

NEW ENGLAND ECONOMIC INDICATORS

FOURTH QUARTER 2012

Federal Reserve Bank of Boston

Economic Snapshot
Labor Market Conditions
Income
Consumer Prices
Merchandise Exports
Real Estate



Final Edition see inside cover

Includes data available as of
December 28, 2012

 **FEDERAL RESERVE
BANK OF BOSTON™**

NEW ENGLAND ECONOMIC INDICATORS

FOURTH QUARTER 2012

Dear *Indicators* Reader,

After 43 years the Federal Reserve Bank of Boston will not distribute a printed version of *New England Economic Indicators*. Since the first edition of *Indicators* was printed in September of 1969 the availability and accessibility of economic data and information have changed dramatically. After carefully considering the purpose of the print publication we have decided to only provide the rich data it contained through the *Indicators* website: <http://www.bostonfed.org/economic/neeii/index.htm>. The site will continue to provide data resources and will now include a narrative analyzing select data series.

This will be the final edition of *Indicators*. Starting in March of 2013 the website will feature analysis of recent trends for select regional data, which will be updated on a quarterly basis and e-mailed to online subscribers. To sign up for our E-Mail Alerts please visit: <http://www.bostonfed.org/genpubs/email/index.htm>

We would also like to take this opportunity to remind our readers of the other online resources available to access and analyze the data available through *New England Economic Indicators*:

Indicators Interactive

Generate tables and charts for the data series and New England states or metropolitan areas you are interested in.

Indicators Database

Historical data as far back as 1969 and other series not published in *Indicators*, including non-seasonally adjusted, for use with spreadsheets.

Monthly State Economic Summaries

Monthly summaries of select data series for each of the six New England states with annual, quarterly, and monthly trends.

Finally, we would like to thank all of the readers of *Indicators* over the years. We expect to continue to improve how we share data and analysis on the regional economy with the public. We hope that *New England Economic Indicators* will remain a valuable regional data resource for years to come.

Sincerely,

Robert Clifford, *Indicators* Editor
Robert.Clifford@bos.frb.org

New England's economic performance trails the nation in recent months

The New England economy continues to expand, but the rate of growth appears to have slowed in recent months and, for some indicators, trails the national pace of recovery.

New England's employment declines slightly in November

Following two months of job gains, New England's employment was essentially unchanged between October and November of 2012, down 100 jobs (Exhibit 1). In comparison, employment increased nationwide over this time period (146,000 jobs), growing 0.1 percent month-over-month.

Vermont experienced the strongest employment gains of all the New England states, increasing employment 0.7 percent (2,200 jobs) between October and November of 2012. Connecticut was the only other state to gain jobs over this period, adding 300 jobs. Employment changes in the other New England states ranged from -0.03 percent in Massachusetts (-1,100 jobs) to -0.17 percent in Maine (-1,000 jobs).

Regional unemployment rate remains elevated

After reaching a post-recession low of 6.8 percent in May and June of 2012, New England's unemployment rate increased to 7.4 percent in October. In November the region's unemployment rate dropped to 7.3 percent, 0.1 percentage points below the rate in November 2011 (Exhibit 2). In comparison, the national unemployment rate was 7.7 percent in November 2012, a full percentage point below its level a year earlier. The unemployment rates in Massachusetts, Rhode Island, and Vermont were down year-over-year, while the rates in Connecticut, Maine, and New Hampshire increased.

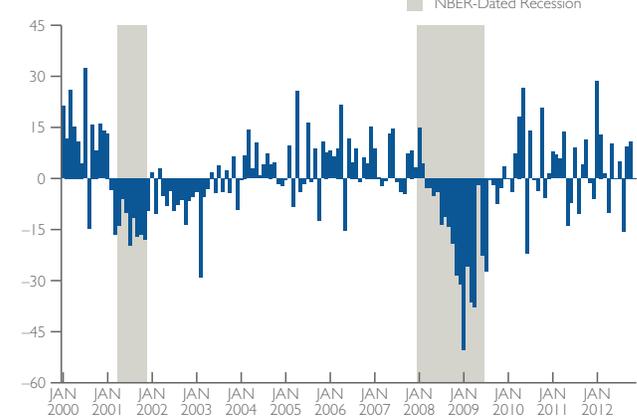
Inflation in the Boston area increases slightly

Consumer prices in the Boston area grew 0.2 percent between September and November of 2012. At the national level, the Consumer Price Index fell 0.5 percent from September to November. Boston experienced headline inflation (year-over-year) of just 2.0 percent in November, with core inflation (All Items less Food and Energy) coming in at 2.2 percent over the same period (Exhibit 3). Both headline and core inflation in Boston grew slightly faster than their respective U.S. counterparts for November, at 1.8 percent (U.S. headline) and 1.9 percent (U.S. core). During the past twelve months, both in Boston and nationwide, fuel & utilities prices have been the only major expenditure category to decline.

continued on page 2

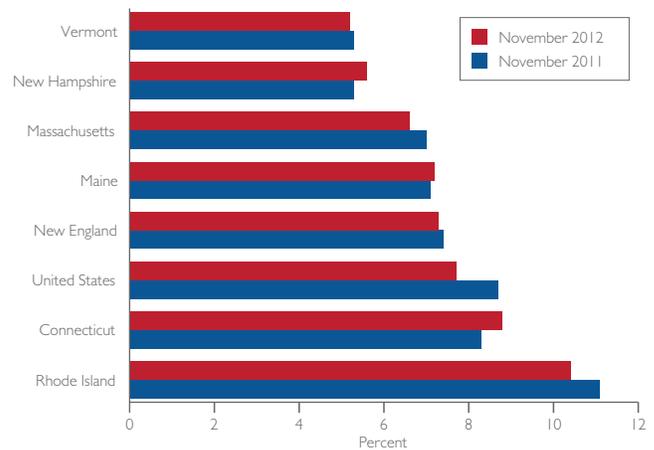
Exhibit 1 Monthly Employment Change in New England

January 2000 – November 2012
Thousands of Jobs



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

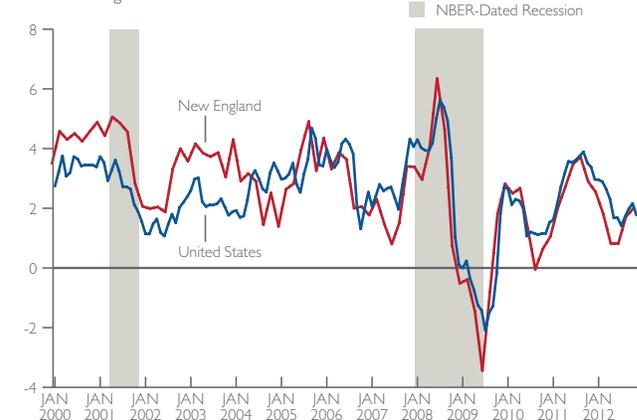
Exhibit 2 Unemployment Rates



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

Exhibit 3 Consumer Price Index

January 2000 – November 2012
Percent Change From Year Earlier



Source: U.S. Bureau of Labor Statistics.

