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
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/neei/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.
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.
### Summary of Latest Data in This Issue

#### Labor Market Conditions

<table>
<thead>
<tr>
<th></th>
<th>New England</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Period</td>
<td>Prior Period</td>
</tr>
<tr>
<td>Total Nonagricultural Employment (thousands of jobs, SA)</td>
<td>6,865.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Connecticut</td>
<td>1,625.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Maine</td>
<td>594.3</td>
<td>–2.0</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>3,258.0</td>
<td>–0.4</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>625.9</td>
<td>–0.6</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>457.1</td>
<td>–0.5</td>
</tr>
<tr>
<td>Vermont</td>
<td>304.9</td>
<td>9.1</td>
</tr>
<tr>
<td>Employment by Industry or Sector (thousands of jobs, SA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private (Total Nonagricultural less Government)</td>
<td>5,894.9</td>
<td>0.3</td>
</tr>
<tr>
<td>Government</td>
<td>970.7</td>
<td>–2.0</td>
</tr>
<tr>
<td>Construction</td>
<td>229.1</td>
<td>–3.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>603.1</td>
<td>–5.6</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities</td>
<td>1,241.1</td>
<td>6.3</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>445.7</td>
<td>–3.4</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>901.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>1,397.9</td>
<td>0.1</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>660.0</td>
<td>–6.3</td>
</tr>
<tr>
<td>Other Services</td>
<td>257.8</td>
<td>9.3</td>
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</tbody>
</table>

#### Unemployment Rate (percent, SA)**

<table>
<thead>
<tr>
<th></th>
<th>New England</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>8.8</td>
<td>9.0</td>
</tr>
<tr>
<td>Maine</td>
<td>7.2</td>
<td>7.4</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>5.6</td>
<td>5.7</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>10.4</td>
<td>10.4</td>
</tr>
<tr>
<td>Vermont</td>
<td>5.2</td>
<td>5.5</td>
</tr>
</tbody>
</table>

#### Manufacturing Production Workers (NSA)

<table>
<thead>
<tr>
<th></th>
<th>New England</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Weekly Hours</td>
<td>40.4</td>
<td>16.1</td>
</tr>
<tr>
<td>Average Hourly Earnings (dollars)</td>
<td>21.08</td>
<td>1.1</td>
</tr>
<tr>
<td>Average Weekly Initial Claims for Unemployment Insurance (SA)</td>
<td>21,385</td>
<td>–6.5</td>
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</tbody>
</table>

#### Consumer Prices***

<table>
<thead>
<tr>
<th></th>
<th>New England</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Price Index (1982-84=100, NSA)</td>
<td>249.9</td>
<td>1.0</td>
</tr>
</tbody>
</table>

#### Income (millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2012</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Personal Income (SAAR)</td>
<td>762,124</td>
<td>1.5</td>
</tr>
<tr>
<td>Wage and Salary Disbursements (SAAR)</td>
<td>392,821</td>
<td>1.7</td>
</tr>
</tbody>
</table>

#### Merchandise Exports

<table>
<thead>
<tr>
<th></th>
<th>Q3 2012</th>
<th>Q3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Merchandise Exports (millions of dollars, NSA)</td>
<td>13,179</td>
<td>*</td>
</tr>
<tr>
<td>Connecticut</td>
<td>3,712</td>
<td>*</td>
</tr>
<tr>
<td>Maine</td>
<td>863</td>
<td>*</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>5,986</td>
<td>*</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>815</td>
<td>*</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>579</td>
<td>*</td>
</tr>
<tr>
<td>Vermont</td>
<td>1,224</td>
<td>*</td>
</tr>
</tbody>
</table>

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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.
Summary (Continued) and Employment Situation

### Real Estate

<table>
<thead>
<tr>
<th>Real Estate</th>
<th>Current Period</th>
<th>Prior Period</th>
<th>Year Earlier Period</th>
<th>Current Period</th>
<th>Prior Period</th>
<th>Year Earlier Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Price Index (1980:Q1 = 100, NSA)</td>
<td>Q3 2012</td>
<td>504.40</td>
<td>2.1</td>
<td>–1.0</td>
<td>Q3 2012</td>
<td>315.57</td>
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<tr>
<td>Connecticut</td>
<td>391.93</td>
<td>0.9</td>
<td>–1.9</td>
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<tr>
<td>Maine</td>
<td>452.34</td>
<td>2.4</td>
<td>–1.3</td>
<td></td>
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<tr>
<td>Massachusetts</td>
<td>613.27</td>
<td>2.6</td>
<td>–0.1</td>
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<td></td>
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<tr>
<td>New Hampshire</td>
<td>393.75</td>
<td>2.4</td>
<td>–1.3</td>
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<tr>
<td>Rhode Island</td>
<td>445.95</td>
<td>2.5</td>
<td>–2.6</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Vermont</td>
<td>439.04</td>
<td>1.8</td>
<td>0.4</td>
<td></td>
<td></td>
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</tbody>
</table>

### Employment Situation

#### Nonagricultural Employment

- **United States**
  - Current Period: 116.4
  - Prior Period: 115.8
  - Year Earlier Period: 116.4
- **New England**
  - Current Period: 111.6
  - Prior Period: 110.7
  - Year Earlier Period: 111.6

#### Employment by Industry

- **Construction**
  - New England: -0.5
  - United States: -0.5
- **Manufacturing**
  - New England: -0.1
  - United States: -0.1
- **Wholesale Trade**
  - New England: -0.3
  - United States: -0.3
- **Retail Trade**
  - New England: -0.2
  - United States: -0.2
- **Transportation, Warehousing, & Utilities**
  - New England: -0.3
  - United States: -0.3
- **Information**
  - New England: -0.1
  - United States: -0.1
- **Financial Activities**
  - New England: -0.2
  - United States: -0.2
- **Professional & Business Services**
  - New England: -0.3
  - United States: -0.3
- **Education & Health Services**
  - New England: -0.2
  - United States: -0.2
- **Leisure & Hospitality**
  - New England: -0.3
  - United States: -0.3
- **Other Services**
  - New England: -0.1
  - United States: -0.1
- **Government**
  - New England: -0.2
  - United States: -0.2

Source: U.S. Bureau of Labor Statistics
Employment by Supersector

Professional & Business Services Employment
Percent Change, November 2011 to November 2012

Source: U.S. Bureau of Labor Statistics

Education & Health Services 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, Unemployment Insurance, and Manufacturing Hours and Earnings

Unemployment Rate
January 2000 – November 2012
Percent

Initial Claims for Unemployment Insurance
January 2000 – November 2012
Index 1996=100

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

New England Economic Indicators

Q4 • 2012
Consumer Prices and Incomes

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

Consumer Price Index
Percent Change, November 2011 to November 2012

Total Personal Income
First Quarter 2000 – Third Quarter 2012
Percent Change From Year Earlier

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

Wage & Salary Disbursements
Percent Change, Third Quarter 2011 to Third Quarter 2012
Merchandise Exports

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
Real Estate

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

Source: McGraw-Hill Construction Dodge

Single-Family Housing Permits
January 2000 – November 2012
Index 1980=100

Source: U.S. Census Bureau

Single-Family Housing Permits
Percent Change, November 2011 to November 2012

Source: McGraw-Hill Construction Dodge

Value of Residential Construction Contracts
January 2000 – November 2012
Index 1988=100

Source: U.S. Census Bureau

Value of Residential Construction Contracts
Percent Change, November 2011 to November 2012

Source: McGraw-Hill Construction Dodge
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