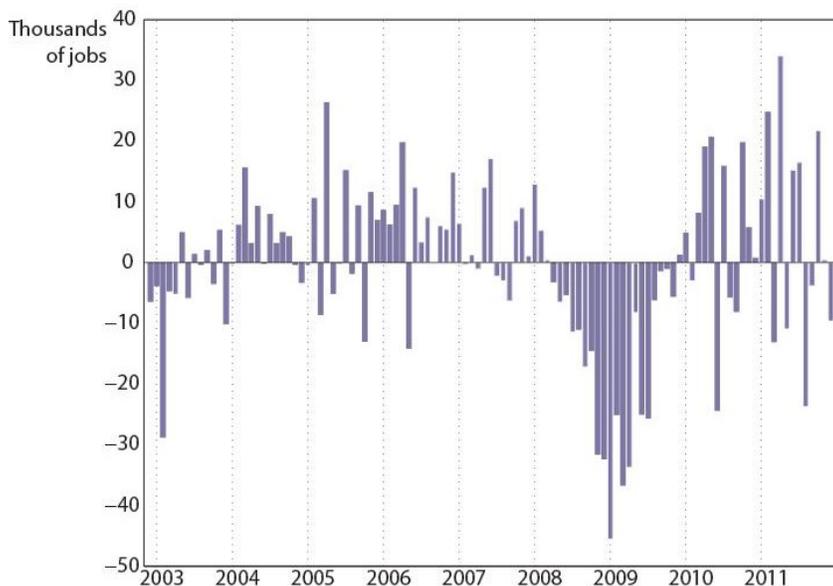
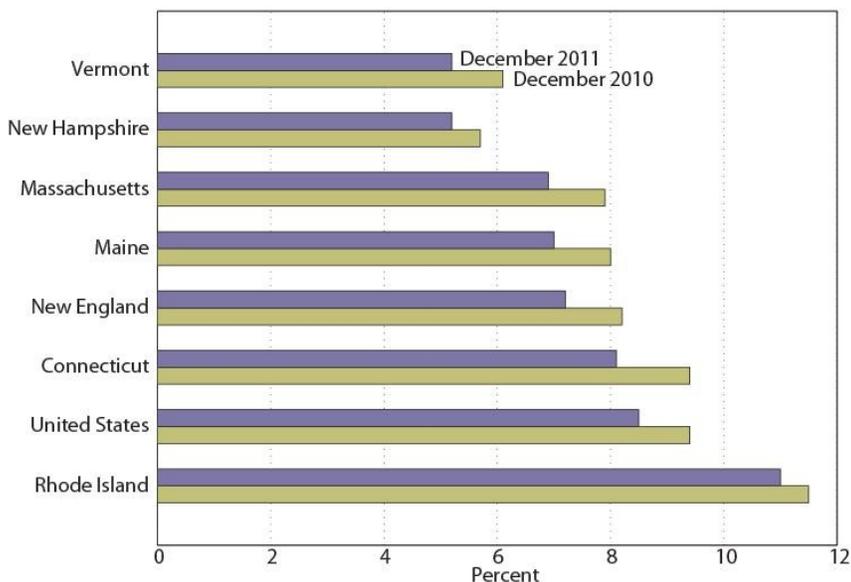


Exhibit 1  
Monthly Employment Change in New England



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

Exhibit 2  
Unemployment Rates



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

Most recent regional and national data available online  
[www.bostonfed.org](http://www.bostonfed.org)

## New England growth rate slows

The New England economy continues to expand, but the growth rate appears to have slowed in recent months and, for some indicators, no longer exceeds the national pace of recovery.

### Payroll jobs down in December

The region shed payroll jobs in December, bringing the year-over-year employment growth rate below 1 percent for the first time since June, and keeping it below the rising U.S. growth rate for a fifth consecutive month (Exhibit 1).

### Unemployment rate improves

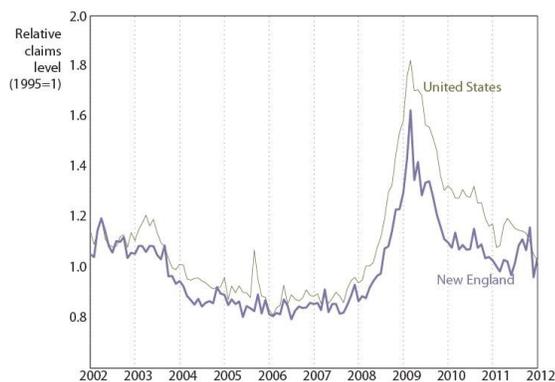
Unlike job counts, the region's unemployment rate improved in December, although more recent unemployment indicators are weaker. The unemployed in New England amounted to 7.2 percent of the labor force in December 2011, down more than a percentage point from December 2010, and more than a percentage point below the U.S. rate (Exhibit 2).

