

Through May 2020, both the New England region and the United States experienced sharp declines in economic conditions relative to the first months of 2020, trends impacted by the late winter arrival of the coronavirus and resultant policy actions that closed businesses and required residents to stay at home to support public health. Payroll employment dropped and unemployment rates have risen dramatically relative to one year prior, though the May 2020 rates have improved relative to April 2020. Leisure & hospitality employment is affected most among the supersectors, and in each of the New England states declined to greater degree than the national average. Through the first quarter of 2020, in both the region and the nation home prices appreciated compared to the same period in 2019.

Payroll Employment

Employment declined more sharply in all six New England states than the nation

The United States and New England experienced sharp declines in payroll employment through May 2020 (Exhibit 1). Payrolls declined 11.7 percent nationally and 15.7 percent regionally between May 2019 and May 2020 (Exhibit 2). Within New England, all six states posted job losses greater than the national average. The largest year-over-year decline was in Vermont (-17.1 percent) followed by Massachusetts (-16.4 percent), Rhode Island (-15.9 percent), Connecticut (-14.9 percent), New Hampshire (-14.6 percent), and Maine (-13.8 percent). However, all six New England states experienced payroll employment increases in May 2020 relative to April 2020.

Leisure & hospitality job losses in New England surpass national declines

In May, employment decreased year-over-year in every supersector in New England and the United States (Exhibit 3). The leisure & hospitality supersector had the largest declines both regionally (-55.4 percent) and nationally (-40.5 percent). Declines in the leisure & hospitality sector were larger in each of the six New England states than the national average ranging from -49.8 percent in Connecticut to -59.9 percent in Massachusetts. The regional declines in the information, manufacturing, and professional & business services supersector were smaller than the national losses, but losses in all other supersectors in New England exceeded those of the nation. Both regionally and nationally, the financial services supersector had the smallest declines year-over-year with New England posting -2.5 percent and national losses of -1.5 percent. Financial services employment declined in each of the six New England states ranging from -1.1 percent in Massachusetts to -8.1 percent in Vermont.

Exhibit 1 Nonagricultural Employment

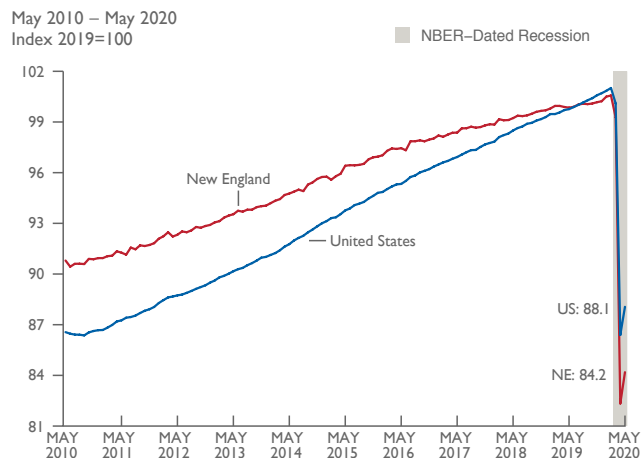


Exhibit 2 Nonagricultural Employment

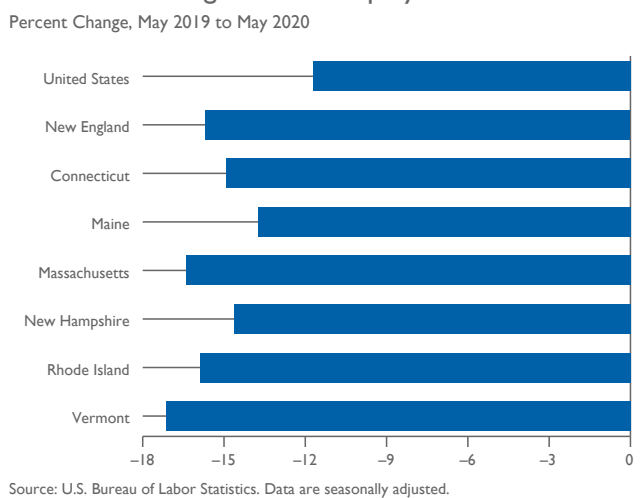
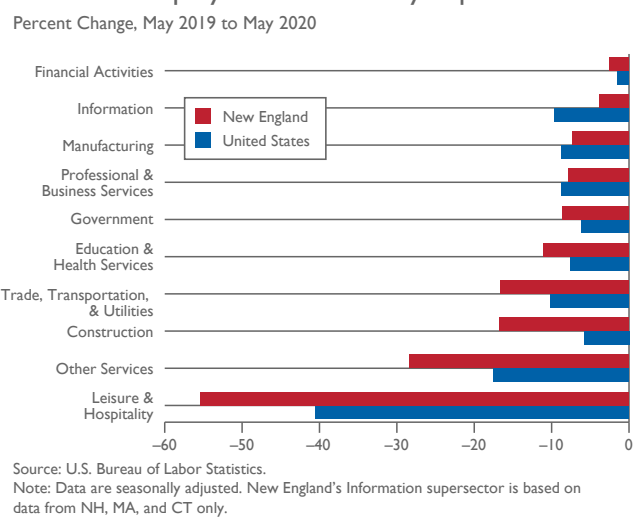


