

Through May 2021, both the New England region and the United States experienced improvements in economic conditions relative to May 2020. Payroll employment rose and unemployment rates have dropped relative to one year prior, though the May 2021 economic conditions continue to lag pre-pandemic levels. Leisure & hospitality employment has experienced the largest gains nationally and across the region, but employment in the sector remains below pre-pandemic levels. Through the first quarter of 2021, home prices appreciated compared to the same period in 2020 both regionally and nationally.

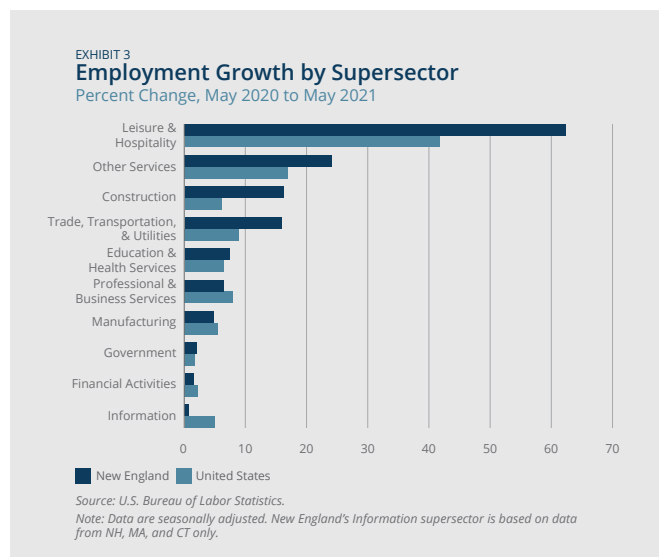
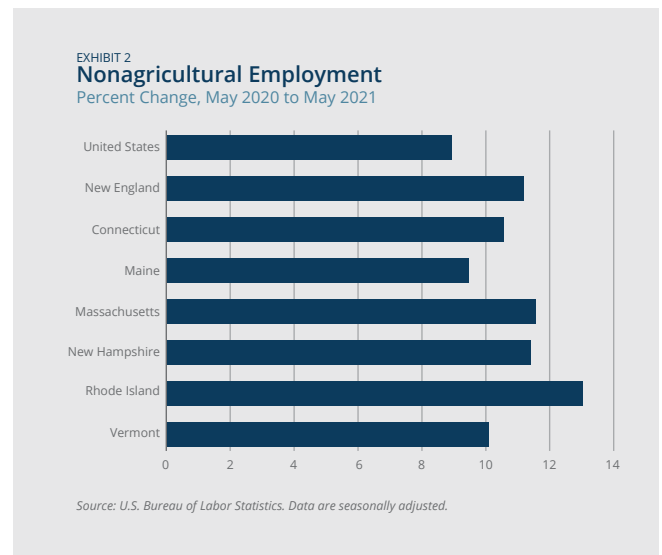
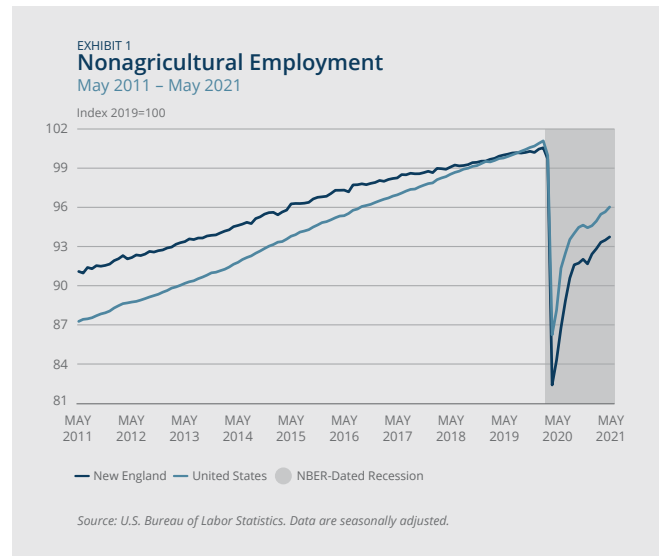
## Payroll Employment

Employment grew more in each of the six New England states than in the nation

The United States and New England experienced improvements in payroll employment through May 2021 relative to May 2020 (Exhibit 1). Payrolls increased 9.0 percent nationally and 11.2 percent regionally between May 2020 and May 2021 (Exhibit 2). Within New England, each of the six states posted job gains greater than the national average after experiencing sharper declines in March and April of last year. Employment in each of the states in the region remains below pre-pandemic levels from February 2020 ranging from -4.6 percent in Maine and New Hampshire to -7.7 percent in Rhode Island.