Incomes in New England grew at slower pace than nationally

Both regionally and nationally personal income continued to grow in the third quarter of 2012 (Exhibit 4). Year-over-year growth in personal income in the third quarter of 2012 came out to 2.6 percent for New England and 3.2 percent for the United States. The 2.6 percent income growth in New England was faster than in the previous quarter when it increased only 1.6 percent, making it the first time year-over-year income growth in the region has accelerated since the first quarter of 2011. Personal incomes experienced positive growth in all New England states, both year-over-year and quarter-over-quarter. Vermont posted the strongest year-over-year increase in personal income in the third quarter, at 4.4 percent.

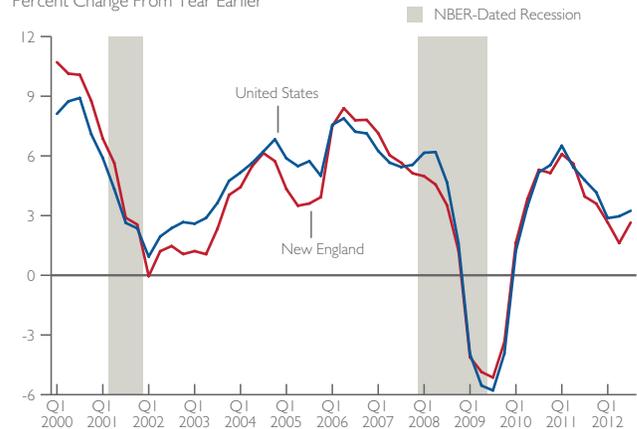
The housing market is starting to improve at a faster pace nationally

Residential real estate markets are continuing to show signs of improvement, with residential housing permits and construction contract indicators showing increases from a year ago. However, the pace of growth has been much stronger nationally than in the New England region.

The FHFA house price index edged up between the second and third quarters of 2012 in the nation, region, and all six New England states, following two consecutive quarters of declines. However, the index continued to decline on a year-over-year basis in the region (Exhibit 5), and at an even faster pace in the third quarter of 2012 (-1.0 percent from the third quarter of 2011) than was observed for the second quarter of 2012 (-0.7 percent from the second quarter of 2011). Nationally, home price declines continued to moderate and were flat in the year ending in third quarter 2012. Vermont was the only state in New England to see housing prices grow between the third quarters of 2011 and 2012, increasing 0.4 percent (Exhibit 6). Housing price changes in the other New England states ranged from -0.1 percent in Massachusetts to -2.6 percent in Rhode Island.

Exhibit 4 Personal Income

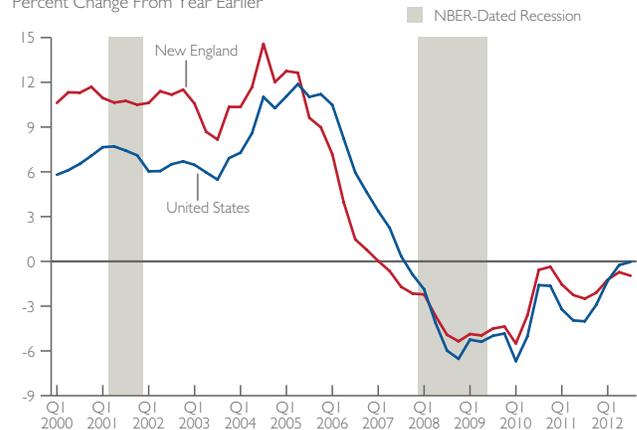
First Quarter 2000 – Third Quarter 2012
Percent Change From Year Earlier



Source: U.S. Bureau of Economic Analysis.

Exhibit 5 FHFA House Price Index

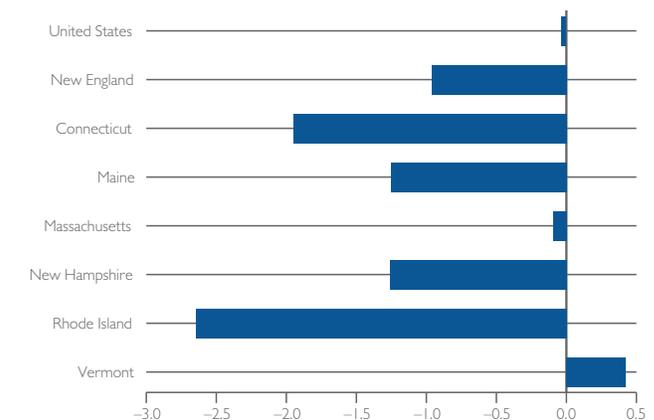
First Quarter 2000 – Third Quarter 2012
Percent Change From Year Earlier



Source: Federal Housing Finance Agency.

Exhibit 6 Home Price Index

Percent Change, Third Quarter 2011 to Third Quarter 2012



Source: Federal Housing Finance Agency.



New England Economic

SNAPSHOT

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

New England Economic Snapshot aggregates data released prior to December 28, 2012. Use of these data does not necessarily imply the Bank's endorsement. More current and detailed data on the New England economy are available at www.bostonfed.org/economic/nee.

