

Through November 2021, both the New England region and the United States experienced substantial improvements in economic conditions relative to November 2020.

Payroll employment increased and unemployment rates fell relative to one year prior, although these indicators continued to differ from their pre-pandemic levels. Leisure & hospitality employment experienced the largest gains among supersectors in the nation and region. Through the third quarter of 2021, wage and salary income was higher nationally and across all New England states compared to the same period in 2020.

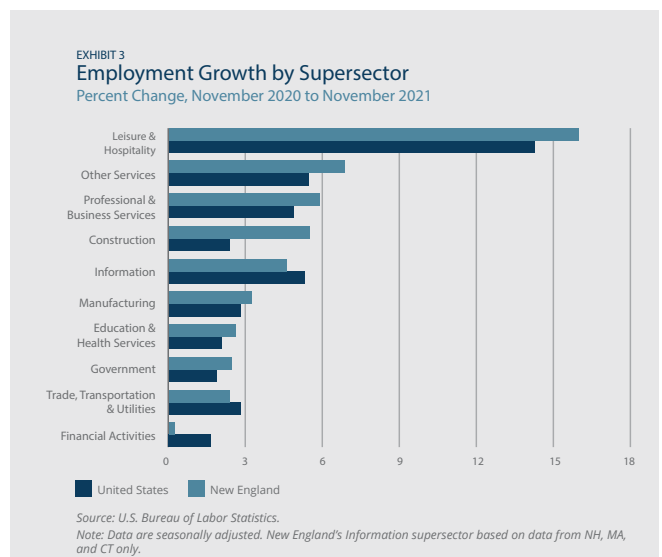
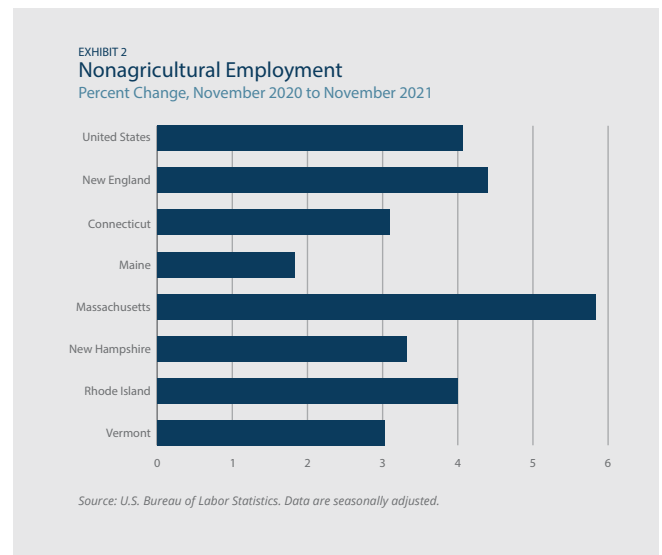
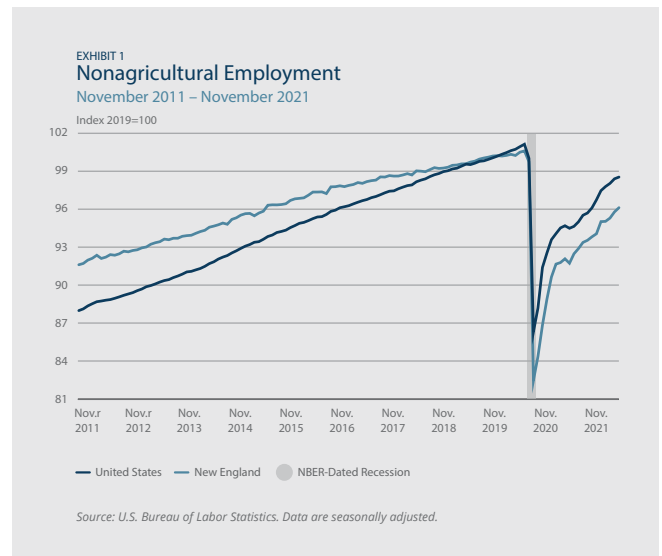
Payroll Employment

Employment growth lagged the national pace in five of the six New England states

The United States and New England experienced large gains in payroll employment through November 2021 relative to November 2020, but payrolls nonetheless continued to lag pre-pandemic levels (Exhibit 1). Jobs increased 4.1 percent nationally and 4.4 percent regionally over the year to November 2021 (Exhibit 2). Within New England, Massachusetts was the lone state to post a job growth rate that exceeded the national average (5.8 percent). Payroll employment in each of the New England states remains below its pre-pandemic level in February 2020, with the gaps ranging from -3.3 percent in New Hampshire to -5.9 percent in Vermont.

