

# New England Economic Snapshot

June 2010

## Summary

Gains are visible in New England across a wide range of economic indicators. Employment has grown in every month of 2010 to date (through May). The region's jobless rate has begun to edge down (for three months so far), and initial

unemployment claims have been trending down for a year. Unlike the 1990 and 2001 recessions, the region seems to have seen less job loss than the nation this time around and appears to be beginning its recovery in synch with—instead of later than—the nation.

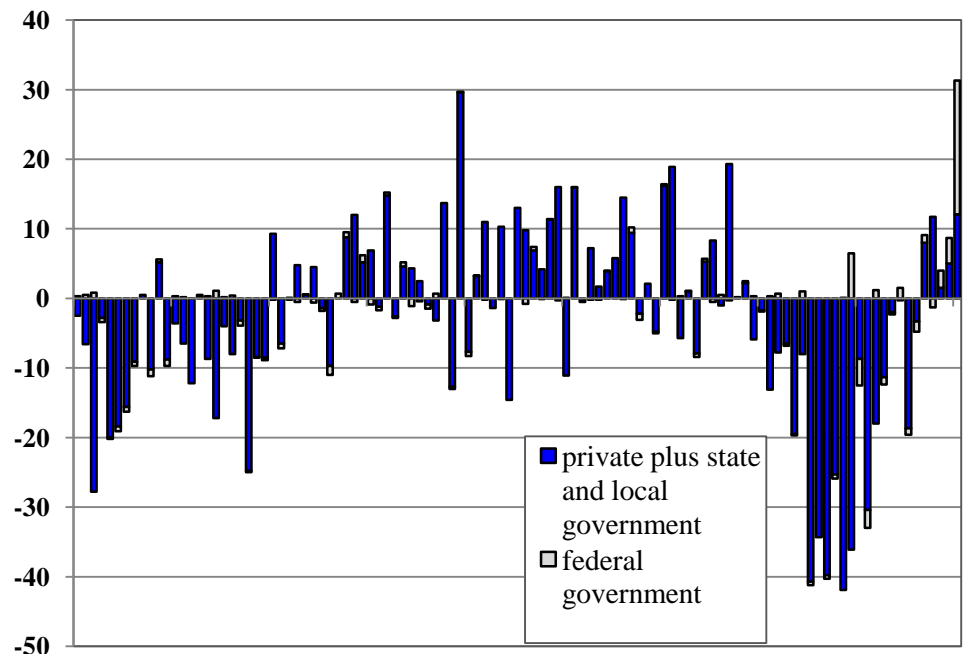
### New England Payroll Employment Expands

New England payroll employment expanded by a whopping 31,300 between April and May, with job growth occurring in five of the six states (Vermont's employment held constant). Massachusetts saw a gain of 15,800 jobs in May, following April's increase of 18,700.

However, as was the case in the nation in May, much of the employment gain was for temporary Census hiring. The federal government added 19,200 jobs in the New England states in May, almost two-thirds of the region's total monthly job gain. Nonetheless, region-wide private sector jobs also rose in the month and the year-over-year pace of decline of private employment moderated. (The graph separates changes in federal government employment from those of other employment.)