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Summary of Latest Data in This Issue

	New England			United States		
	Current Period	Percent Change at Annual Rate from		Current Period	Percent Change at Annual Rate from	
		Prior Period	Year Earlier Period		Prior Period	Year Earlier Period
	Nov 2012			Nov 2012		
Labor Market Conditions						
Total Nonagricultural Employment (thousands of jobs, SA)	6,865.6	0.0	0.7	133,852	1.3	1.4
Connecticut	1,625.4	0.2	0.1			
Maine	594.3	-2.0	0.1			
Massachusetts	3,258.0	-0.4	1.5			
New Hampshire	625.9	-0.6	-0.3			
Rhode Island	457.1	-0.5	-0.5			
Vermont	304.9	9.1	0.9			
Employment by Industry or Sector (thousands of jobs, SA)						
Private (Total Nonagricultural less Government)	5,894.9	0.3	0.9	111,890	1.6	1.8
Government	970.7	-2.0	-0.6	21,962	-0.1	-0.2
Construction	229.1	-3.1	-1.9	5,514	-4.3	-0.1
Manufacturing	603.1	-5.6	-0.7	11,954	-0.7	1.5
Trade, Transportation, and Utilities	1,241.1	6.3	1.3	25,547	3.3	1.6
Financial Activities	445.7	-3.4	-0.4	7,765	0.2	1.0
Professional and Business Services	901.8	2.0	2.8	18,054	2.9	3.0
Education and Health Services	1,397.9	-0.1	0.9	20,452	1.1	2.0
Leisure and Hospitality	660.0	-6.3	1.2	13,741	2.0	2.3
Other Services	257.8	9.3	0.0	5,397	0.7	0.8
	Nov 2012			Nov 2012		
Unemployment Rate (percent, SA)**	7.3	7.4	7.4	7.7	7.9	8.7
Connecticut	8.8	9.0	8.3			
Maine	7.2	7.4	7.1			
Massachusetts	6.6	6.6	7.0			
New Hampshire	5.6	5.7	5.3			
Rhode Island	10.4	10.4	11.1			
Vermont	5.2	5.5	5.3			
Manufacturing Production Workers (NSA)						
Average Weekly Hours	40.4	16.1	0.5	41.9	9.0	0.2
Average Hourly Earnings (dollars)	21.08	1.1	-0.1	19.19	3.2	1.2
Average Weekly Initial Claims for Unemployment Insurance (SA)	21,385	*	-6.5	413,100	*	4.1
	Nov 2012			Nov 2012		
Consumer Prices***						
Consumer Price Index (1982-84=100, NSA)	249.9	1.0	2.0	230.2	-5.6	1.8
	Q3 2012			Q3 2012		
Income (millions of dollars)						
Total Personal Income (SAAR)	762,124	1.5	2.6	13,397,827	2.1	3.2
Wage and Salary Disbursements (SAAR)	392,821	1.7	2.0	6,869,494	1.8	3.0
	Q3 2012			Q3 2012		
Merchandise Exports						
Total Merchandise Exports (millions of dollars, NSA)	13,179	*	-8.6	378,511	*	1.2
Connecticut	3,712	*	4.1			
Maine	863	*	-4.5			
Massachusetts	5,986	*	-16.5			
New Hampshire	815	*	-22.9			
Rhode Island	579	*	-2.7			
Vermont	1,224	*	8.5			

Footnotes for page 3 and 4:

*Period-to-period comparisons of these data are not meaningful.

**Unemployment rates are for that period and not changes over time.

***The consumer price index for New England is for the Boston area and is published every other month.

SA: seasonally adjusted

NSA: not seasonally adjusted

SAAR: seasonally adjusted annual rate

NA: not available

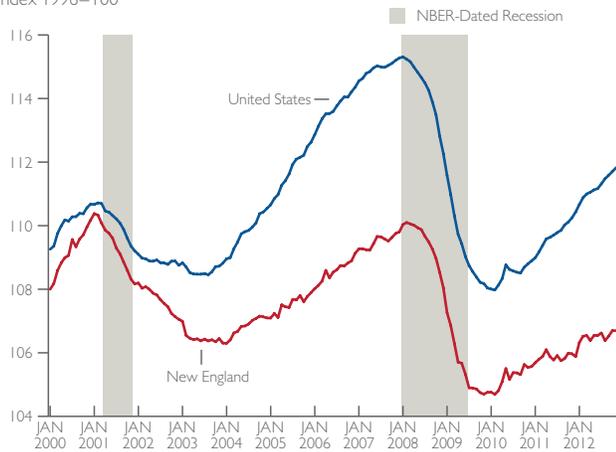
Summary (Continued) and Employment Situation

	New England			United States		
	Current Period	Percent Change at Annual Rate from		Current Period	Percent Change at Annual Rate from	
		Prior Period	Year Earlier Period		Prior Period	Year Earlier Period
Real Estate	Q3 2012			Q3 2012		
Home Price Index (1980:Q1 = 100, NSA)	504.40	2.1	-1.0	315.57	4.7	0.0
Connecticut	391.93	0.9	-1.9			
Maine	452.34	2.4	-1.3			
Massachusetts	613.27	2.6	-0.1			
New Hampshire	393.75	2.4	-1.3			
Rhode Island	445.95	2.5	-2.6			
Vermont	439.04	1.8	0.4			

	Nov 2012			Nov 2012		
Housing Permits Authorized (housing units, SA)	1,970	*	17.8	75,000	*	27.1
Single Units	1,108	*	10.7	47,000	*	23.7
Value of Construction Contracts (index, 1980 = 100; total is NSA)	390.6	*	11.4	248.9	*	-8.1
Residential (SA)	307.1	*	7.3	289.1	*	26.1
Nonresidential Building (NSA)	453.0	*	2.7	235.0	*	-16.0
Nonbuilding (NSA)	449.5	*	38.2	268.0	*	-32.8

