

NEW ENGLAND ECONOMIC INDICATORS

SECOND QUARTER 2012

Federal Reserve Bank of Boston

Economic Snapshot
Labor Market Conditions
Income
Consumer Prices
Merchandise Exports
Real Estate



Subscription renewal required,
see inside cover

Includes data available as of
June 27, 2012

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NEW ENGLAND ECONOMIC INDICATORS

SECOND QUARTER 2012

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Sincerely,

Robert Clifford, *Indicators* Editor
robert.clifford@bos.frb.org

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Economy continues to grow in New England

Economic growth in New England continues to parallel that of the nation. At the same time, according to some measures, the fortunes of the individual New England states are diverging. Gains are continuing in Massachusetts, while Rhode Island is failing to participate in even the modest recovery occurring elsewhere.

New England adds jobs in May

Employment in New England expanded in May, with the payroll job count up 14,300 from April (exhibit 1). After dipping in April, the year-over-year growth rate moved up to 0.7 percent, well below the U.S. May-to-May growth rate of 1.4 percent.

Connecticut, New Hampshire, Vermont, Massachusetts, and Maine all posted year-over-year employment gains, leaving only Rhode Island with fewer jobs in May than a year earlier (-0.8 percent).

Massachusetts is the only New England state with a statistically significant employment gain over the year, up 1.2 percent. Rhode Island's job losses are not statistically significant, even though they were the steepest among the seven states nationwide with year-over-year employment declines.

Regional unemployment more than a percentage point below national average

New England's unemployment rate continued to trend downward in May, falling for a fourth consecutive month to 6.8 percent, about a percentage point below its 7.9-percent May 2011 level. Regional unemployment remains more than a percentage point below the national average (exhibit 2).

The jobless rate rose in Connecticut and Maine, held steady in New Hampshire and Vermont (keeping them among only six states nationwide with rates at or below 5.0 percent), and declined in Massachusetts and Rhode Island. Rhode Island's rate, 11.0 percent, was second highest in the nation.

Professional & business services jobs grow

Construction remains New England's poorest-performing supersector in terms of job growth over the 12 months ending in May, with employment down 2.5 percent (exhibit 3). Year-over-year declines also continued in financial activities and government, with the latter concentrated in local government.

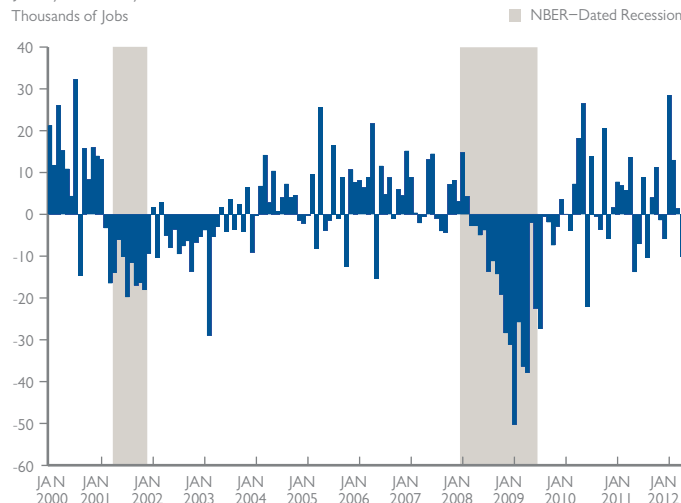
On the plus side, professional and business services continues to show the strongest employment growth in New England (up 3.4 percent year-over-year) as well as in the nation.

On net, only private education and health services is ahead of its pre-recession employment level.

continued on page 2

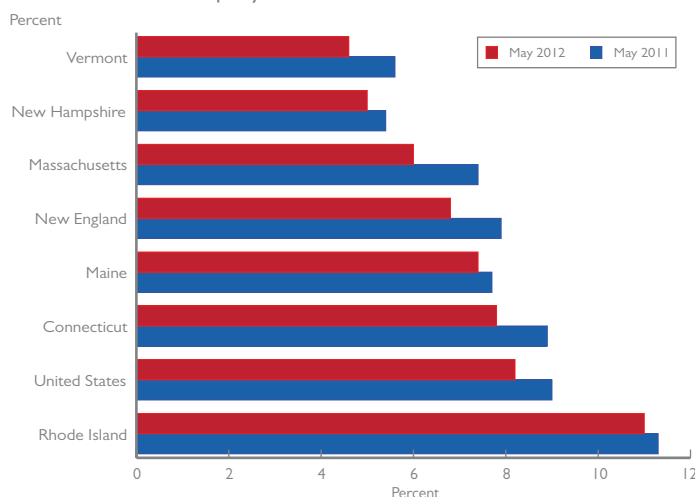
Exhibit 1 Monthly Employment Change in New England

January 2000 – May 2012



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

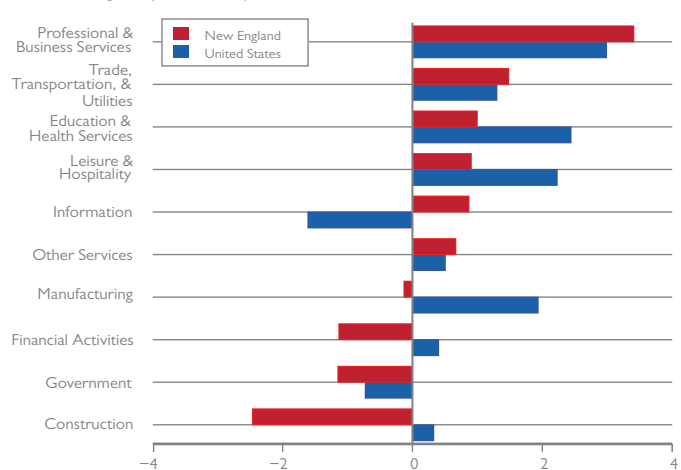
Exhibit 2 Unemployment Rates



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

Exhibit 3 Employment Growth by Supersector

Percent Change, May 2011 to May 2012



Source: U.S. Bureau of Labor Statistics.

Note: Data are seasonally adjusted. New England figure for Information includes CT, MA, and NH

Housing markets improve in New England and the nation

Residential real estate markets are showing some improvement in New England, with construction indicators showing increases from a year ago and the year-over-year pace of house price declines generally moderating.

The FHFA house price index edged down from Q4 to Q1 in the nation, region, and all six New England states, nearly erasing the gains registered in the two previous quarters. Nevertheless, house prices continued to improve on a year-over-year basis, with the pace of decline moderating in both New England (from -2.0 to -1.2 percent) and the nation (from -2.9 to -1.4 percent) (exhibit 4).

Foreclosures hold steady

After increasing for two quarters, the foreclosure initiation rate held steady in New England in Q1 2012, while declining nationwide. At 0.9 percent, the regional rate remains 0.1 percentage points below that of the nation.