Leisure & hospitality job gains in New England surpass national growth but continue to lag pre-pandemic levels

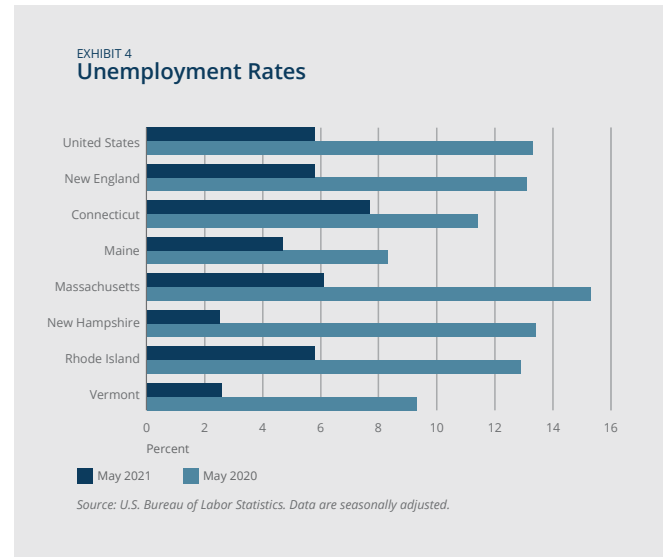
In May, employment increased year-over-year in every supersector in New England and the United States (Exhibit 3). The leisure & hospitality supersector had the largest increases both regionally (62.3 percent) and nationally (41.7 percent). Employment in the leisure & hospitality supersector remains down relative to pre-pandemic levels in each of the six New England states ranging from -10.7 percent in New Hampshire to -26.6 percent in Massachusetts. The regional gains in the information, financial activities, manufacturing, and professional & business services supersectors were smaller than the corresponding national gains. Employment growth in all other supersectors in the region exceeded those of the nation.



## Unemployment

Unemployment rates continued to drop, but rates in CT and MA remain above the national rate

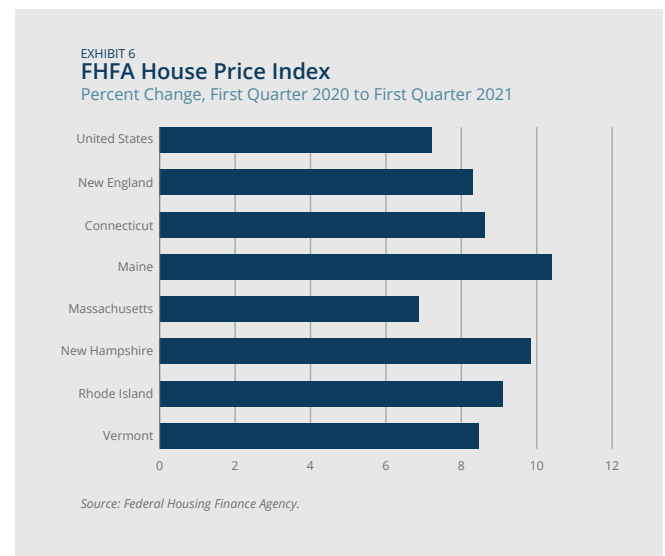
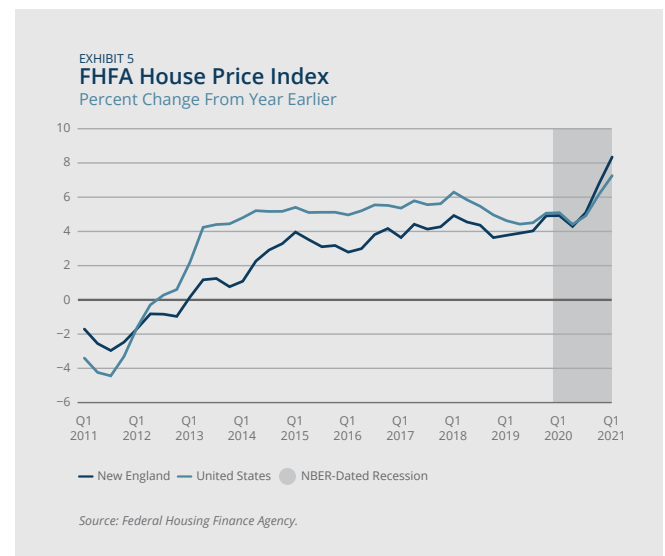
The May 2021 unemployment rate was 5.8 percent both regionally and nationally. All six New England states saw unemployment rate declines between May 2020 and May 2021, with New Hampshire posting the largest decline of 10.9 percentage points, landing at 2.5 percent (Exhibit 4). The unemployment rate in Massachusetts (6.1 percent) and Connecticut (7.7 percent) were above the national average. Maine (4.7 percent), Rhode Island (5.8 percent), and Vermont (2.6 percent) saw rates at or below the national average, but every state except New Hampshire remains elevated compared to pre-pandemic levels.



## Home Prices

Maine recorded the fastest annual house price growth in the region through Q1 2021

Home prices continued to rise in the nation and region, with the regional growth rate continuing to exceed the national rate for the most recent three quarters for the first time since 2011 (Figure 5). Between the first quarter of 2020 and the first quarter of 2021, home prices increased 7.2 percent nationally and 8.3 percent regionally. All six New England states reported year-over-year appreciation in house prices (Exhibit 6). House price growth in Massachusetts (6.9 percent) was the lowest in the region over the period considered, and it was the only New England state below the national average house price growth rate. Connecticut (8.6 percent), New Hampshire (9.8 percent), Maine (10.4 percent), Rhode Island (9.0 percent), and Vermont (8.4 percent) outpaced the national average rate.



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New England Economic Indicators aggregates data released prior to June 28, 2021.

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