Within the region, the jobless-rate range remains almost as wide as the 50-state range, with New Hampshire and Vermont among the five lowest-unemployment states and Rhode Island third highest.

### Initial unemployment claims higher than year-earlier rate

Initial unemployment claims by New England residents jumped in January 2012 from December

Exhibit 3  
Initial Claims for Unemployment Insurance



Source: U.S. Department of Labor and Federal Reserve Bank of Boston (New England), and U.S. Department of Labor and Federal Reserve Board of Governors (United States). Data are seasonally adjusted.

and came in higher than their year-earlier level, while U.S. claims continued to trend downward (Exhibit 3).

### Housing market overall positive

Most housing market indicators are positive for the region. Housing construction activity has picked up in recent months, with multifamily permits and the dollar value of residential construction contracts during the three months ending in January exceeding their year-earlier levels in the region.

According to the FHFA, home prices in the region rose slightly in the fourth quarter, making the year-over-year change somewhat less negative than was the case in the third quarter. Home prices declined 2.0 percent year-over-year in New England and 3.0 percent in the nation (Exhibit 4); the corresponding FHFA purchase-only year-over-year changes were -2.1 percent and -2.4 percent, respectively. In contrast to the FHFA data, the year-over-year pace of decline in Boston's Case-Shiller monthly index worsened again in December, to -2.6 percent.

### Foreclosures increase in New England states

One aspect of the regional housing market not showing improvement is foreclosure activity. Foreclosure initiations increased in Q4 2011 in New England and declined nationally, bringing the region's initiation rate closer to the national average, but still below.

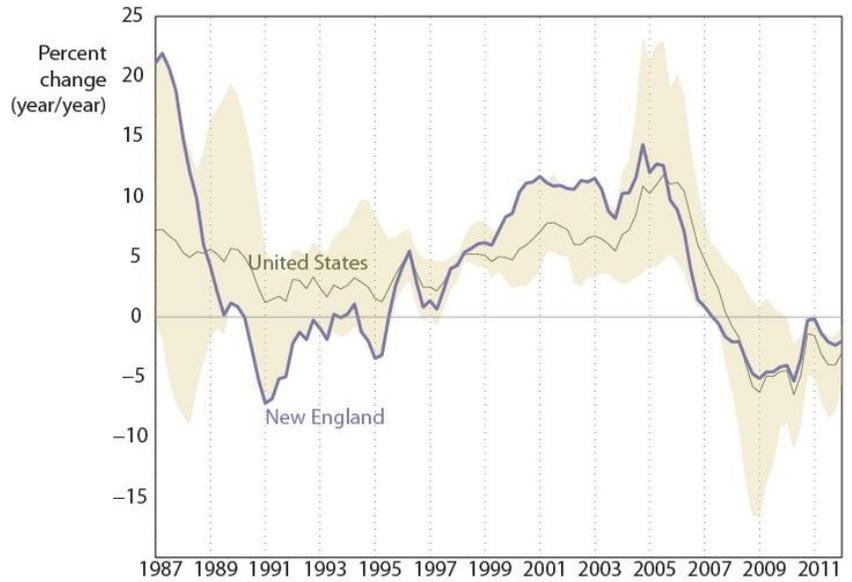
The number of New England mortgages in some stage of the foreclosure process was higher in Q4 2011 than a year earlier, while the foreclosure inventory nationwide had declined from Q4 2010.

### Increased energy prices mainly due to gasoline costs

Consumer price increases in Boston have been somewhat more modest than in the nation over the 12 months ending in January, with the cost of the market basket rising 2.5 percent in Boston and 2.9 percent nationally (Exhibit 5).

Energy prices have risen about 6 percent in both the region and the nation since January 2011. The increase in the region's energy index reflects a 3.6 percent increase in fuel and utilities prices and a 3.5 percent increase in transportation prices, with the latter mainly attributable to a 9.3 percent increase in gasoline prices. Over the two months ended in January, Boston-area motorists paid an average of \$3.44 per gallon of gasoline, up \$0.30 from a year earlier.

Exhibit 4  
FHFA House Price Index



Source: Federal Housing Finance Agency/Haver Analytics. Shaded area represents the range of values among the nine U.S. Census Divisions in each quarter.

Exhibit 5  
Consumer Price Index



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

## New England Economic Snapshot

*New England Economic Snapshot* is published by the Federal Reserve Bank of Boston's Regional and Community Outreach and contains information from the bank's Research Department.

*New England Economic Snapshot* aggregates data released in the six weeks before March 2, 2012. Use of these data does not necessarily imply the Bank's endorsement. More current and detailed data on the New England economy are available at [www.bostonfed.org/economic/nee/](http://www.bostonfed.org/economic/nee/).

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