Inflation continues decline

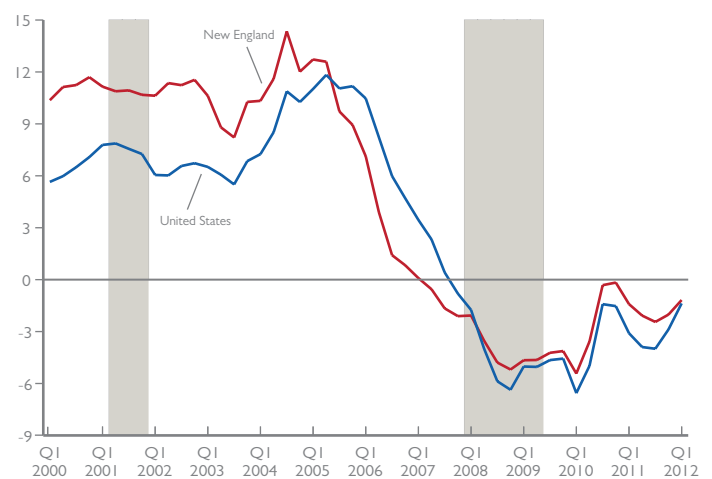
Headline inflation in the Boston metro area, as in the nation, continued to come down on a year-over-year basis in May, with the cost of the market basket rising 0.8 percent in Greater Boston and 1.7 percent nationwide (exhibit 5). In the region and nationally, energy prices are bringing down the rate of inflation. The Boston index for energy declined 6.5 percent over the year as compared with a 3.9 percent drop nationwide.

Exports increase for VT, RI, MA

The dollar value of merchandise exports from New England edged upward in Q1 2012, following decreases in the two previous quarters and came in 3.8 percent above its year-earlier level. Nationally, exports decreased in Q1 for the first time in 11 quarters but were still 8.7 percent higher than in Q1 2011 (exhibit 6).

Exhibit 4 FHFA House Price Index

First Quarter 2000 – First Quarter 2012
Percent Change From Year Earlier

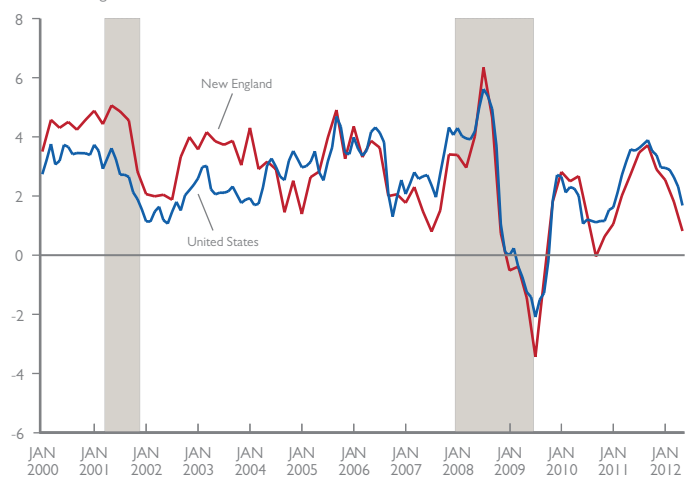


Source: Federal Housing Finance Agency.

Exhibit 5 Consumer Price Index

January 2000 – May 2012

Percent Change From Year Earlier

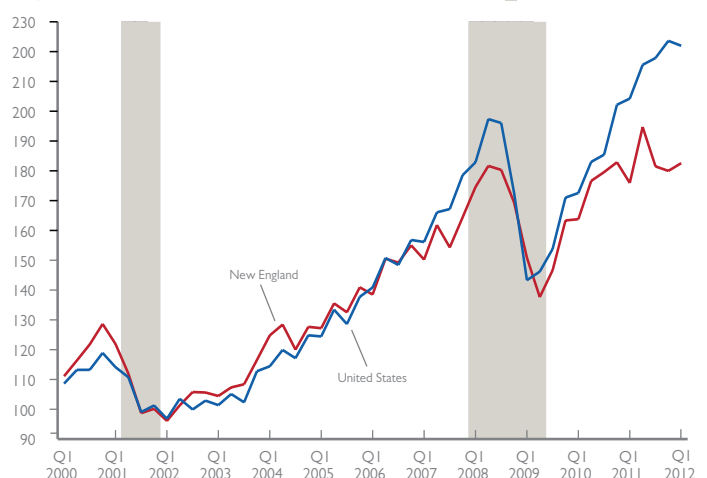


Source: U.S. Bureau of Labor Statistics.

Exhibit 6 Total Merchandise Exports

First Quarter 2000 – First Quarter 2012

Index 1997=100



Source: World Institute for Strategic Economic Research.



New England Economic

SNAPSHOT

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

New England Economic Snapshot aggregates data released in the six weeks before June 18, 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.

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Summary of Latest Data in This Issue

	New England			United States		
	Current Period	Percent Change at Annual Rate from		Current Period	Percent Change at Annual Rate from	
		Prior Period	Year-Earlier Period		Prior Period	Year-Earlier Period
	May 2012			May 2012		
Labor Market Conditions						
Total Nonagricultural Employment (thousands of jobs, SA)	6,860.0	2.5	0.7	133,009	0.6	1.4
Connecticut	1,629.6	1.0	0.4			
Maine	592.7	0.0	0.3			
Massachusetts	3,249.6	2.8	1.2			
New Hampshire	626.5	4.5	0.2			
Rhode Island	458.1	-0.5	-0.8			
Vermont	303.5	14.0	1.5			
Employment by Industry or Sector (thousands of jobs, SA)						
Private (Total Nonagricultural less Government)	5,875.5	-1.4	1.9	110,958	0.9	3.5
Government	970.2	-4.1	-5.0	21,982	-0.5	-4.4
Construction	229.7	-12.2	-2.5	5,516	-5.9	0.3
Manufacturing	608.8	3.8	-0.1	11,953	1.2	1.9
Trade, Transportation, and Utilities	1,240.0	2.9	1.5	25,318	2.6	1.3
Financial Activities	444.9	-0.3	-1.1	7,724	0.5	0.4
Professional and Business Services	897.8	7.1	3.4	17,815	-0.1	3.0
Education and Health Services	1,396.1	1.9	1.0	20,307	2.8	2.4
Leisure and Hospitality	656.8	3.9	0.9	13,576	-0.8	2.2
Other Services	256.5	-2.8	0.7	5,365	1.4	0.5
Unemployment Rate (percent, SA)**						
	6.8	6.9	7.9	8.2	8.1	9.0
Connecticut	7.8	7.7	8.9			
Maine	7.4	7.2	7.7			
Massachusetts	6.0	6.3	7.4			
New Hampshire	5.0	5.0	5.4			
Rhode Island	11.0	11.2	11.3			
Vermont	4.6	4.6	5.6			
Manufacturing Production Workers (NSA)						
Average Weekly Hours	40.1	6.2	0.8	41.5	-2.8	0.0
Average Hourly Earnings (dollars)	21.05	-9.2	0.8	19.07	-6.1	0.8
Average Weekly Initial Claims for Unemployment Insurance (SA)	19,232	*	-4.8	371,100	*	-12.1
Consumer Prices***						
	May 2012			May 2012		
Consumer Price Index (1982-84=100, NSA)	246.6	-1.4	0.8	229.8	-1.6	1.7
Income (millions of dollars)						
	Q1 2012			Q1 2012		
Total Personal Income (SAAR)	749,235	3.9	2.6	13,194,047	3.4	2.9
Wage and Salary Disbursements (SAAR)	391,506	3.0	2.4	6,799,466	3.2	3.5
Merchandise Exports						
	Q1 2012			Q1 2012		
Total Merchandise Exports (millions of dollars, NSA)	14,516	*	3.8	381,557	*	8.7
Connecticut	3,987	*	-2.9			
Maine	727	*	-18.2			
Massachusetts	7,234	*	14.4			
New Hampshire	896	*	-22.4			
Rhode Island	607	*	9.8			
Vermont	1,065	*	10.1			

Footnotes for page 3 and 4:

* Period-to-period comparisons of these data are not meaningful.

