

Through May 2022, both the New England region and the United States experienced substantial improvements in economic conditions relative to May 2021. Payroll employment increased and unemployment rates fell relative to one year prior, although these indicators continued to differ from their pre-pandemic levels. Leisure & hospitality employment experienced the largest gains among supersectors in the nation and region. Through the first quarter of 2022, wage and salary income was higher nationally and across all New England states compared to the same period in 2021.

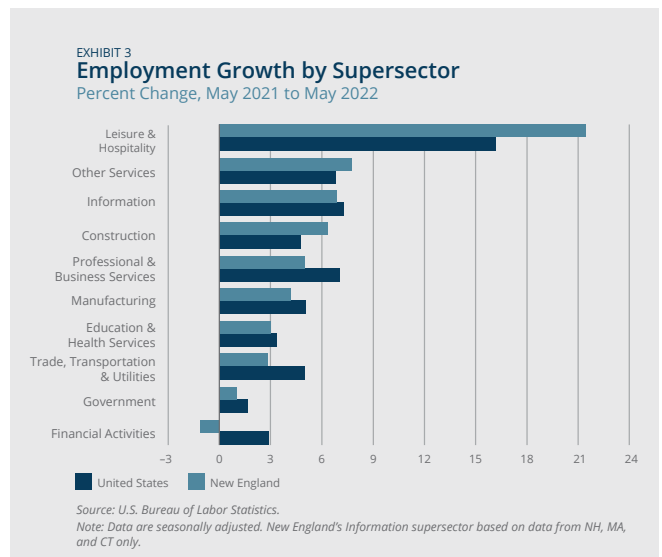
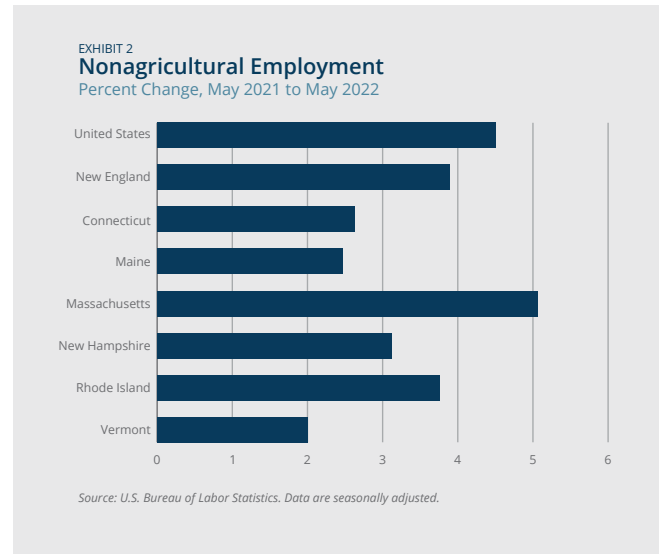
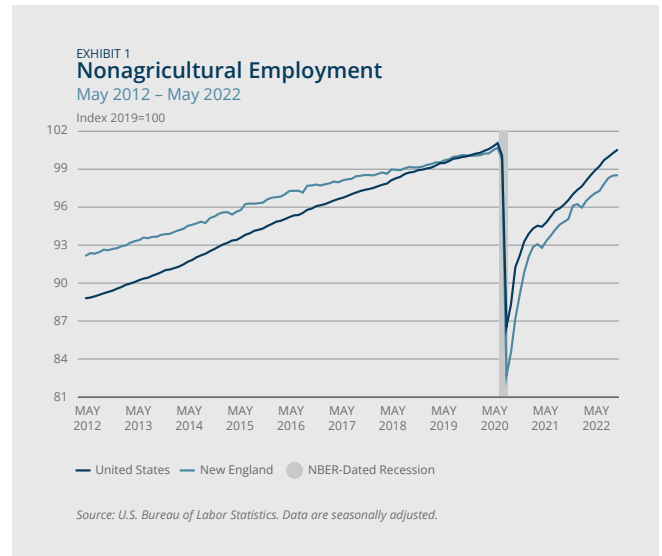
## Payroll Employment

### Employment growth lagged the national pace in five of the six New England states

The United States and New England experienced large gains in payroll employment through May 2022 relative to May 2021, but payrolls continued to lag pre-pandemic levels (Exhibit 1). Jobs increased 4.5 percent nationally and 3.9 percent regionally over the year to May 2022 (Exhibit 2). Within New England, Massachusetts was the lone state to post a job growth rate that exceeded the national average (5.1 percent). Payroll employment in each of the New England states remains below its pre-pandemic level in February 2020, with the gaps ranging from -0.8 percent in Maine to -5.1 percent in Vermont.

