

Through August 2020, both the New England region and the United States experienced sharp declines in economic conditions relative to the first months of 2020. Payroll employment dropped and unemployment rates have risen dramatically relative to one year prior, though the August 2020 rates have improved relative to the spring of 2020. Leisure & hospitality employment is affected most among the supersectors. Through the second 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 in the nation

The United States and New England experienced sharp declines in payroll employment through August 2020 (Exhibit 1). Payrolls declined 6.8 percent nationally and 9.3 percent regionally between August 2019 and August 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 Massachusetts (-10.9 percent) followed by Vermont (-10.7 percent), Maine (-8.7 percent), New Hampshire (-8.0 percent), Rhode Island (-7.4 percent), and Connecticut (-7.0 percent). However, all six New England states experienced payroll employment increases in August 2020 relative to April 2020.

Leisure & hospitality job losses in New England surpass national declines

In August, 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 (-32.5 percent) and nationally (-23.2 percent). Declines in the leisure & hospitality supersector were larger in four of the six New England states than the national average ranging from -21.5 percent in Rhode Island to -42.7 percent in Vermont. The regional declines in the information 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. The financial services supersector had the smallest declines year-over-year with New England posting a decline of -2.6 percent and national losses of -1.3 percent. Financial services employment increased year-over-year in Rhode Island (1.4 percent) and New Hampshire (0.6 percent) while posting losses in the other four states ranging from Massachusetts (-2.7 percent) to Vermont (-10.6 percent).

Exhibit 1 Nonagricultural Employment

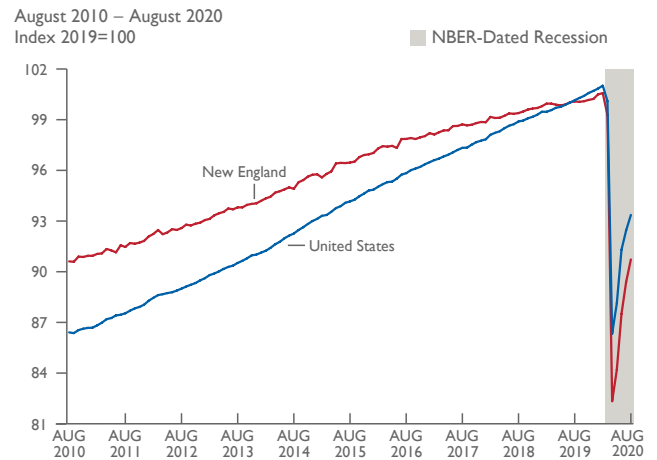


Exhibit 2 Nonagricultural Employment

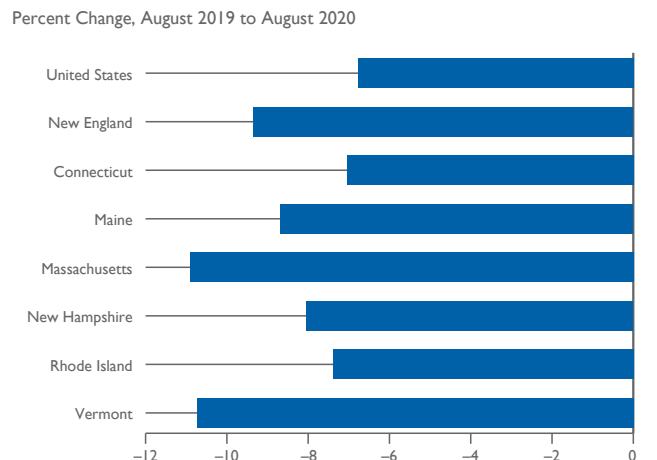
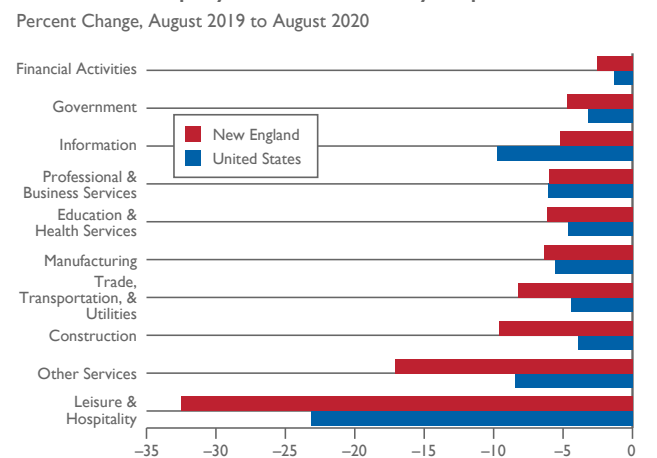


