

# New England Economic Snapshot

January 2011

## Summary

New England's recovery is continuing, but not gaining speed; the region still appears to be performing somewhat better than the nation as a whole. While payroll employment in New England declined from October to November, it remained

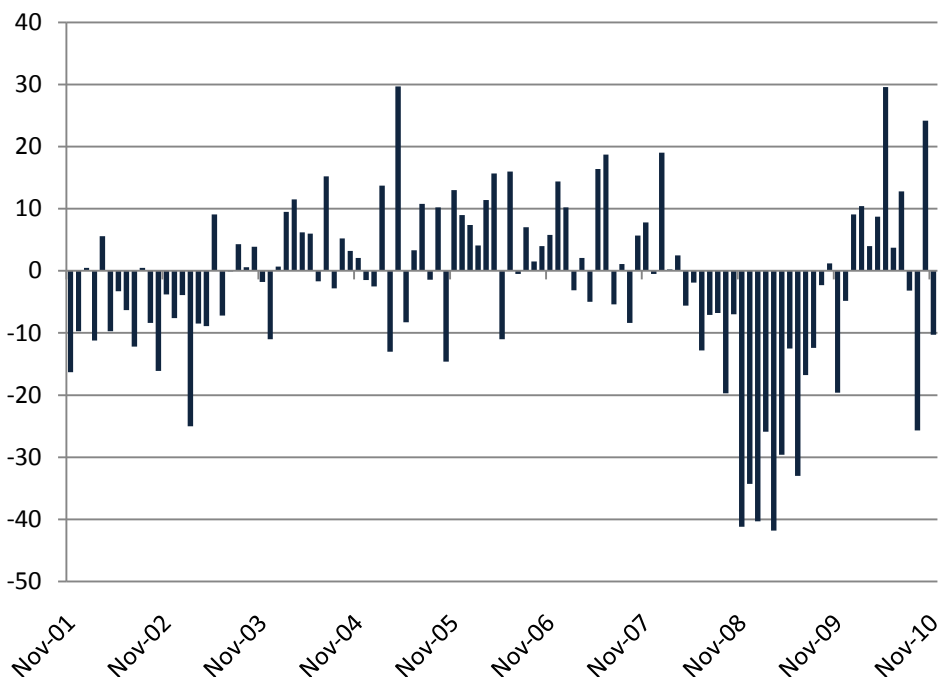
above its year-earlier level; indeed, the year-over-year growth rate picked up and at 0.9 percent, exceeds the nation's over-the-year job gains of 0.7 percent. The signals from the regional housing markets remain mixed. Construction related indicators are still weak but there are signs of improvement, more so in New England than the nation.

### Employment:

Within New England, five of the six states saw job losses in November, with Connecticut the only state continuing to add jobs. Massachusetts alone lost 8,600 jobs — the second-largest over-the-month decline in the nation.

Nonetheless, four of the six states remain ahead of their year-earlier employment levels, with New Hampshire continuing as the region's fastest growing state at 2.8 percent year-over-year employment growth. By contrast, Vermont slipped back into negative territory, and Rhode Island's employment total is down 0.7 percent from November 2009; the pace of job loss, however, continued to moderate, with the state posting smaller year-over-year rates of decline in November than preceding months. Among New England industries, construction continued to show the steepest year-over-year job losses while professional and business services expanded most strongly.

Monthly Employment Change in New England



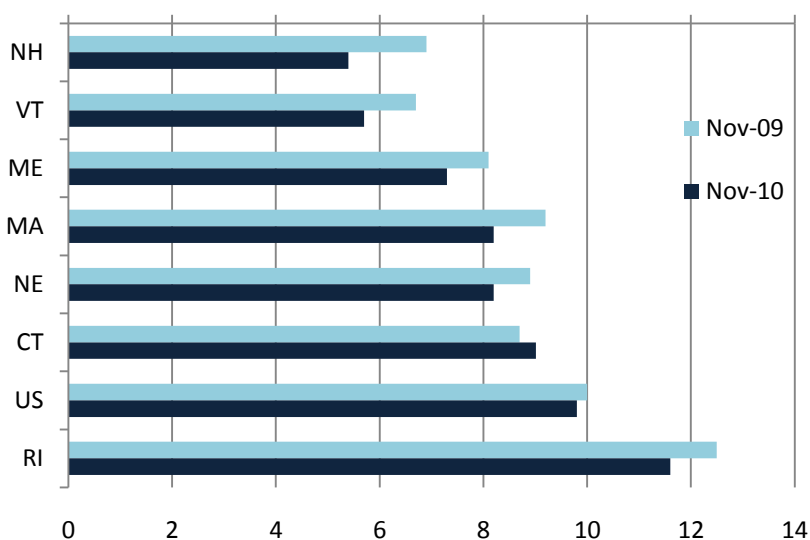
Source: U.S. Bureau of Labor Statistics/Haver Analytics.  
Note: Data are seasonally adjusted.

