

New England Economic Snapshot

March 2010

Summary

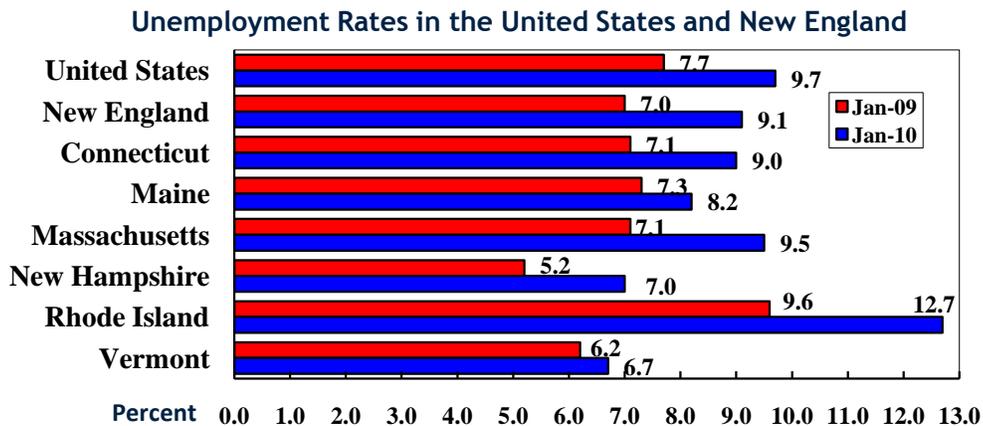
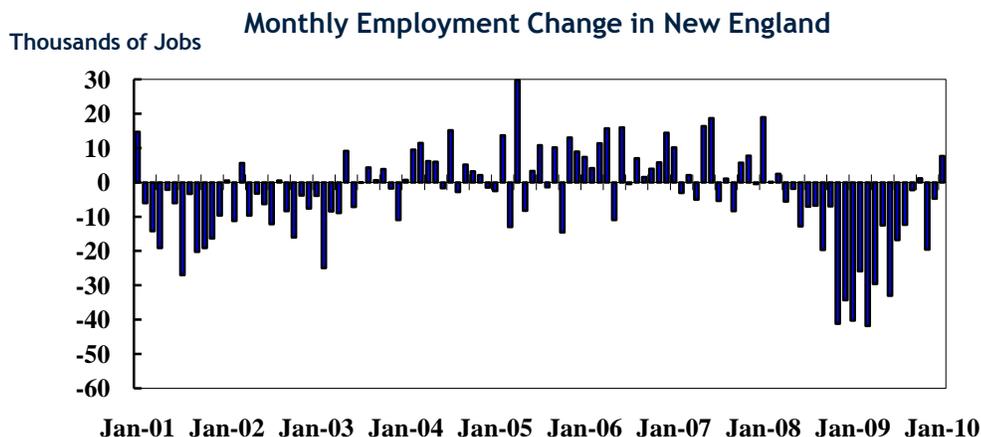
The New England labor market shows some signs of strengthening. Payroll employment rose in January, job postings were up from a year ago in February, and initial unemployment filings dropped through yearend 2009.

While home construction is picking up and home prices are stabilizing, rising mortgage delinquencies, weak consumer and business confidence, and the pending expiration of national homebuyer tax incentives tend to pose obstacles for New England's economic recovery.

New England Payroll Employment Expands

New England's payroll employment expanded by 7,700 jobs from December 2009 to January 2010. This was only the second month-to-month increase since the regional job count peaked in March 2008. Nationally, 26,000 jobs were lost from December to January, and another 36,000 were lost from January to February.

