

Through August 2021, both the New England region and the United States experienced substantial improvements in economic conditions relative to August 2020. Payroll employment increased and unemployment rates fell relative to one year prior, although these indicators and others continued to lag their pre-pandemic levels. Leisure & hospitality employment experienced the largest gains nationally and in the region. Home prices surged in the four quarters ending in the second quarter of 2021, both regionally and nationally.

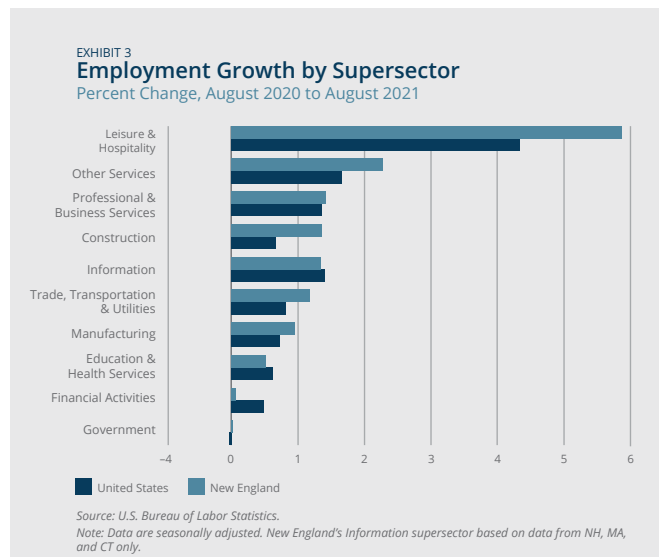
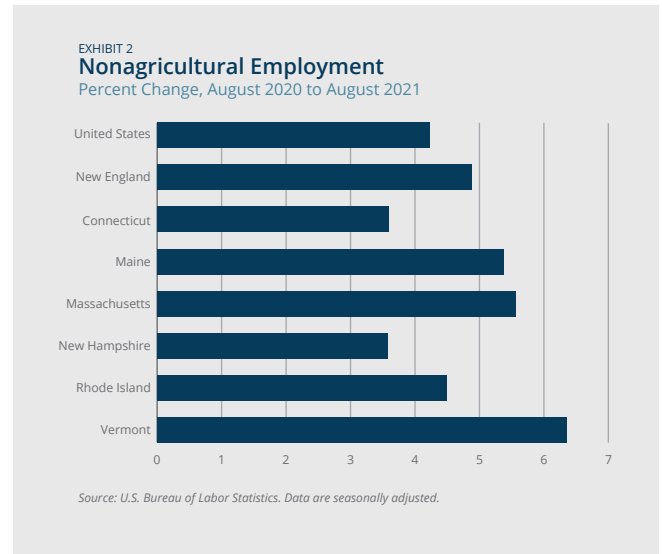
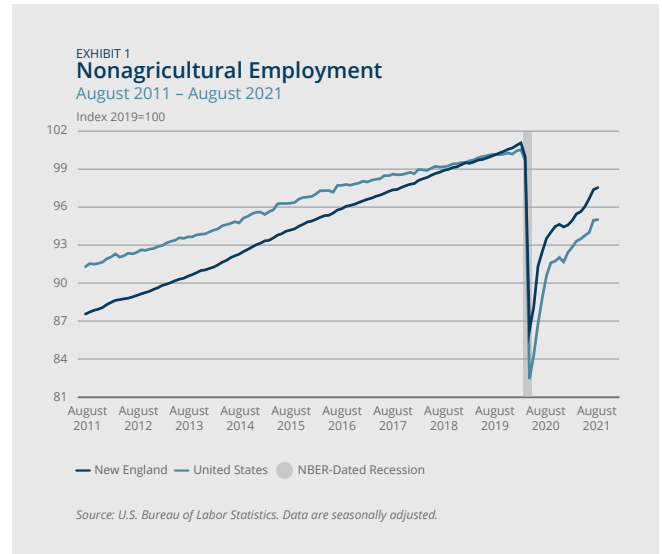
Payroll Employment

Employment growth exceeded the national pace in four of the six New England states

The United States and New England experienced large gains in payroll employment through August 2021 relative to August 2020, but payrolls nonetheless continued to lag pre-pandemic levels (Exhibit 1). Jobs increased 4.3 percent nationally and 4.9 percent regionally over the year to August 2021 (Exhibit 2). Within New England, four of the six states posted job growth rates that exceeded the national average. Payroll employment in each of the New England states remains below its pre-pandemic level of February 2020, with the gaps ranging from -3.6 percent in Maine to -5.8 percent in Rhode Island.

Leisure & hospitality jobs rebounded more rapidly in New England than in the U.S.