Exhibit 3 Employment Growth by Supersector



Unemployment

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

The August 2020 unemployment rate was 8.4 percent nationally and 9.5 percent regionally. All six New England states saw unemployment rate increases between August 2019 and August 2020, with Rhode Island posting the largest increase of 9.3 percentage points, landing at 12.8 percent (Exhibit 4). The unemployment rate in Massachusetts (11.3 percent) and Connecticut (9.5 percent) were also above the national average. Maine (8.5 percent), New Hampshire (6.5 percent), and Vermont (4.8 percent) saw rates lower than the national average, but each state had significant increases compared to February 2020.

Home Prices

New Hampshire recorded the fastest house price growth in the region through Q2 2020

Home prices continued to rise in the nation and region, with the national growth rate narrowly exceeding the regional rate (Figure 5). Between the second quarter of 2019 and the second quarter of 2020, home prices increased 4.0 percent nationally and 3.9 percent regionally. All six New England states reported year-over-year appreciation in house prices (Exhibit 6). House price growth in Connecticut (3.0 percent) was the lowest in the region over the period considered. New Hampshire (5.3 percent), Maine (5.1 percent), and Rhode Island (4.3 percent) outpaced the national average house price growth rate.

New England Economic

INDICATORS

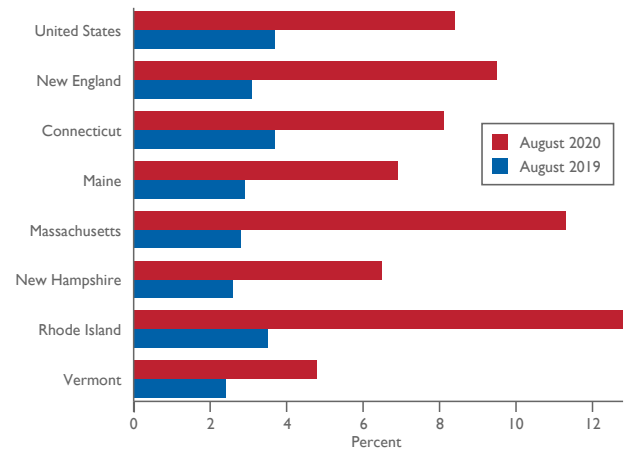
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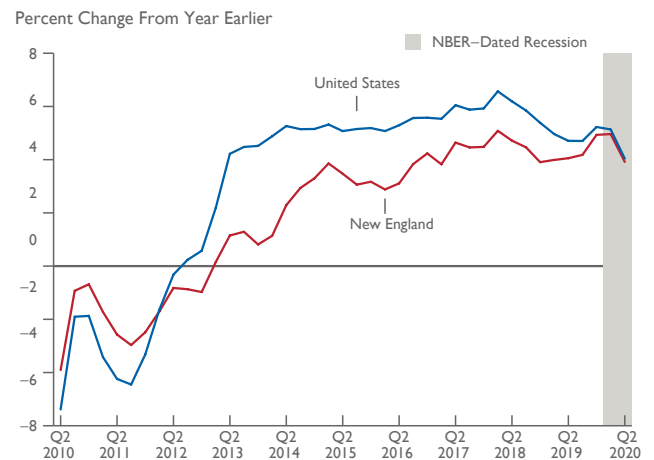


Exhibit 4 Unemployment Rates



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

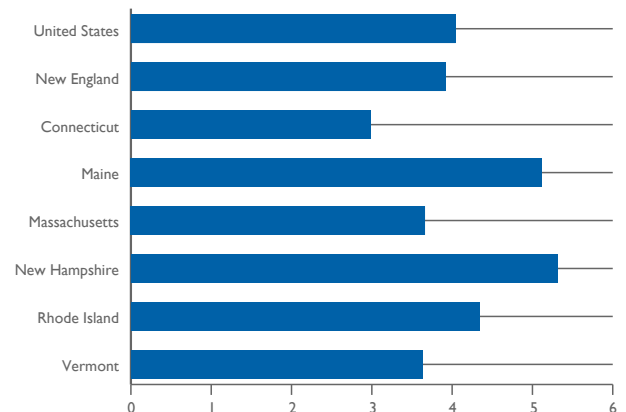
Exhibit 5 FHFA House Price Index



Source: Federal Housing Finance Agency.

Exhibit 6 FHFA House Price Index

Percent Change, Second Quarter 2019 to Second Quarter 2020



Source: Federal Housing Finance Agency.