note(s): The New England Fuel & Utilities series was discontinued as of December 2024, and thus Fuel and Utilities is no longer included separately.

EXHIBIT 8:

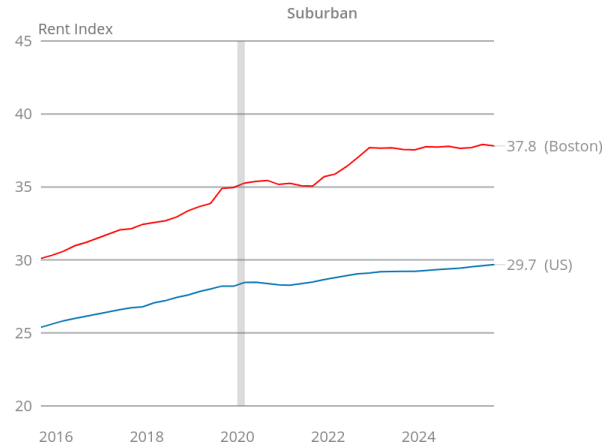
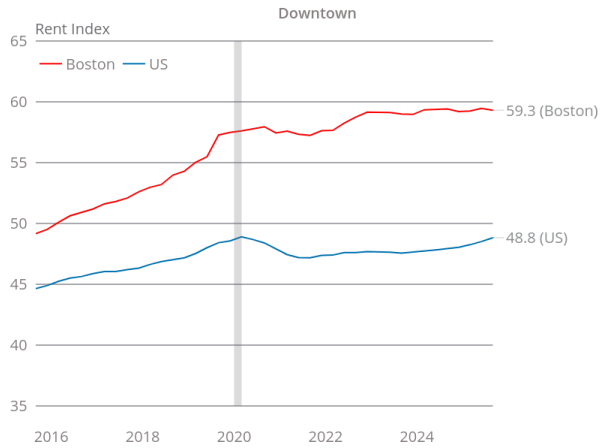
Purchase-only House Price Indexes to August 2025



Source(s): Federal Housing Finance Agency and S&P CoreLogic Case-Shiller, Fiserv, and MacroMarkets LLC/Haver Analytics.

Note(s): Data are seasonally adjusted. First data point after a year label represents January of that year. Gray bar(s) indicates recession(s).

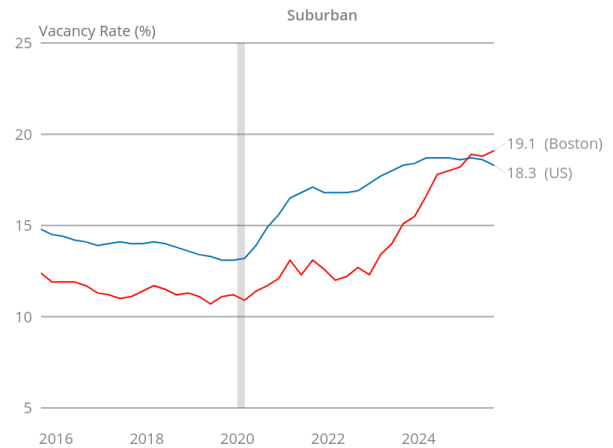
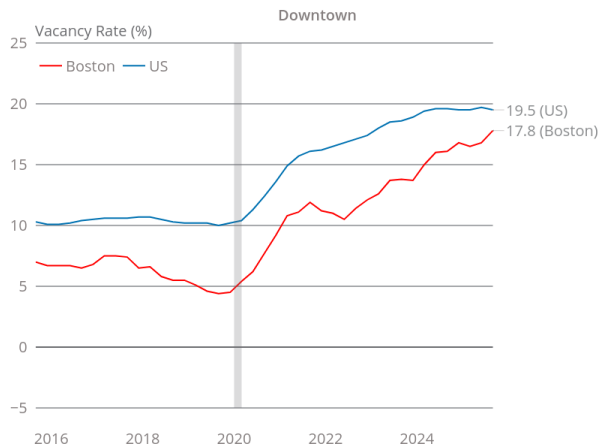
EXHIBIT 9:
Office Rents
to September 2025



Source(s): CB Richard Ellis.

Note(s): Data are compiled from a survey of office-building owners and weighted by the number of square feet available for lease in the submarket with the respective rent type. Data are presented in current dollars and are therefore not adjusted for inflation. First data point after a year label represents first quarter of that year. Gray bar(s) indicates recession(s).

