

Economic activity continued to improve through November 2019

Both the New England region and the United States as a whole experienced further improvements in economic conditions. Through November 2019, payroll employment increased and unemployment rates fell relative to one year prior. The pace of wage and salary growth accelerated through the third quarter of 2019 compared with growth rates observed in late 2018. Home prices in the region and nation appreciated compared to the same period considered in 2018, albeit at a more moderate pace than was recorded one year prior.

Payroll Employment

Employment grew in New England at a slower pace than across the nation

The United States and New England experienced ongoing increases in payroll employment through November 2019. Payrolls increased 1.5 percent nationally and 1.0 percent regionally between November 2018 and November 2019 (Exhibit 1). Within New England, Rhode Island (2.2 percent) posted the strongest year-over-year job gains through November 2019, surpassing the national rate (Exhibit 2). Connecticut (0.4 percent), Maine (1.1 percent), Massachusetts (1.2 percent), and New Hampshire (0.8 percent) each saw gains in payroll employment, but experienced smaller gains than the national average. Vermont registered a modest decline in payroll employment of 0.1 percent year-over-year.

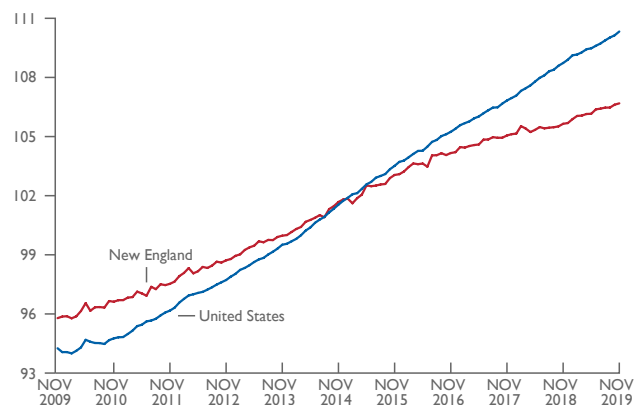
Wage & Salary Disbursements

Wage and salary growth accelerates in the region and nation

Incomes from wages and salaries in New England and the United States notched impressive gains into the third quarter of 2019. Wage and salary disbursements, the largest component of income, were up year-over-year by 4.6 percent nationally and 4.5 percent regionally in Q3 2019 (Exhibit 3). These growth rates, respectively, were significantly higher than those observed in Q3 2018. All six New England states experienced year-over-year gains in wages and salaries, although the rates varied considerably, from 2.5 percent in Connecticut to 6.1 percent in Rhode Island.

Exhibit 1 Nonagricultural Employment

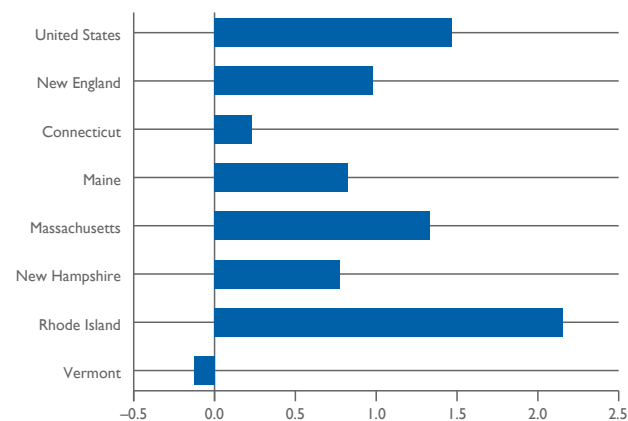
November 2009 – November 2019
Index 2007=100



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

Exhibit 2 Nonagricultural Employment

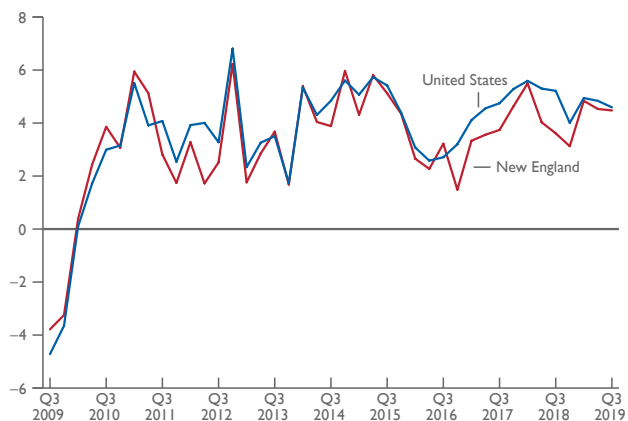
Percent Change, November 2018 to November 2019



