

Through August 2022, both the New England region and the United States experienced improvements in economic conditions relative to August 2021. Payroll employment increased and unemployment rates fell relative to one year prior. Leisure & hospitality employment experienced the largest percentage gains among supersectors in the nation and region. Through the second quarter of 2022, wage and salary income was higher nationally and in each New England state compared to the same period in 2021.

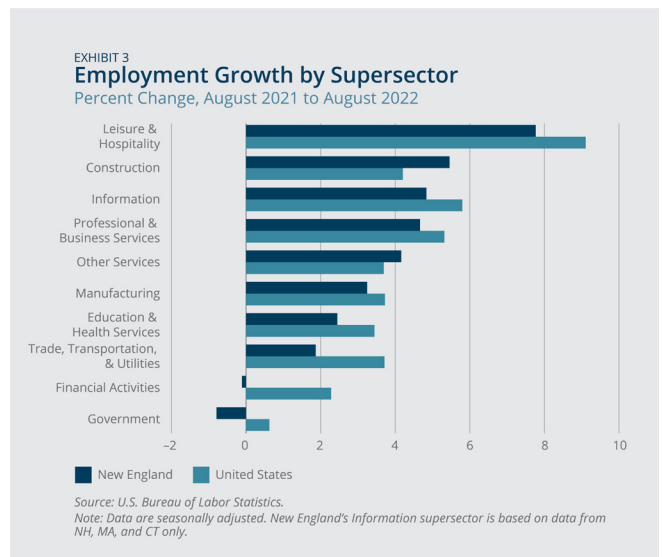
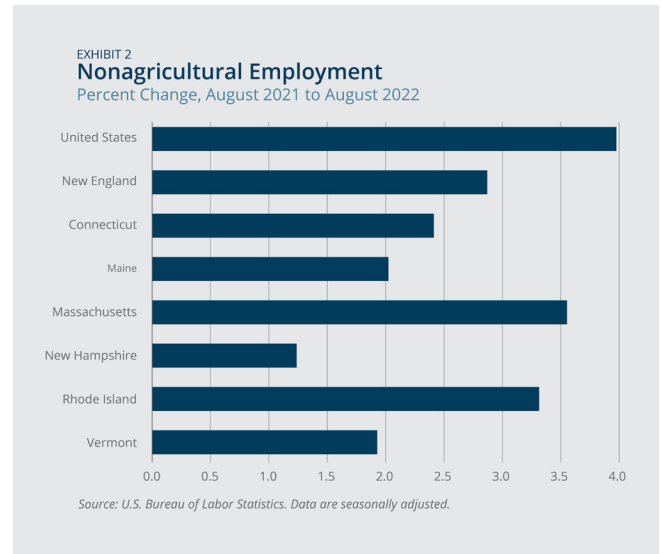
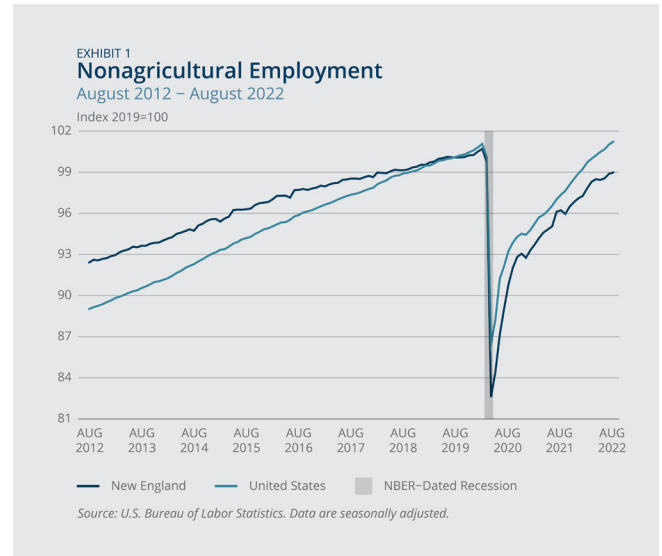
Payroll Employment

Employment growth lagged the national pace in all six New England states

The United States and New England experienced large gains in payroll employment through August 2022 relative to August 2021, but payrolls in the region continued to lag pre-pandemic levels (Exhibit 1). Jobs increased 4.0 percent nationally and 2.9 percent regionally over the year to August 2022 (Exhibit 2). Within New England, Massachusetts posted the largest job growth rate (3.6 percent) and New Hampshire the smallest (1.2 percent). Payroll employment in each of the New England states as of August 2022 remains below its pre-pandemic level of February 2020, with the gaps ranging from -0.6 percent in Maine to -4.6 percent in Vermont.