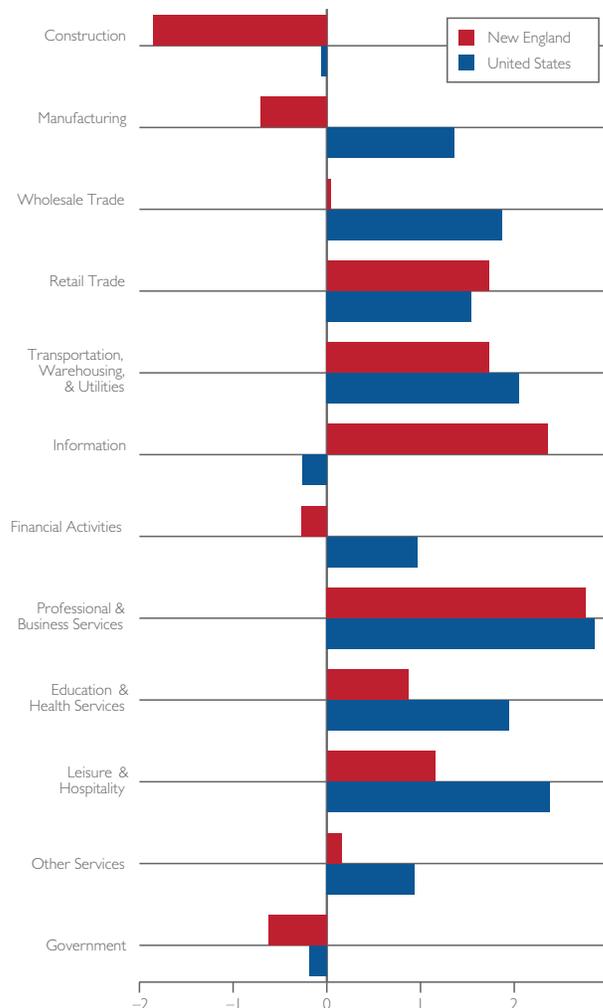
Nonagricultural Employment

January 2000 – November 2012
Index 1996=100



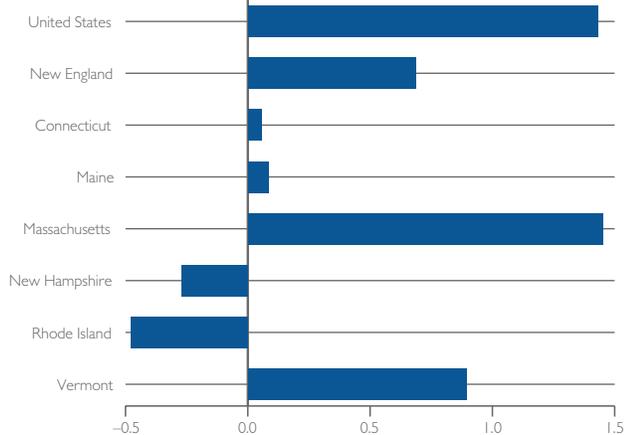
Employment by Industry

Percent Change, November 2011 to November 2012 (Not Seasonally Adjusted)



Nonagricultural Employment

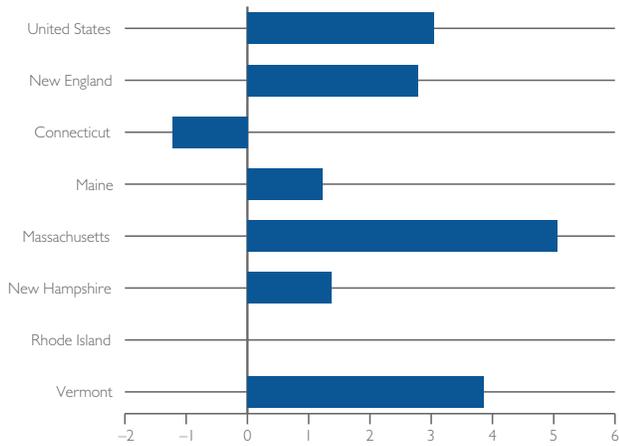
Percent Change, November 2011 to November 2012



Source: U.S. Bureau of Labor Statistics

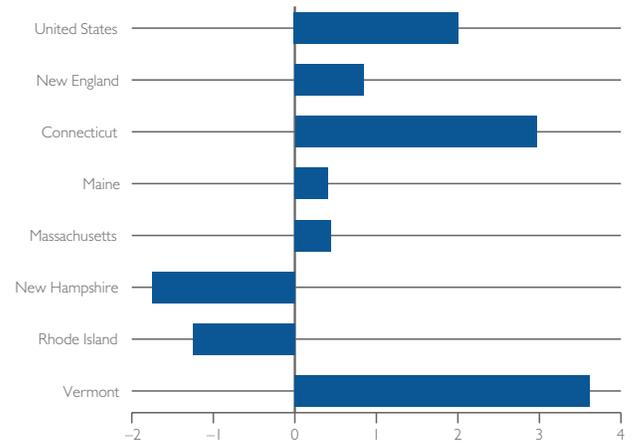
Professional & Business Services Employment

