Economic Update: Nation, New England, New Hampshire

Presented at the Joint Economic and Fiscal Briefing to New Hampshire Senate and House Ways and Means and Finance Committees

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Disclaimer: The views expressed here are those of the speaker and do not necessarily represent the views of the Federal Reserve Bank of Boston or the Federal Reserve System.

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Key Questions to Address

- What are the recent labor market conditions?
- How have home prices changed?
- What is the inflation level?
- How do consumers feel about the economy?
- What are the national economic projections?
Non-agricultural Employment

Indexed to Pre-recession Peaks

Source: Bureau of Labor Statistics, NBER, Haver Analytics
Employment Growth by Industry

Percent Change, November 2017 - November 2018

- Construction: 3.8% (US), 4.3% (NE)
- Professional & Business Services: 2.7% (US), 3.3% (NE)
- Other Services: 1.1% (US), 2.1% (NE)
- Education & Health: 1.6% (US), 1.9% (NE)
- Manufacturing: 2.2% (US), 1.4% (NE)
- Leisure & Hospitality: 1.7% (US), 1.3% (NE)
- Finance: 1.3% (US), 1.1% (NE)
- Information: -0.6% (US), 0.9% (NE)
- Wholesale Trade: 0.8% (US), 1.6% (NE)
- Transportation, Warehousing, and Utilities: 0.6% (US), 0.3% (NE)
- Retail Trade: 0.2% (US), 0.3% (NE)
- Government: -0.2% (US), 0.3% (NE)

Source: Bureau of Labor Statistics, Haver Analytics
Employment Growth by Industry

Percent Change, November 2017 - November 2018

Source: Bureau of Labor Statistics, NBER, Haver Analytics
Employment Growth by Industry

Percent Change, November 2017 - November 2018

Source: Bureau of Labor Statistics, NBER, Haver Analytics
Unemployment Rate

Source: Bureau of Labor Statistics, Haver Analytics
Unemployment Rates within New England

<table>
<thead>
<tr>
<th>State</th>
<th>Nov‐17</th>
<th>Nov‐18</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>4.2</td>
<td>3.7</td>
</tr>
<tr>
<td>New England</td>
<td>3.7</td>
<td>3.5</td>
</tr>
<tr>
<td>Connecticut</td>
<td>4.5</td>
<td>4.1</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>4.5</td>
<td>3.8</td>
</tr>
<tr>
<td>Maine</td>
<td>3.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Massachussetts</td>
<td>3.4</td>
<td>3.5</td>
</tr>
<tr>
<td>Vermont</td>
<td>2.9</td>
<td>2.7</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>2.6</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics, Haver Analytics
U-6 Rate (4-Quarter Average)

Source: Bureau of Labor Statistics, NBER, Haver Analytics
Note: U-6 includes total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.
Labor Force Participation Rate

Source: Bureau of Labor Statistics, NBER, Haver Analytics
Note: Data are seasonally adjusted.
Housing Price Change within New England

Percent Change, Q3 2017- Q3 2018

- **United States**: 6.3%
- **New England**: 4.8%
- **Rhode Island**: 8.5%
- **New Hampshire**: 6.1%
- **Massachusetts**: 5.2%
- **Vermont**: 5.2%
- **Maine**: 5.2%
- **Connecticut**: 2.2%

Source: FHFA, Haver Analytics
 Indexed to Pre-recession Peaks

Source: FHFA, Haver Analytics
Components of the Consumer Price Index

Percent Change, November 2017 - November 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>US</th>
<th>Boston</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Items</td>
<td>2.2</td>
<td>3.2</td>
</tr>
<tr>
<td>All Items, Less Food and Energy</td>
<td>2.2</td>
<td>3.1</td>
</tr>
<tr>
<td>Fuel &amp; Utilities</td>
<td>1.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Shelter</td>
<td>3.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Transportation</td>
<td>2.9</td>
<td>4.2</td>
</tr>
<tr>
<td>Recreation</td>
<td>0.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Food</td>
<td>1.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Education and Communication</td>
<td>0.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Medical Care</td>
<td>1.5</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics, Haver Analytics
Note: The Boston-Cambridge-Newton, MA-NH Core Based Statistical Area covered in this measure is comprised of five counties in Massachusetts (Essex, Middlesex, Norfolk, Plymouth, and Suffolk Counties) and two counties in New Hampshire (Rockingham and Strafford Counties).
Source: The Conference Board, Haver Analytics
Projections for Change in Real GDP

Source: Federal Open Market Committee Minutes, December 18-19, 2018
Projections for Unemployment Rate

Source: Federal Open Market Committee Minutes, December 18-19, 2018
Projections for Inflation

Source: Federal Open Market Committee Minutes, December 18-19, 2018