### Monthly Employment Change in New England

Thousands of Jobs



May-01 May-02 May-03 May-04 May-05 May-06 May-07 May-08 May-09 May-10

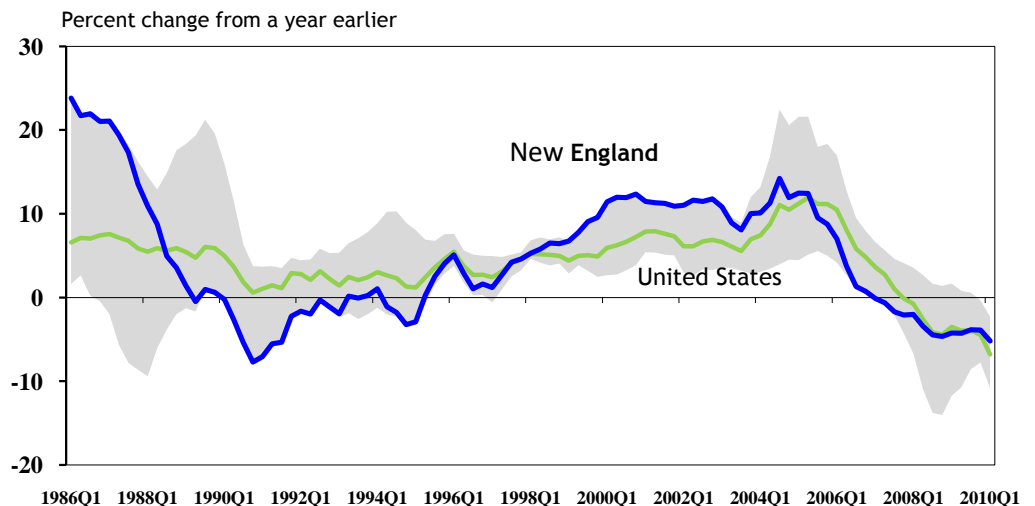
Source: U.S. Bureau of Labor Statistics.

### Home Prices Softened in First Quarter

Home prices, at least as measured by the FHFA, softened in the first quarter. The FHFA home price index declined from Q4 to Q1 in the nation, the region, and all six states, and after about a year and a half of relative stability, the year-over-year change became more negative, coming in at -6.8 percent in the United States and -5.2 percent in New England.

The FHFA home price indexes also deteriorated in most metropolitan areas in New England in the first quarter.

### FHFA House Price Indexes (Not seasonally adjusted)



Note: Shaded area represents the range of values among the nine U.S. Census Divisions in each quarter.

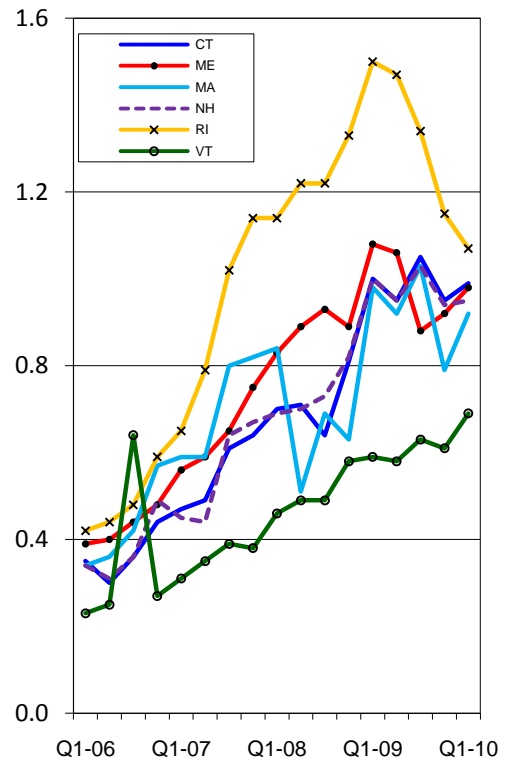
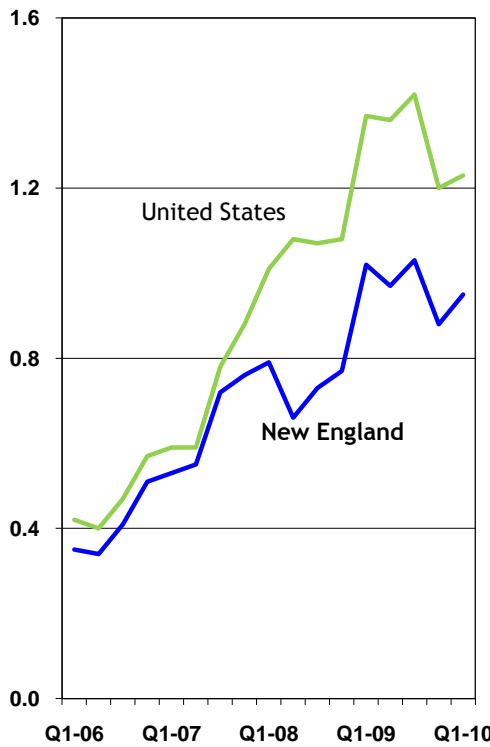
Source: Federal Housing Finance Agency