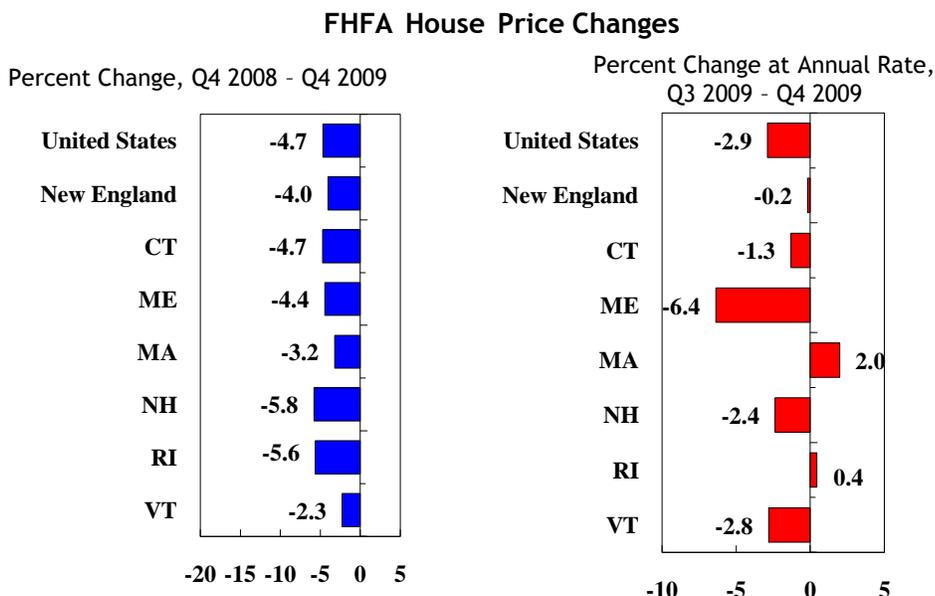
New England's unemployment rate rose to a cyclical high of 9.1 percent in January, while the national jobless rate dropped to 9.7 percent, its first decline since April 2008. Vermont (6.7 percent) and New Hampshire (7.0 percent) had the lowest jobless rates in the region as of January. Rhode Island (12.7 percent) had the highest unemployment in New England and the third highest in the nation (after Michigan and Nevada).



Source: U.S. Bureau of Labor Statistics.

New England house prices stable

After falling for nearly three years, New England house prices were little changed in the final quarter of 2009 from their level in the prior quarter. Fourth-quarter home prices were 4 percent below year-earlier levels in the region, somewhat smaller than the 4.7 percent national rate of decline. The latest data indicate significantly less geographic variation in rates of home price depreciation than existed in 2008. Year-over-year decrease in prices ranged from 2 to 3 percent in Vermont and Massachusetts to over 5-1/2 percent in Rhode Island and New Hampshire.



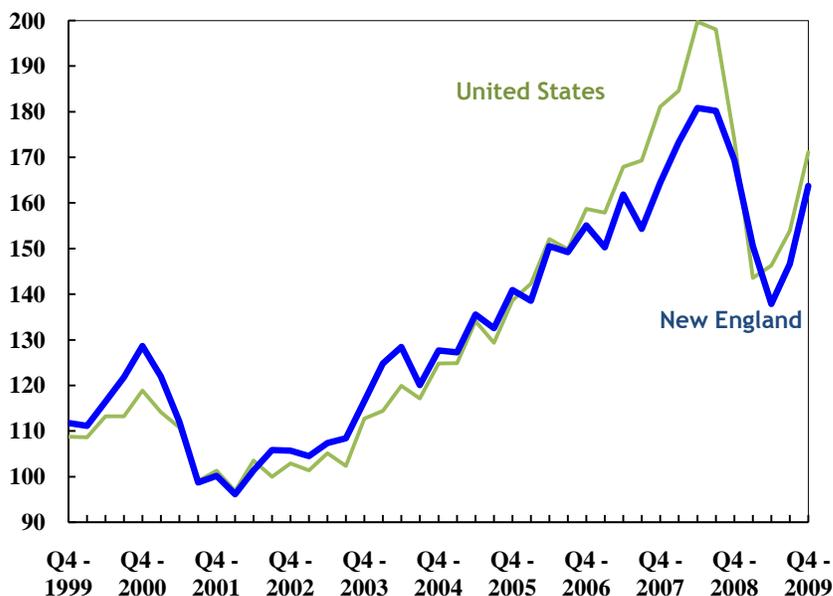
Source: Federal Housing Finance Agency

Exports Rose from Third Quarter Levels

Exports grew from the third quarter to the fourth quarter of 2009 for both New England and the nation, but were down slightly from their fourth-quarter 2008 levels, by 3.3 percent and 1.6 percent, respectively. Most of the New England states posted little change in merchandise exports between fourth quarter 2008 and fourth quarter 2009. However, Maine and New Hampshire experienced sharp declines over this period.

