

## Economic activity continued to improve through 2018

Throughout 2018, New England and the United States continued to see improvements in economic conditions. Through November 2018, employment increased and unemployment rates fell relative to one year prior. Wages increased in all six New England states, although the average pace of gains eased compared with late 2017. Through the third quarter of 2018, home prices continued to climb both regionally and nationally compared to the same period in 2017.

## Payroll Employment

### Employment grows in New England at a slightly slower pace than the nation

The United States and New England continued to post solid job gains through November 2018. Payroll employment increased 1.7 percent nationally and 1.5 percent regionally between November 2017 and November 2018 (Exhibit 1). Although employment increased over this period in five of the New England states, Vermont experienced a slight decline (-0.4 percent) in payroll employment. Within New England, Massachusetts and New Hampshire posted the strongest year-over-year job gains through November 2018, matching or outpacing the United States at 1.7 percent and 2.2 percent, respectively (Exhibit 2). Connecticut (1.4 percent), Rhode Island (1.0 percent), and Maine (1.0 percent), each saw increased payroll employment, but experienced smaller gains than the national average.

## Wage & Salary Disbursements

### Wage and salary income growth continues in the region and nation

Incomes in New England and the United States continued to grow through the first three quarters of 2018. Wage and salary disbursements, the largest component of income, were up year-over-year by 4.2 percent nationally and 2.6 percent regionally in Q3 2018 (Exhibit 3). All six New England states experienced year-over-year gains in wages and salaries, though the rate of growth ranged between 0.3 percent in Connecticut to 3.8 percent in Massachusetts.

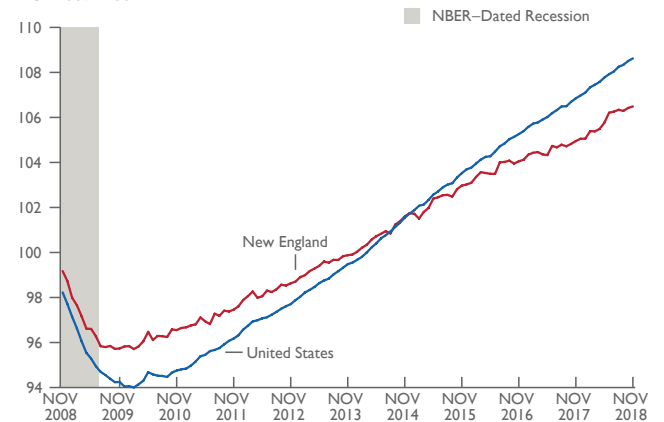
## Unemployment

### Unemployment rates declined in four New England states

Five of the six New England states saw unemployment rate declines between November 2017 and November 2018. The exception was Maine, where the unemployment rate increased 0.3 percentage points (Exhibit 4). Considering the region as a whole, the unemployment rate decreased 0.2 percentage points year-over-year, resulting in a rate of 3.5 percent, which is the lowest unemployment rate for the region since May 2001. As of November 2018, New Hampshire retained the lowest unemployment rate in the region at 2.5 percent, followed by Vermont at 2.7 percent. Only two states, Connecticut (4.1 percent) and Rhode Island (3.8 percent), had

## Exhibit 1 Nonagricultural Employment

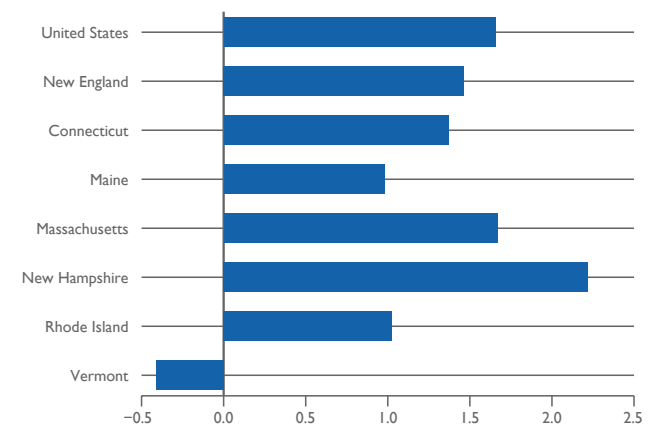
November 2008 – November 2018  
Index 2007=100



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

## Exhibit 2 Nonagricultural Employment

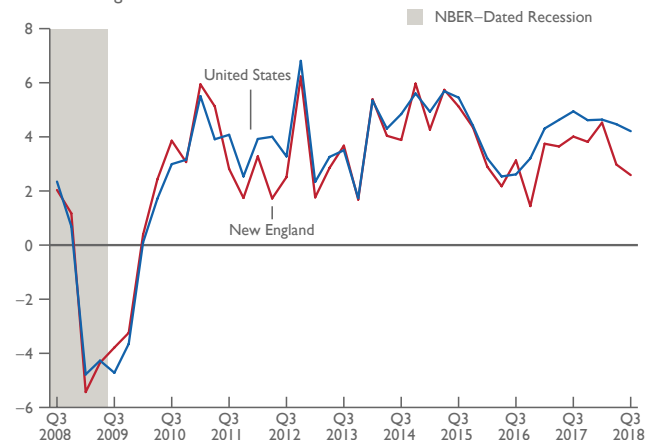
Percent Change, November 2017 to November 2018



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

## Exhibit 3 Wage & Salary Disbursements

Percent Change From Year Earlier



Source: U.S. Bureau of Economic Analysis.

