

## Economic activity continued to improve through 2019

Throughout 2018 and into 2019, New England and the United States continued to see improvements in economic conditions. Through February 2019, employment increased and unemployment rates fell relative to one year prior. Wages increased in all six New England states. Through the fourth quarter of 2018, home prices continued to climb both regionally and nationally compared to the same period in 2017, but the increases were more modest than in recent quarters.

## Payroll Employment

### Employment grows in New England at a slower pace than the nation

The United States and New England continued to post solid job gains through February 2019. Payroll employment increased 1.7 percent nationally and 0.5 percent regionally between February 2018 and February 2019 (Exhibit 1). Although employment increased over this period in five of the New England states, Rhode Island experienced a slight decline (-0.3 percent) in payroll employment. Within New England, New Hampshire posted the strongest year-over-year job gains through February 2019, but still trailed the national rate at 1.0 percent (Exhibit 2). Connecticut (0.3 percent), Maine (0.7 percent), Massachusetts (0.6 percent), and Vermont (0.4 percent) each saw increased payroll employment, but also experienced smaller gains than the national average.

## Wage & Salary Disbursements

### Wage and salary income growth continues

Incomes in New England and the United States continued to grow through the first half of 2018. Wage and salary disbursements, the largest component of income, were up year-over-year by 4.9 percent nationally and 4.2 percent regionally in Q2 2018 (Exhibit 3). For New England, the recent wage growth pace, while historically quite robust, nonetheless reflects a moderate slowdown relative to Q4 2017. All six New England states experienced year-over-year gains in wages and salaries, though the rate of growth ranged between 2.1 percent in Maine and 5.8 percent in New Hampshire.

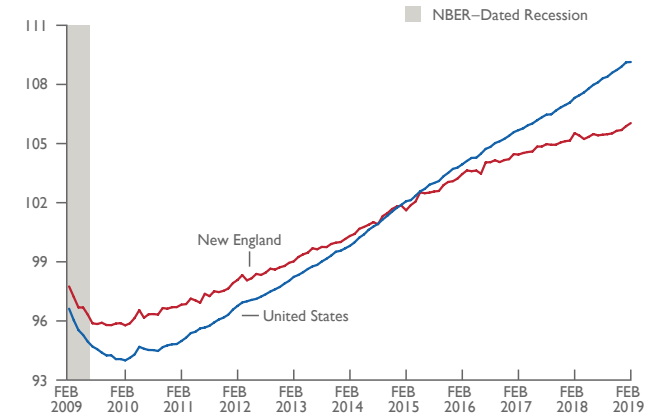
## Unemployment

### Unemployment rates declined in five New England states

Five of the six New England states saw unemployment rate declines between February 2018 and February 2019. The exception was Maine, where the unemployment rate increased 0.2 percentage points (Exhibit 4). Considering the region as a whole, the unemployment rate decreased 0.5 percentage points year-over-year, landing at 3.2 percent, which is the lowest unemployment rate for the region since February 2001.

## Exhibit 1 Nonagricultural Employment

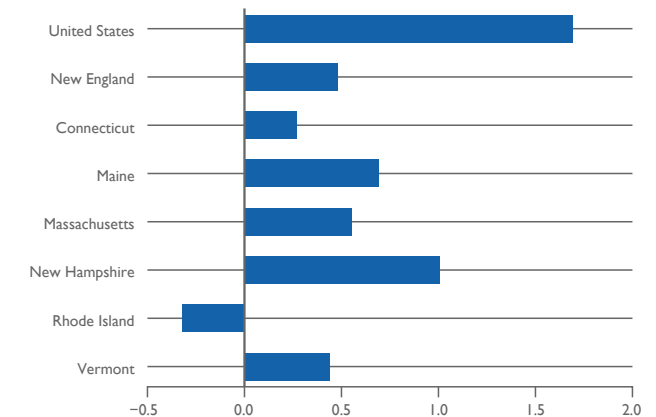
February 2009 – February 2019  
Index 2007=100



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

## Exhibit 2 Nonagricultural Employment

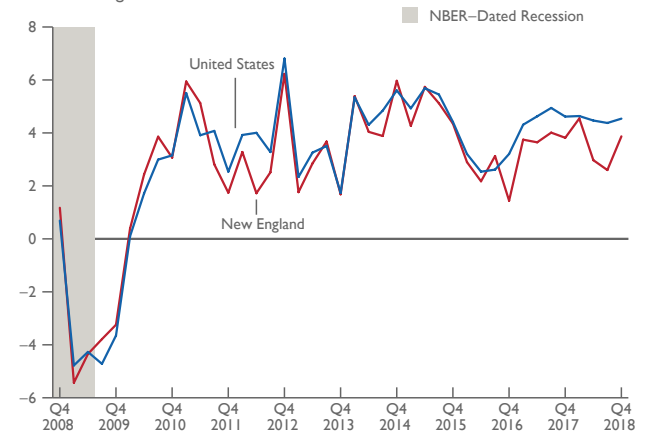
Percent Change, February 2018 to February 2019



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

## Exhibit 3 Wage & Salary Disbursements

Percent Change From Year Earlier



Source: U.S. Bureau of Economic Analysis.