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

Unemployment rates declined in five New England states relative to one year prior

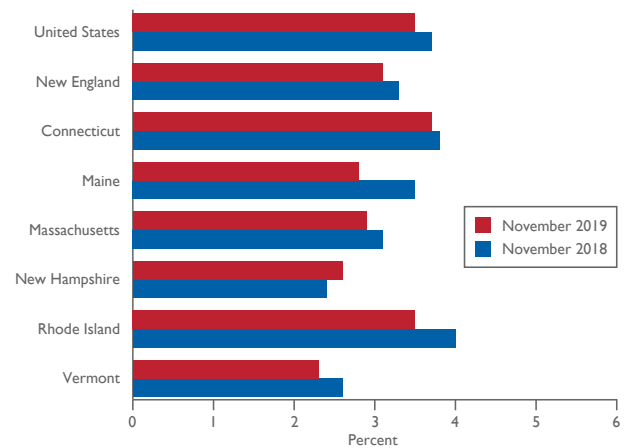
Five of the six New England states saw unemployment rate declines between November 2018 and November 2019, with Maine posting the largest decline (0.7 percentage points) (Exhibit 4). The exception was New Hampshire, where the unemployment rate ticked up 0.2 percentage points to 2.6 percent over the same period. The region as a whole experienced a year-over-year decrease in the unemployment rate of 0.2 percentage points, landing at 3.1 percent in November 2019, not far above the all-time low unemployment rate for the region. The rate in Rhode Island decreased 0.5 percentage points to land at 3.5 percent, the same as the national rate. Vermont, at 2.3 percent, had the lowest unemployment rate in the region. Connecticut, at 3.7 percent, was the lone New England state that posted a higher unemployment rate than the nation as a whole.

Home Prices

Maine recorded the fastest house price growth in the region

Home prices continued to rise in the nation and region, with the national growth rate still exceeding the regional rate, but by the smallest margin in recent years (Exhibit 5). Between the third quarter of 2018 and the third quarter of 2019, home prices increased 4.6 percent nationally and 4.2 percent regionally. All six New England states reported year-over-year appreciation in house prices (Exhibit 6), but in all cases the average pace of gains eased from previous quarters. House price growth in Connecticut (2.9 percent) was the lowest in the region over the period considered. Maine (5.9 percent) and New Hampshire (5.2 percent) were the only New England states to outpace the national average house price growth rate (4.6 percent).

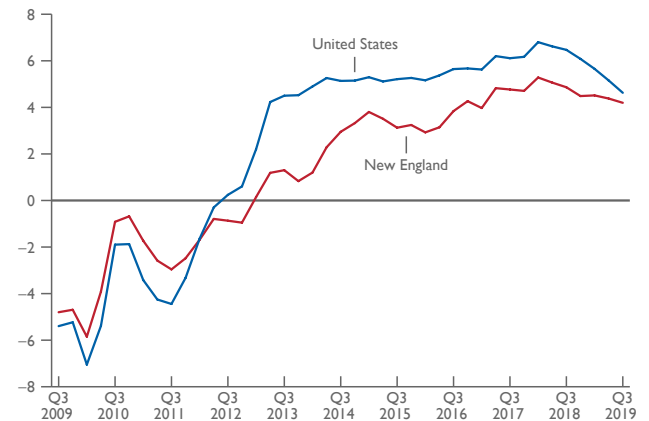
Exhibit 4 Unemployment Rates



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

Exhibit 5 FHFA House Price Index

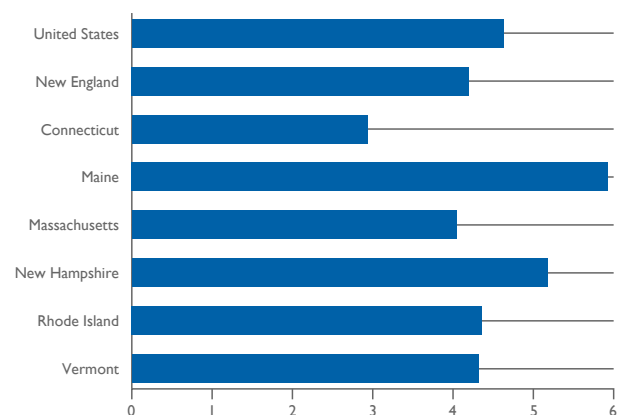
Percent Change From Year Earlier



Source: Federal Housing Finance Agency.

Exhibit 6 FHFA House Price Index

Percent Change, Third Quarter 2018 to Third Quarter 2019



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 23, 2019.

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.