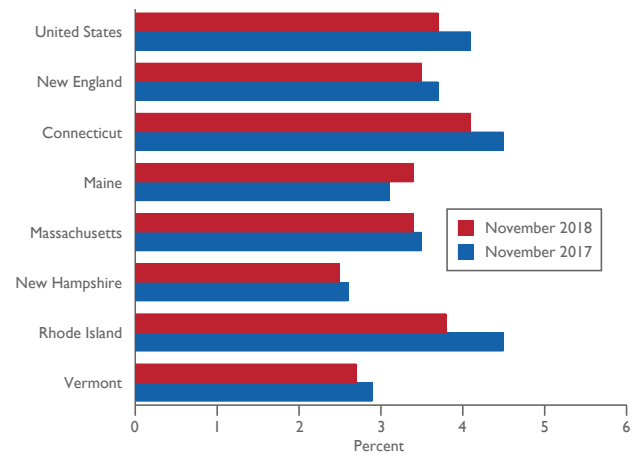
unemployment rates that exceeded the national rate (3.7 percent). Within the region, Rhode Island posted the largest decline (0.7 percentage points) in unemployment, bringing the unemployment rate in Rhode Island for November (and October) 2018 to its lowest rate since May 1989.

## Home Prices

### Rhode Island records the fastest house price growth in the region

Home prices continued to rise in the nation and region, with national growth rates still exceeding regional rates (Exhibit 5). Between the third quarter of 2017 and the third quarter of 2018, home prices increased 6.6 percent nationally and 5.2 percent regionally. All six New England states reported positive house price growth year-over-year (Exhibit 6), but Rhode Island and New Hampshire were the only New England states to outpace the national price growth at 7.3 percent and 6.7 percent, respectively. House price growth in Connecticut (1.9 percent) was the lowest in the region over the period considered.

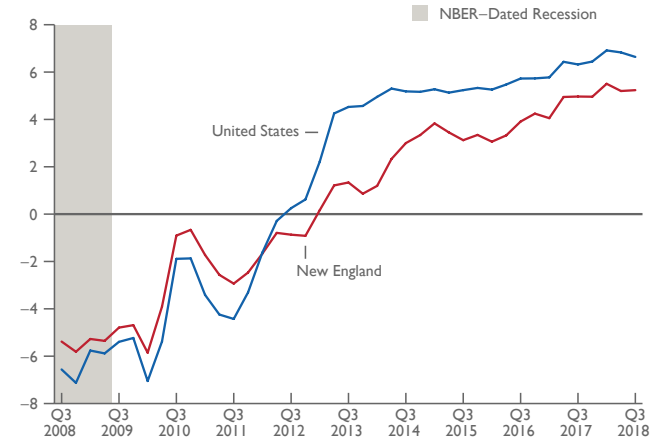
## Exhibit 4 Unemployment Rates



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

## Exhibit 5 FHFA House Price Index

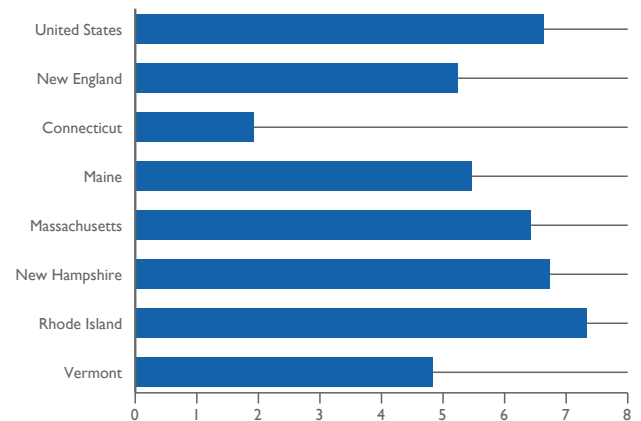
Percent Change From Year Earlier



Source: Federal Housing Finance Agency.

## Exhibit 6 FHFA House Price Index

Percent Change, Third Quarter 2017 to Third Quarter 2018



Source: Federal Housing Finance Agency.

New England Economic

# INDICATORS

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

New England Economic Indicators aggregates data released prior to December 28, 2018.

Visit the New England Economic Indicators' webpage and explore its new interactive application. Easily compare, contrast, and download economic data across New England with a few simple clicks: [www.bostonfed.org/publications/new-england-economic-indicators](http://www.bostonfed.org/publications/new-england-economic-indicators).