** Unemployment rates are for that period and not changes over time

*** The consumer price index for New England is for the Boston area and is published every other month.

SA: seasonally adjusted

NSA: not seasonally adjusted

SAAR: seasonally adjusted annual rate

NA: not available

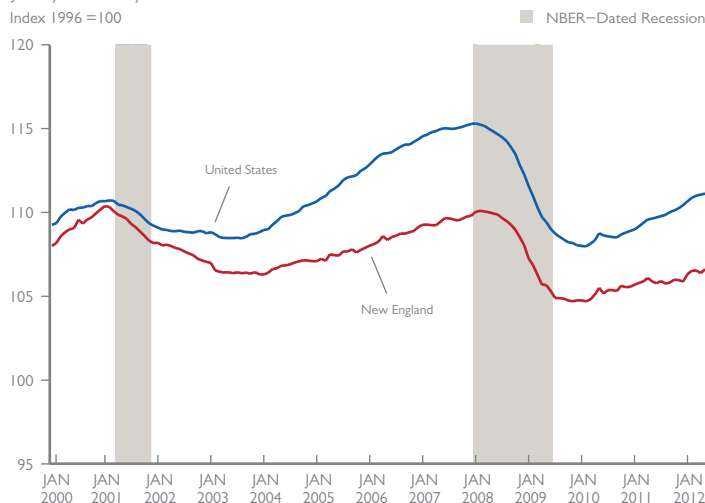
Summary (Continued) and Employment Situation

Real Estate	New England			United States		
	Current Period	Percent Change at Annual Rate from		Current Period	Percent Change at Annual Rate from	
		Prior Period	Year-Earlier Period		Prior Period	Year-Earlier Period
Home Price Index (1980:Q1 = 100, NSA)	Q1 2012			Q1 2012		
Connecticut	507.18	-4.4	-1.2	315.60	-5.0	-1.4
Maine	396.88	-7.6	-2.2			
Massachusetts	458.58	-3.5	-0.7			
New Hampshire	615.10	-2.3	-0.5			
Rhode Island	397.18	-6.6	-1.5			
Vermont	450.07	-7.2	-3.7			
	442.59	-0.1	0.6			

	May 2012			May 2012		
Housing Permits Authorized (housing units, SA)	1,914	*	58.1	60,000	*	0.0
Single Units	1,105	*	93.7	40,000	*	50.0
Value of Construction Contracts (index, 1980 = 100; total is NSA)	397.9	*	20.1	335.7	*	17.2
Residential (SA)	268.3	*	28.6	259.3	*	39.7
Nonresidential Building (NSA)	462.9	*	5.8	327.2	*	8.2
Nonbuilding (NSA)	479.9	*	40.3	451.0	*	6.7

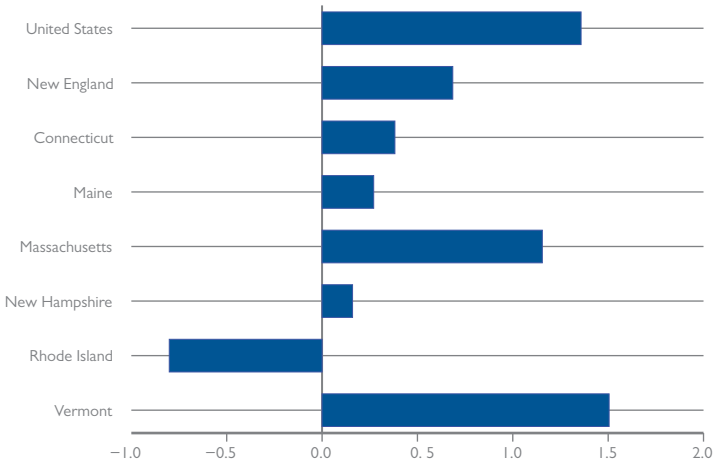
Nonagricultural Employment

January 2000 – May 2012
Index 1996 = 100



Nonagricultural Employment

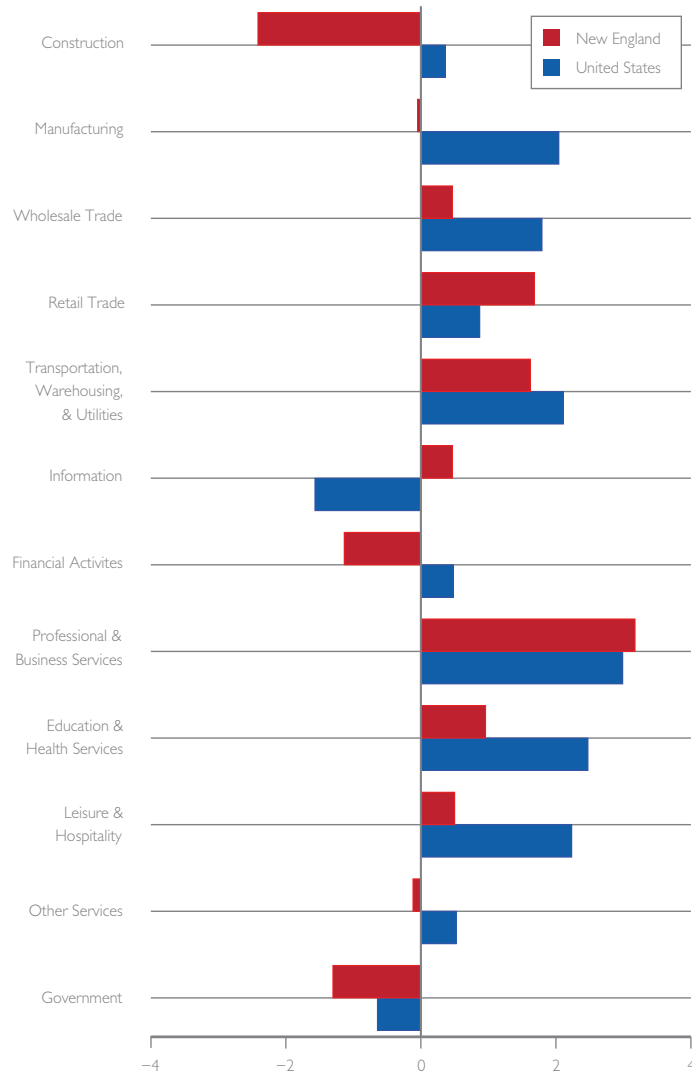
Percent Change, May 2011 to May 2012



Source: U.S. Bureau of Labor Statistics

Employment by Industry

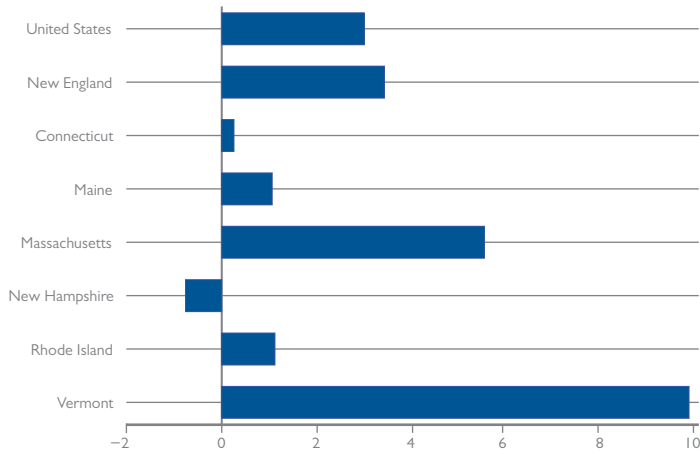
Percent Change, May 2011 to May 2012 (Not Seasonally Adjusted)