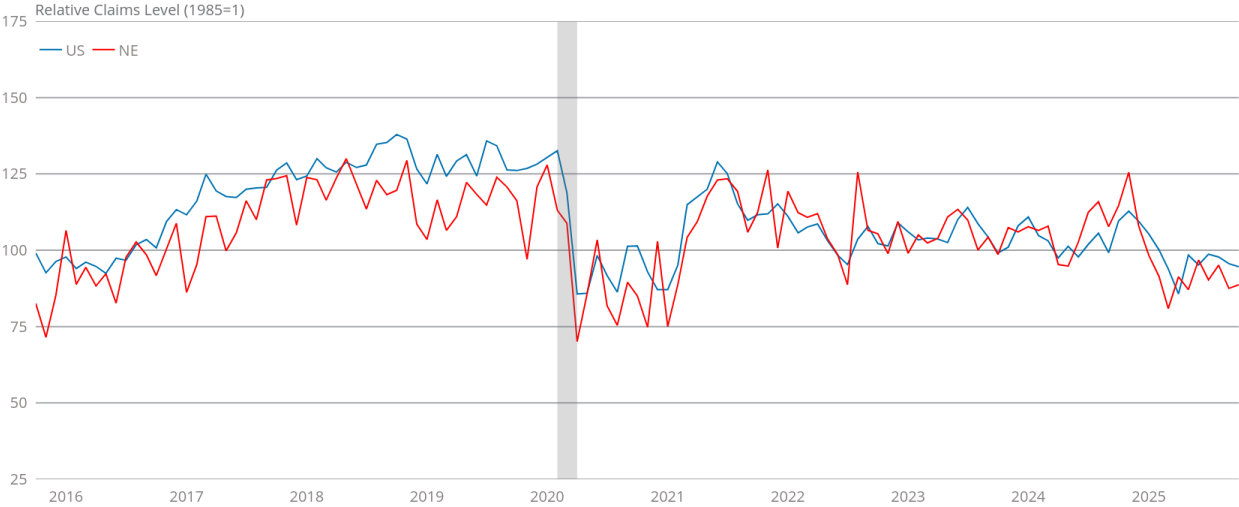
EXHIBIT 10:
Office Vacancies
to September 2025



Source(s): CB Richard Ellis.

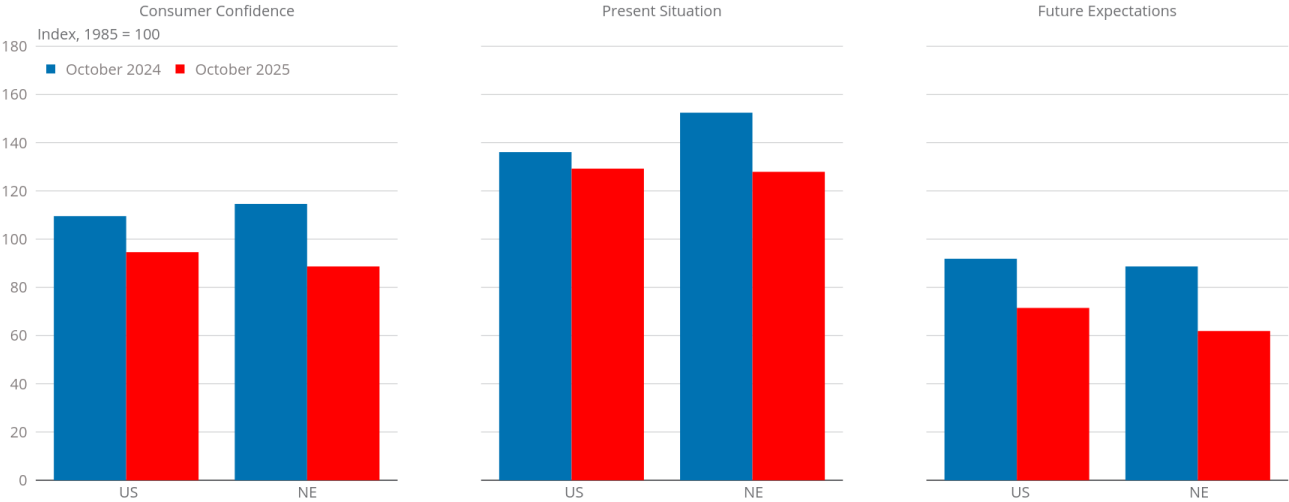
Note(s): Office vacancy rate is a percentage representing vacant office space for lease divided by the total square footage of office space. First data point after a year label represents first quarter of that year. Gray bar(s) indicates recession(s).

EXHIBIT 11:
US NE Consumer Confidence Index®
to October 2025



Source(s): The Conference Board/Haver Analytics.
Note(s): Data are seasonally adjusted. First data point after a year label represents January of that year. Gray bar(s) indicates recession(s).

EXHIBIT 12:
Consumer Confidence Index®
to October 2025



Source(s): The Conference Board Index/Haver Analytics.
Note(s): Data are seasonally adjusted.