### Unemployment:

New England's unemployment rate held steady at 8.2 percent in November, down from its year-earlier level of 8.9 percent and its February peak of 9.2 percent. Nationally, unemployment came in at 9.8 percent in November, up from its October level of 9.6 percent and down from its year-earlier level of 9.9 percent. (The national unemployment rate fell to 9.4 percent in December).

New England's labor force participation rate and employment-population ratio increased slightly in November, up 0.2 and 0.1 percentage points, respectively; the region's participation rate remains below its year-earlier level, while the employment-population ratio is up slightly, with the drop in joblessness more than offsetting the decline in participation.

Unemployment Rates in New England



Source: U.S. Bureau of Labor Statistics/Haver Analytics.  
Note: Data are seasonally adjusted.

**Personal Income:**

Through the third quarter of 2010, both New England and the nation saw further improvement in personal income and wage and salary disbursements with 3.1 percent year-over-year growth in personal income in New England and 3.6 percent nationally.

Within New England, Vermont posted the strongest year-over-year growth in both personal income and wage and salary disbursements. Meanwhile, Connecticut showed the weakest year-over-year growth in personal income and Maine showed the weakest wage and salary growth.

**Consumer Price Index:**

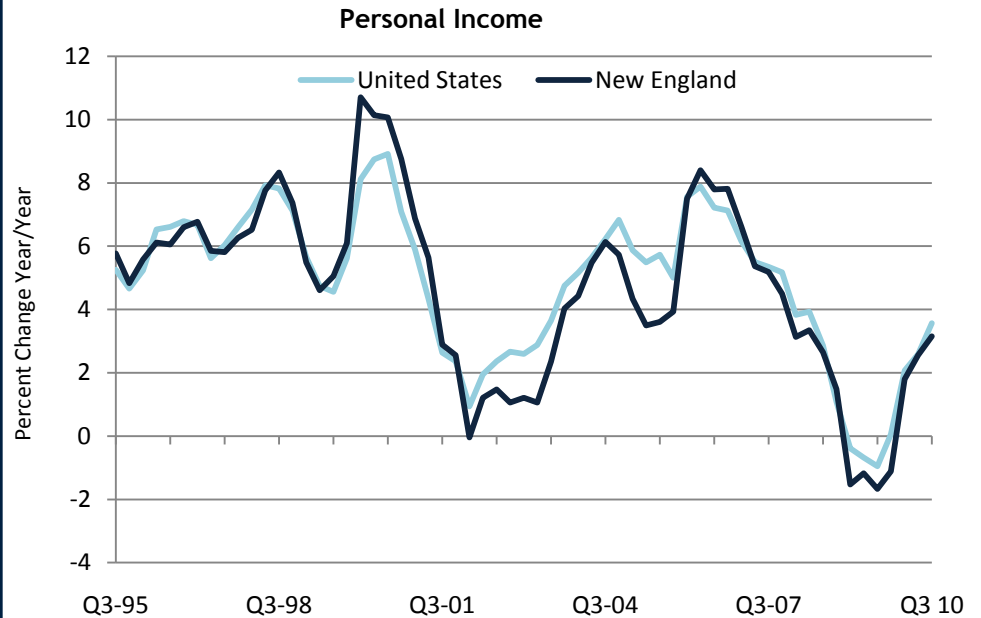
Consumer prices in the Boston metropolitan area increased 0.7 percent over the two months ending in November, marking the largest bi-monthly price increase in the Boston area since September 2009.