Employment by Supersector

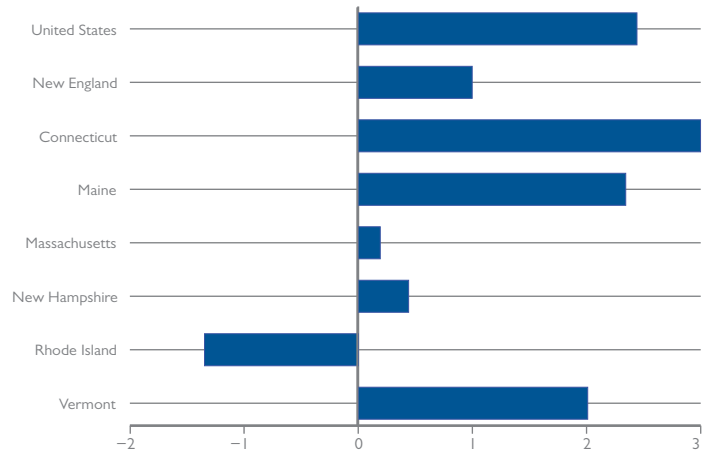
Professional & Business Services Employment

Percent Change, May 2011 to May 2012



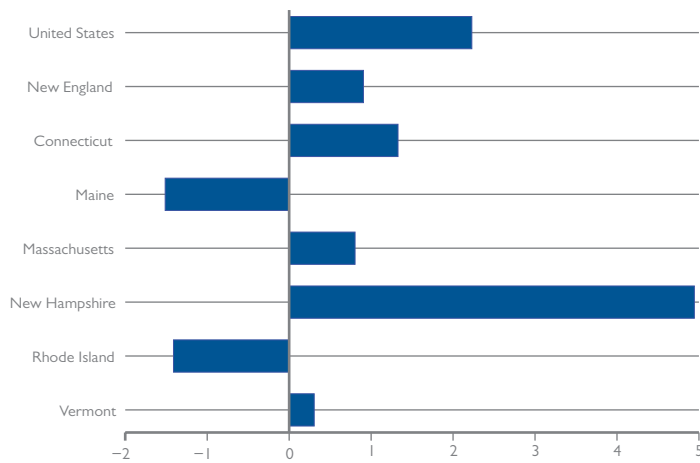
Education & Health Services Employment

Percent Change, May 2011 to May 2012



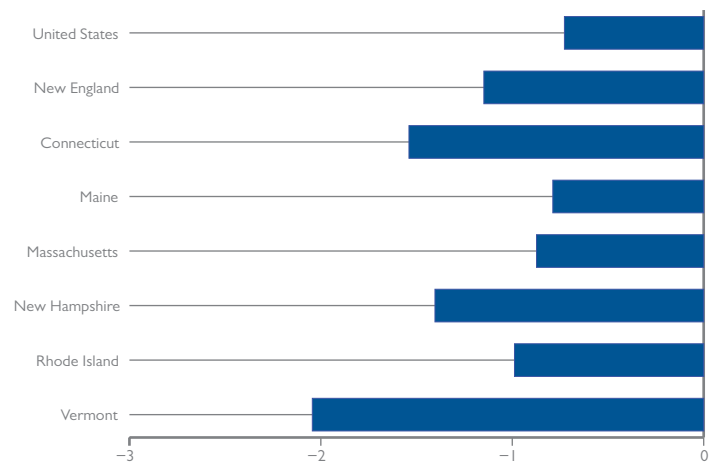
Leisure & Hospitality Employment

Percent Change, May 2011 to May 2012



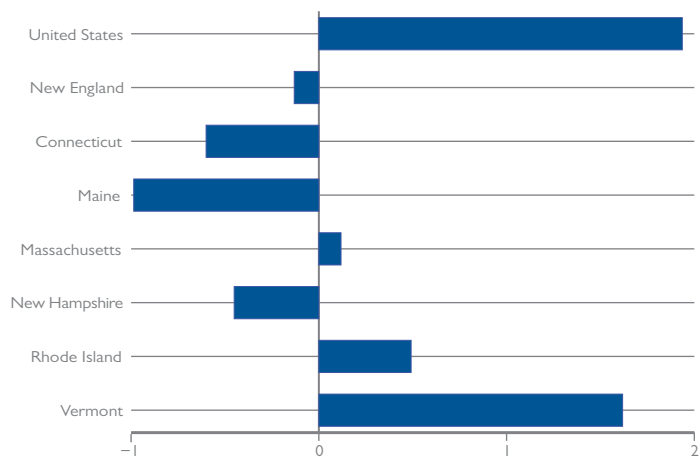
Government Employment

Percent Change, May 2011 to May 2012



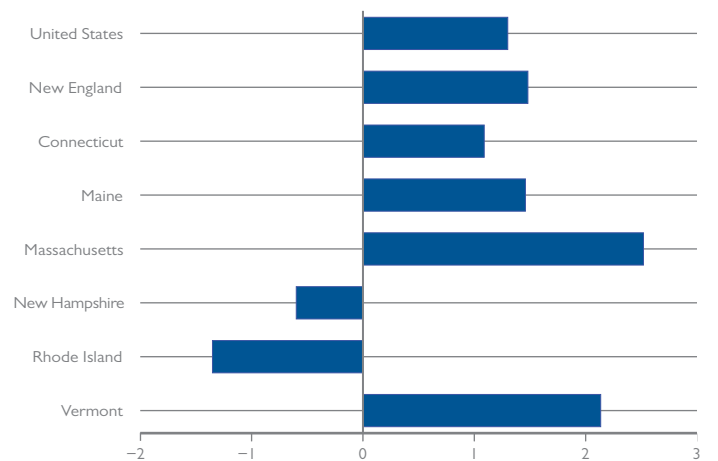
Manufacturing Employment

Percent Change, May 2011 to May 2012



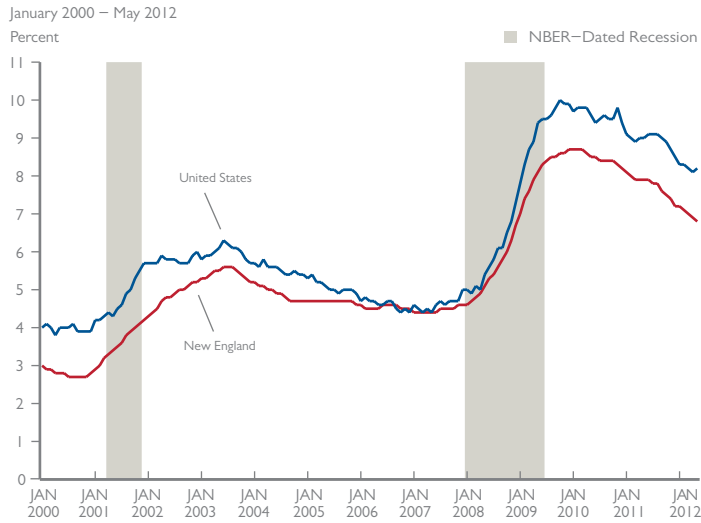
Trade, Transportation, & Utilities Employment