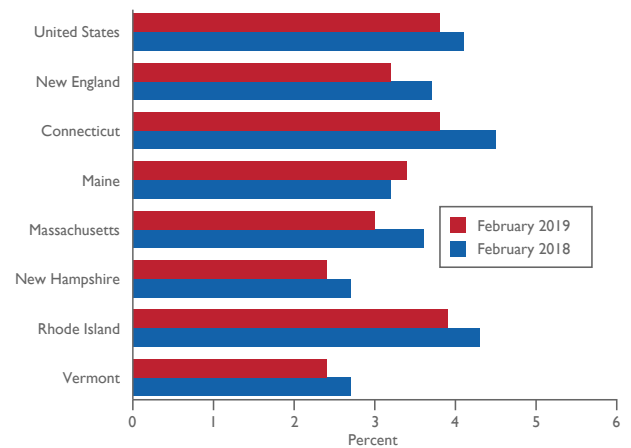
As of February 2019, New Hampshire and Vermont tied for the lowest unemployment rates in the region at 2.4 percent. Only Rhode Island (3.9 percent) had an unemployment rate that exceeded the national rate (3.8 percent). Within the region, Connecticut posted the largest decline (0.7 percentage points) in unemployment, bringing the unemployment rate in Connecticut for February 2019 to 3.8 percent, tied with the national rate. At 3.0 percent, Massachusetts is also at its lowest rate since February 2001.

## Home Prices

### Rhode Island and New Hampshire record the fastest house price growth in the region

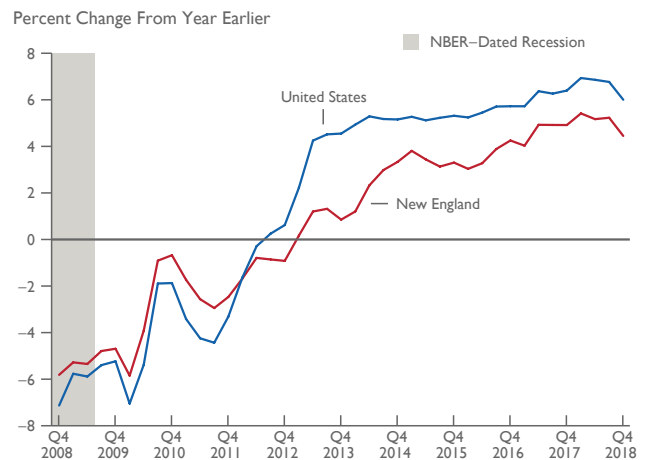
Home prices continued to rise in the nation and region, with national growth rates still exceeding regional rates (Exhibit 5). Between the fourth quarter of 2017 and the fourth quarter of 2018, home prices increased 6.0 percent nationally and 4.4 percent regionally. All six New England states reported positive house price growth year-over-year (Exhibit 6), but the average pace of gains eased from previous quarters. House price growth in Connecticut (1.4 percent) was the lowest in the region over the period considered.

### Exhibit 4 Unemployment Rates



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

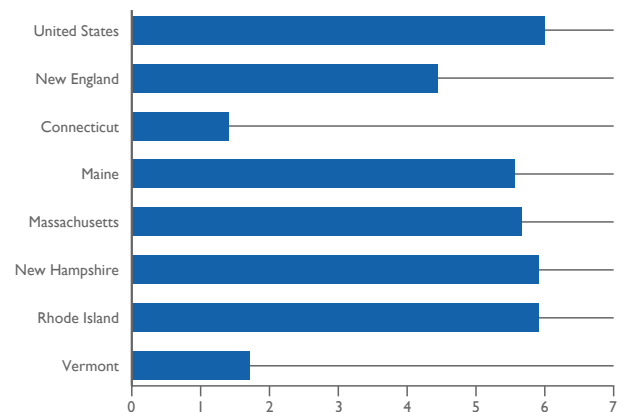
### Exhibit 5 FHFA House Price Index



Source: Federal Housing Finance Agency.

### Exhibit 6 FHFA House Price Index

Percent Change, Fourth Quarter 2017 to Fourth Quarter 2018



Source: Federal Housing Finance Agency.

New England Economic

# INDICATORS

New England Economic Indicators is published by the Federal Reserve Bank of Boston.

New England Economic Indicators aggregates data released prior to March 29, 2019.

Visit the New England Economic Indicators' webpage and explore its new interactive application. Easily compare, contrast, and download economic data across New England with a few simple clicks: [www.bostonfed.org/publications/new-england-economic-indicators](http://www.bostonfed.org/publications/new-england-economic-indicators).