### Leisure & hospitality jobs continued to rebound more rapidly in New England than in the U.S.

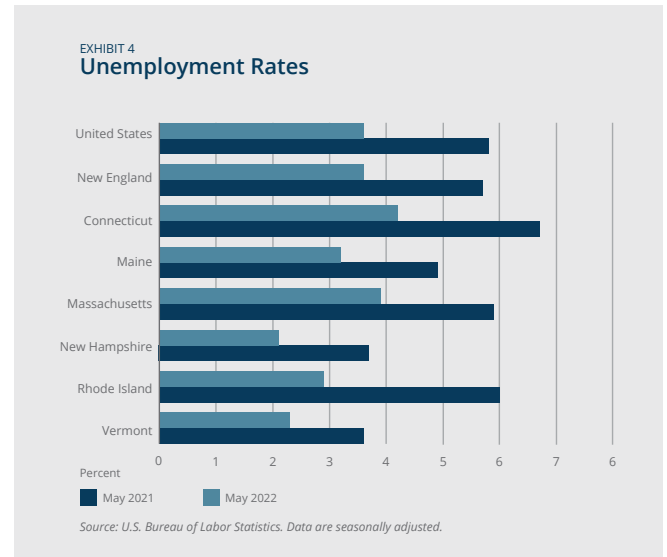
In May 2022, employment increased year-over-year in every supersector in the United States and all but the financial activities supersector in New England (Exhibit 3). The leisure & hospitality supersector had the largest increases both regionally (17.3 percent) and nationally (13.1 percent). Employment in the leisure & hospitality supersector remains below February 2020 levels in each of the six New England states, ranging from -3.8 percent in Maine to -9.7 percent in Vermont. In addition to leisure & hospitality, year-over-year regional gains in construction and other services exceed the corresponding national gains.



## Unemployment

### Unemployment rates continued to drop in all six New England states

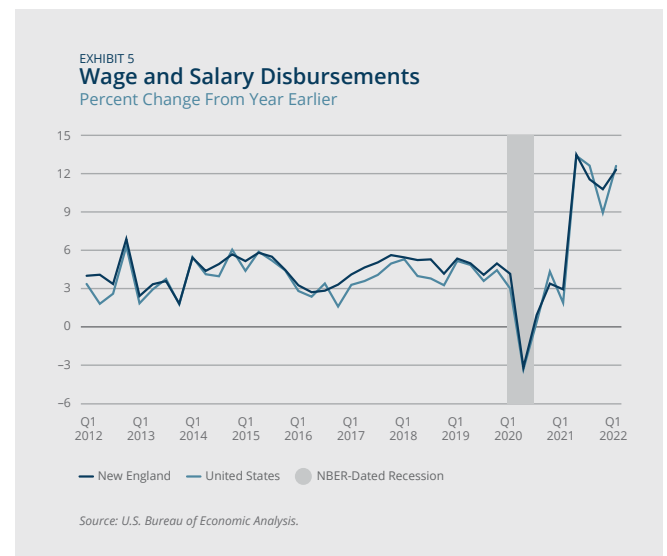
In May 2022, the unemployment rate was 3.6 percent in both the United States and the region. All six New England states saw unemployment rate declines between May 2021 and May 2022. Rhode Island posted the largest year-over-year decline of 3.1 percentage points, landing at 2.9 percent (Exhibit 4). The unemployment rate in Connecticut (4.2 percent) and Massachusetts (3.9 percent) exceeded the national average. New Hampshire (2.1 percent) and Vermont (2.3 percent) posted rates well below the national rate, and each landed among the nine lowest rates in the country. Unemployment in Maine was also below the national rate at 3.2 percent.



## Income

### Wage and salary income continued to rise

Incomes in New England and the United States grew in the first quarter of 2022 relative to a year earlier. Wage and salary disbursements, the largest component of income, increased year-over-year by 12.2 percent nationally and 12.5 percent regionally in the first quarter of 2022 (Exhibit 5). Wage and salary growth in the New England states ranged from 10.4 percent in Connecticut to 20.4 percent in New Hampshire.



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

New England Economic Indicators aggregates data released prior to June 27, 2022.

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