Percent Change, May 2011 to May 2012

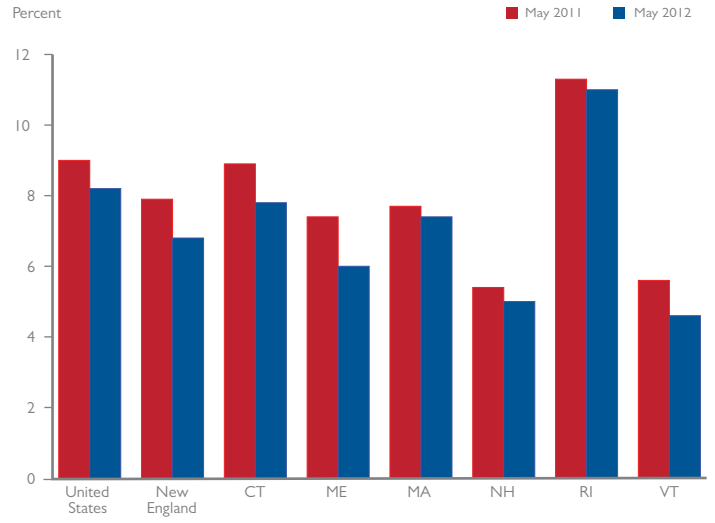


Source: U.S. Bureau of Labor Statistics

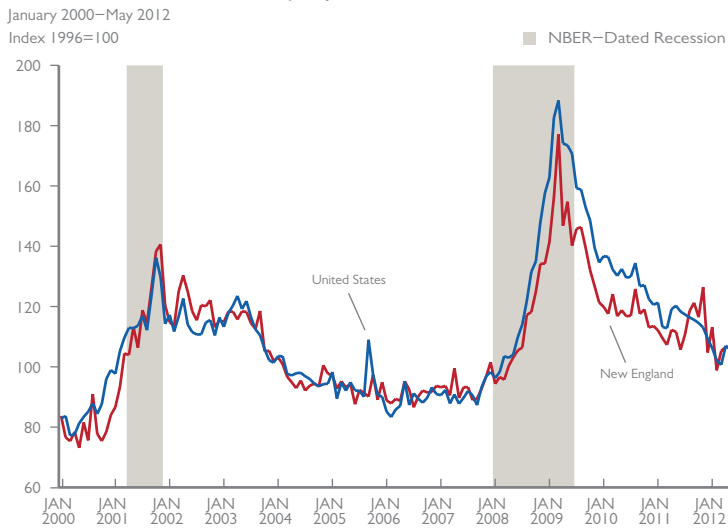
Unemployment Rate



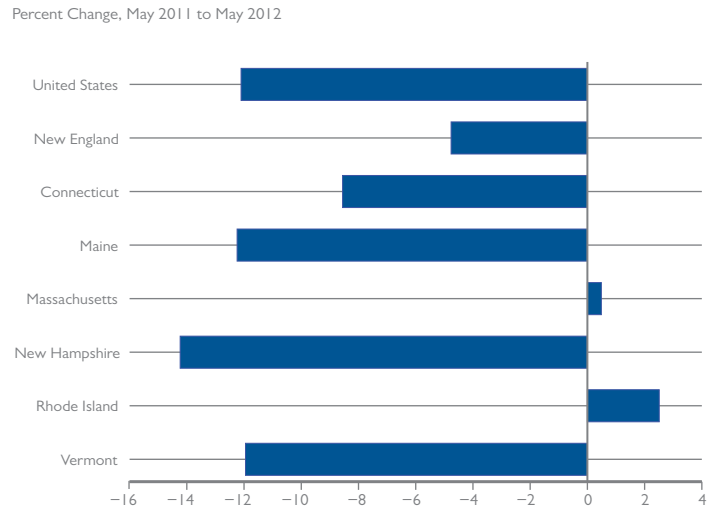
Unemployment Rate



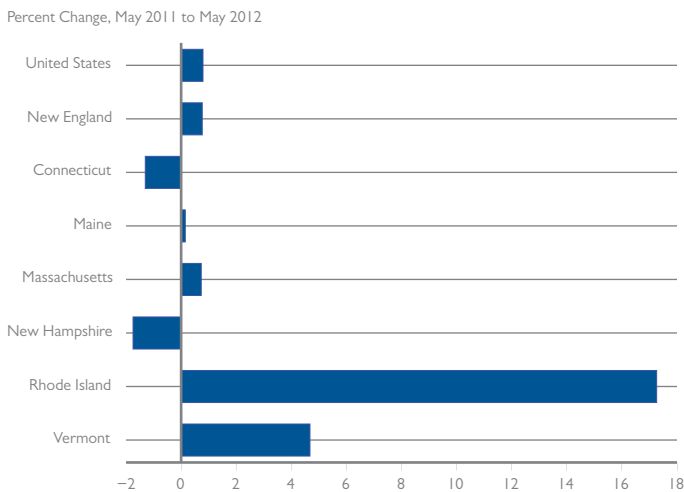
Initial Claims for Unemployment Insurance



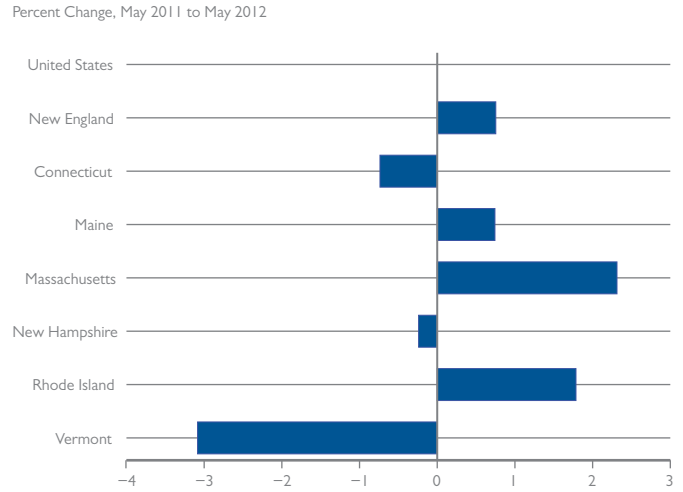
Initial Claims for Unemployment Insurance