### Foreclosure Rates Down Year-over-Year

Foreclosure rates rose in the nation and New England in the first quarter, but remain below their year-earlier levels. In addition, foreclosures continue to be lower regionally than nationally. Foreclosure initiation rates are converging across the New England states: Rhode Island's rate remains the highest in New England but has declined in each of the last four quarters. Vermont's foreclosure initiations continue to claim the smallest fraction of loans, but are climbing fairly steadily.

### Foreclosures Started, All Loans

Foreclosures initiated in quarter, as a percent of loans in pool.



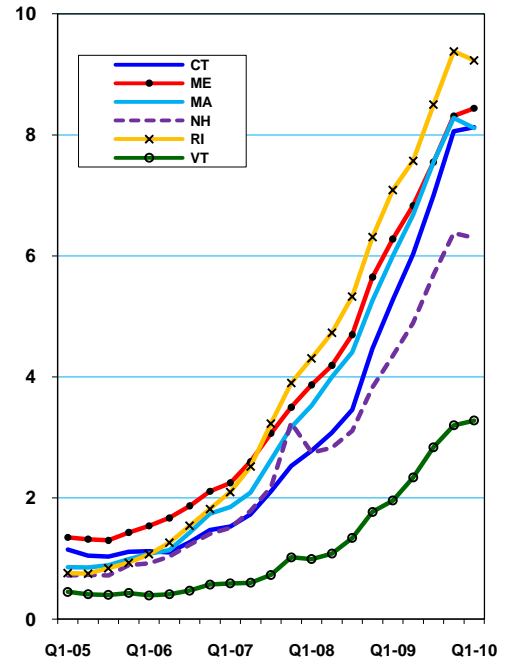
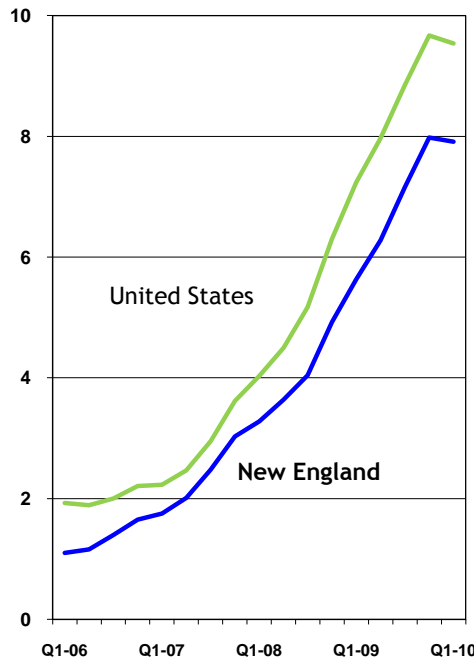
Source: Mortgage Bankers Association / Haver Analytics

### Delinquent Loans Declined Nationally and Regionally

Seriously delinquent loans (mortgages with payments 90 or more days past due or in foreclosure), declined in the first quarter nationally and regionally, showing the first break in their steady rise since 2006. The drop-off reflects a decline in mortgages 90+ days past due, not the foreclosure inventory. Delinquency remains high, however, with the percent of seriously delinquent loans greater nationally than in New England.

### Seriously Delinquent Mortgages

Mortgages with payments 90 days past due plus inventory of mortgages in foreclosure, as a percent of loans in pool.



Source: Mortgage Bankers Association / Haver Analytics