Percent Change, November 2011 to November 2012



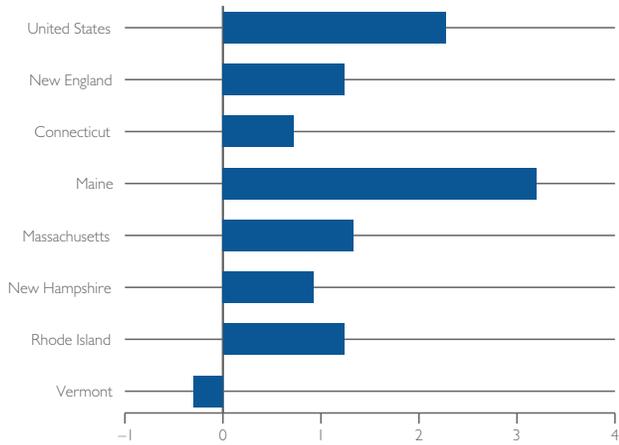
Education & Health Services Employment

Percent Change, November 2011 to November 2012



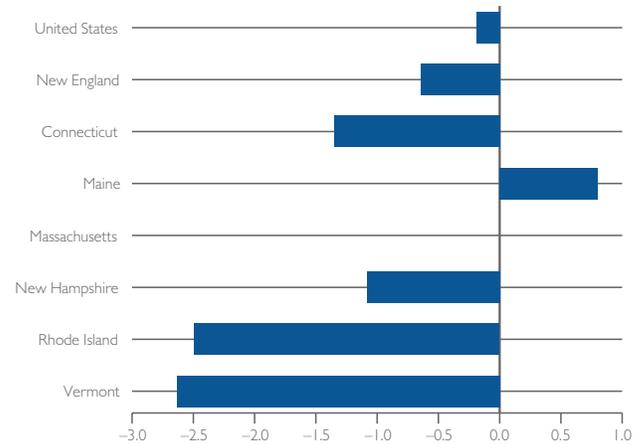
Leisure & Hospitality Employment

Percent Change, November 2011 to November 2012



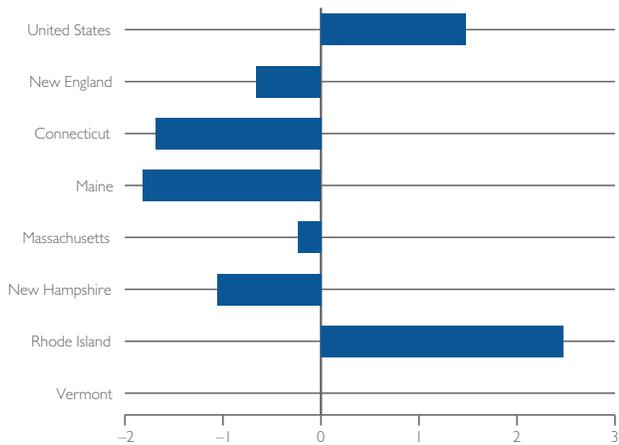
Government Employment

Percent Change, November 2011 to November 2012



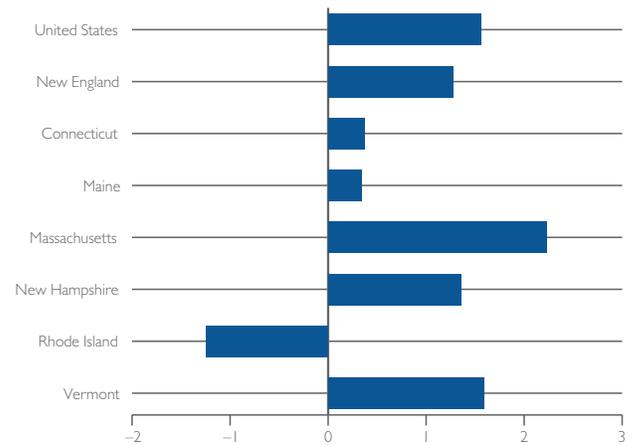
Manufacturing Employment

Percent Change, November 2011 to November 2012



Trade, Transportation, & Utilities Employment

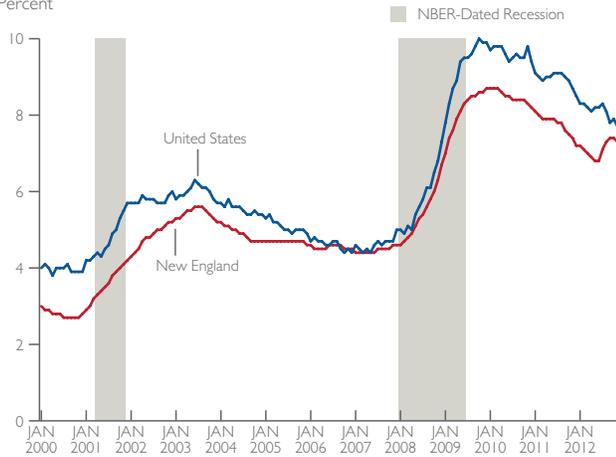
Percent Change, November 2011 to November 2012



Source: U.S. Bureau of Labor Statistics

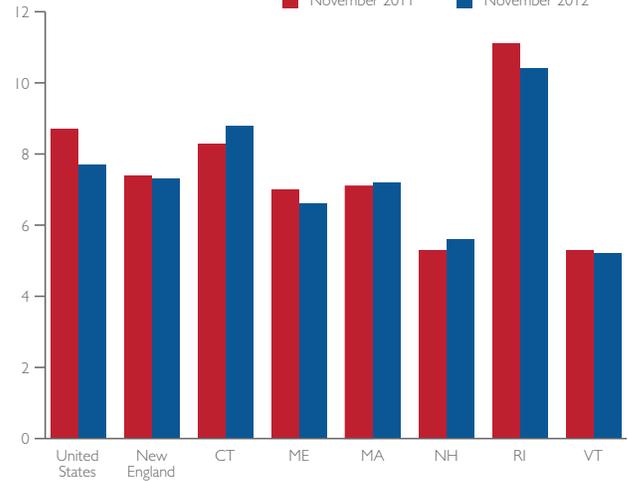
Unemployment Rate

January 2000 – November 2012
Percent



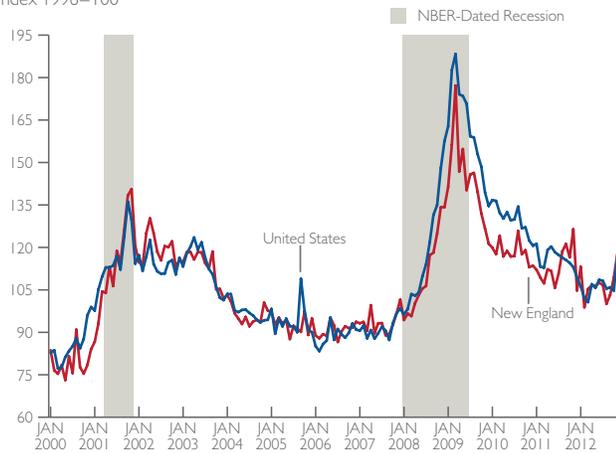
Unemployment Rate

■ November 2011 ■ November 2012



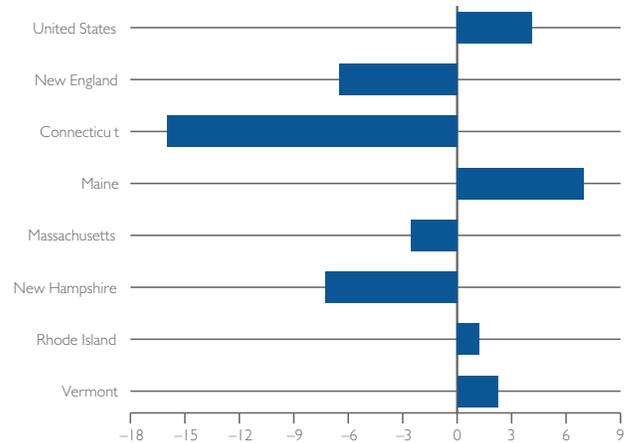
Initial Claims for Unemployment Insurance

January 2000 – November 2012
Index 1996=100



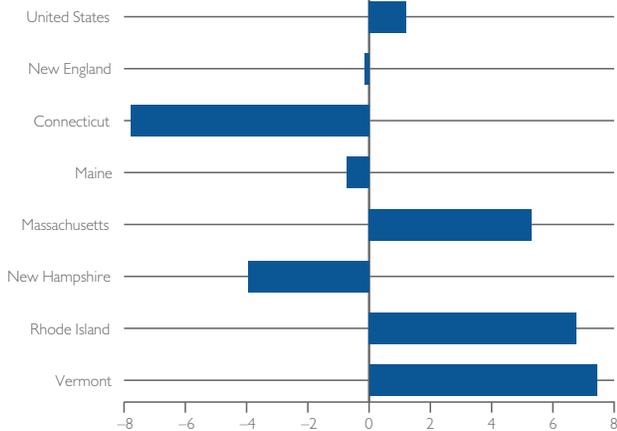
Initial Claims for Unemployment Insurance