On a year-over-year basis, consumer prices were up 0.6 percent in the Boston area, compared with 1.1 percent nationwide. The over-the-year increase in Boston prices was driven by higher energy prices; energy prices rose more modestly in the nation. By contrast, food prices rose 0.9 percent in Boston over the year and 1.5 percent nationwide.

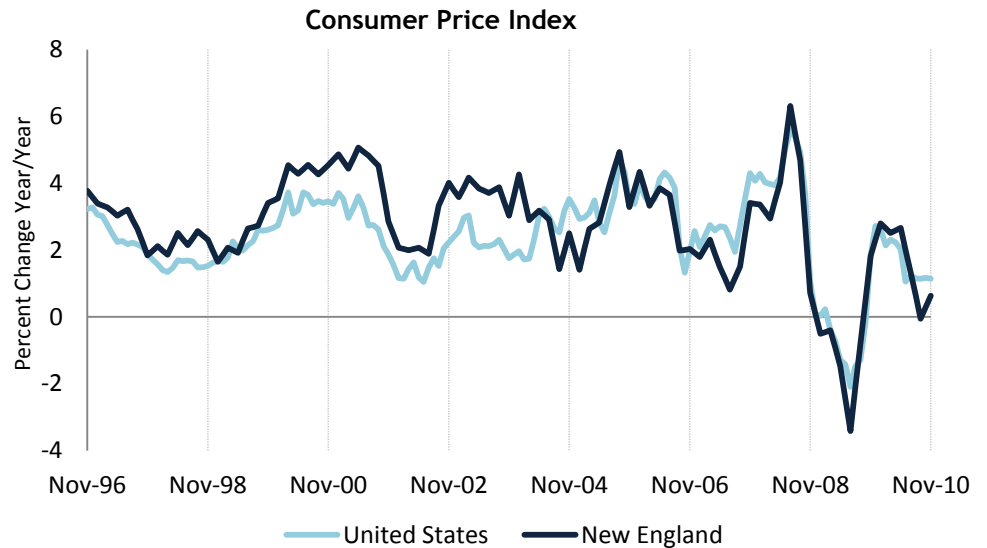
**Residential Real Estate:**

Residential construction-related indicators remain weak but there are tentative signs of improvement, with New England faring better than the nation. For both New England and the nation, single-family and multi-family permits are up significantly from their recent recession troughs, but remain well below their pre-recession peaks.

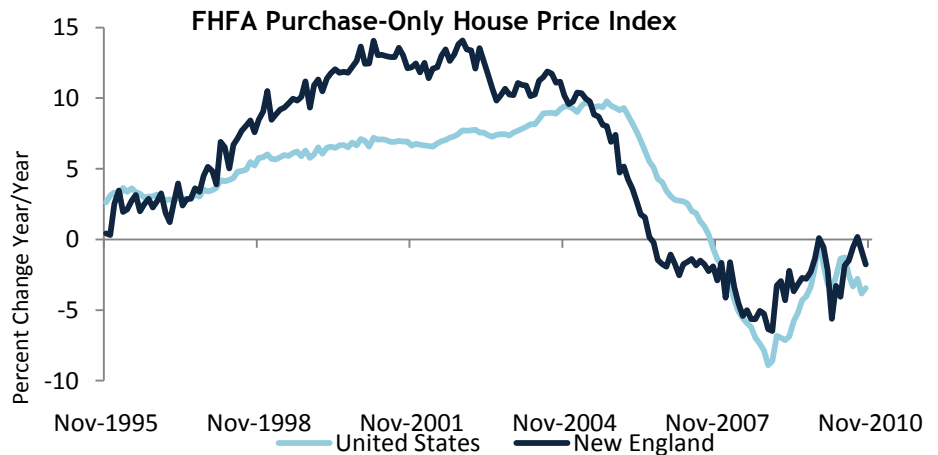
The FHFA purchase-only house price index for New England showed a modest decline in the region's home prices year-over-year to October. While worse than a few months earlier, the region's 1.8 percent year-over-year price decline compares favorably with the nation's 3.4 percent decline.



Source: U.S. Bureau of Economic Analysis/Federal Reserve Bank of Boston. Note: Data are seasonally adjusted.



Source: U.S. Bureau of Labor Statistics/Haver Analytics.



Source: Federal Housing Finance Agency/Haver Analytics. Note: Data are seasonally adjusted