Leisure & hospitality jobs rebounded more rapidly in New England than in the U.S.

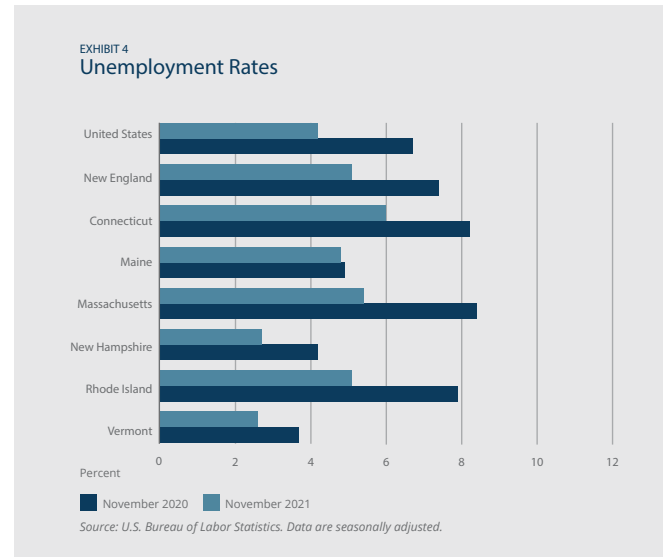
In November 2021, employment increased year-over-year in every supersector in New England and the United States (Exhibit 3). The leisure & hospitality supersector had the largest increases both regionally (16.0 percent) and nationally (14.3 percent). Employment in the leisure & hospitality supersector remains below February 2020 levels in each of the six New England states, ranging from -4.1 percent in New Hampshire to -20.3 percent in Vermont. Year-over-year regional gains in the information, financial activities, and trade, transportation & utilities were smaller than the corresponding national gains. For all other supersectors, regional employment growth exceeded national employment growth.



Unemployment

Unemployment rates continued to drop in five of the six New England states

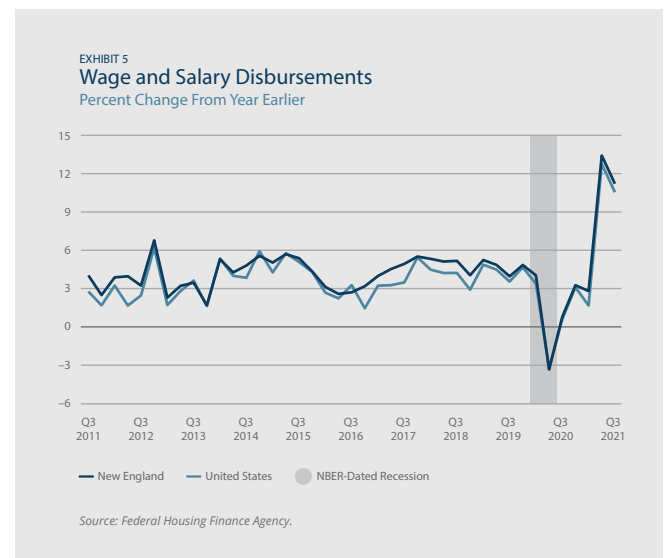
In November 2021, the unemployment rate was 4.2 percent in the United States and 5.1 percent in the region. All six New England states saw unemployment rate declines between November 2020 and November 2021, but the rate in Massachusetts has risen 0.5 percentage point since July 2021. Despite the recent uptick, Massachusetts posted the largest year-over-year decline of 3.0 percentage points, landing at 5.4 percent (Exhibit 4). The unemployment rate in Connecticut (6.0 percent), Maine (4.8 percent), and Rhode Island (5.1 percent) also exceeded the national average. New Hampshire (2.7 percent) and Vermont (2.6 percent) posted rates below the national average.



Income

Wage and salary income continues to rise

Incomes in New England and the United States grew in the third quarter of 2021 relative to 2020. Wage and salary disbursements, the largest component of income, increased year-over-year by 11.2 percent nationally and 10.6 percent regionally in the third quarter of 2021 (Exhibit 5). Wage and salary growth in the New England states ranged from 9.0 percent in Vermont to 14.0 percent in New Hampshire.



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

New England Economic Indicators aggregates data released prior to December 27, 2021.

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.

