

## Economic activity continued to improve into 2019

New England and the United States continued to see improvements in economic conditions. Through May 2019, employment increased and unemployment rates fell relative to one year prior. Wages increased in all six New England states. Through the first quarter of 2019, home prices continued to climb both regionally and nationally compared to the same period in 2018.

## Payroll Employment

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

The United States and New England continued to post solid job gains through May 2019. Payroll employment increased 1.6 percent nationally and 0.7 percent regionally between May 2018 and May 2019 (Exhibit 1). Within New England, New Hampshire posted the strongest year-over-year job gains through May 2019, but still trailed the national rate at 1.4 percent (Exhibit 2). Connecticut (0.4 percent), Maine (0.2 percent), Massachusetts (0.7 percent), Rhode Island (0.4 percent), and Vermont (1.2 percent) each saw increased payroll employment, but also experienced smaller gains than the national average.

## Wage & Salary Disbursements

### Wage and salary income growth continued in the region and nation

Incomes in New England and the United States continued to grow into early 2019. Wage and salary disbursements, the largest component of income, were up year-over-year by 3.4 percent nationally and 1.2 percent regionally in Q1 2019 (Exhibit 3). All six New England states experienced year-over-year gains in wages and salaries, though the rates of growth all lagged the national average. The rate of growth ranged from 0.2 percent in New Hampshire to 2.3 percent in Maine.

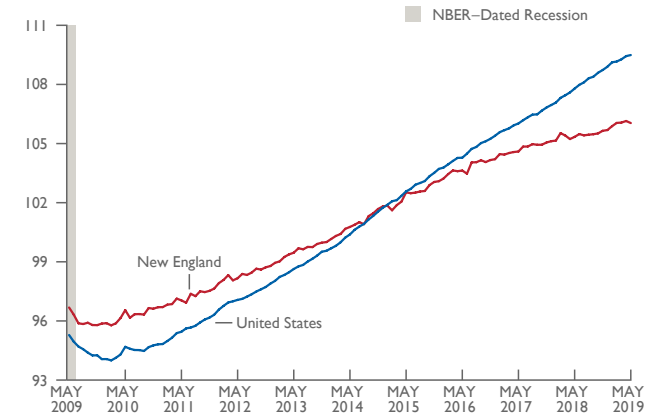
## Unemployment

### Unemployment rates declined in five New England states relative to one year prior

Five of the six New England states saw unemployment rate declines between May 2018 and May 2019. The exception was Maine, where the unemployment rate remained flat year-over-year (Exhibit 4). Considering the region as a whole, the unemployment rate decreased 0.5 percentage points year-over-year, landing at 3.1 percent in April and in May 2019, which is the lowest unemployment rate for the region since February 2001. As of May 2019, Vermont had the lowest unemployment rate in the region at 2.1 percent. Only Connecticut (3.8 percent) had an unemployment rate that exceeded the national rate (3.6 percent). Within the region, Vermont posted the largest decline (0.6 percentage points) in unemployment.

## Exhibit 1 Nonagricultural Employment

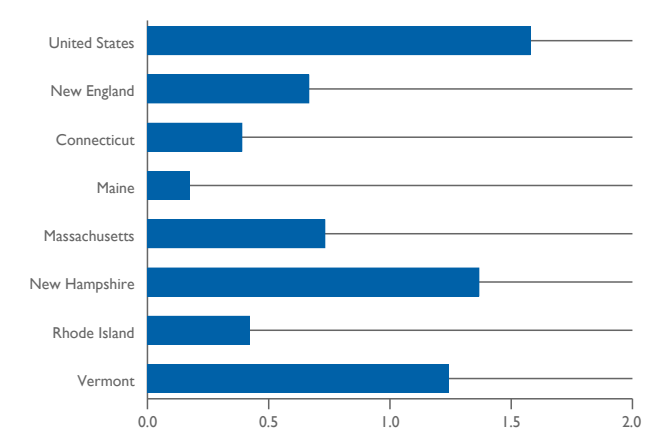
May 2009 – May 2019  
Index 2007=100



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

## Exhibit 2 Nonagricultural Employment

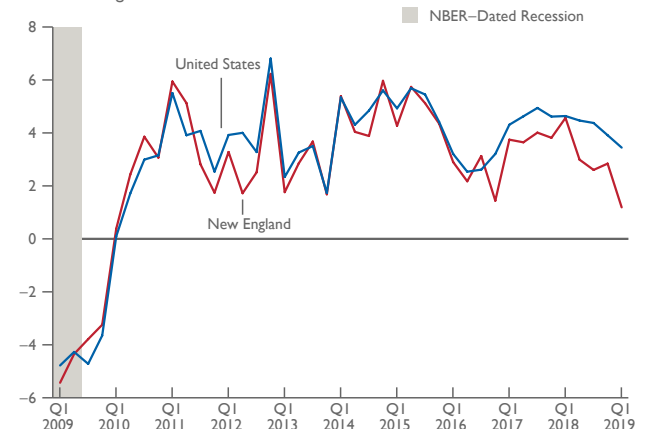
Percent Change, May 2018 to May 2019



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.