Exhibit 3 Employment Growth by Supersector



Unemployment

Unemployment rates increased in all six New England states relative to one year prior

Unemployment rates across the US and New England increased year-over-year. The May 2020 unemployment rate was 13.3 percent nationally and 13.7 percent regionally. All six New England states saw unemployment rate increases between May 2019 and May 2020, with Massachusetts and Rhode Island posting the largest increases landing them each at 16.3 percent (Exhibit 4). The unemployment rate in New Hampshire was also above the national average at 14.5 percent. Maine (9.3 percent), Connecticut (9.4 percent), and Vermont (12.7 percent) saw rates lower than the national average, but each state had significant increases compared to February 2020, prompted by state policies requiring non-essential businesses to close to support public health.

Home Prices

New Hampshire recorded the fastest house price growth in the region through Q1 2020

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 first quarter of 2019 and the first quarter of 2020, 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). House price growth in Connecticut (4.0 percent) was the lowest in the region over the period considered. New Hampshire (6.4 percent), Maine (6.1 percent), Vermont (5.3), and Rhode Island (5.1) outpaced the national average house price growth rate.

New England Economic

INDICATORS

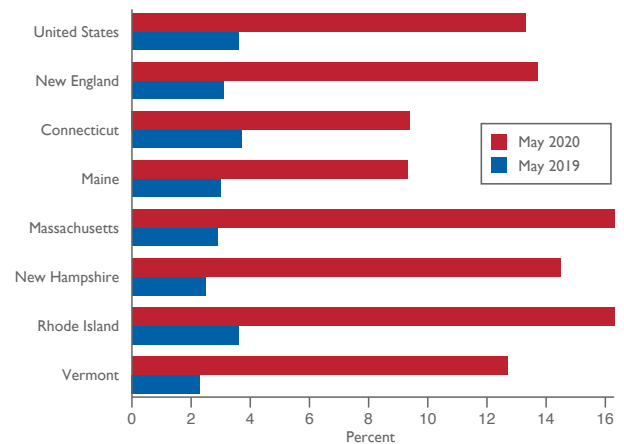
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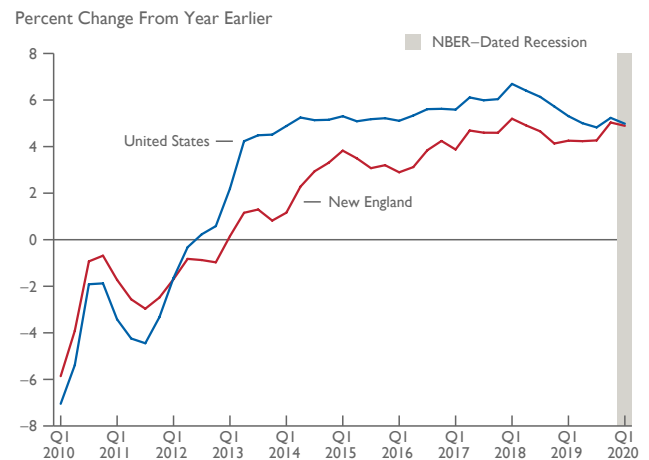


Exhibit 4 Unemployment Rates



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

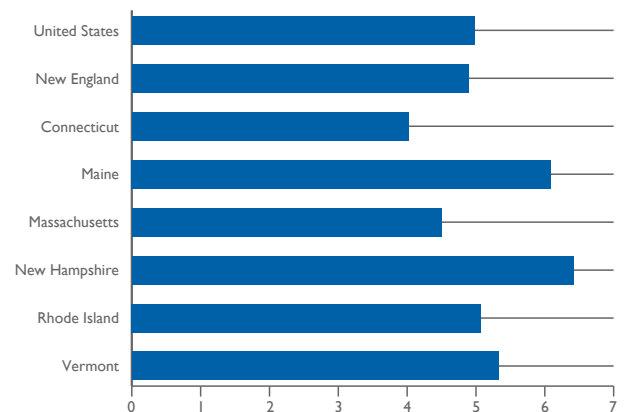
Exhibit 5 FHFA House Price Index



Source: Federal Housing Finance Agency.

Exhibit 6 FHFA House Price Index

Percent Change, First Quarter 2019 to First Quarter 2020



Source: Federal Housing Finance Agency.