Percent Change, November 2011 to November 2012



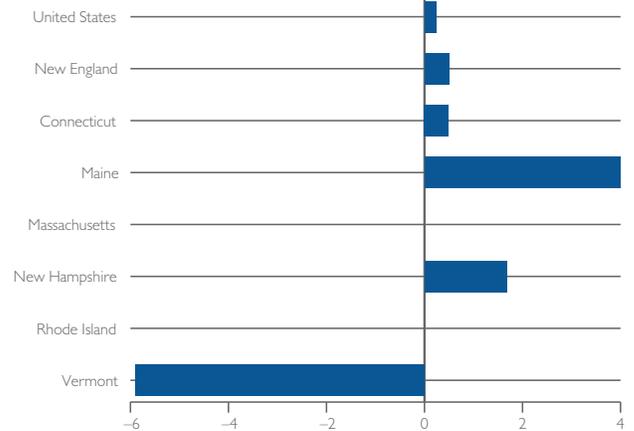
Average Hourly Earnings of Manufacturing Production Workers

Percent Change, November 2011 to November 2012



Average Weekly Hours of Manufacturing Production Workers

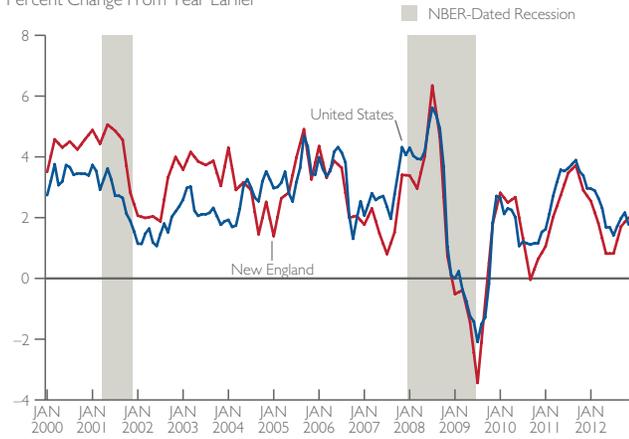
Percent Change, November 2011 to November 2012



Source: U.S. Bureau of Labor Statistics

Consumer Price Index

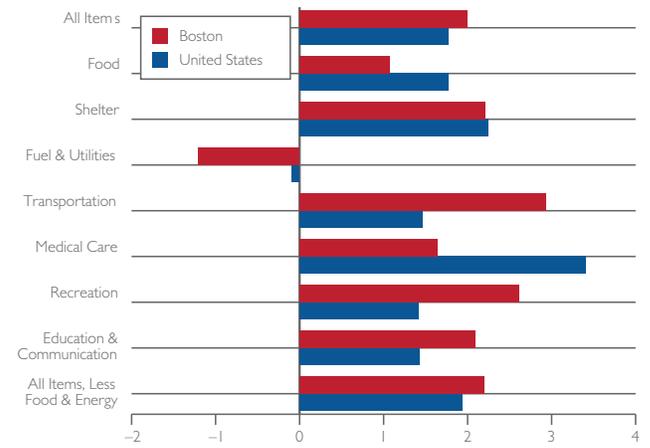
January 2000 – November 2012
All Items
Percent Change From Year Earlier



Source: U.S. Bureau of Labor Statistics

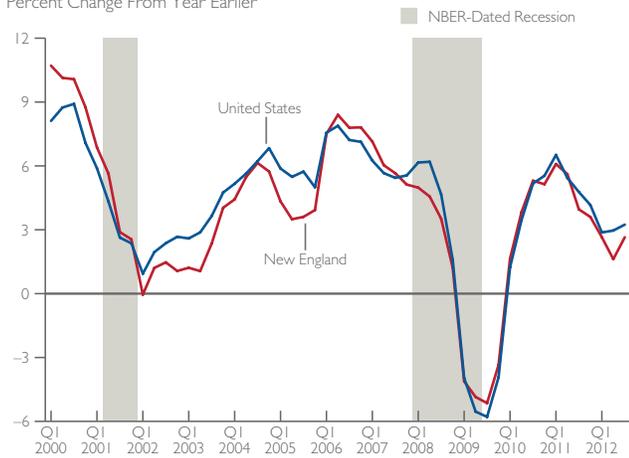
Consumer Price Index

Percent Change, November 2011 to November 2012



Total Personal Income

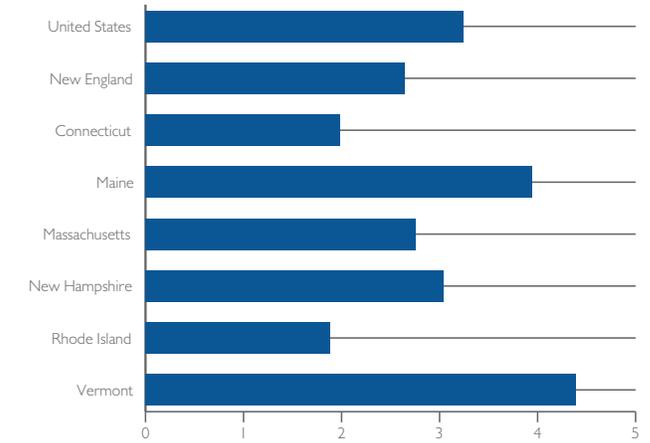
First Quarter 2000 – Third Quarter 2012
Percent Change From Year Earlier



Source: U.S. Bureau of Economic Analysis

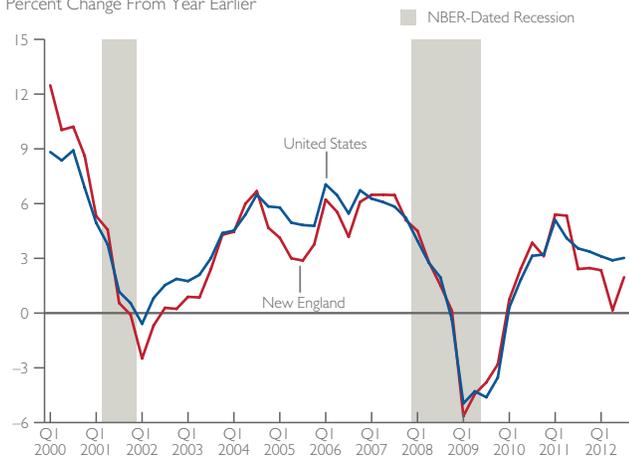
Total Personal Income

Percent Change, Third Quarter 2011 to Third Quarter 2012



Wage & Salary Disbursements

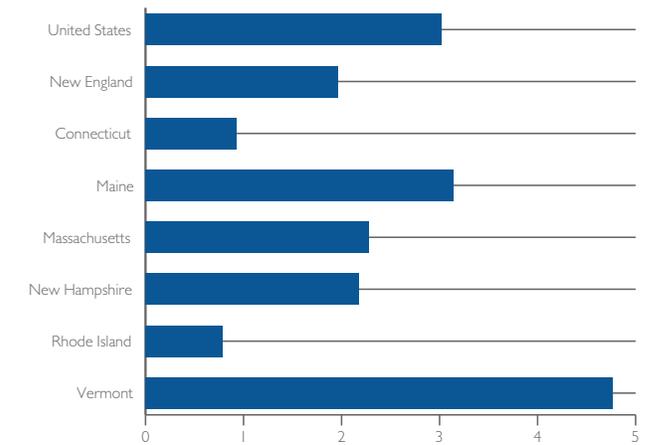
First Quarter 2000 – Third Quarter 2012
Percent Change From Year Earlier