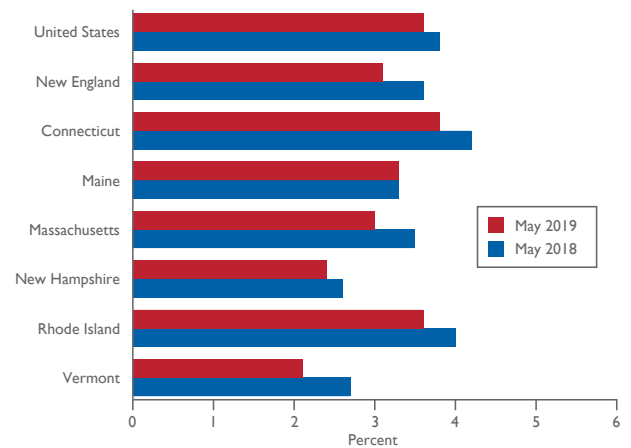
Massachusetts' unemployment rate ticked up 0.1 percentage point between April and May 2019, but it is still down 0.5 percentage points year-over-year to land at 3.0 percent.

## Home Prices

### Maine and Rhode Island recorded the fastest house price growth in the region

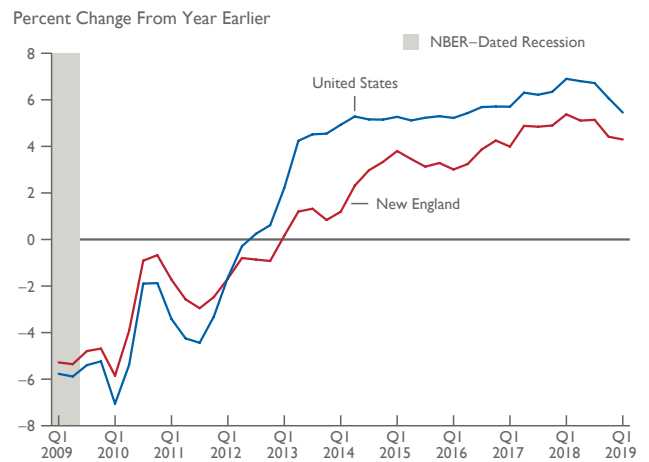
Home prices continued to rise in the nation and region, with the national growth rate still exceeding the regional rate (Exhibit 5). Between the first quarter of 2018 and the first quarter of 2019, home prices increased 5.5 percent nationally and 4.3 percent regionally. All six New England states reported positive house price growth year-over-year (Exhibit 6), but their average pace of gains eased from previous quarters. House price growth in Connecticut (2.3 percent) was the lowest in the region over the period considered. Maine was the only New England state to outpace the national average at 5.7 percent.

### Exhibit 4 Unemployment Rates



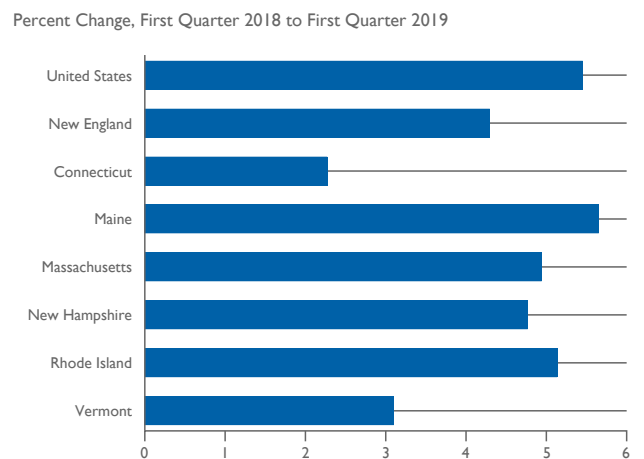
Source: U.S. Bureau of Labor Statistics. Data are seasonally adjusted.

### Exhibit 5 FHFA House Price Index



Source: Federal Housing Finance Agency.

### Exhibit 6 FHFA House Price Index



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 June 26, 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).