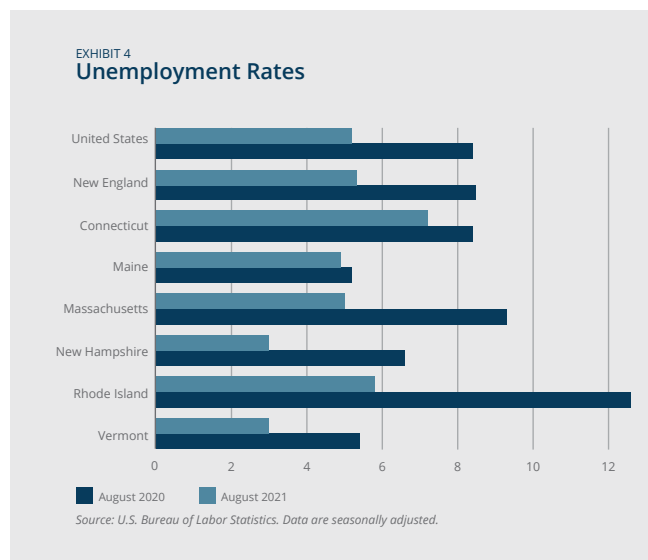
In August, employment increased year-over-year in every supersector in New England and nearly every supersector nationally (Exhibit 3). The exception to national employment growth was the government supersector. The leisure & hospitality supersector had the largest increases both regionally (23.5 percent) and nationally (17.4 percent). Employment in the leisure & hospitality supersector remains down relative to pre-pandemic levels in each of the six New England states, ranging from -9.2 percent in New Hampshire to -22.4 percent in Massachusetts. The regional gains in the information, financial activities, and education & health services were smaller than the corresponding national gains. For all other supersectors, regional employment growth exceeded national employment growth.



Unemployment

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

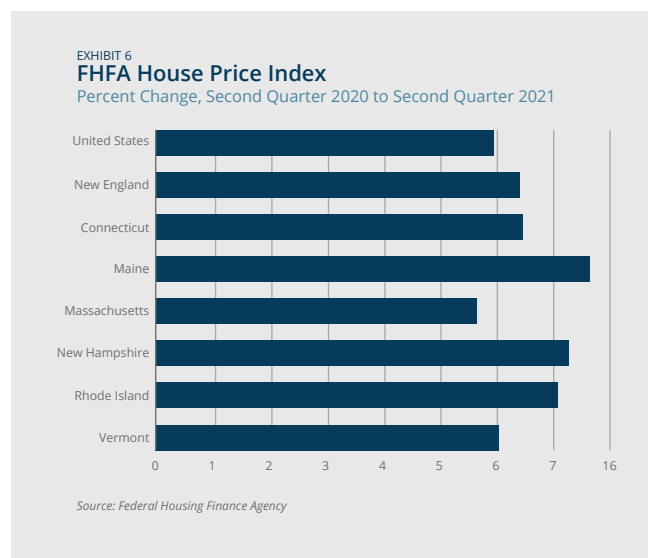
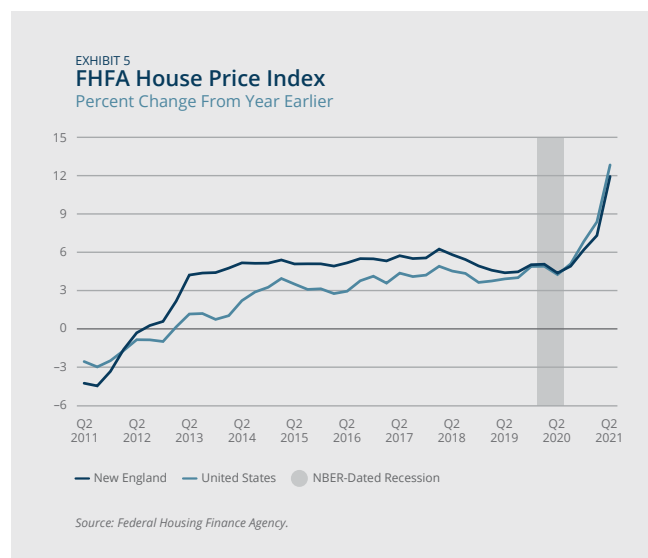
In August 2021 the unemployment rate was 5.2 percent in the U.S. and 5.3 percent in the region. All six New England states saw unemployment rate declines between August 2020 and August 2021, despite not yet recovering their pre-pandemic lows. Rhode Island posted the largest decline of 6.8 percentage points, landing at 5.8 percent (Exhibit 4). The unemployment rate in Connecticut (7.2 percent) also exceeded the national average. Maine (4.9 percent), Massachusetts (5.0 percent), New Hampshire (3.0) and Vermont (3.0 percent) all posted rates below the national average.



Home Prices

Maine recorded the fastest annual house price growth in the region through Q2 2021

House price growth accelerated to very high levels in both the U.S. and New England in the four quarters ending in Q2 2021 (Figure 5). Between the second quarter of 2020 and the second quarter of 2021, home prices increased 11.9 percent nationally and 12.8 percent regionally, up from prior-year growth rates of roughly 4 percent each. All six New England states reported year-over-year appreciation in house prices to Q2 2021 (Exhibit 6). Massachusetts had the slowest house price growth in in the region (11.3 percent) and it was the only New England state with below-national average house price growth. Connecticut (12.9 percent), Maine (15.3 percent), New Hampshire (14.6 percent), Rhode Island (14.2 percent), and Vermont (12.1 percent) all saw gains that outpaced the national rate.



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New England Economic Indicators aggregates data released prior to September 21, 2021.

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