Source: Source: U.S. Bureau of Economic Analysis

Wage & Salary Disbursements

Percent Change, Third Quarter 2011 to Third Quarter 2012



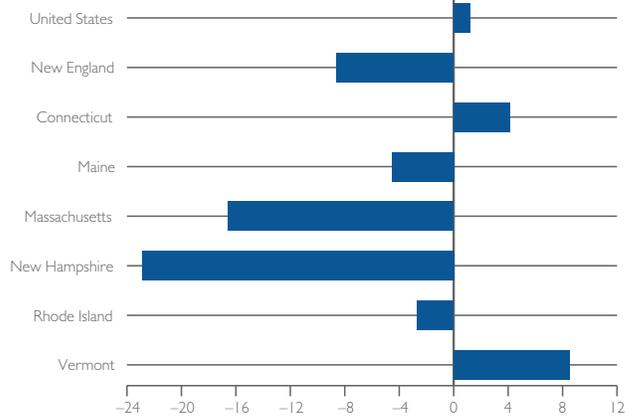
Total Merchandise Exports

First Quarter 2000 – Third Quarter 2012
Index 1997=100



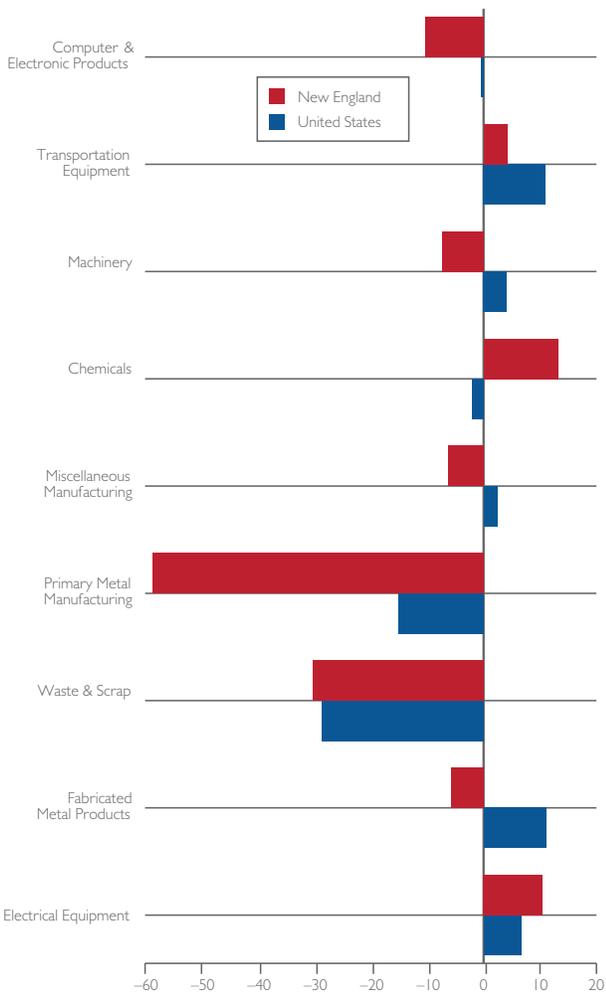
Exports by State

Dollar Value of Merchandise Exports
Percent Change, Third Quarter 2011 to Third Quarter 2012



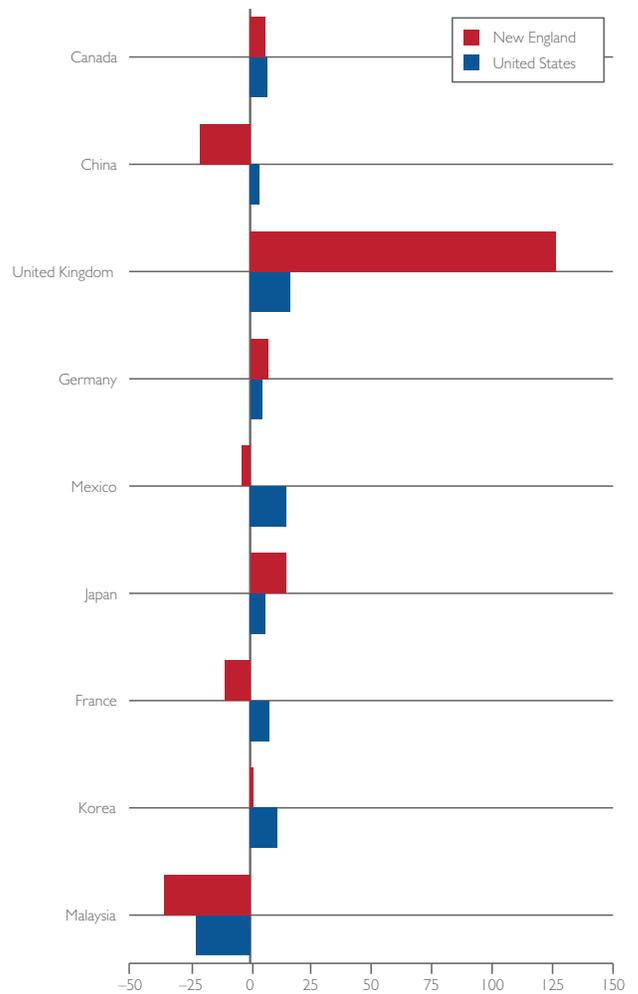
Exports by Industry

Dollar Value of Merchandise Exports
Percent Change, Third Quarter 2011 to Third Quarter 2012



