Economic activity continued to improve into the first two months of 2020, but the data described in this briefing do not yet reflect the economic impacts of the COVID-19 pandemic.

Note: Due to the timing of the data series described in this briefing—which extend no later than February 2020—it is impossible to observe any effects of the COVID-19 pandemic on economic activity at the time of publication.

Through February 2020, the most recent date for which any of the Indicators data series are available, both the New England region and the United States as a whole experienced further improvements in economic conditions. Payroll employment increased and unemployment rates fell relative to one year prior. The pace of wage and salary growth accelerated in 2019 compared with growth rates observed in late 2018. Through the fourth quarter of 2019, in both the region and the nation home prices appreciated compared to the same period in 2018, and at a moderately faster pace than was recorded one year prior.

**Payroll Employment**

Employment grew in New England at a slower pace than across the nation.

The United States and New England experienced ongoing increases in payroll employment through February 2020. Payrolls increased 1.6 percent nationally and 0.8 percent regionally between February 2019 and February 2020 (Exhibit 1). Within New England, Massachusetts, New Hampshire, and Rhode Island posted the strongest year-over-year job gains (all 0.9 percent) through February 2020, with no New England states surpassing the national rate (Exhibit 2). Connecticut (0.8 percent) and Maine (0.4 percent) each saw gains in payroll employment. Vermont registered a decline in payroll employment of 0.7 percent year-over-year.

**Wage & Salary Disbursements**

Wage and salary growth accelerates in the region and nation.

Incomes from wages and salaries in New England and the United States notched impressive gains over the year to the fourth quarter of 2019. Wage and salary disbursements, the largest component of income, were up year-over-year by 4.5 percent nationally and 3.9 percent regionally in Q4 2019 (Exhibit 3). These growth rates, respectively, were significantly higher than those observed in Q4 2018. All six New England states experienced year-over-year gains in wages and salaries, although the rates varied considerably, from 0.3 percent in Rhode Island to 5.1 percent in Maine.
Unemployment
Unemployment rates declined in four New England states relative to one year prior
Four of the six New England states saw unemployment rate declines between February 2019 and February 2020, with Massachusetts and Rhode Island posting the largest declines (0.3 percentage points) landing them at 3.2 percent and 3.4 percent, respectively (Exhibit 4). The exceptions were New Hampshire and Vermont, where the respective unemployment rates ticked up 0.1 percentage point each to land at 2.8 percent and 2.4 percent. Despite those minor increases, New Hampshire and Vermont continue to enjoy the lowest unemployment rates in the region. The region as a whole experienced a year-over-year decrease in the unemployment rate of 0.2 percentage points, landing at 3.0 percent in February 2020, tied with the all-time low unemployment rate for the region. Connecticut’s rate, at 3.8 percent, was unchanged compared to February 2019, and remained higher than the rate for the U.S. as a whole.

Home Prices
Maine recorded the fastest house price growth in the region
Home prices continued to rise in the nation and region, with the national growth rate still exceeding the regional rate, but by the smallest margin in recent years (Exhibit 5). Between the fourth quarter of 2018 and the fourth quarter of 2019, home prices increased 5.0 percent nationally and 4.9 percent regionally. All six New England states reported year-over-year appreciation in house prices (Exhibit 6), and in each state the average pace of gains increased from previous quarters. House price growth in Connecticut (3.9 percent) was the lowest in the region over the period considered. Maine (6.1 percent) and New Hampshire (5.8 percent) were the only New England states to outpace the national average house price growth rate.