Average Hourly Earning of Manufacturing Production Workers



Average Weekly Hours of Manufacturing Production Workers

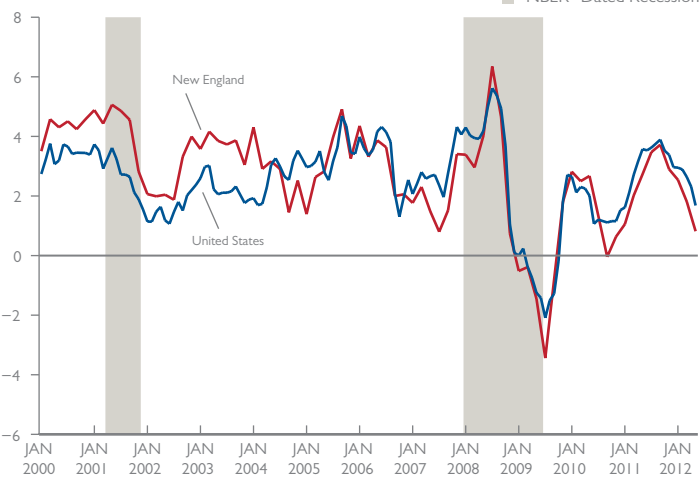


Source: U.S. Bureau of Labor Statistics

Consumer Price Index

January 2000 – May 2012

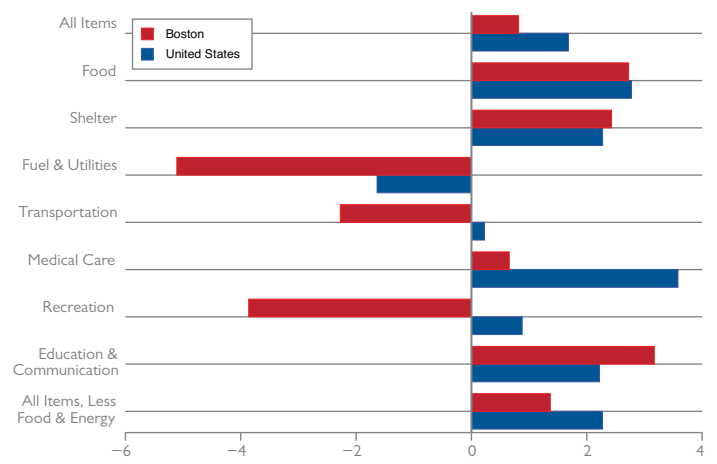
All Items Percent Change From Year Earlier



Source: U.S. Bureau of Labor Statistics

Consumer Price Index

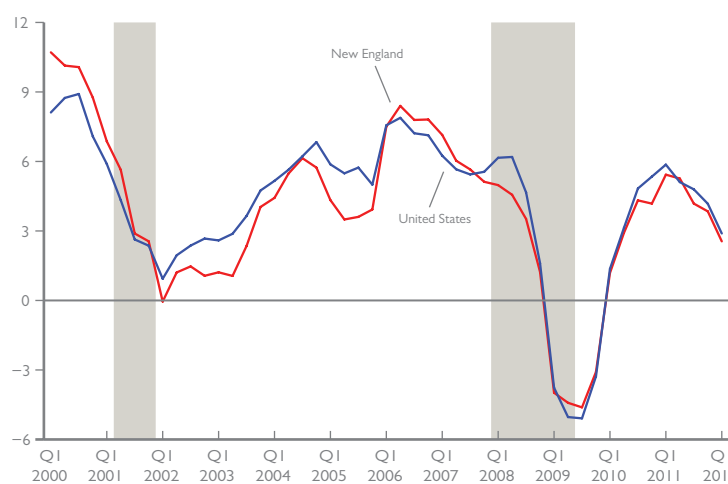
Percent Change, May 2011 to May 2012



Total Personal Income

First Quarter 2000–First Quarter 2012

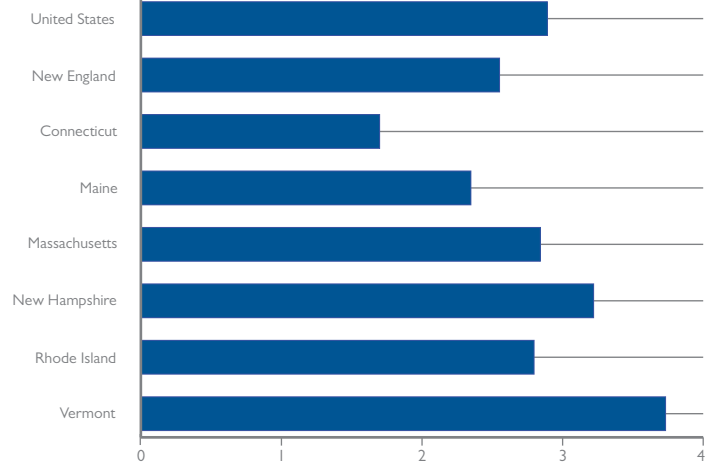
Percent Change From Year Earlier



Source: U.S. Bureau of Economic Analysis

Total Personal Income

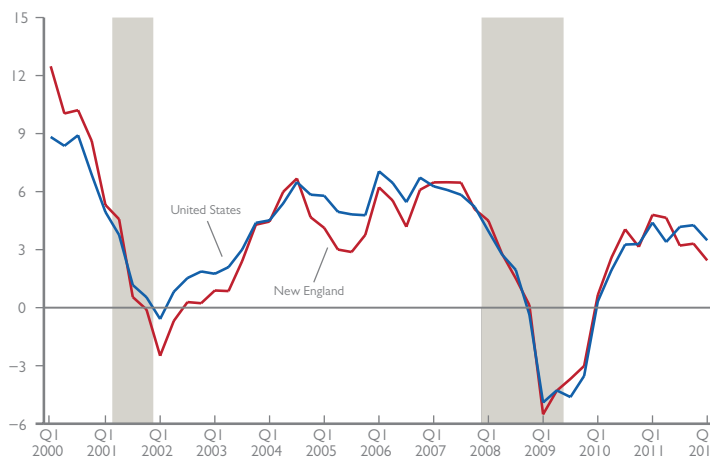
Percent Change, First Quarter 2011 to First Quarter 2012