Exports by Country of Destination

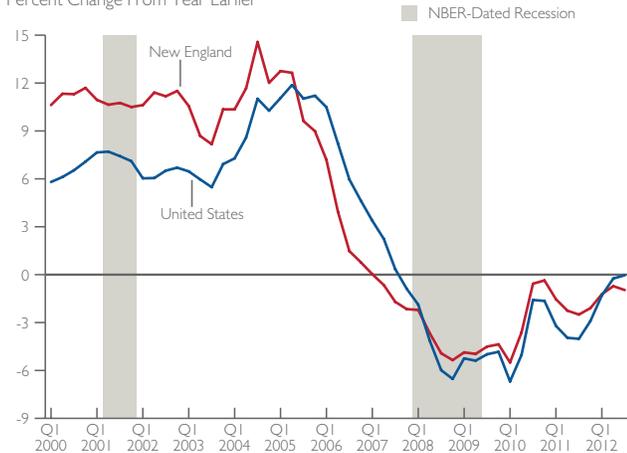
Dollar Value of Merchandise Exports
Percent Change, Third Quarter 2011 to Third Quarter 2012



Source: World Institute for Strategic Economic Research

Home Price Index

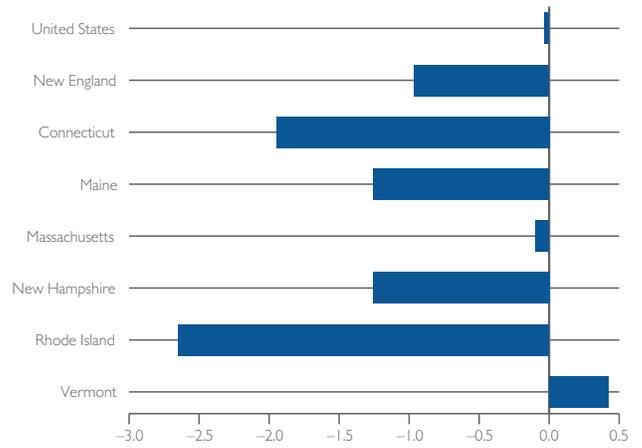
First Quarter 2000 – Third Quarter 2012
Percent Change From Year Earlier



Source: Federal Housing Finance Agency

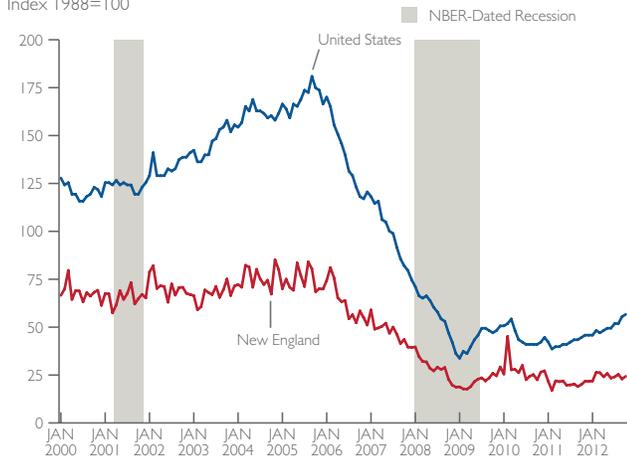
Home Price Index

Percent Change, Third Quarter 2011 to Third Quarter 2012



Single-Family Housing Permits

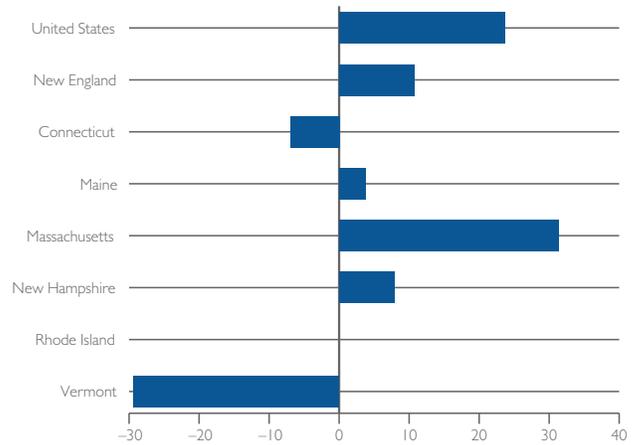
January 2000 – November 2012
Index 1988=100



Source: U.S. Census Bureau

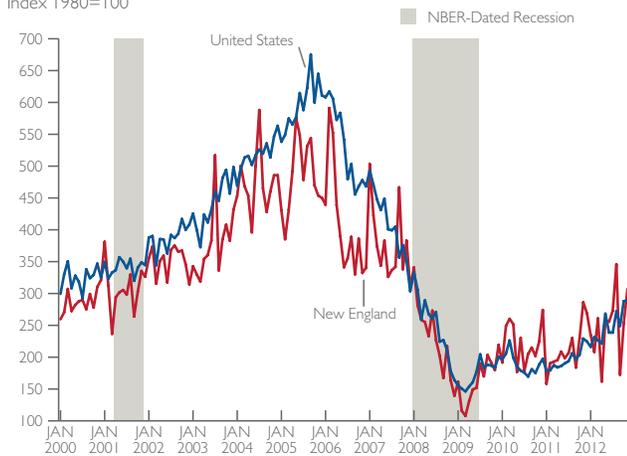
Single-Family Housing Permits

Percent Change, November 2011 to November 2012



Value of Residential Construction Contracts

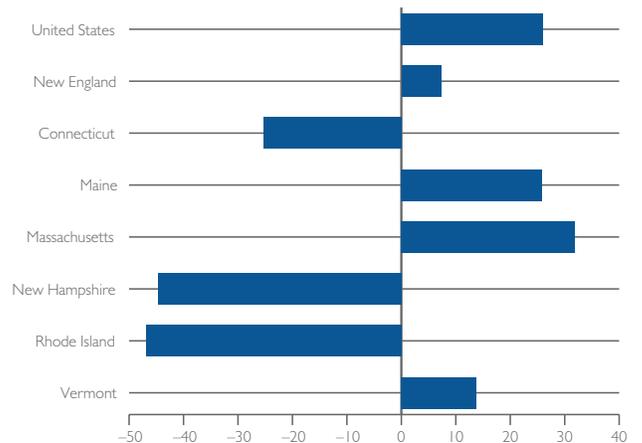
January 2000 – November 2012
Index 1980=100



Source: McGraw-Hill Construction Dodge

Value of Residential Construction Contracts

Percent Change, November 2011 to November 2012



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INDICATORS

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NEW ENGLAND ECONOMIC
INDICATORS Website

Indicators website features the most up-to-date data and information on relevant economic trends in the region. This includes monthly economic summaries for each New England state, raw time-series data for all series tracked in *Indicators*, and *Indicators Interactive*, an application that allows you to generate customized tables and charts for the geography or data series you are interested in.

<http://www.bostonfed.org/economic/neeil/index.htm>