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

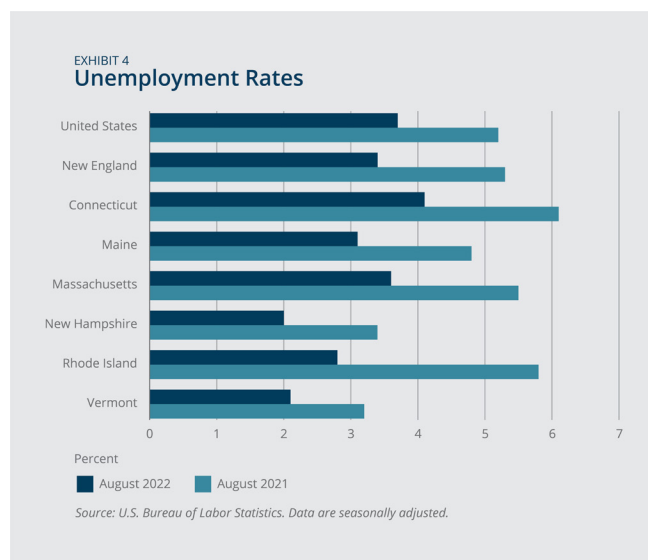
In August 2022, employment increased year-over-year in every supersector in the United States and in all but the financial activities and government supersectors in New England (Exhibit 3). The leisure & hospitality supersector had the largest increases both regionally (7.8 percent) and nationally (9.1 percent). Employment in the leisure & hospitality supersector remains below February 2020 levels in each of the six New England states, ranging from -4.9 percent in Rhode Island to -14.8 percent in Vermont. Year-over-year regional gains in construction and other services exceed the corresponding national gains.



Unemployment

Unemployment rates in five of the six New England states land below national rate

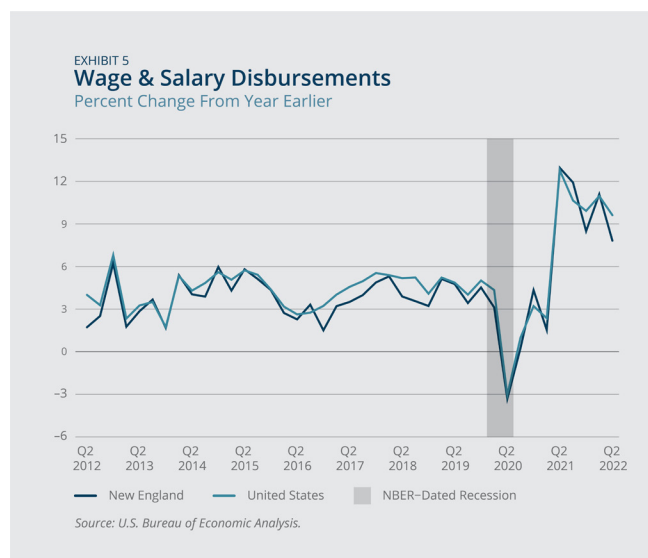
In August 2022, the unemployment rate was 3.7 percent in the United States and 3.4 percent the region. All six New England states saw unemployment rate declines between August 2021 and August 2022. Rhode Island posted the largest year-over-year decline of 3.0 percentage points, landing at 2.8 percent (Exhibit 4). The unemployment rate in Connecticut (4.1 percent) exceeded the national average. New Hampshire (2.0 percent) and Vermont (2.1 percent) posted rates well below the national rate, and each landed among the four lowest rates in the country. Unemployment in Maine (3.1 percent) and Massachusetts (3.6 percent) was also below the national rate.



Income

Wage and salary income continued to rise

Incomes in New England and the United States grew in the second quarter of 2022 relative to a year earlier. Wage and salary disbursements, the largest component of income, increased year-over-year by 9.6 percent nationally and 7.8 percent regionally in the second quarter of 2022 (Exhibit 5). Wage and salary growth in the New England states ranged from 2.4 percent in New Hampshire to 9.8 percent in Vermont.



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

New England Economic Indicators aggregates data released prior to September 30, 2022.

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