Wage & Salary Disbursements

First Quarter 2000–First Quarter 2012

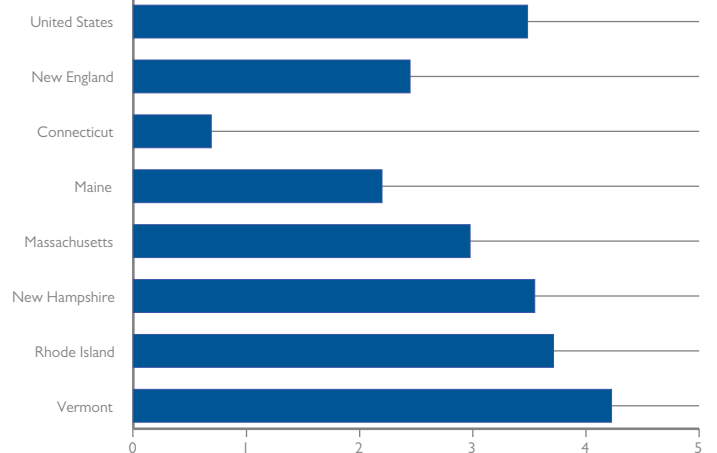
Percent Change From Year Earlier



Source: Source: U.S. Bureau of Economic Analysis

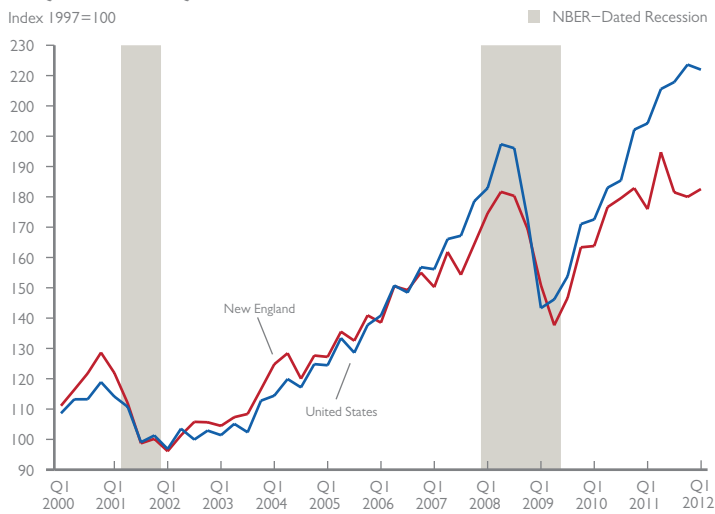
Wage & Salary Disbursements

Percent Change, First Quarter 2011 to First Quarter 2012



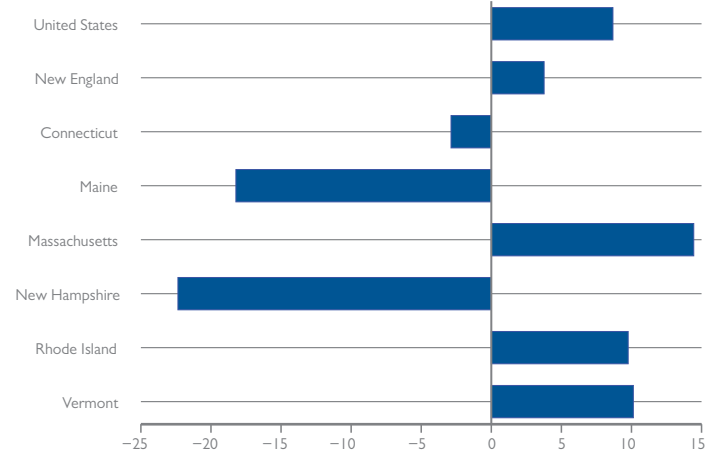
Total Merchandise Exports

First Quarter 2000 – First Quarter 2012
Index 1997=100



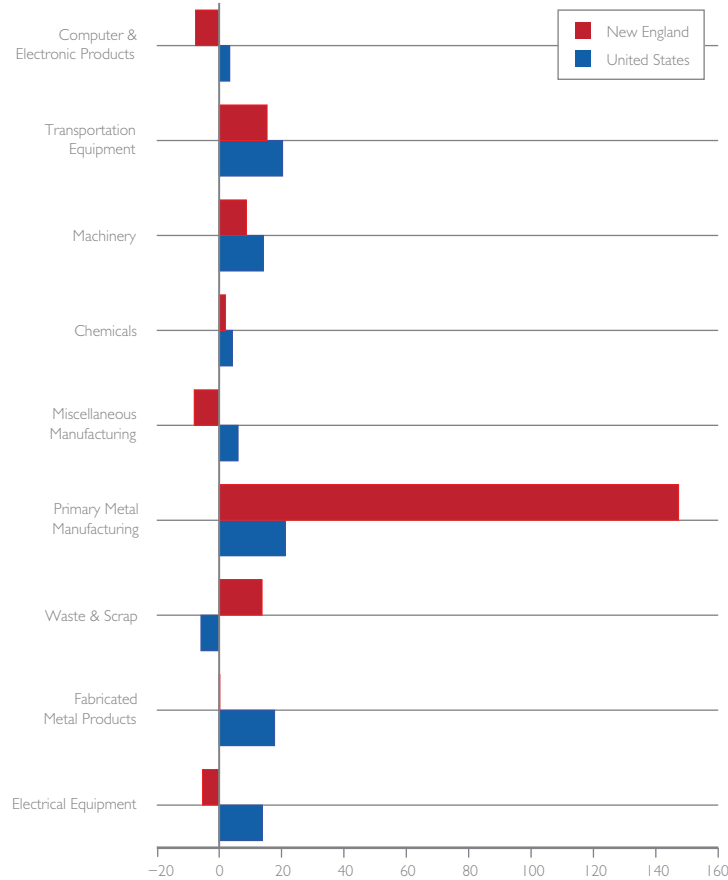
Exports by States

Dollar Value of Merchandise Exports
Percent Change, First Quarter 2011 to First Quarter 2012



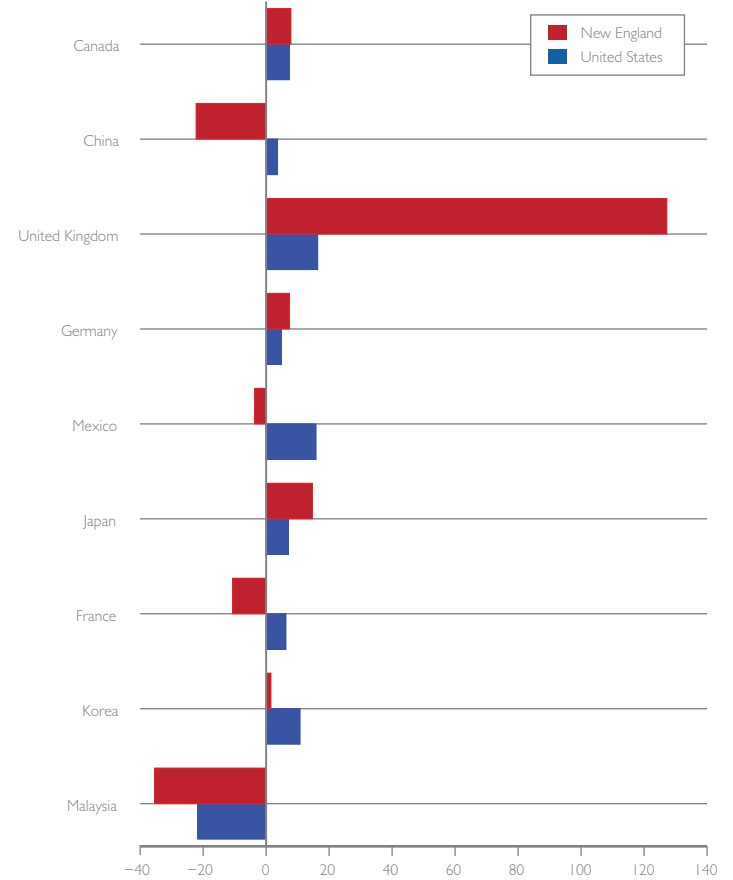
Exports by Industry

Dollar Value of Merchandise Exports
Percent Change, First Quarter 2011 to First Quarter 2012