The New England region saw increases in exports for only three industries from the fourth quarter of 2008 to the fourth quarter of 2009: primary metal manufacturing (38 percent), waste and scrap (9 percent), and machinery (6 percent). Declines ranged from less than 1 percent in computer and electronic products to 23 percent in chemicals.

Merchandise Exports Index 1997 = 1



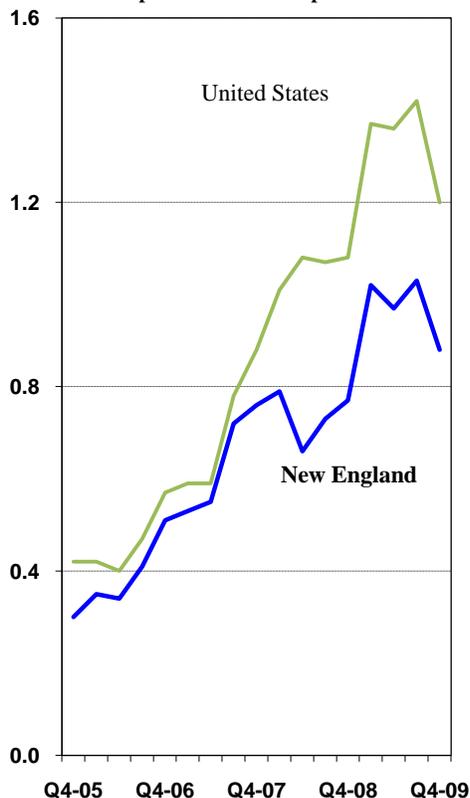
Merchandise Exports is Origin of Movement data reported quarterly by the World Institute for Strategic Economic Research (WISER) based on trade data compiled by the U.S. Census Bureau, Foreign Division

Foreclosure Initiations Fell; Serious Delinquencies Rose

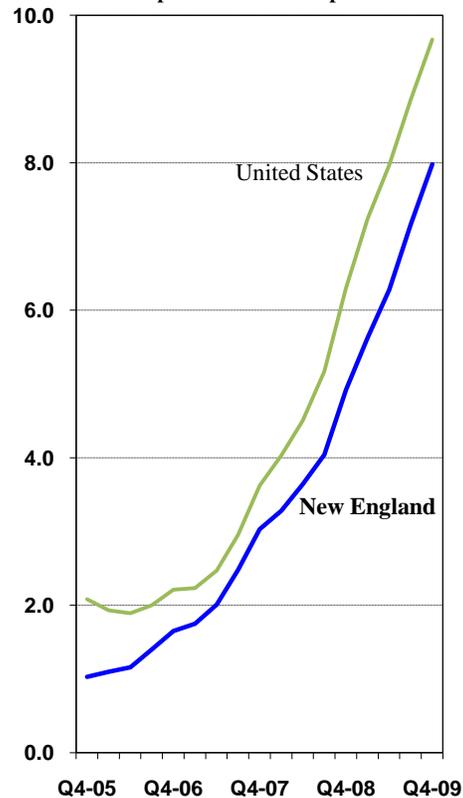
In both New England and the United States, foreclosure initiations fell slightly as a share of outstanding loans in fourth quarter 2009 from their all-time peaks in the prior quarter. New England's foreclosure initiation rate, 0.9 percent, remained below the national rate of 1.2 percent. Within New England, foreclosure initiation rates in Q4 2009 ranged from 0.6 percent in Vermont to 1.2 percent in Rhode Island. All of these state rates were below their recent peaks.

The rates of seriously delinquent mortgages (90 days past due or in foreclosure) set new highs nationally and in each of the New England states. Eight percent of all home mortgages in New England were seriously delinquent in the fourth quarter of 2009.

Foreclosures Started, All Loans as percent of loans in pool



Seriously Delinquent Mortgages as percent of loans in pool



Source: Mortgage Bankers Association/Haver Analytics