Exports by Country of Destination

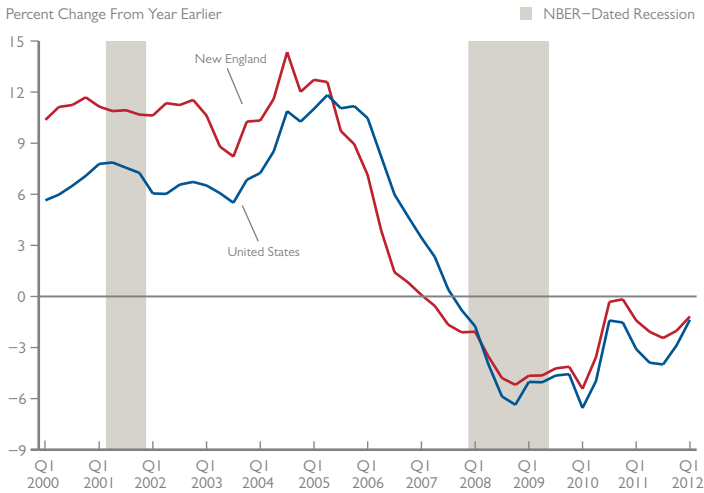
Dollar Value of Merchandise Exports
Percent Change, First Quarter 2011 to First Quarter 2012



Source: World Institute for Strategic Economic Research

Home Price Index

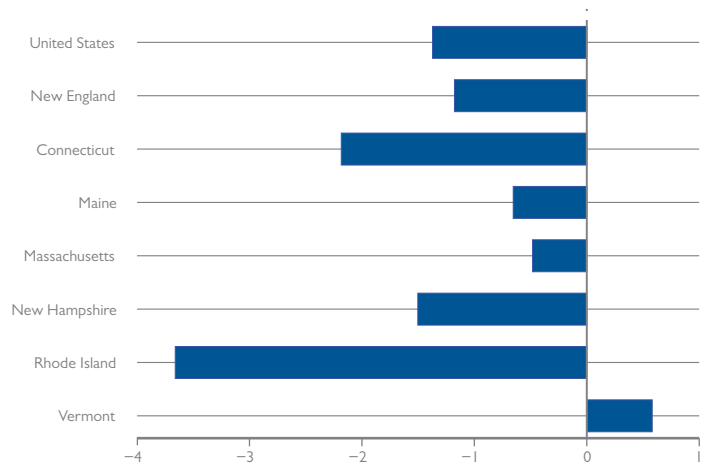
First Quarter 2000 – First Quarter 2012
Percent Change From Year Earlier



Source: Federal Housing Finance Agency

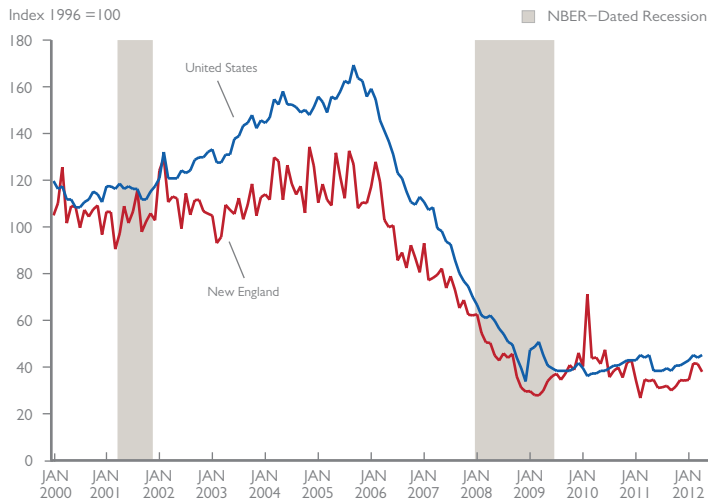
Home Price Index

Percent Change, First Quarter 2011 to First Quarter 2012



Single-Family Housing Permits

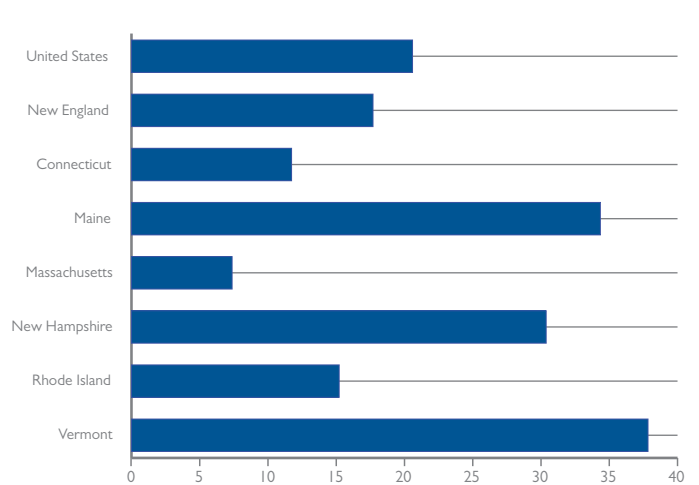
January 2000 – May 2012
Index 1996 = 100



Source: U.S. Census Bureau

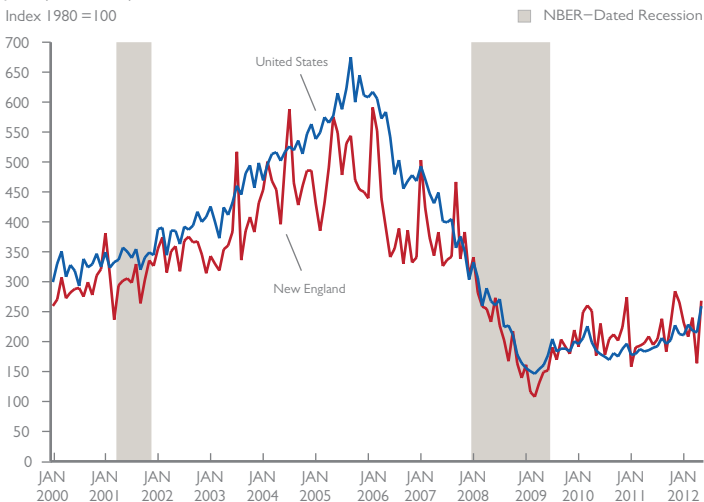
Single-Family Housing Permits

Percent Change, May 2011 to May 2012



Value of Residential Construction Contracts

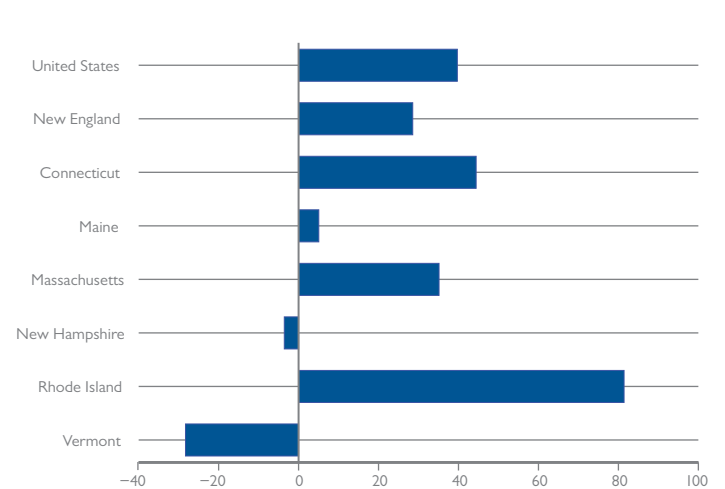
January 2000 – May 2012
Index 1980 = 100



Source: McGraw-Hill Construction Dodge

Value of Residential Construction Contracts

Percent Change, May 2011 to May 2012



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